Hearing Statement: Matter 5 Employment land provision

**Issue:** Is the plan positively prepared and would it be effective in providing for enough employment land to meet objectively assessed needs?

**Question 5.1 Does the provision of employment land set out in Policy TLP01 take into account any future loss of B1 floorspace as a result of permitted development rights and is the amount of land for B-Use Class employment land justified?**

1.1 The amount of land allocated for B-Use Class employment land is not justified. We reiterate the comments made in our response to question 2.5. There is an over-allocation of employment land that underpins the Spatial Strategy and the employment site allocations are not justified by robust evidence. In our response to question 5.2, we suggest an alternative approach aimed at addressing the specific circumstances of Tandridge District and improving self containment.

1.2 The amount of employment land allocated is based on the GL Hearn Economic Needs Assessment Update 2017 results (ECRT4) which are unrealistic due to flaws in the data and methodology used. These flaws are set out in paras 11.100 – 11.100.7 of Chapter 11 of our Regulation 19 submission. The consequence of these flaws is that the ENA vastly overestimates the amount of employment land needed in Tandridge and so the employment land projections are not realistic scenarios. The GL Hearn ENA projects such a large increase in industrial land, and in office space, that it is clear that the results do not match the structure of the local economy and are not realistic about the competition from major business centres and economic initiatives in neighbouring Boroughs that will limit employment growth in Tandridge. The over-allocation is not justified by evidence and is also contrary to the NPPF.

1.3 In contrast, the employment land projections included in the 2015 AECOM Economic Needs Assessment (ECRT9) more closely align with the characteristics of Tandridge and the sectors in the local economy. However, the 2015 AECOM ENA has not been used either as the basis for the Spatial Strategy or for the employment land allocations.

1.4 The 2015 AECOM ENA shows three scenarios for total growth in B1 ranging from 1.5% to 21% compared to today. The GL Hearn scenarios show 49% and 75% growth in sq m compared to today. This is an unrealistic result for a district with no presence in “growth” sectors and where the largest “growth” sectors are those driven by house-building and
population growth, i.e. construction. The circular issues that arise from this have not been taken into account in the 2017 ENA and so the results are unreliable.

1.5 The 2015 AECOM ENA industrial land scenarios show a declining need ranging from -9% to -7.4% while the GL Hearn scenarios show growth of 15.7% to 22.5% (see charts in para 11.99 of Chapter 11 of our Regulation 19 submission).

1.6 There are now very few large employers left in Tandridge District as shown on Page 8 of the Functional Economic Area Topic Paper 2015 (ECRT10):

   The current top-50 sites by rateable value reveals very few commercial businesses outside core retail, leisure and non-commercial.

1.7 As referenced in paragraph 1.14 of our answer to question 2.5, in July 2013 the same consultant, GL Hearn, carried out a Locally-Generated Housing Needs Assessment for the Council in which they sounded a note of caution about the use of the Experian figures because of the circular issues caused by nearly half of the projected employment growth being in sectors driven by population growth. In addition, paragraph 2.36 of the 2013 Assessment states: “It should be recognised that economic forecasts at a district level are subject to a considerable error margin...

1.8 The unusual characteristics of Tandridge expose weaknesses in the underlying jobs and employment data and models like Experian that rely on this data. These issues may not affect the results in other districts, but they do affect the results for Tandridge as shown by the unrealistic results generated by the 2017 GL Hearn ENA study.

**Suggested modification**

1.9 We suggest that, although not without flaws, the 2015 AECOM ENA methodology be used to assess the required amount of employment land because it recognises weaknesses in the underlying data, the models used (e.g. Experian), and so performs regular “reality checks” on both historic baseline data and future scenarios. This approach leads to more realistic conclusions which would be consistent with the PPG. The GL Hearn ENA does not cross-check and so circularity, double-counting and other assumptions and mathematical flaws that are exposed given the unique characteristics of Tandridge, are embedded in the projection results.

**Question 5.2 Will the provision of the employment land proposed improve the ‘self containment’ of the District in terms of the commuting patterns of residents?**
1.10 No. As explained in section 11.3 of Chapter 11 of our Regulation 19 submission, Tandridge has modest genuine in-District economic growth prospects. It is important to remember the characteristics of Tandridge: a predominantly rural district without recognised economic centres or “growth” sectors in the local economy. There are much larger, recognised economic centres nearby that have expanded, and are continuing to expand, and this will limit genuine in-District economic growth.

1.11 As detailed in our response to question 2.6 the vast majority of the housing requirement is made up of inward migration. People moving into Tandridge generally have higher paying jobs (as salaries are higher outside of the District) and keep hold of them once they live here – this is evidenced in Local Plan document MD7, Appendix 1, Figure 6/7.2 Median gross annual (where available) workplace-based earnings by local authority in Surrey, 1997 to 2016 (£) and in document HNS19, paragraphs 3.30-3.33.

1.12 Genuine improvements in self containment do not arise from population driven employment growth, but instead arise from new companies either relocating to, or forming in Tandridge. The Tandridge Strategic Economic Assessment (ECRT1) carried out in November 2018 after the Regulation 19 consultation, indicates that neither assumption is realistic and that considerable commuting outflows will continue. Referencing the 2011 Census date that shows significant commuting outflows from Tandridge, the study says:

3.49 This suggests that there may be limited scope to improve commuting self-containment in Tandridge, and particularly in delivery of higher value jobs in sectors such as manufacturing, communications, and professional services which support particularly long commutes.

1.13 Tandridge District has no large towns, little employment and little infrastructure. There are no universities, no further education colleges, no research centres, and residents must travel outside of the District to access any of these. The District is reliant on other centres for employment and services: only 28.4% of all employed residents live and work in the District. Only 37.3% of moves are within Tandridge. (see HNS13 and HNS20, 2018 SHMA Defining the Housing Market Area, paragraph 2.2 and 2015 version, paragraph 4.8). Tandridge’s total population (85,000 approx) is less than that of individual towns and suburbs nearby. Consequently, Tandridge is porous and does not have sufficient critical mass to have its own identity.

1.14 What the evidence base shows is existing and increasing competition from neighbouring areas with regards both to employment (detailed in Chapter 11 of our
Regulation 19 submission) and town centres (Tandridge Retail and Leisure Study, ECRT11, paragraph 3.74 “However, major developments in neighbouring authorities will limit the ability of shopping facilities in the District to increase their market share of expenditure”) that will constrain Tandridge local economic growth.

1.15 These neighbouring districts have recognised, larger and more sustainable urban centres with a well-established critical mass of customers, suppliers, services and skills from which to grow existing businesses and attract new local employers. These centres also have sufficient size and scale to justify investment in the new infrastructure required to support sustainable economic growth. This is in sharp contrast to the “Tandridge economic proposition” suite of documents included in the evidence base all of which seek to build, attract and justify growth from almost no existing skills base, clusters, hubs or facilities.

1.16 To the north and west of Tandridge District, in nearby boroughs and districts, there are major economic initiatives underway. These are referenced in Chapter 11, paras 11.104 - 11.110 and para 25 of Appendix 11-B (2016 ColReg Appendix 2 Page 9) of our regulation 19 submission. They include the comprehensive regeneration of Croydon with a significant amount of new office and retail space; the business parks at Horley, Manor Royal Crawley, Horsham and Burgess Hill which form central planks of the Gatwick Diamond initiative; Gatwick; the Redhill Area Action Plan; the creation of the “London cancer hub” in Sutton in a campus-style life science treatment and research centre.

1.17 All these initiatives are delivering high quality, professional jobs. The cumulative effect of these major economic hubs close to the borders of Tandridge limits future opportunities for economic development in Tandridge itself. The evidence base shows that the existing settlements in Tandridge do not have the necessary attributes to compete economically with these nearby districts. This is even before considering the effect of London as a competing centre as noted on page 64 of the Settlement Hierarchy (SBC8) which states: 

*Further, Tandridge District has excellent links to London where highly skilled residents can find a variety of well-paid positions and it is not plausible to think that the local area or surrounding districts and boroughs can compete with this.*

1.18 However, it is important to remember that the lack of local scale does not mean that the Tandridge economic base is in decline, but instead the economic studies show long term stability albeit with limited local growth prospects. The survey conducted in the Tandridge Economic Development and Business Study 2014 (ECRT14, Table 23 Age of business by
sector) shows that the majority of businesses in Tandridge have been operating for more than 10 years.

1.19 The evidence base also shows large numbers of self-employed and micro-enterprises in Tandridge. 28.1% of all those who work in Tandridge work from home and 72% of those who both live and work in Tandridge work from home (reference Functional Economic Area Topic Paper 2015 ECRT10, pages 17 and 18. 28.1% calculated with number who work from home divided by number of people who work in Tandridge (6,448/22,948). 72% calculated using number who work from home divided by number who live and work in Tandridge (6,448/8,969). We suggest this trend is likely to continue and grow in the future especially with improvements to what are currently poor broadband facilities.

1.20 It seems likely that in the future there will not necessarily be a high need for office space in Oxted (indeed one of the major office space users, Towergate Insurance, has recently pulled out of Oxted to consolidate its business in Croydon). Instead, moves will continue towards more flexible working, more working from home, and there will be a high demand for better, faster broadband by sole traders and rural businesses. Experian is all about projecting the past into the future but the future may be very different to the past in a digital age.

**Suggested modification**

1.21 Therefore, we would suggest an alternative approach regarding employment land provision which has greater potential to improve self containment. This would focus on employment land allocations near the north and west borders, working with neighbouring authorities so that employment aims complement the economic initiatives already underway in neighbouring areas instead of unrealistically attempting to compete with them.

In addition, priority should be given to rapidly improving broadband, to supporting and expanding existing business and to helping small rural businesses to thrive. We believe this takes an aspirational and realistic view (as set out in the PPG and NPPG).

**TLP20: Supporting a Prosperous Economy**

**Question 5.3 Is the Policy positively prepared and consistent with national policy in stating that proposals for development that would result in the loss of employment land will not normally be supported?** In terms of paragraph 154 of the Framework, does the Policy provide a clear indication of how a decision maker should react to a development proposal?
1.22 The provisions I-IV of this policy read as if they are a list of things to do or that it would be nice to achieve but they do not provide any clear guide for the decision maker. There are no criteria within the policy that can be used by the decision maker as to how to react to a proposal, which is what is required by the PPG (12-002) and NPPF paragraph 154.

**Suggested modification**

1.23 We would suggest the policy and supporting text are rewritten to give specific criteria by which decisions will be made.

**Question 5.4 Is it justified and consistent with national policy that proposals need to show that the redevelopment of the site for residential purposes is identified through the Council’s most up to date brownfield register and is in line with the most up to date Infrastructure Delivery Plan given that these are not part of the development plan?**

**Suggested modification**

1.24 No. The brownfield register and the Infrastructure Delivery Plan are outside of the planning system. They are not required to be sound or to be examined or scrutinised in any way and so policies that are required to be sound should not rely on them for decision making. We suggest that they should not be referenced in any policy in the Local Plan.

**Question 5.5 Are the proposed Modifications necessary for soundness?**

1.25 No. The proposed Modifications do not address the problems with soundness.

**TLP21: Employment Hierarchy**

**Question 5.6 Is it justified and consistent with national policy that proposals will be considered in accordance with the Council’s most up to date Economic Needs Assessment and Economic Proposition given that these are not part of the development plan?**

**Suggested modification**

1.26 No. As with a number of other documents, the Economic Needs Assessment and Economic Proposition are Council adopted documents completely outside of the planning system. They are not required to be sound or to be examined or scrutinised in any way and so policies that are required to be sound should not rely on them for decision making. We suggest that they should not be referenced in any policy in the Local Plan.