For and on behalf of
Tandridge District Council

Tandridge Strategic Economic Assessment

Prepared by
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0.0 **EXECUTIVE SUMMARY**

0.1 This strategic economic assessment has been prepared by the Strategic Planning and Research Unit (SPRU) part of DLP Planning, on behalf of Tandridge District Council. It has been prepared to assist the Council and inform the preparation of the emerging Local Plan.

a) **Employment Impacts**

0.2 The report considers the economic impacts of the three employment land scenarios which were the conclusions of the Tandridge Employment Need Assessment (ENA) 2017. This considered three scenarios for future employment floorspace needs for the District over the period 2013-33:

- It concludes that the Baseline Scenario, which shows a need for 15.3 ha of employment land, constitutes a reasonable assessment of future need in the District.
- However, the Council may wish to consider allocating land in line with the Growth Scenario – which shows a need for 22.5 ha of employment land.
- A completions trend scenario was also considered which identified a need for a considerably lower 4.8 ha of employment land.

0.3 The emerging Plan sets out to meet the employment land requirement of 15.3ha by 2033. Opportunities for intensification on existing Strategic and Important employment sites amount to around 21ha and exceeds identified need by around 6ha. Additionally, a key element of the South Godstone Garden Community will include provision of employment space which will assist in meeting employment needs.

0.4 The 15.3 ha of the Baseline Scenario therefore provides a reasonable lower bound for the quantum of employment space to be delivered by the Plan by 2033. Similarly, it is considered that the Growth Scenario – at 22.5ha – provides a reasonable upper bound scenario for employment land provision.

0.5 The completions trend scenario considers the level of completions over a ten-year period, with the data showing the economic downturn in 2008 and following recession had a considerable impact on delivery of employment space in Tandridge. The level of past completions, if it were to continue over the Plan Period, would provide a level of employment space which is considerably below that forecast in either of the labour demand approaches. It is assumed that zero intervention would see Tandridge’s growth rate continue in-line with these past trends.

0.6 The following analysis assesses the economic impacts of these scenarios and considers the impacts of the Baseline and Growth Scenarios additional to the ‘do nothing’ (Completions Trend) scenario.

0.7 The labour market statistics show that there is a clear gap between Tandridge’s resident workforce statistics and Tandridge’s workplace employment profile and jobs offer. This gap is both quantitative and qualitative in nature and results in considerable out-commuting to neighbouring areas.

0.8 This means that despite falling within a productive area within the Coast to Capital LEP and Gatwick Triangle – both of which are performing well in economic terms compared to the national picture – Tandridge’s economy has not benefitted to the same extent as neighbouring authorities and growth has been limited. This is evident both in the relatively low number of jobs in the area and the relatively low number and survival rate of new businesses, compared to other districts within the FEMA.

0.9 By planning for the level of growth aligned to the labour demand scenarios, the District
should see an improvement in the growth in employment opportunities, income, and productivity more aligned with the sub-regional and regional averages, which are generally considerably higher than seen across Tandridge.

0.10 This will have a significant impact on Tandridge’s local economy:

- The Baseline Scenario will see a net growth of 2,300 FTE employment jobs (i.e. those in B Class premises), and a total of 6,270 FTE jobs in total, in Tandridge by 2033. This is 1,240 FTE employment jobs, and 1,240 total FTE jobs above the ‘do nothing’ scenario.
- For the Growth Scenario the figures are 3,470 FTE employment jobs – 2,410 above the ‘do nothing’ scenario, and 7,900 total FTE jobs – 3,050 above the ‘do nothing’ scenario.
- Assuming current commuting flows are retained, the baseline scenario will provide an additional 500 FTE jobs above the ‘do nothing’ scenario for Tandridge residents. The Growth Scenario will provide around 1,000 additional FTE jobs above the ‘do nothing’ scenario for Tandridge residents.
- There is a significant gap between the average earnings of people living in Tandridge and people working in Tandridge. The Baseline Scenario would result in an additional £63.6million per annum above the ‘do nothing’ scenario paid to workers in Tandridge. For the Growth Scenario there would be an additional £91.2million per annum. This would result in additional expenditure on retail, leisure, travel, and other services which is kept within the Tandridge economy.
- Accounting for commuting flows, the Baseline Scenario results in an additional £14.3million per annum above the ‘do nothing’ scenario paid to Tandridge residents. For the Growth Scenario the figure is an additional £35.7million per annum.
- In terms of productivity, measured in Gross Value Added (GVA), the Baseline Scenario will contribute an additional £56.2million per annum above the ‘do nothing’ scenario to the local economy. For the Growth Scenario the figure is an additional £148.8million per annum.

b) Employment Land Needs at the Garden Community

0.11 The Local Plan proposes the development of a new Garden Community of around 4,000 homes in South Godstone. The Local Plan identifies that 1,400 dwellings will be delivered at the Garden Community within the Plan Period (by 2033) with a further 2,600 being delivered beyond this.

0.12 This section identified the quantum of employment land which may be reasonably planned for at the new Garden Community alongside the residential provision. The approach taken considers the growth in the labour supply arising at the Garden Community, and how much employment land would be required to provide sufficient jobs to meet this level of growth.

0.13 It considers two scenarios:

- In the first scenario the population profile of the Garden Community matches that of Tandridge as a whole. This results in the growth of the working age population of 1,765 persons by 2033. This comprises the ‘Lower’ Scenario.
- The second scenario assumes the population moving to the Garden Community is more reflective of a younger profile. This uses as a comparator the household profile of Milton Keynes, which is considered to provide a reasonable alternative model of
the population profile of potential movers to the Garden Community. This results in a growth in the working age population of 1,985 persons by 2033. This comprises the ‘Upper’ Scenario.

0.14 The employment land required associated with these scenarios has been modelled using the jobs profile of the Experian forecast used in the ENA. This suggests that by 2033 there will be 1,210-1,340 FTE jobs worked by people living at the Garden Community.

0.15 When considering the quantum of employment land which should be provided at the Garden Community, it is important to consider the alignment between residents and jobs. It should give the opportunity to support sufficient jobs such that a significant number of residents could both live and work at the Garden Community.

0.16 However, it is recognised that in reality only a small proportion of residents will both live and work in a settlement of this size. Other factors have been assessed to test whether the quantum of employment space identified above should be allocated by the Council.

0.17 Consideration of commuting flows suggests:

- There is currently considerable net out-commuting from the area equivalent to 43% of the resident workforce.
- Certain sectors – such as professional services – and occupations – such as managerial and professional staff – are more likely to commute further to work, particularly to London. Continued commuting outflows for these types of jobs is expected, reducing the need for office floorspace at the Garden Community.
- Certain sectors – such as service jobs – retail, leisure, education, and health – and workers in occupations such as care, leisure, sales, and elementary occupations typically have shorter commuting distances. However, these sectors require little in the way of employment land provision.
- 15% of workers currently work mainly from home. Trends in agile working practices suggest that this number may continue to grow in the future, however the rapid growth in recent years likely due to improved internet connectivity and so the pace of growth may be slower.

0.18 The analysis of existing market dynamics suggests:

- The office market activity is focussed in the main settlements of Oxted, Caterham, and Whyteleafe. There is limited activity for office space in the more rural parts of the District, although market is restricted by lack of stock and the poor quality of much of the existing stock.
- There is a stronger demand for industrial floorspace along the A22 corridor and there has been reasonable levels of activity, albeit for smaller stock. There is a low level of vacancy of industrial stock meaning new development is required just to bring the vacancy up to a frictional rate.
- Demand for office and industrial development at the Garden Community site is likely to be limited to smaller scale provision to meet the needs of a more local market. Provision is required for young businesses (start-ups and move on space), relocation of existing businesses who have limited expansion opportunity, and companies looking to relocate from London.
- Small, good quality provision is required. Internet connectivity and car parking provision are key requirements.

0.19 The business survey suggests:
• The District’s business base predominantly comprises smaller businesses. The vast majority (87%) occupied units smaller than 500 sqm and 73% smaller than 185 sqm. The majority operate on a regional or more local scale.

• Few predominantly focus on the international market and Gatwick Airport is not considered a main driver for business location within the District.

• Businesses looking to relocate commonly cited the requirement for increased space, however the most common size of unit required were still at the smaller end of the spectrum – less than 500 sqm and particularly less than 500 sqm.

• A quarter of businesses cite the supply of suitable premises was a key barrier to growth.

• As well as size and type of property, other key factors are the access to superfast broadband, staff and customer parking, and access to the strategic road network.

• A requirement for move on space to support existing businesses within the District who would prefer to stay within or close to existing workforce and customer bases.

0.20 Overall, the qualitative assessment suggests that the employment land needs identified in the labour supply scenario may overestimate the level of demand for office space at the Garden Community while underestimating the demand for industrial space.

0.21 The local commercial market dynamics suggest that the identified local need of 1.6-1.9ha of industrial (B1c/B2/B8) space is likely to be supported at the Garden Community site over the Plan Period. Additionally, there is an identified local demand for start-up and move-on space for a range of employment types including for small scale office space.

0.22 While there is clear demand for considerable quanta of office floorspace within the District and across the wider FEMA and LEP areas, the analysis suggests that office demand is more focussed at the District’s established centres. This notwithstanding, the forecasts show that a considerable quantum of residents at the Garden Community will work in office premises, albeit it is realistic to expect high levels of commuting for these types of jobs to elsewhere in the District and beyond.

0.23 Overall, the quantitative and qualitative assessment suggests that it would be reasonable to plan for 1.6-1.9ha of employment land at the Garden Community to 2033. Taking account of the full 4,000 planned dwellings at the Garden Community results in a need for around 4.7-5.3 ha of employment land in total.
1.0 INTRODUCTION

1.1 This strategic economic assessment has been prepared by the Strategic Planning and Research Unit (SPRU) part of DLP Planning, on behalf of Tandridge District Council. It has been prepared to assist the Council and inform the preparation of the emerging Local Plan.

1.2 The emerging Tandridge Local Plan 2033 sets out the development strategy for the District up to 2033. The emerging Local Plan has recently undergone consultation at Regulation 19 stage. The draft Local Plan sets out strategic polices including:

The Emerging Local Plan Approach to Economic Development

1.3 The Plan sets out to meet the employment land requirement of 15.3ha by 2033. Opportunities for intensification on existing Strategic and Important employment sites amount to around 21ha and exceeds identified need by around 6ha.

1.4 However, given that all sites, barring the Strategic Employment Sites, are within the Green Belt and schemes may not all be pursued, the Council must remain pragmatic and flexible in its policy allocation for employment space. Schemes may also be dependent on an element of sui generis uses, roads and parking which may mean that available space for employment uses could be less than the opportunities identified.

1.5 Additionally, a key element of the South Godstone Garden Community will include provision of employment space which will assist in meeting employment needs.

Developing a Garden Community

1.6 The Plan proposes the development of a Garden Community at South Godstone. The Garden Community will deliver around 4,000 homes to be built over the longer term. The Local Plan Spatial Strategy (Policy TLP01) sets out that the Garden Community will deliver 1,400 new dwellings by 2033 with a further 2,600 homes being delivered beyond the plan period.

1.7 In addition to housing, the Garden Community will deliver significant infrastructure including new primary schools, a secondary school, a health hub, rail and road improvements, play pitches, flood mitigation and employment land.

1.8 Policy SGC01 states that a mix of employment space including offices, start up space and ‘hot-desking’ facilities will be provided to ensure that local employment opportunities are woven across the community. Direct employment will be facilitated through the new community facilities, such as schools, care facilities, as well as from new retail, leisure and other local services. Additional jobs will be generated by the construction phase itself and for the wider benefit of the economy in the south east. Effective broadband infrastructure will be required to serve all development and support new homes, business and other facilities which rely on a good connection; but also to support those who want to work from home and limit the need to commute.

The Purpose of this Report

1.9 This report has been prepared to provide further information regarding the Council’s economic growth strategies as set out in the draft Local Plan, and to inform further preparation of the Plan.

1.10 This report provides a strategic assessment of the Council’s future employment land provision assessing the potential impacts and benefits to the District of pursuing different levels of employment land provision.
1.11 It also provides an assessment of the quantum and type of employment land which should be provided at the new Garden Community.
2.0 THE LOCAL ECONOMY

a) Sub-Regional Studies

2.1 Tandridge sits within the Coast to Capital Local Enterprise Partnership (LEP) area which covers the area from Croydon in south London, Gatwick Airport, and down to the South Coast. It includes much of east Surrey including Tandridge. Tandridge also lies within the Gatwick Diamond which includes the districts immediately surrounding Gatwick Airport. These overlapping strategic areas are shown on the map below.

Figure 1. Sub-Regional Context


Gatwick 360 – The Coast to Capital Strategic Economic Plan

2.2 This document provides the Coast to Capital LEP’s strategic economic plan from 2018-2030. The Coast to Capital LEP is the 7th largest of the 38 LEP economies in England. The LEP area already contains many of the preconditions needed for economic growth and as such the SEP sets out an ambitious vision for growth. The specific competitive advantages enjoyed by the LEP are:

- Connectivity – excellent links with Gatwick airport in the heart of the LEP area and with strong links with London, Stansted and Heathrow airports are also very accessible.
- Integration – strong integration with the prosperous South East Region. The LEPs already works successfully as part of Innovation South, Transport for the South East and the Greater South East Energy Hub. Two of the London Plan’s Growth Corridors and Opportunity Areas – Crossrail 2 and London-Gatwick-Brighton main line – serve the LEP area.
- Creativity – The combination of digital innovation and growth and the expansion of
physical gateways is what gives the LEP area its real competitive advantage.

2.3 The LEP’s economic vision is to become the most dynamic non-city region in England, centred around a highly successful Gatwick airport.

2.4 Gatwick airport directly employs 23,800 people and supports another 60,000 jobs in the wider UK economy. It is the single biggest driver of economic growth, contributing £1.6 billion directly to the Gatwick area, supporting a total £2.7 billion GVA in the Coast to Capital economy and a total £5.3 billion GVA in the UK economy through wider supply chains.

2.5 The LEP are encouraging the local authorities around Gatwick to cooperate and collaborate in maximising the economic potential of the airport. The excellent public transport and road connectivity for the airport, and the lack of planning constraints on much of the land around it\(^1\), make it an ideal anchor for further development.

2.6 The Coast to Capital LEP identified five priority sectors which have “a clear local concentration; potential future growth opportunities; a strong presence of internationally recognised companies; a research base to support sector development within the Coast to Capital LEP. These sectors are:

- Creative, Digital, and Information Technology.
- Advanced Manufacturing and Engineering.
- Health and Life Sciences.
- Environmental Technology and Low Carbon and Environmental Goods and Services.
- Financial and Business Services.

2.7 Growth opportunities are identified in certain key sub-sectors which have strengths in specific localised areas. For Tandridge these are:

- Insurance and financial services;
- Visitor economy and support services;
- Air transport;
- Computer and consumer electronic manufacturing;
- Communications and navigation equipment manufacturing.

2.8 However, the SEP also notes that economic growth in the LEP is relatively lower than other LEP areas and is only the 24\(^{th}\) fastest growing area (of 38 LEPs). Economic growth has not fully recovered from the 2008 economic crisis compared to that seen in comparable LEP areas. The reasons for slower growth are:

- Over-reliance on the London economy;
- Pressure on transport infrastructure – particularly due to high commuter levels;
- Higher wages from those working outside the area cause affordability pressures for those working locally;
- Employment in small and medium businesses is relatively low;
- Businesses do not have the space they need to grow. This has been exacerbated by losses of employment space lost through residential conversion.
- The more dispersed nature of rural economies may reduce the competitive intensity of businesses compared to built-up areas. The LEP has seen a relatively low rate of

\(^1\) When considering planning constraints it should be noted that Tandridge is 94% Green Belt.
businesses scaling from £1million revenues to £3million and this may also help explain the lower levels of small and medium businesses in the LEP area.

Gatwick Diamond Initiative

2.9 The Gatwick Diamond Initiative set out its business plan for the period 2018-21. The business plan aims to build on the profile and commercial strengths of the area around Gatwick Airport to promote airport related sectors, a knowledge-intensive economy, developed under ‘smart growth’ principles that encourage innovation, creativity and entrepreneurship.

2.10 The Gatwick Diamond is one of the South East’s strongest economies contributing £24bn in GVA. It outperforms most comparator areas outside London, along with Thames Valley.

2.11 In terms of jobs provision, Crawley makes the largest contribution, led by the large concentrations of jobs in the Manor Royal business district and neighbouring Gatwick Airport. Other areas, such as Horsham, Leatherhead, Reigate, Redhill, Dorking, Burgess Hill and Epsom, also make strong contributions followed by Oxted, East Grinstead and Haywards Heath.

2.12 The study identifies a number of challenges to maintain the area’s economic performance:

1. One challenge for the Gatwick Diamond will be to continue to attract investment in higher-skilled jobs. A key element of this will be to make sure there is a supply of high-quality office space in the areas where it is needed.

2. Another challenge is the supply of adequate employment land. Permitted Development Rights have exacerbated this by incentivising landlords to convert commercial space into residential. If growth is not to be constrained, it is essential that the area maintains an adequate supply of employment land.

3. A third challenge is the cost of employee housing in the area, with knock on impacts on the ability to attract further business investment and create more high-skilled jobs.

4. The fourth challenge is the need to ensure that there is an adequate supply of workers with the skills required to sustain economic growth. There is significant out-commuting of skilled workers to neighbouring areas. Therefore, the initiative seeks to achieve a higher retention of Gatwick Diamond residents to work closer to home.

5. One of the key strengths of the area is its large number of high-skilled workers, which makes it very attractive to those businesses that want to come and invest.

b) Local Studies

Tandridge Economic Proposition 2017-2022

2.13 The Economic Proposition sets out the Council’s ambitions to strengthen and growth the District’s economy. It is underpinned by the three interlinked factors:

- economic and business growth;
- people and skills; and
- place and quality of life.

2.14 The Economic Proposition identifies the District’s key locational advantages:

- Access to Gatwick and Heathrow Airports
• Part of the East Surrey M25/M23 economic growth corridor
• Fast train links to London
• High rate of businesses start-ups – highest in Surrey or the Gatwick Diamond – the number of businesses has grown by 10% in past 5 years.

2.15 However, Tandridge’s economic performance has underperformed relative to other district in Surrey or the Gatwick Diamond:
• GVA in Tandridge is 23% lower than the Surrey average. Ranked lower in the UK competitiveness index (61st most competitive of 379 districts).
• Relatively more dependent on lower value businesses. Knowledge intensive businesses account for 22% of jobs in Tandridge compared to 33% across East Surrey.
• Considerable gap between resident and workplace wages indicating a high provision of high skilled workers out-commuting to work elsewhere.
• Skills gap at intermediate level. 1 in 5 businesses say they lack suitably skilled local workforce.

2.16 The Proposition sets out the following strategic aims:
1) Create sustainable economic growth with reduced need for out-commuting
2) Deliver high quality employment space and good infrastructure to attract and support high-value business growth
3) Support a skilled and productive local workforce with high-quality local employment opportunities
4) Make the most of leisure and business opportunities

2.17 One of the strategic goals is to improve and increase employment space – in accordance with the 2017 ENA, between 15.3 and 22.5 ha will be required by 2033. This will aim to increase inward investment drawing demand from elsewhere in the Gatwick Diamond and reverse the drain of educated workforce out of the District. The focus will be on creating the right environment for high-value knowledge intensive businesses will locate, stay, and grow within the District.

2.18 Balancing the need for employment space and housing will be a crucial part of this, as will the provision of strategic infrastructure – most notably high-speed internet and road and rail provision. The District has also experienced considerable losses of existing office space to residential in recent years further reducing office provision.

2.19 The Delivery Plan sets out the Economic Proposition’s key projects. Those with regard to improving and increasing employment space are:
• RegenOxted – an ambitious plan to revitalise the town-centre through a multi-million pound programme of strategically important projects. Comprising 4 key projects, the programme will deliver redevelopment of the Gasholder, an urban redesign project for Station Road East & West; additional parking capacity and creation of a business hub.
• Caterham Masterplan – deliver a vision for Caterham Valley and Caterham-on-the-Hill to improve connectivity and retail, leisure, and employment opportunities.
• Lambs Business Park – deliver two world-class sustainable data centres, powered by an on-site CHP plant utilising biomass from the C2C region served by an adjacent rail siding.
• Hobbs Industrial Estate – intensify use of site to support high-value, high-skilled
employment, and improve and increase employment space.

**Tandridge Economic Needs Assessment**

2.20 The Economic Needs Assessment (ENA) was produce by GL Hearn in 2017. It provides an assessment of the commercial property dynamics in Tandridge, including a survey of existing businesses; an estimate of the district’s future need for employment land; and an assessment of the existing development opportunities at existing sites in the district and any residual employment land requirements.

2.21 This identified that Tandridge within the Heart of the Gatwick Diamond, centred on Gatwick Airport possesses attributes which provide the opportunity for considerable future economic growth. However, the economic focus of the area largely faces away from the district with strong office markets in Croydon and Crawley, and airport related businesses located predominantly in Crawley and Horsham.

2.22 As a result, the office and industrial markets in Tandridge are currently relatively localised, focussing on meeting local business needs. Office demand is focussed in Oxted and Caterham as they offer the most attractive location in terms of accessibility, while Industrial activity is focussed at two main sites on the A22 corridor – Hobbs Industrial Estate and Lambs Business Park.

2.23 The ENA considered three scenarios for future employment floorspace needs for the District over the period 2013-33. It concludes that the Baseline Scenario, which shows a need for 15.3 ha of employment land, constitutes a reasonable assessment of future need in the District. However, the Council may wish to consider allocating land in line with the Growth Scenario – which shows a need for 22.5 ha of employment land. A completions trend scenario was also considered which identified a need for a considerably lower 4.8 ha of employment land.

2.24 Overall the supply / demand balance identified that there is a significant need for office provision in the district which is unlikely to be met through the existing supply. The greatest demand for office floorspace is in the town centres of Oxted and Caterham.

2.25 The ENA also provides a high-level assessment of the potential locations for a garden Community development and their attractiveness to support employment development. It considered four potential broad locations, concluding that Redhill Aerodrome provides the best locations from a commercial perspective benefiting from its location in the A23 corridor which is a major positive attribute. However, this relies on the upgrading of the access onto the A23. Without this, South Godstone provides the best access to the M25. Sites at Blindley Heath and Land West of Edenbridge were less attractive locations.

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2 The Council has subsequently published their Regulation 19 Local Plan consultation which identified South Godstone as the preferred location for the Garden Community.
3.0 ECONOMIC ASSESSMENT

a) Employment Scenarios

3.1 This section considers the economic impacts of the three employment land scenarios which were the conclusions of the ENA\(^3\).

**Figure 2. ENA Employment Land Demand Scenarios, 2013-2033**

![Bar chart showing ENA Employment Land Demand Scenarios](chart.png)

- **Total B-Class Uses**: 15.3
- **Labour Demand Baseline**: 22.5
- **Labour Demand Growth**: 4.8
- **Completions Trend**: 4.7
- **B3: Warehouse/Distribution**: 4.7
- **B1c/B2: Industrial**: 2
- **B1a/b: Office**: 8.6

Source: Tandridge ENA, 2017

3.2 The ENA considered the historic trends for employment (B Class) completions over the past ten years, and what projecting this forward could mean for future employment land needs. The ENA identifies that this would produce a need for 4.8ha of employment space over the Plan Period.

3.3 However, the ENA reports that the highest quantum of floorspace was completed early in this period with the figures for 2006/07 to 2008/09 notably higher than those recorded since. This may suggest a recessionary effect following the 2008 ‘credit crunch’ and into the subsequent recession. The data for more recent years doesn’t show the level of completions returning to anywhere near the pre-recession levels. This suggests that a projection based on the completions data may run the risk of rolling forward these recessionary conditions.

3.4 As such the completions trend scenario can be considered to represent a ‘do nothing’ scenario in which the post-recession low level of development continues throughout the Plan Period.

3.5 The two other scenarios are based on a labour demand approach which identifies the level of employment land required to support the quantum of jobs growth shown in the baseline Experian economic forecasts, and in the ENA Growth Scenario.

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\(^3\) For more detail of the three scenarios see Chapter 4 of the Tandridge Economic Needs Assessment (GL Hearn, 2017).
3.6 The Experian Baseline forecast shows an average annual jobs growth of 0.7% per annum over the plan period. This is half the growth rate of 1.4% per annum that was seen in the district from 1997-2016.

3.7 The Growth Scenario includes an uplift to certain sectors which the Coast to Capital LEP currently has a competitive advantage, and the district’s labour force – its skills base, accessibility, and quality of life offer – mean it may well be able to support economic growth in sectors in which it is currently under-represented. This includes uplifts to a number of higher value sectors:

- Civil engineering;
- Computing and IT services;
- Other manufacturing;
- Professional services;
- Specialised construction activities; and
- Utilities.

3.8 The ENA concluded that the Baseline Scenario appears to be a reasonable assessment of future need in the District, however the Council may wish to consider allocating land in line with the Growth in order to support economic growth in the district in-line with the LEP’s aspirations and maximise the District’s economic attributes.

3.9 The Plan sets out to meet the employment land requirement of 15.3ha by 2033 – as suggested by the Baseline Scenario. The Local Plan identifies that opportunities for intensification on existing Strategic and Important employment sites amount to a total of around 21ha – exceeding the identified need by around 6ha. This allows flexibility, and recognises that it is likely that not all sites will come forward for (B Class) employment uses within the Plan Period. Additionally, a key element of the South Godstone Garden Community will include provision of employment space which will assist in meeting employment needs.

3.10 Section 4 of this report identifies that around 1.6-1.9ha of employment land will be required at the Garden Community within the Plan Period. This brings the District-wide employment land total to 22.6-22.9ha – very slightly above the 22.5ha requirement of the Growth Scenario.

3.11 The 15.3 ha of the Baseline Scenario therefore provides a reasonable lower bound for the quantum of employment space to be delivered by the Plan by 2033. Similarly, it is considered that the Growth Scenario – at 22.5ha – provides a reasonable upper bound scenario for employment land provision. The following analysis assesses the economic impacts of these scenarios and considers the impacts of the Baseline and Growth Scenarios additional to the ‘do nothing’ (Completions Trend) scenario.

b) Time Period of Assessment

3.12 The time period considered by this assessment is the Plan period from 2013-33. This is the period covered by the three scenarios above.

c) The Economy of the Study Area

3.13 The study area considered within the analysis covers Tandridge District. The outputs of the analysis primarily focus on the implications on the benefits for the District.

3.14 The figure below shows the total workplace jobs located within Tandridge compared to the other authorities in the FEMA. This shows Tandridge as having the smallest number of jobs with 41,000 (as of 2016) which is equivalent to 8% of the FEMA total employment.
3.15 The chart also shows Jobs density which is the total number of filled jobs in an area divided by the resident population aged 16-64 in that area. Tandridge has a jobs density of 0.78 which means there are 0.78 jobs in the District for every working aged member of population. This is a relatively low figure and is lower than the UK average of 0.84.

3.16 Tandridge’s figure is slightly lower than the other Surrey authorities within the FEMA except Crawley where there are 1.48 jobs for every working aged resident. Conversely Croydon has a lower jobs density (0.59) despite having the largest number of workplace jobs – however this would be expected for areas within large conurbations.

Figure 3. Jobs and Job Density

Source: ONS, 2016

3.17 The figure below shows the proportion of persons working within each of the employment sectors for residents of Tandridge, the FEMA and the United Kingdom. A high proportion of Tandridge’s residents in employment are employed as ‘managers, directors and senior officials’ when compared against both the FEMA and the United Kingdom as a whole. In total, 24.1% of those persons within Tandridge are employed at this level, compared to 14.0% within the FEMA and 10.8% within the United Kingdom.

3.18 A considerably lower proportion of persons in Tandridge work within ‘professional occupations’ area when compared with the United Kingdom as a whole. Tandridge has 14.9% of persons within this sector compared with 14.4% in the United Kingdom as a whole and 15.4% in the FEMA.

3.19 Tandridge has a relatively low proportion of persons working within the ‘skilled trades occupations area’. In Tandridge, 11.8% of people work within this sector, compared with 6.7% in the FEMA. Similarly, a considerably lower proportion of persons within Tandridge and the FEMA work within ‘elementary occupations’ and ‘process, plant and machine operatives’ occupations when compared with the United Kingdom as a whole.
3.20 The most recent data from the Annual Population Survey on qualifications (December 2017) and looks at residents within each study area and what proportion of them hold a given qualification level. Tandridge and the FEMA have a higher proportion of persons with NVQ qualifications at every level when compared with the United Kingdom as a whole. The difference is most prominent at NVQ4 level (equivalent to undergraduate degree), where the proportions of persons with NVQ qualifications is 4.7% higher than the United Kingdom’s average.

3.21 Tandridge and the FEMA have a considerably lower proportion of persons with no qualifications when compared to the United Kingdom as a whole, with the FEMA having 4.9% of residents having no qualifications, Tandridge having 5.4% and the United Kingdom having 8.0%.

Figure 4. Residents Employment by Occupation

Source: Annual Population Survey 2018

Figure 5. Highest Level of Qualification

Source: Annual Population Survey, 2017
In terms of economic activity, the most up to date data (June 2018) shows that there are only marginal differences between the economic activity rates of the three study areas, with Tandridge having 76.0% of its residents economically active, the United Kingdom as a whole as having 78.3% and the FEMA having 80.2%.

In terms of employment rates, the data (June 2018) shows the proportion of persons within each given study area who are classed as employed. The proportions for each of the areas are similar with marginal differences. The proportion of persons employed within Tandridge is 74.8%, compared with the United Kingdom at 74.9% and the FEMA, which is marginally higher at 76.0%.

**Figure 6. Economic Activity and Employment Rates**

![Economic Activity and Employment Rates](source: Annual Population Survey, 2018)

4.1 The latest ONS business demography shows that Tandridge saw a total of 635 new businesses registered in the District in 2016. This is equivalent to 11.8% of the 5,395 active businesses within the District. This is considerably lower than the equivalent rates for the FEMA or the UK which were 14.3% and 14.6% respectively.

4.2 The business death rate in Tandridge was 11.2% which was only marginally lower than the FEMA and UK rates or 11.4% and 11.6%. This means the net growth in new businesses in Tandridge is considerably lower than the FEMA or UK averages.

**Figure 7. Business Birth and Deaths**

<table>
<thead>
<tr>
<th></th>
<th>Business Births</th>
<th>% of Active Businesses</th>
<th>Business Deaths</th>
<th>% of Active Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tandridge</td>
<td>635</td>
<td>11.8%</td>
<td>605</td>
<td>11.2%</td>
</tr>
<tr>
<td>UK</td>
<td>414,355</td>
<td>14.6%</td>
<td>327,775</td>
<td>11.6%</td>
</tr>
<tr>
<td>FEMA</td>
<td>7,000</td>
<td>14.3%</td>
<td>5,590</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

Source: ONS Business Demography 2016

3.24 As well as having a relatively low business birth rate, the data shows that the District also has a relatively low survival rate. The ONS data shows the business survival rates shows that 88.2% of new businesses in Tandridge survive to 1-year. This is slightly lower than the FEMA and UK rates of 90.4% and 89.7% respectively.
Figure 8. Business Survival Rate

<table>
<thead>
<tr>
<th></th>
<th>Births</th>
<th>1-Year Survival</th>
<th>1-Year Survival Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tandridge</td>
<td>680</td>
<td>600</td>
<td>88.2%</td>
</tr>
<tr>
<td>UK</td>
<td>383,075</td>
<td>343,520</td>
<td>89.7%</td>
</tr>
<tr>
<td>FEMA</td>
<td>6790</td>
<td>6140</td>
<td>90.4%</td>
</tr>
</tbody>
</table>

Source: ONS Business Demography 2016

3.25 In summary, the demographic data suggests the following:
- Tandridge has a low jobs density reflecting a larger working age population than there are jobs in the District. This is due to a relatively low number of workforce jobs in the District (8% of the FEMA total).
- The statistics show that Tandridge’s worker profile has higher proportions of residents working in managerial, professional, or associate professional occupations.
- Tandridge has a well-educated workforce with higher proportions of residents having degree-level qualifications or higher.
- Conversely, the economic activity and employment rates in Tandridge are notably lower than the FEMA average and slightly below the national average.
- Tandridge has a relatively low business birth rate and a relatively low business survival rate.

3.26 The labour market statistics show that there is a clear gap between Tandridge’s resident workforce statistics and Tandridge’s workplace employment profile and jobs offer. This gap is both quantitative and qualitative in nature and results in considerable out-commuting to neighbouring areas.

3.27 This means that despite falling within a productive area within the Coast to Capital LEP and Gatwick Triangle – both of which are performing well in economic terms compared to the national picture – Tandridge’s economy has not benefitted to the same extent as neighbouring authorities and growth has been limited. This is evident both in the relatively low number of jobs in the area and the relatively low number and survival rate of new businesses. This highlights the imperative for Tandridge to address this relatively worse economic performance, but also suggest that Tandridge has significant potential for improvement.

d) Employment Impacts

3.28 The starting point for the analysis is the Experian jobs growth forecast which fed into the Baseline Scenario. This provide jobs growth figures for all employment sectors, showing a net growth of 7,700 jobs over the period 2013-33. This is equivalent to 6,300 full-time equivalent (FTE) jobs.

3.29 To estimate the direct growth in employment which would take place on employment sites, the analysis uses similar assumptions to those used in the ENA to identify the proportion of jobs in each sector which would likely require B Class space. This has been done through interrogation of the most recent BRES data. This results in a total net growth of 2,300 FTE jobs which would require B Class premises.

3.30 Taking a similar approach for the Growth Scenario identifies a net growth of 3,470 FTE jobs which would require B Class premises.

3.31 For the completions trend scenario, the modelling assumptions from the ENA have been
used to estimate the total employment associated with the forecast development. This is then disaggregated by sector using the same assumptions as used above regarding the proportions of sectoral jobs which would require employment floorspace. This identifies a net growth of 1,060 FTE jobs within the which would require B Class premises.

Table 1. FTE Jobs by Employment Use Class, 2013-33

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Growth</th>
<th>Do Nothing</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1a/b</td>
<td>1,750</td>
<td>2,650</td>
<td>960</td>
</tr>
<tr>
<td>B1c/B2</td>
<td>220</td>
<td>420</td>
<td>70</td>
</tr>
<tr>
<td>B8</td>
<td>330</td>
<td>400</td>
<td>30</td>
</tr>
<tr>
<td><strong>B Class Total</strong></td>
<td><strong>2,300</strong></td>
<td><strong>3,470</strong></td>
<td><strong>1,060</strong></td>
</tr>
<tr>
<td>NON-B Class</td>
<td>3,970</td>
<td>4,430</td>
<td>3,790</td>
</tr>
<tr>
<td><strong>All FTE Jobs</strong></td>
<td><strong>6,270</strong></td>
<td><strong>7,900</strong></td>
<td><strong>4,850</strong></td>
</tr>
</tbody>
</table>

3.32 The figures above include all employment sectors including construction jobs. The forecasts show a significant growth in the number of employment jobs in the ‘Do nothing’ scenario – 1,390 FTE jobs. There is a marginal increase in the Baseline scenario to 1,420 FTE jobs, and a growth of 2,120 FTE jobs in the Growth scenario.

3.33 The table below shows the net gain in FTE jobs by employment use class for the Baseline and Growth scenarios against the ‘do nothing’ scenario. This highlights that the ‘do nothing’ scenario would seriously constrain the delivery of jobs growth in the District providing 1,420 fewer FTE jobs than the Baseline Scenario and 3,050 fewer employment jobs than the Growth scenario. The majority of the differences between the scenarios is in the number of jobs at employment sites, but there is also a small difference in the number of induced jobs in non-B Class sectors.

Table 2. Net Gain in FTE Jobs by Employment Use Class, 2013-33

<table>
<thead>
<tr>
<th></th>
<th>Net Gain Baseline</th>
<th>Net Gain Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1a/b</td>
<td>790</td>
<td>1,690</td>
</tr>
<tr>
<td>B1c/B2</td>
<td>150</td>
<td>350</td>
</tr>
<tr>
<td>B8</td>
<td>300</td>
<td>370</td>
</tr>
<tr>
<td><strong>B Class Total</strong></td>
<td><strong>1,240</strong></td>
<td><strong>2,410</strong></td>
</tr>
<tr>
<td>NON-B Class</td>
<td>180</td>
<td>640</td>
</tr>
<tr>
<td><strong>All FTE Jobs</strong></td>
<td><strong>1,420</strong></td>
<td><strong>3,050</strong></td>
</tr>
</tbody>
</table>

3.35 Tandridge has significant commuting inflows from surrounding areas. The ONS commuting flows data shows a total of 22,919 workers working in Tandridge and 39.1% of these lived in the District. There are also significant flows from the surrounding areas particularly Croydon (13%), Reigate and Banstead (9%), and Mid Sussex (8%).

21
### Table 3. Tandridge Workplace Commuting Flows

<table>
<thead>
<tr>
<th>Place of Residence</th>
<th>Work in Tandridge</th>
<th>% of Tandridge Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tandridge</td>
<td>8,969</td>
<td>39%</td>
</tr>
<tr>
<td>Croydon</td>
<td>3,009</td>
<td>13%</td>
</tr>
<tr>
<td>Reigate and Banstead</td>
<td>2,111</td>
<td>9%</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>1,834</td>
<td>8%</td>
</tr>
<tr>
<td>Crawley</td>
<td>1,008</td>
<td>4%</td>
</tr>
<tr>
<td>Sevenoaks</td>
<td>819</td>
<td>4%</td>
</tr>
<tr>
<td>Bromley</td>
<td>581</td>
<td>3%</td>
</tr>
<tr>
<td>Wealden</td>
<td>431</td>
<td>2%</td>
</tr>
<tr>
<td>Sutton</td>
<td>401</td>
<td>2%</td>
</tr>
<tr>
<td>Horsham</td>
<td>290</td>
<td>1%</td>
</tr>
<tr>
<td>Mole Valley</td>
<td>273</td>
<td>1%</td>
</tr>
<tr>
<td>Tonbridge and Malling</td>
<td>171</td>
<td>1%</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>167</td>
<td>1%</td>
</tr>
<tr>
<td>Merton</td>
<td>136</td>
<td>1%</td>
</tr>
<tr>
<td>Brighton and Hove</td>
<td>134</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Census 2011

**3.36** Tandridge’s workplace self-containment is slightly below the average of the FEMA authorities, which is 44.4%. The data shows that for the FEMA as a whole the workplace self-containment is 62%, which is relatively low and evidence of the influence of London. The data shows that Tandridge has a similar level of self-containment as Sevenoaks and Reigate and Banstead, other authorities with strong links with London.

### Table 4. Workplace Commuting Self-Containment

<table>
<thead>
<tr>
<th>District</th>
<th>Workplace Self-Containment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crawley</td>
<td>40.0%</td>
</tr>
<tr>
<td>Mid Sussex</td>
<td>55.4%</td>
</tr>
<tr>
<td>Reigate and Banstead</td>
<td>39.3%</td>
</tr>
<tr>
<td>Sevenoaks</td>
<td>37.9%</td>
</tr>
<tr>
<td>Tandridge</td>
<td>39.1%</td>
</tr>
<tr>
<td>Croydon</td>
<td>54.8%</td>
</tr>
<tr>
<td>Average</td>
<td>44.4%</td>
</tr>
</tbody>
</table>

Source: Census 2011

**3.37** Taking account of commuting rates suggests that there will be a medium to high level of leakage in terms of the new jobs being taken up by workers coming from outside the District. Taking account of this, the number of jobs provided by the different scenarios which, under existing commuting patterns, would be taken by a Tandridge resident. This
shows the baseline scenario providing 500 additional jobs above the ‘do nothing’ scenario, while the Growth Scenario providing around 1,000 additional jobs for Tandridge residents.

Table 5. Tandridge FTE Employment, for Tandridge Residents, 2013-33

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Growth</th>
<th>Do Nothing</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1a/b</td>
<td>680</td>
<td>1,040</td>
<td>380</td>
</tr>
<tr>
<td>B1c/B2</td>
<td>90</td>
<td>160</td>
<td>30</td>
</tr>
<tr>
<td>B8</td>
<td>130</td>
<td>160</td>
<td>10</td>
</tr>
<tr>
<td>B Class Total</td>
<td>900</td>
<td>1,360</td>
<td>410</td>
</tr>
<tr>
<td>NON-B Class</td>
<td>1,550</td>
<td>1,730</td>
<td>1,480</td>
</tr>
<tr>
<td>All FTE Jobs</td>
<td>2,450</td>
<td>3,090</td>
<td>1,900</td>
</tr>
</tbody>
</table>

3.38 Commuting self-containment is an output of the alignment between the District’s resident workforce and workplace employment profile. Improving this alignment will increase the number of jobs which could be taken by residents, which would likely reduce the need for longer commutes to and from the District and improve self-containment. There are two factors to consider:

- Providing suitable jobs for Tandridge residents currently working outside the District; and
- Providing suitable homes for Tandridge workers currently in-commuting from elsewhere.

3.39 Tandridge has a high proportion of highly skilled residents who work at specialist employment locations – such as Gatwick Airport or Central London. These workers typically have higher incomes and longer commutes. Inevitably Tandridge will not be able to support the level or types of employment for the majority of these types of workers. This means a considerable level of out-commuting will inevitably remain, as is common with more rural areas close to large employment centres.

3.40 The affordability of housing is identified by a range of studies and the business survey as a barrier to business growth in the District. The levels of in-commuting can be addressed by providing suitable homes for Tandridge workers so that they have the opportunity to live close to their place of work. The evidence shows that Tandridge workers earn considerably less than residents who work outside of the District. This impacts on the ability of workers working in the District to afford to live there, resulting in a skills gap for workers in certain occupational groups – particularly skilled trades and service occupations. The Council have commissioned a Strategic Housing Market Assessment to identify the quantum and type of housing needed in Tandridge.

3.41 The table below shows the level of employment which could be taken by Tandridge residents if the District’s commuting self-containment were to increase to the FEMA average of 44%. 
### Table 6. Tandridge FTE Employment, for Tandridge Residents, FEMA Average Commuting Rates, 2013-33

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Growth</th>
<th>Do Nothing</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1a/b</td>
<td>770</td>
<td>1,170</td>
<td>420</td>
</tr>
<tr>
<td>B1c/B2</td>
<td>100</td>
<td>180</td>
<td>30</td>
</tr>
<tr>
<td>B8</td>
<td>150</td>
<td>180</td>
<td>10</td>
</tr>
<tr>
<td><strong>B Class Total</strong></td>
<td><strong>1,010</strong></td>
<td><strong>1,530</strong></td>
<td><strong>470</strong></td>
</tr>
<tr>
<td>NON-B Class</td>
<td>1,750</td>
<td>1,950</td>
<td>1,670</td>
</tr>
<tr>
<td><strong>All FTE Jobs</strong></td>
<td><strong>2,760</strong></td>
<td><strong>3,480</strong></td>
<td><strong>2,130</strong></td>
</tr>
</tbody>
</table>

3.42 The latest earnings data from the Annual Survey of Hours and Earnings (2018) shows the mean annual pay of residents within each of the FEMA. In terms of resident earnings, Tandridge is shown to have the greatest mean annual income. The mean income within Tandridge is £35,999, this is high compared with the FEMA, which has a mean income of £33,875, and considerably higher than the United Kingdom’s mean annual income, which is £29,574.

3.43 However, the data shows that employees working within Tandridge earn considerably less than those working within the FEMA and the United Kingdom, despite working longer hours. Those working within the FEMA earn a mean annual pay of £31,347, whilst those in the United Kingdom earn £29,574 and finally, those working within Tandridge earn a mean annual pay of £26,578.

3.44 When comparing the data, it becomes clear that a substantial proportion of residents living within Tandridge are not working within Tandridge. The annual mean pay shows that residents are earning on average 26% more than the workplaces within Tandridge are paying. Further to this, the residents of Tandridge work considerably fewer hours on average than the people who work within Tandridge. The same patterns are seen within the FEMA, although to a lesser extreme. From this, it can be established that a considerable proportion of Tandridge’s residents commute out of the Council boundary for higher paid work.

**Figure 9. Gross Annual Pay – Workplace and Resident**

Source: ASHE 2018
3.45 The figure below shows the commuting distances travelled by workers of different industrial sectors. This shows that workers in sectors such as distribution (including retail), hotels and restaurants, public administration, education, and health typically live closer to their place of work with almost half (47-49%) working within 10 km of their home (10 km from South Godstone being roughly analogous with the District boundary).

3.46 Conversely, professional service sectors such as transport, communication, financial, real estate, professional, and admin all have far smaller proportions (23-24%) working within 10 km, and a greater proportion commuting up to 30 km or more. The data also shows that relatively few resident commute more than 30 km, but it is these sectors that do see the highest proportions (14-15%).

**Figure 10. Commuting Distance by Industry, Tandridge Residents**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Less than 10km</th>
<th>10km to less than 30km</th>
<th>30km and over</th>
<th>Work mainly at or from home</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>A, B, D, E Agriculture, energy and water</td>
<td>27%</td>
<td>25%</td>
<td>9%</td>
<td>26%</td>
<td>13%</td>
</tr>
<tr>
<td>C Manufacturing</td>
<td>32%</td>
<td>33%</td>
<td>13%</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>F Construction</td>
<td>20%</td>
<td>19%</td>
<td>8%</td>
<td>18%</td>
<td>35%</td>
</tr>
<tr>
<td>G, I Distribution, hotels and restaurants</td>
<td>49%</td>
<td>24%</td>
<td>8%</td>
<td>14%</td>
<td>5%</td>
</tr>
<tr>
<td>H, J Transport and communication</td>
<td>24%</td>
<td>32%</td>
<td>15%</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>K, L, M, N Financial, Real Estate, Professional and Admin</td>
<td>23%</td>
<td>37%</td>
<td>14%</td>
<td>18%</td>
<td>8%</td>
</tr>
<tr>
<td>O, P, Q Public administration, education and health</td>
<td>47%</td>
<td>31%</td>
<td>7%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>R, S, T, U Other</td>
<td>37%</td>
<td>23%</td>
<td>8%</td>
<td>21%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Census 2011

3.47 There is also correlation between commuting distance and occupation, as shown in the figure below. This shows that worker in management, professional and associate professional occupations are more likely to commute more than 10km to work. Conversely, those in care, leisure, sales, and elementary occupations are more likely to commute less than 10 km.
3.48 The data suggest that there is significant commuting outflows from Tandridge and the surrounding area. The discrepancy between the residents and workplace earnings suggest a significant number of higher earning workers commute out of the District. This is ratified by the data showing worker in higher value occupations and industries are prepared to commute further to work.

3.49 This suggests that there may be limited scope to improve commuting self-containment in Tandridge, and particularly in through delivery of higher value jobs in sectors such as manufacturing, communications, and professional services which support particularly long commutes. It is these sectors are the key for driving employment land needs in Tandridge.

3.50 However, there are other benefits associated with delivering economic growth, in addition to direct jobs at B Class employment sites. These jobs in non-B Class premises are considered within the Experian Baseline and Growth scenarios and impacts within Tandridge are captured in the model and implicit in the analysis herein. In the completion trend scenario, any indirect impacts on the growth of jobs requiring employment land will be constrained. While these will inevitably have impacts on jobs growth outside of Tandridge, these fall outside of the study area and so are not considered within this analysis.

3.51 Within Tandridge, there will be beneficial impacts associated with increased local expenditure. These are captured in the modelling and outputs are provided as Non-B Class jobs.

3.52 Using the latest ONS data on average earnings figures per sector (July 2018), adjusted to take account of wages in Tandridge relative to the UK average, we can estimate the total wages which will be paid per annum to people working in Tandridge. This shows that the baseline scenario will result in £162.5million per annum in wages while the Growth figure is £217.2million.
3.53 This means additional expenditure on goods and services which is kept within the Tandridge economy. This applies to all workers in Tandridge spending on retail, leisure, travel, and other services, as well as Tandridge residents working in the District retaining a greater proportion of expenditure within the District. The estimated total earnings for Tandridge residents is £63.6million per annum in the Baseline scenario and £85million per annum in the Growth scenario.

Table 7. Net Additional Annual Earnings (£million per annum, 2018 prices)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Growth</th>
<th>‘Do Nothing’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total earnings</td>
<td>162.5</td>
<td>217.2</td>
<td>126.0</td>
</tr>
<tr>
<td>Total earnings –</td>
<td>63.6</td>
<td>85.0</td>
<td>49.3</td>
</tr>
<tr>
<td>Tandridge residents</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.54 The table below shows the net increase in the total annual earnings compared to the ‘do nothing’ scenario. This shows an additional £36.5million in earnings in the Baseline scenario and an additional £91.2million in the Growth scenario.

Table 8. Net Increase in Annual Earnings (£million per annum, 2018 prices)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in</td>
<td>36.5</td>
<td>91.2</td>
</tr>
<tr>
<td>Total Earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase –</td>
<td>14.3</td>
<td>35.7</td>
</tr>
<tr>
<td>Tandridge Residents</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.55 In terms of productivity, measured in Gross Value Added (GVA), these are calculated using regional average GVA per job figures. This shows the net value generated by any unit engaged in the production of goods and services, and estimates the value added to the economy by each job in different sectors.

3.56 The GVA per job data shows certain sectors having a higher net GVA; with particular regard to employment land uses, sectors such as Information and communications (£80,800 per job), financial and insurance (£79,700 per job), and manufacturing (£73,800 per job) are particularly valuable (all South East figures).

3.57 The GVA per sector figures are applied to the sectoral growth forecasts to calculate the net gain in GVA in the District resulting from the different scenarios. The outputs are set out in the table below and show the net GVA per annum achieved by 2033.

Table 9. Total Net GVA (£millions per annum)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Growth</th>
<th>‘Do Nothing’</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1a/b</td>
<td>89.5</td>
<td>128.8</td>
<td>51.2</td>
</tr>
<tr>
<td>B1c/B2</td>
<td>15.6</td>
<td>25.4</td>
<td>10.1</td>
</tr>
<tr>
<td>B8</td>
<td>9.3</td>
<td>14.4</td>
<td>8.5</td>
</tr>
<tr>
<td>B Class Total</td>
<td>114.4</td>
<td>168.6</td>
<td>69.8</td>
</tr>
<tr>
<td>NON-B Class</td>
<td>148.1</td>
<td>186.0</td>
<td>136.4</td>
</tr>
<tr>
<td>Total</td>
<td>262.4</td>
<td>354.7</td>
<td>206.2</td>
</tr>
</tbody>
</table>
This shows that in total the ‘do nothing’ scenario will provide an additional £206.2 million per annum in GVA to the District’s economy; while the Baseline Scenario provides £262.4 million per annum; and the Growth Scenario £354.7 million per annum by 2033. Therefore by 2033 the Baseline Scenario will provide an additional £56.2 million per annum of GVA to Tandridge’s economy above the ‘do nothing’ scenario. The Growth Scenario will provide an additional £148.8 million per annum above the ‘do nothing’ scenario.

Table 10. Net Increase in GVA (£millions per annum)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase in GVA</td>
<td>56.2</td>
<td>148.8</td>
</tr>
</tbody>
</table>

e) Conclusion on Employment Impacts

This section has provided an analysis of the potential economic impacts of the Council’s approach to providing employment provision. It has considered the impacts of the three employment land scenarios set out in the Tandridge ENA:

- Labour Demand Baseline Scenario – 15.3 ha of employment land
- Labour Demand Growth Scenario – 22.5 ha of employment land
- Completions Trend – 4.8 ha of employment land

The completions trend scenario considers the level of completions over a ten-year period, with the data showing the economic downturn in 2008 and following recession had a considerable impact on delivery of employment space in Tandridge.

The level of past completions, if it were to continue over the Plan Period, would provide a level of employment space which is considerably below that forecast in either of the labour demand approaches. It is assumed that zero intervention would see Tandridge’s growth rate continue in-line with these past trends.

Both labour demand approaches take a top-down approach to considering employment demand in Tandridge. They consider the quantum of growth likely at national and regional levels and then apportion this growth to a District level, based on the relative strength of the local economy.

The fact that the labour demand scenarios are considerably higher than the completions trend scenario suggests that the completions trend in Tandridge has been constrained.

The labour market statistics show that there is a clear gap between Tandridge’s resident workforce statistics and Tandridge’s workplace employment profile and jobs offer. This gap is both quantitative and qualitative in nature and results in considerable out-commuting to neighbouring areas.

This means that despite falling within a productive area within the Coast to Capital LEP and Gatwick Triangle – both of which are performing well in economic terms compared to the national picture – Tandridge’s economy has not benefitted to the same extent as neighbouring authorities and growth has been limited. This is evident both in the relatively low number of jobs in the area and the relatively low number and survival rate of new businesses, compared to other districts within the FEMA.

By planning for the level of growth aligned to the labour demand scenarios, the District will see an improvement in the growth in employment opportunities, income, and
productivity more aligned with the sub-regional and regional averages, which are generally considerably higher than seen across Tandridge.

3.67 This will have a significant impact on Tandridge’s local economy:

- The Baseline Scenario will see a net growth of 2,300 FTE employment jobs (i.e. those in B Class premises), and a total of 6,270 FTE jobs in total, in Tandridge by 2033. This is 1,240 FTE employment jobs, and 1,240 total FTE jobs above the ‘do nothing’ scenario.

- For the Growth Scenario the figures are 3,470 FTE employment jobs – 2,410 above the ‘do nothing’ scenario, and 7,900 total FTE jobs – 3,050 above the ‘do nothing’ scenario.

- Assuming current commuting flows are retained, the baseline scenario will provide an additional 500 FTE jobs above the ‘do nothing’ scenario for Tandridge residents. The Growth Scenario will provide around 1,000 additional FTE jobs above the ‘do nothing’ scenario for Tandridge residents.

- There is a significant gap between the average earnings of people living in Tandridge and people working in Tandridge. The Baseline Scenario would result in an additional £63.6million per annum above the ‘do nothing’ scenario paid to workers in Tandridge. For the Growth Scenario there would be an additional £91.2million per annum. This would result in additional expenditure on retail, leisure, travel, and other services which is kept within the Tandridge economy.

- Accounting for commuting flows, the Baseline Scenario results in an additional £14.3million per annum above the ‘do nothing’ scenario paid to Tandridge residents. For the Growth Scenario the figure is an additional £35.7million per annum.

- In terms of productivity, measured in Gross Value Added (GVA), the Baseline Scenario will contribute an additional £56.2million per annum above the ‘do nothing’ scenario to the local economy. For the Growth Scenario the figure is an additional £148.8million per annum.
4.0 EMPLOYMENT LAND REQUIREMENTS AT THE GARDEN COMMUNITY

4.1 The Local Plan proposes the development of a new Garden Community of around 4,000 homes in South Godstone. The Local Plan identifies that 1,400 dwellings will be delivered at the Garden Community within the Plan Period (by 2033) with a further 2,600 being delivered beyond this.

4.2 This section identifies the quantum of employment land which may be reasonably planned for at the new Garden Community alongside the residential provision. The assessment considers employment floorspace and land needs to 2033 and for the Garden Community as a whole. However, the forecasting data used becomes less certain the further into the future is considered (for example, the Experian jobs growth forecasts go to 2037 while the ONS Household projections go to 2041). This means that the forecasting beyond this point is increasingly uncertain and should be treated accordingly.

4.3 The approach taken considers the growth in the labour supply arising at the Garden Community, the labour demand forecasting approach which formed the basis for the assessment of employment need in the Tandridge ENA and assesses these within the context of commercial market factors. Completions trend data has not been included in the analysis as there is no data relevant to the Garden Community site, and moreover the ENA concluded that the recent trends have been constrained by recessionary influences.

   a) Quantitative Requirement

   i) Population Profile

4.4 The starting point for the quantitative assessment is to consider the growth in the workforce arising from the planned level of housing. This is based on the Garden Community delivering 1,400 dwellings by 2033 and 4,000 dwellings in total. Allowing for a level of vacancy of 2.84\% suggests an additional 1,360 occupied dwellings by 2033 and 3,886 in total.

4.5 The Garden Community’s population profile can be estimated by using the latest (2016-based) ONS household projections. The projections show the profile of households by five-year age band and gender, and how these are expected to grow to 2041. The analysis uses the household profile for Tandridge to 2033. The associated household representation rates are then used to estimate the total population profile which could be expected at the Garden Community by 2033.

4.6 This identifies a population growth of 2,550 persons aged 16 and above and 1,765 persons aged 16-64 at the Garden Community by 2033. The population profile by age band is shown in the figure below.

---

\[4\] Tandridge Strategic Housing Market Assessment (2018)
4.7 The above analysis is based on the household projections to 2033. For the whole settlement the build-out period is assumed to extend beyond 2041 which is the period covered by the ONS projections. Therefore, modelling the population growth for the full settlement is based on the same population profile for 2033 rolled forward to cover the full 4,000 dwellings. This results in a total workforce population of 7,286.

4.8 The above analysis assumes the household and population profile of the Garden Community will match that projected for Tandridge as a whole. This assumes a relatively high proportion of persons aged 65 and over and lower numbers of younger households when compared to the national average. While the population of the Garden Community would be expected to conform to this profile over the longer term, in the short term it may be more likely that the population moving to the Garden Community initially reflects a different profile.

4.9 Migration statistics from the latest Census provide the breakdown by age group of Tandridge residents who had lived at a previous address one year prior to the Census. This shows the highest proportion of movers is people aged 25-34 and 35-49. Additionally, there is a high proportion of children aged 15 and under. This suggests the highest proportion of movers in Tandridge are young families, whereas movers aged 65 and over account for just 7% of movers.
We have therefore considered a sensitivity analysis whereby the profile of households moving to the Garden Community is more reflective of a younger profile. This uses as a comparator the household profile of Milton Keynes. The population projection for Milton Keynes shows a stronger proportional growth in younger age cohorts and conversely a smaller growth in older age cohorts. It is considered to provide a reasonable alternative model of the population profile of potential movers to the Garden Community. A comparison of the population profile of the Garden Community under these different assumptions is shown below. Using the Milton Keynes profile results in a generally younger population and therefore a greater working age population. This estimates a working age (16-64) population of 1,985 by 2033, compared to the 1,765 using the profile for Tandridge.

**Figure 13. Tandridge Migration Profile by Age**

Source: Census 2011

**4.10** We have therefore considered a sensitivity analysis whereby the profile of households moving to the Garden Community is more reflective of a younger profile. This uses as a comparator the household profile of Milton Keynes. The population projection for Milton Keynes shows a stronger proportional growth in younger age cohorts and conversely a smaller growth in older age cohorts. It is considered to provide a reasonable alternative model of the population profile of potential movers to the Garden Community. A comparison of the population profile of the Garden Community under these different assumptions is shown below. Using the Milton Keynes profile results in a generally younger population and therefore a greater working age population. This estimates a working age (16-64) population of 1,985 by 2033, compared to the 1,765 using the profile for Tandridge.

**Figure 14. Population Profile of Garden Community 2033 – Tandridge vs Milton Keynes Profiles**
4.11 Using average employment rates for Tandridge accounting for age and gender we can estimate the number of residents at the Garden Community who are in employment.

Table 11. Employment Rates, Tandridge

<table>
<thead>
<tr>
<th></th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged 16-64</td>
<td>83.8%</td>
<td>74.8%</td>
</tr>
<tr>
<td>Aged 65+</td>
<td>8.7%*</td>
<td></td>
</tr>
</tbody>
</table>

* data for females aged 65+ not available.

3.68 Some people in employment will work one or more part-time jobs. To account for this we have used a ratio of part-time to full-time employment consistent with the 2017 Economic Development Needs Study to estimate the number of Full Time Equivalent (FTE) jobs worked by residents at the Garden Community. This is expected to be 1,210-1,340 by 2033 and 3,470-3,840 in total.

Table 12. FTE Jobs arising at Garden Community

<table>
<thead>
<tr>
<th></th>
<th>By 2033</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tandridge profile</td>
<td>1,210</td>
<td>3,470</td>
</tr>
<tr>
<td>Milton Keynes profile</td>
<td>1,340</td>
<td>3,840</td>
</tr>
</tbody>
</table>

ii) Employment Profile

4.12 The second stage of the assessment is to estimate the employment profile of jobs which could be expected at the Garden Community. This will estimate the quantum of jobs by sector which could be expected. This is a two-stage process:

- The number of jobs required locally to support the population growth at the Garden Community; and
- Other jobs not related to serving the needs of the population.

4.13 The number of jobs needed to support the growing population considers local jobs in the following sectors: retail, leisure, education, health, and residential care. This considers only local needs – in other words, those which would be located at the Garden Community – while there would be additional need for these types of jobs met elsewhere in the District which would be captured in the District wide figures of the ENA.

4.14 Overall the modelling shows a need for 240 local jobs in these sectors by 2033 and 680 local jobs in total at the Garden Community. This is equivalent to 170 local jobs per 1,000 new dwellings. This leaves a residual workforce jobs figure at the Garden Community of 980-1,110 FTE by 2033 and 2,790-3,160 FTE in total.

4.15 It is assumed that the sectoral profile of the residual jobs will match that of the District as shown in the Experian jobs growth forecasts used in the ENA. This has been modelled excluding the above sectors and zeroing off any sectors with net negative forecasts growth.

4.16 This results in a profile of FTE jobs worked by residents of the Garden Community which accords with the Experian jobs growth forecasts for Tandridge. This means this growth represents a relative proportion of the District’s overall growth to 2033 and is therefore

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5 Annual Population Survey 2017
6 Business Register and Employment Survey 2016
consistent with the ENA over the plan period. Beyond 2033 the forecasts have been extended on a linear basis.

4.17 The analysis shows that the sectors with the largest levels of growth are professional services and construction. There are small differences seen between the forecasts using the Tandridge and Milton Keynes population profiles.

**Figure 15. Profile of FTE Jobs Worked by Residents at the Garden Community, to 2033**

**Figure 16. Profile of FTE Jobs Worked by Residents at the Garden Community, Total**
iii) Employment Land Needs

4.18 To estimate the quantum of employment floorspace required, we have used the same assumptions as the ENA with regard to the sectors which are likely to require employment floorspace (this includes considerations of people who have no fixed place of work or work from home), and employment densities of the different types of B Class floorspace. The following employment densities have been used:

- General Offices (B1a): a blended rate between 10-13 sq m (NIA) per FTE employee, with the GEA on average 20% higher;
- Research and Development Offices (B1b): An average of 60 sq m GEA per FTE employee;
- Light Industrial (B1c): An average of 49.4 sq m GEA per FTE employee;
- General Industrial (B2): An average of 37.8 sq m GEA per FTE employee;
- Warehouse/ Distribution (B8): An average of 70 sq m GEA per FTE employee, representing ‘Final Mile’ space.

4.19 This results in the range of employment floorspace needs as set out in the table below. The needs are provided in terms of Office (including B1a and B1b) and Industrial (including B1c, B2, and B8). The Lower scenario is based on the population profile reflecting the Tandridge average while the Upper scenario is based on the Milton Keynes profile. In total this suggests 13,300-15,100 sqm of B Class floorspace to 2033 and 38,000-43,100 sqm in total.

Table 13. Garden Community Employment Floorspace Needs (sqm)

<table>
<thead>
<tr>
<th>Office (B1a, B1b)</th>
<th>Industrial (B1c, B2, B8)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
</tr>
</tbody>
</table>

ENA para 4.29
4.20 Land requirements can be estimated using consistent plot ratios as used in the ENA\(^8\). This assumes that:

- Office floorspace comprises 35\% of total site area;
- B1c and B2 floorspace comprises 40\% of total site area; and
- B8 floorspace comprises 50\% of total site area.

4.21 This results in the land requirements set out in the table below. In total this suggests a need for around 3.5 ha (taking the mid-point) of employment land to meet the needs of the Garden Community by 2033, and around 10 ha to meet the needs of the total 4,000 planned dwellings.

<table>
<thead>
<tr>
<th></th>
<th>Office (B1a, B1b)</th>
<th>Industrial (B1c, B2, B8)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
</tr>
<tr>
<td>To 2033</td>
<td>1.7</td>
<td>1.9</td>
<td>1.6</td>
</tr>
<tr>
<td></td>
<td>3.3</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.8</td>
<td>5.5</td>
<td>4.6</td>
</tr>
<tr>
<td></td>
<td>9.5</td>
<td>10.7</td>
<td></td>
</tr>
</tbody>
</table>

4.22 The figures in the table above show the employment land needs which should be provided at the Garden Community in order that the employment needs of the residents can be met close to where they live. This level of employment land provision would ensure alignment between the number of workers and jobs and would give the opportunity to support employment uses such that a significant number of residents could both live and work at the Garden Community.

b) Qualitative Requirement

4.23 The above analysis provides a labour supply approach to considering employment land demand at the Garden Community. However, it is recognised that in reality only a small proportion of residents will both live and work in a settlement of this size.

4.24 The following section provides analysis regarding commuting patterns, commercial market dynamics, and business survey to provide further contextual analysis as to whether the quantum of employment space identified above should be allocated by the Council.

iv) Commuting Patterns

4.25 A key factor in the relationship between jobs and homes is commuting patterns. The analysis below considers the commuting patterns to and from the area where the Garden Community is to be located. The analysis has been undertaken at Mid-Layer Super Output Area (MSOA) level. The analysis considers MSOA Tandridge 009 which covers the A22 corridor from Godstone to Blindley Heath.

4.26 The latest Census data shows that there is a total resident workforce of 2,968 persons.

\(^8\) ENA para 4.31
living within the MSOA. There are 1,702 workers working within the MSOA. This gives a net out-commuting of 1,266 – equivalent to 43% of the resident workforce.

4.27 The figure below shows the workplace destination of residents living in the MSOA. This shows that 25% work at a fixed workplace within Tandridge. In addition, 15% work mainly from home meaning 40% of residents work within the District. This is slightly higher than the Tandridge average of 37%.

4.28 Outside the District the most common destinations are Reigate and Banstead (11%) and Croydon (5%), while 21% commute into Greater London. 10% have no fixed place of work.

**Figure 17. Residents Commuting by District**

Source: Census 2011

4.29 Within Tandridge, 8% of the MSOA’s resident workforce also work within the MSOA. While this is the highest of the MSOAs in Tandridge, it does highlight that currently a relatively small number of people both live and work in the same very local area.
4.30 The Tandridge 009 MSOA sees significant levels of in-commuting: there are 1,702 jobs with the MSOA. The figure below shows the origin of in-commuting for workers in the MSOA. This shows 39% come from within Tandridge itself – in line with the District average – and 14% come from within the MSOA. This shows the workforce commute to the MSOA from across a wide area, the most common being from Reigate and Banstead, Mid Sussex, and Croydon.
4.31 Overall, the commuting evidence above and in the previous section shows:

- There is currently net out-commuting from the MSOA: a workforce of 2,968 persons currently live in the MSOA, compared to 1,702 who work there. A net out-commute of 1,266 – 43% of the resident workforce.
- Certain sectors – such as professional services – have a greater propensity to commute longer distances (10+ km) to work. Additionally, managerial and professional occupations are more likely to commute further.
- The commuting patterns suggest that many in these professions / occupations commute into London. There will be limited opportunity to provide equivalent job opportunities at the Garden Community. Therefore, continued commuting outflows for these types of jobs is expected.
- Certain sectors – such as service jobs – retail, leisure, education, and health – typically have shorter commuting distances. Similarly, those in care, leisure, sales, and elementary occupations are more likely to commute less than 10 km.
- Jobs in these sectors should be supported locally. However, these sectors require little in the way of employment provision.
- 15% of workers currently work mainly from home. Trends in agile working practices suggest that this number may continue to grow in the future, however the rapid growth in recent years likely due to improved internet connectivity and so the pace of growth may be slower.
v) Commercial Market Dynamics

4.32 Tandridge’s commercial market dynamics were assessed in the 2017 ENA. This section provides an overview of the assessments and draws conclusions on what it may mean for employment land provision at the Garden Community.

4.33 In terms of the Tandridge office market, the number of office transactions in Tandridge District over the ten-year period covered (2007-16) shows there was a total of 18,893 sqm of floorspace – an average of 1,889 sqm per annum.

4.34 Conversely, there have been significant losses of office space in the District in recent years reflecting the considerable number of units converted to residential uses following the changes to permitted development rights in 2013. Since 2013, the District’s office stock has fallen by 4,000 sqm – 7% of the District’s total. This reflects the high residential demand and values in the area.

4.35 The figure below shows the geographical location of office floorspace take-up across the FEMA. This shows a clear focus of activity in Croydon and Crawley and to a lesser extent in Sevenoaks and Reigate / Redhill. Within Tandridge activity has been focussed at the north of the District in Caterham and Whyteleafe. Agents confirmed that demand for office space primarily focussed on these areas along with Oxted.

4.36 There has been a lower level of office market activity in the southern part of the District albeit this is disaggregated across a number of smaller, mostly rural sites. Commercial agents stated that office demand in Tandridge is limited due to the relative strength of markets in neighbouring areas, and the limited supply of good quality office premises in the District. However, agents confirmed there is latent demand for office space due to the limited choice in terms of supply and limited opportunities for expansion.

4.37 In the more rural areas, demand is mainly for serviced offices which provide good broadband. Demand is mainly for smaller office units – the most popular units are less than 185 sqm and very little demand for units over 500 sqm.

4.38 The ENA reported that (as of June 2017) there was 8,325 sqm of available office floorspace in Tandridge. This is equivalent to 15.1% of the total office floorspace in the district (55,000 sqm). While this only provides a point in time snapshot, it does show a relatively high percentage of vacant stock.
The ENA reports that over the ten-year period 2007-16, 182,900 sqm of industrial floorspace has been taken up in Tandridge (18,300 sqm per annum). The figure below, from the Council’s ENA, shows the areas of greatest industrial activity across the FEMA. This shows high levels of activity in Crawley, Croydon, Reigate and Redhill. There is smaller scale industrial activity in Tandridge, mostly focussed along the A22 corridor, Caterham, and the south west of the District near to Gatwick Airport.
4.40 This highlights the limited industrial market in Tandridge compared to neighbouring areas, in terms of total floorspace requirements.

4.41 Demand in Tandridge is mostly for smaller industrial units from 500 sqft up to 1,000 sqft which are suitable for small start-up companies and workshops. Local commercial agents also reported demand from businesses looking to relocate from London.

4.42 However, agents confirmed there is latent demand for industrial premises due to the limited choice in terms of supply and limited opportunities for expansion. There are also some problems with infrastructure, such as broadband and accessibility, but most notably parking.

4.43 The ENA reported that (as of June 2017) there was 8,381 sqm of available office floorspace in Tandridge. This is equivalent to 4.2% of the total office floorspace in the
district (55,000 sqm), representing a relatively low vacancy rate.

4.44 The analysis of existing market dynamics suggests:

- The office market activity is focussed in the main settlements of Oxted, Caterham, and Whyteleafe. There is limited activity for office space in the more rural parts of the District, although market is restricted by lack of stock and the poor quality of much of the existing stock.
- There have been considerable losses of office stock in recent years through changes to the permitted development rights.
- There is a stronger demand for industrial floorspace along the A22 corridor and there has been reasonable levels of activity, albeit for smaller stock. There is a low level of vacancy of industrial stock meaning new development is required just to bring the vacancy up to a frictional rate.
- Demand for office and industrial development at the Garden Community site is likely to be limited to smaller scale provision to meet the needs of a more local market. Provision is required for young businesses (start-ups and move on space), relocation of existing businesses who have limited expansion opportunity, and companies looking to relocate from London.
- Small, good quality provision is required. Internet connectivity and car parking provision are cited as key requirements.

vi) Business Survey

4.45 A business survey was undertaken by NEMS on behalf of the Council in July 2017. The survey comprised telephone consultation with 10% of the total number of businesses in the District. The businesses consulted represent a cross section of businesses in Tandridge and therefore are located in premises across a range of uses classes. This section provides an overview of the main findings of the survey of businesses in the District who occupy B Class employment premises.

4.46 In terms of the business premises, 28% of businesses surveyed occupy office space, 37% occupying industrial space, 11% occupying warehouse/distribution, and 24% of businesses working from home.

4.47 The figure below shows the representation of sectors occupying employment premises in the District. The largest sectors are professional and technical services (22%) predominantly taking up B1a class space; and manufacturing (17%), retail related (including wholesale and distribution) (15%), and construction (13%) predominantly taking B2/B8 space. Additionally, the District’s employment land supports a smaller proportion of more diverse businesses including vehicle repair and restoration, agriculture, arts and entertainment.
4.48 The business profile shows that the majority of B Class occupiers are small in terms of number of workers, with 56% being micro businesses (1-4 workers) and a further 17% small businesses (5 to 9 workers). The vast majority are well established with 80% having traded for more than 10 years and only 8% having traded for less than 5 years.

4.49 In terms of unit size, the vast majority (73%) occupied units less than 185 sqm in size, and a further 14% occupied between 185-500 sqm. Only 12% occupied units bigger than 500 sqm.

Table 15. B Class Unit Size (sqm)

<table>
<thead>
<tr>
<th>Size</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 185 sqm</td>
<td>73%</td>
</tr>
<tr>
<td>185-500 sqm</td>
<td>14%</td>
</tr>
<tr>
<td>500-1,000 sqm</td>
<td>1%</td>
</tr>
<tr>
<td>1,000-5,000 sqm</td>
<td>8%</td>
</tr>
<tr>
<td>5,000-10,000 sqm</td>
<td>1%</td>
</tr>
<tr>
<td>&gt; 10,000 sqm</td>
<td>2%</td>
</tr>
</tbody>
</table>

4.50 Businesses were asked to identify the main geographical markets for their goods and services. The majority of businesses have a predominantly local market with 62% of respondents identifying markets within London and the South East regions or more locally. Only 17% predominantly sell their goods and services internationally.
4.51 The survey asked businesses to identify their main barriers to growth. The most commonly cited are set out in the table below, with rental/building costs being the biggest barrier to growth.

4.52 In terms of barriers relating to business premises, 25% cites the supply of suitable premises was a barrier to growth while 19% cite an inability to move premises (not necessarily due to a lack of supply); and 15% cite planning restrictions limiting their expansion opportunities at their existing premises.

**Table 16. Local Barriers to Growth**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of being located in Tandridge / South East</td>
<td>26%</td>
</tr>
<tr>
<td>Supply of suitable premises</td>
<td>25%</td>
</tr>
<tr>
<td>Availability of suitably skilled workforce</td>
<td>21%</td>
</tr>
<tr>
<td>Availability of superfast / ultrafast broadband</td>
<td>20%</td>
</tr>
<tr>
<td>Inability to move premises to allow growth</td>
<td>19%</td>
</tr>
<tr>
<td>Road congestion</td>
<td>18%</td>
</tr>
<tr>
<td>Planning restrictions for expansion / intensification / diversification</td>
<td>15%</td>
</tr>
<tr>
<td>Lack of grants or funding to support business</td>
<td>15%</td>
</tr>
<tr>
<td>Poor public transport</td>
<td>10%</td>
</tr>
<tr>
<td>Availability of housing for staff</td>
<td>10%</td>
</tr>
<tr>
<td>Not being in the EU post-Brexit</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
</tr>
<tr>
<td>Lack of suitable business advice / support</td>
<td>6%</td>
</tr>
<tr>
<td>Declining demand for products / services</td>
<td>2%</td>
</tr>
<tr>
<td>None / Don't know</td>
<td>34%</td>
</tr>
</tbody>
</table>
4.53 Of the businesses currently, occupying B class floorspace 18% are looking to relocate within the next 5 years. Of these 58% are looking to upsize or to improve the quality and configuration of premises. 19% said they would consider expansion or intensification of their existing site and a further 16% said they would consider it except that they rent.

4.54 This notwithstanding, there remains greatest demand for move on space which is toward the smaller end of the market: 23% of those looking to move would require units of less than 185 sqm while 15% would require units of 185-500 sqm. Excluding those who didn’t know, two thirds (67%) were looking for units of 500 sqm or below.

**Figure 24. Size of Premises Sought by Businesses**

4.55 When asked on commercial availability in Tandridge 19% of respondents said that they had trouble finding suitable properties in Tandridge, and that they had difficulty in finding vacant space which met their business needs. Various respondents cited a need for more office provision, industrial provision, and particularly for more smaller units.

4.56 Businesses were also asked what were the key factors which would influence location selection. As well as size, space and cost requirements, the most commonly cited factors where access to superfast broadband, adequate car parking provision, and access to the strategic road network.

4.57 Another key factor was proximity to current location and ability to retain current staff and customer base, suggesting that a considerable proportion of existing businesses would prefer to move locally and preferably stay within or close to the district.

4.58 It is notable that despite proximity to Gatwick Airport, this was only considered to be a key factor to 4% of businesses.
Table 17. Key Factors Influencing Location Selection

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required size, quality and configuration of premises</td>
<td>58%</td>
</tr>
<tr>
<td>Access to superfast / ultrafast broadband</td>
<td>54%</td>
</tr>
<tr>
<td>Rental or purchase cost</td>
<td>50%</td>
</tr>
<tr>
<td>Availability of staff and customer parking</td>
<td>50%</td>
</tr>
<tr>
<td>Strategic road network and access</td>
<td>50%</td>
</tr>
<tr>
<td>Ability to retain current staff and management</td>
<td>46%</td>
</tr>
<tr>
<td>Proximity to current location</td>
<td>46%</td>
</tr>
<tr>
<td>Space to expand / intensify if required</td>
<td>46%</td>
</tr>
<tr>
<td>Lease length</td>
<td>38%</td>
</tr>
<tr>
<td>Proximity to existing customer base</td>
<td>31%</td>
</tr>
<tr>
<td>Availability of suitably skilled labour supply</td>
<td>19%</td>
</tr>
<tr>
<td>Being within the EU post-Brexit</td>
<td>15%</td>
</tr>
<tr>
<td>Publicly well-known location</td>
<td>8%</td>
</tr>
<tr>
<td>Proximity to the airport</td>
<td>4%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>8%</td>
</tr>
</tbody>
</table>

4.59 The business survey provides the main conclusions:

- The District’s business base predominantly comprises smaller businesses. The majority of businesses are small or micro businesses. The vast majority (87%) occupied units smaller than 500 sqm and 73% smaller than 185 sqm. The majority operate on a regional or more local scale. Few predominantly focus on the international market and Gatwick Airport is not considered a main driver for business location within the District.

- Businesses looking to relocate commonly cited the requirement for increased space, however the most common size of unit required were still at the smaller end of the spectrum – less than 500 sqm and particularly less than 500 sqm.

- A quarter of businesses cite the supply of suitable premises was a key barrier to growth.

- As well as size and type of property, other key factors are the access to superfast broadband, staff and customer parking, and access to the strategic road network.

- A requirement for move on space to support existing businesses within the District who would prefer to stay within or close to existing workforce and customer bases.

4.60 The Local Plan proposes the development of a new Garden Community of around 4,000 homes in South Godstone. The Local Plan identifies that 1,400 dwellings will be delivered at the Garden Community within the Plan Period (by 2033) with a further 2,600 being delivered beyond this.

4.61 This section identified the quantum of employment land which may be reasonably planned for at the new Garden Community alongside the residential provision. The
approach taken considers the growth in the labour supply arising at the Garden Community, and how much employment land would be required to provide sufficient jobs to meet this level of growth.

4.62 It considers two scenarios:

- In the first scenario the population profile of the Garden Community matches that of Tandridge as a whole. This results in a growth in the working age population of 1,765 persons by 2033. This comprises the ‘Lower’ Scenario.

- The second scenario assumes a greater number of moving to the Garden Community is more reflective of a younger profile. This uses as a comparator the household profile of Milton Keynes. This results in a growth in the working age population of 1,985 persons by 2033. This comprises the ‘Upper’ Scenario.

4.63 The employment land required associated with these scenarios has been modelled using the jobs profile of the Experian forecast used in the ENA. This suggests that between 1,210-1,340 FTE jobs will be worked by people living at the Garden Community.

4.64 The employment land required to meet this jobs growth has been calculated in accordance with the assumptions of the ENA. In total this suggests a need for:

- around 3.5 ha of employment land to meet the needs of the Garden Community by 2033, with a broadly even split between office and industrial uses; and

- around 10 ha to meet the needs of the total 4,000 planned dwellings.

4.65 These figures show the employment land needs which should be provided at the Garden Community in order that the employment needs of the residents can be met close to where they live. This level of employment land provision would ensure alignment between the number of workers and jobs and would give the opportunity to support employment uses such that a significant number of residents could both live and work at the Garden Community.

4.66 However, it is recognised that in reality only a small proportion of residents will both live and work in a settlement of this size. Other factors have been assessed to test whether the quantum of employment space identified above should be allocated by the Council.

4.67 Consideration of commuting flows suggests:

- There is currently considerable net out-commuting from the area equivalent to 43% of the resident workforce.

- Certain sectors – such as professional services – and occupations – such as managerial and professional staff – are more likely to commute further to work, particularly to London. Continued commuting outflows for these types of jobs is expected, reducing the need for office floorspace at the Garden Community.

- Certain sectors – such as service jobs – retail, leisure, education, and health – and workers in occupations such as care, leisure, sales, and elementary occupations typically have shorter commuting distances. However, these sectors require little in the way of employment land provision.

- 15% of workers currently work mainly from home. Trends in agile working practices suggest that this number may continue to grow in the future, however the rapid growth in recent years likely due to improved internet connectivity and so the pace of growth may be slower.

4.68 The analysis of existing market dynamics suggests:

- The office market activity is focussed in the main settlements of Oxted, Caterham,
and Whyteleafe. There is limited activity for office space in the more rural parts of the District, although market is restricted by lack of stock and the poor quality of much of the existing stock.

- There is a stronger demand for industrial floorspace along the A22 corridor and there has been reasonable levels of activity, albeit for smaller stock. There is a low level of vacancy of industrial stock meaning new development is required just to bring the vacancy up to a frictional rate.
- Demand for office and industrial development at the Garden Community site is likely to be limited to smaller scale provision to meet the needs of a more local market. Provision is required for young businesses (start-ups and move on space), relocation of existing businesses who have limited expansion opportunity, and companies looking to relocate from London.
- Small, good quality provision is required. Internet connectivity and car parking provision are key requirements.

4.69 The business survey suggests:

- The District’s business base predominantly comprises smaller businesses. The vast majority (87%) occupied units smaller than 500 sqm and 73% smaller than 185 sqm. The majority operate on a regional or more local scale.
- Few predominantly focus on the international market and Gatwick Airport is not considered a main driver for business location within the District.
- Businesses looking to relocate commonly cited the requirement for increased space, however the most common size of unit required were still at the smaller end of the spectrum – less than 500 sqm and particularly less than 500 sqm.
- A quarter of businesses cite the supply of suitable premises was a key barrier to growth.
- As well as size and type of property, other key factors are the access to superfast broadband, staff and customer parking, and access to the strategic road network.
- A requirement for move on space to support existing businesses within the District who would prefer to stay within or close to existing workforce and customer bases.

4.70 Overall, the qualitative assessment suggests that the employment land needs identified in the labour supply scenario may overestimate the level of demand for office space at the Garden Community while underestimating the demand for industrial space.

4.71 The local commercial market dynamics suggest that the identified local need of 1.6-1.9ha of industrial (B1c/B2/B8) space is likely to be supported at the Garden Community site. Additionally, there is an identified local demand for start-up and move-on space for a range of employment types including for small scale office space.

4.72 However, while there is clear demand for considerable quanta of office floorspace within the District and across the wider FEMA and LEP areas, the analysis suggests that office demand is more focussed at the District’s established centres. This notwithstanding, the forecasts show that a considerable quantum of residents at the Garden Community will work in office premises, albeit it is realistic to expect high levels of commuting for these types of jobs to elsewhere in the District and beyond.

4.73 Overall, the quantitative and qualitative assessment suggests that it would be sensible to plan for 1.6-1.9ha of employment land at the Garden Community. However, it is recommended not overly prescriptive regarding the exact split between office and industrial uses at the site.
4.74 Taking account of this level of employment land provision, jobs in service sectors (retail, leisure, health, etc), and accounting for a District-wide average level of home working, providing 1.6-1.9ha of employment land would be mean around 47-49% of the total jobs of residents at the Garden Community would be supported at the settlement.

4.75 Taking account of the full 4,000 planned dwellings at the Garden Community results in a need for around 4.7-5.3 ha of employment land in total, with the majority of this (3.1-3.4ha) required beyond the Plan Period.
5.0 CONCLUSIONS AND POLICY RECOMMENDATIONS

5.1 The report considers the economic impacts of the three employment land scenarios which were the conclusions of the Tandridge ENA.

5.2 The emerging Local Plan sets out to meet the employment land requirement of 15.3ha by 2033. Opportunities for intensification on existing Strategic and Important employment sites amount to around 21ha, exceeding the identified need by around 6ha. This does not include provision for employment land at the Garden Community. This report (Section 4) has identified that approximately 1.6-1.9ha of employment land at the Garden Community, would be needed over the Plan Period to support the new community and to provide job opportunities for some of the residents. Bringing the District-wide employment land total to 22.6-22.9ha = very slightly above the 22.5ha requirement of the Growth Scenario.

5.3 Allowing for flexibility in the supply, the 15.3 ha of the Baseline Scenario therefore provides a reasonable lower bound for the quantum of employment space to be delivered by the Plan by 2033. Similarly, it is considered that the Growth Scenario – at 22.5ha – provides a reasonable upper bound scenario for employment land provision.

5.4 Section 3 of this report assesses the economic impacts of these scenarios and considers the impacts of the Baseline and Growth Scenarios additional to the ‘do nothing’ (Completions Trend) scenario.

5.5 By planning for the level of growth aligned to the labour demand scenarios, the District will see an improvement in the growth in employment opportunities, income, and productivity more aligned with the sub-regional and regional averages, rather than the constrained development seen in Tandridge’s completions data over the last ten years.

5.6 This will have a significant impact on Tandridge’s local economy:

- The Baseline Scenario will see a net growth of 2,300 FTE employment jobs (i.e. those in B Class premises), and a total of 6,270 FTE jobs in total, in Tandridge by 2033. This is 1,240 FTE employment jobs, and 1,240 total FTE jobs above the ‘do nothing’ scenario.

- For the Growth Scenario the figures are 3,470 FTE employment jobs – 2,410 above the ‘do nothing’ scenario, and 7,900 total FTE jobs – 3,050 above the ‘do nothing’ scenario.

- Assuming current commuting flows are retained, the baseline scenario will provide an additional 500 FTE jobs above the ‘do nothing’ scenario for Tandridge residents. The Growth Scenario will provide around 1,000 additional FTE jobs above the ‘do nothing’ scenario for Tandridge residents.

- There is a significant gap between the average earnings of people living in Tandridge and people working in Tandridge. The Baseline Scenario would result in an additional £63.6million per annum above the ‘do nothing’ scenario paid to workers in Tandridge. For the Growth Scenario there would be an additional £91.2million per annum. This would result in additional expenditure on retail, leisure, travel, and other services which is kept within the Tandridge economy.

- Accounting for commuting flows, the Baseline Scenario results in an additional £14.3million per annum above the ‘do nothing’ scenario paid to Tandridge residents. For the Growth Scenario the figure is an additional £35.7million per annum.

- In terms of productivity, measured in Gross Value Added (GVA), the Baseline Scenario will contribute an additional £56.2million per annum above the ‘do nothing’
scenario to the local economy. For the Growth Scenario the figure is an additional £148.8 million per annum.

5.7 The Local Plan proposes the development of a new Garden Community of around 4,000 homes in South Godstone. The Local Plan identifies that 1,400 dwellings will be delivered at the Garden Community within the Plan Period (by 2033) with a further 2,600 being delivered beyond this.

5.8 When considering the quantum of employment land which should be provided at the Garden Community, it is important to consider the alignment between residents and jobs. It should give the opportunity to support sufficient jobs such that a significant number of residents could both live and work at the Garden Community.

5.9 However, it is recognised that in reality only a small proportion of residents will both live and work in a settlement of this size. Other factors have been assessed to test whether the quantum of employment space identified above should be allocated by the Council. Considerations of the wider factors – including commuting flows, commercial market dynamics, and local business needs survey – suggests that the employment land needs identified in the labour supply scenario may overestimate the level of demand for office space at the Garden Community while underestimating the demand for industrial space.

5.10 Overall, the quantitative and qualitative assessment suggests that it would be reasonable to plan for 1.6-1.9ha of employment land at the Garden Community to 2033. Taking account of the full 4,000 planned dwellings at the Garden Community results in a need for around 4.7-5.3 ha of employment land in total.

a) Policy Recommendations

Wider Actions to Support Economic Growth

5.11 In addition to ensuring Local Plan allocations are in commercially attractive locations, the Council should ensure that sites benefit from key infrastructure provision. Businesses report that adequate car parking provision and high-speed broadband access are the most important premises requirements for local businesses.

5.12 In addition to positive planning policy measures, the Council can work with other stakeholders, including local business groups, the Local Enterprise Partnership (LEP), Gatwick Diamond, and the County Council, to promote economic development. This includes identifying and seeking to address barriers to business growth in regard to infrastructure provision – including highways and broadband infrastructure – and skills development.

5.13 The Council should work with land owners, site promoters, business forums, as well as integrating with the Council’s broader economic and marketing strategies.

5.14 For allocated sites the Council should ensure policies provide the greatest certainty for developers that planning restrictions won’t be a barrier to bringing forward development.

5.15 At certain sites the Council may need to take a more flexible approach to ensure that development comes forward, recognising that ‘employment related’ uses (such as certain leisure, trade counter, and recycling uses) may be appropriate complimentary or alternative uses. However, the Council should avoid such uses eroding the District’s higher quality employment land.

5.16 It is therefore recommended that the Council set out a hierarchical approach, based on an appropriate evidence base, to its employment land provision. This should provide
clear guidance on the types of development which would be supported at the different levels of employment sites. This would allow stronger protection for the higher quality sites while also allowing for a broader range of development at more marginal sites. It is recommended that a hierarchy is developed based on sound evidence – such as the Council's Economic Proposition and the Economic Needs Assessment.

5.17 However, it is recognised that the commercial realities mean that certain sites may not support employment or related development, and redevelopment for alternative uses may be required to bring the sites back into use and land is used efficiently.

**Wider Economic Growth**

5.18 It will be important that the Council engages actively with neighbouring authorities in planning for and supporting the development of strategic employment land provision across the Functional Economic Market Area, the LEP area, and the Gatwick Diamond to support a larger proportion of the wider sub-regional growth in Tandridge.

5.19 The Centre for Cities has recently prepared a report assessing economic performance in the Gatwick Diamond against four comparator areas in the South East, benchmarking its success and setting out some of the policy challenges for the future. The study found that while the Diamond has historically seen strong economic performance, the sub-region has seen slower economic growth than comparable areas. To sustain its success, the Gatwick Diamond will need to continue to attract in investment in high-skilled activities as it has in the past.

5.20 The Gatwick Diamond is a strong performer in the UK economy. Even when comparing its performance to other successful comparator areas in the Greater South East, the Gatwick Diamond performs well. Different parts of the Gatwick Diamond make different contributions towards this success. However, Tandridge accounts for a relatively small proportion of the sub-region's economic success, suggesting that there is an opportunity for the District to contribute more to, and benefit from, the success of the wider area.

5.21 The Gatwick Diamond supports a considerable level of knowledge intensive businesses requiring office provision. Work by Centre for Cities has shown that knowledge-based businesses are increasingly favouring locations close to other businesses and amenities because of the benefits that they provide to their businesses. These are predominantly found in the centre of built-up areas. However, the study found that across the Gatwick Diamond these play a smaller role than in other sub-regions. While the Gatwick Diamond's business parks play a big role in the success of the economy, its built-up centres have the potential to support a greater proportion of the knowledge intensive business growth. Therefore, to increase the number of job opportunities available to residents in the area, development opportunities should be focussed in built-up areas.

5.22 The success of the Gatwick Diamond also brings with it pressures, as is the case in other successful economies. This report highlights two clearly – the pressures of Permitted Development Rights to convert commercial space into residential in areas where there is high demand for both, and costs on housing, which has an impact on the characteristics of the local labour force.

5.23 The Gatwick Diamond’s dual role of both being a home for London workers as well as a strong economy in its own right has resulted in rising demand for housing and worsening affordability. This particularly impacts those working locally as local wages are on average lower than those within commutable reach – for example Central London. This has knock-on implications for the ability of the area to attract and retain workers, which
5.24 The Centres for Cities study provides the following policy recommendations which are of relevance to Tandridge:

- Continue to expand the supply of office space in the areas where it is most needed. The aim should be to improve the contribution that the very centres of the Diamond’s built-up areas play in the wider economy. In Tandridge, the focus of office provision should be within the centres of Oxted, Caterham, and Whyteleafe.
- Continue to expand the housing offer to ensure there is sufficient housing provision, both in terms of quantum and mix of new housing, to support a vibrant and varied labour force.
- Improve transport connections to other areas within the Gatwick Diamond and to the surrounding areas. Improvement of transport connections should expand the pool of workers who may look to find employment within the area.

5.25 The Coast to Capital LEP published its Strategic Economic Plan ‘Gatwick 360°’ which sets out the LEP’s economic growth priorities to 2030. This sets out eight economic priorities, a number of which (particularly 1-4) align with Tandridge’s Economic Proposition:

1. Deliver prosperous built-up areas. This will entail the delivery of new housing that provides a range of tenures and rent levels, supports mid and low-income households, first-time buyers and downsizers, and is accessible to workers in key sectors of the economy and public services. The LEP will work with local authorities and other partners – such as Homes England – to support increased housing delivery.

2. Develop business infrastructure and support. The LEP proposes a range of initiatives to promote a more strategic direction in providing businesses space. The preparation of a Local Industrial Strategy will identify new and existing sites for investment; will provide a review of existing funding – including the Growing Places Fund – as well as secure additional funding from central Government and private investment to support delivery of business space; and will also increase support to scale-up and grow potential businesses through investment in the Growth Hub and other support services.

3. Invest in sustainable growth to optimise the area’s natural assets, prioritise the production and use of renewable energy, reduce the demand on water and minimise the amount of waste generated.

4. Create skills for the future. The LEP will form an Employment and Skills Board to ensure that education and skills delivery match the changing requirements of industry. This will aim to broker positive relationships and new ways of working between education and industry and co-ordinate the area’s digital skills offer through a Local Digital Skills Partnership.

5. Pioneer innovation in core strengths in the digital sector. The LEP will support the development of business incubation, maker and innovative work space for emerging tech companies. Challenges are identified such as the difficulty of securing investment capital and access to a skilled workforce. The LEP will develop a capital fund to support tech companies to expand, while the Growth Hub will provide business support and access to finance.

6. Promote better transport and mobility through increases in railway capacity – particularly on the Brighton main line, Crossrail 2, and upgrade of major transport corridors, including the A27 and M23/A23.
7. Improve digital network capability through coordination of a bid for the Wave 3 Local Full Fibre Network Challenge Fund. The LEP plans to use the digital railway infrastructure to extend the reach of full fibre networks to built-up areas along the railway corridors.

8. Build a strong national and international identity with an aim to attract greater levels of domestic and foreign direct investment related to Gatwick Airport.

5.26 It is recommended that the Council continue to work with the LEP to ensure their economic priorities support the LEP’s aspirations and allow the Council, and businesses within Tandridge, to take advantage of the LEP’s growth initiatives.

5.27 The Council should continue to work with the LEP to inform the proposed studies and initiatives as numeraled above. Conversely the Council should ensure that Tandridge businesses are aware of the support services and funding opportunities provided by the LEP.

The Loss of Office Space

5.28 In recent years there has been a considerable loss of office space in key centres of Caterham and Oxted. This has been exacerbated by the changes to the permitted development rights in 2013 which permitted the change of use from office to residential. This has resulted in the contracting of the total office space in the District’s town centres.

5.29 The Council should seek to ensure the lost office space is re-provided for within these centres – in addition to meeting the forecast future demand – and the Council should consider approaches to prevent the future loss of office space in these locations. This ties in with wider regeneration of the town centres making them attractive places to work.

5.30 The evidence suggests that the change of use of office to residential uses in Tandridge is driven by strong residential values. This re-affirms the findings of the Centres for Cities study which calls for expanding the local housing offer to help ease demand pressures, albeit this need to be balanced against the need of office provision and the range of other constraints in the District.

The Loss of Employment Sites

5.31 The ENA showed that a considerable proportion of Tandridge’s employment stock comprises smaller sites of secondary stock – 79% of available office space was for Second hand, Grade B stock, and for industrial space this figure was 87%. However, these types of premises continue to meet local demand for cheaper premises, indeed consultation with local commercial agents suggest that these types of premises are the most sought-after in Tandridge. Clearly, these sites will continue to meaningfully contribute to the local economy.

5.32 Additionally, Tandridge has seen a trend of losses of employment floorspace – and particularly office space – through permitted development rights to housing. However, the evidence suggests that the number of conversions in the District has reduced in recent years compared to the initial high volume. This is likely partly due to a reduction in the amount of suitable office stock available for conversion, and also due to the permitted development rights being made permanent. However, the demand for housing in the District will remain high for a period of time before the delivery of more housing will begin to ease affordability pressures, it is likely that the trend of losses will continue.

5.33 For these reasons it is appropriate that the Council protects all of its designated
employment land as far as it is possible to do so to maintain its employment land supply.

5.34 In addition to establishing policies regarding future employment land provision, the Local Plan needs to set out a clear policy framework in regard to existing employment sites.

5.35 The Council may wish to consider a policy setting a presumption against redevelopment for alternative uses on employment site unless key criteria or policy tests can be met, which justify the release of existing employment land.

5.36 We consider the following tests appropriate to assessing the potential for release of employment land:

a. Is the site allocated for employment land? The assumption is that allocated sites are protected.

b. Is there an adequate supply of allocated employment sites of sufficient quality in the locality (the relevant settlement within the District) to cater for a range of business requirements?

c. Is the site capable of being serviced by a catchment population of sufficient size? What is the balance between population and employment in the relevant area settlement? Would the loss of employment land have a detrimental impact on the local economy or have an adverse impact on commuting patterns?

d. Is there evidence of active marketing of the site for employment uses which has proved unsuccessful? How does the size and quality of space provided match local demand, taking account of market conditions and expected future economic trends and local demands? It may be that the Council wishes to place a timing criterion on this too, requiring the marketing exercise to have been carried out over a fixed length period.

e. Could employment redevelopment be brought forward, taking account of site characteristics (including physical factors, accessibility and neighbouring uses) and would redevelopment for employment uses be viable?

f. If employment redevelopment is not viable, could employment-related uses or mixed-use redevelopment be brought forward?

g. If firms are likely to be displaced through redevelopment, is there a supply of alternative suitable accommodation in the locality to help support local businesses and jobs? Would this promote or hinder sustainable communities and travel patterns?

What Constitutes Robust Marketing Evidence?

5.37 Where it can be demonstrated that an employment site is unfit for requirements, in accordance with criteria, and no longer meaningfully contributes to the District’s supply of employment land, the Council should consider proposals for alternative uses, so long as this does not have an adverse effect on employment uses at any neighbouring employment sites.

5.38 This is commonly achieved through including a policy requiring applications for the loss of existing employment land to include a marketing report demonstrating that the site has been marketed for employment uses without success. This allows the loss of employment sites to be considered on a case by case basis whilst still retaining a consistency in decisions and certainty for applicants.
5.39 It is most common to require evidence of unsuccessful marketing over the past 12-month period and this would seem to be reasonable for Tandridge. Local Plans across the country have included time periods ranging from 6-months to three years. The shorter period provides greater positivity to support bringing forward redevelopment, however the counterbalance to this is less protection for marginal sites.

5.40 The marketing evidence should demonstrate that all reasonable steps have been taken to market the site for employment uses over this period and that no reasonable offers have been received during this time.

5.41 Marketing evidence should be produced by a suitably qualified person – for example, a qualified commercial property agent – and should, as a minimum, demonstrate the following:

- Details of a marketing brochure or literature promoting the site and any evidence of on-site advertising boards.
- If applicable, evidence should be provided that any reasonable options for sub-division have been considered. Vacant sites or sites in a state of disrepair or partially demolished should be marketed for redevelopment.
- Evidence that the premises/site has been marketed at a price and associated terms that are commensurate with market values, based on evidence from recent and similar transactions and deals in the area.
- Where premises are marketed for lease, the length of lease or other terms offered should not be unduly restrictive.
- Details should be provided of on-line posting on suitable websites – for example CoStar, Rightmove Commercial, Estate Gazettes – or postings in the local press, publications of local business networks, or similar.
- Details of parties who have been sent particulars – for example local businesses, commercial agents, developers, or similar.
- Details of any enquiries received, and any follow up activities taken – for example viewings, negotiations, offer.
- Details of any offers received and by whom, and reasons why they were considered unreasonable or rejected.

Monitoring & Review

5.42 In accordance with good practice in planning, it will be important that both demand and the supply pipeline of employment floorspace are kept under review. On-going monitoring should address trends in take-up and availability of employment floorspace and rental levels as well as key indicators related to overall growth in employment, sector performance and skills.

5.43 Losses of employment land to alternative uses should also be monitored to ensure that a sufficient level of replacement land is brought forward to ensure a qualitative improvement to employment sites in the District does not lead to a quantitative loss of overall employment land.

5.44 Should there be a material change in the long-term economic outlook then it may be appropriate to revise demand forecasts for employment floorspace and land. On the supply-side the Council to seek to ensure that a 5-year supply of deliverable land is
On-going monitoring and review should inform decision making in line with a ‘plan-monitor-manage’ approach.