

Local Development Framework.

Employment Land Review 2008.

Royal Borough of Kingston Upon Thames.



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Executive Summary

The purpose of this Employment Land Review is to assess the supply of and demand for employment land and premises in the Royal Borough of Kingston Upon Thames as part of the evidence base for the Local Development Framework (LDF). The LDF must ensure that there is an up to date and balanced portfolio of employment sites together with appropriate policies and proposals that can meet the future development needs of commerce and industry in the Royal Borough. In an area such as the Royal Borough where the value of land for housing development normally far exceeds that for employment development it is especially important that there is a clear, robust and defensible planning framework for employment sites that can support the delivery of sustainable economic development.

The scope and methodology of this Employment Land Review are based on the guidance note issued by the then Office of the Deputy Prime Minister (ODPM) in 2004. Accordingly, it focuses on B1, B2, and B8 employment land uses or premises which are within the scope of PPG4: Industrial and Commercial Development and Small Firms. This includes:

- Offices, both in town centres and elsewhere, including those for public administration (Use Class B1a);
- Light and general industry (Use Class B1c and B2);
- Wholesale and freight distribution (Use Class B8);
- High technology premises, including research, business and science parks (Use Class B1b).

Other employment uses such as retail, healthcare, most education and public facing offices (Use Class A2) are excluded from the study.

The study involved the following 3 key stages of work:

Supply audit – an assessment of the supply of existing employment premises and land in the Royal Borough. The audit was based on a site survey of the main employment areas of the Borough supplemented by a desktop inventory to establish a complete picture of the quantity and quality of employment land within the Borough. It reveals a total of 586 separate B1, B2 and B8 sites, ranging from large sites within the main industrial areas to small, individual scattered sites embedded within residential areas. These sites were assessed against the criteria suggested in the ODPM guidance note and this revealed that:

- much of the borough's office stock is of reasonable quality, although there are areas such as parts of Kingston town centre where poor quality stock acts as a barrier for growth.
- the 8 main industrial areas accommodate mainly a combination of B1, B2 and B8 uses. They are functioning well and represent and will remain the main core of industrial land and premises within the Borough. In reality there is very little genuine B2 use even for companies in the manufacturing sector with borough activities mainly focussed around headquarter, administrative and logistical functions.
- many of the small to medium sized industrial/warehouse/depot sites scattered throughout the borough are poor quality due to under-investment but if upgraded the majority are considered to be suitable for continued employment use.
- the various mixed use employment sites throughout the borough tend to be of higher quality with the majority operating perfectly satisfactorily with no obvious site constraints.

- several other large sites of an industrial nature around the Borough have the potential to be developed in some capacity for employment led developments to satisfy demand for industrial premises and land.

Assessment of Future Requirements – drawing on various recent strategic studies and local expertise on demand to draw conclusions as to the likely future requirements for employment land and premises.

This reveals that:

- a wide range of research and policy documents, undertaken by the GLA, including the London Plan, broadly confirms that notwithstanding the projected surplus of industrial land across London there may well be local shortfalls in quality modern floorspace and readily available development land, particularly in areas such as the Royal Borough with extremely low industrial land vacancy rates, to meet the future needs and functional requirements of different types of industrial and related uses. Diminishing demand for traditional manufacturing land and premises is projected to be offset by increasing demand for warehousing/logistics land and premises and the need to accommodate the growth in demand for waste facility sites.
- employment projections need to be carefully interpreted in the light of the assumptions underlying them. Accordingly, there is a wide variation in the GLA “triangulated” projections of around 3,000 additional borough jobs between 2006 and 2026 and the trend-based projections that suggest an increase of around 15,000 jobs. Employment projections commissioned by the Royal Borough from CB Richard Ellis suggest an increase of around 9,000 jobs between 2006 and 2021. Around 66% of any increase is within business services with other service based sectors also projected to increase with manufacturing employment declining by around 16%. Regardless of which projection is used it is clear that more borough employment is required to meet the needs of the projected increase of 6,100 in the resident labour force between 2006 and 2026 otherwise out-commuting will have to increase.
- a property market segment assessment as suggested by the ODPM guidance document provides an important background analysis of the nature of the underlying drivers of commercial property demand. This suggests that:
 - net future demand for established or potential office locations is likely to increase slightly in the period to 2025, driven primarily by service industry growth, equating to about 3,700m² per annum of additional office space;
 - demand for high quality business park space is likely to increase, especially driven by IT and logistics;
 - a modest net increase in demand for warehousing / distribution parks in Kingston is predicted to serve the general retail and other industrial sub-sectors covering especially the outer London and wider south-east regional markets;
 - demand for general industrial property in the Royal Borough is projected to continue to decline, reflecting the long-term decline of manufacturing in the UK, but given the minor scale of genuine B2 uses in the borough this is unlikely to have any significant impact;
 - demand from service orientated SMEs is likely to increase fuelled by the projected increase in the borough population;
 - demand for specialised freight terminals is limited by the physical and rail options available in the borough. There is currently one Strategic Freight site and possible

scope for one more;

- demand for specific occupiers is by definition difficult to predict but can clearly only be met if suitable land and property is available;
- net demand for sites for recycling/environmental industries is likely to increase by around 6 hectares of suitable land over the period 2006-2021 driven in part by environmental regulations;
- The Royal Borough of Kingston Business Survey 2007 that was completed by 178 local businesses provides an essential insight into future property and site demand from existing businesses in the Borough. This clearly predated the current economic downturn and it may be that some companies expansion plans will be deferred until the eventual upturn.

Key findings include:

- A significant proportion of businesses feel that their present property suits their needs and requirements irrespective of the location;
- Nearly half of businesses are likely to expand in the next 5 years and almost 50% of those are expecting to expand at their present site or on another site in Kingston.
- Needing more space is the main reason why companies would move from their present premises.
- Another important indicator of local demand are the views of borough based commercial property agents. These suggest that demand for small to medium size industrial/business units (up to 500 m²) exceeds the availability of suitable, including affordable, premises. There appears to be particular demand for freehold small unit accommodation. Regarding the office market it is considered to be more difficult to assess market demand because the vast majority of recent market activity has been confined to second hand refurbished space with no new Grade A space to offer. Most of the current demand for offices is from companies who are in the area already looking for space of less than 500m². Looking to the future accessibility and qualitative space improvements for office occupiers are considered essential prerequisites if Kingston and the district centres are to successfully compete with other office locations around the M25.
- An attempt is made to translate the employment forecasts undertaken by CB Richard Ellis for the borough into future additional employment floorspace and land that may be required to accommodate this growth. Using accepted worker floorspace ratios and plot ratios suggests the following table that includes a net increase in employment land over the period of 2006-20 of 15.5ha. This calculation should not be relied upon in detail (for example other evidence suggests a likely increase in demand for B8 land and allowance should be made for current vacancy levels) but it does provide a useful indication of the possible land use implications arising out of the employment projections:

	Change In Kingston Employment Land Requirements 2006-2020 (m ²)
Manufacturing (B2)	-59,285 (-5.9 Ha)
Distribution (B8)	-24,000 (-2.4 Ha)
Financial & Business (B1)	+237,700 (+23.8 Ha)

Policy Recommendations and Conclusions –

Restricted Transfer of Employment Land.

The report provides evidence to suggest that the transfer of employment land to alternative uses should be carefully restricted during the plan period in line with the London Plan and the guidance set out in the Industrial Capacity SPG. The transfer of sites to alternative uses should be carefully managed and strongly restricted to sites which are inherently unsuitable or unviable for industrial, warehousing or business use.

Despite a decline in Kingston's B2 manufacturing employment base, total warehousing and logistics related employment amounts to 10.7% of the Borough's total employment and now provides more jobs than the manufacturing and production sector. These activities are likely to continue expanding in the foreseeable future and will require appropriate development opportunities to accommodate the demand.

Supply and Demand Mismatch.

Currently, there is a mismatch between the nature of demand for and supply of B1 premises in the Borough. There is evidence to support the adoption of LDF policies which aim to increase the availability of sites and premises for small businesses in Kingston despite the perceived overhang in the supply of office accommodation that is often unsuitable for small enterprises and key sector activities (including creative and cultural industries) in terms of size, cost, ownership, flexibility and location.

There is an argument that in the light of falling manufacturing industry demand that office based businesses centres and incubation space should be considered within certain industrial estates or sites that have reasonable public transport accessibility.

Improving the Qualitative Supply.

There is a strong case for the LDF to facilitate the improvement in the qualitative supply of sites and premises in response to the needs of Kingston's existing and future business base. This could be achieved through a combination of the following measures:

- Intensifying the use of some existing employment locations;
- Redevelopment of some existing sites for continued employment use;
- Redevelopment of some existing employment sites for employment-led mixed use development;
- Redevelopment of windfall and/or other key sites with opportunities for mixed-use development with a significant employment component;

- Redevelopment of sites that are not defined as employment sites but have uses of an industrial nature and have a component of employment on them for continued and expanded employment use.

A policy principle should be embedded in the LDF to ensure that development proposals do not result in a net loss of existing employment floorspace and that the essential character of land designated for employment is not eroded.

The focus of policy should be on improving the quality of supply. This should include the provision of a varied portfolio of owner-occupied and rented space suitable to the needs of modern occupiers.

The above requirements could be covered by a criteria based policy, extending the terms of policy E1a in the UDP. The implementation of policies to upgrade the qualitative supply of employment land and premises to match need should be coupled with restrictive transfer of sites which inherently are no longer suitable or viable for employment use.

New Employment Policy Designations.

Based on the assessment of the supply and demand balance in relation to employment land and premises and having considered the nature of future demand in the Borough it is recommended that a new designation for employment sites and locations be introduced to inform policy decisions:

Major Office Location is an overlying policy designation which identifies key areas within the Borough where large office buildings over 500m² should be located.

Strategic Industrial Location (SIL) represent London's strategic reserve of industrial capacity designated in the London Plan and should be safeguarded for this use in the LDF. These sites comprise the Preferred Industrial Location (PIL) at Chessington Industrial Estate and the Industrial Business Park (IBP) at Barwell Business Park.

Locally Significant Industrial Sites (LSIS) are those industrial sites that lie outside the Mayor of London's SIL framework but which this study and the criteria set out in the Industrial Capacity SPG show to warrant protection for local industrial functions. All of the existing UDP Policy E1 sites except for Chessington industrial estate and Barwell Business Park should be afforded this status along with the addition of Kingsmill Business Park.

Other Employment Locations represent areas of employment uses which offer potential to support viable B use class activities in mainly residential locations. Given the size of these sites, they do not meet the criteria of either a Strategic Industrial Location or Locally Significant Industrial Site but are justified for safeguarding in terms of their local importance. For Other Employment Locations only, we recommend that the LDF includes specific criteria regarding the protection of these sites unless it can be demonstrated that they inherently unsuitable or unviable for continued employment use.

1. Introduction

- 1.1 In 2004 the Planning and Compulsory Purchase Act was adopted which introduced a new planning framework - the Local Development Framework - which will replace the Unitary Development Plan that was adopted in 2005.
- 1.2 To inform the policy development process associated with developing the Local Development Framework a robust, credible evidence base is required. The Employment Land Review will be used as a key piece of the evidence base from which new policies will be developed.
- 1.3 This Employment Land Review has been researched and prepared by the Royal Borough of Kingston, Partnership and Regeneration Unit and Planning Policy Team.

Objectives of the Employment Land Review.

- 1.4 The overall objective of the Employment Land Review is to undertake a comprehensive assessment of the supply of, and demand for, employment land and premises in the Borough. The purpose of the Review is to inform the development of policies for the Local Development Framework.
- 1.5 Other objectives of the Review are to:
 - identify the supply of employment land and premises within the Borough;
 - identify the likely scale of future demand for employment land and premises within the Borough over the next 15 years;
 - identify the extent to which the existing and potential stock of land and premises can cater for this demand;
 - assess the suitability of individual sites for future employment uses;
 - make policy recommendations aimed at the delivery of an appropriate portfolio of employment sites and premises to meet future employment requirements and delivery of sustainable economic development.

Description of study area.

- 1.6 This Employment Land Review reviews the nature, supply of and demand for employment sites within the Royal Borough of Kingston upon Thames.
- 1.7 The Royal Borough of Kingston upon Thames is situated in South West London. It shares borders with the London Boroughs of Richmond upon Thames, Merton, Sutton and Wandsworth and the Surrey Boroughs of Elmbridge, Mole Valley and Epsom and Ewell.
- 1.8 Kingston town centre is defined by the London Plan as a Metropolitan Centre with a catchment area extending into South-West London and North-East Surrey. There are three District Centres; New Malden, Surbiton and Tolworth, and 28 local shopping centres within the Borough.
- 1.9 The Borough is served by the main line railway to Waterloo, Guildford and Woking. Kingston town centre has one of the highest concentrations of bus services in London, however much of the Borough remains dependent on car travel. There are poor levels of bus service from Surrey from the south of the Borough. The A3 is the only trunk road in the Borough and runs roughly along a South-West/North-East axis. Whilst this facilitates vehicle flows along this alignment it can act as a barrier for other directions of movement across the Borough. The Borough has two other primary roads and six secondary roads.

1.10 The character of the Boroughs' built environment consists of relatively low density suburban areas. Kingston is also characterised by its heritage features and its legacy of historic or architecturally important spaces and neighbourhoods. Almost a third of the Borough consists of extensive areas of open land. Much of this land is designated as Green Belt or Metropolitan Open Land.

Employment Areas.

1.11 The Borough has two key industrial areas:

- Chessington Industrial Estate, and
- Barwell Business Park.

1.12 Both of these have been recognised as having 'strategic importance' and are designated as Strategic Industrial Locations in the London Plan. Significant proportions of Chessington Industrial Estate have been redeveloped in recent years and it remains the Borough's premier industrial estate for B2, B8 and B1c uses. Barwell Business Park is a purpose built development is particularly attractive to a range of B1c and B8 uses.

1.13 The Unitary Development Plan identifies six additional industrial areas in the Borough;

- Red Lion Business Centre (Tolworth);
- St Georges Industrial Estate (Kingston);
- St Johns Industrial Area (New Malden);
- Silverglade Business Park (Malden Rushett);
- Canbury Park (Kingston) and
- Fairfield Industrial Estate (Kingston).

1.14 Together these estates have a total floorspace of just under 3 million ft² (278,000m²) representing 42.5% of all floorspace in employment use in the Borough. The vacancy rate of these industrial estates is currently estimated at 13.3% of the total floorspace area. The above designated industrial areas comprise predominantly B1 and B8 uses with only a small amount of B2 general industry use. These areas are protected for B1, B2, B8 and other uses of an industrial nature under the current UDP employment policies and subsequently have remained in employment use with very few non-employment uses being given consent.

1.15 There is a further 3.1 million ft² (295,000m²) of B1, B2 and B8 floorspace in smaller employment sites scattered throughout the Borough and within the district centres of Surbiton, New Malden and Tolworth. This represents 45% of the total available floorspace in employment use in the Borough. These employment sites, although smaller by scale play an important role in the Boroughs economy and as such are currently protected under the Unitary Development Plan by policy E1a. This includes Kingsmill Business Park that has been developed subsequent to the preparation of the UDP and would now naturally fall within the grouping set out in paragraph 1.13.

1.16 This Employment Land Review does not include an assessment of Kingston town centre as it was the subject to a review during the preparation of the Kingston Town Centre Area Action Plan (2007) although data from Kingston town centre is included to establish a complete picture of the whole Borough. Accordingly, there is just over 873,000ft² (81,000m²) of office based (B1a) floorspace in Kingston town centre representing 12.5% of the total employment floorspace in the Borough.

Scope of the Study.

- 1.17 In 2004 the Department for Communities and Local Government (DCLG) issued a guidance note on conducting an Employment Land Review. The scope and methodology of this Employment Land Review are based closely on this guidance note.
- 1.18 The DCLG guidance note indicates that Employment Land Reviews should focus on B1, B2, and B8 employment land uses or premises which are within the scope of PPG4: Industrial and Commercial Development and Small Firms. This includes:
- Offices, both in town centres and elsewhere, including those for public administration;
 - Light and general industry;
 - Wholesale and freight distribution;
 - High technology premises, including research, business and science parks.
- 1.19 An Employment Land Review is not intended to cover retail.

Methodology.

- 1.20 The employment land review has been conducted by the Partnership and Regeneration Unit and Planning Policy Team. The review involved a comprehensive assessment of the supply of and demand for employment land and premises in the Borough. Focussing on the needs of businesses that typically occupy B use class premises, the study made use of a variety of qualitative and quantitative methods to ensure that it resulted in a comprehensive assessment.
- 1.21 Three surveys were conducted to gather evidence for the study:

1) Site visit surveys of employment land:

Between November 2006 and March 2007 a site visit assessment was conducted on all known employment premises and sites within the Borough.

There are a total of 586 known B1, B2, B8 employment sites in the Borough. This comprises 260 sites within the Borough's main industrial areas, 289 sites in the smaller employments areas including the district centres and 37 in Kingston town centre. The 289 scattered employment sites were identified by general employment classifications. 38% of these sites were predominantly offices (B1a), 25% in mixed employment use (B1, B2, B8, retail and residential), 24% predominantly industrial (B1b, B1c, B2) and 13% classified as a warehouse, storage, depot or open yards (B8). In a number of cases an individual employment site housed several separate business premises.

The sites were assessed according to a set of criteria which was based on that in Annex E of the DCLG Employment Land Review Guidance Note (2004). The criteria can be found in Appendix 1 of this report.

2) A Business Aspiration Survey.

A postal survey was conducted between March and May 2007 to establish the nature and future aspirations of businesses within the Borough. A copy of the survey is in Appendix 2 of this Report.

The total number of questionnaires sent out was 669. The total number of responses

returned was 178. The response rate was 26.6% which is considered to be statistically representative.

3) Other Assessments.

Local commercial property agents associated with the sale or lease of business and commercial properties in the Borough were consulted and contributed to an assessment of the local property market and its future prospects.

1.22 In addition, the following studies were used to inform the review:

- Industrial Capacity, London Plan Supplementary Planning Guidance, GLA (March 2008)
- London Office Policy Review;
- South London Employment Study, LDA (2004);
- Demand and Supply of Business Space in London, GLA (2002);
- PACEC – Economic Analysis;
- South London Office Demand Study 2003 (Jeff Marsh);
- GLA Industrial and Warehousing Land Demand Study (2004).

2. Policy context.

Introduction.

- 2.1 National and Regional policies and policy guidance notes should be taken into account when conducting an Employment Land Review, and more importantly when making recommendations for future employment policy. Planning policies and approaches at a local level should be consistent with these overarching policies.
- 2.2 This section seeks to summarise the key aspects of National and Regional policy, and accompanying guidance notes, and also summarises current, relevant local policy.

National Policies.

2.3 *PPS1: Delivering Sustainable Development (2005).*

PPS1 promotes the development of a strong, stable, and productive economy that aims to provide jobs and encourage prosperity for all persons. PPS1 encourages Planning Authorities to:

- recognise that economic development can deliver environmental and social benefits;
- recognise the wider sub-regional, regional or national benefits of economic development;
- ensure that suitable locations are available for industrial, commercial, retail, public sector (e.g. health and education) tourism and leisure developments;
- actively promote and facilitate good quality development;
- ensure that infrastructure and services are provided to support new and existing economic development.

2.4 *PPS3: Housing (DCLG 2006).*

PPS3, in identifying suitable locations for housing development, states that local authorities should give priority to previously developed land, in particular vacant or derelict sites and buildings. Options may include for example industrial and commercial sites for providing housing as part of mixed use town centre development.

2.5 *PPS6: Planning for Town Centres (DCLG 2005).*

PPS6 is a relevant consideration insofar as it provides guidance on office use within town centres. It seeks to promote the vitality and viability of town centres by planning for the growth and development of such centres by encouraging a wide range of services that are accessible to all. An assessment of the need for new office floorspace over the development plan document period should be carried out as part of the plan preparation and review process, and updated regularly. At regional level this should involve the forecasting of future employment levels¹² and the identification in regional spatial strategies of suitable broad locations where regionally significant office development should be located. Local need assessments for office floorspace will need to be informed by regional assessments and will form part of the evidence base for development plan documents. The physical capacity of centres to accommodate new office development and the town centre's role in the hierarchy should also be relevant to planning for new office development.

2.6 *PPG4: Industrial and Commercial Development and Small Firms (November 1992).*

One of the Government's key aims is to encourage continued economic development in a way which is compatible with its stated environmental objectives. PPG4 requires local authorities to undertake a full review of all existing and allocated employment land sites. The aim of the assessments is to promote positive planning, ensure that existing and allocated sites are suitable for employment use, and where not suitable highlight the transfer to other uses. In the case of vacant or underused urban land, local authorities will be expected to:

- identify these sites,
- identify appropriate alternative uses (including industrial and commercial) in their development plans;
- keep up to date details on available sites, and
- provide information on them to potential developers.

2.7 PPG4 supports the retention of small scale industrial and commercial development within predominantly residential areas for which they are a source of employment and services.

2.8 PPG4 states that boroughs should:

- ensure that there is a wide variety of employment sites to provide for choice and flexibility, meeting the differing needs and requirements of businesses;
- aim to ensure sufficient employment land is available which is well serviced by infrastructure, appropriately located to transport facilities, food outlets, services and are generally suitable for employment use;
- in light of sustainability objectives, businesses should be located to reduce the need for travel;
- many businesses can be carried on with few environmental effects on adjacent uses, so it may not be necessary to confine employment land uses to designated areas.

2.9 *Draft PPS4: Planning for Sustainable Economic Development (December 2007).*

Greater emphasis is placed on the use of evidence to prepare plans including market information. It recommends that local planning authorities and regional planning bodies should assess the existing supply of land available for economic development, through an Employment Land Review.

2.10 Preference will be given to B1(a) developments in, or at the edge of, town centres as prescribed by the sequential approach in PPS6. It recommends that when a small scale office development is ancillary to another type of economic development, there should be no requirement to locate in the town centre.

2.11 Draft PPS4 discourages the designation of sites for single or restricted use classes. It also suggests that local planning authorities should not carry over existing allocations where these cannot be justified. It outlines a number of ways that local planning authorities can develop flexible and responsive policy to meet the needs of businesses while creating employment for the community.

2.12 Draft PPS4 emphasises that local planning authorities should take a critical approach towards the allocation of employment land if there is no realistic prospect of it being used as such during the plan period.

2.13 Draft PPS4 recommends a number of ways that planning authorities can achieve efficient

and effective use of land. It suggests how local planning authorities can achieve this through the reuse of vacant and derelict buildings (especially heritage buildings), changes in land use, live-work units, policies on tall buildings and to develop car parking policies for non-residential development.

- 2.14 In drawing up their development plans, Local Planning Authorities should have flexible, criteria based policies by:
- allocating sites for a broad range of business types – from small start up businesses to larger commercial and industrial premises.
 - separating certain types of industry from sensitive land uses where they are detrimental to amenity and a potential source of pollution and an accident hazard.

2.15 *Employment Land Review: Guidance Note ODMP [DCLG] (December 2004).*

The Employment Land Review guidance note provides local and regional authorities with a three stage process for reviewing employment land. It includes various options on methodology that can be adapted to local circumstances. The RBK Employment Land Review is based closely on the advice published in this guidance note.

2.16 *PPS12: Creating Strong, Safe & Prosperous Communities Through Local Spatial Planning (June 2008).*

PPS12 requires that spatial planning objectives for local areas, as set out in Local Development Frameworks, should be aligned with the shared local priorities within sustainable community strategies. Spatial planning plays a central role in the overall task of place shaping and in the delivery of land, uses and associated activities. It is critical in relation to economic growth and regeneration by:

- providing a flexible supply of land for business and identifying suitable locations;
- ensuring business is drawn to the area by providing an attractive environment and a sufficient workforce well housed and able to access employment opportunities easily and sustainably;
- bringing in private funds through incentivising, promoting and coordinating investment by the private sector;
- providing a robust basis for making bids for public funds and for assembling land for projects; and
- providing a robust basis for assessing the need for, and providing supporting infrastructure and natural resources for economic development.

2.17 *PPG13: Transport (March 2001).*

PPG13 advocates that local plans should move towards a better balance in employment and housing levels within an area. Providing for employment opportunities next to residential areas gives people the opportunity to work near their homes, reducing the need to travel. PPG13 proposes maximum parking standards for a number of different uses including offices.

- 2.18 Within the context of guidance set out in PPG11 and PPG12, PPG13 encourages Local Authorities to adopt a positive, plan-led approach to identifying preferred areas and sites for B1 uses which are (or will be) as far as possible highly accessible by public transport, walking, and cycling. Local Authorities are encouraged to give reasonable flexibility in terms of the range of employment uses which are appropriate on identified sites.

Businesses are required to make every effort to adopt travel plans, to encourage car sharing, and to encourage the use of non-car modes of transport.

- 2.19 Local Authorities in both urban and rural areas should be alert to the possibilities for harnessing the use of new technologies to encourage local employment opportunities which reduce the need to travel. They should take a flexible approach to the use of residential properties for home working, consistent with the need to protect the amenity of the area for any neighbouring residential uses.

Regional Policies.

- 2.20 *The London Plan (Consolidated with Alterations since 2004) March 2008.*

The London Plan anticipates a continuing shift in employment away from traditional manufacturing industries and into the service sector. However, over the plan period for the London Plan (2006-2026) there will be increasing demand for industrial land from a range of other important industrial type functions. These include an efficient and sustainable land supply for logistics, waste management, recycling, transport functions, utilities, wholesale markets and some creative industries.

- 2.21 The London Plan (Policy 3B.4, Annex 2) identifies a set of Strategic Industrial Locations (SIL's) within London. The SIL's are intended to reconcile the demand for, and supply of, productive industrial land in London. Strategic Industrial Locations in the London Plan are grouped in two area types:
- **Preferred Industrial Locations** for businesses with less demanding requirements, and
 - **Industrial Business Parks** for businesses requiring a high quality environment.

These two types of location are intended to take account of the needs of different types of industry in terms of capacity, environment, servicing and accessibility.

- 2.22 The London Plan has identified two SIL's in Kingston; the Chessington Industrial Estate and the Barwell Business Park.
- 2.23 The London Plan also states that boroughs should develop local policies for employment sites outside the SIL's having regard to:
- the locational strategy (sustainability criteria);
 - accessibility to the workforce, public transport and where appropriate freight movement;
 - quality and fitness for purpose of sites;
 - the release of surplus land for other uses in order to achieve the efficient use of land in light of strategic and local assessments of industrial demand.
- 2.24 The London Plan Alterations (2007) revised annual targets for residential development in Kingston. Kingston is now required to provide 385 new residential units per year, an increase from the London Plan (2004) target of 340 units. The new target may place additional pressure on employment land.

2.25 *South London Sub-Regional Development Framework (2005).*

The Sub Regional Development Framework (SRDF) provides guidance on the implementation of policies in the London Plan. The SRDF is somewhat out of date due to the adoption of the Further Alterations to the London Plan and the supplementary planning guidance on industrial capacity. However, it does usefully highlight that “South London’s economy faces complex challenges if it is to achieve the higher levels of employment growth that it had in the past and to which the South London Partnership aspires. Some of the sub-region’s historic strengths will be less significant in a changing economy. The task is to focus on current and future strengths and to manage transition in less effective economic activities”.

2.26 *Supplementary Planning Guidance (SPG) on Industrial Capacity in London (March 2008).*

This Supplementary Planning Guidance (SPG) provides guidance on the implementation of policies relating to industrial capacity in the Mayor’s London Plan (Consolidated with Alterations since 2004).

2.27 The SPG is focused on the implementation of London Plan Policies 2A.10 and 3B.4 to manage, promote and, where appropriate, protect Strategic Industrial Locations (SILs) as London’s main reservoir of industrial capacity to accommodate industry and other activities with similar land use needs (including logistics, waste management, utilities and transport functions). It also provides guidance on the implementation of strategic policy to manage the protection, release or enhancement of industrial sites outside the SILs including Locally Significant Industrial Sites (LSIS) and other industrial sites not categorised as SIL or LSIS.

2.28 The SPG provides guidance to:

- ~ ensure an adequate stock of industrial capacity to meet the future needs and functional requirements of different types of industrial and related uses in different parts of London;
- ~ plan, monitor and manage the release of surplus industrial land so that it can better contribute to strategic and local planning objectives, especially those to provide more housing (including affordable housing) and in appropriate locations provide social infrastructure and contribute to town centre renewal.

2.29 Boroughs may designate as locally significant those industrial sites which lie outside the SIL framework but which robust demand assessments and the criteria elsewhere in the SPG (and repeated below) justify protection because of their particular importance for local industrial type functions.

2.30 Economic criteria, including whether a site:

- meets demonstrable local short term demand for industrial development, and / or strategic long term demand;
- offers potential for the in-situ expansion of existing industrial businesses;
- supports local or strategically important clusters of industrial activity;
- meets demand and addresses the particular needs of waste management, recycling, energy, transport and utilities and enabling waste to be managed in one of the nearest appropriate installations;
- meets demand for new or emerging industries, especially those identified in London Plan Policies 3B.5, 7, 8 and 10;

- is well located to take advantage of existing or proposed infrastructure or economic development / regeneration funding;
- offers potential for the provision of small industrial units serving local residential and commercial areas, particularly where there is little alternative provision in the local area;
- is needed to accommodate provision for transport in terms of Mayoral guidance on provision for transport and safeguarding river related uses, for example, bus garages, rail depots, interchanges and terminals, wharves, boat yards and inter-modal sites;
- provides lower cost industrial accommodation suitable for small, start-up, or lower-value industrial uses or other industrial related businesses important to the local economy.

2.31 Land use criteria, including whether a site:

- is well located in relation to the strategic highway network or local highway network, in particular causing minimal traffic impact in residential areas;
- is well located in relation to the rail, river or canal network including inter-modal rail heads and safeguarded wharves, offering potential for transport of goods by rail and/or water transport;
- is located within or adjacent to a town centre or the Central Activities Zone, recognising that PPS6 and PPG13 promote high trip generating uses at such locations;
- is well located in relation to public transport facilities, recognising that many industrial activities have relatively low trip generation and that other land uses (such as offices, leisure and retail) may be more appropriate in locations with high public transport accessibility;
- is part of a larger area of existing industrial activity, or area designated for industrial protection, where re-designation of the industrial site would alter the industrial character of the area or inhibit the operations of nearby industrial uses;
- offers potential for 24-hour working, or provides facilities for 'bad neighbour uses' without detriment to residential amenity, being well screened from neighbouring uses, particularly residential areas;
- offers potential for waste management or recycling uses;
- offers potential for space intensive activities which do not fall within the ambit of this SPG and would not, in this location, compromise wider planning objectives;
- provides sufficient space for adequate operational parking (see London Plan Policy 3C.23 and Annex 4) and turning space for goods vehicles.

2.32 Demand based criteria including whether a site:

- has been adequately marketed through a commercial agent at a price that reflects market value for industrial use for a reasonable period (normally at least two years) and with potential for industrial redevelopment where this is required to meet the needs of industrial users;

- has been vacant for a considerable period (normally at least two years, and up to five years in areas of generally strong demand), without realistic prospect of industrial re-use.
- 2.33 The SPG correctly states that strategic policy should not cover other individual small industrial sites. However, these sites are cumulatively of strategic importance in meeting London's industrial requirements and, if surplus to demand, in meeting other land use needs. Boroughs are therefore asked to take account of strategic and local assessments of supply and demand and have regard to the qualitative criteria as set out in paragraph 2.32 above in determining whether to retain or release these sites.
- 2.34 The SPG proposes that having regard to the net reduction in land demand and the careful management of vacancy rates there is scope to release 41 hectares per annum of surplus industrial land 2006 to 2026.
- 2.35 It is by no means a uniform position across London in terms of projected surplus industrial land. There are wide geographical variations in the demand and supply balance across London, its sub-regions and within boroughs. The majority of surplus stock is identified in the North East and South East sub-regions. Due to constraints on the quality, availability and nature of the current supply, the SPG identifies that there may be local shortfalls in quality modern floorspace and readily available development land, particularly in parts of West and South West London to meet the future needs and functional requirements of different types of industrial and related uses. Royal Borough of Kingston is clearly identified in a "Restricted Transfer" grouping of boroughs reflecting the sub regional balance between industrial land demand and supply suggested by market experience and economic indicators such as:
- current levels of vacancy, both land and buildings;
 - current rental values;
 - future demand for industrial land;
 - apportionment of waste facilities;
 - appropriate rates of 'frictional' vacancy of industrial land and buildings to allow for the efficient operation of the property market.

Borough Policies.

2.36 *Sustainable Community Strategy 2008-2020 (SCS).*

The SCS sets out a distinctive vision and ambition for the Borough reflected in the following cross cutting themes:

- Prosperous and Inclusive: sharing prosperity and opportunity;
- Safe, Healthy and Strong: preventing problems & promoting responsibility and independence;
- A Sustainable Kingston: protecting and enhancing our environment for us and future generations.

2.37 One of the key objectives under the prosperous and inclusive theme is to sustain and share economic prosperity. The regeneration of Kingston town centre is seen as a driver of the economy for the whole borough. In addition, the district centres are identified as important

for their enhanced retail, community and employment roles. The modernisation of the Borough's industrial estates and the growth of the SME base are also recognised as vitally important to the prosperity of the Borough.

2.38 *Unitary Development Plan (2005).*

Adopted in 2005, the Unitary Development Plan manages growth and development in the Borough. In line with the London Plan policy the UDP has policies that protect the main industrial areas of the Borough together with employment uses in the town centres. There is also a criteria based policy that seeks to safeguard smaller isolated employment sites from change of use. The policies that are the subject of this review are contained in chapter 4 of the UDP and are as follows:

E1 – Safeguarding of industrial/warehouse/business areas;

E1a – Safeguarding existing employment land outside of the main industrial areas;

E2 – Policy for new and extensions to existing industrial and warehouse uses;

E3 – Policy for office uses within the B1a use class;

E4 – Relocation of existing employment uses outside the main industrial/warehouse/business areas;

E5 – Policy relating to proposals for uses involving hazardous substances;

E6 – Policy relating to the provision of a range of unit sizes in proposals for new business developments.

3. Demographic Profile.

3.1 The Borough has a total population of 155,900 according to the 2006 population midyear estimates, comprising 77,300 males and 78,600 females, the smallest of all the London boroughs apart from the City of London. This represents a 3.6% increase from 2001. The increase for London in that period was 4.6%. Table 1 shows the breakdown of the current population in broad age groups.

Table 1: RBK Population By Age Groups, 2006.

	PERSONS	MALES	FEMALES
AGE GROUPS			
0-14 Years	26,500	13,400	13,100
15-24 Years	22,300	11,100	11,200
25-44 Years	53,400	27,600	25,800
45-64 Years	34,600	17,200	17,400
65-79 Years	12,900	5,900	7,000
80 Years and over	6,200	2,100	4,100
Total	155,900	77,300	78,600

Source: 2006 Population Mid-Year Estimates, ONS

3.2 The latest long term population projections from the Greater London Authority suggest an increase in total population to 161,550 in 2016, a change of 3.6% from 2006 and 165,870 by 2026, a further 2.7% from 2016. Table 2 shows the main age-specific population forecasts from 2006 to 2026.

Table 2: RBK Population Forecasts 2006-2026.

AGE GROUPS	2006	2016		2026	
	Number	Number	Change 2006-16	Number	Change 2016-26
0-14 Years	26,500	28,140	+6.2%	27,470	-2.4%
15-24 Years	22,300	17,580	-21.2%	18,020	+2.5%
25-44 Years	53,400	55,950	+4.8%	53,690	-4%
45-64 Years	34,600	39,290	+13.6%	43,010	+9.5%
65-79 Years	12,900	14,780	+14.6%	16,850	+14%
80 and over	6,200	5,800	-6.5%	6,830	+17.6%
Total	155,900	161,540		165,870	

Source: 2006 Population Mid-Year Estimates, ONS & GLA 2007 Round Demographic Projections RLP High

3.3 The table shows that Kingston has an ageing population that in the next 10-20 years will live longer, even though there will be a decrease in the 80 years and over age groups in the next 10 years. This is due to the low number of births during the late 1930's and 1940's. The increase in the same period of 65-79 year olds is accounted for by the high birth rate in the 1950's, the so-called "baby boomers". There will also be a steady increase of persons

coming onto the labour market but the rate of increase is slowing due to a lower birth rate. This is consistent with the GLA 2007 Labour Force Projections that show an increase of 7.2% in the potential workforce 2006-2026.

- 3.4 Currently there are 64,700 households in the Borough according to the GLA 2006 round of household projections, an increase of 5.2% since 2001.

Table 3: Household Composition in RBK, 2006-2026.

	2006	2016	2026
Married Couple Households	25,800	23,400	21,470
Co-Habiting Couple Households	7,710	10,130	11,580
Lone Parent Households	4,100	4,770	4,960
1 Person Households	21,510	25,870	29,990
Other Households*	5,580	5,920	6,330
Total Households	64,700	70,090	74,330

Source: GLA 2007 Round Household Projections High

- 3.5 Table 3 shows the composition of households in the Borough and household projections to 2026. The composition of households is forecast to continue to undergo the change that has been prevalent over the last 5-10 years to a far greater number of single person households. The increase in 1 person households is estimated to be nearly 40% between 2006-2026 in Kingston. A proportion of this increase in the number of single person households is accounted for by students. Married couple households are forecast to decline by just under 17% over the same period. Between 2006-2026, according to the latest forecasts, there will be an increase of over 50% in co-habiting couples. The average household size is projected to fall from 2.33 persons per household in 2006 to 2.19 persons per household in 2026.
- 3.6 Although any implications for the economy and employment would be speculative, the increase not only in the demand for local employment opportunities but for local goods and services should not be under-estimated.

4. The Local Economy.

- 4.1 The Borough's economy saw a major transformation that began in the early 1990's from one that had been largely based on the manufacturing sector to one firmly based around business and service industries and the public sector. These sectors are continuing to grow as manufacturing carries on declining.
- 4.2 Kingston-upon-Thames has a generally healthy economy. The Borough's reasonably large economic scale is underpinned by high levels of productivity, a high proportion of knowledge-driven employment and an enterprising business environment. The high value-added knowledge economy is supported by high residential skill levels.
- 4.3 The main employment areas of the Borough are the town centres that comprise 50% of the total employment. The main industrial areas account for just over 10% of the workforce, the major institutions, such as health and educational sites outside the town centres, employ 5-10% and local shopping parades account for around 5%. The large number of other employment sites scattered across the Borough still comprise around 25% of Kingston's total workforce in a wide range of industrial and business activities.
- 4.4 Kingston's economy has broadly grown up around its retail offer. Kingston town centre is still the largest retail centre in London outside of the West End and dominates the south west London sector. Small and medium sized businesses constitute a major component of the local economy and many of these are in the business and financial sector. Kingston has seen a significant growth in the creative industries with the key specialisms being software, publishing, artistic and literary creation, advertising, photography and film, radio and TV. It is estimated that a fifth of all new jobs created are in the creative industries in London and this sector is increasingly becoming one of the strengths of Kingston's economy.
- 4.5 Outside the retail and public sectors there are very few large scale employers in the Borough either in Kingston town centre or elsewhere. In part this is explained by the lack of quality new office floorspace due to competing markets offering higher returns and perceptions about accessibility and poor rail links.
- 4.6 Consequently, as a location for office development Kingston has fallen behind places such as Wimbledon and Richmond, both of whom have rail and underground connections.
- 4.7 Limited site availability for new industrial based inward investment has also meant that the Borough's industrial estates accommodate mainly small to medium sized companies although there are some exceptions on the Chessington Industrial Estate with a number of distribution based companies.
- 4.8 There is a healthy enterprise culture in Kingston-upon-Thames, relative to the national benchmark, ranking the Borough 43rd in Britain. The Borough records an average level of business 'churn' in terms of business formation and closure rates, as well as below-average growth in VAT-registered stock. Consequently, the Borough is ranked 17th among the London boroughs. The number of VAT registered businesses was recorded as 5,705 at the end of 2006, a rise of 1.6% on the previous year. Table 4 below shows the breakdown of businesses by type of activity:

Table 4: RBK Businesses By Activity, 2006.

	No. of Businesses	RBK %age
Manufacturing	340	5.9%
Construction	510	8.9%
Distribution, Hotels & Restaurants	1,365	23.9%
Transport & Communications	175	3.1%
Business Activities, Finance & IT	2,555	44.8%
Public Administration etc.	715	12.6%
Other Services	45	0.8%
Total	5,705	100%

Source: 2006 VAT Registrations, NOMIS.

- 4.9 The majority of businesses in the Borough, 82.6%, employ less than 10 persons. 96.4% of businesses employ under 50 persons. It illustrates the importance of small businesses to the economy of the Borough. Table 5 shows the breakdown of businesses by size.

Table 5: RBK Businesses By Size, 2007.

	No. of Businesses	RBK %age
1 -9 Employees	5,185	82.6%
10 – 49 Employees	870	13.8%
50 – 99 Employees	130	2.1%
100 – 499 Employees	80	1.3%
500+ Employees	15	0.2%
Total	6,280	100%

Source: ONS, PA 1003 – Table A1.2

- 4.10 The Borough has several major companies located within its boundaries. Although Kingston town centre is the largest centre in the Borough and has major retailers such as Bentsalls, John Lewis and Marks & Spencer as well as other major employers Unilever and the Combined Insurance Company of America, the other district centres also have large employers located within them. Surbiton town centre is home to DST International and the Nuffield Hospital Trust as well as a large Waitrose store, New Malden has Nestle Purina and BaeSema, and Tolworth contains Marks & Spencer and the Inland Revenue. Several major industrial companies are located within the Borough's main industrial areas: Unichem and New England Seafoods on the Chessington Industrial Area, Callaway Golf on Barwell Business Park, Merlin Entertainments on Silverglade Business Park, Nikon within St. George's Industrial Estate and the SITEL Corporation on the Canbury Park Industrial Area.
- 4.11 In employment terms the number of persons of working age (working age includes males aged 16 to 64 and females aged 16 to 59) in the Borough in 2006 was 105,400, 67.6% of the total population and slightly above the proportion for Greater London. 85,700 were

recorded as economically active in the period to September 2007 according to the Annual Population Survey, an economic activity rate of 78%. This is higher than London as a whole at 75.1% and marginally lower than Great Britain at 78.6%. 83,700 are recorded as in employment of which 71,700 are classed as employees and 12,000 as self-employed. Table 6 shows the breakdown of employment by occupation.

Table 6: RBK Employment By Occupation, Oct. 2006 – Sept. 2007.

	Number	Percentage	Greater London Percentage
Managers	14,900	17.8%	18%
Professionals	19,000	22.7%	16.7%
Technical Occupations	20,000	23.9%	18.3%
Administrative	10,400	12.4%	12.2%
Skilled Trades	4,700	5.6%	7.9%
Personal Services	3,800	4.5%	6.7%
Sales & Customer Service	4,900	5.9%	6.5%
Machine Operatives	2,000	2.4%	4.3%
Elementary Occupations	4,000	4.8%	8.9%
Total	83,700	100%	100%

Source: 2007 Annual Population Survey.

- 4.12 Kingston's labour supply is characterised by a high proportion of residents in the top socio-economic groups, some 64.4% are in the managers, professionals or associate professional and technical groups. This compares favourably with Greater London as a whole with 53%. Unsurprisingly, 12.4% are in the administrative occupations compared with 12.2% in Greater London due to the local authority and the county council having their headquarters in the Borough as well as Kingston Hospital and Kingston University.
- 4.13 As far as labour demand is concerned, the Annual Business Inquiry records the number of jobs within the Borough. In 2006 there were 85,700 employee jobs in Kingston. The total number of jobs in the Borough is approximately 81,000 when the number of self employed is added to the total. Table 7 highlights the main industrial sectors in Kingston.

Table 7: Employee Jobs By Industry in Kingston, 2006.

	Employee Jobs	RBK %age
Manufacturing	3,100	3.6%
Construction	1,700	2%
Distribution, Hotels & Restaurants	19,600	22.9%
Transport & Communications	3,300	3.8%
Business Activities, Finance & IT	34,800	40.6%
Public Administration	17,600	20.5%
Other Services	5,600	6.5%
Total	85,700	100%

Source: Annual Business Inquiry, 2006.

- 4.14 The table illustrates that the majority of the jobs are in distribution, business services and public administration. These comprise 84% of the jobs within the Borough. Manufacturing accounts for only 3.6% of Borough jobs.
- 4.15 Although the unemployment rate is 1% (November, 2007) as measured by the Job Seekers Allowance figures, and the rate has remained stable for the last 6 months, an additional 3.7% of the working age population were on incapacity or other income related benefits. Even though these figures are below the average for Greater London (9.2%) and Great Britain (9.7%), they are of significance in an area associated with low rates of unemployment.
- 4.16 Commuting patterns have changed over the last 15 years. In 1991, approximately 50% of the residential workforce was working outside of the Borough and the same proportion working in Kingston but living outside of the Borough. By 2001, 55.3% of residents were working outside the Borough whilst 49.7% were commuting into Kingston to work.

5. The Supply of Land - Assessment of Existing Employment Land.

Introduction.

- 5.1 This section assesses the supply of existing employment premises and land of the Borough. Between November 2006 and March 2007 a site visit assessment was conducted on all known employment premises and sites within the Borough. It is important to note that only B1, B2 and B8 uses are assessed in this section, retail sites being excluded. The study has been extended to include utility sites and waste depots in line with the London Plan.
- 5.2 There are a total of 586 known B1, B2, B8 employment sites in the Borough. This comprises 260 sites in the Borough's main industrial areas, 289 sites in the smaller employment areas varying from industrial businesses to small employment clusters and 37 B1(a) sites in Kingston town centre. The site visit survey concentrated on the smaller scattered employment areas although general assessments were made for the main industrial areas. The scattered, smaller employment sites were identified by general employment classifications. 38% of these sites were offices, 25% in mixed employment use, 24% industrial and 13% classified as a warehouse, storage, depot or open yards.
- 5.3 The sites were assessed according to a set of carefully chosen criteria which were based on that in Annex E of the DCLG Employment Land Review Guidance Note (2004). The criteria can be found in Appendix 1 of this report. The assessment was conducted as a visual external appraisal of each site and the surrounding area. The broad criteria chosen were:
- Location: the postcode was recorded;
 - Base Information: this section comprised current land use, property description, the overall size of the site, the amount of floorspace in use and the planning designations;
 - Occupation/Ownership; this section consisted of the status of the site/building (occupied, partially occupied or vacant), name of the business(es), freehold or leasehold;
 - Quality of Existing Portfolio & Existing Environment; this section comprised recording the age of the building (if known), the quality of the site/building, the state of the external areas of the site/building and the public realm, type of parking areas within the curtilage of the site, an assessment of the amount of internal circulation space within the site and the type of servicing facilities;
 - Quality of Wider Environment; this section comprised an assessment of the constraints of the site in terms of the adjacent land uses that would potentially constrain the operations of the site or detract from the quality of the site. It also contained an assessment of the access arrangements of the site and the accessibility to public transport facilities. This was recorded as a PTAL rating from 1 to 6, 1 being the least accessible to public transport infrastructure and 6 being the most accessible;
 - Market Conditions & Future Potential Uses. This section comprised an assessment of the strength of local demand for the use in the location, recent market activity on the site as represented by local commercial property agent notices and any potential physical constraints such as contaminated land, immovable on-site structures, flooding, land stability and planning controls.

- 5.4. The categories within the criteria were chosen to reflect the subjective nature of the visual part of the assessment. For example, the quality of the external appearance of a site/building ranged from “very good to very poor” as was the assessment of the state of the external areas.
- 5.5 The following assessment brings together all the information collected that could be analysed in the chosen land use categories and makes general remarks about them collectively. An assessment of individual sites does not appear in this report except for a few larger sites that are not currently protected under the current employment land use policies.

Office Floorspace (B1a uses).

- 5.6 The study identified 109 sites for assessment that were classified as office only sites that comprise just over 1.5 million square feet (142,650m²) of floorspace, 48% of all floorspace in the areas outside the main industrial areas of the Borough and Kingston town centre. Additionally there were 37 key office buildings within Kingston town centre accounting for 873,000ft² (81,100m²).
- 5.7 The evaluation of the sites outside Kingston town centre indicates that just under 12% were vacant or unoccupied at the time of the survey. This represented 65,000ft² (6,050m²) of vacant office floorspace. 65% of the sites were fully occupied and 23% partially occupied. Within Kingston town centre there is a total of approximately 142,000ft² (13,200m²) of vacant and available floorspace representing a vacancy rate of 16%.
- 5.8 In addition to the above sites it is important to recognise that there are a large number of mixed use sites that also include office floorspace i.e. the Tolworth Tower complex. Overall it is estimated that the Borough has a total office stock of 333,000 m² (VOA 2007) with an overall vacancy rate of around 7.1% or 23,700m².
- 5.9 Office rents in the Borough range from £15 to £22-25 per ft² and has hardly moved in the last 2-3 years. Both office rental and capital values have not kept pace with other locations such as Wimbledon and Richmond.

Quality & Characteristics of Office Premises.

- 5.10 The assessment indicates that the office stock is of reasonably good quality overall although none of the Borough’s stock is classed as Grade A i.e. the most prestigious buildings competing for premier office users with above average rental rates for the area, along with high-quality standard finishes, state-of-the-art systems, exceptional accessibility and a definite market presence. Usually of recent construction but occasionally an older building extensively modernised. Outside Kingston town centre over 65% of office buildings are classed as very good or good quality premises. This equates to what is known in commercial property circles as Grade B space i.e. good practical space of a basic standard of finish and appearance but functional and adaptable and competes for a wide range of users with rents in the average range for the area. 32% are of below average quality. This equates to what is known as Grade C space i.e. older stock offering basic accommodation with a tendency for services and finish to be outdated and with limited potential for upgrading. 2.7% are assessed as poor or very poor.
- 5.11 Generally, the access to most office premises throughout the Borough is good. 75% of offices premises have dedicated parking facilities. In Kingston town centre some 70% of office buildings have on-site parking. In the rest of the Borough around 76% have dedicated parking spaces. 9.6% of properties have some on-street parking, 13% have controlled paid parking or commuted parking arrangements and just under 3% some other

parking arrangements. Parking arrangements in the main district centres tends to be either on-site parking or dedicated parking in adjacent multi-storey car parks.

- 5.12 Although the access to parking facilities is generally adequate, the RBK Business Survey (see Appendix 2) emphasises that parking is one of the main operational problems for many businesses. Many companies state that they do not have enough operational parking and that the Council's parking policies in terms of business parking is restrictive.
- 5.13 As far as servicing facilities for office buildings is concerned, unsurprisingly over 70% of office premises do not have any servicing or loading facilities. Nearly 23% have off road loading and unloading facilities, 6% roadside loading and unloading facilities and just 1% has loading bays.
- 5.14 Over 60% of office buildings are located on local roads with 37% located on secondary roads. Only 3% are found on the primary roads that run through the Borough. As far as accessibility to the public transport network is concerned most office sites/buildings are reasonably well positioned within the local network, especially those located in the town centres, with just under 60% located in the PTAL 3-5 range. Only 13% come into the PTAL 1 range. 10% are in the PTAL 6 range so are well located for public transport.
- 5.15 Most of the office sites, just under 84%, have no obvious potential constraints in allowing them to continue with their current use.
- 5.16 The overall assessment of the supply of office sites/buildings in the Borough can be summarised as follows;
- Most buildings are of reasonably good quality although several have been vacant or partly vacant for some time.
 - Parking facilities are adequate for most sites although the lack of parking spaces causes companies some operational problems according to the RBK Business Survey, 2007.
 - Servicing arrangements are adequate for most sites.
 - Most office sites are relatively well located for the local public transport network.
 - Most office sites/buildings have no adverse constraints.

Industrial Sites/Buildings.

5.17 The Royal Borough of Kingston upon Thames has 8 main industrial areas comprising a total industrial floorspace of just under 3 million square feet (278,000m²). Currently there is around 400,000ft² (37,150m²) of vacant industrial floorspace equating to a vacancy rate of 13.3%.

The main industrial areas are:

1. Chessington Industrial Area, Cox Lane, Chessington.
2. Barwell Business Park, Leatherhead Road, Chessington.
3. Silverglade Business Park, Leatherhead Road, Chessington.
4. Red Lion Business Park, Red Lion Road, Tolworth.
5. St. John's Industrial Area, Wellington Crescent, New Malden.
6. Canbury Park Business Park, Elm Crescent, Kingston.
7. St. George's Industrial Estate, Richmond Road, Kingston.
8. Fairfield Trade Park, Villiers Road, Kingston.

5.18 Two of the estates, Chessington Industrial Area and Barwell Business Park are designated Strategic Industrial Locations within the London Plan.

5.19 The industrial estates comprise mainly a combination of B1 and B8 uses. There is only a small amount of B2 general industry use being carried out on the estates. They have been the foundations for the local economy and local employment opportunities in a Borough that has witnessed major losses in employment land in the last 15-20 years.

5.20 In addition to the industrial main industrial areas there are 70 sites outside of these areas considered to be used for industrial purposes. These amount to 51,000m² industrial floorspace of which 8,600m² (16.9%) are vacant. Combining all these together there is a total industrial floorspace of approximately 3.5 million square feet (329,000m²) with an overall vacancy rate of 13.9%.

Main Industrial Areas.

Chessington Industrial Area.

- 5.21 This long established estate is by far the biggest industrial area in the Borough covering an estimated total area of 34.6 hectares, located between the A3 and Cox Lane/Jubilee Way. The total amount of floorspace within this area is approximately 1.64 million square feet (152,400m²), just over 55% of the total amount of floorspace contained in the Borough's main industrial areas. Currently, there is around 158,000ft² of vacant floorspace on the estate, a vacancy rate of 9.6%. A total of 18 units are currently unoccupied.
- 5.22 The area comprises over 80 separate units with a variety of different businesses occupying them. It is home to long established companies such as Unichem, Spicers, Mollarts, MBI Inc. and W.K.Thomas as well as newer enterprises including New England Seafood PLC, Bell Micro, Ash & Lacey, Bishops Move Group and Specialized. The long established companies have a mix of light manufacturing/production and storage/distribution whereas the newer businesses tend to be more exclusively warehousing based.
- 5.23 As with all long standing industrial areas there is a combination of poor quality, older stock and new, high quality developments. There has been a constant upgrading of sites and premises in the Chessington Industrial Area. Although over 50% of the industrial sites/premises are assessed as average and in some cases poor, there is a significant proportion, mostly constructed in the last 2 years that are of very good quality such as Chessington Trade Park, Gateway 3, Europa 3 and the newer developments in Oakcroft Road.
- 5.24 This continuing redevelopment and refurbishment of older sites is the cornerstone to a successful and vibrant industrial estate. Indeed 75% of sites/buildings are fully occupied. Although there is no real scope for physical expansion due to adjacent residential areas and Metropolitan Open Land, the estate functions very successfully. The estate does suffer from lack of on-site facilities for employees, the nearest town centre being Tolworth.
- 5.25 The success of the estate is due in no small part to the parking and servicing facilities that exist on sites within the area. Approximately 98% of premises have some form of on site parking with nearly 85% having either loading bays or off road loading and unloading facilities. In addition over 75% of properties have over 100m² of circulation space.
- 5.26 Freight access is reasonably convenient to the A3 and M25 via the Jubilee Way access off the A240 and the estate roads are wide enough to take large articulated lorries. However, as far as access to public transport is concerned the area is firmly in the 1A-1B PTAL category. Only 1 local bus services the estate and Tolworth Station is on the periphery of the estate and not on a main railway line.
- 5.27 There are no constraints hampering the continuation of Chessington Industrial Area as the major industrial employment location within the Borough. There is no reason why most sites within the area will remain in B1, B2 or B8 use, confirmed by its designation within the London Plan as a Strategic Industrial Location (SIL).

Barwell Business Park.

- 5.28 Barwell Business Park covers an area of approximately 7.7 hectares and is located on Leatherhead Road (A243) opposite Chessington World of Adventures. It comprises approximately 400,000ft² (37,150m²) and has 55 original units plus 7 newer industrial units on the northern boundary of the site. Currently there are 9 units unoccupied ranging from 1,000ft² to 6,000ft² totalling 28,400ft². This equates to a vacancy rate of 7.1% and that is

well within the parameters in which the local market operates successfully.

- 5.29 Although originally constructed in the 1980's, Barwell Business Park still retains the feel of a modern industrial estate. The units on the northern part of the estate, completed in 2003, enhance the sense that this is a thriving industrial area. Local companies tend to occupy most of the units although Callaway Golf and Royal Mail are located on the estate.
- 5.30 As the business park is purpose built it has very good parking and servicing facilities with excellent circulation space. All units have dedicated parking and have either loading bays or off road loading and unloading facilities.
- 5.31 It has the advantage over the Chessington Industrial Area of being located on a secondary road rather than a local road with very good access to the A3 to the north and the M25 to the south. However, this is not reflected in having a PTAL level of 1B even though Chessington South station is adjacent to the estate and 2 bus routes terminate at Chessington World of Adventures.
- 5.32 Similar to the Chessington Industrial Area, Barwell Business Park has no constraints to consider apart from the fact that it is located in the Green Belt and therefore any further expansion would be difficult. It is a Strategic Industrial Location in the London Plan and recognised as an Industrial Business Park .

Silverglade Business Park.

- 5.33 Silverglade Business Park is a small estate of 10 units located off the Leatherhead Road (A243) in the hamlet of Malden Rushett and covers an area of approximately 0.3 hectares. It is the most southerly industrial estate in the Borough with excellent access to the M25 as well as being conveniently accessible to the A3 via the A243. It is also the smallest of the borough's industrial estate with a total floorspace of just 78,000ft² (7,250m²). Currently there is 15,600ft² available, the equivalent of 2 units. The estate is home to Merlin Entertainment Group. The 1980's constructed estate still fulfils a role in the local economy and continues to provide local employment opportunities.
- 5.34 The quality of the buildings on the estate is generally good. Some have been refurbished whilst others need some refurbishment to bring them in line with modern B1 space.
- 5.35 Silverglade has very good parking and servicing facilities. All of the units that have been kept as workshop space have loading bays whilst the rest have other loading facilities.
- 5.36 Silverglade does suffer from being isolated from public transport. It is firmly in the PTAL 1A level of accessibility. It is primarily a car borne business area for employees.
- 5.37 Silverglade is similarly constrained to Barwell, by being located in the Green Belt making any expansion to the area difficult.

Red Lion Business Park, Tolworth.

- 5.38 Red Lion Business Park is located off Red Lion Road and adjacent to Tolworth Girls School and Tolworth Recreation Centre. Residential use adjoins its northern boundary. It covers an area of 3.9 hectares and has 190,000ft² (17,650m²) of employment floorspace. Currently there is an estimated 28,500ft² (2,650m²) of available floorspace, 4 units presently unoccupied. The business park is primarily occupied by local companies employing local people. A unit at the entrance to the business park has been converted into a nursery and this acts partly as a crèche for some of the estate's employees.
- 5.39 The long established estate has grown organically over the years and consequently the

quality of some of the stock is average. There have been 5 new small units and 1 large unit constructed recently increasing the overall quality. The older stock is in need of some updating. There is a large vacant area which had permission some years ago for 80,000ft² of B1 space and a new scheme of 11 small business units is under construction on the former Classical Circuits site at the entrance of the business park.

- 5.40 Parking facilities are good within the area although servicing, especially for larger vehicles is a problem for some of the units as circulation areas are tight for these units. Most of the units have adequate loading and unloading facilities with some having dedicated loading bays.
- 5.41 Accessibility is a major disadvantage to the business park. It is accessed exclusively from a minor road through residential areas. Two schools are also located in Red Lion Road exacerbating the problem. It is not located on any major public transport routes and so remains an isolated estate. The poor access to the estate has resulted in the Proposal Site guidelines in the current UDP encouraging B1 Business Use in order to generate fewer heavy goods vehicle movements through the surrounding residential areas.

St. John's Industrial Area, Wellington Crescent, New Malden.

- 5.42 The St John's Industrial Area covers an area of 11.39 hectares (28.15 acres) and lies on Kingston Road (A2043), between Kingston and New Malden and is the oldest of the Borough's industrial estates. It contains a mix of employment uses (industry; offices; storage; warehousing; vehicle repairs and recovery; printers; and workshops); retail (four retail warehouses and one plumbers' merchant), healthcare (community health facilities and an ambulance station); two public houses and 27 residential properties, including 'short-life' accommodation. The council has recently acquired these properties and is in the process of demolishing them for industrial redevelopment. There are several well established businesses within the area such as Wedd & White, United Coachworks and Paramount Precision Engineering. The conversion of the former Racal Office building on the Kingston Road frontage to residential flats together with a Jewson warehouse to the rear has recently been completed.
- 5.43 The area fulfils a useful function in the local economy and accommodates many local businesses. However, environmental conditions are poor; access, traffic circulation, servicing and parking provision are unsatisfactory. There are vacant and underused premises and land; premises in need of modernisation or redevelopment, and businesses wishing to extend their premises. This area is subject to a planning brief and associated action plan that seeks the redevelopment of land formerly used as 'short-life' residential accommodation and improved layout and access arrangements to secure the areas future as a industrial area. .
- 5.44 Although there are obvious environmental constraints St. John's continues to fulfil an important role within the local economy and provide essential local employment opportunities.

Canbury Park Business Park, Elm Crescent, Kingston.

- 5.45 Canbury Park Business Park is located on the edge of Kingston town centre and covers an area of 1.91 hectares and a total floorspace of 110,000ft² (10,220m²). There is approximately 18,250ft² (1,695m²) currently unoccupied. It is an area with a mix of old production/warehouse buildings and newer small workshops in small developments with 3 residential properties. The area is primarily occupied by local companies although SITEL plc, located on Canbury Park Road is a major employer in the Borough.

- 5.46 The overall quality of the stock is good although the older buildings such as Cowleaze House and Parc House are in need of refurbishment or redevelopment.
- 5.47 As the estate has a one way system through it and the roads tend to be narrow; parking and servicing are issues. Most of the units have some dedicated parking and most have some off road loading and unloading facilities. Very few have loading bays. Circulation space within the estate is at a premium and larger vehicles have problems.
- 5.48 A major advantage of the industrial area is its proximity to Kingston town centre. Consequently, it has a PTAL level of 6A, an area highly accessible to public transport, Kingston railway station and bus services nearby. There are no problems as far as facilities for staff are concerned with Kingston town centre very close by.
- 5.49 The residential area that lies to the north and east of the industrial area is a constraint to any expansion. The estate has the feel of being cramped and some rationalisation is needed. These environmental constraints are reflected in the UDP policy guidelines for the area that seeks to secure new B1 space as opposed to B2 and B8 that would normally be acceptable within one of the Borough's established industrial areas.

St. George's Industrial Estate, Richmond Road, Kingston.

- 5.50 St. Georges' Industrial Estate is located on Richmond Road opposite the former British Aerospace site and covers an area of approximately 2 hectares. Constructed in the 1980's it has a total floorspace amounting 118,000ft² (10,960m²) with 14,250ft² (1,320m²) currently unoccupied. It is a purpose built estate that is the base for companies such as Nikon, Solaglas, Plumbase and storage facilities for W.H.Smith, giving the impression that the estate is occupied by B8 and some retail warehousing.
- 5.51 The quality of the estate is good although the appearance of some of the individual units has deteriorated over time. Parking and servicing facilities are very good with all units having dedicated parking and loading bays. Circulation space is good although hampered somewhat by the location of the parking areas.
- 5.52 In terms of access the estate has a PTAL rating of 2. It has no railway station nearby but several bus routes do service the area.
- 5.53 As with the other purpose built industrial estates there is the constraint of adjoining residential use although there is no particular noise or other nuisance. Any expansion of the estate however is not physically possible.

Fairfield Trade Park, Villiers Road, Kingston.

- 5.54 Fairfield Trade Park is located in Villiers Road and covers an area of 1.54 hectares and has a total floorspace of 84,000ft² (7,800m²). All the units are currently occupied. It provides the main depot for the Royal Mail and Magnet and Howsons are occupiers of other large units in the area.
- 5.55 The quality of the stock is very good. Parking and servicing is good, each of the units has excellent loading and unloading facilities and circulation space is adequate.
- 5.56 It is an estate that is easily accessed by car. Public transport accessibility is poor even though it is within reasonable reach of Kingston town centre. Its PTAL level 1B reflects its distance from a major railway station and the fact that no bus routes services the area.

Quality and Characteristics of Industrial Premises Outside The Main Industrial Areas.

- 5.57 Over half of the industrial properties within the 70 industrial sites outside the main industrial areas are in poor condition with a further 10% categorised as very poor. This appears to be due to the fact that many are older premises that have not had any recent investment. 30% are in average condition with only 6% in a good state of repair.
- 5.58 Just under 63% of industrial sites/buildings have dedicated parking with 26% having on street parking. The other 11% have either controlled paid parking or some other form of parking arrangements.
- 5.59 As far as servicing facilities are concerned just over 15% have loading bays within their cartilage, 54% have some form of off road loading and unloading facilities and just over 7% have to load and unload from the roadside. 23% have no loading or unloading facilities at all.
- 5.60 The size of the internal circulation space for industrial sites is variable. It tends to be very dependent on the size of the actual site. Only 19% of sites have 200m²+ of circulation space, mostly on the bigger industrial sites. Most sites (58%) have up to 200m² of turning and servicing space. Of concern is just under 23% having no circulation space at all. Consequently, over 64% of industrial sites/buildings are considered to have unsuitable internal circulation space, with 23% having adequate or good space. Only 3% of sites are considered to have very good facilities in respect of circulation space.
- 5.61 All industrial sites/buildings are located either on secondary or local roads with none on the primary roads within the Borough. Just over half the sites are located in PTAL level 1-2 so they are not particularly well located for public transport. 40% are situated in PTAL level 3-4 with 10 well located in levels 5 and 6.
- 5.62 Over 60% of the industrial sites/buildings have no constraints to development. Some sites do have certain barriers such as ownership problems, utilities and on-site structures. An important aspect when considering the potential uses for industrial sites/buildings is the viability of any employment led redevelopment of these poorer quality sites.
- 5.63 The overall stock of industrial sites/buildings in the areas outside the main industrial areas can be summarised as follows;
- Most buildings are of poor quality due to under investment.
 - Parking and servicing facilities are good for most sites with sufficient internal circulation space although several have no parking, servicing or internal circulation space at all.
 - Most sites are not well located for the local public transport network.
 - Most industrial sites/buildings have no constraints and many would benefit from redevelopment.

Warehouse/Storage/Depot Sites.

- 5.64 Warehouse/storage/depot sites outside the main industrial areas account for around 330,000ft² (30,750m²) of floorspace. With around 60,000ft² (5,575m²) vacant or unoccupied floorspace, this produces a vacancy rate of around 18.5%.

Quality and Characteristics of Warehouse/Storage/Depot Premises.

- 5.65 75% of warehouse sites/buildings are average to very poor quality. Approximately 20% are in good or very good order. These premises suffer from the same investment problems encountered by industrial premises although occupiers tend to be a mixture of local and national businesses.
- 5.66 Around 38% of sites have dedicated parking facilities with over 40% on street parking. Approximately 22% have some other form of parking arrangements.
- 5.67 Most sites have off road loading and unloading facilities (57%) whilst around 11% have purpose built loading bays. Only 5.4% of sites have roadside loading and unloading services. As with the industrial sites/buildings, a significant proportion (27%) of warehouse/storage sites and buildings has no loading facilities.
- 5.68 Around 55% of sites have some internal circulation space according to the size of the site. A significant number, 43%, though, have no room for servicing and access. Consequently, in general terms a good proportion of sites have poor or very poor internal circulation suitability (50%). Around a quarter of sites though are considered to have good internal circulation space.
- 5.69 As far as general accessibility is concerned, the vast majority of warehouse/storage sites (81%) are located on local roads. The rest are situated on secondary roads with no premises having a primary road location. Approximately 67% of sites/buildings fall within the PTAL levels 2-3 areas, not considered particularly well located for public transport. 16% are located in level 1a-1b areas so are poorly situated. The rest are located in levels 4-6 and are therefore considered to be relatively well positioned for public transport.
- 5.70 As with other sites and buildings that have been assessed, around 57% of warehouse/storage/depot sites and buildings have no site constraints and many would benefit from some investment in terms of employment led redevelopment.

Mixed Use Employment Sites.

- 5.71 A site is designated a mixed use employment site where the primary use is of an industrial/ office nature but there are other employment generating and non-employment uses associated with them. An example is Tolworth Tower that incorporates major office floorspace with a hotel and fitness centre or various sites along Brighton Road , Surbiton.
- 5.72 Sites classed as mixed use employment sites comprise 25% of the total number of premises outside the main industrial areas of the Borough. They account for approximately 750,000ft² (69,700m²) of floorspace, around 24% of all employment floorspace outside the main industrial areas. There is around 130,000ft² vacant floorspace, 17.4% of the total amount of mixed use floorspace.

Quality and Characteristics of Mixed Use Employment Sites & Buildings.

- 5.73 Almost 78% of mixed use properties are of average to very good quality. Only 20% are classed as poor quality with approximately 3% being of very poor quality. These sites, in the main, do not suffer from years of neglect unlike some industrial and warehouse premises. However, several sites would benefit from refurbishment or redevelopment to bring them up to modern day requirements.
- 5.74 The majority of mixed use premises (66%) have dedicated parking on site. Approximately 30% have on street parking with only 1.4% having controlled paid parking arrangements.
- 5.75 The type of servicing facilities that mixed use properties have varies according to size and location. Half of the premises have either loading bays or off road loading and unloading facilities. Around 14% have roadside servicing facilities whilst approximately 36% have no loading facilities whatsoever.
- 5.76 A significant proportion of mixed use employment sites/buildings (44%) have no internal circulation space with not surprisingly the smaller sites tending to be cramped and suffering from lack of access, servicing and circulation space.
- 5.77 Most mixed use employment sites/buildings tend to be on secondary and local roads, approximately 94%. The rest are on the primary road network. Many sites also have reasonable access to public transport, having PTAL levels between 3-6. However, around 36% of sites have a level of 1-2, determining poor access to major transport infrastructure.
- 5.78 Three quarters of mixed use employment sites/buildings have no obvious site constraints.

Other Sites of an Industrial Nature.

- 5.79 There are several other employment sites that should be considered to obtain a full assessment of the supply of employment land within the Royal Borough of Kingston upon Thames. These sites are not located within the main industrial areas of the borough nor do they fit naturally alongside the many sites in the Borough categorised as an "Employment Site" under the terms of the current policy E1a in the UDP.
- 5.80 These sites are:
1. Aggregates Depot, Kingston Road, Tolworth.
 2. Sewage Works Main Site, Lower Marsh Lane, Kingston.
 3. Waste Disposal Centre, Chapel Mill Road, Kingston.

The sites comprise large areas of land and the employment of large numbers of people.

Aggregates Depot, Kingston Road, Tolworth.

- 5.81 The depot is located adjacent to Tolworth Station and covers an area of approximately 2.54 hectares. It is in private ownership. It is designated as Proposal Site 50a in the Unitary Development Plan (UDP). The appropriate uses for the site are rail related uses and it is identified as a strategic freight site. There is considerable potential for B2/B8 employment uses on the site.

Sewage Works Main Site, Lower Marsh Lane, Kingston.

- 5.82 The sewage works main site covers an area of 38.3 hectares, one of the largest single sites in the Borough. It is not a Proposals Site within the UDP and currently has limited employment. Notwithstanding its MOL status there may be scope for accommodating some additional demand for environmental/waste industries if parts of the site become surplus to requirements in the future.

Waste Disposal Centre, Chapel Mill Road, Kingston.

- 5.83 There could be further opportunities within this site for accommodating uses of an industrial nature and especially relating to environmental and waste industries.

6. Demand For Employment Land And Premises.

- 6.1 As outlined in the former ODPM's "Employment Land Reviews: Guidance Note" there are three broad methodologies for identifying likely future demand of employment land by scale and type of use.
- 6.2 The regional econometric forecasting undertaken on behalf of the Mayor of London to inform the London Plan and Further Alterations to the London Plan identifies the wider drivers of change and provides a helpful overview of the South West London and RB Kingston economy. These broad trends and policy implications are examined further below. They do not, however, translate down very accurately to the borough and local level as they do not factor in local circumstances such as the availability and nature of sites, company plans etc.
- 6.3 In addition to an analysis of the "top-down" regional econometric forecasting therefore this section also includes an a "bottom-up" assessment based on commercial property market trends and future property market requirements following consultation with informed stakeholders.
- 6.4 The third methodology the "demographically derived assessment of future employment needs (labour supply techniques)" is referred to but not heavily relied upon because of the self-evident complication that Kingston is an integral part of the SW London/NE Surrey economy and the boroughs workforce is also part of the wider metropolitan labour market dominated as much by Central London as by local opportunities. It is therefore arguably unwise to look at RB Kingston's employment land needs in isolation of adjoining boroughs.
- 6.5 The nature of London's (and Kingston's) economy has radically changed over recent decades and the continued shift of employment away from industry and manufacturing into the service sector has significant implications for land use planning. The character of land for industry in a wider sense is changing - as more goods are manufactured outside the UK there is an increasing demand for warehousing facilities to store and handle the goods from producer to consumer in supply chains. The capacity for land to handle waste in London to meet the London Plan Further Alterations commitment for 85% self-sufficiency within London by 2020 is also becoming an increasingly important use of industrial land.
- 6.6 The London Plan sets out the Mayor's position on how to manage the surplus capacity of industrial land across London as a whole. It is supported by a wide range of research and other policy statements. In particular the Industrial Capacity Supplementary Planning Guidance (SPG) issued in March 2008 proposes that having regard to the net reduction in land demand and the careful management of vacancy rates there is scope to release 41 hectares per annum of surplus industrial land 2006 to 2026.
- 6.7 It is by no means a uniform position across London in terms of projected surplus industrial land. There are wide geographical variations in the demand and supply balance across London, its sub-regions and within boroughs. The majority of surplus stock is identified in the North East and South East sub-regions. Due to constraints on the quality, availability and nature of the current supply, the SPG identifies that there may be local shortfalls in quality modern floorspace and readily available development land, particularly in parts of West and South West London to meet the future needs and functional requirements of different types of industrial and related uses. Royal Borough of Kingston is clearly identified in a "Restricted Transfer" grouping of boroughs reflecting the sub regional balance between industrial land demand and supply suggested by market experience and economic indicators such as:
- Current levels of vacancy, both land and buildings;

- Current rental values;
- Future demand for industrial land;
- Apportionment of waste facilities;
- Appropriate rates of 'frictional' vacancy of industrial land and buildings to allow for the efficient operation of the property market.

6.8 Annex 2 of the SPG confirms that Royal Borough of Kingston had 1 hectare of vacant industrial land in 2006 which was the lowest level in London apart from the City and LB Westminster where one wouldn't expect high vacancy levels in any event. Whilst the indicative industrial land release benchmark for the South West sub-region of London (covering Kingston, Croydon, Lambeth, Merton, Richmond, Sutton and Wandsworth) is 63 hectares for the period 2006-26 it is clear that with such very low levels of vacant land that Kingston would not be expected to contribute much, if any, of this perceived surplus industrial land. This position is amplified in the London Industrial Land Release Benchmarks report undertaken by URS in 2007 which confirmed that reduction in demand for industry in Kingston would be outweighed by positive demand for waste and some logistics.

6.9 Informing the above strategic assessments are borough level employment projections undertaken by GLA Economics. It has developed a method that combines projections for the individual boroughs made on the basis of historic trends, transport accessibility and the availability of business sites into a unified or 'triangulated' set of employment projections. The updated results of these three projection methods are shown below:

Table 8 - Borough Employment Projection Levels ('000s).

	Actual ->			Projection ->				
	2002	2003	2004	2006	2011	2016	2021	2026
Kingston	79	80	79	78	78	79	80	81

Sources: EBS for 2002-04 and GLA Economics for 2006 onwards in Current Issues Note 13

6.10 The above projections show a very modest increase of around 3,000 jobs between 2006 and 2026 mainly because of the limited site capacity and lower transport accessibility in the borough constraining the trend based growth and apportioning this growth to other parts of London. The updated trend-based projections for boroughs produced by Volterra Consulting that are published in GLA Economics Working Paper 20 suggest an increase of around 15,000 jobs in the Royal Borough between 2006 and 2026 with much of this accounted for by increases in the retailing and business services sectors.

Table 9 - Borough Trend-Based Employment Projection Levels ('000s).

	Actual ->			Projection ->				
	2002	2003	2004	2006	2011	2016	2021	2026
Kingston	79	80	79	80	83	87	91	95

Source: GLA Economics Working Paper 20.

6.11 Employment forecasts provided by CB Richard Ellis for an Office Market Demand Study for Kingston Town Centre suggests that employment will increase as set out below:

Table 10 - Borough Employment Projection Levels ('000s).

	Actual ->			Projection ->			
	2002	2003	2004	2006	2011	2016	2021
Kingston	81	81	80	84	89	92	93

Source: CB Richard Ellis.

- 6.12 These projections are quite closely related to the GLA trend –based employment projections. Between 2006-20 the amount of employment is forecast to increase by just over 8,750, an overall percentage increase of nearly 11%. By far the greatest increase is within business services which accounts for just under 66% for the period between 2006 and 2020. Other sectors that are forecast to increase are health, construction, banking, hotels and catering and "other" services. Most other sectors are forecast to decrease, especially in the so called "manufacturing" sector that is projected to decline from 4,400 in 2006 to 3,700 by 2020: a percentage decline of 16%.
- 6.13 The GLA 2007 Round Labour Force Projections suggest that the Royal Borough's resident labour force is set to increase from 84,800 in 2006 to 89,500 in 2016, a 5.5% increase and up to 90,900 by 2026, an increase of 7.2%, 2006-2026. Whilst this is resident based compared to the above employment based projections it does provide a consistent picture; namely that more borough employment is required to meet the needs of local residents or out commuting will have to increase.
- 6.14 Clearly the strategic assessment set out in the Mayor of London's Industrial Capacity Supplementary Planning Guidance (SPG) only provides a general guide and it is for this study to go further with an assessment of the qualitative characteristics of locations and specific sites and local demand indicators from business requirements, planning applications, marketing assessments etc.
- 6.15 The ODPM's *Employment Land Reviews Guidance Note* (December 2004) emphasises the importance of understanding the nature of the local commercial property market. The guidance sets out a general classification of employment sites from a market perspective, namely:
- 1) Established or potential office locations.
 - 2) High quality business parks.
 - 3) Research and technology/science parks.
 - 4) Warehouses/distribution parks.
 - 5) General industrial/business areas.
 - 6) Heavy/specialist industrial sites.
 - 7) Incubator/SME cluster sites.
 - 8) Specialised freight terminals.
 - 9) Sites for specific occupiers.
 - 10) Recycling/environmental industries sites.
- 6.16 In general, the demand for employment property is driven by a combination of economic trends, such as economic and employment growth, and business trends such as new inward investment, business growth, company merger and acquisitions and corporate restructuring. Any robust assessment of which segments are likely to increase or reduce

their net Royal Borough of Kingston land requirement, therefore, needs to have regard to these underlying drivers of market demand. In addition, demand is often “supply led”, because the availability of suitable property or land is itself a significant factor influencing demand. If suitable property or land does not exist in a specific market, demand cannot be satisfied in that market and, in this event, demand may be ‘lost’ to an alternative location where appropriate property or land exists. In this respect, demand is clearly related to supply which is itself shaped by planning policy.

- 6.17 The following section provides a concise perspective on which segments of the employment land market are likely to have a material need to increase or decrease their net Kingston land requirement to 2025, including an assessment in very broad terms of the magnitude of this increase or reduction.
- 6.18 With regard to the employment land segments outlined above: 1) established or potential office locations, 2) high quality business parks and 3) research and technology / science parks fall within the B1 planning use class. Much of Kingston’s established office market is located in and around Kingston town centre with about 132,000m² net office floorspace, followed by New Malden district centre with 31,000 sq m, Tolworth district centre with 28,000m² on and Surbiton with 11,000m². There are also a number of free-standing office blocks located outside these areas.
- 6.19 The Royal Borough of Kingston has a very modest business park offer with Barwell Business Park the largest site followed by the much smaller Silverglade and Kingsmill Business Parks. The Royal Borough area does not have a research and technology / science park.
- 6.20 Net future demand for established or potential office locations is likely to increase slightly in the period to 2025, driven primarily by economic and employment growth in relevant sectors, particularly service industries. A study commissioned from CB Richard Ellis into office market demand for Kingston town centre (February 2008) suggests that demand will be for an average of around 1,200m² per annum up to 2012, increasing to 1,300m² per annum to 2016, followed by an annual average of 1,400m² to 2020.
- 6.21 The London Office Policy Review 2007 that informed the Further Alterations to the London Plan also takes a long-term view of the projected levels of office employment and the consequential demand for office stock. Employment projections by Volterra/GLA Economics and Roger Tym and Partners suggest 4,906 additional finance and business services jobs in the Royal Borough of Kingston over the period 2006 -2026. This translates through to an estimated 73,830m² of additional office space required in the Royal Borough 2006-2026 based on assumptions about future office densities that existing stock will continue to have 16.3m² per head whilst new stock will increase in density from 16.3m² per head in 2006 to 13.9m² per head by 2026. It is also based on a margin of vacant floorspace equivalent to 8% of stock (the equilibrium availability rate). Caution must be used, particularly at the borough level, in interpreting the translation of employment growth projections into floorspace demand but it is nevertheless a useful indicator of the potential scale of the Royal Borough’s office market. It equates to about 3,700m² per annum of additional office space in the Royal Borough of Kingston over the period 2006-2026. With Kingston town centre comprising 38% of the total Royal Borough office stock this borough level figure appears to be broadly consistent with the projections for Kingston town centre.
- 6.22 Demand for this type of property is likely to be generated by existing small to medium sized companies expanding and upgrading their office space. Some new inward investment could also be secured, in particular on the few better quality sites and premises.

- 6.23 The demand for high quality business park space is mainly driven by those companies which have a need for more flexible accommodation usually involving ancillary storage space and the desire for on-site car parking. In addition, good accessibility, environment and security are other key considerations. Increasingly, companies are looking at 'green office buildings' which have an excellent Building Research Establishment Environmental Assessment Method (BREEAM) rating and these buildings are more likely to be provided in a new building than a refurbished or old building. In general, the demand for high quality business park space tends to be driven by a number of key sectors including IT and logistics.
- 6.24 Currently Barwell Business Park is the only example of a purpose built business park in the Royal Borough that meets the basic criteria of a minimum area of 5 hectares with some national or multi-national firm occupiers as set out in ODPM's *Employment Land Reviews Guidance* for a "high quality" business park but even here it is arguable whether it has the quality of buildings and public realm to be truly categorised as such.
- 6.25 Having regard to the above drivers for high quality business park space it is likely that demand for this in the Royal Borough will increase in the future but whether this can be met within Kingston will clearly depend on the supply of such space. For example, there have been a number of large footloose office requirements recently where Kingston could potentially have secured new investment but where this investment went elsewhere, e.g. Unilever (which leased 170,000 ft² in Leatherhead).
- 6.26 Demand for R&D / Research Parks is usually closely linked to the presence of a major university, but not necessarily reliant on this, or to a major company with a strong requirement for R&D. In the past British Aerospace fulfilled this role in the Royal Borough and led to aerospace and other related specialist courses within the faculty of engineering. Whilst there is undoubted potential for local industry and university links there is unlikely to be demand for R&D / science park space in Kingston for the foreseeable future with the emphasis within Kingston University's estate investment programme up to 2017 on campus remodelling, sport and leisure and residential developments.
- 6.27 The demand for warehousing / distribution parks (use class B8) is partly driven by general economic growth, since most things that are made or sold in retail outlets (or on-line) pass through a warehouse at some stage. Changes in the way companies manage their logistics operations, for example just-in-time working practices, and wider supply chains have also been an important driver of demand. In addition, over recent years there has been significant growth in home deliveries, which are often served from warehouses. Aside from these drivers, in many markets the demand for warehousing is related to the growth of the area in terms of population, retail floorspace or its general 'business' base. This is because warehouses are often occupied by companies providing products or services to the local population, retailers or businesses. Having regard to these drivers, there is considered to be some potential for a modest net increase in demand for warehousing / distribution parks in Kingston. One specific driver of warehouse demand could be the redevelopment of the Eden Quarter of Kingston town centre which is likely to involve around 50,000m² of new retail floorspace. Another is the 3,850 net new homes required to be built in the Royal Borough between 2007 and 2017 under the terms of the London Plan.
- 6.28 The majority of demand in the industrial sector, at least in floorspace terms, is likely to be from the logistics sector. The logistics sector itself is varied and complex. In simplistic terms, from a property perspective, three broad categories can be identified:
- Warehousing – general storage space, requiring limited specialist property requirements;

- Distribution Centre – can be variable in terms of size and storage requirements, but characterised by more movement, assembly and packaging arrangements than storage warehousing;
 - Large Scale Distribution Centre – tends to be the larger ‘big’ and ‘mega’ sheds, with sophisticated loading and storage facilities and cross docking arrangements.
- 6.29 The above categorisation is illustrative, but does serve to highlight the variation that exists within the sector, which in turn has implications in terms of the specific property requirements of occupiers. From a planning policy perspective the key issue is land requirement, not necessarily the details of operational property requirements. This is typically classified as ‘warehousing’ land.
- 6.30 More generally, work undertaken to inform the Mayor of London’s Industrial Capacity SPG suggests that based on London’s (Gross Value Added) output growing by 2.5% per annum there is a projected additional demand for over 460 hectares of land for warehousing and logistics functions in London between 2006 and 2026. Whilst most of this additional demand is anticipated in other regions it is still estimated that an additional 59 hectares will be required in the South West sub-region over this period. Although much of this additional demand can be expected to materialise in recognised logistics property market areas such as Wandle Valley centre around Purley Way it is still clear that additional provision will be required in areas such as the Royal Borough to serve the general retail and other industrial sub-sectors covering especially the outer London and wider south-east regional markets. The London Industrial Land Release Benchmarks report by URS provides a borough by borough assessment of drivers of demand and concludes that the reduction in demand for industrial demand will be outweighed by positive demand from waste and some logistics.
- 6.31 The demand for general industrial (Use Class B2) and heavy specialist industrial sites (B2 or sui generis) is typically driven by specific manufacturing activities or construction (e.g. aggregates plants). Broadly, demand for general industrial property in the Royal Borough has been in decline, reflecting the long-term decline of manufacturing in the UK. As manufacturing is forecast to decline further in employment terms across London (as set out in the Mayor of London Industrial Capacity SPG, March 2008) it is expected that in the period to 2026 net demand for general industrial or specialist industrial sites in the Royal Borough will continue to reduce. This being said there are very few genuinely B2 businesses in the borough. Most are located on the Chessington industrial estate, the Royal Borough’s principal industrial area but even here they normally also incorporate administrative and logistic functions.
- 6.32 The demand for incubator space (Use Class B1) is often linked to the presence of a major university, but not generally run as a commercially viable entity. This type of demand can be accommodated in dedicated Incubator Centre or Innovation Centres. In the Royal Borough there is the Kingston Innovation Centre at Kingsmill Business Park that provides entrepreneurs with the a package of accommodation, services and support to help them convert their business ideas into successful businesses. KIC is a not-for-profit company that works closely with Kingston University.
- 6.33 Most demand from SMEs (small and medium-sized enterprises) is satisfied by “mainstream” property market segments (such as offices) although it can also lead to requirements for serviced office space (such as operated by Service Office Group at the KBC Kingston Exchange in Kingston town centre.). It also results in the provision of small to medium size flexible industrial/business units in the Royal Borough by specialist providers such as GLE properties at Chessington Trade Park and Chancerygate at Red Lion Road Business Park. With the growth of SME’s in the creative industries market the

demand for premises is less about availability and more about a lack of 'interesting' spaces in creative locations that would support creative clustering. The growing number of small businesses within the sector both mean that the supply of suitable small business premises and incubation units remain important to the long-term health of the creative industries. Other SME accommodation has tended to be provided as part of a mixed use redevelopment package negotiated with the support of the Partnership and Regeneration Unit. Research has suggested that up to 230 jobs are generated by each 1,000 additional population. Given the projected increase in population in Kingston over the next 20 years of around 7,000 people, it does seem likely that a very significant contribution will be made by the many, often small, service activities that support residential areas.

- 6.34 The demand for specialised freight terminals is generated by very specific users which generally require a terminal to handle the movement of freight from one mode to another. Typically these terminals are either rail-freight terminals (particularly for bulky goods such as aggregates) or terminals for waterborne freight (which is typically used for 'abnormal loads', waste and other types of slow moving freight). The only current example of this type of property in the Royal Borough is the Aggregates Depot site adjacent to Tolworth Railway station that is identified in the UDP as a Strategic Freight site. This is currently occupied by 2 companies: London Concrete Ltd which operates a concrete batching plant and Day Aggregates that provide an aggregates depot and bagging facility. Both are served by English, Welsh and Scottish Railways Ltd. It is envisaged that this site will remain as a Strategic Freight Site in the period to 2025 as the London Plan seeks to safeguard existing freight sites in order to support a shift of freight from road to modes such as rail and water. The only other site that could be developed as a rail freight terminal in the period to 2025 is the Coal Depot site off Garrison Lane adjacent to Chessington South station.
- 6.35 Demand related to specific occupiers is very difficult to predict in general, although this type of demand can arise from specific companies already based in the Kingston area or a specific inward investor. A recent example is the development of a 30,000ft² state-of-the-art processing plant for New England Seafood at Chessington industrial estate that were looking to relocate out of Wandsworth into accommodation within easy reach of both Heathrow and Gatwick airports. Whilst difficult to predict, this type of demand can clearly only be met if suitable land and property is available.
- 6.36 Net demand for sites for recycling / environmental industries is likely to increase in the period to 2025 driven in part by environmental regulations, such as the EU Waste Electrical & Electronic Equipment (WEEE) Directive which came into force in the UK in 2007. The indicative land requirements for additional waste management and recycling facilities set out in the Mayor of London's Industrial Capacity SPG March 2008 suggests that the Royal Borough may require 6 hectares of suitable land over the period 2006-2021. Realistically this is unlikely to be met within the existing supply of industrial land and it may be necessary to allocate additional land on strategic transport networks in the Borough.
- 6.37 It should be recognised that irrespective of the above broad drivers of market demand the actual development of new floorspace is strongly influenced by institutional and developer preferences. This means a focus on property with the highest possible re-sale value is generally constructed, which tends towards larger unit space for a single occupier. This generally favours logistics occupiers. The logistics sector, in turn, can require more exacting building specifications than the manufacturing sector, such as more loading doors or a higher minimum eaves height. This in turn leads to higher asking rents in order to cover development costs, which logistics organisations are generally better able to afford than manufacturers. Gateway 3 on the Chessington industrial estate is an example of this type of recent development.

- 6.38 The picture is different in the second-hand market, which is where the majority of activity generally occurs. The key driver here is the asking rent and other occupational costs in particular, with the building specification being an area in which compromise is necessary. This can mean manufacturers, distributors and service businesses competing for the same properties, with affordability being the key difference between parties. Within the employment component of the many mixed-use schemes being developed in the Royal Borough it is usually office based micro or small businesses that are actively sought by developers as being most compatible with residential.
- 6.39 The Royal Borough of Kingston Business Survey 2007 provides invaluable information about attitudes to property and site issues from existing businesses in the Borough and an indication of business expansion plans. This clearly predated the current economic downturn and it may be that some companies expansion plans will be deferred until the eventual upturn. Full details are given in Appendix 2 but key findings include:
- A significant proportion of businesses feel that their present property suits their needs and requirements irrespective of the location.
 - Nearly half of businesses are likely to expand in the next 5 years and almost 50% of those are expecting to expand at their present site or on another site in Kingston.
 - Needing more space is the main reason why companies would move from their present premises.
 - Most businesses look at cost and adequate parking facilities when considering a move.
- 6.40 In addition to the above survey local commercial property agents were also asked for their views on the operation of the Borough property markets. Principal comments include:
- Industrial demand:*
- The Borough has a very limited supply of small to medium size industrial/business units (1,000 - 3,000ft²) that are both affordable and attainable to the local business user.
 - We take numerous calls from small companies looking for such accommodation and we find it very difficult to satisfy these enquiries. User types range from the small motor mechanic to the more hi-tech computer assembly company. However, the same issues apply to all: that is, they need small affordable business space that is available quickly and on flexible terms.
 - At present, if a local business is seeking this type of space, they have limited choice. For example they could consider the Barwell Business Park at Chessington where rental levels are high and financial requirements of the institutional landlord very onerous. For the majority, they cannot meet these financial standards and are turned down or put off by the high annual costs.
 - Alternative purpose built developments such as Gateway 3 in Davis Road Chessington only cater for the large established user. As a consequence of the lack of supply, prospective operators have to turn to the ever dwindling supply of secondary industrial/warehouse accommodation within the Borough.
 - Examples of such accommodation are those older sites in areas such as Hook Road, Villers Road and Portland Road. These localities are under pressure from residential development as residential site values are much higher than those for business space. A rare example of a new small unit scheme that catered for the

local small end user was the Chessington Trade Park in Cox Lane built in 2005. Units were specifically built to cater for the small end user and started at 2,150ft². They were sold freehold and proved to be very popular. We really need far more of this type of accommodation being built in the borough.

- The industrial market is more active than the office market. Industrial rents and capital values have certainly increased over the past 2/3 years whilst office rents have until more recently hardly moved at all.
- There has been more development recently mainly in the Chessington area. It is felt that there is still unsatisfied demand for industrial/warehouse space but for smaller units of up to 500m². As with the office market with no new industrial/warehouse developments coming on stream in the Kingston area, most of the available space is second hand/refurbished with the exception of Chessington Industrial Area. For example there are units of various sizes on the Adams Industrial Estate between Kingston and New Malden where there is currently quite a lot of interest, primarily from local businesses looking to increase the amount of space they occupy or companies moving out of locations further into London where their existing premises are being redeveloped.
- In conclusion, the borough will continue to lose it's traditional business space users to other localities if the erosion of "affordable" business space is not halted.

Office Demand:

- The main problem about assessing the demand for offices in Kingston is that no new major office developments (new Grade A offices of 500m² or more) have been built in Kingston for a number of years. The market activity has as a result been confined to second hand refurbished office space, where because of the age of the buildings the space has its limitations as far as internal services such as air-conditioning, cabling etc are concerned.
- It is very difficult therefore to assess what the demand for such space is likely to be if there is nothing to offer potential tenants. As a direct example, about 2/3 years ago a major firm of accountants were searching for a new regional office in and around Kingston. They wanted about 1000 to 1500m². Nothing was immediately available or in the development pipeline. As a result they abandoned their plans to locate in Kingston and took a building in Epsom.
- Access is also vitally important not just via public transport. If any major office schemes are to succeed in Kingston, Surbiton or New Malden they have to provide an occupier with an acceptable level of on site parking. Research into the disparity in rents between Richmond and Wimbledon compared to Kingston shows that access for staff and visitors is very important. Both of those centres are at the end of underground lines. That does make a difference and to compete with those locations Kingston has to be able somehow to provide comparable facilities. The need for good and convenient access for staff is demonstrated even more when one compares the office space market in Kingston with locations around the M25 such as Chertsey, Staines and Leatherhead where large scale development has taken place and where rents are higher than in Kingston even though in some cases these locations have much less comprehensive facilities and are mainly accessible by car only.
- Most of the current demand for offices is from companies who are in the area

already and who need to move into more or less space. Most if not all of this demand is for space of less than 500m². There also continues to be a reasonable level of demand from companies and individuals looking for freehold office accommodation for their own occupation. However again these companies are small and looking for space of less than 200m² and to spend less than £500,000.

- Therefore, there is demand for office space in the Borough and that demand has been increasing gradually over the past 12 months or so. However the level of demand is less than in more recognised office centres (the Thames Valley and West End of London for example) and is for much smaller office space, possibly because that is all Kingston has to offer. As a result office values (rental and capital) have not kept pace with other locations maintaining the gap between residential and office land values.
- An analysis of applicants who are looking for office space in Kingston suggests that most companies are looking for space of between 100-500m².

Translating Employment Forecasts into Employment Space and Land Requirements.

6.41 Using employment forecasts from CB Richard Ellis the following is an attempt to calculate the amount of employment floorspace that is required to cater for the increase in the amount of employment in Kingston in 2020.

Table 11 - Employment Forecasts.

	2006	2020	Change 2006-20
Manufacturing	4,433	3,700	-733
Distribution (exc Retail)	8,950	8,710	-240
Financial & Business Services	50,496	58,626	+8,130

Source: CB Richard Ellis.

6.42 For the purposes of the calculation employment is first translated into land use using the approach as recommended in the ODPM guidance for converting industrial classifications into land use types:

Manufacturing to be taken as a proxy for B2.

Distribution to be taken as a proxy for B8.

Business and Financial Services to be taken as a proxy for B1.

6.43 The gross employment densities are based on the latest data on potential employment densities within the South East from DTZ Peda:

Manufacturing: 1 worker per 34m² of floorspace.

Distribution: 1 worker per 50m² of floorspace.

Financial & Business Services: 1 worker per 19m² of floorspace.

For the purpose of these calculations it is assumed that worker floorspace densities will remain unchanged between 2006 and 2020. In relation to distribution (B8) it may well be that there are future efficiency improvements that would explain the loss of employment in Table 11 in paragraph 6.41.

Table 12 - Applying the densities results in the following floorspace requirements:

	Average Density	2006 (m ²)	2020 (m ²)	Change 2006-2020
Manufacturing (B2)	34m ²	150,700	125,800	-24,900 (-2.5Ha)
Distribution (B8)	50m ²	447,500	435,500	-12,000 (-1.2Ha)
Financial & Business	19m ²	959,400	1,113,900	+154,500 (+15.5Ha)

6.44 Translating estimated floorspace requirements to accommodate additional employment into land requires the use of plot ratio figures. The plot ratios used are based on the following assumptions using work previously undertaken by Roger Tym and partners :

Manufacturing – 42%.

Financial & Business Services – 65% (this is a composite figure taking into account plot ratios within town centres and those in other areas).

Distribution – 50%.

Table 13:

	Change In Kingston Employment Land Requirements 2006-2020 (m ²)
Manufacturing (B2)	-59,285 (-5.9 Ha)
Distribution (B8)	-24,000 (-2.4 Ha)
Financial & Business (B1)	+237,700 (+23.8 Ha)

6.45 Although there is general agreement with regard to the future continuing decline in manufacturing employment and therefore the future potential land requirement for these activities, the decline of distribution floorspace as shown in the table above does not necessarily equate to a potential loss of land for warehousing/logistics purposes. Studies undertaken by the GLA as referred to previously strongly suggest that there will be an increasing space requirement for this sector even if the Borough employment projections were to be found correct. These mathematical calculations are offered merely as a guide to the overall amount of employment land that may be required in the Borough.

6.46 It is important to note that the above calculation does not take into account current vacancy levels. This is especially important in the case of the increased B1 floorspace and land requirement indicated above which can naturally be expected to be offset to some degree (from more intensive use of existing sites and premises) by applying the frictional vacancy rate of 5% land stock and 8% floorspace based on the guidance in the Industrial Capacity SPG.

7. Key Policy Considerations and Recommendations.

- 7.1 In general terms, in developing the employment policies for the LDF the following key elements should be included:
- Identification of the key local and strategic economic priorities to support the strategic, Borough-wide employment policies in the Plan;
 - Ensuring a locational emphasis supports Borough-wide employment policies to encourage appropriate forms and types of development which can facilitate sustainable economic growth and diversification whilst addressing local priorities for regeneration and economic opportunity;
 - The definition of employment sites and premises that reflects the current and future economic roles of Kingston as well as local regeneration and economic development priorities;
 - Establishment of a robust set of criteria for defining and justifying the employment allocations;
 - Introduction of a site-specific allocation type which promotes employment-led mixed use development (i.e. development that has a higher concentration of employment uses, yet may require a non-B-class component in order to facilitate the development);
 - Identification of the potential for developing specific policies that make provision for affordable workspace, small businesses and key sectors;
 - Identification of key mechanisms for implementing the plan;
- 7.2 The Local Development Framework employment policies need to address the following key issues arising out of this review of employment land.
- Restricted Transfer of Employment Land.*
- 7.3 The report provides evidence to suggest that the transfer of employment land to alternative uses should be carefully restricted during the plan period in line with the London Plan and the guidance set out in the Industrial Capacity SPG. Industrial restructuring in Kingston has reached a stage where the scope for the transfer of existing employment land resulting from further contraction of uncompetitive industrial activities has decreased significantly compared to that experienced in the 1990's. Manufacturing employment now represents just 3.7% of the total employment in the Borough compared to 8.3% in 1995 and with a Borough industrial/warehousing land vacancy rate of 1.3% compared to a London average of 12.7% (2006) there is little opportunity or justification for further change of industrial land to other uses.
- 7.4 Despite a decline in Kingston's B2 manufacturing employment base, total warehousing and logistics related employment amounts to 10.7% of the Borough's total employment and now provides more jobs than the manufacturing and production sector. These activities are likely to continue expanding in the foreseeable future and will require appropriate development opportunities to accommodate the demand.
- 7.5 Therefore it is important that the Borough's local economic base is not compromised by policies that allow existing employment land to be lost to alternative uses. The assessment of existing sites demonstrate that the vast majority remain suitable for employment purposes and that employment sites of all sizes and in most locations are in demand and that any loss of sites, many of the smaller, scattered sites are occupied by locally based

companies with local supply chains, to alternative uses would result in a deterioration in the local economic base.

- 7.6 The transfer of industrial sites to alternative uses should be carefully managed and strongly restricted to sites which are inherently unsuitable or unviable for industrial, warehousing or business use. The rate and scale of transfer to non-employment uses should be significantly lower than that experienced since the adoption of the UDP in 2005.

Supply and Demand Mismatch.

- 7.7 Currently, there is a mismatch between the nature of demand for and supply of B1 premises in the Borough. This arises from:
- the existing stock of office premises being often unsuitable for small enterprises and key sector activities (including creative and cultural industries) in terms of size, cost, ownership, flexibility and location;
 - the provision of office accommodation as an ancillary use to residential-led mixed use schemes often being inappropriate in terms of type (especially to firms being displaced), cost and location;
 - differentials in land value between residential developments and those of small offices and light industrial units.
- 7.8 There is evidence to support the adoption of LDF policies which aim to increase the availability of sites and premises for small businesses in Kingston despite the perceived overhang in the supply of office accommodation.
- 7.9 The increase in the number of VAT registered businesses to 5705 at the end of 2006 represented an increase of 90 over the previous year. This included a total of 585 new registrations during 2006. 69.5% of all VAT registered businesses in the Borough in 2006 employed 0-4 people. Based on information provided by DTZ Pieda Consulting in a feasibility report for a Kingston Centre for Creative Industries it seems reasonable to assume that the figure of 585 new VAT registrations is a significant underestimate of the number of new business starts within the Kingston economy. The real figure seems likely to be closer to 1,000 new starts per annum. This not only demonstrates the attractiveness of Kingston as a location for business growth, but it indicates the increasing importance of small enterprises in accommodating employment growth.
- 7.10 The Kingston Business Survey indicates a volume of unmet demand arising from the expansion and relocation needs of existing firms. 47% of respondents were planning to expand their businesses within the next 5 years and of those businesses planning to expand 34% expect to do this at their present site and 13% at other sites within the Borough.
- 7.11 There are a number of key sectors, financial and business services and creative and cultural industries that are forecast to increase in the Borough. These activities have a high requirement for B1 premises and as their expansion continues, demand for B1 floorspace will also increase. The increasing number of creative and cultural industries will create demand for a range of premises mostly comprising B1a and B1c floorspace. There is an argument that in the light of falling manufacturing industry demand that office based businesses centres and incubation space should be considered within certain industrial estates or sites that have reasonable public transport accessibility.
- 7.12 The mismatch between the supply of and demand for B1 premises is largely explained by the current supply sometimes being inappropriate in terms of location, type and/or cost.

There is, for example, a subset of creative businesses such as artistic creation that has very specific needs in terms of the size, location, type and affordability of premises that translates itself into a requirement for studio space that may also require display space. The affordability of premises is a particularly important factor which determines the ability of small firms to become established and to grow. Indeed, cost of rents and poor availability of suitable premises are important factors in driving companies out of the Borough. A balance needs to be struck between catering for modern requirements whilst not pricing out the low value operators who will continue to provide an invaluable service to Borough residents and the local economy.

Improving the Qualitative Supply.

- 7.13 There is a strong case for the LDF to facilitate the improvement in the qualitative supply of sites and premises in response to the needs of Kingston's existing and future business base. For example, the relatively poor quality of office space in the Borough does not meet the demand from the business and financial services sector that is projected to grow strongly, for high quality office space. Similarly much of the existing industrial stock is not necessarily suitable for small firms and start-ups. This could be achieved through a combination of the following measures:
- Intensifying the use of some existing employment locations;
 - Redevelopment of some existing sites for continued employment use;
 - Redevelopment of some existing employment sites for employment-led mixed use development;
 - Redevelopment of windfall and/or other key sites with opportunities for mixed-use development with a significant employment component;
 - Redevelopment of sites that are not defined as employment sites but have uses of an industrial nature and have a component of employment on them for continued and expanded employment use.
- 7.14 Where the potential for employment led mixed use has been identified the purpose is to secure improvements in the type and quality of the employment building stock. The resulting employment floorspace should meet the qualitative requirements of businesses in the Borough. At each site the quantity of enabling non-employment floorspace should be limited to the quantity necessary to secure provision of appropriate employment premises.
- 7.15 It is important to ensure that the existing quantum of employment land assets are not eroded, the needs of local businesses can be accommodated during the plan period and that significant steps are taken to improve the quality and diversity of supply to meet the varied range of needs in the market.
- 7.16 This policy principle should be embedded in the LDF to ensure that development proposals do not result in a net loss of existing employment floorspace and that the essential character of land designated for employment is not eroded.
- 7.17 Development proposals should seek to increase the supply of employment floorspace where feasible although the focus of policy should be on improving the quality of supply. This should include the provision of a varied portfolio of owner-occupied and rented space suitable to the needs of modern occupiers.
- 7.18 These initiatives could be covered by a criteria based policy, extending the terms of policy E1a in the UDP. The implementation of policies to upgrade the qualitative supply of employment land and premises to match need should be coupled with restrictive transfer of

sites which inherently are no longer suitable or viable for employment use.

New Employment Policy Designations.

- 7.19 Based on the assessment of the supply and demand balance in relation to employment land and premises and having considered the nature of future demand in the Borough it is recommended that a new designation for employment sites and locations be introduced to inform policy decisions. Below are the designations:

Major Office Locations.

- 7.20 The “Major Office Location” is an overlying policy designation which identifies key areas within the Borough where large office buildings should be provided. It is suggested that proposals over 500m² should be classified under the major office designation. The purpose of the Major Office Location is to restrict larger scale office development to appropriate sites and locations principally within Kingston and the District Centres that enjoy high public transport accessibility with a view to reinforcing their economic role. It may also be an appropriate designation within other existing employment centres that are conveniently accessible to public transport.

Strategic Industrial Location (SIL).

- 7.21 Industry & warehousing SIL’s represent London’s strategic reserve of industrial capacity designated in the London Plan and should be safeguarded for this use in the LDF. These sites comprise the Preferred Industrial Location (PIL) at Chessington Industrial Estate and the Industrial Business Park (IBP) at Barwell Business Park.

Locally Significant Industrial Sites (LSIS).

- 7.22 Locally Significant Industrial Sites are those industrial sites that lie outside the Mayor of London’s SIL framework but which this study and the criteria set out in the Industrial Capacity SPG show to warrant protection for local industrial functions.
- 7.23 All of the existing UDP Policy E1 sites except for Chessington industrial estate and Barwell Business Park should be afforded this status along with the addition of Kingsmill Business Park

Other Employment Locations.

- 7.24 Other Employment Locations represent areas of employment uses which offer potential to support viable B use class activities in mainly residential locations. Give the size of these sites, they do not meet the criteria of either a Strategic Industrial Location or Locally Significant Industrial Site but are justified for safeguarding in terms of their local importance.
- 7.25 For Other Employment Locations only, we recommend that the LDF includes specific criteria regarding the marketing of vacant employment land and premises. This should aim to ensure that developers provide sufficient evidence regarding the viability of sites for continued employment use. The presumption is that these sites and premises should be protected unless it can be demonstrated that they inherently unsuitable or unviable for continued employment use.

Appendix 1.

Appraisal criteria for assessing employment sites as part of Kingston's Employment Land Review 2007-8.

Developed from: ODPM (2004) *Employment Land Reviews: guidance note* (Annex E)

Assessment criteria	Units	Description
Location	Postcode	
Base Information		
Current land use	Office; Industrial; Open yard, Warehouse/storage/depot, Retail, Other	
Property description	Description of current employment activity	
Overall size of site / site area	Sq. metres/Hectares	
Floorspace in use	Segment/unit size	
Planning Designations	Industrial/Warehouse/Business area, Local shopping area, Strategic area of special character, Conservation area, Listed building, Site of archaeological significance.	
Ownership		
Status	Occupied, Part occupied, Vacant	
Current owner/occupier	Name of business	
Freehold or leasehold?	Freehold/leased/rented	

Quality of Existing Portfolio and Existing Environment		
Age of Building	Estimate of year	
Quality of building	Categories: Very good, Good, Average, Poor, Very Poor	
State of external areas and public realm	Categories: Very good, Good, Average, Poor, Very Poor	
Parking areas	Categories: Dedicated parking, On street parking, Controlled/paid parking, Other	
Internal circulation	Categories: 0-100m ² , 100-200m ² , 200m ² +	Area designated for circulation
Servicing facilities	Categories: Roadside loading and unloading bays, Off road loading and unloading, Dedicated loading bays, No loading bays.	

Quality of the Wider Environment		
Constraints		Adjacent land uses that are or have the potential to constrain operations or quality of the site.
Access	Categories: Rail, Trunk Road, Primary Road, Secondary Road, Local road.	Access to main transport corridors for provision of supplies and movement of products
Access to Public Transport (PTAL level)	Level 1a, 1b, 2, 3, 4, 5, 6, 6a 1=Least Accessible, 6=Most Accessible.	
Site Access		Note as to whether there is adequate access to the site
Market Conditions – Future Uses		
Strength of local demand for current use type		
Recent market activities on site		Note if there have been any periods of vacancy or high turn over
Potential constraints	Categories: Land contamination, Land stability, Onsite structures, Ownership, Utilities, Planning controls, Flooding, Other.	

Appendix 2.

Royal Borough of Kingston Business Survey

Royal Borough of Kingston Upon Thames Business Survey, 2007.

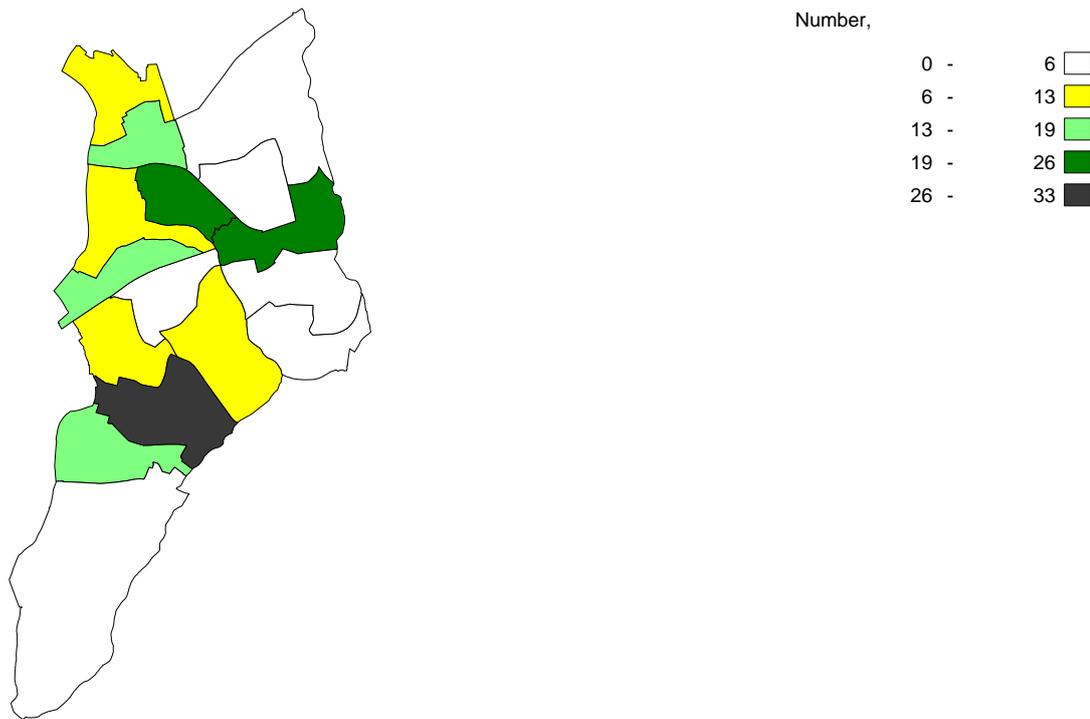
Introduction.

A postal survey was carried out as part of the Employment Land Review for the emerging Local Development Framework and to supplement sub-regional information. The Employment Land Review covers all aspects of the supply of and demand for employment land. The business survey seeks to establish the future plans and aspirations of companies as well as the current problems they experience about their sites and the Borough in general.

The Survey.

Between March and May, 2007, 669 questionnaires were sent out to all businesses occupying industrial/business land in the Borough, excluding retail businesses, with a reminder in late April. 178 completed questionnaires were returned, a response rate of 26.6% that is regarded as satisfactory and statistically representative.

It is encouraging to observe that responses came from all sizes and types of business located in most parts of the Borough. The highest response is from Tolworth & Hook Rise ward followed by Beverley and Norbiton wards. Chessington Industrial Estate and St. John's Industrial Area are in these wards respectively. There was a lower response from the Chessington South ward where Barwell Business Park and Silverglade Business Park are located. Table 1 shows the response from within the Borough's neighbourhoods and broken down by ward. The map below shows the geographical distribution of responses from businesses by ward.



The following are the definitions of the various sizes of businesses:

	Number Employed
Micro business	0-9 employees
Small business	10-49 employees
Medium sized business	50-249 employees
Large business	250 and over employees

Unsurprisingly the majority of responses come from companies that employed less than 10 people, the micro businesses comprising 52.8% of the response. As this size of business is the most prevalent in the Borough it does show that the survey is representative of the nature of business in Royal Borough of Kingston upon Thames. Over 96% of responses come from businesses classed as micro, small or medium sized enterprises.

The results of this survey are presented in tabular, graphical and written format. The tables appear as Annex 1 to this document whilst a list of the comments from the businesses are contained in Annexes 2-6. A copy of the questionnaire and accompanying letter sent to businesses can also be found in Annex 7.

Executive Summary.

The survey has proved to be an important exercise in engaging with the business community and assessing and understanding their current position regarding property and their future plans. It has also provided essential information to inform the Employment Land Review.

The companies that are located within the Borough exhibit the following characteristics in relation to their existing operations and their future aspirations:

- The majority of businesses that responded to the survey are micro or small businesses.
- The majority of companies, nearly 67%, occupy their premises on a leasehold basis.
- Over 50% of businesses said that they encountered no serious operational problems.
- Parking is the main operational problem stated by those companies with problems.
- A significant proportion of businesses feel that their present property suits their needs and requirements irrespective of the location.
- Nearly half of businesses are likely to expand in the next 5 years and almost 50% of those are expecting to expand at their present site or on another site in Kingston.
- Needing more space is the main reason why companies would move from their present premises.
- Most businesses look at cost and adequate parking facilities when considering a move.
- Businesses consider parking and local traffic problems are the main issues to be addressed.

Main Findings.

The following analysis follows the sections as they appear in the questionnaire.

Business Operations.

These questions were designed to establish what types of business were located in the Royal Borough of Kingston upon Thames in terms of use and size.

Table 2 illustrates the main use of business. 47.8% of responses are from office based companies, 18.5% from storage/warehouse establishments, 14% from workshop based businesses, 10.1% who class themselves as manufacturing firms and 6.2% from retail/wholesale companies.

Table 3 shows that 52.8% of responses come from micro businesses including self employed people, 33.7% from small businesses, 10.7% from medium sized businesses and 1.7% from large companies. This breakdown is similar to the official statistics produced by the Office for National Statistics and accurately represents the proportion of businesses within the Borough.

Business Property.

These questions were intended to find out information about the actual property or premises that businesses currently occupy.

Table 4 shows that 63.4% of companies occupy less than 5,000ft² of floorspace, mostly comprising micro and small businesses. 44.9% of businesses occupy between 1,001 and 5,000ft² and 18.8% occupy less than 1,000ft². Only 8.4% of businesses occupy more than 25,000ft² of floorspace with 1.7% having more than 50,000ft². As expected, nearly 80% of micro businesses (those employing 1-9 employees) occupy less than 5,000ft² of floorspace per company.

Table 5 illustrates that 66.9% of companies occupy their premises on a leasehold basis. 28.1% actually own the freehold of their site. The large companies that responded tend to own their own sites whereas the small and micro businesses tend to be leaseholders. 67.7% of small and micro companies combined are leaseholders and nearly 75% of micro businesses lease their premises. Nearly 40% of small businesses own the freehold of their property.

Businesses were then asked if they encounter any operational problems with their current premises. Table 6 shows that 53.6% of businesses that responded to this question stated they have no serious problems. For those companies who feel they have problems, 33.9% consider that lack of parking for staff and clients is the main issue. Other issues that are of lesser

importance to companies are crime (14.9%), rental costs (11.9%), access to their site and premise (10.1%) and the actual size of the site that they occupy (7.7%).

The type of business or its location does not appear to have any additional significance as far as parking as the major operational problem is concerned. Indeed, as indicated in Table 7, parking is marginally a less important issue for companies that occupy office premises (33.8%) However, as shown in Table 8, as far as businesses that occupy workshops or other manufacturing premises are concerned, 41.7% consider parking to be their major operational problem. It does not appear that there are any problems that are unique to any particular area of the Borough.

Other operational problems that businesses encounter include vandalism, graffiti, high rent and rates and general pollution in the local area. Appendix 2 contains a list of all the other operational problems that businesses encounter.

Companies were asked how their current property and the general area suited the needs of their business. Table 9 indicates that 47.2% of businesses think that their existing premises suit their needs very well. Indeed, 93.3% state that their property suits them either very well or fairly well. Only 5.6% of businesses thought that their property did not really suit their requirements. Significantly no company said that their current premises did not suit their needs at all.

Tables 10 and 11 reinforce the view that the majority of businesses are satisfied with their present premises irrespective of the type of business or their location within the Borough. Table 10 demonstrates that 94% of office based companies premises are very well or fairly well suited to their needs, almost all workshop/manufacturing businesses find their properties suitable and 83.3% of storage/warehouse companies are satisfied with their premises.

The trend continues, as Table 11 illustrates, when looking geographically in most parts of the Borough. Although over 75% of companies in most wards and neighbourhoods in the Borough state that their premises suit them very well or fairly well, in St. Marks ward 23.1% of businesses felt that their properties did not suit them. This figure dropped to 11.5% for companies located in Norbiton ward. It must be stressed that these proportions are based on small numbers of companies.

Future Business Aspirations.

These questions attempt to ascertain the future plans of businesses within the Borough.

Table 12 shows that 46.6% of businesses expect to expand within the next 5 years, 29.2% believe they will contract and 23% will remain the same. For those companies who are looking to expand, Table 13 reveals that 33.7% expect to expand at their present site, 13.3% at another site in Kingston, 12% at another site in South London and 13.3% elsewhere. 27.7% of businesses thinking of future expansion do not know where that is likely to be. As far as the local economy is

concerned it is encouraging that nearly half of the businesses that are looking to expand in the next 5 years are not contemplating leaving the Borough.

When asked whether they would expect to move away from their existing premises in the next 5 years, 46.6% of businesses state that they would not be moving as illustrated in Table 14. Table 14 further shows that 16.9% would be expecting to move away while 36% did not know at the present time.

The main reason for moving according to the companies that are looking to move is the need for more space. Table 15 shows that 74.1% cited this reason, when considering a future move. Other significant reasons for moving are the need for a more satisfactory location (44.4%) and the lease on the premises is running out (25.9%). 11.1% said that they will need less space in the future and they will need to cut costs. 7.4% of companies state that they intend to sell their business within the next 5 years.

There are several other individual reasons for moving premises stated by businesses. These include unsatisfactory parking at their present location, head office decision, better access to clients and to transport facilities and networks. A full list appears as Appendix 3.

The main criteria when looking for a property for their business, revolves firmly around the cost of the premises and adequate parking facilities. Table 16 shows that 82.1% of businesses who are looking to move in the next 5 years state that the cost of the property is the main consideration followed by the need for adequate parking at the new premises (78.6%). Other important factors when businesses are looking for premises include site security (53.6%), layout of the actual building (42.9%), access to transport links (42.9%), quality of the premises (39.3%), access to customers and clients (39.3%) and access to skilled employees (35.7%). The list of other criteria stated by businesses appears as Appendix 4.

Table 17 shows that of those companies that are expecting to leave their current premises within the next 5 years 88.9% say the main reason for moving out of Kingston is the cost of premises. This figure is based on just a few companies and therefore distorts the actual severity of the problem. 33.3% state that good access to transport routes is the main reason. Other reasons include better business support infrastructure (22.2%) and access to customers and clients (22.2%). It must be borne in mind that of the 30 companies expecting to leave their present premises only 9 chose to offer an answer to this question. Other more specific reasons given by companies for moving out of Kingston include traffic problems, crime, expensive overheads, lack of available premises and high rates. Several companies state that they would consider staying in Kingston if they could find appropriate premises. A list of comments is included as Appendix 5.

At the end of the questionnaire businesses were invited to record additional comments that they have about their property requirements or the future plans of their business. 52 companies chose to add additional comments. Although many of the comments are particular to the individual companies there are some general areas of concern. Unsurprisingly, many companies reiterate

the need to tackle local parking, public transport and traffic problems. A full list of additional comments appears as Appendix 6.

Conclusion.

- Many businesses are satisfied with their present premises and location although parking is the main problem for several companies.
- Many companies want to keep their existing premises and stay in the area.
- Need to maintain and keep local viable businesses in the Borough.
- Need to protect small employment sites that local businesses can afford and can flourish.

Annex 1.

List of Tables.

Table 1: Location of Responding Businesses by Ward and Neighbourhood.

			Number	Percentage
Neighbourhood	Kingston Town	Canbury	18	10.1%
		Grove	12	6.7%
		Norbiton	26	14.6%
		Tudor	6	3.4%
	Surbiton	Alexandra	10	5.6%
		Berrylands	4	2.2%
		St. Marks	13	7.3%
		Surbiton Hill	11	6.2%
	Maldens & Coombe	Beverley	21	11.8%
		Coombe Hill	2	1.1%
		Coombe Vale	3	1.7%
	South Of The Borough	Chessington North & Hook	14	7.9%
		Chessington South	3	1.7%
		Tolworth & Hook Rise	32	18.0%
No Address Given	No Address Given	3	1.7%	
Total		178	100%	

Table 2: Use of Business Premises.

		Number	Percentage
Use of Business	Office	85	47.8%
	Workshop	25	14.0%
	Manufacturing	18	10.1%
	Retail/Wholesale	11	6.2%
	Storage/Warehouse	33	18.5%
	Various Other Uses	4	2.2%
	No Answer	2	1.1%
Total		178	100%

Table 3: Size of Business by Employment.

Size of Business		Number	Percentage
	0-9 Employees (Micro Business)	94	52.8%
	10-49 Employees (Small Business)	60	33.7%
	50-249 Employees (Medium Sized Business)	19	10.7%
	Over 250 Employees (Large Business)	3	1.7%
	No Size Given	2	1.1%
Total		178	100%

Table 4: Size of Business by Floorspace Range.

Floorspace Range		Number	Percentage
	0-1,000 sq.ft	33	18.5%
	1,001-5,000 sq.ft	80	44.9%
	5,001-10,000 sq.ft	15	8.4%
	10,001-25,000 sq.ft	15	8.4%
	25,001-50,000 sq.ft	12	6.7%
	Over 50,000 sq.ft	3	1.7%
	Did Not Answer	20	11.2%
Total		178	100%

Table 5: Ownership.

		Number	Percentage
Ownership	Leasehold	119	66.9%
	Freehold	50	28.1%
	No Answer	9	5.1%
Total		178	100%

Table 6: Operational Problems With Current Premises.

		Number	Percentage
Operational Problems	Crime	25	14.9%
	Building Disrepair	8	4.8%
	Cost of Rent	20	11.9%
	Internal Layout & Services	7	4.2%
	Size of Site	13	7.7%
	Lease Expiry	7	4.2%
	Parking	57	33.9%
	Vehicular Access to the Premise/Property	17	10.1%
	No Serious Problems	90	53.6%
Total		168	100%

Table 7: Operational Problems With Current Premises – Office Based Companies.

		Number	Percentage
Operational Problems	Crime	13	16.3%
	Building Disrepair	5	6.3%
	Cost of Rent	9	11.3%
	Internal Layout & Services	3	3.8%
	Size of Site	2	2.5%
	Lease Expiry	3	3.8%
	Parking	27	33.8%
	Vehicular Access to the Premise/Property	7	8.8%
	No Serious Problems	45	56.3%
Total	80	100%	

Table 8: Operational Problems With Current Premises – Workshop & Manufacturing Based Companies.

		Number	Percentage
Operational Problems	Crime	4	11.1%
	Building Disrepair	1	2.8%
	Cost of Rent	3	8.3%
	Internal Layout & Services	3	8.3%
	Size of Site	6	16.7%
	Lease Expiry	3	8.3%
	Parking	15	41.7%
	Vehicular Access to the Premise/Property	6	16.7%
	No Serious Problems	13	36.1%
Total	36	100%	

Table 9: Suitability Of Premises And General Area For Needs Of Business.

		Number	Percentage
Premise Suitability	Very Well	84	47.2%
	Fairly Well	82	46.1%
	Not Really	10	5.6%
	No Answer	2	1.1%
Total		178	100%

Table 10: Suitability Of Premises By Type Of Business.

	Premise Suitability									
	Very Well		Fairly Well		Not Really		No Answer		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Office	39	45.9%	41	48.2%	5	5.9%	0	0%	85	100%
Workshop	15	60.0%	10	40.0%	0	0%	0	0%	25	100%
Manufacturing	8	44.4%	10	55.6%	0	0%	0	0%	18	100%
Retail/Wholesale	6	54.5%	4	36.4%	1	9.1%	0	0%	11	100%
Storage/Warehouse	13	39.4%	15	45.5%	4	12.1%	1	3.0%	33	100%
Various Other Uses	2	50.0%	2	50.0%	0	0%	0	0%	4	100%
No Answer	1	50.0%	0	0%	0	0%	1	50.0%	2	100%

Table 11: Suitability

Of Premises By Location (Ward).

	Premise Suitability									
	Very Well		Fairly Well		Not Really		No Answer		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Canbury	11	61.1%	6	33.3%	0	0%	1	5.6%	18	100%
Grove	7	58.3%	4	33.3%	1	8.3%	0	0%	12	100%
Norbiton	12	46.2%	11	42.3%	3	11.5%	0	0%	26	100%
Tudor	3	50%	2	33.3%	1	16.7%	0	0%	6	100%
Alexandra	4	40%	6	60%	0	0%	0	0%	10	100%
Berrylands	3	75%	1	25%	0	0%	0	0%	4	100%
St. Marks	6	46.2%	3	23.1%	3	23.1%	1	7.7%	13	100%
Surbiton Hill	7	63.6%	4	36.4%	0	0%	0	0%	11	100%
Beverley	6	28.6%	15	71.4%	0	0%	0	0%	21	100%
Coombe Hill	0	0%	2	100%	0	0%	0	0%	2	100%
Coombe Vale	2	66.7%	1	33.3%	0	0%	0	0%	3	100%
Chessington North & Hook	5	35.7%	9	64.3%	0	0%	0	0%	14	100%
Chessington South	2	66.7%	1	33.3%	0	0%	0	0%	3	100%
Tolworth & Hook Rise	14	43.8%	16	50%	2	6.3%	0	0%	32	100%
No Address Given	2	66.75	1	33.3%	0	0%	0	0%	3	100%

Table 11 shows no responses from St. James & Old Malden wards and therefore not included in the table.

Table 12: Future Plans Of Businesses Within The Next 5 Years.

Future Change		Number	Percentage
Expand		83	46.6%
Contract		52	29.2%
Remain The Same		41	23.0%
Don't Know		1	0.6%
No Answer		1	0.6%
Total		178	100.0%

Table 13: Location Of Expansion For Companies Who Are Looking To Expand.

		Number	Percentage
Location of Expansion	At Your Present Site	28	33.7%
	At Another Site In Kingston	11	13.3%
	Another Site In South London	10	12.0%
	Elsewhere	11	13.3%
	Don't Know	23	27.7%
Total		83	100.0%

Table 14: Companies That Expect To Move Away From Their Existing Premises In The Next 5 Years.

		Number	Percentage
Leaving Premises	Yes	30	16.9%
	No	83	46.6%
	Don't Know	64	36.0%
	No Answer	1	.6%
Total		178	100.0%

Table 15: Main Reasons For Businesses To Move Premises.

			Column %
Reasons For Moving	Lease Running Out	7	25.9
	Will Need More Space	20	74.1
	Will Need Less Space	3	11.1
	Will Need To Cut Costs	3	11.1
	More Satisfactory Location	12	44.4
	Intend To Sell The Business	2	7.4
Total		27	100.0

Table 16: Main Criteria For Businesses When Looking For Property.

		Number	Percentage
Main Criteria When Looking For Premises	Access to customers and clients	11	39.3
	On site facilities	7	25.0
	Cost of Premise	23	82.1
	Layout of building	12	42.9
	Access to skilled employees	10	35.7
	Age of Premises	3	10.7
	Quality of Premises	11	39.3
	Access to transport links	12	42.9
	Site Security	15	53.6
Parking facilities	22	78.6	
Total		28	100.0

Table 17: Main Reasons For Businesses To Move Out Of Kingston.

		Count	Column %
Main Reasons For Moving From Kingston	Access to customers & clients	2	22.2
	Access to Suppliers	1	11.1
	Convenient to the business	1	11.1
	Good access to potential employees	1	11.1
	Cost of premises	8	88.9
	Quality of Life	1	11.1
	Business support infrastructure	2	22.2
	Good access to main transport routes	3	33.3
	Quality of premises	1	11.1
	Company rationalisation	1	11.1
Total	9	100.0	

Annex 2.

List of Specific Operational Problems Encountered (Question 6).

- Smashed windows and damage to cladding due to rock throwing from railway at rear of premises. (9)*
- Visitor Parking can be an issue occasionally. (16)
- Vandalism. Fly tipping into our waste disposal bins. (19)
- Rent rather high. (20)
- External public areas near station are in a poor state with litter and graffiti. (47)
- Problems with drug and alcohol users. (51)
- Cost of rates. (72)
- Roads on estate. (74)
- Costs of rates. (75)
- Building has been demolished. (80)
- Lack of control of parked cars. (86)
- Local amenities i.e. shops and food outlets. (100)
- Graffiti, no permits given and only 5 spaces. Pay and display always full. (102)
- No longer any staff parking in Surbiton. (120)
- Noise and pollution. (130)
- Cost of rates and Council tax. (133)
- Rates and lack of help when we were in Surbiton, had to move and have had costs increase. (135)
- Recently had a burglary upstairs. (157)
- Graffiti on walls. (165)
- High Rates and no service back from Council i.e. street cleaning. (169)

* - numbers in brackets denote the company number within the data file.

Annex 3.

List of Specific Other Reasons For Moving Premises (Question 11).

- Parking. (6)
- Head office decision. (14)
- May want to be nearer to London clients. (47)
- If rent increases beyond our finances. (68)
- Building demolished. (80)
- Consolidation of two sites (one in Kingston, one in Croydon) in one building. (89)
- Parking - find premises with free parking. (102)
- Better entrance. (106)
- Not able to get current staff to work without parking and cannot attract new staff. (120)
- Better access to transport/motorways/airports. (133)
- Retiring. (134)
- The Freeholders want to redevelop to housing. (156)

Annex 4.

List of Specific Other Criteria When Looking For A Property or Premises For Your Business. (Question 12).

- Proposed move to Brook St, Kingston to HMRC office. (14)
- Traffic conditions, storage facilities, IT infrastructure. (59)
- High Street frontage on busy road. (63)
- I give up, it's the third time its happened. (80)
- Must be freehold. There is almost no freehold warehousing. (105)
- Access for container transport. (162)

Annex 5.

List of Specific Other Reasons For Moving Out Of Kingston. (Question 13).

- Overheads are too expensive. (11)
- Would stay in Kingston if we could find an appropriate building. (25)
- Crime. (41)
- Traffic problems. More suitable premises. More car parking. (59)
- We were very disappointed that the road widening was far greater than required to facilitate large lorries negotiating the bend outside our premise. We hope that Authority will be given to expand our car park upwards when we apply. (85)
- Consolidation - Mid point between Kingston and Croydon. (89)
- Lack of available premises. Stupid policy of brownfield development. Why wasn't the old Hawker/British Aerospace made into industrial units? (105)
- More suitable premises not available in Kingston. (106)
- Rates/taxes too high/Access being obstructed by Excor Road works and other obstacles. (133)
- Size. (173)
- Other – Parking. (175)

Annex6.

List of Other Comments Made About The Property Or Premise Requirements Of Your Business, Or The Future Plans Of You Business. (Question 14).

- The bus lane in Kingston Road/Cambridge Road is dangerous after 10am as nearly everyone continues to use the middle lane towards Kingston. (5)
- Fine location, shame about the parking. (6)
- Considering rebuilding to achieve more warehouse space. (8)
- Pavement in poor condition outside of premises. (10)
- Business to expand with more vehicles moving in and out. This may lead to more transporters bringing vehicles in via. Cambridge Road. (13)
- As long as local government business policy is much as it has been we see no need to go anywhere else. (17)
- Rather expensive for what it offers. Will stay at present site for 2 years. When rent review is due, then after don't know where business will locate. (20)
- Traffic can be the main problem around New Malden. (22)
- 4 People are paid, 14 people are volunteers. Location needs to be accessible to transport links. Would need disabled access, also workshops for training for persons with learning disabilities. To help get them back to work and act as a confidence booster. Future Plans to help people on low incomes to have a better sustainable life. (28)
- We would be interested to know if an additional storey could be added to the premises, given that we are in a residential area. (29)
- The traffic wardens are extremely unhelpful in helping us to run our business as sometimes we need to move vehicles around in the yard as they make it hard to do this even for a minute or so. Almost impossible to find an outdoor depot with a little office on site. Would like to move to a larger site but cannot find any. (36)
- Vandalism has been an issue. (45)
- Parking is still a major issue when recruiting. Surrounding area to the front of business always looks in a poor state with inadequate cleaning by Council. (47)
- I would prefer to remain in this area because of accessibility to existing staff and therefore would like to be involved with any potential re-development of the Wellington Crescent/Apsley Road areas. (48)
- Additional off site parking would be a great help. A more frequent bus service to Surbiton. (54)
- We require a more modern building with storage space, better IT infrastructure and better heating/air conditioning. In addition poor traffic management by Kingston Council is a major factor. We also have limited parking. (59)
- Rates are very high for the size I have got. (60)
- Only comment is with regards the new bus lane in Ewell Road. Since its implementation it is

noticeable that all traffic management is significantly slower, there is less parking availability and I consider this to have been a retrograde step for my business. I am sure that the buses are now running much slower as they are now stuck in traffic jams caused by changes in the road traffic flow. (63)

- There is a real need for GOOD quality office space – long lease or freehold - in this area, with REALISTIC levels of car parking. (66)
- We are happy with the premise but are expecting a rent review in the summer. This may have a direct impact on our ability to stay here. (68)
- Two full time staff, 5 self employed practitioners. (69)
- We have been at this site for 38 years but its never been ideal as its two houses converted. We would dearly love to move into a proper factory about 5000 ft² but must be freehold and our funds are low. (78)
- Everytime a 'brownfield' site is exploited the existing use disappears and with it employment and often the specialist service it offered. I have had enough, all my employees have been given redundancy and I am working as a consultant from home. (80)
- The public transport is not good in the area. Entry to Davis Road, Chessington: A one way street, but there is a keep left sign at the entry of the road. This results in vehicles approaching from a 240 end of Cox Lane attempting to turn in at the far side of the central traffic island and this causes frequent accidents with parked cars being hit. (87)
- Due to Roebuck Road being half residential/business, we have numerous parking problems and I therefore think that our rate is far too high. (92)
- The cost of rent is very expensive. (94)
- Although this location is primarily a Business Industrial Park, having worked in areas closer to London find the area lacks in facilities, especially for non-drivers. A walk to the closest shop would consume an entire lunch hour. Tolworth Station is served by just 2 trains in each direction an hour and only 1 bus route serves the Industrial Estate - a possible potential problem for recruitment of new employees. (100)
- 650ft² of offices and 9000ft² warehousing. (103)
- Survey completed by property owner on behalf of lessees. (104)
- You must try to ensure that freehold units with sufficient parking and internal mezzanines exist. (105)
- Am very concerned about the type of premises we use which give good basic employment being constantly lost for housing. (106)
- We would like assured security of tenure for the future of the business which might include the possibility of buying the freehold of the land. We are concerned about the ever increasing road reticulation in the area making access more difficult for delivering vehicles. Also at No.56A premises is 22,000 ft². (115)
- We have moved here from Merton and much prefers the environment of Chessington. (119)
- We are the HQ for a business of nearly 200 people with offices in Ireland, Poland, Dubai and China, but may have to consider moving from our base of 15 years due to a lack of

parking for staff. Kingston appears to only want residents who vote (but work in London) not business who pay rates and keep the high street vibrant, but get no vote! The premise suited the business very well before CP2, but 'Not really' a (120)

- Initially we would like larger premises as future plans for the business include training facilities for volunteers and increased accessibility to the public to increase reuse and recycling. (121)
- The property suits our needs. (127)
- Increasing bars and entertainment make Surbiton 'feel' less business like. RBK need to investigate why so many different retailers do not succeed in Surbiton. Stock concentrating in Kingston Town Centre (can't read writing!!). (130)
- Parking is a real problem for me and my staff. The proposal of a new Tesco being built across the road has also influenced our decision to move to Basingstoke in September. (132)
- We moved from Portsmouth Road, Surbiton to our current premises due to poor parking and over zealous parking restrictions which I'm sure will push more businesses away from the Kingston area. (140)
- We currently have no wish to move premises. (143)
- Overheads in all small business are of paramount importance. Please do not over rate the premise. (148)
- Business rates may make me consider relocating out of Kingston. (150)
- We are supported well by RBK. We are looking to develop a residential unit for older people with learning disabilities so if you have any available land/ buildings we would be keen to purchase/lease. (152)
- The future is uncertain in the current economic conditions. (155)
- We would like to carry on at these premises but I'm sure that planning will be given to the development soon. (156)
- The company has been gifted by the company to the co-luasouie B Fund - a registered Charity. Therefore the Trust is no longer in the business of letting the Temple to the lodges and chapters. (159)
- We do have an on-going problem surrounding the parking fronting the forecourt of our premises, but although we have discussed this with your people nothing has been agreed or finalised to our satisfaction. (164)
- The company may soon be closing down due to loss of business. (167)
- This is a freehold and we are paying a very high rate bill, also a service charge. This is not a through road, has no street lighting, so why are we having to pay this money to Council for nothing?!! (169)
- Introduction of means to stop commuter parking in New Malden would assist traffic flows in New Malden. (172)
- We would stay in Kingston at a more modern premise if it were not for the lack of parking.

(175)



Kingston Council is currently undertaking a review of all business land within the Borough. The review is part of the preparation of a new set of planning policy documents which are collectively known as the Local Development Framework. The Local Development Framework will replace the current Unitary Development Plan. The review of business land within the Borough will help us determine how much land is currently available for employment uses such as workshops, warehouses and offices. Businesses which are solely retail in use will be considered in a separate study. The review will identify what future demand there is likely to be for the above employment uses and therefore the level of future provision that should be planned for over the next 10-15 years.

A short questionnaire is enclosed to ascertain your company's future plans and aspirations. As a Council we recognise the importance of local companies not only in offering local job opportunities but to the local economy in general. We hope you can spare a few minutes in completing the questionnaire. Any information provided will be used solely for the purposes of the study.

For more information about the Local Development Framework you can phone

020 8547 5302 to talk to a planning officer or visit our website at

www.kingston.gov.uk/planningpolicy.

If you would like to discuss any aspect of the survey or the business study please contact:

Peter Brunton

Principal Strategic Policy & Research Officer

Partnership & Regeneration Unit.

Address: Royal Borough of Kingston Upon Thames, Guildhall,

Kingston upon Thames, Surrey, KT1 1EU

Phone: 0208-547-5345

E-mail: Peter.brunton@rbk.kingston.gov.uk.

Thank you for your co-operation

PLEASE RETURN BY 13th APRIL, 2007

Royal Borough of Kingston Upon Thames

Business Survey 2007

Your contact details

Contact details provided will only be used for the purpose of consultation in relation to this survey. Details will not be passed on to third parties.

Contact Name: _____

Job title: _____

Company/Business Name: _____

Company/Business

Postal Address: _____

Postcode: _____

Contact telephone: _____

Contact email address: _____

How to complete the questionnaire

- Please complete the questionnaire and return it in the free post envelope provided. Alternatively you can post it to:

Planning Policy, Royal Borough of Kingston Upon Thames, Guildhall 2, Kingston Upon Thames, Surrey, KT 1BR.
- To answer questions, please tick (✓) a box(es) where appropriate.
- If you require this document in another language or an alternative format, such as large print or audio tape, please contact the Councils helpline on 020 8547 5757

About your business operation

Royal Borough of Kingston Upon Thames

1. What is the main use of your business premise (s)?

(Please tick only one)

<input type="checkbox"/>	Office	<input type="checkbox"/>	Retail/Wholesale
<input type="checkbox"/>	Workshop	<input type="checkbox"/>	Storage/ Warehouse
<input type="checkbox"/>	Manufacturing		
<input type="checkbox"/>	Other <i>(Please specify in the space provided below)</i>		

2. In total how many people are employed at this premise(s)?

(Please specify below)

_____ people

About the business property or premise(s)

3. Approximately, what is the floor area of your business premise(s)?

(Please specify below)

_____ ft²

4. Do either you or the business own the premise(s) freehold or leasehold?

(Please tick one)

<input type="checkbox"/>	Freehold (Go to Question 6)	<input type="checkbox"/>	Leasehold (Go to Question 5)
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5. If you or the business is a leaseholder, who is the person or company who owns your premise(s)?

(Please state in the space provided below.)

6. Are there any problems with your current premises?

(Please tick those that apply)

<input type="checkbox"/>	Crime	<input type="checkbox"/>	Lease expiry
<input type="checkbox"/>	Building disrepair	<input type="checkbox"/>	Parking
<input type="checkbox"/>	Cost of rent	<input type="checkbox"/>	Vehicular access to the premise/
<input type="checkbox"/>	Internal layout & services	_____	
<input type="checkbox"/>	Size of site	<input type="checkbox"/>	No serious problems
<input type="checkbox"/>	Other <i>(Please specify below)</i>	_____	

7. Overall how does this property, or premise, and the general area suit the needs of your business?

(Please tick only one)

<input type="checkbox"/>	Very well	<input type="checkbox"/>	Not really
<input type="checkbox"/>	Fairly well	<input type="checkbox"/>	Not at all

Future business aspirations

8. In the next 5 years do you expect your business to:

(Please tick only one)

Expand

(Go to Question 9)

Contract

(Go to Question 10)

Remain the same

(Go to Question 10)

9. If your business expects to expand will this expansion be:

(Please tick only one)

At your present site

Another site in South London

Don't know

At another site in Kingston

Elsewhere

10. Do you expect to move away from this premise(s) in the next 5 years?

(Please tick one)

Yes **(Go to Question 11)**

Don't know **(Go to Question 14)**

No **(Go to Question 14)**

11. What would be the reason(s) for moving premise(s)?

(Please tick those that apply)

Lease running out

Will need more space

Will need less space

Other – please specify

Will need to cut costs

More satisfactory location

Intend to sell the business

12. What will be your main criteria when looking for a property or premise(s) for your business?

(Please tick those that apply)

<input type="checkbox"/>	Access to customers and clients	<input type="checkbox"/>	Age of premises
<input type="checkbox"/>	On site facilities	<input type="checkbox"/>	Quality of premises
<input type="checkbox"/>	Cost of premises	<input type="checkbox"/>	Access to transport links
<input type="checkbox"/>	Size of premises	<input type="checkbox"/>	Site security
<input type="checkbox"/>	Layout of building	<input type="checkbox"/>	Parking facilities
<input type="checkbox"/>	Access to skilled employees		
<input type="checkbox"/>	Other <i>(Please specify below)</i>		

13. If your business is moving out of Kingston, what are the main reasons for doing so?

(Please tick those that apply)

<input type="checkbox"/>	Access to customers and clients	<input type="checkbox"/>	Quality of Life
<input type="checkbox"/>	Access to suppliers	<input type="checkbox"/>	Business support infrastructure
<input type="checkbox"/>	Convenient to the business owners	<input type="checkbox"/>	Good access to main transport routes
<input type="checkbox"/>	Good access to potential employees	<input type="checkbox"/>	Quality of premises
<input type="checkbox"/>	Cost of premises	<input type="checkbox"/>	Company rationalisation
<input type="checkbox"/>	Other <i>(Please specify)</i>		

14. Do you have any other comments you would like to make about the property or premise requirements, location requirements or the future plans of your business?

(Please write any additional comments here)

THANK YOU FOR YOUR CO-OPERATION

Please return the completed questionnaire in the free post envelope provided, or post it to:

Planning Policy, Royal Borough of Kingston Upon Thames, Guildhall 2, Kingston Upon Thames, Surrey, KT 1BR.

PLEASE RETURN BY 13th APRIL, 2007

Appendix 3.

Glossary.

Green Belt

Green Belts are an element of national planning policy designed to safeguard the countryside, control the unrestricted sprawl of urban areas and prevent neighbouring towns merging into one another. Development within Green Belts is generally considered inappropriate. More information on Green Belts can be found in PPG2 Green Belts.

Metropolitan Open Land

Metropolitan Open Land is the largest Green Belt in the UK and surrounds London.

Strategic Industrial Location

The London Plan contains a Strategic Industrial Location framework designed to reconcile the demand and supply of productive industrial land in London. There are two types of SILs: Industrial Business Parks (for businesses requiring a high quality environment) and Preferred Industrial Locations (for businesses with less demanding requirements).

UDP

A Unitary Development Plan is a statutory document that was a key element of the previous planning system and contains general and site specific land use policies for a specific area. Under the new planning system UDPs are being replaced by the Local Development Framework. During the transition to the new planning system UDP policies will continue to operate in certain areas.

PPS

Introduced under the provisions of the Planning and Compulsory Purchase Act 2004, Planning Policy Statements are gradually replacing PPGs to set out national planning policy and principles and may be treated as material considerations in the determination of planning applications. Recent PPSs published include PPS1 Delivering Sustainable Development and PPS3 Housing.

PPG

Planning Policy Guidance Notes are prepared by the Government to set out national planning policy and principles. They may be treated as material considerations in the determination of planning applications. Under the new planning system PPGs are gradually being replaced by PPSs.

DCLG

Department of Communities and Local Government is the government department responsible for planning along with other responsibilities such as neighbourhood regeneration, sustainable communities and building regulation.

ODPM

The Office of the Deputy Prime Minister is the former name for the department now known as Communities and Local Government (DCLG).

Restricted transfer

Category defined in the London Plan to actively discourage the transfer of employment land to other uses:

“Boroughs in this category typically have low levels of industrial land relative to demand (particularly for waste management or land for logistics) and/or low proportions of industrial land within the SIL framework. Boroughs in this category are encouraged to adopt a more restrictive approach to the transfer of industrial sites to other uses. This does not preclude the possibility of smaller scale release where boroughs have made adequate provision of industrial land in their DPDs in particular for waste management and logistics uses. “

PTAL

Public Transport Accessibility Levels is a method of assessing the access level of geographical areas to public transport. It is used by Transport for London as the standard method of measuring public transport access in London but less commonly used through the rest of the UK.

London Plan

The London Plan is produced by the Mayor of London and sets out the spatial development strategy for the Greater London area. The plan identifies a series of Opportunity Areas for the provision of jobs and homes in the city.

Frictional vacancy rate

The need to have a certain amount of vacant commercial property to facilitate movement in the commercial property market.