



Economic Growth Management

**Addendum to Local Plan
Spatial Economic Growth Strategy
for Epsom & Ewell**

Prepared for:

Epsom & Ewell Borough Council

By

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1. Introduction

1.1 The Requirement

In January 2020 Economic Growth Management completed a Local Plan Spatial Economic Development Strategy for Epsom & Ewell, the purpose of which was to inform the update of its Local Plan covering the period 2017 to 2037.

Because of the Covid 19 pandemic which immediately followed, it was considered necessary by Epsom & Ewell Borough Council to consider the impact of the pandemic on employment floorspace demand due changes of circumstances and the adoption of new working practices.

Accordingly, Economic Growth Management was asked by the Borough Council to submit proposals for addressing the following requirements.

1. To draw together evidence on the anticipated impacts of the Covid-19 pandemic on employment land and property due to the disruption caused by the pandemic and observed changes in working practices that have ensued.
2. To take account of the new Class E Use Class and the forthcoming Class E to C3 residential PDR when considering these impacts.
3. To investigate the changes in working practices brought about by the recent Covid 19 pandemic amongst local businesses.
4. To develop projections of the additional demand for employment space in Epsom & Ewell during the period of 2017-37 taking into consideration the above findings.

1.2 Addressing the Requirement

In response, Economic Growth Management proposed an approach based on the following exercises.

- a) A qualitative review of current reports and research to capture and report on what is known about changes to pre-Covid working patterns and the emerging picture of how demand and use for employment space will change as a consequence. This would provide an overarching illustration of how the shift to remote working is changing and the implications for employers' use commercial property, the required configurations, locations and support environment.
- b) Interviews with Epsom based property agents to get a first-hand view as to the types of enquiries being made by office and industrial occupiers and developers, in order to

determine the emerging profile of demand for commercial property, the types and nature of uses being sought post-Covid and how this varies from the pre-pandemic era. The aim has been to provide a more localised slant to the more general findings covered in the above qualitative review.

- c) A survey of 50 of the largest businesses across the borough in order to gain an insight into the following key issues:
- The challenges faced both commercially and operationally post-Covid
 - Future operational model to be adopted
 - How this will affect the demand for and use of business premises
 - Emerging plans for expansion, adaptation or relocation
 - Types of buildings, size, space and configurations now required
 - Supporting amenities required for staff including those operating from home.
- d) An assessment of likely employment floorspace needs based on:
- Projected growth of local business units from 2017-37
 - GDP forecasts
 - Projected growth in employment relative to GDP forecasts
 - Adjustments for expected shifts in working practices in the post-Covid era.

Epsom & Ewell Borough Council subsequently requested Economic Growth Management to proceed with these exercises. The detailed approaches are described in the introductions to the sections covering each exercise.

2. Findings on Impacts of Covid-19 on Working Practices and Floorspace Use

2.1 Pre-Covid Home Working Patterns

According to the Office for National Statistics, prior to COVID-19, only 1.7 million people in the U.K. worked from home full-time, with the figure increasing to 4 million when factoring in workers who had their home as their main place of work some of the time. The same source states 8.7 million people at one point had worked from home at some point in their working-life which is less than 30% of the work force¹, meaning that 70% of the U.K. work force had no prior experience of home working prior to when social distancing measures were put in place in March 2020.²

These figures placed the U.K. far behind other Western European nations such as the Netherlands, Sweden, and Denmark. A study conducted by Leesman in March 2020 concluded that the U.K. was one of the worst prepared nations for a move to home-working with 25% of firms having no-crisis plan in place in the event of the pandemic and 17% did not have the sufficient devices and technology to make such a move a possibility.³

2.2 Patterns of Flexible Working During the 2020-21 Lockdowns

In their updated report conducted in the month of April 2020; the ONS. Stated that 46.6% of people had done some form of homeworking in the past year, with 86% of those respondents stating that they did so as a result of the coronavirus pandemic. The figures for London indicate that over half of workers (57.2%) in the capital were working from home during the pandemic, with just under half (49.4%) in the South East doing the same.

Occupations that required higher-qualifications and experience were more likely to offer home-working opportunities, with 'professional occupations' accounting for the highest rate of home-working at 69.6%. Those ranked under 'Managers, directors and other senior officials' and 'Associate, technical and secretarial occupations' were ranked a joint second at 67.3%. Elementary and manual occupations reported less likelihood in working from home opportunities, which saw employees in the five major categories for these types of jobs reporting under 20% of their workers doing some amount of home-working.

Of those working from home, 34.4% reported working less hours than usual whilst 30.4% reported working longer hours.⁴

In the latest survey conducted by ONS between the periods of 31st March till 11th April 2021; results showed that 40% of the U.K.'s work force had worked from home in some capacity in the

1 *Coronavirus and homeworking in the U.K. labour market* (24th March, 2020), Office for National Statistics

2 'How many people in the U.K. worked from home before lock-down', Barney Cotton, *Business Leader* (March 25th, 2020)

3 'U.K. firms among the world's least prepared for home-working among coronavirus shutdown' Barney Cotton, *Business Leader* (March 13th, 2020)

4 *Coronavirus and homeworking in the U.K.: April 2020* (8 July, 2020), Office for National Statistics

last seven days, with 27% saying they had not and 36% stating that they were not able to. The figures were nearly identical for England as they were for the U.K. population as a whole, whilst Wales reported less respondents working from home at 28% and Scotland reported a higher number of respondents working from home at 45%.⁵

2.3 Recognised Benefits from Home Working

A survey conducted in collaboration between the World Economic Forum and VoxEU showed evidence that the stigma against working from home is decreasing significantly with 40% of respondents claiming their view on working from home has 'substantially improved' and a further 19% stating that it has 'slightly improved' and 17% 'hugely improved'.

In regard to productivity, 49% of respondents feel that their output has remained 'about the same' since the measures were introduced and a further 16% say that it has made them 'more efficient'. When asked how they feel about the potential of working from home two to three days a week in 2022, 59% of respondents said that they felt 'positive'.⁶

A separate report conducted by the Chartered Institute for Personnel and Development found similar positive findings on the effect of homeworking. 71% of employers said that they found that productivity had either improved or stayed the same and that the challenges of overcoming some of the difficulties of homeworking can be overcome by adopting a hybrid model instead of total homeworking. This survey found that 63% of employers would be more willing to adopt a hybrid model instead of total homeworking which stood at 45%. In their report, CIPD also identified what they considered to be the main benefits of homeworking, which were:

- **Avoiding long commutes:** the most frequently cited benefit in this survey mentioned by 46% of respondents was avoiding long commutes to work, which allowed employees to save money and have more personal time to themselves and with their families.
- **Enhanced employee well-being through flexibility of hours:** this was the second most cited reason at 39%, but meant that 61% of respondents did not necessarily consider this a benefit due to an inability to disconnect from work while at home.
- **Team communication and collaboration:** whilst another contested topic on the benefits of homeworking, 35% of respondents felt that if companies had the appropriate I.T. technology, communication was actually more efficient.
- **Reduction in distractions:** Whilst this is often stated as the main benefit of homeworking, only 33% of respondents answered that they felt this way. CIPD concludes that the reasoning behind this is due to the forced use of a total

5 *Coronavirus and the social impacts on Great Britain* (16th April, 2021) Office for National Statistics

6 'Working from home is revolutionising the UK labour market', Shivani Taneja, Paul Mizen and Nicholas Bloom, *Vox EU* (15th March, 2021)

homeworking model and was entirely dependent on the living space of the employee who may not have had sufficient living space to work efficiently during the pandemic.

Other benefits listed were the normalisation of the use of technology, which improves inclusion and allows those with disabilities or illness that impede travel to connect with other employees more, as well as those in distributed teams to connect better with other teams in the same company. In addition, people felt that the workplace had become more personable as one work director noted that the separation between the 'work persona' and 'the home persona' had slipped since the adoption of homeworking as employees now had to be more upfront of their home situation, allowing him to know his employees better.⁷

2.4 Emerging Patterns of Homeworking Post Covid

A range of evidence has emerged regarding the emerging patterns of homeworking.

- In February of this year, the *Financial Times* reported many major companies and banks like Lloyds, Natwest, Deutsche Bank, Aon, Virgin Media, Revolut, HSBC and many others were considering a move to flexible working for many of its staff.
- A recent poll conducted by Opinium for the Prospect Trade Union in early April 2021 has found that attitudes towards homeworking have shifted since last year. It found that:
 - 24% wish to work completely from home
 - 17% want to spend half at home and half in the office
 - 37% of people wish to work mostly or completely from the office.

The highest proportion keen on going to the office were young workers (18-34) who at 64% who wanted at least some time in the office which was in contrast to 48% of 35-54 year olds and 49% of over fifties. 24% of respondents reported having to endure some type of surveillance that monitored them when working from home, with 9% saying they had cameras, 8% saying chat and email check ins and 5% having keystroke monitoring. Only 22% of workers said they had been consulted about their future work patterns with 31% expecting to be consulted soon and 37% stating that they did not believe they will be consulted at all.⁸

- In February of this year, the *Financial Times* reported many major companies and banks like Lloyds, Natwest, Deutsche Bank, Aon, Virgin Media, Revolut, HSBC and many others were considering a move to flexible working for many of its staff.

7 *Flexible working: lessons from the pandemic* (1st April, 2021) The Chartered Institute of Personnel and Development

8 'Workers eyeing return to lockdown after COVID' Henry Zeffman, *The Times* (April 14th, 2021)

- In May 2021 the Times reported that the several major accountancy firms have firm plans to adopt hybrid working.
 - EY has announced a permanent shift towards hybrid working with most of its 17,000 staff in Britain having been told to expect to work from home for at least two days a week after the pandemic
 - KPMG, a rival, has told its UK staff that they will be expected to spend up to four days in the office every fortnight from June onwards
 - PWC, another leading accountancy firm, has told its 22,000 staff to expect to spend an average of two to three days a week in the office once restrictions are lifted.
- The above World Economic Forum and VoxEU survey concluded that two days a week at home in the post-COVID world is expected to become the norm.

3. Projected Changes in the Demand for and Use of Employment Space

3.1 Approach

The findings from this section are drawn from further desk research but in addition the approach to assessing the demand for employment space post Covid involved consultations with the following local commercial property agents, whose cooperation is gratefully acknowledged:

- Stiles Harold Williams
- Hanover Green
- Bridger Bell
- Greenfield

The aim was to develop a first-hand, more localised view, as to the types of enquiries being made by office and industrial occupiers and developers in Epsom & Ewell, in order to determine the emerging profile of demand for commercial property and the types and nature of uses being sought post-Covid and how this varies from the pre-pandemic era related to local demand and that from businesses from outside the area. Each was asked to share their experiences and opinions on recent changes in the commercial property market since the pandemic and subsequent lockdown. Points for discussion with the agents are set out in Appendix 7.

Findings from these interviews are set out below.

3.2 Agents' Views on Office Use and Demand

Most businesses have been holding fire until restrictions are fully lifted and to see how the situation evolves afterwards. Only then will they get a gauge of how many of their staff are willing to do so. This is particularly true of businesses based in London.

For a business to consider leaving their current premises, it would usually require an expiry of the current lease or a break clause. Unless the business actually fails then it would have to either see out the lease or negotiate a deal.

Hence, there is more activity amongst businesses with a lease event on the horizon, which is then a time to look more closely at future requirements. The office market has been stagnant for years as businesses haven't had a good reason to move. Now there is a good reason to reflect on what they need.

In normal times, even with a forthcoming lease event, 70% of businesses tend to stay where they are. One agent said that a reversal of that is now anticipated, with up to 70% expected to consider relocating.

Anecdotally, companies are taking the opportunity to conduct staff surveys to gauge what mix of hybrid working employees are willing to accept, and are holding off on making big operational decisions until this becomes clear.

Big corporations have been consolidating and reducing the numbers of employees in the office for years. Other companies are now catching up; having realised through the pandemic that IT can allow people to work just as effectively remotely.

There is an early trend for downsizing; for example, there are enquiries from businesses in 5,000 sqft premises who now only need 3,000 sqft, but now the demand is for better quality premises with break out space, communal areas and a kitchen etc. Businesses will be looking to save and upgrade at the same time.

An example is quoted of a live enquiry from a business with office space in Croydon, Basingstoke and Leatherhead who want to consolidate, but are not sure what they need. The decision is being delayed until it becomes clearer what employees will be happier with in the longer term. There are concerns about 'not being seen in the office', of 'missing out', for example being overlooked for promotion.

Serviced office operators have seen a demand for 1-2 person offices, as it seems many people do not want to work from home the whole time. There are already enquiries from employees of some of the big companies in London who are now required to work from home, but who still wish to be in an office environment part of the week. For some employees, renting an office

space closer to home will be paid for by the company, whereas previously the business may have covered the commuting costs.

The least amount of activity is happening in the 1,000–2,500 sq. ft office space, with businesses employing around 8-15 people. Downsizing would possibly mean getting rid of premises altogether and that is a much bigger decision to make. Often these are owner managed companies and they like the thought of maintaining an office presence.

All the agents spoken to are of the opinion that office working will return to more of a normality than is being anticipated. It is believed that there will be more flexibility around home working but not to the extent expected and most people will be in the office at least some of the time. As evidence for this, it is stated that, in London at least, city life is already much busier.

One agent also commented that the era of Zoom/Teams meetings will probably not continue to the extent anticipated. For inter-business meetings it is much more convenient and efficient, however, for a business trying to pitch for work, it will always give them a better image to boast office space rather than having to conduct everything virtually. A business will not want to be the only one without office space if competitors all have it.

According to one agent, most of the recent property acquisitions in London and the South East have been made by the government, including in Epsom. This is largely with the intention of setting up job centres and retraining centres, in anticipation of the rise in unemployment. The type of property being sought is good quality, self-contained space, with access for the public, which is not always easy to find.

3.3 Agents' Views on Industrial, Storage and Distribution Use and Demand

Whilst agents report a quiet office market, one agent reports being inundated with enquiries for retail and industrial. These are largely from sole traders and small enterprises, and on the retail side it is independent, 'old fashioned' high street type businesses, such as butchers and bakeries. For restaurant space, one agency is currently able to command rents which are higher than those pre-Covid.

In terms of the industrial space, enquiries seem to be from different types of retailers, often the bigger ones, who are giving up their shop front and focusing more on storage and distribution. In terms of enquiries for this type of space, one agency has had its best year for 10 years, and it is a continuing upward trend. There is also demand from people whose business was based at home and now have the confidence to move into an industrial unit.

Another agent commented that 'industrial is flying at the moment' with significant demand for warehouse space. A lot of delivery companies are springing up, e.g. there is a new business which

delivers goods on e-bikes and promises to do so within a 10-minute window. The business has had huge VC funding, and will probably be sold once it has made significant money.

There are a number of businesses who thought they would go bust due to Covid but have ended up doing well, for example, some coffee and food businesses with warehouse space. Supply to businesses has plummeted, however the surge in demand from domestic customers has 'gone through the roof'; people working from home want nice coffee and nice food.

Industrial space is limited in Epsom however, and is mainly restricted to Kiln Lane and Longmead. Industrial businesses tend to go where there is a higher concentration, hence there is not much of this new activity coming to Epsom; it is not on people's radars.

On a different theme, but interesting to note, there is a definite trend for staying local and shopping more locally. It was commented that Epsom & Ewell had wanted to create this demand from people and Covid has helped it happen.

3.4 Demand from Businesses in London Seeking to Set Up Decentralised Operations

Whether a business wants to relocate depends very much on where its clients and suppliers are; it might not serve them well to locate outside of the city. Only a few businesses have talked about it, and that this has tended to be smaller businesses of under 10 employees that are now questioning why they all commute to London; these businesses are generally seeking serviced office space. One agent made the point that this has been happening for the last 5-6 years anyway due to rising land values.

All agents said they had not received many or any enquiries from office-based businesses, but one agent said there had been activity in this regard from storage and distribution and building companies; hence companies that want warehouse space. It was also stated that the supply that was there has already been snapped up.

3.5 Findings on New Models of Flexible Working

With companies all over the country adapting to the fallout of the pandemic and trying to return to some sense of normality in the post-COVID world, most data shows that offices will not strictly be a thing of the past but will mostly adapt to a new framework. In February of this year, the above Financial Times article quoted BT were also planning on reducing their number of offices from 300 to only 30, showing that it has a commitment to offices but more as a place for 'collaboration and knowledge sharing'.

As reported in a survey conducted by British accountancy firm RGM, three-quarters of medium-sized businesses are considering reducing the volume of their office space. Of the 405 executives

they surveyed, 80% of them responded that they would consider allowing some of their employees to work from home full time.⁹

The annual crane report conducted by Deloitte saw the amount of office space construction in Manchester, Birmingham, Leeds and Belfast drop in 2020.¹⁰ Simon Bedford, regional head at Deloitte Real Estate is quoted as saying in the *Financial Times* that tenants were concentrated on space that was attractive to staff rather than purely functional and that: “The new start office space under construction is being marketed as amenity-rich, with well-being and community high on the list of priorities.”¹¹

This new framework for offices will look to enhance ‘employee experience’ within their work spaces and not just overhead. A report conducted by JLL states that offices are now seen more as environments that promote collaboration, innovation, recruitment and retention. Offices have already implemented spaces specific for meetings, collaboration, concentrated work and other rooms that will be catered to specific working contexts.

More attention is being placed on well-being, with rooms set up solely for mindfulness meditation, yoga, event spaces and cafes. The outside area is also becoming more of a focus from planners to improve employee well-being, with attention being put to improve air ventilation and having more outdoor leisure space. This may lead to offices having less desk spaces, but more collaboration space, with a hybrid model and homeworking on the rise this will end up offsetting a trend of space per worker decreasing since the early 1990’s.¹²

Workdesign Magazine have written extensively on the potential new designs of offices and office space in the post-COVID world, with many new concepts such as the ‘Anti-Office’¹³ and ‘Innovator’s Guild’¹⁴ gaining popularity within the workplace designer scene. In their overview of the future of office design and space, several emerging trends occur in many of their articles. These include:

- a more distributed work force with several companies in different sectors choosing to go back to the office full time or employing a hybrid/fully remote work model
- a focus on creating a friendlier and cohesive corporate branding and identity for employees now working from home
- less workstations and more collaborative spaces

9 *Business Leader’s Summit 2021: In Review* (28th January, 2021), RGM

10 *Regional Crane Surveys 2021* (2021) Deloitte

11 ‘UK businesses think big about smaller office spaces’, Andy Bounds and George Hammond, *Financial Times* (4th March, 2021)

12 *The future of UK regional office demand: Office markets outside Central London after COVID-19* (March 2021) JLL

13 ‘A look into the workplace post COVID-19: The ‘Anti-Office’, Clayton Whitman, *Workdesign Magazine*. (6th June, 2020)

14 ‘Bid the office adieu and say hello to the Innovator’s Guild’ Nicole Zack, *Workdesign Magazine*. (23rd April, 2021)

- more reliance on technology and the development of more sophisticated sharing systems for employees working under a hybrid model and
- a move to smaller office premises to save on costs from any economic hits a company may have suffered during the pandemic.

Other trends of note that are emerging are:

- the implementation of biophilic design features to promote well-being by letting employees feel closer to nature and getting access to fresh air and access to outdoor space which would make them feel happier and more at ease;
- an improved focus on workspace hygiene with the implementation of more touch free technology and durable, easy to maintain surfaces, and better access to hand sanitizers and improving air ventilation with the latest innovations in HVAC/air quality
- offices will now be better prepared given their experience during this pandemic, for similar disruptions in the future and make their companies more adaptable for similar events.¹⁵

3.6 Agents' Views on Future Use of Employment Space

Evidence of Epsom & Ewell Businesses Seeking to Change Premises

Whilst it is anticipated that some people will want more space so they can distance staff more, it comes at the same time as businesses having less staff anyway, or hybrid working means there are less people in a space at any given time, hence they can achieve more spacious workstations with what they already have.

There is a possibility that some companies will want to set up smaller hubs, for example a company based in Radlett, Hertfordshire, is seeking a small, local hub for their management team who all live in Surrey. Whether the business will then keep the premises in Radlett or decide to let that go and set up other hubs remains to be seen.

What is notable is that office enquirers want shorter term leases as their confidence has been knocked. There is likely to be more of a demand for easy in easy out, serviced space such as that at Global House.

This trend is not currently happening in the industrial market.

How Covid or Similar Precautions are Likely to Affect Employment Property

15 '10 things that will inform post-vaccine Workspace design', Inger Bartlett, *Workdesign Magazine*. (2nd April, 2021)

The trend before was to 'ram them in' to office space, and it is clear that this will not happen again for some time. However, as mentioned previously, agents are of the opinion that people will 'get over this' and return to normal much more quickly than is anticipated, and consequently businesses won't want to make too many big changes.

There may however be demand for more space from some businesses who want to create extra breakout areas, and more space between workstations where the reduction in staff numbers does not already allow for this. And the rents in Epsom & Ewell are considered cheap enough for a business to consider this, whereas it wouldn't happen in London where rents are so expensive.

Even pre-Covid, big corporations have been sensitive to the need for space and hygiene and been conscious of ventilation needs. Now more businesses are asking what the ventilation is like in a building; if there is an air conditioning system, they want to know how much of it is fresh air and how much is recycled air, and they want a high ratio of it to be fresh. The alternative is keeping the windows open, which then creates concern over pollution and noise.

For a while, businesses will use alternate desks, however it is possible that slowly and surely it will return to normal usage. Currently, designs and requirements do not look that much different, perhaps just slightly more coffee areas and break out space. However, there is still the requirement for bench style desks, four desks opposite each other, etc, and businesses will instigate a rota or booking system to manage the numbers.

Warehouse and distribution users don't seem to be needing to change size and configuration due to Covid.

3.7 What is Considered Likely to Happen to Town Centre Activities

The COVID-19 pandemic has led to many changes to how people use and visit high streets. Data from November 2020 shows that footfall was at 45% compared the same time as the year before. Meanwhile, internet sales had risen to 33% of all sales by the start of the pandemic.¹⁶

Overall, new data from IMRG states that online sales grew by 36% in 2020, which is the highest growth seen in 13 years. This is in contrast to overall retail sales, which fell by 0.13% marking the lowest annual growth figure for 25 years.

Research done by e-commerce quarterly shows that most of 2020's retail growth was driven by multichannel retailers, who were the ones most easily able to make a shift to online retail. Grocery is shown to have had the biggest surge of online retail at 128%.

However, research has shown that many consider this a temporary measure for groceries once retail commences after lock down is over. The retail sector is preparing for a series of innovations

16 *The future of the high-street, House of Commons, 10th December 2020.* Local Government Association

that have ripened during the course of the pandemic, including things such as; reactive digital sales, investment in delivery, new ‘brand experiences’ to bring customers into stores and innovations in online and offline customer service.¹⁷

These raise a lot of questions for the future of city centres, especially with the permanent closure of many businesses on high streets. 57 of 264 stores in Oxford Street have permanently closed since the start of the pandemic and major landlords are receiving only half of their usual income from renting out commercial spaces.¹⁸

Research from KPMG says that it is clear things won’t return to the way things were before the pandemic. With the reduction in commuter footfall and reduction in commercial rent, city centres may now have to consider serving their inhabitants in a different way. According to the same report, high streets could lose anywhere from 20-40% and end up effecting 1-5% of the local labour force. Basingstoke and Bracknell are said to be the most affected, with 39% of retail jobs said to be in jeopardy with the move to online commerce. Some reports are expecting up to 400,000 job losses on high streets nationwide.

New models could be emerging from the shift to online, with consumers buying online and getting a better price whilst some stores may adopt a hybrid model where they have their stores as a showroom before the customer buys the product on their website. However, some speciality stores may keep their physical locations intact.¹⁹

Suggestions in the KPMG report include:

- giving these spaces to Universities or colleges looking to expand and help workers who lost jobs during the pandemic
- office spaces for start-ups, pop ups or incubators who will now be able to afford rent in the city centre whilst businesses provide support and mentoring
- community centres can be opened with focuses ranging from children’s recreation to adult art courses
- residential property is also said to play a key role in the revitalisation of city and town centres.²⁰

3.8 New Concepts Being Planned for Revitalisation and Diversification of Town Centres

Hybrid and remote-working will create a new set of benefits but also challenges to local economies with it’s wide-spread adoption. Research by Legal and General and Demos showed that the new working model will provide opportunities for parts of the country such as rural areas

17 ‘Covid-19 impact on retail: what trends are emerging in 2021?’ Nikki Gilliland. *Econsultancy* (20th January 2021)

18 ‘What will city centres look like post COVID?’ George Arnett, *Vogue Business*. (15th February 2021)

19 *The future of towns and cities* (January 2021) KPMG

20 *ibid*

and neighbourhoods that were previously ignored. The survey identified the following factors as being more important to between 50% and 70% individuals if working from home:

- Access to fresh air
- Good local shops
- Faster reliable Internet access
- Supportive communities and pleasant streets
- Places to go out
- Premises to support local jobs
- Housing that meets needs
- Exercise and sports facilities
- Good transport services

However, this also runs the risk of creating regional inequalities as city centres are left in the dust in a post-COVID world. 35% of respondents stated that they planned to spend more money at their local neighbourhoods, whilst 25% said they wanted to do so in local high streets and town centres. In his article on the same report for *The Times*, Gurpreet Narwan states that:

“The findings underscore the need for thriving local high streets, which could require a rethink of town planning. It presents a challenge to the concept of high population density urban accommodation. The report called for a renewed focus on “15-minute neighbourhoods”, with places close by to meet and work, as well as outdoor public spaces for leisure and recreation.”²¹

The same report found that 2.5 million people (5% of the population) had moved from their previous premises with a further 5.5 million considering moving. This in part due to wanting access to more outdoor spaces but also due to wanting more suitable living arrangements. This impacts on some major cities where housing is on average less spacious than non-urban areas. However, the report concludes that the previously predicted and reported mass exodus from cities is overblown as young people and those with jobs that cannot be done remotely make up the majority of those that moved last year and that they moved within larger cities.

The above mentioned ‘15 minute cities’ concept was developed by Carlos Moreno, scientific director and professor specialising in complex systems at University of Paris Panthéon-Sorbonne, who believes that city-life as we knew it before the pandemic won’t make a return. Instead, he proposes the creation of cities where everything an individual needs can be reached within a quarter of an hour by foot or by bike. In an article on BBC Worklife, the 15 minute city is quoted as requiring minimal travel between housing, offices, restaurants, parks, hospitals and cultural

21 ‘Hybrid working could be right up your street’, Gurpreet Narwan, *The Times* (March 22nd, 2021)

venues. Each neighbourhood is also quoted as needing to fulfil six functions: living, working, supplying, caring, learning and enjoying.²²

The concept has proved popular, with Paris Mayor Anne Hidalgo putting it at the centre of her successful 2020 re-election bid and hiring a commissioner to make the concept a reality.²³ However, not everyone is convinced that such a proposal can be implemented at such a scale as proposed by Moreno and others. Figures at the Centre for Cities such as Paul Sweeney and Anthony Breach have all written on the topic, believing that whilst there is some merit in the idea, city centres will still play a key role in the future. Breach cites this as a reason why London's centre will still be so vital in the post-COVID world:

“There are special qualities about information exchanged face to face which video calls have not been able to replicate. We can observe that demand in the price that people are willing to pay to live and work in London. It means there is something about that city centre and its intangible benefits — Alfred Marshall called it ‘something in the air’ about 100 years ago.”²⁴

Breach's idea seems to concur with Marshall's idea that companies from similar sectors geographically tended to cluster together because connections and shared ideas created room for new ideas and innovation.²⁵ Sweeney concurs, stating that whilst some parts of the 15 minute city can easily be implemented, the role of the central offices in the heart of London cannot and will not be easily replaced for the reasons of face to face interaction and collaboration between companies and that there will be no way for neighbourhoods to match the breadth of jobs that a city centre can offer.²⁶ There are many reasons for this.

- The fact that more than half of jobs still can't be done remotely²⁷,
- As shown by previous research conducted by the Centre for Cities, amenities with a large or specialist customer base (e.g. football stadium, Michelin star restaurants or theatres) can't do this²⁸
- Evidence shown that East Asian countries that have suffered threats of pandemics in the past at a more frequent rate than the West, have continued to urbanize and seen their respective cities grow.²⁹

22 'How 15 minute cities will change the way we socialise' Peter Yeung, *BBC Worklife* (January 4th 2021)

23 'France municipal elections: Greens score gains in second round' *BBC News*, (29th June 2020)

24 'Welcome to the 15 minute city' Natalie Whittle, *Financial Times*. (17th July 2020)

25 *ibid*

26 'Will COVID-19 make the idea of a 15 minute city a reality?' Paul Sweeney, *Centre for Cities*. (17th February, 2021)

27 *Coronavirus and homeworking in the U.K.: April 2020* (8 July, 2020), Office for National Statistics

28 *What's in store? How and why cities differ for consumers*. Rebecca McDonald, Lahari Ramuni and Lizzy Tan, *Centre for Cities*. (29th September, 2019)

29 'Why cities in East Asia show us that UK cities will thrive post COVID', Paul Sweeney. (27th January, 2021)

These findings seem to indicate a halfway point between the 15-minute city and the current reliance on city centres, whereby more local amenities will be situated across neighbourhoods whilst more specialist forms of amenities will remain in city centres in the post pandemic world.

3.9 Views on Likely Consequences of the Introduction of Class E

The introduction of Class E is viewed by local property agents as positive for the market and will help boost office supply. It is anticipated that it will have a massive impact as will make it so much easier for a diversity of businesses to take up space.

Overall, there is a lot of activity amongst the retail market in Epsom & Ewell. Businesses can get a good deal on premises, benefit from business rate assistance and some types of businesses can open up on low overheads. There is a significantly increased demand for coffee shops, bars and restaurants, which can start from a low base and be built up as restrictions ease. For £1,000 per month and with small business rates relief it makes it a viable option for small concerns.

Planners can get a bit 'het up' about the High Street, but the likelihood is that the prime shopping area will remain, as the rents will be high and those businesses require a high footfall. The shop fronts which are located more on the fringes and are relatively inexpensive, for example at the McDonald's end of the High Street, will be more likely to become office space; a business such as a designer or an architect might appreciate having some sort of shop front to their premises.

There will be a new eye clinic opening on East Street, and this is as a direct result of the Class E changes. One agent has had enquiries from non-retail uses, such as dentists, physiotherapists, mental health facilities, a drop-in centre for older people, places of worship and gyms. Currently, there are even waiting lists for retail spaces; at the time of speaking there were 11 people bidding on a retail space in Stoneleigh, and 'for a crazy rent!'

There have been enquiries from businesses such as gyms, to take up showroom space, e.g. old bathroom shops, as the configuration works well.

It will have a really positive impact on residential shopping parades which have been increasingly down at heel for years; different businesses will be able to take up the space, including destination businesses such as physiotherapists. A roofing company recently took a shop front with a garage at the back in such an area.

It is felt that retail is unlikely to become office space very often however, as the configuration is not right. In some contexts, the change of use will be an issue due to configuration, but not impossible, but it will always depend on what the landlord is happy with.

3.10 Other Influences Likely to Affect Employment Space

The commercial property agents consulted also highlighted a number of other factors that could affect employment space in Epsom & Ewell.

- There is currently a trend for trying to get Covid clauses into leases, whereby a clause states that the rent is waived if another pandemic hits. It is suspected that this will be lucrative for solicitors, but not acceptable to landlords. There will possibly have to be more flexibility in leases, e.g. more break clauses, however.
- If interest rates go up, it will create a huge fallout, for example, with loans on businesses. It has been so cheap to borrow money and many people are now too over-leveraged.
- There is a worldwide shortage of essential goods, such as building materials and memory chips, which is affecting construction and production. However, the advancement of technology continues at a breath-taking pace.
- One agent predicts a mini boom, even if mainly in London, and says it is already being seen and experienced. There is so much pent-up money and people are eager for a spending spree.
- Other factors influencing the commercial property market will be those that always did affect it, for example residential land values, which are worth so much more than commercial space. The ability to turn commercial premises into residential will have a massive impact and will mainly affect the office market.

The comment is also made that Epsom & Ewell does not have enough industrial premises, probably due to a lack of space and funding, and the demand far outweighs the supply. The existing stock is considered old and unexciting.

4. Business Survey Findings on Impacts of Covid-19

4.1 Purpose of the Survey

The purpose of this business survey has been to investigate the changes in working practices brought about by the recent Covid 19 pandemic amongst local businesses. This is for the purposes of updating the Council's Spatial Economic Growth Strategy which in turn will inform updates to its Local Plan. In order to achieve this, the aim has been to capture information from the larger businesses across Epsom & Ewell borough on the constraints and issues they face associated with the use and demand for business floorspace and how improvements in its availability could assist with future expansion, relocation and investment needs.

The business survey set out to contact 50 of the largest businesses across the boroughs in order to gain an insight into the following key issues:

- The challenges faced both commercially and operationally post-Covid
- Future operational model to be adopted
- How this will affect the demand and use of business premises
- Emerging plans for expansion, adaptation or relocation
- Types of buildings, size, space and configurations now required
- Supporting amenities required for staff including those operating from home.

4.2 Survey Methodology

The key aim of the survey was to explore the needs and issues associated with employment land and buildings within the borough. Accordingly office, studio, R&D and industrial users were the main respondents approached for the survey.

A breakdown of the sectors and business activities of businesses surveyed is provided in Appendix 8. The Business Survey Questionnaire is shown in Appendix 9.

4.3 Long Term Influences on Companies' Operations

Companies were asked to indicate the technological, economic and market related changes most likely to influence their company's operations based in Epsom & Ewell over the next 10 years.

The majority of respondents mentioned at least one or two market related changes in their responses. The state of the economy got the most mentioned followed by industry specific issues. Technological advancement and further government policy or legislation also gaining a number of responses. Brexit as an issue had six mentions, with effects from COVID specifically only being mentioned twice. However, due to the vague reasons when people mentioned 'the economy'

and issues related to the job market and government policy and legislation – it can be worth noting the impact the pandemic itself has on both these factors when analysing the data below.

Technological, economic and market related changes most likely to influence their company's operations based in Epsom & Ewell over the next 10 years	No.	%
Responses		
Economy	13	26%
Industry Specific	10	20%
Technological Advancement	7	14%
Government Policy/Legislation	7	14%
Brexit	6	12%
Nothing	5	10%
Company has Shut Down or Left Epsom & Ewell	5	10%
Job Market	3	6%
COVID-19	2	4%
Property Prices	1	2%
Did not Answer	8	16%

4.4 Impacts of Covid on Future Operational Structures and Working Practices

Impacts During the Pandemic

In terms of impacts during the pandemic, key findings were as follows.

- Out of the 50 companies surveyed, only one company reported lay-offs while eight had a few members of staff on furlough during the pandemic.
- Five of the businesses listed had either shut down left Epsom & Ewell either before or during the course of the pandemic. The extent to which the pandemic may have influenced these closures is not known.
- The majority of companies that were able to adopt a comprehensive home-working policy suggested by the government went on to do so during the start of the pandemic.
- The small number that did not adopt home working stated that all or only part of their work could not be done from home and had to be done on-site.

Planned Changes After the Pandemic

Businesses were asked about the recent impact of the Covid epidemic, specifically in terms of alternative structures, operations or working practices likely to be adopted and the likelihood of switching to more home working or hybrid working.

In terms of plans for working practices after the pandemic, the findings were as follows.

Around 44% of companies interviewed appear likely to adopt either a hybrid model of working or to keep everyone working at home full-time and conducting their entire businesses online. However a just under 30% of businesses are considering bringing everyone back on-site full time, claiming reasons as the nature of their business is dependent on staff being present and that it provided a better opportunity for collaboration and improved cohesion among colleagues.

Impacts of the Covid Epidemic on Companies' Future Operational Structures and Working Practices Responses	No.	%
<u>Impacts During the Pandemic</u>		
Working from Home Adopted	33	66%
No Working from Home Adopted	4	8%
Part of Workforce Furloughed	27	16%
Have left Epsom	5	10%
Lay-offs	1	1%
<u>Impacts Post Pandemic</u>		
Expect to adopt 100% working from home policy	6	12%
Expect to take up Hybrid Model	16	32%
Expect to bring everyone back to office full time	14	28%
Unsure	9	28%

4.5 Expected Changes to Premises Due to Covid Impacts

Businesses were then asked whether the Covid impacts would cause changes to their premises and if so, what alternative types of buildings, size, space and configuration would now be required.

When asked if the consequences of the pandemic would bring changes on the structures and working premises that the company uses as an office, just under half of respondents (48%) said that they assumed that there would not be any changes to their premises, that they would stay where they are and keep the current amount of space.

Fifteen companies (30%) said the consequences of the pandemic would definitely or potentially bring changes. Of these, most said they would consider downsizing the office. One indicated they were considering upsizing in the near future, due to an increasing in business and limited impact from the pandemic.

Addendum to Local Plan Spatial Economic Growth Strategy for Epsom & Ewell

Expected Changes to Premises Due to Covid Impacts	No.	%
Responses		
<u>Expect to Change</u>		
No	24	48%
Yes	12	24%
Potentially	3	6%
Did Not Specify	6	12%
Have left or are leaving Epsom and Ewell	5	10%
<u>Expected Pattern of Change</u>		
Upsize	1	2%
Downsize	8	16%
Not Sure	3	

4.6 Prospects for Relocation and Expansion in the Next 5 Years

Businesses were asked if they were considering relocating or expanding in the next 5 years.

When asked, most companies (38%) stated that they did not have any plans to relocate or expand their business.

Of the ten businesses firmly planning to expand:

- Four would employ less than five additional employees
- Two would employ between five and ten additional employees
- One would employ more between ten and twenty
- One of the largest companies in the area planned to add another 100 jobs sometime in the near future
- Two were unsure.

Prospects for Relocation and Expansion in the Next 5 Years	No.	%
Responses		
<u>Whether Businesses are Planning to Expand</u>		
No	24	38%
Yes	17	20%
Potentially	2	6%
Not Sure	3	24%
<u>Whether Businesses are Relocating</u>		
Planning to relocate	1	2%
Have recently left the borough	5	10%
<u>Expected Levels of Additional Employment by Expanding Businesses</u>		
Under 5	4	8%

Prospects for Relocation and Expansion in the Next 5 Years	No.	%
5-10	2	4%
10-20	1	2%
100 plus	1	2%
Not stated	9	18%

* Within Epsom & Ewell

4.7 Additional or New Types of Supporting Local Amenities for Workforces

For the anticipated new requirements in a post-pandemic world, 38% of businesses said that they could not think of any due to their existing office space providing all their currently required needs.

However, from those indicating that they could benefit from more amenities:

- More meeting spaces were mentioned by 14%
- Availability of more office space were mentioned by 8%
- Homeworking support centres or work-hubs were mentioned by 6%
- More hotels, leisure spaces and good quality restaurants were each mentioned by 2% of businesses.

Additional or New Types of Supporting Local Amenities for Workforces Required	No.	%
Responses		
Meeting Spaces	7	14%
Require More Office Space (inc. serviced offices)_	4	8%
Homeworking Support Centres/Work-hubs	3	6%
More hotels	1	2%
Leisure Space	1	2%
More Shops	1	2%
More high quality restaurants	1	2%
None	27	54%

4.8 Other Conditions Necessary to Ensure Businesses Continue to Function Effectively

A wide variety of responses were put forward. Three companies mentioned the need for a general improvement in the quality of workspace and office buildings. A few commented on the use of converted 1970's style buildings not being ideal for work. More modern style work-hubs and collaborative spaces are considered necessary so that they can attract more people from the modern tech scene. Facilities on the same standard as We Work were advocated.

Two companies called for partnerships with local FE colleges to attract more local residents into local jobs, given that many travel in from a considerable distance.

Other conditions mentioned or suggested once in the review included:

- A business fair or networking event to help local companies recover post-COVID. Rather than being general they could have core topics, such as hybrid working – asking other businesses how it is going, sharing ideas on talent acquisition, and also getting information about the diversity mix in the area (suggested by a major industrial company).
- A change of *Epsom's image* from 'a nice shopping town' to one that was more associated with business so that they can attract a wider variety of workers into the borough.
- Partnerships with local FE colleges to attract more local residents into local jobs, given that many travel in from a considerable distance.
- Making the links between the business parts of Epsom and the rest of the town stronger so that there is more accessibility and companies don't get tempted by the idea of moving back to London.
- Combination of leisure spaces in office buildings or more local businesses like gyms offering loyalty cards for employees of certain companies.
- A campus style shared business-park that includes facilities such as gyms, cafes, parking that are similar to what large companies like Toyota have at Great Brugh and an Exxon Mobile at Ashted- but for a group of smaller businesses with their own office spaces.
- The need for more shops.
- The need for some higher quality restaurants, commenting that Café Rouge has now closed.

4.9 Difficulties Experienced Related to Local Accessibility or Transport Congestion

Though not specific to Covid, the opportunity was taken to ask respondents about accessibility and congestion.

When asked about any adverse effects on Epsom & Ewell, many of the respondents claimed that their main issues were some delays caused by factors such as traffic, inaccessible and/or expensive parking, and frequent roadworks (that also contributes to noise pollution).

Addendum to Local Plan Spatial Economic Growth Strategy for Epsom & Ewell

Difficulties Experienced Related to Local Accessibility or Transport Congestion	No.	%
Responses		
Traffic congestion	17	34%
Parking	11	22%
Zone 6	7	14%
Roadworks	5	10%
Public transport	2	4%
Bridge	1	2%
No Issues Reported	3	6%

Congestion on East Street and the entrance to Hook Road car park were specifically mentioned.

On a positive note, one large company commented: “In terms of conditions in Epsom, it has been noticeable that some of the traffic alleviation measures have worked and it has changed for the better. Also, the Hook Road car park spaces – the allocation will probably work better now that less people will be coming in.”

5. Key Conclusions on Covid 19 Impacts

5.1 Changes in Working Practices

There has been a clear, lasting shift towards homeworking and hybrid models.

As a result of nearly half the working population of the United Kingdom having worked at home during the pandemic, major benefits have been recognised by both employers and employees. These have included avoiding of long commutes, enhanced employee well-being through work hour flexibility, better utilization of available communication technology and reduction in distractions. However, negative issues found with homeworking have included reduction of mental well-being due to imposed isolation, lack of staff engagement, difficulty switching off from work when at home and various workplace hygiene factors.

Many large companies have been considering a move to flexible working for many of its staff and a recent survey has indicate that 80% medium companies would consider allowing some of their employees to work from home full time.

The shift to a hybrid model of working will see some employers downsizing their office space which will then prompt workplace designers to focus on 'employee experience' and enhance well-being in the office.

5.2 Shifts in Demand for Office Space

Many medium and large businesses will downsize their office space, but this pattern is less likely to emerge with smaller businesses. Additional demand for very small offices can be expected.

Some local commercial property agents expect a high proportion to consider relocating, for example, there are notable number of enquiries from businesses in 5,000 sqft premises who now only need 3,000 sqft. This will not all happen at once as it would usually require an expiry of the current lease or a break clause.

Demand is expected to remain strong for smaller office space. Limited change is expected in offices of 1-2,500 sqft as downsizing could mean abandoning the office altogether and owner managers tend to like to maintain an office presence.

Below that, serviced office operators have seen increased demand for 1-2 person offices from those who do not want to work from home the whole time and wish to be in an office environment part of the week, sometimes paid for by the company.

5.3 Changes in the Use and Configuration of Offices

Significant changes to the roles played by offices and their configurations are anticipated.

Office environments that promote collaboration, innovation, recruitment and retention and that are primarily attractive to staff will be increasingly in demand. New build space is being marketed as amenity-rich. Many existing offices are already being adapted with spaces for meetings, collaboration, concentrated work and other rooms that will be catered to specific working contexts.

Other changes in office design, such as design features enabling employees to feel closer to nature, get access to fresh air and outdoor space, an improved focus on workspace hygiene, use of touch free technology, easy to maintain surfaces and higher quality air conditioning are being taken forward. Offices will now be better prepared and adaptable for similar disruptions in the future.

5.4 Findings on Impacts on High Streets and Town Centres Post Covid

Demand for a wider range and higher quality of amenities is expected to emerge to support local working environments.

The shift to online retail is reported as potentially leading to a huge reduction in many physical stores in the high street and to bringing a shift in the role of the high street. This can see newly

available business space being taken up by office users, start-ups, pop ups, community centres and residential developments.

High quality local shops, faster reliable Internet access, supportive communities and pleasant streets, places to go out, more local employment space, housing, exercise and sports facilities are likely to be in greater demand in areas where there are higher concentrations of remote working and office functions more generally.

Despite the excitement around the 15 minute city concept, research and opinion sees a halfway point between the proposal and the current reliance on city centres. This will see more local amenities spread across small neighbourhoods, whilst more specialist ones will find themselves still in the centre of the city.

Increased remote working could boost local urban economies particularly in those areas where more commuters live, which should be good for Epsom & Ewell.

5.5 Impacts on Industrial and Warehousing Space

Demand for industrial and warehouse space will be booming for the foreseeable future.

New demand is arising from a number of sources:

- a shift from retailers giving up their shop fronts and focusing more on storage and distribution
- more delivery businesses springing up, for example one offering an e bike freight service
- a number of people running businesses from home are now demanding industrial premises.

Industrial and warehouse users do not appear to require radical reconfigurations as is being observed in the office sector.

Epsom & Ewell does not have enough industrial premises, due to a lack of space and low levels of funding and investment. Demand far outweighs the supply. The existing stock is considered old and unexciting.

5.6 Consequences of the Introduction of Class E

Major benefits are anticipated from the introduction of the E use class order.

It will help boost office supply, enable businesses to open up on low overheads and promote a diversity of businesses to take up space. More coffee shops, bars and restaurants which can start from a low cost base and facilities which can promote wellbeing such as dentists, clinics, mental health facilities, facilities for older people and gyms are likely to appear.

The prime shopping area is likely to remain largely intact, as the rents will be high and related businesses require a high footfall. Additional offices are likely to appear in the more remote fringes of the town centre, but re-use of retail premises may not always be practical for them due to absence of good light and other constraints.

Declining local shopping parades which have been increasingly down at heel for years will be revitalised. Different businesses will be able to take up the space, including destination businesses.

5.7 Key Conclusions from the Business Survey

A number of conclusions can be drawn from the findings from the survey.

- The state of the economy, changes to specific industries, technological advancement and government policy are the factors most likely to influence business operations in Epsom & Ewell over the coming 10 years.
- The pandemic has not had too severe of an effect on employment. Only one company surveyed has laid off staff and of the eight who have furloughed employees, only a few members of staff were being affected. Most companies that were in a position to allow staff to work from home during the pandemic did so.
- Epsom and Ewell has lost several businesses in the recent past but this is not believed to be primarily due to Covid but mainly related to internal reorganisation. Independently of the survey however, it has been noted that some hospitality functions, such as Café Rouge, have recently closed down altogether.

- Over a quarter of businesses intend to bring back all their staff once the pandemic is over, but just under half are likely to adopt some form of homeworking. Of those that do, around a third, will shift to permanent homeworking and two thirds to hybrid arrangements. It should be noted that in particular with most larger businesses the shift towards hybrid working has simply been accelerated by Covid with much of these working practices having been planned for some time.
- Consequently around 30% of businesses expect to adapt their workspace, with most of these expecting some downsizing. However, a quarter of all businesses remain unsure at this stage.
- There would not be a sudden shift in the amount of space used due to changes only being possible when leases expire over the next 3-5 years.
- Regardless of this, office space remains in demand. Several businesses have expressed the need for additional office space as they have insufficient room or because of business growth with some prepared to consider serviced offices to cope with expected growth or current shortages. As some businesses downsize, it appears likely that others will take up the slack. The style and configuration of many offices will change. In many cases existing spaces are to be used differently such as for hot desk space and meeting facilities.
- There appears to be growing demand for serviced offices with the concept of work hubs and homeworking support centres being welcomed by some businesses.
- A wide choice of office space therefore needs to be maintained but with scope to include meeting space and for the large businesses, a range of high-quality staff amenities.
- For smaller businesses who cannot afford to incorporate additional amenities, there will certainly be greater demand for external provision such as more meeting spaces. In addition, a good choice of nice shops, leisure, exercise and recreation spaces, good quality eating places and an additional hotel are considered key to adapting to new working practices and, importantly to attracting high quality staff. Several employers having expressed a desire to see more local residents working within the borough instead of travelling up to London or commuting into the borough from remote locations.

- These amenities need to be closely accessible to the main concentrations of business activity within the borough, not just in Epsom Town Centre and Ewell but in the major business areas of Longmead and Nonsuch.
- Finally, it is notable that, independently of the pandemic, there is some recognition of the accessibility improvements brought about through recent traffic alleviation measures.

5.8 Implications

The Covid-19 pandemic has brought about major disruption, unemployment and other adverse effects. Nevertheless, major changes to work patterns and to the use of employment space are afoot as a result, with the pandemic now having been a catalyst for innovation and new operational practices which in many ways will bring about higher quality workstyles and lifestyles.

A key focus for urban planners will now be to promote wider provision of small office units, high quality support amenities close to where people work, both in town centres and businesses areas and concentrations of homeworking in residential areas.

Given the observed surge in demand for industrial and warehouse units, this could be an opportunity to promote comprehensive redevelopment of the outdated units in the Longmead and Nonsuch business areas. Where possible, measures to increase the volume of warehouse and industrial space, such as through intensification and provision of multi-tiered space, could be explored.

These findings and conclusions have been considered in setting the assumptions underlying the projection of employment floorspace demand which follows.

6. Projections of Additional Demand for Employment Space 2017-37

6.1 Scope of the Projections

6.1.1 This section sets out projections of the additional demand for employment space in Epsom & Ewell during the period of 2017-37 based on projection of floorspace needs based on growth of local business units from 2017-37, GDP forecasts and projected employment growth, adjusted for expected shifts in working practices in the post-Covid era. The findings build on the preceding research on expected post-Covid working practices, the findings from commercial property agents and local businesses on emerging property requirements. The methodology adopted as described below has generated the following mid-range forecast of floorspace requirements to from 2017 to 2037:

Mid-range Projection of Floorspace Requirements, Epsom and Ewell, 2017 to 2037 (Sqm)	Offices	General Industrial	Storage and Distribution
	18,628	5,779	24,878

6.2 Method and Approach

Projection Based on Growth of Local Business Units from 2017 to 2037

- 6.2.1 In the first instance, a linear projection has been undertaken of the change in the number of local business units over the Local Plan period. Firstly, an analysis has been undertaken of changes in the number of local business units within each of the employment size bands between 2010 and 2020 across relevant sectors which are users of employment floorspace. This provides an indication of business growth patterns by sector over a broad (i.e. ten-year) period which has combined phases of recession, recovery and relatively high growth.
- 6.2.2 To project the net change in local business units to the end of the Local Plan period, a grossing up factor of 2.7 has then been applied (i.e. reflecting the 27 year period from 2010 to 2037 and applying trends measured over the last ten years). From this we have then deducted the known net changes in business units by sector from 2010-16 to arrive at a projection of changes from 2017 to 2037.
- 6.2.3 From analysis of a sample of 1,000 Epsom & Ewell businesses whose employment numbers are available, we have profiled the average number of employees per business in each employment size band. These average values have then been used as a basis for projecting the additional employment from 2017 to 2037 across the different size bands (see paragraph 6.3.7 below).
- 6.2.4 The sectors considered are those which have a predominant employment use and include:
- Manufacturing

- Construction
- Motor trades
- Wholesale
- Transport & storage
- Information & communication
- Financial & insurance
- Property
- Professional, scientific & technical
- Business administration & support services

6.2.5 For each of the sectors considered, we have applied an appropriate use category (e.g. offices, general industrial or storage and distribution). Appropriate employment density ratios have then been applied to each type of use sector by sector, to arrive a projection of floorspace demand. Account has been taken of recent one time shifts in business structures and employment levels that might otherwise distort linear projections of future employment and related space requirements. Adjustments have therefore been made to address the impact of recent and expected growth in employment use categories identified from the foregoing property market research findings and to adjust address instances of over-extrapolation of negative values in the projections. Projections of additional space requirements for each employment use category have then been derived, expressed in square metres.

Projection Based on GDP forecasts Relative to Employment

6.2.6 A parallel analysis has been carried out by projecting the likely annual growth rate of the economy as a driver of additional employment and thereby employment space, based on available forecasts. Employment density ratios have then similarly been applied to each sector and their predominant uses, to arrive a parallel projection of floorspace demand.

Adjusted Projections of Employment Floorspace Requirements

6.2.7 Adjustments to these projections have then been made for expected shifts in working practices taking account of:

- Levels of full-time homeworking by new sole traders.
- The estimated proportion of on workers who work away from the employers' base, such as some transport workers and building trades personnel.
- Expected shifts in the pattern of home working across relevant sectors post-Covid.
- Data on factors affecting floorspace demand, such as expected patterns of downsizing due to flexible working emerging from the surveys of commercial property agents and local businesses preceding this analysis.

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- Influences likely to change the nature of sector activities such as the application of new technologies, emerging new industries or other paradigm changes and associated impact on demand for premises.

6.2.8 Details of the assumptions adopted are set out as follows.

6.3 Assumptions Adopted

Sectors and Uses Considered

6.3.1 The broad industrial sector groups considered relevant to this analysis predominant employment uses are as indicated in the list below. Agriculture, mining and quarrying, public sector and community related activities have therefore been excluded from the analysis.

Sector	Predominant Use
Manufacturing	General Industrial
Construction: Development and Contracting*	Offices
Construction: Building Trades*	Storage and Distribution
Motor trades	General Industrial
Wholesale	Storage and Distribution
Transport & storage (inc. postal)	Storage and Distribution
Information & communication	Offices
Financial & insurance	Offices
Property	Offices
Professional, scientific & technical	Offices
Business administration & support services	Offices

*It is estimated that these account for around 40% of construction firms with 60% being related to building trades – see Appendix 10

Employment Densities

6.3.2 Adopted employment densities have been based on the Homes and Communities Agency Employment Densities Guide produced by Deloitte Drivas Jonas in 2010.

Offices	12 sqm
General industrial	36 sqm
Storage and distribution	70 sqm

Economic Growth Prospects Derived from Employment Growth Forecasts

- 6.3.3 Employment levels from 2017 to 2019 have been taken from actual figures produced by ONS. Projections for 2020 and 2021 are based on the government’s Labour Force Survey data on changes to the employment rate to date. Thereafter GDP forecasts have been used and applied as a guide for ongoing employment growth along with a smoothing factor. The smoothing factor has been added to the assumed GDP growth rates to take account of incremental productivity improvements. The GDP growth forecasts for 2022 and 2023 are derived from the PWC 2021 Economic Outlook. GDP forecasts thereafter are also based on PwC projections, averaging 1.9% up to 2037, (as set out in their paper titled “UK could remain a top-10 global economy in 2050 - despite Brexit” (<https://www.pwc.co.uk/who-we-are/regional-sites/northern-ireland/press-releases/world-in-2050.html>)).
- 6.3.4 By way of comparison, growth projections produced for the OECD countries from 2020 to 2037, which estimate an increase of 35% in GDP over this period have also been considered. It has been assumed that there will be a recession bringing about zero or negative growth for 2-3 years from around 2029 with GDP growth then resuming at 1.9% thereafter.

Long Term Impact of Post Covid Working Practices

6.3.5 Taking account of post Covid changes to working practices such as increased homeworking, the following assumptions have been adopted.

- All workers in general industrial and storage and distribution activities will work at employers’ premises all the time, with the exception of:
 - a) a proportion of some sole traders operating businesses from home, in which case it is assumed that:

Sole trader manufacturing businesses working from home:	80%
Sole trader storage and distribution businesses working from home:	80%
 - b) some transport and construction workers (see Section 2.5 below).
- It is assumed that 80% of sole trader office workers will similarly work from home.
- Although surveys have indicated that up to 25% of individuals would like to work at home in the future, (e.g. Opinion for the Prospect Trade Union; April 2021) it is anticipated that over time, many office workers will gravitate to hybrid working due to the psychological issues of exclusive home working. On this basis, of businesses of more than one employee upwards the following working patterns have been assumed.

Working full time from home:	15%
Hybrid working with up to 3 days per week in the office:	50%
Working full time in the office:	35%

Employees Working Away from the Employer’s Main Premises

6.3.6 Account has also been of the proportion of workers who do not actually work in employers’ main premises because they are either driving vehicles or working on construction and installation on building sites. These would mainly relate to sectors of activity whose predominant use is storage and distribution. This has been estimated at about 42% of such workers (see Appendix 11).

Average Job Numbers in Employment Size Bands

6.3.7 To derive employment estimates from projections of future increases of local business units in the borough, it has been necessary to apply a realistic average number of employees per businesses in each employment size band. As mentioned above we have undertaken an analysis of a sample of 1,000 Epsom & Ewell businesses where employment numbers are available. This has thrown up the following profile of the average number of employees per businesses in each employment size band.

Employment Size Band	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+
Average No. of Employees	1.75	6.52	13.45	28.84	63.50	185.83	0.00	0.00	0.00

Assumptions Related to Inward Investment Patterns and Local Growth

6.3.8 The approach taken in our projections has been to project the demand for floorspace based predominantly on local growth, regular market churn and replacement demand for existing properties that become vacant. For example, despite evidence of a recent surge in demand for industrial and storage floorspace we have assumed that the priority will be for ample space to serve the local population and other surrounding communities whilst addressing changes driven by technology, climate change and other paradigm shifts. Because Epsom & Ewell has no opportunities for large scale development of employment activities it is not assumed that it will assume a role as a strategic regional location or that large inward investment sites will be actively brought forward and promoted for the area. We are therefore assuming that Epsom & Ewell’s planning policies will predominantly be concerned with:

- a) maintaining its core industries
- b) staying ahead of the game with emerging industries

- c) retaining its major employers or replacing them where necessary, and
- d) enabling the needs of local residents to be supplied from local sources as far as possible.

Other Factors Considered

6.3.9 Various other assumptions underlying the projections have been formulated based on evidence from the commercial property market based on findings from a recent survey of local agents, on evidence from the recent business survey of the larger businesses in the borough undertaken by Economic Growth Management and an interpretation of the implications of introduction of new innovations and operational practices.

6.3.10 Office-based activities are the ones most likely to be affected towards shifts in working practices such as flexible working but the extent is expected to differ according to size. Findings from the preceding surveys indicate the following patterns.

- Agents have commented that big corporations have been consolidating and reducing the numbers of employees in the office for years. From the business survey, it is evident that the large office-based employers in Epsom & Ewell had already planned a shift towards hybrid working pre-Covid and are implementing them and have adapted or are currently adapting their premises accordingly.
- Most data shows that offices will not strictly be a thing of the past but will mostly adapt to a new framework. This new framework for offices will look to enhance 'employee experience' within their workspaces and not just overhead. A report conducted by JLL ³⁰states that offices are now seen more as environments that promote collaboration, innovation, recruitment and retention. Many large office users have already implemented spaces specific for meetings, collaboration, concentrated work, and other rooms that will be catered to specific working contexts
- The business survey of businesses in Epsom & Ewell found that 16% are considering downsizing as a result of changed working patterns. These are to be found amongst businesses from 10 to 99 employees, Most others want to use excess space to expand, to create more collaborative and creative space or to ensure that everybody has a desk to return to.
- From those of 50 to 99 employees, those considering downsizing appear to be contemplating reductions of between 20% and 40% of floorspace. For those of 10

³⁰ Source: JLL: The Future of UK Regional Office Demand Office in Markets Outside Central London After COVID-19; March 2021

to 49 employees the reductions being contemplated are for about 10% of floorspace only.

- This pattern is not emerging with smaller businesses. Local agents expect demand to remain strong for smaller office space, particularly very small offices. Serviced office operators have seen increased demand for 1-2 person offices. Some demand has arisen from those who do not want to work from home the whole time and wish to be in an office environment part of the week, sometimes paid for by the company.

6.3.11 The survey of local commercial property agents indicates that there is a major surge in enquiries for industrial space. These are largely from sole traders and small enterprises, such as from people whose business was based at home and now have the confidence to move into an industrial unit.

6.3.12 After decades of employment decline, the manufacturing sector is consolidating in terms of employment with a small increase between 2017 and 2019. Brexit and the movement away from dependence on China are likely to encourage more reshoring of higher value products. Associated patterns of innovation are likely to give rise to some new high value manufacturing industries. However, evidence from the pattern of change in the structure of business units suggests that the growth is in small micro businesses. Solutions to achieve net zero emissions will require a surge in the local supply, installation and repair of key components such as heat pumps, solar heating and environmental control systems.

6.3.13 Motor trades employment data from 2015 to 2019 indicates that the numbers employed has been relatively stable at about 700 (except for a temporary rise in 2016 when it rose to 900 then settled back at 700). However, whilst employment may remain stable for the next few years, the motor trades can be expected to undergo major diversification amongst existing operators who will need to acquire capabilities in the supply and maintenance of electrical cars, bicycles and scooters. Because of fewer components, demand will fall amongst some traditional firms in motor repair and maintenance, and some may therefore close down. However, new entrants with innovations can be expected to take their place, suggesting that more small businesses will be created.

6.3.14 Local agents have also reported significant demand for warehouse space from storage, transport, distribution and building companies. The agents have reported a shift away from traditional shops, with some retailers giving up retail frontages and focusing more on storage and distribution business models and that various innovative delivery start-ups are springing up creating an increasing demand for transport and storage premises. For example, there is a new business in Epsom with VC funding which delivers goods on e-bikes and promises to do so within a 10-minute window. The continuing increase of internet trading will add to range and number of such services. Continued increased

demand for floorspace can be expected from transport and storage businesses due to this and a number of other factors such as an expected rise in electric bike and scooter fleet sellers, repairers and operators as access to and from employment areas, rail services and residential areas becomes more sustainable and a desire to increase the amount of goods supplied locally in response to the climate change imperatives.

6.4 Forecasts Based on Changes to Business Units

Calculation of Projected Floorspace Requirements

6.4.1 Forecast changes in the number of business units by sector have been derived from the methodology set out in Section 1.2 above, which has involved a base linear projection covering the 2017-37 period.

Some adjustments have then been made to this base linear projection as described in Appendix 2, to address instances where downward changes to numbers of business units in particular size bands exceed the base position in 2016. Account has also been taken of how activity in particular sectors is likely to change based on known growth and restructuring trends, likely impacts new technology and other influences. The forecast derived is set out below.

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Adjusted Projections										
Employee Size Bands	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	Total
Sectors										
Office Users										
10 : Information & communication	505	0	0	17	0	0	0	0	0	522
11 : Financial & insurance	66	14	0	0	0	0	0	0	0	80
12 : Property	-5	-22	9	9	0	0	0	0	0	-10
13 : Professional, scientific & technical	576	12	-5	19	0	0	0	0	0	601
14 : Business admin. & support services	238	14	-5	-9	0	0	0	0	0	238
4: Construction: Development and Contracting	158	-14	-6	0	0	0	0	0	0	139
Total Businesses	1,537	4	-7	36	0	0	0	0	0	1,569
General Industrial Users										
3 : Manufacturing	49	0	0	0	0	0	0	0	0	49
5 : Motor trades	26	0	0	0	0	0	0	0	0	26
Total Businesses	75	0	0	0	0	0	0	0	0	75
Storage and Distribution Users										
4 : Construction: Trades	245	-19	2	0	0	0	0	0	0	228
6 : Wholesale	-10	-4	0	0	0	0	0	0	0	-14
8 : Transport & storage	31	9	5	0	0	0	0	0	0	44
Total Businesses	265	-14	7	0	0	0	0	0	0	259

6.4.2 In line with the stated assumptions in Section 2 above, the predominant uses have been allocated to each sector. The average job numbers in employment size bands have been applied as a basis for projecting employment levels from the total businesses in each use category. Appropriate employment densities have then been applied to arrive at a projection of floorspace requirements.

6.4.3 In addition, adjustments have been applied to reflect the impact of reduced floorspace demand arising from the shift towards working from home not only by office workers but by small sole trader businesses and start-ups working from home. Account has also been taken of workers in activities such as building and installation and transportation who spend all or most of their time working in locations remote from their employers' base. Detailed workings are set out in Appendix 5. Related impacts are shown in the table below for each type of floorspace use.

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Table 6.2										
Employment Floorspace Requirements Projected from Changes in Local Business Units, Epsom & Ewell 2017 to 2037										
Change 2017 - 2037										
Employee Size Bands	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	Total
Uses	Projected Change in Business Units									
Office Users										
Total Change in Business Units	1,537	4	-7	36	0	0	0	0	0	1,569
Average Businesses in Employee Size Band	1.7	6.5	13.5	28.8	63.5	185.8	0.0	0.0	0.0	
Projected Employment Change 2017-37	2,677	23	-95	1,024	0	0	0	0	0	3,629
Employment Density Sqm	12	12	12	12	12	12	12	12	12	
Floorspace Requirement from Change in Business Units	32,122	274	-1,140	12,287	0	0	0	0	0	43,543
<u>Impacts of Assumptions Adopted</u>										
Sole Traders working from home										6,346
Office employees permanently working from home										12,602
Shift to hybrid working by existing office workforces										552
Cumulative Impact										19,500
Net Additional Floorspace Requirement Sqm										24,043
General Industrial Users										
Total Change in Business Units	75	0	0	0	0	0	0	0	0	75
Average Businesses in Employee Size Band	1.7	6.5	13.5	28.8	63.5	185.8	0.0	0.0	0.0	
Projected Employment Change 2017-37	130	0	0	0	0	0	0	0	0	130
Employment Density Sqm	36	36	36	36	36	36	36	36	36	
Floorspace Requirement from Change in Business Units	4,670	0	0	0	0	0	0	0	0	4,670
<u>Impacts of Assumptions Adopted</u>										
Sole Traders working from home										923
Cumulative Impact										923
Net Additional Floorspace Requirement Sqm										3,747
Storage and Distribution Users										
Total Change in Business Units	265	-14	7	0	0	0	0	0	0	259
Average Businesses in Employee Size Band	1.7	6.5	13.5	28.8	63.5	185.8	0.0	0.0	0.0	
Projected Employment Change 2017-37	462	-88	95	0	0	0	0	0	0	469
Employment Density Sqm	70	70	70	70	70	70	70	70	70	
Floorspace Requirement from Change in Business Units	32307	-6160	6648	0	0	0	0	0	0	32,795
<u>Impacts of Assumptions Adopted</u>										
Sole Traders working from home										6,383
Trades staff working remotely from base premises										13,854
Cumulative Impact										20,237
Net Additional Floorspace Requirement Sqm										12,559

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Based on projected changes in the number and size of business units therefore, projected floorspace requirements are:

Offices	General industrial	Storage and distribution
Sqm	Sqm	Sqm
24,043	3,747	12,559

6.5 Projections Based on Employment Levels and GDP Growth

6.5.1 The parallel analysis below projects the likely annual growth rate of the economy and employment as drivers of additional demand for employment space is set out below, based on available forecasts as described in Appendix 4. Employment density ratios have then similarly been applied to each use category to arrive at the projection of floorspace demand.

6.5.2 The adjustments set out in Section 6.3 above have been similarly applied to reflect the impact of reduced floorspace demand arising related to working from home and working remotely from employers' bases.

Table 6.3 Floorspace Demand Based on Employment and GDP Growth 2017- 2037	
Office Users	
Employment 2017	8,700
Employment Growth Projected 2017-37 %	31%
Projected Employment Change 2017-37 No.	2,726
Employment Density sqm	12
Projected Floorspace Requirement Sqm	32,714
<u>Impacts of Assumptions Adopted (Sqm)</u>	
Sole Traders working from home	6,346
Office employees permanently working from home	12,602
Shift to hybrid working by existing office workforces	552
Cumulative Impact	19,500
Net Additional Floorspace Requirement Sqm	13,214
General Industrial Users	
Employment 2017	900
Employment Growth Projected 2017-37 %	27%
Projected Employment Change 2017-37	243
Employment Density sqm	36
Projected Floorspace Requirement	8,734
<u>Impacts of Assumptions Adopted</u>	

Table 6.3 Floorspace Demand Based on Employment and GDP Growth 2017- 2037	
Sole Traders working from home	923
Cumulative Impact	923
Net Additional Floorspace Requirement Sqm	7,812
Storage and Distribution Users	
Employment 2017	2,700
Employment Growth Projected 2017-37 %	30%
Projected Employment Change 2017-37	820
Employment Density sqm	70
Projected Floorspace Requirement	57,434
<u>Impacts of Assumptions Adopted</u>	
Sole Traders working from home	6,383
Trades staff working remotely from main premises	13,854
Cumulative Impact	20,237
Net Additional Floorspace Requirement Sqm	37,198

6.5.3 On this basis, therefore, projected floorspace requirements are:

Offices	General industrial	Storage and distribution
Sqm	Sqm	Sqm
13,214	7,812	37,198

7. Conclusion

7.1 Comparison of Forecasts

7.1.1 The two forecasts are compared below.

Table 7.1 Comparison of Forecast Floorspace Requirements	Offices	General Industrial	Storage and Distribution
	Sqm	Sqm	Sqm
Projected Floorspace Requirements			
Based on the Change in Business Units	24,043	3,747	12,559
Based on Employment Levels and GDP Growth	13,214	7,812	37,198

7.1.2 These can be regarded as upper and lower forecasts within a range for each type of floorspace use.

7.2 Mid-range Forecast

7.2.1 It is likely that out turn will be between these two projections, for which a mid-range forecast is set out below.

Table 7.2 Mid-range Projection of Floorspace Requirements	Offices	General Industrial	Storage and Distribution
	Sqm	Sqm	Sqm
Mid-Range Projection	18,628	5,779	24,878

Appendices

Appendix 1

Local Business Units, Employment Sectors, Epsom & Ewell, 2010, 2016 and 2020

Local Business Units in Employment-related Sectors, Epsom & Ewell, 2010										
Employees Size Bands	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	Total
Industry										
3 : Manufacturing	55	10	5	5	0	0	0	0	0	70
4 : Construction	375	50	15	5	0	0	0	0	0	440
5 : Motor trades	45	10	5	10	5	0	0	0	0	75
6 : Wholesale	95	30	15	5	5	0	0	0	0	150
8 : Transport & storage	55	5	5	5	0	0	0	0	0	70
10 : Information & communication	275	15	10	0	0	0	0	0	0	300
11 : Financial & insurance	40	5	10	5	0	0	0	0	0	65
12 : Property	95	20	5	0	0	0	0	0	0	120
13 : Professional, scientific & technical	565	30	25	10	0	5	0	0	0	635
14 : Business admin. & support services	185	40	20	15	5	0	0	0	0	265
Column Total	1,785	215	105	60	20	5	5	0	0	2,195

Local Business Units in Employment-related Sectors, Epsom & Ewell, 2016										
Employees Size Bands	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	Total
Industry										
3 : Manufacturing	60	5	5	0	0	0	0	0	0	70
4 : Construction	445	55	5	5	0	0	0	0	0	515
5 : Motor trades	65	15	5	5	5	0	0	0	0	90
6 : Wholesale	105	20	15	5	5	0	0	0	0	155
8 : Transport & storage	65	10	0	5	0	0	0	0	0	85
10 : Information & communication	445	10	10	10	0	0	0	0	0	475
11 : Financial & insurance	55	5	10	5	0	0	0	0	0	80
12 : Property	100	15	10	5	0	0	0	0	0	130
13 : Professional, scientific & technical	840	45	30	5	0	0	0	0	0	925
14 : Business admin. & support services	325	40	25	10	5	0	0	0	0	415
Column Total	2,510	225	110	55	15	10	5	5	0	2,930

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Local Business Units in Employment-related Sectors, Epsom & Ewell, 2016										
Employees Size Bands	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	Total
Industry										
3 : Manufacturing	75	5	0	0	0	0	0	0	0	85
4 : Construction	550	40	10	5	0	0	0	0	0	605
5 : Motor trades	60	10	5	5	0	0	0	0	0	80
6 : Wholesale	95	25	15	5	5	0	0	0	0	145
8 : Transport & storage	70	10	5	5	0	0	0	0	0	90
10 : Information & communication	525	10	10	10	0	0	0	0	0	560
11 : Financial & insurance	70	10	10	5	0	0	0	0	0	95
12 : Property	95	10	10	5	0	0	0	0	0	120
13 : Professional, scientific & technical	880	40	25	15	0	0	0	0	0	960
14 : Business admin. & support services	325	45	20	10	5	0	0	0	0	405
Column Total	2,755	200	105	60	10	10	5	0	0	3,145

Source: ONS

Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology. In 2015, ONS extended the coverage of businesses to include a population of solely PAYE based businesses that were previously excluded because of the risk of duplication.

Appendix 2

Approach to Business Units Forecast

Linear Projection of Business Units

The table below shows the structure of employment space users by sector in 2016 and therefore the base position.

Employee Size Bands	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	Total
Sectors										
3 : Manufacturing	55	10	5	5	0	0	0	0	0	70
4 : Construction	375	50	15	5	0	0	0	0	0	440
5 : Motor trades	45	10	5	10	5	0	0	0	0	75
6 : Wholesale	95	30	15	5	5	0	0	0	0	150
8 : Transport & storage	55	5	5	5	0	0	0	0	0	70
10 : Information & communication	275	15	10	0	0	0	0	0	0	300
11 : Financial & insurance	40	5	10	5	0	0	0	0	0	65
12 : Property	95	20	5	0	0	0	0	0	0	120
13 : Professional, scientific & technical	565	30	25	10	0	5	0	0	0	635
14 : Business admin. & support services	185	40	20	15	5	0	0	0	0	265
Column Total	1,785	215	105	60	20	5	5	0	0	2,195

Source: ONS

*Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology. In 2015, ONS extended the coverage of businesses to include a population of solely PAYE based businesses that were previously excluded because of the risk of duplication.

The table below provides a straight projection of changes from 2017 to 2037 based on the methodology and assumptions described in Section 2 in the main report and the base data set out in Appendix 1.

Base Linear Projection										
Employee Size Bands	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	Total
Sectors										
3 : Manufacturing	49	-9	-14	-9	0	0	0	0	0	41
4 : Construction	403	-32	-4	0	0	0	0	0	0	371
5 : Motor trades	21	-5	0	-9	-14	0	0	0	0	-2
6 : Wholesale	-10	-4	0	0	0	0	0	0	0	-19
8 : Transport & storage	31	9	5	0	0	0	0	0	0	39
10 : Information & communication	505	-9	0	17	0	0	0	0	0	527
11 : Financial & insurance	66	14	0	0	0	0	0	0	0	66
12 : Property	-5	-22	9	9	0	0	0	0	0	-10
13 : Professional, scientific & technical	576	12	-5	19	0	-9	0	0	0	588
14 : Business admin. & support services	238	14	-5	-9	0	0	0	0	0	228
Total	1872	-32	-14	19	-14	-9	0	0	0	1829

3.1.2 Whilst this base linear projection provides a useful indication of the future direction of travel of the business economy and its structure, such linear extrapolations have their limitations and inevitably involve inconsistencies, for which some adjustments are necessary. As can be observed, reductions in some values can be over-extrapolated indicating losses of businesses above the original base level in 2016. In addition, a linear extrapolation does not take account of future paradigm changes such as new industries created by internet trading, climate change and clean transport. For these reasons, a number of adjustments are needed to this base projection, taking account of the recent market evidence from the surveys of local agents and businesses and a forward look at new developments and business opportunities in certain sectors.

Adjustments to Address Changes to Sector Business Structures and Future Demand

Office Based Uses

With regard to the office-based functions such as information communications, finance, property, professional, scientific and technical services and business administration, there is a common pattern of movement to smaller business sizes.

However, given the likelihood of unprecedented change during the future Local Plan period, (impacts of the pandemic, climate change, net zero measures, internet of thing and adoption of other major technological innovations) there is potential of some of the knowledge-based sectors

such as information communication and professional, scientific and technical services to experience growth and evolve into larger scale enterprises. These patterns are mainly reflected in the linear projection of business units table above, so little further adjustment is needed, but with two exceptions.

- Information and communications. The linear projection suggests that a net total of 9 businesses within the 5 to 9 employee size band will disappear from 2017 to 2037. Some adjustment is considered necessary here because, as can be seen from Table 2 above, this is the second fastest growing sector and over time consolidation into intermediate sized business units could be expected, rather than a continual proliferation exclusively of more sole traders and micro businesses. It is therefore assumed that at minimum there will be no change, rather than a reduction of business units in this size band.
- Professional services. The linear projection suggests that a net total of 9 businesses of between 100-and 249 employees will disappear over the Local Plan period. There were only understood to be about 10 businesses of this size currently in the borough, so, given that this appears to be the fastest growing sector in Table 2 above, an assumption of no change to the current position has been assumed.

General Industrial Uses

Some changes to the linear projection of business units are proposed, particularly for the small unit sizes. The above linear projection suggests that the number of businesses units in the manufacturing sector between 5 and 50 employees will decline by 32 units between 2017 and 2037. After decades of employment decline, the manufacturing sector is consolidating in terms of employment with an observed small increase between 2017 and 2019. Brexit and the movement away from dependence on China are likely to encourage more reshoring of higher value products. Given the unprecedented changes mentioned above, (pandemic, climate change etc.) associated patterns of innovation are likely to give rise to some new high value manufacturing industries and evidence from the recent pattern of change in the structure of business units suggests that the growth will be in small micro businesses. For this reason, an assumption of at least no change to the current position in these size bands has been assumed so that capacity would be preserved for these new industries to develop over time.

As regards the motor trades businesses, the projected decreases in the 20-49 and 50-99 employee size bands need adjustment due to over-extrapolation, since the decreases exceed number of units at the start of the period. As regards the 5-9 employees size band, given the expectation of new entrants with innovations within the sector, this suggests that more small business units will be created. For this reason, the reduction of 5 units in the linear projection has been replaced by an assumed small increase of 5 units.

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Storage and Distribution Uses

In the construction sector, the linear projection indicates a significant decline in businesses within the employee size bands between 5 and 19 and no growth in unit sizes above this but significant increases amongst businesses of 0-4 employees. No adjustments have been proposed to these projections, as this appears to be a sector undergoing a major shift from medium sized business units to small ones. A detailed analysis of the construction sub-sectors shows a marked shift amongst developers and contracting business to small business units. This is expected to lead to an increase in demand for office space. This has been reflected in the floorspace projections in the main report. Regarding increases in construction business units, it is estimated that about 60% of businesses, the predominant use will be storage.

Adjustments to the Base Linear Forecast

Taking account of the adjustments proposed above the table below sets out the base model and the adjusted model to be adopted for the remaining projections.

Adjusted Projections										
Employee Size Bands	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 to 999	1000+	Total
Sectors										
3 : Manufacturing	49	0	0	0	0	0	0	0	0	49
4 : Construction	403	-32	-4	0	0	0	0	0	0	367
5 : Motor trades	26	0	0	0	0	0	0	0	0	26
6 : Wholesale	-10	-4	0	0	0	0	0	0	0	-14
8 : Transport & storage	31	9	5	0	0	0	0	0	0	44
10 : Information & communication	505	0	0	17	0	0	0	0	0	522
11 : Financial & insurance	66	14	0	0	0	0	0	0	0	80
12 : Property	-5	-22	9	9	0	0	0	0	0	-10
13 : Professional, scientific & technical	576	12	-5	19	0	0	0	0	0	601
14 : Business admin. & support services	238	14	-5	-9	0	0	0	0	0	238
Total	1872	-32	-14	19	0	0	0	0	0	1845

Appendix 3

Employment, Epsom & Ewell, 2017 to 2019, by Sector and Predominant Uses			
	2017	2018	2019
Office Users			
10 : Information & communication (J)	1,250	1,250	1,500
11 : Financial & insurance (K)	700	800	800
12 : Property (L)	500	400	450
13 : Professional, scientific & technical (M)	4,000	4,500	4,500
14 : Business administration & support services (N)	2,250	2,250	2,000
4: Construction: Development and Contracting*	600	600	700
Total	8,700	9,200	9,250
General Industrial Users			
3 : Manufacturing (C)	200	225	225
5 : Motor trades (Part G)	700	700	700
Total	900	925	925
Storage and Distribution Users			
4 : Construction: Trades*	900	900	1050
6 : Wholesale (Part G)	1,000	1,000	1,000
8 : Transport & storage (inc. postal) (H)	800	800	800
Total	2,700	2,700	2,850

* Estimated split

Appendix 4

Floorspace Demand Based on Employment and GDP Growth 2017- 2037

As explained in Section 2 in the main report, the approach and assumptions adopted in the projection of employment growth are as follows.

Employment levels from 2017 to 2019 has been taken from actual figures produced by ONS. Projections for 2020 and 2021 are based on the government’s Labour Force Survey data on changes to the employment rate to date. Thereafter GDP forecasts have been used and applied as a guide for ongoing employment growth. along with a smoothing factor.

The smoothing factor has been added to the assumed GDP growth rates to take account of incremental productivity improvements. The GDP growth forecasts to from 2022 and 2023 are derived from the PWC 2021 Economic Outlook. GDP forecasts thereafter are also based on PwC projections, averaging 1.9% up to 2037, as set out in their paper titled “UK could remain a top-10 global economy in 2050 - despite Brexit” (<https://www.pwc.co.uk/who-we-are/regional-sites/northern-ireland/press-releases/world-in-2050.html>).

It has also been assumed that there will be a recession bringing about zero or negative growth for 2-3years from around 2029 with GDP growth then resuming at 1.9% thereafter.

By way of comparison, growth projections produced for the OECD countries from 2020 to 2037, which estimate an increase of 35% in GDP over this period have been considered.

Year	Basis of Growth Projection	Projected Growth Rate	GDP Smoothing Factor	Employment		
				Offices	Industrial	Warehouse
2017	Actual Employment			8,700	900	2,700
2018	Actual Employment			9,200	925	2,700
2019	Actual Employment			9,250	925	2,850
2020	Emp. Rate change	-1.5%		9,116	912	2,809
2021	Emp. Rate change	0.2%		9,134	913	2,814
2022	GDP Forecast PWC	5.7%	0.30%	9,627	963	2,966
2023	GDP Forecast PWC	1.9%	0.30%	9,781	978	3,014
2024	GDP Forecast PWC	1.9%	0.30%	9,938	994	3,062
2025	GDP Forecast PWC	1.9%	0.30%	10,097	1,010	3,111
2026	GDP Forecast PWC	1.9%	0.30%	10,258	1,026	3,161
2027	GDP Forecast PWC	1.9%	0.30%	10,422	1,042	3,211
2028	GDP Forecast PWC	1.9%	0.30%	10,589	1,059	3,263
2029	GDP Forecast PWC	1.9%	0.30%	10,759	1,076	3,315
2030	Assumed recession	-1.5%	0.30%	10,565	1,056	3,255
2031	Assumed recession	0.0%	0.30%	10,533	1,053	3,245

Addendum to Local Plan Spatial Economic Growth Strategy for Epsom & Ewell

Year	Basis of Growth Projection	Projected Growth Rate	GDP Smoothing Factor	Employment		
				Offices	Industrial	Warehouse
2032	GDP Forecast PWC	0.5%	0.30%	10,554	1,055	3,252
2033	GDP Forecast PWC	1.9%	0.30%	10,723	1,072	3,304
2034	GDP Forecast PWC	1.9%	0.30%	10,895	1,089	3,357
2035	GDP Forecast PWC	1.9%	0.30%	11,069	1,107	3,410
2036	GDP Forecast PWC	1.9%	0.30%	11,246	1,125	3,465
2037	GDP Forecast PWC	1.9%	0.30%	11,426	1,143	3,520
Projected change 2017-37				2,726	243	820
% Change 2017-37				31.34%	26.96%	30.39%
Employment Densities Sqm				12	36	70
Floorspace Requirement Sqm				32,714	8,734	57,434

Appendix 5

Detailed Workings on Calculation of Impacts of Reduced Floorspace Demand Arising from Shift Towards Working from Home or Working Away from Employer's Main Base

Key Adjustments	Offices	General Industrial	Storage and Distribution
Floorspace Impact of Home Working by Additional Businesses			
Total Additional Businesses 2017-2037	1537	75	265
Sole traders as % of all businesses	43%	43%	43%
Projected additional sole traders 2037 No.	661	32	114
Of which working from home or home based %	80%	80%	80%
Of which working from home No.	529	26	91
Employment Density sqm	12	36	70
Floorspace Impact sqm	6,346	923	6,383
Floorspace Impact of Shift in Full Time Home Working by Existing Workforce			
Total UK Workforce Feb 2020 (millions)	31.7		
<i>Of which:</i>			
Working from home full time pre Covid (millions)	1.7		
Working from home full time %	5%		
Projected total employment E&E 2037	11,426	1,143	3,520
Projected total employment E&E excluding sole traders 2037	10,897	1,117	3,429
Projected proportion of employees working full time at home Post Covid %	15%	0%	0%
Incremental employees working full time at home Post Covid %	10%	0%	0%
Projected Employees working full time at home No.	1050	0	0
Employment Density sqm	12	36	70
Reduction of Floorspace Demand due to Working from Home Sqm	12,602	0	0
Floorspace Impact of Shift in Hybrid Working by Existing Workforce			
No. of businesses of 10-19 employees	85	10	15
Considering Downsizing %	16%	0	0
Amount of downsizing	10%	0%	0%
Average Employment	13	13	13
Impact on employees accommodated on site	18	0	0
Employment Density sqm	12	36	70
Impact on floorspace reduction sqm	212	0	0
No. of businesses of 20-49 employees	35	5	15
Considering Downsizing %	16%	0%	0%
Amount of downsizing	10%	0%	0%
Average Employment	28	28	28

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Impact on employees accommodated on site	16	0	0
Employment Density sqm	12	36	70
Impact on floorspace reduction sqm	188	0	0
<u>No. of businesses of 50-99 employees</u>	5	5	0
Considering Downsizing %	16%	0%	0%
Amount of downsizing	25%	0%	0%
Average Employment	63	63	63
Impact on employees accommodated on site	13	0	0
Employment Density sqm	12	36	70
Impact on floorspace reduction sqm	151	0	0
Total floorspace reduction from hybrid working sqm	552	0	0
<u>Storage and distribution employees staff working remotely from base</u>			
Increase in business 2017-37			44
Projected employment change 2017-37			469
Proportion working remotely from base %			42.24%
Proportion working remotely from base no.			198
Employment Density sqm			70
Impact on floorspace reduction sqm	0	0	13854

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Appendix 6

Vacant Office & Industrial Space Epsom and Ewell 24th July 2021				
Properties	Availability			Comments
	Minimum Unit Size	Total		
	Sqft	Sqft	Sqm	
Kirkgate, Church Street, Epsom, KT17 4PF	3,202	7,219	671	Offices
High Street, Epsom, Surrey, KT19 8AJ	943	943	88	Offices
3 Roy Richmond Road, 3 Roy Richmond Way, Epsom	1,216	21,398	1,988	General Industrial
The Wells, Church Street, Epsom, Surrey, KT17 4PF	4,672	20,302	1,887	Offices
60 East Street, Epsom, Surrey, KT17	4,639	23,919	2,223	Offices
Newplan House 41 East Street, Epsom, Surrey, KT17	5,969	11,998	1,115	Offices
Adelphi Court, East Street, Epsom, Surrey, KT17 1BB	177	836	78	Offices
Renaissance House 32 Upper High Street, Epsom, Surrey, KT17	840	4,525	420	Offices
Bradford House 39 East Street, Epsom, Surrey, KT17	1,750	1,750	163	Offices
Unit 13, First Quarter, Blenheim Road, Epsom, Surrey, KT19	1,509	1,509	140	General Industrial
Fitzalan House, High Street, Epsom, KT17 1RQ	2,580	2,580	240	Offices
Unit 2, Blenheim Trade Centre, Blenheim Road, Longmead Business Centre, Epsom, KT19 9QQ	10,515	10,515	977	General Industrial
Unit 14, First Quarter, Blenheim Road, Epsom, KT19 9QN	1,545	1,545	144	Office, General Industrial
3rd Floor, Aqua House, High Street, Epsom, KT19 8AH	1,050	1,050	98	Offices
Unit 18 First Quarter, Blenheim Road, EPSOM, KT19 9QN	1,548	3,443	320	Office, General Industrial
40 East Street, Epsom, Surrey, KT17	700	10,400	966	Offices
40 East Street, Epsom, Surrey, KT17	5,900	5,900	548	Offices
Total		129,832	12,065	

Source: EG Property Link

Appendix 7

Epsom & Ewell Spatial Economic Development Strategy for the Local Plan

Post Covid Update

Points for Discussion with Commercial Property Agents

1. How has the profile and nature of demand and use of commercial property changed since the emergence of the pandemic and lockdown?
2. To what extent is there evidence that Epsom & Ewell businesses are seeking to change the size and configuration of their premises towards alternative models of working such as flexible and hybrid working?
3. To what extent have you received enquiries from large businesses from central London or other major centres seeking to set up decentralised operations?
4. To what extent are these wholesale relocations of main offices or for decentralised, subregional work bases?
5. What sorts of concepts are they adopting and what types of commercial property are in demand to meet these needs?
6. Based on the enquiries you are receiving, to what extent are long term precautions against Covid or other contagious viruses likely to affect the types and configurations of commercial property sought by local businesses?
7. In the context of Epsom & Ewell, what do you consider to be the likely consequences of the introduction of the E use class in terms of demand and development and the impact on offices and industrial supply?
8. To what extent have you had enquiries for vacant retail premises for non-retail E class uses such as leisure or cultural uses, offices or other uses?
9. Based on your experiences so far, are there any other changes or influences likely to affect commercial property in the post-Covid era?
10. Are you aware of any existing businesses located in Epsom & Ewell which are considering vacating their premises?

Appendix 8

Breakdown of the Sectors and Business Activities of Businesses Surveyed

Sector	Business Activity
Arts, entertainment, recreation & other services (R,S,T and U)	Leisure
Business administration & support services (N)	IT recruitment
Business administration & support services (N)	Recruitment
Business administration & support services (N)	Tool rental service
Construction (F)	Construction
Financial & insurance (K)	Debt management
Financial & insurance (K)	Financial planning
Financial & insurance (K)	Insurance
Health (Q)	Ambulance services
Health (Q)	Health services
Information & communication (J)	IT
Information & communication (J)	IT
Information & communication (J)	Mobile phone design and distribution
Information & communication (J)	Software
Information & communication (J)	Telecoms
Information & communication (J)	Telecommunications
Information & communication (J)	<i>Telecoms service provider</i>
Manufacturing (C)	Joinery and milling
Manufacturing (C)	Lab equipment
Manufacturing (C)	Manufacturing and distribution of blinds
Motor trades (Part G)	Motor vehicles
Professional, scientific & technical (M)	Interactive technology
Professional, scientific & technical (M)	Management co
Professional, scientific & technical (M)	Media
Professional, scientific & technical (M)	Open source geo-spatial development
Professional, scientific & technical (M)	Publishers
Professional, scientific & technical (M)	Quantity surveyors
Professional, scientific & technical (M)	Quantity surveyors
Professional, scientific & technical (M)	Solicitors
Professional, scientific & technical (M)	Solicitors
Professional, scientific & technical (M)	Technological consultancy
Professional, scientific & technical (M)	Translation
Property (L)	Commercial property
Property (L)	Property investment
Repair and Installation of machinery and equipment	Bakery equipment installation and servicing

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Sector	Business Activity
Repair and Installation of machinery and equipment	Data cooling centres and equipment
Repair and Installation of machinery and equipment	Electrical engineers
Repair and Installation of machinery and equipment	Electrical installation
Repair and Installation of machinery and equipment	Electronic security systems
Retail (Part G)	Florist
Retail (Part G)	Stationery supplies
Transport & storage (inc. postal) (H)	Airline
Wholesale (Part G)	Builders merchant
Wholesale (Part G)	Distribution of ergonomically designed products
Wholesale (Part G)	Heating and plumbing supplies
Wholesale (Part G)	Plumbing and heating supplies
Professional, scientific & technical (M)	Accountants

Appendix 9

Epsom & Ewell Spatial Economic Development Strategy for the Local Plan

Post Covid Update

Questionnaire for Local Businesses

Company Details

Company	
Industry Sector	
Nature of Activity On Site	
Contact Name	
Position	

1. What technological, economic and market related changes are likely to influence your company's operations based in Epsom & Ewell over the next 10 years?

2. What has been the recent impact of the Covid epidemic on your company? Are any alternative structures, operations or working practices likely to be adopted? For example will you be switching to more home working or hybrid working? (Interviewer to clarify details of no. and types of staff affected, days worked at home and in office etc.)

% working from home pre-Covid	
% now to be working from home post Covid	

Addendum to Local Plan Spatial Economic Growth Strategy for Epsom & Ewell

Average days to worked at home per week	
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3. Will these influences cause changes to your premises and if so, what alternative types of buildings, size, space and configuration will now be required?

4. Are you considering relocating or expanding in the next 5 years? (If relocating interviewer to ask where and why).

5. If you would need to move, adapt or expand, please specify your anticipated requirements for space, type of use and location.

Current space occupied (sqft)

Additional space required (sqft)

Uses

Configuration

Location

Addendum to Local Plan Spatial Economic Growth Strategy for Epsom & Ewell

6. If expanding, can you indicate how many additional jobs might be created as a result of your plans for expansion in the area?

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7. Are there any additional or new types of supporting local amenities that would be required for your workforce including home workers? For example meeting spaces or home working support centres.

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8. What difficulties, if any, does your company experience related to accessibility or transport congestion in the Epsom & Ewell area and what adverse effects do these have on your business?

--

9. Are there any other conditions that need to be created for the Epsom & Ewell area to ensure that your company can continue to function effectively within the area?

--

10. Finally, could we please check the following details about your company's activities and contact details.

Address	
Post Code	
Telephone	

Addendum to Local Plan Spatial Economic Growth Strategy for Epsom & Ewell

Fax	
Industry Sector	
Nature Of Activity On Site	
Contact Name	
Position	
Date	

No. of Employees at this location	
No. of current vacancies	
Site tenure:	
Freeholder	
Leaseholder	
<i>If leaseholder - approximate length of lease</i>	

THANK YOU FOR RESPONDING TO OUR QUESTIONNAIRE

Appendix 10

Change in Construction Business Units 2017-37

Comparison of Development and Contracting and Building Trades Sub-Sectors

CHANGE 2017-2037					
Industry	0 to 4	5 to 9	10 to 19	20 to 49	Total
Developers and Contractors					
41100 : Development of building projects	36	-14	-9	0	14
41201 : Construction of commercial buildings	9	0	0	0	0
41202 : Construction of domestic buildings	127	0	-5	0	119
42110 : Construction of roads and motorways	0	0	0	0	0
42120 : Construction of railways and underground railways	0	0	0	0	0
42130 : Construction of bridges and tunnels	0	0	0	0	0
42210 : Construction of utility projects for fluids	0	0	0	0	0
42220 : Construction of utility projects for electricity and telecommunications	0	0	0	0	0
42910 : Construction of water projects	0	0	0	0	0
42990 : Construction of other civil engineering projects nec	-17	0	0	0	-22
43110 : Demolition	5	0	0	0	5
43120 : Site preparation	-5	0	0	0	-14
Sub Total	154	-14	-14	0	102
Trades					
43130 : Test drilling and boring	0	0	0	0	0
43210 : Electrical installation	37	-9	14	0	37
43220 : Plumbing, heat and air-conditioning installation	31	-5	-9	0	31
43290 : Other construction installation	9	0	0	0	0
43310 : Plastering	9	0	0	0	9
43320 : Joinery installation	14	9	0	0	22
43330 : Floor and wall covering	0	0	0	0	-9
43341 : Painting	4	5	0	0	17
43342 : Glazing	9	0	0	0	9
43390 : Other building completion and finishing	58	-14	0	0	39
43910 : Roofing activities	22	0	0	0	22
43991 : Scaffold erection	14	-5	0	0	14
43999 : Specialised construction activities (other than scaffold erection) nec	36	0	0	0	36
Sub Total	239	-19	5	0	225
Total	393	-32	-9	0	327
Column Total	403	-32	-4	0	371

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CHANGE 2017-2037					
Industry	0 to 4	5 to 9	10 to 19	20 to 49	Total
Share No.					
Developers and Contractors	158	-14	-6		115
Trades	245	-19	2		255
Share %					
Developers and Contractors	39.24%	42.19%	158.82%		31.09%
Trades	60.76%	57.81%	-58.82%		68.91%

Addendum to Local Plan Spatial Economic Growth Strategy for Epsom & Ewell

Appendix 11

Estimation of Transport Sector Workers Working Remotely from Base

Industry	% Assumed Remote	Business Units			Average Businesses in Employee Size Band			Employment				No. Working Remotely				%
		0 to 4	5 to 9	10 to 19	0 to 4	5 to 9	10 to 19	0 to 4	5 to 9	10 to 19	Total	0 to 4	5 to 9	10 to 19	Total	
49100 : Passenger rail transport, interurban	40%	5	0	0	1.74	6.52	13.45	9	0	0	9	3	0	0	3	
49320 : Taxi operation	95%	15	5	0	1.74	6.52	13.45	26	33	0	59	25	31	0	56	
49390 : Other passenger land transport nec	80%	5	0	0	1.74	6.52	13.45	9	0	0	9	7	0	0	7	
49410 : Freight transport by road	80%	10	0	0	1.74	6.52	13.45	17	0	0	17	14	0	0	14	
49420 : Removal services	60%	5	0	0	1.74	6.52	13.45	9	0	0	9	5	0	0	5	
52103 : Operation of warehousing and storage facilities for land transport activities of division 49	0%	5	0	0	1.74	6.52	13.45	9	0	0	9	0	0	0	0	
52219 : Other service activities incidental to land transportation, nec (not including operation of rail freight terminals, passenger facilities at railway stations or passenger facilities at bus and coach stations)	0%	0	0	0	1.74	6.52	13.45	0	0	0	0	0	0	0	0	
Column Total		40	10	5	1.74	6.52	13.45	70	65	67	202	54	31	0	85	42.24%