ATKINS

Waverley Borough Council

Waverley Employment Land Review Update

September 2011

Plan Design Enable

Waverley Borough Council

Contents

Section | Page

1. Introduction

1.1 This report updates key elements of the Waverley Employment Land Review (ELR) undertaken by Atkins in 2008. The update provides up to date analysis of the Borough's employment land supply as well as an assessment of the likely demand for employment land and premises over the Core Strategy period (to 2027). It also sets out recent changes to the strategic policy context for economic development and its implications for the supply and demand for employment land in Waverley.

1.2 The structure of the report is as follows:

- Chapter 2 provides an up to date review of the relevant policy context;
- Chapter 3 analyses recent changes to the Borough's employment floorspace;
- Chapter 4 examines the likely future demand for employment land in Waverley; and
- Chapter 5 summarises the report's conclusions and implications.

1.3 It should be noted that as this report is an update rather than a full ELR, it should be read in conjunction with the full ELR produced in 2008.

1.4 It is also noted that because of the rounding of the numbers presented in this report there may be instances that numbers may not appear to completely add up. This is entirely the result of rounding as it is considered best not to present numbers with many decimals in this report. This is the case for two reasons. Firstly for presentation and legibility reasons but primarily because numbers with many decimals imply a level of accuracy that cannot be achieved when dealing with employment and employment land forecasts which rely heavily on a series of assumptions about the future.

2. Changes to the Strategic Context to Economic Development and Employment Land in Waverley

Introduction

2.1 This section sets out any changes to the strategic policy context for economic development and its implications for business, industrial and warehousing land supply and demand in Waverley since the Employment Land Review was published in autumn 2009.

Existing National Policy

2.2 Planning Policy Statement 4: Planning for Sustainable Growth was published in December 2009 and sets out the framework for economic development at regional, sub regional and local levels for both urban and rural areas. The PPS considers planning for all forms of economic development and therefore covers business, industrial and warehousing uses as well as public, community and town centre uses. As such, it replaces national policy guidance set out in PPG4 (Industrial, Commercial Development and Small Firms), PPG5 (Simplified Planning Zones), PPS6 (Planning for Town Centres) and parts of PPS7 (Sustainable Development in Rural Areas). However, in line with the rest of the Employment Land Review this section focuses mainly on the policy statement as it relates to the B Use Classes.

2.3 The Government's overarching objective for prosperous economies is for sustainable economic growth. This will be achieved through other objectives that include:

- Improving the economic performance of cities, towns, regions, sub regions and local areas;
- Reducing the gap in economic growth rates between regions;
- Delivering more sustainable patterns of development and reducing the need to travel especially by car;
- Promoting the vitality and viability of town and other centres; and
- Raising the quality of life and the environment in rural areas by promoting rural communities whilst protecting the open countryside.

2.4 The PPS is split between policies on gathering evidence, plan making and how to determine planning applications. Local planning authorities are advised of the importance of a robust evidence base to plan positively. The evidence base should be worked on together with all tiers of planning assessing the need for and the supply of land or floorspace for employment.

2.5 Policy EC2 advises the approach that development plan documents should take in planning for sustainable economic growth. These include:

- Setting out an economic vision and strategy that positively and proactively encourages sustainable economic growth;
- Supporting existing business sectors and identifying emerging sectors, although ensuring that policies are flexible to respond quickly to changes in economic circumstances;
- Positively planning for clusters or networks of knowledge driven or high technology industries;

- Making the most efficient and effective use of land and prioritising previously developed land;
- Identifying projecting and promoting key distribution networks where there is good accessibility;
- Planning for the delivery of sustainable and other infrastructure that supports economic development;
- Identifying a range of sites to facilitate economic development including mixed use;
- Not carrying forward existing site allocations from one development plan to the next without evidence of need for its allocated economic use; and
- Delivering sites for business use through the use of or planning tools such as compulsory purchase orders, area action plans, simplified planning zones and local development orders.

2.6 Policy EC3 sets out the need for flexible policies for centres that allows development to respond to changes in economic circumstances as well as encouraging a mix of uses. Policy EC5 states that a range of sites to meet identified needs should be identified using the sequential approach to site selection for main town centre uses.

2.7 Policy EC6 on rural areas emphasises the need to ensure that open countryside is protected by controlling economic development within it and locating most new development in or on the edge of existing settlements. The conversion and re-use of appropriately located and suitably constructed existing building for economic development is supported and policies should set out the permissible scale of replacement buildings and the circumstances where it would be acceptable.

2.8 Policy EC10 advises that planning applications for economic development should be treated favourably and sets out the criteria for considering the impact of proposals. These include:

- Limiting carbon dioxide emissions;
- Accessibility;
- Design;
- Economic and physical regeneration; and
- The impact of the proposals on local employment.

2.9 Where planning applications are for economic development (other than main town centre use) but are not in accordance with an up to date development plan then they should be assessed alongside environmental and social information under Policy EC11. The longer term benefits and wider objectives of the development plan should also be considered.

2.10 Under Policy EC12 the re-use of buildings in the countryside for economic development purposes is usually preferable, although residential conversions may be more appropriate in some locations and for some types of building. Local planning authorities should also:

- Support development that enhances the vitality and viability of towns;
- Support small-scale economic development where it provides the most sustainable option in villages or remote locations although it may not be the most accessible by public transport;
- Consider the impact on the supply of employment sites and premises and the well-being of the area where it involves the loss of economic activity;

- Approve planning applications for the conversion and reuse of existing buildings in the countryside for economic development especially those adjacent to towns or villages where the benefits outweigh the harm in the terms of those listed in the policy; and
- Policy EC15 sets out the sequential approach for considering planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan. This includes office and business use

Conclusion

2.11 PPS4 proactively promotes employment-generating proposals in urban and rural areas provided that their impact on sustainability is assessed. It also promotes a range of sites, including mixed use to meet the needs of large and small businesses. However, if there is a need for the sequential test for site selection to be used, there could be implications for where office and business uses can be located.

2.12 The PPS seeks a flexible approach to employment land that responds to a change in economic circumstances and needs. It therefore advises that designations should avoid single or restricted use. However it also recognises that in some cases, the loss of employment land or premises to alternative use may be appropriate, which could have implications for the supply and retention of employment land.

The Coalition Government's approach to Planning for Economic Development

2.13 Since the publication of the Employment Land Review there has been a change of government. Although the previous government published PPS4, the new one is strengthening the approach to treat economic development favourably.

2.14 The Government wants local authorities to plan for economic growth and employment generation to rebuild the economy following the recession and recognises that the planning system is vital in achieving that. So much so that it was the main theme of the Government's Budget 2011 and it was announced that their top priority in reforming the planning system is to introduce a "powerful" new presumption in favour of sustainable development. This will streamline the planning process by removing regulations and bureaucracy and will promote sustainable economic growth and jobs.

2.15 At the heart of the Government's approach to planning is the shift in decision-making away from central government to local communities. The Government considers that where drivers of growth are local, decisions should be made locally. To develop the economy it aims to give local communities, including the business community, an enhanced role through:

- The creation of Local Enterprise Partnerships;
- The revocation of Regional Spatial Strategies and the abolition of Regional Development Agencies; and
- The provision for neighbourhood plans.

The National Planning Policy Framework

2.16 The Government believes that the present planning system has slowed down economic growth and development because it is too cumbersome and complicated. At the end of July the Government issued its draft National Planning Policy Framework (NPPF) for consultation. This single policy framework is proposed to replace all existing National Planning Policy Statements (PPS) as well as various other government advice.

2.17 The purpose of the planning system is to contribute to the achievement of sustainable development. Therefore, one of the roles of the planning system is to help build a strong, responsive and competitive economy by ensuring that there is enough land available to allow economic growth. As sustainable development is the core principle underpinning planning, there is a presumption in favour of it.

2.18 Local Plans are expected to have a clear understanding of business needs within the economic markets that operate in and across their area and assess the requirements for land or floorspace for all foreseeable types of economic activity. It also needs to assess the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified requirements, including a reappraisal of the suitability of previously allocated land.

2.19 Planning policies should recognise and seek to address potential barriers to investment including poor environment or any lack of infrastructure, services or housing. Furthermore Local Plans should also ensure that they positively encourage economic growth; set out criteria or identify strategic sites; support existing business sectors and plan for new or emerging sectors; positively plan for clusters or networks of knowledge driven, creative or high technology industries; and, identify priority areas and facilitate new practices.

2.20 Planning policies should avoid the long term protection of employment land and applications for alternative uses of designated land or buildings should be treated on their merits having regard to market signals and the relative need of different land uses.

Local Enterprise Partnerships (LEPs)

2.21 The Government invited business and civic leaders to come together and put forward proposals to form local enterprise partnerships, which would provide the strategic leadership in their areas to set out local priorities and create the right environment for business and economic growth as well as create local jobs.

2.22 The intention is for LEPs to tackle issues including planning and housing, local transport and infrastructure priorities, employment and enterprise and the transition to a low carbon economy, as well as supporting small business start-ups. It was suggested the partnerships would include further and higher education establishments as well as business and civic leaders, chaired by a prominent business leader. Their establishment will provide a mechanism for continuing to provide some of the functions currently delivered by Regional Development Agencies, including SEEDA, that are to be abolished by March 2012. LEPs are intended to lead on strategic economic plans, although it is unsure exactly what their role will be.

2.23 Waverley has an interest in two potential LEPs:

- The North Hampshire and M3 Corridor Economic Board submitted a proposal for an “Enterprise M3 LEP”. The original proposal covered: Test Valley, Basingstoke & Deane, Rushmoor, Hart and Surrey Heath. However, following feedback from the Government and continuing discussion with business leaders, the proposal has been reviewed to extend the LEP geography to the south in Hampshire and to the east in Surrey, so that it would encompass Waverley. The Government has now ‘approved’ this partnership.
- Surrey Economic Partnership (SEP) and Surrey County Council (SCC) submitted a proposal for a Surrey wide LEP “Surrey Connect”, which was not ‘approved’ by the Government. SEP and SCC have since been reconsidering the proposal and are in discussion with both the Department for Business, Innovation and Skills (BIS) and the Department for Communities and Local Government (DCLG) with regards to the future of a Surrey LEP.

The revocation of Regional Spatial Strategies

2.24 The Government intends to abolish the Regional Spatial Strategy through the Localism Bill. As such, once they are abolished, the policies in the South East Plan will no longer form part of the development plan. This means that there will be no regional and sub-regional approach to planning for economic development and employment. In the absence of regional planning policy and the Regional Development Agencies together with slimming down of national planning policy statements into a more concise national policy framework there will be a greater reliance on policies for economic development and employment set out in the Local Development Framework.

Neighbourhood Planning

2.25 The Government recognises that development is important for economic growth. However it feels that, in the past, local communities have resented development because it has been imposed on them without their involvement. Similarly, some local communities, such as rural settlements, want development that will meet their needs but borough/district councils have resisted this.

2.26 The Government considers that local communities should make the decisions about the location, type, and scale of development they need. Therefore they want local community groups such as town/parish councils and residents' associations to bring forward proposals for development in their neighbourhoods through Neighbourhood Development Plans and Orders:

2.27 Neighbourhood Development Plans are similar to local plans in which specific or general planning policies are prepared for dealing with planning applications. However, instead of covering the whole borough, a Neighbourhood Development Plan will be just for a specified neighbourhood. They can include policies such as:

- Key neighbourhood projects and infrastructure policies;
- Development control/management policies on housing, industrial, commercial, retail and the environment; and
- Site specific policies for housing, industrial, commercial, retail and the environment.

2.28 Neighbourhood Development Orders directly grant planning permission for specific types of development within a neighbourhood area without the need to apply to the Council. The permission could be full or outline, it could impose conditions and it could be used to relate to a specific site or be general to across the neighbourhood area. A Community Right to Build Order is a special type of Neighbourhood Development Order under the Community Right to Build that allows a community to bring forward proposals on a specific site without the need for planning permission where the local community will keep the benefits or profits from the development. These orders can be made independently from a Neighbourhood Development Plan or Order.

2.29 The Government has announced that it will extend the right to initiate Neighbourhood Plans and Neighbourhood Development Orders to businesses. They consider that this will encourage growth by reducing the need to apply for planning approval in order to develop. However, businesses will need to work with and win the approval of local communities to establish a Neighbourhood Plan or Order. The Government has also stated its intention to support the creation of 11 new local enterprise zones that will benefit from planning freedoms as well as Local Development Orders.

Changes to Permitted Development

2.30 The Government recognises the importance of house building in supporting the growth of the economy, as well as meeting housing needs. They are therefore proposing to remove the need to get planning permission to change vacant and derelict offices and warehouses into new homes. If this is agreed then this will have implications for the supply of existing employment land and any approach that seeks to safeguard it from alternative use.

Conclusion

2.31 Since the Employment Land Review was published in 2009 the Government has strengthened the positive approach to planning for economic development by making it one of the purposes of the planning system and placing it at the heart of their National Planning Policy Framework. The Government considers that the existing planning system has hindered economic growth and if the economy is to grow it needs to be streamlined and decisions made locally rather than centrally.

The Surrey Strategic Partnership Plan (SSP) 2010 to 2020

2.32 The SSP sets out the Partnership's longer term goals and plans for how Surrey County Council, district and borough councils, Surrey police, NHS, local business groups and the voluntary, community and faith sectors will work together to make Surrey a better place to live, work and do business in. The SSP fulfils the requirements of the Local Government Act 2000 for Surrey County Council and Partners to prepare a Sustainable Community Strategy for the county and has been agreed by Waverley.

2.33 The SSP identifies the big challenges ahead such as climate change, the impact of an ageing population, high house prices, traffic congestion, pressure to develop green spaces and high levels of consumption, waste and pollution. There are variations in the quality of life enjoyed by Surrey residents depending on where they live. There are difficulties of accessibility, limited provision of services and infrastructure and higher living costs. The viability of some rural communities is threatened as young people move away to find work and homes.

2.34 The SSP therefore sets out ten key priorities that will make a difference to the lives of people in Surrey. They include:

Providing the basis for a globally competitive and sustainable Surrey economy

2.35 This is about ensuring that the success of Surrey's economy is supported in the face of growing competition as well as reducing the negative impact of its success such as congested roads, lack of infrastructure and high house prices. Priorities include:

- Increasing productivity and adopting sustainable business practices;
- Attracting business and investment by providing affordable housing and developing courses and qualifications to deliver the skills that the economy needs;
- Providing enough high quality employment land and a range of sites suitable for a broad range of commercial uses whilst maintaining Surrey's character; and
- Delivering mixed-use developments that can help alleviate competing pressures on available land and reduce the need to travel.

Making Surrey's economy more inclusive

2.36 Despite high employment rates, many people in Surrey miss out on the available job opportunities. These include those who live in rural and in less well off areas. It also includes skilled retired workers who would like to return to work. This has an impact on the well-being of both individuals and communities. Furthermore the high house prices make Surrey unaffordable for key workers, lower earners, young people and migrant workers. These are a key source of labour for lower skilled industries such as retail, farming and health/social care. The challenges include:

- Improving access to education or training and encouraging businesses to recruit more flexibly;
- Improving transport to remove obstacles to getting to work; and
- Providing more rural and urban affordable housing.

Conclusion

2.37 The SSP clearly identifies the priorities that the County Council and its partners, including Waverley, need to work on together to improve Surrey as a place to live, work and visit.

However, it recognises that if the strength of Surrey's economy is to be maintained without having an impact on Surrey's environment and character then other issues, such as education and training, the provision of affordable housing and improved infrastructure need to be tackled.

Policy implications

2.38 The main change to the strategic policy context since the 2008 ELR has been the Government's localism agenda which has withdrawn regional targets and given local authorities greater freedom to set their own economic development and planning targets. The implication for Waverley is that it is responsible for deciding which employment and housing targets are most appropriate for the Borough. This employment land update provides the evidence base to inform Waverley's growth targets as it considers both a range of employment growth scenarios as well as their implications on the Borough's housing needs over the Core Strategy period.

3. Employment land supply

Introduction

3.1 This section considers changes in Waverley's supply of employment land since the previous Employment Land Review. The supply analysis is based on the review of planning permissions since 2007 as well as site visits undertaken in May 2011.

Employment land gains and losses

3.2 Employment sites were considered if they were occupied or previously occupied for B use class employment and were above a size threshold of 0.2 hectares. In some cases, such as town centre offices, sites that were below this threshold but were considered an important element of employment land supply were also considered.

3.3 Based on the above, some 650 sqm of B class floorspace was lost in recent years (***Table 3-1***). This translates to approximately 0.13 ha of B class land. The greatest loss of employment floorspace has been in the B1 class which lost some 9,133 sqm, approximately 1.22 hectares in terms of land.

Table 3-1: Change in B class floorspace and land

Use Class	Floorspace (m^2)	Land (ha)[1]
B1	-9,133	-1.22
B2	68	0.02
B8	611	0.12
B1 / B8 Mixed Use	7,546	1.16
B1 / B2 / B8 Use	258	0.05
Total	**-650**	**0.13**

Source: Waverley Borough Council, Atkins

3.4 Changes in the supply of employment land floorspace are a result of three factors:

- Planning permissions where there is a gain of B Class floorspace;
- Planning permissions where there is a loss of B Class floorspace; and
- Planning permissions where there has been a change of use within B Class.

3.5 Floorspace gains as a result of recent planning permissions are summarised in ***Table 3-2*** below. In total, some 10,613 sqm of floorspace or 1.55 ha of B class land were added to the Borough's employment land portfolio.

Table 3-2: Gains in B class floorspace and land

Use Class	Floorspace (m^2)	Land (ha)
B1	4,387	0.58
B1 & B8 mixed use	5,968	0.92
B1 / B2 / B8 mixed use	258	0.05
Total	**10,613**	**1.55**

Source: Waverley Borough Council, Atkins

[1] Floorspace has been converted to land using the following plot ratios: B1 75%, B2 40%, B8 50%, Mixed B1 and B8 65%, Mixed B1, B2 and B8 55%

3.6 At the same time, the loss of employment land as a result of B class land being redeveloped for alternative uses amounted to 11,262 sqm of floorspace or 1.60 ha of land (***Table 3-3***).

Table 3-3: Losses in B class floorspace and land

Use Class	Floorspace (m^2)	Land (ha)
B1	-10,365	-1.38
B2	-672	-0.17
B8	-225	-0.05
Total	**-11,262**	**-1.60**

Source: Waverley Borough Council, Atkins

3.7 At the same time, 3,154 sqm of B1 floorspace was redeveloped for B2, B8 and mixed B1 and B8 uses (***Table 3-4***).

Table 3-4: Changes within B class uses

Use Class	Floorspace (m^2)	Land (ha)
B1	-3,154	-0.42
B1 and B8	1,578	0.24
B2	740	0.19
B8	836	0.17

Source: Waverley Borough Council, Atkins

Current employment floorspace

3.8 The previous ELR estimated Waverley to have some 453,000 sqm of employment floorspace as illustrated in ***Table 3-5***. Applying the floorspace changes detailed in Section 3.2, the Borough's current supply of employment floorspace has reduced marginally to 452,351 sqm. B1 floorspace reduced by 5.8% to 148,868 while B2 and B8 floorspace increased marginally. There was also an increase of 7,804 sqm in the supply of mixed use B1/B8 and B1/B2/B8 floorspace.

Table 3-5: Current employment floorspace

Use Class	Previous floorspace (m^2)	Changes	Current floorspace (m^2)
B1	158,000	-9,133	148,868
B2	132,000	68	132,068
B8	163,000	611	163,611
B1 / B8 Mixed Use		7,546	7,546
B1 / B2 / B8 Use		258	258
Total	**453,000**	**-650**	**452,351**

Source: Waverley Borough Council, Atkins

Vacancy levels

3.9 Waverley BC surveyed all of the Farnham town sites to establish vacancy levels. In total, 10,601 sqm of B class floorspace were found to be vacant, approximately 1.8 ha in terms of land. Two thirds of that floorspace was B1 and the remaining third B2. No vacant B8 sites were identified during the visual survey (***Table 3-6***).

Table 3-6: Farnham vacancy levels

Use Class	Floorspace (m^2)	Land (ha)
B1	7,367	0.98
B2	3,234	0.81
B8	-	-
Total	**10,601**	**1.79**

Source: Waverley Borough Council, Atkins

3.10 According to the previous ELR, Farnham had 73.7ha of employment land, accounting for approximately 39% of the Borough's total. Therefore, the 1.8ha of vacant land identified in the recent site visits suggest a very low vacancy rate of around 2.4%. This low vacancy rate can have an adverse impact on the efficient operation of the market as it restricts choice and flexibility and could potentially discourage businesses from starting up or moving into the Borough.

Opportunity land

3.11 The previous ELR identified 8.9ha of opportunity land, i.e. potentially developable land within existing employment sites. However, in terms of land and unoccupied buildings actually suitable for employment-related development in the short-term, it estimated the amount to be approximately 5.3ha.

3.12 In addition to the identification of vacant/derelict land and premises which offer some short-term development opportunities, the previous ELR also identified opportunity sites with longer term scope for redevelopment, intensification or refurbishment. These longer-term opportunities were identified in sites that typically contained occupied land and premises.

3.13 A review of the planning histories of opportunity sites since 2007 reveals that part of 6a Wrecclesham Road has been lost to residential use (a total loss of 427sqm of floorspace) and there has been a change of use from Offices (B1) to Restaurant (A3) at Romans Industrial Park (a loss of 413sqm of floorspace). The combined loss of opportunity floorspace is therefore 840 sqm, which equates to approximately 0.11ha if we apply a 75% plot ratio. The loss of opportunity land has therefore been very small.

3.14 Assuming that the loss at Wrecclesham Road consisted of 50% short term opportunity land and 50% medium/long term and that the loss at Romans Industrial Park was entirely medium/long term opportunity land, the Borough still has some 5.27ha of short term opportunity land and 11.97ha of medium/long term opportunity land available. This means that Waverley still has sufficient opportunity land to meet its employment land needs to 2027 and beyond (future employment land needs are discussed in the following chapter).

Table 3-7: Opportunity land use changes – short term

Site number	Opportunity land	Settlement	Planning change since previous ELR
11	Smithbrook Kilns	Cranleigh	No change
38	Abbey Business Park	Farnham	No change
43	Bourne Mill Business Park	Farnham	No change
61	Coxbridge Business Park	Farnham	WA/2007/1331 - B1, B2, B8
68	Dolphin Works / Drumbeat House	Godalming	No change
69	Ashcombe Court	Godalming	No change
93	Langham Park	Godalming	No change
103	Old Ewhurst Brickworks	Cranleigh	No change
109	6a Wrecclesham Road	Farnham	WA/2009/1877 - Residential
135	The Common House Garage	Godalming	No change

Table 3-8: Opportunity land use changes – medium / long term

Site number	Opportunity land	Settlement	Planning change since previous ELR
12	Woolmead House	Farnham	No change
26	Woolmead House East	Farnham	No change
28	Romans Industrial Park	Farnham	WA/2009/1006 - Restaurant (A3)
35	Cranleigh Works / Old Factory Works	Cranleigh	No change
43	Bourne Mill Business Park	Farnham	No change
46	Hewitts Industrial Estate	Cranleigh	No change
52	Preymead Industrial Estate	Farnham	No change
66	Wrecclesham Works	Farnham	No change
69	Ashcombe Court	Godalming	No change
94	Anvil Park	Godalming	No change
109	6a Wrecclesham Road	Farnham	WA/2009/1877 - Residential
120	Bridge House	Farnham	No change
126	Weydon Works	Farnham	No change
127	The Old Sand Pit	Farnham	No change
140	Telephone Exchange	Farnham	No change

Source: Waverley Borough Council, Atkins

Supply conclusions

3.15 Waverley lost some 650 sqm of employment floorspace in recent years. It lost over 9,000 sqm of B1 floorspace in particular although it gained 7,804 sqm of mixed use B1/B2/B8 floorspace over the same period. At the same time, the Borough's B2 and B8 floorspace increased marginally.

3.16 The vacancy rate at Farnham town is very low at approximately 2.4%, indicating strong levels of demand and shortage of supply. While up to date vacancy information for the rest of the Borough was not available at the time of writing this ELR update, Farnham accounts for over a third of Waverley's employment stock provision and therefore represents a significant sample.

3.17 In terms of potentially developable land, the Borough has lost a small amount of opportunity land in recent years, amounting to 840sqm of floorspace or approximately 0.11ha of land. However, the remaining 5.27ha of short term opportunity land and 11.97ha of medium/long term opportunity land are still more than sufficient to meet Waverley's employment land need to 2027.

4. Future employment land demand

Introduction

4.1 The reason for needing this ELR update is to see what impact there has been to the economic climate since 2008 that has consequently changed the amount of employment land the Council will need to plan for. The original ELR recommended its employment land requirement on a scenario based on projected growth rates and the extent that they would be constrained by policy – Policy Managed Growth. With the Government making it clear it intends to abolish regional strategies and regional targets the emphasis has now shifted from policy managed growth to economic growth in the aftermath of the recession.

4.2 The UK economy is currently in the process of a slow and uncertain recovery from the 2008-2009 economic recession. All parts of the country felt the effects of the economic downturn and Waverley was no exception. Forecasting future employment growth prospects and the resulting demand for employment land and premises is extremely difficult in these circumstances as there are many uncertainties regarding the pace and length of the economic recovery. This is highlighted by the negative GDP growth recorded in the final quarter of 2010.

4.3 The previous ELR considered 4 scenarios including a trend-based scenario, two top-down scenarios (which essentially assessed the potential for regional growth and then identified the share of this growth likely to be located within Waverley) and a dwellings-led scenario based on regional housing targets.

4.4 Employment Land Reviews need to reflect the context in which they are undertaken. A few years ago a key concern was achieving regional targets in terms of housing and employment growth and this was reflected in the previous ELR. The current government has made it clear it has little interest in regional targets. Instead, a key concern at the moment is economic growth in the aftermath of the recession and how quickly the economy will be able to recover and new employment opportunities to be created.

4.5 In this context, we believe the focus should be on demand scenarios that consider a range of economic recovery scenarios rather than demand scenarios that follow regional employment and housing targets. We have therefore examined 3 possible employment growth and employment land demand scenarios as described below.

4.6 The baseline forecasts are based on Experian Business Strategies' latest 30 sector forecasts for the Borough of Waverley to 2026 (and extrapolated to 2027). The baseline forecasts are complemented by two scenarios representing higher and lower annual levels of employment growth. These scenarios are also based on the Experian forecasts but assume that employment will grow at a higher annual rate (High growth scenario) or at a lower annual rate (Low growth scenario) than the base Experian forecasts. Together, the three scenarios represent what could be described as "optimistic", "pessimistic" and "middle of the road" outlooks of the Borough's employment prospects.

4.7 Employment sectors have been mapped to the core B1 (business), B2 (general industrial) and B8 (storage and distribution) "employment" uses and job numbers have been converted to floorspace and land demand by applying appropriate employment density and plot ratio assumptions. The employment densities used are in line with the HCA's Employment Densities Guide 2nd Edition (2010) while the plot ratios used are the same as those used in the Waverley Employment Land Review and in line with the ODPM's Employment Land Reviews: Guidance Note (2004). These employment density and plot ratio assumptions are summarised below.

Table 4-1: Employment density and plot ratio assumptions

Use Class	Employment Density	Plot Ratio
B1	$12m^2$ per FTE	75%
B2	$36m^2$ per FTE	40%
B8	$70m^2$ per FTE	50%

4.8 It should be noted that given the economic uncertainties outlined above forecasting to 2027 is highly sensitive and prone to inaccuracy. Since the plan period for the Core Strategy is up to 2027 the following section presents forecasts to 2027 with the caveat that these should be treated with caution and should be regularly reviewed and updated over the coming years. Forecasts are also presented for 2011, 2016, 2021 and 2026 so that they can inform short-term and mid-term as well as longer-term policies.

4.9 The starting point for the analysis is that the supply and demand for employment land and premises in Waverley was in general equilibrium in 2010, the base year for the analysis. This means that supply and demand were broadly even and there was neither a significant oversupply of land (e.g. high volumes of vacant land/premises) nor a significant undersupply (e.g. very limited or no availability of employment land/premises).

Scenario 1: Base scenario

4.10 The base scenario is based on Experian's main forecasting model (released in late January 2011). Experian's detailed local level forecasts are based on an integrated regional sectoral model of the UK. The model is constructed on the basis that each UK region and each sector of the economy is treated as an economic entity in its own right, for which forecasts can be made using historic relationships between variables. In broad terms, the historical performance of county economies is interpreted in terms of their share of the regional economy of which they are a part. In turn, the performance of local authority areas is based on their share of their encompassing county. For each sector of the economy (30 categories, SIC92 definition), equations are produced for output and employment that explain the observable relationship between these variables at the local and regional level. A full description of Experian's forecasting methodology is presented in Appendix A.

4.11 According to the model, the decline in the number of Waverley's B use class jobs (which started in 2008) is forecast to continue until 2012 before job numbers start to increase again. Overall, it will take until 2017 for Waverley's B class jobs to return to their 2008 numbers but the model forecasts continuous job growth between 2012 and 2027. A summary of the base scenario employment forecasts is presented in ***Table 4-2*** below.

Table 4-2: Waverley Employment Forecasts - Base Scenario (full time equivalent jobs)

Use Class	2010	2011	2016	2021	2026	2027	Change 2010-2027
B1	14,648	14,526	15,343	16,426	17,302	17,470	2,822
B2	2,295	2,290	2,310	2,245	2,130	2,135	-160
B8	5,000	5,061	5,020	4,946	4,854	4,837	-163
Total B use class	**21,943**	**21,877**	**22,673**	**23,617**	**24,286**	**24,442**	**2,499**

Source: Experian, Atkins

4.12 B1 employment in the Borough is expected to increase by 19.3% over the period to 2027 while employment in B2 and B8 sectors is forecast to decline by 7.0% and 3.3% respectively. The total number of B class jobs is forecast to increase by 11.4%.

4.13 Based on the above employment forecasts and the employment density and plot ratio assumptions summarised in ***Table 4-1*** Waverley's floorspace and land requirements over the period 2010-2027 are forecast to be as follows:

Table 4-3: Waverley B use class floorspace need (sqm) – Base Scenario

Use Class	2010	2011	2016	2021	2026	2027
B1	175,770	174,312	184,110	197,112	207,618	209,634
B2	82,620	82,440	83,160	80,820	76,680	76,860
B8	350,000	354,270	351,400	346,220	339,780	338,590
Total floorspace	**608,390**	**611,022**	**618,670**	**624,152**	**624,078**	**625,084**

Source: Experian, Atkins

Table 4-4: Waverley B use class land need (ha) – Base Scenario

Use Class	2010	2011	2016	2021	2026	2027
B1	23.4	23.2	24.5	26.3	27.7	28.0
B2	20.7	20.6	20.8	20.2	19.2	19.2
B8	70.0	70.9	70.3	69.2	68.0	67.7
Total land	**114.1**	**114.7**	**115.6**	**115.7**	**114.8**	**114.9**

Source: Experian, Atkins

4.14 According to the Base scenario, B1 land demand will grow by 4.5 ha (19.3%) over the period 2010-2027 while need for B2 and B8 land will decline by 1.4 and 2.3 ha respectively (-7.0% and -3.3% in terms of percentage change).

4.15 The overall employment land need in the Borough will increase by 0.8 ha. This however assumes that all surplus B2 and B8 land will be re-used for B1 purposes. It is possible that some of the surplus B2 and B8 land could be used to accommodate demand in the growing B1 sector but it is likely that the poorer quality industrial sites would not be fit for B1 purposes. Therefore, it is likely that the actual need for new employment land (predominantly B1) by 2027 will be in the region of 0.8 to 4.5 ha.

Scenario 2: Higher growth scenario

4.16 Scenario 2 follows a similar methodology to Scenario 1 but assumes that employment across all B use class sectors will be 0.2% higher per annum (from 2011 onwards) than Experian's base forecasts. In essence, this scenario represents a more optimistic outlook on Waverley's economic recovery and economic growth prospects.

4.17 Based on this assumption, Waverley's B1 jobs are expected to increase by 21.5% over the period 2010-2027. The number of B2 jobs will decline by 4.3% while the number of B8 jobs will increase marginally (0.1%). The overall number of B use class jobs is expected to increase by 13.9%.

Table 4-5: Waverley Employment Forecasts – Higher Growth Scenario (FTE)

Use Class	2010	2011	2016	2021	2026	2027
B1	14,648	14,526	15,488	16,736	17,796	18,004
B2	2,295	2,290	2,333	2,291	2,196	2,206
B8	5,000	5,061	5,071	5,047	5,003	4,996
Total B use class	**21,943**	**21,877**	**22,891**	**24,074**	**24,995**	**25,206**

Source: Experian, Atkins

4.18 Based on the above employment forecasts, Waverley's floorspace and land requirements over the period 2010-2027 are forecast to be as follows:

Table 4-6: Waverley B use class floorspace need (sqm) – Higher Growth Scenario

Use Class	2010	2011	2016	2021	2026	2027
B1	175,770	174,312	185,853	200,837	213,550	216,050
B2	82,620	82,440	83,984	82,461	79,062	79,405

Use Class	2010	2011	2016	2021	2026	2027
B8	350,000	354,270	354,943	353,260	350,222	349,695
Total floorspace	**608,390**	**611,022**	**624,780**	**636,558**	**642,833**	**645,151**

Source: Atkins

Table 4-7: Waverley B use class land need (ha) – Higher Growth Scenario

Use Class	2010	2011	2016	2021	2026	2027
B1	23.4	23.2	24.8	26.8	28.5	28.8
B2	20.7	20.6	21.0	20.6	19.8	19.9
B8	70.0	70.9	71.0	70.7	70.0	69.9
Total land	**114.1**	**114.7**	**116.8**	**118.0**	**118.3**	**118.6**

Source: Atkins

4.19 According to Scenario 2, Waverley's employment land needs will increase by 4.5 ha over the period 2010-2027. This assumes that all surplus B2 land (approximately 1 ha) will be reused for B1 purposes, otherwise the additional land need (driven by the growth in B1 employment) could exceed 5 ha. The demand for B8 land by 2027 is forecast to stay largely unchanged.

Scenario 3: Lower growth scenario

4.20 Scenario 3 follows the same methodology as Scenario 2 but assumes that employment across all B use class sectors will be 0.2% lower per annum (from 2011 onwards) than Experian's base forecasts. This is a more pessimistic scenario that assumes that the economic recovery from the recession will be slower.

4.21 Based on this assumption, Waverley's B1 jobs are expected to increase by 14.8% over the period 2010-2027. The number of B2 jobs will decline by 10.0% while the number of B8 jobs will decline by 5.8%. The overall number of B use class jobs is expected to increase by 7.5%.

Table 4-8: Waverley Employment Forecasts – Lower Growth Scenario (FTE)

Use Class	2010	2011	2016	2021	2026	2027
B1	14,648	14,526	15,197	16,119	16,816	16,946
B2	2,295	2,290	2,287	2,200	2,065	2,066
B8	5,000	5,061	4,969	4,846	4,708	4,682
Total B use Class	**21,943**	**21,877**	**22,454**	**23,165**	**23,589**	**23,694**

Source: Experian, Atkins

4.22 Based on the above employment forecasts, Waverley's floorspace and land requirements over the period 2010-2027 are forecast to be as follows:

Table 4-9: Waverley B use class floorspace need (sqm) – Lower Growth Scenario

Use Class	2010	2011	2016	2021	2026	2027
B1	175,770	174,312	182,367	193,422	201,797	203,353
B2	82,620	82,440	82,336	79,195	74,347	74,373
B8	350,000	354,270	347,857	339,251	329,548	327,735
Total floorspace	**608,390**	**611,022**	**612,560**	**611,869**	**605,692**	**605,460**

Source: Atkins

Table 4-10: Waverley B use class land need (ha) – Lower Growth Scenario

Use Class	2010	2011	2016	2021	2026	2027
B1	23.4	23.2	24.3	25.8	26.9	27.1
B2	20.7	20.6	20.6	19.8	18.6	18.6
B8	70.0	70.9	69.6	67.9	65.9	65.5
Total land	**114.1**	**114.7**	**114.5**	**113.4**	**111.4**	**111.3**

Source: Atkins

4.23 According to Scenario 3, Waverley's employment land needs will decrease by 2.9 ha over the period 2010-2027. This assumes that all surplus B2 and B8 land (6.6 ha) will be reused for B1 purposes, otherwise the additional land need (driven by the growth in B1 employment) will exceed 3 ha.

Conclusion

4.24 The preferred scenario of the previous ELR estimated an additional need for 5.7 ha of employment land over the period 2006-2026. The base scenario of this ELR update suggests a more modest net additional need of 0.8 ha over the period 2010-2027. This difference is understandable given that the original ELR was prepared during a time of economic growth while this update was prepared as the UK economy was still on a difficult and uncertain road to recovery after a major recession. The more optimistic high growth scenario returns the closest results to the previous ELR, suggesting an additional need of 4.5 ha of employment land between 2010 and 2027. On the other hand, the more pessimistic low growth scenario forecasts a net decrease of employment land requirements over the forecast period, suggesting that 2.8 ha of employment land will be surplus to requirements by 2027.

4.25 Given the great uncertainty surrounding the future of the UK economy and the pace of the economic recovery, it is recommended that the findings of all three scenarios are considered when planning for the Borough's future supply of employment land. In terms of employment land policy targets, it is recommended that they are based on the base scenario's forecast of a need of 0.8 ha net additional employment land by 2027.

4.26 An important message of this ELR update (and one which is consistent across all three scenarios) is that employment in the B1 sector will increase significantly over the period to 2027 and so will the corresponding demand for B1 land and premises. At the same time employment in the B2 and B8 sectors is forecast to decline, making 3.7 ha of B2 and B8 land surplus to requirements (under the base scenario). With the Government stating its plans to make it easier to convert vacant employment land (including offices, warehouses and business parks) to new homes, there will be increased pressure to convert much of the surplus B2/B8 land into housing. However, it is important for the economic prosperity of the Borough to ensure that there is sufficient B1 land available to accommodate the projected growth in B1 employment.

4.27 To illustrate this point, the net additional land requirement under the base scenario is 0.8 ha. This assumes that all 3.7 ha of surplus B2/B8 land will be reused for B1 purposes. However, this may not be practically achievable as some of the B2/B8 land may be unsuitable for B1 use or some or all of it may come under pressure for release for residential uses. In this case the additional employment land requirement would be up to 4.5 ha rather than 0.8 ha.

4.28 In conclusion, it is important that Waverley maintains a portfolio of employment sites that is fit for purpose and meets the needs of local businesses in terms of quantity, quality, type, size and location. All employment sites should be assessed on a regular basis for their fitness for purpose and the best sites safeguarded for employment use while unfit sites are considered for release. As it is unlikely that all surplus B2/B8 land will be reused for B1 purposes it will also be important to identify and safeguard new suitable B1 locations so that Waverley's economy can continue to grow over the planning period.

5. Conclusions and policy implications

Supply

5.1 The previous Employment Land Review estimated that over the period 2006-2026 provision should be made for a net additional increase in B use class floorspace of approximately 46,000 sqm. However, a review of B use gains and losses since 2007 indicates that not only no additional floorspace was added to the Borough's supply portfolio but 650 sqm of floorspace were lost to other uses.

5.2 The loss of over 9,000 sqm of B1 floorspace in particular is an important issue as the demand analysis forecasts strong growth in the demand for B1 floorspace. This loss can be partly explained by two factors. First, the recent economic recession had a significant impact across the whole of the economy. The office market in particular was hit hard in many parts of the country with vacancy rates rising and office rents falling. In this context it is understandable that some land owners may have decided to convert their land to other uses which may be likely to achieve better occupancy rates or secure higher rents. Second, the loss of B1 floorspace may indicate that the premises lost were not fit for purpose and did not meet the needs of local businesses either in terms of quality, affordability, accessibility, location or size.

5.3 Waverley has also lost a small fraction (840sqm of floorspace or 0.11ha of land) of its previously identified opportunity land. However, the Borough still has some 5.27ha of short term opportunity land and 11.97ha of medium/long term opportunity land available.

Demand

5.4 This update to the 2008 Employment Land Review was prepared at a time of great economic volatility and uncertainty. Therefore making accurate forecasts for the Borough's employment growth and resulting demand for employment land over the Core Strategy period is extremely difficult. With that caveat in place, the study examined three different scenarios of employment growth and employment land demand over the period to 2027. The base demand forecasts presented in Chapter 4 suggest that B class floorspace requirements will increase by 16,694 sqm between 2010 and 2027 while the higher growth scenario suggests an increase of 36,761 sqm. The lower growth scenario on the other hand forecasts a decrease of 2,930 sqm.

5.5 All three demand scenarios forecast increase in the demand for B1 floorspace while the review of planning permissions since 2007 revealed that over 9,000 sqm of B1 floorspace have been lost to other uses. Given that growth in the high-value B1 employment sectors will be a key driver for Waverley's economy over the Core Strategy period, it is particularly important to ensure that the Borough maintains the appropriate supply of B1 land and premises in terms of both quantity and quality.

Policy implications

5.6 The loss of employment land in recent years, the low vacancy rate of approximately 2% recorded at Farnham and the demand forecasts based on Scenarios 1 and 2 suggest that the Borough needs to:

- Safeguard its existing supply of employment land, protecting sites that are fit for purpose and redeveloping sites for continued employment use where improvements are necessary or redevelopment at higher density is possible;
- Encourage intensification of uses within existing employment locations where possible; and

- Provide additional employment sites over the Core Strategy period (from the list of identified opportunity land sites), particularly to meet the growing need for B1 land and premises.

5.7 For the period to 2027 we estimate that provision should be made for a net additional increase in B use class floorspace of approximately 16,700 sqm which equates to 0.8 ha of employment land[2]. However, this assumes that all the surplus B2 and B8 land and floorspace will be reused for B1 purposes. This may not be entirely achievable however and therefore, any surplus B2 / B8 land should first be considered for B1 reuse and if that is not possible it should be considered for release to non-B uses while fresh B1 land is provided to replenish the Borough's employment land stock. In any case, Waverley is forecast to need an additional 33,864 sqm of B1 floorspace by 2027 which translates to approximately 4.5ha of land.

5.8 The need for additional employment land can be met by the Borough's identified opportunity land which consists of approximately 5.27ha of short term opportunity land and 11.97ha of medium/long term opportunity land. The combined short and longer term opportunity land therefore exceeds 17ha and should be more than sufficient to meet Waverley's needs to 2027 under any scenario.

5.9 In fact the identified short term opportunity land should be sufficient to cover all or most of the Borough's additional employment land needs to 2027 however the use of medium/long term opportunity land should also be considered if necessary as the period to 2027 can safely be considered to be medium/long term.

Housing implications

5.10 Employment Land Reviews are primarily tools for planning the supply of employment land – rather than housing. Other studies such as Housing Capacity Studies and Strategic Housing Land Availability Assessments are primarily responsible for establishing housing needs. The findings of The findings of this study do have implications for the Borough's housing needs however and these are summarised below.

5.11 Under the high growth scenario Waverley would require 249 new dwellings per year to accommodate the increase in the Borough's B use class employment over the period 2010-2027. Under the base scenario it would require 190 new dwellings per year and under the low growth scenario 133 new dwellings per year As (***Table 5-1***).

Table 5-1: Housing implications, 2010-2027

Scenario	New dwellings needed by 2027	New dwellings needed per year
High growth	4,225	249
Base	3,236	190
Low growth	2,268	133

Source: Atkins

5.12 The conversion of employment growth into additional housing requirements is based on a series of assumptions such as that the level of net out commuting will remain constant to 2027, the economic activity and unemployment rates will stay at their 2004-2009 levels and the average household size will be 2.16 by 2027. The full list of assumptions is outlined in Appendix B.

5.13 The housing projections are very sensitive to the assumptions used to convert employment growth into housing need and are therefore presented as indicative estimates only. For example,

[2] This figure is calculated using the figures in Table 4-4 as follows: 114.9ha (2027 land need) – 114.1ha (2010 land need) = 0.8ha. In order to arrive at the 114.1ha and 114.9ha figures we have used the 75%/40%/50% B1/B2/B8 plot ratios outlined in Table 4-1.

it could be argued that the creation of so many B1 jobs in Waverley over the period to 2027 could lower the levels of out commuting as there would be more office based jobs to match Waverley's highly qualified workforce. If an assumption is made that net out commuting by 2027 will fall to zero then the housing implications of the base scenario would be 160 dwellings per year.

5.14 In terms of the potential for release of employment land for housing, assuming all surplus B2/B8 sites can be reused for B1 purposes there is no room for land release. However, if some B2/B8 sites would not work as B1 sites (because of factors such as location, layout, accessibility etc), then these should be considered for release for non-employment uses. Since the scope of this employment land update did not include detailed site visits to assess the fitness for purpose and re-development potential of existing employment sites it is not possible to say which surplus B2/B8 sites could be released for residential development or how much land (if any) could become available for new housing developments. It is recommended that a multi-criteria assessment of employment sites is undertaken as a next step in order to establish any such potential.

Appendix A: Experian forecasting methodology

A.1 Experian's Regional Planning Service methodology is based on a top-down approach to regional forecasting; therefore views on the UK economy form the basis of the regional view. The UK as a whole is modelled on the basis of relationships at the national level.

A.2 The starting point for the forecasts is a wide range of historical economic data that is collected at a highly disaggregated level and covers all the major economic indicators. The majority of this data come from the Office of National Statistics (ONS). Data also come from a number of other sources including the Labour Force Survey, the CBI's survey of manufacturing industries, and the European Commission's survey of consumer confidence.

A.3 These data describe the historical performance of the UK economy and its constituent regions. After ensuring consistency between data from different sources and vintages, equations are constructed to represent the historical relationships between the several indicators. Each equation explains the performance of a particular indicator in terms of a number of other indicators. There is an equation for all the major indicators, at the national and regional level.

A.4 The overall forecasting approach is based on a methodology that combines long-term supply and demand influences with short-term demand side influences. In the short- to medium-term, the performance of the UK and regional economies is driven by demand side influences. However, supply potential is the long-term determinant of growth.

A.5 The model is used to produce an initial forecast which is evaluated by regional and sector experts in light of their detailed knowledge. Alterations are made for significant pieces of inward investment, or infrastructure development, or changes to European funding, in the form of 'add factors'. A new forecast is then produced, which is again subject to rigorous inspection. This process continues until those ultimately responsible for the forecast are satisfied with the results.

Regional and Local Area Forecasts

A.6 At the heart of Experian capability to generate detailed local level forecasts, lies our Integrated Regional Sectoral Model (IRSM) of the UK. The IRSM is constructed on the basis that each UK region and each sector of the economy is treated as an economic entity in its own right, for which forecasts can be made using historic relationships between variables. These relationships differ between regions and sectors on the basis of their differing economic structures, historic performances and so on. At the same time, the UK as a whole is modelled on the basis of relationships at the national level. By solving at both levels simultaneously, the model produces forecasts that are entirely internally consistent. The forecasts position each region in a genuine national and sectoral context and thus accurately reflect the economic dynamics of each region.

A.7 County and local/unitary authority area (LAD) forecasts are prepared once national and regional forecasts are finalised. The key feature at this geographical level is that far fewer reliable economic data are available. Experian make use of employment data, drawn from the Annual Business Inquiry along with surveys such as the Labour Force Survey.

A.8 In broad terms, the historical performance of county economies is interpreted in terms of their share of the regional economy of which they are a part. In turn, the performance of the LAD areas is based on their share of their encompassing county. For each sector of the economy (30 categories, SIC92 definition), equations are produced for output and employment that explain the observable relationship between these variables at the local and regional level.

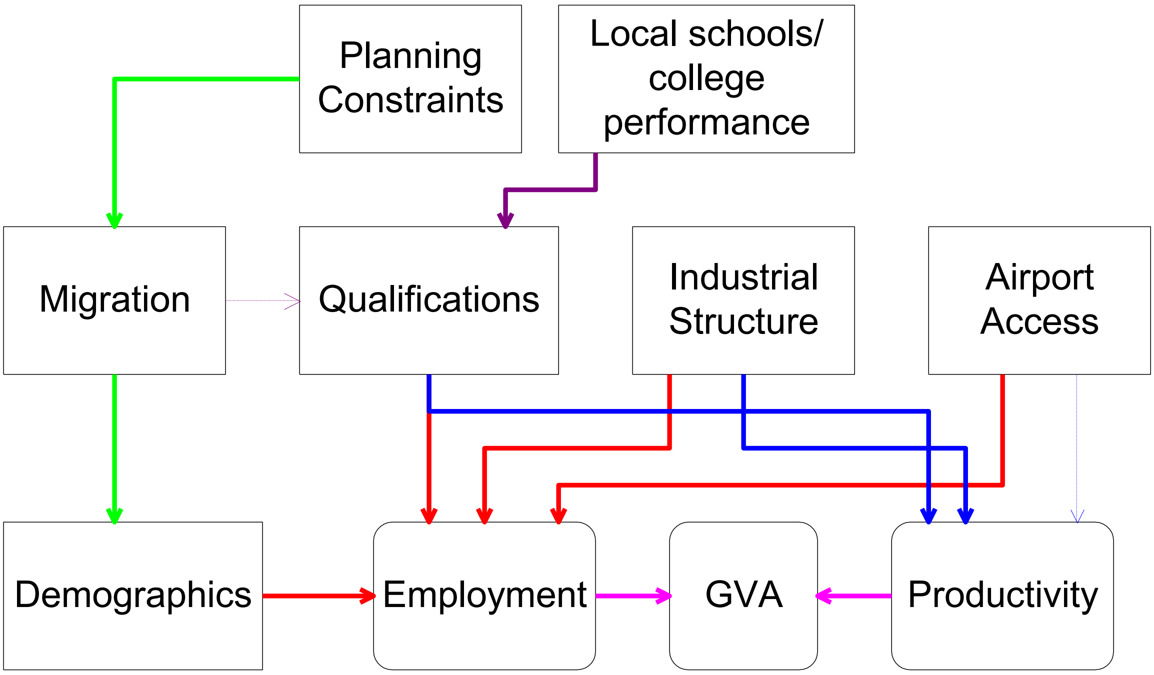
A.9 The models are solved to initially produce forecasts of output for each of the counties for each of the 30 categories. In broad terms, if a county X has accounted for a steadily rising share of a sector P in region Y, then its share will continue to increase into the future. This applies whether the sector is increasing or decreasing in size at the regional level. These calculations are executed for every sector and every county in a region. All county totals must sum to regional totals. Output forecasts in each county in each industry are translated to employment by using wider regional productivity trends. The process is then repeated to produce forecasts for local areas relative to their wider counties.

A.10 The forecasts derived from the methodology set out above are entirely demand driven which, evidence has shown, works particularly well over the short-to-medium term. Over the longer-term, supply-side factors become more important in influencing the performance of economies.

A.11 These supply-side factors are incorporated in Experian's long-term county model. These include labour supply, labour force quality, infrastructure, population density and ethnic mix, which help determine potential participation rates (the potential for people to be economically active for a given employment rate), productivity and employment rates. Labour supply is shaped largely by demographic developments, and these play a key role in long-term economic development. The Experian county model combines official trends-based population projections with a policy based adjustment based on housing development allocations as outlined in each of the regional spatial strategies set out by Regional Assemblies.

A.12 The longer-term supply-side and short-to-medium demand-side models are drawn together, and the whole process culminates with a set of county and sub-county level forecasts that are entirely consistent with the national and regional forecasts upon which it is based.

Figure A: Experian sub-National model overview



Appendix B: Housing implications assumptions

B.1 The conversion of B use class employment growth into additional housing requirements is based on the following assumptions:

- **Average household size:** The average household size is assumed to decline gradually over time in line with the DCLG's Household Projections to 2031. According to the DCLG's projections, the average household size in England is expected to decrease from 2.32 in 2006 to 2.23 in 2016 and 2.16 in 2027.
- **Working age population:** Waverley's working age population decreased steadily year on year between 2000 and 2009 (latest available data). Over this period, the percentage of Waverley's working age population decreased from 63.26% to 60.77%. Assuming that this trend will continue, the Borough's proportion of working age residents is expected to decline to 58.89% in 2016, 57.53% in 2021 and 55.90% in 2027.
- **Economically active population:** It is assumed that Waverley's economic activity rate will remain constant over the period 2010-2027. It is assumed that the rate will be equal to Waverley's average economic activity rate over the period 2004-2009 which was 78.65%.
- **Unemployment rate:** It is assumed that Waverley's unemployment rate will remain constant over the period 2010-2027. It is assumed that the rate will be equal to Waverley's average unemployment rate over the period 2004-2009 which was 3.47%.
- **Net out-commuting:** It is assumed that Waverley's net out-commuting rate will stay constant at 15.75%.