

Socio-Economic Report

Application for Planning Permission for Removal of
Drilling Fluids and an Extended Well Test

Lower Stumble Exploration Site, London Road,
Balcombe, Haywards Heath

Angus Energy Ltd

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Quality information

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1. Introduction

1.1 Context

This report has been prepared by AECOM Limited on behalf of Angus Energy Ltd to assess the potential socio-economic impacts of the proposed development at Lower Stumble Exploration Site, Balcombe. To understand the full context of the proposed development, this report should be read in conjunction with the planning statement which accompanies the planning application and which contains:

- a detailed description of the proposed development (section 4);
- reference to a full suite of development plans and drawings; and
- a summary of other reports/assessments undertaken in relation to the proposed development, which may be relevant.

A full description of the site and its surroundings is given in section 1 of the Planning Statement.

The site is located within the administrative boundaries of West Sussex County Council (WSSCC) and Mid Sussex District Council (MSDC). WSSCC is the Mineral Planning Authority (MPA) that will determine the planning application.

1.2 Scope and Aims

This report considers the existing economic situation and the potential social and economic benefits of the proposed development. The assessment focuses on those elements of the proposed development that are expected to give rise to significant impacts, and would be primarily related to:

- national economic and social benefits that the UK as a whole derives;
- direct and indirect job creation (site operatives, contractors, haulage, etc);
- contributions to the local economy through the payment of wages and 3rd party suppliers; and
- supporting the local economy by purchasing local goods and services, including investment in new plant equipment, site infrastructure and set up works.

Although these are primarily economic in nature, they also have some social implications in the communities in which the site is located or in which it will have an impact. As there is no generally recognised methodology in local or national planning guidance for quantitatively assessing the significance of such potential socio-economic impacts, the following assessment is primarily qualitative.

1.3 Structure

The remainder of this report is structured as follows:

- national policy context;
- regional policy context;
- local policy context;
- assessment of the need for the development – national considerations;
- assessment of the need for the development – the impact upon the local economy; and
- summary and conclusions.

2. National Policy Context

2.1 Introduction

This chapter summarises the following national policy documents in chronological order:

- National Planning Policy Framework (NPPF) updated 2019;
- Climate Change Act 2008 (2050 Target Amendment) Order 2019;
- Committee on Climate Change – Net Zero Report 2019;
- Written Ministerial Statements 2018 and 2019;
- Annual Energy Statement 2014;
- Planning Practice Guidance (PPG) 2014;
- Energy Security Strategy 2012; and
- Overarching National Policy Statement for Energy (EN-1) 2011.

2.2 National Planning Policy Framework (NPPF) 2019

A revised and updated NPPF was published in June 2019. This sets out the Government's planning policies for England and is a material planning consideration in the determination of planning applications.

Sustainable Development

Paragraph 7 states that the purpose of the planning system is to contribute to the achievement of sustainable development. Paragraph 8 identifies three objectives to sustainable development: an economic objective - contributing to building a strong, responsive and competitive economy; a social objective - supporting strong, vibrant and healthy communities; and an environmental role - contributing to protecting and enhancing the natural, built and historic environment, using natural resources prudently, minimising waste and pollution and mitigating climate change including transitioning to a low carbon economy.

Paragraph 7 adds that these objectives should not be undertaken in isolation because they are interdependent and need to be pursued in mutually supportive ways to secure net gains across the three different objectives.

Paragraph 11 provides for a presumption in favour of sustainable development. For decision-taking this means approving development proposals that accord with an up-to-date development plan without delay (paragraph 11(c)). That presumption is engaged in this case.

Paragraph 11(d) states that where there are no relevant development plan policies or where the policies which are most important for determining the planning application are out-of-date, decision-makers should grant planning permission unless the application of policies in the Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole.

Building a Strong, Competitive Economy

Paragraph 80 states that significant weight should be placed on the need to support economic growth and productivity, which includes taking into account local business needs and wider opportunities for development.

To ensure that the planning process supports growth of a prosperous rural economy, paragraph 81 of the NPPF states (inter alia):

“Planning policies and decisions should enable:

a) the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed new buildings;

b) the development and diversification of agricultural and other land-based rural businesses;

c) sustainable rural tourism and leisure developments which respect the character of the countryside; and

d) the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.”

Paragraph 82 adds that planning decisions should address the specific locational requirements of different sectors. With regard to supporting a prosperous rural economy, paragraph 83 states that planning decisions should enable sustainable growth and expansion of all types of business.

Paragraph 84 goes on to state:

“Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements, and in locations that are not well served by public transport. In these circumstances it will be important to ensure that development is sensitive to its surroundings, does not have an unacceptable impact on local roads and exploits any opportunities to make a location more sustainable (for example by improving the scope for access on foot, by cycling or by public transport). The use of previously developed land, and sites that are physically well-related to existing settlements, should be encouraged where suitable opportunities exist.”

The proposed development is located within the countryside and enables sustainable growth and expansion. The potential to exploit indigenous hydrocarbons will help contribute to creating jobs and prosperity. It will also assist with the twin challenges of global competition by reducing the growing level of oil imports from abroad and assisting in meeting the continuing need for oil as the UK transitions to a low carbon economy.

Effective Use of Land

Paragraph 117 states that planning decisions should promote an effective use of land. As the proposed development is situated on an exploratory well has already been drilled, and is safeguarded under WSCC planning policy for oil and gas exploration and production (see Section 4.3) it is considered an effective use of land and is therefore in compliance with Paragraph 117 of the NPPF.

Facilitating the Sustainable Use of Minerals

Paragraph 203 states:

“It is essential that there is a sufficient supply of minerals to provide the infrastructure, buildings, energy and goods that the country needs. Since minerals are a finite resource, and can only be worked where they are found, best use needs to be made of them to secure their long-term conservation.”

Paragraph 205 adds that when determining planning applications, great weight should be given to the benefits of mineral extraction, including to the economy. When considering proposals for mineral extraction, mineral planning authorities should:

Ensure that there is no unacceptable adverse impact on the natural or historic environment and human health;

Ensure that any unavoidable noise, dust and particle emissions are controlled, mitigated or removed at source and to establish appropriate noise limits for extraction in proximity to noise sensitive properties;

Provide for restoration and aftercare at the earliest opportunity, to be carried out to high environmental standards.

Both conventional and unconventional hydrocarbons are considered to be minerals of local and national importance by Government (Annex 2: Glossary of the NPPF). As stated above, minerals can only be worked where they are found. The drilling for hydrocarbons is permitted subject to the Oil and Gas Authority issuing a licence under the Petroleum Act 1998.

An exploration well was first drilled in 2013 for oil and gas. Hydrocarbons are essential not only in contributing to the UK's energy supply but also critical in relation to the supply of materials and products we use every day, such as chemicals, computers and medical products. The proposed development will allow the operator to review technical data to determine whether viable minerals are recoverable from the site. Therefore the proposal is in compliance with paragraph 203.

Secondly, the principal of exploratory drilling and testing for hydrocarbon exploration at Balcombe is accepted as the Council granted planning permission for the exploratory drill in 2013. During and following site construction, and the subsequent exploration and testing phases, Angus are not aware of any previous complaints or concerns raised by residents or statutory consultees arising from traffic movements, noise and vibration, dust, seismicity, visual impact, hydrology, pollution control, ecology, flooding, drainage or waste management.

The proposals will contribute to the local, regional and national economy, and should viable oil and gas reserves be discovered, potential future development will also contribute to the economy. The NPPF states that mineral extraction is permitted provided that there are suitable environmental protection measures, which have been implemented under previous planning permissions at the site.

Angus are committed to restoring the Site in accordance with current decommissioning guidelines, which will be subject to examination by an independent well examiner and other regulatory regimes once complete. The proposed development is therefore in compliance with paragraph 205 of the NPPF.

Fundamental principles underpinning the NPPF are the need to deliver sustainable development and build a strong, competitive economy nationwide. The Government's overall commitment is to secure economic growth aimed at the creation of jobs and prosperity, building on the country's inherent strengths and meeting the twin challenges of global competition and providing a low carbon future. To achieve this, the Government is committed to ensuring that the planning system encourages sustainable economic growth and does not impede it.

2.3 Climate Change Act 2008 (2050 Target Amendment) Order 2019

In July 2019, the Government passed an amendment Order which set a target of a 100% reduction in net UK emissions of targeted greenhouse gasses by 2050.

2.4 Committee on Climate Change – Net Zero Report: the UK's Contribution to Stopping Global Warming (2019)

This report by the CCC published in May 2019 reassesses the UK's long-term emissions target at the request of the Governments of the UK, Scotland and Wales. It recommended a new emissions target for the UK of net-zero greenhouse gases by 2050 which will deliver on the commitment made by the UK Government in signing the Paris Agreement. This is only possible if clear, stable and well-designed policies to reduce emissions further are introduced without delay.

Even with Net Zero 2050, the CCC has forecast that the UK will still require 140 Terawatt hours (TWH) of oil per annum – equivalent to 82 million barrels of oil equivalent (bboe) - in 2050, of which just 10% would be dependent on imported oil. In 2017, the UK required 752 TWH of oil (442 million bboe), of which 16% was imported. Whilst the overall consumption of oil in the UK is forecast to fall significantly by 2050, therefore, the CCC's forecast anticipates a continuing need for approximately 74 million bboe per annum from indigenous sources.

In the report, the CCC states clearly that offshoring of greenhouse gas emissions is not acceptable. The policy framework to reduce UK industry emissions must ensure that it does not drive industry overseas, which would not help to reduce global emissions. Accordingly, the CCC's report continues to endorse current Government policy that the UK needs a secure long-term supply of natural gas and oil to meet our net zero targets. Therefore, the proposed development at the Balcombe wellsite will potentially enable a small but important contribution to helping maintain the UK's security of supply and reducing the country's needs for imports.

The CCC states in its technical report that net zero emissions would constitute the UK's 'highest possible ambition' as called for by Article 4 of the Paris Agreement. The CCC does not currently consider it credible to aim to reach net-zero emissions earlier than 2050.

2.5 Written Ministerial Statements

Paragraph 6 of the NPPF states:

“Other statements of government policy may be material when preparing plans or deciding applications, such as relevant Written Ministerial Statements and endorsed recommendations of the National Infrastructure Commission.”

May 2019 WMS

The 2019 WMS was published in May 2019 following the judgment of Mr Justice Dove in the case of Stephenson vs SoS MHCLG [2019] EHC 519 (Admin). That judgment quashed paragraph 209(a) of the NPPF.

Despite this, the Government reiterated its commitment to the development of onshore oil and gas. The WMS confirmed that hydrocarbons were considered a mineral and so 'Chapter 17: Facilitating the Use Of Minerals' still

applies. It added that the WMS of 2018 and the PPG remain in place. The Government highlighted again its commitment to the sustainable development of onshore shale gas resources and its commitment to indigenous fossil fuels.

May 2018 WMS

The 2018 WMS was again a joint statement between the Secretary of State for Business, Energy and Industrial Strategy (BEIS) and the Secretary of State for Housing, Communities and Local Government. Its principal objective concerned the need for shale gas to contribute to the UK's energy needs. It also set out the planning approach to shale gas. It reiterated the policy from the NPPF by stating that great weight should be given by local authorities to the benefits of mineral extraction. It added that the Government had set out definitions for 'fracking'.

The proposed development does not involve fracking and can be considered 'conventional'.

2.6 Annual Energy Statement (2014)

Published by the DECC on 6 November 2014, the AES sets out the Government's progress against its energy policy priorities, namely:

- “ii. Supporting consumers and keeping energy bills down;*
- iii. Supporting investment in the UK's energy infrastructure; and*
- iv. Promoting action in the EU and internationally to maintain energy security and mitigate dangerous climate change as we chart towards a global deal on climate change in 2015.”*

It is considered that the proposed development will support the AES's three main aims by appraising and, thereby, enabling the potential production of indigenous oil reserves which, in turn, will help to maintain a security of supply and contribute towards the UK's transition to a low carbon economy. Providing indigenous oil and gas reserves, which can be connected into the electricity grid, helps keep energy bills down for the consumer.

2.7 Planning Practice Guidance (PPG) 2014

On 6th March 2014, the formerly named Department for Communities and Local Government launched the Planning Practice Guidance (PPG) Resource. The PPG seeks to make new planning guidance easier and simpler for practitioners and the public and should be read in conjunction with the national policy contained within the NPPF. The suite of PPGs does not have the status of policy but they are an important material consideration in the determination of planning applications.

PPG: Minerals

Planning Practice Guidance confirms that minerals 'make an essential contribution to the Country's prosperity and quality of life'. Section 3 of the Minerals PPG states that:

“Mineral planning authorities are encouraged to plan for minerals extraction using Ordnance Survey-based proposals maps and relevant evidence provided by the minerals industry and other appropriate bodies. This approach will allow mineral planning authorities to highlight areas where mineral extraction is expected to take place, as well as managing potentially conflicting objective for use of land.”

Section 3 advises mineral planning authorities that they should plan for the steady and adequate supply of minerals in one or more of the following ways:

- “1. Designating Specific Sites – where viable resources are known to exist, landowners are supportive of minerals development and the proposal is likely to be acceptable in planning terms. Such sites may also include essential operations associated with mineral extraction;*
- 2. Designating Preferred Areas, where are areas of known resources where planning permission might reasonably be anticipated. Such areas may also include essential operations associated with mineral extraction; and/or;*
- 3. Designating Areas of search – areas where knowledge of mineral resources may be less certain but within which planning permission may be granted, particularly if there is a potential shortfall in supply.”*

Paragraphs 91 to 128 relate specifically to hydrocarbon extraction.

Paragraph 93 notes that planning permission is required for each phase of hydrocarbon extraction, while paragraph 94 notes that applications can cover more than one phase and paragraph 118 notes that both vertical and horizontal drilling can be included in one application.

Paragraph 95 explains that the exploratory phase of hydrocarbon extraction:

“seeks to acquire geological data to establish whether hydrocarbons are present. It may involve seismic surveys, exploratory drilling and, in the case of shale gas, hydraulic fracturing.”

Paragraph 100 explains that the appraisal phase

“...can take several forms including additional seismic work, longer-term flow tests, or the drilling of further wells. This may involve additional drilling at another site away from the exploration site or additional wells at the original exploration site...Much will depend on the size and complexity of the hydrocarbon reservoir involved.”

Paragraph 124 states that account should be taken of national energy policy, making clear that “energy supplies come from a variety of sources” including onshore oil and gas, as set out the Annual Energy Statement (dated October 2013).

PPG Natural Environment

PPG: Natural Environment examines key issues in implementing policies to protect and enhance natural environment, including landscape.

Paragraph 001 states that “planning should recognise the intrinsic character and beauty of the countryside.”

Paragraph 007 explains the statutory responsibilities of planning authorities in determining applications and, at its core, a duty to “contribute to conserving the natural environment and reducing pollution.”

Paragraph 008 requires local planning authorities to “consider the opportunities that individual development proposals may provide to enhance biodiversity and contribute to wildlife and habitat connectivity in the wider area.”

Paragraph 024 states that the “planning system should protect and enhance valued soils and prevent the adverse effects of unacceptable levels of pollution”.

Local planning authorities should have regard to designated areas and have regard to management plans for AONBs (paragraph 39). Paragraph 40 notes:

“Management plans for National Parks, the Broads and Areas of Outstanding Natural Beauty do not form part of the statutory development plan, but they help to set out the strategic context for development. They provide evidence of the value and special qualities of these areas, provide a basis for cross-organisational work to support the purposes of their designation and show how management activities contribute to their protection, enhancement and enjoyment. They may contain information which is relevant when preparing plan policies, or which is a material consideration when assessing planning applications”

2.8 Energy Security Strategy (2012)

In November 2012, the Department of Energy and Climate Change published the Government’s future strategy for energy security. It acknowledges that North Sea oil and gas has brought significant energy security as well as commercial benefits to the UK. UK production still provides the equivalent of 72% of our oil use and 55% of our net gas use but by 2020, it forecast that the UK will be a net importer of 43% of the UK oil demand and 53% of gas demand.

2.9 Overarching National Policy Statement for Energy (EN-1) (2011)

EN-1 was published by the formerly named Department of Energy and Climate Change in July 2011 to provide national policy for consideration of proposals for energy infrastructure dealt with by what was formerly the Infrastructure Planning Commission (now the Planning Inspectorate (PINS)), under the provisions of the Planning Act 2008. The Statement can be considered to be a material consideration in the determination of planning applications. Paragraph 5 of the NPPF confirms this and states:

“...National policy statements form part of the overall framework of national planning policy and may be a material consideration in preparing plans and making decisions on planning applications.”

Paragraph 2.2.20 states that it is critical that the UK continues to have secure and reliable supplies of energy as the UK makes the transition to a low carbon economy. It goes on to say that the country needs a diverse mix of technologies and fuels so the UK does not rely on one sole technology. Paragraph 2.2.23 acknowledges that the UK should reduce its dependence on fossil fuels but that they are essential during the transition. Paragraph 2.2.25 highlights the security supply challenges, which states that the oil and gas production and supply are being increasingly politicised.

The proposed development is considered to be in accordance with EN-1 as it will determine whether fossil fuels are present at the site, which could potentially contribute towards the UK's transition to a low carbon economy by providing indigenous fossil fuels. In addition, the proposed development could identify reserves which will help to contribute towards the security of supply by providing indigenous resources, thereby not relying on other countries for the UK's energy needs.

3. Regional Energy and Economic Policy

3.1 Introduction

This section refers to the following regional policy documents:

- Energy South2East Local Energy Strategy – South East Local Enterprise Partnership (LEP) (2018);
- Energy South2East Action Plan and Project Model; and
- the Coast to Capital Gatwick 360° Strategic Economic Plan 2018-2030.

3.2 Regional Energy Policy

3.2.1 Energy South2East Local Energy Strategy – South East Local Enterprise Partnership (2018)

The South2East Local Energy Strategy was published in March 2019 and was developed by three Local Enterprise Partnerships (LEPs) - Coast to Capital (C2C), Enterprise M3 (EM3) and South East LEP (SELEP). The strategy was launched to help meet the UK's statutory climate change targets from 2032 and 2050 and covers a geographic area from Essex to Hampshire, representing a large area of the south east of England. The Strategy is accompanied by a detailed action plan and project models to provide a pathway for delivery and achieving the vision for clean growth.

The vision for energy in the tri-LEP region is: *“To become a leader for sustainable energy production within the UK, powering innovative, decarbonised and clean economic growth”*.

The Energy Strategy has two main goals which include the tri-LEP region playing a leading role in the United Kingdom's decarbonisation efforts by making targeted interventions to reduce emissions in the electricity, heat and transport sectors, and to foster 'clean growth' by supporting public and private sector investments in novel low carbon technologies to take advantage of the opportunities presented by the emerging low carbon economy LEPs of England.

The Strategy identifies five strategic objectives as follows:

“The energy strategy will:

- 1. enable the tri-LEP region to decarbonise in line with the national trajectory as set down in the Climate Change Act.*
- 2. position the tri-LEP region as a centre for innovation in the low carbon sector; where new concepts and technologies are demonstrated and commercialised to drive clean growth.*
- 3. foster clean growth across the region, supporting fledgling low carbon businesses to evolve and prosper.*
- 4. ensure that all energy produced, distributed and consumed across the region is clean and low-carbon.*
- 5. ensure that local people and society are beneficiaries of the energy strategy and its delivery, both directly and indirectly.”*

The Strategy goes on to state that in 2015, the total domestic demand for electricity, gas and other fuels across the tri-LEP region was 48GWh. The low carbon electricity sector generated over £12 billion in turnover and directly supported 47,000 jobs, with more in supply chains.

The UK's commitment through the current UK Carbon Budget requires an achievement of an overall 57% reduction in CO₂ emissions from 1990 to 2032.

In relation to supplying future demand, the Strategy goes on to explain that by 2032, the tri-LEP region needs to have in place clean power generation capability to supply approximately 47,455 GWh, otherwise the region will not meet its 2032 Carbon Budget levels or potentially, the energy demand requirements of the region.

It is acknowledged within the Strategy that the South East ranks third in England for the amount of electricity generated from renewable sources, but that the economic value of energy produced in the tri-LEP region is not

retained, partly due to the fact that the community has little to no equity in the energy generation infrastructure in their area.

One of the key challenges that prevents growth and development is congested electricity distribution grids, which significantly limits new connections, particularly for generation projects.

3.2.2 Energy South2East Action Plan and Project Models

The Project Models form the basis of the Action Plan and are the tangible means of meeting the five Strategic Objectives identified within the Local Energy Strategy. The Action Plan and Models states that by 2032 the tri-LEP region aims to achieve:

- secured investment in the region of £14.755 billion in commercially and technically viable projects that deliver healthy returns to stakeholders;
- delivered a reduction in CO₂ emissions across the electricity, heat and transport sectors of 13,615 kT CO₂e; and
- transition of 47,455 GWh of energy from polluting, high carbon generation sources to clean energy sources and create or secure 75,652 jobs across the tri-LEP area.

3.3 Regional Economic Policy

3.3.1 The Coast to Capital Gatwick 360° Strategic Economic Plan 2018-2030

The Strategic Economic Plan was published in 2018 by the C2C LEP and covers those local authorities around Gatwick airport, including East Surrey, Croydon, West Sussex and Greater Brighton. The C2C area is a network of functional economic hubs rather than a single identifiable city region. The vision is to be achieved by eight economic priorities that make up a programme for growth. Each priority has our short-term and long-term goals to help achieve the vision of being the most dynamic non-city region in England. The most relevant of these priorities is to invest in sustainable growth, which includes *“to prioritise development of regional strategies for energy, waste, water and low emission vehicles so that ours is a truly sustainable economy.”*

Gross Value Added (GVA) indicates the level of economic activity within a region by measuring its production of goods and services. With a total population of two million, the Gatwick 360° area boasts a strong economy worth £50.7 billion GVA, making it the seventh largest local economy in England. The County of West Sussex is identified as the largest part of the Gatwick 360° area geographically and offers some of the most striking opportunities for growth and development.

Energy

In terms of energy and economic growth, the Strategic Economic Plan states *“The way energy is generated, distributed, and consumed is critical to the economy and our lives, and has a significant impact on our environment. The Climate Change Act sets a legally binding target of reducing emissions by at least 80% by 2050, which needs to be achieved without sacrificing economic growth.”*

The Strategic Economic Plan acknowledges that *“there still needs to be a significant transition to a low carbon economy to meet these targets.”*

Economic Strengths

Economic strengths of the C2C area include:

- a large and diverse economic base, contributing £50.7 billion to the UK economy in 2016, the seventh largest Local Enterprise Partnership (LEP) economy;
- overall record high employment rates, standing at 78.8% in 2017 compared to 74.4% nationally, and record low unemployment rates, 3.9% compared to 4.9% nationally. These are some of the best rates in the country and compare well to neighbouring LEPs and has been driven by the flexible labour market which has seen an increase in part-time work that is higher than the national average;
- 18% of the working age population are economically inactive across the area, which is lower than the national average but still represents a significant proportion of the population;

- a higher skilled population compared to the South East and nationally. Since 2004 the population with NVQ4+ qualifications (degree level or equivalent) has risen from 31% to 44.6%. Conversely the percentage of the population with no qualifications has fallen more than half to 4.5%; and
- income levels are above the national average, since 2007 wages in the UK have declined and have yet to recover and the same is true for C2C. Gross Domestic Household Income (a measure of how prosperous households are) in real terms is currently £22,100, which is £1,000 lower than the 2007 peak.

Economic Challenges

The Plan notes that economic challenges of the C2C area include the following:

- an over reliance on the London economy to provide employment opportunities for the area;
- higher wages brought into the area raise living costs, making it less affordable for those who work locally;
- productivity levels are lower than other parts of the South East, and growth rates are lower than the English cities of the Midlands and the North;
- the need to ensure that the C2C area remains an attractive and desirable investment destination, specifically as the city regions of the North and Midlands, and other parts of the wider South East develop their own visions and case for wider investment;
- a need to identify further steps in order to ensure that the economy has the resilience and flexibility to maintain its competitiveness;
- a long-term deficit in terms of the public infrastructure which is needed to make the area a competitive place for businesses to invest and develop, road and rail infrastructure struggles to deal with the pressures on it from a 21st century economy, with significantly increased pressure from greater commuter numbers travelling to London, and between economic hubs; and
- digital infrastructure is also at an uncertain phase of its development, the quality of infrastructure remains inconsistent; with problems accessing modern technology services. Ultra-Fast Broadband is only accessible to premises in limited parts of the C2C area.

3.3.2 The Gatwick Diamond Local Strategic Statement 2016 (Published 2017)

The Gatwick Diamond authorities comprise Surrey County Council and West Sussex County Council, and the local authorities of Crawley Borough, Epsom and Ewell Borough, Horsham District, Mid Sussex District, Mole Valley District, Reigate and Banstead Borough, together with Tandridge District.

A Local Strategic Statement (LSS) was originally published in 2012 as a mechanism for inter-authority co-operation to promote the planning of sustainable development across the area. This statement was updated in 2017 and sets out the long term strategic planning and investment priorities for the Gatwick Diamond area to guide plan making and decision taking for the individual Gatwick Diamond authorities to 2031.

The Gatwick Diamond is characterised by a strong, well performing economy set within an area that benefits from attractive landscape, a high quality of life and access to a broad range of transport, community and green infrastructure. The Airport is the world's busiest single runway airport and has a significant influence on the economy and prosperity of the Gatwick Diamond.

Major challenges identified in the 2012 LSS included infrastructure capacity; meeting housing needs and dealing with affordability; and growing a sustainable economy) and in managing the impact of the growth of the Airport on the infrastructure and environment of the Diamond.

Strengths

The LSS notes economic strengths of the Gatwick Diamond area are:

- geographical proximity to London, Brighton and the wider south-east region, coupled with high quality road, rail and air connectivity, continue to drive the economic performance;
- promotion of a knowledge based, high quality economy;
- national and international importance of Gatwick Airport as a global business and leisure aviation hub will continue to remain central to the economic development of the area;

- the economic success of the Diamond area has, and will, drive the development dynamics arising from population, housing and employment growth.

Challenges

The LSS notes the following challenges:

- the strength of the wider economy in Greater London and the south-east represents both an opportunity and challenge, particularly in terms of the competing pressures of securing inward investment and highly skilled labour to support the development of the knowledge based economy;
- limited housing choice (for different age groups, types and sizes of households) including the rising unaffordability of housing; the constrained availability of housing in Greater London; and the pattern, scale and density of employment opportunities have all exacerbated the need for additional housing and have resulted in greater use of local roads and rail for commuting purposes within and outside the Diamond, affecting the capacity of transport networks;
- the growth and expansion of centres will need to respect their individual characteristics, heritage, environment and community value whilst providing for the local needs of residents;
- the need to balance the economic, leisure, environmental and residential roles of rural areas, many of which are within sensitive or protected locations often of national significance, to ensure that development does not adversely impact on the high quality and unique environmental, landscape and economic contribution of the rural areas of the Diamond;
- certain areas within the Diamond with an evident disparity between skills levels, access to job opportunities and prospects of employment in knowledge and high value industries or occupations, the need to improve the education and skills of residents is clearly evident to ensure there are the best possible opportunities for everyone; and
- the absence of a higher education facility remains a major challenge and significant constraint for developing skills and growing businesses operating in a recognised knowledge cluster; and
- the need for significant investment to upgrade transport links to address and manage congestion across the area.

The report goes on to note that a number of other considerations are critical to sustainable economic growth, including:

- sustainable patterns of growth that actively support the development of a low carbon economy; and
- the provision of a flexible supply of employment land (including new sites and the intensification/expansion of existing sites), commercial premises and research facilities to meet the varying needs of the Diamond economy's businesses.

The LSS goes on to discuss six Priority Themes, the purpose of which is to identify and confirm the principal issues and matters upon which the Gatwick Diamond authorities will work jointly. The Priority Themes offer strategic direction for the Gatwick Diamond authorities as well as inform the preparation of the individual authorities' own strategies and plans. The most relevant priority themes are considered to be 1. Achieving a Sustainable Economy and Prosperity including Supporting Low Carbon Growth and 6. High Quality Natural Environment, Countryside and Landscape.

4. Development Plan and Local Economic Policy

4.1 Introduction

The following policy context is set out in the following local policy documents:

Local Planning Policy

- West Sussex Joint Minerals Local Plan (2018);
- West Sussex Joint Minerals Local Plan Annual Monitoring Report 2017-2018;
- Mid Sussex District Plan 2014 – 2031 (2018);
- Mid Sussex Local Plan saved policies (2004); and
- High Weald Area of Outstanding Natural Beauty Management Plan 2019-2024.

Local Economic Policy

- West Sussex County Council Economic Growth Plan (2018);
- Mid Sussex Economic Development Strategy 2018 – 2031; and
- Mid Sussex Economic Profile 2018.

4.2 Local Plan Policy

4.2.1 West Sussex Joint Minerals Local Plan (2018)

WSCC and the South Downs National Park Authority (SDNPA) have worked in partnership on the preparation of the West Sussex Joint Minerals Local Plan (WSJMLP). The WSJMLP covers the period to 2033 and is the most up-to-date statement of WSCC and SDNPA land-use planning policy for minerals. A number of the policies are detailed in the accompanying Planning Statement.

Section 2.2 includes the vision for West Sussex, and specifically in relation to the supply of minerals, states (inter alia):

“West Sussex... Will have contributed to the supply of minerals, in particular, aggregates (soft sand, sharp sand and gravel, and marine won aggregate), clay, chalk, building stone, silica sand and oil and gas, to support growth in West Sussex. In particular social and economic progress of both the Coastal West Sussex and Gatwick Diamond strategic growth areas will be supported through the provision of aggregate to enable the delivery of new development.

Will be a place which seeks to meet its own needs for minerals and encourage the sustainable use of natural resources ...

Will ensure minerals have been produced in a manner that protects and enhances the historic and natural environment, delivers net gains to natural capital, and contributes to a low carbon, circular economy... “

The WSJMLP includes a vision for what West Sussex will look like by 2033 and how sustainable minerals development is to be achieved in West Sussex. In order for the vision to be realised, the WSJMLP lists fourteen Strategic Objectives (SO's) which are matters which need to be achieved over the Plan period. The most relevant are listed below:

- *“SO 1: To promote the prudent and efficient production and use of minerals and to ensure a steady and adequate supply, having regard to the market demand and constraints on supply in the Plan area.*
- *SO 4: To protect and maintain the existing mineral development sites and infrastructure including capacity for importation of minerals via the ports of Littlehampton and Shoreham and the railheads at Chichester, Crawley and Ardingly.*
- *SO 5: To safeguard potential economically viable mineral resources from sterilisation.*
- *SO 6: To protect, and where possible enhance, the health and amenity of residents, businesses and visitors*

- *SO 7: To conserve and enhance the landscape and townscape character of West Sussex and the special qualities of the South Downs National Park and the local distinctiveness and character of the High Weald AONB and Chichester Harbour AONB and the settings of all protected landscapes.*
- *SO 8: To protect and, where possible, enhance the natural and historic environment and resources of West Sussex.*
- *SO 9: To minimise the risk to people and property from flooding; to safeguard water resources, including aquifers and surface waters, from contamination; to ensure the quality and quantity of the water environment is conserved and enhanced*
- *SO 11: To protect the environment and local communities in West Sussex from unacceptable impacts of any proposal for oil and gas development, whilst recognising the national commitment to maintain and enhance energy security in the UK.*
- *SO 12: To ensure high quality mitigation and restoration to appropriate after uses.*
- *SO 13: To minimise carbon emissions and to adapt to, and to mitigate the potential adverse impacts of, climate change.”*

In relation to minerals production and use, the WSJMLP states *“the Authorities must ensure that a steady and adequate supply of minerals is achieved in order to meet market demand, whilst having regard for the impacts they may have on the plan area, both positive and negative.”*

The proposed development is considered to meet the above requirements in that it contributes to the sustainable supply of oil to West Sussex (including specifically Gatwick Airport) as well as nationally. It will help the UK to meet its demand for oil in the short term.

In relation to minerals resources, paragraph 2.3.5 goes on to state *“Minerals can only be worked where they naturally occur and with increased pressure on land use, economically viable minerals should be protected from permanent sterilisation where possible.”*

Specifically relating to oil and gas, the WSJMLP acknowledges (at paragraph 2.3.13) *“Oil and gas are ‘energy minerals’ which supply energy to the power industry and heat homes, provide fuel for transport to carry goods and people, and raw materials to produce everyday items. Onshore oil and gas supplies contribute to domestic supplies and reduce reliance on imports, thus contributing to the country’s energy security. Oil and gas resources are present in West Sussex and are currently exploited on a limited scale. Further development could take place and, while this is an important source of energy, it is important that the impacts of oil and gas developments are controlled to protect the environment and local communities.”*

The WSJMLP acknowledges that onshore oil and gas will continue to be important to the economy, reducing the reliance on imports and enhancing energy security within the UK. The WSJMLP also confirms that there is a potential for further oil and gas developments within West Sussex, subject to measures being implemented to protect the environment and local communities.

In relation to mitigation and restoration, the WSJMLP states at paragraph 2.3.14 *“It is important that consideration is given, at the earliest possible stage, to how sites are reclaimed once workings have been finished. Land worked for minerals should be reclaimed at the earliest possible opportunity, and high quality restoration and aftercare should take place.*

The WSJMLP acknowledges that *“onshore hydrocarbons in the form of oil and gas resources, are found across the Plan area... there are currently 14 Licences which cover most of the Plan area.”*

The site is identified as one of two inactive exploration sites at paragraph 3.3.10 of the WSJMLP.

At paragraph 4.3.2, the WSJMLP goes on to state that the main minerals worked, or with the potential for working in WSCC include (among others) oil and gas resources.

The WSJMLP states (at paragraph 5.3.7) *“Through the Energy Security Strategy 2012 the Government seeks to maximise economic production of the UK oil and gas reserves in order to provide reliable energy supplies which are not exposed to international energy supply risks. This local plan needs to take proper account of this Strategy.”*

At paragraph 6.7.4, the strategy specifically relating to oil and gas is *“to make provision, subject to there being no unacceptable impact in West Sussex... Major oil and gas development not involving high volume hydraulic*

fracturing should only take place within the South Downs National Park or Areas of Outstanding Natural Beauty in exceptional circumstances and when it is in the public interest.”

Specifically relating to exploration and appraisal of oil and gas sites, Policy M7a states:

“Exploration and Appraisal

(a) Proposals for exploration and appraisal for oil and gas, not involving hydraulic fracturing, including extensions to existing sites will be permitted provided that:*

(i) With regard to development proposals deemed to be major, the site is located outside the South Downs National Park, High Weald AONB or Chichester Harbour AONB unless it has been demonstrated that there are exceptional circumstances and that it is in the public interest, and in accordance with Policy M13;

(ii) the site selected represents an acceptable environmental option in comparison to other deliverable alternative sites from which the target reservoir can be accessed, taking into account impacts from on-site activities and off-site activities including HGV movements;

(iii) any unacceptable impacts including (but not limited to) noise, dust, visual intrusion, transport, and lighting, on both the natural, historic and built environment and local community, including air quality and the water environment, can be minimised, and/or mitigated, to an acceptable level;

(iv) restoration and aftercare of the site to a high quality standard would take place in accordance with Policy M24 whether or not oil or gas is found;

(v) No unacceptable impacts would arise from the on-site storage or treatment of hazardous substances and/or contaminated fluids above or below ground.”

This policy is considered further in the planning statement.

The Balcombe site is identified within the WSJMLP as a safeguarded site for oil and gas exploration and production under Policies M9 and M10, which are reproduced as follows:

Policy M9: Safeguarding Minerals states (inter alia):

“(a) Existing minerals extraction sites will be safeguarded against non-mineral development that prejudices their ability to supply minerals in the manner associated with the permitted activities....”

In relation to safeguarding minerals infrastructure, the WSJMLP notes that the relevant strategic objective is Strategic Objective 4, which states *“To protect and maintain the existing mineral development sites and infrastructure including capacity for importation of minerals via the ports of Littlehampton and Shoreham and the railheads at Chichester, Crawley and Ardingly”*

The WSJMLP goes on to state that *“Existing onshore hydrocarbon exploration, appraisal and production facilities will be safeguarded from proximate development (see Policy M10).”*

Policy M10 states (inter alia):

“(a) Development on, or near to, sites hosting permanent minerals infrastructure, that would prevent or prejudice its operation will not be permitted unless:

(i) the site or infrastructure is no longer suitable for continued minerals use; or

(ii) redevelopment of the site or loss of the infrastructure would form part of a strategy or scheme that has wider social and/or economic benefits that clearly outweigh the retention of the site or the infrastructure for minerals use; and,

(iii) a suitable replacement site or infrastructure has been identified and is available...

...(d) Development on, or near to, sites hosting temporary minerals infrastructure, that would prevent or prejudice its operation, will not be permitted, for the duration of the temporary permission, unless:

(i) the site or infrastructure is no longer in, or suitable for, continued minerals use; or

(ii) redevelopment of the site or loss of the infrastructure would form part of a strategy or scheme that has wider social and/or economic benefits that clearly outweigh the retention of the site or the infrastructure for minerals use”

The WSJMLP notes that existing minerals extraction sites which are safeguarded by Policy M9 are listed in the Annual Monitoring Report (AMR) (see section 4.3.2). The AMR confirms that the Balcombe site is safeguarded for oil and gas exploration and production in the WSJMLP.

Specifically relating to minerals development and protected landscapes, Policy M13 states (inter alia):

“(a) Proposals for mineral development within protected landscapes (the South Downs National Park, the Chichester Harbour Area of Outstanding Natural Beauty, and the High Weald Area of Outstanding Natural Beauty will not be permitted unless:

- i. the site is allocated for that purpose in the adopted plan; or*
- ii. the proposal is for a small-scale development to meet local needs that can be accommodated without undermining the objectives of the designation; or*
- iii. the proposal is for major mineral development that accords with part (c) of this Policy...*

...(c) Proposals for major mineral development within protected landscapes will not be permitted unless there are exceptional circumstances and where it is in the public interest as informed by an assessment of:

- i. the need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, upon the local economy;*
- ii. the cost of, and scope for, developing elsewhere outside the designated area, or meeting the need for the mineral in some other way ; and*
- iii. any potential detrimental impact on the environment, landscape, and recreational opportunities, and the extent to which identified impacts can be satisfactorily mitigated.”*

At paragraph 8.12.3, the WSJMLP acknowledges that *“The fact that minerals can only be worked where they occur in economically viable quantities means that development sometimes needs to take place in sensitive locations.”*

The proposed development is a small scale development on a previously developed (“brownfield”) site that has been utilised historically for oil and gas exploration and appraisal. The site is specifically safeguarded for oil and gas exploration, appraisal and production under WSJMLP policies M9 and M10 and therefore the proposed development is considered to continue the operations which have been undertaken previously.

An assessment of the need for the proposed development in terms of national considerations is considered in further detail in Section 5. In terms of the impact of the proposed development upon the local economy, the proposed development would generate and support employment for the local area and is considered in more detail see Section 6). It is anticipated that such jobs will be resourced where possible from within the existing, local labour force. In addition, there will be an initial and ongoing boost to local spending power through the provision of 3rd party supplier services, plant suppliers and building contractors. The proposal therefore satisfies the requirements of part (c) i of WSJMLP Policy M13. The requirements of part (c) ii and iii of WSJMLP Policy M13 are considered in more detail in the planning statement (see section 8 of the planning statement), which demonstrates that the proposal accords with Policy M13 in all respects.

Should viable reserves be found, and the site proceed to production (subject to the grant of a further planning permission) there will be additional contributions to the local economy through business rates.

4.2.2 West Sussex Joint Minerals Local Plan Annual Monitoring Report 2017-2018

WSCC and SDNPA are required to prepare an Annual Monitoring Report (AMR) in accordance with the Planning and Compulsory Purchase Act 2004 (as amended). The most up to date AMR is for the period 2017 – 2018. The AMR presents the following:

- progress made on the timetables set out in the Minerals and Waste Development Scheme (MWDS) for preparing Local Plans;
- any positive or negative effects of the policies within the Local Plans; and

- minerals and waste trends, and relevant planning applications, in order to monitor and review the effect of planning policies in practice.

At Appendix B, the AMR lists safeguarded sites for a number of different minerals developments. It confirms that the Balcombe site is safeguarded specifically for oil and gas exploration and production. The proposed development therefore accords with the purpose of the safeguarding designation.

4.2.3 Mid Sussex Local Plan Saved Policies (2004)

The Mid Sussex Local Plan was adopted on 27th May 2004 and some policies still form part of the development plan for Mid Sussex. Although it has largely been replaced by the Mid Sussex District Plan (2018), some policies in the Mid Sussex Local Plan 2004 have been saved on adoption of the District Plan. The saved Local Plan policies will continue to remain in place until they are implemented or until superseded by a subsequent neighbourhood plan or an appropriate planning document.

It is considered that there are no saved policies relevant to the proposed development and therefore this document is not considered further.

4.2.4 Mid Sussex District Plan 2014 – 2031 (2018)

The Mid Sussex District Plan (MSDP) was adopted on 28th March 2018 and covers the period up to 2031. It replaces the Mid Sussex Local Plan 2004 (other than saved Local Plan policies).

The MSDP notes the following at paragraph 2.7:

“In 2010, Mid Sussex was identified by Experian as the most economically resilient local authority area in the region. It is the location for a number of innovative and nationally known businesses with a third of businesses in the professional, scientific and technical, and information and communication sectors.”

Paragraph 2.8 goes on to state *“The nature of the local economy is strongly influenced by the wider regional context in which it sits. Mid Sussex is close to Crawley and London Gatwick Airport and within commuting distance of London and Brighton and the south coast.”*

Paragraph 2.9 discusses the challenge facing the District, and states *“Whilst the District is economically resilient, this cannot be taken for granted and there is a need to ensure the local economy is supported and businesses district-wide are able to thrive and grow in the future”*

The vision for Mid Sussex is underpinned by four priority themes that promote the development of sustainable communities:

- protecting and enhancing the environment;
- promoting economic vitality;
- ensuring cohesive and safe communities; and,
- supporting healthy lifestyles.

A number of strategic objectives are included to achieve the above visions. Relating to achieving economic vitality, the following strategic objectives are considered relevant:

“Strategic Objective (SO)7. To promote a place which is attractive to a full range of businesses, and where local enterprise thrives;

SO8. To provide opportunities for people to live and work within their communities, reducing the need for commuting;

SO9. To create and maintain town and village centres that are vibrant, attractive and successful and that meet the needs of the community;

SO10. To support a strong and diverse rural economy in the villages and the countryside;

SO11. To support and enhance the attractiveness of Mid Sussex as a visitor destination.”

The proposed development will, where possible, provide opportunities for people in the local area to work within their communities, and could potentially provide oil and gas reserves which will meet the demand in the local area,

as well as nationally. The proposed development will also help support a strong and diverse rural economy in the villages and the countryside by creating or supporting existing jobs, and by purchasing 3rd party supplier services or by placing orders with plant suppliers and building contractors, with a bias towards the Sussex area wherever possible and practicable.

The MSDP lists a number of opportunities for achieving sustainable development, and specifically related to economic requirements includes:

- *“supporting the local economy in both towns and villages and in rural areas;*
- *creating jobs in towns and villages, minimises the need to travel to other areas for employment and gives people the opportunity to access jobs, shops and leisure facilities close to home”*

Policy DP1 Sustainable Economic Development states (inter alia):

“The total number of additional jobs required within the district over the plan period is estimated to be an average of 543 jobs per year. This will be achieved by:

- *encouraging high quality development of land and premises to meet the needs of 21st century businesses;*
- *supporting existing businesses, and allowing them room to expand;...*
- *seeking the provision of appropriate infrastructure to support business growth – in particular high speed broadband connections....*
- *allowing new small-scale economic development, in the countryside, including tourism (in accordance with Development in the Countryside policies).”*

The proposed development will encourage sustainable economic development in Mid Sussex by supporting an existing commercial operation and allowing it to expand and adapt. It will also create and support jobs which will be sourced, where possible from within the local area.

DP12 Protection and Enhancement of Countryside states (inter alia):

“The countryside will be protected in recognition of its intrinsic character and beauty. Development will be permitted in the countryside, defined as the area outside of built -up area boundaries on the Policies Map, provided it maintains or where possible enhances the quality of the rural and landscape character of the District, and:

- *it is necessary for the purposes of agriculture; or*
- *it is supported by a specific policy reference either elsewhere in the Plan, a Development Plan Document or relevant Neighbourhood Plan...”*

DP14 Rural Development and the Rural Economy states (inter alia):

“Provided it is not in conflict with Policy DP12 Protection and Enhancement of Countryside and DP13: Preventing Coalescence:

- *new small-scale economic development, including tourism-related development, within the countryside (defined as the area outside of built up area boundaries as per the Policies Map) will be permitted provided:*
 - *it supports sustainable growth and the vitality of the rural economy; and*
 - *where possible, utilises previously developed sites...”*

DP16 High Weald Areas of Outstanding Natural Beauty states (inter alia):

“Development within the High Weald Area of Outstanding Natural Beauty (AONB), as shown on the Policies Maps, will only be permitted where it conserves or enhances natural beauty and has regard to the High Weald AONB Management Plan, in particular;

- *the identified landscape features or components of natural beauty and to their setting;*
- *the traditional interaction of people with nature, and appropriate land management;*
- *character and local distinctiveness, settlement pattern, sense of place and setting of the AONB; and*
- *the conservation of wildlife and cultural heritage.*

Small scale proposals which support the economy and social well-being of the AONB that are compatible with the conservation and enhancement of natural beauty will be supported.

Development on land that contributes to the setting of the AONB will only be permitted where it does not detract from the visual qualities and essential characteristics of the AONB, and in particular should not adversely affect the views into and out of the AONB by virtue of its location or design.”

The development now proposed by Angus will be a small scale development within the countryside, utilising a site previously developed for oil and gas exploration. The proposal will support sustainable growth of the rural economy by allowing an operator to further develop an existing site, which will create and support jobs in the local area where possible.

4.2.5 Balcombe Parish Neighbourhood Plan (2016–2031)

The Balcombe Parish Neighbourhood Plan was produced in September 2016. Neighbourhood Plans cannot consider issues related to minerals development, including oil and gas.

Policy 3: Design states (inter alia):

“The scale, density, massing, height, landscape design, layout and materials of all development proposals, including alterations to existing buildings, will be required to reflect the architectural and historic character and scale of the surrounding buildings and to avoid any significant detrimental effect on the landscape and natural beauty of the High Weald AONB and the significance and character or appearance of the Balcombe Conservation Area, where a building will command a view...”

The design of the development is largely determined by the technical and operational requirements of the plant, machinery and other facilities required to undertake hydrocarbon exploration and appraisal. Whilst these will be utilitarian in nature, they will be temporary structures which will be in place for a temporary period of time. No removal of vegetation will be necessary during this phase as the site is already built.

4.2.6 High Weald Area of Outstanding Natural Beauty Management Plan 2019-2024

The High Weald AONB Management Plan (2019 – 2024) is a statutory document which formulates the relevant local authorities’ policy for the management of the AONB and is therefore a material consideration for this proposal. It sets out long term objectives for conserving this nationally important landscape and the local authorities’ ambitions for how the High Weald will be looked after for the next 5 years. The Management Plan has been prepared by the High Weald Joint Advisory Committee which includes representatives of all 15 local authorities with land in the AONB and Government bodies responsible for protected landscapes in England.

The High Weald Joint Advisory Committee includes a vision to *“...Demonstrate a consistent approach to planning across the AONB, allowing for appropriate housing and economic needs of thriving communities and the land-based sector without compromising the characteristic historic settlement pattern...”*

Under AONB Policy and Legal Framework, in relation to socio-economic considerations, the Management Plan acknowledges *“In pursuing the primary purpose of designation, account should be taken of the needs of agriculture, forestry and other rural industries, and of the economic and social needs of local communities. Particular regard should be paid to promoting sustainable forms of social and economic development that in themselves conserve and enhance the environment.”*

Under Planning and AONBs, the plan specifically references the NPPF and that the planning system should consider, *“the need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, upon the local economy”*

In relation to development, the management plan goes on to state:

“A landscape in which sustainable land management and action to reduce carbon emissions takes care of the natural resources of geology, soil, landform, and water systems along with their associated heritage assets and biodiversity, whilst delivering a wide range of social, economic and environmental benefits...”

It is acknowledged in the Management Plan that there are reserves of onshore hydrocarbons within the AONB.

Objective LBE2 relates specifically to improving amenities, infrastructure and skills development for rural communities and related sectors that contribute positively to conserving and enhancing natural beauty. One of the

proposed actions to achieve this objective is to “*work together to plan for appropriate scale and type of development to ensure continuing vitality of local communities and viability of community services*”

4.2.7 Conclusion

The proposed development is considered to comply with all the relevant development plan policies, in that it will:

- encourage the sustainable use of natural resources (specifically oil and gas);
- allow for small scale development of an existing site safeguarded for oil and gas exploration and production under WSCC Policies M9 and M10, and MSDC Policy DP14;
- potentially provide a steady supply of oil and gas both locally and nationally, for which there is a clear need;
- help the UK to meet its demand for oil in the short term whilst the UK transitions to a low carbon economy;
- reduce the reliance on imports and meets with the national commitment to maintain and enhance energy security within the UK;
- be in the public interest and it is considered that exceptional circumstances exist to warrant development in the High Weald AONB, and therefore complies with Policy M7a (see also the planning statement for more information);
- ensure high quality mitigation and restoration to appropriate after use;
- allow an existing business to expand and adapt and therefore accords with MSDC Policy DP1;
- support a strong and diverse rural economy by creating or supporting existing jobs, and by purchasing 3rd party supplier services or by placing orders with plant suppliers and building contractors, with a bias towards the Sussex area wherever possible and practicable, and therefore accords with MSDC Policy DP16;
- accord with WSCC planning policy, which acknowledges the presence of oil and gas reserves in the County, and confirms that further development could take place subject to controls relating to the environment and local communities; and
- accord with local and national policy, which confirms that minerals can only be worked where they naturally occur; and with increased pressure on land use, economically viable minerals should be protected from permanent sterilisation where possible.

4.3 Local Economic Policy

4.3.1 West Sussex County Council Economic Growth Plan (2018)

The WSCC Economic Growth Plan 2018 – 2023 is designed to help achieve the vision for West Sussex, and what the Council plans to achieve for its residents, businesses and the county as set out in the West Sussex Plan 2017 – 2022: “*to drive forward change and progress to make sure we, in West Sussex, continue to strive to make our county a great place to live, work and visit, making our county cleaner and greener, thriving and vibrant whilst respecting the uniqueness of this wonderful county*”.

The Plan will provide the framework for WSCC’s priorities in driving economic growth to support a successful, prosperous place. The Plan, and the supporting action plan, will prioritise activity and investment by both recognising and building on WSCC’s commitments, and by identifying new opportunities for growth.

Set within the context of national, regional and local drivers, detailed consideration of evidence is presented within four strategic issues, reflective of the main challenges and opportunities to West Sussex as a prosperous place:

- productivity and business competitiveness;
- employment sectors and technological innovation;
- a skilled, adaptable and enterprising workforce; and
- West Sussex as a place to live, visit and work.

Productivity and Business Competitiveness

The Economic Growth Plan identifies that the north east of the county is clearly the major economic driver with Gross Value Added (GVA) per job filled of £54,000. While the north east of the county performs strongly in a local

context and GVA per job filled is in line with the South East average, it is below the level for neighbouring East Surrey (£62,000) and significantly below the level achieved in the strongest performing economies in the South East, such as Berkshire (£67,000). This is driven, at least in part, by north east West Sussex having a lower proportion of employment in higher value and knowledge-based sectors than these higher performing areas.

In comparison, the south west of the county has a GVA per job filled (of £47,000) which is considerably lower than the level achieved in the north east and is below the national and regional averages.

The Economic Growth Plan goes on to state that *“Evidence also suggests that in recent years the growth of knowledge sector employment across the county has stalled – between 2010 and 2015 there was a 0% growth in knowledge based employment across West Sussex compared to 12% growth across England and 10% growth across the South East.”*

Employment Sectors and Technological Innovation

West Sussex has a good range of high quality business parks and industrial estates in urban and rural locations, and many town centres and market towns providing space for businesses. The most strategically significant business park in the county is Manor Royal Business District in Crawley with its proximity to Gatwick Airport and home to approximately 500 businesses and 30,000 jobs. A range of challenges associated with employment space which have the potential to constrain economic growth across the county include the following:

- demand for employment space in many areas is outpacing supply, which is driving up rental levels;
- the trade off, particularly around Gatwick, between the availability of space for low density warehousing and distribution uses and space for higher value professional services and knowledge based uses;
- the attractiveness and suitability of some of the county’s employment locations, links to public transport and the quality of the urban environment; and
- the impact of permitted development rights, further limiting the availability of commercial space.

Business Base

Between 2010 and 2015, start-up rates (i.e. start-ups as a proportion of total active businesses in that year) have consistently been below the national rate for each of the spatial areas. This pattern is also repeated at a district and borough level, with the exception of Crawley which has consistently outperformed national trends.

The business survival rate (43.3%) is only marginally below that of the region’s performance (43.4%). However, at a district and borough level the performance is highly variable, ranging from 46.6% of new businesses surviving five years in Mid Sussex to 39.6% in Arun.

The Economic Growth Plan states that the county needs to be *“supportive of small businesses, and their role in driving economic growth and innovation.”*

Well Connected Places

The Economic Growth Plan states that *“consideration should be given to the need by rural businesses for improved digital and mobile connectivity to better enable marketing, advertising and selling opportunities, including in the food and drink and visitor economy sectors.”*

The Economic Growth Plan identifies that transport infrastructure is under strain, particularly due to significant pressure on the county’s only two trunk roads, the A27 and the A23/A23 corridor, regular congestion on the local road network including the A22, A23, A2300, A264, A24 and A259. Relatively slow rail services are also identified as a challenge.

4.3.2 Mid Sussex Economic Profile (2018)

The aim of the Mid Sussex Economic Profile is to build a picture of the economic landscape of Mid Sussex to help identify the issues for inclusion in the Council’s Economic Development Strategy. The Profile is a useful source of data in identifying trends in the economy.

The Economic Profile notes that there is a high proportion of economically active residents and low levels of unemployment at 0.5 %. Wholesale and retail trade is the largest employment sector, with human health and social work activities playing a significant part in the local economy, the Economic Profile points out that:

“There were 56,800 employees working in Mid Sussex in 2015, 49,100 (87 per cent) working in the private sector. Mid Sussex is in line with the West Sussex average, and has a higher proportion of private sector employees compared to England as a whole (83 per cent).”

The Economic Profile notes the following in relation to average earnings:

“Mid Sussex residents have above average earnings, £615.80 per week against the average for the South East of £574.90, meaning that the local economy has access to relatively wealthier consumers than other areas...the average earnings for residents in the district are significantly higher than those working in but living outside the district. The large number of commuters would indicate that many of those who work in Mid Sussex live in less expensive housing areas, and many who live in Mid Sussex commute to London, Crawley and Gatwick where salaries are higher.”

Productivity in Mid Sussex as measured by Gross Value Added (GVA) per employee overall is relatively low compared to other C2C authorities, but the finance and insurance sectors in Mid Sussex perform better.

The Economic Profile goes on to state:

“The current stock of employment (41 per cent) floorspace in Mid Sussex is 605,000 m2 with much of the supply formed of industrial, distribution and warehousing space (29 per cent). The commercial office stock at that stage was 81,000 m2, representing some 30 per cent of all employment floorspace in the District. The distribution of the District’s office stock is primarily concentrated in Haywards Heath (31 per cent), Burgess Hill (25 per cent) and East Grinstead (24 per cent). The stock of industrial floorspace is concentrated around Burgess Hill (42 per cent) and the A273 corridor.”

Specifically, in relation to the rural economy, the Economic Profile notes that 29.18 per cent of businesses are based in rural locations which is just above the national average of 26 per cent. The Economic Profile also states:

“The rural business population is sectorally diverse in the Coast the Capital LEP area and includes agricultural and forestry; wholesale and retail trade and repair of motor vehicles; professional, scientific and technical services; construction; and tourism. Home based businesses are an important feature of the rural economy however these are generally characterised as being small.”

The Economic Profile also notes that there are relatively high levels of commuting - 44 per cent commute out of the District and 33 per cent commute into Mid Sussex to work, although through the development of new higher quality employment space, there is the scope to retain some of these higher - skilled out - commuters.

The resident population is highly educated with 46.6 per cent of those aged 16-64 possessing a degree or equivalent.

4.3.3 Mid Sussex Economic Development Strategy 2018 – 2031

The Mid Sussex Economic Development Strategy and Action Plan seeks to ensure delivery of the key corporate objective of securing sustainable economic growth. It is also a key delivery tool for the District Plan (2014-2031). The report notes that Mid Sussex is an economically successful district, located within the Gatwick Diamond, an economic partnership consisting of the local authorities surrounding Gatwick, and the Greater Brighton Economic Board, a partnership of local authorities and businesses in Brighton and the surrounding area. Mid Sussex is also part of the Coast to Capital (C2C) Local Economic Partnership (LEP), which is committed to growing the economy of the area and creating jobs.

The Economic Profile and Development Strategy presents the four priority themes which provide structure for MSDC’s ambition and which will be the focus up to 2031 and include:

- securing strong and sustainable economic growth for the district;
- the delivery of effective and responsive services;
- strong and resilient communities; and
- financial independence.

The Strategy also sets out the practical actions over the next five years to ensure that MSDC fulfils its potential as a thriving and growing part of the regional and national economy.

The Strategy notes the following economic strengths and challenges:

Strengths

- the area around Crawley and the Gatwick Diamond LEP drive sustainable private sector led growth and is seen as a strategic business location with a concentration of demand there, and this area is expected to be the main focus for economic development in the area;
- economically, MSDC is successful with high levels of employment, the number of people economically active (people who are available to work) is over 75,000, which accounts for over 50 per cent of the population of the District and remains at a higher percentage than the national figure. There are around 73,000 people in the District in employment. Some 44 per cent of workers (almost 32,000 as at 2011) commute out of the District and over 20,000 people living outside the district commute in to Mid Sussex to work;
- major town centre regeneration work is already underway, and some significant developments have been completed;
- in Burgess Hill, work is underway on a major town redevelopment that includes the £65 million redevelopment of the Martlets Shopping Centre which will provide some 21,336 square metres of additional retail space, a 10 screen cinema, 63 bedroom hotel, a new library, and 142 new homes; and
- the District has many successful business parks, the largest being the Victoria Business Park in Burgess Hill.

Challenges

- three town centres (Haywards Heath, Burgess Hill and East Grinstead) are attractive and competitive, but their regeneration and renewal will be key so that they can continue to be thriving retail, leisure and commercial hubs each with their own distinctive character; the town centres face particular competition from Brighton and Crawley for non-food purchases, especially for fashion retail;
- a need to secure more high quality business premises will be key to ensuring that businesses are able to grow and fulfil their potential;
- some 44% of workers commute out of the District, and many of those are the District's highest skilled workers travelling to higher value jobs in Central London and other locations; for 2015, average weekly earnings of full-time workers resident in the district was just over £615, which compares to average weekly earning of £537 for those whose workplace is in the district;
- the visitor economy is an important part of the wider Mid Sussex economy, with over 436,000 staying trips to Mid-Sussex in 2015, contributing £224 million to the economy and supporting over 4,700 jobs, however, transport links into the district are often at capacity at peak times;
- house prices have been driven up by many high skilled workers moving into the area and commuting into London, which has resulted in affordability issues particularly for young people. Responding to the demand for housing is a priority but must be balanced by meeting that need whilst preserving the character and natural beauty of the District;
- there is a lack of dedicated 6th form provision in the district, there is a need to work with partners in the education sector to ensure that strong academic and vocational paths are established to meet the needs of local young people and of the local and national labour markets;
- a need to promote development that is energy and resource efficient and increases the environmental as well as economic sustainability of communities within Mid Sussex, and its ability to adapt to climate change;
- over the past few years these business parks have not expanded and few industrial units have been built. Successful, growing businesses have difficulty finding larger premises. This has resulted in a shortage of "grow on" space and "start-up" space for small and new businesses;
- between 2010 and 2014 gross value added (GVA) for the district only increased by 7 per cent compared to 13 per cent for the South East as a whole, and there is evidence that transport infrastructure has been a key factor in limiting growth;
- across the rural parts of MSDC there are opportunities to locate new and growing technology business, but many businesses in the District do not have access to high speed broadband connections;

The Development Strategy goes on to state *"Our principal focus in local economic development is in attracting private investment."*

The Strategy also states *"given the strength of Crawley/Gatwick as a business location and the concentration of demand there, this area is expected to be the main focus for economic development. Business development in*

other locations is likely to reflect the attributes of smaller settlements and support local communities rather than providing strategic employment growth”

The Gatwick Diamond

The Economic Profile identifies that Mid Sussex lies within the Gatwick Diamond and states:

“A key part of the Gatwick Diamond’s mission is to promote the area’s strengths and highlight strategies for the predominant sectors that drive the local economy. With that in mind Gatwick Diamond is a key partner that Mid Sussex District Council works with as part of a strategic approach to economic development, and in particular to attract inward investment to the District.”

The Gatwick Diamond is home to the UK’s fastest growing airport – London Gatwick Airport, which offers international and domestic flights to 230 destinations in over 70 countries worldwide. The airport directly generates £1.6 billion for the UK economy, servicing over 46 million passengers and 113,000 metric tonnes of cargo each year.

Gatwick Airport is therefore a major employer as well as being a major user of hydrocarbons, and lies within a few miles of the Balcombe site.

4.3.4 West Sussex Life 2017-2019

West Sussex Life is a report published every year by WSCC with the aim of providing a range of statistics and information about West Sussex, the most up to date report was published on the WSCC website in November 2016 covering the period between 2005-2014.

The key priority areas identified within the document are:

- giving children the best start in life;
- championing the West Sussex economy; and
- promoting independence in later life.

Energy Consumption

Energy consumption as reported in 2014 is reproduced in Table 1 below

Table 1. Energy Consumption

	Average Gas Consumption (kWh)	Average Electricity Consumption (kWh)
Domestic		
Mid Sussex	14,348	4,418
West Sussex	13,045	4,288
South East	13,655	4,294
England	13,226	3,972
Non-domestic		
Mid Sussex	392,768	48,333
West Sussex	471,232	52,060
South East	443,867	66,040
England	649,410	74,752

The report notes the following:

- the average domestic electricity and gas consumption in West Sussex has decreased over the period from 2005-2014;
- the County’s industrial base around Crawley is clearly reflected in the electricity consumption data, with an average non-domestic electricity consumption in 2014 of 104,255kWh;

- approximately 4,493 households (7.6%) in Mid Sussex are in fuel poverty, which is less than the proportion in West Sussex (7.7%) and South East (8.3%); these households are predominantly rural areas of the county with no mains gas available, leaving residents reliant on alternative energy sources such as oil, electricity and Liquid Petroleum Gas (LPG);
- the following energy challenges have been identified:
 - providing affordable energy for households and businesses in the face of rising energy costs;
 - maintaining a secure energy supply; and
 - ensuring that energy is sustainable.

The report goes on to state

“Rising infrastructure costs, declining fossil fuels and uncertainty over future wholesale energy prices will lead to higher costs for households and businesses in the medium to long-term. The long-term impact on energy prices of the United Kingdom’s exit from the European Union is also not clear at this stage.”

Minerals

In relation to minerals, the report notes that oil and gas are one of the main minerals to be worked, or with the potential to be worked in West Sussex, but confirms that *“the precise extent of oil and gas resources in West Sussex is unknown”*.

Population

The 18-64 population of West Sussex was estimated to be 478,916 in mid-2015. District and Borough populations vary from 35,919 people aged 18-64 in Adur District (7.5% of the county total) to 84,766 people aged 18-64 in Mid Sussex District (17.7% of the county total). Crawley Borough and Mid Sussex District saw the biggest proportional increase in population between the 2011 Census and the mid-2015 population estimates, with growth of 2.2% and 1.2% respectively in the 18-64 population.

The 18-64 population of West Sussex is projected to grow from 475,595 in 2014 to 505,374 in 2039, an increase of 29,779 people or 6.3%. This is a much smaller percentage growth than that projected for the 0-17 and 65+ year age groups, leading to a rising dependency ratio in West Sussex between children and the elderly and the working age population.

Net outward migration to other parts of England and the UK primarily for higher education for the 18-25 year age group is projected to rise from around 1,000 people per year to just under 1,500 people per year in the early 2030s, before decreasing slightly to 2039.

Economic Activity

The economically active are those residents who are either in employment or are unemployed (not those who are retired, sick, looking after a home or family or students and not working). The economic activity rate is the economically active expressed as a percentage of all people. The employment rate is those people in employment, including employees and self-employed, expressed as a percentage of all people, or all people in that specified age band.

Economic activity and employment rates are both higher in West Sussex than the regional and national average. Within Mid Sussex, the economic activity rate of 16-64 year olds for the period April 2015-March 2016 was 83%, which is higher than the averages for West Sussex (81.4%), the South East (80.6%) and England (78%). The employment rate of 16-64 year olds within the same period in Mid Sussex was 81.4%, which was higher than the averages for West Sussex (79.2%), the South East (77.2%), and England (73.9%).

Generally the proportion of people in full time jobs has fallen, and whilst the proportion of females in part time work is much higher than that for men, the proportion of males who work part time has increased.

Economic inactivity refers to those persons who are neither in employment, nor are unemployed – i.e. who are looking and available for work. In Mid Sussex, economic inactivity is 17%, which is lower than in West Sussex (18.6%), the South East (19.4%) and England (22%).

As at March 2016, there were estimated to be 11,000 unemployed people in West Sussex. West Sussex has consistently had a lower unemployment rate than the South East region and at the time of reporting, was at its

lowest in the last 10 years. At local authority level, Mid Sussex and Chichester had the lowest unemployment rates in the county at 2.5% and 2.9% respectively.

Qualifications

In West Sussex, 38.5% of residents aged 16-64 years have attained a level 4 qualification (degree level or above qualification). The highest rates are found in the more rural authorities of Mid Sussex, Horsham and Chichester.

In Mid Sussex, 33.6% of persons aged 16-74 in employment with a level 4 qualification are residents and 35.2% live elsewhere. 5.5% of residents aged 16-74 have no qualifications, which is lower than the South East (6.3%) and England (8.4%). Mid Sussex lies in the 25% least deprived local authorities in England.

Mid Sussex reports 790 apprenticeships started in 2014/2015, and 400 achieved in the same year. The proportion of 16-18 year olds who are 'Not in Education, Employment of Training' (NEET) is reported as 4.4% in West Sussex in 2014, which is below the proportion for England (4.7%).

Gross Value Added (GVA)

West Sussex is split into two broad areas – West Sussex South West (WSSW) (Adur, Arun, Chichester, Worthing) and West Sussex North East (WSNE) (Crawley, Horsham, Mid Sussex). For the first time, in 2016, ONS released more detailed estimates of GVA and GVA by sector for local authorities.

At the time of reporting, the latest estimates of GVA for West Sussex was £20,506m; the greater share is from WSNE at £11,146 compared with WSSW at £9,125.

For the period 2004-2014, the growth in GVA for Mid Sussex was 50.4%, which is greater than West Sussex (26.7%). Mid Sussex contributes 16% to the GVA for West Sussex. West Sussex makes up around 8.6% of the regional GVA. The largest sector contributions to GVA came from the 'distribution, transport accommodation and food' sector (26.2% WSNE and 19.3% WSSW), followed by 'real estate activities' (12.7% WSNE and 17.5% WSSW).

Earnings and Employment

Average gross weekly pay for full time workers in 2015 was £553 for residents of West Sussex and £521 for those working in the district but living elsewhere, which is lower than the South East average (£575 and £552 respectively).

Average annual gross pay was £28,545 for West Sussex residents working full time in 2015, which is higher than the average for England (£27,869) but around 5% lower than the South East average (£30,074).

In 2016 in West Sussex, the highest percentage of occupations were in 'professional' occupations (17.7%) and associate professions and technology occupations (16%). In Mid Sussex, the percentage of residents working in managerial, professional and technical occupational groups is higher than the percentage of such jobs located in the district, suggesting that residents are commuting out to these occupations – possibly to Crawley, but also elsewhere, including London.

Gatwick Airport

Located in Crawley Borough, Gatwick is a major economic driver for the north east part of the county, and more widely the South East region. The report identifies that Gatwick Airport is a major employer and provides approximately 21,000 jobs at the airport and supports a further 10,000 jobs indirectly. The airport also contributes over £2 billion per year to the economy of London and the South East.

4.3.5 Conclusion

The proposed development is considered to comply with all the relevant economic plans and policies, in that it will:

- support an existing business to grow and invest in the Sussex area, facilitating private investment in the Sussex economy and encouraging economic growth;
- allow local people to gain access to work which provides a wage above the current mean wage;
- help to maintain relatively well paid and skilled/professional jobs in the local area;

- reduce the need for people to commute further afield for working opportunities;
- encourage a diverse rural economy;
- provide varied working opportunities within the wider Sussex area which are not dependent on Gatwick airport or the aviation industry;
- bridge the gap between low wages of those who work in Mid Sussex and high house prices, enabling people to live and work in the District;
- potentially identify an alternate source of fuel for those households within the district which do not have access to mains gas, and thereby reducing the number of households in fuel poverty;
- accord with WSCC policy which acknowledges that oil and gas are one of the main minerals to be worked within the county;
- help to maintain the historically high economic activity rates and employment within the Sussex area; and
- create and support jobs which are above the average wage for the area.

5. Assessment of the Need for the Development – National Considerations

5.1 Security of Supply

Government policy makes it clear that oil and gas remains an important part of the UK's energy mix. Energy policies recognise the continuing importance of fossil fuels but aim to manage the UK's reliance on them, their potential environmental impacts and the risks associated with security of supply. While the Government manages the transition to a low carbon energy mix, it is the case that oil and gas will remain key elements of the energy system for many years to come, especially for transport and heating.

The Committee on Climate Change (CCC) has acknowledged that the UK will still be relying on indigenous fossil fuels even with the Net Zero UK carbon emissions by 2050.

To manage the decline in UK levels of indigenous oil and gas from the North Sea, new supply infrastructure is required to increase the UK's capacity to produce.

Previous short-term testing at Balcombe has identified a resource that has the potential to be developed into a producing site. The ability to utilise an existing wellsite is a prime candidate for further investment. Granting planning permission for the proposed development at the existing wellsite, which is also safeguarded within the WSJMLP for oil and gas exploration and production (see section 4.3.1), would enable the achievement of a number of economic and environmental benefits associated with the exploration and appraisal and potentially help to achieve security of supply.

The CCC Net Zero Report of May 2019 states:

“The design of the policy framework to reduce UK industry emissions must ensure it does not drive industry overseas, which would not help to reduce global emissions, and be damaging to the UK economy. This will require either consumers or taxpayers to bear much of the cost of decarbonisation of industrial subsectors or sites that are at risk of carbon leakage.”

The proposed development will potentially help to reduce imports of oil into the UK by identifying whether indigenous reserves exist, thereby improving security of supply and not relying on other countries for the UK's energy needs.

5.2 Reduction in Imports

There is no evidence that increasing indigenous oil and gas production will lead to higher levels of oil and gas consumption. The CCC Net Zero report of May 2019 states that oil demand is forecast to be 140TWh by 2050 with a 10% import dependency, assuming no increases in onshore oil production. There is therefore a continued recognition of the need for oil. Oil produced at Balcombe will not increase overall consumption but will help displace imports.

The Government continues to acknowledge the importance of securing home-grown supplies of energy in order to reduce imports and help to meet the widening gap between UK oil production and demand. The Government's target for net zero carbon emissions by 2050 still assumes and allows for the consumption of fossil fuels, with offsetting any carbon emissions. Therefore, the Balcombe development will make a small but important contribution to reducing the country's needs for imports.

5.3 Benefits in Reducing Climate Change

Decision making of applications for exploration and appraisal should only consider the potential impacts on climate change directly arising from the proposed development from the emission of greenhouse gases, rather than any consequential impacts arising from the ultimate use of the oil and gas that potentially could be extracted.

The impact of the proposed development upon climate change should be considered in respect of both the local setting and the wider national impact. At the same time, the development needs to consider climate change in its design.

The proposed development has been designed to be undertaken from an existing wellsite, and therefore make the best use of available resources. Specifically relating to climate change, the proposed development will potentially

identify reserves which could help to reduce the need for imports into the UK, thereby reducing associated generation and transport greenhouse gas emissions when compared to other countries.

This proposal also takes account of climate change in the context of water infrastructure for the lifetime of the development as demonstrated in the FRA that accompanies the planning application.

The proposed development at Balcombe is therefore consistent with current government policy on climate change and the adoption of a net zero target.

5.4 Balance to be Struck between Local Concerns and National Infrastructure

Applications for major development proposals within designated areas need to demonstrate that the proposal is in the public interest before being allowed to proceed. The then Secretary of State for Trade and Industry issued a Ministerial Written Statement on 16th May 2006 about the need for additional gas supply infrastructure, which, although no longer Government policy, still of relevance when minerals planning authorities consider new energy projects. The Statement provides assistance in planning on energy infrastructure to both land use planning professionals in local authorities and local councillors involved in land use planning in interpreting implications of Government policy as a material factor in planning decisions on energy infrastructure. It states:

- *“A balance must be struck between meeting the concerns of local authorities and those they represent, and the national need for infrastructure that will provide us with secure energy supplies.*
- *The provision of energy infrastructure is part of a delivery system that provides an essential national service. Business and homes in the UK require a reliable supply of energy, free from disruption and interruption.*
- *New energy infrastructure projects may not always appear to convey any particular local benefit, but they provide crucial national benefits, which all localities share.*
- *Projects add to the reliability of national energy supply, from which every user of the system benefits.*
- *A failure to put energy infrastructure in place will reduce the reliability of energy systems with potentially disastrous consequences. Energy infrastructure projects often have long lead times. Even where new projects may not appear to have any immediate benefits, failure to put them in place may reduce future reliability.”*

The Ministerial Statement is clear in setting out the importance of additional hydrocarbon supply infrastructure for the next 20 years. The Government welcomes all solutions which could help address this need. Accordingly, the potential delivery of a sustainable local supply of oil from the proposed development fully accords with the Ministerial Statement and is therefore in the public interest.

5.5 Impact of COVID-19

5.5.1 National

The COVID-19 (Coronavirus) global pandemic has the potential to severely impact the UK and global economy. A number of sources have indicated that it is too early to fully consider the impact of COVID-19 on the UK economy, but utilising responses to previous pandemics could indicate what is likely to happen in the future.

Following the outbreak of previous epidemics such as Spanish Flu in Europe and North America (1918-1920), SARS in Hong Kong (2003) and Ebola in West Africa (2013-2016), social distancing measures were utilised to varying degrees. The average reduction in economic activity in the year following the outbreak of these previous epidemics was 7%, with falls of 20% experienced by Canada during Spanish Flu and Sierra Leone during Ebola (Hughes 2020¹). Given much more widespread use of full economy-wide lockdowns in response to the coronavirus pandemic, this suggests the reductions in GDP during the current outbreak will likely exceed these historic averages, and therefore will have a significant impact on UK businesses and the economy².

The UK Office for National Statistics (ONS) suggests that, by mid-April 2020, a quarter of businesses had temporarily closed and a further 40% of firms are experiencing lower turnover. Fewer than 5% of firms are reporting

¹ Hughes R (2020), “Safeguarding governments’ financial health during coronavirus”, Resolution Foundation, 25 March.

² Leslie, J; Hughes, R; McCurdy, C; Pacitti, C; Smith, J; Tomlinson, D (2020) “Long haul lockdown: Three scenarios for the impact of coronavirus on the UK economy, VoxEU Column, 11 May.

higher turnover than normal. GDP has fallen dramatically, with record broad-based falls in output for production, services and construction.

Analysis of the ONS's Monthly Business Survey (MBS) returns and external data, including comments from over 15,000 businesses, has shown that the coronavirus had a significant and wide-ranging negative impact on output during April 2020³. April 2020 has experienced sharper falls than March as the negative impacts of social distancing and "lockdown" have led to a significant fall in consumer demand and business and factory closures, as well as supply chain disruptions. The output of services industries fell by 19.0%, the largest monthly fall since records began in January 1997. The construction industry experienced a strong decline in output of 40.1%. This is the largest fall since monthly records began in January 2010.

There was a significant negative effect on the production industries. The lockdown restrictions and social distancing measures introduced on 23rd March 2020 were in place during the entire month of April, which impacted on:

- normal trading and factory operating conditions;
- supply chains (in the UK and overseas); and
- consumer demand.

In turn, this has resulted in record falls for many manufacturing subsectors during April. Specifically, the mining and quarrying sector recorded a 12.2% fall in April 2020.

Another survey conducted by the British Chambers of Commerce⁴ found that three quarters of firms had furloughed at least part of their workforce.

The Guardian Newspaper reported that in May 2020, 79% of all businesses had applied to the UK government's Coronavirus Job Retention Scheme⁵ and a report published by the Organisation for Economic Cooperation and Development (OECD), indicates that the UK economy is likely to suffer the worst damage from the COVID-19 crisis of any country in the developed world, with a predicted fall in national income (GDP) by 11.5% by the end of 2020.

In previous epidemics, it took an average of three years for real GDP to return to its pre-epidemic level (Leslie et al. 2020). Deteriorating human capital for unemployed workers, loss of labour market connections, damaged firm and household balance sheets, potentially higher demand for precautionary saving post-crisis, and weaker global trade and investment links are all likely to weigh on future growth.

The fall in GDP is anticipated to have profound and potentially lasting impacts on the labour market. The fall in employment during the Liberian Ebola outbreak was 24%, with labour-intensive retail and hospitality sectors being particularly hard hit⁶. The total number of workers furloughed in the UK already exceeds 6 million and there have been 2 million new welfare claimants – which together represents more than a quarter of all private sector employees in the UK (Leslie et al 2020).

5.5.2 Gatwick Diamond

In May 2020, the Gatwick Diamond commissioned an independent COVID-19 Impact Assessment⁷ which explores the potential economic effects of the COVID-19 pandemic on the Gatwick Diamond and the C2C area. The report notes the following:

C2C Area

- pronounced employment exposure - a large number of businesses have been directly affected by the lockdown;
- greater levels of self-employment – the ONS reports that 60% of self-employed people saw their income fall compared to 22% of employed people; and
- digitally isolated communities – those without digital access are less likely to receive public health notices, arrange food deliveries and access welfare support.

³<https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/coronavirusandtheimpactonoutputintheukeconomy/april2020>

⁴ British Chambers of Commerce (2020), "BCC Coronavirus Business Impact Tracker", 29 April.

⁵ <https://www.theguardian.com/business/2020/jun/10/uk-economy-likely-to-suffer-worst-covid-19-damage-says-oecd>

⁶ Bowles J, J Hjort, T Melvin, and E Werker (2016), "Ebola, jobs and economic activity in Liberia", Journal of Epidemiology and Community Health 70: 271-277

⁷ <http://www.gatwickdiamond.co.uk/media/102420/Report-Gatwick-Diamond-COVID-19-Impact-Assessment.pdf>

Gatwick Diamond

- greatest exposure is at Gatwick Airport and surrounding areas. 50% of the employment in Crawley and 75% of employment in the neighbourhood directly surrounding the airport is directly affected by the lockdown measures;
- the Gatwick Diamond is disproportionately impacted in terms of its employment exposure relative to the wider C2C area as one in ten local employees work in jobs that directly rely on the airport; and
- there are pockets of significant self-employment within the area, which have been negatively impacted.

Gatwick Airport has reported that it expects traffic slot volumes to take up to 4 years to return to pre-COVID levels. The report goes on to note that construction is anticipated to be the most impacted sector with a decline in GVA of around £494m since the 2019 position.

Assuming the 90% reduction in slot traffic currently being experienced persists for the next two quarters and pulls down GVA in all airport related activity (e.g. retail, car parking, airline handling) in the same proportion, this would lead to a 16% drop in local economic output over the course of 2020.

The report goes on to note that it will take the Gatwick Diamond ten years to recover the GVA it is expected to lose in 2020, assuming growth rates return to pre-COVID levels. In order to achieve the same recovery in 5 years, the area's economy would need to grow by roughly 2.7% per year, which was last achieved in 2015.

5.5.3 West Sussex

The WSCC website has noted that large scale job losses and long closures of business are having a significant impact on the local economy, although there are plans in place to support the local economy as and when the country starts to move to recovery⁸.

WSCC has published a briefing paper in April 2020 noting WSCC's response to COVID-19. It notes that WSCC has received £20.528 million of additional funding from Government, to support the actions being taken to support the actions to suppress the COVID-19 virus.

The WSCC COVID-19 briefing note goes on to identify the following concerns on local economy:

- the impact on Gatwick airport, which supports around 200,000 jobs, including 4,000 in hotels, 9,000 Crawley residents employed in airport roles and around 45,000 businesses in the Gatwick Diamond connected to the airport supply chain;
- the service sector reliant on discretionary consumer spend, including tourism, which is estimated at £2.05 billion, supporting 37,000 jobs, with the sector currently shut down; and
- the impacts on aspects of the horticulture sector.

The report also highlights concerns around those not covered by the Government support package for businesses and the self-employed which is assumed to be having an impact on the numbers turning to Universal Credit.

⁸ <https://www.westsussex.gov.uk/news/west-sussex-response-to-covid-19/>

6. Assessment of the Need for the Development – The Impact upon the Local Economy

6.1 Introduction

The assessment focuses on those elements of the proposed development that are expected to give rise to notable impacts and will, therefore, examine changes in labour supply and employment as well as other applicable economic elements. As the proposed development relates to industrial use only, social or community elements such as housing, education and health have not been assessed.

Assessment will be both qualitative and quantitative (incorporating employment information provided by the Angus Energy Ltd) and will be considered at all phases of the proposed development, which will consist of the following:

- Phase 1 – removal of wellbore fluids;
- Phase 2 – engineering works;
- Phase 3 – Extended Well Test; and
- Phase 4 – Plug and Site Restoration

To ensure that benefits for local economic activity are maximised, Angus intends to take the following measures whenever possible and practicable:

- establishing a local supply chain – to ensure that local companies have the opportunity to benefit from the project as suppliers and sub-contractors; and
- working with local agencies – to ensure that, opportunities are made available through established local business networks and recruitment channels.

6.2 Local Direct Impacts

The proposed development is expected to give rise to the following local direct economic impacts:

- creation or supporting of up to 4 permanent jobs, and up to 33 temporary jobs for the duration of the proposed development, of these employees, it is considered likely that at least the 4 permanent employees will live in the Mid Sussex area and approximately 25 employees will live within the wider West and East Sussex areas;
- the proposed development will likely require skilled operatives throughout all phases of the proposed development; the following temporary job roles are anticipated, with average spend on wages where quantifiable (based on data provided by Angus on similar sites):
 - up to 10 plant operators and site operators (£5,800/month per role);
 - up to 5 hauliers during mobilisation and demobilisation (average wages across the UK in transport and storage sector were estimated at £26,000 per annum in 2018);
 - 1 petroleum engineer (£30,000 per annum);
 - up to 2 well-test engineers (£700/day per role);
 - up to 3 waste removal employees, related to extractive fluids, general waste and septic tank removal (£7,500 per day for waste removal tanker services which includes employees and transport);
 - up to 4 employed in security services (£300/day per role);
 - 1 civil engineer during earthworks;
 - 1 site supervisor during earthworks and membrane installation;
 - 1 pad installation welder (membrane);
 - 1 construction quality assurance engineer;
 - 1 ecologist;
 - up to 2 Health and Safety Executive (HSE) and planning specialist compliance (£500/day per role);
 - 1 landscaper during the restoration phase

- total salaries paid to the onsite employees will be around £150,000 per annum. This figure does not include the temporary staff or hauliers associated with the site. Over the lifetime of the proposed development, (approximately 30 months), this will result in a total spend on wages of permanent staff of £375,000.

6.3 Wider and Indirect Effects

The employment generated also supports the local economy in terms of the employee spend on everyday goods and services. These are known as 'induced economic benefits'. The proposed development will therefore also support local businesses such as restaurants, cafes, pubs, food stores and petrol stations, thereby supporting indirect employment and the local economy. The induced effect reduces over time as a result of leakage from taxes, savings and spending on goods and services 'imported' from beyond the local and regional economy.

In addition to onsite employment and haulier jobs, activities at the site will help to indirectly support other local companies through expenditure on goods and services needed to support day-to-day operations – the site will spend approximately £1,709,000 per annum on 3rd party goods and services sourced predominantly from other local businesses, which includes suppliers of security and welfare facilities, hotels, site maintenance, legal/professional fees, waste and fuel payments.

Angus Energy will also spend approximately £333,000 placing orders with plant suppliers and building contractors. Other payments include £380,000 which relate to administration, vehicles, office and travel costs.

Should viable oil reserves be found and a subsequent planning application approved, additional economic benefits would include the payment of business rates to the local authority. The amount would be in the region of £40,000 - £60,000 per annum if the subsequent application were to be approved.

6.4 Multiplier Effects

The Homes and Communities Agency published a guide to assessing the additional impact of regeneration, renewal and regional development projects. This includes estimates of economic multipliers, which demonstrates further economic activity associated with the additional local income and local supplier purchases.

The estimates of economic multiplier effects are based on evidence from studies and research for four types of property-related project/activity: B1 Office, B2/B8 General industrial/warehousing, Recreation and Retailing. Their findings are presented in the following table.

Table 2. Composite Multiplier Effect by Type of Area

Project Type	Local Area	Region
B1 Office	1.29	1.44
B2 Industrial / B8 Distribution	1.29	1.44
Recreation	1.38	1.56
Retailing	1.21	1.38

Source: *Additionality Guide, September 2014, Homes and Communities Agency*

The Homes and Communities Agency also produced a 'ready reckoner' which expresses ranges at the very local level and regional level as seen in the table below. The equivalent multipliers for MSDC are therefore likely to be between the neighbourhood and regional area multipliers given in the table.

Table 3. Composite Multiplier Effects – Ready Reckoner

Level	Description	Neighbourhood Level	Regional Level
Low	Limited local supply linkages and induced or income effects	1.05	1.3
Medium	Average linkages. The majority of projects will be in this category	1.10	1.5
High	Strong local supply linkages and income or induced effects	1.15	1.7

Source: *Additionality Guide, September 2014, Homes and Communities Agency*

The impact study undertaken of the Toyota development at Derby (\$700million and 300,000 jobs), identified a composite employment multiplier at the level of Derbyshire, Nottinghamshire, Leicestershire, Staffordshire and the West Midlands of 1.60. The Proposed Development is however clearly of a smaller scale and is likely to have a more localised effect. Given this and having regard to the project type and other research, it is considered reasonable to assume an overall multiplier for this Proposed Development of 1.30.

If this multiplier is used to forecast the total number of additional jobs that are likely to be created in the local and wider economy as a result of the proposed development, it can be seen that 1 further permanent job could be indirectly created in addition to the 4 permanent jobs to be created or supported directly by Angus.

6.5 Summary

A summary of the economic effects of the proposed development is provided in Tables 4 and 5 below:

Table 4. Employment Effects

Type of Employment	Number of Employees
Staff at the site (permanent roles)	4
Contractors (temporary roles)	33
Multiplier impacts	1
Total Jobs	38

Table 5. Economic Effects

Economic Effects		Per Annum	Duration of development (Approx. 30 months)
Salaries	The site (permanent roles)	£150,000	£375,000
	Contractors (temporary roles)	£75,000	£187,500
Subtotal (Salaries)		£225,000	£562,500
Expenditure on local goods and services		£1,709,000	£4,272,500
Placing Orders with Plant Suppliers and Building Contractors		£333,000	£832,505
Other Payments		£380,000	£950,000
Subtotal (Payments)		£2,422,000	£6,055,000
Total		£2,647,000	£6,617,500

The economic and employment effects of the proposed development include:

- direct and indirect job creation; and
- an initial and ongoing boost to local spending power.

No adverse socio-economic effects are anticipated in relation to relevant environmental and transport issues as demonstrated elsewhere in the planning application.

7. Summary and Conclusions

The above assessment indicates that the weight of the socio-economic impacts associated with the proposed development is generally positive and potentially includes:

National Considerations

- helping to maintain security of supply whilst the UK transitions to a low carbon economy by providing indigenous hydrocarbon resources;
- contributing to a reduction in imports into the UK from other countries and thereby reducing reliance on other countries for the UKs energy needs, and keeping energy bills down for the customer; and
- reducing climate change by reducing the need for imports, and thereby the associated transport greenhouse gas emissions.

Local Considerations

- facilitating economic growth in the area by enabling an existing business to expand and adapt;
- supporting the development of a previously developed site which is safeguarded for oil and gas exploration, appraisal and production within Local Planning Policy;
- supporting a strong and diverse rural economy;
- reducing the over-reliance on the London economy to provide employment opportunities for the C2C area and the Gatwick Diamond;
- contributing to the resilience and flexibility of the local economy, ensuring it maintains its competitiveness;
- allowing local people to gain access to work which provides a wage above the current average salary;
- bridging the gap between lower wages and high house prices in the Mid Sussex, by providing opportunities for people to live and work in the District.
- contributing to an economy which will continue to be significantly impacted by the COVID-19 pandemic.

The proposed development will potentially contribute to the UK supply of oil and gas and its contribution is considered important to national supply if the planning application is approved.

The site will form a component of the local socio-economic structure of the area. The planning application, if permitted, is likely to lead to the creation of new jobs, supporting existing jobs and additional contract employment and investment in the local economy.

Overall, the effect of the proposed development on the socio-economic character of the area is considered to be positive and acceptable.

