

## ECONOMIC DEVELOPMENT

The Borough Council has a well-established and successful strategy for maintaining and enhancing the economic vitality and viability of Epsom Town Centre. This was initially articulated through corporate policy (the Community Strategy) before becoming fully imbedded through Local Plan policy – firstly through the Core Strategy, then the Epsom Town Centre Area Action Plan and most recently supported through Development Management Policies. It is also expressed through the Borough Council's Economic Development Strategy.

The Plan E vision states that 'over the next 20 years East Street will establish itself as the main business district for both Epsom and the wider borough'. It also seeks to deliver 6000 – 7000 sq m of new employment floor space within the town centre up to 2026. Under this policy loss of existing employment uses within the Town Centre will be resisted.

The Borough Council's strategy seeks to balance the commercial and retail uses that form the heart of the Town Centre with higher density residential uses, which are also well suited to this highly sustainable location. In order to meet this objective the Borough Council needs to maintain its ability to respond to, and manage change. In parallel, the Borough Council and its partners are committed to comprehensive strategic infrastructure investment across the Town Centre. There are significant long term infrastructure proposals (such as Crossrail 2) that are predicated upon Epsom Town Centre maintaining a viable (and thriving) employment proposition.

Epsom Town Centre is the most sustainable location for commercial office and retail employment opportunities in the whole Borough. Our approach seeks to maintain and enhance the Town Centre's commercial office and retail offer. It seeks to protect viable, fit-for-purpose and occupied office and retail sites from loss to other non-commercial uses (including residential).

Nevertheless our policy approach provides sufficient flexibility to consider other uses, including residential,

where existing office uses can be demonstrated as either being surplus or no longer viable. Our approach takes full account of market signals and has been tested at examination (most recently at the Development Management Policies Document Examination in 2015) and consistently found sound.

These have typically involved the conversion of older, lower quality office stock to flats and apartments. These proposals have successfully come through the normal planning application process – and considered against local policy.

It is important to note that the Town Centre's employment uses have an essential relationship with its retail activities. The high density office uses located within and around the Town Centre provide its retail uses with a customer base upon which its daily economy is based. Without this critical mass the Town Centre would not have come through the recent economic recessions in a relatively healthy condition (see Town Centre Health Check Review 2015).

The Borough's industrial and light industrial offer is mostly concentrated to the strategic employment areas of Nonsuch and Longmead Industrial Estates. Floorspace here is in high demand with consistently low vacancy rates. An increase in demand continues to spread outwards along the A3 corridor, as businesses are priced out of higher value locations such as Wimbledon by redevelopment or increasing rates.

There is little scope for any large scale additions to Epsom's existing employment stock. However, regardless of the continued demand for commercial floorspace our existing employment land stock remains under pressure from competing non-commercial uses, and we have witnessed its erosion over the past few years. This is not a new phenomenon, and our Core Strategy includes Policy CS11, which adopts a cautious evidence based approach to managing changes in commercial sites outside of the strategic employment areas.

## EPSOM OFFICE MARKET

Epsom Town Centre is a recognised, albeit small, office centre. It benefits from high levels of accessibility (particularly in terms of the rail network), a thriving retail environment, good quality housing and a pleasant visual character/ environment. On that basis it continues to attract major employers being home to around 1600 Atkins employees on its campus and within several buildings in the town centre, as well as AON, Nuffield Health Bunzl, McDermott and Premium Credit. It also provides a good home for business start-ups and SMEs with two thriving business centres offering managed office space in the town centre and a growing cluster of innovative home businesses in the area. The Borough Council is currently looking at establishing further business start-up space in the town centre to support the creation of new businesses and assist existing business, including those which are home based.

An overview of the employment land and office stock across the Borough is provided by the Employment Land Review 2012. The Borough is predominately suburban in character with active office and other employment uses spread throughout. There are large concentrations in the town centre including corporate headquarters, purpose built offices town and local centres, over shop office provision, serviced office accommodation/ business hubs and home offices.

In order to inform the production of the Local Plan the Borough Council has commissioned a wide range of studies that examine and assess the economic activities that take place across the Town Centre. These have included Retail Studies and Town Centre Health Checks (2009 and 2015), Employment Land Reviews (2006 and 2012) and an [Office Demand Study](#) (prepared by GVA in 2013). These demonstrate an office market that continues to evolve as the sector changes.

Since the publication of the GVA Office Demand Study 2012 the Epsom market and indeed the market across the wider area have been subject to significant change. Many of these changes being amplified by the impact of the changes in the permitted development regime. For example, a sizably reduction in available office stock in the once thriving Wimbledon market is encouraging employers to look to new locations

This has brought an increase in demand for the remaining viable office stock. For example, both Lidl and Subsea 7 have recently seriously considered

relocating their HQ operations into the town centre before finally deciding on other neighbouring locations. The Borough Council believes that this demonstrates genuine demand for accommodation from major employers – who have either outgrown their existing accommodation in neighbouring towns or who are seeking to locate to the area.

Additional evidence of current and projected demand is available from commercial agents- namely that supply is limited, rents are correspondingly high and demand continues to increase. This suggests that the future for the Epsom office market and for the economic vitality and viability of the Town Centre could be very positive. However, it can only remain as such if the local planning authority has the ability to manage change – specifically in relation to viable and occupied office stock.

Another potentially positive change in the Epsom office market that reflects the recent relatively buoyant economic conditions is that landowners are now once again investing in existing stock – this is most prominent at Epsom Gateway, 70 East Street and Emerald House, which have or are currently being upgraded to Grade A stock.

The Borough Council is also currently exploring the options for developing a ‘business hub/ incubator’, which would provide flexible office/ work space within the Town centre specifically for business start-ups and SMEs. Start up space would support the creation of new businesses and assist existing businesses locally.

Specifically providing some security of tenure for local small businesses that might otherwise not be able to renew leases in commercial stock that might be at risk of conversion.

Since the publication of the GVA study in 2012, the Borough Council and its partners have committed significant funding towards transport and public realm improvements across Epsom Town Centre. The funding for these improvements is predicated on securing balanced economic growth for the Town Centre, with job creation, intensification and an up-lift in the employment offer being key indicators. Whilst increased housing provision has already contributed towards meeting the strategic objectives for the Town centre, it is now necessary to focus upon enhancements to commercial uses.

## MARKET SIGNALS

Market signals are clearly showing that although Epsom remains a desirable location for business to locate, stock levels are at their lowest for decades and development opportunities are rare. This can be largely accredited to the loss of a number of large, often good quality office buildings that have been converted to residential under the Permitted Development route. The Council has very limited control over these types of developments. Once these buildings are converted to residential they are highly unlikely to ever provide employment space again. In 2016-17 alone, over 3,700 m<sup>2</sup> of Office floorspace was lost through Permitted Development housing completions. At least 1800 m<sup>2</sup> have also been lost to full planning permissions. Most of these have been in Epsom Town Centre and many were considered to be good quality office stock and fully occupied (precisely what our policies are seeking to retain).

We have come some way to protect the office/employment space in the Borough by introducing an 'Article 4 Direction'. Following the initial changes in the permitted development regime in 2013 the Borough Council served 3 office buildings. We also served on the identified Primary Retail frontages in Epsom Town Centre, Ewell Village and Stoneleigh Broadway to ensure the continued implementation of the Council's strategy to retail uses. Further to this an additional 16 office buildings were served with Article 4 Directions. These were considered the most important office buildings in the Town Centre and form the core of the Borough's office stock. We are hopeful that these Directions will help to protect the Borough's best and most suitably located office buildings and ensure the vitality and viability of Epsom Town Centre and economy of the Borough. The 'Plan E' (Epsom Town Centre Area Action Plan) programme of improvements has been designed to help to maintain and encourage businesses to Epsom.

## RETAIL

The Epsom and Ewell Core Strategy outlines the retail hierarchy within EEBC's administrative area. Epsom town centre occupies the head of the hierarchy, followed by the two existing local centres at Stoneleigh and Ewell Village. *"The Council recognises the importance of a lively, vibrant and viable town centre to residents, workers, businesses and visitors to the Borough. Maintaining the vitality and attractiveness of the town centre is key to delivering sustainable development and to maintaining and improving the quality of life of the Borough's residents. Widening choice and variety will help reduce the need for longer distance travel. The Council is therefore committed to a positive and pro-active approach to town centre development and change. Its aim is to ensure that the town reaches its full potential to provide the essential range of services and facilities required, in an attractive environment that is easily accessible by all modes of transport". (Core Strategy 2007).*

The Epsom Town Centre Area Action Plan (Plan E) (2011) sets visions for the town centre and seeks to deliver the Core Strategy vision for the town centre. It outlines the defined boundaries and frontages in Epsom town centre. These include the Town Centre boundary, Primary Shopping Area, Primary Retail

Frontage and Secondary Retail Frontage. These shopping areas and frontages are intended to maintain the core shopping area and positively direct future retail growth to the most sustainable locations. The primary retail frontages contain the highest proportion of retail uses and are focused in the core of the retail area. The secondary frontages provide a greater opportunity for more diverse range of uses including financial services restaurants and beauty salons. The main threat to these frontages is the increasing infiltration of fast food (A5 uses) which undermines the mix of uses and vibrancy of the area.

Plan E, Policy E3 sets out the retail capacity of the town centre and states that to 2026 there is capacity of 2,466 m<sup>2</sup> for convenience goods and 7,730 m<sup>2</sup> for comparison. This should be directed to the [Primary Shopping Area](#) in the first instance.

The Development Management Policies DPD contains policies for existing retail centres (outside of the town centre), major new retail developments, existing out of centre retail facilities and safeguarding small-scale retail provision. These details can be viewed in the document ([DM POLICY DOCUMENT](#))

Table 1: Land use profile of Epsom town centre

	Nov 2009			Nov 2013			Nov 2016		
	No.	%	UK Ave	No.	%	UK Ave	No.	%	UK Ave
Convenience	22	7.2	8.8	18	6.1	8.4	19	6.5	8.7
Comparison	114	37.3	35.0	104	35.1	32.5	93	31.6	31.5
Service	147	48.1	45.9	156	52.7	47.4	155	52.7	48.3
Vacant	22	7.1	10.1	18	6.1	11.4	27	9.2	11.2
Misc	1	0.3	0.2	0	0.0	0.1	0	0.0	0.1
<b>Total</b>	<b>306</b>	<b>100</b>	<b>100</b>	<b>296</b>	<b>100</b>	<b>100</b>	<b>294</b>	<b>100</b>	<b>100</b>

Source: 2009 and 2013 data taken from Retail Study Update and 2016 data provided by Experian GOAD's latest land use survey of Epsom town centre. Figures may not add due to rounding.

This table shows that there has been a declining amount of convenience and comparison goods retailers within the centre over the period 2009-2016. Over this period the proportion of convenience goods retailers has remained below the national average and the comparison goods retailers are around an average proportion.

Vacancies in the town centre do fluctuate but remain below the national average. The main foodstores in Epsom town centre are Waitrose, Marks and Spencer, Two Co-Op Stores and a Tesco Express. There are also a number of smaller specialist retailers (butchers/bakers/newsagent). Table 4 in Appendix 1 of the [EEBC Retail Study Update 2015](#) outlines the market share of town centre convenience goods stores within the study area for the retail floorspace capacity assessment. It indicates that these town centre stores (in 2008) attracted just 12% of all convenience goods spending.

Epsom town centre also accommodates a number of multiple comparison goods operators including Marks & Spencer, House of Fraser, TK Maxx, Next, Boots, H&M, New Look, Lakeland, Wilkinson's, Fat Face and Poundland.

#### Retail provision outside of the Town Centre

Outside of the Town Centre the largest supermarket is the Sainsbury's at Kiln Lane to the north of the town centre. This store is 5,107 m<sup>2</sup> and sells a wide range of convenience goods. ALDI on Kingston Road has a net sales area of 1,190 m<sup>2</sup> located adjacent to the local centre at Ruxley Lane.

#### Horse Racing



Racing at Epsom dates back to at least the 17th Century, with the first recorded race meeting in the country taking place at Epsom on 7th March 1661, in the presence of Charles II. At the Epsom May Meeting in 1778, Lord Derby proposed that a single race over one and a half miles for three-year-old fillies would add some spice to the meeting the following year. The Oaks, named after Lord Derby's house, was first run on 14th May 1779, and following its success, the first Derby was also run the following year, establishing itself as a major sporting event by the end of the 18th Century and cementing its position as the greatest flat race in the world. The Great Metropolitan and City and Suburban Handicaps were the very first two races to be

sponsored, being first run in 1846 and 1851 respectively.

The Racecourse is situated on the North Downs, a 100-mile stretch of chalk hills that run from Hampshire through to Surrey and Kent. Part of these Downs, the Surrey Hills, have been designated an Area of Outstanding Natural Beauty and are a popular spot for walkers and ramblers. Until 1829, the only permanent building on the Downs was the Regency Stand. The stand, built c1784, was altered and enlarged in 1879 and renamed The Prince's Stand, now a Grade II listed building. In 1992 The Queen's Stand was opened by Her

Majesty, and most recently, the Duchess Stand was opened by The Duchess of Cornwall in 2009.

Epsom Downs houses the third largest racehorse training centre in the country. There are currently 12 different trainers using the gallops with around 200 horses between them, with 170 horses on average being trained on the Downs in any given month.

A 2009 report on the Economic Impact of British Racing by the British Horseracing Authority and Deloitte showed that the industry as a whole generated £3.71bn in expenditure in 2008. The Gross Value Added to the British economy from this expenditure is estimated at a further £1.73bn.

Direct, indirect and associated employment related to the industry is estimated at 100,100, with the core racing industry sustaining over 18,600 FTE jobs. The total tax contribution of the industry in 2008 was estimated to be at least £325m, and average owners operating expenditure per horse in 2008 for flat courses such as Epsom was shown to be £18,501. It is therefore evident that horseracing is a multi-million pound industry in the UK.

Epsom Downs is one of 15 racecourses operated by Jockey Club Racecourses, which in 2012 announced a record turnover of £142.1m, an increase of 8% from the previous year, and an operating profit of £18.8m, up 2% on the previous year. Epsom Downs attracted both the largest one and two day crowds in a sports venue in Britain in 2012, with a crowd of over 130,000 present for Derby Day. This expanding profile was cemented by the renewal of the Investec sponsorship of the Derby in 2012 for a period of 10 years, which represented the biggest single sponsorship in British horseracing. Epsom Downs is consequently a site of major importance to the horseracing industry.

The Epsom and Walton Downs Regulation Act 1984 states that there must be no more than 16 days of racing events in any one year, with 11 fixture dates planned for 2018. In addition to racing events, the racecourse acts as a conference centre from the Queen's Stand and Duchess Stand, with various facilities providing for between 10 and 800 guests. The venue is also used for weddings, dinner dances and awards events, exhibitions, product launches, and for location filming. Non-racing revenues across all Jockey Club sites accounted for 15% of turnover in 2012, a figure of £22.2m. This indicates the additional economic benefits brought to the area by the presence of the racecourse within the Borough.

The maintenance of the Downs in their present condition is enhanced by the presence of the racehorse

training industry. In recognition of this, and its importance to the local environment and economy, the Epsom and Walton Downs Conservators seek to work with the Epsom Trainers Association to sustain the long-term viability of the industry and to secure further improvement to the appearance of the Downs. Trainers also play an important economic role in both distributing the initial financial injection from racehorse owners within the industry, and thereafter as the expenditure flows through the economy.

The racehorse training facilities include approximately 85 miles of grass gallops as well as 3 all-weather tracks. Trainers are attracted to Epsom Downs due to both the location and facilities on offer:

*"Location is very important and Epsom is a fantastically positioned training centre with impressive facilities and with ten racecourses a little over an hour's drive away, travelling and gallop fee costs were cut considerably" (Olivia Maylam Racing Ltd).*

*"The close proximity of the Capital City and its southern suburbs gives the opportunity for owners to visit early morning gallops and see their horses in action, before getting to their office at 9:00am" (Simon Dow).*

The racehorse industry continues to provide an active economic use for Epsom and Walton Downs and contributes towards the maintenance of biodiversity. The industry is also fundamental to the Borough's economic and cultural heritage. The Council wishes to incorporate the racehorse industry into its overall strategy for the Borough in terms of economy, culture and heritage. Policy DM26 provides additional detail to ensure an appropriate level of flexibility to support equestrian industries.

### **The Jockey Club**

Despite the major contribution to the local economy the racecourse makes, the Jockey Club state that the training industry is 'hanging by a thread. Together with partners they have created a 'Vision for Epsom'- with the aim of turning the decline around and making Epsom a 'Globally recognised 21<sup>st</sup> Century of Excellence for the Horseracing Industry'. They state that in 'recent years' 28 racing yards have been lost to residential development. Their plan includes additional development at two locations, developing a Global Centre for Digital Innovation in horseracing in Epsom, and seeking to conserve and protect the Downs through initiatives such as additional tree planting.



## The Council's policies

The Development Management document (2015) includes a policy addressing the issue of equestrian-related development in the Green Belt. The policy recognises the importance of the Racecourse and the local racehorse training industry to the local economy and heritage. It is a generally supportive policy that sets out the circumstances under which equestrian-related development proposals located within the Green Belt will be positively considered.

## OTHER NOTABLE EMPLOYMENT SECTORS

The Borough is also home to a number of important and established employers that positively contribute to the local economy. With its strong local historic connections, the various public healthcare service providers continue to provide significant employment opportunities across the Borough. The former 'Hospital Cluster' sites, located within the Green Belt on the western side of the Borough continue to provide specialised mental healthcare services to a wide catchment area that covers northern Surrey and parts of South West London. The Borough Council has worked positively with the Surrey Borders Trust in helping them consolidate their estate and services. It is anticipated that this process will continue through the forthcoming local plan period.

To the south of Epsom Town Centre Epsom General Hospital provides highly valued healthcare provision for the Borough and beyond. The Borough Council is also working closely with the Epsom & St Helier Trust to ensure that a high quality health service is maintained from this key site. The Borough Council has previously proposed and consulted upon the allocation and safeguarding of the General Hospital site for healthcare uses. It is likely that this proposal will be taken forward as part of the Partial Review of the Core Strategy.

The local education sector has over recent years become an increasingly important component of the Borough's economy, This is particularly manifest in the continuing rise of the further and higher sector providers present within the Borough; the University for the Creative Arts (the UCA) and NESCOL. These burgeoning institutions play an important role as

employers but perhaps more importantly they provide the necessary skills and learning opportunities to feed recruitment into the wider local economy.

A more recent phenomenon, which the Borough Council has tried to encourage, is the rise of modern creative industries; particularly within Epsom Town Centre. These small businesses cover a wide range of employment types, including screenwriters, architects, recording studios and practise spaces, graphic designers and games development companies. The Borough's proximity to Central London and a selection of international airports are lures for attracting creative sector employers. The concentration of further higher education facilities may also be of benefit – providing a source of fresh talent. The Borough Council seeks to encourage these and other smaller businesses. The Economic Development Strategy actively seeks to support business start-ups. For example, the Borough Council is committed to exploring the opportunities to secure a graduated hierarchy of employment space that allows business to grow – from very small flexible spaces (for one-man bands) through to larger spaces that meet the needs of developing businesses.