

10. EMPLOYMENT AND THE ECONOMY

Introduction

- 10.1 A successful economy is essential to achieving a balanced, prosperous and healthy community. It is important that the Local Plan promotes economic growth and helps to deliver jobs, goods and services that meets local need and contributes to the economy of the sub region, the region and the nation in partnership with Local Economic Partnerships. However, this growth needs to be balanced against a need to protect the unique character and environment of Waverley and respond to climate change.
- 10.2 This chapter concentrates on the employment elements of the economy defined under the B Classes of the Use Classes Order 1987 (as amended), but also includes references to the importance of tourism and visitors to the economy of the Borough. Other economic sectors such as agriculture, shopping and leisure also make a vital contribution to the Borough's economy. However, where appropriate, these are dealt with in other sections of the Local Plan.

Policy Context

- 10.3 The National Planning Policy Framework (NPPF) seeks to help build a strong, responsive and competitive economy by ensuring that there is enough land of the right type, available to allow economic growth.
- 10.4 The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth and that local planning authorities are expected to plan proactively to meet the development needs of business and support the economy, including within rural areas.
- 10.5 This means that ensuring the Local Plan positively encourages economic growth through criteria based policies or identifying strategic sites. However, it is recognised that employment sites can be used for alternative uses if there is no reasonable prospect of a site being used for that purpose having regard to market signals and the relative need for different land uses to support sustainable local communities. The Council is mindful of the need to deliver new housing and that it also contributes to economic growth. Employment land that is no longer required or suitable for continued employment use is therefore a potential source of housing land.
- 10.6 Waverley lies within the Enterprise M3 Local Economic Partnership (EM3 LEP) a partnership between local authorities and businesses to help determine local economic priorities and undertake activities to lead economic growth and create jobs.
- 10.7 EM3's vision¹ is to be "the premier location in the country for enterprise and economic growth, balanced with an excellent environment and a high quality

¹ Working for a Smarter Future, EM3 Strategic Economic Plan 2014 – 2020

of life". The LEP's objective is to achieve this vision through a number of interventions that support interlinked elements of the local economy. These comprise of:

- enterprise development and competitiveness
- The generation and commercialisation of innovation
- The growth of high value industries
- The development of skills needed by employers

- 10.8 EM3's Strategic Economic Plan recognises the significance of the LEP area to the growth of SciTech and the importance of small to medium enterprises (SME's) and the role of rural economy. However the focus for intervention is on Growth Towns which deliver a high proportion of the LEP's jobs (Basingstoke, Guildford, Farnborough and Woking) and on Step-up Towns which are areas that have latent economic potential (such as Camberley, Aldershot, Andover, Whitehill & Bordon and Staines-upon-Thames). Waverley is not identified as a strategic location for employment nor is any of its settlements identified as Growth Towns or Step-up Towns.
- 10.9 National Planning Policy Guidance recommends that economic needs should be assessed by working with other local authorities within the same functional economic market area. Evidence has been gathered relating to the coverage of the Local Enterprise Partnership, the identification of a housing market area, travel to work relationships and the existence of a commercial property market area. This evidence points to Waverley, Guildford and Woking Borough Councils comprising the West Surrey Functional Economic Market area, although it is acknowledged that each of the Councils will also have strong economic relationships with other Boroughs and Districts outside of West Surrey and make different contributions within the local economy. Each Council has undertaken employment needs assessments for their own Borough given the different timetables for preparing their Local Plans.
- 10.10 Surrey's Local Economic Assessment shows that Waverley is the 22nd most competitive borough in the country². In 2007 there were 67 business registrations per 10,000 adults in Waverley, the second highest in Surrey. Waverley had a business density of 72 businesses per 1,000 adults, the highest in the county.³
- 10.11 Most of the Borough's employment development is concentrated within Waverley's four main settlements, with the highest amount in Farnham, followed by Godalming and Cranleigh and then Haslemere⁴. This distribution reflects the Waverley Settlement Hierarchy which has identified these four settlements as communities with key services.
- 10.12 However, there are a significant number of premises or land in employment in the smaller settlements and throughout the rural area. The total amount of employment land in the rural settlements and areas is second to Farnham.

² UK competitiveness Index 2010

³ Dept. for Business, Enterprise and Regulatory Reform (BERR).

⁴ Waverley Borough Council Employment Land Review 2009

This figure however, excludes the amount of employment land at Dunsfold Aerodrome. The former aerodrome has approximately 17.5 ha of commercial land that contains a variety of different commercial uses and employs over 700 people. The site currently has approximately 41,500 sq. m of employment floorspace (B Classes)⁵.

10.13 Waverley's Economic Strategy 2015 - 2020⁶ was approved by the Council in April 2015. It sets out the Borough's economic characteristics that include:

- A higher than average economic activity rate with 75% of the population aged 16 -64 being economically active
- 12% level of self employment compared to 10% across England
- 0.6% of the population claimed unemployment benefit which is three times lower than the national average
- The Borough being one of the least deprived in England ranking 320th of 326 local authorities
- The Borough having one of the highest business densities in Surrey with over 7,000 VAT registered businesses
- A business base being dominated by small and medium sized enterprises with approximately 91% of Waverley's businesses employing fewer than 10 people and only 15 large enterprises employing more than 250 or more people.
- Only experiencing modest levels of employment growth since 2001
- High levels of out commuting with approximately 43% of residents in employment working outside Waverley.

10.14 The Waverley Economic Strategy 2015-2020 sets out an economic vision to continue current economic prosperity and diversity, while safeguarding and enhancing the attractive character and high quality of life within the borough. This approach means continuing with supporting modest levels of employment growth at appropriate locations to maintain Waverley's attractive character and high quality of life. The Strategy is to make the best use of its existing supply of employment land to accommodate small levels of employment growth in key growth sectors so that there is a balance between population and employment growth. At the same time it will fully explore opportunities for higher levels of mixed use development and growth in appropriate locations that would not adversely affect the character and vitality of its towns or rural areas should be explored.

10.15 Policies also seek to meet the diverse accommodation needs of businesses and tourism that support economic growth, particularly those in growing economic sectors e.g. banking, finance and insurance, distribution and hotels and restaurants. Given their dominance, the accommodation needs of small to medium enterprises (SMEs) are an important issue, and the approach seeks to provide for their needs for expansion and improvement. Furthermore many of the businesses need high quality office space and the approach set

⁵ Based on the information submitted with planning application WA/2015/2395

⁶ Waverley Economic Strategy 2015 -2020, February 2015

out in the Local Plan is flexible enough to ensure that the quality of premises meets their needs.

The Waverley Employment Land Review 2016

10.16 The Council's Employment Land Review (ELR) April 2016⁷ assesses the Borough's employment floorspace and land requirements based on three different scenarios:

- Experian – based on the outputs of Experian's employment forecasting model
- Trend – based on Waverley's historical jobs levels between 1997 and 2013
- Economic Strategy Aligned - uses the trend based scenario as its starting point but makes a number of assumptions to better align it with the Waverley Economic Strategy 2015 to 2020.

10.17 The ELR considers that the Economic Strategy Aligned scenario is the most realistic projection of future employment levels and land requirements for the Borough as it takes into account both past trends and future aspirations. The Experian scenario is not considered realistic as it suggests significant Use Class B8 land (Storage and Distribution) requirements whereas Waverley is not considered to be an appropriate location for growth in that use due to the limited availability of sites. Furthermore, the Experian is a regional forecasting model that is limited in its ability to fully reflect local economic characteristics as they may not be the same as their regions or sub regions. The trend scenario projects significant decline across all the B Class uses which is also unrealistic and contrary to market signals and the views of local stakeholders.

10.18 Table 10.1 summarises the evidence in the ELR on how much employment floorspace is needed in the Borough by 2033, based on the growth forecast in the Economic Strategy Aligned scenario. It also shows the balance of demand and supply following an assessment of the Borough's 150 major employment sites to establish if there is any land in existing employment use that could potentially be suitable for redevelopment or intensification in the short term, medium term and long-term. This includes potential for additional employment land on Dunsfold Aerodrome which amounts to a net increase of approximately 26,000 sq. m.⁸

⁷ Waverley Employment Land Review, April 2016

⁸ Based on the information submitted with planning application WA/2015/2395

Table 10.1 Balance of Need/Supply for Employment Floorspace in Waverley in 2033⁹

Use Class	Projected Need (sq m)	Potential supply sq. m from existing employment sites (sq m)	Need/supply balance (sq m)
B1a/b (Offices/Research and Development)	Shortfall 15,800	11,141	Shortfall of 4,659
B1c/B2 (Light industrial/General Industrial)	Surplus of 11,600	17,774	Surplus of 29,374
B8 (Storage and Distribution)	Surplus of 18,900	38,202	Surplus of 57,102
Totals	Surplus of 14,700	67,117*	Surplus of 81,817

*Includes potential 26,067 sq. m at Dunsfold Aerodrome

The need for additional employment land

- 10.19 As Table 10.1 above demonstrates, the surplus in B1c/B2 and B8 up to 2033 is forecast to be more than enough to meet the shortfall in B1a/b forecast in the same period. However, the ELR states that while in quantitative terms the identified potential supply should be sufficient, qualitative factors such as the location quality, type, size and accessibility of sites does not mean that all surplus B1c/B2 (Light/General Industrial) and B8 (Storage and Distribution) sites will be suitable for meeting future need for B1a/b (Offices/Research & Development).
- 10.20 Furthermore, although the economic strategy aligned scenario forecasts a decline in B2 and B8 use to 2033, the stakeholder consultation and the market analysis undertaken for the ELR suggests that the Waverley's market is currently constrained by a lack of flexible industrial premises that can accommodate SMEs. The Borough has also lost all or part of some 90 employment premises under use class B1a to housing since the amendment to the permitted development rights¹⁰ has allowed this change of use without the need for express planning permission. This will continue to reduce the existing supply of employment sites in the plan period.
- 10.21 The limited supply of employment land and premises and the limited pipeline of future development are likely to constrain business growth and the ability to attract new investment in the Borough. The ELR therefore recommends that in addition to providing additional B1a/b floorspace it is also important that the

⁹ Based on Waverley Employment Land Review 2016

¹⁰ The Town and Country Planning (General Permitted Development)(England) Order 2015 (Class O of Schedule 2, Part 3)

Borough provides a continuing supply of land suitable for B2 and B8 use classes as well as premises meeting the business needs of all sizes in order to maintain a healthy mix of businesses. Furthermore it considers that the Council works with landowners and developers to bring forward new employment land provision.

- 10.22 The economic context, the supporting evidence and feedback from the business community therefore demonstrates that the Local Plan needs to ensure that there is sufficient suitable employment land to meet short and longer term requirements from a variety of sources

Tourism

- 10.23 Tourism in Waverley supports over 2,600 jobs. Its main assets are the quality of its environment, its historic towns and villages and the surrounding countryside. Local and international visitors are also attracted to venues such as the Rural Life Museum at Tilford to take part in regular, organized events. Dunsfold Aerodrome currently hosts a number of events such as the annual 'Wings and Wheels' show.
- 10.24 Visit Surrey is the official tourism organisation for the County. It operates as an independent Community Interest Company that works with, and is supported by Surrey County Council and seven of the County's District and Borough Councils including Waverley. It looks beyond its natural boundary to the wider Local Enterprise Partnership.
- 10.25 In 2015, the Surrey Hotels Futures Study, identified opportunities accompanied by some developer/ hotel company interest for the creation of luxury, boutique and budget hotels in Waverley, with, Farnham and Godalming being the main areas of interest. This could be achieved through expansion of existing hotels as well as the development of new ones, should sites be available.

Policy EE1: New Economic Development

The provision of development for economic growth to meet the needs of the economy, including at least 16,000 sq. m. of new Use Classes B1a/b (Offices/Research and Development) floorspace, will be delivered through:

a) The allocation of sites for additional employment floorspace:

- **On Land off Water Lane, Farnham in accordance with Policy SS9 of this Local Plan.**
- **On Land at Dunsfold Aerodrome in accordance with Policy SS7 of this Local Plan.**
- **In accordance with relevant saved policies of the Waverley Borough Local Plan 2002 and in Local Plan Part 2: Non Strategic Policies and Sites.**

- b) Permitting new employment development within defined settlements that meets the criteria set out in relevant saved policies of the Waverley Borough Local Plan 2002 or set out in Local Plan Part 2: Non Strategic Policies and Sites.**
- c) Permitting the sustainable redevelopment, intensification and/or expansion of sites presently used for employment uses that meets the criteria set out in relevant saved policies of the Waverley Borough Local Plan 2002 or set out in Local Plan Part 2: Non Strategic Policies and Sites.**
- d) Permitting the re-use and conversion of existing rural buildings for economic development in accordance with the criteria of saved Policy RD7 of the Waverley Borough Local Plan 2002.**
- e) Making provision for accommodation for visitors to the Borough, both in terms of business trips and tourism related visits.**

For the purposes of this policy, planning applications for new economic development will take into account any:

- loss of residential, leisure, shopping, community or other uses which contribute to the character, function, vitality or viability of the locality;**
- impact of development on the amenities or privacy of nearby residents or on the character and appearance of the area.**

10.26 The Council's Land Availability Assessment (LAA) has identified one new site off Water Lane in Farnham that is suitable solely for employment use. Although the site lies within the Countryside beyond the Green Belt and an Area of Strategic Visual Importance it is currently used as part of the Thames Water Sewage Treatment Works. Therefore, its development between the B3208 road and the remainder of the Sewage Treatment Works would not have a detrimental impact on the character of the countryside in this location. It also lies adjacent to the existing trading estate in Farnham and therefore its use as an employment site would not be harmful to neighbouring properties and existing infrastructure and would be able to take advantage of the existing links to the existing commercial uses in this part of Farnham. Given that the ELR recommends considering additional employment sites, the Local Plan allocates this site for this use under Policy SS9.

10.27 Employment development has also been promoted as part of mixed use development on a number of other sites that have been promoted through the Council's Land Availability Assessment that have been assessed as having potential for housing. The actual amount of employment floorspace from these sites cannot currently be quantified. However the development of these sites would make a small contribution to the overall need for employment floorspace in the Borough.

- 10.28 New employment development will be mainly focused on the main settlements of Cranleigh, Farnham, Godalming and Haslemere, where access to public transport, labour, services and facilities, and links to other businesses, are strongest. Employment development will support their vitality and viability as communities with key services and ensure premises are supported by a local source of labour and are accessible, which will help reduce commuting by avoiding the need to travel to higher order centres for work. However, given the important contribution of rural areas to Waverley's economy and the need to protect and enhance the vitality and viability of rural settlements the Local Plan supports new employment development within the rural settlements.
- 10.29 In the countryside, outside the settlements, the appropriate expansion and growth of existing business premises and the conversion of rural buildings for economic development is also supported where there is no detrimental impact on Waverley's character, sensitive environment and the Green Belt. The redevelopment of Dunsfold Aerodrome also presents an opportunity for employment development outside settlements with a projected increase of approximately 26,000 sq. m.
- 10.30 There may also be circumstances where uses outside the B-use classes may be appropriate for the reuse of existing employment premises or for the reuse of rural buildings.
- 10.31 In addition to providing new employment land there is also merit in encouraging SMART economic growth. This uses land more efficiently through the intensification of existing employment premises and the ELR has identified a number of existing employment sites that provides the opportunity to do this both in the short term on vacant land and in the longer term. SMART economic growth also includes other measures, such as changing working practices to encourage and support live/home working and developing ICT such as improving accessibility to high speed and next generation broadband to all areas to ensure that all businesses can compete in the economy from the same level.

Protecting Existing Employment land

- 10.32 In order to meet the demands of the economy and businesses flexibly, the ELR recommends that the Council safeguards its existing sites for B1a/b and explore opportunities to provide additional B1a/b floorspace from B1c, B2 and B8 uses. However, it also recommends that the Council safeguards good quality, fit for purpose B1c, B2 and B8 sites to maintain a diverse business base and to respond to any unforeseen future opportunities.

Policy EE2: Protecting Existing Employment Sites

The Council will protect existing employment sites against alternative uses unless it can be clearly demonstrated that there is no reasonable prospect of the site being used for employment use. Existing employment sites include sites specifically identified by saved Waverley

Borough Local Plan 2002 Policies IC2 and IC3 as well as other existing employment sites within the B Use Classes

In considering proposals that are not consistent with this policy, the Council will take into account the extent to which the proposed new use will contribute to the economy or meet other specific economic needs.

10.33 For the purposes of this policy, where a proposal involves the loss of an existing employment use, this must be supported by evidence that demonstrates that there is no reasonable prospect of the site or buildings being used or reused for these purposes. This should include, where appropriate:

- The length of time the property has been unused for use classes B1 to B8 purposes,
- The length of time during which it has been actively marketed for use classes B1 to B8 purposes which should include the possibility of redevelopment and should provide evidence of the marketing. This evidence should show where the property has been marketed including publications and a wide circulation such as property journals,
- The prices at which the land and buildings have been marketed during this period which should reflect that obtained for similar property in the locality,
- A list of all expressions of interest during this period,
- An evaluation of why it is considered that the property has failed to attract interest from potential occupiers or for redevelopment for use classes B1 to B8 use,
- Why the site or buildings are physically unsuitable for use classes B1 to B8 use even after adaptation (including sub division into smaller units) refurbishment or redevelopment, in terms of siting, design, access layout and relationship to neighbouring buildings and uses.

Delivery

The policies in this chapter will be delivered through:

- Working in partnership with planning applicants and delivered through the development management and building control processes.
- Working with the EM3 LEP
- Working with infrastructure providers
- The detailed application of policies and allocations through Part 2 of the Local Plan: Non Strategic Policies and Sites.
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Evidence

- The Employment Land Review April 2016
- The Employment Land Review 2009

- The Surrey Rural Strategy 2010-2015
- The Draft Settlement Hierarchy Update 2012
- The Surrey Local Economic Assessment
- The Waverley Economic Strategy 2015 – 2020
- The Surrey Hotels Futures Study 2015
- A Rural Statement for Surrey 2016 – Surrey Countryside and Rural Enterprise Forum

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