Economy and Employment Land Study
May 2006

BOROUGH OF SPELTHORNE

ECONOMY AND EMPLOYMENT

LAND STUDY

Planning Services
Strategic Directorate (Community)
Borough of Spelthorne
Council Offices
Knowle Green
Staines
Middlesex
TW18 1XB

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Executive Summary

This document addresses economic and employment issues relevant to the preparation of the Spelthorne Local Development Framework, including issues relevant to the overall provision of employment land in the Borough.

It includes, a review the current state and nature of the Borough's economy, a forecast of future employment land requirements and an assessment to identify which sites should be safeguarded as employment land.

The Spelthorne Economy

The main conclusions from the review are:

- Spelthorne's high economic activity rate and low unemployment suggests there is very little slack in the labour market. Any significant growth in jobs in the Borough would have to be filled either by more people living in the area or by growth of in commuting.

- Spelthorne's workforce is less well-qualified than other Surrey Districts and in some respects less well-qualified than adjoining London Boroughs. There is a need to improve skills to respond to business requirements for a more-skilled and flexible workforce.

- Due to the influence of Heathrow a relatively high proportion of the workforce is employed in transport and distribution-based industries, a high proportion of businesses are in this sector and a relatively high proportion of warehousing in the stock of commercial property. With the development of Terminal 5 there is unlikely to be a reduction in this concentration.

- In terms of business structure Spelthorne has a somewhat higher proportion of medium size firms and a lower proportion of small and large firms than the Surrey average. The rate of formation of new businesses does not differ significantly from the average. The variations from the average are not substantial and do not suggest a cause for particular concern.

- Spelthorne is an attractive location for business but, in common with surrounding areas, currently suffers from a relatively stagnant property market. Underlying demand should lead to some improvement in the future.

- The strength of the housing market is leading to residential development proposals coming forward on commercial sites. This can be expected to continue even if there is some upturn in the commercial market and the LDF will need to consider how the process of change should be regulated to ensure an appropriate supply of well-located commercial property is maintained.

Future Employment Land Requirements

Future needs were estimated by an approach that forecasts the size of the future workforce and then calculates the space needed to support the jobs the workforce will need. This assessment suggests a small rise of 2,600 will occur in the resident workforce that will be partly offset by an increase in commuting to Heathrow. The net change in workforce seeking employment in the Borough between 2001 and 2016 is an increase of 1,500.

An assessment was also made of future employment demand which involves assessing the likely future performance of the various sectors of the local economy. This shows a rise in employment of just over 5,700 between 2001 and 2016. If this growth were to occur it would exceed the estimated growth in workers seeking employment in the Borough by about 4,200. The absence of slack in the labour market suggests that an excess of employment over workforce growth would be likely to add to labour shortages and increase in commuting.

An assessment was then made of the potential employment generated from commercial completions and developments in the pipeline, which showed an increase of approximately 5,100 jobs to 2016. Comparing this with forecast labour supply suggests there could be scope for a small reduction in the number of jobs supported by existing commercial premises, while maintaining full employment.

Review of Existing Employment Land

The review of existing employment land takes account of the findings of the Housing Capacity Study, which identifies a number of small sites in residential areas as suitable for housing. This has only a small impact on the overall stock of commercial premises.

Remaining employment land was subject to a systematic assessment using criteria based on Government guidance. The following employment sites were recommended for retention:

- Spelthorne Lane & Littleton Lane, Ashford
- London Road, Staines
- Northumberland Close and Long Lane, Stanwell
- Hanworth Road and Country Way, Sunbury
- Windmill Road, Sunbury

Additionally commercial area designation was recommended for the centres of Staines, Ashford, Shepperton and Sunbury Cross.

These recommendations will need to be considered in the new Spelthorne Development Plan.

1. Introduction

1.1 This document addresses economic and employment issues relevant to the preparation of the Spelthorne Local Development Framework, including issues relevant to the overall provision of employment land in the Borough.

1.2 It is in three parts:

1) A review the current state and nature of the Borough's economy. This includes levels of employment and unemployment, characteristics of the workforce, including skills and qualifications, journey to work and commuting, the industrial structure including floorspace data and the nature and size of businesses, including the proportion of small firms. The section concludes with a summary of main issues relevant to the LDF.
2) A forecast of future employment land requirements for the Borough to meet the needs of the future workforce and respond to likely changes in the demand from business.
3) An assessment to identify which sites should be safeguarded as employment land to meet the employment needs assessment. This involves a locational assessment to identify the most suitable sites and a capacity assessment to calculate their potential for additional floorspace.

2. The Spelthorne Economy

Spelthornes Workforce

a) Economic Activity

2.1 The Borough's workforce is made up of the proportion of the population of working age who are economically active (i.e. they are either in work or seeking work)

2.2 In the 2001 Census the population of Spelthorne was 90,390. Of this total 66,451 (73.5%) were aged between 16 and 74, and of these 48,310 (72.7%) were economically active.

2.3 Table 1 provides a breakdown of economic activity and compares Spelthorne with adjoining Districts. Spelthorne has the third highest economic activity rate of the Surrey Districts and is higher than all adjoining Districts apart from Richmond. It is above the average for South East England and the Country as a whole.

Table 1 Economically Active – Spelthorne and Adjoining Authorities

	All People aged 16-74	All males aged 16 - 74	All females aged 16 - 74	Economic-ally Active as Percent of all people aged 16-74	Males Economic-ally Active Percent of all men aged 16-74	Females Economic-ally Active Percent of all females aged 16-74
Hillingdon	175645	85,295	90,350	69.8	77.6	62.4
Hounslow	157406	77,715	79,691	69.6	76.7	62.6
Richmond upon Thames	127541	62,431	65,110	73.0	80.5	65.7
Slough UA	86242	43,126	43,116	71.6	79.1	64.1
Windsor and Maidenhead UA	97555	48,545	49,010	72.1	80.1	64.1
Elmbridge	86527	42,166	44,361	70.0	80.3	60.3
Runnymede	58112	28,667	29,445	69.2	76.9	61.6
Spelthorne	66451	32,954	33,497	72.7	79.7	65.8
Surrey	768626	379,471	389,155	71.2	79.4	63.3
SOUTH EAST	5766307	2,852,180	2,914,127	70.0	77.7	62.5
ENGLAND	35532091	17,489,977	18,042,114	66.9	74.2	59.8
ENGLAND AND WALES	37607438	18,504,583	19,102,855	66.5	73.8	59.5

Source: 2001 Census

b) Employees and Self Employed

2.4 The relatively high proportion of economically active is due to the high proportion of the Borough's working age population in full time employment (48.5%), which is the highest for any Surrey District. Spelthorne is in the top 10% of all England and Wales Districts for the proportion of the working age population in employment.

2.5 In contrast to the proportion of employees Spelthorne has the lowest proportion of self-employed of any Surrey District, although the figure (8.6%) is still just above the national average.

2.6 Tables 2 and 3 break down the economic activity data into males and females. It shows that 59.6% of males of working age and 37.6% of females were in full time employment. Although the figure for females is lower it is particularly high relative to other Surrey Districts and the national average.

Table 2 Economic Activity (Males)

Males	All persons aged 16-74	Percentage of people aged 16-74											Percentage of unemployed	
		Economically Active						Economically inactive						
		Employees		Self emp-loyed	Unem-ployed	Full-time Student	*All Econ Active*	Retired	Student	Looking after home/ family	Permanently sick/ disabled	Other	who are aged 16-24	who are long-term unemployed
		Part-time	Full-time											
Elmbridge	86,527	2.9	54.6	18.4	2.4	2.0	*80.3*	11.2	3.7	0.6	2.1	2.0	20.8	21.0
Epsom & Ewell	48,482	3.1	54.4	15.7	2.1	2.5	*77.8*	12.4	4.1	0.5	2.9	2.4	23.7	19.9
Guildford	96,928	3.0	56.4	14.6	2.0	3.5	*79.4*	10.1	5.9	0.5	2.3	1.8	25.2	19.2
Mole Valley	57,527	3.3	52.1	19.2	1.8	1.9	*78.3*	13.9	3.1	0.5	2.4	1.7	22.2	18.9
Reigate & Banstead	90,991	3.3	56.1	16.1	2.0	2.2	*79.6*	11.2	2.8	0.6	2.9	2.9	26.1	20.0
Runnymede	58,112	2.8	54.9	13.9	1.9	3.4	*76.9*	10.8	7.3	0.6	2.4	2.0	24.0	16.7
Spelthorne	66,451	2.9	59.6	12.9	2.4	1.9	*79.7*	12.4	2.4	0.6	3.0	1.9	26.2	19.9
Surrey Heath	59,079	2.8	60.0	14.6	1.9	2.6	*81.8*	11.2	2.5	0.5	2.0	2.0	26.8	13.3
Tandridge	56,711	2.9	53.6	18.8	2.1	1.7	*79.1*	12.2	3.4	0.6	3.1	1.6	24.4	20.7
Waverley	82,834	3.2	53.4	17.3	1.9	2.7	*78.5*	11.8	5.0	0.4	2.5	1.8	22.8	20.6
Woking	64,984	2.9	60.4	14.0	2.0	2.5	*81.7*	10.6	2.6	0.5	2.5	2.0	25.6	15.0
Surrey	768,626	3.0	56.0	15.9	2.0	2.5	*79.4*	11.5	3.9	0.5	2.5	2.0	24.3	18.9
South East	5,766,307	3.2	55.1	14.0	2.8	2.6	*77.7*	11.5	4.3	0.7	3.7	2.1	26.0	24.5
England	35,532,091	3.4	51.8	12.3	4.3	2.4	*74.2*	11.6	4.7	0.9	5.9	2.7	25.8	29.6

Notes:
1 For the Census, part-time is defined as working 30 hours or less a week. Full-time is defined as working 31 or more hours a week.
2 ‘Long-term unemployed’ are those who stated that they have not worked since 1999 or earlier.

Table 3 Economic Activity (Females)

Females	All persons aged 16-74	Percentage of people aged 16-74											Percentage of unemployed	
		Economically Active						Economically inactive						
		Employees		Self employed	Unemployed	Full-time Student	*All Econ Active*	Retired	Student	Looking after home/ family	Permanently sick/ disabled	Other	who are aged 16-24	who are long-term unemployed
		Part-time	Full-time											
Elmbridge	86,527	17.5	31.8	7.5	1.6	1.9	*60.3*	14.1	3.7	17.1	1.9	3.0	18.3	23.2
Epsom & Ewell	48,482	19.9	33.8	5.2	1.5	3.2	*63.5*	15.7	3.7	12.2	2.4	2.4	23.4	25.8
Guildford	96,928	19.2	32.6	6.0	1.4	3.8	*63.0*	13.7	6.4	12.0	2.2	2.6	22.9	24.2
Mole Valley	57,527	20.5	30.0	7.7	1.4	2.0	*61.5*	17.4	2.9	13.6	2.2	2.4	22.9	23.4
Reigate & Banstead	90,991	20.9	34.9	5.7	1.4	2.3	*65.3*	14.7	2.7	12.5	2.5	2.3	22.8	27.4
Runnymede	58,112	18.2	33.0	4.7	1.4	4.4	*61.6*	13.8	8.9	10.9	2.2	2.5	20.3	22.8
Spelthorne	66,451	20.2	37.6	4.3	1.5	2.2	*65.8*	16.3	2.3	10.6	2.7	2.3	18.9	23.4
Surrey Heath	59,079	21.5	34.8	5.7	1.3	2.6	*65.9*	13.9	2.6	13.2	1.8	2.5	19.0	21.8
Tandridge	56,711	20.9	31.8	7.1	1.3	2.0	*63.1*	15.5	3.5	13.3	2.4	2.1	21.4	25.0
Waverley	82,834	20.9	29.1	7.5	1.4	2.7	*61.6*	14.8	4.5	13.8	2.6	2.6	20.1	25.0
Woking	64,984	19.6	35.5	5.4	1.7	2.7	*64.8*	13.3	2.7	14.0	2.4	2.7	24.7	19.8
Surrey	768,626	19.9	33.1	6.1	1.4	2.7	*63.3*	14.8	4.0	13.1	2.3	2.5	21.3	23.9
South East	5,766,307	21.0	31.6	5.2	1.8	2.9	*62.5*	15.2	4.1	12.3	3.2	2.7	23.9	28.4
England	35,532,091	20.0	30.2	4.4	2.4	2.8	*59.8*	15.4	4.6	12.0	4.8	3.5	25.4	31.4

Notes:
1 For the Census, part-time is defined as working 30 hours or less a week. Full-time is defined as working 31 or more hours a week.
2 'Long-term unemployed' are those who stated that they have not worked since 1999 or earlier.

c) Unemployment

2.7 The Census includes information on unemployment based on respondents' own assessment of their employment status and therefore differs from the monthly claimant count. It shows 2% of the Borough's workforce as unemployed. This is just above the Surrey average of 1.7% and makes Spelthorne the highest of the Surrey Districts. However, the rate is below the national and regional average and also below that of other authorities adjoining Heathrow.

2.8 The Census includes information on long term unemployment and youth unemployment (age 16-24). Spelthorne is slightly above the Surrey average but significantly below the national average for the percentage in each category.

2.9 More recent unemployment information is available from the monthly count of claimants of job seekers allowance. This is a more restrictive definition than that used in the Census and consequently the figures are lower. Information for April 2005 is shown in table 4.

Table 4 Claimant Count April 2005

District	Male	Female	Total	% Rate
Elmbridge	471	182	653	0.8
Epsom & Ewell	242	106	348	0.8
Guildford	587	182	769	0.9
Mole Valley	212	87	299	0.6
Reigate & Banstead	484	193	677	0.9
Runnymede	310	125	435	0.9
Spelthorne	**573**	**229**	**802**	**1.5**
Surrey Heath	301	122	423	0.8
Tandridge	273	120	393	0.8
Waverley	391	121	512	0.7
Woking	418	169	587	1.0
SURREY	**4,262**	**1,636**	**5,898**	**0.9**
UK	647,247	224,531	871,778	2.4
South East GOR	53,655	19,317	72,972	1.5
London GOR	117,754	47,022	164,776	3.4
TRAVEL TO WORK AREAS (1998 revision)				
Crawley	2,363	881	3,244	1.1
Guildford/Aldershot	2,255	784	3,039	0.9
London	115,800	45,986	161,786	3.2

Source: Office for National Statistics

Note that the claimant count rate is expressed as the proportion of the population of working age resident in each area that are claiming Jobseeker's Allowance.

2.10 While the overall figures are lower than for the Census, Spelthorne's position as the District with the highest total in Surrey, but below the national average, remains.

2.11 The trend in the claimant count for Spelthorne and the other Surrey Districts showed a steady decline in the 1990s, which has been followed by a long period of relative stability. There has been some reduction in the differential compared to the national and regional picture, in which unemployment continued to fall after the Surrey figures stabilised, tending to suggest that there is little room for further significant decline in unemployment locally.

d) Workforce Qualifications

2.12 Table 5 shows information on qualifications of the workforce.

Table 5 Workforce Qualifications – Spelthorne and Adjoining Authorities

	All people aged 16-74	No qualifica-tions	Less than 5 O levels CSE/GCSE etc	5+ O levels, CSE grade 1, GCSE grade A-C etc	2+ A levels etc	First degree or higher	Other qualifica-tions
Hillingdon	175,645	25.0%	18.0%	20.9%	9.6%	20.0%	6.5%
Hounslow	157,406	24.0%	14.5%	17.7%	9.8%	28.4%	5.6%
Richmond upon Thames	127,541	13.6%	9.4%	16.3%	11.4%	45.1%	4.1%
Slough UA	86,242	28.1%	17.9%	20.1%	8.3%	19.7%	5.9%
Windsor and Maidenhead UA	97,555	19.4%	13.7%	21.3%	9.3%	30.4%	5.9%
Elmbridge	86,527	16.8%	12.9%	20.6%	10.8%	33.7%	5.2%
Runnymede	58,112	22.0%	15.6%	19.7%	13.5%	22.8%	6.3%
Spelthorne	66,451	24.9%	18.9%	22.4%	8.0%	18.7%	7.2%
Surrey	768,626	19.6%	15.2%	21.6%	10.1%	27.2%	6.2%
SOUTH EAST	5,766,307	23.9%	17.1%	21.2%	9.2%	21.7%	6.8%
ENGLAND	35,532,091	28.9%	16.6%	19.4%	8.3%	19.9%	6.9%

Source: 2001 Census

2.13 Spelthorne's workforce is less well-qualified than the County or Regional average. Almost a quarter (24.9%) has no qualifications, compared to a County average of 19.6% and a South East average of 23.9%. In comparison with other adjoining authorities it is better than Slough and broadly comparable to Hillingdon and Hounslow. The figure is somewhat better than the national average of 28.9%.

2.14 At the top end only 18.7% of the workforce is qualified to degree level, which is well below the County average of 27.2% and also worse than the adjoining authorities of Hillingdon, Hounslow and Slough. It is below both the regional and national figures (21.7 and 19.9% respectively)

2.15 Spelthorne also does relatively poorly in terms of students seeking qualifications. 77.8% of 16-17 year olds are in full time education compared with a Surrey average of 83.6%. The Spelthorne figure is below the regional average but close to the national average.

2.16 Spelthorne has a relatively low proportion of students, although this may in part be explained by the lack of higher education establishments in the Borough, as students will be allocated in the census to their term time residence.

e) Workforce Occupation and Employment

2.17 Table 6 shows the socio –economic classification of the workforce and table 7 (over page) shows employment of the workforce by industry.

Table 6 Socio-economic – Spelthorne and Adjoining Authorities[1]

	Higher Managerial/Professional/Lower Managerial	Intermediate occupations	Small employers and own account workers	Lower supervisory and technical occupations	Semi-routine or Routine Occupations	Never worked and unemploy-ed	Full-time students
Hillingdon	30.4	12.7	6.7	7.1	17.0	3.3	7.9
Hounslow	32.5	11.3	5.7	6.5	17.4	5.0	8.3
Richmond upon Thames	49.6	8.7	7.2	3.5	9.0	2.2	6.9
Slough UA	28.0	11.9	5.5	8.2	21.5	5.2	7.0
Windsor and Maidenhead UA	41.0	10.3	7.6	5.5	13.2	1.9	5.5
Elmbridge	43.1	9.5	8.5	4.2	11.1	1.8	5.5
Runnymede	34.2	10.2	7.5	6.0	14.4	1.4	11.8
Spelthorne	34.0	14.3	7.1	7.1	15.5	1.5	4.2
Surrey	38.3	10.8	8.2	5.5	13.5	1.6	6.4
SOUTH EAST	32.0	10.3	7.8	6.8	18.0	2.2	6.7
ENGLAND	27.3	9.5	7.0	7.1	20.7	3.7	7.0
ENGLAND AND WALES	27.0	9.4	7.0	7.1	20.8	3.7	7.0

(1) This table does not include percentage of people who could not be classified. This figure was 16.2% for Spelthorne.

Source: 2001 Census

Table 7 Employment by Industry

	All people aged 16 - 74 in employment	Percentage employed in													
		Agriculture; hunting; forestry and fishing	Mining & quarrying	Manu-facturing	Electricity; gas and water supply	Cons-truction	Whole- sale & retail trade; repair of motor vehicles	Hotels and catering	Transport storage & commun-ication	Financial inter-mediation	Real estate; renting & business activities	Public admin and defence	Edu-cation	Health and social work	Other
Elmbridge	58,786	0.9	0.8	9.6	0.5	5.2	14.4	3.3	8.1	6.8	23.6	4.4	7.4	7.7	7.3
Epsom & Ewell	33,201	0.7	0.4	7.2	0.5	6.6	14.9	3.4	7.1	8.1	18.9	6.7	7.9	11.5	6.3
Guildford	67,097	1.5	0.4	8.9	0.7	6.4	15.6	4.0	6.8	5.4	20.1	7.7	8.8	8.3	5.5
Mole Valley	39,164	2.0	0.5	8.8	0.6	7.2	14.1	3.7	6.9	7.7	20.1	4.8	8.3	9.0	6.2
Reigate & Banstead	64,184	1.0	0.3	8.4	0.8	7.0	14.5	3.9	10.0	9.4	17.2	5.3	6.5	10.5	5.1
Runnymede	39,037	1.1	0.3	9.9	0.8	5.9	16.1	4.7	12.3	3.9	18.7	5.1	7.1	8.1	6.1
Spelthorne	46,924	0.7	0.4	9.6	1.1	6.0	15.4	3.7	19.3	4.1	16.2	5.5	5.6	7.0	5.2
Surrey Heath	42,607	1.1	0.3	10.8	0.6	5.7	15.4	3.8	10.1	4.6	20.6	6.5	6.9	8.3	5.2
Tandridge	39,166	1.8	0.2	8.8	0.6	7.9	14.7	3.3	7.9	8.8	17.1	5.2	8.1	9.8	5.7
Waverley	56,396	1.8	0.4	9.3	0.6	6.9	15.6	3.8	6.0	5.5	20.8	4.4	9.8	9.1	6.0
Woking	46,259	1.2	0.6	10.0	0.5	5.5	16.3	3.3	8.5	5.9	22.0	5.5	6.5	8.1	6.1
Surrey	532,819	1.3	0.4	9.2	0.7	6.4	15.2	3.7	9.3	6.4	19.7	5.6	7.6	8.8	5.9
South East	3,888,756	1.5	0.2	12.1	0.7	7.1	16.3	4.3	8.1	5.1	15.6	5.9	7.8	9.8	5.3
England	22,441,498	1.5	0.2	14.8	0.7	6.8	16.9	4.7	7.1	4.8	13.2	5.7	7.7	10.7	5.2

Source: 2001 Census

2.18 In comparison with the rest of Surrey, Spelthorne's workforce is rather less likely to be involved in managerial and professional occupations and more likely to be involved in intermediate, supervisory, semi routine and routine occupations. However, routine and semi routine occupations are under represented in Surrey compared with the national picture and Spelthorne is still below the adjoining authorities of Hillingdon, Hounslow and Slough and below the national and regional average for these groups. It is in intermediate occupations, which accounts for 14.3% of the workforce, where Spelthorne is significantly above both the national and regional average.

2.19 Information on employment by industry (table 7) shows the biggest sector to be transport, storage and communication, which employs 19.3% of the Borough's workforce. This is easily the highest of the Surrey Districts and is more than double the County, regional and national averages. Hillingdon, Hounslow and Slough also have high proportions in this category, undoubtedly reflecting the influence of Heathrow and airport related industries.

2.20 The only other sector in which the Borough is over-represented is utilities, but this still only accounts for just over 1% of the workforce.

2.21 The main sectors that are under-represented are education, and health and social work. In both cases Spelthorne's proportion is the lowest for any Surrey District and is also significantly below the national and regional average. The education figure may in part be explained by the lack of higher education establishments in the Borough but the health figure is perhaps surprising given the presence of Ashford Hospital.

2.22 Spelthorne is also under-represented in financial sectors in comparison with the County average (it is the lowest of the Surrey Districts in real estate, renting and business activities and the second lowest in financial intermediation) but here the Borough figures are more in line with the regional and national picture.

The Workforce and Employment in the Borough

2.23 Table 8 compares the size of the resident workforce with the number of people working in the Borough (the working population). This establishes whether the Borough is a net importer or exporter of workers.

2.24 The figures for 2001 show the resident workforce exceeds the working population by 8,090 (i.e. there are 8.090 more workers than jobs in the Borough). This is reflected in the excess of people commuting out of the Borough (28,697) over those commuting in (20,729). Just over 60% (61.2%) of the resident workforce commutes to work out of the Borough, compared to 38.6% who work in Spelthorne.

Table 8 Spelthorne working population and resident workforce

(a) 2001

	Resident workforce	Working population	Live & work in area	Live in area work outside	Work in area live outside
Total	46,924	38,834	18,105	28,697	20,729
	As % of working population	As % of resident workforce	As % of resident workforce	As % of resident workforce	As % of working population
%	120.9	82.8	38.6	61.2	53.4

(b) 1991

	Resident workforce	Working population	Live & work in area	Live in area work outside	Work in area live outside
Total	46,990	45,590	20,100	26,890	25,460
	As % of working population	As % of resident workforce	As % of resident workforce	As % of resident workforce	As % of working population
%	103.1	97.0	42.8	57.2	55.8

Source: Office for National Statistics

2.25 Part (b) of the table shows comparative figures for 1991. The main difference is that the gap between the resident workforce and the working population was much smaller at 1,400. This is due to a substantial fall of 6,756 jobs in the Borough between 1991 and 2001, whereas the resident workforce showed little change.

2.26 The fall in the number of jobs can be explained entirely by local authority boundary changes. During the 1990s part of Heathrow Airport, a large industrial estate at Poyle and a smaller, predominantly commercial, area near Staines, were transferred to neighbouring authorities. In total these resulted in the loss of 365,000 sq m of commercial floorspace (approximately a third of the Borough total at the time). The number of jobs associated with this floorspace would have been significantly higher than the overall job loss of 6,756 between 1991 and 2001 suggesting that, within the current area of the Borough, there was an overall increase in jobs over the ten year period. In contrast the population loss due to the boundary change was only 1,732 (about 2%)

Table 9 Spelthorne journey to work data

Commuting from Spelthorne				Commuting to Spelthorne			
Destination	**Total**	**Male**	**Female**	**Origin**	**Total**	**Male**	**Female**
Live & work in Spelthorne	18,105	8,721	9,384	Live & work in Spelthorne	18,105	8,271	9,384
Elmbridge	1,536	729	807	Elmbridge	1,514	854	660
Runnymede	3,777	1,671	2,106	Runnymede	2,690	1,273	1,417
Surrey Heath	224	145	79	Surrey Heath	590	384	206
Woking	388	222	166	Woking	582	364	218
Surrey Districts Total (1)	**6,422**	**3,052**	**3,370**	**Surrey Districts Total (1)**	**6,376**	**3,652**	**2,724**
Ealing	568	392	176	Ealing	602	406	196
Hillingdon	5,674	3,656	2,108	Hillingdon	811	527	284
Hounslow	5,561	3,093	2,468	Hounslow	3,069	1,557	1,512
Kingston	692	357	335	Kingston	618	426	192
Richmond	1,732	880	852	Richmond	1,372	815	557
Outer London Total	**14,974**	**8,865**	**6,109**	**Outer London Total**	**7,684**	**4,698**	**2,986**
Westminster	994	632	362	Westminster	47	34	13
Inner London Total	**3,178**	**2,036**	**1,142**	**Inner London Total**	**939**	**684**	**255**
Slough	1,449	860	589	Slough	485	289	196
Windsor & Maidenhead	580	322	258	Windsor & Maidenhead	730	395	335
Berkshire Total	**2,598**	**1,561**	**1,037**	**Berkshire Total**	**2,063**	**1,317**	**746**
Buckinghamshire	324	215	109	Buckinghamshire	658	510	148
Hampshire	433	305	128	Hampshire	932	732	200
Hertfordshire	216	156	60	Hertfordshire	403	334	69
Other South East Districts Total (2)	**307**	**225**	**82**	**Other South East Districts Total (2)**	**670**	**591**	**79**
Elsewhere (3)	**484**	**285**	**99**	**Elsewhere (3)**	**965**	**786**	**179**

Notes: Figures for individual Districts only listed if individual flow to or from Spelthorne exceeds 500.

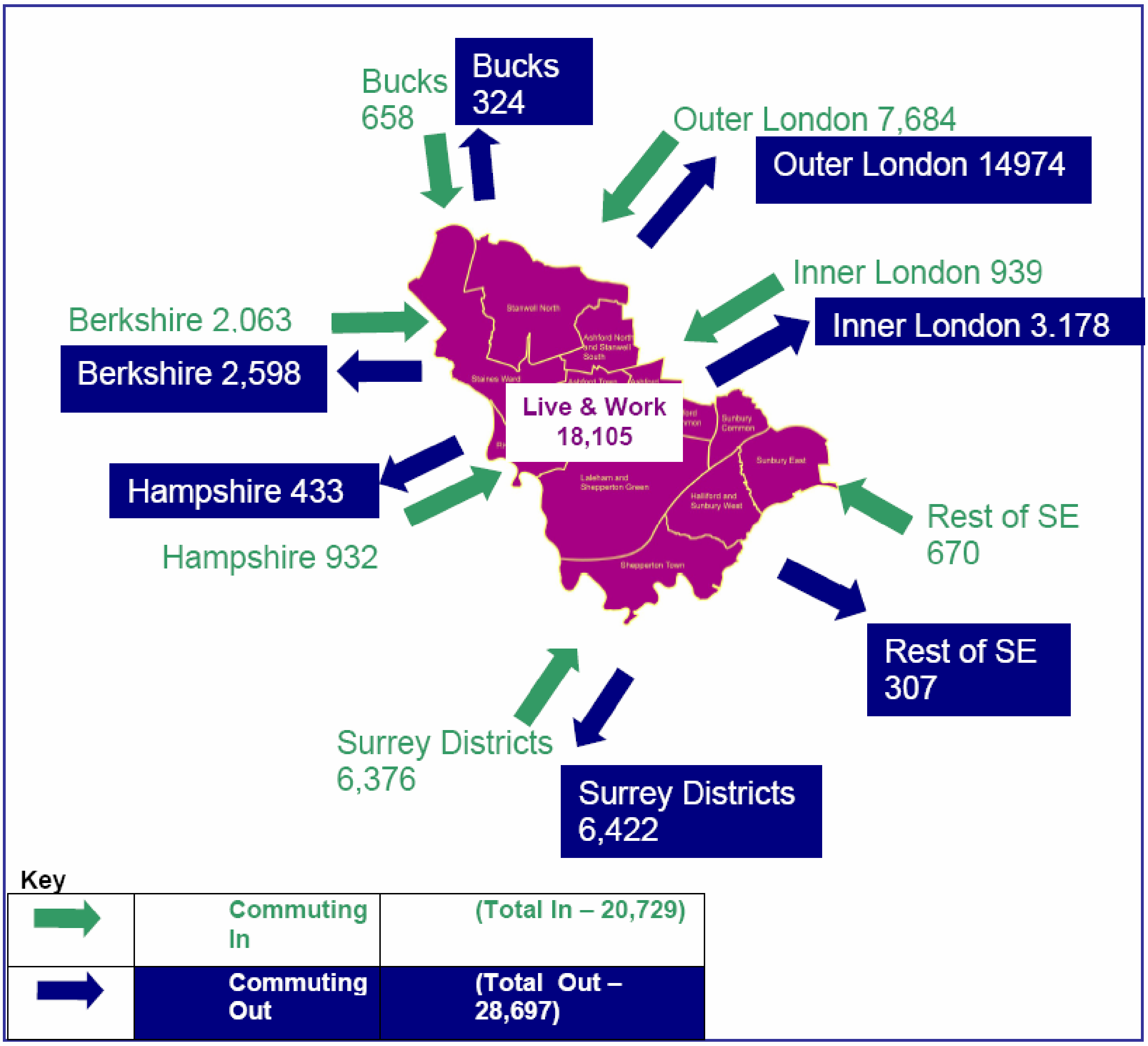
(1) All Surrey Districts excluding Spelthorne
(2) Total for South East Districts outside the areas listed above (i.e. Kent, Oxfordshire, East and West Sussex, and the Isle of Wight)
(3) Includes rest of UK, offshore and outside UK.

Source: 2001 Census.

2.27 Thus the change in the ratio of jobs to workers in Spelthorne is not due to any real loss, or movement, of jobs. The availability of jobs in the area for Spelthorne residents has risen rather than reduced.

2.28 Table 9 provides a breakdown of journey to work data from the 2001 Census. Figure 1 shows the pattern of movements diagrammatically.

Figure 1 Commuting 'In' and 'Out' of Spelthorne



2.29 The two biggest destinations for out commuting are the adjoining London Boroughs of Hillingdon (which includes Heathrow Airport) and Hounslow. Almost a quarter (23.9%) of the Borough's resident workforce works in these Boroughs. In total outer London Boroughs employ 32% of the workforce and account for just over half of all out commuting from Spelthorne. Inner London is also a significant commuting destination, although flows are less substantial than from some other inner Surrey Districts such as Elmbridge and Epsom and Ewell. Runnymede is the biggest destination outside London, with Elmbridge and Slough also featuring significantly.

2.30 The pattern of commuting into Spelthorne is less concentrated. The biggest single origin for in-commuters is Hounslow, which accounts for 8% of the Borough's working population, with Runnymede slightly lower. Commuting to Spelthorne from outer London Boroughs slightly exceeds that from Districts elsewhere in Surrey, but there are also significant flows from further afield. These include workforce origins beyond daily commuting distance, notably nearly 1,000 commuting from outside London and the South East. This latter figure seems likely to consist primarily of employees living away from home during the week.

Structure of Businesses

2.31 Information on the structure of businesses in the Borough and their employment can be found from the Annual Business Inquiry (see Table 10). There are some inaccuracies in employment data for large firms, which render this information unreliable for the period 1999 to 2001.

2.32 There are similarities with the information on employment of the Borough's workforce, but the pattern of employment differs as the data relates to employment in businesses in Spelthorne and thus includes in-commuters and excludes out-commuters. The transport and communication sector is less dominant than in the workforce data (8.3% compared to 19.3% reflecting the level of out commuting to Heathrow Airport), although it is still nearly double the Surrey average. Public administration, education and health are under-represented compared with the County average.

Table 10 Employees in employment by sector (2004)

Sector	Employees (total)	Employees (%)
Agriculture and fishing	*	
Energy and Water	487	1.2
Manufacturing	2,776	7.1
Construction	2,180	5.6
Distribution, hotels and restaurants	10,551	27.0
Transport and communication	3,239	8.3
Banking, finance and insurance	11,642	29.8
Public administration, education and health	6,210	15.9
Other services	2,016	5.2
Total	**39,113**	**100.0**

Note: * = Confidentiality restrictions under the Statistics of Trade Act means data for this sector may not be disclosed.
Source: Office of National Statistics

2.33 Table 11 shows information on the size of businesses.

Table 11 Businesses in Spelthorne and adjoining authorties by size (2004)

Numbers of Firms		Spelthorne	Elmbridge	Runnymede	Surrey
1-10 employees	Businesses	3,383	6,459	3,285	48,724
	%	85	90	87	88
11-49 employees	Businesses	453	555	373	5,223
	%	11	8	10	9
50-199 employees	Businesses	121	145	104	1,232
	%	3	2	3	2
200 + employees	Businesses	24	25	32	268
	%	0.6	0.3	0.8	0.5
Total	**Businesses**	**3,981**	**7,182**	**3,794**	**55,732**
	%	**100**	**100**	**100**	**100**

Employment in Firms		Spelthorne	Elmbridge	Runnymede	Surrey
1-10 employees	Employment	8,615	14,366	8,068	116,681
	%	22	29	20	24
11-49 employees	Employment	10,247	12,048	8,517	117,496
	%	26	25	21	25
50-199 employees	Employment	12,501	13,231	10,010	110,904
	%	29	27	25	23
200 + employees	Employment	10,059	9,224	13,319	131,782
	%	23	19	33	28
Total	**Employment**	**39,112**	**48,870**	**39,916**	**476,866**
	%	**100**	**100**	**100**	**100**

Source: Office of National Statistics

2.34 Spelthorne has a slightly lower proportion of small businesses than the average for Surrey or adjoining Districts and also a slightly lower level of employment in small businesses than the County. It also has a lower than average proportion of employment in large firms (over 200 employees). In contrast the Borough has a higher than average proportion of its workforce employed in medium size firms (50-199 employees)

2.35 The variations from the average are not substantial and do not suggest a cause for particular concern.

2.36 Information on the creation of new businesses can be obtained from VAT returns (see table 12)

2.37 The VAT registration figures show that the formation rate of new businesses in Spelthorne (measured as a proportion of the stock of existing businesses) is broadly similar to that for Surrey as a whole. The rate of loss of businesses over time is slightly above the Surrey average but nevertheless significantly more businesses were established than lost between 1994 and 2002.

2.38 The figures for Spelthorne in 2003, the latest year for which data is available, are slightly better than the Surrey average both in terms of formation of new businesses and loss of existing.

Table 12 New VAT registrations and changes in the number of VAT registered businesses in Spelthorne and adjoining Surrey districts (1994-2003)

Year	Registrations	Spelthorne	Elmbridge	Runnymede	Surrey
1994-2002	New (annual av.)	328	620	319	4,552
	New (annual av) as % of stock	10.9%	11.0%	10.7%	10.6%
	Losses (annual av)	307	551	286	4,014
	Losses (annual av) As % of stock	10.2%	9.8%	9.6%	9.4%
	Net change (total)	+ 250	+ 645	+ 245	+ 4,965
2003	New (total for year)	360	690	335	4,985
	Losses (total for year)	300	590	315	4,490
	Net change (total)	+ 60	+ 100	+ 20	+ 495
	New (as % of stock)	11.3%	11.4%	10.4%	10.8%
	Losses (as % of stock	9.4%	9.7%	9.8%	9.7%

Source: Office of National Statistics

Commercial Property

a) Existing floorspace

2.39 Information on the current stock of commercial floorspace in the Borough can be obtained from the Inland Revenue Floorspace Statistics. Table 13 shows the latest available information and compares Spelthorne with other Surrey Districts.

2.40 Spelthorne has the fourth largest amount of commercial floorspace of the eleven Surrey Districts.

2.41 Despite the impact of boundary changes in the 1990s (see above) Spelthorne still has more warehousing floorspace than any other Surrey District and is third highest in terms of industrial floorspace.

2.42 The relative concentration of warehousing can be explained by the close proximity of Heathrow, which has led to a concentration of airport related warehousing in the north of the Borough. The quantity of industrial floor space is a legacy of the historic development of a number of industrial estates some of which have been redeveloped in recent years at higher densities.

2.43 In contrast only three Surrey Districts have less office floorspace than Spelthorne. This is despite the growth in office floorspace in the 1990s.

2.44 Spelthorne is fifth of the eleven Districts for retail floorspace. This is also a sector where floorspace has increased, particularly in Staines town centre. (see the Spelthorne Retail Study, 2004, for further information on retail development).

Table 13 Commercial floor space in Spelthorne and other Surrey Districts (2005)

District	Floorspace (sq m)					
	Retail	Offices	Factories	Ware-housing	Other Bulk (1)	Total
Elmbridge	187	265	155	220	61	887
Epsom & Ewell	115	109	43	66	21	354
Guildford	254	362	198	225	60	1,098
Mole Valley	116	269	112	114	34	646
Reigate &	177	346	151	210	36	920
Runnymede	84	302	96	119	36	637
Spelthorne	172	201	182	243	34	832
Surrey Heath	137	206	179	150	40	711
Tandridge	96	84	114	113	42	449
Waverley	183	161	142	164	65	716
Woking	176	244	198	133	32	783
Surrey	1,697	2,549	1,570	1,757	461	8,033

(1) “Other bulk” is a category introduced by the inland revenue in 2005 to describe activities outside the four main categories.
Source: Inland Revenue Floorspace Statistics

2.45 Table 14 shows change in commercial floorspace in the Borough since 2001.

2.46 The figures are influenced by two substantial developments:

- The redevelopment for offices of BP’s site at Sunbury. This involves substantial gains and losses of office floorspace.
- The redevelopment of the former Windmill Trading Estate in Sunbury for residential. This accounts for most of the industrial floorspace loss but the premises had been derelict for many years and had made no effective contribution to the supply of employment floorspace during the period since 1991.

2.47 The retail figure excludes the main part of the Two Rivers shopping centre in Staines, which was completed before 2001.

Table 14 Change in commercial floorspace in Spelthorne (2001-2005)

	Floorspace (sq m)				
	Industry	Warehousing	Offices	Retail	Total
Gains	10,382	8,308	59,299	7,654	85,643
Losses	21,628	2,625	43,640	_1,114	69,007
Net change	- 11,246	+ 5,683	+ 15,659	+ 6,540	+ 16,636

Source: Spelthorne Borough Council development monitoring.

Note: Information is based on the primary use of premises identified in planning permissions and follows definitions in the Planning Use Classes Order. The figures are not therefore strictly compatible with the Inland Revenue Floorspace Statistics in Table 13.

b) Vacant Premises

2.48 Table 15 shows current and past vacancy rates in industrial, warehouse and office property.

Table 15 Commercial vacancy by sector (2000-2005)

Year	Industry (M^2)	(%)	Warehousing (M^2)	(%)	Offices (M^2)	(%)
Apr-00	7,121	2.9	0	0.0	18,602	10.3
Apr-01	14,377	N/A	7,325	N/A	11,810	N/A
Apr-02	14,925	8.0	10,790	4.2	12,640	7.1
Apr-03	4,243	2.2	11,063	4.7	20,472	11.0
Apr-04	8,964	N/A	18,710	N/A	16,896	N/A
Apr-05	21,494	11	15,835	6.7	18,167	9.8

Source: Borough of Spelthorne – Annual Monitoring Report (2005)

2.49 Vacancy rates showed a general downward trend during the 1990s, reflecting the direction of other indicators of economic recovery (e.g. unemployment). However, the downward trend has halted and in the last few years there have been significant amounts of vacant floorspace, notably in the office sector where vacancy rates have remained around 10%. The level of vacancies is a symptom of the sluggish state of the local property market (see below) and does not suggest job opportunities generally are being lost due to lack of available premises.

c) Property Market Considerations

2.50 Spelthorne's location on the west side of London, close to Heathrow Airport and the M25 and M4 corridors, makes it an attractive location for business.

2.51 Historically the area had a significant manufacturing base, which is still reflected in the presence of industrial estates and premises of various sizes throughout the Borough, although manufacturing industry has declined greatly since the war.

2.52 Good communications, especially the proximity of Heathrow, has attracted warehousing, particularly to the Stanwell area adjacent to Heathrow, which forms part of the specialist market of airport related warehousing accommodating companies with close functional links to the airport.

2.53 In common with other parts of the country the property market operates in an environment constrained by planning control. In Spelthorne the most significant constraint is Green Belt designation, which effectively precludes the development of greenfield sites. The recent property market has focussed on the redevelopment of older industrial areas to produce higher value developments. In this process traditional industrial activities have been replaced by “business” developments, either “cleaner” light industrial, research and development or office uses. Often this has enabled sites to be used more intensively, with more floorspace and more employment than beforehand. The second focus has been on town centres, particularly Staines where substantial office development has taken place.

2.54 The property market is subject to fluctuation due both to economic factors influencing underlying demand and time lag in the development cycle which can lead to temporary gluts and shortages as the provision of new development takes time to respond to changes in demand.

2.55 After a period of strong demand the local market has been relatively stagnant for some time. The underlying cause has been the global economic downturn, influenced by the impact of September 11th. This hit at a time where there was already substantial development in the pipeline and thereby had a doubly negative effect on the market for new development. Recent reports (e.g. Rogers Chapman, “The Golden Triangle Report”, Autumn 2004) suggest some signs of recovery in demand but this is taking time to work its way through due to the stock of outstanding permission and vacant premises.

2.56 The Heathrow-related market was particularly affected by the adverse impact of September 11th on international air travel. The airport has now returned to growth and capacity will be increased substantially with the development of Terminal 5. This is likely to have a beneficial impact on the property market outside the airport, although the Inquiry into T5 led to substantial provision being reserved on-airport to meet identified needs for airport related development.

2.57 A further factor affecting the commercial property market is the strength of the housing market. A combination of rising house prices and moves towards higher densities have led to a substantial increase in residential land values so that for many sites residential is now more profitable than commercial. As a result the market is bringing forward residential development on sites previously in commercial use, which is reducing the potential for sites to come forward for commercial development. This process is primarily affecting secondary commercial sites, which would in any event have a lower value for commercial development, and in addition are often those sites where there may be environmental problems with commercial use, although there have also been cases where high density residential development has been proposed on sites that would also appear to be good commercial locations.

2.58 While an upturn in the commercial property market and a stabilisation of house prices may shift the viability balance back towards commercial in the future, the positive impact of higher densities on residential land values is likely to be permanent. This suggests that in existing commercial areas, particularly secondary locations, the alternative of housing is likely to remain a consideration for the market for the foreseeable future. (A more detailed appraisal of the housing market has been carried out by Campsie & Co in support of the Council's Housing Capacity Study)

Summary of Main Issues

- Spelthorne's high economic activity rate and low unemployment suggests there is very little slack in the labour market. Any significant growth in jobs in the Borough would have to be filled either by more people living in the area or by growth of in commuting.

- Spelthorne's workforce is less well-qualified than other Surrey Districts and in some respects less well-qualified than adjoining London Boroughs. There is a need to improve skills to respond to business requirements for a more-skilled and flexible workforce.

- Due to the influence of Heathrow a relatively high proportion of the workforce is employed in transport and distribution-based industries, a high proportion of businesses are in this sector and a relatively high proportion of warehousing in the stock of commercial property. With the development of Terminal 5 there is unlikely to be a reduction in this concentration.

- In terms of business structure Spelthorne has a somewhat higher proportion of medium size firms and a lower proportion of small and large firms than the Surrey average. The rate of formation of new businesses does not differ significantly from the average. The variations from the average are not substantial and do not suggest a cause for particular concern.

- Spelthorne is an attractive location for business but, in common with surrounding areas, currently suffers from a relatively stagnant property market. Underlying demand should lead to some improvement in the future.

- The strength of the housing market is leading to residential development proposals coming forward on commercial sites. This can be expected to continue even if there is some upturn in the commercial market and the LDF will need to consider how the process of change should be regulated to ensure an appropriate supply of well-located commercial property is maintained.

3. Future space requirements

The Approach

3.1 The future employment land needs for the Borough can be estimated by an approach that forecasts the size of the future workforce and then calculates the space needed to support the jobs the workforce will need. It is also relevant to consider future demand for employment floorspace if current trends continue.

3.2 The stages in carrying out a labour supply-based forecast are:

1) Forecast population change up to the end date of the Plan.
2) Derive a figure for the resident workforce by applying an estimate of the future economic activity rate (i.e. the proportion of the population in the workforce)
3) Make an assumption about the future level of unemployment, based on maintaining full employment
4) Make an allowance for any change in the likely level of in and out commuting

3.3 These assumptions enable a figure to be produced for the likely number of people seeking employment in Spelthorne and the degree of change from the current position. The next stage is to estimate the change in floorspace needed to support the change in jobs, which involves making assumptions about worker densities. Specifically:

1) Estimate whether existing average worker densities are likely to change and, if so, calculate any change in employment that can be supported by the existing stock of floorspace.
2) Apply the forecast worker density to the forecast change in the number of people seeking employment in the Borough, making allowance for any change in employment supported by the existing floorspace stock.

3.4 The outcome will be an estimate of the floorspace change needed to support the estimated future workforce.

3.5 There are two significant benefits of this approach:

1) It offers the policy benefit of making an explicit link between future provision for jobs and available labour supply. This enables a level of provision to be made for employment land that works towards achieving a better balance between jobs and workers. Improving the balance addresses problems of overheating and labour shortages by avoiding an excess of jobs over available workers, while avoiding an underprovision of jobs that could lead to increased unemployment. The methodology recognises and explicitly allows for the reality of commuting and thereby avoids a crude approach of simply equating the number of jobs in the Borough with the number of workers living there.
2) It offers the forecasting benefit of starting from a point of relative certainty since the future labour supply is derived from the level of housing provision, a figure that is fixed through the Surrey Structure Plan. It is relevant to note that the Structure Plan allocation has been subject to independent testing which included consideration of the relationship between housing provision and economic development

3.6 Regard also needs to be had to anticipated demand for employment land, but an approach that assesses employment land needs without regard to labour supply considerations risks exacerbating existing imbalances resulting in labour shortages and longer journeys to work. It is also potentially unrealistic as labour supply considerations will in practice affect the rate of economic development in the area.

The Future Workforce

a) The Resident Workforce

3.7 Surrey County Council have carried out population forecasts to 2016 based on the 2001 Census. These include a "dwelling constrained" scenario which links population change to Structure Plan housing provision and to actual rates of development since 2001. The results for Spelthorne are shown in table 16.

Table 16 Dwelling constrained population forecast for Spelthorne 2001 to 2016

	2001	2006	2011	2016
Building programme		1,249	801	530
Total population	90,200	92,135	92,105	92,198
Total dwellings	39,228	40,477	41,278	41,808
Total households	38,392	39,613	40,396	40,915
Average hhd. size	2.33	2.31	2.26	2.23
Priv. h/hold pop.	89,554	91,401	91,314	91,375
Non-Domestic pop.	646	734	791	823
Econ active pop	48,150	49,519	50,608	50,779

Source: Surrey County Council

3.8 The forecast shows the Borough's population rising from 90,200 in 2001 to 92,200 in 2016.

3.9 Economic activity rates across Surrey are forecast to rise among women and the elderly so that overall the economic activity rate for Spelthorne is forecast to rise from 72.7% to 75.8% of the 16-74 age group. Using this assumption the economically active population is forecast to rise to 50,800, an increase of 2,500 on the 2001 figure.

b) Future Unemployment

3.10 To translate the economically active into jobs an allowance needs to be made for those who will be unemployed. The methodology assumes an objective of full employment, which is consistent with a healthy local economy. In practice no unemployment at all is unrealistic as there will always be some temporary unemployment associated with the turnover of jobs and the search for employment of those joining the workforce.

3.11 The Census unemployment rate of 2% coincides with a figure of just 506 in receipt of job seekers allowance in April 2001 (the month of the Census). This is slightly below the April 2005 figure of 802 and approximates to the lowest unemployment figure that has been achieved in the Borough. In view of the job turnover factors outlined above it seems unlikely that unemployment could in practice fall much lower and so an assumption is made for forecasting purposes that the 2% Census unemployment figure will be a realistic interpretation of full employment at 2016.

3.12 Applying this figure to the 50,800 economically active gives a resident workforce in employment of 49,800 (rounded to the nearest hundred), an increase of 2,600 on the equivalent 2001 figure.

c) Future Out Commuting

3.13 A proportion of the economically active will be in employment outside the Borough. In 2001 28,700 Spelthorne residents commuted to workplaces outside the Borough. While this represents an increase of 1,800 over the 1991 figure it would be wrong simply to extrapolate this upward trend in out commuting into the future as the increase can be explained by boundary changes (see paragraph 2.26 above)

3.14 A more robust approach is to examine likely future change in employment opportunities outside the Borough that could attract Spelthorne residents.

3.15 The most significant is the development of Terminal 5 (T5) at Heathrow, which is currently under construction. Spelthorne adjoins the boundary of the airport and is a significant contributor to Heathrow's workforce. BAA does a regular survey of workforce origins and the latest available figures (for 2004) show that approximately 4,900 people, or 7.1% of the airport's workforce, come from Spelthorne. This figure excludes T5 construction workers. The T5 Inquiry found that the development would result in an extra 16,000 jobs either at the terminal or in airport related industries. It also found that nearly all the necessary airport related development could be accommodated on-airport.

3.16 If this growth figure is accepted, and the proportion of the workforce drawn from Spelthorne remains unchanged, then out commuting from the Borough to Heathrow could be expected to rise by 1,100 (16,000 x .071), rounded to the nearest hundred)

3.17 There is some uncertainty attached to this estimate:

- Employment at the airport grew more rapidly during the 1990s than the productivity assumptions underlying the T5 forecasts would suggest, so that on-airport employment has already reached the level forecast with T5. Even allowing for higher productivity gains with T5 than without, this suggests total employment growth may be greater than 16,000 implying more commuting from Spelthorne. On the other hand employment forecasts in BAA's draft Heathrow Master Plan suggest overall employment growth will be less due to future productivity gains.
- The Government has initiated studies to examine the scope for more capacity at Heathrow from the existing runways. Higher capacity, if achieved, would suggest higher employment. (Studies into new runway development are unlikely to result in increased capacity until after the current LDF period)
- Terminal 5 is more accessible to Spelthorne than the existing Central Terminal Area, which is accessed from the north. Additionally the possible development of the Airtrack rail link from Staines towards the end of the LDF period would improve the accessibility of the airport from parts of the Borough. These factors could result in some increase in the proportion of airport employees coming from Spelthorne. On the other hand there has been a slow downward trend in the proportion of the airport's workforce coming from Spelthorne, which, if continued, would suggest a smaller increase.

3.18 While there is uncertainty the assumption of a 1,100 increase in commuting to Heathrow is considered reasonable.

3.19 The rest of London is also a significant destination for commuting from Spelthorne. The London Plan provides for significant growth in both population and employment and the supporting document "Planning for London's Growth" (2002) states (on page 11) that:

"The rapid rise in London's population is expected to be matched by a corresponding growth in employment"

Figure 7 of the document compares the forecast growth rates to show that the overall balance between jobs and workers in the capital is expected to remain unchanged.

3.20 This tends to suggest commuting into London will remain fairly static. An assumption is therefore made that, apart from the increase attributable to Heathrow, commuting from Spelthorne to London as a whole will remain constant.

3.21 The other significant destination for commuting is adjoining Surrey Districts, although flows are higher into Spelthorne than out. It is not anticipated that changes will occur in these areas that will result in any substantial change in their attractiveness for commuting from Spelthorne and an assumption of no change is therefore made.

d) Future In Commuting

3.22 Most commuting into Spelthorne comes from nearby Districts to the south and west, although there is also a significant flow from adjoining London Boroughs, particularly Hounslow.

3.23 The level of future in commuting will clearly be affected by future employment provision in Spelthorne but it will also be affected by changes in the areas from which the commuters originate. It is assumed that, for Districts outside London changes are not likely to occur that will significantly affect the level of commuting into Spelthorne. For the London Boroughs the work for the London Plan (see above) also suggests a no change figure.

e) Summary

3.24 Overall this assessment suggests a small rise of 2,600 will occur in the resident workforce that will be partly offset by an increase in commuting of 1,100 to Heathrow. The net change in workforce seeking employment in the Borough between 2001 and 2016 is an increase of 1,500.

Future Employment Demand

3.25 An alternative approach to considering future employment provision is to forecast future employment demand. The methodology involves assessing the likely future performance of the various sectors of the local economy taking account of their past performance and national and regional economic forecasts. Future demand for employment is then derived from this assessment.

3.26 Such forecasts are helpful in identifying potential growth in demand, which is a relevant factor in considering future provision. However, they are unconstrained by factors such as potential labour shortages, infrastructure or land supply constraints. The absence of an explicit link with future labour supply means that particular care has to be taken in considering results to ensure outcomes are not sought that risk exacerbating labour supply shortages.

3.27 Experian Business Strategies have carried out employment forecasts for Spelthorne up to 2026, although for the purposes of the LDF the period to 2016 is most relevant. These forecasts are consistent with regional and County forecasts also carried out by the company. The results up to 2016 are shown in table 17 over page.

Table 17 Employment Forecasts for Spelthorne to 2016 (thousands)

Employees	1991	2001	2006	2011	2016
Agriculture, Forestry & Fishing	0.073	0.045	0.027	0.012	0.008
Oil & Gas Extraction	0.013	0.148	0	0	0
Other Mining	0.018	0.104	0.081	0.078	0.076
Gas, Electricity & Water	1.359	0.905	0732	0.642	0.553
Fuel Refining	0.044	0	0	0	0
Chemicals	0.047	0.398	0.291	0.297	0.282
Minerals	0.067	0.058	0.004	0.002	0.001
Metals	0.726	0.500	0.104	0.053	0.036
Machinery & Equipment	0.441	0.700	0.629	0.564	0.367
Electrical & Optical Equipment	1.043	0.824	0.946	0.936	0.927
Transport Equipment	0.334	0.274	0.107	0.057	0.020
Food, Drink & Tobacco	2.253	0.404	0.360	0.235	0.133
Textiles & Clothing	0.037	0.029	0.007	0.004	0.002
Wood & Wood Products	0.018	0.043	0.040	0.021	0.009
Paper, Printing & Publishing	0.381	0.281	0.164	0.171	0.182
Rubber & Plastics	0.181	0.105	0.030	0.010	0.008
Other Manufacturing	0.041	0.072	0.049	0.056	0.069
Construction	1.154	1.491	1.508	1.413	1.407
Retailing	3.543	4.898	5.613	5.794	5.782
Wholesaling	3.419	3.212	2.788	2.758	2.709
Hotels & Catering	2.104	3.488	3.852	4.617	5.136
Transport	4.676	13.655	13,977	14.281	14.322
Communications	0.643	1.107	0.944	1.114	1.212
Banking & Insurance	1.418	1.254	2.618	2.730	2.767
Business Services	4.350	8.086	8.904	10.348	11.191
Other F&Bs	2.567	1.581	1.308	1.150	1.031
Public Admin. & Defence	0.902	0.695	1.224	1.073	0.997
Education	2.004	1.950	2.039	2.052	2.106
Health	2.545	1.470	1.421	1.385	1.386
Other	1.383	2.356	2.501	2.784	3.121
Total	**37.786**	**50.136**	**52.269**	**54.636**	**55.839**

Source: Experian Business Strategies Ltd

Note: Figures relate to employees in employment and thus exclude self employed.

3.28 The figures show a rise in employment of just over 5,700 between 2001 and 2016, equivalent to 11.1%. If this growth were to occur it would exceed the estimated growth in workers seeking employment in the Borough (see above) by about 4,200. The absence of slack in the labour market, previously described, suggests that an excess of employment over workforce growth would be likely to add to labour shortages and increase in commuting. However, as previously noted, care should be taken in interpreting the forecasts due to their unconstrained nature.

3.29 In terms of the structure of the economy the forecasts show the largest growth occurring in business services, which accounts for more than half the overall forecast growth, with the related banking and insurance sector also growing significantly from a low base. Hotels and catering and retailing also show significant growth. The forecasts suggest transport will remain the largest sector and will also see continuing employment growth, although slightly below the percentage increase for the Borough as a whole. In contrast manufacturing and the utilities are forecast to decline. Employment in construction and the public sector is shown remaining broadly stable.

3.30 In land use terms the sectors showing demand for growth are those seeking office accommodation and others associated with town centre locations (retailing and hotels/catering). Forecast employment decline is mainly associated with sectors seeking industrial premises.

Employment Space Requirements

3.31 To understand the land use implications of employment change in the Borough it is necessary to consider the likely future space requirements of business. This will enable employment change to be translated into change in employment floorspace.

3.32 A comprehensive study of trends in space requirements has recently been conducted by DTZ Pieda consultants working for SEERA ("Use of Business Space and Changing Working Practices in the South East", May 2004) The main objective of this study was to investigate the potential impact of changing working practices on the demand for and utilisation of business space, labour supply and demand, and planning issues. On employment density it found (Executive Summary page iii):

- "Rather than being high, the impact of changing working practices on employment density is complex and taking place at a slower rate than anticipated. The pace of change is slow and there are forces that appear to act in opposite direction, neutralising the impacts of changing working practices on employment density and business space needs.

- "Overall, the impact of changing working practices on employment density is limited, except for some office-based employment activities with increasing ICT use, and also due to restructuring in all sectors. The literature review, the workshops discussions and interviews with employers and the Business Survey suggest that changes in working practices are not sufficiently widespread, or deep, across industrial sectors/use classes to warrant fundamental changes, or review, in employment densities."

3.33 The study found that the most notable factor that has impacted upon business space and requirements has been the one resulting from industrial restructuring. This refers to the decline of employment in traditional manufacturing and the growth of business services (B1 Use Class), leisure activities, retail, restaurants and hotels.

3.34 Looking to the future the study examined three different growth scenarios but for each it concluded that little change would occur in the average worker densities for the industry, offices and warehousing sector. This is shown in table 5.2 of the report (reproduced as table 18 below)

3.35 The study represents the latest thinking on the issue and in view of its conclusions it is considered reasonable to assume that the worker density of existing commercial floorspace in the Borough will remain unchanged through the LDF period, i.e. existing floorspace will support the same level of employment it does at present.

Table 18 Potential Employment Densities for the South East Region (from DTZ Pieda Report "Use of Business Space and Changing Working Practices in the South East", May 2004)

Sector	Floorspace per Worker (sq.m/worker)			
	2004	Scenario 1	Scenario 2	Scenario 3
General industry (B2)	34.1	32	33	33
General offices (B1)	18.3	17	17	18
General Warehousing (B8)	41.0	40	41	41

3.36 Changes in the level of employment supported by commercial floorspace in the Borough will occur due to:

- Use of vacant premises
- Implementation of outstanding permissions for employment development
- Redevelopment of existing employment land for employment generating development (this includes both changes in floorspace and changes in the type of employment generating development)
- Losses of employment land to non employment generating uses
- Development of new land for employment generating purposes

The contribution of vacant premises and outstanding permissions is considered in this section. The other issues will be covered under Employment Land Supply (section 4 below).

Vacant Premises

3.37 Table 19 shows vacant premises at the base date of April 2001 and their potential contribution towards employment, applying worker densities from the DTZ Pieda study. Some vacant premises are to be expected in a healthy market to allow a choice of premises for new occupiers and a typical future vacancy rate of 5% is assumed. Overall there is a small net gain of 116 jobs.

Table 19 Potential Employment Growth from Vacant Premises

	Industry	Warehousing	Offices
Vacant Floorspace (sq m)	14,377	7,325	11,810
Vacant floorspace (%)	7.0	2.3	7.1
Vacant floorspace with 5% vacancy rate	10,245	15,715	8,365
Net gain (loss) in occupied floorspace with 5% vacant	+ 4,132	- 8,390	+ 3,445
Worker density (sq m per worker)	26.8	35.9	17.6
Net gain (loss) in employment with 5% vacant	+ 154	- 234	+ 196

Note: Information on vacant premises for other forms of commercial premises is not readily available. An assumption is made that the vacancy rate for other uses will remain unchanged.

Outstanding Permissions

3.38 Outstanding permissions at 2001 include developments completed since then plus outstanding permissions (including sites under construction) at 2005. Table 20 summarizes the position. It shows an overall net gain of 1,730 jobs

Table 20 Employment Implications of Outstanding Permissions

	Industry	Warehousing	Offices	Retail
Floorspace added 2001-5 (sq m gross)	10,382	8,308	59,299	7,654
Floorspace added 2001-5 (sq m net)	- 11,246	+ 5,683	+ 15,659	+ 6,540
Outstanding permissions (sq m gross)	7,173	5,900	65,909	5,805
Outstanding permissions (sq m net)	- 19,789	+ 5,186	+ 20,672	+ 1,748
Overall change (sq m net)	- 31,035	+ 10,869	+ 36,331	+ 8,288
Worker density (sq m per worker)	26.8	35.9	17.6	15.9
Employment change	- 1,158	+ 303	+ 2,064	+ 521

Note: Gross floorspace is the total constructed. Net is the total change after demolitions are subtracted. Completions data covers the period from 1 April 2001 to 31 March 2005. Outstanding permissions include sites under construction and represent the position at 1 April 2005.

3.39 Consideration also needs to be given to employment generating development lying outside the categories of industry, offices, warehousing and retail in table 20. The following either have seen or are expected to see significant development:

Activity	Employment
Pub/restaurants, multiplex cinema and hotel in Staines town centre	195
New prison at Ashford	300
Proposed redevelopment of Shepperton film studios	1,000

Note: All developments are completed apart from Shepperton Studios, which is an outstanding permission.

3.40 The net effect of commercial completions and development proposals is an increase of approximately 3,200 jobs (1,730 in industry, offices and warehousing, plus 195 for Staines town centre developments, 300 for the prison and 1,000 for Shepperton studios). However, it is relevant to note that the overall floorspace change figures include substantial losses as well as gains in redevelopment schemes. These schemes involve replacing out of date premises with new buildings to meet modern needs, a factor that is not reflected in a simple floorspace calculation. A particularly large example is the phased redevelopment of the BP site in Sunbury, which overall involves a loss of over 30,000 sq m, yet is a consolidation rather than a reduction of activity on the site. In total the jobs lost from floorspace redeveloped is likely to be somewhat overestimated in the calculation and this needs to be born in mind in interpreting the figures.

Summary of Forecast Labour Supply and Employment Change

Labour Supply		Employment Change	
Population	+ 2,000	Commuting to Heathrow	+ 1,100
Economically active	+ 2,500	Other out commuting	No change
Economically active and in work	+ 2,600	Jobs supported by existing commercial premises	No change
Commuting into Spelthorne	No change	Completions since 2001 plus outstanding permissions	+ 2,200
		Shepperton studios proposal	+ 1,000
Total seeking work in Spelthorne	+ 2,600	Increased employment for Spelthorne workforce	+ 3,300

3.41 Thus jobs created and in the pipeline already exceed anticipated growth in labour supply. Given that the starting point for this assessment is essentially one of full employment any significant growth in employment above anticipated growth in labour supply is likely to lead to increased labour shortages with the probability of extra in commuting. The figures suggest there is scope for a limited reduction in job growth while still ensuring employment growth is sufficient to match growth in the workforce. This could be achieved by planning for a small reduction in the number of jobs supported by existing commercial premises.

3.42 Future options for existing commercial premises will be considered in the next section.

4. Existing Employment Land

4.1 This section reviews existing employment land in the Borough. It examines how much employment land is well located and considers the scope for redevelopment of existing well located employment land, including land in town centres, to meet modern needs and create additional floorspace. Finally it considers the potential impact on the supply of floorspace, and consequent employment opportunities if the change of use of poorly located employment land is allowed.

4.2 The Surrey Structure Plan states at Policy LO7 that suitably located employment land will be safeguarded to provide for the development needs of sustainable economic growth. It says that existing employment land allocations should be reviewed and surplus or unsuitably located land reallocated for alternative uses. The process of identifying which sites should be safeguarded is for Districts to carry out as part of the work for their local development frameworks.

4.3 The first stage is to assess whether employment land is suitably located. This part of the study draws on the findings of the Spelthorne Housing Capacity Study (2003 and 2005 update). The purpose of the capacity study is to estimate the capacity for further housing in the Borough. It includes an assessment of whether land currently in non residential use is suitable for redevelopment as housing.

4.4 For land in employment use the approach adopted includes an assessment of whether the site is suitably located for continuing in employment use. Residential is only considered where the site is found to be unsuitable for continued employment use.

4.5 The results are treated as an input to this study.

4.6 In determining suitability the capacity study takes into account the following factors:

- The character of the area in which the site is located, particularly adjoining uses.
- Evidence of harmful impact on adjoining residential areas
- Access arrangements to the site, particularly if access is through residential areas
- Accessibility of the location by alternative modes (although in the particular circumstances of Spelthorne no sites were ruled out on this basis)
- Market factors as measured by evidence of recent or proposed investment in continued commercial use of the site, or conversely evidence of developer interest in residential use

Assessment was carried out on a site-by-site basis across the Borough. It led to a substantial number of generally small sites being identified as unsuitable for continued commercial use. These are mostly isolated commercial premises in residential areas, together with some smaller and older industrial estates adjoining or accessed through residential areas.

4.7 An assessment can be made of the impact of losing these sites on the overall supply of employment land and floorspace. If all the sites from the 2005 study sites in commercial use were to go to residential, the floorspace loss would total approximately 47,000 sq m or 5.6% of the Borough's total employment floorspace.

4.8 It should also be noted that much of this floorspace is poor in qualitative terms due to a combination of age and site size restrictions limiting scope to redevelop to meet modern needs.

4.9 An assessment can also made of the loss in terms of land area. This confirmed there was only a small impact on business parks, offices and industrial estates and that the main effect was on other industrial areas followed by yards and depots.

4.10 The results are shown below in tables 21 and 22.

Table 21 Impact of Capacity Study Assumptions on the Stock of Employment Floorspace in Spelthorne

	Floorspace (sqm)	%
Existing employment floorspace in the Borough as a whole (1)	832,000	100
Employment floorspace assumed to be lost to residential under the Capacity Study (2)	47,000	5.6
Employment floorspace assumed to be retained in employment use under the Capacity Study (3)	785,000	94.4

Notes:
1) This is the total commercial floorspace in the Borough, based on Inland Revenue Floorspace Statistics (see Table 13 above).
2) Floorspace estimated as part of the Housing Capacity Study work. The total is the sum of commercial floorspace lost from all capacity study sites.
3) Existing floorspace minus that assumed to be lost.

Table 22 Implications of the Capacity Study for Land Use Change in Urban Areas

Existing Land Use (1)	Total Area (ha)	Implied loss due to Capacity Study (ha) (2)	% loss due to Capacity Study
Hospitals	5.3	0	0
Nursing Homes	1.1	0	0
Education Buildings	33.4	0	0
Churches	2.4	0	0
Community Buildings	2.1	0	0
Civic Uses	1.8	0	0
Industrial Estates	59.5	3.48	5.8
Other Industrial Areas	19.7	2.77	14.1
Retail	19.4	0	0
Business Parks and Offices	18.2	1.13	6.2
Pubs, Clubs, Hotels & Cinemas	1.1	0	0
Garage Services	0.6	0	0
Yards and Depots	3.2	1.17	36.6
Built Leisure Facilities	1.3	0	0
Car Parks	4.9	0	0
Railway Land and Buildings	1.6	0	0
Open Space	23.0	0	0
Playing Fields	58.7	0	0
Allotments	5.3	0	0
Public Utilities (3)	2.2	1.57	71.4
Total	264.8	10.12	3.8

Note:
1) Existing land use data is based on information from Surrey County Council and relates only to sites of 0.4ha or more.
2) Losses due to the Capacity Study are only included where they affect sites of 0.4 ha or more.
3) This involves the loss of one site (Riverside Works, Fordbridge Road, Sunbury) identified as surplus to requirements (see Appendix A for explanation)

4.11 The capacity study compares the resultant loss of employment land with past trends and it is noteworthy that in comparison with the previous seven years there is an overall reduction in the rate of loss of employment land (Housing Capacity Study Report 2005 paragraph 3.11)

Assessment of Remaining Employment Land

4.12 This study assesses the suitability of remaining commercial land. The following broad criteria were used for assessment:

a) Accessibility
- Accessibility to employees by non car based modes
- Accessibility to the main road network for the movement of commercial vehicles

b) Amenity
- Impact of commercial activity on adjoining residential areas

c) Meeting Business Needs
- Ability to accommodate the needs of a range of types of business

d) Market Demand
- Evidence of recent investment or market demand for future investment in commercial use of the site

A full list of information collected to assess sites is shown in table 23.

Table 23 Information Collected on Commercial Sites

Category	Criteria	Measurement
Current Site Information	Current use	
	Site area	Hectares
	Total floorspace	M^2
	Floorspace in use	M^2
	Floorspace for sale/vacant	M^2
	No of storeys	1/2/3 etc
	Adjacent land uses	Description
	Identified for housing in H/C Study	Reference no
	Flooding	No/1 in 100yr/1in 1000yr
Market & Development Activity	Planning app/enquiry	Reference no
	Outstanding planning permissions	Reference no
	Development activity in past 5 yrs	Permissions implemented
	Recent market activity	Consultant advice
	Likely future demand	Consultant advice
	Strength of local demand in segment	Consultant advice
Site Assessment	Age of buildings	Pre-war 1945-60 1960-80 1980>
	Quality of buildings	Poor, Ave, Good
	Noise/Pollutants	Y/N
	Quality of Environment	Poor, Ave, Good
	Parking, internal circulation & servicing	Poor, Ave, Good
	Access to road network	Poor, Ave, Good
	Access to public transport	Surrey CC assessment
	Impact on surrounding areas	Planning assessment

4.13 The assessment covered all commercial sites above 0.4 ha, except those already identified as unsuitable for commercial use in the housing capacity study. Town centres were examined separately (see paragraph 4.24 below).

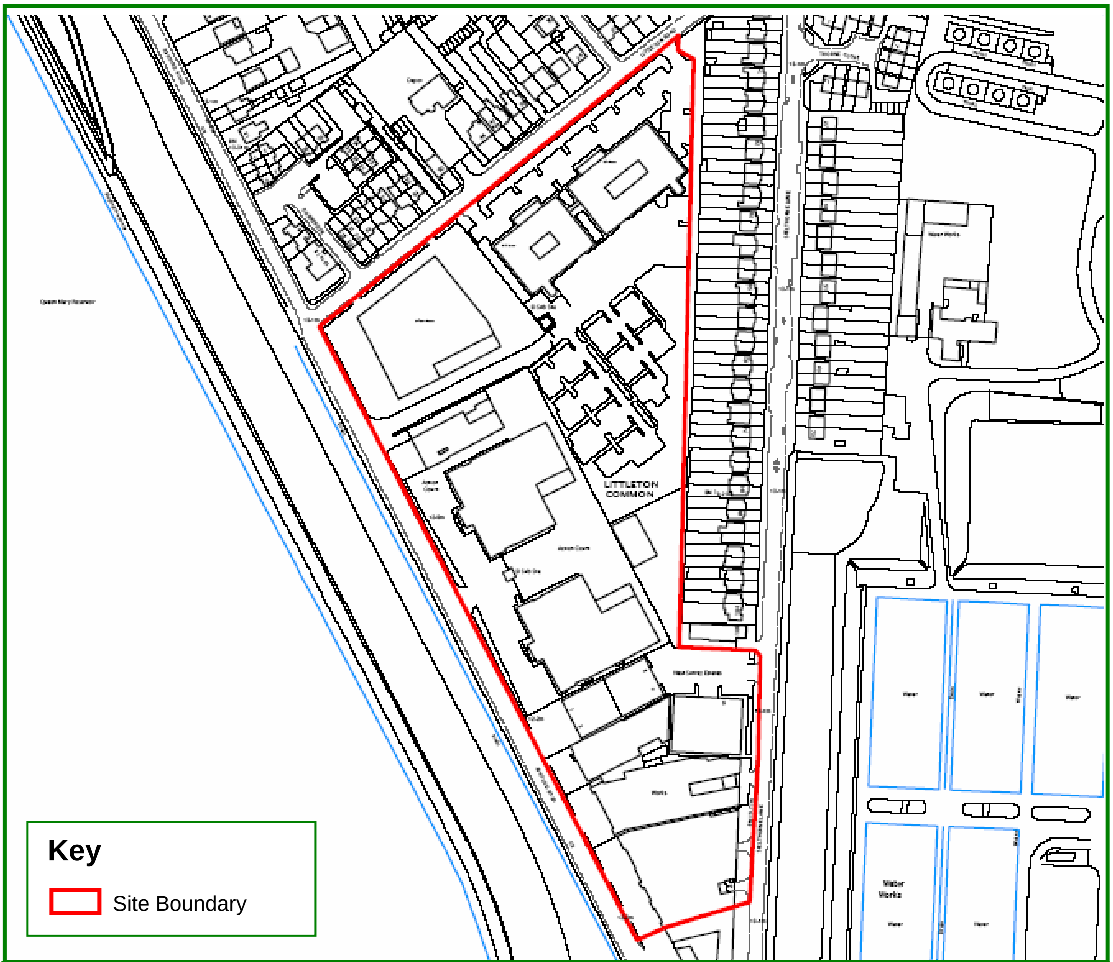
4.14 Campsie & Co provided input on property market considerations for the Borough as a whole and for individual sites. Their report is available separately. In addition the Chamber of Commerce were consulted on current and likely future business prospects.

4.15 The following commercial sites were assessed:

- Spelthorne Lane & Littleton Lane, Ashford
- Govett Avenue, Shepperton
- Church Street, Staines (included under Staines town centre)
- Drakes Avenue, Staines
- London Road, Staines
- Millmead, Staines (included under Staines town centre)
- Northumberland Close and Long Lane, Stanwell
- Hanworth Road and Country Way, Sunbury
- Windmill Road, Sunbury

These are examined in turn and a recommendation is made as to which should be retained through designation as employment sites. Policy designations will be contained in the new Spelthorne Development Plan.

4.16 Spelthorne Lane and Littleton Lane, Ashford



Printed - April 2006
Not to Scale

N

a) **Accessibility:**
The industrial estate has good access to the main road network at the A308 Staines Road West via traffic light controlled junctions and a short section of two lane road on either Ashford Road or Littleton Road.

Public transport accessibility is less good than some other industrial areas, although the 20 minute catchment area is still nearly 10,000. There is also a significant population in Ashford and Charlton within walking distance.

b) **Amenity**
Some housing in Spelthorne Lane backs onto the estate, but it mainly adjoins parking. Most of the commercial area is separated from housing. The access route onto Staines Road West passes a short section of housing but the roads are suitable for commercial traffic.

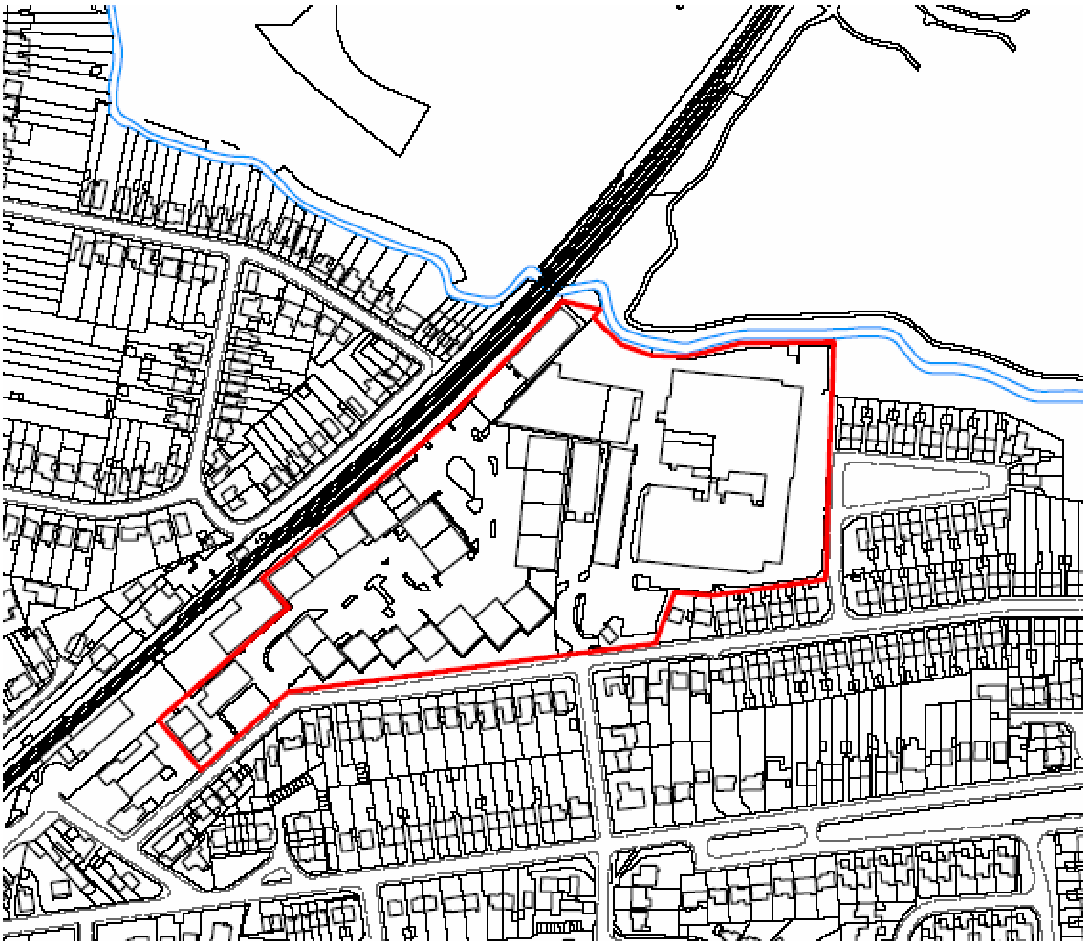
c) **Meeting Business Needs:**
The estate is fairly large and contains a mix of types, size and age of units to meet a variety of needs.

d) **Market Demand:**
Demand, particularly for industrial and warehousing units, is fairly good and this is seen as continuing for the foreseeable future. The estate is less well located for offices.

Conclusion

This is a significant industrial estate, fairly well located with a good mix of units and significant market demand. It is recommended for retention in commercial use.

4.17 Govett Avenue, Shepperton



SPELTHORNE BOROUGH COUNCIL

Printed - April 2006
Not to Scale

N

a) Accessibility:

Road access is relatively poor via unsuitable roads through a residential area. Public transport accessibility is also less good than other locations assessed, although the site is close to Shepperton town centre.

b) Amenity:

Housing adjoins the site and access roads. Impacts are currently reduced because of the closure of the Rodd Engineering works on the eastern part of the site.

c) Meeting Business Needs:

Within the area the Shepperton Business Park consists of modern industrial/warehousing units. Other units are older and some now derelict.

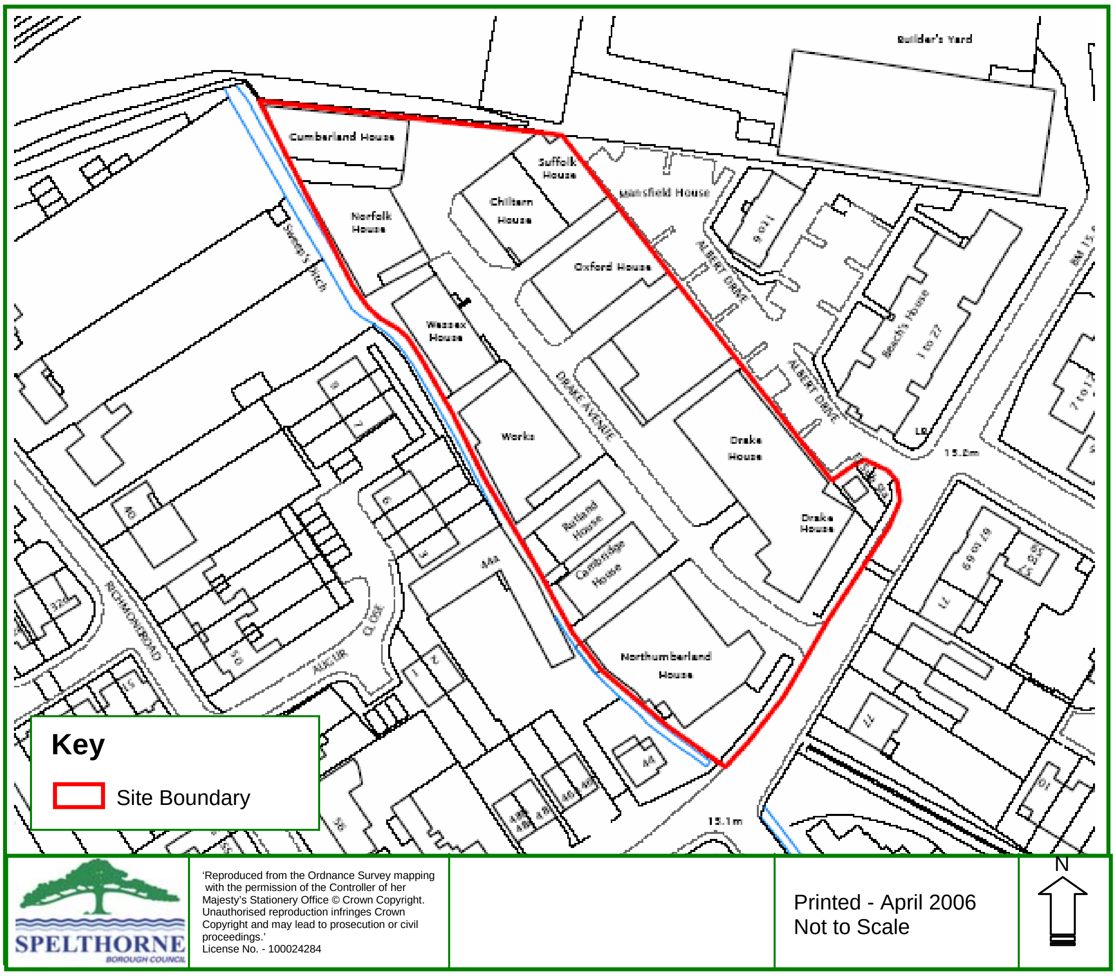
d) Market Demand:

Demand at the Shepperton Business Park was originally strong but has since fallen. There is unlikely to be a demand for the older-style units, apart from a crash repair workshop.

Conclusion

Due to poor access, amenity problems and limited demand, the retention of the area in commercial use is not recommended. Shepperton Business Park is likely to remain for the foreseeable future and is recommended for inclusion in the Shepperton Commercial Area (see town centres below)

4.18 Drakes Avenue, Staines



a) Accessibility:
The site has poor access to the main road network via a relatively narrow road and awkward junctions. The site is close to Staines station and the town center and access by public transport is very good.

b) Amenity:
Part of the site adjoins housing and access is through a residential area.

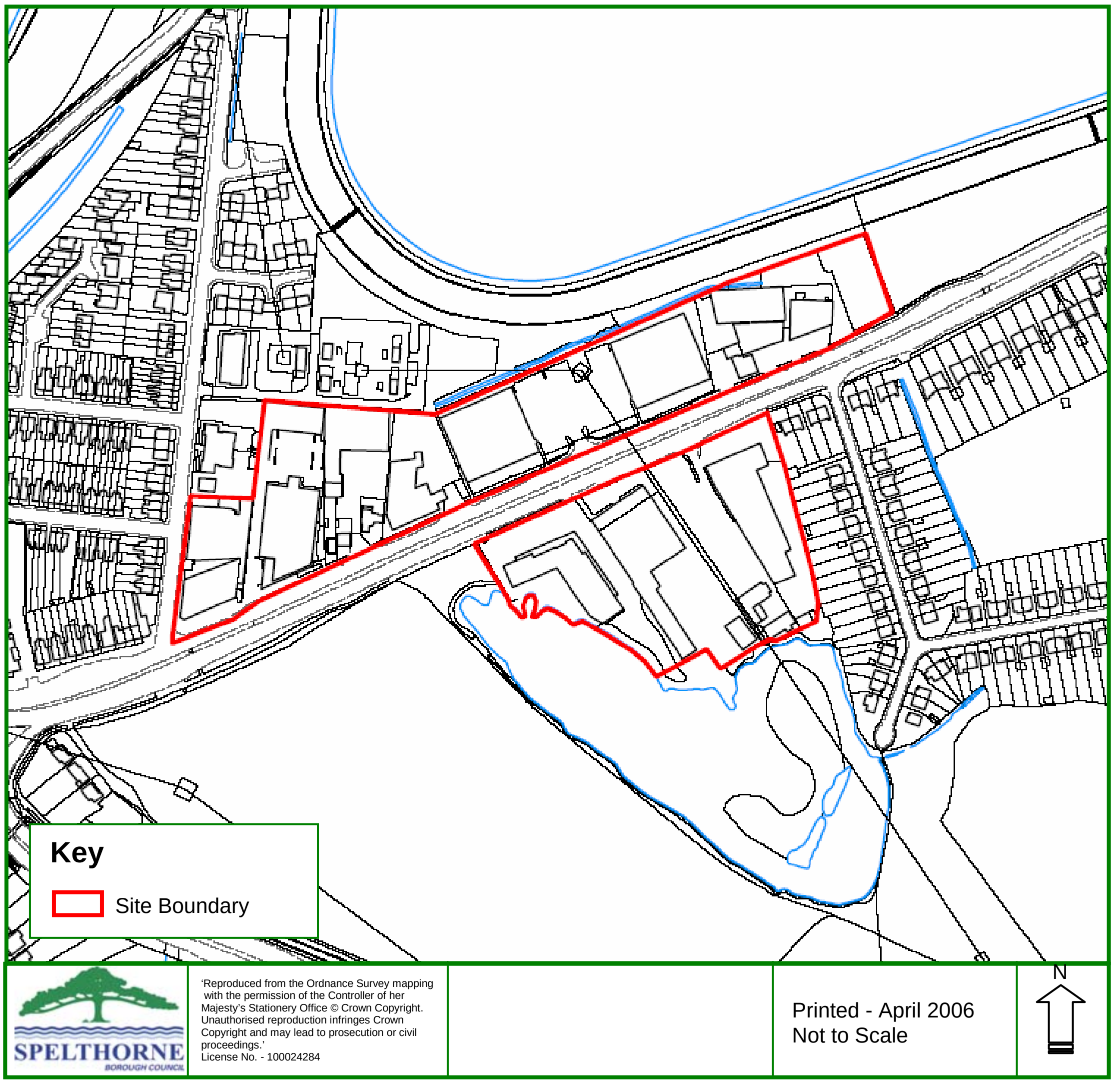
c) Meeting Business Needs:
The site contains a mix of units but is restricted in size with a cramped layout.

d) Market Demand:
Demand is good in this location for small industrial and office premises but not for warehousing.

Conclusion

In view of the poor road access and the proximity of housing, it is not recommended that the site be retained for commercial.

4.19 London Road, Staines



a) Accessibility:
This commercial area lies alongside the A30 and is thus extremely accessible by road. Access by public transport is fairly good.

b) Amenity:
Most of the commercial units are well separated from housing and there is no obvious evidence of adverse impact.

c) Meeting Business Needs:
The London Road area contains a mix of unit ages, types and sizes.

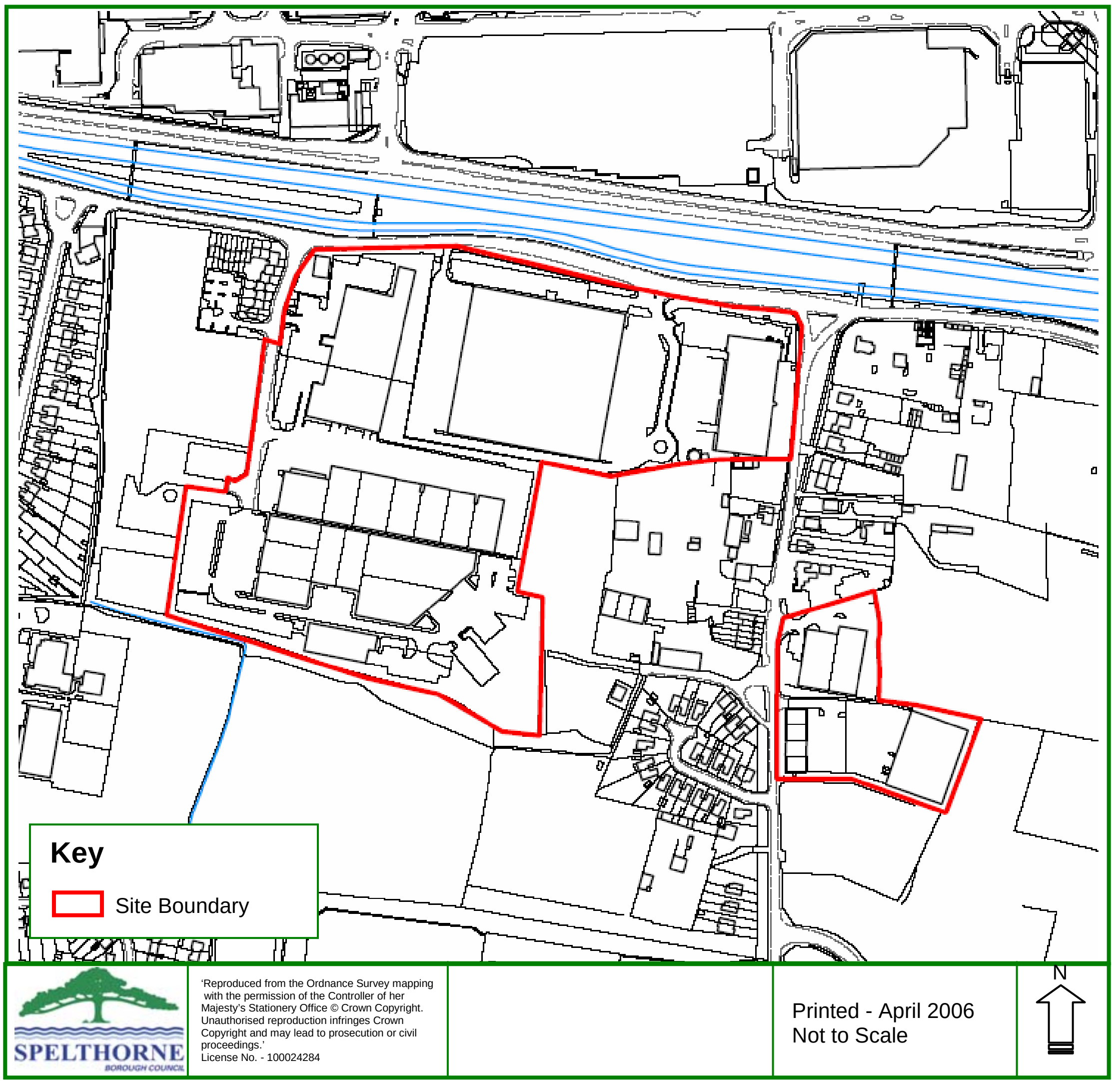
d) Market Demand:

Demand is strong for warehousing and showroom type uses due to the main road frontage. The site is too remote from Staines town centre to be a good location for offices

Conclusion

This is a significant commercial area that is well located, particularly for warehousing, with no obvious evidence of adverse impact. It is recommended that the site be retained for commercial.

4.20 Northumberland Close and Long Lane, Stanwell



a) Accessibility:
These sites are close to the boundary of Heathrow Airport and have good road access to the airport. There is also road access to the A30 avoiding residential roads in Stanwell. Public transport accessibility is less good than some other industrial areas, although the 20 minute catchment area is still nearly 10,000. There is also a significant population in Stanwell within walking distance

b) **Amenity:**
These sites are generally clear of established residential areas, although there is some housing in the vicinity of Northumberland Close and the Camgate estate in Long Lane. There is no evidence of direct adverse impact, although the scale of warehousing contributes to the dominant effect of Heathrow on the northern part of Stanwell..

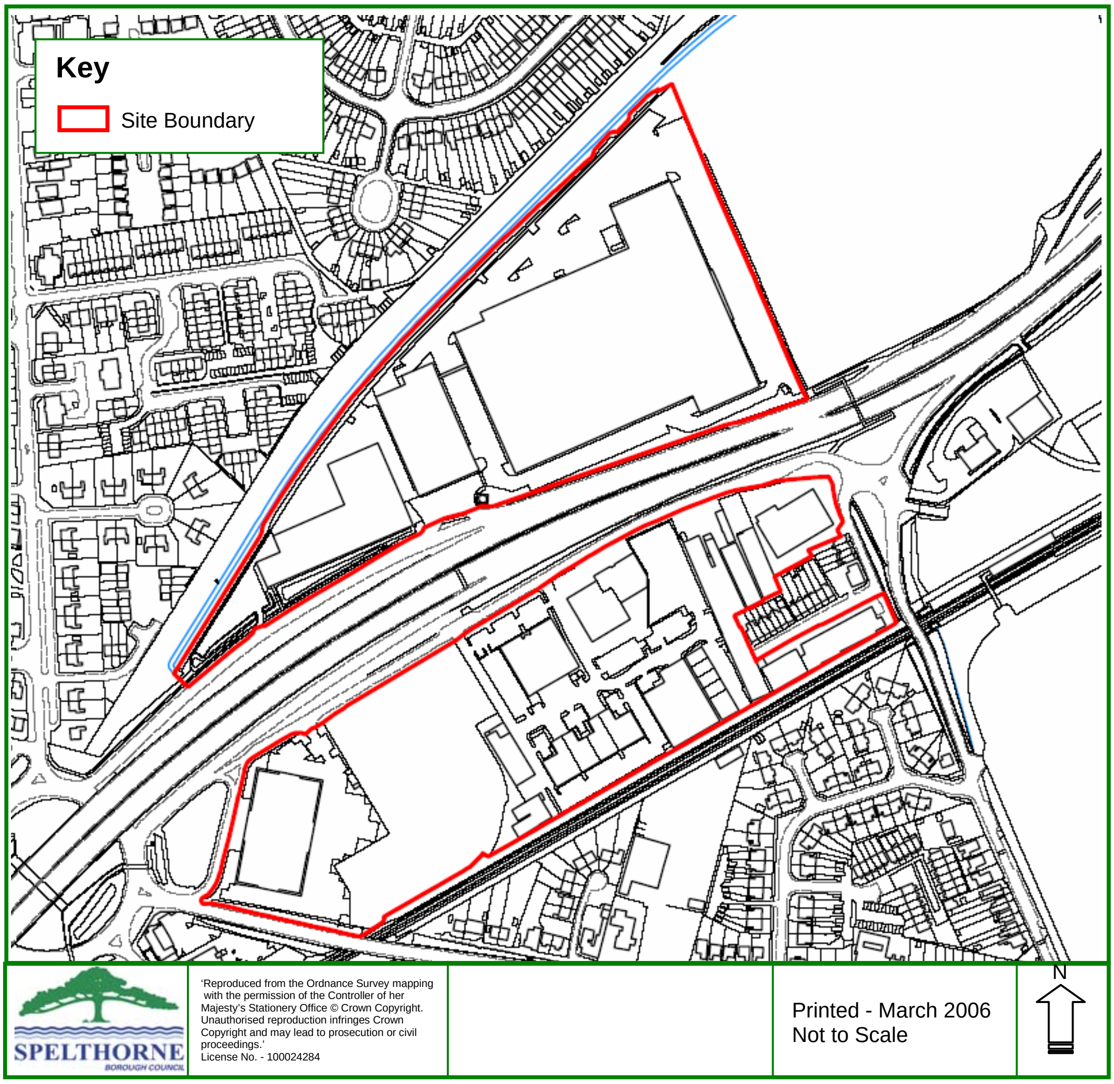
c) **Meeting Business Needs:**
Units are primarily warehousing of varying sizes, including modern and older units with scope for redevelopment..

d) **Market Demand:**
Market demand in this location is for warehousing linked to the airport. Generally demand is good, though affected by the level of activity at the airport.

Conclusion

These established warehouse estates contribute to meeting demand for airport related development. They are recommended for retention in commercial use.

4.21 Hanworth Road and Country Way, Sunbury



a) Accessibility:
These commercial areas lie on either side of the A316, which leads onto the M3. The immediate access arrangements are affected by the slip roads to the Sunbury Cross roundabout and the area generally suffers from congestion. Public transport accessibility is about average for the Borough's industrial estates.

b) Amenity:
The only area of potential conflict with residential is at the eastern end of Hanworth Road, where older industrial units adjoin housing.

c) Meeting Business Needs:
The Hanworth Road site contains a mix of old and new industrial units, with some scope for redevelopment, and some offices, while Country Way is a development of large modern warehouses.

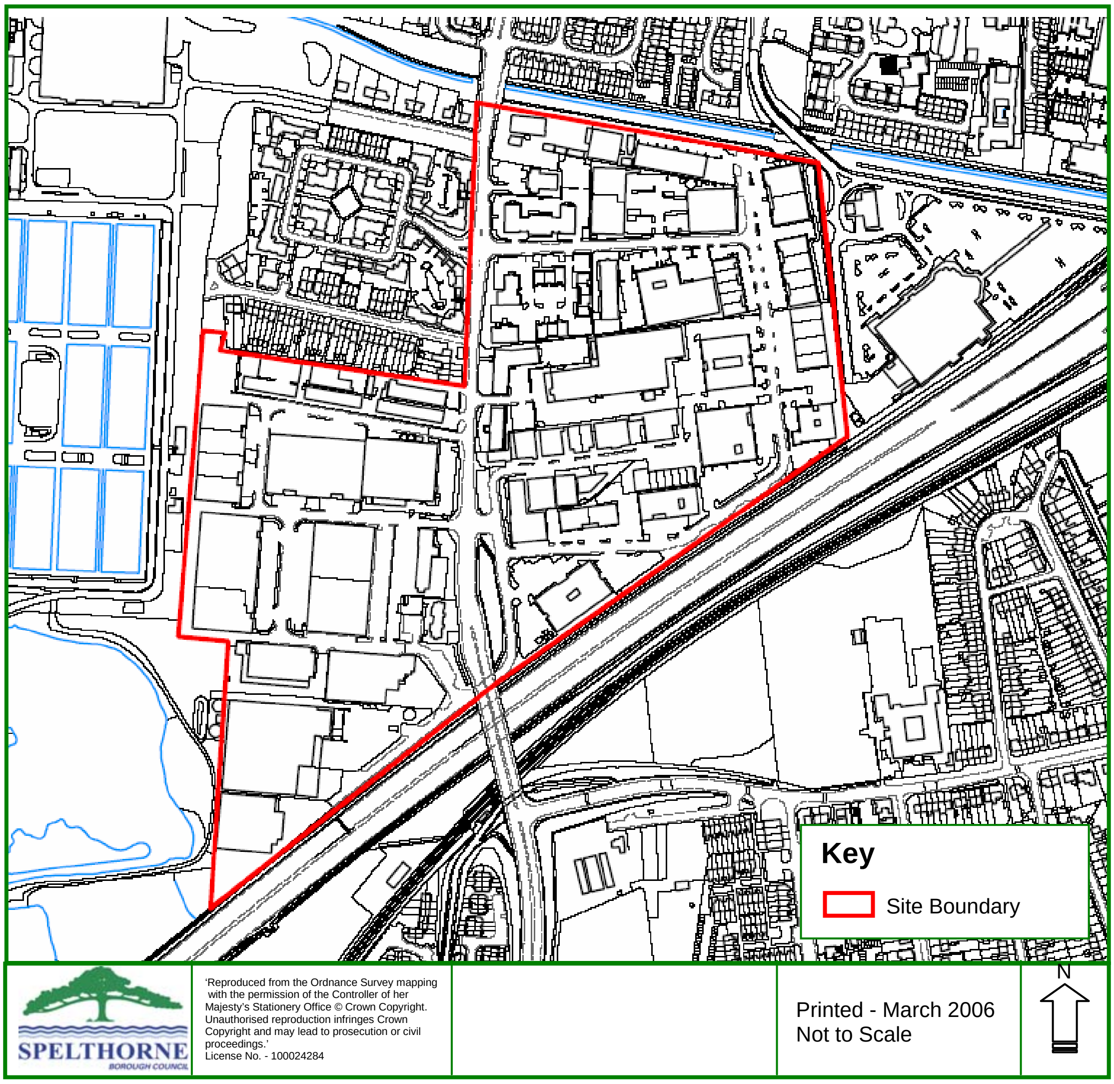
d) **Market Demand:**

There is good demand for smaller units but demand for larger industrial and office units is low due in part to congestion problems that affect the image of the area.

Conclusion:

This is a significant commercial area and its loss would materially affect the overall supply of commercial premises in the Borough. It is well generally located and has little adverse impact. While the level of demand needs to be kept under review it is recommended that both areas be retained in commercial use.

4.22 Windmill Road, Sunbury



a) **Accessibility:**

Access to the main road network is very good. There is direct access to the A244 and then to the A308. Access by public transport is the best of the non town center locations..

b) **Amenity:**
Most of this large commercial area is well away from housing. Housing does adjoin some peripheral areas to the north but there is no sign of adverse impact..

c) **Meeting Business Needs:**
This is the largest commercial area in the Borough and contains a wide range of ages, sizes and types of premises. Older parts of the estate offer scope for redevelopment to meet modern needs.

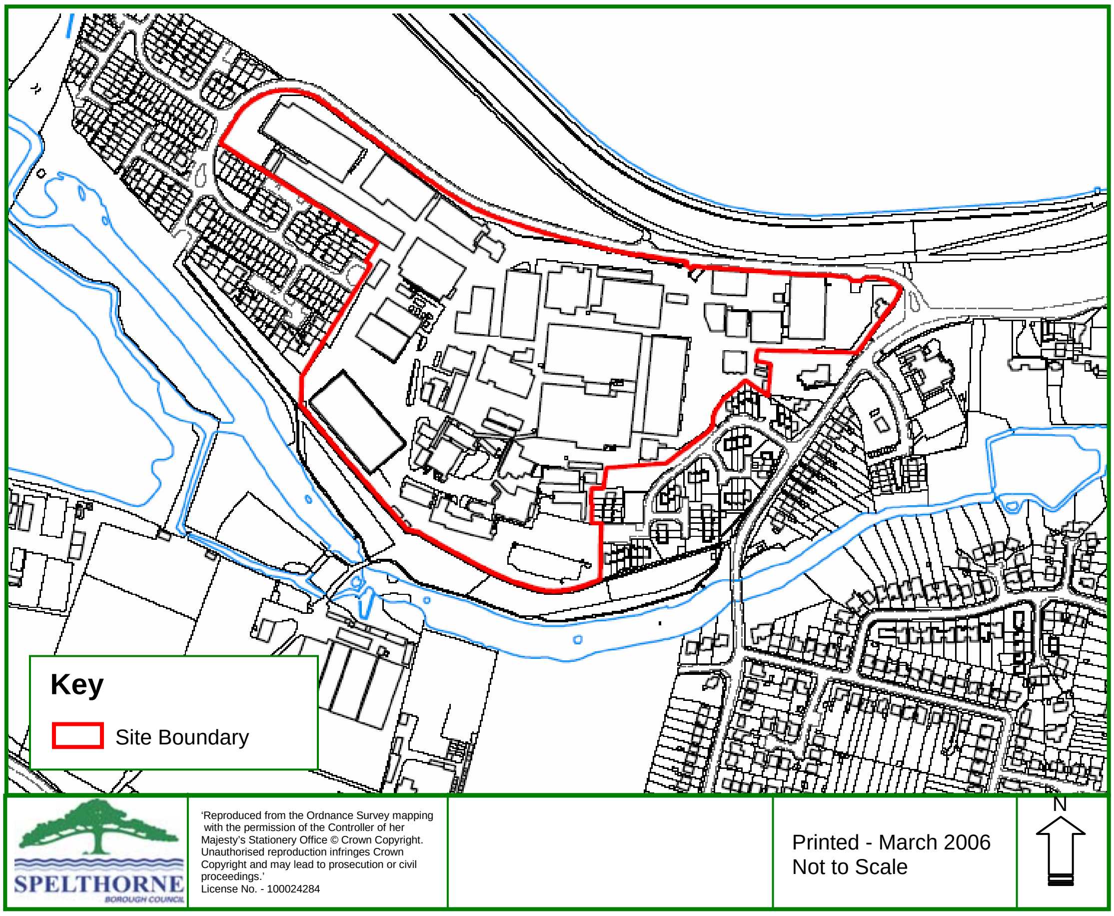
d) **Market Demand:**
Demand is generally good, particularly for smaller and more traditional uses. Demand has fallen away for larger units in office use.

Conclusion:

This large and accessible commercial area offers a range of units to meet business needs. It is an important component of the Borough's supply of commercial premises and is recommended for retention.

4.23 Large Individual Commercial Sites

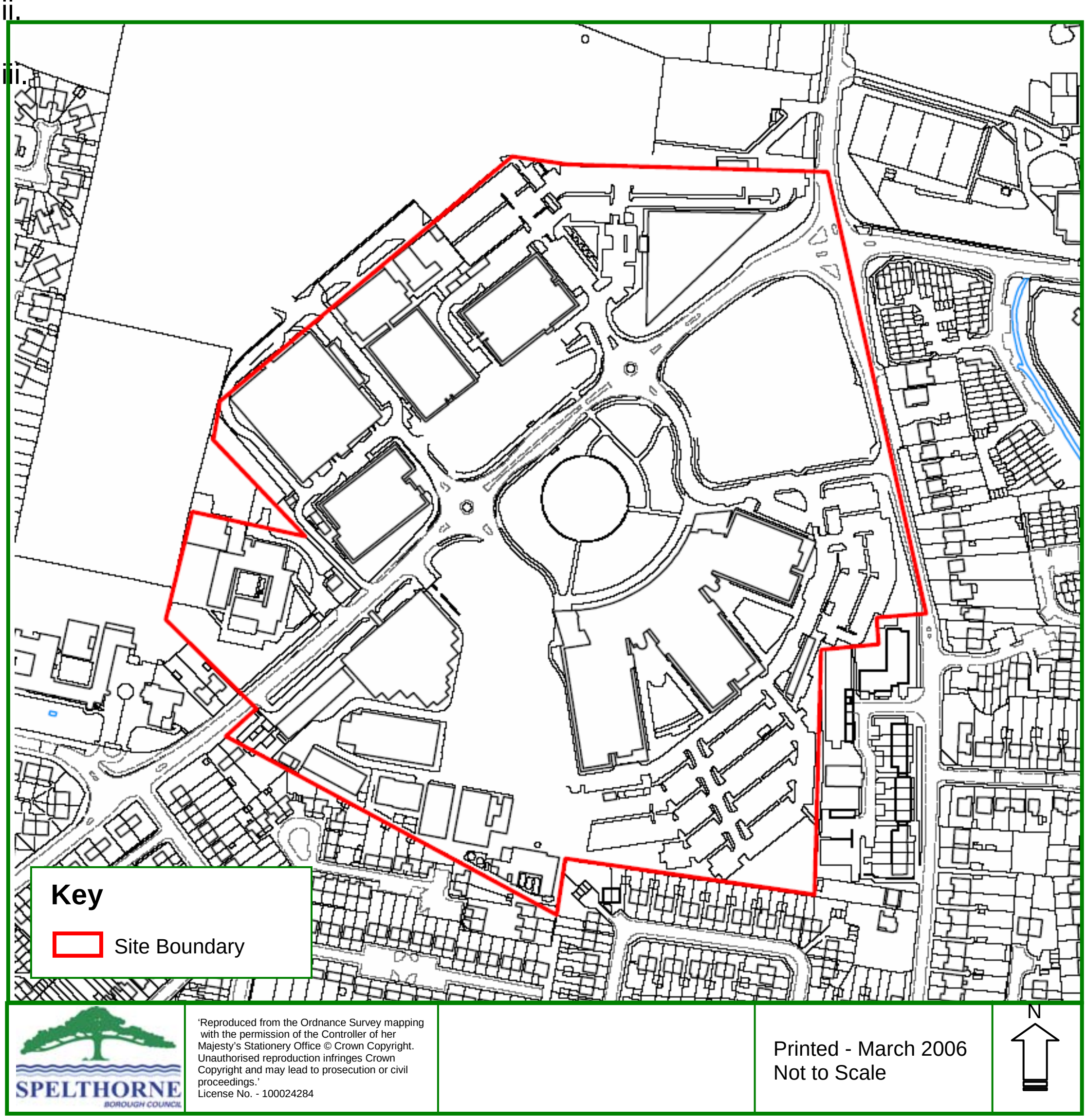
Two sites, each with one large occupier, are also recommended for retention. These are:



i. **Shepperton Studios.** The studios are a major local employer, for whom permission has been granted for a phased redevelopment to meet future needs. The permission reflected the conclusion that further development of the site for film making and related activities was acceptable, subject to environmental safeguards and transport measures. In view of the decision made it is recommended that the site be shown for retention in commercial use.

ii.

iii.



iv. **BP Chertsey Road, Sunbury.** BP is also a major local employer where a phased redevelopment is taking place in accordance with a permission that incorporated environmental safeguards and transport measures. Again in view of the decision the site is recommended for retention in commercial use.

Assessment of Town Centres

4.24 The existing Spelthorne Borough Local Plan designates "Commercial Areas" for the Borough's four main centres. In these areas employment development is acceptable in principle subject to qualifications regarding the appropriate scale and form of the development, compatibility with retail policy and subject to encouragement of mixed use development, including residential in appropriate locations. There is therefore a degree of flexibility in the policy approach, which seeks to achieve a balance of uses to sustain the vitality and viability of the Borough's town centres

4.25 Within the above policy context this report considers the need for and appropriate boundaries of each of the town centre commercial areas, together with the scope for further development in each. The assessment of each centre broadly follows the approach adopted for other commercial areas but focusing mainly on suitability for office development, which is likely to be the main form of commercial development in town centres. Industrial and warehousing sites within centers are covered at the end of the relevant section.

4.26 Existing and recommended commercial area boundaries are shown on plans at the back of this document.

4.27 Staines

Staines is the Borough's largest town centre and is a step above the other centres in the town centre hierarchy. This is reflected in its existing commercial area, which is easily the largest.

a) Accessibility:
Access by public transport to the centre is generally good. Staines has the only bus station in the Borough and has a network of services connecting to its catchment area. The railway station also has the best connections, although it is a little off centre.

b) Amenity:
Staines contains a mixture of residential and commercial uses. The main amenity issue is on street parking, which is a matter for regulation, rather than an argument for limiting development.

c) Meeting Business Needs:
Staines has a wide range of office development and the size of the commercial area offers scope for further development.

d) Market Demand:
Market demand for offices has fallen and their has been little recent activity other than for good quality small developments. Staines is well located and may benefit from the proposed Airtrack rail link, though there are concerns about traffic congestion.

Church Street

This is a small fairly modern warehousing development. It suffers from poor access, which is also through a conservation area. Demand for these units appears to be good, though the small scale of the development means it only makes a small contribution to meeting demand.

Millmead Estate

This is a traditional small industrial estate with some units in office use. Road access, off the High Street, is very poor but the proposed redevelopment of the adjoining Majestic House site provides for an alternative access. There is no evidence of adverse amenity impact from industrial use and demand for both small industrial and office space is good. There is scope for redevelopment at a higher density, subject to resolving flooding constraints that affect the site.

Conclusion

Staines is generally the best location in the Borough for office development and offers scope for increased provision within the existing commercial area, though this is subject to market conditions improving. It is recommended that the commercial area be extended to reflect recently completed commercial development, including the Two Rivers Shopping Centre. This includes Millmead, but it is not recommended that Church Street be included in view of the poor access and the relationship to the Conservation Area. Extending the boundary beyond the existing extent of commercial development would risk loss of residential areas, which would be contrary to current policy.

4.28 Ashford

a) Accessibility:
Ashford is very accessible by public transport and also has a large population within walking distance...

b) Amenity:
Most commercial development in the centre is in the form of offices above shops and does not raise significant amenity issues.

c) Meeting Business Needs:
The type of office provision available is restricted, mostly outdated and because it is above shops difficult to alter to meet modern needs. There is little scope for redevelopment within the centre.

d) Market Demand:
Ashford is not seen as an attractive location for office development.

Conclusion

While there is little scope for further office development it is recommended that the commercial area be retained to reflect the significant quantity of small office development in the centre. Small adjustments are proposed to reflect the current extent of commercial development.

4.29 Shepperton

a) **Accessibility:**
Shepperton is the least accessible by public transport of the Borough's four centers.

b) **Amenity:**
Commercial development in the centre is limited and does not raise significant amenity issues.

c) **Meeting Business Needs:**
Limited office provion includes a serviced office facility.

d) **Market Demand:**
Shepperton is not seen as an attractive location for office development.

Conclusion

While there is little scope for further office development it is recommended that the commercial area be retained to reflect the extent of the centre. It is also recommended that Shepperton Business Park, which currently adjoins the boundary, be added to the commercial area.

4.30 Sunbury Cross

a) **Accessibility:**
Sunbury Cross is relatively accessible by public transport.

b) **Amenity:**
Office development in Sunbury does not directly affect adjoining housing, but Sunbury Cross suffers from traffic congestion and poor air quality, to which traffic generated by business in the area contributes. .

c) **Meeting Business Needs:**
Sunbury has a significant stock of office floorspace but the majority is relatively old. The centre is densely developed, which limits the scope for increasing provision.

d) **Market Demand:**
There is little market demand. This is due to a lack of good quality space coupled with a perception of poor accessibility and poor image of the area.

Conclusion

There is little likelihood of further growth in office floorspace in Sunbury. However, there is a significant existing stock and it is recommended that the commercial area boundary be retained, with minor adjustments, to reflect the current extent of commercial development.