

Economy Topic Paper

November 2024

Epsom and Ewell
Local Plan 2022-2040



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1. Executive summary

1.1. Purpose of the topic paper:

1.1.1. This topic paper sets out the future floorspace needs for different types of employment land and the capacity to meet these needs in the Borough, over the Plan period (2022-2040). The scope of the paper is predominantly focused on land uses that meets the planning definition of employment uses, comprising of Classes B2 (industrial and manufacturing), B8 (storage and distribution) and E (g) (commercial, business and service), which cover Industrial, Storage or distribution and Office uses; as well as Sui Generis uses that do not fall within the aforementioned use classes but have similar accommodation and location requirements, such as trade counters.

1.1.2. In addition to employment floorspace the paper covers retail and the horseracing sector.

1.2. Method:

1.2.1. Through an analysis of future labour demand and recent local development trends a range of possible scenarios for future needs are revealed. The evidence reviewed in this topic paper consider emergent societal and economic changes, such as home working & online retailing in the drawing of conclusions about future employment floorspace needs. The methods employed are all in accordance with national policy.

1.3. Need for employment floorspace:

1.3.1. The need for employment land over the Plan period (2022-2040) is set out in the Housing and Economic Development Needs Assessment (HEDNA) and is estimated to be around:

- 19,000sqm of additional office & R&D floorspace (Use class: E(g)(i)(ii)), although this is possibly overestimated due to the changes in working practices post-Covid; and
- 36,500sqm of additional industrial and logistical needs; comprised of the following:
 - 9,000sqm of light industrial (Use class: E(g)(iii));
 - 9,500sqm of general industrial (Use class: B2); and
 - 18,000sqm of additional warehousing floorspace (Use class: B8).

1.4. The Local Plan:

1.4.1. In response to these needs, Strategic Policy 'S9' and Development Management (DM) Policies DM7, DM8 and DM9 support sustainable growth of the borough's economy by:

- Supporting the regeneration of Epsom Town Centre by enabling new and established businesses to grow;
- Safeguarding strategic employment sites and encouraging the regeneration and intensification of land to meet the needs of the economy to support job creation and meet the needs of business;
- Safeguarding land for the horse racing industry to secure the long-term sustainability of the sector;
- Supporting the visitor and night time economy; and
- Supporting the creative and cultural industries and further and higher education providers.

1.4.2. Supply towards the forecast needs has been identified in the form of floorspace completions to date, permissions and further supply potential focusing on designated employment sites. This demonstrates that while there is shortfall, the level of shortfall is acceptable given the constraints of the borough and the amount of housing supply expected over the Plan period. The projected supply of housing is detailed in Table S1a of the [proposed submission Local Plan for Regulation 19](#).

1.5. Retail need and supply

1.5.1. The retail needs assessment is informed by the Retail and Commercial Leisure Needs Assessment (2020) as well as the update to the study published in 2021. This topic paper notes the recent Aldi supermarket application and the high occupancy and relatively high investment in the Ashley Centre.

1.6. Horse racing sector

1.6.1. The 2020 Scoping Report demonstrates the economic value of the equestrian sector to the economy. Epsom benefits from having both an internationally recognised racecourse (and meetings and events venue) and an allied training sector based within the Borough. The sector is a significant multi-million-pound valued contributor to the Borough's economy (up to £13million annually). As a result, the proposed Local Plan proposes to support the sector through Policy DM8 and the establishment of a Racehorse Training Zone.

2. Introduction:

2.1. Purpose of this document

- 2.1.1. This document is one in a series of topic papers which set out how the proposed submission Epsom & Ewell Local Plan (2022-2040) (Regulation 19) spatial strategy, policies and site allocations have been developed.
- 2.1.2. Each topic paper considers the relevant national and local guidance and evidence that informed the development of the proposed Local Plan. The topic papers are intended to be 'living' documents, which will be updated throughout the plan-making process in order to reflect updated evidence.
- 2.1.3. The main areas covered by this topic paper are:
- Property market outlook for employment uses;
 - Local employment land and floorspace needs for Epsom & Ewell;
 - Employment land and floorspace supply in relation to needs;
 - Retail needs assessment and supply; and
 - The Horseracing sector.
- 2.1.4. While a number of proposed Local Plan policies and land use matters will support economic growth in the Borough, the focus of this Economy Topic Paper is the designation of land for employment & retail uses and policies for employment use development, through the following Policies and allocations:
- Policy S9: Economic Development;
 - Policy DM7: Employment Land;
 - Policy DM8: Racehorse Training Zone;
 - Policy S10: Retail Hierarchy and Network;
 - Policy DM4: Primary shopping Areas and Retail Frontages;
 - Policy DM5: Edge of Centre or Out of Centre Proposals; and
 - Policy DM6: Neighbourhood Parades and Isolated Shops
- 2.1.5. Further to these above policies, the proposed Local Plan includes another policy relating to the economy including:
- Policy DM9: Visitor Accommodation.
- ... However, this is beyond the scope of this topic paper.

2.2. Terminology for employment use classes

2.2.1. For the purposes of this topic paper, the terms ‘office’, ‘industrial and logistics’ and ‘other businesses’ encompass the uses classes as set out in [Table 1](#) below.

Table 1: Employment land use classes, as referred to in this topic paper

| Topic paper terminology | Employment land use class |
|---------------------------------|--|
| Office | E(g)(i) Offices to carry out any operational or administrative functions E(g)(ii) Research and development of products or processes |
| Industrial and logistics | E(g)(iii) Industrial processes, which can be carried out in a residential area without detriment to its amenity B2 Industrial and manufacturing B8 Storage and distribution |
| Other Businesses | Sui Generis , such as trade counters |

3. Policy context:

3.1. National Planning Policy Context

National Planning Policy Framework

3.1.1. The National Planning Policy Framework (2023) ('NPPF') sets out the Government's planning policies for England and how these should be applied. It provides the framework within which local plans must be produced. The NPPF is supported by detailed guidance provided in Planning Practice Guidance ('PPG').

3.1.2. The NPPF states that economic development is one of three overarching objectives, in parallel with social progress and environmental protection. In particular, the NPPF states that the economic objective of the planning system is:

“to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure”

(NPPF, 2023, para. 8)

3.1.3. The government states that local planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. In paragraphs 86 and 87, the NPPF states that (own emphasis added):

“Planning policies should:

- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.*

Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of

knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.”

Planning Policy Guidance:

3.1.4. The Housing and Economic Needs Assessment Planning Policy Guidance (PPG) sets out how policy-making authorities should prepare and maintain evidence about business needs, along with guidance on planning for supply in the borough over the plan period.

Changes in the General Permitted Development Order:

3.1.5. There have been not insignificant losses in employment floorspace due to conversion of office premises to residential uses, under the General Permitted Development Order (GDPO) in recent years. In September 2024 the council confirmed the cancellation of Article 4 Directions (in place since 2015) relating to changes of use from employment office buildings to residential use (C3), as these had ‘expired’ and no longer served a purpose. Some limitations were introduced in 2020 to limit the circumstances and scale of these conversions, but these have recently been rolled back. In early 2024, two key limitations relating to premises size and vacancy period that had been in place previously have been removed, to increase opportunities for conversion to residential uses.

3.1.6. The issue with this is that it limits the ability of local planning authorities to mitigate past, present and future losses of office space through Permitted Development Change of Use applications. For example, in Epsom town centre there have been recent applications where changes of use have been allowed given permitted development rights:

- 1 Hook Road for 24 dwellings (ref: 24/01208/PDCOU); and
- 60 East Street for 30 dwellings (ref: 24/00900/PDCOU).

Core Strategy (2007)

3.1.7. The Epsom and Ewell Core Strategy, adopted in 2007 and covering the period until 2022, outlined various economic development objectives. The following was listed as the main principles, as is relevant to employment land:

- Ensure sites are available for a range of sizes, quality and locations in order to meet the range of needs of business, including start up, move-on and expansion accommodation;
- Encourage the regeneration and intensification of some designated existing business and employment areas where there are good prospects for employment, and supporting an improvement in the quality of accommodation that is available in those areas;

- Recognise that in some locations there may be opportunities to transfer sites to other uses without undermining the role of the key areas of business activity in the Borough;
- Encourage other means of securing what is termed “smart growth” (economic growth which does not rely on imported labour or require more land - such as more flexible working practices, greater use of technology or home-working).

3.1.8. The Core Strategy (2007) acknowledged that was little scope for large scale additions to the amount of employment land already in the borough. While the existing employment land was under increasing pressure from competing uses. As a result, Policy CS 11 of the Core Strategy 2007 identified strategic employment areas where the loss of employment land would be resisted and where regeneration of employment premises and intensification of employment uses will be promoted. These included Longmead & Kiln Lane Industrial Estates, as well as Epsom Town Centre and Ewell Village.

Plan E (2011)

3.1.9. Following the Core Strategy, adopted in 2007, the Epsom Town Centre Area Action Plan (‘Plan E’) was developed and adopted in 2011. ‘Plan E’ sets out a number of policies that guided development within Epsom Town Centre. Within this there were ‘vision areas’ identified and sites for development. Some of the sites have been (re)developed, others are Site Allocations in the Proposed Submission Local Plan, while others have not materialised and/or are no longer available.

Neighbourhood Plans

3.1.10. Neighbourhood Planning enables Neighbourhood Forums and Parish Councils to develop a vision and planning policies for their designated neighbourhood area. Those ‘Neighbourhood Plans’ which are successfully adopted will form part of the statutory development plan for the area that they cover. Where a Neighbourhood Plan is adopted or emerging before an up-to-date Local Plan is in place, the local planning authority should take it into account when preparing the Local Plan policies.

3.1.11. There is currently one Neighbourhood Forum in the borough; that of Stoneleigh and Auriol, which was designated a Neighbourhood Forum in November 2020. The Stoneleigh and Auriol Neighbourhood Plan is still in development; however, a Regulation 14 consultation took place over September & October 2024. At this stage, and in terms of economic issues, the draft Neighbourhood Plan seeks to safeguard retail facilities within the neighbourhood planning area and does not seek to allocate any sites for development.

3.1.12. Further information on neighbourhood planning in the borough can be found online here:
<https://www.epsom-ewell.gov.uk/residents/planning/planning-policy/neighbourhood-planning-0>

4. Borough background

4.1. Introduction:

- 4.1.1. The borough of Epsom and Ewell is located in north-east of Surrey and on the edge of the Greater London conurbation. The borough is an area of low unemployment providing a variety of workplaces and a good mix of employment opportunities for residents. However, many residents commute to jobs outside the Borough because of the proximity of London and good transport links with surrounding areas. Although the economy of the Borough cannot be divorced from adjoining employment centres, the Council wishes to continue to assist the reduction of longer distance out commuting by the provision of a range of local jobs.
- 4.1.2. There are a number of relevant economic development policy documents, which are discussed below.

4.2. Economic Development Strategy:

- 4.2.1. In April 2016 the council adopted an [Economic Development Strategy Action Plan](#). The strategy focused on a number of themes, including:
- Improved accessibility and infrastructure;
 - Widen the choice of commercial property;
 - Secure business investment and growth in the borough;
 - Support skills development; and
 - Develop town centres (including Ewell and Stoneleigh).

4.3. The Gatwick Diamond Initiative & The Coast to Capital Local Enterprise Partnership

- 4.3.1. Epsom and Ewell Borough Council is a partner in the Gatwick Diamond Initiative. The purpose of which is to advance the growth of new and established business in the Gatwick Diamond area.
- 4.3.2. A key driver in the Gatwick Diamond Initiative is the Coast to Capital (C2C) Local Enterprise Partnership (LEP). Coast to Capital is the LEP for Brighton & Hove, Croydon, East Surrey (including Epsom & Ewell), Lewes and West Sussex.
- 4.3.3. The Gatwick Diamond has a combined economy of £24 billion and 368,000 jobs, as of 2016.

- 4.3.4. Gatwick airport is the second busiest airport in the UK and is an international gateway for trade and investment which provides opportunities for economic growth and innovation for technology and skills.
- 4.3.5. The [C2C Strategic Economic Plan](#) (2018-2030) has highlighted a range of economic sub-sector specialisations in the LEP area. This indicates growth opportunities for Epsom & Ewell in the following sectors:
- computer software programming and publishing;
 - insurance and financial services; and
 - communications & navigation equipment manufacturing.
- 4.3.6. Formed in 2011 as one of the UK's new LEPs, the Capital to Coast LEP focused on delivering growth for one of Britain's most economically important areas.
- 4.3.7. The [C2C Strategic Economic Plan](#) (2018-2030), identified that the LEP region has a total population around two million. The gross value added (GVA) of the LEP region is around £50.7 billion (2016) and it was the seventh largest LEP economy in England out of 38 LEP areas.
- 4.3.8. In April 2024 Surrey County Council, in conjunction with senior business representatives, has taken on many of the responsibilities of the Local Enterprise Partnerships that operated within the County.

4.4. One Surrey Growth Board

- 4.4.1. Since April 2024, Surrey County Council, in conjunction with senior business representatives, has taken on many of the responsibilities of the previous Capital to Coast LEP. Further details are set out by the [One Surrey Growth Board](#), which is part of the 'Invest in Surrey' initiative. The Council anticipates working closely with the County Council on this agenda.

4.5. Horse racing in Epsom

- 4.5.1. Horse racing has taken place in Epsom for over 350 years (the first recorded race days were in the 1640's). As well as being a significant local employer, the horse racing industry adds up to £13million annually to the local economy.

5. Proposed Submission Epsom & Ewell Local Plan (2022-2040)

5.1. Introduction

5.1.1. A range of evidence related to employment need and supply has been produced to support the preparation of the emerging Local Plan; this is set out below.

5.2. Housing & Economic Development Needs Assessment (2023)

5.2.1. In 2022 a [housing and economic development needs assessment](#) (HEDNA, 2023) was commissioned, which among other things, projected the future employment land requirements.

5.2.2. The evidence was prepared in the context of the NPPF (2023) and responds to the guidance on *Housing and Economic Needs Assessments* and *Housing and Economic Land Availability Assessment* provided in Planning Practice Guidance.

Future employment land requirements

5.2.3. The HEDNA (2023) utilised three techniques to estimate future employment land requirements; these were:

- Labour demand,
- Labour supply, and
- Past take-up trend scenarios.

5.2.4. The labour demand scenarios were informed by the jobs growth forecast of an 'Oxford Economics' baseline and a 'Custom Growth Scenario'. Jobs growth of both scenarios were then translated into employment land requirements by a conversion model using assumptions of employment density and plot ratios.

5.2.5. For both office and industrial floorspace, the 'Custom Growth Scenario' was considered overly optimistic compared with the baseline scenario given recent trends in take-up of floorspace (which are declining) and the impact of the Covid-19 Pandemic. The view was taken then that it would be appropriate for the council to plan for future employment floorspace needs based on the **mid-point** between the baseline forecast and the 'Custom Growth Scenario'. A need of about 56,000sqm of employment floorspace was identified over the plan period 2022 to 2040 to meet business needs.

5.3. The Land Availability Assessment (2022 & 2024)

5.3.1. The Land Availability Assessment (LAA) was first published in November 2022 along with the LAA Methodology. The LAA informs plan making by identifying sites and broad

locations and assessing this land for its development potential. This process was informed by government Planning Practice Guidance (PPG). The second iteration of the LAA was completed in September 2024. The documents can be found on the council website here: <https://www.epsom-ewell.gov.uk/housing-evidence-base>. This includes the main document, site maps, an interactive map as well as details of sites suitable (or not) for various land uses. The following sites were deemed 'available', 'suitable' and 'achievable' for employment use:

- Land near Gibraltar Crescent (LAA ref: COU001)
- Blenheim House, 1 Blenheim Road (LAA ref: COU030)
- 31-37 East Street, Majestic Wines (LAA ref: TOW056)

5.4. Draft Local Plan (Regulation 18)

5.4.1. In February 2023 the Council consulted on a draft Local Plan (Regulation 18). This included a number of policies which intend to support the economic development of the borough and relate specifically to employment; namely:

- Policy S11 - Economic Development;
- Policy DM6 – Equestrian and Horse Racing Facilities; and
- Policy DM7 – Visitor Accommodation.

5.4.2. Policy S11 (Economic Development) identified Kiln Lane and Longmead Industrial Estates as strategic employment sites. To help support a prosperous economy, the policy provided the highest degree of protection to the strategic employment sites and actively encouraged the redevelopment and regeneration of the sites as the opportunity arises to support economic growth and provides a criteria-based policy for assessing proposals that would result in the loss of other employment floorspace located outside of the defined Strategic Employment Sites.

5.4.3. Representations received at the Regulation 18 consultation stage are set out in the [Consultation Statement](#).

6. Data for the proposed submission Local Plan

6.1. Introduction

- 6.1.1. This section sets out data informing the employment policies of the proposed submission Local Plan. The discussion considers the assumptions and conclusions of the key documents.
- 6.1.2. The council contracted specialist consultants GL Hearn, who in turn commissioned Oxford Economics to provide baseline demand-based forecasts for the Housing & Economic Development Needs Assessment (HEDNA) over the period from 2022 to 2040. While the land availability assessment (LAA) was conducted by officers in-house. The evidence was prepared in the context of the NPPF (2023) and responds to the guidance on *Housing Economic Needs Assessments* and *Housing and Economic Land Availability Assessment* provided in the Planning Practice Guidance.
- 6.1.3. The key documents can be found on the [housing & built environment evidence base documents](#) on the council's website.

6.2. Scenarios for floorspace demand

- 6.2.1. The HEDNA (2023) assesses employment land needs up to 2040.
- 6.2.2. The study uses two jobs growth scenarios:
- a baseline forecast, and
 - a custom (high) growth scenario.
- 6.2.3. In summary, the custom growth scenario indicates an annual growth of 521 jobs while the baseline forecast suggests an annual growth of 337 jobs over the period 2022 to 2040. The jobs growth scenario comparison (baseline vs. high growth scenario) is shown in [Table 2](#) below.

Table 2: Jobs growth scenario comparison

| Scenario: | Jobs 2022 | Jobs 2040 | Jobs change | Avg. annual change | Annual growth (%) |
|---|-----------|-----------|-------------|--------------------|-------------------|
| Labour demand – baseline | 35,645 | 41,714 | 6,069 | 337 | 0.95% |
| Labour demand – high (custom growth scenario) | 35,846 | 45,217 | 9,371 | 521 | 1.45% |

Source: HEDNA (2023, p. 173)

6.3. Recommended 'need' figures

- 6.3.1. The HEDNA (2023) uses three techniques to estimate future employment land requirements. These are labour demand, labour supply and past take-up trend scenarios. These requirements are then broken down by the different Use Class Orders.
- 6.3.2. [Table 3](#) below sets out the amount of employment floorspace, as estimated in the HEDNA (2023), and recommended additional floorspace that should be supplied in the Borough over the period 2022 to 2040 to meet business needs. As noted earlier, these employment land requirements are based on the mid-point of the baseline forecast & the Custom Growth Scenario (CGS).

Table 3: Employment land requirements

| Land use | Recommended Floorspace (sqm) |
|--|------------------------------|
| Offices – E(g)(i)/(ii) | 19,437 |
| Industrial and logistics - E(g)(iii)/B2/B8 | 36,732 |
| Total | 56,169 |
| Source: HEDNA (2023, p. 32) | |

- 6.3.3. The recommended additional floorspace need for **office** is **19,437sqm**, while the recommended additional floorspace need for **industrial and logistics** is **36,732sqm**.

6.4. The supply position

- 6.4.1. The availability of new land for employment use is limited given the competition for land within the borough and the constraints on development opportunities, such as the Metropolitan Green Belt. The existing urban area is also largely built out, with very limited greenfield land for new development or brownfield opportunities for regeneration. The Green Belt forms a 'horseshoe' shape constraining further development on the larger greenfield sites.
- 6.4.2. In assessing the likely supply of employment floorspace over the plan period, the following has been taken into account:
- **Completions:** i.e. delivery of floorspace within a specified recent time period (e.g. *1 April 2022 to 31 March 2024*). The base date for including sites as completions is 1st April 2022.

- **Planning permissions & commencements;** i.e. development that has recently received planning permission and development that has commenced but is yet to be completed.
- **Sites that have come forward as part of the Call for Sites process;** this is detailed in the latest [Land Availability Assessment \(2024\)](#).
- **Opportunities for supply at designated employment sites;** notably at Longmead & Kiln Lane Industrial Estates.

Completions:

6.4.3. A development at 3 Roy Richmond Way, in the Longmead Industrial Estate was completed in early 2022. This was for a change of use from a bus servicing facility to a builder's merchant, both in 'sui generis' use. There was no change to the industrial & logistics floorspace but there has been a modest increase in the office floorspace of 260sqm. While this is relatively recent its completion falls outside the plan period (prior to April 2022) and as a result does not form part of the supply towards meeting employment need¹.

Commencements:

6.4.4. During the period of 1st April 2022 to 31st March 2024 one application has been made, where construction has since commenced, which will result in the gain of B8 floorspace along with flexible office space². The minimum gross internal area (GIA) for B8 Use is 1,859sqm but rises to a maximum of 8,006sqm with the inclusion of a 'demountable mezzanine'; while the GIA for flexible office space is 222sqm. This results in a plot ratio (floor to area ratio) of between 63% to 247%. The sites' location is within Epsom Town Centre, adjacent to the Southern Gas Networks site, policy SA1 in the proposed submission Local Plan.

6.4.5. No applications resulting in the loss of B2 (General Industrial) or B8 (Storage or distribution) floorspace were permitted during the period of 1st April 2022 to 31st March 2024.

Opportunities for supply in the Strategic Employment Sites (Longmead and Kiln Lane):

6.4.6. The borough is located on the edge of the London conurbation and shares built-environment characteristics with other Outer London Boroughs, notably the adjoining borough of Sutton to the north-east. Indeed, historically Sutton was within the county of Surrey, until being subsumed by the Greater London Authority. The London Borough of

¹ See application reference 21/01401/FUL (3 Roy Richmond Way) for details of the scheme.

² See application reference 22/01518/FUL (Majestic Wine, 31-37 East Street) for further details on the scheme.

Sutton guided by the London Plan states that meeting industrial need in the future will be primarily through intensification of existing industrial sites³.

6.4.7. The London Plan recommends a minimum plot ratio of 65% for industrial use, and the LB of Sutton has estimated the potential for intensification on industrial sites at both a 65% plot ratio and 100% plot ratio, although they note the unlikelihood of intensification occurring to a 100% plot ratio in the short to medium or even longer term but consider the 65% minimum appropriate in their context. In this paper we estimate the potential for intensification on industrial sites in Epsom & Ewell at both these plot ratios but acknowledge that a plot ratio of 100% is unlikely to be feasible or likely on the existing industrial estates in this borough.

Longmead & Kiln Lane - Background

6.4.8. The Strategic Employment Sites of Longmead and Kiln Lane Industrial Estates, cover an area of approximately 25ha, of which 21ha is developable area, the boundaries can be seen in [Figure 1](#) below. These two industrial estates are located in the heart of the borough, adjacent to one another, in a highly sustainable location, and are separated by a railway line running from Epsom station into central London. The area is characterised by large footprint, single storey shed and warehouse development⁴.

³ [LB Sutton: Employment land and Economic Development Needs Assessment \(2023, p. 86\)](#)

⁴ [Epsom and Ewell Masterplan \(2019, para. 7.1.1\)](#) & [Coast to Capital, Longmead & Kiln Lane Industrial Estates \(2022\)](#)

Figure 1: Longmead & Kiln Lane Industrial Estates



6.4.9. There has been a dramatic reduction in industrial land across London and the south-east of England in recent years, with large areas of land being released for housing and often more intensive forms of commercial activity. A number of employment sites in London have been released for housing-led development in the London Plan in recent years too.

6.4.10. A capacity study was undertaken in 2018 for the Longmead and Kiln Lane Industrial Estates⁵. This study concluded that both strategic employment sites are in high demand from businesses and that demand for these sites to supply employment uses outstrips any other use (including residential).

6.4.11. The report notes that industrial land tends to have a low overall floor to area ratio, with an irregular pattern of free form sheds and warehouses sitting in generous plots next to surface car parks and storage yards. These lower density plots have the potential to be consolidated into more intensely used plots and the type of redevelopment should take the form of intensification, whereby the existing uses are retained in order to reinforce their economic importance to the region.

⁵ [Longmead and Nonsuch Industrial Estates Capacity Study \(2018\)](#)

6.4.12. The [Longmead & Kiln Lane Economic Value Report \(2022\)](#) states that protecting and densifying the employment space currently available has the potential to support the jobs currently on the sites and attract new companies to locate there, increasing jobs and the value to the local economy.

6.4.13. The Housing and Economic Development Needs Assessment (HEDNA, 2023) is similarly supportive of protecting and promoting employment uses on these sites and makes the following policy recommendation:

“Given the prominent role of Longmead and Kiln Lane industrial estates in providing industrial and warehousing spaces in the Borough, it is essential to safeguard the employment land supply of these estates from loss to other land uses. This will accommodate the additional needs for employment spaces and attract companies to invest”

(HEDNA, 2023, para, 17.79)

Assessing potential additional land provision through intensification

6.4.14. In order to assess the potential capacity for employment intensification of these strategic employment areas we have divided up the estates into 9 parcels, labelled ‘A’, ‘B’, ‘C’ through to ‘I’, according to existing built form and similar uses.

6.4.15. This work is partly informed by the [Longmead and Nonsuch Industrial Estates Capacity Study \(2018\)](#). While that paper examined the potential for housing-led regeneration of the estates, this topic paper does not explore that possibility, but rather for employment-led intensification. The paper was however useful to generate a point in time picture of the uses of the Industrial Estates, which also allows us to examine how much has changed since the analysis was undertaken in 2018. There have been some notable changes or developments since 2018, notably:

- Change of use at 3 Roy Richmond Way from Bus Depot (sui generis) to Builders Merchant (sui generis) and the demolition and replacement of 2-storey ancillary office building (with a net additional 260sqm GIA office floorspace);
- There have been changes in the Use Class system, notably the introduction of Class E, which doesn’t fundamentally change the nature of the uses on the sites; and
- Covid-19; although the occupancy levels of the estates remained high, as is evidenced in the [2022 Economic Value Report of the Estates](#).

6.4.16. **Table 4** below lists the 9 parcels of land (labelled ‘A’ to ‘I’) in the Industrial Estates, this includes site addresses for each parcel as well as the following information:

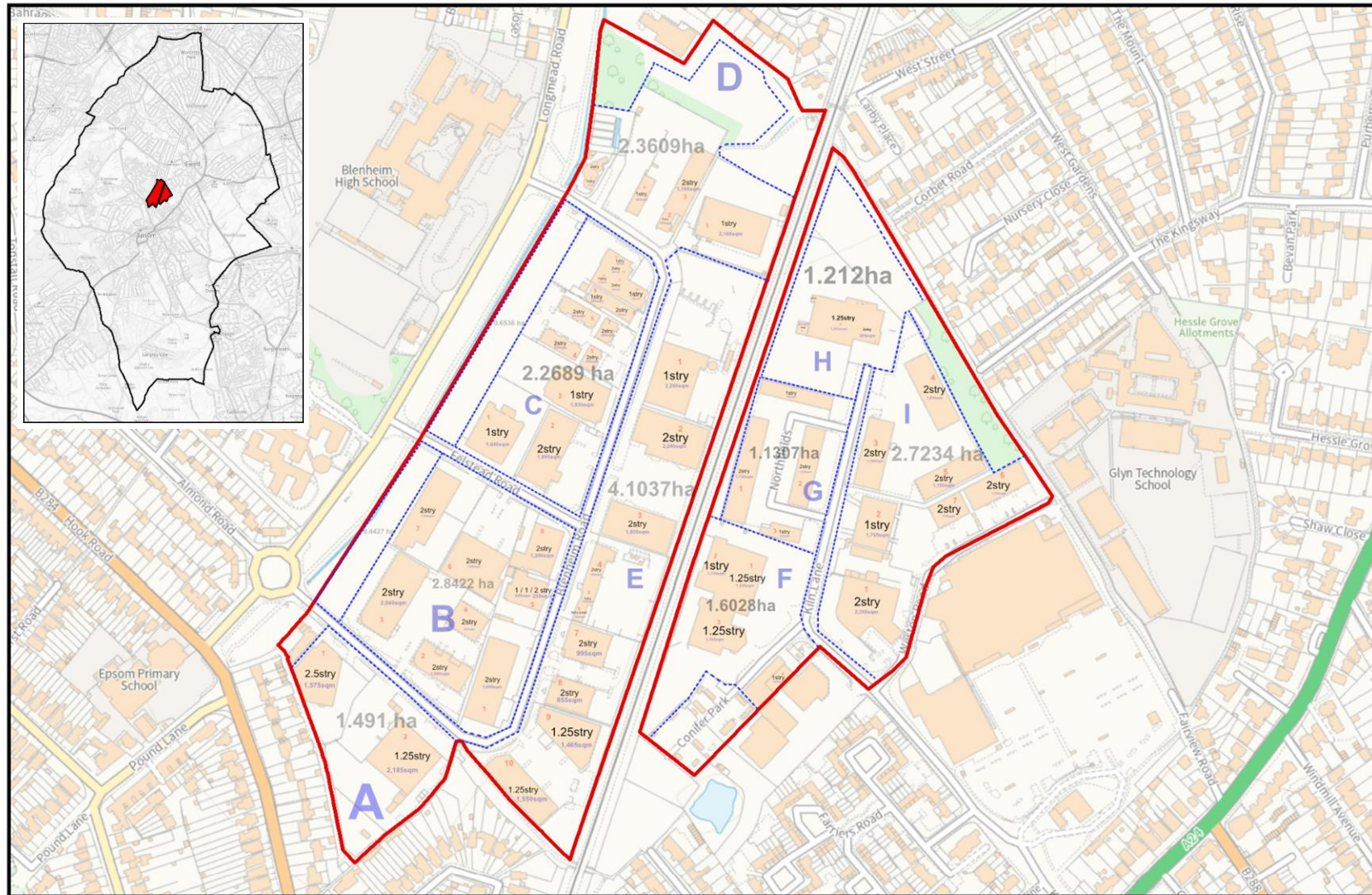
- Total developable area (in square metres);

- Estimated floor area of each of the existing buildings within that parcel, which sums to the total floor area of the parcel;
- The plot ratio is then calculated, by dividing the total floor area by the total developable area of the parcel;
- The existing use is recorded;
- Based on the plot ratio and the existing use we identify what the potential scale of opportunity for intensification is within the parcel (i.e. very small, small, medium or large).
- Using a target plot ratio of 65% we then calculate the additional floor area required to meet this target, on each of the parcels.
- Summing the additional floor area, in order to meet a target of 65%, we estimate the additional employment floorspace that could be supplied through intensification.

Table 4: Potential capacity for intensification across Longmead & Kiln Lane Strategic Employment Areas

| Parcel | Site address(es) | Total Developable Parcel Area (sqm) | Total floor area | Plot ratio (floor to area ratio) | Existing use | Potential scale of opportunity | Target plot ratio | Additional floor area if 65% target met | Additional floor area if 100% plot ratio is met |
|---------------|--|-------------------------------------|------------------|----------------------------------|--|--------------------------------|-------------------|---|---|
| A | 1-3 Blenheim Road | 4,910 | 6,673 | 45% | Sui Generis (Ford Car Dealership) and Class E (mixed-use office and commercial) | Medium | 65% | 3,019 | 8,238 |
| B | Longmead Business Centre | 8,422 | 21,965 | 77% | Mostly Class E; one Sui Generis and another B8 | Very small | n/a | n/a | 6,457 |
| C | North of Felstead Road & west of Blenheim Road | 22,689 | 13,360 | 59% | Mix between Sui Generis and B2; and Mixed B1/B2/B8/Sui Generis | Small | 65% | 1,388 | 9,329 |
| D | North of Roy Richmond Way, incl. Gibraltar Crescent | 23,609 | 5,645 | 24% | Sui generis; B1 and Storm Water Storage Tanks | Large | 65% | 9,701 | 17,964 |
| E | East of Blenheim Road, incl. Longmead Depot & Epsom Trade Park | 1,037 | 9,474 | 47% | Mostly Sui generis; B8, C3, B1/B2, B1 and Mixed B1/B2/B8/Sui Generis | Medium | 65% | 7,200 | 21,563 |
| F | Car show rooms, west of Kiln Lane | 16,028 | 5,405 | 34% | Sui generis (car show rooms); Conifer Park - Gypsy & Traveller site is excluded. | Large | 65% | 5,013 | 10,623 |
| G | Nonsuch Industrial Estate | 11,307 | 6,965 | 62% | Mixed B1/B2/B8/Sui Generis | Small | 65% | 385 | 4,342 |
| H | Dagenham Motors | 15,388 | 2,668 | 17% | Sui generis (car show rooms and car storage) | Large | 65% | 7,335 | 12,721 |
| I | Epsom & Surrey Business Parks | 27,234 | 17,225 | 63% | Mixed B1/B2/B8/Sui Generis; Class E, B1, and Sui generis. | Small | 65% | 477 | 10,009 |
| Total: | | 200,624 | | | | | | 34,518 | 101,245 |

Figure 2: Longmead & Kiln Lane Strategic Employment Area (parcels, developable areas, floorspace and storeys)



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1:4,250



- 6.4.17. [Figure 2](#) shows the location of the parcels of land identified above and illustrates how the floorspace & developable area numbers were calculated. Floorspace calculations consider the number of stories within a building and the blue dashed lines identify the developable area, within each of the parcels. Some areas of the estates were excluded from the developable area, for example to exclude highway land, excluding a Gypsy & Traveller site, or to exclude important green/tree buffers to the neighbouring (mostly) residential uses.
- 6.4.18. Note that these area calculations should not be taken as exact calculations but are a best estimate using GIS tools and satellite imagery at hand. That being said, they should be considered reasonably accurate to give a high-level picture of the development potential for intensification on the estates.
- 6.4.19. The potential capacity for intensification on these industrial estates can be seen in [Table 4](#) on a previous page. In total there is the potential for around **34,500sqm of employment floorspace** within these two strategic employment sites. This is based off a target floor to area (plot ratio) of 65%. This plot ratio would amount to a met need of 94% of the floorspace for industrial & logistics (if all of it were industrial & logistics) or about 61% of the total land requirement for employment (if including office space as well). If all of the intensification of the area were to be for 'industrial & logistics' and we combine this with the commencement at 31-37 East Street (ref: 22/01518/FUL) in the town centre, then all of this specific need is met over the Plan period.
- 6.4.20. If this were to be increased to a plot ratio of 100% on all the sites approximately 100,000sqm of employment floorspace could be generated. This would be almost double the total employment land requirement, of around 56,000sqm over the Plan period.
- 6.4.21. The parcel with the highest existing plot ratio is the Longmead Business Centre (labelled parcel area 'B' in [Figure 2](#)), which is mostly in Class E use currently, and includes some office space which *may* be intensified. However, this parcel has a plot ratio of 77% and given its existing use, it is in the view of officers, least likely to offer up any significant intensification opportunities. This parcel is also shown in the **Figure 3** below, which includes a map, a 3D satellite image and a street view of the site.

Figure 3: Map, 3D satellite image & street view of parcel 'B'



6.4.22. The parcel of land which offers the greatest opportunity for intensification is parcel 'D', with approximately 9,700sqm over the medium to longer term, given a target plot ratio of 65%. This area includes an expansion of the Longmead Industrial Estate, to the north, an area of grassland adjacent to Gibraltar Crescent. In the Land Availability Assessment (2024) a modest 2,500sqm of light industrial floorspace assigned as the indicative yield for this area. Given the recent redevelopment of 3 Roy Richmond Way from a Bus Depot to Builders Merchant the likelihood of intensive redevelopment of the entire parcel may be limited in the short to medium term. See **Figure 4** below which includes a map, a 3D satellite image and a street view of the site.

Figure 4: Map, 3D satellite image & street view of parcel 'D'



6.4.23. Another parcel of land which appears to offer a reasonably significant opportunity for intensification is parcel 'H' (location of Dagenham Motors in Kiln Lane Industrial Estate), which currently houses a car show room and car storage. At a current plot ratio of 17%, an increase in floorspace density on the site to a plot ratio of 65% could yield around 7,300 sqm of additional employment floorspace.

- 6.4.24. The car show rooms, west of Kiln Lane (parcel F in [Figure 2](#) & [Table 4](#)), also offer up a high potential for intensification, at around 5,000 additional sqm floorspace if a 65% plot ratio target is met.
- 6.4.25. Parcel 'E', east of Blenheim Road (which includes the Longmead Depot & Epsom Trade Park) offers potential for intensification, as does parcel 'A', at 1-3 Blenheim Road, which in total both could provide up to 10,000sqm additional employment floorspace.
- 6.4.26. There is less opportunity for significant intensification at parcels 'C', 'G' & 'I', with a more modest sum of around 2,000sqm additional floorspace over all three sites.

Opportunities for supply beyond the Strategic Employment Sites:

6.4.27. In addition to the Strategic Employment Sites identified above, Epsom Town Centre is a key employment area for offices in the borough, and is the area where office uses are concentrated. Notable examples include Epsom Gateway, south of the Ashley Centre, as well as large offices on East Street and Upper High Street. The town centre boundary is shown in [Figure 5](#) below. While we have not estimated the capacity for development in the town centre, there is opportunity for redevelopment & intensification of brownfield land, such as is occurring at the former gasholders Southern Gas Network (SGN) site, allocated as SA1 in the proposed Local Plan.

Figure 5: Town Centre



7. Retail sector

7.1. Retail needs assessments

7.1.1. The [Retail and Commercial Leisure Needs Assessment \(2020\)](#) provided a comprehensive understanding of the current health and performance of the Borough's retail and leisure offer within the existing network of town centres. It set out present and future needs for additional floorspace in order to inform the preparation of a robust retail and town centre strategy.

7.1.2. An update to this study was published in September 2021, which can be found on the website [here](#). This update took into account the impacts of the Covid-19 pandemic and its potential consequences for our town centres as a result of increased online shopping, as well as considering the impacts on retail from the Permitted Development rights changes.

7.1.3. The reports found the Epsom Town Centre to exhibit good levels of vitality and viability across the Primary Shopping Area. The 2020 Study concluded that:

“Over the last 11 years Epsom has consolidated its town centre shopping role in the wider catchment, being the only town centre to grow its market share. It has improved its floorspace performance and substantially increased turnover. The greatest opportunity for Epsom Town Centre is to consolidate its position, market share and catchment area still further over the forthcoming Local Plan period. Kingston and Sutton are both Metropolitan Town Centres at a different (higher) level in the retail hierarchy and it is not possible for a town the size of Epsom to compete. Nevertheless, Epsom has strengthened its role becoming a centre of first choice for a growing proportion of the catchment population; the aim should be to build on this success moving forwards.”

7.1.4. The 2021 update study demonstrated that there was very little change in the composition of the Epsom town centre since the previous audit in 2019.

7.1.5. The Table below outlines the floorspace need for convenience goods in 2022, 2027 and 2032. This scenario focuses on geographical locational need, rather than the requirement to meet the needs of those living in neighbouring boroughs who are currently travelling into the borough to access foodstores – in the case of Epsom & Ewell, the out-of-centre Sainsbury's at Kiln Lane and Aldi, Kingston Road in particular. This scenario forecasts need based on the expenditure of borough residents only – in this scenario, the model demonstrates that convenience goods foodstores are still performing at strong levels,

above the combined company average performances. As such, there is a small level of forecast need for additional space.

Table 5: Convenience Goods Floorspace Need (sqm net) – 2021 Update, Scenario 2

| Year: | 2022 | 2027 | 2032 |
|------------------|-------|-------|-------|
| Floorspace need: | 2,000 | 2,300 | 2,700 |

7.1.6. In terms of meeting need identified, the 2020 Study concluded that the Sainsbury’s Kiln Lane could absorb a proportion of identified need; whilst the Aldi, Kingston Road is at full capacity with no physical room for expansion of the store or car park. The 2020 Study also concluded that the: *“Borough-wide housing growth strategy will require the consideration of new and sustainable communities, needing to be served by local shopping and service facilities. The residual need identified for convenience goods floorspace should, in the first instance, be directed to these new residential growth areas which would comprise a mix of small to medium-sized foodstores and small unit shops creating parades and new or improved Local Centres”*. This conclusion was re-iterated in the 2021 Study update and remains relevant in 2024.

7.1.7. The floorspace need for comparison goods is shown in **Table 6** below.

Table 6: Comparison Goods Floorspace Need (sqm net) – 2020 Study

| Year: | 2022 | 2027 | 2032 |
|------------------|------|-------|-------|
| Floorspace need: | 800 | 2,900 | 5,700 |

7.1.8. However, according to the 2021 Study update figures were much more subdued, these are shown below.

Table 7: Comparison Goods Floorspace Need (sqm net) – 2021 Update

| | 2022 | 2027 | 2032 |
|----------------------------|------|------|------|
| Epsom Town Centre | -100 | 400 | 700 |
| Ewell Village | -300 | -200 | -100 |
| Stoneleigh Broadway | -200 | -200 | -100 |

7.1.9. The figures demonstrate that there is currently no need for additional comparison goods floorspace in the short-term period, with only a small surplus over the plan period.

7.2. Recent retail supply

7.2.1. Since the Study has been produced there has been a planning permission for a new retail centre, at the 'Former Dairy Crest Site, Alexandra Road, Epsom. The site is outside of the town centre and is for approx. 1,050sqm of (net) retail floorspace. The proposal, which is still at appeal at the time of writing, is from the Aldi supermarket chain (original planning ref: 23/00402/FUL). Based on the data provided in the 2021 Update (**Table 5**) this floorspace will go some way to meeting the need for 'convenience goods' detailed in the table.

7.2.2. The Ashley Centre continues to perform well, with high occupancy levels and relatively high investment.

7.2.3. We expect the remainder of the need for convenience goods and comparison goods to be met through new floorspace in the Town and Local Centres predominantly and to a lesser degree in the various neighbourhood parades across the borough.

8. Horseracing sector

8.1.1. In March 2020 a [Scoping Report on the Racecourse & Equestrian Sector for Epsom & Ewell](#) was published. The section summarises the key economic findings of the report.

8.2. The Racecourse:

8.2.1. Epsom racecourse is internationally renowned as the home of the Derby, flat racing's 'blue riband' event. Currently holding 11 racing fixtures per annum, the remaining time the racecourse is a key meetings, conferences, events and functions venue (MICE), hosting over 500 such events each year. Owned by the Jockey Club Epsom is considered one of their key venues, although ranked as number 10 out of 60 racecourses by the Racing Post. In terms of Epsom's wider economy, the racecourse would rank as the Borough's leading visitor attraction and among the largest employers within the Borough, albeit most employees being on casual contracts. The racecourse has a substantial supply-chain of nearly 500 suppliers and contractors with over half locally based in the Borough.

8.3. The Training Sector

8.3.1. The UK's racehorse training sector supplies horses for both flat and jumps racing, with the British Horseracing Authority estimating around 14,000 horses in training. Newmarket and Lambourn are considered to be the UK's leading areas for training, with an estimated 3,500 horses at Newmarket and 1,500 horses at Lambourn. Epsom in the 1970's trained around 500 horses in 19 training stables, by 2019 this has dropped to around 150 horses in 12 training stables. This decline notwithstanding the adjacency of the training sector to the racecourse remains one of Epsom's key advantages, akin to that of Newmarket.

8.4. Livery Stables & Riding Schools

8.4.1. In addition to professional racing training stables, the Borough also has a number of livery stables and riding schools providing horse accommodation, training and riding facilities for horse owners and riders outside the professional racing sector. Although both are considered within the wider 'equestrian sector' there is a significant delineation between them, with livery stables and riding schools aimed at mainly amateur and leisure horse owners & riders. These riders tend to transport their horses to other leisure riding locations or take advantage of the extensive network of local bridleways and byways in Epsom and adjacent areas.

8.5. The Equestrian Supply Chain

8.5.1. The wider equestrian sector in Epsom supports an extensive and diverse supply chain, ranging from conference and event support businesses for the racecourse (estimated at nearly 500 companies), general equestrian supplies providers (feeds, consumables, tack, grooming, clothing etc), horse transportation providers, farriers, saddlers, hotels and accommodation, through to the highly specialist equine veterinary practices and therapists supporting the thoroughbred training stables. Although some are based within the Borough, many are based locally in adjacent Boroughs and Districts. There was insufficient local data to calculate the direct, indirect and induced economic contribution, however the [2020 Scoping Report](#) estimated that Epsom's training sector alone (excluding racecourse) could be making a £2.1m contribution to the local economy.

8.6. Conclusion

8.6.1. The [2020 Scoping Report](#) demonstrates the economic value of the wider equestrian sector to the economy. Epsom benefits from having both an internationally recognised racecourse (and meetings and events venue) and an allied training sector based within the Borough. The sector is a significant multi-million-pound valued contributor to the Borough's economy (up to £13million annually). As a result, the proposed Local Plan proposes to support the sector through Policy DM8 and the establishment of a Racehorse Training Zone.

9. Policy approach for proposed Local Plan:

- 9.1.1. The proposed Local Plan contains a number of policies to support economic growth in the borough, including policies to support the wider context of economic development, such as infrastructure and affordable housing.
- 9.1.2. The focus of this Economy Topic Paper has been the designation of land for employment uses and policies for employment use development, through the following suite of employment policies:
- 9.1.3. **Policy S9: Economic Development** provides support for sustainable growth in the borough by (inter alia):
- supporting the regeneration of Epsom Town Centre by enabling new and established businesses to grow;
 - safeguarding strategic employment sites and encouraging the regeneration and intensification of land to meet the needs of the economy to support job creation and meet the needs of business;
 - safeguarding land for the horse racing industry to secure the long-term sustainability of the sector;
 - supporting the visitor and night-time economy; and
 - supporting the creative and cultural industries and further and higher education providers.
- 9.1.4. **Policy DM7: Employment Land** protects and safeguards the Longmead and Kiln Lane Industrial Estates, where the development and intensification of these sites will be supported to provide floorspace for Employment Generating Uses that meets the needs of the market.
- 9.1.5. **Policy DM8: Racehorse Training Zone** aims to support the continued use of sites for horse racing purposes within the identified Racehorse Training Zone. This area is specified in the Policies Map.
- 9.1.6. Below shows a full list of employment sites located within the Strategic Employment Sites of Longmead & Kiln Lane Industrial Estates.
- 9.1.7. **Longmead Industrial Estate** includes the following sites:
- Epsom Trade Park, Blenheim Road
 - First Quarter Business Park, Blenheim Road;

- Longmead Business Centre, Felstead Road;
- The Stephen Woods Centre, Roy Richmond Way;
- Thames Water Sewage Storm Tanks, Blenheim Road;
- 3 Roy Richmond Way, Travis Perkins;
- 5 Roy Richmond Way, SGN Epsom;
- Epsom Community Recycling Centre, Blenheim Road;
- Blenheim Trade Centre, Blenheim Road;
- Longmead Depot, Blenheim Road;
- Epsom Trade Park, Blenheim Road;
- Ford dealership, Blenheim Road;
- Blenheim House, Blenheim Road; and
- Gibraltar Crescent.

9.1.8. **Kiln Lane Industrial Estate** includes the following sites:

- Nonsuch Industrial Estate, Kiln Lane;
- Dagenham Motors, Kiln Lane;
- Wilsons (use cars), Kiln Lane;
- Mercedes Benz, Kiln Lane;
- Epsom Business Park, Kiln Lane;
- Surrey Business Park, Weston Road; and
- Conifer Park, Gypsy & Traveller site

9.1.9. The boundaries for the strategic employment sites have been amended since the Regulation 18 consultation, conducted in early 2023. This includes an enlargement of the Longmead Industrial Estate boundary to incorporate the land south of Gibraltar Crescent, in the north (covering an area of 1.79ha), and a reduction of the Kiln Lane Industrial Estate boundary to omit a 0.67ha parcel of land in the south-east, that has come forward for potential mixed-used development through the 2023 Call for Site process.

9.1.10. While the policy response (see Policy S10 in the proposed submission Local Plan) for retail need to prioritise new floorspace according to the following hierarchy and network:

1. Town Centre: Epsom Town Centre
2. Local Centres: Ewell Village and Stoneleigh Centre

3. Neighbourhood Parades:

- Castle Parade, Ewell
- Chessington Road / Green Lanes
- Chessington Road / Plough Road
- Chessington Road / Ruxley Lane
- Gatley Avenue / Ruxley Lane
- Horton Local centre
- Kingston Road / Bradford Drive
- Kingston Road / Ruxley Lane
- Manor Green Road, Epsom
- Poole Road, Epsom
- Pound Lane, Epsom
- Rosebery Parade, Kingston Road
- Vale Road, Worcester Park
- Waterloo Road, Epsom


10. Conclusion

- 10.1.1. This topic paper has detailed the employment land needs and supply position in the borough of Epsom & Ewell for the proposed Local Plan, in support for sustainable economic growth. This has included an explanation of the process through which the employment floorspace needs have been calculated, and the updating of the evidence through the evolution of the proposed Local Plan, such as the Land Availability Assessment, and an analysis of intensification opportunities at Longmead & Kiln Lane Industrial Estates.
- 10.1.2. The employment floorspace need figure has been calculated through Housing & Economic Development Needs Assessment (HEDNA, 2023) and is based on the mid-point between the baseline forecast and the Custom Growth Scenario (CGS) detailed within that document. The evidence was prepared in the context of the NPPF (2023) and responded to the guidance on *Housing Economic Needs Assessments* and *Housing and Economic Land Availability Assessment* provided in the Planning Practice Guidance.
- 10.1.3. The **need for employment floorspace** over the plan period (up to 2040) has been calculated at **56,169sqm**, the majority of which is in the industrial and logistics sectors.
- 10.1.4. Taking into account the delivery to date, the contribution of commitments & commencements⁶ and the potential intensification of the strategic employment sites there is a **residual net need** of **16,496sqm** of additional employment floorspace over the plan period (2022-2040). See **Table 8** below for a summary of the estimation of residual net need.

Table 8: Estimating residual net need of employment after commitments/commencements and intensification

| Land use | Recommended floorspace need (sqm) | Net floorspace (sqm) from commencements | Net floorspace (sqm) from intensification (up to 65% plot ratio) | Residual net need (sqm) |
|--|-----------------------------------|---|--|-------------------------|
| Offices – E(g)(i)/(ii) | 19,437 | 222 | | |
| Industrial and logistics - E(g)(iii)/B2/B8 | 36,732 | 4,933 | | |
| Total | 56,169 | 5,155 | 34,518 | 16,496 |

⁶ The supply of B8 storage for application 22/01518/FUL (Majestic Wine, 31-37 East Street) is taken as the mid-point between minimum floorspace provide and maximum possible.

- 
- 10.1.5. While there are significant policy constraints within the borough, such as the Metropolitan Green Belt, that limit the available land for employment use, opportunity for intensification has been identified at Longmead & Kiln Lane Industrial Estates, which can contribute positively to meeting the need for employment floorspace.
- 10.1.6. Demand for employment uses will be monitored closely and support for applications that deliver additional industrial and logistics floorspace at the Strategic Employment Sites will be supported.
- 10.1.7. Beyond employment need we are of the view that there is an adequate supply of retail floorspace over the Plan period, given the evidence. While we re-iterate the importance of the horseracing sector and its economic benefits to the borough.