Epsom & Ewell Borough Council

Local Development Framework

Employment Land Review

April 2006

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1.0 EXECUTIVE SUMMARY

This report will form part of the evidence base informing the local development documents within the Local Development Framework. The study investigates the use and supply of land within the Borough of Epsom & Ewell for employment purposes over the first ten years of the plan period, and its findings will therefore be regularly reviewed. The key findings of the report are:

Local Labour Force

- The percentage of 16-64 year olds in Epsom & Ewell[1] who are economically active[2] has increased from 61% in 1991 to 85% in March 2003 – April 2004. In real terms, there are 57,800 individuals who are economically active [Nomis 2005]
- Unemployment has slightly increased from 3% of the economically active population in 1991 to 3.2% in March 2003 – April 2004. However, almost 80% of those who are unemployed were only in receipt of Jobseeker's allowance for up to 6 months [Nomis 2005]
- As at March 2003 – April 2004, 36.5% of the Borough's population were educated to degree level [Nomis 2005]
- There has been growth in the 'Professional sector' and 'Management & Senior Officials' from 51% in 1991 to 59% in March 2003 – April 2004 [Nomis 2005]

Number of Businesses and Employees

- Number of jobs in the Borough has increased from about 22,400 to 24,039 in the period 1982-2004, while the number of employees has fallen slightly from 26951 in 1998 to 24764 in 2004 [ABI 2004]
- The number of VAT registration (firms with a turnover of over £75,000) per year between 1994 and 2002 averaged 233, with the number of de-registrations at 213 (an average annual net gain of 20) [ABI 2003]
- Almost half of the Borough's jobs are provided by the 34 biggest employers (100+), employing a total of 11,700 people. Hospitals and schools employ about 3,800, whilst the 5 largest retailers in the Borough (that tend to have more flexible, part-time staff) employ about 1,200. The largest supplier of office based, professional employment is Atkins, with their headquarters in Epsom town centre providing about 1,800 jobs [ABI 2003]
- 61% (20,364) of the Borough's employed residents commute to work outside the Borough, whilst 53% (14,624) of the Borough's jobs are filled by people commuting into the Borough [Census 2001]

Level of Employment Floorspace

- The Borough has a total of 216,000 m^2 of B1, B2 and B8 employment floorspace (113,000 m^2 offices, 48,000 m^2 general industrial, and 55,000 m^2 warehousing) [ODPM 2004]
- The buildings in the district are relatively old with over 50% of offices being built prior to 1970. Few are post 1991 [ODPM 2004]
- Rents for high specification B1 uses (offices, research & development and light industrial) have fallen by 14.5% to £253 per m^2 in the last 3 years. In the same period B2 (general industrial) and B8 (warehousing) premises have experienced

[1] 'Epsom and Ewell' refers to the whole of the Borough
[2] In work, looking for work, just about to start work or are full time students

little rental change, staying in the range of £86-113 per m^2 for average to good space respectively [Information sourced from local agents 2005]

- Take up of employment space has slowed in the last 2 years, both in terms of freehold and leasehold interest, reflecting the wider economy. Recent deals have mirrored this, insofar as longer rent-free periods have been negotiated as part of the lease agreement. There are no current planning applications or enquiries for developing further floorspace. There is some interest in freehold purchases of small office and industrial units by owner occupiers for investment purposes
- With the odd exception, offices are located in the 2 main centres: Epsom Town Centre (mainly East Street and Ashley Avenue) and Ewell Village. B2 and B8 uses are predominantly found on Nonsuch and Longmead Business Parks

Future Forecasts

- The future forecast demand for employment floorspace can be calculated through two methods – they provide the basis of a *range* of possible future employment requirements; they are:
- *Employment Demand*: Using forecasts to predict the likely changes in the demand for employees from business sectors. *Experian* have conducted such forecasts and predict the increase in employment numbers could be as many as 5,700 from 2006-2016 (ie the top end of the range)
- *Labour Supply*: Forecasting the size of the future workforce who will seek employment in Epsom and Ewell. Surrey County Council population projections are predicting an increase of 385 workers between 2006 – 2016 (ie the bottom end of the range)
- Approximately half these workers from both prediction methods will be likely to be employed on premises that fall under the “B” use classes [Business Strategies LTD Experian 2003]
- Average worker floorspace statistics for Surrey were found to be 22.2 m^2 per worker. [New Businesses in Surrey July 2001 – Surrey County Council Report]
- Taking other factors into account such as homeworking and vacant employment floorspace, it is calculated that the floorspace requirements in 2016 in relation to today’s supply for the two methods were:

Employment Demand: Deficit of 48,044 m^2
Labour Supply: Oversupply of 5,933 m^2

Summary of Conclusions

- The Borough has a limited supply of employment space with relatively little scope for large scale additional land supply.
- To ensure an adequate supply for future generations, a cautious approach towards losses of employment land would be justified.
- Following an appraisal of the Borough’s existing employment land, the following approach is recommended:
    - The amount of employment land the study has shown to be the *minimum* required by the economy (the current supply minus 5,580 m^2 oversupply as identified by the labour supply method) should be protected. Ideally the protected employment land should be in sustainable locations.
    - The redevelopment of employment floorspace in unsustainable locations to suitable alternative uses could be supported and therefore a reasonably flexible approach adopted in policy

- Redevelopment of older commercial sites should be encouraged, but retaining employment use wherever possible – at least to provide the same number of jobs as before
- The development of some additional employment floorspace, particularly to provide for B1 / B8 use would be desirable
- Careful monitoring is essential to ensure the needs of the economy are continuing to be met
- Encouragement should be given to developments that do not necessarily rely on imported labour or more land eg homeworking and new technologies.

2.0 AIMS

The objectives of this study are to:

1. Identify current and future employment needs in the Borough
2. Provide policy context
3. Appraise the current employment portfolio and establish various future policy options in light of social, economic and environmental trends (including any land supply requirements)

A variety of sources have been used to collate a baseline, all of which have been referenced throughout the report. Based upon this information, calculations can be made to project future employment requirements in the Borough. These will be set out later in the report, and will be used to help inform the various policy options.

3.0 POLICY CONTEXT

To place this report in context, the policy framework on employment issues has been set out starting with the broad European perspective through the appropriate documentation published by various levels of governance in England.

3.1 EUROPEAN POLICY

The European Commission is encouraging sustainable development patterns, mixed-use schemes, provision of efficient and sufficient public transport routes, and the reuse of brownfield land.

3.2 NATIONAL POLICY

National Policy is set out within documents prepared by the Office of the Deputy Prime Minister (ODPM), known as Planning Policy Guidance notes (PPGs), and now the emerging Planning Policy Statements (PPSs). The relevant ones are listed below, with the key principles from each extracted in terms of employment policy:

PPS1 Creating Sustainable Communities

The 4 aims of sustainable development are:

- Maintenance of high and stable levels of economic growth and employment
- Social progress which recognises the needs of everyone
- Effective protection of the environment
- The prudent use of natural resources

Planning policies should seek to achieve where appropriate the following specific objectives for sustainable development:

1. Promote urban and rural regeneration (to promote a strong, stable, productive and competitive economy that ensures prosperity for all)
2. Promote regional, sub-regional and local economies (to provide a positive planning framework for sustainable economic growth to support efficient, competitive and innovative business, commercial and industrial sectors)
3. Promote communities which are inclusive, healthy, safe and crime free
4. Bring forward sufficient land of a suitable quality in the right locations
5. Give high priority to ensuring access for all jobs, health, education, shops, leisure and community facilities
6. Focus developments that attract a large number of people, especially retail development, in existing centres
7. Protect biodiversity, and manage pollution, waste and resources
8. Promote more efficient use of land
9. Reduce the need to travel

PPG3 Housing

- Local planning authorities should adopt positive policies to re-use housing and convert buildings formerly in other uses, especially empty housing, vacant commercial buildings and upper floors above shops

Emerging PPS 3 Housing

- Local planning authorities should consider favourably applications for housing on land allocated or previously used for industrial / commercial use, which is no longer needed for that use (as demonstrated by an up to date Employment Land Review)

PPG4 Industrial and Commercial Development and Small Firms

- Encourage economic development in a way that is compatible with environmental objectives
- Emphasis on local development plans to set the framework for employment use development, with policies providing for choice, flexibility and competition.
- Take account of access to customers, raw materials, links with other businesses, workforce catchment area and transport considerations, as well as achieving wider objectives in the public interest
- Sites to be well served by infrastructure, and limit the need for motorised forms of transport
- Where employment use development would not have an adverse affect residential amenity, mixed-use schemes should be encouraged
- Re-use of urban areas for employment uses, especially previously developed land, should be key priority

PPS6 Planning for Town Centres

- Regenerate deprived areas, creating new and additional employment opportunities and an improved physical environment, including commercial and public sector offices
- Growth may also be accommodated through identifying buildings where change of use will be encouraged
- High density, multi-storey development within and around existing town centres, including the promotion of mixed-use areas, where appropriate
- Local authorities should consider changes to the range of services provided by centres

PPG13 Transport

- Promote accessibility to jobs by public transport, walking and cycling, and reduce the need to travel, especially by car, ensuring that development comprising jobs offer a realistic choice of access
- Travel plans should be submitted alongside planning applications, which are likely to have significant transport implications, including all major developments comprising jobs

PPS23 Pollution Control

- Decisions on planning applications for developments which may give rise to pollution, like all planning decisions, must be made in accordance with the development plan, unless material considerations indicate otherwise. Material considerations may include the loss of amenity, which the pollution would cause (air and water quality) and waste management issues

PPG24 Noise

- Development plans should give developers and local communities a degree of certainty about the areas in which particular types of development will be acceptable and those in which special measures may be required in order to mitigate the impact of noise, both in terms of businesses creating noise on site, and the noise produced by the travel generated by the employment use

3.3 REGIONAL POLICY

Regional Planning Guidance 9 (RPG9)

RE1
The regional economy should be supported and further developed to ensure that it contributes fully to national growth and follows the principles of sustainable development

RE2
Human resource development should be recognised as a central component in harnessing and promoting future economic success in the Region and access to job opportunities should be improved for those currently disadvantaged in the labour market

RE3
A long-term and holistic approach should be taken to economic development activities

RE4
Business should be encouraged in adopting the principles of sustainable development

RE5
Better use should be made of existing employment land resources. Sites for industry and commerce should be developed particularly in urban areas and in places which are accessible by environmentally friendly modes of transport. Precedence should be given to the re-use of developed land over the release of new land and whenever possible the intensification of use on existing sites should be encouraged.

RE10
Economic diversity should be encouraged, facilitating small and medium enterprises, and supporting the growth of a variety of economic sectors

RE11
Tourism, arts and culture should be encouraged

Emerging South East Plan

Economy: RE1
Local authorities through regular employment land reviews, combined with local knowledge and working with other partners, will identify the key sectors and clusters within their local area, and any opportunities that exist for the development or

expansion of sectors and clusters. Appropriate policies are to be included in Local Development Documents

RE2
In the preparation of Local development Documents, local authorities will assess the employment needs of the local economy and workforce. The assessments will take account of sub-regional strategies for the location, quantity and nature of employment land and premises. Policies should provide for a range of sites and premises based on criteria such as accessible locations and intensification of existing use. Accessible and well-located industrial and commercial sites should be retained where there is a good prospect of employment use.

Town Centre: TC1
Accessible, attractive and vibrant town centres are fundamental to the sustainable development of South East England and will continue to be the focal point for development of a mixture of uses including leisure, services, retail, residential and commercial. Local Development Documents will seek to promote good quality development where it is desirable to regenerate and renew town centres.

TC2
Epsom listed as a secondary regional centre. It should be the focus for; major retail developments; uses which attract a large number of people; employment – particularly large scale leisure and office (class B1a) developments and a range of housing.

Regional Economic Strategy for South East England 2002-2012

The Regional Economic Strategy is underpinned by 5 principles:

1. Competitive businesses – developing and expanding enterprise, innovation and international relationships to become one of the top 15 most entrepreneurial, innovative and productive regions in the world by 2012
2. Successful people – developing entrepreneurial, leadership and management skills, maximising workforce skills and participation
3. Vibrant communities – ensuring all parts of the region share in economic success
4. Effective infrastructure – ensuring supportive housing, health services, transport and communications (especially broadband) infrastructure
5. Sustainable use of natural resources – maintaining the South East's environmental capital as a core strength, and securing sustainable land management and to support greater prosperity for land-based activities

Surrey Structure Plan (adopted December 2004)

LO2 Managing Urban Areas
Promote the reuse and redevelopment of previously developed land to enhance the quality of the built environment. Development that could attract a high level of car-borne trips will only be acceptable in a location that is or could be made easily accessible by public transport.

LO3 Town Centres
To be the main focus for development of employment, retail, leisure, other service facilities and residential development (over 50 dwellings per hectare). Epsom is seen as a major all-purpose centre.

LO9 Employment Land
Suitably located land will be safeguarded, though in and around town centres it can be redeveloped for mixed uses. Maintain an appropriate mix of types and scale of premises for a range of economic activities.

Emerging South East Plan – London Fringe Sub-Region

Core Strategy
LF1
Meeting development requirements within urban areas and maintaining the protection of the Green Belt will be achieved by:

i) sustaining growth in the local economy to a level that can be supported by labour markets and infrastructure, supported by comprehensive monitoring of the local economy, labour supply and demand and movement patterns across the sub-region and adjoining areas, including London
ii) generally focusing employment related development to take place on land already in employment use, or available for such use
iii) encouraging a broad base of economic activity which utilises existing skills in workforce and supporting retraining and re-skilling of the workforce

LF6
Employment related development will take place primarily on land already in employment use or available for such use. Proposals will be considered in the context of the vitality of the local economy and that in adjoining areas as evidenced by regular monitoring. Local Development Documents will identify strategic employment land which will be safeguarded for employment purposes.

Mixed use development will be encouraged in an around town centres and other areas of good public transport accessibility. Residential or mixed use development may be allowed on employment land that is not identified as being strategically important, particularly if amenity and environmental gains are achieved and more sustainable forms of development result.

3.4 LOCAL POLICY

Epsom and Ewell Borough Council District Wide Local Plan (adopted May 2000)

EMP1 General Employment Policy
Applications for new employment development will be determined having regard to:

1. Availability of existing land and premises, and the level and take up of outstanding permissions and commitments
2. Availability of labour and housing and the need for an appropriate supply an range of employment opportunities for the Borough’s resident work force

3. Need to avoid employment generating demands for additional housing which would exceed the Borough's housing figures
4. Need of small firms and for services for the local community
5. Need to retain and attract new firms and activities which meet the needs of the local economy
6. Highway safety and efficiency and the protection of the environment

EMP2 Location of Employment Development
Business (use class B1), industrial (B2) and warehouse and distribution (B8) development will only be permitted on land identified on the Proposals Map or on a site with established use rights for these purposes

EMP3 Epsom Town Centre Business Areas
Development for business (B1) in Epsom will be permitted if:

1. It is appropriate to character of the town centre
2. Proposals of over 1000m^2 gross provide a mix of uses
3. It does not result in net loss of a desirable use
4. It makes appropriate provision for car parking
5. Appropriate planning conditions are agreed

EMP4 Shopping Centres
Similar points to EMP3. However point 3 is more detailed stating that retail (class A1), residential and community uses that contribute significantly to the vitality and viability of the centre must not be lost.

EMP5 Longmead and Nonsuch Employment Areas
Business (use class B1), industrial (B2) and warehouse and distribution (B8) uses will be permitted on these 2 employment areas subject to the right balance of small units, environmental factors, access arrangements and provided adjoining residential areas are not adversely affected

EMP6 Rest of Borough
Small site employment uses will be permitted in appropriate circumstances in areas outside the Epsom town centre and the 2 employment areas

EMP7 Large Scale Warehouses for storage or distribution
Only in exceptional circumstances will large scale warehousing be permitted

EMP8 Small Businesses
Similar to EMP6, with an emphasis on supporting small businesses

EMP9 Working from Home
Where proposals for working from home constitute development, permission will be granted subject to no adverse effect on neighbouring properties or on highway safety or efficiency

EMP10 Retention and Improvement of existing Land and Buildings
Permission will not be granted for the redevelopment or change of use of existing employment uses in suitable locations, but instead the Council will encourage the improvement of existing outworn premises or those unsuited to modern processes

EMP11 Upper floors in the shopping centres
Change of use of upper floors above retail premises from non-residential uses to business (B1) use will be permitted subject to the working use of the retail premises not being prejudiced

3.5 COMMUNITY STRATEGY

A mix of partners including Education Business Partnership, NESCOT, Surrey County Council, Epsom and Ewell Borough Council and Epsom & Walton Downs Conservators are targeting some key areas within the action plans associated with the Community Strategy.

3.6 MARKET CONDITIONS

- **Offices**

New, high specification (air conditioned, raised floors) offices were commanding rents of £270-£295 per m^2 in 2000 and 2001 in Epsom, but in the last few years, this has dropped to about £250 per m^2. Second hand, secondary space (central heated with perimeter trunking) has achieved rents of £130-150 per m^2.

However, take-up rates have dropped in the last 2 to 3 years, with rent-free periods required as incentives for occupiers to take space. This can be seen in the number of empty properties being advertised for rent in the current market. This is not unique to the Borough, with similar trends being experienced throughout the South East.

- **Retail**

High Street rents experienced a healthy increase about 18 months ago, with rents increasing from the 'as then standard' figures of £375 per m^2 Zone A, to £540 per m^2 Zone A. More recent lettings have witnessed £700 per m^2 ZA, but rents drop off quickly the further west the unit is from Marks & Spencer and the Ashley Centre (£485 per m^2 ZA), albeit a fairly robust rent is maintained the further towards Upper High Street the retail unit is located. The Ashley Centre boasts rents of £700 per m^2 ZA, which have remained constant over the last few years.

Demand has remained strong for retail units in Epsom, although some interested parties of lesser known trade names do not always have the strength of covenant that would be expected of the multiple, national retailers. Epsom does not have many empty retail units.

- **Industrial**

The industrial market has remained quite stable, with no noticeable change in demand or supply. Rents for new units are seeking rents of £100-110 per m^2, whilst small, second-hand premises are around the £45-55 per m^2 mark.

As with small office suites, there is a market for freehold purchases of small industrial units, mainly from owner-occupiers seeking a property investment.

4.0 BASELINE INFORMATION

4.1 LOCAL LABOUR FORCE

4.1.1 Total Population

The population of Epsom & Ewell Borough was 67,059 at the time of the 2001 census. This is a decline of 0.4% from the Census figures for 1991.

The Borough of Epsom & Ewell has the smallest population of all the Districts in Surrey and is the only one whose population has fallen over the past 10 years.

Since 1971, the Borough's population has been declining, though the population of the county of Surrey as a whole has risen. The decrease in population in Epsom and Ewell can partly be attributed to the demise of the psychiatric hospitals in the Borough. Long Grove, Manor and Horton Hospitals all closed between 1991 and 2001. In 1991 there were 2,441 residents in psychiatric care, in 2001 this had fallen to just 136.

Table 1: Population Figures

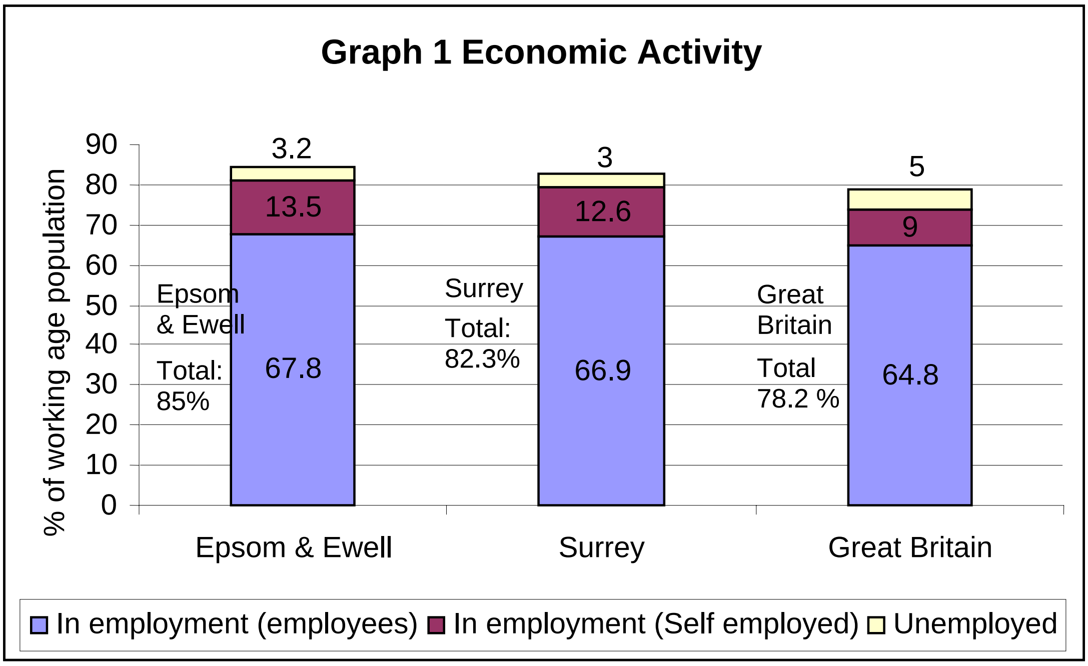
	Epsom and Ewell (numbers)	South East (numbers)	GB (numbers)
All people	68,000	8,110,200	58,124,600
Males	32,700	3,957,000	28,434,500
Females	35,200	4,136,300	29,690,100

Source: NOMIS Labour Market Profiles (Midyear population estimates (2004)

4.1.2 Economic Activity

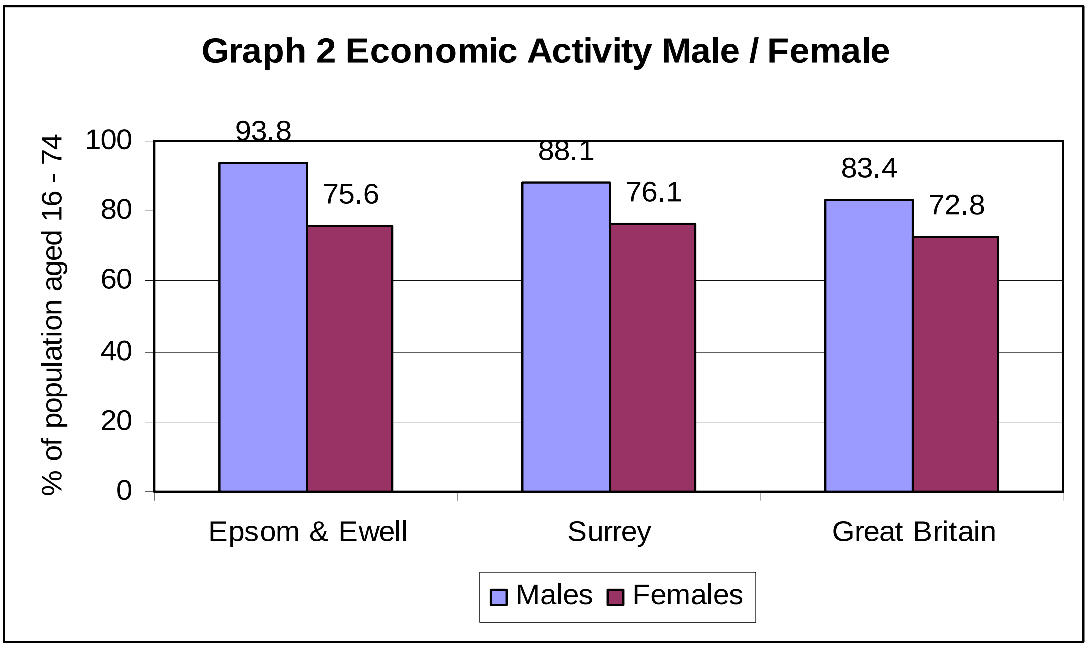
85% of people of working age in the Borough of Epsom & Ewell are classified as economically active. The economic activity rate is defined as the number of people, who are economically active, aged 16 to 59/64, expressed as a percentage of all working age people. This is a higher proportion than the GB average (78.2%) and slightly higher than the County average (82.3%). The percentage of economically active residents has increased from Mar 1999 – Feb 2000 when it was 79.6%. This is a countrywide trend.

Graph 1 below shows the economic activity of the population of Epsom & Ewell, Surrey and Great Britain.



Source: NOMIS Labour Market Profiles (Local Labour Force Survey Mar 2003 – Feb 2004)

3.2% of the economically active residents in the Borough are unemployed, slightly higher than the Surrey average (3%) but considerably lower than the GB average (5%). In 1991 3% of people were unemployed in the Borough while 1.8% were unemployed at the time of the 2001 Census. Both the Borough of Epsom & Ewell and Surrey have a higher proportion of residents who are self-employed than the English average. The duration of unemployment within the Borough is low. Almost 80% of those unemployed, gain employment within 6 months.

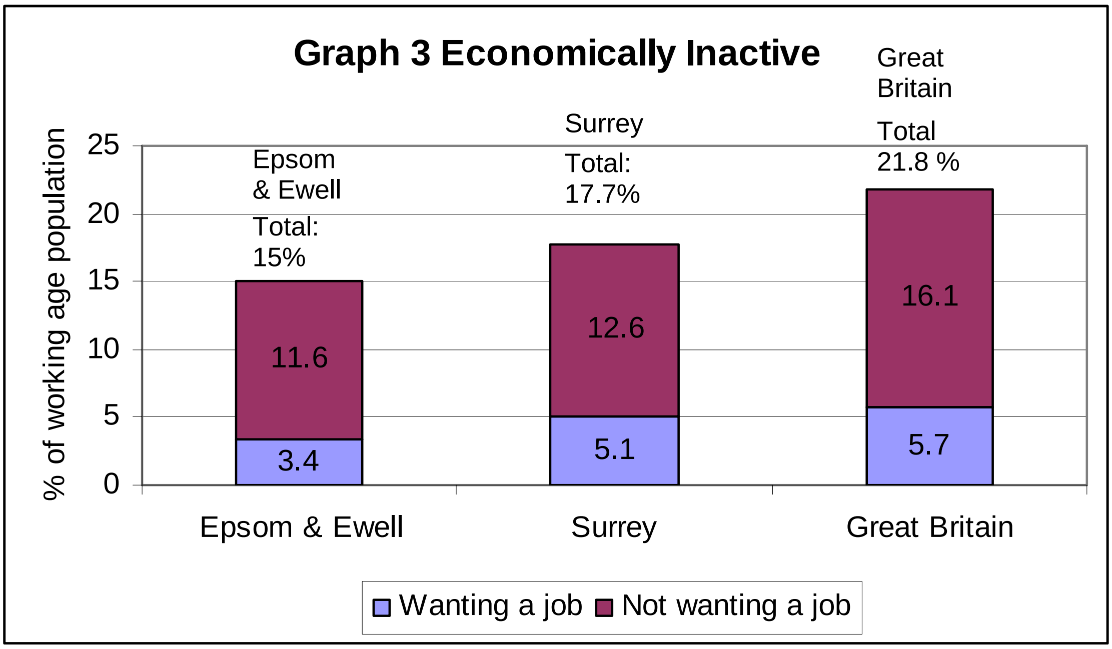


Source: NOMIS Labour Market Profiles (Local Labour Force Survey Mar 2003 – Feb 2004)

There are a greater proportion of males economically active than females (93.8% compared to 75.6%). The number of economically active males in Epsom and Ewell is significantly higher than the GB average (83.4%). The percentage of economically active females in the Borough has risen considerably since 1991, when it was 51% (1991 Census data).

4.1.3 Economic Inactivity

Graph 3 below shows the proportion of economic inactivity of the population of Epsom & Ewell Borough, Surrey and England.

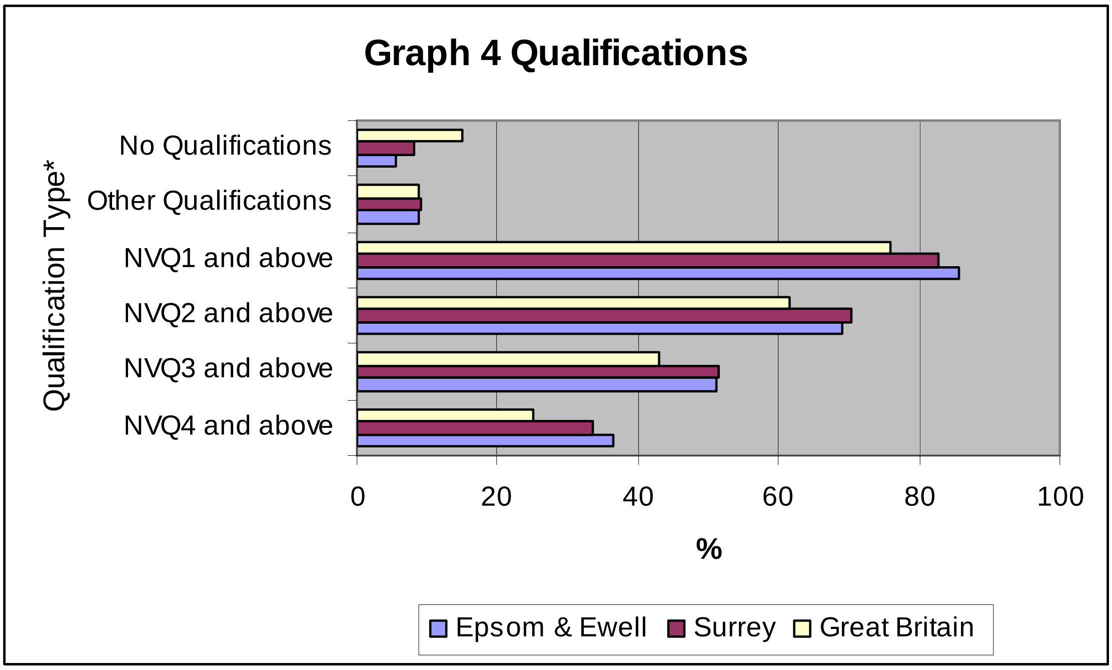


Source: NOMIS Labour Market Profiles (Local Labour Force Survey Mar 2003 – Feb 2004)

15% of the Borough's working age population are economically inactive. This figure is lower than both the Surrey (17.7%) and GB (21.8%) figures. In all three areas, the majority of economically inactive people do 'not want a job'.

4.1.4 Qualifications

Surrey is a highly qualified County compared with England as a whole. The Borough of Epsom & Ewell has a similar profile to Surrey.



Source: NOMIS Labour Market Profiles (Local Labour Force Survey Mar 2003 – Feb 2004)

*Qualification Type:

No qualifications: No formal qualifications held

Other qualifications: Includes foreign qualifications and some professional qualifications

NVQ 1 equivalent: e.g. fewer than 5 GCSE's at grades A-C, foundation GNVQ, NVQ 1, intermediate 1 national qualification (Scotland) or equivalent

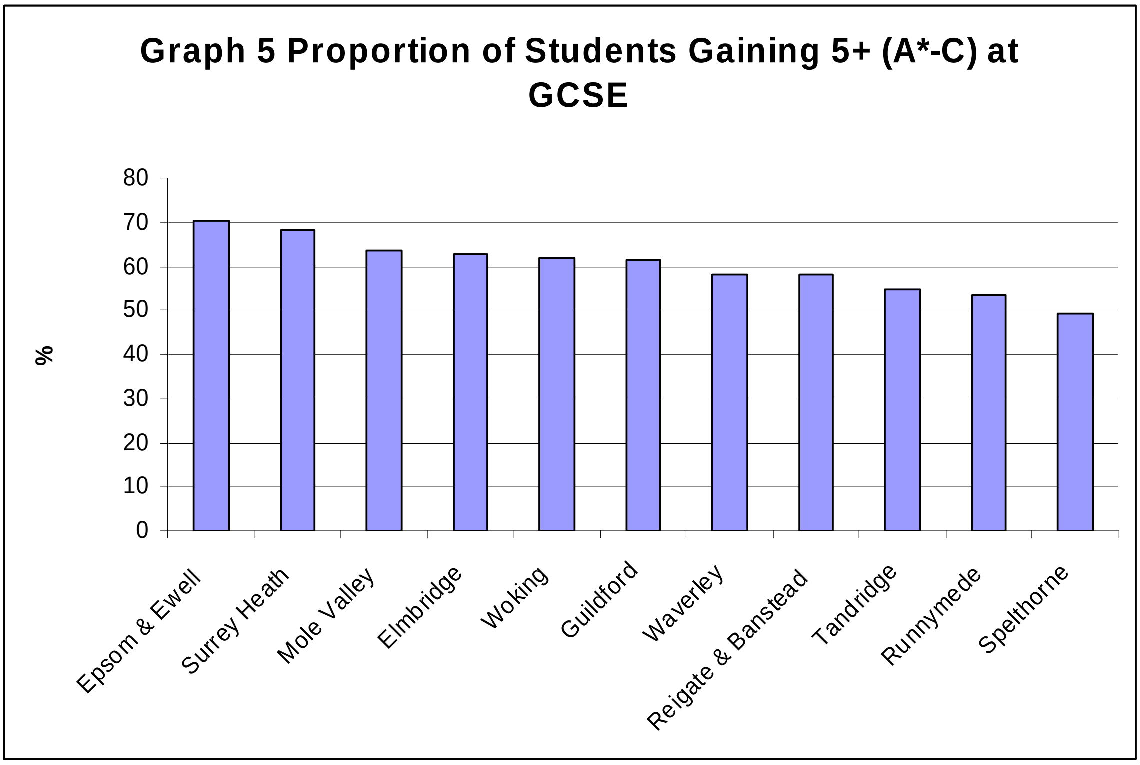
NVQ 2 equivalent: e.g. 5 or more GCSE's at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent

NVQ 3 equivalent: e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent

NVQ 4 equivalent and above: e.g. HND, Degree and Higher Degree level qualifications or equivalent

Over a third (36.5%) of the Borough's residents are educated to the highest category (NVQ 4 or equivalent), compared to the GB average of 25.2%.

Only 5.5% have no qualifications; significantly lower than the GB average of 15.1%.



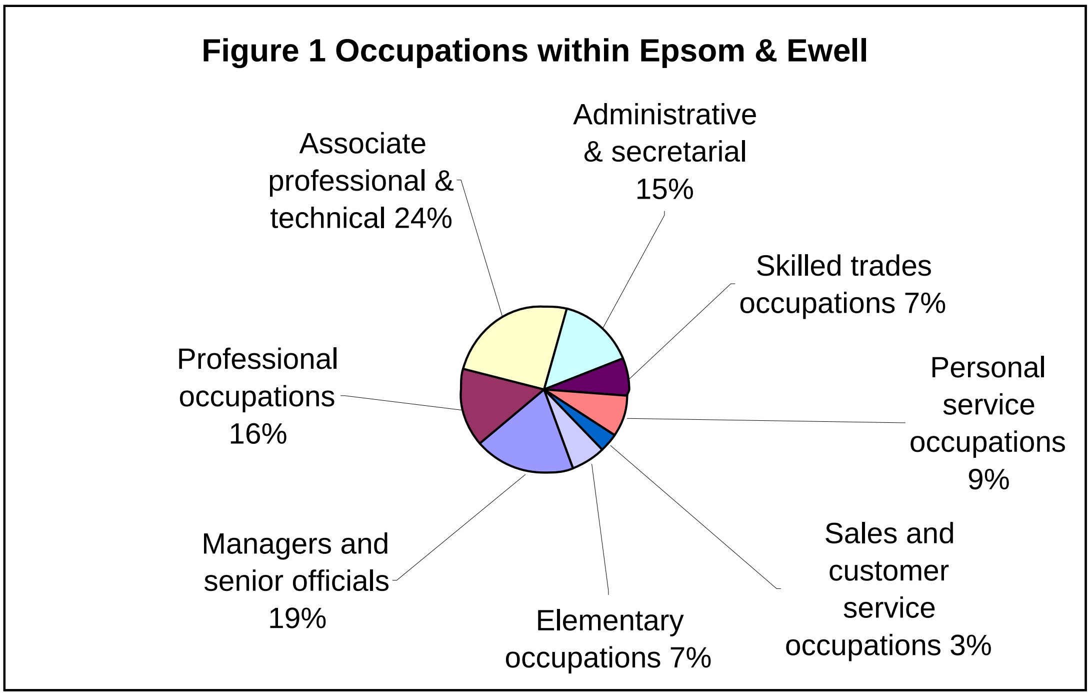
Source: Local Knowledge Website 2003

Epsom and Ewell has the highest proportion of students gaining 5+(A*-C) at GCSE in the County.

The average A/AS level points for Epsom and Ewell are 256.28. This is the same as the County average. The national average is 245.87.

	Average A/AS level points
Epsom & Ewell:	256.28
Surrey:	256.28
England & Wales:	245.87

4.1.5 Socio-Economic Classes



Source: NOMIS Labour Market Profiles (Local Labour Force Survey Mar 2003 – Feb 2004)

The highest proportion of the Borough's residents fall in the 'Associate professional & technical' category (24%) This is higher than the equivalent for Surrey (17.8%). A large number of employees in Epsom & Ewell are managers / senior officials or have professional occupations, a trend similar to Surrey. The proportion of process, plant & machine operators within Epsom & Ewell has not been recorded as the sample size was considered too small, however, for Surrey it is 4.1%, which is a reflection of the small manufacturing base of the County.

4.1.6 JSA Claimants:

Table 2 shows the percentage figure of the number of JSA Claimants as a proportion of resident working age population:

Table 2: Total JSA Claimants

	Epsom and Ewell (numbers)	Epsom and Ewell (%)	Surrey (%)	GB (%)
All people	411	1.0	0.9	2.4
Males	291	1.4	1.3	3.5
Female	120	0.6	0.5	1.3

Source: NOMIS Labour Market Profiles (Claimant count with rates and proportions (December 2005)

The number of claimants in the Borough is similar to that in Surrey, both being below the average for Great Britain. There are very few claimants who have been receiving JSA for over 12 months (Table 3), which implies that the majority of claimants soon find paid employment. Epsom & Ewell have the lowest percentage of medium to long term claimants in comparison with Surrey and GB.

Table 3: Duration of JSA claims

Area	Claiming for up to 6 months	Claiming for over 6 months up to 12 months	Claiming for over 12 months
Great Britain	68.2%	17.5%	68.2%
Surrey	74.3%	13.8%	11.9%
Epsom and Ewell	79.7%	13.4%	6.8%

Source: NOMIS Labour Market Profiles (Duration of Claim for Benefit (December 2005)

4.2 NUMBER OF BUSINESSES AND EMPLOYEES

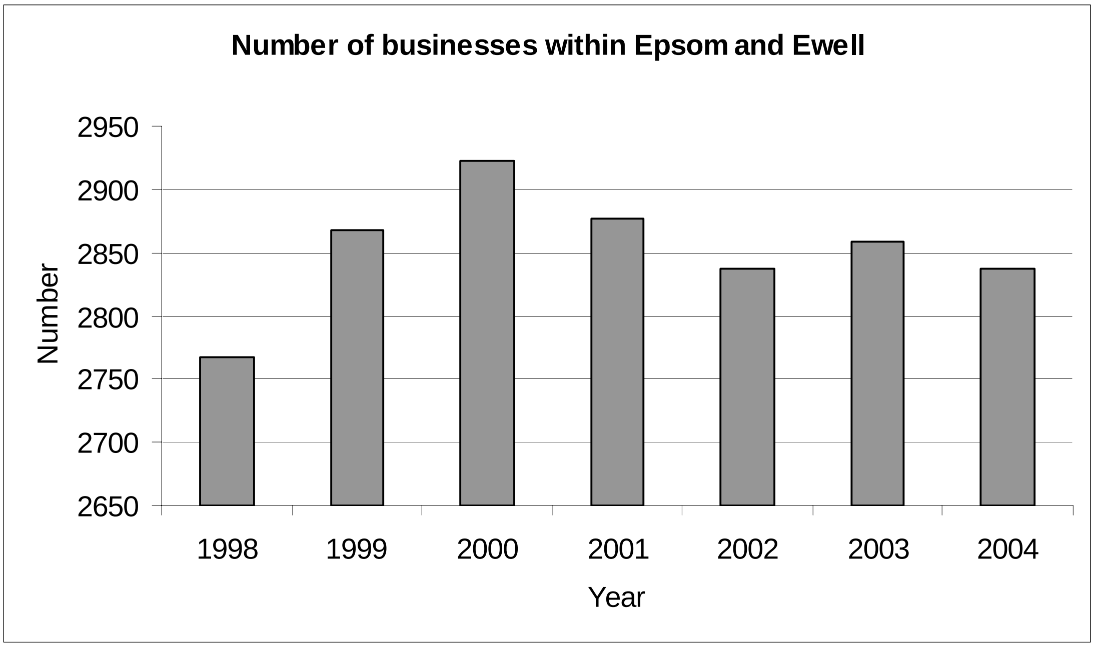
4.2.1 Businesses

Total number of businesses (data units) that existed within the Borough of Epsom and Ewell in 2003 was 2,859. The distribution of these across the business sectors is shown in Table 4 below. The greatest numbers are to be found in the banking, finance and insurance sector while agriculture and energy and water have very few businesses.

Table 4: Number of businesses within Epsom and Ewell Borough by sector

Business Sector	**Number of Business Units**	**%**
Agriculture and fishing	7	0.2
Energy and water	4	0.1
Manufacturing	102	3.6
Construction	316	11.1
Distribution, hotels and restaurants	709	25
Transport and communications	83	2.9
Banking, finance and insurance etc	1106	39
Public administration, education and health	196	6.9
Other services	314	11.1

Source: ABI Number of businesses by industrial group 2004



Source: ABI Number of businesses (Data Units) 2003

There was a general upward trend in the number of businesses from 1998 – 2000, followed by a slight downturn throughout 2000 – 2003. 2004 saw another small decrease. Over the six-year time period there has been an overall change of 2%. Although an increase, this figure is generally at the lower end of the scale in comparison with other Boroughs. Surrey has seen a 5% increase in the number of businesses over this time period (Table 5).

Table 5: Change in number of businesses within Surrey districts from 1998 – 2003

District	% Change
Elmbridge	5
Epsom and Ewell	**2**
Guildford	8
Mole Valley	7
Reigate and Banstead	7
Runneymede	8
Spelthorne	3
Surrey Heath	0
Tandridge	7
Waverley	10
Woking	0
Surrey	**5**

Source: Calculated from ABI Number of businesses (Data Units) 2004

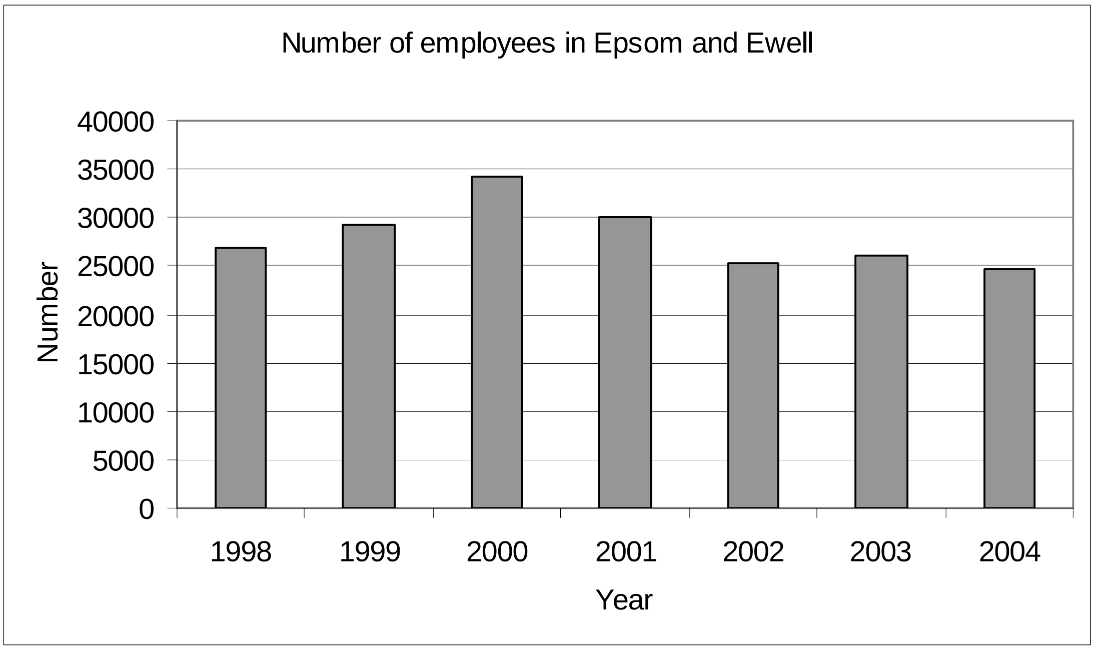
4.2.2 Employees

It can be seen from Table 6 that very few people within the Borough of Epsom and Ewell are employed within the agriculture & fishing industry and energy & water. The largest sector employers are banking, finance and insurance, closely followed by the distribution, hotels and restaurants sector. There has been a rise in the past 10 years of people working in the financial sector (possibly due to the Borough's proximity to London), and there is a particular concentration of people working in the public sector, especially healthcare.

Table 6: Number of employees within Epsom and Ewell by sector

Business Sector	Number of Employees	%
Agriculture & fishing	19	0.1
Energy & water	80	0.3
Manufacturing	609	2.5
Construction	963	3.9
Distribution, hotels & restaurants	6886	27.8
Transport & communications	887	3.6
Banking, finance & insurance etc	7436	30
Public administration, education & health	6237	25.2
Other services	1647	6.6

Source: ABI Workplace Analysis 2004



Source: ABI Workplace Analysis 2004

As expected there are greater fluctuations in the number of employees within the Borough although the general trend does follow the number of businesses. 1999 – 2000 experienced the greatest period of change with a 17% increase in the number of employees. However the following two years saw a decrease of –12% and –16% while 2002 – 2003 witnessed a 3% increase. There has since been a further reduction with levels falling below the 1998 levels. Overall, there has been a 8% reduction in the number of employees between 1998 and 2004 while the number of employees in Surrey as a whole has remained the same.

Table 7: Change in number of employees within Surrey districts from 1998 – 2004

District	**% Change**
Elmbridge	-5
Epsom and Ewell	**- 8**
Guildford	7
Mole Valley	- 8
Reigate and Banstead	11
Runneymede	5
Spelthorne	- 25
Surrey Heath	- 5
Tandridge	16
Waverley	-1
Woking	18
Surrey	**0**

Source: Calculated from ABI Workplace Analysis 2004

4.2.3 Commuting Trends

Surrey has a greater number of people ‘out commuting’ compared to ‘in commuting’ as shown in Table 8. This is probably due to the county’s close proximity to London. The Borough of Epsom & Ewell shows a similar commuting deficit, which again is most likely to be due to the high numbers travelling to work in London. The Borough has good transport links with the capital.

Table 8: Commuting trends in Surrey and Epsom and Ewell

	Description	Notes	Surrey	Epsom and Ewell
	'Resident' population aged 16-74 (A+B+C+F)		768,626	**48,482**
A.	Lives in area and works outside area but within associated area*	Out commuters	188,731	**20,252**
B.	Lives in area and works outside associated area	Working outside England	2,170	**112**
C.	Lives and works in area		341,918	**12,835**
D.	Lives outside area but within associated area and works inside area	In commuters	145,184	**14,624**
E.	Lives outside associated area and works inside area	Not applicable	-	**-**
F.	Lives in area and does not work		235,807	**15,283**
	'Workplace' population aged 16-74 (C+D+E)		487,102	**27,459**
	'Daytime' population aged 16-74 (C+D+E+F)		722,909	**42,742**
		Net commuting	**-45,717**	**-5,740**

*At county and district level, 'associated area' means England & Wales.

Source: Commuting in Surrey (2001 Census data)

4.2.4 Job Density

Job densities are defined as the total number of filled jobs in an area divided by the resident population of working age in that area. A job density of 1 would mean there is one job for every person in that area of working age. Therefore it provides an indication of how much the population relies on jobs in the area, or out of the area, for employment.

Table 9: Job densities for the UK and various areas

Area	Density
United Kingdom	0.83
South East	0.88
Elmbridge	0.86
Epsom and Ewell	0.89
Guildford	0.96
Mole Valley	1.09
Reigate and Banstead	0.89
Runnymede	0.97
Spelthorne	0.9
Surrey Heath	0.99
Tandridge	0.79
Waverley	0.82
Woking	0.87
Surrey	0.91

Source: NOMIS (Job density 2002)

The Borough of Epsom and Ewell has a higher than average job density in comparison to the UK average but slightly lower than Surrey's. This implies that there is a good supply of jobs within the Borough although there is a slight deficit compared with resident population.

Because of the excellent connections with other employment centres, especially London, it must be assumed that many residents will continue to commute out of the area to work in employment elsewhere.

4.3 LEVEL OF EMPLOYMENT FLOORSPACE

1.3.1 Number and area

For the purpose of the assessment of employment floorspace, employment is defined as those commercial and industrial uses which fall into the classes B1, B2 and B8 of the Use Classes (Amendment) Order 2005. This, therefore, will not take into account employment land, which is in the health, education, retail or leisure classes, although it is noted that much employment in the Borough is in these classes.

The Use Classes (Amendment) Order 2005 defines the business classes as follows:

Class B1. Business Use for all or any of the following purposes:

- as an office other than a use within class A2 (financial and professional services)
- for research and development of products or processes, or
- for any light industrial purposes

Class B2. General Industry

Class B8. Storage or Distribution Use for storage or as a distribution centre

The number and area of various employment premises in the Borough can be seen in Table 10 below. It shows that offices occupy the greatest amount of space overall, while factories occupy the least.

Table 10: Number of Hereditaments and employment floorspace in Epsom and Ewell and Surrey

Area	**Offices (B1)**		**Factories (B2)**	
	Number	Area (000m^2)	Number	Area (000m^2)
Epsom and Ewell	459	113	95	48
Surrey	8027	2732	3530	1558
% of Surrey total	6%	4%	3%	3%

Area	**Warehouses (B8)**		**Total**	
	Number	Area (000m^2)	Number	Area (000m^2)
Epsom and Ewell	99	55	1656	216
Surrey	2698	1619	30442	5909
% of Surrey total	4%	3%	5%	4%

Source: (ODPM Commercial and Industrial Floorspace and Rateable Value Statistics 2004)

Table 11 displays how these levels have changed since 2000. The greatest increase has been in Warehouse floorspace (15%) while there has been a drop in the supply of office space (-2%) and more significantly in factory space (-11%).

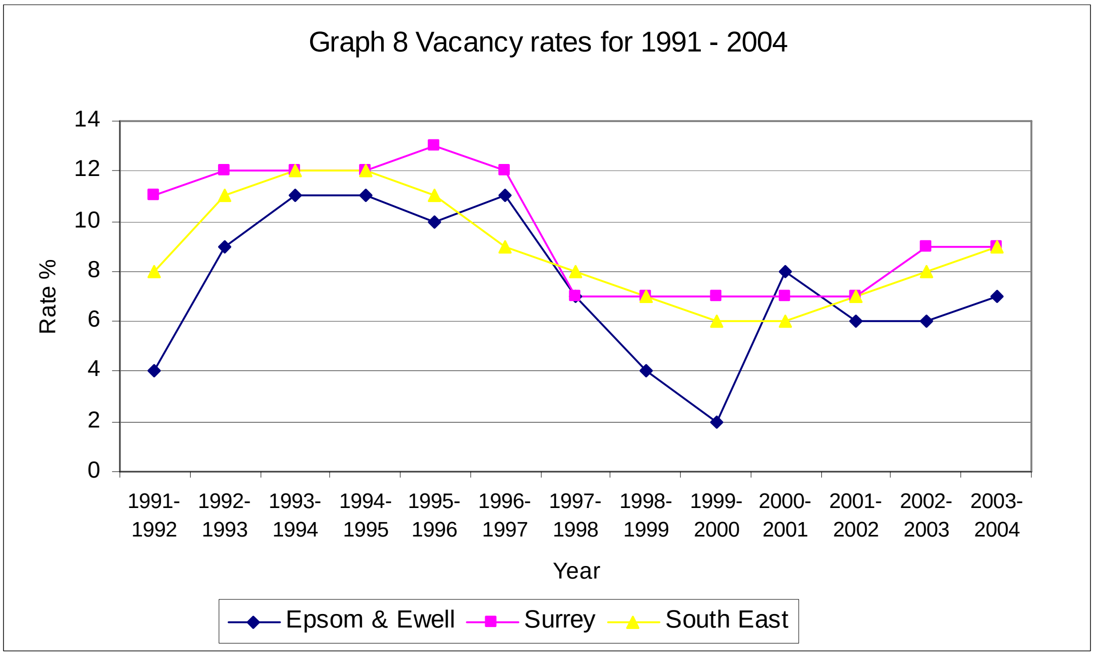
Table 11: Recent trends in employment floorspace

Floorspace class	Floorspace 2000 (000m^2)	Floorspace 2004 (000m^2)	% Change
Offices	115	113	-2
Factories	54	48	-11
Warehouses	48	55	+15
Total	217	216	0

Source: (ODPM Commercial and Industrial Floorspace & Rateable Value Statistics 2000 & 2004)

4.3.2 Vacancy Rates

A number of the premises available for employment use may remain vacant for various reasons. These vacancy rates tend to fluctuate over time influenced by factors such as the growth of the economy and the price of rents.



Source: ODPM Commercial and Industrial Property Vacancy Statistics 1991-1992 to 2000-2001 and 2003-2004

Graph 8 displays how vacancy rates for commercial and industrial properties, including retail, have varied over time across the South East, Surrey and Epsom and Ewell. In the South East as a whole, vacancy rates have generally decreased over the period 1991 to 2001 although they have shown some variation. Surrey is similar in comparison. Epsom and Ewell rates had been in steady decline although the final years saw an increase of 6%.

Table 12: Vacancy Rates (%) for districts throughout 1991 – 2004

Area	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	Range
South East	**8**	**11**	**12**	**12**	**11**	**9**	**8**	**7**	**6**	**6**	**7**	**8**	**9**	**4**
Surrey	**11**	**12**	**12**	**12**	**13**	**12**	**7**	**7**	**7**	**7**	**7**	**9**	**9**	**6**
Elmbridge	8	10	20	17	21	15	0	5	5	4	8	9	8	21
Epsom and Ewell	**4**	**9**	**11**	**11**	**10**	**11**	**7**	**4**	**2**	**8**	**6**	**6**	**7**	**10**
Guildford	10	10	10	11	19	15	13	4	4	6	7	8	9	15
Mole Valley	11	10	10	8	7	5	7	5	7	8	8	11	9	6
Reigate and Banstead	12	13	13	25	20	22	13	17	15	12	9	9	9	13
Runneymede	22	20	2	15	14	8	5	6	7	6	7	13	14	19
Spelthorne	10	14	14	15	13	11	11	9	7	9	7	6	7	8
Surrey Heath	16	18	19	11	9	10	6	6	6	4	5	18	17	14
Tandridge	5	6	5	5	5	6	5	8	6	7	7	8	8	3
Waverley	7	15	17	2	1	10	7	7	5	4	8	9	10	17
Woking	12	12	15	17	19	14	7	6	8	11	10	8	10	13

Source: ODPM Commercial and Industrial property vacancy statistics [1991 – 2004]

Table 12 displays the breakdown of these vacancy rates for the various districts in Surrey. Epsom and Ewell have had average to low vacancy rates over this period in comparison with other districts, such as Reigate and Banstead who saw a peak of 25% in 1994-1995, and Tandridge whose highest vacancy rate did not increase above 8%. For the year 2003-2004 Epsom and Ewell had the lowest vacancy rate along with Spelthorne.

However, these figures do not show how the vacancy rates differ across the use classes.

Commercial properties within Epsom and Ewell that are currently vacant have been identified using the Estates Gazette Property Link website (http://egpl.egi.co.uk/index_egpl.asp). The current amount of B1, B2 and B8 vacant floorspace advertised on the website stands at 23,205 m^2. This equates to a vacancy rate of approximately 11% (data obtained November 2005)

(23,205 / 216,000) x 100 = 10.7%

Unfortunately this figure cannot be broken down into use classes, but it does suggest that the vacancy rate in Epsom and Ewell has increased slightly since April 2004.

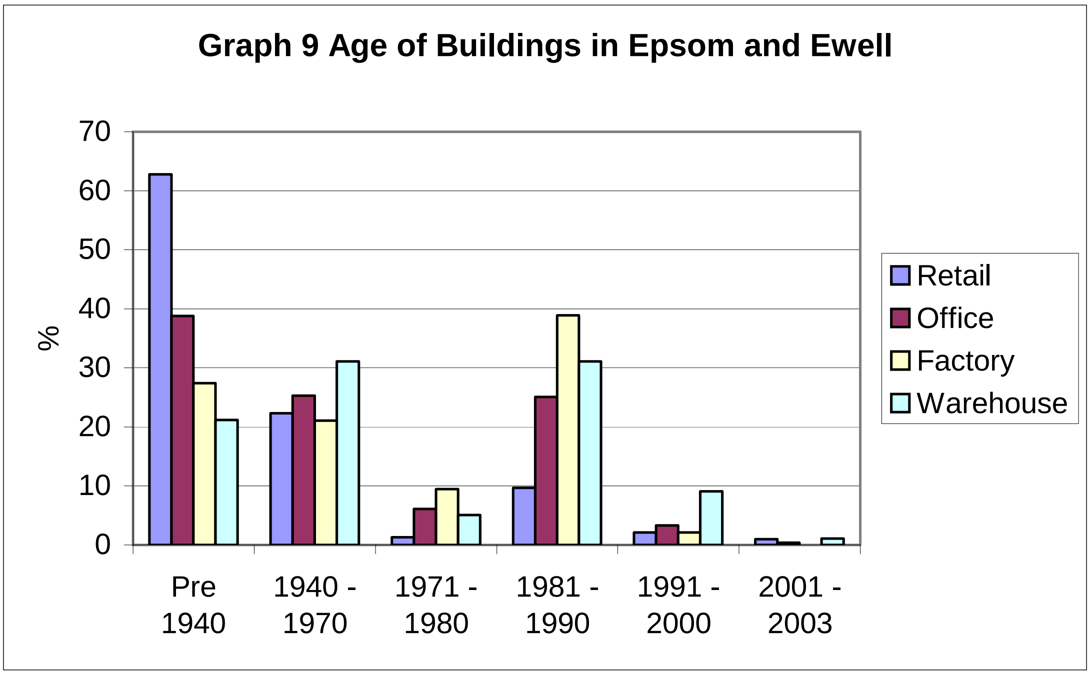
4.3.3 Age of Buildings

A good indicator of the quality of B1, B2 and B8 floorspace is the age of the building. Newer buildings are likely to be designed with modern requirements in mind. From Table 13 it can be seen that the office stock within Epsom and Ewell is fairly old with only a few newer additions (4% being built since 1991 - Graph 3.2). Factories and warehouses have had approximately 40% of their stock built since 1981, making them on average the youngest class.

Table 13: Age of buildings in Epsom and Ewell

Floorspace class	Unknown age	Pre 1940	1940 - 1970	1971 - 1980	1981 - 1990	1991 - 2000	2001 - 2003	Total all ages
Office	5	178	116	28	115	15	2	459
Factory	1	26	20	9	37	2	-	95
Warehouse	1	21	31	5	31	9	1	99
All bulk class	12	663	323	51	251	41	10	1351

Source: ODPM: Age of commercial and industrial stock – local authority level 2004


Graph 9 Age of Buildings in Epsom and Ewell
70
60
50
40
30
20
10
0
%
Pre 1940
1940 - 1970
1971 - 1980
1981 - 1990
1991 - 2000
2001 - 2003
Retail
Office
Factory
Warehouse

5.0 FUTURE FORECASTS

The future floorspace demand in Epsom & Ewell can be estimated using various methods and sources of data. Before the floorspace demand can be calculated, the number of workers who are likely to require this floorspace must be estimated. There are two approaches that may be used based on supply and demand:

1) *Employment demand* – forecasts the likely changes in the demand for employees from business sectors

2) *Labour supply* – forecasts the size of the future workforce who will seek employment in Epsom & Ewell, based on predicted population increases.

These estimates can then be converted into the floorspace area that will be demanded by the future population increase / increase in employment demand.

There are various issues associated with each approach which will be discussed at the end of the section.

5.1 Employment Demand

Methodology Stages:

A) Forecast the change in number of employees for 2006-2016 for Epsom and Ewell
B) Estimate the number of those employees likely to demand B1, B2 or B8 floorspace

A) Change in employment

Experian Business Strategies conducted a study for South East England Development Agency's (SEEDA) Regional Economic Strategy 2003 to predict the future changes in employment. Table 14 displays the *Experian* forecasts for the Surrey districts.

Table 14: Employment Change 1982 to 2016 for Surrey Districts

District	**Total Employment 2002**	**Total change in employment 1982 - 2002 (thousands)**	**% change in employment 1982 - 2002**	**Total change in employment 2003 - 2016 (thousands)**	**% change in employment 2003 - 2016**
Elmbridge	52.1	11.3	27.8%	14.6	27.8%
Epsom and Ewell	**30.6**	**8.2**	**36.6%**	**7.4**	**24.0%**
Guildford	64.5	16.4	34.0%	11.7	18.2%
Mole Valley	44.3	15.3	52.7%	7.9	17.9%
Reigate and Banstead	55.9	14.4	34.8%	12.4	22.3%
Runneymede	42.1	13.3	46.1%	6.7	16.1%
Spelthorne	54.1	13.1	32.0%	24.9	46.8%
Surrey Heath	41.6	14.6	54.3%	5.8	14.0%
Tandridge	27.1	8.4	45.2%	5.1	18.7%
Waverley	44.4	11.4	34.6%	9.0	20.3%
Woking	42.2	10.2	32.0%	8.2	19.4%

(figures account for commuting) **Source: Experian Business Strategies**

From the table it can be seen that during the period 1982 to 2002, Surrey has seen a strong increase in employment growth throughout the County. The number of jobs created has varied across the districts with Surrey Heath seeing the greatest increase at 54.3% from 1982 to 2002 and Elmbridge the smallest at 27.8%. The increase for Epsom and Ewell was 36.6%.

The future employment prospects of the County are predicted to be quite mixed. Spelthorne is expected to see the largest employment growth to 2016 followed by Elmbridge. *Experian* projected that Epsom and Ewell would see a growth up to this date of 24% - the third highest in the County. This amounts to an increase of 7,400 new employees for the Borough. For the period 2006 to 2016 *Experian* has projected that the Borough's economy would require some 5,700 additional employees.

However these estimates are based on 'unconstrained demand' and do not take into account planning and infrastructure constraints and market imperfections. They are trend based rather than policy based.

Another employment projection study conducted by *Experian* in 2004 produced different results to the 2003 projections. South East England Regional Assembly (SEERA) commissioned *Experian* to produce further employment forecasts for the period 2001-2026 to be used in the South East Plan. These forecasts consisted of 4 scenarios. Scenarios 3 (long term in migration) and 4 (short to medium term economic growth) are favoured by SEERA. Unfortunately these more recent figures have not yet been released for the district level and therefore have not been used in this study. At County level however, when compared to the 2003 projections for SEEDA, scenarios 3 & 4 predict *lower* levels of employment demand in 2016 (table 15). It must be noted that the projections for SEEDA (2003) begin from a higher 2001 baseline figure.

Table 15: Employment in Surrey – A Comparison of *Experian* Employment Projections for SEERA and SEEDA

		Year			
		2001	2006	2016	2026
Experian Employment Projection	SEERA (2004) Scenario 3 (1.01%)	505,651	515,863	599,409	650,091
	SEERA (2004) Scenario 4 (0.81%)	505,651	512,686	584,965	618,966
	SEEDA (2003)	512,600	528,200	613,200	-

Sources: ***Experian Business Strategies***

Future employees likely to demand B1, B2 or B8 floorspace

To calculate future demand for floorspace in 2016 that would support this predicted increase in employment demand, an estimate must be made of the proportion of workers in 2016 that would be likely to be employed on premises that fall within the B use classes.

To calculate this, it is necessary to examine a breakdown of the various sectors of the Borough's economy. *Experian* has calculated such a breakdown (table 16), which shows the number of employees likely to be employed in different sectors. The sectors that are likely to demand B1, B2 or B8 employment floorspace are highlighted for clarity. It can be seen that approximately 58% of the workforce will demand B1, B2 or B8 floorspace in 2006, falling slightly to 57% in 2016.

Table 16: Employment ('000s) in Epsom and Ewell by Industry Sector

Yellow: Sectors likely to demand B2 floorspace
Red: Sectors likely to demand B8 floorspace
Green: Sectors likely to demand B1 floorspace

Industry Sector	1982	1994	2001	2006	2016	Change 2006-16	Broad change by use class
Agriculture, Forestry & Fishing	0.0	0.0	0.0	0.0	0.0		
Oil & Gas Extraction	0.0	0.1	0.0	0.0	0.0		
Other Mining	0.0	0.0	0.0	0.0	0.0		
Food, Drink & Tobacco	0.1	0.1	0.0	0.0	0.0	0	
Textiles & Clothing	0.0	0.0	0.0	0.0	0.0	0	
Wood & Wood Products	0.0	0.0	0.0	0.0	0.0	0	
Paper, Printing & Publishing	0.2	0.2	0.2	0.2	0.2	0	
Fuel Refining	0.0	0.0	0.0	0.0	0.0	0	
Chemicals	0.2	0.2	0.1	0.2	0.2	0	
Rubber & Plastics	0.0	0.0	0.0	0.0	0.0	0	
Minerals	0.1	0.1	0.1	0.0	0.0	0	
Metals	**0.3**	**0.1**	**0.1**	**0.1**	**0.0**	**-0.1**	B2
Machinery & Equipment	**0.2**	**0.1**	**0.1**	**0.1**	**0.0**	**-0.1**	-0.2
Electrical & Optical Equipment	0.1	0.0	0.2	0.1	0.1	0	
Transport Equipment	0.0	0.0	0.0	0.0	0.0	0	
Other Manufacturing	0.0	0.0	0.0	0.0	0.0	0	
Gas, Electricity & Water	0.2	0.2	0.1	0.1	0.1	0	
Construction	0.7	0.8	0.9	0.8	0.8	0	
Retailing	1.7	2.9	3.3	3.6	4.2		
Hotels & Catering	0.8	1.0	1.6	1.9	2.7		
Wholesaling	**1.1**	**1.9**	**2.0**	**2.2**	**2.8**	**0.6**	B8
Transport	**0.3**	**0.4**	**0.4**	**0.4**	**0.5**	**0.1**	0.7
Communications	0.3	0.3	0.4	0.4	0.4	0	
Banking & Insurance	**0.8**	**1.4**	**2.3**	**2.2**	**2.6**	**0.4**	B1
Business Services	2.8	7.1	5.8	6.0	6.0	0	2.6
Other F&Bs	**0.3**	**0.5**	**4.4**	**6.0**	**8.2**	**2.2**	
Public Admin. & Defence	1.2	0.9	0.8	0.8	0.7		
Education	1.5	2.3	2.2	2.3	2.5		
Health	8.3	5.5	3.9	3.6	4.1		
Other	0.9	1.6	1.4	1.5	2.0		
Total	22.4	27.7	30.3	32.6	38.3	5.7	

Source: Business Strategies Ltd / Experian 2003

Experian is predicting the following changes between 2006 to 2016:

- An 18% **increase** in employees likely to demand B1 floorspace
  (2,600 / 14,200) x 100 = 18.3%
- A 23% **increase** in employees likely to demand B8 floorspace
  (700 / 3,000) x 100 = 23.3%
- A 12.5% **reduction** in employees likely to demand B2 floorspace
  (-200 / 1,600) x 100 = -12.5%

In summary for 2006 to 2016, the change in employment demand using the *Experian* figures would be as follows:

Office floorspace (B1) = **Increase of 2,600 employees**

Warehouse floorspace (B8) = **Increase of 700 employees**

Factory floorspace (B2) = **Decrease of 200 employees**

These changes in employee numbers can then be translated into floorspace demand, which is covered in section 5.3 of this paper.

5.2 Labour Supply

Methodology Stages:

A) Forecast population change in Borough from 2006 – 2016
B) Identify the proportion of the population change who are likely to be economically active and the number who are likely to be unemployed
C) Extrapolate commuting figures from the 2001 Census
D) Estimate the breakdown of population increase into different industry sectors likely to demand B1, B2 & B8 floorspace

A) Forecast population change

Surrey County Council has forecast future population levels for the Surrey districts based on the 2001 Census. These forecasts, unlike the Experian projections used in the previous method, have factored in 'dwelling constraints' based on the level of housing provision from the Surrey Structure Plan. The population projections for Epsom and Ewell are shown below:

Table 17: SCC Dwelling Constrained Population Projections

	2001	2006	2011	2016
Total population	67,100	67,345	67,437	67,730
Total dwellings	27,980	28,193	28,795	29,184
Total households	27,362	27,570	28,159	28,540
Average h/hold size	2.41	2.4	2.35	2.33
Private h/hold pop	65,884	66,114	66,198	66,487
Non-Domestic pop	1,216	1,231	1,239	1,243
Econ active pop	34,297	34,487	35,052	35,202

Source: Surrey County Council

It can be seen that the predicted increase in the total population of Epsom and Ewell between 2001 and 2016 is 630. Compared to other districts this increase is relatively small, however, the population of Epsom & Ewell has only fluctuated by a relatively small amount since 1981 and has generally shown a downward trend. This is not in accordance with the population rise in Surrey over the same period, but may be due to the fact that Epsom & Ewell is already the most densely populated district within the county.

The Borough of Epsom & Ewell predicted population increase 2006 to 2016 is therefore around **385.**

B) Economically active & unemployed

The forecast increase in the number of economically active residents in the Borough (2006 – 2016) is **715**. This increase, greater than the total population rise, may be explained by a greater number of women and elderly people becoming or remaining economically active in the future.

Not all of those who are economically active will be in employment so this must be taken into consideration. Even when 'full employment' exists, there will always be a number of people 'between' jobs. The current level of unemployment in the Borough is 3.2% (NOMIS Labour Market Profiles 2003-2004), which is slightly higher than the time of the 2001 Census which was 1.8%. This latter figure is probably nearing full employment. This is a desirable objective for economic policy and it is the figure used in the forecasts.

Therefore the increase in number of economically active residents in the Borough of Epsom & Ewell (2006 to 2016) who are likely to be employed (715 x 0.982) is forecast as **702**

C) Future commuting levels

It is probable that many of these additional workers from the population increase will commute to work out of the Borough. There is also likely to be an increase in the number of 'in commuters' to the Borough as population increases will be experienced in other districts.

Commuting statistics from the 2001 Census can be used to extrapolate the likely commuting habits of the predicted increase in the Borough's population. The statistics can also be used to help estimate the likely change in the number of 'in commuters' into the Borough.

Table 18: Commuting statistics for Epsom & Ewell from 2001 Census data

	Description	Notes	Surrey	Epsom and Ewell
	'Resident' population aged 16-74 (A+B+C+F)		768,626	**48,482**
A.	Lives in area and works outside area but within associated area*	Out commuters	188,731	**20,252**
B.	Lives in area and works outside associated area	Working outside England	2,170	**112**
C.	Lives and works in area		341,918	**12,835**
D.	Lives outside area but within associated area and works inside area	In commuters	145,184	**14,624**
E.	Lives outside associated area and works inside area	Not applicable	-	**-**
F.	Lives in area and does not work		235,807	**15,283**
	'Workplace' population aged 16-74 (C+D+E)		487,102	**27,459**
	'Daytime' population aged 16-74 (C+D+E+F)		722,909	**42,742**
		Net commuting	**-45,717**	**-5,740**

*At county and district level, 'associated area' means England & Wales.

From table 19, it can be seen that in 2001:

- The economically active population (the resident population (aged 16 to 74) minus those who do not work) = **33,199**
- The number of 'out commuters' (residents living in the Borough & working out) = **20,252**
- The number of 'in commuters' (residents living out of the Borough & working in) = **14,624**

This data can be displayed in the following matrix:

Table 19: Commuting Statistics for Epsom & Ewell 2001

	Work In Borough	**Work Out of Borough**	**Total economically active residents in Borough at full employment**
Live In Borough	12,835 (47%) (39%)	Out Commuters 20,364 (61%)	33,199
Live Out of Borough	In Commuters 14,624 (53%)		
Total Jobs in Borough	27,459		

% of jobs in the Borough held by those living in / out of the Borough
% of economically active residents working in / out of the Borough

Assuming these commuting trends will continue, they may be applied to the estimated increase in economically active population.

Table 20: Estimated Commuting Statistics for Epsom & Ewell 2006 to 2016

	Work In Borough	**Work Out of Borough**	**Total economically active residents in Borough at full employment**
Live In Borough	274 (47%) (39%)	Out Commuters 428 (61%)	702 (2006 to 2016 population increase)
Live Out of Borough	In Commuters 309 (53%)		
Total Jobs in Borough	583		

% of jobs in the Borough held by those living in / out of the Borough
% of economically active residents working in / out of the Borough

Therefore, the predicted increase in number of employees working within the Borough between 2006 and 2016 (taking net commuting into account) is forecast as **583** (274 + 309)

D) Breakdown into industry sectors

The estimated increase in employee numbers within Epsom & Ewell can be broken down broadly into different sectors, again using the *Experian* forecast trends. (These are shown in table 16 on page 34, section 5.1).

As mentioned previously, *Experian* has predicted that 58% of the workforce will demand B1, B2 & B8 floorspace in 2006, falling slightly to 57% in 2016.

This estimation of 57% can be applied to the predicted employee increase of 583 to estimate the number of employees likely to demand B1, B2 or B8 floorspace, which is around **332** (583x0.57)

This figure can be broken down further into the individual B1, B2 & B8 demand, once again using the *Experian* forecast trends shown in table 21.

Table 21: Summary of *Experian* forecasts: breakdown of total demand for B1 B2 & B8 floorspace in 2006 & 2016:

	2006	**2016**	**Change**
B2	1,600	1,400	-200
B8	3,000	3,700	+700
B1	14,200	16,800	+2600

The estimated increase in employees demanding B1, B2 & B8 floorspace derived from the population increase (332) can therefore be crudely broken down using the 2006 to 2016 % change in *Experian* employee distribution between B1, B2 & B8 floorspace.

The 332 increase in employees can be assumed to demand B1 or B8 floorspace as the number demanding B2 floorspace has decreased.

Experian projections: Total increase in B1 & B8 demand = 3,300 employees (79% B1 & 21% B8)

Therefore:
Change in the number of employees (2006 to 2016) demanding **B1** floorspace = 79% of 332 = **262**

Change in the number of employees (2006 to 2016) demanding **B8** floorspace = 21% of 332 = **70**

The decrease in the number of employees (2006 to 2016) demanding B2 floorspace can be estimated using the *Experian* figures:

B2 decrease (-200) as a % of B1 & B8 increase (3,300) = 6%
Therefore 6% of 332 = 20
Change in the number of employees (2006 to 2016) demanding **B2** floorspace = **- 20**

As the overall total increase for employees demanding B1, B2 and B8 floorspace is 332, the decrease in demand for B2 floorspace must be distributed accordingly amongst the B1 and B8 demand.

B1 additional demand: 79% of 20 = **16**
B8 additional demand: 21% of 20 = **4**

In summary for 2006 to 2016, the change in labour supply is as follows:

Office floorspace (B1) = Increase of 278 employees

Warehouse floorspace (B8) = Increase of 74 employees

Factory floorspace (B2) = Decrease of 20 employees

Table 22: Employee demand from the anticipated growth in the economy compared to the projected growth in labour supply

	Employment Demand	Labour Supply
Total B1, B2 & B8 floorspace	**+ 3,100**	**+332**
Office floorspace (B1)	+ 2,600	+278
Warehouse floorspace (B8)	+ 700	+74
Factory floorspace (B2)	- 200	-20

Summary

It can be seen that the potential growth in the number of jobs created by the growing economy in the *Experian* forecasts far outstrips the anticipated growth in labour supply in the Borough. If this did take place it would have the likely result of leading to a significant increase in 'in-commuting' to fill the labour shortage, which would be particularly undesirable in sustainability terms.

These projected changes in employee numbers may then be translated into floorspace demand. This is calculated in the following section of the paper.

5.3 Worker / Floorspace Ratios

Labour supply and employment demand projections can be converted into floorspace demand by using worker/floorspace ratios. A number of assumptions need to be made based upon past trends in order to give a general idea of the amount and type of employment land that may be needed in the future.

Worker/floorspace ratios are calculated by dividing the gross floorspace in each main land use by the total number of workers employed in that land use.

In 2001 Surrey County Council conducted a survey of businesses in Surrey to inform their 'New Businesses in Surrey' document. The average figure of 22.2m^2 per worker across all employment use classes (including retail and leisure) was calculated. It was found that there were significant differences in worker/floorspace ratios in different uses (Table 23).

Table 23: Worker/Floorspace Ratios

Main Land Use	Total floorspace (sq m)	Total Staff 1995 - 1999	1995 – 1999 Worker / Floorspace ratio (sq m:1 worker)	1989 – 1992 Worker / Floorspace ratio (sq m:1 worker)
Retailing	40,261	1,170	34.4	*
Financial / professional services	32,265	2,147	15.0	16.9
Restaurant or pub	10,689	338	31.6	*
Offices	171,025	10,404	16.4	24.2
Research and development	21,053	314	67.0	21.9
Light industrial	22,937	611	37.5	38.2
Manufacturing	31,497	952	33.1	29.2
Storage or distribution	49,623	1,073	46.2	60.8
Hotel	0	0	0.0	*
Community Services	3,756	257	14.6	*
Leisure	3,277	129	25.4	*
Other	4,144	232	17.9	*
Not stated	178	12	14.8	*
Surrey	**390,705**	**17,639**	**22.2**	**27.5**

Source: SCC Report: New Businesses in Surrey July 2001

Comparisons with the 1992 New Occupiers Survey suggest that floorspace is now being used more intensively for some uses, particularly offices, and storage and distribution facilities. Premises used for research and development purposes are now used much less intensively than in the 1992 survey.

Other factors which were found to have an influence on floorspace/worker ratios include:

- the size of the firm - the smaller the size of the organisation, the larger the ratio
- the age of the building - modern buildings are used more efficiently
- the location - the further away from the town centre, the larger the ratio

Employment forecasts combined with worker/floorspace ratios can be used to determine how much floorspace would be required to meet demand in the future. It can seen from the above table that the average floorspace per worker in Surrey between 1995 to 1999 was 22.2m^2 per worker, this figure having fallen from 27.5m^2 (1989 to 1992).

However, the districts in Surrey show individual variations. Epsom and Ewell is small in comparison to other districts and being surrounded by Green Belt land, the urban areas are consequently more intensively used. The majority of office space is located within, or on the edge of Epsom Town Centre, which would be likely to have the effect of increasing the worker / floorspace ratio. Additionally, over 50% of B1, B2 & B8 employment floorspace within Epsom and Ewell are offices, which again are more intensively used than warehouses or factories (as demonstrated by the findings of the SCC study above). These factors would be likely to *decrease* the average floorspace per worker within Epsom and Ewell. The use of the SCC floorspace ratios would therefore be likely to result in an overestimation of the future demand.

The SCC figures were calculated using data from 1995 to 1999. The stock of employment floorspace is changing, with a decrease in industrial B2 and a general increase in the number of B1 offices being built. Although this trend would increase the average worker / floorspace ratio for B1, B2 & B8 use classes, it may not necessarily decrease the ratios for the individual classes. A 2004 study by DTZ Pieda ‘Use of Business Space’ carried out for SEERA supports this, finding that there had been little change in worker / floorspace ratios for the use classes between 1998 and 2004. It is therefore considered appropriate to use these ratios for the period up to 2016.

The future floorspace requirements are calculated for both the *Employment Demand* and *Labour Supply* forecasting methods using the appropriate SCC worker / floorspace ratios

Future additional floorspace requirements: Employment Demand Forecasts

B1 floorspace change in demand 2006 to 2016:
2,600 (number of employees) x 16.4 (ratio for offices) = **42,640m^2**

B8 floorspace change in demand 2006 to 2016:
700 (number of employees) x 46.2 (ratio for storage or distribution) = **32,340m^2**

B2 floorspace change in demand 2006 to 2016:
-200 (number of employees) x 35.3 (average ratio for light industrial & manufacturing) = **-7060m^2**

Future additional floorspace requirements: Labour Supply

B1 floorspace change in demand 2006 to 2016:
278 (number of employees x 16.4 (ratio for offices) = **4,559 m^2**

B8 floorspace change in demand 2006 to 2016:
74 (number of employees) x 46.2 (ratio for storage or distribution) = **3,419 m^2**

B2 floorspace change in demand 2006 to 2016:
-20 (number of employees) x 35.3 (average ratio for light industrial & manufacturing) = **- 706 m^2**

These results are summarised below.

Table 24: Summary of employment floorspace requirements 2006 to 2016

Use Class	Additional Floorspace Requirements (m^2) 2006 to 2016	
	Employment Demand Method	Labour Supply Method
B1 – B8 classes	**67,920**	**7,272**
B1 (office)	42,640	4,559
B8 (warehouse)	32,340	3,419
B2 (industrial)	-7,060	-706

5.4 Discussion of Employment Demand and Labour Supply Methods

It can be seen that by using alternative methods and data, two considerably different floorspace requirements have been calculated. These two figures could be considered to be the upper and lower limits of a range of estimates for the future B1, B2 and B8 floorspace demand.

Employment Demand

The *Experian* forecasts are likely to represent the upper end of the range of projections as they are based on unconstrained demand. The ODPM Employment Land Reviews: Guidance Note advises that such forecasts are valuable at the regional / sub-regional level but should be treated with caution at the local authority level. The 2004 Allsopp Review of Economic Statistics considered that data used for disaggregation of employment or population forecasts is likely to be subject to significant local errors and/or will be influenced by land use planning decisions.

Additionally the Experian projections have been heavily criticised by Surrey County Council. The projections are envisaging the south-east economy to grow at a rate of 3%, which may be an over estimation considering previous growth in the wider UK economy has only reached 2% per annum. In reality there are likely to be numerous factors (such as housing provision, travel congestion) that would have an influence and would probably reduce employment growth. Surrey County Council considers that pursuing a higher rate of economic growth in the South-East would be likely to lead to increased travel congestion, exacerbate the affordable housing problem, degrade the environment and widen disparities between and within regions. Additionally the Annual Business Inquiry (ABI) figures which were used as baseline data for the *Experian* projections have been criticised as over estimating the number of jobs in the economy. The 2004 Allsopp review also considered the ABI figures were not sufficiently robust at the regional level or smaller scales. Overestimating the growth of the economy and the future demand for employees, may lead to an over provision of employment floorspace. It is therefore important to treat the *Experian* projections with caution and use them only as a guide as to the areas of the economy that are likely to increase.

Labour Supply

At the other end of the spectrum, the Surrey County Council population projections are likely to represent the minimum estimation for floorspace demand, providing only for the increases in population and net commuting. These projections have factored in housing provision (based on Surrey Structure Plan figures) as a constraint to growth and are therefore likely to be more robust at the local level in comparison to the Experian projections. This is highlighted in the ODPM Employment Land Review: Guidance Note, which considers that when properly executed at the individual authority level, demographic approaches are probably more informative and reliable methodologies than those derived from regional economic forecasts. However, the Surrey County Council projections are small in comparison to those conducted by NOMIS, where it was estimated the population would increase by 5,100 between 2006 and 2016. There is a considerable difference between the two projections.

Surrey County Council Population Projections:
2006 to 2016 = 385

NOMIS Sub-national Population Projections (2003):
2006 to 2016 = 5,100

The NOMIS projections are trend based. Assumptions for future levels of births, deaths and migration are based on observed levels over the previous five years. They show what the population will be if the recent trends continue but do not take into account any future policy changes or local development policies that have not yet occurred.

Summary

The quantity of future floorspace might therefore be estimated on the basis of population growth (the scenario with the least floorspace demands) or on the projected employment demand from growth in the economy (demands a far greater quantity of employment floorspace). However there are a number of other factors which may influence the provision of future B1, B2 and B8 floorspace and which also need to be taken into account in this exercise. These are considered in the next section of the paper.

5.5 Factors Influencing floorspace provision

Home Working:

The number of employees working from home has become more popular in recent years. 2001 Census data (Table 25) shows that the percentage of residents who, at the time, lived and worked from home in the Borough was almost 24%. Another 15% had no fixed place of work.

Table 25: Statistics Relating to the Workplace Population of Epsom and Ewell

	Total	Males	Females		
Total workplace population – Epsom and Ewell	**27,531**	**13,989**	**13,542**		
Place of residence				working at or from home	no fixed workplace
Elmbridge	481	231	250		
Epsom and Ewell	12,837	6,348	6,489	3,066	1,882
Guildford	346	208	138		
Mole Valley	1,786	807	979		
Reigate and Banstead	2,374	992	1,382		
Runnymede	101	48	53		
Spelthorne	86	47	39		
Surrey Heath	77	37	40		
Tandridge	213	122	91		
Waverley	146	99	47		
Woking	196	118	78		

Source: Census 2001 (data provided by Surrey County Council)

Of the total jobs that were provided in the Borough in 2001, approximately 11% of employees worked from home. This trend may be assumed to continue and possibly increase towards 2016. It may therefore be assumed that a proportion of the increase in employees up to 2016 who are likely to demand B1, B2 and B8 floorspace may be actually working from home, thus reducing the employment land demand. It is not possible to break this figure down into the individual B1, B2 and B8 requirements so the floorspace requirement will just be reduced by 11%.

Table 26: Summary of Floorspace demand 2016 accounting for homeworking

	Floorspace demand allowing for 'homeworking' at a rate of 11% (m2)	
	Employment Demand Method	Labour Supply Method
B1, B2 & B8 floorspace	67,920 x 0.89 = 60,449 **Additional demand of 60,449**	7,272 x 0.89 = 6,472 **Additional demand of 6,472**

Vacant Premises

Some of this future B1, B2 and B8 floorspace demand may be absorbed by floorspace that is presently vacant in the Borough. Currently within Epsom & Ewell there is 23,205m^2 of vacant floorspace (calculated from the Estates Gazette Property Link) which is a vacancy rate of about 10.7%

It is unlikely that all commercial premises would be occupied 100% of the time. There will always be movement in the market and economic / business cycles will create fluctuations in supply and demand. To allow for this a future vacancy rate of 5% has been assumed in the calculations:

A vacancy rate of 5% for the current supply of employment floorspace equates to: (216,000 x 0.05) = 10,800 m^2

This is subtracted from the current amount of vacant floorspace:

23,205 (10.7%) minus 10,800 (5%) = **12,405m^2**

12,405m^2 will therefore contribute towards some of the future floorspace deficit, while **10,800 m^2** can remain vacant to allow for flexibility in the market. The results are summarised in the following table.

Table 27: Summary of Floorspace demand 2016 accounting for a 5% vacancy rate

	Floorspace demand assuming a vacancy rate of 5% (m2)	
	Employment Demand Method	Labour Supply Method
B1, B2 & B8 floorspace	(60,449 – 12,405) = 48,044 **Additional demand of 48,044**	(6,472 – 12,405) = -5,933 **An oversupply of 5,933**

Outstanding permissions for commercial development

The market for commercial properties has been relatively static in recent years while the residential market has remained strong. This has been reflected in the number and type of planning applications received by the Borough Council. Commercial applications have been few in recent years and there are currently no major outstanding permissions for new commercial development within the Borough. However this may change in the future if the market for commercial properties picks up again.

There is one outstanding permission for the conversion of 2,107m^2 of B1 office space to residential, a trend which is becoming common in the South East where residential land is in short supply.

Redevelopment of existing commercial land

Redeveloping existing commercial land should allow for an intensification of use and should absorb some of the floorspace requirement or add to the oversupply. As mentioned previously there has been a general decrease in the amount of industrial B2 premises while the number of B1 offices has been increasing. Office space is more intensively used than industrial and will accommodate a greater number of workers. Additionally redeveloping older office stock will tend to increase the likelihood of intensifying the use. 64% of the office stock within the Borough was built prior to 1970 so there are clearly opportunities for redevelopment. Current outstanding permissions for redevelopment of commercial properties are few in number but show a slight increase in B1 floorspace at the expense of B2 & B8.

5.6 Discussion of Future Floorspace Demands

Providing a suitable level of future employment floorspace is an important purpose of the plan. Under provision could dampen the growth of the economy and lead to unemployment, while overprovision may result in high vacancy rates for commercial properties (and a large opportunity cost for the land, alternative uses may, for example, be housing or retail) labour shortages, or increased in-commuting.

Estimating the correct amount of future provision is difficult as many assumptions have to be made. The floorspace demand estimates calculated in this study provide a broad range as there are many influencing factors. Data has been collated from a variety of sources and predictions have been made on the likely future direction of the national and local economy to give an idea of the range of the likely future requirements of the Borough.

The likely upper and lower levels of future floorspace demand have been calculated and it is probable that the future B1, B2 & B8 floorspace requirement lies somewhere between the two estimates.

Labour Supply Method **(m^2)** **Employment Demand Method**

Oversupply 5,933 ⟵⟶ Deficit of 48,044

↑

Approximate level of current supply 2005 (allowing for a 5% vacancy rate)

It can be seen that the Labour Supply method estimation lies nearer towards the current supply of employment floorspace.

Assuming that future floorspace demand will fall between the two estimates, and that there is an equal probability of the true future floorspace demand falling anywhere in the range, it can be inferred that there is a greater probability of there being a floorspace *deficit* when comparing current demand to that in 2016.

Calculations:

Current supply (with a 5% vacancy rate) = 0 on the scale

Probability of true demand falling within the oversupply range:
5,933 + 48,044 = 53,977 (full range of floorspace demands)
(100 / 53,977) X 5,933 = 10.99% (to 2 decimal places)

Probability of true demand falling within the deficit range:
(100 / 53,977) X 48,044 = 89.01% (to 2 decimal places)

Therefore based on current provision, in 2016 there is a 10.99% chance of there being an oversupply of B1, B2 & B8 floorspace and 89.01% of there being an undersupply.

However the assumption there is an *equal* probability of the true future floorspace demand falling anywhere between the Labour Supply method and the Employment Demand method can be questioned.

This assumption is not considered to hold true for a number of reasons:

A) The quality of an estimation is dependent on the robustness of the data that is used in the calculations. The *Experian* forecasts have been subject to considerable criticism (as discussed in section 5.4) relating to the fact they based on 'unconstrained' demand. Using these forecasts would be likely to result in an over-estimation of floorspace demand and if incorporated into policy, may lead to an oversupply of B1, B2 & B8 floorspace, which could remain undeveloped or encourage a significant increase in in-commuting. Additionally the Surrey County Council population projections, at the opposite end of the scale, may be considered to be an under estimation of population growth when compared to other projections such as the NOMIS Sub-national population projections (2003). However these estimations are considered likely to be more reliable than those produced by *Experian*.

B) As discussed previously in section 5.3, the floorspace ratios calculated for Surrey that were used in the floorspace demand calculations may be actually lower in Epsom & Ewell for a variety of reasons including:

- Urban areas in the Borough are very intensively used compared to other larger districts and the majority of employment land is near to, or in, Epsom town centre
- Over 50% of B1, B2, B8 floorspace currently in Epsom & Ewell Borough Council are offices
- There is relatively little B2 & B8 floorspace in the Borough due to lack of proximity to motorways / large trunk roads

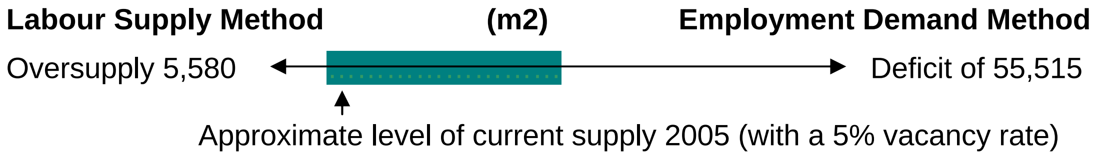
These factors may have increased the floorspace deficit and oversupply figures. Reducing the ratio would therefore *reduce* the estimation range.

C) As stated in section 5.5, homeworking is also having an impact. A report compiled by DTZ Pieda Consulting[3], states that in the last 10 years the number of people working from home has doubled, which is a trend likely to continue into the future. This would be likely to further reduce demand for additional floorspace.

D) The estimations produced from the Labour Supply and Employment Demand methods are predicting a reduction in demand for B2 floorspace, while demand for B1 and B8 floorspace will increase. This implies that in the future, B2 floorspace may be redeveloped and if redeveloped to B1 office use, this would absorb some of the deficit, or increase the over supply of floorspace.

It is difficult to quantify these factors, although when taking them into account it can be seen that the probability of the true floorspace demand in 2016 being near the extremes of the estimation spectrum, (particularly towards the Employment Demand end) are reduced. This is shown diagrammatically in the figure below.

[3] Use of Business Space and Changing Working Practices in the South East



: Approximate range in which true demand for floorspace is likely to fall taking these additional factors into account

Sustainability Issues

Environmental sustainability has become one of the most critical issues in planning policy. The Government has placed a duty on Local Authorities to prepare their Local Development Frameworks with a view to contributing towards sustainability.

With regard to employment within the Borough, in sustainability terms it is desirable to reduce the amount of commuting, providing the opportunity of local jobs for local people. The Council's objective might for example be to try to move towards a position where the provision of jobs is broadly equal to the number of economically active people within the Borough. This would be in line with the principles embodied in the Labour Supply forecast method, providing floorspace for each 'new' individual who would be likely to require employment using B1, B2 or B8 floorspace.

However in reality this will be difficult due to the Borough's location in the "commuter belt" and its excellent transport links. The 2001 Census statistics showed that 61% of the total number of economically active residents commuted to work outside the Borough and this trend seems set to continue over the plan period. Because of Epsom's location, net out commuting will remain, and this broad objective could not be achieved.

In fact the number of out commuters is actually likely to be greater, as the Borough is small and close to a number of large town centres (for example Kingston and Sutton) and importantly, London. It is particularly difficult for Epsom to compete with the vast number and variety of jobs that are available in London, which provide opportunities for both generalist and specialist workers, exerting a large employment 'pull'. Epsom has a diverse and educated work force (in comparison to UK statistics) and providing a balanced employment mix of employment opportunities within the Borough would undoubtedly be extremely difficult. The attractions of jobs elsewhere will remain high.

It is recognised that improvements may however be made to the attractiveness of the Borough for potential employees, such as ensuring efficient local public transport, providing less congested roads, providing a desirable mix of facilities (eg entertainment, leisure, retail etc), and encouraging improvements in the local environment. These policies can help provide greater balance between jobs and workforce.

In practical terms the Council will need to strike a balance between a potential *over*-supply of B1, B2 & B8 floorspace which may encourage an increase in 'in-commuting' to fill a potential labour shortage, and a potential *under*-supply, which would risk restricting economic growth and increasing the number of out commuters.

5.7 Conclusion on Floorspace Demands

The Employment Needs Assessment has produced a broad range of possible future floorspace requirements. Although the current supply of employment land is potentially not sufficient to satisfy all future demands, it is recommended that the likely additional floorspace requirement lies nearer the lower end of the range. From the evidence available, the promotion of the higher-end forecasts would not be tenable, and could have potentially damaging implications for the Borough.

The final stage of the assessment has involved an appraisal of the current range of employment sites within the Borough. When this is compared with the forecast range, it is possible to draw some conclusions about the key policy options for future land supply.

6.0 EMPLOYMENT SITES AND POLICY CHOICES

Current Situation

The Borough has a limited supply of employment land with relatively little scope for further large scale additions. The majority of current employment land is located in Epsom town centre and the Longmead & Nonsuch industrial estates. Recently there have been a number of losses of employment land from sustainable sites. Church Street, which is located in the Town Centre, has lost offices (Hope Lodge and Capitol House) to residential developments, while office space has also been lost from Upper High Street to make way for a recent application for a supermarket development.

To assess the future level of provision the Council has undertaken a review of the current stock of B1, B2 & B8 employment land space. This assessment will enable informed decisions to be made as to the suitability of the land in its current use and its potential future use. The review has noted the following:

- The majority of employment floorspace is located within the town centre and the Longmead and Nonsuch Industrial estates
- There has been very little commercial development in the last 10 years, with a high percentage of premises having been constructed prior to the Second World War (see Table 13). This means that there are plenty of commercial premises that can benefit from redevelopment / refurbishment, and therefore intensification of their current use
- A good range of premises exists, suitable for large and small businesses.

Breakdown of employment premises by size:
Size in m^2: Large sites (>1000) / Medium sites (250-1000) / Small sites(<250)

Offices	**Number Of Units**	**Factories**	**Number Of Units**
Small	94	Small	33
Medium	49	Medium	14
Large	24	Large	11

Warehouses	**Number Of Units**
Small	2
Medium	6
Large	10

- The majority of smaller premises are located within Epsom Town Centre and Ewell Village

Key Elements of Policy

To ensure an adequate supply of employment land, a cautious approach towards potential losses should be pursued. Significant losses of employment floorspace should be avoided although a “blanket” protection of all existing employment land would be undesirable, being inflexible and unresponsive to market needs.

However to ensure a suitable level and range of employment land it will be important to protect the amount of employment land the study has shown to be the minimum required by the economy and to encourage the regeneration and intensification of established employment sites.

Suitable employment space, up to this threshold at least, should be protected and losses resisted. These areas should be within sustainable locations with good accessibility such as Epsom town centre and Ewell Village centre. Though mixed use developments may be appropriate in such locations, the amount of employment floorspace being “re-provided” as part of the new scheme should be equal to, or more than that previously provided. This will encourage the intensification of use of suitable land.

Employment floorspace that is located within undesignated business/employment areas may come forward for development to alternative uses. However the potential loss of these sites should be closely monitored and proposals will need to be assessed on a case by case basis with factors such as its location being taken into account. With the pressures of housing development on brown fields sites such as these, this is likely to be a scenario faced by Epsom and Ewell over the next few years.

Some flexibility could be introduced into uses that are permitted in business areas outside the main employment sites, particularly to encourage a range of uses on mixed use developments.

Policies should allow for the development of additional employment floorspace, particularly providing for B1 / B8 use. Favourable locations for additional employment floorspace would primarily be within the designated business/employment areas, although mixed use developments in other locations should also be supported. A source of additional land for B1 and B8 use could be provided for through the change of use of B2 land that is suitably located. Redevelopment of existing older commercial sites should be encouraged, also seeking an intensification of use.

Levels of employment floorspace should be carefully monitored to ensure the needs of the economy are being met and to indicate if policies need to be adjusted. Additional future studies will be used to provide up to date information with regard to the demands for employment land in the Borough.

Encouragement should continue to be given to developments which do not necessarily rely on imported labour or more land such as homeworking or businesses making greater use of new technology.