RESEARCH REPORT

LOCAL DEVELOPMENT FRAMEWORK

*Research Report*

# EMPLOYMENT POSITION PAPER

**Report on Stage 1 of the Employment Land Review**

**Published January 2010**

WOKING BOROUGH COUNCIL

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## Summary

The Employment Land Review (ELR) is being prepared to inform Woking Borough Council's Local Development Framework (LDF), and forms a key part of the evidence base for the preparation of the Core Strategy and the Site Allocations Development Plan Document.

The role of the ELR is to assess the employment needs of the Borough in terms of land supply and land use over the Plan period (to 2026) in order to provide evidence for the justification of planning policy options available to the Council through the LDF to support sustainable economic development in the area.

For the purposes of the ELR only employment development as defined by the B1, B2 and B8 use classes is considered.

The requirement to undertake the ELR is set out in both national and regional policy, including Planning Policy Statement 4: *Planning for Prosperous Economies*, Planning Policy Statement 3: *Housing* and the Regional Spatial Strategy (RSS) for the South East the South East Plan (SEP) which was adopted in May 2009.

The ELR has been prepared in accordance with the methodology set out in the Government's ELR Practice Guidance (ODPM, 2004) and has had regard to Supplementary Planning Guidance: Employment Land Reviews published for consultation by the South East England Partnership Board[1] on 1 July 2009.

The ELR comprises two main reports, this stage 1 Employment Position Paper and a stage 2 Market Appraisal. A business survey undertaken in December 2007 has informed both reports. The main findings of this stage 1 report are:

**Effectiveness of the employment policies in the adopted local plan:**

Overall the employment policies of the Adopted Local Plan have been relatively successful in channelling employment development of a suitable scale and nature within the town, district and local centres and existing industrial areas. However the amount of employment floorspace lost to non-employment uses (planning permissions granted) since the adoption of the Local Plan amounts to approximately 67,000 $m^2$, over 70% of which was for residential development.

**Population Forecasts:**

- Woking's resident population is predicted to rise by 4.3% to 2026.
- Average household size is anticipated to reduce from 2.33 in 2006 to 2.12 in 2026.
- The total number of households and dwellings is predicted to rise by 14.4% between 2006 and 2026.
- Despite an estimated fall in the 0-49 year age group, the economically active population is still estimated to increase by 2.7%.
- By 2026 it is estimated that 25% of Woking's population will be aged 60 or over.


[1] http://www.se-partnershipboard.org.uk

**Employment Forecasts:**

- The employment forecast range indicates Woking will experience steady growth in total employment in the period 2006 - 2026.
- The economically active population is forecast to grow at a much slower rate (2.7%) than labour demand (16.3%).

**Economic Indicators:**

The following table summarises some of the headline economic indicators in terms of the economic strengths and weaknesses of the Borough.

| Economic Strengths | Economic Weakness |
|---|---|
| • GVA[2] per head is higher than both the national average and the two other London Fringe regional hubs<br>• Woking has shown a significant growth in GVA and GVA per head, ahead of the national average<br>• The no. of VAT registered business stock has steadily increased between 1994 – 2007<br>• Woking has the highest new business start up rate of the three London Fringe regional hubs<br>• Highly skilled resident workforce in comparison to the regional and national average | • Gross workplace weekly pay is less than the Surrey average<br>• Despite a steady increase in the no. of businesses in the Finance and Insurance sector the no. of employees within the sector fell between 2005 and 2007.<br>• Woking is considered the 8th least accessible location to enter the property ladder in relation to 65 other commuter towns outside the M25<br>• Claimant count (2.5% July 2009) higher than the Surrey average (2.1%) |

**Take up of Employment Space:**

- Take up of employment space over the last ten years has been variable but increasing overall. However, since 2005 there has been a steady decline in the take up of employment space in Woking.

**Findings from the December 2007 Business Survey:**

- Good communications/transport links were identified as the main advantage of Woking Borough as a business location, with local traffic problems/congestion and a lack of parking identified as the main disadvantage.
- Three key factors in the decision to locate in Woking were good road/rail/air links, the availability of suitable premises and good value accommodation.

[2] Gross Value Added (GVA) indicates the economic activity within a region by measuring the production of goods and services.

- 75% of respondents rated the condition of their premises as either excellent or very good, but a third of respondents rated the immediate environment around their premises as poor.

## Disclaimer

In relation to the information contained within this report and any other report relating to the Employment Land Review (ELR), the Council makes the following disclaimer:

- The identification of land with potential for employment in the ELR does not imply that the Council will necessarily grant planning permission for employment development on that land or allocate land for employment development through the Local Development Framework. All planning applications will continue to be determined against the development plan and material planning considerations.

- The inclusion of land for employment development in the ELR does not preclude it being developed for uses other than employment.

- The site boundaries included in the ELR are based on the best information reasonably available at the time. The ELR does not limit an expansion or contraction of these boundaries for the purpose of a planning application or future allocation through the Local Development Framework process.

- The exclusion of sites from the ELR (either because they were discounted or never identified) does not preclude the possibility of planning permission being granted on them for employment development. The Council acknowledges that sites will continue to come forward through the planning system which have not been identified in this ELR. Proposals will be considered against the development plan and other material considerations.

- The Council does not accept liability for any factual inaccuracies or omissions in the ELR. The information within the ELR represents the information that was reasonably available to the Council at the time of publication. Users of the study should acknowledge that there may be additional constraints on sites that are not included within the ELR document and that planning applications will continue to be determined on their own merits rather than on the information contained within this document. Issues may arise during the planning application process that could not be, were not foreseen, at the time of publication of the ELR. Applicants are therefore advised to carry out their own analysis of site constraints for the purpose of the planning application and should not rely on the information contained within the ELR.

- The ELR has a base date of July 2009 and therefore represents a ‘snap shot’ of information held at that time. The Council intends to consider the ELR as a ‘living document’ that will be updated through the Annual Monitoring Report process and a five yearly review.

- A variety of sources have been used in the preparation of the ELR and the time periods for some of the information vary. However, in all cases, the most up to date information has been used.

## 1.0 Introduction and Methodology

### Status of the ELR

1.1 The Employment Land Review (ELR) forms a key element of the evidence base for Woking's Local Development Framework (LDF), in particular the Core Strategy and the Site Allocations Development Plan Document. The ELR comprises two reports:

- Ø The Employment Position Paper
- Ø The Market Appraisal

1.2 The Employment Position Paper has been prepared by officers of the Council and has informed preparation of the market appraisal undertaken by consultants Lambert Smith Hampton. Both reports have been informed by the 2007 business survey and consultations with key stakeholders.

1.3 The ELR is based on information reasonably available at the time of writing, using the professional judgement of those involved. When published, the ELR will replace the Employment Needs Assessment (ENA).

### What is an ELR?

1.4 The role of the ELR is to assess the employment needs of the Borough in terms of land supply and land use over the Plan period, in order to provide evidence for the justification of planning policy options available to the Council through the LDF. The ELR will thus:

- Assess the supply of employment land to meet future demand over the core strategy period
- Assess the suitability of existing employment sites for employment use.
- Identify sites which may no longer be suitable or required for employment use.
- Provide the evidence base for the development of future planning policies.
- Provide recommendations on the mechanisms for the future monitoring of employment land supply and demand.

1.5 The requirement to undertake the ELR is set out in both national and regional policy, including:

- Planning Policy Statement 4: *Planning for Prosperous Economies* (PPS4) states that the local level evidence base should assess the detailed need for land or floorspace for economic development including for all main town centre uses.
- Planning Policy Statement 3: *Housing* (PPS3) states that local planning authorities should consider whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing.
- Policy RE3: Employment and Land Provision of the South East Plan which requires local authorities to assess the employment needs of the local economy and workforce and facilitate a flexible supply of land to meet the varying needs of the economic sectors.

**Relationship to other evidence base studies**

1.6 Alongside the ELR, which is solely concerned with assessing employment land supply and land use, the Council is also undertaking a number of other research studies in order to inform the Local Development Framework (LDF). These include:

- Strategic Housing Land Availability Assessment (SHLAA). The SHLAA identifies specific deliverable and developable sites for residential development in Woking Borough to 2026. The SHLAA was published in July 2009.

- Strategic Housing Market Assessment (SHMA). The SHMA has been prepared by consultants jointly commissioned by Woking, Guildford and Waverley Councils. The SHMA provides local and sub-regional evidence of housing need and demand in terms of housing type, size and tenure. The Council will use the information from the SHMA and the SHLAA to consider options for meeting housing need and market demand across the Borough. The SHMA was published in spring 2009.

- Retail and Commercial Leisure Study. This study provides an assessment of the vitality and viability of Woking Town Centre, and produces quantitative retail and leisure capacity forecasts for the Town Centre, West Byfleet and Local Centres. The study was undertaken by Roger Tym & Partners and published in September 2009.

- Audit of Open Space, Sports and Recreation Facilities. This is also known as the PPG17 Audit. This study establishes the quantity and quality of open spaces, sports and recreation facilities in the Borough. The study has identified that there is not a surplus of open space in Woking.

- Infrastructure Delivery Plan (IDP). The IDP will assess the existing capacity of infrastructure services and facilities and assess what provision is required in the future, and where, related to future development. The IDP will cover transport, housing, education, health, social infrastructure, green infrastructure, public services, utility services and flood defences. The IDP will include a schedule of what new infrastructure is required, when, where, how it is to be provided and will identify the responsible agency.

- Strategic Flood Risk Assessment (SFRA). The SFRA provides information on the significance of flood risk across the Borough, where flood risk is likely to be important, how much of the Borough is defended, where new development is likely to add risk and where flood risk needs to be considered in more detail.

- A Transport Statement led by Surrey County Council, will develop a multi-modal model of the transport network to enable the implications of development options to be tested for their impact on the network. The study is due to be published in 2010.

- The Character Assessment, due for publication in 2010, considers the principal social, environmental and economic conditions and constraints in the Borough together with their underlying physiographic conditions (geology, soil, and topography, drainage patterns) to provide a description of what makes Woking distinctive and to help identify the features that give a sense of place. Analysis involves identifying character zones based on current activity and prevailing former uses; prevalent materials and building styles; the public realm; habitats, landscapes and other natural features; and the general condition and pressures. The Character Assessment will help to identify the capacity for and sensitivity to change through development.

- Green Belt Study, due for publication in 2010, considers the contribution of urban fringe sites to the purpose, role and function of the Metropolitan Green Belt.

- The requirement to provide additional Gypsy and Traveller accommodation is set at the regional level through the Regional Spatial Strategy. At the time of publication, the allocation for Woking was not confirmed at the regional level. The Council will consider additional sites in future reviews of the SHLAA.

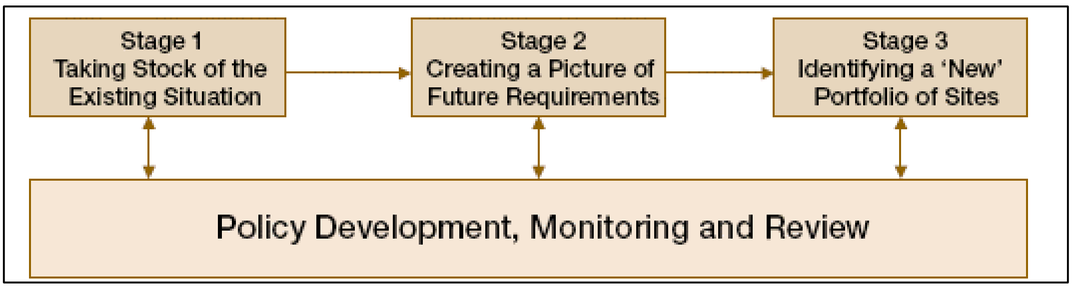
1.7 Further information about the LDF evidence base can be found on the Council's website at: http://www.woking.gov.uk/planning/policy/ldfresearch

**Methodology**

1.8 The ELR has been prepared in accordance with the methodology set out in the Government's ELR Practice Guidance (ODPM, 2004). The guidance considers land within Use Classes B1-B8 rather than all forms of economic development. The study has also had regard to additional draft guidance on ELRs produced by the South East England Partnership Board[3]. The Department for Communities and Local Government recognise that the ELR Practice Guidance is outdated and have indicated that they are likely to produce new guidance. In the interim they have endorsed the work the South East England Partnership Board is undertaking on their in-house guidance.

1.9 Figure 1 is taken from the Practice Guidance and shows the key stages that form the ELR methodology.

**Figure 1: ELR Process**




1.10 The market appraisal covers all three stages of the ELR process, providing an overview of the commercial property market, a detailed audit of existing employment sites and an analysis of employment demand and supply to 2026. The employment position paper sets the context for the market appraisal, providing information on: past policy performance, trends in employment land provision and economic indicators. It also provides employment forecast and floorspace requirements to be used in stage 2 of the ELR process in the market appraisal.

[3] http://www.se-partnershipboard.org.uk

### Status and structure of this report

1.11 This paper updates the baseline information that is presented in the Council's previous ENA. A variety of sources have been utilised and the time periods for some of the information varies, however, in all cases the most up to date information has been used.

1.12 This report is structured as follows:

- Section 2 sets out the planning policy context that underpins many of the assumptions contained within the ELR, and analyses the effectiveness of current local employment policies.

- Section 3 looks at the economic performance of the Borough, and compares it to neighbouring employment centres.

- Section 4 details the industrial structure of businesses in the Borough.

- Section 5 provides an analysis of the characteristics of Woking's labour force in terms of economic activity.

- Section 6 gives information on education and skills and travel to work patterns.

- Section 7 outlines the key factors that will need to be taken into account when considering future provision of employment land and floorspace.

## 2.0 Policy Context

2.1 This section sets out the policy context within which the conclusions in the employment position paper and market appraisal should be considered, and which underpin many of the assumptions made. The following policies and related guidance at the national, regional and local level are particularly relevant to the preparation of the ELR.

### National policy

2.2 Planning Policy Statement 1: *Creating Sustainable Communities* (PPS1) emphasises the need for positive and proactive planning to achieve sustainable communities. Planning should facilitate and promote sustainable patterns of development by:

- Making suitable land available for development in line with economic, social and environmental objectives to improve people's quality of life.
- Contributing to sustainable economic development.
- Protecting and enhancing the natural and historic environment, the quality and character of the countryside and existing communities.
- Ensuring high quality development through good design and inclusive design, and the efficient use of resources.
- Ensuring that development supports existing communities and contributes to the creation of safe, sustainable, liveable and mixed communities with good access to jobs and key services for all members of the community.

2.3 PPS1 emphasises the important role that the planning system has in promoting sustainable economic development and states that planning authorities should:

- Recognise that economic development can deliver environmental and social benefits.
- Recognise the wider sub-regional, regional or national benefits of economic development and consider these alongside any adverse local impacts.
- Ensure that suitable locations are available for industrial, commercial, retail, public sector (e.g. health and education) tourism and leisure developments, so that the economy can prosper.
- Provide for improved productivity, choice and competition, particularly when technological and other requirements of modern business are changing rapidly.
- Recognise that all local economies are subject to change; planning authorities should be sensitive to these changes and the implications for development and growth.
- Actively promote and facilitate good quality development, which is sustainable and consistent with their plans.

- Ensure the provision of sufficient, good quality, new homes (including an appropriate mix of housing and adequate levels of affordable housing) in suitable locations, whether through new development or the conversion of existing buildings. The aim should be to ensure that everyone has the opportunity of a decent home, in locations that reduce the need to travel.

- Ensure that infrastructure and services are provided to support new and existing economic development and housing.

- Ensure that development plans take account of the regional economic strategies of Regional Development Agencies, regional housing strategies, local authority community strategies and local economic strategies.

- Identify opportunities for future investment to deliver economic objectives.

2.4 Planning Policy Statement 4: *Planning for Sustainable Economic Growth (*PPS4), consolidates national planning policy on economic development into a single streamlined planning policy statement. It replaces Planning Policy Guidance Note 4: *Industrial, commercial development and small firms (PPG4, 1992)*, Planning Policy Statement 6: *Planning for* t*own centres (PPS6, 2005),* Planning Policy Guidance Note 5: *Simplified Planning Zones (PPG5, 1992)* and elements of PPG13: *Transport* and PPS7: S*ustainable development in rural areas.* Guidance to help practitioners implement the policies in PPS4 is provided in the Town Centre Practice Guidance*.*

2.5 PPS4 employs a wider definition of economic development than PPG4, including public and community uses, main town centre uses, uses which achieve employment opportunities, generate wealth or an economic output/product, in addition to development within the B Use Classes. The guidance seeks to focus new economic growth and development of main town centre uses in existing centres.

2.6 The plan making policies highlight the positive role that the planning system can play in influencing productivity and employment through the development of flexible planning policies that are responsive to the changing needs and demands of business. It places an emphasis on the need for planning policies to be based on a robust and credible evidence base including an assessment of the detailed need for land or floorspace for economic development.

2.7 The planning objectives of PPS4 are to achieve sustainable economic growth by:

- Improving the economic performance of town and other centres, both urban and rural.

- Reducing the gap in economic growth rates between regions, promoting regeneration and tackling deprivation.

- Reducing the need to travel, especially by car and respond to climate change.

- Promoting the vitality and viability of town and other centres as important places for communities.

- Raising the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural communities.

2.8 Planning Policy Statement 12: *Creating Strong Safe and Prosperous Communities through Local Spatial Planning* (PPS12) states that spatial planning is critical in relation to economic growth and regeneration, by providing a flexible supply of land for business and identifying sustainable locations. It emphasises that evidence gathered to support the preparation of the core strategy should be proportionate to the issues that need to be addressed, relevant to the local area and as up-to-date as practical having regard to what may have changed since the evidence was collected.

2.9 Practice Guidance on undertaking ELRs was published by the Government in December 2004 and provides guidance to local authorities on the assessment of demand for and supply of land for employment, based on the 'plan, monitor, manage' approach.

2.10 The guide identifies a three step process in undertaking employment land reviews:

- Stage 1 – Taking stock of the existing situation, including an initial assessment of 'fitness for purpose' of existing allocated employment sites.
- Stage 2 – Creating a picture of future requirements by using a variety of means to assess the scale and nature of likely demand for employment land and the available supply in quantitative terms.
- Stage 3 – Identifying a 'new' portfolio of sites through a more detailed review of site supply and quality and identify and designate specific new employment sites in order to create a balanced local employment land portfolio.

2.11 The detailed site appraisal should indicate whether or not there is a shortfall in the supply of land and premises for particular market segments. If this is the case, 'new' employment sites should be identified. Paragraph 6.24 of the Guidance Note identifies the type of shortfalls likely to be identified. These include sites for high quality accommodation, for new service industries; better access, particularly for large scale distribution and, in some areas, additional sites to provide a choice between suppliers.

**Regional policy**

2.12 The Regional Spatial Strategy (RSS) for the South East of England is the South East Plan (SEP) which was published in May 2009. The SEP forms part of the Development Plan for Woking and thus the Council's LDF must be in conformity with the SEP. Of particular relevance to the provision of employment land are the spatial strategy policies and the policies contained within the sustainable economic development and London Fringe chapters.

2.13 The South East Plan is based on six spatial planning principles. The first principle seeks a coordinated approach to managing change within the region's key settlements and their hinterlands through the coordination of policy in nine identified sub-regions (Policy SP1 – *Sub-Regions in the South East*). The sub-regions are to be the focus for growth and regeneration. Woking is located within the London Fringe sub-region which has been identified due to its strong economic potential.

2.14 Policy SP2 – *Regional Hubs* seeks to support and develop the role of regional hubs. The SEP identifies a network of 22 Regional Hubs which will be the focus for the various components of growth, including new employment development. Woking was identified as a hub due to its importance as a centre of economic activity with good road and rail communication links. Policy SP3 – *Urban Focus and Urban Renaissance* states that *'the prime focus for development in the South East should* *be urban areas'.* Out of 22 centres identified as primary regional centres, Woking is one of 12 centres expected to evolve significantly in terms of their range of town centre uses through the life of the strategy, and has been identified as a 'Centre for Significant Change'.

2.15 Policy RE1: *Contributing to the UK's Long Term Competitiveness* states that LDFs will provide an enabling context to ensure that the regional economy contributes fully to the UK's long term competitiveness. Local development documents must be sufficiently flexible to respond positively to changes in the global economy and the changing economic needs of the region.

2.16 Policy RE2: *Supporting Nationally and Regionally Important Sectors and Clusters* indicates that local authorities will identify the key sectors and clusters within their local area, and any opportunities that exist for the development and expansion of sectors and clusters. Where appropriate, Local Development Documents (LDDs) will include policies that:

- Ensure that land and premises are available to meet the specific requirements of nationally and regionally important sectors and clusters.
- Enhance, develop and promote local assets that can facilitate the development of sectors and clusters.
- Promote and support non-land use initiatives that benefit and foster the growth and development of new and existing nationally and regionally important sectors and clusters.

2.17 Policy RE3: *Employment and Land Provision* emphasises that in planning for the location, quantity and nature of employment land and premises local authorities will facilitate a flexible supply of land to meet the varying needs of the economic sectors, including qualitative needs, in those sectors showing potential for growth. Based on evidence from ELRs and other market intelligence, provision should be made for a range of sites and premises to meet general needs in locations that are or will be: accessible to the existing and proposed labour supply, focus on urban areas, promote the use of public transport, and intensify the use of existing sites. The policy emphasises that accessible and well located industrial and commercial sites should be retained where there is a good prospect of employment use.

2.18 The policy highlights that in preparing LDDs local authorities should have regard to strategic and local business needs, and the relevant sub-regional strategy, with strategic employment land focused at locations identified in the sub-regional strategy, or more generally within the regional hubs or gateways.

2.19 Policy LF2: *Economic Development* of the sub-regional strategy states that employment-related development will take place primarily on land already in employment use, or available for such use.

2.20 The Regional Economic Strategy (RES) for the South East sets out a 10-year framework for economic development for the period 2006-2016. The vision for the South East is to be a world class region achieving sustainable prosperity by 2016. The RES recognises the challenges facing the region as global competitiveness, the need to achieve smart growth through raising productivity and adopting sustainable development.

2.21 One of the actions to achieve smart growth is to improve workforce productivity and increase economic activity from 82% to 85% by bringing 110,000 net additional

South East working age residents into the labour market by 2016; this is a step towards bringing up to 250,000 residents into the labour market by 2026.

2.22 The RES has three interlinked objectives to address each challenge:

- Global Competitiveness: assist firms to become globally competitive by increasing R&D expenditure, encouraging collaboration and the development of new and improved products and securing improved infrastructure, to ensure that the South East maintains its competitiveness for global HQs and research establishments as well as for labour intensive plants and offices;
- Smart Growth: encourage smart growth, through means of increasing the regions stock of businesses, improving skills levels, improving travel choice and public transport, ensuring sufficient and affordable housing and employment space, including mixed use developments; and
- Sustainable Prosperity: support the quality of life in the South East by ensuring sustainable prosperity and the protection of the natural environment and resources.

2.23 The RES identifies three broad economic contours in the South East: the Inner South East (encompasses Woking Borough), Rural South East and Coastal South East. The main priorities for the Inner South East are:

- Innovation, research and development and technology platforms for key industrial sectors – working with the Oxford to Cambridge Arc (and the Golden Triangle including London) and along the Gatwick-Guildford-Thames Valley-Oxford axis
- Maximising the potential of key areas – through development of a well-defined and clearly articulated global 'offer'
- Skills development – investing in the skills required by global businesses
- Infrastructure for competitiveness – investing in transport infrastructure, improving housing affordability and investing in ICT infrastructure.

**Local policy**

2.24 The key employment objective of the Woking Borough Local Plan 1999 states: *"The Council will seek to secure a healthy and more diverse local economy, principally through making the best use of existing industrial and commercial land, and will not make provision for significant overall employment growth".*

2.25 The following policies of the Adopted Local Plan relate specifically to employment (B use class) development.

**Table 1: Local Plan policies**

| Policy | Policy Objective |
| --- | --- |
| **EMP1** | Deals with general considerations and states that employment development will be permitted in the urban area provided it is in compliance with other policies and that it does not result in a materially adverse effect on the environment or amenity of an area (due to noise, etc). |
| **EMP2** | Is concerned with new business (B1) in the District and Local Centres, where limited development will be permitted provided it does not harm the character or amenity of the area and is compliant with relevant policies in the Shopping Chapter. |
| **EMP3** | Is concerned with new business (B1) development in the urban area where employment development will be permitted in the Industrial areas as indicated on the Proposals Map or in established employment areas as long as it is only a small scale development and one which does not generate a significant number of visitors to the area. |
| **EMP4** | Deals with industrial (B2) development. It states that development will be permitted in the existing industrial areas as marked on the Proposals Map provided it will not cause demonstrable harm to the amenity of the land. Elsewhere, B2 development will only be permitted if there is no other land available and if it meets the criteria of EMP1. |
| **EMP5** | Is concerned with warehousing and distribution (B8) where development will be permitted in the existing industrial areas as marked on the Proposals Map provided it will create less than 5000m$^2$ of floorspace, that it is suitably located in relation to transport networks and that it will not cause harm to the amenity of the area or the environment. |
| **EMP7** | States that the loss of B1, B2 and B8 uses will not be permitted unless the existing use causes demonstrable harm to the amenity of the area or if it involves the conversion of offices above shops to residential. |
| **EMP8** | Deals with development which provides for small firms and mixed development. It states that the Council will seek the provision of premises suitable for small firms particularly in areas of unemployment, the provision of managed workspace and a mixture of employment uses on large sites. |
| **WTC9** | States that B1 development will be permitted within the town centre boundary provided that it is within a site identified for such development on the proposals map or that the development is for a small scale extension of a use already within B1 use. A modest amount of office development may also be permitted if it forms a required part of a mixed use scheme. |
| **WTC10** | Is concerned with the conversion of outmoded office buildings and states that where conversion will not pose a threat to the environment, where it will involve the redevelopment for residential, leisure, hotel, entertainment or educational facilities, where it will not materially worsen traffic or where a ground floor retail use is provided in the retail area, conversion will be permitted. Any remaining office space should be refurbished. |
| **WTC11** | Looks at regeneration in the Goldsworth Road area. States |

| | |
|---|---|
| | redevelopment incorporating an increase in office floorspace will be permitted provided proposals comply with design standards, enhance the street scene, replace existing desirable land uses within the redevelopment, provide a range of small office suites or priority uses and a range of ground floor uses outlined in Policy WTC16. |

2.26 The saved policies of the Woking Borough Local Plan 1999 will eventually be replaced by a new Local Development Framework as required by the Planning and Compulsory Purchase Act 2004.

**The Effectiveness of Current Local Plan Policies**

2.27 Overall the employment policies of the Adopted Local Plan have been successful in channelling employment development of a suitable scale and nature within the town, district and local centres and existing industrial areas. However, they have been less successful in safeguarding employment land for future employment use. The amount of employment floorspace lost to non-employment uses (planning permissions) since the adoption of the Local Plan amounts to approximately 67,000 $m^2$, over 70% of which was lost to residential development. The following paragraphs look at the effectiveness of individual policies in more detail from adoption of the plan to April 2009.

2.28 The successful implementation of Policy EMP2 has been mixed. The Policy states that development above a threshold of 300 $m^2$ in district centres, and 150 $m^2$ in local centres would generally not be appropriate. During the last ten years 15 planning permissions have been granted for B1 development in the district centres, a third of which were for development over the 300$m^2$ threshold. Of the five permissions over 300$m^2$, four were in West Byfleet District Centre and one in St Johns. The increase in B1 floorspace varied from 361$m^2$ to 1020$m^2$. In local centres two permissions in excess of 150$m^2$ were granted, both located in Walton Road close to the Town Centre; one permission was granted for an extension which increased the floorspace by 1,200$m^2$ to 4,100$m^2$ and the other a new office building of 340$m^2$.

2.29 Policy EMP3 has been successful in preventing the location of new office development outside the town, district and local centres and existing employment areas or on land in the urban area without established employment use rights. Only one planning permission has been granted for B1 development outside the town centre, district centres, local centres and industrial areas. This was for a change of use from A2 and the amount of floorspace was very low at just 186$m^2$.

2.30 Policy EMP4 seeks to permit industrial (B2) development within existing industrial areas subject to there being no resultant demonstrable harm to the environment or amenity and states that proposals for B2 use will not be permitted elsewhere unless there is no available site within a designated industrial area. Since the Local Plan was adopted all planning permissions for B2 use have been located within the Borough’s Industrial Areas.

2.31 Policy EMP5 is a criteria based policy for the development of distribution (B8) floorspace which prohibits the development of B8 floorspace outside the industrial areas unless proposals are located on sites currently occupied and used for B8 use. The policy also seeks to restrict B8 development over 5,000$m^2$ on sites not suitably located in relation to the main road network or that cannot suitably accommodate additional traffic, or where proposals would result in demonstrable harm to the environment and amenity of the area.

2.32 The policy has been relatively successful as of the 26 applications granted for B8 floorspace since adoption of the Local Plan only three were located outside the Industrial areas. One was for a reduction in B8 floorspace on an existing site and the other two were for small amounts of floorspace. Apart from the extension (17,000m²) at the Sentrum site at Goldsworth Park Trading Estate for a data storage centre and the redevelopment of the former Sprint Industrial Estate in Byfleet to provide 7,000m² of new floorspace there have been no permissions for new B8 developments over 5000m².

2.33 Policy EMP7 seeks to prohibit development that results in the loss of established B1, B2 and B8 floorspace or site area to a non employment use.

2.34 Since the Local Plan was adopted permission has been granted for the loss of 35,666m² of B1 floorspace, 57% of which was granted for residential use. Applications of this nature have been more acceptable since the publication of PPS3: Housing on 29 November 2006, however approximately 13,000m² of the lost floorspace was permitted prior to this date. Almost 6,000m² of B1 floorspace may be lost if a recent planning approval (subject to a legal agreement) for a care home off Parvis Road in the Green Belt is implemented.

**Table 2: Loss of B1 Floorspace since 1 Sept 1999**

| Existing Use Class | Proposed Use Class | Permissions Granted | Potential Floorspace Lost (m²) | Permissions Implemented | Actual Floorspace Lost (m²) |
|---|---|---|---|---|---|
| B1 | A1 | 4 | 801 | 3 | 782 |
| B1 | A2 | 1 | 65 | 1 | 65 |
| B1 | A3 | 2 | 511 | 1 | 327 |
| B1 | C2 | 1 | 5,786 | 0 | 0 |
| B1 | C3 | 37 | 20,290 | 28 | 16,581 |
| B1 | D1 | 5 | 1,309 | 4 | 1,045 |
| B1 | D2 | 3 | 578 | 2 | 468 |
| B1 | Mixed | 7 | 4,514 | 3 | 277 |
| B1 | SG | 6 | 1,812 | 4 | 1,335 |
| Total B1 Lost to Non-employment uses | | 66 | 35,666 | 46 | 20,880 |

2.35 All planning permissions granted for the loss of B2 floorspace to non-employment uses (over 21,000m²) have been for residential development and have resulted in the creation of 220 net additional dwellings to date, with the potential to provide a total of 322 net additional dwellings if all permissions are implemented.

**Table 3: Loss of B2 Floorspace since 1 Sept 1999**

| Existing Use Class | Proposed Use Class | Permissions Granted | Potential Floorspace Lost (m²) | Permissions Implemented | Actual Floorspace Lost (m²) |
|---|---|---|---|---|---|
| B2 | C3 | 6 | 21,712 (322 net additional dwellings) | 3 | 17,403 (220 net additional dwellings) |
| Total B2 Lost to Non-employment uses | | 6 | 21,712 | 4 | 17,403 |

2.36 Planning permission has been granted for the loss of 9,785m² of B8 floorspace to non employment uses since the local plan was adopted, approximately 60% of which was for residential development with the potential to create 70 net additional dwellings. A further 2,744m² of B8 floorspace has been lost for D2 use. The majority of this was for a site on Arthur's Bridge Road in Horsell and was for the development of a health club.

**Table 4: Loss of B8 Floorspace since 1 Sept 1999**

| Existing Use Class | Proposed Use Class | Potential Permissions Granted | Floorspace Lost (m²) | Actual Permissions Implemented | Floorspace Lost (m²) |
|---|---|---|---|---|---|
| B8 | A1 | 2 | 973 | 1 | 44 |
| B8 | C3 | 4 | 5,873 (70 net additional dwellings) | 2 | 5,608 (64 net additional dwellings) |
| B8 | D2 | 2 | 2,744 | 2 | 2,744 |
| B8 | SG | 2 | 195 | 2 | 195 |
| Total B8 Lost to Non-employment uses | | 10 | 9,785 | 7 | 8,591 |

### The Development Pipeline

2.37 The potential future development pipeline is comprised of site allocations within the Adopted Woking Borough Local Plan[4], and a net gain/loss deriving from outstanding planning permissions (including resolutions to approve) and schemes which have started/under construction.

2.38 At the end of July 2009 there was outstanding planning permission (including resolutions to approve) for a net gain of approximately 26,869m² of additional B1 floorspace in Woking. Over 50% of this floorspace can be attributed to a planning permission for an 18 storey commercial office development on the site of the former MVA and Select House in Woking Town Centre. A further approximately 8,000m² of floorspace derives from a change of use application for units 1-20 Goldsworth Park Trading Estate. The permission on the 19,358m² site allows for flexible use between the B1 (b) (research and development), B1(c) (light industrial) and B8 (storage and distribution) use classes. For monitoring purposes two-thirds of this floorspace has been recorded under B1 use.

[4] Broadoaks, which is started/under construction is identified as a Major Developed Site in the Green Belt, and comprises the only major employment site allocation in the Local Plan.

2.39 In terms of industrial (B2) floorspace, there is currently outstanding planning permission (including resolutions to approve) for a net gain of 29,575m² of industrial floorspace[5].

2.40 Outstanding planning permissions (including resolutions to approve) show there is a potential net loss of 8,829m² of warehouse floorspace (B8 use class).

2.41 At the end of July there was a net gain of 7,246m² of B1 floorspace and 11,926m² of B8 floorspace and a net loss of 2,800m² B2 floorspace resulting from schemes classified as started/under construction.

2.42 An increasing trend is the granting of planning permission for flexible uses (B1/B2/B8) on a number of employment sites in Woking, in order to provide site owners, management agents and occupiers with greater flexibility in letting and using floorspace. If implemented these permissions will not result in the overall loss of employment floorspace in the Borough, however they may alter the respective total amounts of B1/B2 and B8 floorspace. The trend for flexible uses on employment sites is in line with national and regional guidance. Policy RE1 of the South East Plan recognises that a particular challenge for regional policy is to create a spatial context that helps businesses and individuals to adapt swiftly to minimise adjustment costs and to make the most of new opportunities as they arise.

[5] This figure includes the proposed 37,838m² production centre at the McLarens site permitted on 01/09/2009.

## 3.0 Economic performance

3.1 The Borough's economic performance is measured using a number of indicators relating to economic scale, productivity, earnings and economic change. These indicators provide a context for the ELR.

3.2 Woking's position has been compared to the two other Regional Hubs in Surrey/London Fringe – Guildford and Redhill/Reigate, as identified in the South East Plan, 2009.

### Economic scale, Productivity

3.3 Woking's economic scale is assessed in terms of output (the share of Gross Value Added to the UK economy) and work-based employment.

3.4 Gross Value Added indicates the economic activity within a region by measuring the production of goods and services. Table 5 below looks at Gross Value Added (GVA) indicators and Woking's share of national employment. Woking has a small population and consequently Woking's GVA, share of national GVA and share of total national employment are all below the national average and the two other London Fringe regional hubs figures. Productivity levels in Woking are high; Woking has the highest GVA per head out of the three regional hubs and compared to the national average Woking is significantly higher. Between 1995 and 2005 (latest data) the London Fringe hubs have all experienced significant growth in GVA and GVA per head, ahead of the national average.

**Table 5: Gross Value Added**

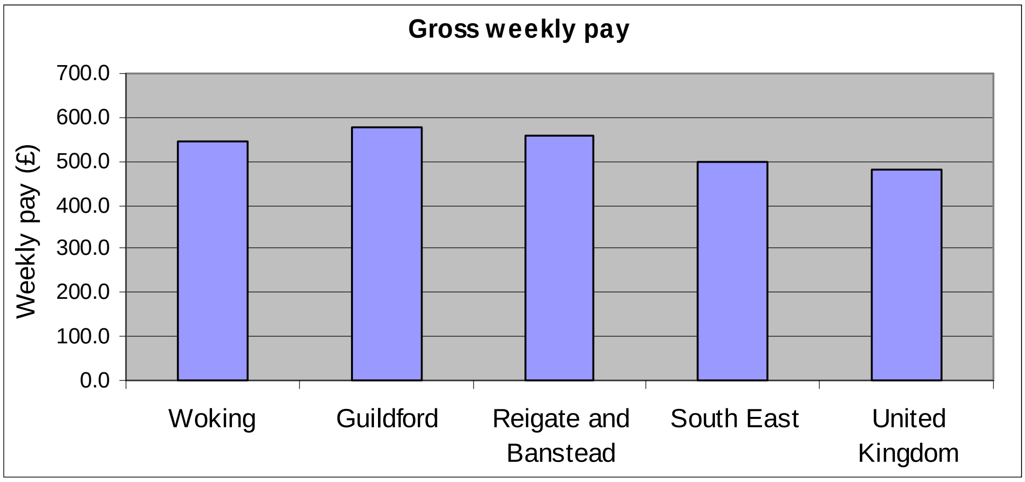
| | GVA (£ million) 2005 | GVA Change (%) 1995-2005 | Share of national GVA % Share (2005) | GVA per head (2005) | Change in GVA per head % (1995-2005) | Share of total national Employ % (2007) |
|---|---|---|---|---|---|---|
| Woking | 2,302.24 | 95.42 | 0.22 | 31,835.36 | 87.22 | 0.17 |
| Guildford | 3,569.45 | 95.42 | 0.34 | 28,558.35 | 87.22 | 0.27 |
| Reigate and Banstead | 2988.64 | 95.42 | 0.28 | 31,717.17 | 87.22 | 0.23 |
| **National Average** | **2,570.77** | **70.2** | **0.25** | **18,945.18** | **64.12** | **0.25** |

Source: Office for National Statistics (ONS), 2007 (updated 2008)

## Earnings

3.5 In Woking the average gross weekly pay is £544.70, which is less than the Guildford and the Reigate and Banstead average, as shown in Figure 2 below. Weekly pay in Woking is however greater than the South East and national average.

**Figure 2: Gross workplace weekly pay**




Source: Annual survey of hours and earning – workplace analysis, ONS, 2008

3.6 The average annual gross household income is higher than national income estimates. The average household income in Woking is £52,322 per annum[6], whilst the national gross annual income average of Household Reference Persons (HRP) and partners is £30,404 per annum[7].

3.7 A clear relationship between tenure and income can be observed, as shown in Table 6 below. Owner occupied households have larger incomes than households in socially rented tenures. Owner occupied households with mortgages have the highest average annual income - £68,167 per annum. Owner occupiers without mortgages have the second highest average income by tenure, but in addition to this they have considerable savings.

**Table 6: Average annual gross household income by tenure**

| Tenure | Average annual gross household income | Average savings (median) |
|---|---|---|
| Owner occupied (no mortgage) | £46,811 | £42,707 |
| Owner occupied (with mortgage) | £68,167 | £4,258 |
| Council | £11,615 | £358 |
| Registered Social Landlord | £26,421 | -£710 |
| Private rented | £44,171 | £940 |
| **Average** | **£52,322** | **£7,023** |

Source: West Surrey SHMA – WBC Household survey (2007)

3.8 According to recent Savills research (May 2009) the Woking property ladder, in relation to 65 other commuter towns outside the M25, is considered the 8th least accessible property ladder for both first time buyers and those working their way up

[6] West Surrey SHMA - Woking Borough Council household survey, 2007
[7] Survey of English Housing 2006/07

the ladder (as shown in Table 7 below). The research estimates the average price of a one bed flat in Woking to be £149,125, while a four bed house is £538,564, a 3.6 fold increase. Prices in Woking are significantly higher than the South East average prices. An inaccessible property market will result in buyers with limited amounts of equity or cash being priced out of Woking or forced to compromise on some of their requirements, i.e. location. However, compared to the two other London Fringe regional hubs (South East Plan, 2009), Guildford and Reigate, Woking has the most accessible property ladder.

**Table 7: Relative accessibility of the housing ladder in South East Commuter Towns**

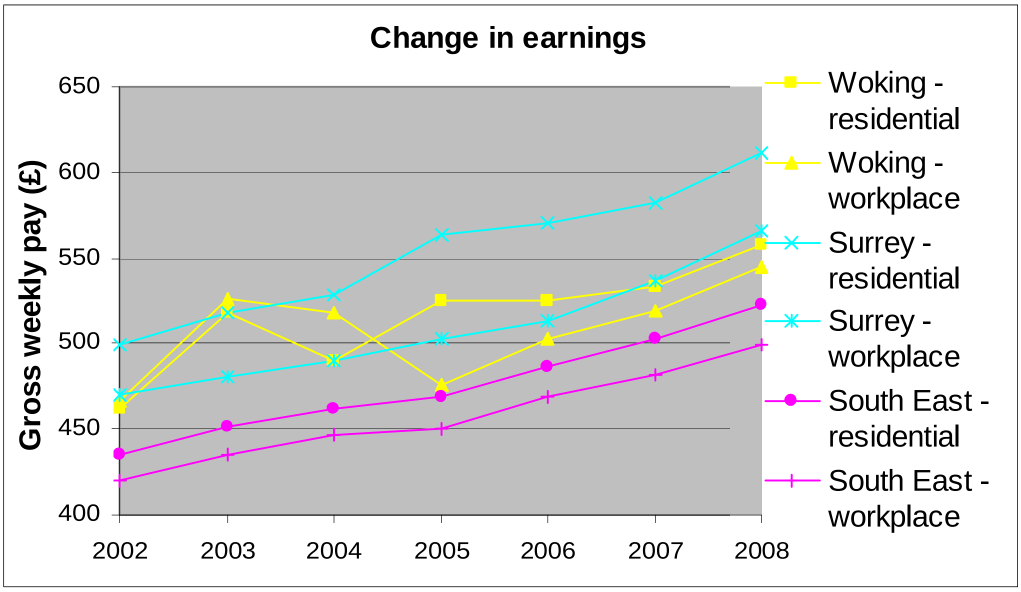
Least Accessible

| Location | Average Values | | 1 bed flat to 4 bed house | |
|---|---|---|---|---|
| | **1 Bed Flats** | **4 Bed Houses** | **Multiplier** | **% increase** |
| St Albans | £161,546 | £527,145 | 3.26 | 226% |
| Leatherhead | £170,222 | £531,749 | 3.12 | 212% |
| *Woking* | *£149,125* | *£538,564* | *3.61* | *261%* |
| Brentwood | £153,446 | £545,784 | 3.56 | 256% |
| Newbury | £127,210 | £526,952 | 4.14 | 314% |
| Chichester | £132,446 | £553,279 | 4.18 | 318% |
| Guildford | £157,460 | £593,628 | 3.77 | 277% |
| Maidenhead | £146,385 | £588,081 | 4.02 | 302% |
| Reigate | £161,756 | £611,494 | 3.78 | 278% |
| Hove | £156,936 | £611,177 | 3.89 | 289% |
| **South East Average** | **£121,265** | **£391,212** | **3.23** | **223%** |

Source: Savills Press Release, May 2009

3.9 Earnings within Woking have been fluctuating during the past 6 years. Figure 3 compares the earnings of employees living in Woking and of employees working in Woking.

**Figure 3: Change in residential and workplace earnings in Woking**




Source: Annual survey of hours and earnings - workplace analysis, ONS, 2008

3.10 The earnings of workplaces in Woking was higher than the earnings of Woking residents until 2005, when workplace wages dropped by 8.1%. Since 2005, workplace wages have been recovering, but still remain below resident's earnings. In 2008 residents gross weekly pay was £557.30 and workplace weekly pay was £544.30. Earnings in Woking are higher than the South East average, but fall below the Surrey average. Wages in Surrey are also growing at a faster rate than the residents and workplaces wages of Woking, therefore the disparity between the Surrey average and the Woking average is set to grow if this trend continues.

**Economic change**

3.11 The employment rate of the working population (16-64 years) in Woking has remained quite stable since 2004, as detailed in Table 8 below. Woking has a lower employment rate than Guildford and Reigate and Banstead, where both areas have experienced growth since 2004. However the confidence limits for the Guildford and the Reigate and Banstead employment estimates have been consistently lower than the Woking confidence limits since 2004. Consequently the range of possible values for all three London Fringe Regional Hubs overlap.

**Table 8: Employment rate of working population**

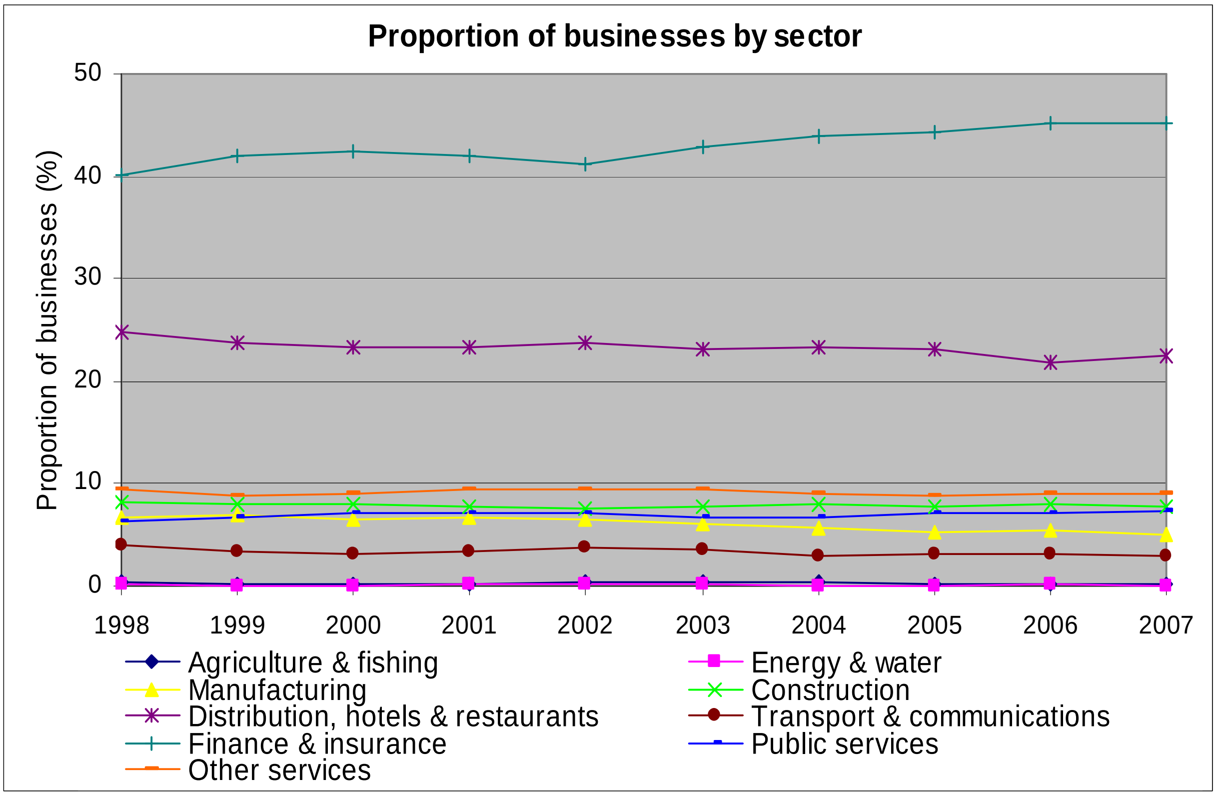
| | 2004 | COL | 2005 | COL | 2006 | COL | 2007 | COL | 2008 | COL |
|---|---|---|---|---|---|---|---|---|---|---|
| **Woking** | 81.6 | 3.2 | 80.9 | 3.4 | 80 | 6.1 | 77 | 6.3 | 80.6 | 5.9 |
| **Guildford** | 79.8 | 3.5 | 83.5 | 3.6 | 83.2 | 4.6 | 85.1 | 4.5 | 83.2 | 4.9 |
| **Reigate and Banstead** | 76.7 | 3.8 | 76.8 | 3.6 | 76.4 | 5.5 | 81.3 | 4.5 | 81 | 4.8 |
| *COL: Confidence Limits* | | | | | | | | | | |

Source: Annual Population Survey, ONS, 2008

## 4.0 Industrial structure, business and enterprise

4.1 In 2007 there were 4,618 businesses in Woking[8]. Figure 4, below, shows the composition of the types of firms in Woking has remained largely unchanged during the past 10 years.

**Figure 4: Proportion of businesses by sector in Woking**



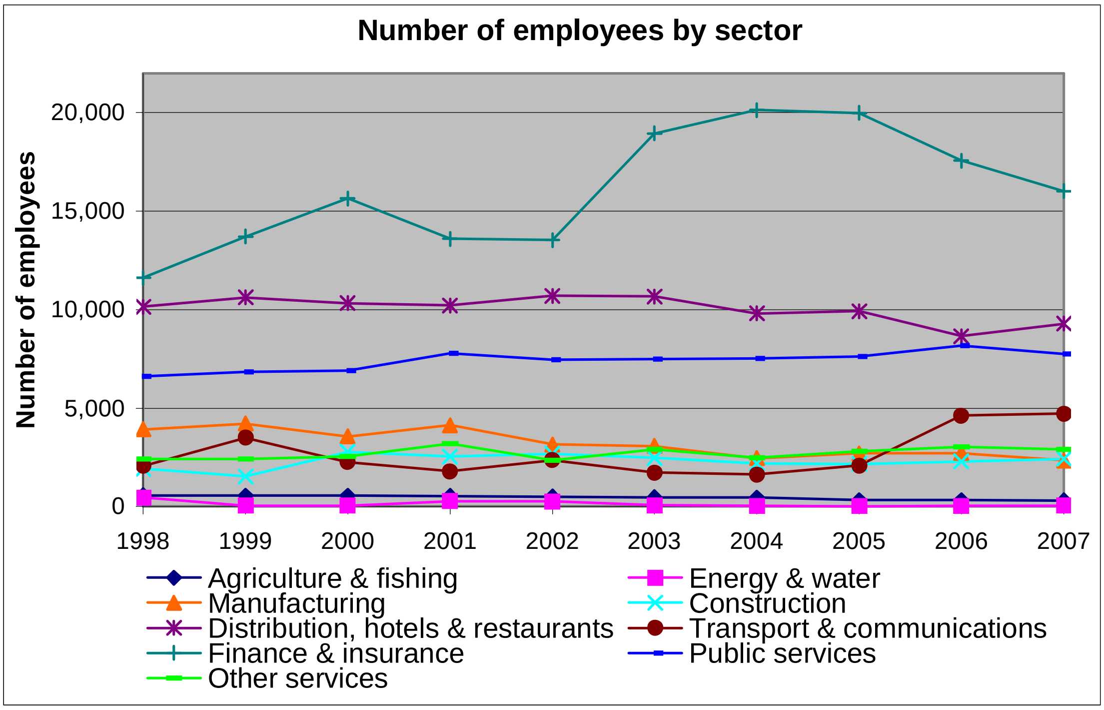

Source: Annual business inquiry workplace analysis, ONS, 2009

4.2 The proportion of business in public services and the financial and insurance sector has been steadily growing between 1998-2007. Relatively, all other sectors have shrunk in comparison.

4.3 In 2007, 45,822 people were employed in Woking, across a wide range of industrial sectors. The number of employees per sector is shown in figure 5 below, which highlights the finance and insurance sector as the main source of employment in the area.

[8] Annual business inquiry workplace analysis, ONS, 2009

**Figure 5: Number of employees by sector**

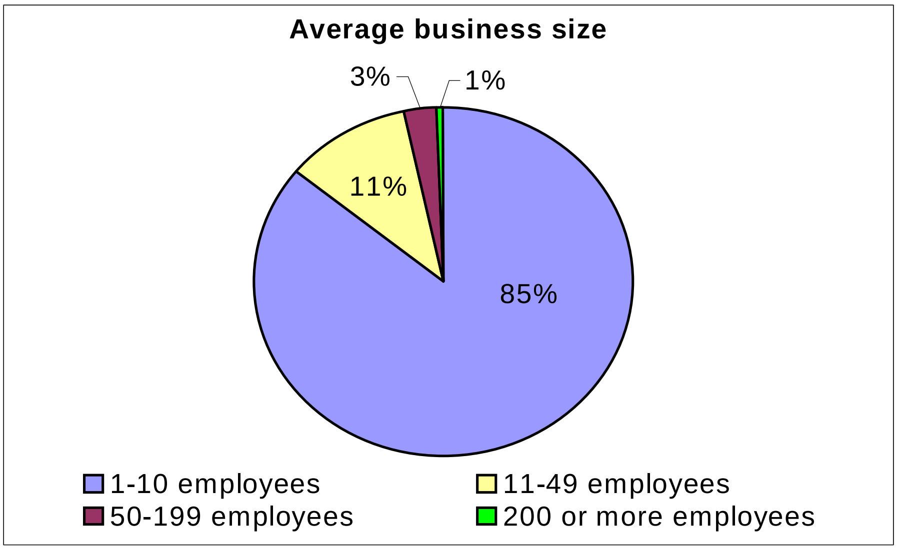



Source: Annual business inquiry workplace analysis, ONS, 2009

4.4 However, the number of employees within this sector has fallen in recent years. In 2004, total finance and insurance employees peaked at 20,125 but by 2007 this had dropped to 16,023 – a 20% reduction from 2004. Aside from finance and insurance, the two other main areas of employment are the distribution, hotels and restaurants sector – employing 9,284 people; and the public sector – employing 7,759 people. Jobs in primary and secondary sectors have declined since 1998. In 2007, there were 2,348 manufacturing employees compared to 3,920 in 1998 and 253 fewer employees in agriculture and fishing during this time

4.5 The sizes of businesses in Woking is shown in Figure 6 below. The majority of businesses are small with 1-10 employees, 495 firms are medium sized employing between 11-49 people and only 153 firms employ more than 50 people. Woking follows the same hierarchy found at a regional and UK level for business sizes.

Figure 6: Average business size in Woking




Source: Annual business inquiry workplace analysis, ONS, 2009

4.6 Woking has a higher new business start up rate percentage compared the other two regional hubs and the national average, as shown in Table 9 below. The closure rate of businesses is 0.5% higher than Guildford, but slightly lower than the Reigate and Banstead closure rate. Survival rates of businesses within the first 12 months of operation are higher in Woking than both the regional hubs and the national average. However businesses in Woking have a lower chance of surviving 36 months compared to the other London Fringe Regional Hubs and the national average.

**Table 9: Measures of businesses**

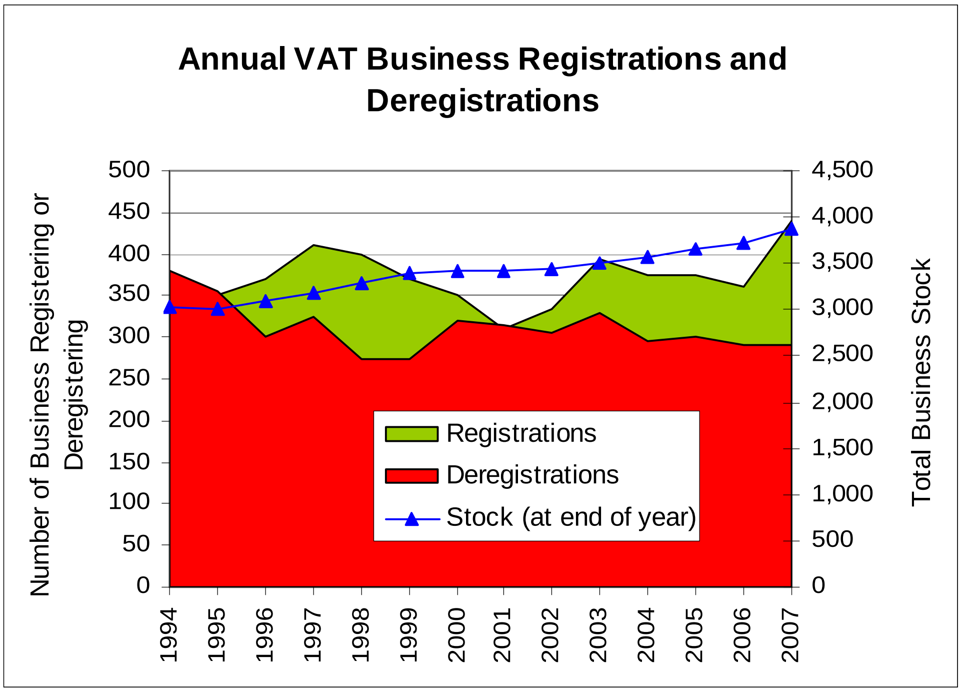
| District | New business start up rate % (2007) | Business closure rate % (2007) | Business survival rate (12 months) % (2006-2007) | Business survival rate (24 months) % (2005-2007) | Business survival rate (36 months) % (2004-2007) |
|---|---|---|---|---|---|
| Woking | 11.8 | 7.77 | 97.98 | 79.81 | 64 |
| Guildford | 10.7 | 7.27 | 97.84 | 82.35 | 68.83 |
| Reigate and Banstead | 10.09 | 7.99 | 82.48 | 96.12 | 68.31 |
| National Average | 10.55 | 7.55 | 96.49 | 79.75 | 65.23 |

Source: Local Knowledge, Business start-ups and closures: VAT registrations and deregistrations, 2007

4.7 The number of VAT registered enterprises is a good indicator of the size of the business population in Woking. It is also acts as an indicator of the small business population, as most VAT-registered enterprises employ less than 50 people.

4.8 Figure 7, below, shows the number of VAT registered business stock steadily increasing between 1994-2007. In 2007 there were 3,880 VAT registered enterprises – a net gain of 150 enterprises and 4% increase from 2006. This is attributable to a sharp rise in the number of business start-ups in 2007.

**Figure 7: Change in VAT registered business stock**




Source: Nomis, ONS, 2009

4.9 The number of real estate businesses has been growing since 1994[9]. At this time the industry accounted for 36.9% of businesses in the area, in 2007 it accounted for just under half – of the 3,880 registered firms in Woking, 1,905 firms were in the real estate sector. The dominance of real estate in the area is similar to the Guildford and Surrey average, however it is significantly higher compared to the South East (37.8%) and the UK (31.7%) experience.

4.10 During the period 1994-2007 it can also be found that the number of enterprises within service sectors such as hotels, restaurants and finance have increased. At the same time secondary sector businesses, including, manufacturing and wholesale, retail and repairs have decreased.

4.11 VAT-registration indicators usually exclude individuals who are self employed due to the VAT income threshold[10]. Woking has a low proportion of self employed in the workforce, 7.16% are self employed (June 2008). The national average is 11.89%.

### Commercial and Industrial Floorspace

4.12 Within Woking there was 760,000m$^2$ commercial and industrial floorspace in 2008, as shown in Table 10 below. Woking represents 1% of total floorspace of commercial and industrial properties in the South East. The highest proportion of commercial and industrial floorspace in Woking is offices.

**Table 10: Commercial and Industrial Floorspace (000m$^2$), 2008 (2005 Revaluation)**

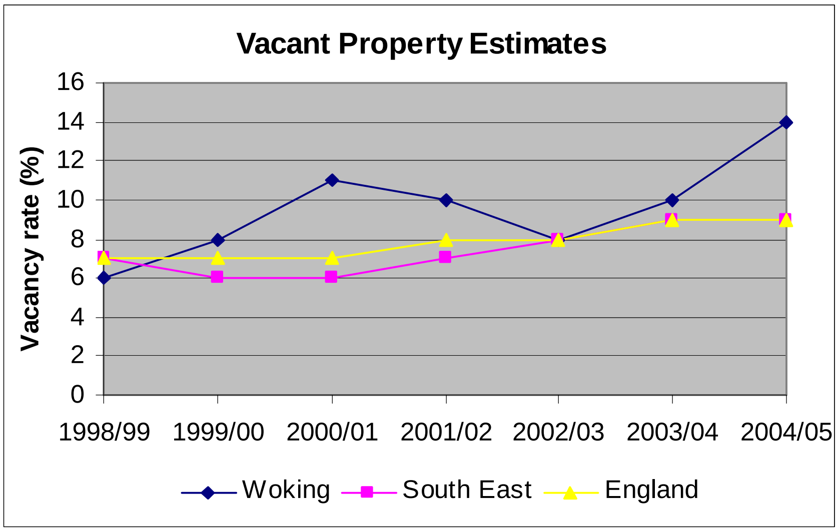
| | Woking | | South East | |
|---|---|---|---|---|
| | **Floorspace** | **%** | **Floorspace** | **%** |
| Retail Premises | 178 | 23 | 14956 | 17 |
| Offices | 243 | 32 | 15767 | 18 |
| *Commercial Offices* | *218* | *29* | *13485* | *15* |
| *Other' Offices* | *24* | *3* | *2282* | *3* |
| Factories | 173 | 23 | 20377 | 23 |
| Warehouses | 134 | 18 | 19042 | 21 |
| Other Bulk Premises | 31 | 4 | 3163 | 4 |
| **All Bulk Classes** | **759** | **100** | **73305** | **100** |

Source: Communities and Local Government, ONS, 2009

4.13 During 1998-2005 estimated vacancy rates in Woking have been variable, but increasing overall. Figure 8 shows Woking as having consistently above average vacancy rates compared to the South East and England, with the exception of the period 2002-03. In 2004-05 Woking had a vacancy rate of 14%, some 5% higher than the South East or England average. The statistics in Table 10 are derived from the amount of relief given on business rates for empty properties. However, this data only provides the total amount of relief given to each Local Authority. This means that returns will underestimate the total value of property vacant, since some of these properties will only be receiving 50% relief.

[9] Nomis, ONS, 2009
[10] Businesses with annual sales below £68,00 (2009-2010) don't have to register for VAT

**Figure 8: Estimated vacancy rates (%), 1998/99–2004/05**




Source: Communities and Local Government, ONS, 2006

4.14 Research carried out for the Council by Lambert Smith Hampton on the property market in Woking in June 2009, showed a total vacancy rate for all B use floorspace in the Borough of approximately 19%. However, the survey found considerable variation in vacancy rates across the Borough with 50% or higher vacancy found at the following sites: the office developments on the Forsyth Road Industrial Estate (61% vacant); Apex Court (part of the Camphill Industrial Estate in West Byfleet) 53% vacant; and Martlands Industrial Estate in the Green Belt (50% vacant).

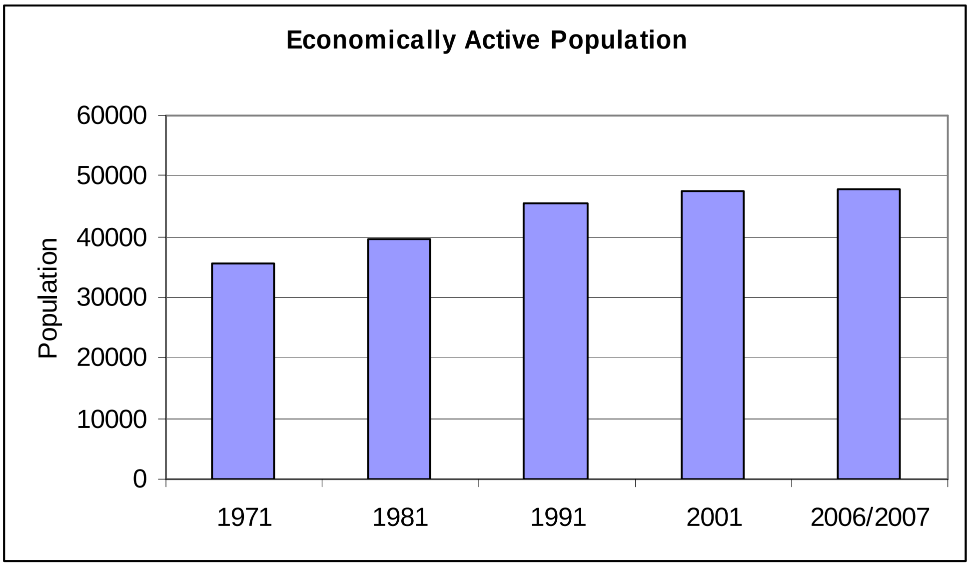
## 5.0 The labour force

5.1 This section provides an analysis of the characteristics of Woking's labour force in terms of economic activity, education and skills and travel to work patterns.

### Economic activity

5.2 In 2006/07 Woking had an economically active population of around 47,700, a rate of 81.7% which is comparable to an economic activity rate of 82% for the South East as a whole[11]. Figure 9, below, shows how the Borough's economically active population has grown since the 1971 Census.

**Figure 9: Economically active population in Woking**



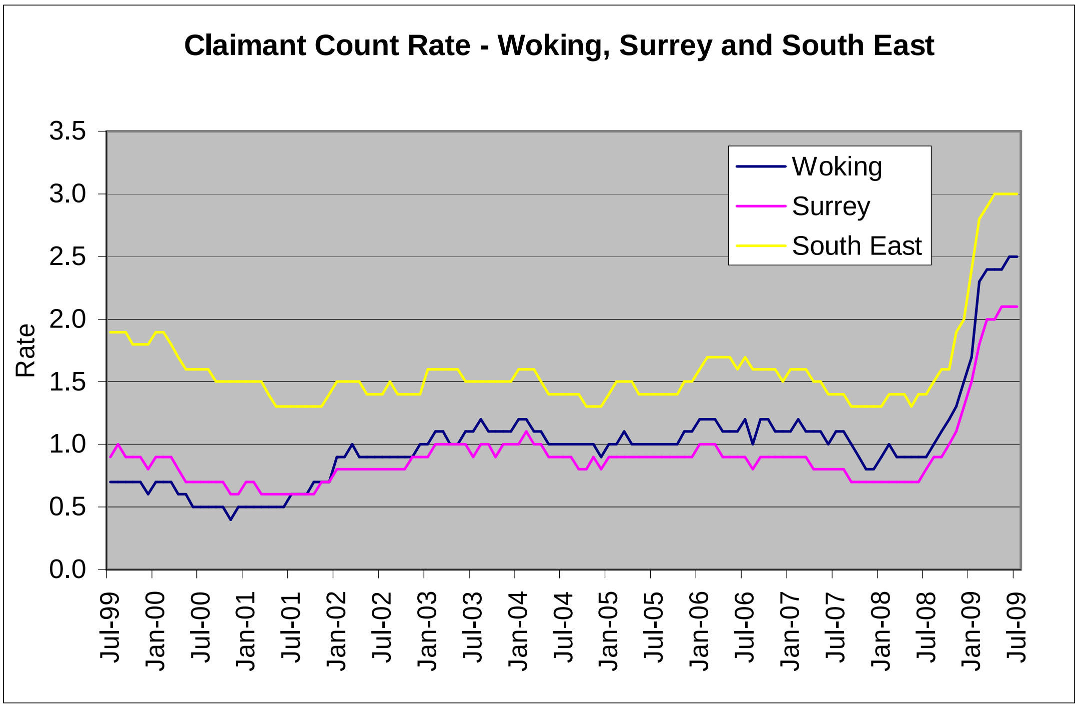

Source: ONS Census mid-year population estimates, 2007

5.3 In 2006/07, around 1,800 people of the working age population in Woking were unemployed, a rate of 3.7%, which compares to an unemployment rate of 4.5% for the South East. Of Woking's unemployed, 644 people were claiming Job Seekers Allowance in 2006/07, a claimant rate of 1.1%, compared to a rate of 1.6% for the South East[12].

5.4 Figure 10 shows the claimant count in Woking, Surrey and South East England from June 1999 to June 2009. From 2002 the claimant count for both Woking and Surrey was low and steady at around 1%. The figure for the South East was also stable at around 1.5%. The recent 'credit crunch' has had a significant impact on employment rates. The Woking count rate was up to 1.5% in December 2008 and was up to 2.5% by June 2009. The Surrey average is slightly behind Woking at 2.1% but Woking is below the South East average which has climbed to 3%. The claimant count in Woking rose rapidly between September 2008 and March 2009 – increasing at an average rate of 0.22 per month. During March 2009 and June 2009 the claimant count rate stabilised with average monthly rate increase being 0.025.

[11] Annual Population Survey, 2007
[12] Office for National Statistics

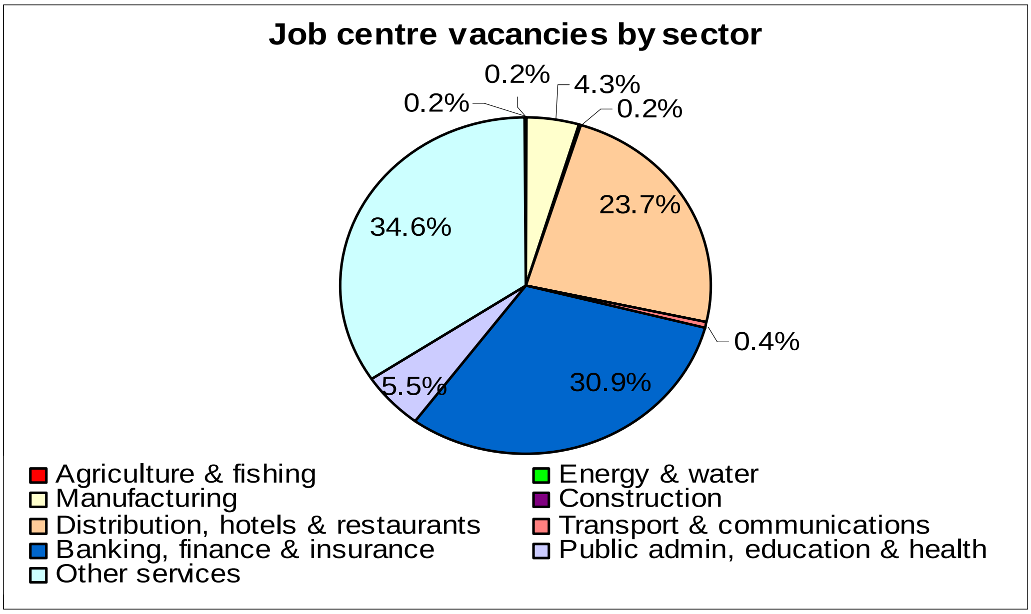
**Figure 10: Claimant Count Rate: Woking, Surrey and South East**




Source: Office for National Statistics, 2009

5.5 In March 2009, there were 489 job vacancies in Woking as advertised through the job centre. 75% of the vacancies were for full time employment. Figure 11 shows in which sectors job vacancies are available. Most vacancies are within the service sector; the financial sector; and the distribution, hotel and restaurant sector. Compared to the wider regional and national regions Woking has a smaller proportion of job vacancies available for public sector and elementary occupations. The majority of vacancies available are for associate level professionals (37.4%) and sales and customer service workers (26.2%).

**Figure 11: Woking job centre plus vacancies split by sector**



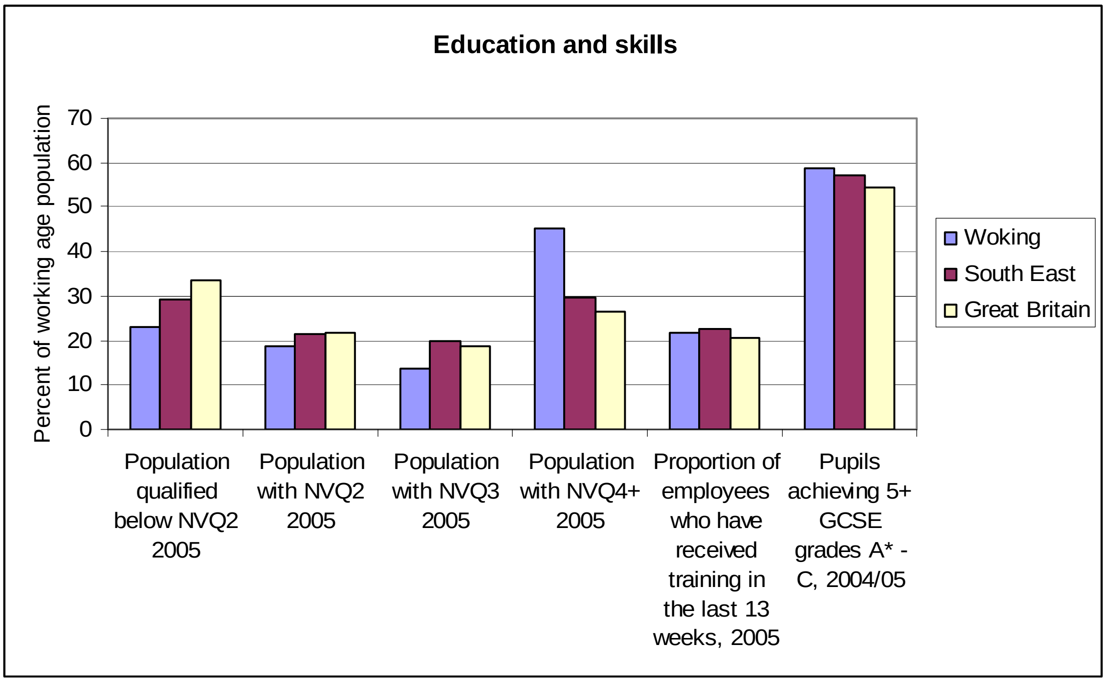

Source: Nomis, ONS, 2009

## 6.0 Education and skills

6.1 Levels of skills and education are assessed in terms of the qualifications profile of the working age population (i.e. the available workforce). The indicators are presented in Figure 12, below, which shows that Woking has a highly skilled resident workforce in comparison to the regional and national averages (based on an analysis of the proportion of the population with NVQ4+ qualifications).

6.2 Figure 12 also shows that the resident population in 'skills poverty' (i.e. those who are qualified below NVQ2) is very low at around a third of the national average.

**Figure 12: Education and skills levels**




Source: Local Knowledge, 2009

**Travel to work patterns**

6.3 In 2001, Woking had a resident working age population of 46,253 and a workplace population of 41,006, resulting in a net out-commuting population of 5,257 people[13].

6.4 Table 11, below, shows the travel to work destination of the resident population and the origin of those workers commuting in to work in the Borough from elsewhere.

[13] 2001 Census

**Table 11: Origin and destination of residents and workforce**

| | **Total residents commuting out of Woking to work elsewhere** | **Total workers commuting in to Woking to work who live elsewhere** |
|---|---|---|
| Rest of Surrey | 12,557 | 10,838 |
| Rest of South East | 3,174 | 4,482 |
| London | 8,122 | 2,802 |
| Rest of UK, overseas and offshore | 641 | 1,125 |
| **Total commuters** | **24,494** | **19,247** |

Source: Census, 2001

6.5 Just over half of the resident working age population in Woking works in Woking. Of the remaining Woking residents, 58% work elsewhere in Surrey and 37% commute into London for jobs. Although there is a strong outflow of workers to London, only 2,802 people commute from London to jobs in Woking. One factor is due to the higher living costs and higher wages present in London. The majority of workers who don't live in Woking come from other parts of Surrey.

## 7.0 Future requirements

7.1 This section outlines the key factors that will need to be taken into account when considering future provision of employment land and floorspace.

### Population Projections

7.2 In 2006 Woking's total population was estimated at 90,600[14]. This is predicted to rise to 94,468 by 2026 – a 4.3% increase, as shown in Table 12 below. At the same time the average household size is anticipated to reduce from 2.33 in 2006 to 2.12 in 2026. Consequently the total number of households and dwellings are expected to grow at a faster rate than the total population. It is estimated that total dwellings and households will rise by 14.4% between 2006-2026.

**Table 12: Woking Population Estimates**

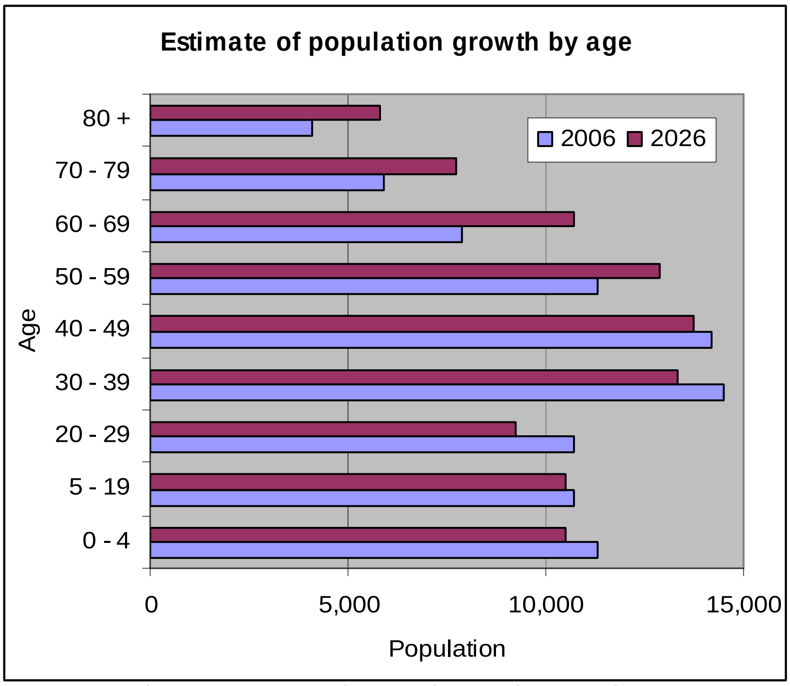
| | Year | | | | | |
|---|---|---|---|---|---|---|
| | **2001** | **2006** | **2011** | **2016** | **2021** | **2026** |
| Total population | 89,700 | 90,600 | 91,513 | 92,552 | 93,553 | 94,468 |
| Total dwellings | 37,766 | 39,524 | 40,837 | 42,297 | 43,757 | 45,216 |
| Total households | 36,819 | 38,533 | 39,814 | 41,237 | 42,661 | 44,083 |
| Average household size | 2.42 | 2.33 | 2.28 | 2.22 | 2.17 | 2.12 |
| Population in private households | 88,950 | 89,807 | 90,690 | 91,694 | 92,639 | 93,465 |
| Population in communal establishments | 750 | 793 | 823 | 858 | 914 | 1,003 |
| Economically active population | 47,516 | 48,573 | 49,105 | 49,545 | 49,851 | 49,895 |

Source: Chelmer Population and Housing model, 2006

7.3 The Chelmer Population and Housing model also indicated that the economically active section of Woking's population will increase by 2.7% – a lower rate of growth than the total population. This is because the number of people in all age groups between 0-49 years are estimated to be lower in 2026 than they were in 2006, whilst strong growth of people over the age 50 is anticipated – as shown in Figure 13 below. In 2006 20% of the population was 60 years or over, by 2026 this is expected to rise to a quarter of Woking's population.

[14] Chelmer Population and Housing model, 2006

**Figure 13: Population Growth Estimate by age groups**




Source: Chelmer Population and Housing model, 2006

### Employment Projections

7.4 To assist in the understanding of what the future requirements of employment land in Woking will be until 2026, a forecast range has been calculated for labour demand (Figure 14 Figure 15 below) in B-use class employment[15]. The ranges have been derived from two sets of Experian trend based total employment figures, which were calculated during two very different economic circumstances. This has resulted in significant differences between the estimated labour demand between now and 2026. By using two different datasets the inherent uncertainty of only using a single forecast is removed and both positive and negative economic conditions in Woking can be planned for.

7.5 Labour demand projection 1 has been estimated from the Experian 2006 dataset supplied to the South East Plan Examination, which forecasts the total amount of employment (including self employed) in Woking during the period 2006-2020. The annual growth rate for total employment between 2020-2026 has then been assumed at the average annual growth rate between 2016-2020. The forecasted employment figure matches the Interim Job Number for Woking[16], supporting the 3% GVA aspiration of the South East Plan. However, the employment base figure (2006) has been reset to incorporate a revised 2006 employment figure based on actual employment figures and ONS population revisions. This data is more accurate than the Experian 2006 dataset estimate, and showed circa 1,200 extra people in total employment in 2006.

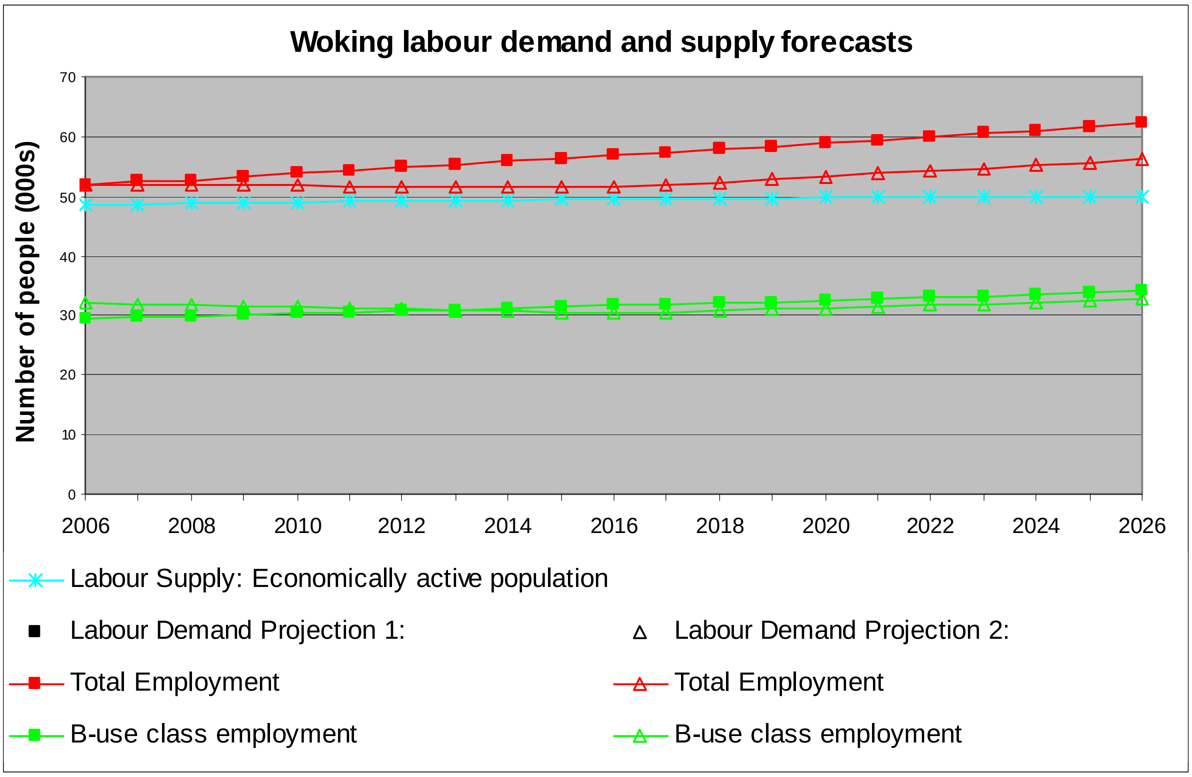
7.6 Labour demand projection 2 has been calculated using the latest Experian forecast (Spring 2009) of total employment (including self employed) in Woking. The trend data supplied from Experian has been calculated using the actual employment rate in 2006 and is based on different macroeconomic assumptions, which reflect the current uncertainties in the economy.

[15] Please see Appendix 1 for B-Use Class definitions
[16] Supplied in the South East Plan draft supplementary guidance: employment land reviews

7.7 Labour supply projections have been taken from the Chelmer Population and Housing Model 2006 mid-year estimates[17] of the economically active population in Woking. The forecast has been controlled according to the housing provisions set out in the South East Plan.

7.8 Total employment figures have been sub-categorised into B-use class employment sectors including, office, industrial, and storage or distribution. Employment breakdowns were calculated by translating jobs by sector into jobs by type of space. Employment sectors occupying offices, industrial or warehousing space have been approximated from employment numbers categorised by Standard Industrial Classifications (SIC 2007), shown in Appendix 3. Sectors considered to occupy office space include banking and insurance, business services, public administration and subdivisions of other sectors including: publishing and communications. Sectors considered to occupy industrial and warehousing space include manufacturing, engineering, construction and wholesaling.

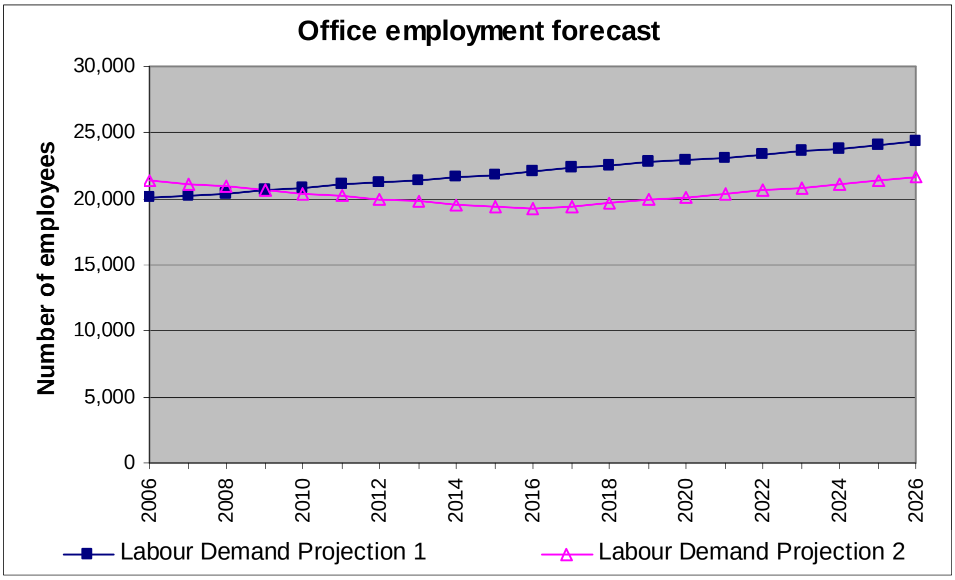
**Figure 14: Labour demand and supply forecast for Woking**

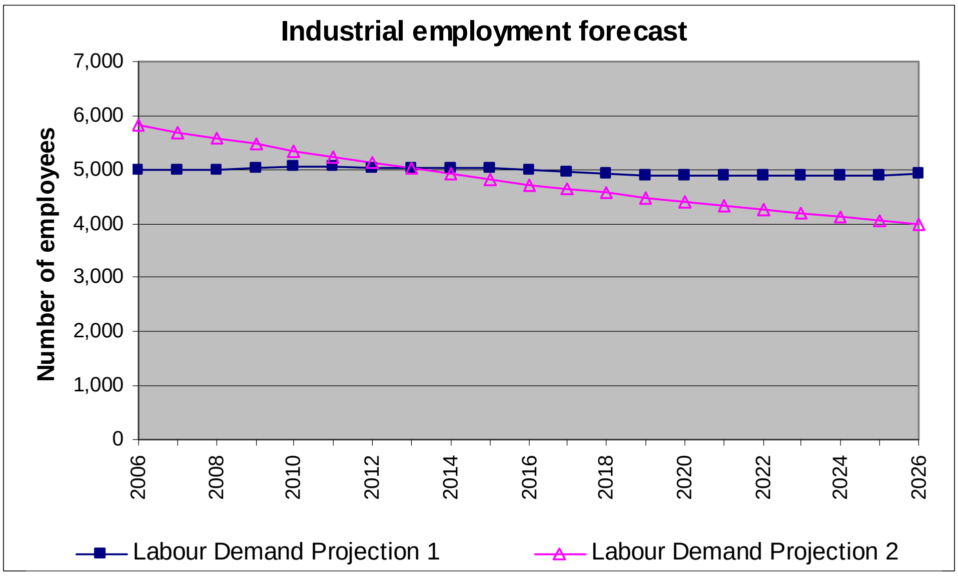


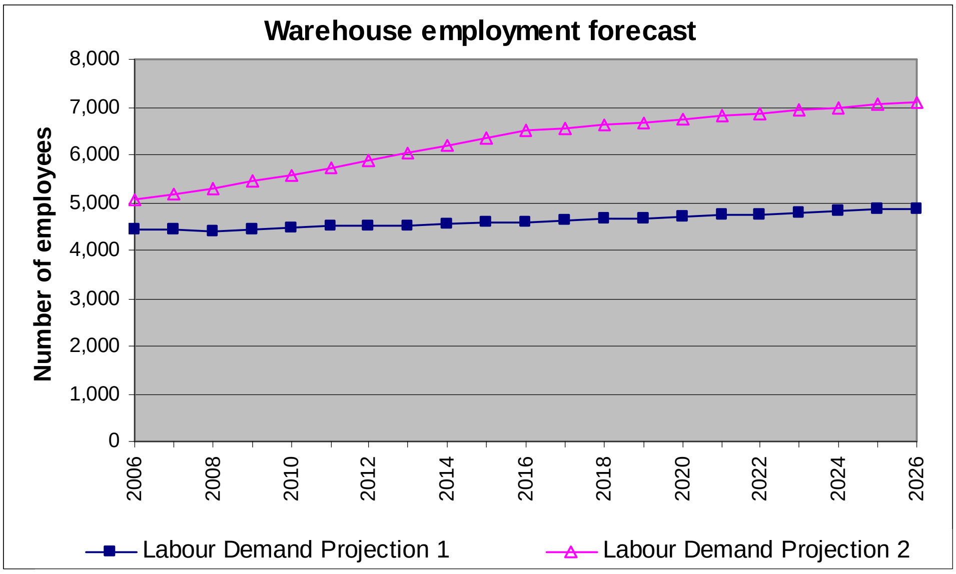

Sources: Experian© 2006 & 2009. Chelmer Population and Housing model, 2006

[17] Produced by Surrey County Council (SCC)

**Figure 15: Labour demand and supply forecast for Woking**




Sources: Experian© 2006 & 2009.

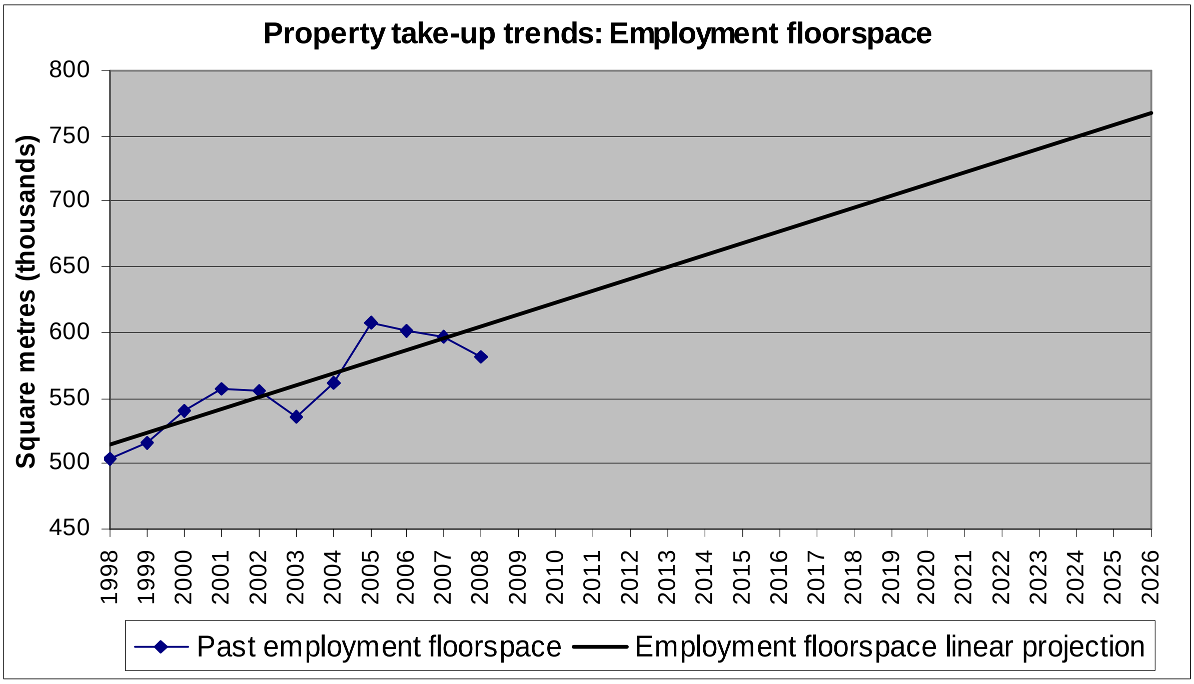
7.9 The employment forecast range in Figure 14 above shows that overall Woking will experience growth in B-use class sector employment by 2026, whilst the economically active population forecast is projected to grow at a slower rate.

7.10 Labour demand projection 1 shows a steady increase in employment over the 26 year period. This is at a higher rate than the more recent labour demand projection 2. Within B-use class employment, labour demand projection 2 shows a decline in employment between 2006-2016; a trend that can be observed in the recent rise in the unemployment rate. From 2016 employment figures show positive growth at a slightly higher rate than for labour demand projection 1, for the same period. In 2026 the projected labour demand range is between 34,857 and 38,372 – a difference of 3,515 in B-use class employment.

**Property take-up trends**

7.11 The past 10 years of employment floorspace has been used to calculate a linear trendline (shown in Figure 16 below) which projects the amount of floorspace required in the future. The past property take up projection is a trend based projection and does not reflect the impact of current policy or potential Borough aspirations. This could be particularly significant as Woking has been designated in the South East Plan as a Regional Hub and Woking Town Centre as a Centre of Significant Change. The figures are detailed in Table 13 below.

**Figure 16: Woking past property take-up trend**




Source: VOA, 2008

**Table 13: Market based floorspace projection**

| | Floorspace (sqm) | | |
|---|---|---|---|
| | 2009 | 2026 | Increase 2009-2026 |
| Employment Floorspace Linear Projection (based on past take-up) | 614,072 | 768,308 | 154,236 |

Source: VOA, 2008

7.12 Take up of employment space over the last ten years has been variable, but increasing overall. However, since the beginning of 2005 there has been a steady decrease in the take up of employment floorspace. This decline roughly coincides with the publication of national guidance on reviewing employment land - *Employment Land Reviews: Guidance Note, ODPM, 2004* which states that in developing their previously-developed land strategies, Local Planning Authorities should consider whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development. And the amendment of Planning Policy Guidance 3 (PPG3) Housing in January 2005 to add a new paragraph 42(a), which stated local planning authorities should favourably consider planning applications for housing or mixed use developments on industrial or commercial land. This policy stance was reiterated with the publication in November 2006 of Planning Policy Statement 3 – Housing which confirmed that options for accommodating new housing growth (or renewal of existing housing stock) may include the re-use of vacant and derelict sites or industrial and commercial sites for providing housing as part of mixed-use town centre development.

**Floorspace requirement projections**

7.13 The employment figures calculated in Figures 14-16 above have been taken to project the required floorspace in the Borough between now and 2026, shown in Table 14 below. Projected floorspace requirements have been calculated from the projected employment numbers using employment density ratios from the most recent large-scale survey for the South East[18].

**Table 14: Projected floorspace requirement**

| Projection | Increase in employment 2009-2026 | | | | Projected net floorspace requirement (sqm) 2009-2026 | | | |
|---|---|---|---|---|---|---|---|---|
| | Office | Ind-ustrial | Ware-housing | Total | Office | Ind-ustrial | Ware-housing | Total |
| Labour demand 1 (2006 Experian Forecast) | 3,660 | -132 | 429 | 3,957 | 66,974 | -5,041 | 33,544 | 95,477 |
| Labour Demand 2 (2009 Experian Forecast) | 944 | -1,491 | 1,673 | 1,127 | 17,276 | -56,954 | 130,861 | 91,183 |
| Employment Floorspace Linear Projection* | - | - | - | - | - | - | - | 154,236 |

* based on past take-up

7.14 There are significant differences between the three floorspace projections outlined in the table above. Labour demand projection 1 estimates that the majority of employment growth will occur in office sector employment, with an increase of 3,660 employees. This translates to an estimated additional office floorspace need of 67,000sqm. Labour demand 2 forecast projects warehousing and distribution as the main employment growth sector in the Borough, estimating an increase of 1,673 workers and 131,000sqm of required warehousing/distribution floorspace. Both labour demand projections estimate that industrial sector employment will decrease in the Borough although labour demand projection 2 anticipates a much higher rate of decline than projection 1. Overall, labour demand projection 1 is the middle

[18] Survey completed by DTZ Pieda, 2004. Floorspace ratios: general purpose built offices – 18.3sqm, general industrial buildings – 38.2sqm, warehousing (large scale and high bay) – 78.2sqm

forecast in the required floorspace range and has been taken as our preferred scenario.

**Preferred scenario**

7.15 The preferred scenario is labour demand projection 1, Table 15 below breaks down the forecast into time period subcategories to give a more detailed overview of the amount and type of employment floorspace that will be required in the Borough over the plan period. These figures will be used in the Employment Land Market Review to calculate the gross additional floorspace and additional land required in the Borough until 2026.

**Table 15: Preferred scenario breakdown**

| Sector | Forecast additional employees | | | | Floorspace requirement (sqm) | | | |
|---|---|---|---|---|---|---|---|---|
| | Pre-plan 2009-2011 | 2011-2016 | 2016-2021 | 2021-2026 | Pre-plan 2009-2011 | 2011-2016 | 2016-2021 | 2021-2026 |
| Office | 236 | 1024 | 1060 | 1153 | 4317 | 18735 | 19402 | 21109 |
| Industrial | 35 | -78 | -101 | 30 | 1343 | -2971 | -3859 | 1130 |
| Warehousing | 41 | 102 | 130 | 141 | 3211 | 7995 | 10158 | 11036 |
| Total | 312 | 1048 | 1089 | 1324 | 8871 | 23759 | 25701 | 33275 |

**Impact of Changing Working Practices**

7.16 A 2004 study jointly commissioned by the South East England Regional Assembly (SEERA) and the South East Economic Development Agency (SEEDA) on the use of business space and changing working practices looked in some detail at changes in floorspace/ worker ratios as a potential explanation for the pattern of rising economic growth and the relatively small amount of floorspace growth which has accompanied this. It found that these ratios have actually changed very little across the region over the last decade due to the number of forces working in the opposite direction, but that any change is primarily due to changing working practices (e.g. flexible working, restructuring and rationalisation and the introduction of new technology and equipment).

**Smart Growth**

7.17 The Regional Economic Strategy 2006-2016 Implementation Plan[19] identifies Smart Growth as one of three key regional objectives. The principle aim of Smart Growth is to achieve higher prosperity in the region without increasing its ecological footprint. In line with Policy RE5 of the South East Plan, Woking Borough Council will encourage smart growth in accordance with the principles set out in the Regional Economic Strategy. As firms adopt more flexible and efficient working practices, this will impact the amount and type of commercial floorspace demanded.

[19] South East England Development Agency (SEEDA), 2007.

**Impact of Offshoring**

7.18 As a follow-up to the SEERA/ SEEDA study mentioned above in paragraph 7.16, a further study was commissioned on "The Impact of Offshoring on the South East Economy". Offshoring is the practice of businesses moving their operations overseas. The Experian report explains that the practice of offshoring has resulted in the loss of around 43,000 jobs in the UK since 2001 and it is agreed that this is a trend which is likely to increase in the coming years. The report states that the key issue relating to the impact of offshoring will be the extent to which displaced workers can find new employment.

7.19 Experian suggest that in order to respond to the impact of off-shoring the South East economy will have to 'move up the value chain' and concentrate expertise in specific areas. For Woking, this would mean expanding the knowledge and high-tech economies. As Woking has a high skills base it is considered that the Borough is well placed to compete in this arena.

**Business Needs**

7.20 During December 2007, businesses in Woking were asked for their views about the advantages and disadvantages of being located in the area as part of the Council's Employment Land Review.

7.21 An important part of this research is gathering the views of local businesses and a series of questions were asked about the strengths and weaknesses of Woking Borough as a business location, the quality of Woking's business premises and how changing trends in working practices may affect business in the future.

7.22 More than 250 local businesses from a wide variety of business sectors completed and returned the questionnaire representing a response rate of 10%. Some of the key findings of the survey are summarised here.

7.23 Woking as a business location

- When asked to describe the main advantages of Woking Borough as a business location, almost half of respondents spontaneously mentioned good communication/transport links. Woking's central location and good access to London were also cited. Woking is also considered by many to be a commercially vibrant area.

- When asked about disadvantages of Woking Borough as a business location the key issues identified were local traffic problems, congestion and a lack of car parking. A minority of respondents mentioned the high cost of Woking as a business location.

- Around a third of respondents agreed that people from outside the area find Woking an attractive place to live and to work. However, opinion is mixed on the attractiveness of the town centre – 30% being positive and 38% negative.

- The key factor for businesses when deciding to locate in Woking was its good transport/road/rail/air links, with more than three quarters citing this as an important factor in their decision. This was closely followed by the availability of suitable premises for the needs of the business. Two thirds mentioned good value accommodation and the proximity to clients, customers and suppliers, and almost half said that being part of a vibrant business community was important in their decision. A similar number referred to the ease of attracting and maintaining high quality staff. In many cases the main driving factor was simply that one of the principals of the business live in, or have personal links with Woking or that existing or traditional business links with Woking were influential in their choice of location. Around half indicated the importance of easy access to town centre facilities, and the range and quality of shopping, leisure and entertainment facilities.

7.24 Staffing

- In terms of number of staff employed in Woking, businesses vary enormously from one man bands to those with over 100 employees. Around a third of businesses expect their number of employees to increase between now and 2026. Few companies expect to decrease the number of staff over this period, although 9% expect the business to have closed by 2026.

- Around a quarter of respondents agreed that it is easy to find high quality staff locally, 30% disagreed

- Overall, just under a quarter say they currently have staff vacancies. The majority of this group (67%) feel the vacancies will be hard to fill. The main reason for this is a perceived lack of suitably qualified people in the area, with a small number also mentioning that the jobs offered are low paid.

7.25 Future needs and trends in working practices

- Three quarters of respondents rated the condition of their business premises as either excellent or very good. Fewer, however, rated the immediate environment around their premises so highly, with a third rating them as poor.

- Around two thirds of businesses said they had no current need to change their property requirements. While 11% said they are actively looking for additional space, only 2% are looking to reduce space.

- Few businesses envisaged moving out of Woking Borough in the next five years. Among those companies who stated that they were likely to move, the cost of premises and high business rates were cited as the main factors.

- Flexible working hours emerged as the trend which would impact the most on individual businesses, being mentioned by 40% of all those taking part in the survey. Outsourcing, remote and mobile working were also anticipated to have an impact on their business in the future. Hot desking is thought to have the least impact in the future.

- When asked what needs to be done to make Woking Borough more attractive to businesses, issues of cost again emerge at the top of the list – around two thirds would like to see lower business rates/taxes, and more than half lower rents. Around a third also mention investment grants for businesses. More than half felt that car parking facilities need improving or increasing, and a third would like to see improvements to public transport. General improvements and regeneration of Woking town centre and other areas are felt to be needed by a third or more of those taking part in the survey, with almost half calling for improvements to the image of Woking. Four in ten also mention the need for more affordable housing.

## Appendix 1: Use Class Order

The following classes of use for England are set out in the Town and Country Planning (Use Classes) Order 1987 and its subsequent amendments.

- **A1 Shops -** Shops, retail warehouses, hairdressers, undertakers, travel and ticket agencies, post offices, pet shops, sandwich bars, showrooms, domestic hire shops, dry cleaners and funeral directors.

- **A2 Financial and professional services -** Banks, building societies, estate and employment agencies, professional and financial services and betting offices.

- **A3 Restaurants and cafés -** For the sale of food and drink for consumption on the premises - restaurants, snack bars and cafes.

- **A4 Drinking establishments -** Public houses, wine bars or other drinking establishments (but not night clubs).

- **A5 Hot food takeaways -** For the sale of hot food for consumption off the premises.

- **B1 Business -** Offices, research and development, light industry appropriate in a residential area.

- **B2 General industrial**

- **B8 Storage or distribution -** This class includes open air storage.

- **C1 Hotels -** Hotels, boarding and guest houses where no significant element of care is provided.

- **C2 Residential institutions -** Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

- **C2A Secure Residential Institution** - Use for a provision of secure residential accommodation, including use as a prison, young offenders institution, detention centre, secure training centre, custody centre, short term holding centre, secure hospital, secure local authority accommodation or use as a military barracks.

- **C3 Dwellinghouses -** Family houses, or houses occupied by up to six residents living together as a single household, including a household where care is provided for residents.

- **D1 Non-residential institutions -** Clinics, health centres, crèches, day nurseries, day centres, schools, art galleries, museums, libraries, halls, places of worship, church halls, law court. Non residential education and training centres.

- **D2 Assembly and leisure -** Cinemas, music and concert halls, bingo and dance halls (but not night clubs), swimming baths, skating rinks, gymnasiums or sports arenas (except for motor sports, or where firearms are used).

- **Sui Generis** – Uses that do not fall within one of the other specific classes.

## Appendix 2: Employment forecast data

| | B-use Employment | | | | | |
|---|---|---|---|---|---|---|
| | 2006 | 2009 | 2011 | 2016 | 2020 | 2026 |
| **Labour Demand Projection 1**<br>2006 Experian forecast | 32,261 | 33,137 | 33,734 | 35,275 | 36,483 | 38,372 |
| **Labour Demand Projection 2**<br>2009 Experian forecast | 32,247 | 32,148 | 32,083 | 31,919 | 33,063 | 34,857 |

| | Number of people | | | | | |
|---|---|---|---|---|---|---|
| | 2006 | 2009 | 2011 | 2016 | 2020 | 2026 |
| **Labour Supply**<br>Economically active population forecast, SEP dwelling controlled $^{\Delta}$ | 48,573 | 48,892 | 49,105 | 49,545 | 49,790 | 49,895 |

$^{\Delta}$ Chelmer Population and Housing model, 2006.

## Appendix 3: UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007)

| SIC(2003) | | SIC(2007) | |
|---|---|---|---|
| A<br>B | Agriculture, hunting and forestry<br>Fishing | A | Agriculture, forestry and fishing |
| C | Mining and quarrying | B | Mining and quarrying |
| D | Manufacturing | C | Manufacturing |
| E | Electricity, gas and water supply | D<br>E | Electricity, gas, steam and air conditioning supply<br>Water supply, sewerage, waste management and remediation activities |
| F | Construction | F | Construction |
| G | Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods | G | Wholesale and retail trade; repair of motor vehicles and motor cycles |
| H | Hotels and restaurants | I | Accommodation and food service activities |
| I | Transport, storage and communications | H<br>J | Transport and storage<br>Information and communication |
| J | Financial intermediation | K | Financial and insurance activities |
| K | Real estate, renting and business activities | L<br>M<br>N | Real estate activities<br>Professional, scientific and technical activities<br>Administrative and support service activities |
| L | Public administration and defence; compulsory social security | O | Public administration and defence; compulsory social security |
| M | Education | P | Education |
| N | Health and social work | Q | Human health and social work activities |
| O | Other community, social and personal services activities | R<br>S | Arts, entertainment and recreation<br>Other service activities |
| P | Activities of private households as employers and undifferentiated production activities of private households | T | Activities of households as employers; undifferentiated goods- and services producing activities of households for own use |
| Q | Extraterritorial organisations and bodies | U | Activities of extraterritorial organisations and bodies |