

Spelthorne Functional Economic Area Analysis

Final Report

March 2017



Foreword

The Spelthorne Local Plan will set out the expected level of development in the Borough to 2033, including the level of housing, affordable housing, economic development and infrastructure requirements. The Local Plan will also allocate sites for development and include the policies against which planning applications will be considered.

The Functional Economic Area (FEA) Analysis seeks to determine the functional economic area which Spelthorne lies within and forms part of the evidence to support the Spelthorne Local Plan.

The FEA will also be used as the basis for further employment needs evidence on demand and supply over a wider geographical area and identify which authorities the Council will need to engage with under the Duty to Cooperate on economic development issues including the balance of jobs/homes over the FEA and the Housing Market Area (HMA).

Executive Summary

Spelthorne Borough Council is in the process of preparing a new local plan and this report will form part of the evidence base on economic development needs. This analysis represents a key evidence document that will support emerging policy in the local authority, with particular application to those policies which relate to employment, retail, commercial and other infrastructure developments.

There is no formal definition of a Functional Economic Area (FEA) and no definitive map of the geographies of FEAs. As such, the methodological approach adopted for this study has been informed by Planning Practice Guidance for assessing economic development needs and investigating Functional Economic Areas within and across local authority boundaries. The report therefore considers and analyses five key themes: the housing market area, the functional commercial property market area, the functional labour market area, industrial clustering, and retail and service sector geographies.

Collating the various qualitative and quantitative analysis undertaken as part of this study, the spatial extent of the FEA that Spelthorne is located within has been considered. The key findings of the study are summarised by topic below.

The Spelthorne Economy

Spelthorne is a relatively small borough, with 65% of the borough consisting of Green Belt (this includes significant areas of water). Spelthorne has a relatively dense population and is also home to more business space per hectare than any other Surrey District. Industrial and warehousing uses represent a large proportion of this floorspace, largely due to the influence of Heathrow Airport to the north of the Borough. 79.4% of residents are in employment in Spelthorne, with the service sector being the largest employer. Spelthorne performs particularly well in terms of gross weekly pay, with gross earnings at £658 per week, which is above both the South East and England averages, however the total mean income for the borough (£33,800) is 27% lower than the Surrey average. Furthermore, 35% of Spelthorne residents are qualified to degree level or equivalent however this is the lowest percentage of all Surrey authorities. Despite the need for an improvement in educational attainment, Spelthorne has a relatively strong economy.

Housing Market Area

The joint SHMA undertaken on behalf of Spelthorne and Runnymede places Spelthorne, along with Runnymede, in a North West Surrey Housing Market Area. Overlapping links with other neighbouring local authorities have also been identified such as to Elmbridge, Woking and Hounslow. Further links are likely to exist to authorities in other neighbouring HMAs although are likely to be less of an influence on the Spelthorne/Runnymede HMA.

Commercial Property Market Area

Evidence suggests that Spelthorne is part of a wider PMA; however the CBRE South East Regional Property Market Study and the Enterprise M3 LEP Commercial Property Market Study place the borough in slightly different PMAs. The CBRE study places Spelthorne into property market 5, which covers Heathrow, Slough and High Wycombe. Contrastingly the LEP Upper M3 PMA encompasses the local authorities of Spelthorne, Runnymede and Elmbridge and therefore presents a more locally contained PMA. Commercial rents and yields are fairly similar across a consistent area which partly corresponds to the different PMAs identified. Nonetheless, there is a clear sub-regional market for employment floorspace in the area surrounding Heathrow Airport. The strongest links would appear to be with Elmbridge, Hillingdon, Hounslow, Runnymede, Slough and Windsor & Maidenhead.

Labour Market Area

Spelthorne is located within the Slough and Heathrow Travel to Work Area, which also includes Slough, Hillingdon, South Bucks, Richmond, as well as the majority of Runnymede, Hounslow, and Windsor & Maidenhead. The Joint Spelthorne and Runnymede SHMA found the strongest commuting links between Spelthorne and Runnymede, as well as Hillingdon and Hounslow. Flows towards the London Boroughs appear to be stronger than those to the rest of Surrey with the exception of Runnymede, although other substantial links exist with Elmbridge, Slough, the London Borough of Richmond and to a lesser degree Windsor & Maidenhead.

Industry Clusters

The South East region has a high concentration of industry clusters especially within the South Buckinghamshire, Thames Valley, Blackwater Valley and Surrey areas. Spelthorne performs relatively well and is within the KPMG top 25 Tech Quotient rankings along with a number of other authorities from Surrey, the Thames Valley and South West London which is also home to a cluster of ICT/Digital Technology sectors. Clusters are also located in the EM3 LEP upper M3 area with respect to 'Advanced Engineering & Marine' sectors.

Retail and Service Sector Geographies

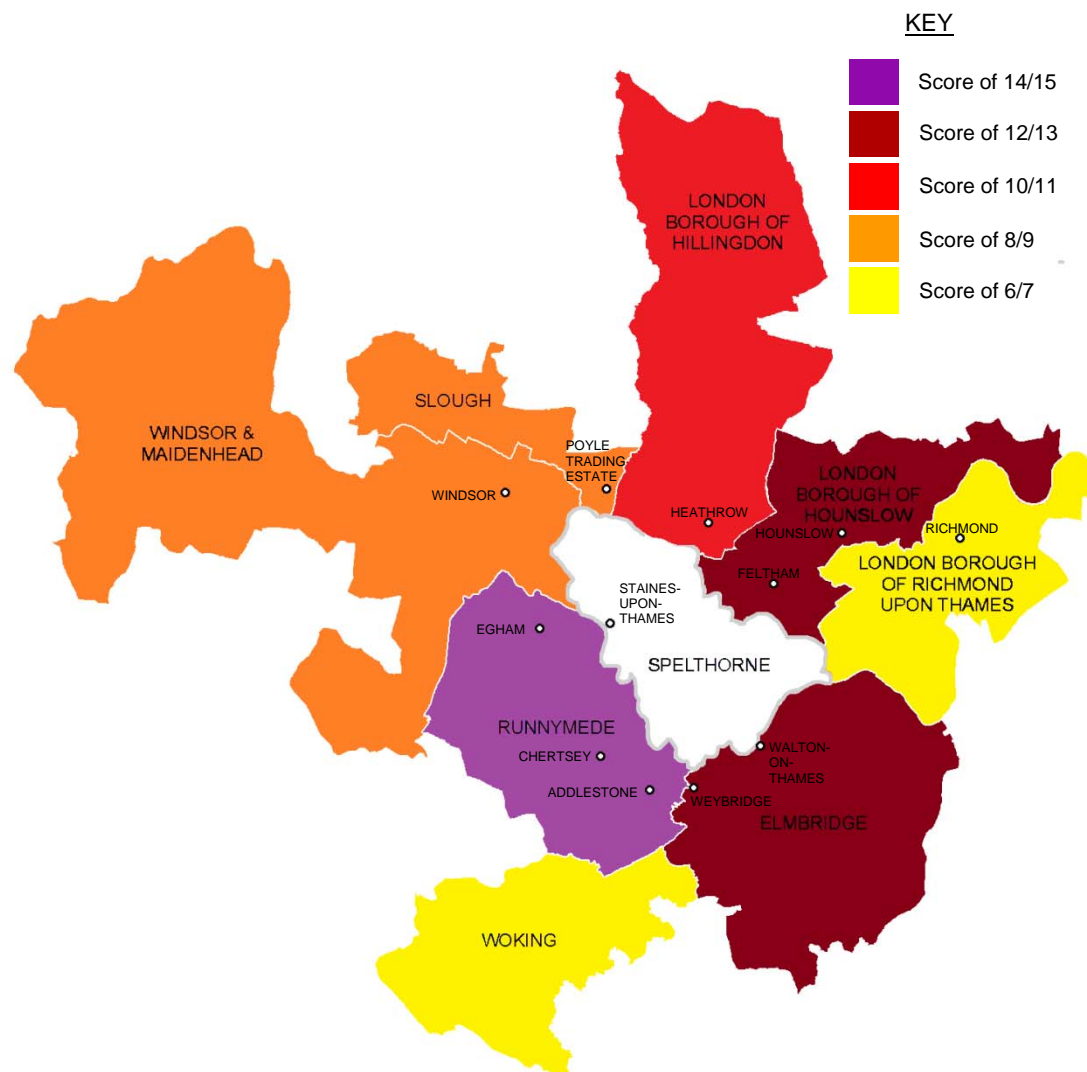
Staines-upon-Thames is classified as a secondary regional retail centre and performs a strong comparison goods role in the wider sub-region with a catchment that extends into Runnymede, Elmbridge, Windsor & Maidenhead and the London Borough of Hounslow. However Staines-upon-Thames does experience some expenditure leakage to Kingston-upon-Thames. Furthermore, analysis of retail studies in the surrounding local authorities found links from Runnymede, Elmbridge, Hillingdon and Hounslow to parts of Spelthorne, namely Staines-upon-Thames.

Functional Economic Area for the Borough of Spelthorne

Based on the various thematic Functional Economic Area assessments for Spelthorne, it is considered that Spelthorne shares its strongest links with Runnymede, Elmbridge and the London Boroughs of Hillingdon & Hounslow and together these authorities sit within a Heathrow focussed FEA. It should however be acknowledged that other identified FEAs will overlap and areas such as Slough and Windsor & Maidenhead will need to be engaged in the process. Spelthorne also works with local authorities across the whole of the County of Surrey as well as those authorities within the Enterprise M3 LEP area. Figure E1 provides a visual illustration of the functional links held between Spelthorne and its surrounding authorities and also the strength of those ties. As such, Spelthorne holds its strongest links with the Surrey authorities of Runnymede and Elmbridge and also the London Boroughs of Hillingdon and Hounslow. It must however be noted that these functional connections are not evenly distributed throughout the surrounding Local Authorities and are most prevalent in those areas which are immediately adjacent to Spelthorne, such as Heathrow Airport, the Colnbrook and Poyle trading estates and the surrounding local centres.

With the core FEA for Spelthorne cutting across a range of administrative boundaries within the sub-region, it is recommended that future preparation of policies relating to economic and employment development in Spelthorne are jointly considered by these local authorities under the statutory duty to cooperate.

Figure E1: Functional Economic Area that Spelthorne is located within



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1. Introduction & Policy Context

- 1.1 This report considers the geographic extent of the Functional Economic Area (FEA) that Spelthorne lies within and is intended to form part of the evidence to support the review of the Local Plan. Moving forwards this report will also help to support further economic and employment evidence for the Local Plan.
- 1.2 The aim of the report is to enable a greater understanding of the FEA and what this means for Spelthorne in terms of:
- The impact of any economic or employment policies or objectives on the wider area;
 - Engaging and collaborating with other authorities in the FEA to understand wider economic/employment needs;
 - The role Spelthorne might play in helping to meet economic/employment needs in the FEA and how this contributes to the balance of homes/jobs across the wider area.

Policy and Guidance

- 1.3 The Duty to Cooperate introduced by the Localism Act 2011 requires local authorities and a number of prescribed bodies to work with one another on strategic planning issues. Economy/employment has been identified as one such strategic issue within the Spelthorne Duty to Cooperate Framework published in July 2015. The National Planning Policy Framework (NPPF) and its supporting Planning Practice Guidance (PPG) set out that economic development needs should be considered across Functional Economic Areas (FEA).
- 1.4 Paragraph 160 of the NPPF states that
- 'Local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area and to achieve this they should:*
- *Work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and*
 - *Work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.'*
- 1.5 The PPG note on *Housing & Economic Development Needs Assessments* sets out in paragraph 12 that as patterns of economic activity vary from place to place there is no standard approach to defining an FEA. However, paragraph 12 goes on to state that it is possible to define an FEA by taking account of a number of factors including:
- Extent of any Local Enterprise Partnership within the area;
 - Travel to work areas;
 - Housing market area;
 - Flow of goods, services and information within the local economy;
 - Service market for consumers;

- Administrative areas;
 - Catchment areas of facilities providing cultural and social well-being.
- 1.6 Although prepared prior to the PPG the Department of Communities and Local Government (CLG) published guidance in 2010¹ relating to FEAs which is still relevant for context. The guidance sets out that economic flows often overlap local authority boundaries and key economic markets broadly correspond to sub-regions or city regions.
- 1.7 Like the PPG the guidance sets out that there is no universal approach to defining an FEA, but there is a wide range of alternative ways to measure functional boundaries including relevant key markets such as labour markets, housing markets, supply chains and service markets for consumers. The guidance also states that the importance of administrative boundaries needs to be recognised and can be done through 'best fitting' FEA boundaries to local authorities so they are approximated in terms of whole local authority boundaries.
- 1.8 The CLG guidance also sets out that where strong economic links are identified, local authorities should consider the benefits of collaborating with neighbouring areas when undertaking economic assessments and implementing policy.

Report Structure

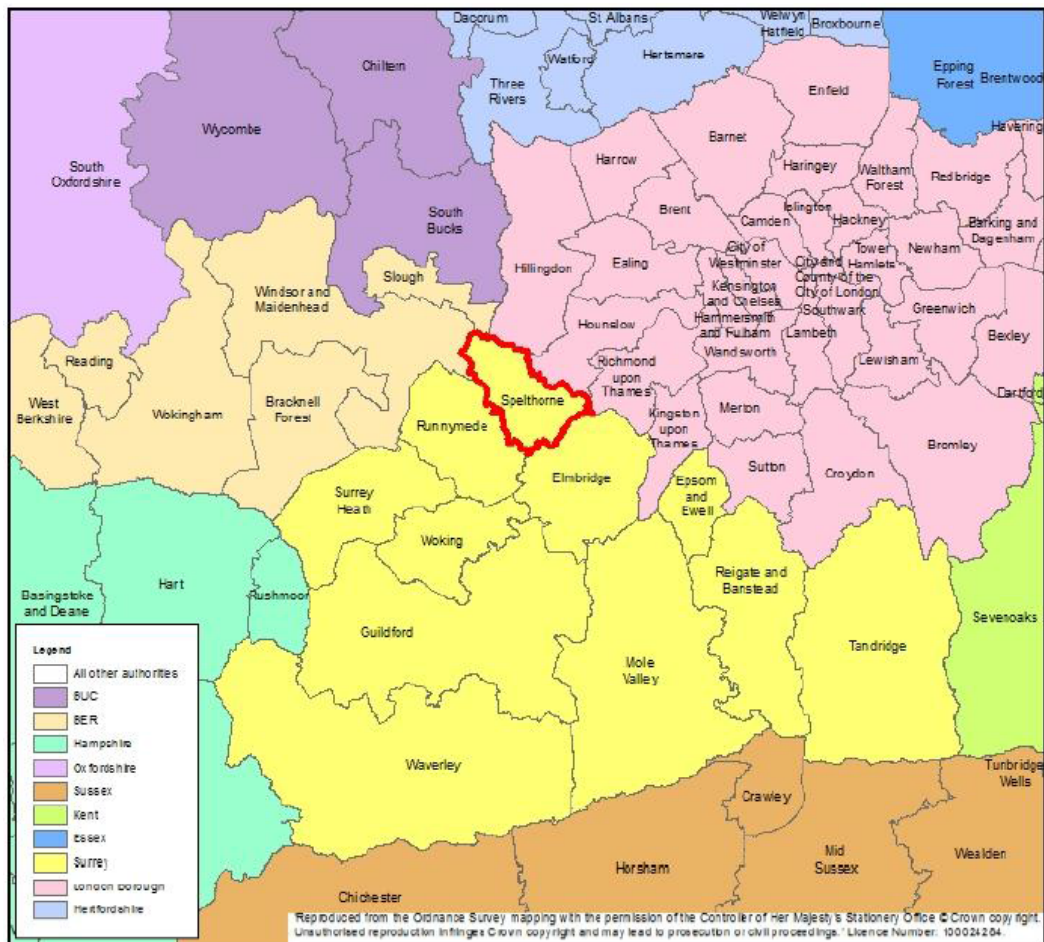
- 1.9 The remainder of this report examines the various ways that may come to define the functional economic area that Spelthorne is located within. Conclusions and recommendations will then be presented for Spelthorne Borough Council to take forward when planning for economic development in the area.
- 1.10 The report is presented under the following headings:
- The Geography of Spelthorne Borough
 - Housing Market Area for Spelthorne
 - Functional Commercial Property Market Areas
 - The Functional Labour Market Area
 - Industry Clusters
 - Retail and Service Sector Geographies
 - Local Functional Economic Area Studies: Conclusions of Previous Research
 - Conclusions and Recommendations

¹ Functional Economic Areas: an economic note (2010) CLG. Available at:
<http://www.researchonline.org.uk/sds/search/download.do;jsessionid=3210AE2D7AFB4D5F095B25B5979522C0?ref=B15156>

2. The Geography of Spelthorne Borough

- 2.1 The Borough of Spelthorne is located in North West Surrey approximately 15 miles south west of Central London and shares its northern border with Heathrow Airport. The borough is relatively small being only 7 miles long and 2.5 miles wide; however it is quite densely populated and has more business space per hectare than any other Surrey district². Approximately 65% of the borough is designated as Green Belt however no part of the Borough's open land is more than half a mile from the urban area (The Green Belt includes significant areas of water)³. The majority of the population are distributed to the larger centres of Ashford, Shepperton, Staines-upon-Thames and Sunbury.

Figure 1: Location of Spelthorne in wider context



- 2.2 Spelthorne has boundaries with seven neighbouring Local Authorities which include the Surrey authorities of Runnymede and Elmbridge, the Berkshire authorities of Windsor & Maidenhead and Slough, and the London Boroughs of Hillingdon, Hounslow and Richmond upon Thames. Spelthorne's largest town is Staines-upon-Thames whilst the nearest major settlements outside of the borough include Feltham, Walton-on-Thames, Weybridge, Windsor, Slough, Addlestone and Chertsey.

² Spelthorne Economic Strategy 2013. Available at:
<https://www.spelthorne.gov.uk/CHttpHandler.ashx?id=4453&p=0>

³ Spelthorne Local Economic Assessment September 2013. Available at:
<https://www.spelthorne.gov.uk/CHttpHandler.ashx?id=4454&p=0>

- 2.3 Spelthorne is a well-connected borough due to its close proximity to the M25 and M3 motorways with junctions at Staines-Upon-Thames and Sunbury respectively. Via the M25 there is quick access to the M4 motorway and the M40 motorway. The A308 dual carriageway links to the A30 just north of Staines-upon-Thames Town Centre and travels east to Sunbury Cross then continues as a single carriageway to Hampton Court and on to the A3. Heathrow Airport can be accessed via the M25 and the A30 trunk road. Six rail stations are located in the borough as well as a relatively dense network of bus services. Much of the urban areas of Staines-upon-Thames, Ashford, Stanwell, Shepperton and Sunbury are within 400 metres of a twice hourly bus service⁴.
- 2.4 Spelthorne is home to a large and diverse number of businesses spread widely across the Borough. Industrial and warehousing premises represent a large amount of floorspace due to the close proximity to Heathrow, whilst office and retail floorspace is also significant. In the areas adjoining the Borough there are further significant amounts of business floorspace, including Heathrow Airport, Poyle Trading Estate and the Causeway, Staines-upon-Thames on the southern side of the River Thames in Runnymede. In common with the rest of the county, the service industry dominates, accounting for 86.1% of employee jobs, the largest number of which are 'financial and other business services' at 19.7%⁵.
- 2.5 Staines-upon-Thames is the main retail area in the borough, whilst Shepperton Studios in Shepperton and the smaller nearby Halliford Studios represent a significant high-tech industry presence in the Borough. Sunbury is also home to BP's International Centre for Business and Technology which is the company's largest centre in the UK.

Employment

- 2.6 The authorities around Spelthorne perform unevenly across the range of labour market indicators. Nomis statistics from April 2015 to March 2016 reveal that 79.4% of Spelthorne residents are in employment, which has increased from 74.2% from the previous year⁶.
- 2.7 Surrey accommodates around 541,700 workforce jobs (as at 2014), having increased by 4% from its 2009 level. This scale of employment growth was slightly lower than both the South East and national average during this period.
- 2.8 The scale of employment in Surrey authorities is generally lower than many of its adjoining areas such as Hillingdon, Hounslow, Slough and Richmond-upon-Thames. From 2009-2014 employee jobs have increased in the majority of the authorities surrounding Spelthorne, with the exception of Slough, Kingston-upon-Thames and Tandridge.
- 2.9 Median gross weekly pay in Spelthorne is £658 for full time workers, which is higher than the South East (£574) and Great Britain (£529) averages. Whilst this is the case, the total mean income in Spelthorne for 2013-14 was £33,800⁷. It is several thousand above the average for England but lower than the South East average. It is also the third lowest of the adjoining authorities and the lowest of all Surrey authorities. The average for Surrey is 27% higher at £46,600, and the average of all adjoining authorities is £43,875.
- 2.10 As at 2015, some 46.2% of the resident working age population in Surrey held a NVQ4 and above qualification, which is higher than the regional (39.8%) average. The Surrey

⁴ Transport Statement on the Spelthorne Development Plan, January 2007. Available at:

<https://www.spelthorne.gov.uk/CHttpHandler.ashx?id=3481&p=0>

⁵ ONS Business Register and Employment Survey, 2014

⁶ ONS Annual Population Survey, 2016

⁷ HMRC (2016) Personal Income Statistics 2013-14

average is driven by particularly high levels of NVQ level 4 and above attainment in Elmbridge (59.2%) and Epsom & Ewell (50.5%) and comparably low attainment within Spelthorne (35.1%) and Runnymede (37.7%). This low level of residents with a degree or equivalent qualification in Spelthorne is an improvement on 2001, however it is the lowest in comparison to other Surrey local authorities⁸, and as such explains to some extent the lower average income in the borough than in the surrounding areas.

- 2.11 The proportions of residents with no formal qualifications varies between local authorities, with a Surrey average of 5.8%. Spelthorne has an above average rate at 7.3%.

Table 1: Employee Jobs by Authority⁹

Place	Employee Jobs 2014	% Change (2009-2014)
Elmbridge	54,100	+7%
Epsom and Ewell	29,600	+7%
Guildford	77,200	+7%
Mole Valley	43,100	+2%
Runnymede	53,700	+6%
Reigate and Banstead	64,500	+7%
Spelthorne	35,800	0%
Surrey Heath	52,000	+5%
Tandridge	30,800	-0.3%
Waverley	50,900	+2%
Woking	46,300	+0.2%
Surrey	541,700	+4%
Hillingdon	201,900	+10%
Hounslow	140,200	+15%
Slough	77,800	-0.8%
Richmond-upon-Thames	76,200	+11%
Kingston-upon-Thames	71,100	-6%
Bracknell Forest	60,300	+7%
Windsor and Maidenhead	76,100	+2%
South Bucks	35,000	+9%
South East	3,908,000	+5%
GB	27,950,900	+5%

Table 2: Labour market indicators by Local Authority (April 2015-March 2016)¹⁰

Local Authority	Economic Activity (%)	Unemployment (%) ¹¹	Resident Skills NVQ Level 4 and above	No Qualifications
Elmbridge	80.1%	3.3%	59.2%	5.5%
Epsom and Ewell	84.2%	2.9%	50.5%	#
Guildford	77.0%	3.1%	44.1%	8.1%
Mole Valley	88.1%	2.9%	49.6%	#
Runnymede	77.5%	3.2%	37.7%	7.7%

⁸ ONS Annual Population Survey, 2015

⁹ ONS Business Register and Employment Survey, 2014

¹⁰ ONS Annual Population Survey, 2016

¹¹ The ONS Annual Population Survey (APS) measure of unemployment refers to people without a job who have been actively seeking work within the last 4 weeks and are available to start work within the next 2 weeks. This is measured quarterly as a proportion of the economically active population. JSA is not a direct measure of unemployment but is strongly correlated with it. Spelthorne BC regularly measures the relative change in the borough on an ongoing basis using the JSA claimant rate (0.8% as at July 2016) as it is published more frequently at borough and ward level.

Local Authority	Economic Activity (%)	Unemployment (%) ¹¹	Resident Skills	
			NVQ Level 4 and above	No Qualifications
Reigate and Banstead	83.9%	3.1%	47.9%	#
Spelthorne	82.4%	3.7%	35.0%	7.3%
Surrey Heath	79.8%	3.1%	44.0%	#
Tandridge	82.9%	2.8%	42.7%	#
Waverley	79.2%	2.9%	48.8%	#
Woking	85.1%	2.5%	45.6%	#
Surrey	81.5%	3.0%	46.3%	5.8%
Hillingdon	78.9%	5.4%	40.2%	8.7%
Hounslow	76.1%	5.2%	45.5%	6.5%
Slough	78.4%	4.6%	37.3%	8.0%
Richmond-upon-Thames	81.2%	4.6%	69.5%	3.2%
Kingston-upon-Thames	77.7%	5.2%	53.7%	5.9%
Bracknell Forest	86.3%	3.1%	38.4%	4.1%
Windsor & Maidenhead	83.1%	3.5%	50.6%	3.4%
South Bucks	78.4%	3.5%	53.8%	#
South East	80.6%	4.1%	39.8%	6.3%
GB	77.8%	5.1%	37.1%	8.6%

Sample size too small for reliable estimate

- 2.12 Across Surrey as a whole, the economic activity rate (i.e. the proportion of working age residents either in or seeking employment) stands at 81.5%, higher than the national (77.8%) and regional (80.6%) averages.
- 2.13 On the ONS Annual Population Survey measure of unemployment, Spelthorne (3.7%) performs worse than the Surrey average (3.0%), however the Borough performs better than the average of the adjoining authorities (4.1%) as well as the regional (4.2%) and national (5.7%) equivalents. Amongst other individual authorities, Woking (2.5%) and Tandridge (2.8%) record the lowest levels of resident unemployment, while Hillingdon (5.4%) and Hounslow (5.2%) record the highest levels of unemployment in the sub-region.

Business Demography and Enterprise

- 2.14 Across Surrey as a whole, the stock of enterprises amounts to 61,430, with Elmbridge accommodating the largest number of firms within the county (12,700) and Richmond upon Thames accommodating the most at the regional level (21,800).
- 2.15 Runnymede accommodates the highest proportion of larger firms in Surrey (in employment terms, 250+ employees), with Hillingdon and Hounslow in the wider region accommodating a larger quantity of large businesses. This is largely driven by links to Heathrow Airport.

The proportion of the working age population that are self-employed in Surrey (12.3%) is slightly above the level at the South East (11.6%) level.

Table 3: Business Demography Indicators by Local Authority¹²

Authority	Self-Employment	Stock of Enterprises
Elmbridge	13,400	8,275
Epsom and Ewell	#	3,365
Guildford	11,500	7,105
Mole Valley	8,700	5,245
Runnymede	4,500	4,040
Reigate and Banstead	14,600	6,570
Spelthorne	#	4,835
Surrey Heath	7,800	4,590
Tandridge	8,500	4,790
Waverley	16,800	7,900
Woking	10,100	4,715
<i>Surrey</i>	<i>103,500</i>	<i>61,430</i>
Hillingdon	19,700	11,390
Hounslow	29,500	11,860
Slough	9,900	4,985
Richmond-upon-Thames	21,800	12,440
Kingston-upon-Thames	15,200	7,730
Bracknell Forest	7,600	4,410
Windsor & Maidenhead	10,500	8,880
South Bucks	4,200	5,025
<i>South East</i>	-	337,445

Sample size too small for reliable estimate

Conclusion

- 2.16 Overall, data on employment and business demography indicates a relatively strong economy in Spelthorne and the wider area, however education attainment in the Borough could be improved. In terms of business and enterprise, the close proximity of Heathrow Airport to the borough means that it is a key driver of the economy, with similarities to the London Boroughs of Hillingdon and Hounslow. The total mean income in Spelthorne is the third lowest of the adjoining authorities, with it being most similar to that of Hounslow, Hillingdon and Runnymede. In terms of employment levels, Spelthorne is most similar to the adjoining authorities of Windsor and Maidenhead and the London Borough of Richmond. Furthermore, Spelthorne has an unemployment rate of 3.7%. Of the neighbouring authorities, this is most similar to Runnymede and Windsor and Maidenhead. The level of education attainment in Spelthorne has been shown to be relatively low when compared to surrounding authorities, although significant improvements in school performance have been made in recent years. Spelthorne is most similar to the Boroughs of Slough and Runnymede and is the most dissimilar from the London Borough of Richmond and Elmbridge.

¹² ONS Annual Population Survey, 2016

3. Housing Market Area of Spelthorne

- 3.1 A housing market area (HMA) is a geographical area in which the majority of people, who move, will move within. It also reflects the functional relationships between where people live and work.
- 3.2 Housing market areas can help to determine the spatial extent of a functional economic area due to the close relationship between where people live and work. Both the Planning Practice Guidance (PPG) and Planning Advisory Service (PAS) recognise the link between economic areas and HMAs and state that because just as household location choices are largely directed by access to jobs and services, business location decisions are guided by access to workers and customers. The PAS guidance¹³ goes on to state that as both HMAs and FEAs are largely shaped by the reach of a daily trip, with their influence upon travel-to-work and sub-regional housing markets, they can be expected to be generally similar. This similarity of geographical extent can ease policy formation and analysis.
- 3.3 The relationship between the FEA and HMA noted by the PPG means that it is important to consider the extent of the HMA when carrying out analysis of the FEA. A joint Strategic Housing Market Assessment undertaken by GL Hearn, on behalf of Spelthorne and Runnymede Councils, was published in November 2015. This presents analysis on the HMA that Spelthorne and Runnymede sit within.
- 3.4 The interconnected local housing markets are a reflection of the density of transport networks present in the area. Further factors which determine the extent of the HMA and cross-boundary flows include house prices and migration patterns. The joint Spelthorne and Runnymede SHMA found considerable links between the Spelthorne-Runnymede HMA and parts of the surrounding boroughs (Hounslow, Woking and Elmbridge), despite these authorities often holding stronger ties with other places and falling into different HMAs. This highlights the possibility of overlapping along the borders of HMAs. As such, the joint SHMA therefore recommends that Spelthorne and Runnymede work closely with their surrounding authorities in order to facilitate better cooperation on any cross-boundary issues.
- 3.5 The SHMA also recognises the following SHMAs in the surrounding areas to identify strategic links and to study how HMAs are defined. A review of these previous studies allows a picture to be built up of HMAs in the wider area:

Hart, Rushmoor & Surrey Heath SHMA 2014: previous research, migration and travel to work patterns support the important linkage between Hart, Rushmoor and Surrey Heath;

West Surrey SHMA 2015: This area encompasses Guildford, Waverley and Woking, however overlaps slightly with the Hart, Rushmoor and Surrey Heath market and also receives some influence from London;

London SHMA 2013: this looks at the Greater London area however recognises links beyond these boundaries and accepts that its reach covers a 'substantial hinterland'. The SHMA accepts that there is no universal way of measuring this reach, noting that boundaries based on analysis of commuting and migration are 'highly sensitive to the specific level of containment uses' based on the CURDS report. The London SHMA is

¹³ Objectively Assessed Need and Housing Targets, Technical Advice Note (2015) PAS. Available at: <http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvisenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

likely to be updated as part of the next iteration of the London Plan which was commenced by the Greater London Authority (GLA) in 2015.

Berkshire SHMA (including South Bucks) 2016: This study concludes that Windsor and Maidenhead, Slough and South Bucks form an 'Eastern HMA', and Bracknell Forest, Reading, West Berkshire and Wokingham form a 'Western HMA'.

- 3.6 The slightly older SHMAs in the area are also worth consideration:

Eastern Surrey SHMA 2007: this study determined that Elmbridge, Epsom & Ewell, Mole Valley, Reigate & Banstead and Tandridge all defined the East Surrey HMA. This work is being updated by a North East Surrey (Elmbridge, Epsom & Ewell and Mole Valley) and Richmond SHMA.

Windsor & Maidenhead SHMA 2014: This market area encompasses Reading, Wokingham, Wycombe, Windsor & Maidenhead, South Bucks, Slough, Bracknell Forest, Surrey Heath, Runnymede and Spelthorne; The Berkshire wide SHMA has since superseded this study.

- 3.7 The above studies reveal that Spelthorne and Runnymede are not considered part of a common HMA with their surrounding authorities. Although, the Windsor and Maidenhead SHMA identified Spelthorne & Runnymede as part of its HMA, this study drew on all of its adjoining authorities and has since been updated with Windsor & Maidenhead forming an East Berks SHMA with Slough and South Bucks.
- 3.8 The joint Spelthorne & Runnymede SHMA concluded that Spelthorne forms a North West Surrey HMA along with Runnymede. The Spelthorne and Runnymede SHMA has analysed the HMA in terms of household migration, commuter movements and house prices in detail. As such, strong functional links were identified between Spelthorne and Runnymede as well as links with the adjoining authorities of Elmbridge, Woking and the London Borough of Hounslow. Given these linkages, the report recommends that Spelthorne and Runnymede Councils recognise these overlaps between authorities and markets and work alongside their neighbouring authorities as well as to London's Housing Market more widely. This will allow relevant issues to be better understood and will enable a more coordinated approach to activities.
- 3.9 The influence of London on Spelthorne and Runnymede when considering planning and housing was also identified in the SHMA; however it was not considered practical to develop a SHMA covering Greater London as well as the Home Counties and made more sense to develop a smaller HMA area for the locality.
- 3.10 The rest of the report will consider whether the commercial markets that Spelthorne is located within is consistent with the HMA analysis undertaken in the joint Spelthorne and Runnymede SHMA.

Conclusion

- 3.11 Spelthorne forms a North West Surrey HMA with Runnymede, with overlapping links also recognised to Elmbridge, Woking and the London Borough of Hounslow. Further links are likely to exist to authorities in other neighbouring HMAs, although these are likely to be less of an influence on the Spelthorne/Runnymede HMA.

4. Functional Commercial Property Market Areas

- 4.1 Local Planning Authorities must ensure that a sufficient amount of land is provided for business use and other employment generating activities. A significant role of the Local Plan is to identify sites for employment use (office, industrial and warehouse). As such, local authorities require an understanding of the commercial property market in their area, whilst recognising that property markets extend beyond local authority boundaries. Thus, the pattern of commercial property market areas is a significant aspect of defining functional economic areas. This chapter will explore the functional commercial property market area in which Spelthorne is located.

South East Regional Property Market Study

- 4.2 CBRE's 2007 regional property market study¹⁴ provides a useful starting position to consider the Property Market Area (PMA) that Spelthorne is influenced by. 13 functional PMAs were identified in the report within the South East Region and the interaction of a range of locational and organisational influences are reflected in the regional pattern of property market activity.
- 4.3 PMAs are described by CBRE in the following way:

"This classification is proposed as an indication of areas within which market linkages and agglomeration tendencies are most robust, and hence where the case for cross authority dialogue on employment land allocation is strongest. It does not imply an absence of linkages between the individual areas. Indeed given the fluid nature of markets in some parts of the region, linkages across the boundaries of adjacent areas may be strong, particularly in high-demand areas where in strong market conditions displacement and substitution activity can be significant" (page 107).

- 4.4 The location of a company is largely informed by the access to a workforce and as such this can help identify a PMA which can therefore reflect the extent of a FEA. Figure 2 illustrates the extent of the PMAs identified by the CBRE market study.

¹⁴ CBRE South East Regional Property Market Study 2007. Available at:
http://s3.amazonaws.com/zanran_storage/www.southeast-ra.gov.uk/ContentPages/30200645.pdf

Figure 2: Classifications of key property market groupings



- 4.5 Spelthorne falls within the Heathrow-Slough-High Wycombe PMA (property market 5 in Figure 2). Staines-upon-Thames as well as Slough, High Wycombe, Windsor and Uxbridge are noted as key centres within this PMA and are likely to maintain their position as the main focus for development into the future. Spelthorne is also adjacent to the Surrey-South West London PMA (property market 8) which lies to the south west of the borough and interactions between the two are likely.
- 4.6 The Heathrow-Slough-High Wycombe PMA represents the eastern end of the Thames Valley market and, overlaps part of the London area, which acknowledges the strong influence of Heathrow Airport. The inclusion of Staines-upon-Thames further reflects the influence of the airport on this market. The five local boroughs surrounding Heathrow (Ealing, Hillingdon, Hounslow, Slough and Spelthorne) represent 54% of the employee population of the airport, with 3,525 of these residing in Spelthorne¹⁵.
- 4.7 The CBRE report acknowledges the market linkages and agglomeration tendencies of neighbouring PMAs and states the need for cross-authority dialogue in allocating employment land. Linkages may be highest where there is high demand for property and high displacement and substitution.
- 4.8 Although this report was completed 8 years ago, it still provides a general insight into the cross-boundary linkages and the extent of agglomerations which are likely to still be broadly similar. One of the benefits of the study is that it is not being constrained in a sub-regional or LEP context by administrative boundaries and therefore identifies the functional links present in the area.

Enterprise M3 Local Enterprise Partnership

¹⁵ Heathrow Employment Survey, 2013. N.B. This figure refers to direct on-airport employment. No update to off-airport employment is available

- 4.9 In 2010, LEP geographical boundaries were proposed by Local Enterprise Partnerships and then agreed by ministers and assessed through the use of criteria set out in the Local Growth White Paper. The boundaries are intended to reflect the geography of locally functioning economic areas. However, LEP boundaries have been the subject of some criticism since their inception with concerns that some local economies no longer match the boundaries of LEPs¹⁶.
- 4.10 The Enterprise M3 LEP stretches from the M25 and edge of London through Surrey and Hampshire to the New Forest. 14 local authorities are covered, either partially or totally and the Borough of Spelthorne is included in this group to the north-eastern corner of the LEP designation and is adjacent to the Thames Valley LEP and London LEP.

Enterprise M3 LEP Commercial Property Market Study (July 2016)

- 4.11 In July 2016, Enterprise M3 LEP published a report on the Commercial Property Market extending through the whole of the LEP area. This study builds on and refreshes the commercial property market study published in April 2013. The work brought together property market experts from around the region with public sector policy makers to test and discuss the emerging trends in the commercial property market.
- 4.12 It has been noted within this report that the expanse of the LEP is too large to cover a single functional economic area. As such, this study explores the multiple market areas which contribute to a broader LEP area. 8 distinct commercial property market areas within the LEP area have been identified (Figure 3), consisting of:
- Upper M3
 - Guildford
 - Woking
 - Blackwater Valley
 - Basingstoke and Andover
 - East Hants
 - Winchester
 - New Forest
- 4.13 These areas capture how supply and demand differs by geography, by accessibility, by the established employer base in an area and finally by the character of the existing stock of employment premises.
- 4.14 As well as Elmbridge and Runnymede, Spelthorne is located in the Upper M3 market area (Figure 4). This market area encompasses the major employment centres of Chertsey, Egham, Esher, Weybridge and Staines-upon-Thames. The area neighbours Heathrow Airport and is served by the M3 and M25.
- 4.15 A number of large business parks lie within the market area, including: Bourne Business Park (Addlestone), Hillswood (Chertsey), The Causeway (Egham), Watermans (Staines-upon-Thames) and Weybridge and Brooklands, as well as numerous smaller business parks.
- 4.16 There are also a number of major private sector employers, which includes BP in Spelthorne. This private sector presence largely revolves around the information and communications sector, as well as utilities, professional, scientific and technical and wholesale sectors. Furthermore, the public sector is a major employer in the education and health sector.

¹⁶ Local Enterprise Partnerships- Business, Innovation and Skills Committee (2013) Available at: <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmbis/598/59806.htm>

- 4.17 The greatest number of Spelthorne's 4,835 businesses are in the 'professional, scientific and technical', 'construction', 'information and communication' and 'transport and storage' groups. In total these four sectors represent 46% of the businesses in the borough. Whilst the highest proportion of businesses in Spelthorne are 'professional, scientific and technical', at 13.5%, this is a much lower percentage than in most comparison authorities. Only the London Borough of Hillingdon and Slough have a lower proportion of people employed in this industry group.
- 4.18 In terms of business floorspace in Spelthorne, the main uses are 'industry and warehousing', 'offices' and 'retail'. The quantity of floorspace in Spelthorne in these categories equates to a total of 798,417m² as at March 2013¹⁷.

Figure 3: Enterprise M3 Market Area¹⁸



¹⁷ Spelthorne Local Economic Assessment, September 2013. Available at: <https://www.spelthorne.gov.uk/CHttpHandler.ashx?id=4454&p=0>

¹⁸ Two changes have been made from the 2013 study, shown in red. Central Hampshire was divided into Winchester and East Hampshire market areas; and Guildford and Woking were divided into separate market areas.

Figure 4: Upper M3 Market Area¹⁹



Labour Market

- 4.19 At the time of the commercial property market study employment rates in the Upper M3 Market Area were 75%, which were above the England average of 70%. Furthermore, unemployed jobseekers allowance rates were 2.5 times lower than the national average. Of the market areas in the LEP, the Upper M3 market area has the highest proportions of workers employed in the private sector at 84%. This consequently falls above the England rate of 77%. Median average weekly earnings are £600 in the Upper M3 area, compared to an England average of £510. This largely reflects the close proximity of the area to London.

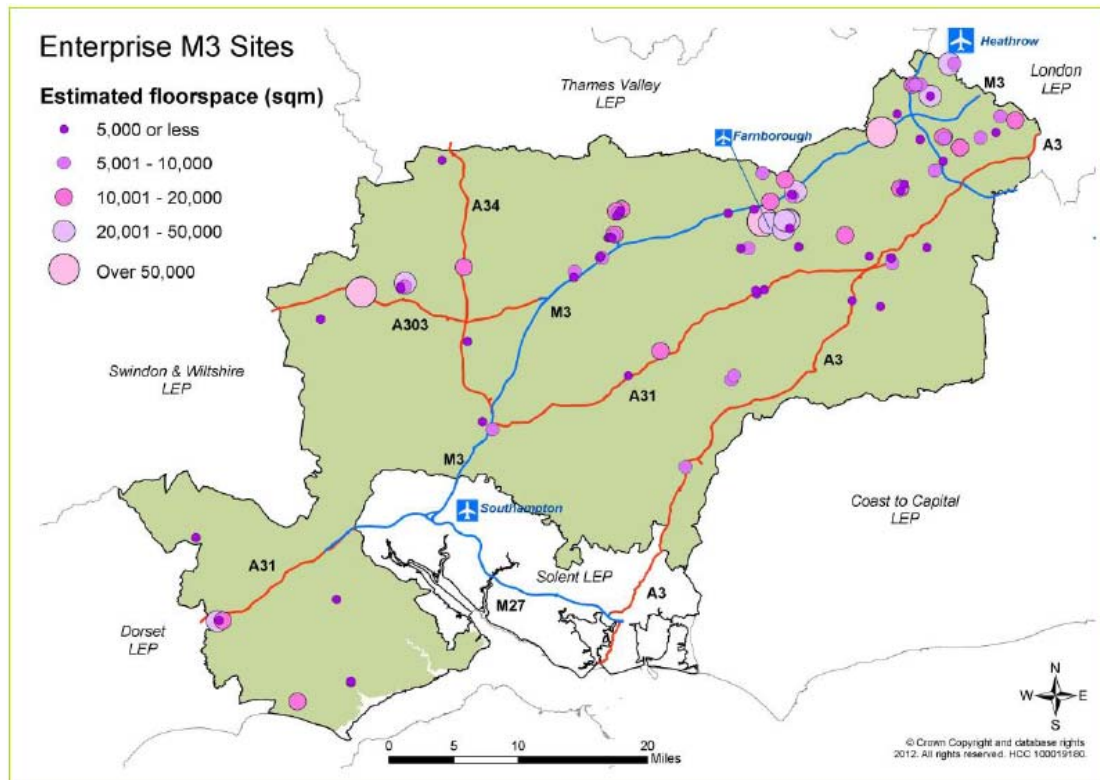
Commercial site, floorspace and average rents

- 4.20 According to data from the Valuation Office Agency 2012 and the whole district definition (Elmbridge, Runnymede and Spelthorne) there were around 7,000 hereditaments²⁰, split: 'Retail' (2,720, 38%); 'Office' (2,190, 31%); 'Industrial' (1,460, 21%); and 'Other' (700, 10%). Total floorspace for the three districts was around 2.5 million sq.m, with around 35% (0.9 million sq.m) attributable to industrial use.
- 4.21 The study identified Upper M3 office rents being quoted between £6.50 and £35/sq. ft. pa with the average just over £19.00. Industrial unit rents in the Upper M3 market area were quoted at an average of £8.50/sq.ft. pa, which is 10% or 11% higher than the LEP average.

¹⁹ Adapted from Enterprise M3 LEP Commercial Property Market Study, April 2013, Appendix 1. Available at: <http://www.enterprisem3.org.uk/document/commercial-property-market-study-appendices>

²⁰ Section 115 (1) of the General Rate Act 1967 (the 1967 Act) defines a hereditament as follows: 'hereditament means property which is or may become liable to a rate, being a unit of such property which is, or would fall to be, shown as a separate item in the valuation list,'.

Figure 5: Enterprise M3 Sites by Estimated Floorspace Bands (sqm)



- 4.22 The Enterprise M3 LEP study 2013 assessed over 100 sites which cover over one million square meters of potential floorspace for indigenous and inward investment (Figure 5). 19 of these sites, covering 300,500 sq.m of floorspace, lie within the Upper M3 Area, however the majority of sites have yet to be built out and a number of them have had a change of use²¹. Figure 5 illustrates the significance of the road networks to the location of the enterprise M3 locations, with many sites in close proximity to the M3, M25 and A3²². A cluster of sites can be identified in the Egham/Staines-upon-Thames area, which falls within the boroughs of Runnymede and Spelthorne. A cluster of sites can also be observed in the Brooklands area south of the borough in Elmbridge.
- 4.23 Whilst the LEP study highlights property market areas within the LEP and opportunities for cooperation, it fails to acknowledge linkages outside of the LEP area. Given Spelthorne's location on the periphery of the LEP area, the borough is likely to hold strong economic links with neighbouring local authorities including those that fall outside of the LEP boundary. The Upper M3 property market area identified in the Enterprise M3 LEP study overlaps with part of the Heathrow-Slough-High Wycombe property market area identified in the CBRE study. These linkages indicate that in reality Spelthorne will also have wider ties to locations which fall outside of the study areas.
- 4.24 Nevertheless, the LEP study is considered to be useful when considered with the CBRE study to assist the identification of cross-boundary cooperation and economic links in the determination of the functional economic area.

²¹ Enterprise M3 LEP Commercial Property Market Study, July 2016. Available at:

<https://www.enterprisem3.org.uk/commercial-property-market-study>

²² Enterprise M3 LEP Commercial Property Market Study, April 2013. Available at:

<http://www.enterprisem3.org.uk/document/commercial-property-market-study-main-report>

Evidence of Market Rental Values & Yields

- 4.25 Research by Colliers indicates that office prime rents in the south M25 area average around £28.58 per sq. ft., less than the Thames Valley at £31.86 but higher than the North M25 area at £18.66²³. Prime rents for offices in Staines-upon-Thames are shown as £34.50 per sq. ft.²⁴, which is better than the South of M25 area average and comparable with Reading (£33) Guildford (£31.50), Heathrow (Stockley (£33)), Uxbridge (£32) and Windsor (£32.50). Rents in Maidenhead are slightly higher at £37.50.
- 4.26 Colliers snapshots from Q4 2014²⁵ and Q2 2015²⁶ also show investments with similar net initial yield values in Staines-upon-Thames, Heathrow (Stockley), Bedfont Lakes, Walton-on-Thames and Weybridge ranging from 5.2% to 5.9%. Other investment areas with low net initial yield values were Bracknell, High Wycombe, Woking, and Maidenhead ranging from 6% to 6.7%.
- 4.27 Lambert Smith Hampton's Thames Valley Office Market Report 2015²⁷ also highlights prime rents for offices in and around the Thames Valley. It highlights that prime rents in Staines-upon-Thames are around £31 per sq. ft., which is similar to Uxbridge (£32), Heathrow (£31) and Guildford (£30), with prime yields between 5%-6% in Staines-upon-Thames, Guildford, Heathrow, Maidenhead, Slough and Uxbridge.
- 4.28 Cushman Wakefield's Thames Valley Office Snapshot Q2 2015²⁸ also shows a similar pattern of prime rents and yields with rents in Staines-upon-Thames, Guildford and Heathrow ranging from £30-£32 per sq. ft. and yields in Staines-upon-Thames, Guildford, Heathrow, Maidenhead and Slough between 5%-6%.
- 4.29 For industrial space, Cushman Wakefield²⁹ identifies rents at £13.50 per sq. ft. at Heathrow with prime yields at 4.25%. Although completed in 2013 a Jones Lang Lasalle report³⁰ identifies prime industrial rents at £12.50-£13 per sq. ft. for Heathrow, £12 for Slough and around £11 for Staines-upon-Thames, Hounslow and Uxbridge with prime yields in the West London area in the region of 5.5% and in the Thames Valley 5.75%-6%.
- 4.30 Colliers have an interactive Industrial & Logistics Rents Map³¹ on their website which has also been used to compare prime industrial rental values.
- 4.31 As such, office and industrial prime rents and yields appear to be relatively similar over a consistent area in and around Heathrow which partly corresponds to the Heathrow-Slough-High Wycombe PMA identified by CBRE but also partly with the Surrey-South

²³ UK Research and Forecast Report: South East Offices Q3 2015, Colliers. Available at:

<http://www.colliers.com/en-gb/uk/insights/research-the-market>

²⁴ UK Research and Forecast Report: South East Offices Q3 2016, Colliers. Available at:

<http://www.colliers.com/en-gb/uk/insights/research-the-market>

²⁵ UK Research and Forecast Report: South East Offices Q4 2014, Colliers. Available at:

<http://www.colliers.com/en-gb/uk/insights/research-the-market>

²⁶ UK Research and Forecast Report: South East Offices Q2 2015, Colliers. Available at:

<http://www.colliers.com/en-gb/uk/insights/research-the-market>

²⁷ Thames Valley Office Market Report (2015) Lambert Smith Hampton. Available at:

<http://www.lsh.co.uk/commercial-property-research/2015/08/thames-valley-office-market-report-2015>

²⁸ Thames Valley Office Snapshot Q2 (2015) Cushman Wakefield. Available at:

<http://www.cushmanwakefield.co.uk/en-gb/research-and-insight/2015/thames-valley-office-market-summary-report---q2-2015/>

²⁹ UK Industrial Snapshot Q3 (2015) Cushman Wakefield. Available at: <http://www.cushmanwakefield.co.uk/en-gb/research-and-insight/uk/united-kingdom-industrial-snapshot/>

³⁰ The Western Corridor Industrial and Warehouse Market Report (2013) Jones Lang Lasalle. Available at http://property.joneslanglasalle.co.uk/~media/Commercial_Search/Research/Publications/OnPoint_Western%20Corridor_Industrial%202013.ashx?la=en-GB

³¹ Colliers Industrial Rents Map. Available at: <http://www.colliers.com/en-gb/uk/insights/industrial-rents-map>

West London PMA and upper EM3 area. Tables 4 and 5 show all locations for comparison.

Table 4: Office Prime Rents & Yields

Location	Rent (£ per sq ft)	Yield (%)
Bracknell	£22.50	5.75% -7.5%
Guildford	£30 - £31.50	5.25%
Heathrow	£31 - £33	5% - 5.25%
High Wycombe	£23	6.25% - 6.7%
Maidenhead	£35	5.25%-6.45%
Richmond	£46.50	-
Slough	£26.50 - £27	5.5%
Staines-upon-Thames	£31 - £33	5.25%
Uxbridge	£32	5.25% - 5.9%
Windsor	£32.50	-
Woking	£28	6.45%

Table 5: Industrial Prime Rents & Yields

Location	Rent (£ per sq ft)	Yield (%)
Bracknell	£8.50 - £9.0	5.75%-6%
Guildford	£11	-
Heathrow	£12.50 - £13.50	4.25%
High Wycombe	£10	-
Hounslow	£11.50	5.5%
Maidenhead	£10 - £10.75	5.75-6%
Slough	£11.50 - £12	5.75%-6%
Staines-upon-Thames	£11	5.5%
Uxbridge	£11	5.5%
Weybridge	£11.50	-
Woking	£10	-

Working towards a Smarter Future: The Enterprise M3 Strategic Economic Plan (2014-2020)

- 4.32 The Enterprise M3 LEP Strategic Economic Plan identifies Staines-upon-Thames, and four other towns, as 'Step-up Towns' in the LEP area from 2014-2020. The Strategic Economic Plan describes these as "*areas of latent economic potential, which currently experience barriers to growth that impacts upon the overall performance of the Enterprise M3 area*" (p.v).
- 4.33 A growth package for Staines-upon-Thames and the wider Spelthorne area has been formulated which sets out how investment will be delivered. This entails the Staines Bridge Corridor Capacity Assessment which involves the widening of Staines Bridge; the Wider Staines-upon-Thames Sustainable Transport Package; improvements at the Runnymede Roundabout; and the development of new facilities at Brooklands College. Some improvements extend beyond the boundary of Spelthorne and into Runnymede; therefore it is worth noting these links.

Conclusion

- 4.34 Evidence suggests that Spelthorne is part of a wider PMA; however the CBRE South East Regional Property Market Study and the Enterprise M3 LEP Commercial Property Market Study place the borough in slightly different PMAs. The CBRE study places Spelthorne into property market 5, which covers Heathrow, Slough and High Wycombe. The LEP Upper M3 PMA encompasses the local authorities of Spelthorne, Runnymede and Elmbridge and therefore presents a more locally contained PMA. The boundaries to the PMA however are confined to the north and east by the borders of the LEP, which therefore fail to acknowledge significant external linkages. Commercial rents and yields are also fairly similar across a consistent area which partly corresponds to the different PMAs identified. Nonetheless, there is a clear sub-regional market for employment floorspace in the area surrounding Heathrow Airport, with the transport links a key driver. The strongest links would appear to be with Elmbridge, Hillingdon, Hounslow, Runnymede, Slough and Windsor & Maidenhead. This highlights a particular requirement for Spelthorne to work with its neighbouring authorities to coordinate economic development, including the allocation of employment land, although Slough & Windsor & Maidenhead may have a stronger relationship with one another.

5. The Functional Labour Market Area

- 5.1 Previous chapters have focused on the location of employment, local property markets and potential employment sites. In support of the above data, an alternative way of considering the extent of the functional economic area is to reflect upon the relationship between where people live and where they work or functional labour market areas. As such, Travel to Work Areas (TTWAs) and commuting patterns can be analysed and can be regarded as being the sub-regional labour market area.

The Transport Network in Spelthorne

- 5.2 Spelthorne is located to the south of Heathrow Airport and is adjacent to West London. The M3, M25 and A30 trunk road all pass through the borough, with the M4 motorway only 5 minutes' drive away. Junctions 13 and 14 of the M25 lie on the periphery of the Borough whilst junction 1 of the M3 sits in the south east of Spelthorne at Sunbury. Given its location in relation to the strategic road network, Spelthorne has excellent road connections to London and Heathrow and Gatwick Airports. This connectivity also means that Spelthorne has good access to the wider South East and South West regions.
- 5.3 Six rail stations are located within the borough to further enhance its connectivity. Staines is the fifth busiest passenger station in Surrey and London Waterloo is 32 minutes travel time via Staines with services also running to Reading, Hounslow, Windsor and Weybridge. The Shepperton branch-line also provides services to London Waterloo via Kingston-upon-Thames. The strategic location of the borough and close proximity to Heathrow Airport makes Spelthorne a prime business location and also a principal commuter location.

Travel to Work Areas

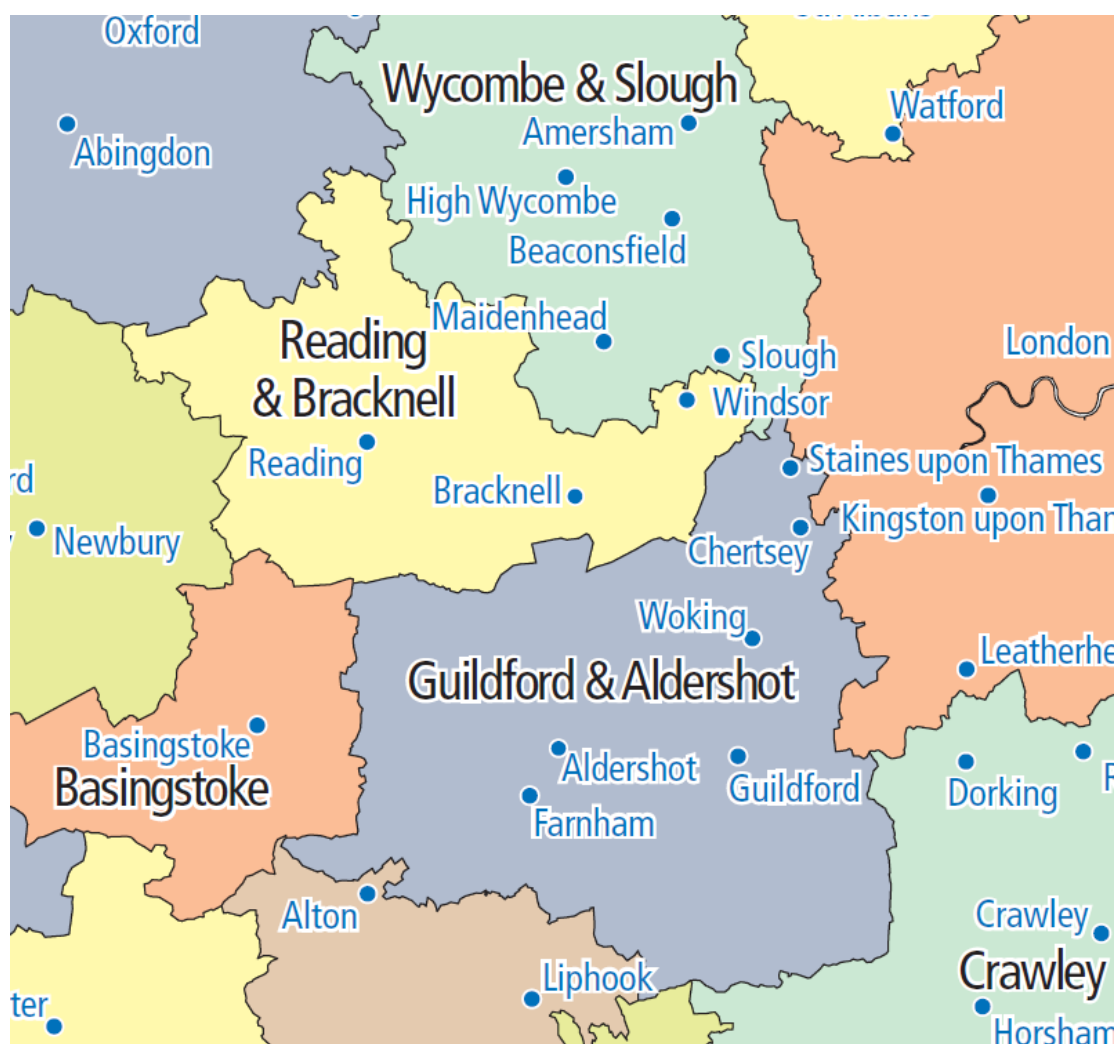
- 5.4 Travel to work areas (TTWA) have been developed to identify approximations of self-contained labour markets, reflecting where most people live and work. The current criteria for defining TTWAs is that at least 75% of the area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have an economically active population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted as part of a limited 'trade off' between workforce size and level of self-containment³².
- 5.5 Businesses will chiefly recruit staff from within the Travel to Work Area within which they are located, and it is primarily within the sub-regional TTWA that employers will be competing for labour. Key strategic routes have the ability to extend TTWAs beyond the immediate sub-region, due to efficient transport links reducing overall journey times and enabling workers to commute longer distances.
- 5.6 Over time there has been a consistent pattern of a reduction in the number of TTWAs as more people tend to commute longer distances to work, leading to an increase in the average size of TTWAs in terms of geographical area and population, and a consequent decrease in the number of TTWAs. In 1991 there were 308 TTWAs covering the UK, in 2001 there were 243 TTWAs, and a further reduction to 228 in 2011. This is a 6% reduction in TTWAs from 2001 to 2011. This trend is likely to continue into the future,

³² Travel to Work Area 2011 Guidance and Information, August 2015. Available at: <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/other/travel-to-work-areas/index.html>

given the trends in commuting and greater quantity of people working remotely, meaning that they can reside a substantial distance from their place of work.

- 5.7 According to 2011 ONS data, the number of people working from home in the UK in the first 3 months of 2014 rose to its highest level at 13.9% of the workforce since records began in 1998 when 11.1% of the workforce worked from home.
- 5.8 The 2001 TTWAs showed Spelthorne on the edge of several TTWAs including London, Wycombe & Slough and Reading & Bracknell, but within the Guildford & Aldershot TTWA. This also included towns such as Woking, Chertsey and Farnham. This is shown in Figure 6.

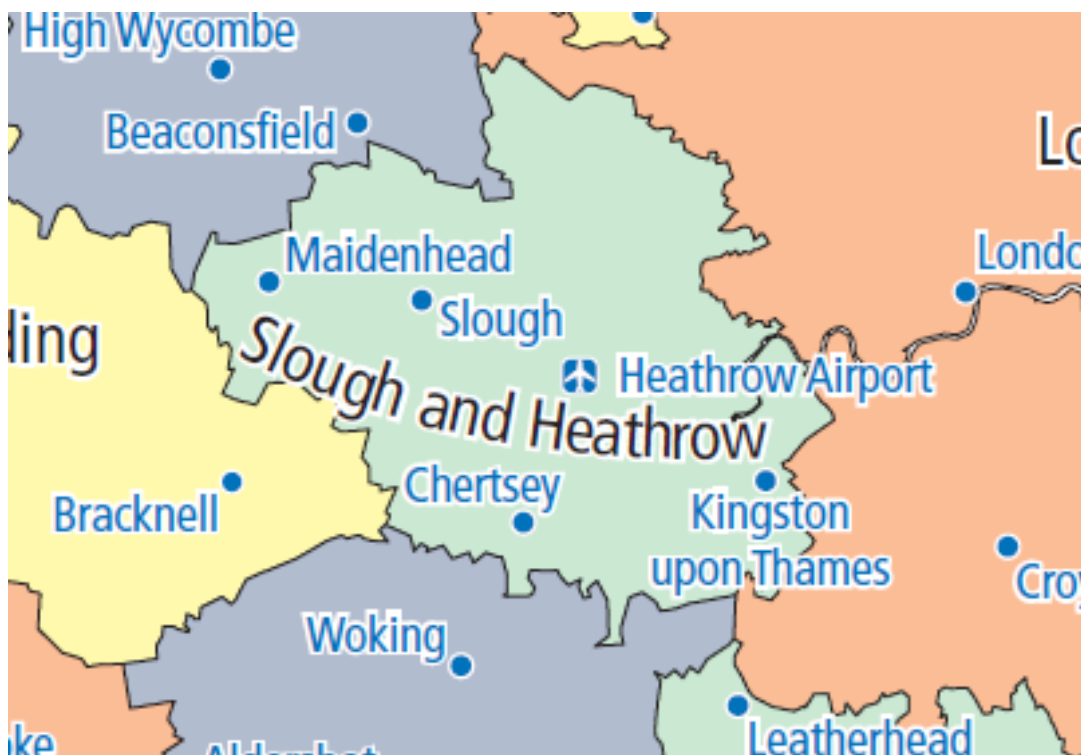
Figure 6: Guildford & Aldershot Travel to Work Area 2001³³



- 5.9 According to the ONS, in the defined TTWAs for 2011, the whole of Spelthorne is now located within a Slough and Heathrow TTWA which includes areas of the Thames Valley, Buckinghamshire, London and Hertfordshire rather than larger areas of Surrey and Hampshire.

³³ United Kingdom: Travel to Work Areas, 2001. Available at:
[https://geoportal.statistics.gov.uk/Docs/Maps/Travel_to_work_areas_\(UK\)_2001_map.pdf](https://geoportal.statistics.gov.uk/Docs/Maps/Travel_to_work_areas_(UK)_2001_map.pdf)

Figure 7: Slough and Heathrow Travel to Work Area, 2011³⁴



- 5.10 As such, there has been a dramatic change in TTWAs since 2001, with Spelthorne moving from a more Surrey and Hampshire focussed TTWA to a more eastern Thames Valley and South-South West London TTWA. This is likely to reflect the wider influence of Heathrow as a destination for employment in its own right with 8.3% of Spelthorne's population employed at the airport³⁵. The 5 local authorities surrounding Heathrow make up a large proportion of the airport's workforce: Hounslow (17.15%), Hillingdon (15.2%), Ealing (8.37%), Spelthorne (5.35%) and Slough (7.45%). Together these 5 authorities make up 35,297 employees at Heathrow or 54% of the Heathrow workforce³⁶.

Commuting Flows

- 5.11 The joint SHMA undertaken by GL Hearn on behalf of Spelthorne and Runnymede Borough Councils has analysed commuting data from the 2011 Census. The influence of London on commuting patterns in Spelthorne and Runnymede was apparent, with 36% of working residents in Spelthorne and 19% of those in Runnymede commuting to Inner London. Larger still is the number of working residents commuting to Greater London from Spelthorne (44%) and Runnymede (24%), highlighting strong commuter links between Spelthorne and London. It is important to note that the strongest of these links are to West London, particularly to the London Boroughs of Hillingdon, Hounslow and Richmond upon Thames. The presence of Heathrow Airport within Hillingdon is significant as it employs some 8.3% of the total Spelthorne workforce. GL Hearn identified that both Spelthorne and Runnymede lie within London's secondary catchment for commuting and housing (Figure 8).

³⁴ United Kingdom: Travel to Work Areas, 2011. Available at:

[https://geoportal.statistics.gov.uk/Docs/Maps/Travel_to_work_areas_\(UK\)_2011_map.pdf](https://geoportal.statistics.gov.uk/Docs/Maps/Travel_to_work_areas_(UK)_2011_map.pdf)

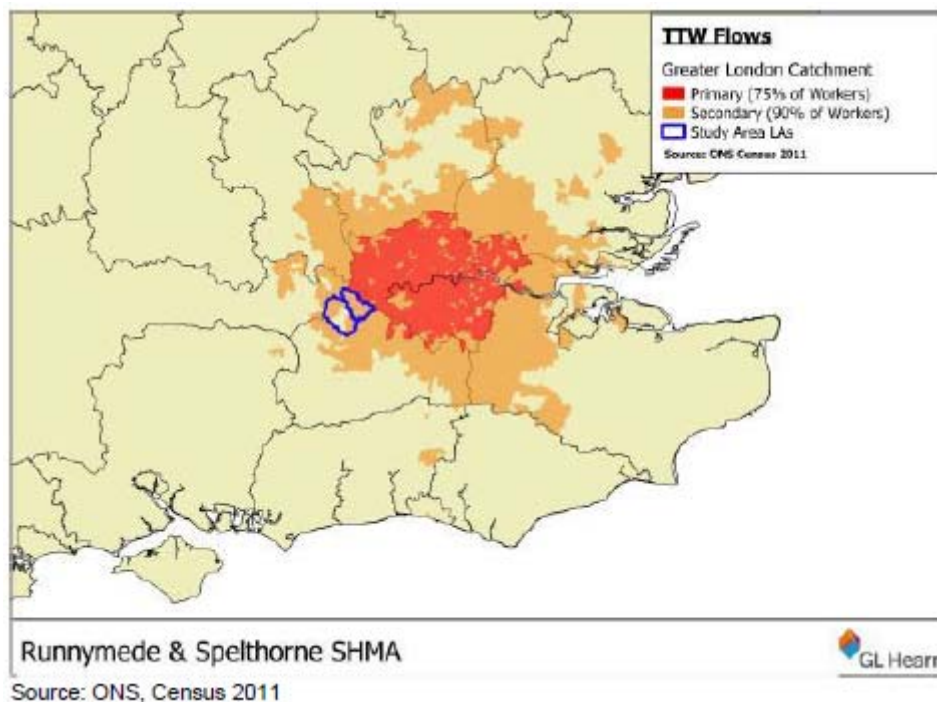
³⁵ Heathrow Related Employment (2011) Optimal Economics. Available at:

http://www.heathrow.com/file_source/Company/Static/PDF/Communityandenvironment/Heathrow-Related-Employment-Report.pdf

³⁶ Heathrow Employment Survey, 2013. N.B. This figure refers to direct on-airport employment.

- 5.12 The SHMA found that the influence of London and density of the transport network means that self-containment levels are generally low. Self-containment in Spelthorne stands at 32%, whereas Runnymede has a slightly higher level of self-containment at 39%.

Figure 8: London Commuting Catchment (2011)



- 5.13 The SHMA plots where residents of Spelthorne and Runnymede work and where those who work within the Boroughs live. Based on analysis of 2011 Census data at Mid Super Output Area³⁷ (MSOA) level, the following trends have been identified:
- Cross-boundary commuting between Spelthorne and Runnymede
 - Short cross-boundary flows with adjoining areas to/from Byfleet, Woking, Windsor, Weybridge and Langley
 - Notable flows to work from the Boroughs to Heathrow and London
 - Relatively more modest links towards Guildford
- 5.14 Analysis of commuting links highlights a series of inter-relationships across local authority boundaries. It also suggests a stronger relationship towards London from Spelthorne and Runnymede than to other parts of Surrey.
- 5.15 Commuting flows to the Surrey HMAs defined by previous studies (in paragraphs 3.5 and 3.6 above) were considered in the SHMA. The analysis brings to light:
- Low self-containment levels within the two authorities individually or combined, reflecting the influence of commuting to London
 - Some commuting to the West Surrey and East Surrey HMAs; but low links with North Hampshire/ Surrey Heath

³⁷ Middle Layer SOAs have a minimum size of 5,000 residents and 2,000 households with an average population of 7,500. This provides an improved basis for comparison because the units are more similar in size of population than, for example, electoral wards.

Table 6: Commuting Flows to Previously defined HMAs³⁸

	From Runnymede	From Spelthorne
All working residents	32,578	41,291
Working in London	7,970	17,989
% to London	24%	44%
Self-containment	11,229	11,153
Self-containment %	34%	27%
To opposite borough	2,344	4,215
To opposite borough %	7%	10%
To North Hampshire & Surrey Heath	764	591
To North Hampshire & Surrey Heath %	2%	1%
To West Surrey	2,855	898
To West Surrey %	9%	2%
To East Surrey	3,534	2,106
To East Surrey %	11%	5%

- 5.16 The density of transport links and large quantity of employment centres means that commuting flows extend to a number of employment centres. GL Hearn has sought to define larger employment centres, based on local authorities with a workplace population of over 50,000 persons in 2011. Flows to these areas from Spelthorne and Runnymede have subsequently been assessed. Table 6 identifies the centres outside of London which might be expected to have their own TTWA.
- 5.17 The SHMA analysis identifies that, of the larger employment centres in the south east, there is a significant commuting flow (over 500 persons) from Spelthorne to:
- Slough
 - Windsor and Maidenhead
- 5.18 It is of note that within the Borough of Slough are the Slough and the Poyle Trading Estates. The governance of the Poyle and Colnbrook industrial areas transferred from Spelthorne to Slough Borough in 1995. Whilst there is a notable quantity of Spelthorne residents employed within Slough, many of these commuters are not travelling into the centre of Slough but are rather travelling within half a mile of the borough boundary to Poyle, which previously resided within the Borough of Spelthorne. This indicates the inadequacy of local authority boundaries to suitably reflect the economic geography of the area.
- 5.19 However the SHMA considered that because Slough and Windsor & Maidenhead share an economic inter-relationship, with a geographic proximity between the two local authorities they would fall within a common TTWA.

Table 7: Commuting flows to larger employment centres in South East³⁹

Employment Centre	Spelthorne	Runnymede
Reading	103	122
Crawley	97	126
Basingstoke and Dean	104	110
Slough	1,416	736
Guildford	292	689
Wycombe	117	85
Windsor and Maidenhead	722	986
Reigate and Banstead	87	139
Wokingham	143	189

³⁸ Census, 2011³⁹ Census, 2011

5.20 Table 7 identifies commuting flows from Spelthorne and Runnymede to larger employment centres in Outer London, with the most notable flows highlighted. Elmbridge has been included in this table to illustrate the contrasting commuting patterns to Richmond upon Thames and Kingston upon Thames. Spelthorne has strong links to Hounslow (5,579 persons), Hillingdon (4,219) and Richmond (2,111). As highlighted below, Runnymede also has strong links to Hillingdon, Hounslow and Richmond, whereas Elmbridge has notable commuting patterns with Hounslow, Richmond and Kingston.

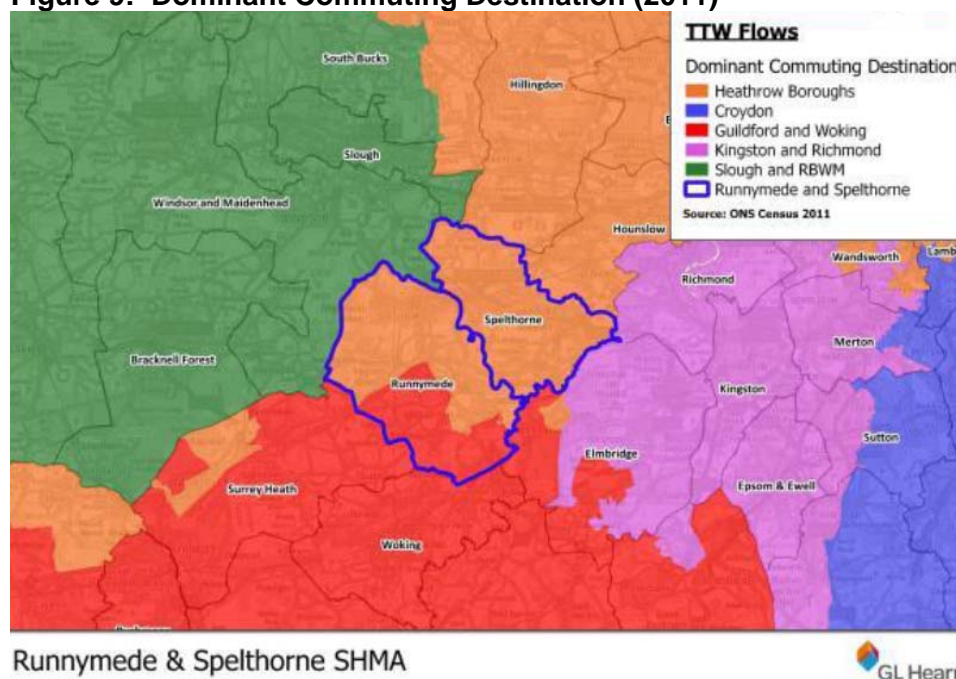
Table 8: Commuting flows with key Outer London employment centres⁴⁰

Place of Work	Spelthorne	Runnymede	Elmbridge
Hillingdon	4,219	1,687	994
Hounslow	5,579	1,633	1,487
Ealing	635	293	260
Croydon	52	58	141
Richmond upon Thames	2,111	577	2,083
Kingston upon Thames	871	473	3,947
Merton	167	165	770

5.21 The London Boroughs of Hillingdon, Hounslow and Ealing can be strongly associated in economic terms, with employment present at Heathrow and along the M4 Corridor.

5.22 Following the above analysis, the SHMA sought to define the economic influence of the larger employment centres identified. Figure 9 presents where the strongest commuting flows are within different areas, to the defined employment centres. The analysis indicates that the West London and particularly the Heathrow boroughs are the dominant commuting destinations for both Spelthorne and Runnymede. These links to the London Boroughs are stronger for Spelthorne and Runnymede than links towards Slough and Windsor & Maidenhead.

Figure 9: Dominant Commuting Destination (2011)



⁴⁰ Census, 2011

- 5.23 Further analysis of commuting data can be carried out by considering where people working in Spelthorne live and also where people who live in Spelthorne work (Tables 9 and 10).

Table 9: Top ten locations of residence of Spelthorne workforce⁴¹

Resident in	Work in Spelthorne	% of Workforce
Spelthorne	11,153	34.6%
Hounslow	3,447	10.7%
Runnymede	2,344	7.3%
Richmond upon Thames	1,477	4.6%
Elmbridge	1,404	4.4%
Hillingdon	841	2.6%
Windsor and Maidenhead	793	2.5%
Surrey Heath	595	1.8%
Woking	580	1.8%
Slough	542	1.7%

- 5.24 The largest percentage of the Spelthorne workforce are also residents in the Borough. This equates to 34.6% of the Spelthorne workforce (11,153 people). In-commuting stems from a number of adjacent boroughs; the largest in-commuting flows to Spelthorne are from Hounslow (10.7%), Runnymede (7.3%), Richmond-upon-Thames (4.6%) and Elmbridge (4.4%).

Table 10: Top ten locations of employment for Spelthorne residents⁴²

Location of Workplace	Commuters	% of Spelthorne Residents
Spelthorne	11,153	27.0%
Hounslow	5579	13.5%
Hillingdon	4219	10.2%
Runnymede	4215	10.2%
Richmond upon Thames	2111	5.1%
Elmbridge	1774	4.3%
Westminster, city of London	1641	4.0%
Slough	1416	3.4%
Kingston upon Thames	871	2.1%
Windsor and Maidenhead	722	1.7%

- 5.25 As Table 10 indicates, 27% of the working residents still work within Spelthorne. Out-commuting from Spelthorne is predominantly to the London Boroughs of Hounslow (13.5%) and Hillingdon (10.2%) reflecting the influence of Heathrow Airport. The neighbouring borough of Runnymede also sees substantial flows, with 4215 in-commuters or 10.2%. Richmond-upon-Thames (5.1%) and Elmbridge (4.3%) are also key locations of employment for Spelthorne residents.

⁴¹ ONS, 2011

⁴² ONS, 2011

Table 11: Commuting Patterns in Spelthorne (2011)

	Spelthorne
Live and work in Borough	11,153
Home Workers	4,902
No fixed workplace	4,190
Out-commute	30,239
In-commute	21,122
Total working in Borough	41,367
Total live in Borough (and working)	50,484
Commuting ratio	0.22

Source: 2011 Census

- 5.26 Table 11 shows that there are more people who live in the borough and work (50,484) than there are people currently working in the borough (41,367). Therefore Spelthorne is a significant net exporter of labour, with more people commuting out of the borough.

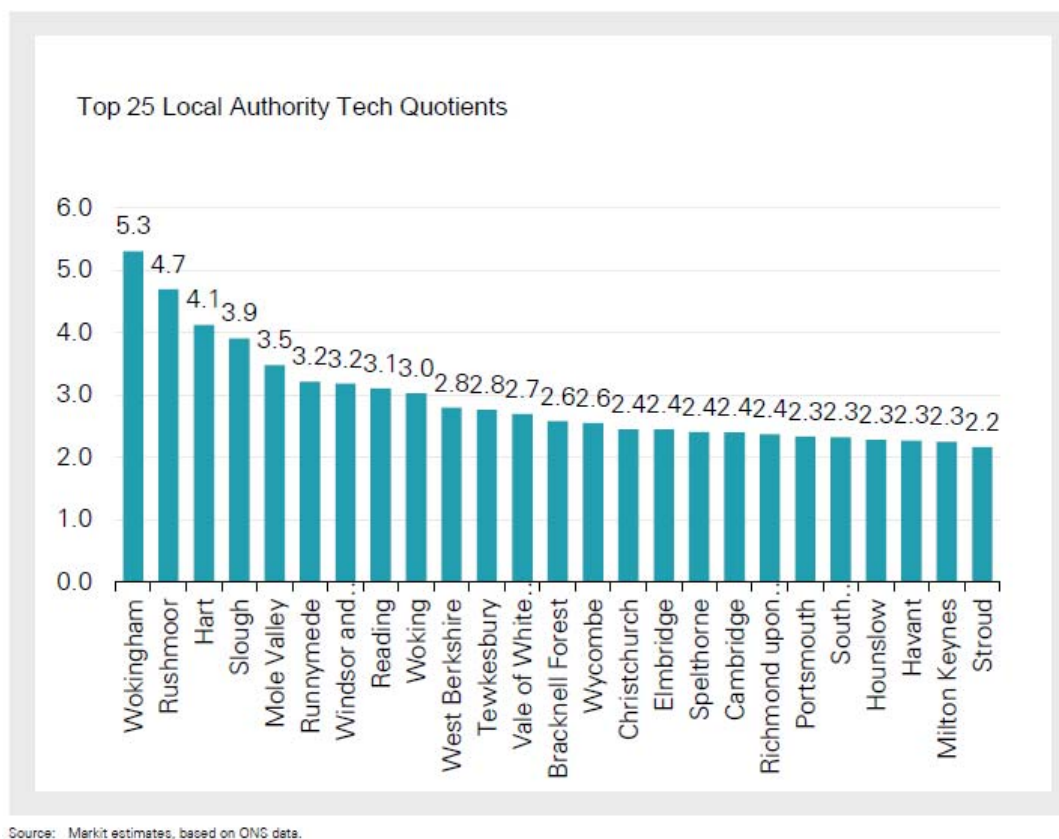
Conclusion

- 5.27 The ONS 2011 Travel to Work Areas (TTWAs) now show Spelthorne focussed more towards South West London and the eastern area of the Thames Valley. Based on the analysis on travel to work areas and commuting data in the joint Spelthorne & Runnymede SHMA, it is clear that notable flows from Spelthorne to London, and especially Heathrow, can be identified. The greatest commuter flows to London Boroughs from Spelthorne are to Hounslow, Hillingdon and Richmond-upon-Thames but with notable flows also to Elmbridge, Runnymede, Slough and Windsor & Maidenhead.
- 5.28 Given the ONS 2011 TTWA and the commuting patterns considered in the Spelthorne & Runnymede SHMA the strongest functional labour market excluding central London for Spelthorne (where the bulk of the resident population also work within the same area) is therefore considered to include the following boroughs:
- Hounslow
 - Hillingdon
 - Runnymede
- 5.29 The extent of the TTWA in which Spelthorne is located covers the territory administered by several local authorities however, when looking at commuting patterns from the SHMA, Spelthorne's strongest labour market ties are with its neighbouring West London Boroughs and the neighbouring Surrey Authority of Runnymede.
- 5.30 Although the strongest labour market links are with the London Boroughs of Hillingdon and Hounslow as well as Runnymede, it is considered that the functional labour market will extend into other authority areas most notably Elmbridge, Richmond-upon-Thames, Slough and Windsor & Maidenhead, although not as strongly.

6. Industry Clusters

- 6.1 Paragraph 21 of the NPPF requires local authorities to “plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high tech industries”. It is therefore relevant to explore whether any particular clusters or networks of knowledge driven, creative or high tech industries are present in the Borough of Spelthorne and at what spatial scale they exist.
- 6.2 KPMG’s ‘Tech monitor UK’ report⁴³ explores the presence and location of technology clusters in the UK and finds that the South East of England is the key region for technology clusters, with the top 10 clusters lying in close proximity to the M4, M3 and M25. There is also a regional technology quotient of 1.66 in the South East, highlighting a higher concentration of industry jobs than the national share of employment in the same industries. Of the top 25 local authority tech quotient rankings, Spelthorne ranks 17th with a location quotient of 2.41. Several of the local authorities surrounding Spelthorne also fall within the top 25; Slough ranks 4th (3.91), Runnymede ranks 6th (3.22), Windsor and Maidenhead ranks 7th (3.81), Elmbridge ranks 16th (2.45), Richmond upon Thames ranks 19th (2.37) and Hounslow ranks 22nd (2.28). All of these areas have been identified as being within or partly within the same Slough & Heathrow TTWA.

Figure 10: Top 25 local authority tech quotients



⁴³ Tech Monitor UK, 2013, KPMG. Available at: <http://www.kpmg.com/UK/en/IssuesAndInsights/ArticlesPublications/Documents/PDF/Market%20Sector/Technology/tech-monitor-uk.pdf>

6.3 The Enterprise M3 LEP area has consistently experienced higher proportions of employment than the England average, with this also extending through the recession period. The LEP is supported by a bedrock of knowledge-based industries including:

- Computing
- Digital media
- Defence
- Pharmaceuticals
- Advanced engineering
- Professional services
- Energy
- Environmental services

6.4 Table 12 illustrates the level of employment within these selective sectors in the Enterprise M3 LEP area. The location quotient is a measure of whether the industry is more strongly represented in the LEP area than in Great Britain as a whole. For those sectors displaying a location quotient of more than 1, this indicates that the industry accounts for a higher share of total employment in the LEP area than in the country as a whole. Contrastingly a figure below 1 indicates the industry is under-represented compared to the national average.

6.5 In 2011 all but 3 sectors in the Enterprise M3 LEP held a location quotient of more than 1. The sectors of 'Computing', 'Defence', 'Pharmaceuticals' and 'Digital Media' all have a location quotient above 1.5, indicating a very strong representation.

Table 12: Employment Concentration in Selective Enterprise M3 Industries⁴⁴

	Employment				Concentration (location quotient)		
	2009	2010	2011	Change 2009-11 (%)	2009	2010	2011
Energy	5,900	6,700	6,600	11.86%	1.06	1.18	1.16
Digital Media	23,300	24,800	24,800	6.44%	1.57	1.66	1.59
Pharmaceuticals	6,800	6,600	7,200	5.88%	1.63	1.44	1.64
Environment	8,800	9,200	9,300	5.68%	1.13	1.1	1.07
Defence	3,800	4,000	4,000	5.26%	1.64	1.51	1.69
Healthcare	73,300	75,400	76,600	4.50%	0.97	0.96	0.99
Computing	35,900	35,300	35,700	-0.56%	2.12	1.97	2
Aerospace	5,200	5,000	5,100	-1.92%	0.8	0.81	0.84
Professional Services	42,700	41,600	40,700	-4.68%	1.16	1.13	1.08
Advanced Engineering	37,700	35,600	33,300	-11.67%	1.35	1.3	1.22
Finance	24,600	22,500	20,800	-15.45%	0.83	0.76	0.89

6.6 Innovation leaders like QinetiQ, Eli Lilly, Electronic Arts, BAE Systems and McLaren and a range of world-class Public Sector Research Establishments are based within the EM3 LEP area. An extensive supply network is stated within the Enterprise M3 Strategic Economic Plan to support these industry leaders.

6.7 Given this data, the Enterprise M3 LEP has identified several priority sectors and a set of niche technologies and specialisms which a significant proportion of investment will be fed into⁴⁵:

⁴⁴ Enterprise M3 (2014) Enterprise M3 Strategic Economic Plan, Annex A- Economic Profile

⁴⁵ Enterprise M3 (2014) Enterprise M3 Strategic Economic Plan March 2014

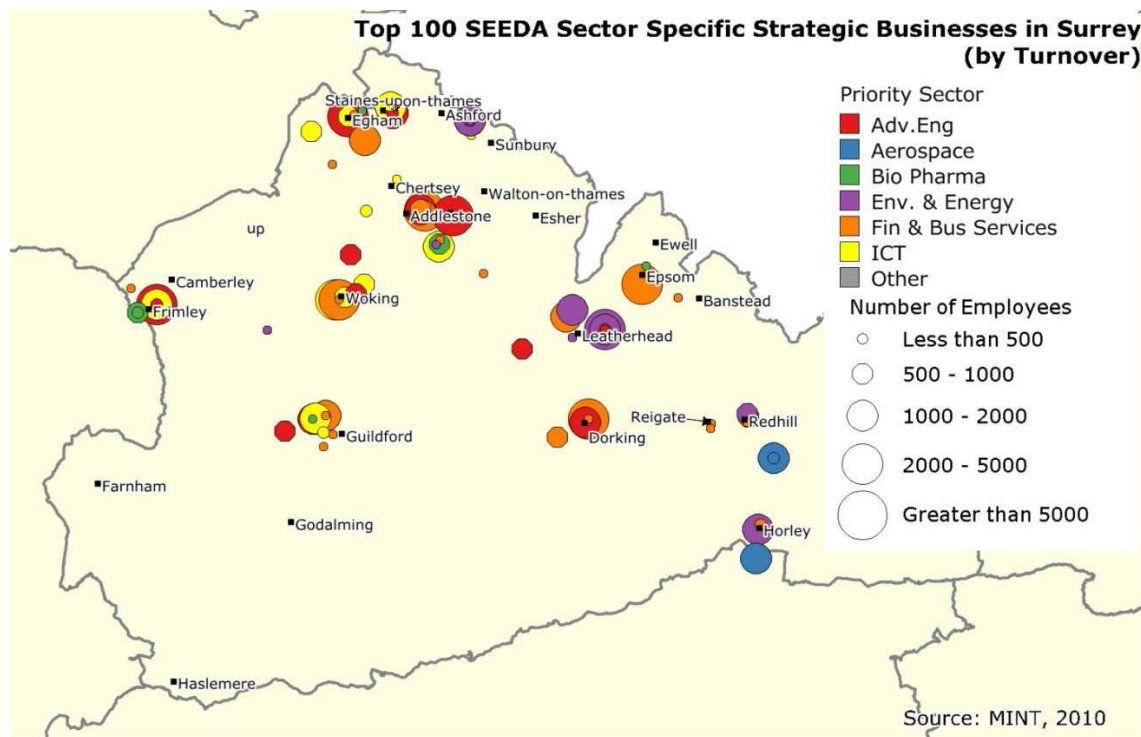
- ICT and digital media
- Pharmaceuticals
- Aerospace and defence
- Professional and business services
- 5G telecoms
- Satellite technologies
- Cyber technologies
- Advanced materials and nano-technology
- Photonics
- Advanced aerospace/ automotive manufacturing
- Animal health
- Computer games and entertainment technologies

6.8 The former South East England Development Agency (SEEDA) identified several priority sectors as being critical to the future advancement of the South East economy, some of which have also been identified by the EM3 LEP. These are:

- Advanced engineering & marine
- ICT, Software & Digital media
- Pharmaceuticals, life sciences & Healthcare
- Environment & Energy
- Aerospace & Defence
- Financial & Professional services

6.9 Figure 11 below, produced for SEEDA using 2010 MINT data, maps the clusters of the biggest companies in Surrey by the above priority sectors (top 100 by turnover). The majority of clusters are located to the north and east of the county.

Figure 11: SEEDA Priority Sectors (Top 100 by Turnover)

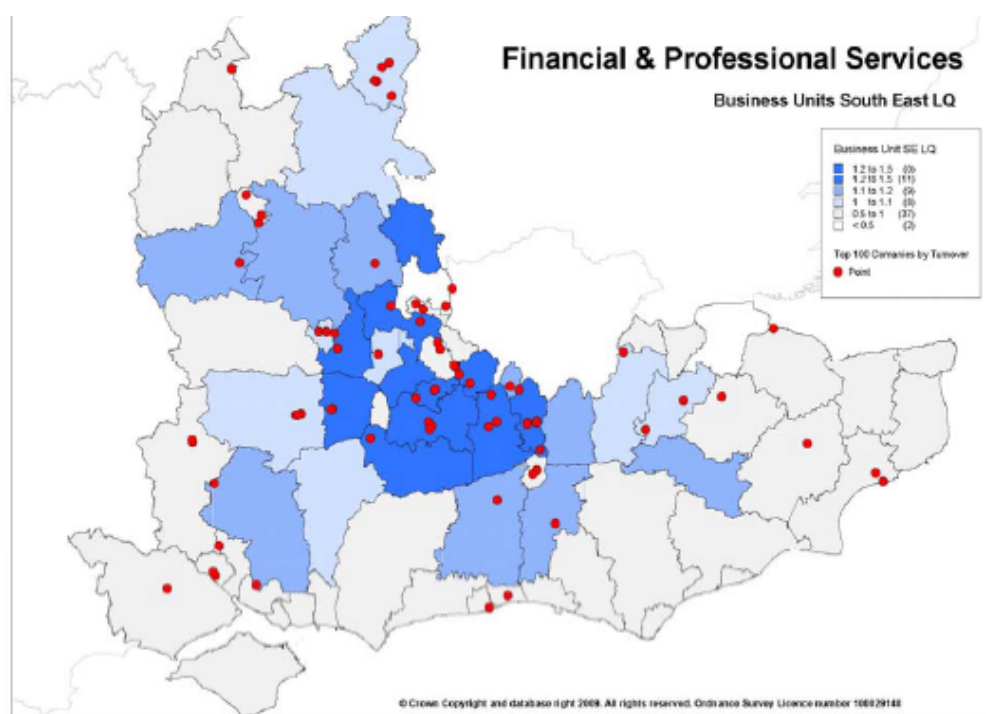


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- 6.10 Figure 11 shows that the main clustering in Surrey of the top 100 companies occurs in Guildford, Woking, Frimley, Leatherhead, Staines-upon-Thames, Egham and Addlestone. Specifically, there appears to be a cluster of sectors which includes advanced engineering, environment & energy, finance & business services and ICT in the upper M3 area as defined by the EM3 LEP.

Figures 12 to 17⁴⁶ also show where other similar sectors lie across the South East in general. A number of points can be seen representing different business units in the same sector which are widely distributed across the South East, but with a particular concentration around south Buckinghamshire, The Thames Valley, Blackwater Valley and Surrey. In particular there appears to be a cluster of 'ICT Software & Digital Media', 'Pharmaceuticals, Life Sciences and Healthcare' sectors in South Bucks, the eastern Thames Valley and the upper EM3 area. There also appears to be a smaller cluster of 'Advanced Engineering and Marine' in the EM3 LEP upper M3 area.

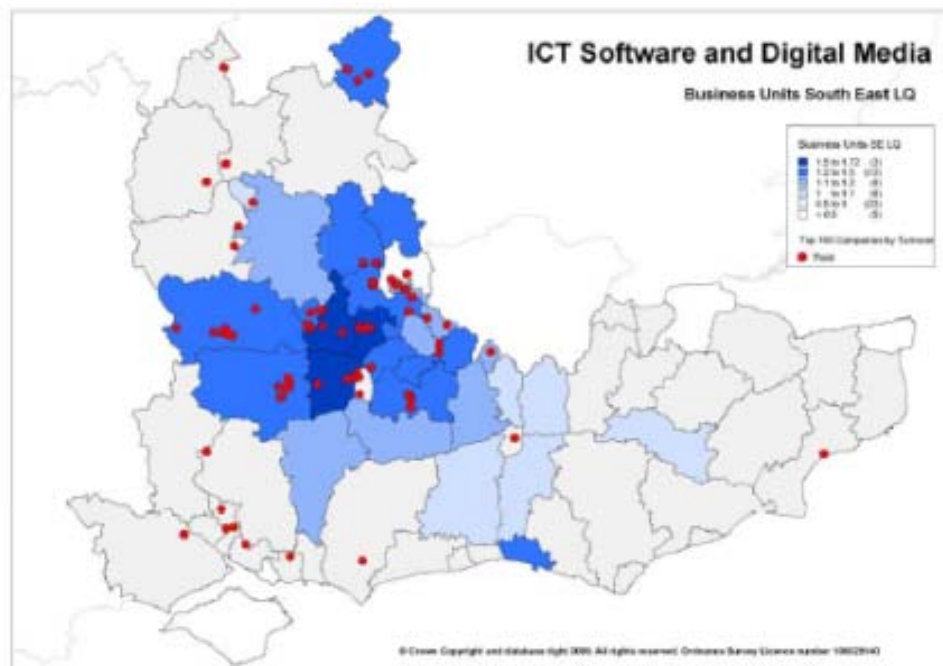
Figure 12: Financial & Professional Services SEEDA Priority Sectors



Source: SEEDA Priority Sectors (2010)

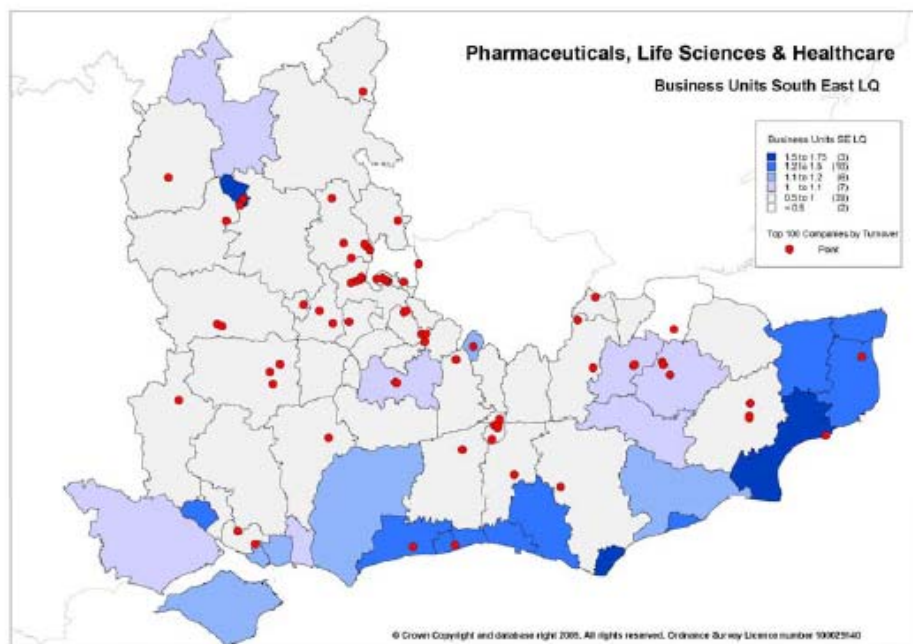
⁴⁶ The Surrey Local Economic Assessment, Technical Annex, December 2010. Available at: http://www.surreycc.gov.uk/_data/assets/pdf_file/0016/27070/Surrey-LEA-TECHNICAL-ANNEX-Final-Dec-2010.pdf

Figure 13: ICT Software and Digital Media SEEDA Priority Sector



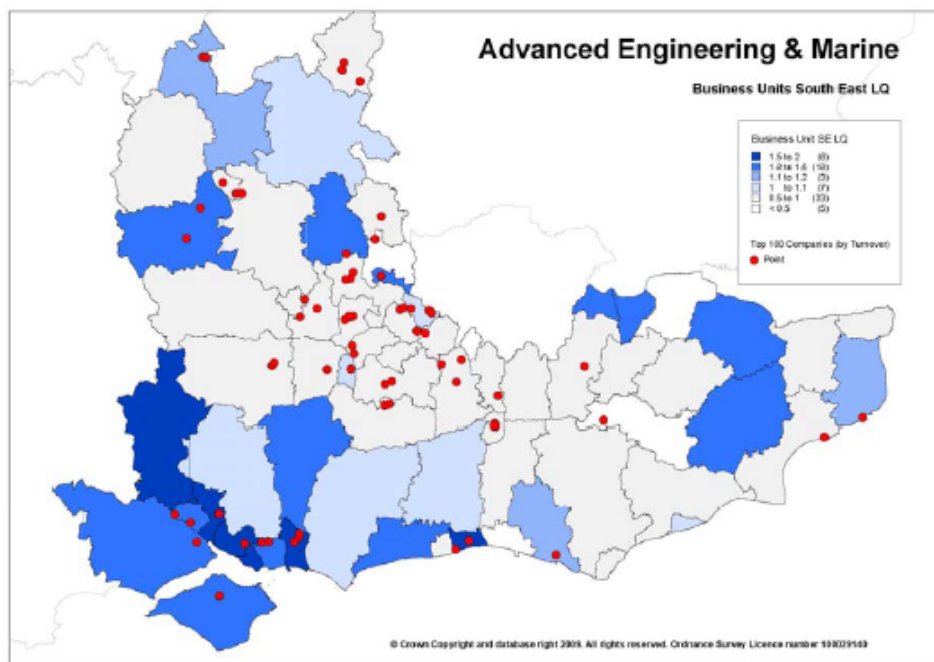
Source: SEEDA Priority Sectors (2010)

Figure 14: Pharmaceuticals, Life Sciences & Healthcare SEEDA Priority Sector



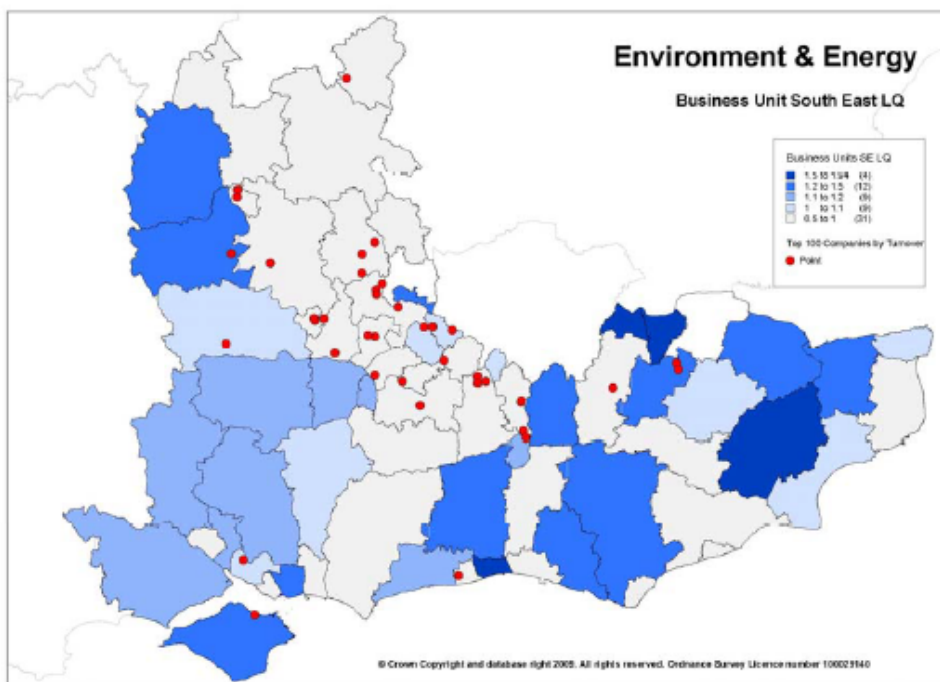
Source: SEEDA Priority Sectors (2010)

Figure 15: Advanced Engineering & Marine SEEDA Priority Sector



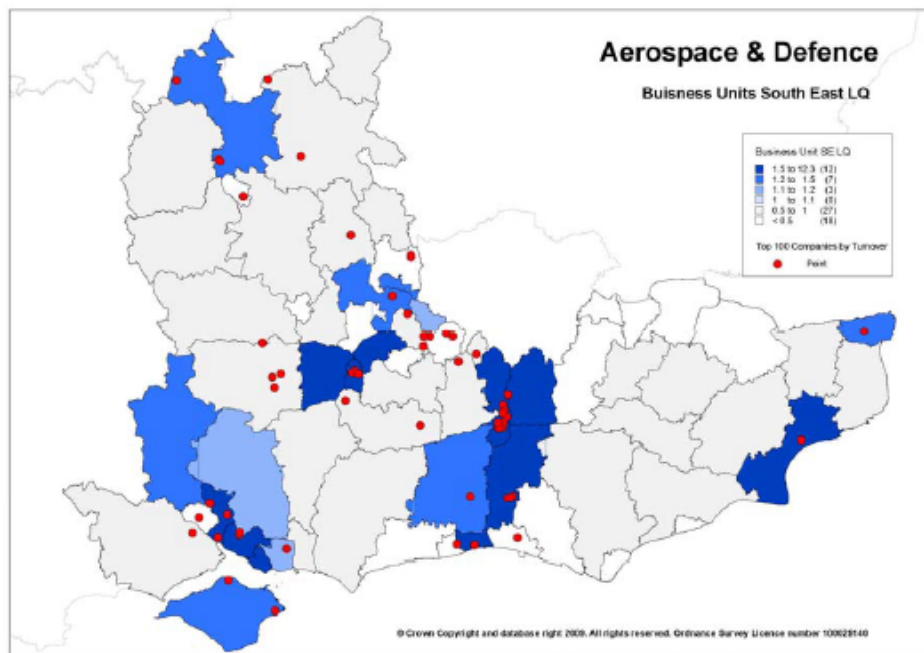
Source: SEEDA Priority Sectors (2010)

Figure 16: Environment & Energy SEEDA Priority Sector



Source: SEEDA Priority Sectors (2010)

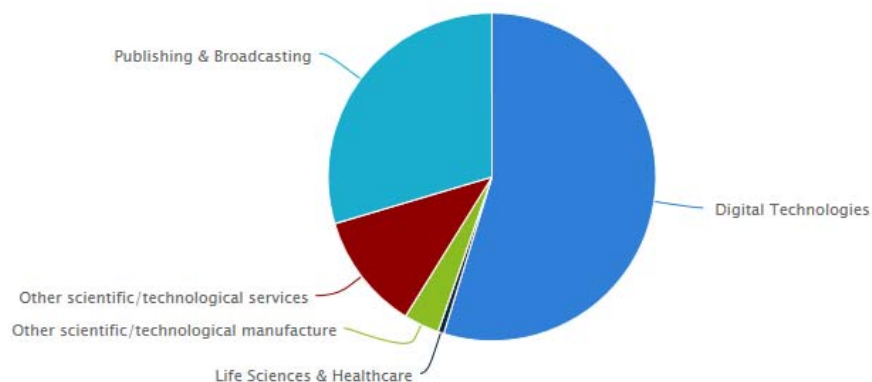
Figure 17: Aerospace & Defence SEEDA Priority Sector



Source: SEEDA Priority Sectors (2010)

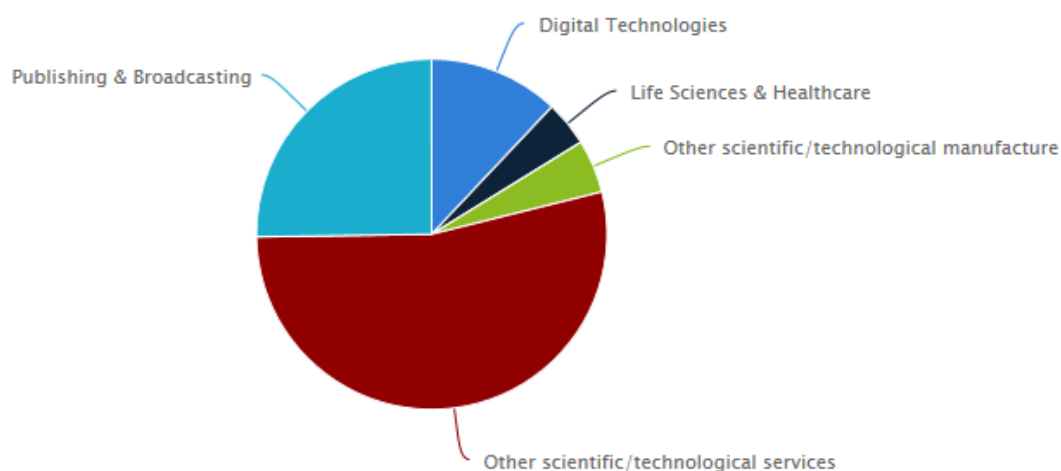
6.11 The London Tech Map contains a number of charts of companies and sectors operating within London. Figures 18 & 19 show the main type of business sectors operating in South West London (Hillingdon, Hounslow, Kingston and Richmond). In terms of the number of companies, Figure 18 shows that by far the most prevalent are the 'Digital Technologies' and 'Publishing & Broadcasting' sectors and in terms of employees, Figure 19 shows the largest sectors are the 'Other Scientific/ Technological Services' and 'Publishing & Broadcasting'.

Figure 18: Number of Companies in South West London by Sector⁴⁷



⁴⁷ <http://www.techmap.london/>

Figure 19: South West London Employees by Sector⁴⁸



6.12 Table 13 below illustrates that the service sector dominates employee jobs within Spelthorne (86.1% of all employee jobs) with financial and other business services accounting for the largest proportion at 19.7%. Although this accounts for the largest type of employee job in Spelthorne, the proportion still falls below the South East and Great Britain percentage and its dominance within the borough has declined from 23.3% in 2009. 'Construction', 'Wholesale and retail', 'Transport storage', 'information and communication' and 'other services' jobs all hold a higher percentage within Spelthorne than in the South East and Great Britain (highlighted). Between 2009 and 2014, the 'transport storage' industry has seen the greatest rise in the proportion of jobs, from 7.5% to 11.0%. The links to Heathrow Airport and London make Spelthorne and the wider Surrey area an ideal location for business. A range of industries have utilised the access to employment land and labour in the area by locating firms in the locality.

Table 13: Employee Jobs (2014)⁴⁹

Employee Jobs by industry	Spelthorne (Employee Jobs)	Spelthorne (%)	South East (%)	Great Britain (%)
Primary Services (A-B: Agriculture and Mining)	100	0.3	0.2	0.4
Energy and Water (D-E)	400	1.1	1.1	1.1
Manufacturing (C)	1,700	4.7	6.2	8.5
Construction (F)	2,800	7.9	4.8	4.5
Services (G-S)	30,800	86.1	87.6	85.6
Wholesale and Retail, including Motor Trades (G)	6,400	17.9	17.0	15.9
Transport Storage (H)	3,900	11.0	4.6	4.5
Accommodation and Food Services (I)	2,600	7.2	7.4	7.1
Information and Communication (J)	2,600	7.3	5.8	4.1
Financial and other Business Services (K-N)	7,000	19.7	22.5	22.2
Public Admin, Education and Health (O-Q)	6,500	18.2	25.6	27.4
Other Services (R-S)	1,700	4.9	4.8	4.4

⁴⁸ <http://www.techmap.london/>

⁴⁹ Nomis 2014, ONS business register and employment survey.

- 6.13 The technological base of the Enterprise M3 LEP is very strong and the greatest concentration of Research and Development and major technology businesses fall into the northern and eastern parts of the LEP. Spelthorne's location in the north of the area therefore means that the NPPF requirement to plan positively for the location, promotion and expansion of clusters is largely relevant. The proportion of jobs in the information and communication sector in Spelthorne is greater than the regional and national proportions, which therefore highlights the potential held in this area.
- 6.14 The clustering of industry in north Surrey and across into the eastern Thames Valley and South West London illustrates the requirement for Spelthorne to cooperate across boundaries in order to support businesses based in the wider area and who utilise supplier networks that extend outside of the LEP area and Surrey. The focus on supply of employment sites and around practical operational issues by local authorities will aid local businesses and the development of clusters to maintain and support further growth in the area.

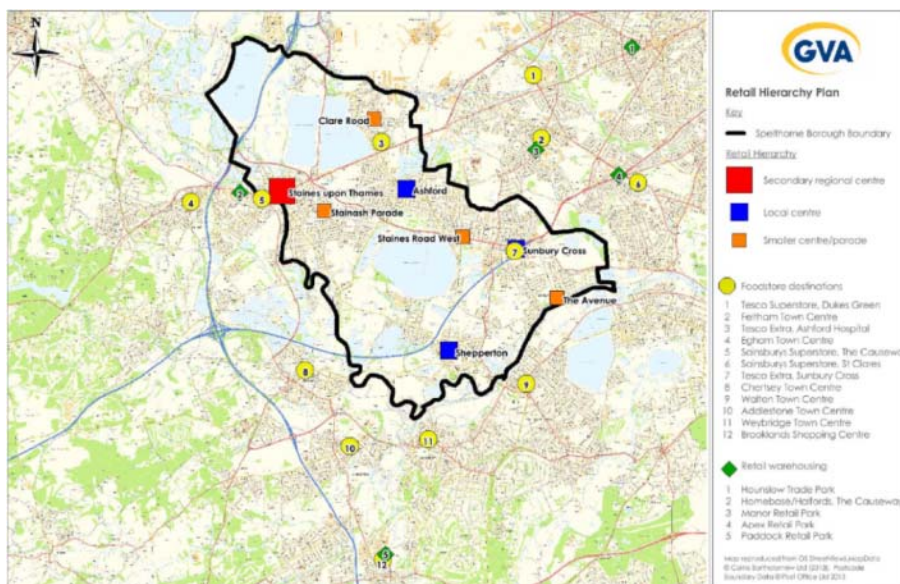
Conclusion

- 6.15 Spelthorne has been identified as being within KPMGs top 25 Tech Quotient rankings along with a number of other authority areas within Surrey, South West London and the eastern Thames Valley. A cluster of sectors, particularly ICT and digital technologies have been identified across this area as well as clusters of 'Advanced Engineering & Marine' in the EM3 LEP upper M3 area.

7. Retail and Service Sector Geographies

- 7.1 This chapter seeks to explore the makeup of the retail and service sector relevant to Spelthorne, which will help to identify any patterns or functional economic links that could aid establishing the reach of the Functional Economic Area that Spelthorne is located within. Where people shop and spend their leisure time is one of the indicators of the sort of market area within which a wide range of services will be delivered.
- 7.2 As part of the evidence base for the now revoked South East Plan, DTZ undertook a ranking exercise of the top 50 retail centres in the South East. The rankings which are relevant to this study are as follows⁵⁰:
- Guildford- 5th
 - Woking- 10th
 - Slough- 14th
 - Windsor- 23rd
 - **Staines-upon-Thames-25th**
 - Bracknell- 42nd
 - Walton-on-Thames- 48th
- 7.3 Although this work was completed in 2004, it still provides a picture of the relative positioning of centres in the North East of Surrey. Within this study, Staines-upon-Thames is identified as a Secondary Regional Centre and is the borough's largest and most accessible centre, with its catchment including the whole of Spelthorne and parts of Bedfont, Feltham, Addlestone, Chertsey and Egham⁵¹. The more recent Spelthorne Town Centres Study 2015 depicts the retail hierarchy for the area, identifying Staines-upon-Thames as a secondary regional centre and Ashford, Sunbury Cross and Shepperton all local centres. Several foodstore and retail warehousing destinations are located in neighbouring boroughs and draw in trade from Spelthorne (Figure 20). The Spelthorne Town Centres Study 2015 finds that Staines-upon-Thames town centre comprises 68,095 sqm gross retail and service space.

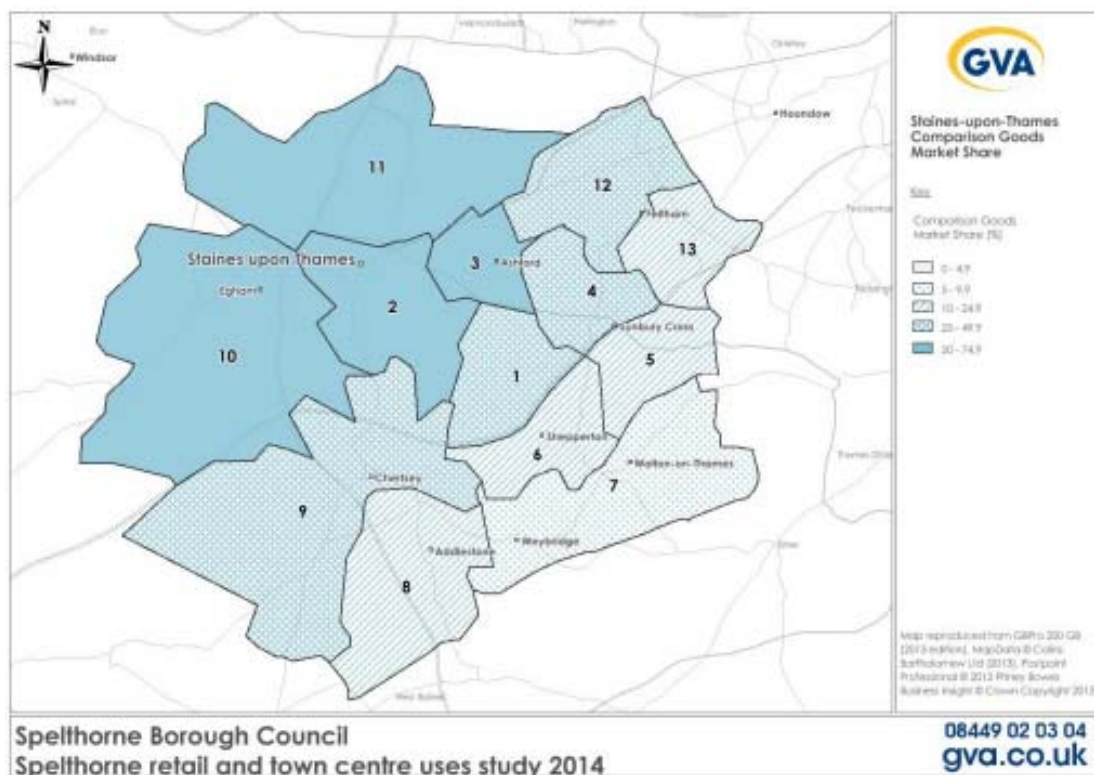
Figure 20: Retail Hierarchy Plan



⁵⁰ Town Centre Futures: The Need for Retail Development in South East England, DTZ, 2004

⁵¹ Spelthorne Retail Study, 2004. Available at: <https://www.spelthorne.gov.uk/CHttpHandler.ashx?id=2157&p=0>

Figure 21: Staines-upon-Thames Comparison Goods Market Share



- 7.4 Staines-upon-Thames performs a strong comparison goods shopping role in the wider sub-region and has a strong trade draw from each of the survey zones in its catchment, ranging from 64.5% in Zone 10 (Egham) to 9.1% in Zone 7 (Walton-on-Thames & Weybridge)⁵².
- 7.5 The Spelthorne Town Centres Study also looked at the market share that Spelthorne holds for both comparison and convenience goods. The study compares the Borough's market share using the previous 2004 retail study.

Table 14: Convenience Expenditure Market Shares in 2014 (%)

	Core Zones (1-6, 11)			Survey Area (1-13)
	2004	2014	Change	2014
Total inside Borough (RETENTION)	60.2	77.7	+17.5	34.0
Total outside Borough (LEAKAGE)	39.8	22.3	-17.5	66.0

- 7.6 Spelthorne retained 77.7% of total convenience expenditure in 2014, reflecting the strong local convenience offer in the area. A large proportion of this expenditure is accounted for by the Borough's out-of-town stores, which have become more accessible in recent times given the high level of car ownership in Spelthorne and the wider South East area. Between the 2001 Census and 2011 Census, the number of households with no cars or vans fell from 15.2% to 14.8%. This greater level of car ownership and mobility means that households have a greater choice of shopping destinations. A similar pattern emerges in Table 15, with the borough retaining 69% of total comparison goods inside

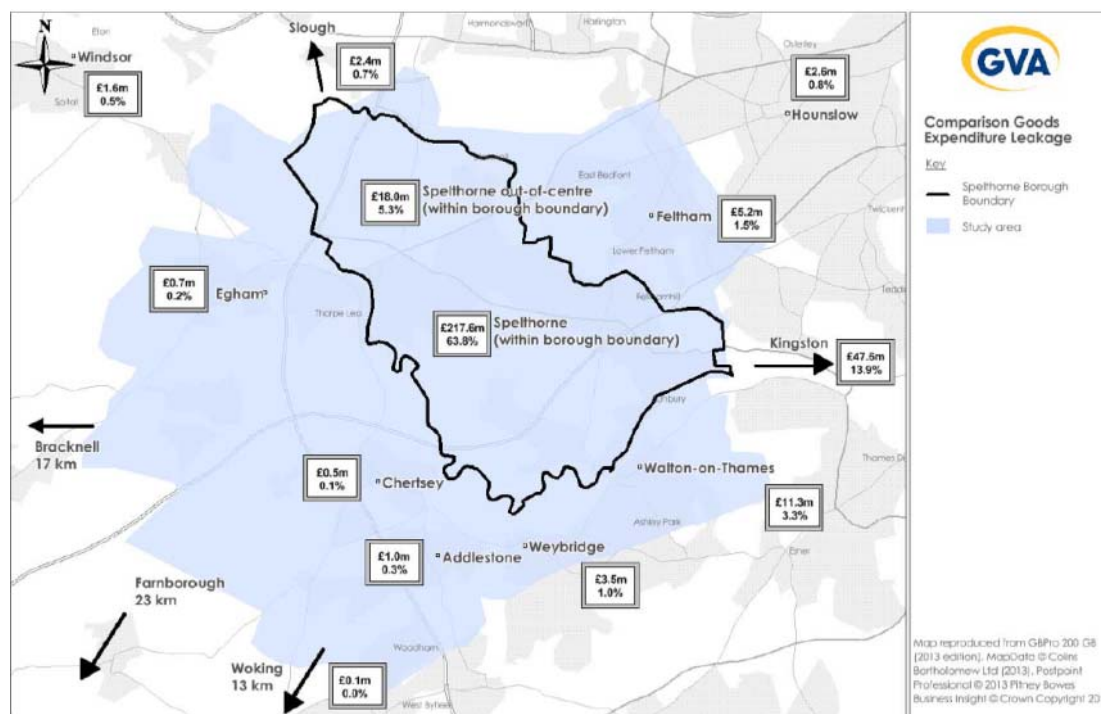
⁵² Spelthorne Town Centres Study, 2015. Available at: <https://www.spelthorne.gov.uk/CHttpHandler.ashx?id=12335&p=0>

the borough's core zones. Retention has increased considerably since 2004, whilst leakage to retail zones outside of Spelthorne accounts for 31% of expenditure.

Table 15: Comparison Expenditure Market Shares, 2004 and 2014 (%)

			Core Zones (1-6, 11)			Survey Area (1-13)
			2004	2014	Change	2014
Total inside Borough (RETENTION)			49.7	69.0	+19.3	46.3
Total outside Borough (LEAKAGE)			50.3	31.0	-19.3	53.7

Figure 22: Comparison Goods Expenditure Leakage



- 7.7 As illustrated in Figure 22, Kingston accounts for 19.9% of comparison goods expenditure leakage, whilst a smaller proportion of leakage flows to Walton-on-Thames and Feltham. Spelthorne retains the majority of Comparison goods expenditure however there are several smaller flows outwards, highlighting a link to neighbouring boroughs.
- 7.8 It should be noted that the Spelthorne Allocations DPD identifies Elmsleigh Shopping Centre in Staines-upon-Thames as a development opportunity site. The shopping centre received planning permission for phase 3A of its development in 2010 but was not implemented. This is the only allocation in Staines-upon-Thames and around the town centre to include retail. As stated in the Spelthorne Town Centres Study, evidence and policy confirms that over the two outstanding phases of the project, 20,500sqm of retail floorspace could be delivered.

Table 16: Summary of findings from the retail studies of the boroughs adjoining Spelthorne

Borough Study	Key Findings
Runnymede Retail Study 2009	None of the main Runnymede towns are noted as major comparison goods shopping destinations. Comparison goods expenditure flows out of the borough are largely towards Staines-upon-Thames and Woking.
Elmbridge Retail Study 2006	Parts of southern Spelthorne lie within the study area. A minority of expenditure is taken by supermarkets in Sunbury and Staines-upon-Thames is included in group 2 of Elmbridge's retail hierarchy, however of the external centres, it has negligible influence when compared to Kingston.
Hillingdon Town Centres and Retail Study 2006	Some linkages between the north of Spelthorne and Uxbridge are noted, with flows at 5-10% however no other linkages are stated.
Hounslow- West London Joint Retail Needs Study 2006	Uxbridge, Staines-upon-Thames and Harrow function as mainstream third tier centres and are achieving a market share of the available spend within the defined study area. Staines-upon-Thames draws on 2.2% of total available comparison goods expenditure. Hounslow, being located on the periphery of London, relies on a more tightly defined car borne catchment and competes on a higher level with centres in the wider catchment area, such as Staines-upon-Thames.
Windsor and Maidenhead Retail and Town Centre Study 2015	The North Western portion of Spelthorne falls within the catchment area. Overall some links were identified to Staines-upon-Thames Town Centre however these were not recognised as strong.
Richmond Retail Study 2014	Spelthorne falls outside of the study boundary and no strong links were recognised between the 2 boroughs.
Slough	A joint shopping survey with Windsor and Maidenhead has been undertaken; however findings indicate that while Slough is suitably meeting the needs of its local community, it is no longer drawing in much trade from outside of the borough.
Bracknell Forest	Bracknell town centre is currently undergoing regeneration which is largely due to be completed in Spring 2017. Bracknell Forest Council has commissioned a new Retail and Commercial Leisure Study along with Reading, West Berkshire and Wokingham Councils which will consider the hierarchy of centres and future retail and commercial leisure requirements. This study is due to be completed in Summer 2016.

Cultural Facilities

- 7.9 Spelthorne is home to many cultural facilities, with a large proportion of these located in Staines-upon-Thames. There are currently libraries at Ashford, Shepperton, Staines-upon-Thames, Stanwell and Sunbury. Spelthorne is home to several open spaces and sports facilities and there are also several youth and community centres dispersed throughout the borough.

- 7.10 Spelthorne has a Cinema at Two Rivers Shopping Centre, which captures 61.9% of all cinema trips from the Spelthorne Town Centres Study 2015 catchment area. The Borough however does not have a tenpin bowling destination and the largest flows outside of the catchment area to Feltham (65%)⁵³. The Spelthorne Museum is located south of Elmsleigh Shopping Centre and two public leisure centres are located in Spelthorne, the most popular being Spelthorne Leisure Centre in Staines-upon-Thames. Although Spelthorne does not have large-scale theatre located within its boundaries, the Riverside Arts Centre is located at Sunbury. The largest theatre flows are to Central London; the New Victoria Theatre, Woking; and the Theatre Royal Windsor.

Conclusion

- 7.11 Spelthorne's retail catchment stretches beyond the Borough to areas within Elmbridge, Runnymede, Windsor & Maidenhead and the London Borough of Hounslow. The strongest relationship is with Runnymede, whereas the relationship to other areas is relatively weak which has been evidenced in neighbouring authority's retail assessments.

⁵³ Spelthorne Town Centres Study 2015: Report Vol 1. Available at:
<https://www.spelthorne.gov.uk/article/9572/Retail-Study>

8. Local Functional Economic Area Studies: Conclusions of Previous Research

- 8.1 Prior to drawing conclusions and making recommendations for Spelthorne, this report considers the key findings of FEA and economic analysis carried out by surrounding local authorities. This will help to draw out any conclusions that are particularly relevant to this study and highlight whether any similar patterns or overlaps of FEAs have been identified. It should be noted that not all surrounding local authorities appear to have studies which detail the extent of the functional economic areas in which they are located.

Table 17: Summary findings in studies which consider the extent of the FEAs in the local area

Report	Findings
Runnymede Functional Economic Area Analysis June 2014	Given the strength of transport links in and out of the borough, Runnymede is most likely to sit on the edge of two different FEAs. The southern portion of the borough is considered to sit on the edge of a South West London/ M3/ A3 Corridor market. The extent of this FEA is considered to be quite far-reaching; however no benefits or strong links to Runnymede have been identified. The northern part of the borough is considered to be part of a FEA which focuses on Heathrow Airport which has the strongest relationships with Spelthorne, Hillingdon and Hounslow and it is recommended that Runnymede engages with these authorities to progress its economic work.
Elmbridge Baseline Review and Functional Economic Area April 2016	This study finds that Elmbridge functions within a south west London-north Surrey economic area. Primary authorities the council will need to work with in relation to its policies on employment land are Runnymede, Spelthorne and the LB of Kingston. It will also be important to engage LB Richmond, Woking, Epsom and Ewell, Mole Valley and Guildford.
Hounslow Local Economic Assessment Update November 2013 (Finalised Jan 2014)	The presence of Heathrow in the neighbouring London Borough of Hillingdon means that Hounslow experiences high levels of in and out commuting. Hounslow is part of a wider FEA that extends beyond its boundaries and the study suggests that Hounslow has economic links with Central London, Spelthorne, Richmond-upon-Thames, Ealing and Sutton.
Hillingdon Local Economic Assessment 2011	The Local Economic Assessment set out to capture the characteristics of the total functional economic area. This was stated

	to extend through West London, into the Heathrow priority area which contains Hillingdon, Hounslow, Ealing, Spelthorne and Slough, as well as into the borders of South Bucks.
Kingston upon Thames Economic Analysis Study May 2014	The economic study does not explicitly state a functional economic area; however it does note high levels of out/ in commuting, with approximately 300-1000 people travelling to/ from Spelthorne. Links between neighbouring authorities for commuting and employment was acknowledged, with the strongest functional economic links to South and Central London.
Berkshire Functional Economic Market Area Study February 2016	This study, undertaken on behalf of the Thames Valley Berkshire LEP (TVBLEP) and Berkshire authorities, identifies three core FEMAs: The Western Berkshire FEMA, the Central Berkshire FEMA and the Eastern Berkshire FEMA. The spatial extent of these FEMAs do not extend far beyond the TVBLEP administrative boundary, however parts of Surrey, Hampshire, Wiltshire, Oxfordshire, Buckinghamshire and Greater London feature within these broad geographical functional areas to a greater or lesser extent. The only local authority outside of Berkshire which consistently falls within these broad areas is South Bucks.

Conclusion

- 8.2 The reports above indicate that those authorities that Spelthorne considers to share its strongest links with also note strong linkages with Spelthorne. This therefore strengthens the consideration that Spelthorne has the strongest functional economic ties with Runnymede, Elmbridge, Hounslow and Hillingdon. Other neighbouring authorities have noted the presence of some links with Spelthorne however these are not regarded as particularly strong.

9. Conclusions and Recommendations

- 9.1 This chapter draws together the evidence presented in the previous chapters to consider the extent of the functional economic area that Spelthorne is located within. 'Functional Economic Area' is not a term explicitly defined, however national Planning Practice Guidance identifies a number of factors which can help guide the identification of a FEA. In line with this guidance, the study has considered and reviewed a number of existing evidence documents and information sources to inform an assessment of relevant FEAs.
- 9.2 When developing co-ordinated policy, the appropriate area of focus for a Local Planning Authority will be dependent upon those aspects of the relevant policy and how this relates to the functional economic geographies of the area. As such, this study has identified a number of geographical linkages in the area which relate to various aspects of the economy. The key findings are as follows:
- The joint SHMA undertaken on behalf of Spelthorne and Runnymede places Spelthorne in a North West Surrey Housing Market Area, however links to other housing market areas have also been identified such as to Elmbridge, Woking and Hounslow.
 - Existing studies of Property Market Areas locate Spelthorne in alternate PMAs. The CBRE South-East Regional Property Market Study identifies Spelthorne in a Heathrow-Slough-High Wycombe PMA, which lies adjacent to a Surrey-South West London PMA. The report notes the linkages between neighbouring PMAs and states the requirement for cross-authority dialogue in allocating employment land. Contrastingly, the LEP Commercial Property Market Study locates Spelthorne in an Upper M3 PMA, along with Elmbridge and Runnymede, which neighbours Heathrow Airport. Whilst this classification identifies a PMA on a more local level, its boundaries are largely shaped by those of the LEP, which restricts connections to areas outside. Commercial rents and yields are also fairly similar across a consistent area which partly corresponds to the different PMAs identified. The strongest links in the commercial property market are considered to be with Elmbridge, Hillingdon, Hounslow, Runnymede, Slough and Windsor & Maidenhead, although Slough and Windsor & Maidenhead may have a stronger relationship with one another.
 - Spelthorne is located within the Slough and Heathrow Travel to Work Area, which also includes Slough, Hillingdon, South Bucks, Richmond, as well as the majority of Runnymede, Hounslow, and Windsor & Maidenhead. This large coverage partially reflects the dense transport network in the area. The SHMA found the strongest commuting links between Spelthorne and Runnymede, as well as Hillingdon and Hounslow. Flows towards the London Boroughs appear to be stronger than those to the rest of Surrey with the exception of Runnymede, although other substantial links can be seen with Elmbridge, Slough, the London Borough of Richmond and to a lesser degree Windsor & Maidenhead.
 - The South East region has a high concentration of industry clusters especially within the south Buckinghamshire, Thames Valley, Blackwater Valley and Surrey areas. Spelthorne performs relatively well and is within the KPMG top 25 tech quotient rankings along with a number of other authorities from Surrey, the Thames Valley and South West London which is also home to a cluster of ICT/Digital Technology sectors. Clusters are also located in the EM3 LEP upper M3 area with respect to 'Advanced Engineering & Marine' sectors.

- Staines-upon-Thames is classified as a secondary regional retail centre and performs a strong comparison goods role in the wider sub-region with a catchment that extends into Runnymede, Elmbridge, Windsor & Maidenhead and the London Borough of Hounslow. However Staines-upon-Thames does experience some expenditure leakage to Kingston upon Thames. Furthermore, analysis of retail studies in the surrounding local authorities found links from Runnymede, Elmbridge, Hillingdon and Hounslow to parts of Spelthorne, namely Staines-upon-Thames.
- A number of other FEA or economic reports suggest that Spelthorne has the strongest functional economic ties with Runnymede, Hounslow and Hillingdon, with other neighbouring authorities noting the presence of links but not as particularly strong.

9.3 Based upon the above assessment, it is possible to consider the spatial extent of the FEA that Spelthorne is located within. This FEA encompasses those local authority areas that the evidence indicates as consistently having an inter-relationship with Spelthorne.

9.4 Table 18 summarises the degree of the relationship between Spelthorne and nearby/adjoining authorities by each of the themes that have been assessed for the purposes of defining the functional economic area, either through Housing Market Areas, commercial property markets, functional labour markets, clustering of sectors and consumer market/retail catchments. As such, a score of 3 for high links, 2 for medium links and 1 for low links has been assigned for the degree of functional economic linkages shared between Spelthorne and the surrounding local authorities.

Table 18: Degree of Functional Economic Area Relationship with Spelthorne

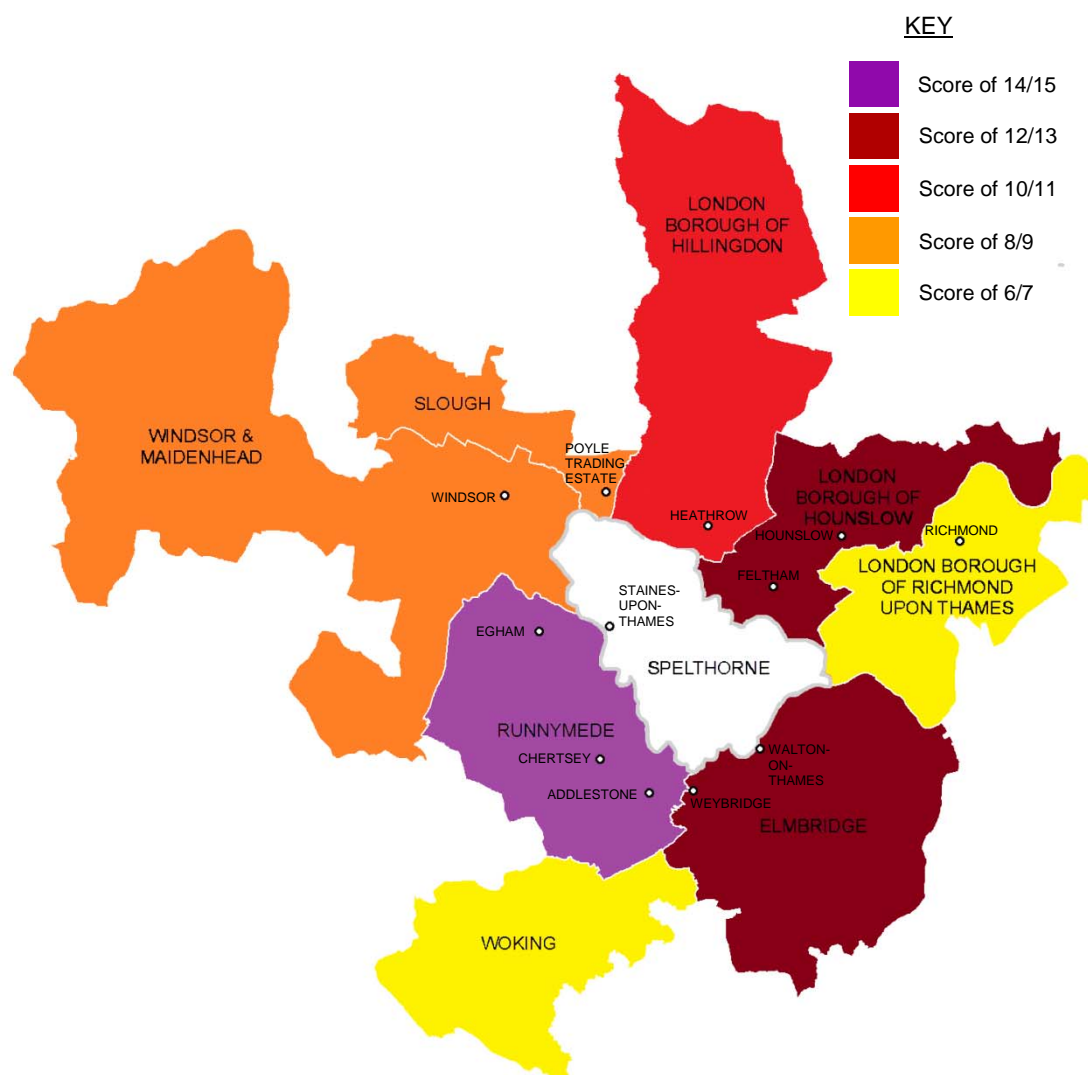
	Functional Economic Area Theme										Total Score
	Housing Market		Commercial Property Market		Functional Labour Market		Clusters		Consumer Market/ Retail		
Runnymede	High	3	High	3	High	3	High	3	High	3	15
Elmbridge	Medium	2	High	3	Medium	2	High	3	Medium	2	12
Hounslow	Medium	2	High	3	High	3	Medium	2	Medium	2	12
Hillingdon	Low	1	High	3	High	3	Medium	2	Low	1	10
Windsor & Maidenhead	Low	1	Medium	2	Low	1	Medium	2	Medium	2	8
Slough	Low	1	Medium	2	Medium	2	Medium	2	Low	1	8
Richmond upon Thames	Low	1	Low	1	Medium	2	Medium	2	Low	1	7
Woking	Medium	2	Low	1	Low	1	Low	1	Low	1	6

9.5 Based upon the above assessment of the Functional Economic Area relationships held between Spelthorne and the surrounding Local Authorities, it is possible to consider the spatial extent of the FEA that Spelthorne is located within. Figure 23 maps the total scores obtained from Table 18 and provides a visual illustration of the extent of the Functional Economic Area. A gradient system has been used to identify the cumulative strength of the relationships held between Spelthorne and the surrounding authorities. This illustrates that the strongest overall linkages are present between Spelthorne and

Runnymede, followed by Elmbridge and the London Borough of Hounslow. A notable link is also held between Spelthorne and Hillingdon. Woking and the London Borough of Richmond-upon-Thames influence the FEA to a much lesser extent. It must however be noted that the links that Spelthorne holds are not evenly distributed throughout each of the surrounding authorities, with the strongest ties with those areas that are immediately adjacent to its boundaries. This includes the employment areas of Heathrow Airport in Hillingdon and the Poyle and Colnbrook trading estates in Slough, in addition to the key settlements that surround the Borough of Spelthorne.

- 9.6 Spelthorne Borough Council acknowledges that each of the functional economic area themes set out in Table 18 have been given equal weighting, whilst some of the factors may in fact hold a greater or lesser influence over linkages. Table 18 and Figure 23 are intended to be representative of the relative strengths of links between Spelthorne and the surrounding authorities, and therefore this must be acknowledged when analysing the data.

Figure 23: Functional Economic Area that Spelthorne is located within



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- 9.7 This report has highlighted the many links that Spelthorne has with neighbouring and nearby local authorities in relation to economic development. As such, the demand/supply of economic development and the balance of jobs/housing should be collectively considered by a number of local authorities under the statutory Duty to Cooperate based on the housing and functional economic market areas identified. In terms of economic development Spelthorne should initially be engaging with those authorities with the strongest links.
- 9.8 Given the links to other authority areas identified in Table 18 and Figure 23, as well as the strength of those ties, it is considered that Spelthorne sits within a Heathrow focussed FEA and shares its strongest links with Runnymede and the London Boroughs of Hillingdon & Hounslow. It is therefore considered that these four authorities constitute the Functional Economic Market Area that Spelthorne sits within. It should however be acknowledged that other identified FEAs will overlap and areas such as Elmbridge, Slough and Windsor & Maidenhead will need to be engaged in the process. Spelthorne also works with local authorities across the whole of the County of Surrey as well as those authorities within the Enterprise M3 LEP area. Spelthorne Borough Council is committed to engaging with these organisations and others found to be of significance as it advances its Local Plan.
- 9.9 The recent outcome of the Davies Review which recommends expansion at Heathrow Airport for a third runway, and the Government's recent announcement in support of this option will need to be considered, given Spelthorne's strong economic links with the airport and the impact an expansion could have on the sub-region. The council will check progress on the potential expansion and will factor this into future economic work as appropriate.
- 9.10 It is important for Spelthorne to work closely with Runnymede Borough Council, the London Borough of Hounslow and the London Borough of Hillingdon. Strong strategic links have been identified between these authorities and a coordinated approach to bringing forward sites and premises for businesses as well as considering the balance of jobs/housing across HMAs/FEAs is required.
- 9.11 It is considered that these 'core' authorities should work collectively with other local authorities on the issues that are of concern to them as joint working will be of importance to the strategic planning of the functional economic area as a whole on employment, retail, leisure and transport issues. In order to fulfil its Duty to Cooperate, Spelthorne must work with those authorities that:
- Share responsibility for settlements and housing
 - Hold linkages in the Travel to Work Area or have strong commuter linkages
 - Hold linkages through wider Sub-Regional matters e.g. Surrey County Council; Enterprise M3 LEP
- 9.12 The depth and nature of joint working and consultation will be dependent upon the particular tasks to be undertaken and the different time scales that each local authority may be working to. In determining who is required to work together, 'what', 'how' and 'when' issues will be relevant. This report has provided an insight into the linkages and joint working that Spelthorne Borough Council requires in order to progress its economic development and fulfil its Duty to Cooperate.

Appendix 1: List of organisations consulted at officer level on the draft FEA study (February/March 2016)

Bracknell Forest Council

Elmbridge Borough Council

Enterprise M3 LEP

Epsom and Ewell Borough Council

Guildford Borough Council

Hart District Council

Heathrow Airport Limited

London Borough of Hillingdon

London Borough of Hounslow

London Borough of Richmond upon Thames

Mole Valley District Council

Reigate and Banstead Borough Council

Royal Borough of Windsor and Maidenhead

Royal Borough of Kingston upon Thames

Runnymede Borough Council

Rushmoor Borough Council

Slough Borough Council

South Bucks District Council

Surrey County Council

Surrey Heath Borough Council

Tandridge District Council

Waverley Borough Council

Woking Borough Council

Appendix 2: Functional Economic Area Analysis- Officer level comments received on draft report

Organisation Commenting	Summary of Comments Made	Officer Response
Bracknell Forest Council	<p>PPG states that there is no standard approach to defining a FEA, but lists factors to take into account. These are broadly reflected in paragraph 1.5.</p> <p>Paragraph 3.6 makes reference to the 2007 Berkshire SHMA. This has now been replaced by the recently published Berkshire (including South Bucks) SHMA (April 2016). The Berkshire 2016 SHMA concludes that Windsor and Maidenhead, Slough and South Bucks form an 'Eastern HMA', and Bracknell Forest, Reading, West Berkshire and Wokingham form a 'Western HMA'. Accordingly references to the 2007 SHMA should be removed, and reference to the latter four authorities forming a 'West Berks' HMA, should be amended to 'Western Berkshire HMA' to avoid confusion with West Berks Council.</p> <p>Chapter 5 of the draft report suggests that there is no strong functional labour market relationship between Bracknell Forest and Spelthorne. The Berkshire FEMA study concurs with this finding.</p> <p>Paragraph 7.2 lists Bracknell Town Centre as being ranked 42nd in a retail study dating back to 2004. Bracknell Town Centre is currently being regenerated, work having commenced in 2015 and due for completion in Spring 2017. Bracknell Forest Council has commissioned a new Retail and Commercial Leisure Study along with Reading, West Berkshire and Wokingham Councils. This</p>	<p>Comment noted.</p> <p>Amendments made to paragraphs 3.5 and 3.6 to note the recently published Berkshire SHMA.</p> <p>Support for conclusions noted.</p> <p>Table 16 (<i>previously Table 13</i>) amended to include this new study and note the ongoing regeneration work in Bracknell.</p>

Organisation Commenting	Summary of Comments Made	Officer Response
	<p>study is due to be completed in Summer 2016. This information could be added to Table 13 (<i>now Table 16</i>) for completeness.</p> <p>Table 14 (<i>now Table 17</i>) provides a summary of the draft Berkshire Functional Economic Market Area (FEMA) Study which is reflective of the conclusions of the final study. Reference should be made to the Berkshire FEMA Study which was published in March 2016.</p> <p>We agree with the conclusions in Chapter 9 (Figure 23) that show that Bracknell Forest and Spelthorne are not in the same FEA. This concurs with the findings of the Berkshire FEMA Study 2016 (summarised in Appendix 7).</p> <p>The Spelthorne FEA Study may benefit from further analysis of data relating to surrounding Authorities to fully explain the economic context and trends in the wider area; Chapter 2 focuses solely on Spelthorne.</p>	<p>Table (<i>now table 17</i>) updated to include the findings of the final 2016 Berkshire FEMA study.</p> <p>Support for findings noted.</p> <p>Chapter 2 has been updated to include information on the wider economy in Surrey and the South East region.</p>
Elmbridge Borough Council	<p>1. Housing Market Area Elmbridge Borough Council is currently working together with Epsom & Ewell, Mole Valley and Richmond on the preparation of a SHMA. Draft findings conclude that the four authorities form a HMA. The study recognises the strength of linkages to adjoining areas outside the HMA, reflecting that the work is focusing on a sub section of a London/South East England market.</p> <p>2. Retail and Service Sector Geographies</p>	<p>Draft findings from this report noted. Spelthorne Borough Council awaits the analysis with interest to see if similar conclusions are drawn regarding the links between Elmbridge and Spelthorne.</p>

Organisation Commenting	Summary of Comments Made	Officer Response
	<p>Elmbridge Borough Council has recently commissioned Bilfinger GVA to carry out an update of the 2006 Retail Study, to be published in summer 2016. Spelthorne's own retail work highlighted that parts of the Borough do look to Elmbridge for some shopping needs. The southern part of Spelthorne was therefore included in the survey area for the household survey carried out as part of the study. Findings highlight that Staines upon Thames does attract an amount of comparison goods spending, specifically from the western part of the Borough.</p> <p>3. Commercial Property Market The inclusion of commercial agent analysis provides valuable insight into the commercial property market locally. We assume that future collaborative work would further explore supply and demand issues relating to commercial floorspace within the identified Functional Economic Area.</p> <p>The table summarising the key economic relationships locally at table 15 (<i>now Table 18</i>) is a very clear way to demonstrate the economic linkages. We note and agree with the identified linkages with Elmbridge and are keen to work collaboratively in this area. We are currently consulting on our own Functional Economic Area analysis, which we will be keen to discuss further with you.</p>	<p>Retail links between Spelthorne and Elmbridge noted within the FEMA analysis. Spelthorne BC has responded to the Elmbridge Borough Council retail study consultation and looks forward to engaging with EBC as they progress with subsequent work.</p> <p>Support for findings noted. Spelthorne Borough Council will continue to work with surrounding local authorities and the EM3 LEP on strategic issues under the duty to cooperate.</p> <p>Support for findings in table (<i>now Table 18</i>) noted. Spelthorne Borough Council has responded to the Elmbridge Borough Council FEA consultation and looks forward to engaging with EBC as they progress with subsequent employment work.</p>
London Borough of Richmond	While we recognise the wider links identified in the report, there were no strategic cross-border issues identified in this report or our recent Duty to Cooperate meeting. We support the progress of	Comments noted. Spelthorne Borough Council looks forward to working with the London Borough of Richmond as it progresses its economic development work.

Organisation Commenting	Summary of Comments Made	Officer Response
	economic work through joint working, and officers have no further detailed comments to raise at this time.	
Mole Valley District Council	<p>Mole Valley DC has considered the Spelthorne Draft Functional Economic Market Area Report and has noted the conclusion that Spelthorne sits within a Heathrow focused FEA and strongest links with Runnymede and London Boroughs of Hillingdon and Hounslow.</p> <p>Mole Valley DC has no reason not to concur with this. We have also noted that the Executive Summary commented that Spelthorne also works with local authorities across the whole of Surrey and this could be interpreted as a degree of functional linkage. This spatial context is obliquely referenced in para 4.5 regarding the Surrey – South west London property market area. There is however no direct reference to Mole Valley DC in this context and Mole Valley is not included in the scoring of local authorities at Table 15 (<i>now Table 18</i>). The implication is that any functional economic linkages with Mole Valley are weak but this is not explicitly acknowledged.</p>	<p>Support for findings noted.</p> <p>Whilst Spelthorne will continue to work with all Surrey authorities under the Duty to Cooperate, the level of engagement will be based on the strength of linkages identified. As such, links between Spelthorne and Mole Valley have not been identified as strong, with each of the authorities holding stronger ties with different functional economic areas.</p>
Reigate and Banstead Borough Council	Having reviewed the document, we have no specific comments to make on the content. We note the area examined, and the recommended extent of the FEMA and support the conclusions insofar as it consistent with our view that there is no notable relationship with Reigate & Banstead.	Support for conclusions noted.

Organisation Commenting	Summary of Comments Made	Officer Response
Royal Borough of Windsor and Maidenhead	<p>RBWM considers that the report follows an appropriate methodology and correctly considers many separate data sources, in line with national guidance. The evidence is set out clearly and follows a natural progression.</p> <p>The draft report does not appear to identify a boundary for the FEMA. It is correct to say that Spelthorne has a greater or lesser economic relationship with many surrounding boroughs and that all need to be engaged to an appropriate degree. But that does not mean that a FEMA boundary cannot be defined, setting out the areas with which Spelthorne has the strongest links. Such a boundary will be necessary to define the study area for future work on economic development needs assessment and the availability of sites to accommodate forecast levels of demand. The draft FEMA report indicates that Spelthorne's strongest economic links are with Elmbridge, Runnymede, Hillingdon and Hounslow. Such an area is logical because it reflects both the historic links that Spelthorne has with Surrey and its more recent links with Heathrow. RBWM wishes to see a boundary defined for the FEMA in order to provide certainty for future stages of work, and it would appear that Spelthorne plus the four other authorities mentioned above would form a sensible FEMA for future study.</p> <p>The Berkshire-wide SHMA referenced in paragraphs 3.5 and 3.6 has now been published.</p>	<p>Support for methodology noted.</p> <p>Paragraph 9.8 overtly mentions that "Spelthorne sits within a Heathrow focussed FEA and shares its strongest links with Runnymede and the London Boroughs of Hillingdon & Hounslow". It must be noted that Spelthorne considers this the boundary to its FEMA. Text has been amended to make this explicit.</p> <p>Text has been updated to note the recently published Berkshire SHMA.</p>

Organisation Commenting	Summary of Comments Made	Officer Response
	<p>The draft RBWM retail study referred to in Table 13 (<i>now Table 16</i>) has now been published.</p> <p>Table 14 (<i>now Table 17</i>) refers to the draft Berkshire FEMA. The first stage of this work which defines the boundary of the FEMA in Berkshire has now been published. The next stage of work, an Economic Development Needs Assessment for each FEMA, is currently being undertaken.</p> <p>Figure 23 sets out the degree of linkages between Spelthorne and its neighbours, based on a synthesis of indicators as examined elsewhere in the report. In this regard it identifies that the strongest links are with Runnymede, Elmbridge, Hounslow and Hillingdon, and RBWM would support this finding. The map is a useful exercise although it does suffer from the fact that all indicators are given equal weight. For instance, when determining the level of economic linkages between different areas the “consumer market / retail” indicator is not as important as the “commercial property market” indicator, but both are afforded equal weight in the analysis. This is not necessarily a flaw but RBWM would request that this factor is mentioned in the textual analysis.</p>	<p>Table (<i>now Table 16</i>) has been updated to take note of the recently published Retail and Town Centre Study 2015.</p> <p>Table (<i>now Table 17</i>) updated to include the findings of the final 2016 Berkshire FEMA study. Spelthorne awaits the results of the Economic Development Needs Assessments being undertaken.</p> <p>Support for findings noted. Text added to provide extra commentary on the table/ rankings and the weighting that each of the indicators is given.</p>
Runnymede Borough Council	<p>Officers have provided a comprehensive analysis which is in compliance with national guidance and the recommendations within the report appear well supported by the evidence presented. I think that the scoring analysis provided on page 43 (<i>now page 44</i>) (and as presented in the supporting map</p>	<p>Support of methodology acknowledged.</p>

Organisation Commenting	Summary of Comments Made	Officer Response
	<p>at Figure 23) is helpful in showing how the strength of links varies with different local authorities.</p> <p>As you will be aware, Runnymede Borough Council published its FEA analysis in June 2015 and the findings of our own study support those in the Spelthorne analysis in regard to the strength of the links between Runnymede and Spelthorne for matters relating to the economy.</p> <p>Also following the emails between Runnymede and Spelthorne during the second half of 2015 you will be aware that Runnymede is currently producing its Employment Land Review. The draft report is currently being finalised and we hope to be in a position to share the draft report with Spelthorne Borough Council (and other Duty to Cooperate partners) before the end of March to provide an opportunity for comments to be made before the document is finalised.</p>	<p>Support for conclusions noted.</p> <p>Spelthorne has responded to the Runnymede ELR, noting the robustness of the report.</p>
Slough Borough Council	<p>Slough Borough Council agrees with the assessment of the Travel to Work Area (TTWA) data produced by the ONS (2011). This supports the findings of the Slough FEMA which was published in February 2016. The Spelthorne FEMA like the Slough FEMA identifies that Slough and Spelthorne are within the Slough and Heathrow TTWA alongside other local authorities. Therefore we agree that low level linkages do exist between Slough and Spelthorne.</p>	<p>Support for findings noted.</p>

Organisation Commenting	Summary of Comments Made	Officer Response
Surrey County Council	<p>Planning Practice Guidance sets out various factors that might be taken into account in defining a functional economic market area (FEMA) and the report considers all those factors that would be expected. Table 15 (<i>now Table 18</i>), which draws the evidence together and scores the relationships with neighbouring authorities is particularly helpful. The Enterprise M3 Commercial Property Market Study is currently being updated and the findings are due to be published shortly. These continue to support the location of Spelthorne along with Elmbridge and Runnymede in an Upper M3 property market area, which neighbours Heathrow Airport.</p> <p>We support the report's conclusions as to the extent of the FEMA in which Spelthorne is located and the relevant authorities with which the Borough Council must work in order to fulfil the Duty to Cooperate, including the County Council.</p>	<p>Support for methodology noted. Spelthorne Borough Council will continue to monitor the work of the EM3 and any updates that may arise.</p> <p>Support for conclusions noted.</p>

