

Agenda

Executive

Thursday, 18 November 2021 at 7.30 pm

New Council Chamber, Town Hall, Reigate



This meeting will take place in accordance with Government guidance. The Committee will assemble at the Town Hall, Reigate. Members of the public, Officers and Visiting Members should attend remotely.

Please wear a face covering at all times in the chamber, except when you are speaking, or, if you are seated at least 2 metres distance from others.



Members of the public may observe the proceedings live on the Council's [website](#).

Members:

M. A. Brunt (Leader)

T. Schofield

T. Archer

R. H. Ashford

R. Biggs

N. J. Bramhall

E. Humphreys

V. H. Lewanski

C. M. Neame

K. Sachdeva

Mari Roberts-Wood
Interim Head of Paid Service

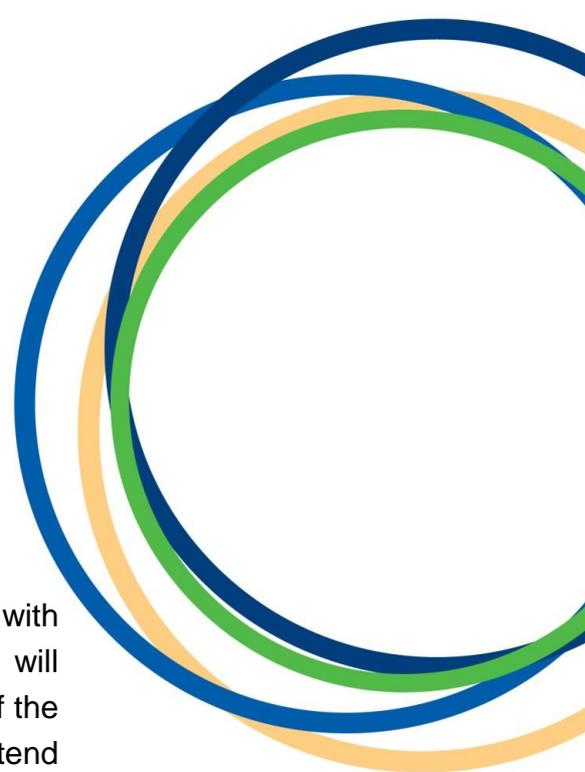
For enquiries regarding this agenda;

Contact: 01737 276182

Email: democratic@reigate-banstead.gov.uk

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Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate



- 1. Apologies for absence**
To receive any apologies for absence.
- 2. Minutes** (Pages 5 - 10)
To approve the minutes of the meeting of the Executive held on 16 September 2021.
- 3. Declarations of interest**
To receive any declarations of interest.
- 4. Environmental Sustainability: Progress Update** (Pages 11 - 52)
Executive Member for Corporate Policy and Resources.
- 5. Merstham Recreation Ground Refurbishment** (Pages 53 - 174)
Executive Member for Neighbourhood Services and Executive Member for Planning Policy and Place Delivery.
- 6. Draft Horley Business Park Supplementary Planning Document for Consultation** (Pages 175 - 602)
Executive Member for Planning Policy and Place Delivery.
- 7. Service & Financial Planning 2022/23** (Pages 603 - 714)
Deputy Leader and Executive Member for Finance and Governance.
- 8. Appointment to the Board of the Banstead Commons Conservators (Casual Vacancy)** (Pages 715 - 720)
Executive Member for Neighbourhood Services.
- 9. Statements**
To receive any statements from the Leader of the Council, Members of the Executive or the Interim Head of Paid Service.
- 10. Any other urgent business**
To consider any item(s) which, in the opinion of the Chairman, should be considered as a matter of urgency – Local Government Act 1972, Section 100B(4)(b).

(Note: Urgent business must be submitted in writing but may be supplemented by an oral report).

11. Exempt Business - Item 5 - Merstham Recreation Ground Refurbishment (Pages 721 - 724)

RECOMMENDED that members of the Press and public be excluded from the meeting for the following item of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- (i) it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

12. Exempt Business - Item 8 - Appointment to the Board of the Banstead Commons Conservators (Casual Vacancy) (Pages 725 - 728)

RECOMMENDED that members of the Press and public be excluded from the meeting for the following item of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- (i) it involves the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the Act; and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.



Our meetings

As we would all appreciate, our meetings will be conducted in a spirit of mutual respect and trust, working together for the benefit of our Community and the Council, and in accordance with our Member Code of Conduct. Courtesy will be shown to all those taking part.



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Notice is given of the intention to hold any part of this meeting in private for consideration of any reports containing "exempt" information, which will be marked accordingly.

BOROUGH OF REIGATE AND BANSTEAD

EXECUTIVE

Minutes of a meeting of the Executive held at the New Council Chamber - Town Hall, Reigate on 16 September 2021 at 7.30 pm.

Present: Councillors M. A. Brunt (Leader), T. Schofield (Deputy Leader), T. Archer, R. H. Ashford, R. Biggs, E. Humphreys, V. H. Lewanski and K. Sachdeva.

Also present: Councillor Harrison.

24. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Bramhall and Councillor Neame.

25. MINUTES

RESOLVED that the minutes of the meeting of the Executive held on 22 July 2021 be approved.

26. DECLARATIONS OF INTEREST

There were none.

27. ADOPTION OF THE CLIMATE CHANGE AND SUSTAINABLE CONSTRUCTION SUPPLEMENTARY PLANNING DOCUMENT

The Executive Member for Planning Policy and Place Delivery, Councillor Biggs, introduced the report which recommended adoption of the draft Climate Change and Sustainable Construction Supplementary Planning Document (SPD). The SPD had been prepared to demonstrate how developments could meet policy requirements in the Council's Development Management Plan and what the Council expected from developers with regards to such measures.

The SPD would:

- Provide useful guidance to developers
- Result in a more uniform and standardised approach to sustainable development
- Assist Planning Officers in assessing the acceptability of sustainability measures proposed and monitoring the effectiveness of the policy requirements
- Help the Council to meet the sustainability objectives of the Corporate Plan Reigate and Banstead 2025 and the Environmental Sustainability Strategy 2020.

Councillor Biggs explained that the draft SPD had been prepared with input from the Council's Sustainability Project Officer and Surrey County Council's Climate Change Project Manager. It had also been reviewed by the Development Management Advisory Group, the cross-party Sustainability Group and all members of the Council electronically. Comments were incorporated into the consultation version of the SPD.

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Councillor Biggs explained that following public consultation, the SPD had been amended and then considered by the LDF Scrutiny Panel on 25 August 2021 and the Overview and Scrutiny Committee on 9 September 2021. Minor updates from the Scrutiny Panel had been incorporated and the recommendation to allow minor amendments to be made by the Head of Planning in consultation with the Executive Member for Planning Policy and Place Delivery would allow for outcomes from the Overview and Scrutiny Committee.

Following adoption, the Adoption Statement would be published, along with the SPD and associate documents. A press release would also be published, and training offered to Members and Officers to assist its implementation.

The Chairman of the Overview and Scrutiny Committee, Councillor Harrison, explained that the points raised by the Scrutiny Panel had been incorporated, he had received detailed points of explanation on request and was satisfied with the draft SPD. The Leader of the Council, Councillor Brunt, thanked Councillor Harrison and the Overview and Scrutiny Committee for their input.

RESOLVED:

1. That the Executive adopt the draft Climate Change and Sustainable Construction Supplementary Planning Document (SPD).
2. That the Executive authorise the Head of Planning in consultation with the Executive Member for Planning Policy to make any necessary minor amendments to the draft Supplementary Planning document prior to implementation.

28. HOUSING ENFORCEMENT POLICY

The Leader of the Council, Councillor Brunt, introduced the report. The Housing Enforcement Policy, which covered the options available for enforcement of housing standards primarily in the private rented sector, but also in the owner occupied and socially rented sectors, was approved by the Executive in 2018.

The report recommended a policy change to introduce charges for the service of specified formal enforcement notices. The policy had also been updated to include new powers to be used when regulating mobile home sites and electrical safety standards in the private rented sector.

Councillor Brunt explained that the report recommended an addition to the Scheme of Delegation to enable the provisions relating to electrical safety standards in the Private Rented Sector Regulations 2020 to be utilised effectively.

In response to a question from an Executive Member, the Environmental Health Manager confirmed that in respect of circumstances where no enforcement action was possible or it was determined that no action should be taken, advice for customers would typically involve signposting possible routes to resolution.

RESOLVED:

1. That the Housing Enforcement Policy provided as Annex 1 to the report be approved.
2. That additions to the Officer Scheme of Delegation contained within the Council's Constitution be approved, as set out in Annex 2 to the report in relation to Section 5 (Housing and other Residential Accommodation).

29. QUARTER 1 PERFORMANCE REPORT 2021/22

The Executive Member for Corporate Policy and Resources, Councillor Lewanski, explained that the report outlined the Council's performance up to the end of Quarter 1 of 2021/22.

Councillor Lewanski introduced the Key Performance Indicator report by noting that, out of the 10 KPIs, 2 were red rated. KPI2, which related to business rates collection, was red rated as a business rates relief recalculation led to a number of Q1 instalments being set back to 1 August. Rate collection had been recalculated for the remainder of the year and it was expected that collection would improve in future quarters. In addition, £166k had been held in suspense and, if factored into the Q1 total, the KPI would be within tolerance.

Councillor Lewanski explained that KPI10, which related to recycling, did not meet the target but noted that Q4 of 2020/21 was the best Q4 result recorded by the Council. Councillor Lewanski explained that an increase of 2,500 in net tonnage in paper and card was not enough to offset an increase in refuse and fly tipping, and the loss of garden waste tonnage due to the suspended service in Q1 of 2020/21. The Council remained committed to increasing the recycling performance and 500 additional flats had been added to the kerbside recycling service since April 2021. In June 2021, the monthly recycling rate exceeded 60% for the first time.

The Chairman of the Overview and Scrutiny Committee, Councillor Harrison, explained that the report had been considered by the Committee at its meeting on 9 September 2021. The Committee had been pleased to note that the 60% recycling target had been reached for the first time in June. The Leader of the Council noted that the highest performing authority achieved a recycling rate of 64%, and that the future target of 65% by 2025 was in the right realm.

The Deputy Leader and Executive Member for Finance and Governance, Councillor Schofield, outlined the Revenue Budget and Capital Programme performance for Quarter 1 of 2021/22.

The projected full year outturn for the Revenue Budget was £17.67m against a management budget of £17.696m. The Council was confident that income streams had started to be restored following the pandemic, but the main area of concern remained parking income. A very cautious approach had been taken in the forecasts, and therefore the predicted parking income loss was £1.7m against an income budget of £2.7m. Councillor Schofield explained that this shortfall could be funded on a one-off basis through drawing on £2m earmarked reserve that had been set aside last year in anticipation of the challenges.

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Ongoing impacts of the pandemic on income streams would be accommodated within future budget-setting decisions. This would be addressed as a priority during budget-setting for 2022/23.

Councillor Schofield noted that while some expenditure was still being incurred to deliver the Council's continued pandemic response, it was forecast to be funded within the grants made by Government. In 2020/21 the Council received 43 separate grants totalling over £52m, 80% of which had been distributed to the appropriate businesses and residents and the rest was carried forward into this year. In addition, the Council had received 13 separate grants in 2021/22.

In terms of the Capital Programme, Councillor Schofield explained that the forecast was £56.29m which was 60% below the approved Programme. This was due to forecast slippage of budgets as the related business cases had yet to be developed, and a small net underspend. Business cases would be developed in due course as the Council implemented strategies in those areas.

The Chairman of the Overview and Scrutiny Committee, Councillor Harrison, explained that the Overview and Scrutiny Committee had considered the report at its meeting on 9 September 2021. The Committee had:

- Expressed concern about income loss as a result of the pandemic and noted the challenge that would be for the budget next year
- Noted that a management fee proposition had been received from the Council's leisure contractor
- Noted that loss of commercial income and rent had been much smaller than other authorities
- Noted that commercial investment should result in savings

Councillor Harrison thanked the Executive Member and stated that the Committee look forward to working with the Executive during budget-setting for 2022/23.

RESOLVED:

1. To note Key performance Indicator performance for Q1 2021/22 as detailed in the report and at annex 1.
2. To note the Budget Monitoring forecasts for Q1 2021/22 as detailed in the report and at annex 2.

30. RISK MANAGEMENT - QUARTER 1 2021/22

The Executive Member for Corporate Policy and Resources, Councillor Lewanski, introduced the report which provided an update on risk management in Quarter 1 of 2021/22. Annex 1 of the report provided an update on strategic risks.

Councillor Lewanski explained that SR11 – Reform of the Planning System was recommended for closure as the Government's plan to reduce the threshold for the provision of affordable homes had been dropped. Further detail was included in annex 4 of the report.

However, a new risk, Planning System Reform, was proposed to reflect the latest implications of the Government's proposed reforms to the planning system, the details of which were included in annex 5 of the report.

It was identified that at the end of Quarter 1, there were two red rated operational risks, and details of those were included in the exempt annex 2 and in annex 3.

Councillor Lewanski explained that the report would be considered by the Audit Committee at its meeting on 28 September, with any observations made to be reported to the relevant Executive member.

The Leader of the Council explained that there was exempt information relating to this item. Item 7 was adjourned so that the exempt information could be considered under item 11.

During the exempt discussion, there was consideration of a further proposed strategic risk.

Following the exempt discussion, the Executive returned to the recommendations in item 7 and;

RESOLVED:

1. To note the Q1 update on risk management provided by the report and associated annexes.
2. To approve the closure of the strategic risk on 'Reform of the planning system' (SR11) as detailed in the report and in Annex 4.
3. To approve the opening of a new strategic risk on 'Planning system reform' as detailed in Annex 5 to the report.

31. TREASURY MANAGEMENT OUTTURN 2020/21

The Deputy Leader and Executive Member for Finance and Governance, Councillor Schofield, introduced the report which provided an update on the performance of the Council's treasury management activities for the last financial year.

Apart from one exception, the Council had complied with legislative and regulatory requirements. The exception related to periods of time when the Government paid significant emergency funding to the Council at short notice as part of the pandemic response. It had not been possible to spread those funds across a range of banks and financial institutions as was required to ensure compliance with the limits set in the Council's Treasury Management Strategy. This had been resolved through opening additional accounts at other institutions.

Councillor Schofield explained that the report, which showed the Council's treasury management activity was on track and complied with the limits previously approved by members, would be submitted to the Audit Committee on 28 September.

The Leader of the Council, Councillor Brunt, thanked the Interim Head of Finance and her team for responding rapidly to the unusual challenge that had presented itself as a result of the Government grants throughout the pandemic.

RECOMMENDED TO COUNCIL:

1. **To note the Treasury Management Performance for 2020/21.**

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2. **To approve the outturn against the 2020/21 Prudential and Treasury Management Indicators and the Annual Treasury Management Report (Annex 1 to the Executive report).**

32. STATEMENTS

There were none.

33. ANY OTHER URGENT BUSINESS

There were none.

34. EXEMPT BUSINESS

RESOLVED that exempt information relating to item 7 be noted.

The Meeting closed at 8.03 pm



Signed off by	Head of Corporate Policy, Projects & Performance
Author	Dan Woodard, Sustainability Project Officer
Telephone	276891
Email	Dan.Woodard@reigate-banstead.gov.uk
To	Executive
Date	Thursday, 18 November 2021
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	Y
Wards Affected	(All Wards);

Subject	Environmental Sustainability Strategy: Progress Report
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Recommendations
<p>That the Executive:</p> <ul style="list-style-type: none"> (i) Agrees the annual Environmental Sustainability progress report (Annex 1) for publication on the Council website (ii) Agrees the proposed additions to the Environmental Sustainability Action Plan (Annex 2) (iii) Reasserts its commitment to working in partnership with Surrey County Council and other Surrey districts and boroughs to achieve county-wide climate objectives
Reasons for Recommendations
To reiterate the Council's commitment to tackling climate change and sustainability issues, including in partnership with other public authorities, to enable us to provide regular progress reports and to ensure we remain proactive and agile in our response.
Executive Summary
This report provides a summary of the Council's progress in delivering its Environmental Sustainability Strategy ('the ES Strategy') and Action Plan since it was agreed (following call-in by the Overview & Scrutiny Committee) in August 2020.

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Since the ES Strategy was agreed, a new Council Sustainability Team has been established and positive progress has been made on actions across all themes within the Strategy.

Recognising that this is a policy area which continues to evolve, this report (at Annex 2) also makes a number of recommendations about new actions/activities for inclusion in the ES Strategy Action Plan. These new actions are intended to evolve and enhance our approach, ensuring that we remain proactive and agile in tackling the climate crisis.

This covering report summarises key elements of our progress, challenges and next steps. It also provides an update on recent work by the County Council – in consultation with boroughs and districts - to prepare a Surrey-wide Climate Change Delivery Plan.

Executive has authority to approve the above recommendations

Statutory Powers

1. Under the Local Government Act 2000, the Council has a duty to promote the social, economic and environmental wellbeing of its area. The Council also has related statutory duties around environmental health, waste, and planning.
2. The Climate Change Act 2008 and subsequent amendments sets out much of the UK's policy response to climate change; having left the European Union, a new Environment Bill is being progressed through Parliament, which in due course will provide a new legal framework relating to environmental protection.

Background

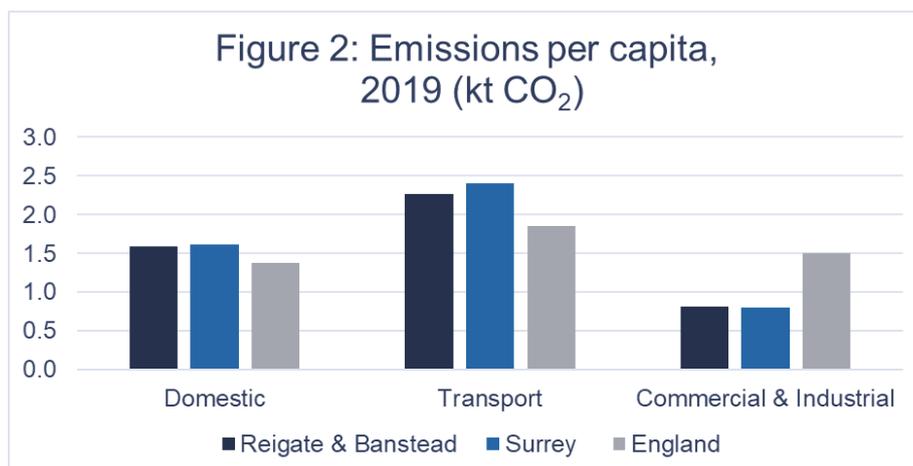
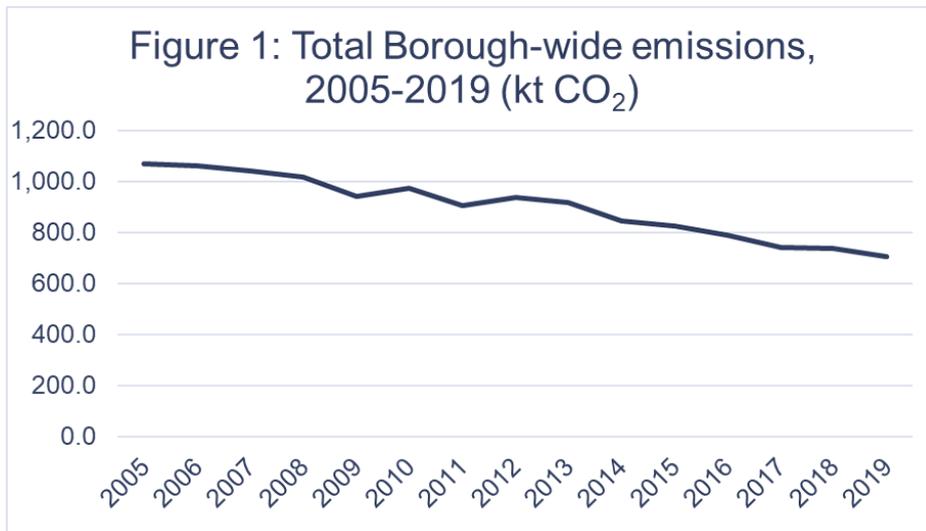
3. In response to the growing climate challenge, the Government has set increasingly challenging targets to reduce greenhouse gases over the coming years, cumulating in a target for the country to become net-zero by 2050.
4. Our own corporate plan, Reigate & Banstead 2025¹, commits the Council to reducing its own environmental impact, and supporting residents and businesses to do the same.
5. Following on from this commitment, in Summer 2020, the Executive agreed a new Environmental Sustainability Strategy (ES Strategy), with accompanying Action Plan and Performance Indicators². This trio of documents sets out a range of measures to deliver a greater degree of sustainability within the Council and the Borough, and outlines that the Council itself will aim to achieve carbon neutrality by 2030³
6. While the Council has the most direct control over its own operational emissions, these amount to around 0.2% of emissions within the borough; it is therefore important that we also support residents and businesses to take steps to tackle climate change and sustainability issues, and work with partner organisations to make progress.

¹ www.reigate-banstead.gov.uk/rbbc2025

² www.reigate-banstead.gov.uk/sustainability

³ Based on scope 1 and scope 2 emissions, with a focus on achieving carbon neutrality including scope 3 emissions as soon as possible thereafter

7. Data from the Department for Business, Energy & Industrial Strategy (BEIS) indicates that progress is being made on reducing emissions within the borough (figure 1); however also that domestic and transport emissions per head are higher in Reigate & Banstead than the national average (figure 2).

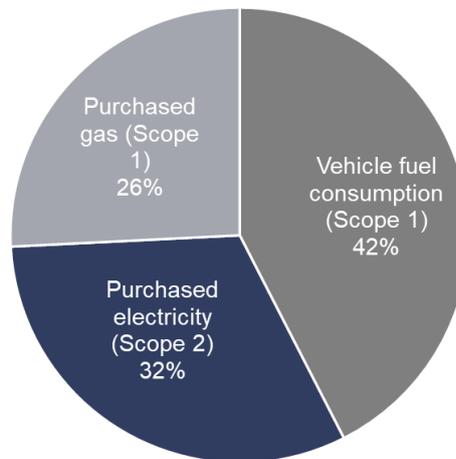


8. Figure 3 provides a breakdown of the Council's operational emissions⁴. Data on CO₂ emissions for the year 2020/21 is still in the process of being collated, and will be published once available. It should be noted that changes in the way the Council has operated as a result of the pandemic will have impacted on organisational CO₂ emissions for this period.

⁴ Based on information set out in the Environmental Sustainability Strategy

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Figure 3: Council operational emissions



Key Information

Progress

9. Detailed information about the progress that has been made on initiatives outlined in the Action Plan for the year 2020/21 is set out in Annex 1. Some examples are provided below, structured around the four themes within the ES Strategy.
10. **Effective implementation:** This section of the Strategy covers 'cross cutting issues such as resourcing, communications, planning and partnership working. Progress has included:
 - a. Establishing a new sustainability team at the Council
 - b. A wide range of communication-related activity, including comprehensively updated webpages, articles in Borough News, and social media posts about what we are doing as a Council, and how residents and businesses can get involved
 - c. A new Sustainable Construction and Climate Change Supplementary Planning Document
 - d. A new Sustainable Business Network, and engagement with a wide range of partner organisations including Surrey County Council, the Town and Parish Council, local businesses and community groups.
11. **Energy & carbon:** This section covers energy efficiency and renewable energy, and low carbon transport. Progress has included:
 - a. The energy the Council purchases is now carbon neutral, through a combination of renewable energy tariffs and offsetting
 - b. 10% of the Council's vehicle fleet now electric or hybrid vehicles
 - c. New electric vehicle charging points installed in Horley with plans to install more charging points in Banstead by the end of the year

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- d. Successful joint (Surrey-wide) bids for funding from the Government's Green Homes Grant Local Authority Delivery fund which has benefitted 81 of the most energy inefficient homes in the borough so far
 - e. Successful promotion of the Solar Together scheme, with over 800 residents expressing an interest and 273 panels installed so far
 - f. Support for Raven Housing Trust to progress its net-zero plans, via our waiver of up to £1m of clawback and
 - g. Submission of a bid to the Government's Social Housing Decarbonisation Fund to upgrade 66 Accent Housing properties and 28 Raven Housing Trust properties
12. **Low impact consumption:** This section covers waste reduction, water efficiency and responsible sourcing. Progress has included:
- a. Resuming our flats recycling programme after it was paused due to Covid
 - b. Collecting greater volumes of household waste & recycling, and running campaigns in relation to littering and flytipping
 - c. Switching our procured stationery so it is more environmentally friendly
 - d. Providing advice on low impact consumption for residents and businesses via our website
13. **Natural environment:** This section covers tree planting, supporting biodiversity and reducing pollution. Progress has included:
- a. Planting more trees on our own land, improving areas of soft landscaping and planting native and pollinator species
 - b. Successful joint (Surrey-wide) bid for funding from Defra's Treescapes Fund to delivery 61 new trees in the borough
 - c. Publishing a community tree planting guide and running workshop sessions to support residents and community groups to plant in their local areas
14. These are tangible examples of some of the progress that has been made. Alongside this work, the Sustainability Team has supported managers and officers across the Council to understand sustainability and climate change and identify opportunities to make a difference, and to establish processes to assist with reporting. This is work that will continue to ensure that sustainable ways of working become embedded within the Council.

Challenges

15. The months before and after the publication of the ES Strategy have been far from typical, and the Covid-19 pandemic has inevitably had an impact on our ability to make progress on some activities within the action plan. This is due to a number of factors, including:
- a. reduced capacity for some teams (either directly as a result of Covid-19 or due to staff redeployment)
 - b. additional workload generated by the Council's response efforts, meaning that team capacity to support sustainability actions has been reduced; and
 - c. impact of restrictions imposed by central Government including lockdowns, meaning that it has not been possible or appropriate to progress some actions.

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The detail around these impacts is included in Annex 1. Work is now underway to progress delayed activity and will be reported in due course.

Next Steps

16. As well as setting out progress on, and challenges associated with, 2020/21 actions, Annex 1 explains the next steps in relation to these actions. Work is also underway to delivery the objectives outlined in the Action Plan for 2021/22 (progress on which will be reported in the next annual report).
17. In addition, a number of additional activities have been identified since the publication of the ES Strategy. These are proposed for agreement in Annex 2. Also proposed is an 'umbrella' action to replace a number of completed actions. It is intended that the Action Plan continue to be kept under review and updates published annually to ensure that progress is reflected and that the Council remains agile and is able to adapt to the constantly shifting landscape of sustainability and climate change mitigation/adaptation.

Surrey County Council's Climate Change Delivery Plan

18. Having agreed its own Climate Change Strategy in Spring 2020, Surrey County Council recently developed its first 5 year Climate Change Delivery Plan (CCDP), in consultation with the districts and boroughs in the county⁵.
19. When the Executive agreed the RBBC ES Strategy in July 2020, it also formally supported the overall approach in the SCC Climate Change Strategy and committed this Council to continue to work with SCC and other Surrey boroughs and districts to develop a jointly owned action plan and achieve shared climate change objectives.
20. The CCDP is structured around four main themes, and includes a number of workstreams that local authorities will pursue (with some being undertaken by SCC, some by individual districts and boroughs and some by all the local authorities working in partnership). These themes are:
 - a. Greener Futures Communities
 - b. One Net Zero Public Estate
 - c. Build Back Better; and
 - d. Grow Back Greener
21. It is recommended that the Executive take this opportunity to reassert the Council's commitment to joint working. In particular over the coming weeks and months this joint work will focus on confirming more detail about how the CCDP workstreams will be taken forward, collectively, by Surrey's local authorities.

Options

Recommendation 1:

22. Option (a): Agree the ES Strategy Progress Update at Annex 1. This option is recommended as it enables us to publish a formal report on progress, ensuring transparency in relation to our continuing activity to lead local action to tackle climate change and other sustainability issues.

⁵ Available at <https://mycouncil.surreycc.gov.uk/documents/s82192/Annex%20-%20Climate%20Change%20Delivery%20Plan%20Main%20Report-Cabinet%20Draft.pdf>

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23. Option (b): Do not agree the ES Strategy Progress Update for publication. This option is not recommended as it is important that we publicly report our progress on a topic that is of increasing local interest.

Recommendation 2:

24. Option (a): Agree the proposed additions to the ES Action Plan at Annex 2. This option is recommended as it enables the Council to continue to evolve its activity to maximise local progress, and ensure a robust and comprehensive approach to tackling the climate crisis.
25. Option (b): Do not agree the proposed additions to the Action Plan. This option is not agreed as it would represent a missed opportunity to expand our activity into new and important areas.
26. Option (c): Agree different additions to the Action Plan. Members may wish to agree different additions to the Action Plan, however it is noted that such additions should be subject to an equality impact assessment: consideration would also need to be given to the resources available to implement any different actions.

Recommendation 3

27. Option (a): Agree the recommendation to reassert our commitment to work with other Surrey local authorities to achieve county-wide climate objectives. This option is recommended – climate change is not a local problem and requires combined action across the wider area, therefore joint working is important.
28. Option (b): Do not agree the recommendation to commit to working with other Surrey local authorities. This option is not recommended as without such joint work the ability of the Council to deliver its borough-wide climate and sustainability ambitions will be considerably constrained.

Legal Implications

29. There are no direct legal implications arising from this report, however it is noted that any review of the Council's procurement strategy presents an opportunity to ensure sustainability is taken into account in future procurement activities.
30. Any statutory obligations on the Council arising from the forthcoming Environment Bill will be considered either separately or as part of a future ES Strategy annual report.

Financial Implications

31. Budgetary provision for the implementation of the ES Strategy currently comprises a small annual revenue budget of £20,000; revenue budget for one permanent Sustainability Project Officer, plus an allocated Environmental Sustainability Reserve, which is currently being used to fund a part time fixed term Sustainability Project Officer as well as contributing to the cost of other sustainability workstreams. In addition, the capital programme includes an indicative (but unallocated) £250k allocation.
32. For many of the initiatives in the Action Plan, costs will be met by the relevant Council department (for example, Fleet, Facilities etc), with the sustainability budgets serving to provide 'top up' or match funding. External funding opportunities are pursued

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wherever possible, with recent success in securing funding to benefit the borough from the Green Homes Grant Local Authority Delivery Fund (BEIS) and the Local Authority Treescapes Fund (Defra).

33. Where additional funding requirements are identified, these will be pursued in the usual way. In some cases, there may be opportunities for savings and efficiencies related to investment in sustainability measures (for example energy efficiency or renewables generation), which will be reflected in relevant business cases; it can also be expected that the costs associated with a business-as-usual approach will increase over time (for example, fossil fuel prices, taxes on polluting vehicles, recovery costs associated with extreme weather events).
34. Statutory obligations may emerge for local councils via the Environment Bill or other Government interventions which may introduce additional financial burdens on the Council, however the scope and potential financial implication of such additional obligations is currently unknown.

Equalities Implications

35. We have a statutory duty to consider and demonstrate this in all of our decisions.
36. An Equality Impact Assessment has been completed for the new actions proposed in Annex 2, and is attached as a background paper. This concludes that overall the impact of the proposed new actions on those with protected characteristics will be neutral and could be positive.
37. Opportunities for positive impact exist, specifically:
 - a. In relation to domestic retrofit, where the current focus on tackling the hardest to heat homes first will benefit vulnerable residents from protected characteristic groups living in those homes, by reducing energy bills and improving living conditions.
 - b. In relation to activity around climate change adaption. It is widely recognised that extreme weather events are likely to impact the most vulnerable in our communities to the greatest extent, so any support and advice that the Council can provide about how to adapt and stay safe will be beneficial.
38. In relation to both of these opportunities, the Equality Impact Assessment has highlighted the importance of ensuring that information is provided in a manner that is accessible to those with protected characteristics.

Communication Implications

39. A communications plan has been developed to support the Environmental Sustainability Strategy, covering both internal and external communications.
40. Annex 1 will be published as our first annual report on our website, and will be supported with some associated communications activity, summarising (for a variety of audiences) key elements of our progress so far.

Environmental Sustainability Implications

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41. This is a new section that will be included in future Executive reports to provide information for members about the environmental sustainability implications of decisions.
42. Overall, implementation of the ES Strategy will have a positive environmental impact across the borough as well as contributing to global sustainability and climate objectives. New actions proposed extend the 'reach' of the Council's activity and therefore our ability to facilitate positive change. It will continue to be important that the full range of potential environmental impacts of projects within the Strategy are considered in order to avoid or mitigate any unnecessary negative environmental consequences.
43. Work will continue to improve the Council's access to appropriate data so that the direct impact of our activities can be reported.

Risk Management Considerations

44. No specific risk management considerations have been identified in relation to the content of this report.
45. The risks of individual projects within the ES Strategy action plan will need to be considered on a case-by-case basis using the Council's established project management framework. This will include considering operational risks in relation to existing Council activities, financial risks and health and safety considerations.

Other Implications

46. **Human resources:** The Council employs one permanent Sustainability Project Officer to facilitate the delivery of the Environmental Sustainability Strategy. A second fixed term post is due to conclude in December. It is proposed to seek additional funding to enable the continuation of this second post to enable the Council to continue its 'twin-track' approach and focus not only on organisational sustainability but also supporting positive change across the wider borough and within our communities.

Consultation

47. The Annexes appended to this report were discussed at the Overview & Scrutiny Committee on 21st October. Observations and questions raised by the Committee are summarised below for consideration by Executive members⁶:
 - a. that there are four priority areas which require significant planning, financial spend and delivery to achieve carbon reduction: improving the Council's own assets and buildings, converting the Council's fleet, rolling out electric vehicle charging infrastructure and domestic retrofit
 - b. That a full range of options for the funding and installation of EV charging points on Council-owned land should be considered

⁶ The full draft minutes of the meeting are available via the Modern.Gov website

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- c. That further public-facing messaging should be published to increase awareness of the work the Council is doing to combat climate change and help residents act sustainably
 - d. That options for tree planting on areas of Council-owned land should be explored
 - e. That more information on plans to improve the insulation and install alternative heating sources on Council buildings should be shared with members once available
 - f. That the Council should engage with stakeholders to encourage them to minimise the use of glyphosate.
48. Work is underway to develop an annual residents' survey about environmental sustainability, as a means of measuring progress, gaining feedback and helping us target future activities.

Policy Framework

49. This report and its recommendations align with the commitments outlined in Reigate & Banstead 2025 and the Environmental Sustainability Strategy.

Background Papers

1. Reigate & Banstead 2025 (Corporate Plan 2020 – 2025) - https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025
2. Reigate & Banstead Environmental Sustainability Strategy - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020
3. Reigate & Banstead Environmental Sustainability Action Plan - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020
4. Reigate & Banstead Environmental Sustainability Performance Indicators - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020

Energy & Carbon: Energy Minimisation

Reduce operational energy consumption through fabric improvements and installing energy efficient equipment and fittings

2020/21 Actions:

- Implement measures identified as part of the Display Energy Certificates (DEC) recommendation report for key three assets (i.e. Harlequin Theatre, Town Hall and Earlswood Depot) as part of scheduled renewal/upgrade programme (ongoing action)
- Use whole life cycle analysis as a decision tool during plant renewal programme upgrades and maintenance programmes (ongoing action)
- Improve loft insulation and wall insulation with a focus on top three key assets as part of scheduled renewal/upgrade programme (ongoing action)
- Continue to install LEDs throughout the Council assets on top 10 assets or in conjunction with any scheduled renewal/upgrade programme (ongoing action)
- Introduce variable speed drives (VSD) for fans, pumps and compressors as part of scheduled renewal/upgrade programmes where viable (ongoing action)
- Investigate and where appropriate implement opportunities to reduce energy consumption from the Council's leased assets, subject to lease agreements (ongoing action)

Progress:

- A rolling programme of mechanical and electrical works include energy efficiency requirements in all tender documents and all reactive & routine maintenance covers a phased renewal of LED lighting Exploring options with the Property & Facilities team and external providers for energy audits/site assessments to determine programme of work
- Consortium bid to the Green Homes Grant Local Authority Delivery Fund secured for Surrey £6.2m under Phase 1a and £3.1m under Phase 1b. To date, 64 measures have been installed on 54 properties in the borough to the value of £471k
- Further funding of up to £350k earmarked for the borough under LAD2 to deliver additional energy efficiency measures to low EPG rated homes.

Challenges:

- Action on the Council's assets is a key part of the Action Plan, but progress has been impacted due to Covid 19 and capacity issues within the Property & Facilities team, although the latter is in the process of being addressed
- Short application and delivery timescales associated with Government Funding opportunities has limited the progress that can be achieved on domestic retrofit
- A change in energy contract management company in September 2020 has led to difficulties in acquiring gas and electricity consumption data prior to October 2020. Note 2020 data may not be representative due to changed working practices at the Council resulting from Covid.

Next Steps:

- Continue conversations with Property & Facilities team / external providers in relation to future programme of work
- Continue to implement energy efficiency measures, including as part of the return to work / hybrid working programme

Operational energy use (kWh) for each of the key Council assets

Town Hall:

Baseline (Oct 2020 to Mar 21):
Electricity: 187,696 kWh
Gas: 485,692 kWh

Depot:

Baseline (Oct 2020 to Mar 21):
Electricity: 132,300 kWh
Gas: 267,324 kWh

Harlequin:

Baseline (Oct 2020 to Mar 21):
Electricity: 120,288 kWh
Gas: 440,933 kWh

All other sites:

Baseline (Oct 2020 to Mar 21):
Electricity: 356,784 kWh
Gas: 404,425 kWh

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<ul style="list-style-type: none"> Continue to engage with Action Surrey, the Greater South East Energy Hub, other Surrey authorities and other partners to secure additional funding for, and implement, domestic energy efficiency retrofit, including with social housing providers via the Social Housing Decarbonisation fund <p>Note that a new action is proposed for 2021/22 onwards covering domestic retrofit</p>		
Promote behaviour changes to reduce operational energy consumption.		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> Provide better information on finance/grants available to businesses and residents to implement energy efficiency measures <p><u>Progress:</u></p> <ul style="list-style-type: none"> Webpages updated with relevant information on finance/grants <p><u>Challenges:</u></p> <ul style="list-style-type: none"> None identified <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Keep web-content up to date 	Web pages reviewed at least annually	Baseline (2020/21): Web pages and content created
Energy & Carbon: Renewable Energy		
Promote the use of renewable energy through on/off-site generation and renewable tariff procurement		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> Include information on renewable energy tariffs on the Council sustainability section of the website and via Borough News, email newsletters etc. to encourage residents and businesses to sign-up Procure renewable energy across RBBC assets <p><u>Progress:</u></p> <ul style="list-style-type: none"> Sustainability webpages have been updated to include information on energy saving, switching and renewable tariffs The Council's half-hourly (HH) electricity meters (one third of the Council's total energy supply) is now on a green tariff with Brook Green. Carbon dioxide emissions from energy usage that is not yet on a green tariff (see 'challenges') is now offset. Solar Together group-buying scheme launched across Surrey in May. Reigate & Banstead had 816 registrations (759 for solar PV and 57 for battery storage). Agreement reached to support Raven Housing Trust roll out its Net Zero programme to the tune of up to £1m through waiver of clawback <p><u>Challenges:</u></p> <ul style="list-style-type: none"> Not all council energy contracts have come up for renewal yet; so will need to wait until expiry of current contracts before moving to green tariff: <ul style="list-style-type: none"> Non-half-hourly (NHH) (Corona): Sept 2023 Gas (CNG): Oct 2022 <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Keep web-content up to date Monitor success of Solar Together scheme Continue to engage with Action Surrey, the Greater South East Energy Hub, other Surrey authorities and other partners to secure additional funding for, and implement, domestic low carbon measures retrofit. 	Web pages reviewed at least annually	Baseline (2020/21): Web pages and content created
	Percentage of renewable energy (Council)	<u>Renewable electricity</u> Baseline (2020/21): 33% <u>Non-renewable electricity</u> Baseline (2020/21): 13% <u>Non-renewable gas</u> Baseline (2020/21): 54%
	Solar installations in borough	Baseline (2019): 1,895 Year 1 (2020): 1,901

<ul style="list-style-type: none"> Move Council energy contracts to green tariff when possible; in the mean-time explore opportunities for energy minimisation / on-site renewables <p>Note that a new action is proposed for 2021/22 onwards covering domestic retrofit</p>		
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Energy & Carbon: Low Carbon Transport

Reduce carbon emissions associated with transport through minimising travel and reliance on personal car

<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> Use planning conditions and S106 agreements to secure car club provisions at new large-scale developments (ongoing activity). Engage with Local Transport Authority (Surrey County Council (SCC)) and private transport provider to improve frequency/reliance of public transport to increase overall uptake of public transport (ongoing activity) Highlight the reduced-price membership offer to Surrey residents for the Enterprise Car Club which is currently outlined on the Surrey website. Encourage uptake of car-pooling from residents and staff through better communicating available car sharing platforms. <p><u>Progress:</u></p> <ul style="list-style-type: none"> Development Management Plan (DMP) encourages initiatives such as carpooling and car clubs; these opportunities are further explained in the draft Climate Change and Sustainable Construction Supplementary Planning Document (SPD) and included in the draft Sustainability Checklist Ongoing engagement with Surrey County Council on their Local Transport Plan (LTP) 4 which has a strong focus on sustainable transport Information included on sustainability webpages on car sharing and personal car use The Sustainability Team has provided advice in relation to designing appropriate measures into Council-led developments, including Woodhatch Crematorium <p><u>Challenges:</u></p> <ul style="list-style-type: none"> Covid restrictions have limited the Council's ability to encourage the uptake of car-pooling and use of public transport - these actions will be rolled forward as a result Difficulty in establishing performance indicators due to lack of third-party information <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Keep web-content up to date Launch Climate Change and Sustainable Construction SPD and Checklist in 2021/22 Await outcome of LTP4 consultation and continue to engage with SCC on wider sustainable transport initiatives 	<p>Web pages reviewed at least annually</p>	<p>Baseline (2020/21): Web pages and content created</p>
	<p>Up to date planning policy and guidance in place</p>	<p>Baseline (2020/21): Policy up to date and guidance in development</p>
	<p>Uptake of car-pooling amongst residents</p>	<p>Data currently not available</p>
	<p>Levels of public transport usage and/or investment</p>	<p>Data currently not available</p>

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Improve the uptake of electric vehicles across the Borough		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Ensure that the provision of electric vehicle charging points are secured for new developments as per the DMP TAP 1 'Access, parking and servicing' policy and SCC's 'Vehicular and Cycle Parking Guidance' January 2018 and Office for Low Emissions Vehicles (OLEV) (when implemented) (ongoing activity) • Update/upgrade existing charging points (e.g. Wray Lane) when it needs replacing (ongoing activity) • Install charging points in Council's car parks and across the Council's owned assets (ongoing activity) • Work with SCC to implement their 'Electrical Vehicle Strategy' (ongoing activity) • Explore options to encourage fully electric taxis via Council's licencing policies and potentially incentivise their take up through subsidising of the licence fee. • Continue to transition the Council's fleet to be fully electric, measures to include: <ul style="list-style-type: none"> - Procuring fully electric cars, vans and other vehicles - Procuring electric sit on mowers - Procuring electric refuse lorries. Alternatively, existing vehicles could be retrofitted with an electric motor <p><u>Progress:</u></p> <ul style="list-style-type: none"> • Provision for EV in the DMP for all new development to incorporate electric vehicle (EV) charging points, also included in the draft Climate Change and Sustainable Construction SPD and draft Sustainability Checklist • Business related opportunities for installation of EV charging infrastructure promoted through new Sustainable Business Network • Charging point at Wray Lane upgraded • External funding secured towards installation of 6 charge points in Banstead Car Park; project initiated to establish programme of works to roll EV charging points out to other Council owned sites, including commissioning of evidence from Energy Saving Trust • Ongoing discussions with SCC (via monthly meetings) about roll out of on-street EV charging infrastructure • Five licenses have been made available for electric hackney carriages; ongoing work to look at other ways of ensuring more sustainable taxis • Moved from 300l to 150l fuel tank HGVs to increase efficiency; moved from Euro 5 to Euro 6 standard. • Current fleet has 13 low-emission vehicles: <ul style="list-style-type: none"> - Mayoral car – 1 hybrid electric car - Parking team – electric 2 cars; 2 electric vans - Green Spaces 1 electric van - Pool – 3 hybrid cars; 3 electric cars 	Number of public EV charging points available in the borough	Baseline (2020/21): 29 as of July 2021; 10 in council car parks
	Number of plug-in cars & LGVs licenced in the borough	Baseline (2020): 712 plug-in cars & LGVs as of Q1 (Jan-Mar) 2020 Progress (2021): 1,037 plug-in cars & LGVs as of Q1 (Jan-Mar) 2021
	Number of on-street charging points available in borough	Baseline (2020/21): 0
	Number of low-emission hackney carriages licenced in the borough	Baseline (2020/21): 0

<ul style="list-style-type: none"> - Stores – 1 electric forklift • Electric bin lorry trialled; continuing to explore options due to concerns around range • Fleet Replacement Strategy has been created and reviewed by the Sustainability Team, increased focus on sustainability issues, consultation with sustainability team over petrol/diesel purchases. <p><u>Challenges:</u></p> <ul style="list-style-type: none"> • SCC is focusing on trialling on-street EV charging in the west of the County, on-street EV charging trials are not expected in Reigate & Banstead until 2022. • Despite having been made available, electric hackney carriage licence opportunities have not yet been taken up • Information is not currently available about total number of privately owned/operated EV charging points • Need to ensure infrastructure (charging, etc.) is in place for electric vehicles at the depot & other locations <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Launch Climate Change and Sustainable Construction SPD and Checklist in 2021/22 • Continue to promote EV charging opportunities to businesses • Finalise plans for rollout of EV charging points across Council-owned sites • Continue to explore ways to reduce diesel hackney carriages and move to electric fleet • Full fleet review by Energy Saving Trust (EST) in place for end of this tax year (early 2022) • Continue to work with Fleet team to transition council fleet to electric / low emissions solutions; await outcome of EST review 	Proportion of fleet that is electric	Baseline (2020/21): 10%
Encourage the uptake of walking and cycling		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Collaborate with Surrey CC to develop a Local Cycling and Walking Plan and implement pedestrian and cycling-friendly measures (ongoing activity) • Improve information available to residents and local businesses advising on the location of cycle storage, cycle hire, and cycle routes within the borough <p><u>Progress:</u></p> <ul style="list-style-type: none"> • Information included on webpages around cycle routes in the borough • Surrey CC's Local Cycling & Walking Infrastructure Plan (LCWIP) has been commissioned and work is underway • Ongoing engagement with Surrey CC on LTP4 • The Sustainability Team has provided advice in relation to designing appropriate measures into Council-led developments, including Woodhatch Crematorium <p><u>Challenges:</u></p> <ul style="list-style-type: none"> • Surrey CC have very limited data on performance indicators <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Await outcome of consultation on LTP4 • Continue to work with Surrey CC on LCWIP development and implementation 	Proportion of residents walking/cycling to work or to run local errands	Data currently unavailable

ANNEX 1: Environmental Sustainability Strategy Action Plan – 2020/21 Progress, challenges and next steps

Performance indicator

Baseline and progress

Low Impact Consumption: Waste Reduction

Reduce waste through avoiding it in the first place and promoting reuse opportunities

2020/21 Actions:

- Continue to locate clothes and textile banks in strategic locations across the Borough prioritising the re-use of the items collected (ongoing activity)
- Work with cafes, restaurants and takeaways to reduce their single-use plastic (SUP) consumption i.e. targeting zero Styrofoam, preferring compostable options and gradually moving towards reusable take-away box scheme (ongoing activity)
- Publicise better the water re-fill network within the Borough and sign-up additional businesses as refill stations across the Borough
- Update waste section on the dedicated sustainability page of the Council's website to bring together information about the various waste reduction initiatives
- Eliminate single use plastic (SUP) within the Council's operated assets (ongoing action)
- Continue to purchase IT equipment from a specific brand and stick to the same models to allow for the use of spare parts from units which no longer work to be used in other units to prolong their life (ongoing action)
- Investigate the potential remanufacturing options for furniture when renewing furniture (ongoing action)

Progress:

- Information on waste reduction included on webpages, in spring borough newsletter and in business e-bulletin. Information about the water refill network also included in the sustainability webpages
- The Council collects the most textiles through banks out of all boroughs in Surrey (36 own sites with banks); 300 tonnes of textile per year
- Some progress has been made reducing SUP within the council
- Currently one third of IT stock is decommissioned each year (after 4-5 years in use); equipment is cleared of data, WEE tested and recycled by a third-party company. Approximately 440 'specific brand' (HP) laptops in use, all with low power rating. Servers at Town Hall uses 2 small units (virtual servers, lower impact than full server room).

Challenges:

- Surrey Environment Partnership advise that it's SUP Strategy stalled due to lack of resource/capacity to implement by councils; therefore alternative approaches will need to be identified.
- Covid lockdowns have resulted in increases in total municipal waste collected
- Need to support struggling businesses post-Covid i.e. ensure that sustainability issues are addressed but for initiatives not to be so onerous that they impact on the ability to recover from the pandemic

Total municipal household waste arising at borough level

Baseline (2019/20):
52,766

Progress (2020/21):
55,251 tonnes

Web pages reviewed at least annually

Baseline (2020/21): Web pages and content created

<ul style="list-style-type: none"> Progress with reducing SUP has been limited due to Covid 19 / capacity issues, although the latter is in the process of being addressed. Similarly, Covid 19 has impacted on activity in relation to promoting the water re-fill network Due to limited progress, a baseline has not yet been established for SUPs, nor a mechanism to measure reductions No suitable mechanism currently exists for measuring total waste generated by council offices and facilities. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Keep webpage content up to date and promote recycling through communications activity Work more post-lockdown to support businesses with SUP reduction and promote the water refill network, reflecting provisions in the forthcoming Environment Bill Continue conversations with services across the Council to reduce our own use of SUPs <p>Conversations with IT suggest sustainability measures have been taken as far as practical at present; continue to explore opportunities as part of ongoing ICT investment programme</p>	Total waste / SUPs generated by Council	Data currently unavailable
Facilitate recycling to maximise value of non-avoidable waste		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> Continue to roll out recycling to all flats within the borough to improve the recyclable waste collection service provided compared to the service historically delivered (paper and card only) (ongoing activity) Continue to compile and report recycling rate for the Borough collections to disseminate performance to residents and encourage positive behaviour change (ongoing activity) Work with Surrey Environment Partnership (SEP) in exploring the potential for implementation of services to reuse or recycle difficult products: e.g. nappies, sanitary pads, paint (ongoing activity) Trial the provision of additional recycling bins alongside general waste bins in public spaces to facilitate waste segregation e.g. Earlswood Lakes where 'big belly bins' for general refuse have recently been installed. If successful, look to extend the use of recycling bins. As part of the trial ensure that appropriate communication is disseminated to ensure that it is clear what can be recycled <p><u>Progress:</u></p> <ul style="list-style-type: none"> After the initial impacts of lockdown in Q1, the last 3 quarters of 2020/21 saw a strong recycling performance within the borough - the best results recorded for each of these periods by the Council While the rollout of the full recycling service to flats has been suspended since March 2020 due to Covid-19, 500 properties have been completed in July 2021 and all new build flats and houses have been provided with the full recycling service Communication on recycling continues to be provided by the Council's Communications Team, supported by SEP; the annual user guide was provided to all properties in November 2020 and the same is scheduled for 2021. This includes information on the SEP website about hard to recycle items (linked to from our own) <p><u>Challenges:</u></p> <ul style="list-style-type: none"> Recycling in green spaces difficult due to contamination arising from location of bins Covid has impacted on some aspects of recycling, including roll-out to flats and commercial waste streams Recycling from businesses during 2020/21 has been hit hard, as many businesses closed or reduced output, evident from the reduced quantity of cardboard collected from commercial clients <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> A program to improve recycling centre bins is proposed this year 	Proportion of household waste recycled (borough-level)	<p>Baseline (2019/.20): 54.3%</p> <p>Progress (2020/21): 53.2%</p>

<ul style="list-style-type: none"> • Explore solutions for encouraging recycling in green spaces, e.g. signage around taking waste home to recycle, working with cafes on closed-loop recycling schemes, etc. • Look at promoting options beyond SEP (such as Terracycle) • Await Environment Bill & proposals from DEFRA around waste (including commercial waste) to inform future Council activity in relation to recycling 		
<p>Promote anaerobic digestion and composting</p>		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Work with SEP to investigate preferable options for the disposal of organic waste and improve communication to residents around food waste with the aim of increasing the volume of food waste collected across the borough (ongoing action) <p><u>Progress:</u></p> <ul style="list-style-type: none"> • Garden waste available to all residents (subscription service); compost bin and food waste campaigns run by SEP <p><u>Challenges:</u></p> <ul style="list-style-type: none"> • Initial Covid lockdown impacted Council's ability to collect garden waste in Q1 <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Organic waste collection & processing included in upcoming Environment Bill; this will inform our future approach in this area 	<p>Proportion of household waste composted or anaerobically digested (borough level)</p>	<p>Baseline (2019/20): 28.1%</p> <p>Progress (2020/21): 25.1%</p>
<p>Encourage waste treatment locally to minimise transport emissions</p>		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Endeavour to keep waste streams treated as locally as possible or at least within the UK/Europe (ongoing action) <p><u>Progress:</u></p> <ul style="list-style-type: none"> • Many of the waste streams are currently processed locally and within the UK, as detailed here <p><u>Challenges:</u></p> <ul style="list-style-type: none"> • Limitations on data available for performance indicators <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Continue to work to ensure waste and recycling is treated as locally as possible • Await outcome of Environment Bill around changes to waste collection & processing 	<p>Proportion of waste collected treated within the UK</p>	<p>Data currently unavailable</p>
<p>Low Impact Consumption: Water Efficiency</p>		
<p>Reduce potable water consumption through a combination of efficiency and potable water substitution measures</p>		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Work in partnership with Sutton & East Surrey Water (SESW) to provide residents with easy to use water saving measures to install, e.g. hippo cistern displacer; flow restrictors; garden water butts (ongoing action) • Engage with SESW to support them where possible in achieving their industry wide leak reduction targets (ongoing action) • Advise residents (via Council's website) on minimum water efficiency standards to achieve when considering home refurbishment projects (e.g. changing kitchens/bathrooms) 	<p>Water consumption per capita (borough-wide)</p>	<p>Baseline (2020/21): 153.7 litres per property per day (annual average as of Aug 2020)</p>

<ul style="list-style-type: none"> Investigate the installation of low flow fixtures and fittings for sanitaryware (including toilets, wash hand basins, showers and kitchen taps) for key Council assets (Harlequin, Town Hall and Earlswood) as part of any upgrade works (ongoing action) Consider rainwater harvesting or greywater recycling as part of any key upgrades undertaken by the Council to their assets (ongoing action) <p><u>Progress:</u></p> <ul style="list-style-type: none"> Webpages updated to include water efficiency advice, funding opportunities (details of 'Every Drop' fund shared with community groups), water-saving visits, water calculator, etc. Also education outreach opportunities via 'flow-zone.co.uk' website (also on the Council's webpages) Efficiency measures on council owned and operated properties are being undertaken on planned and refurbishment works as and when they arise Provisions for water efficiency included in the Climate Change & Sustainability SPD, referenced in checklist <p><u>Challenges:</u></p> <ul style="list-style-type: none"> Progress on the Council's sites impacted due to Covid 19 / capacity issues, but latter in the process of being addressed <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Keep website content up to date Continue to work with SESW to reduce water consumption across the borough Launch Climate Change and Sustainable Construction SPD and Checklist in 2021/22 The Council will look at how to develop initiatives as part of return to work/hybrid working programme; continue conversations with the Property & Facilities team to determine way forward 	Web pages reviewed at least annually	Baseline (2020/21): Web pages and content created
	Water consumption at council level	<p><u>Town Hall:</u> Baseline (2020/21): 3,108 M³</p> <p><u>Depot:</u> Baseline (2020/21): 3,305 M³</p> <p><u>Harlequin:</u> Baseline (2020/21): 12,182 M³</p> <p><u>All other sites:</u> Baseline (2020/21): 36,621 M³</p>
Low Impact Consumption: Responsible Sourcing		
Maximise the use of materials and products that are produced responsibly (i.e. environmentally and socially)		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> Prefer products that incorporate recycled content for key purchases (e.g. furniture, stationary, paper, paint) (ongoing action) Ensure that all timber products procured across the Council (inc. paper products such as files, books, pads and envelopes) are FSC certified <p><u>Progress:</u></p> <ul style="list-style-type: none"> Office supplies provided by Lyreco for Town Hall, Earlswood Depot, Harlequin Theatre and community centres. Paper used is Lyreco's own brand (Eco Label, 90gsm). Core stationery products reviewed early 2021, moved from 57% to 67% of sales from Lyreco environmentally friendly range. Percentage of actual units from 34% to 50% <p><u>Challenges:</u></p> <ul style="list-style-type: none"> Limited progress on the wider range of products across Council's sites due to Covid 19 implications <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Continue to work directly with Lyreco to transition to low social/environmental impact solutions; explore other opportunities as part of return to work/hybrid working programme 	Proportion of council-procured goods that are recycled content / toxic / FSC or PEFC / Fairtrade	<p>Baseline (2019/20): 34% of office products are environmentally friendly</p> <p>Progress (2020/21): 50% of office products are environmentally friendly</p>

Encouraging healthy food products manufactured under adequate social and environmental standards		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Include healthier options within the vending machines located in assets operated by the Council (ongoing action) • Procure Fairtrade products for key office consumables (coffee, tea, sugar, hot chocolate) <p><u>Progress:</u></p> <ul style="list-style-type: none"> • N/A <p><u>Challenges:</u></p> <ul style="list-style-type: none"> • No progress has been made on these actions due to Covid 19 restrictions on use of Council buildings/ capacity issues • A baseline has not yet been established for quantities of healthy/ethical food, nor any mechanism to measure reductions <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Explore opportunities to provide healthier / Fairtrade options as part of return to work/hybrid working programme 	Proportion of Fairtrade / healthy products procured	Data currently unavailable

ANNEX 1: Environmental Sustainability Strategy Action Plan – 2020/21 Progress, challenges and next steps		Performance indicator	Baseline and progress
Natural Environment: Ecological Enhancement			
Improve tree cover across the borough			
30	<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Increase tree cover within the borough (ongoing action): <ul style="list-style-type: none"> - Plant more trees with a focus on those with a native/wildlife value - Improve management of existing woodland in council ownership to promote healthy regeneration and new tree growth - Review the grant/funding options available and if possible, establish a partnership with the Woodland Trust to help implement any tree planting on land identified as suitable - Any trees that have to be uprooted to accommodate new developments to be relocated elsewhere in the Borough - Integrate tree planting initiatives as part of the Council's 'Green Infrastructure Strategy Action Plan' for restoring habitats at Council-owned strategic countryside assets where environmentally appropriate - Explore options for, and support, community tree planting initiatives - Investigate options for providing local carbon offsetting for third parties through tree planting or other measures <p><u>Progress:</u></p> <ul style="list-style-type: none"> • 181 trees planted by the council within the borough over the financial year 2020-2021; Greenspaces team continues to manage Council owned woodland to ensure it is healthy and sustainable 	Tree cover percentage	Data currently unavailable
		Number of trees planted on new developments	Data currently unavailable

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<ul style="list-style-type: none"> Submitted a consortium bid via Surrey CC to the DEFRA Local Authority Treescapes Fund Discussions in progress to develop a green spaces strategy/action plan around planting etc. Ongoing conversations with Surrey CC (which has set a 1.2million trees by 2030 target), Surrey Wildlife Trust, Woodland Trust & CPRE around green infrastructure and tree planting across the borough Ongoing work with community groups – tree planting guide has been produced with workshop sessions delivered, and a local network of interested groups being developed. Guide includes explaining the value of planting the right trees in the right places and the need for ongoing care and management <p><u>Challenges:</u></p> <ul style="list-style-type: none"> Difficulty in attaining data on planting associated with new developments Difficulty in getting robust, up-to-date data on total tree cover within the borough <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Continue to support local community groups to bring forward tree planting initiatives and continue discussions with Green Spaces team, Surrey CC & charities about other planting opportunities Await outcome of Treescapes Fund bid and implement proposals if successful 	Number of new trees planted on council land	Baseline (2020/21): 181 trees planted by council within the borough
Increase the area of soft landscape valuable to wildlife across the Borough		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> Identify areas of disused land which can be utilised for greening projects and implement projects where appropriate (viable and deliverable) (ongoing action) <p><u>Progress:</u></p> <ul style="list-style-type: none"> 128 square metres of soft landscaping created / improved by the council over the financial year 2020-2021 Discussions in progress to develop a green spaces strategy/action plan around planting etc. Ongoing conversations with Surrey CC, Surrey Wildlife Trust, Woodland Trust & CPRE around supporting and enhancing green infrastructure across the borough Communities are being supported to explore the potential of sites for green infrastructure networks and hedgerow renewal in their local areas, working with local tree wardens, the Tree Council and Wildlife Trust <p><u>Challenges:</u></p> <ul style="list-style-type: none"> None identified <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Continue discussions with Green Spaces team, Surrey CC & charities in relation to soft landscaping and green infrastructure opportunities Await Environment Bill and requirements around Biodiversity Net Gain and Local Nature Recovery Networks Explore viability of a project linking up various projects (e.g. community projects, partner projects, council projects) to form a broader green infrastructure programme 	Area of soft landscape created by council	Baseline (2020/21): 128 square metres of soft landscaping created / improved
Increase the amount of native species that attract pollinators		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> Plant pollinator friendly species in areas managed by the Council e.g. by managing a series of verges as 'late-cut' verges allowing the flowers to set seed before being cut or introducing pollinator-friendly seed mixes in areas of grassland around new developments (ongoing action) <p><u>Progress:</u></p> <ul style="list-style-type: none"> 3,906 square metres of pollinator and/or native species planting by the council over the financial year 2020-2021 	Area of planting by council	Baseline (2020/21): 3,906 square metres of pollinator and/or native species planting

<p><u>Challenges:</u></p> <ul style="list-style-type: none"> • None identified <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Biodiversity planning guidance due to be prepared by the council's Planning team • Continue to manage a range of verges as 'late cut' 		
<p>Natural Environment: Sustainable Drainage Systems</p>		
<p>Mimic the natural water cycle to reduce surface water run off</p>		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Collaborate with Surrey County Council as part of their 'Surrey Local Flood Risk Management Strategy - Objective Action Plan, February 2017' to increase the uptake of SuDS on infrastructure projects (ongoing action) • Minimise hard impermeable surfaces, alternatively install or retrofit permeable surfaces across the Council's owned assets as part of planned renewal and upgrades e.g. the use of permeable paving at Council owned and run car parks (ongoing) • Install or retrofit soft SuDS (sustainable drainage systems) as part of planned renewal and upgrades across the Council's owned assets e.g. bioretention area, swales etc.(ongoing) <p><u>Progress:</u></p> <ul style="list-style-type: none"> • Measures included in relation to sustainable drainage the draft Climate Change and Sustainable Construction SPD and draft Sustainability Checklist • The Sustainability Team has provided advice in relation to designing appropriate measures into Council led developments, including Woodhatch Crematorium and Merstham Recreation Ground <p><u>Challenges:</u></p> <ul style="list-style-type: none"> • Data currently unavailable for permeable surfaces in new developments <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Launch Climate Change and Sustainable Construction SPD and Checklist in 2021/22 • Continue to provide advice in relation to sustainable drainage on developments taking place on Council land 	<p>Area of permeable surface created in new developments</p>	<p>Data currently unavailable</p>
	<p>Area of permeable surfaces created by council</p>	<p>Baseline (2020/21): 0</p>
<p>Natural Environment: Environmental impact and pollution prevention</p>		
<p>Limit negative impacts to the wider environment i.e. air, water, ground, habitat loss</p>		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Work alongside SCC to investigate the suitability of implementing measures to limit unnecessary acceleration and deceleration and reduce engine idling (ongoing action) • Continue to minimise the use of glyphosate (ongoing action) by: employing the use of hand removal in public spaces such as playgrounds, schools and town centres; investigating the use of hot foam or steam as alternatives; liaising with other authorities who have already implemented measures to go glyphosate free <p><u>Progress:</u></p> <ul style="list-style-type: none"> • Engagement with SCC in relation to the content of its LTP4 • The Greenspaces team have reduced their use of glyphosate as far as possible; currently exploring other means of weed control (such as hand-removal) and only using glyphosate as a last resort <p><u>Challenges:</u></p>	<p>Annual air quality results (3-year rolling average) for Nitrogen Dioxide ($\mu\text{g m}^{-3}$)</p>	<p><u>Baseline (2019):</u> Reigate Background 16.5 Reigate High St 37.2 Redhill Background 15.4 Redhill Marketfield Way 30.9 Horley A23 Brighton Road 44.3 Horley The Crescent 26.8 Banstead Background 15.8 Banstead Drift Bridge</p>

<ul style="list-style-type: none"> • Signage for switching off engines has been trialled previously with limited success (no discernible drop in air pollutants). Switching off engine may produce more pollution on older models. <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Await SCC LTP4 and explore other opportunities to work with SCC to reduce polluting behaviour by drivers • Continue to explore ways to reduce the amount of glyphosate used 		28.5 Hooley Background 15.8 Hooley A23 58.8 <u>Progress (2020):</u> Reigate Background 15 Reigate High St 33.8 Redhill Background 14.9 Redhill Marketfield Way 28.3 Horley A23 Brighton Road 39.4 Horley The Crescent 22.7 Banstead Background 14.4 Banstead Drift Bridge 25.7 Hooley Background 13.9 Hooley A23 52.4
	Annual amount of glyphosate used	Baseline (2020/21): 699 litres

ANNEX 1: Environmental Sustainability Strategy Action Plan – 2020/21 Progress, challenges and next steps	Performance indicator	Baseline and progress
Effective Implementation: Communications		
Provide informative accessible material for staff, residents and businesses on how to reduce energy and increase renewable energy at the Borough level and explain what the Council is doing itself		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> Develop a campaign around the Council’s sustainability plan to inform and encourage behaviour change in staff, residents, businesses and partners. A number of key messages and calls to action will be created Set up on the Council's webpage a dedicated sustainability section which will provide tangible solutions to enable residents and businesses to reduce their environmental impacts Use of case studies to demonstrate how local businesses and communities have improved their sustainability credentials (e.g. EV charging, installation of solar panels) Develop a campaign around the sustainability plan to inform and encourage behaviour change in staff. A number of key messages and calls to action will be created <p><u>Progress:</u></p> <ul style="list-style-type: none"> Two-page article released in Spring Borough Newsletter, with follow-up posts on social media Social media communications on national and international events, including World Environment Day, Plastic-Free Day, reducing litter and community tree-planting Work in development to deliver a resident’s survey in 2021 to ask questions relating to sustainability, including how the Council is performing regarding sustainability Webpages have been fully updated with 6 main categories (home, business, community, school, health, travel) Sustainable business network established to share best practice with large businesses within the borough (bi-monthly meetings) SMEs engaged on sustainability issues via the Council’s business newsletters and other networking activity Several internal communications articles on sustainability released on the Council’s intranet pages; ‘bite-sized’ training delivered to staff in July. Articles also published in members’ e-bulletin, with a schedule agreed for further communications. New member induction video on sustainability created and rolled out. Carbon Literacy Training completed by Sustainability Officer to determine suitability for training across the council <p><u>Challenges:</u></p> <ul style="list-style-type: none"> None identified <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> Continue work on resident’s survey, launch later in 2021 Continue to update & evolve webpages and implement external communications activity Continue bi-monthly sustainable business network meetings and promote other initiatives such as the forthcoming LoCASE programme Training for officers in Carbon Literacy Training for later in 2021, with manager / member training planned Dedicated page for sustainability planned for the Council’s intranet pages Continue with communications and training across internal channels 	<p>Web pages reviewed at least annually</p>	<p>Baseline (2020/21): Web pages and content created</p>
	<p>Resident survey delivered annually (% residents that agree the Council acts in an environmentally responsible way)</p>	<p>Baseline (2020/21): Wave 1: 43% residents agree the Council acts in an environmentally responsible way</p> <p>Progress: Wave 2: 47% residents agree the Council acts in an environmentally responsible way</p>

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Effective Implementation: Partnership Working		
Work with partner agencies to identify shared objectives and opportunities for cooperation		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Communication and coordination with other public sector agencies, and relevant private and/or voluntary/community sector elements to address joint environmental sustainability objectives (ongoing action) <p><u>Progress:</u></p> <ul style="list-style-type: none"> • Ongoing collaboration has taken place across various aspects of the action plan, including work with: <ul style="list-style-type: none"> - Surrey CC, and working with other districts and boroughs: <ul style="list-style-type: none"> ➤ Funding Bids (e.g. Treescapes Fund, Empty Properties, Green Homes Grant: LAD 1a and 1b) ➤ Studies (e.g. Buro Happold tree cover and renewables study) ➤ Group-buying schemes (Solar Together) ➤ Policy (e.g. LTP4, LCWIP, Greener Futures Delivery Plan) - Local Enterprise Partnerships and associated organisations (Greater South East Energy Hub: on Green Homes Grant: LAD2) - Advisory services (e.g. Action Surrey on Green Homes Grant: LAD1a and b, Energy Saving Trust on fleet and electric vehicles) - Charities (e.g. Surrey Wildlife Trust (green infrastructure), Woodland Trust, Tree Council (planting/planning)) - Businesses (e.g. via the Sustainable Business Network, SES Water on water consumption reduction) - Town and Parish Councils (alignment of priorities and activities and sharing best practice) - The health sector ('Growing health together' network) - Community groups (on tree planting, energy efficiency, etc.) <p><u>Challenges:</u> None identified</p> <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Continue to collaborate with public and private sector partners and community groups 	N/A	N/A
Effective Implementation: Procurement		
Ensure sustainability is taken into consideration as part of the procurement process		
<p><u>2020/21 Actions:</u></p> <ul style="list-style-type: none"> • Prepare sustainability opportunities section to be incorporated into specifications that are then incorporated into tender documentations • Devise sustainable procurement tools to assess tenders. This will include sustainability questionnaires as part of the PQQ (Pre-Qualification Questionnaire) and ITT (Invitation To Tender) and the use of a balanced scorecard <p><u>Progress:</u></p> <ul style="list-style-type: none"> • ITT includes a section on what weighting should be applied (e.g. 30% cost, 70% quality, etc. – determined by dept. procuring). Work in progress to include wording in ITT around sustainability <p><u>Challenges:</u></p> <ul style="list-style-type: none"> • Strategic (council-wide) procurement review has been delayed due to resourcing pressures <p><u>Next Steps:</u></p> <ul style="list-style-type: none"> • Continue to work with Procurement Team to develop sustainability considerations in the procurement process and provide support to individual services in respect of specific procurement activities 	Sustainability requirements included in corporate Procurement Strategy	

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ANNEX 2: Environmental Sustainability Strategy Action Plan – Additional Proposed Actions

Proposed Performance indicator

Energy & Carbon: Energy Minimisation

Promote behaviour changes to reduce operational energy consumption.

New 2021/22 Actions:

- Work with partner organisations, residents, businesses and communities throughout the borough to encourage and facilitate the retrofit of homes to become more energy efficient (Ongoing)

Challenges:

- The Council has limited powers to mandate action in this area, however reducing domestic emissions is a crucial step if the borough is to become net zero by 2050

Percentage of homes in the borough that have been retrofitted via schemes and projects promoted by the Council; BEIS annual Local Authority CO² estimates

Inclusion of scope 3 emissions in investigations and reduction initiatives

New 2021/22 Actions:

- Undertake work to better understand organisational scope 3 emissions and identify reduction initiatives relating to council operations.

Challenges:

- While scope 3 emissions make up the majority of the council’s carbon dioxide emissions, they are more difficult to quantify as they are largely beyond direct control and relate to upstream and downstream emissions, employee commuting, etc. Note that scope 3 emissions are not included within the Council 2030 carbon neutral target

Year on year reduction from baseline (to be established)

Energy & Carbon: Renewable Energy

Promote the use of renewable energy through on/off-site generation and renewable tariff procurement

New 2021/22 Actions:

- Work with partner organisation, residents, businesses and communities to encourage and facilitate the retrofit of homes with low carbon technologies (Ongoing)

Challenges:

- The Council has limited powers to mandate action in this area, however reducing domestic emissions is a crucial step if the borough is to become net zero by 2050

Percentage of homes in the borough retrofitted via schemes and projects promoted by the Council; BEIS annual Local Authority CO² estimates

Low Impact Consumption: Waste Reduction

Facilitate recycling to maximise value of non-avoidable waste

New 2021/22 Actions:

- Continue to develop the Council’s waste and recycling service taking into account the new requirements anticipated to be introduced by the Environment Bill and associated secondary legislation (ongoing)

Challenges:

- The Council will need to ensure it has appropriate resources to deliver additional recycling service provision

Covered by existing performance indicators within the Waste service

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Effective Implementation: Communications

Provide informative accessible material for staff, residents and businesses on how to reduce energy and increase renewable energy at the Borough level and explain what the Council is doing itself

New 2021/22 Actions:

- The Sustainability Team will undertake work to engage council staff further, including:
 - Providing guidance around 'green working' to support council employees in tackling sustainability at work, covering issues such as:
 - Commuting using active transport (including how to access to Cycle to Work scheme, etc.)
 - Saving energy (working from home and in the office)
 - Reducing waste through less printing, etc.
 - Developing and delivering a staff survey to determine awareness / attitude / behaviours

In addition to this new action, it is proposed that a number of completed actions be consolidated as a single action.

- *Completed actions: Set up on the Council's webpage a dedicated sustainability section which will provide tangible solutions to enable residents and businesses to reduce their environmental impacts*
- *Provide better information on finance/grants available to businesses and residents to implement energy efficiency measures*
- *Include information on renewable energy tariffs on the Council sustainability section of the website and via Borough News, email newsletters etc to encourage residents and businesses to sign-up*
- *Highlight the reduced-price membership offer to Surrey residents for the Enterprise Car Club which is currently outlined on the Surrey website*
- *Encourage uptake of car-pooling from residents and staff through better communicating available car sharing platforms*
- *Update waste section on the dedicated sustainability page of the Council's website to bring together information about the various waste reduction initiatives*
- *Signpost to or facilitate borrowing and renting one-off purchases (e.g. DIY, gardening equipment etc...) e.g. through incorporation of available services on the Council's sustainability page*
- *Advise residents (via Council's website) on minimum water efficiency standards to achieve when considering home refurbishment projects (e.g. changing kitchens/bathrooms)*

The new consolidated actions will be to:

- Maintain, review and regularly update the Council's sustainability webpages to provide a suite of information about the three ES Strategy schemes and action that residents, businesses and communities can take (Ongoing)
- Plan, create and deliver a survey in 2021 for a cross-section of residents within the borough, to gather information relating to awareness, attitudes and behaviours in relation to sustainability; run the survey annually to track progress and change across a consistent set of questions (ongoing)

Challenges:

- None identified

Response rate for employee survey sustainability questions & progress on metrics (to be determined)

Web pages reviewed at least annually

Progress in relation to specific sustainability questions (to be determined) within the resident's survey

NEW OBJECTIVE PROPOSED: Provide informative accessible material for staff, residents and businesses on how to prepare and respond to extreme weather events related to climate change and explain what the Council is doing itself

<p><u>New 2021/22 Actions:</u> <i>The sustainability content on the Council's webpages is currently focused on matters related to climate change mitigation</i></p> <ul style="list-style-type: none">• Update webpages to include more information and advice relating to climate change adaptation, such as limiting exposure to or impact from flood damage, keeping cool during heatwaves, etc. This should link to the relevant pages relating to emergency planning where relevant. <p><u>Challenges:</u></p> <ul style="list-style-type: none">• None identified	Web pages reviewed at least annually
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Effective Implementations: Partnership Working

Work with partner agencies to identify shared objectives and opportunities for cooperation

<p><u>New 2021/22 Actions:</u></p> <ul style="list-style-type: none">• Alone and in partnership with other organisations, continue to lobby government to ensure local authorities have the powers and resources to facilitate change <p><u>Challenges:</u></p> <ul style="list-style-type: none">• None identified	N/A
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1. Introduction

1.1 Service:	Corporate Policy
1.2 Name of proposal, policy, strategy or project:	Environmental Sustainability Strategy: Proposed New Actions
1.3 This is:	A change to an existing policy or strategy <i>If other, please specify:</i> Click or tap here to enter text.
1.4 Completing officer's name:	Cath Rose
1.5 Date initially completed:	13/10/2021

2. About the proposal

**** Note that the term 'proposal' is used here to include any new services proposed for introduction, changes to an existing service, withdrawal of an existing service, any new policy or strategy or change to an existing policy or strategy, and any project ****

2.1 What is the main purpose of the proposal? <i>Please explain in one or two short paragraphs</i>
Addition of new actions to the existing Environmental Sustainability Action Plan. These new actions are proposed to ensure that the Council maximises its opportunities to facilitate positive progress towards sustainability and climate change objectives. Actions proposed are set out in the table below

New Action 1a	Work with partner organisations, residents, businesses and communities throughout the borough to encourage and facilitate the retrofit of homes to become more energy efficient
New Action 1b	Work with partner organisation, residents, businesses and communities to encourage and facilitate the retrofit of homes with low carbon technologies
New Action 2	Undertake work to better understand organisational scope 3 emissions and identify reduction initiatives relating to council operations
New Action 3	Continue to develop the Council's waste and recycling service taking into account the new requirements anticipated to be introduced by the Environment Bill and associated secondary legislation
New Action 4	The Sustainability Team will undertake work to engage council staff further, including about green working, commuting, saving energy and reducing waste
New Action 5	Update webpages to include more information and advice relating to climate change adaptation, such as limiting exposure to or impact from flood damage, keeping cool during heatwaves, etc.
New Action 6	Alone and in partnership with other organisations, continue to lobby government to ensure local authorities have the powers and resources to facilitate change

2.2 Why is it being introduced / reviewed / changed now? <i>This could be, for example, because of new government legislation or guidance, because of changing service user needs, or for financial reasons.</i>
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The new actions are being proposed on the basis of work that has been undertaken by the team over the past year which has identified some gaps in the current action plan, and new opportunities for the council to get involved in other workstreams

2.3 Who is the intended audience or target group(s) for the proposal?

Internal audience or group: All staff

External audience or group: Multiple (please specify below)

If other, please specify. Please also use the section below to provide more details about the audience or target group(s):

Residents, businesses, partner organisations

3. Assessment of potential impact

Information about the protected characteristic groups as defined by the Equality Act is available [here](#). You should also use this assessment to consider impacts on other vulnerable groups such as those on low incomes.

In undertaking your assessment, please think about every stage of your process, including the design phase, any consultation, the delivery phase and once the proposal is up and running.

Who could be affected by your proposal?

3.1 Will the proposal affect people - service users, employees or the wider community?	Yes	<i>If yes, please identify which group(s):</i> More than one of the above
3.2 Will the proposal introduce a change which will significantly affect how services or functions are delivered?	No	<i>Please briefly explain your answer:</i> Proposals relate to new or additional activity rather than changes to existing services or functions

Data and evidence

In undertaking this assessment, you will need to consider relevant data and evidence, depending on the people the proposal will affect, for example:

- Relevant information about service users held by your service
- Relevant information about staff (eg, the workforce equality information published on the [website](#), staff surveys etc)
- Relevant information about borough residents (eg the borough equality information published on the [website](#), service user surveys etc)
- Relevant information published by third party organisations (eg data, research studies etc)
- Feedback or information from organisations representing target equality groups

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3.3 Please list the evidence / data sources you have considered in assessing the likely impact of your proposal	Borough equality characteristics data, December 2020; Workforce equalities data, December 2020; information about the energy efficiency ratings of properties across the borough	
3.4 Are there any significant gaps in the evidence base that mean it is difficult to assess the likely impact of your proposal?	No	<i>If yes, please explain what the gaps are and suggest how those gaps could be filled in the future</i> Resident views on sustainability issues – to be collected via residents' survey in the future

Potential impact

3.5 Does your proposal relate to a service or function which information indicates is important to those with protected characteristics?	Yes	<i>If yes, please outline the issues – these could include (for example) access to information or ability to use or access a service.</i> Indirectly as it includes supporting domestic retrofit programmes particularly targeted at the hardest to heat homes, which are likely to house some of our most vulnerable residents including those from protected characteristic groups. Similarly, vulnerable residents are likely to be most negatively impacted by the extreme weather events occurring as a result of climate change therefore may benefit most from information and advice from the council in relation to climate change adaptation
3.6 Will the proposal intentionally target any particular protected characteristic group?	Yes	<i>If yes, please identify the group and explain the reason for this and what the intended impact is.</i> In part, as domestic retrofit programmes are likely to be initially targeted at those living in the hardest to head homes, which are likely to house vulnerable residents including those with protected characteristics. The intended impact is to increase energy efficiency which will lead to reduced fuel bills and healthier living conditions (as well as carbon savings)
3.7 Will the proposal intentionally exclude any particular protected characteristic group?	No	<i>If yes, please identify the group and explain the reason for this and any direct or indirect impact on that group.</i> Not applicable

3.8 Will the proposal be able to be equally accessed by all at every stage of the process? Or are there barriers that might inhibit access for some people?	May be barriers that could inhibit access	<i>Please identify any barriers. These could be physical, digital, social or cultural:</i> Some third party (eg Government) domestic retrofit funding streams may only be accessible to those living in the hardest to heat homes, thereby excluding those living in homes that are already energy efficient.
3.9 Does the proposal have the potential to reduce inequalities or improve outcomes for protected characteristic groups?	Yes, Improve outcomes	<i>Please briefly explain your answer.</i> See 3.6 above

3.10 Considering the above information, please summarise the likely impact on protected characteristic groups (within the organisation, outside the organisation or both) This may be direct, indirect or differential impact. Use the above link for definitions, and consider issues such as physical access to services, different cultural or social practices and how people are able to access information.		
	Nature of impact	Please briefly explain your answer
Age including children, young people or older people	Neutral or positive	<p>Action 1a and b: Current government funding streams prioritise support for those living in hard to heat homes, which should benefit vulnerable older residents in such homes, including by reducing heating bills and improving living conditions: Positive impact</p> <p>Those living in social housing will benefit from joint working between the Council and Raven Housing Trust to retrofit affordable homes: Positive impact. Advice will be provided for all residents about action they can take, however at the moment there is limited financial support available for those (regardless of age) who do not live in the hardest to heat homes: Neutral impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff regardless of age. It is recognised that different staff face different living and working circumstances, and advice will therefore be tailored accordingly: Neutral impact</p>

		<p>Action 5: The impacts of climate change will be most severely felt by the most vulnerable in society. The provision of advice and information to residents will benefit all residents but particularly the more vulnerable (including older residents) Council webpages (html) comply with digital accessibility standards: Positive impact</p> <p>Action 6: Lobbying activity will not affect staff or service users: No impact</p>
<p>Disability including physical, sensory or learning disability or long-term health impairment</p>	Neutral or positive	<p>Action 1a and b: Current government funding streams prioritise support for those living in hard to heat homes, which should benefit vulnerable residents in such homes, including those with disabilities, including by reducing heating bills and improving living conditions: Positive impact Those living in social housing will benefit from joint working between the Council and Raven Housing Trust to retrofit affordable homes: Positive impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff - it is recognised that different staff may have different health needs, and advice will therefore be tailored accordingly: Neutral impact</p> <p>Action 5: The impacts of climate change will be most severely felt by the most vulnerable in society. The provision of advice and information to residents will benefit all residents but particularly the more vulnerable (including those with disabilities) Council webpages (html) comply with digital accessibility standards: Positive impact</p> <p>Action 6: Lobbying activity will not affect staff or service users: No impact</p>
<p>Gender reassignment</p>	Neutral or positive	<p>Action 1a and b: Current government funding streams prioritise support for those living in hard to heat homes, which should benefit vulnerable residents including those going through or having undergone gender reassignment: Positive impact Those living in social housing will benefit from joint working between the Council and Raven Housing Trust to retrofit affordable homes: Positive impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p>

		<p>Action 4: Advice will be provided to staff - it is recognised that different staff may have different health needs, and advice will therefore be tailored accordingly: Neutral impact</p> <p>Action 5: The impacts of climate change will be most severely felt by the most vulnerable in society. The provision of advice and information to residents will benefit all residents but particularly the more vulnerable Positive impact</p> <p>Action 6: Lobbying activity will not affect staff or service users. No impact</p>
Marriage and civil partnership	Neutral	<p>Action 1a and b: The determining factor for targeting interventions will be the efficiency of residential buildings, therefore no differential impact: Neutral impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff regardless of marital status, therefore no differential impact: Neutral impact</p> <p>Action 5: Information will be available via the website, no differential impact identified: Neutral impact</p> <p>Action 6: Lobbying activity will not affect staff or service users. No impact</p>
Pregnancy and maternity	Neutral	<p>Action 1a and b: The determining factor for targeting interventions will be the efficiency of residential buildings, therefore no differential impact: Neutral impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff regardless of pregnancy or maternity status, therefore no differential impact: Neutral impact</p> <p>Action 5: Information will be available via the website, no differential impact identified: Neutral impact</p> <p>Action 6: Lobbying activity will not affect staff or service users. No impact</p>
Race or ethnicity	Neutral or positive	<p>Action 1a and b: Current government funding streams prioritise support for those living in hard to heat homes, which should benefit vulnerable residents in such homes, including those from minority ethnic groups, including by reducing heating bills and</p>

		<p>improving living conditions: Positive impact Those living in social housing will benefit from joint working between the Council and Raven Housing Trust to retrofit affordable homes: Positive impact. At the moment there is limited financial support available for those (regardless of ethnicity) who do not live in the hardest to heat homes: Neutral impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff - it is recognised that our staff come from different ethnic backgrounds, and where appropriate advice will therefore be tailored accordingly: Neutral impact</p> <p>Action 5: The impacts of climate change will be most severely felt by the most vulnerable in society. The provision of advice and information to residents will benefit all residents but particularly the more vulnerable (including those from minority ethnic backgrounds). The Council offers a translation service for those who are unable to understand English: Neutral/Positive impact</p> <p>Action 6: Lobbying activity will not affect staff or service users: No impact</p>
Religion or belief	Neutral	<p>Action 1a and b: The determining factor for targeting interventions will be the efficiency of residential buildings, therefore no differential impact: Neutral impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff regardless of religion or belief, therefore no differential impact: Neutral impact</p> <p>Action 5: Information will be available via the website, no differential impact identified: Neutral impact</p> <p>Action 6: Lobbying activity will not affect staff or service users. No impact</p>
Sex	Neutral	<p>Action 1a and b: The determining factor for targeting interventions will be the efficiency of residential buildings, therefore no differential impact: Neutral impact.</p>

		<p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff regardless of sex, therefore no differential impact: Neutral impact</p> <p>Action 5: Information will be available via the website, no differential impact identified: Neutral impact</p> <p>Action 6: Lobbying activity will not affect staff or service users. No impact</p>
Sexual orientation	Neutral or positive	<p>Action 1a and b: Current government funding streams prioritise support for those living in hard to heat homes, which should benefit vulnerable residents including LGBTQ residents: Positive impact Those living in social housing will benefit from joint working between the Council and Raven Housing Trust to retrofit affordable homes: Positive impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff - it is recognised that different staff may have different health needs, and advice will therefore be tailored accordingly: Neutral impact</p> <p>Action 5: The impacts of climate change will be most severely felt by the most vulnerable in society. The provision of advice and information to residents will benefit all residents but particularly the more vulnerable Positive impact</p> <p>Action 6: Lobby activity will not affect staff or service users. No impact</p>
Deprivation	Positive	<p>Action 1a and b: Current government funding streams prioritise support for those living in hard to heat homes, which should benefit vulnerable residents: Positive impact Those living in social housing will benefit from joint working between the Council and Raven Housing Trust to retrofit affordable homes: Positive impact.</p> <p>Action 2: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p>

	<p>Action 3: No direct impact, the equalities implications of specific initiatives will be considered at the time these are developed: No impact</p> <p>Action 4: Advice will be provided to staff - it is recognised that different staff may have different health needs, and advice will therefore be tailored accordingly: Neutral impact</p> <p>Action 5: The impacts of climate change will be most severely felt by the most vulnerable in society. The provision of advice and information to residents will benefit all residents but particularly the more vulnerable Positive impact</p> <p>Action 6: Lobbying activity will not affect staff or service users. No impact</p>
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3.11 Has there been any consultation with relevant interested parties or is any consultation planned?

This could include consultation, further evidence gathering or changing or amended the proposed approach. Give consideration to both consultation within the Council (eg staff) and outside the Council (eg residents).

No

If yes, please explain the nature of the consultation that has been undertaken or is planned. If no, please explain why consultation is not considered necessary. How were protected characteristic groups consulted or how will they be consulted?

Consultation may be undertaken for specific schemes or proposals where these impact on service provision or delivery; efforts will also be made to engage with protected characteristic groups when it comes to the provision of advice or information (see below)

3.12 What actions have been, or could be, taken to increase the positive impacts for people with protected characteristic(s) or other vulnerabilities? *This could include changing or amending the proposed approach.*

It will be important to consider how information is communicated to ensure that the positive impacts for people with protected characteristics (who are often the most vulnerable and may therefore benefit most) are maximised. In particular the Council should:

- ensure that in its work with partners around domestic retrofit, information is provided in accessible formats and appropriately targeted; and
- ensure that in relation to climate adaptation information, the needs of different groups, and different means of providing support and accessible information are considered.

3.13 What actions have been, or could be, taken to reduce potential negative impacts on people with protected characteristic(s) or other vulnerabilities? *This could include changing or amended the proposed approach, or allowing the proposal to be tailored to fit different individual circumstances*

See 3.12

3.15 Are there any remaining negative impacts for people with protected characteristic(s) or other vulnerabilities? *For example, physical, cultural or information access issues that cannot be resolved.*

No

If yes, please summarise which groups could be impacted and how.
Click or tap here to enter text.

3.16 Is any remaining negative impact legal or intended? *The Equality Act says discrimination can be justified if it can be demonstrated that this is a proportionate means of achieving a legitimate aim (for example, see [here](#)). However, this should always be a last resort.*

No

If yes, please explain further.
Click or tap here to enter text.

IMPORTANT:

Any remaining negative unintended impacts must be drawn to the attention of the decision-maker (for example, the relevant Board or Committee).

The following must be considered by decision-makers before any final decision is made:

- **Does the assessment indicate any direct discrimination? If yes, the proposal would be unlawful and must be rejected.**
- **Does the assessment indicate any indirect discrimination? If yes, the proposal should be rejected unless it can be justified under legislation, for example:**
 - It is necessary to the Council effectively carrying out its function
 - The Council has been unable to find an alternative method of achieving its aims and objectives with a decreased discriminatory effect
 - The decision-maker considers that the means employed to achieve its aims and objectives are proportionate, necessary and appropriate.

In the event that there are negative impacts remaining and it is concluded that the proposal should still be agreed/implemented, it is highly recommended that consultation is carried out (including with representatives of the affected group) before the final proposal is agreed.

4. Monitoring and review

4.1 How do you proposed to monitor and review the impact of your proposal? *Please outline how you will monitor the impact of your proposal, once implemented, on protected characteristic groups, and what the mechanisms for review are (for example if any negative impact is found to be occurring)*

A residents' survey is being planned which will provide annual insight into different communities understanding of climate change and uptake of domestic measures. This will help enable the Council to understand any differential impacts and target future activity accordingly.

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Signed off by	Head of Place Delivery
Author	Bruno Amador Open Space Development Manager
Telephone	01737 276301
Email	Bruno.Amador@reigate- banstead.gov.uk
To	Executive
Date	18 November 2021
Executive Member	Executive Portfolio Holder for Neighbourhood Services Executive Portfolio Holder for Planning and Place Delivery

Key Decision Required	YES
Wards Affected	HOOLEY, MERSTHAM AND NETHERNE

Subject	MERSTHAM RECREATION GROUND REFURBISHMENT
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Recommendations
<p>That the Executive:</p> <ul style="list-style-type: none"> (ii) Approve the Merstham Recreation Ground Master Plan as set out in Annex 1 of this report. (iii) Approve the phased implementation of the refurbishment as set out in the report. (iv) Authorise the Head of Finance to make the necessary arrangements to allocate funds to the first phase of the project in accordance with the exempt information outlined in the report and the approved Capital Programme.

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- (v) Authorise the Head of Place Delivery in consultation with the Executive Member for Neighbourhood Services and the Executive Member for Planning and Place Delivery to make a Planning Application for the refurbishment of Merstham Recreation Ground and any other planning applications on other sites that may be required to bring the project forward as necessary.
- (vi) Authorise the Head of Place Delivery in consultation with the Executive Member for Neighbourhood Services and the Executive Member for Planning and Place Delivery to procure and make any necessary consultancy and contractor appointments for the project, to prepare the necessary documentation and to obtain competitive tenders for the design and build as set out in this report.
- (vii) Authorise the Head of Place Delivery in consultation with the Executive Member for Neighbourhood Services and the Executive Member for Planning and Place Delivery to award, finalise, agree, sign and execute construction contracts relating to the project.
- (viii) Authorise the Head of Place Delivery in consultation with the Executive Member for Neighbourhood Services and the Executive Member for Planning and Place Delivery to alter the scope of works as necessary, should further project funding be secured or if necessary, to ensure that expenditure remains within the budget set out in the exempt part of this report.

Reasons for Recommendations

The refurbishment of Merstham Recreation Ground meets the key objective of the Council's 'Reigate & Banstead 2025' Corporate Plan to "invest in parks, recreational facilities and countryside in Council ownership, promote biodiversity and encourage greater use of our green spaces".

The project also contributes the Council's priority to regenerate Merstham.

Executive Summary

This project seeks to bring about comprehensive improvements to Merstham Recreation Ground, as part of the Council's commitment in Reigate & Banstead 2025, to provide clean and green spaces.

Specifically the improvements to Merstham Recreation Ground meet a key objective of the Corporate Plan to "invest in parks, recreational facilities and countryside in Council ownership, promote biodiversity and encourage greater use of our green spaces".

The improvements will bring about the renewal of the Merstham Recreation Ground and deliver our vision:

“By 2022 Merstham Recreation Ground will be a flagship open space within our Borough.

It will be a high quality and valued green space at the heart of the Merstham community, that will offer something for everyone. It will be a place to meet, socialise, play and be active and a place where people can enjoy access to nature.”

The refurbished Merstham Recreation Ground will improve residents’ quality of life including their health and wellbeing and will further strengthen Merstham as a place to live. Improvements will also seek to protect and enhance biodiversity, the natural environment and the floodplain.”

The improvements to the Recreation Ground include the delivery of a network of footpaths and new facilities including a new play area, youth area and shelter, outdoor gym and a new pavilion including café kiosk, toilets and changing rooms to support sporting activity.

The scheme also promotes improvements to the local ecology, biodiversity and water management with the introduction of planting, trees, meadows, swales, woodland and an orchard. The proposed design (RIBA Stage 3) is included as Appendices.

The proposals have been brought about through a process of local engagement with residents and a range of stakeholders and have strong public support.

The improvements will be delivered over time. The first phase will, subject to Executive approval, be completed by the end of 2022. Further phases will be delivered as and when additional funding is secured.

Executive has authority to approve the above recommendations

Statutory Powers

The Council has no statutory obligation to undertake this work but has general powers of competence under section 1 of the Localism Act 2011 to do anything that individuals with full capacity generally may do, subject to the provision of the Act.

Background

1. Reigate and Banstead is a relatively affluent Borough, however this hides localised pockets of deprivation. Parts of Merstham are the most deprived areas in the Borough and in Surrey.
2. Over the last decade or so the Council has been working with our partners to bring about major regeneration in Merstham, to improve the lives of people who live there and to reduce levels of deprivation.
3. This has included major investment that has brought about significant physical change, with the provision of a new community hub and shops to provide better and more accessible services for local people, as well as new homes.

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4. In parallel, the Council's Community Development Team has been working with our partners, to support residents, particularly the most vulnerable, to improve their lives.
5. Despite the Council and our partners continuing to bring about major change in Merstham, challenges do however still remain:
 - Merstham has the third highest percentage of children in low-income families in the borough.
 - Merstham is considered a pocket of high prevalence of adult obesity.
 - Preston and Merstham have the highest proportions of elderly people on state support in the borough.
 - Merstham is the second worst case in the borough of families in low rise social housing and benefit needs.
 - The least 'green aware' households in the borough are in Merstham, Preston and Horley.
6. As part of the regeneration of Merstham there has been a long-term aspiration to help bring about major improvements to Merstham Recreation Ground.
7. The Recreation Ground is a really valuable open space for local residents, particularly for those who do not have access to their own private garden. Indeed people's appreciation of access to good quality open space has become ever more important, as a consequence of the recent pandemic.
8. However while the Recreation Ground does provide a much needed open space, its current facilities are limited and what is there requires major investment, including its pavilion, children's play area, Multi Use Games Area (MUGA) and tennis court.

Peoples' opinions about Merstham Recreation Ground

9. To help the Council understand and plan for any future improvements the Council has sought from the outset to engage with local residents and local stakeholders.
10. In October 2020, the Council began its first phase of engagement.
11. The objective of this initial engagement was to obtain feedback on peoples' current use of the space, their likes and dislikes and ideas for improvements and to understand what was important to them.
12. The response to the initial survey was very good with 654 responses, 90% being people who lived nearby and a further 47 children and young people.
13. An additional nine local community organisations completed the survey, between them representing clients of various ages and interests (such as sporting, family support, leisure and education).

14. The main findings from the early engagement were:
- Merstham Recreation Ground is seen as an important asset to the local community (68.1% of participants use it at least once a week).
 - Top uses at present are a place to walk (69.1%), a place to relax and get fresh air (37.7%) and a place to play (37.5%).
 - Local perceptions are that its current facilities are lacking, insufficient quality and overdue for updating.
 - New play facilities for children, including older children and teens are a priority (53.9% of participants ranked this as their first choice for new or improved facilities).
 - New all-weather paths provided early on in the works would enable a large cross section of residents to enjoy the new park relatively quickly.
 - Participants report that poor drainage of pitches stops people enjoying the park and residents would like this to be addressed in the new Recreation Ground.
 - Many local people would like to see a café or other refreshments facility included in the plan – though not all agree.
 - Residents would like improved seating, shaded areas and places to picnic.
 - Security and anti-social behaviour are a current concern and there are fears that this will worsen if more people use the Recreation Ground.
 - The park serves multiple functions in an area where many do not have gardens and where household finances may be tight: exercise, play and leisure, connect with nature, place to socialise, for fresh air and to be alone.
15. This information was invaluable in helping us to understand and to develop our plans for the Recreation Ground and helped us to shape a vision, principles and objectives for what we wanted to achieve.

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Key Information

Vision

16. The Council has developed a vision for Merstham Recreation Ground. This is that:
“By 2022 Merstham Recreation Ground will be a flagship open space within our Borough.

It will be a high quality and valued green space at the heart of the Merstham community, that will offer something for everyone. It will be a place to meet, socialise, play and be active and a place where people can enjoy access to nature.”

The refurbished Merstham Recreation Ground will improve resident’s quality of life including their health and wellbeing and will further strengthen Merstham as a place to live. Improvements will also seek to protect and enhance biodiversity, the natural environment and the floodplain”

Project Principles

17. The following overarching principles have guided the design development of the plans for the recreation ground:
- Environmental Sustainability – An open space that recognises the importance of the natural assets within the borough and the need to protect and enhance these assets.
 - Improving Health and Wellbeing - An open space that helps to keep people fit and active and improve their health and wellbeing.
 - Accessibility and Inclusivity - An open space that is inclusive and highly accessible, that people of all ages and abilities can use and enjoy.
 - Safety and Legible - An open space that is safe and feels safe for all park users, with clear routes and visual permeability to allow natural surveillance
 - Community Ownership - An open space where local people have been actively involved in deciding on what improvements are made, to ensure that it provides the type of space they want to see and to develop ownership for the long term.
 - Maintenance - An open space that is carefully designed to ensure that it is robust and has a long life and can be easily maintained and managed by the Council and through volunteering.

Key Objectives

18. The key objectives of the project are:

A) To enhance opportunities for local people to participate in a range of sports at Merstham Recreation Ground

19. Merstham is a key destination for those who wish to play or watch football, both within Merstham Recreation Ground and in the adjacent Football Club.
20. The Council recognises that football is and should continue to be the key focus for sporting activity in Merstham Recreation Ground. The Council wishes to accommodate and support men's adult football, however it would also like to increase the participation of children, young people and women in playing football, in line with Surrey Football Association's ('FA') recommendations for Merstham.
21. Through the Council's first stage of engagement, many players and clubs, highlighted issues regarding the poor drainage on site and requested that existing pitches be improved, and a new all-weather artificial pitch be provided. The improvement of grass pitches at Merstham Recreation Ground and the provision of a 3G pitch in the Merstham locality is in accordance with Surrey FA's recommendations.
22. While wanting to maintain Merstham as a key destination for football, the Council also recognises the need to accommodate other types of sport within the Recreation Ground.
23. A particular need that was identified was that of cricket, for local players are finding it difficult to find local facilities to play.
24. The Council would also like to improve facilities for other sports, such as tennis, netball and basketball.

B) To help local people to keep fit and active through informal activities

25. The Council recognises that not everyone is able to or is interested in participating in sport and as such we are keen to introduce other ways for people of all ages and abilities to keep fit and active, either alone or with others.
26. The initial phase of engagement identified several ways in which people currently use the Recreation Ground. While playing team sports was identified as an important activity for many, other people highlighted how they use the Recreation Ground for a range of more informal activities, which enabled them to keep fit and active.
27. Walking was the most frequently mentioned activity, with 69% of participants saying they came to the Recreation Ground for a walk and for over 65s, that rises to 81%. However other activities such as running, cycling and other exercises are also important and identified by 28.1%, 23.8% and 10.6% people respectively.

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C) To offer quality play for all

28. Play is an essential part of children's and young people's lives and is vital to their social, emotional, intellectual and physical development. Access to play is also important for families and communities, providing a focal point for communities to meet and for social interaction.
29. The importance of providing new play facilities for all children, including older children and teens was a key priority for residents in our survey, with 53.9% of participants ranking this as their first choice for new or improved facilities.
30. The Council wishes to provide high quality new play provision within Merstham Recreation Ground where children (and their carers) of all ages can meet, socialise, play and exercise.

D) To create opportunities for community and social interaction

31. Access to good quality and well managed green spaces particularly for those who live in urban areas and who do not have access to a garden, is highly valued by communities.
32. Such greenspaces reinforce a strong sense of place and belonging, where people can come together to socialise and to participate in a range of activities.
33. Such freely available activities and opportunities are particularly important, especially for less well-off individuals and families. Their importance is important in times of economic hardship and has become ever more important as a consequence of the recent COVID-19 pandemic.
34. The Council's recent survey highlighted how Merstham Recreation Ground serves multiple functions in an area where many do not have gardens and where household finances may be tight: exercise, play and leisure, connect with nature, place to socialise, for fresh air and to be alone.

E) To enhance the natural environment and biodiversity

35. Green open spaces provide an important resource for people who live in urban areas.
36. The Council's engagement with local residents identified how Merstham Recreation Ground provides a valuable green open space for local people who live in Merstham, some of whom do not have access to a garden.
37. 51% of residents stated that they particularly liked the openness of the space and the views that it provided to them.
38. While Merstham Recreation Ground does provide a valuable green space for local people the Council recognises that there are real opportunities to enhance biodiversity and the natural environment to help protect native wildlife and

ecosystem services and to promote access to greenspace, to improve wellbeing. In addition, there is a need to protect the floodplain and ensure that we do not increase the risk of flooding and /or there may be opportunities to reduce flood risk.

Design Development

39. The Council has appointed a full professional team, led by Turkington Martin Landscape Architects, to lead the design of improvements to Merstham Recreation Ground.
40. The initial design work up to RIBA Stage 3 (Concept Design) was informed by a range of factors including: site characteristics such as flood risk, ecology and tree surveys; policy and needs assessments; and importantly a process of engagement and consultation with: residents; local stakeholders; internal Council services and statutory and non-statutory bodies.
41. A key outcome of the Stage 3 design was the preparation of a Master Plan for the site which is attached at Annex 1 .
42. The Masterplan shows a Central Hub, which hosts the new play area, youth space, outdoor gym, picnic area and community orchard, helps defining the Recreation Ground as a central 'green heart' in Merstham.
43. A new series of paths are created to the north of the site, which help to improve the east / west connections between Albury Road and Weldon Way / Taynton Drive.
44. The new paths also define a new circular walking and fitness route, created by a new south and eastern path adjacent to the water channel and allotments that connect to the existing north / south path to the west of the site. This new route is edged with new swales and woodland planting, creating quiet areas away from the central sports pitches.
45. To the north of the site, new woodland planting and swales create a buffer to the adjacent Merstham Football Club, helping to 'naturalise' the boundary condition, while still allowing maintenance access to the adjacent football club pitch.
46. To the southern part of the site, there will be improved grass pitches that will be laid out for both mini, junior and adult football, as well as for cricket.
47. The Master Plan is based on how Merstham Recreation Ground could be delivered over time, dependent on the availability of funding.
48. Annex 2 shows the proposed area of intervention in the first phase. Annex 3 show visualisations to illustrate the design proposals.

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First Phase Works

49. The proposed works to be delivered, within the available budget, are:
- A network of new footpaths
 - A high quality new play area
 - A new youth area and shelter
 - An outdoor gym
 - A new pavilion to include a café kiosk, toilets and changing rooms to support sports
 - New planting, trees, woodland and orchard
 - Swales and water management works
50. In addition, the Council's Neighbourhood Operations Greenspaces team have also given a commitment to improve the condition of the grass pitches on site.

Further Phases

51. The Master Plan also includes areas and other facilities that could be delivered if further funding is secured, in future phases.
52. These 'Other Works; include:
- The refurbishment of the existing Tennis Court and MUGA
 - Works to the Albury Farm Moat Site (Ancient Monument)
 - Water channel improvements works to the east of the Recreation Ground
53. The Stage 3 Master Plan and the staged implementation plan were also subject to public consultation.

Programme

54. The anticipated timescales for the project are:

Planning Submission	Dec 2021
Planning Approval	Feb 2021
Finalise Tender Information (Stage 4)	Mar – May 2022
Contractor Tender and Appointment	Jun – Jul 2022
Construction (start / lead in)	Aug 2022

Options

55. Option A - Do nothing – (not recommended):

The Council could defer the delivery of any major works and spend only existing revenue and capital budgets, as and when necessary.

This would negatively impact regeneration progress in Merstham and would damage the Council's reputation with a loss of stakeholder confidence. Existing facilities would also deteriorate further over time and would in time be uneconomic to maintain. It would also represent a missed opportunity to deliver improvements in terms of access to high quality greenspace, biodiversity and water management, and the associated health and environmental benefits

56. Option B – Limited works (not recommended):

The Council has funding to deliver some limited capital replacement of the play equipment.

This would provide some improved play facilities but would not bring about more comprehensive improvements to the Recreation Ground that help cater for the needs of a variety of users. Reducing the scale of works would also damage the Council's reputation with a loss of stakeholder confidence. It also represent a missed opportunity to deliver significant benefits to the local area.

57. Option C – As proposed, deliver the base infrastructure and facilities with the available budget and deliver the 'other works' in future phases, once funding is secured (recommended option):

This option would allow the delivery of the main infrastructure in Merstham Recreation Ground and all the highest priority uses and facilities that residents have said that they want. It also enables additional facilities to be delivered as and when funding is available.

Legal Implications

1. Section 2(1) of the Local Government Act 2000 enables the Council to use the power to promote well-being where it considers this will achieve any one or more of the following three objectives:

- a) the promotion or improvement of the economic well-being of its area
- b) the promotion or improvement of the social well-being of its area
- c) the promotion or improvement of the environmental well-being of its area

58. The Local Government (Miscellaneous Provisions) Act 1976 also conferred general powers to provide recreational facilities as it thinks fit.

Financial Implications

59. The detailed financial implications for the project are set out in the Part 2 report.
60. The project will be funded through prudential borrowing; the expenditure has previously been approved in the Council's Capital Programme:

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Capital Programme Scheme	£m
Merstham Recreation Ground	1.500
Neighbourhood Services – Play Areas	0.100
Total Budget	1.600

61. Project cost estimates have been prepared by a quantity surveyor and allowance has been made for inflationary increases and for contingency to help minimise the financial risks.
62. Approval is now sought from Executive for the Head of Finance to make the necessary arrangements to allocate funds to the first phase of the project in accordance with the exempt information outlined in this report and the approved Capital Programme.
63. External funding is also being sought for both phase one and for further future phases. This is intended to supplement the funding in the Capital Programme

Procurement

64. It is planned to let the construction contract as a single contract to minimise site disruption and facilitate co-ordinated delivery.
65. A contractor will be selected via a competitive tendering process where a fixed price will be requested to deliver the works. Contractor selection to be managed via Orbis.
66. The 'Other Works' will be identified in the contract as Provisional Sums and will only be instructed if funding is available during or before the contract is finalised.

Equalities Implications

67. All impacts resulting from the proposals are identified in the Equality Impact Assessment Screening Form as a 'positive impact' or 'neutral impact'.
68. Positive impacts relate to various age groups including sensitive groups – younger people, children and older people, residents with any form of disability and pregnant women or young mothers. The works aim to deliver:
 - a. New opportunities for the elderly to be more active with new paths, an outdoor gym, areas for contemplation and new play area (child carers). New park to meet accessibility principles with seating, level access and legibility.
 - b. Paths that are accessible, with new seating to be located in appropriate locations and set at relatively close intervals to allow rest bite. Contrasting materials, colours and textures of materials will allow better identification for visual impairment.
 - c. Opportunities for children to be more active with new paths, outdoor gym, areas for contemplation and new play area.

- d. Planting and areas of biodiversity that will provide the habitats for native species of planting, insects and birds. The new Play Area will deliver a wide range of sensory experiences for children's and their carers (adults).
- e. Improved accessibility to and within the Park with the creation of a social meeting point for residents.

Communication Implications

- 69. The Communications team and the Community Development teams have worked very closely with the Place Delivery team to deliver the project to date. This successful work has resulted in an extremely successful engagement programme with a good level of response and support.
- 70. It is intended that this engagement through mechanisms such as the Resident and Stakeholder Groups that have been set up and through existing local forums and channels will continue throughout the life of the project.
- 71. We will continue to use mechanisms such as posters, web site, social media, Borough News and press releases to provide information about the project.
- 72. We will also continue to use our dedicated Merstham Recreation Ground email address to help respond to queries.
- 73. Once the contractor is appointed, we will develop a clear communications plan to for the build.

Environmental Sustainability Implications

Pavilion

- 74. It is standard practice to consider and investigate options for 'low carbon' technologies when constructing new buildings. There are a range of these in common use, such as solar water heating, photovoltaics, ground and air-source heat pumps, wind turbines and biomass boiler plants.
- 75. Due to the size, and limited usage patterns of the building, it does not lend itself to much in the way of these technologies. Options for reducing carbon emissions do exist however, and have been considered for the design of the engineering services, including:
 - a. Photovoltaic panels on the roof
 - b. High efficiency LED lighting
 - c. Efficient energy saving lighting control
 - d. Mechanical heat recovery ventilation
- 76. The roof of the Pavilion will be a mix of photovoltaic panels and green roof. A 12m² photovoltaic array on the roof is proposed. This will generate electricity during all hours of daylight. The PV array will not meet the instantaneous electrical demand of the building whilst it is in use, however, the changing rooms are only going to be used for limited hours. These operating hours have not been fully defined, but it is

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envisaged that over an annual period the electrical consumption of the building will be broadly similar to the PV electricity generated. The excess electricity generated when the building isn't being used will be exported to the grid. Any electricity used when the building is in use can be offset against the exported electricity for carbon footprint purposes.

77. The Green roof will provide shade, remove heat from the air, and reduce temperatures of the roof surface and surrounding air. Using green roofs in cities or other built environments with limited vegetation can moderate the heat island effect, particularly during the day. It also provides opportunities of habitats for indigenous plants, insect and birds.
78. A new electrical distribution system will be provided. This will extend to a photovoltaic panel system on the roof of the building which will generate electricity. New modern and robust LED lighting will be provided and interlinked with energy efficient presence detection control.
79. Regarding heating of the building, the option of using a low carbon technology is impractical. For such systems to be viable the building would have to operate far more regularly, for long periods of time to gain the benefits of the technology. Sustainable heating options have been considered, like new gas-fired condensing boiler plant, or low carbon technology such as an air source heat pump. These have been discounted, based on the limited and adhoc usage patterns of the changing rooms. Direct electric heating is proposed with high efficiency models selected where possible, which offers a quick response time.
80. There is no rainwater recycling planned for the scheme, although rain water will be utilised for self-retention as part of the green roof system. Low water consumption taps will be specified by the Architect for all wash hand basins. Standard flow rate showers are proposed, as 'low flow' showers are not recommended for changing room accommodation.
81. Regarding ventilation, it is proposed that all toilets be mechanically ventilated to 6 air changes per hour using mechanical heat recovery ventilation.

Landscape and Environment

82. Sustainable landscape improvements are an important outcome of the project. While Merstham Recreation Ground does provide a valuable green space for local people, the project aims to enhance the current biodiversity and the natural environment to help protect native wildlife and ecosystem services. It also aims to promote access to greenspace and improve wellbeing. In addition, there is a need to protect the floodplain and ensure that we do not increase the risk of flooding and the project aims to reduce flood risk.
83. The introduction of significant number of swales will protect the floodplain and ensure that we reduce the risk of flooding while providing a planted sanctuary for plants, insects and birds.

84. To enhance the natural environment and biodiversity the project delivers:
- a. Introduction of sustainable drainage measures (swales) within Merstham Recreation Ground to mitigate against any impact any proposals might have on the floodplain.
 - b. Increased amount and quality of native planting within Merstham Recreation Ground, including shrub planting, native hedges, meadows and wildflower planting, trees and orchard to enhance habitats that are of benefit to wildlife in order to increase biodiversity
 - c. Enhanced wildlife corridors between the recreation ground and the adjacent Site of Nature Conservation Importance (SNCI) and other green spaces
 - d. Improved access to and contact with nature
85. Transport and movement: proposals include extending the network of footpaths and a new circular route that encourages exercise, cycling etc. Various cycle parking areas are proposed to invite more sustainable travel alternatives.
86. Building materials: All timber products will be FSC where used – designation for wood harvested from forests that are responsibly managed, socially beneficial, environmentally conscious, and economically viable. This include timber used in the building and also timber used in play equipment & furniture. The majority of the remainder of building materials and pavements will be harder to ascertain (such as kerbs, paving, block work, render etc), but to be locally/ nationally sourced.

Risk Management Considerations

87. The main risk for the Council in undertaking development are in terms of construction cost changes and fluctuations, however these risks have been considered. The project has been costed at various stages of the design process to provide cost certainty. The final cost plan for the works includes contingency and an allowance for inflation that will mitigate the impact from these risks.
88. Another risk is that of obtaining planning permission for the site, however the plans have been developed in close liaison with the local planning authority.

Other Implications

89. There are no further implications to be considered.

Consultation

90. **Consultation Summary:** The Council has involved residents and stakeholders from the outset of this project. This local involvement will result in a park that better meets local needs and interests.

Who did we consult with?

91. **Merstham Community:** The consultation of the project with the wider community in Merstham took place through three stages in order to involve the residents in the

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design process so their input could influence the design development. Comments have been collected by online surveys and paper questionnaires available to residents at various public events and in community facilities. The consultation stages were:

- a. A first stage of consultation was carried out in 2020 with a newsletter and survey which was delivered to 2,900 homes in Merstham, publicised online through social media and the Council's website, and promoted through local media at the beginning of the project. Residents were asked to provide comments on how they use the Recreation Ground and what would be their priorities for the future.
 - b. An intermediate engagement with a concept design stage showing residents the emerging proposals took place in August and September 2021.
 - c. The last step of the wider consultation, carried out in November 2021 (before planning submission), was similar to the first stage with a newsletter (showing the detailed proposals) and survey issued to the same 2,900 residents.
92. **Residents' Focus Group:** a group of 14 residents have been invited to be part of the project Focus Group. The group includes a mix of genders, ages, personal interests and different backgrounds. Local ward members Cllr Brunt, Cllr Kelly and Cllr Tary are also part of the group. Cllr Mrs Bramhall, as Portfolio holder for Neighbourhood Services, has also been invited to take part. Residents were very active and engaged with the design team and have contributed significantly to the initial ideas. Various meetings with the Focus Group during the design development helped shape the project in order to meet resident's ambitions.
93. **Young Residents:** Council officers and the design team also consulted with young residents in a workshop with Merstham Park school. The event was attended by three children from each year group 7, 8 and 9 (10-14y) and was facilitated by the school Assistant Head Teacher. The engagement with the young residents provided really useful observations and suggestions to be incorporated into the design of the play area and youth zone. The young residents were also invited to participate in a dedicated survey to the Merstham community. It received 47 responses.
94. **Local Stakeholders:** Council officers and the design team have invited local stakeholders/ groups to discuss the new proposals for the Recreation Ground. The local groups invited included Age Concern, Café Mix, Merstham Baptist Church, Merstham Community Facility Trust, Merstham Millennium Trust, YMCA Merstham and local sports clubs including Merstham Football Club and Merstham Cricket Club. The purpose of the discussion was to identify how the local groups use the Recreation Ground and how can the new proposals improve their use, accessibility and ownership of the Recreation Ground. Additional correspondence (via emails), meetings and workshops were carried out with specific stakeholders to discuss their particular interests for the new Recreation Ground.
95. **Internal Stakeholders:** Internal stakeholder consultation on the proposals has been ongoing throughout the design development. Council teams involved include Asset and Property, Greenspace, Wellbeing, Engagement and Consultation, Communications, Legal and Finance. These meetings and workshops influenced the proposals in order that the final product is in accordance with each teams

ambition for the site and to ensure that the project meets their own requirements in terms of maintenance, management and to best serve the community.

96. **Statutory Stakeholders:** a significant number of statutory stakeholders have been invited to provide comments at various stages during the design development to help shaping the proposals and ensure their support to the scheme. The groups consulted included: Surrey County Council, Sport England, Football Foundation, Lawn Tennis Association, Surrey County Cricket Club, English Heritage, East Surrey River Trust, Surrey Wildlife Trust and Environmental Agency.
97. **Conclusions:** The proposals for the refurbishment of Merstham Recreation Ground have, so far, been largely well received by residents, local groups and stakeholders. The key issue raised relates to the loss of football pitches. This has been raised by the local football club and also by Sport England where the re-provision of football pitches will be required to avoid their formal objection (during planning).
98. The highlights from the consultation process that were translated into the project relate to the importance of new and more footpaths, inclusion of a refreshments kiosk, impact of lighting and parking on local residents, finding solutions to drainage, importance of shade and seating. Residents also want to see a balance between the different types of park users – an open space that is for: kids and young adults, parents with children, senior users, dog walkers and football/ sport users.
99. Influenced by the local sports clubs, the proposals include a new cricket pitch and additional junior football pitches overlapping the adult pitches to allow flexibility of use by their teams.

Policy Framework

100. There is strong strategic justification and local policy for investing in Merstham Recreation Ground:
101. **Reigate & Banstead 2025** sets out the Council's priorities for the next five years. This project is consistent with two of the plan's key objectives, to:
 - invest in parks, recreational facilities and countryside in Council ownership, promote biodiversity and encourage greater use of our green spaces... through the provision of new facilities, activities and events; and
 - work with volunteers across the borough and help communities to maintain their own local green spaces.
102. **The Core Strategy (July 2014)** sets out the strategic planning policy framework for the Borough. This project will contribute to delivering the vision for Merstham and for open space and sports and leisure provision within the Borough:
 - The Vision is that "Reigate & Banstead will be one of the most desirable and attractive areas in the region. It will be a place where: people take personal responsibility, and enjoy active, healthy and diverse lifestyles; [and] the environment, and green space, is maintained and enhanced for the future."
 - At a local level the Strategy recognises that there are localised pockets of deprivation. Parts of Merstham fall within the top 20% of the most deprived

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areas in the country and is designated as an area for regeneration. The vision in Merstham is that by 2027 regeneration “will have secured a better quality of environment and access to services and helped deliver an improvement in life chances for those who live there.”

103. The project is consistent with **the Core Strategy** objectives:
- SO4: To achieve an overarching, multi-functional framework which links existing and planned communities through a connected, easily accessible green space network, whilst also respecting the ecological and cultural heritage of the borough.
 - SO5: To increase opportunities for pursuing a healthy lifestyle, by maintaining and enhancing recreational facilities which encourage walking and cycling.
 - SO8: To safeguard and promote biodiversity and wildlife corridors at a local level, as well as on designated sites, through responsible and positive design management.
104. To achieve these objectives the following policies are relevant:
- Policy CS2 also seeks to support secure proposals that will increase the range, quality and accessibility of community and leisure facilities in the borough including sport and recreation.
 - Policy CS6 designates Merstham as an area for growth and regeneration.
 - Policy CS12 seeks to secure new and improve existing green infrastructure in line with its Green Infrastructure Strategy to enhance nature conservation, biodiversity, access to nature, accessibility, and health and well-being while adapting and mitigating to climate change.
105. **The Development Management Plan (DMP) (2019)** sets out the detailed policies and proposals to guide development across the borough. This project is consistent with the objectives of the DMP, which seeks to:
- SC4: Protect the most valuable open space within the urban areas.
 - SC5: Encourage the provision of open space as part of new developments, and where appropriate new outdoor sport and recreation provision.
 - SC9: Direct development away from areas at risk of flooding, and ensure all developments are safe from flood risk and do not increase flood risk elsewhere or result in a reduction in water quality.
 - SC12: Control development in the Green Belt to safeguard its openness, and where possible enhance its beneficial use.
 -
106. To achieve these objectives the following policies are relevant:
- OSR1 which supports proposals for improvements to Urban Open Space for recreation, biodiversity and/or nature conservation

- OSR3 sets out the principals for the design and the layout of outdoor sports and recreation, which it says should be of a scale and form appropriate to their location; minimises noise and light pollution; does not adversely affect neighbouring amenity or the landscape value and preserves the openness of the Green Belt.
 - CCF2 sets out the principles for managing flood risk and says that development should not increase the existing and future risk of flooding elsewhere. Where possible, proposals should seek to secure opportunities to reduce both the cause and impact of flooding for existing and proposed development. Development should reduce surface water run-off rates using Sustainable Drainage systems where necessary, suitable to the scale and type of development.
107. **The Green Infrastructure Strategy (2017)** sets out how the Council will use its own resources, and work with partners, to make the most of the green infrastructure network that runs through the borough and beyond. This project is consistent with a number of its key priorities, which seek to:
- Enhance our priority biodiversity habitats and unique landscapes, through interventions such as sensitive and proactive land management and community engagement and education. In Merstham, the Recreation Ground abuts one such priority habitat – a Site of Special of Nature Conservation Importance.
 - Get the best value from our strategic open spaces, through the promotion and investment in the borough’s flagship parks, which are located in the most populated parts of the borough and which provide an important local resource that contribute to residents’ quality of life, health and wellbeing, and provide increased resilience in the context of a growing population. Specifically, the Strategy states that investment should be made in Merstham Recreation Ground.
 - Enhance and link communities and neighbourhoods through green infrastructure. In Merstham it says that interventions should seek to improve the quality and accessibility of open spaces and the public realm and to improve community access to nature.
108. **The Environmental Sustainability Strategy 2020** sets out the Council’s commitment to being proactive about tackling climate change and to reducing the borough’s environmental impacts. One of the key themes of the strategy is to enhance biodiversity and the natural environment, in order to protect the UK’s native wildlife and ecosystem services and to promote access to greenspace, parks and gardens, to improve health and wellbeing. The 2050 vision is that:
- Nature forms an integral part of our urban environment.
 - New developments include parks or recreational spaces that have been designed to benefit wildlife and contribute to residents’ overall well-being.
 - Our drainage systems are designed to respect the natural water cycle, provide valuable habitat to wildlife and deliver amenity benefits where possible.
 - Permeable paving solutions have replaced hard surfaces wherever possible.

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- Harmful products that have a detrimental impact on our ecosystems or our health are not used.

109. The project is consistent with two of its three key priorities:

- Ecological enhancement, through improving the tree and soft landscaping cover to create habitats that are of benefit to wildlife.
- Sustainable Drainage System including the installation of SUDs to reduce embodied carbon of drainage infrastructure and provide biodiversity and amenity benefits.

Background Powers

1. Reigate & Banstead Corporate Plan 2025
2. The Core Strategy (2014)
3. Development Management Plan (DMP) (2019)
4. Green Infrastructure Strategy (2017)
5. Environmental Sustainability Strategy (2020)
6. Reigate and Banstead Local Football Facilities Plan
7. Capital Programme 2021/22 to 2025/26

Annex 1: Merstham Recreation Ground Masterplan



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Annex 2: Merstham Recreation Ground – Proposed Phase 1 Works



Key:

- 1. Pavilion
- 2. Play Area
- 3. Youth Area with shelter
- 4. Outdoor Gym
- 5. Picnic Area
- 6. Orchard
- 7. Grass Pitches
- 8. New Footpaths

Annex 3: Merstham Recreation Ground – Visualisations (from draft Design and Access Statement)



View towards the Pavilion



View of Play Area (Active Play)



View of Play Area (Sand Play)

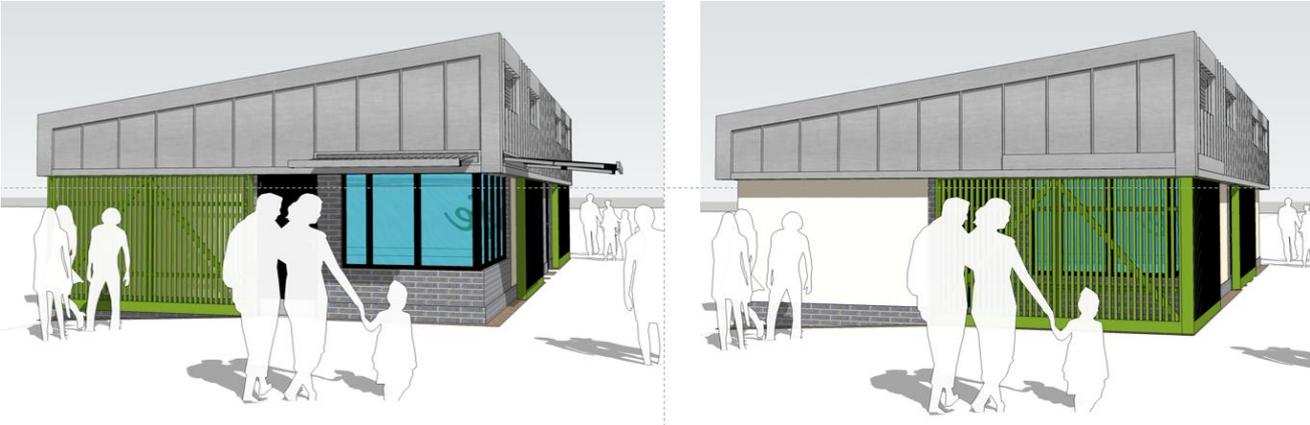
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View of Youth Area (Parkour Course) with shelter



View of improved and widened Water Channel



Views of the new Pavilion (kiosk open / kiosk closed)

Equality Impact Assessment Form

Part 1: Screening

Name of Strategy/Policy/Project/Function:	Merstham Recreation Ground Refurbishment
Completing Officer's Name:	Bruno Amador, Open Space Development Manager
Completing Officer's Telephone Number:	0173 727 6301
Date Completed:	16 th July 2020

Please send a copy of the completed form to the Equalities Group at equalities@reigate-banstead.gov.uk.

Section One: Identify Your Aims and Objectives

The purpose of an Equality Impact Assessment is to improve the work of the Council by making sure that we promote equality and do not discriminate. This method is used to ensure that individuals and teams consider the likely impact of their work on residents and take action to improve strategies, procedures, projects and functions where necessary.

What is the main purpose of this strategy?

The refurbishment of Merstham Recreation Ground aims to deliver a high-quality open space to residents with opportunities for play, active sport, contemplation and access to Nature.

List the main activities & objectives or main policy areas of this strategy

The refurbishment of Merstham Recreation Ground aims to deliver a high-quality open space to residents with opportunities for play, active sport, contemplation and access to Nature.

The improvements to the Recreation Ground include:

- Better and more appealing amenity provision for the local population, so that individual trips are more enjoyable and more frequent;
- Opportunities for health and well-being activities including sport, targeting members of the local community who suffer as a result of inactivity and related health problems;
- Connection to the local business, such as the local football club, personal trainers and other sporting and recreation-based groups, creating greater local economic prosperity and local vibrancy; and
- Provide continuation of the regeneration work undertaken to date on Portland Drive, and the wider Merstham Estate.

Who are the main beneficiaries of this strategy?

The local community and the park users.

In what way are the main beneficiaries affected by this strategy?

The local community will have:

- Better facilities for Play for all ages and capabilities with a play offer that is fully accessible.
- Better sports provision including new pavilion, access to new network of footpaths for walking and running and an outdoor gym.
- Opportunities for contemplation and contact with Nature with improved planting and biodiversity.
- Being more active, improving physical and mental health;

Section Two: Consider Data and Research

Exploring available data and conducting research will help to give an indication as to what impact the strategy will have on equality and diversity.

Where data is limited or unavailable, managers should identify this as a limitation and identify ways to overcome this. This may include contacting specialist or other external organisations, or by conducting further research of existing regional and national data.

What data is available to help direct the EIA?

Equality Information
Borough Characteristics, 2019

Mosaic (socio-economic profiling data)

Are there any gaps in data that may require further research or consultation?

We will need to understand how local people use the park, what interests they have and how best to deliver the uses to meet the local needs.

We intend in having a series of various public engagement workshops during the design stages so the local community is involved in the design of the park and can inform the final product.

Section Three: Assess The Impact on Equality Target Groups

Assess where you think the strategy could have a negative impact on any of the equality target groups i.e. where it could disadvantage them. Also consider where the strategy could have a positive impact or could contribute to promoting equality, equal opportunities or improving relations with equality target groups.

Consider the following:

- *Publicity, including design, distribution and accessible communications issues*
- *Physical access*
- *Location, geography*
- *Poverty, deprivation and social exclusion issues*
- *Employment*

- Safety
- Direct discrimination: does the strategy intentionally exclude a particular equality group? If so, is this exclusion justified? Are the strategy and its outcomes likely to be equally accessed by all (are there barriers that might inhibit access to the service for some people)?

Lack of data may make completing this section difficult but is not be a reason to halt the process. Please continue to complete this form.

Completing the table below will predict the likely impact on the target groups. You are not required to complete each box, only those that are relevant. Relevant boxes are those where there is a disproportionate or greater impact either way.

		Positive Impact	Neutral	Negative Impact	Reason
Age	Older people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	New Park will provide opportunities for elderly to be more active with new paths, outdoor gym, areas for contemplation and new play area (child carers). New park to meet accessibility principles with seating, level access and legibility.
	Younger people & children	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	New Park will provide opportunities for children to be more active with new paths, outdoor gym, areas for contemplation and new play area.
Disability <i>Long-term health impairment includes mental health problems, asthma, heart conditions, chronic fatigue etc</i>	Physical	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The proposals will include new paths that are accessible, with new seating to be located in appropriate locations and set at relatively close intervals to allow rest bite. Contrasting materials, colours and textures of materials will allow better identification for visual impairment.

	Sensory	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The Park will have areas of planting and areas of biodiversity that will provide the habitats for native species of planting, insects and birds. The new Play Area will deliver a wide range of sensory experiences for children's and their carers (adults)
	Learning	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The Play area will aim to deliver play that relates to the educational STEAM curriculum (Science, Technology, Engineering, Arts and Mathematics)
	Long-term Health Impairment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	As above.
Gender	Women	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
	Men	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
Gender reassignment	Trans-men and -women	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
Marriage and civil partnership	People who are married or in a civil partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
Pregnancy and maternity	Mothers or women who are pregnant	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The works will improve accessibility to and within the Park. The new play area will deliver a meeting point for young mothers and their children.
Race <i>These categories are those used in the 2001 census</i>	Asian	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
	Black	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.

	Mixed race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
	White	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
	Chinese	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
	Other racial or ethnic groups (specify)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
Religion or belief <i>Consider faith groups individually and collectively</i>	Faith groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.
Sexual orientation	Heterosexuals, lesbians, gay men and bisexuals	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The impact is considered to be neutral.

If you have indicated that there is a potential negative impact on any target group, are these Intentional and/or of a High Impact?

No negative impact.

Intended? i.e. can be justified in terms of legislation e.g. concessionary fares older people Yes No

High Impact? i.e. it is or may be discriminatory against one or more groups Yes No

*Is the negative impact **NOT INTENDED** and/or of **HIGH IMPACT**?*

- If **YES**, a full assessment is required. Please complete the **Equality Impact Assessment Form Part 2: Full Assessment**.
- If **NO**, complete the rest of this form. Do not ignore low impacts- these could help you to develop services in the future.

Section Four: Improvement Planning

It is important to consider any influence that the strategy is having, or could potentially have, on the individual strands of equality. The strategy should be examined for its effectiveness in:

- Promoting equality
- Eliminating discrimination
- Achieving equality

Could negative impacts be removed or minimised? Could positive impacts be improved and if so, how?

Analysis must be undertaken with the strategic objectives of the Council in mind and the questions should reflect legal requirements, the emerging Local Development Framework and population needs.

Use the table below to record how you could minimise or remove any low negative impact or improve the positive impact of the strategy.

Issue	Action
The new park aims to deliver to the local community new quality opportunities for an active, playable and social life. The risk is that the local community will not take ownership of the new park and it will not use it, or it does not meet the local needs.	To develop the new park proposals in close relationship with the residents and responding to their needs. A series of public workshops and consultation events will allow the design development to meet the local community requirements

If there is no evidence that the strategy promotes equality, equal opportunities or improved relations, could it be adapted so that it does? If so, how?

The park refurbishment will deliver a positive impact on the physical environment for everyone promotes equality and equal opportunities.

Section Five: Monitoring and Reviewing

What data do you have that monitors the impact of the strategy on protected groups?

Opportunity for targeted engagement as part of public consultation on the proposals. Feedback will be continuously be sought once the new park is in use.

How is this data used?

To learn and improve. Adjust maintenance regime and promote small changes to meet unforeseen needs.

If there is no data, explain how you intend to continue monitoring the impact of this strategy:

n/a

Please send a copy of the completed form to the Equalities Group at equalities@reigate-banstead.gov.uk.

Merstham Recreation Ground

Design & Access Statement

83
by Turkington Martin

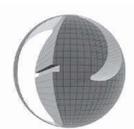


The consultant team comprises:

Turkington Martin
Lead Consultant
Landscape Architects



HP Architects Ltd.
Architects



Huntley Cartwright
Quantity Surveyors
Employers Agent



CTP
Structural Engineers
Civil Engineers



Bob Costello
M&E Engineers



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This Design & Access Statement has been produced by Turkington Martin and HP Architects, with input from CTP Consulting Engineers and BCA engineers. It is intended to communicate the design rationale of the regeneration proposals for Merstham Recreation Ground.

Turkington Martin were appointed in March 2021, along with the wider design team, to prepare a landscape strategy for the regeneration of Merstham Recreation Ground, to include a new pavilion, play area, fitness facilities, access and wider communal amenity uses.

There are a number of planning applications submitted since 1975 which are addressed as Merstham Recreation Ground however they all relate to works to Merstham Football Club as follows. No application has been made which covers the application site within this proposal.

98/01810/F
MERSTHAM RECREATION GROUND ALBURY ROAD MERSTHAM

Demolition of existing stand and changing rooms, new spectator stand, changing rooms, entrance, refreshment kiosk and security fence

93/04290/F
MERSTHAM RECREATION GROUND ALBURY ROAD MERSTHAM

Hard standing for spectators & park users. 2. Dug-outs for the seating of team managers physio & subs.

90/12580/ADV
MERSTHAM RECREATION GROUND ALBURY ROAD MERSTHAM

Display of temporary notice board (nov-jan annually)

89/12690/F
MERSTHAM RECREATION GROUND ALBURY ROAD MERSTHAM

Erection of four lamp columns (approx 16 metres high) around no 1 soccer pitch.

75P/0423/AP
MERSTHAM RECREATION GROUND, ALBURY ROAD, MERSTHAM.

Proposed spectators covered stand - revised siting of the covered stand at a point 30 ft. To the north of the existing pavillion.

77P/0308
THE PAVILION, MERSTHAM FOOTBALL CLUB, ALBURY ROAD, MERSTHAM
detail permission - single storey extension to provide referee's changing room and committee room as shown on drawing no. 377/9.

75P/0423
MERSTHAM RECREATION GROUND, ALBURY ROAD, MERSTHAM. *Erection of a single storey covered stand to provide accommodation for spectators (size 12' x 30').*

There is strong strategic justification for the works proposed to Merstham Recreation Ground and this is supported by the local policy and main strategic documents of the Council.

Reigate & Banstead 2025 sets out the Council's priorities for the next five years. This project is consistent with two of the plan's key objectives, to:

- Invest in parks, recreational facilities and countryside in Council ownership, promote biodiversity and encourage greater use of our green spaces... through the provision of new facilities, activities and events; and
- Work with volunteers across the borough and help communities to maintain their own local green spaces.

The Core Strategy (July 2014) sets out the strategic planning policy framework for the Borough. This project will contribute to delivering the vision for Merstham and for open space and sports and leisure provision within the Borough:

- The Vision is that "Reigate & Banstead will be one of the most desirable and attractive areas in the region. It will be a place where: people take personal responsibility, and enjoy active, healthy and diverse lifestyles; [and] the environment, and green space, is maintained and enhanced for the future."
- At a local level the Strategy recognises that there are localised pockets of deprivation. Parts of Merstham fall within the top 20% of the most deprived areas in the country and is designated as an area for regeneration. The vision in Merstham is that by 2027 regeneration "will have secured a better quality of environment and access to services and helped deliver an improvement in life chances for those who live there."

The project is consistent with the Core Strategy objectives:

- **SO4:** To achieve an overarching, multi-functional framework which links existing and planned communities through a connected, easily accessible green space network, whilst also respecting the ecological and cultural heritage of the borough;
- **SO5:** To increase opportunities for pursuing a healthy lifestyle, by maintaining and enhancing recreational facilities which encourage walking and cycling; and
- **SO8:** To safeguard and promote biodiversity and wildlife corridors at a local level, as well as on designated sites, through responsible and positive design management.

To achieve these objectives the following policies are relevant:

- **Policy CS2** also seeks to support secure proposals that will increase the range, quality and accessibility of community and leisure facilities in the Borough including sport and recreation;
- **Policy CS6** designates Merstham as an area for growth and regeneration; and
- **Policy CS12** seeks to secure new and improve existing green infrastructure in line with its Green Infrastructure Strategy to enhance nature conservation, biodiversity, access to nature, accessibility, and health and well-being while adapting and mitigating to climate change.

The Development Management Plan (DMP) (2019) sets out the detailed policies and proposals to guide development across the borough.

This project is consistent with the objectives of the DMP, which seeks to:

- **EMP3:** Employment development outside employment areas: The proposal provides employment opportunities for a location which has no existing facilities and in an area where the proposals do not conflict with existing employment opportunities. The type, scale and intensity of the proposal fits into the Core Strategy of vision for improving areas and encourage fitness and community cohesion.
- **SC4:** Protect the most valuable open space within the urban areas;
- **SC5:** Encourage the provision of open space as part of new developments, and where appropriate new outdoor sport and recreation provision;
- **SC9:** Direct development away from areas at risk of flooding, and ensure all developments are safe from flood risk and do not increase flood risk elsewhere or result in a reduction in water quality; and
- **SC12:** Control development in the Green Belt to safeguard its openness, and where possible enhance its beneficial use.

To achieve these objectives the following policies are relevant:

Policy DES1: Design of new development

- All new development will be expected to be of a high quality design that makes a positive contribution to the character and appearance of its surroundings. Planning permission will be granted for new development where it meets the following criteria:
1. Promotes and reinforces local distinctiveness and respects the character of the surrounding area, including positive physical

characteristics of local neighbourhoods and the visual appearance of the immediate street scene.

2. Uses high quality materials, landscaping and building detailing.
3. Has due regard to the layout, density, plot sizes, building siting, scale, massing, height, and roofscapes of the surrounding area, the relationship to neighbouring buildings, and important views into and out of the site.
4. Provides street furniture/trees and public art where it would enhance the public realm and/or reinforce a sense of place.
5. Provides an appropriate environment for future occupants whilst not adversely impacting upon the amenity of occupants of existing nearby buildings, including by way of overbearing, obtrusiveness, overshadowing, overlooking and loss of privacy.
6. Creates a safe environment, incorporating measures to reduce opportunities for crime and maximising opportunities for natural surveillance of public places. Developments should incorporate measures and principles recommended by Secured by Design.
7. Provides for accessible and sensitively designed and located waste and recycling bin storage in accordance with the Council's guidance document 'Making Space for Waste'.
8. Incorporates appropriate landscaping to mitigate the impact, and complement the design, of new development. Schemes should:
 - protect and enhance natural features by:
 - i. incorporating existing landscaping into scheme design where feasible.
 - i. integrating new landscaping, both hard and soft, and boundary treatments which use
 - appropriate local materials and/or species.
 - b. Provide details about how future maintenance of existing and new landscape works will be managed. Where necessary, conditions will be used to secure the delivery of landscaping schemes, protection of natural features during the course of development and requirements for replacement planting.
9. Achieves, where applicable, an appropriate transition from the urban to the rural.
10. Makes adequate provision for access, servicing, circulation and turning space, and parking, taking account of the impact on local character and residential amenity, including the visual impact of parked vehicles (see also TAP1).
11. Is accessible and inclusive for all users, including for people with disabilities or mobility constraints (See also DES7).

- **OSR1** which supports proposals for improvements to Urban Open Space for recreation, biodiversity and/or nature conservation;
- **OSR3** sets out the principals for the design and the layout of outdoor sports and recreation, which it says should be of a scale and form appropriate to their location; minimises noise and light pollution; does not adversely affect neighbouring amenity or the landscape value and preserves the openness of the Green Belt; and

- **CCF2** sets out the principles for managing flood risk and says that development should not increase the existing and future risk of flooding elsewhere. Where possible, proposals should seek to secure opportunities to reduce both the cause and impact of flooding for existing and proposed development. Development should reduce surface water run-off rates using Sustainable Drainage systems where necessary, suitable to the scale and type of development.
- **Policy INF2: Community facilities**
- 1. Loss or change of use of existing community facilities will be resisted unless it can be demonstrated that the proposed use would not have an adverse impact on the vitality, viability, balance of services and/or evening economy of the surrounding community; and a. Reasonable attempts have been made, without success, for at least six months to let or sell the premises for its existing community use or for another community facility that meets the needs of the community (see Annex 3 for details on what will be required to demonstrate this); or
- The loss of the community facility would not result in a shortfall of local provision of this type, or equivalent or improved provision in terms of quantity and quality, or some wider community benefits, will be made in a suitable location.
- Proposals for the provision of new community, sports and recreational facilities will be encouraged provided:
- There is an identified local need which cannot be met from the use of the existing stock of community premises
- The site would be easily and safely accessible to the local community; and
- The proposed development would have no adverse impact on residential amenity or character of the area.

The **Green Infrastructure Strategy (2017)** sets out how the Council will use its own resources, and work with partners, to make the most of the green infrastructure network that runs through the borough and beyond.

This project is consistent with a number of its key priorities, which seek to:

- Enhance our priority biodiversity habitats and unique landscapes, through interventions such as sensitive and proactive land management and community engagement and education. In Merstham, the Recreation Ground abuts one such priority habitat – a Site of Special of Nature Conservation Importance.
- Get the best value from our strategic open spaces, through the promotion and investment in the borough's flagship parks, which are located in the most populated parts of the borough and which provide an important local resource that contribute to residents'

quality of life, health and well-being, and provide increased resilience in the context of a growing population. Specifically, the Strategy states that investment should be made in Merstham Recreation Ground.

- Enhance and link communities and neighbourhoods through green infrastructure. In Merstham it says that interventions should seek to improve the quality and accessibility of open spaces and the public realm and to improve community access to nature.

The **Environmental Sustainability Strategy 2020** sets out the Council's commitment to being proactive about tackling climate change and to reducing the Borough's environmental impacts.

One of the key themes of the Strategy is to enhance biodiversity and the natural environment, in order to protect the UK's native wildlife and ecosystem services and to promote access to greenspace, parks and gardens, to improve health and well-being. The 2050 vision is that:

- Nature forms an integral part of our urban environment.
- New developments include parks or recreational spaces that have been designed to benefit wildlife and contribute to residents' overall well-being.
- Our drainage systems are designed to respect the natural water cycle, provide valuable habitat to wildlife and deliver amenity benefits where possible.
- Permeable paving solutions have replaced hard surfaces wherever possible.
- Harmful products that have a detrimental impact on our ecosystems or our health are not used.
- The project is consistent with two of its three key priorities:
- Ecological enhancement, through improving the tree and soft landscaping cover to create habitats that are of benefit to wildlife.
- Sustainable Drainage Systems including the installation of SUDs to reduce embodied carbon of drainage infrastructure and provide biodiversity and amenity benefits.

UNDERSTANDING THE SITE

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Merstham Rec forms a key part of a series of green spaces forming a 'green halo' of recreation, amenity and nature conservation in Merstham.

North of the Merstham Rec is Brook Road Open Space which connects the to the station, forming a green route for residential areas adjacent to the Rec.

Running east from the train station there is a series of open spaces including Merstham Bund, Furzeffield Wood, and Radstock Way Open Space comprising woodland and amenity grassland.

Nutfield Marsh Nature Reserve is located to the south-east of the site comprising Mercers Country Park, Mercers West Lake Nature Reserve & Spynes Mere Nature Reserve, the latter extending adjacent to the southern extent of Radstock Way Open Space.

Key

- ① Crossways Gardens
- ② Brook Road Open Space
- ③ Merstham Bund
- ④ Furzeffield Wood
- ⑤ Radstock Way Open Space
- ⑥ Spynes Mere Nature Reserve
- ⑦ Mercers West Lake Nature Reserve
- ⑧ Mercers Country Park

① Crossways Gardens



② Brook Road Open Space



③ Merstham Bund



④ Furze field Wood



⑤ Radstock Way Open Space



⑥ Spynes Mere Nature Reserve

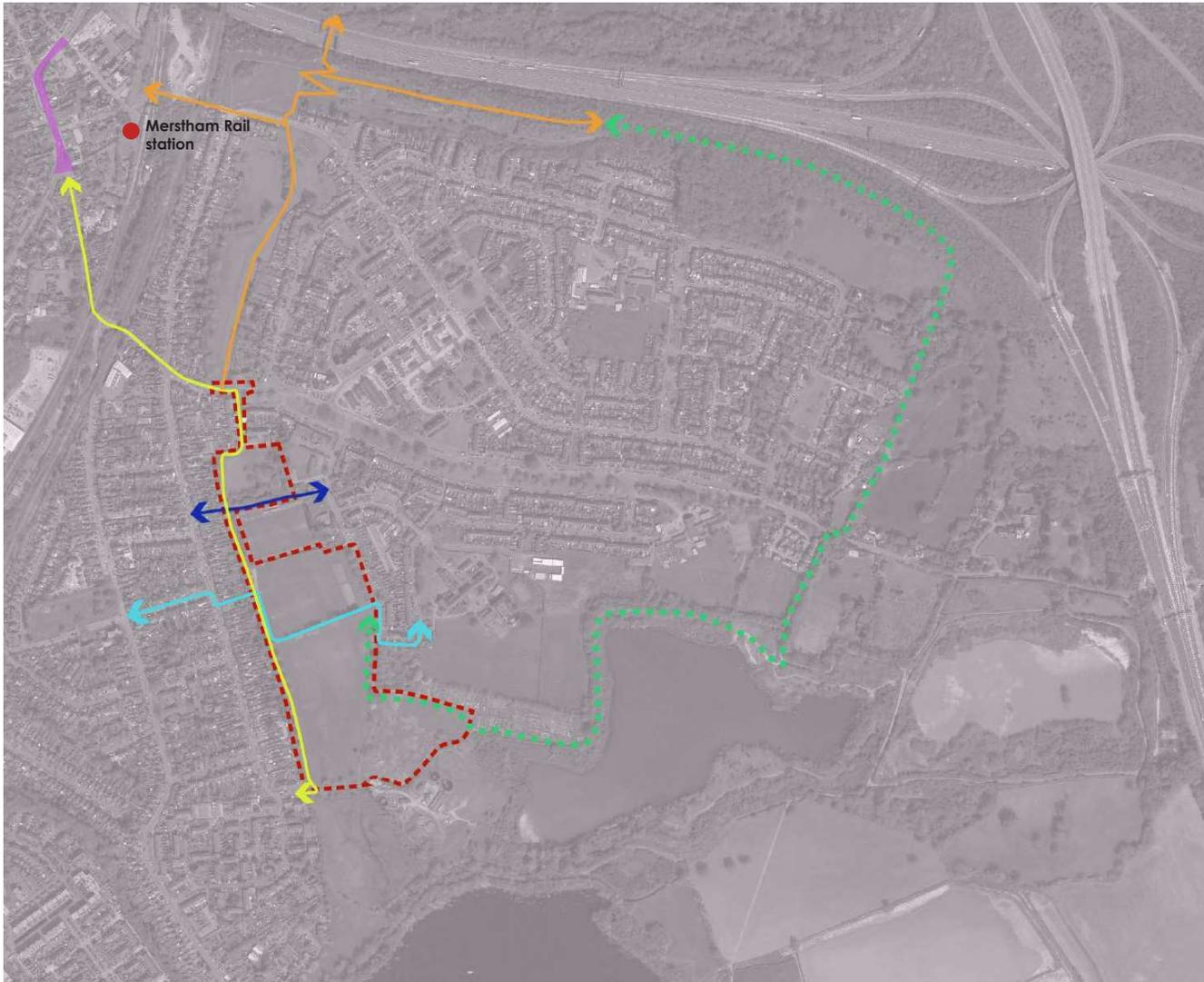


⑦ Mercers West Lake Nature Reserve



⑧ Mercers Country Park



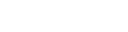


Existing footpaths within the Rec comprise a north-south route along the western edge of the Rec. This route continues through Brook Hill Open Space creating a green walking route to the station. Improvements to the pedestrian crossing on Bletchingly Road would strengthen this route and make it safer for pedestrians to use.

Two east-west connections link Albury Road with Weldon Way. To footpath north of the football club is via an alley which could be intimidating from some people to use. The link across the recreation ground is indirect resulting in informal desire lines being used to cross the Rec.

As described in Section 1.1 Merstham Rec forms a key part of a series of green spaces a forming a 'green halo' of recreation, amenity and nature conservation in Merstham. There is currently no access linking the Rec to the nature reserves to the south, however this should be considered in the future as a key link to creating a circular walking routes across all open spaces in south Merstham.

Key

-  East – West route linking Nutfield Road & Crossways Gardens through the Recreation Ground to Merstham Park School
-  East – west route with street lighting to north edge of Merstham football club
-  North – south route through the Recreation Ground to Merstham town centre
-  North- south green link connecting the Recreation Ground through Brook Road Open Space to Merstham Train Station, Merstham Bund, Furzefield Wood and north over the M25.
-  Possible future connection through the land south – east of the Recreation Ground creating a circular nature walk connecting the site to Mercers West Lake Nature Reserve and green spaces to the east and north of Merstham.



Route through Brook Road Open Space to Merstham Train Station



Crossing point over Bletchingly Road linking Merstham Rec to Brook Hill Open Space. Improved pedestrian crossing / raised table to be considered



Pedestrian connection across land S-E of Merstham Rec could create a circular walking route linking nature reserve to existing open spaces



The recreation ground is located between Weldon Way to the east and the rear gardens to properties in Albury Road to the west.

It extends across approximately 6.1 ha and although appears to be reasonably flat, it does have a gentle gradient to the south, where it borders the Redhill Brook.

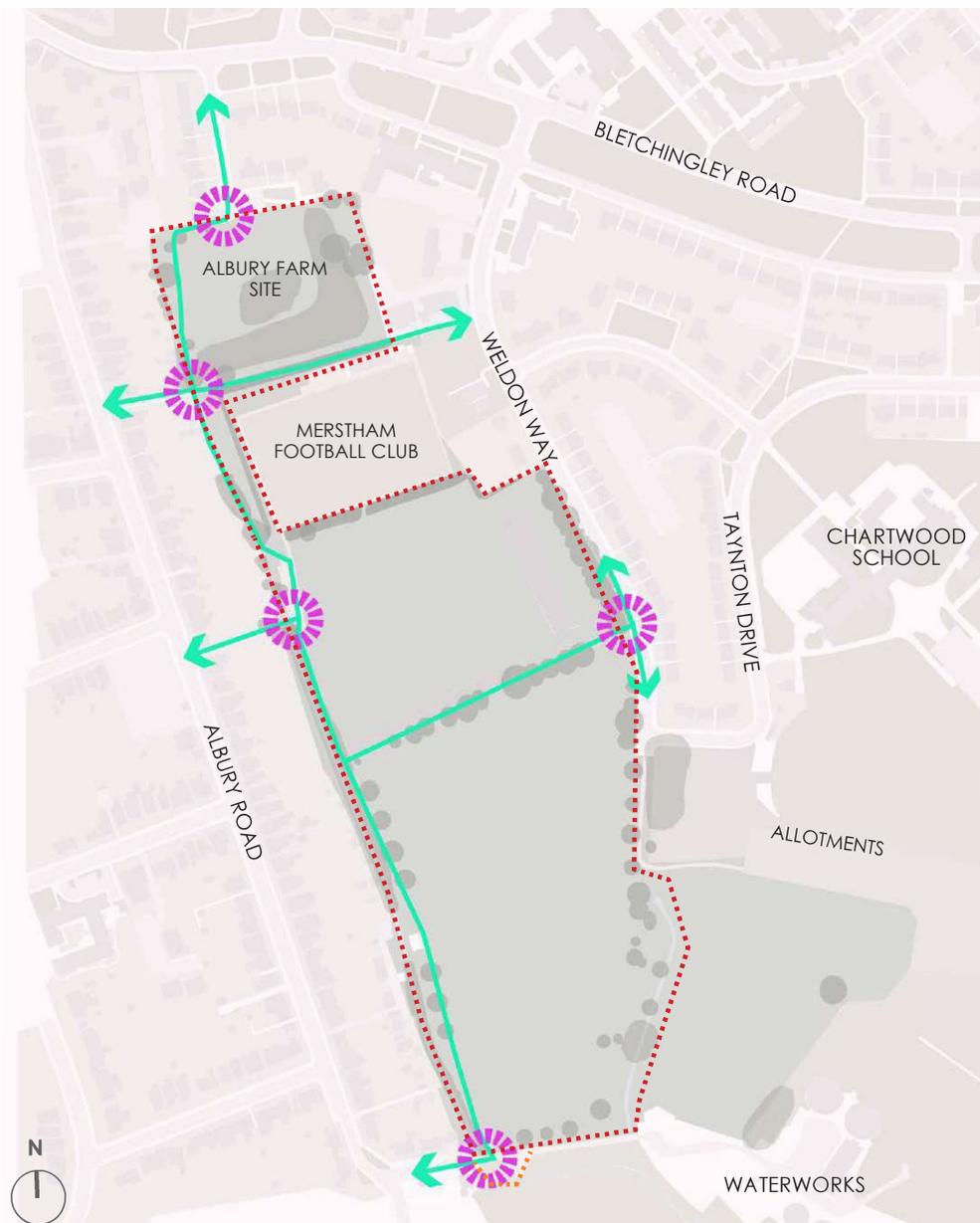
To the north is Merstham Football Club ground including the social club and stadium. Beyond the football ground, there is a connection to the remains of a Medieval Moat (a Scheduled Ancient Monument). The Moat green space links through Bletchingley Close into Brook Road Open Space.

To the north west of the site is a local commercial and civic zone consisting of retail (including a Co-Op), surgery and the Merstham Community Hub consisting of library and community rooms. Within this complex there is also the Merstham Mix Cafe, a community led enterprise.

To the west in Nutfield Road, which is approximately 0.3m in distance, there are a number of small independent cafes and eateries.

With the exception of Merstham Park School and some buildings used for ecclesiastical use, the majority of the surrounding north, west and east areas are mainly mixed residential. To the south are allotments, sewage works and open land.

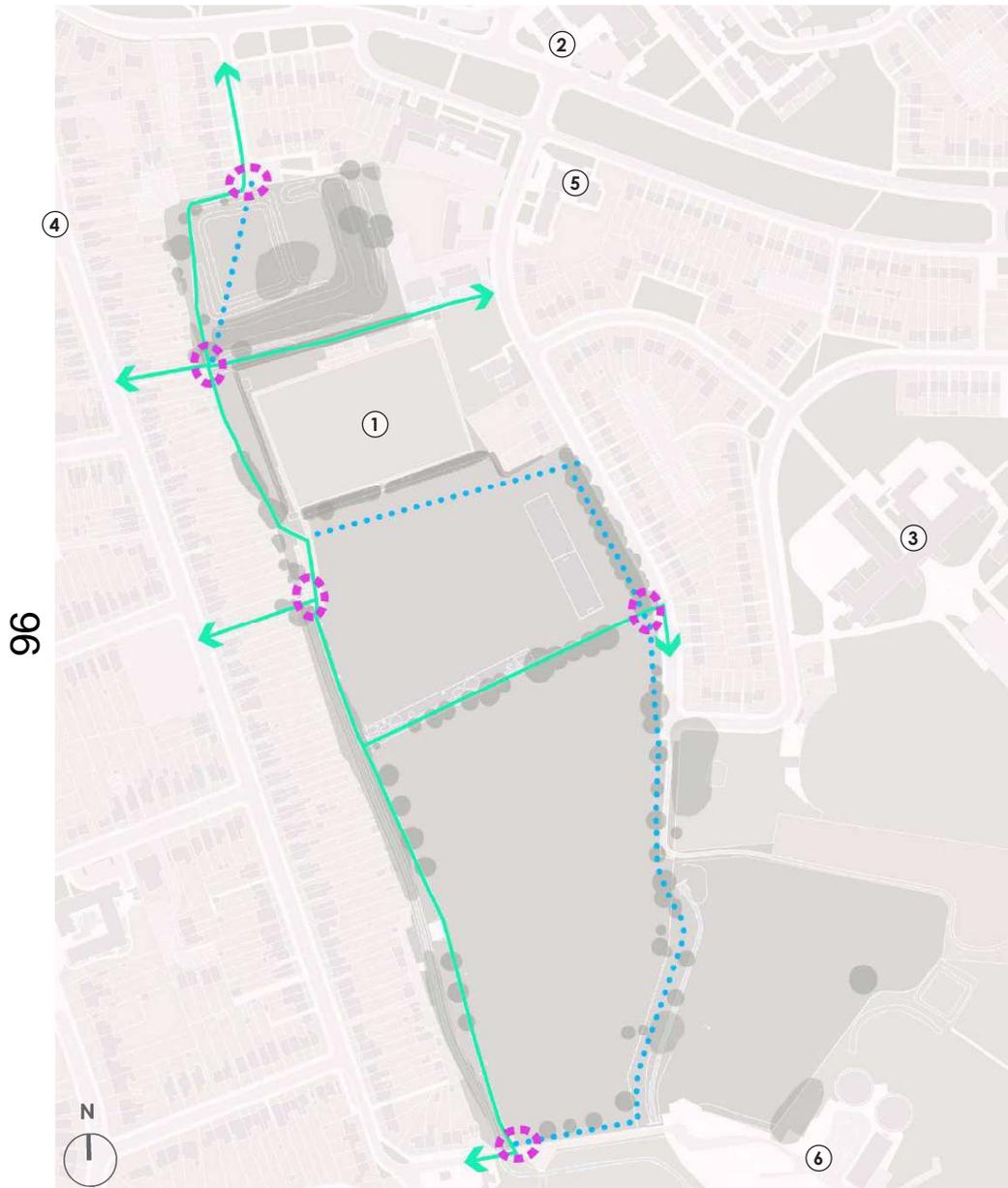
- ① Merstham Football Club
- ② Merstham Community Hub
- ③ Nearest local amenities; coffee shops, takeaways



The Site comprises a large recreational park within the village of Merstham, approximately 2km north-east of the town of Redhill. The Site is situated approximately 500m south of Merstham train station and 750m south of the M25 motorway.

The Site is bordered to the north, east and west by residential development and to the south by a sewage works and a large area of greenspace comprising grassland fields, woodland parcels and Mercers Country Park which includes a number of waterbodies including Redhill Brook and Mercers Lake. Merstham Football Club is located on the northern boundary of the Rec. Chartwood School is located 50m to the east of the Rec.

The Site consists of the full extent of the Recreation Ground indicated in red and also the adjacent open spaces including the Albury Farm Ancient Schedule Monument to the north of Merstham Football Club and the site of nature conservation to the south-east of the site, indicated in orange. Entrances to the Rec from Albury Road to the west and Blethingley Road to the north will also be considered within the proposals to improve connections to surrounding residential areas.



Existing footpaths comprise a north-south route along the western edge of the Rec and east-west connections linking Albury Road with Weldon Way. The route to the north of Merstham Football club is via an alleyway which is not overlooked and intimidating for some people to use, particularly at night. The east-west footpath connecting Weldon Way to Albury Road through the Rec is indirect and other informal 'desire line' routes across the were Rec observed during site visits.

There is currently no circular paved route around the Rec which has been identified as a priority in previous public consultations.

All entrances to the Rec are currently uninviting and unattractive. There is an opportunity to create more attractive and welcoming entrances and improve signage, particularly from Albury Road where entrances to the Rec are easy to miss.

Key

-  Existing footpaths
-  Other apparent routes / desire lines
-  Site entrance

- ① Merstham Football Club
- ② Merstham Library
- ③ Chart Wood School
- ④ First Steps Nursery
- ⑤ St Teresas R C Church
- ⑥ Water Treatment Works



Primary entrance from Albury Road is poorly defined & lacks signage



Existing E-W route north of the Rec is uninviting, may feel unsafe using after dark.



Desire lines evident across Albury Farm Medieval Moated Site north of the Recreation Ground



Poorly defined entrances from the east over Redhill Brook with tall and unattractive fencing



Unattractive southern entrance



East-west desire lines evident to the north of the Recreation Ground



The majority of the Rec consists of amenity grassland with little ecological value. Leylandii hedge on the Football Club boundary and mature trees have negligible ability to support bat roosts.

The Redhill Brook watercourse is canalised with little habitat value. The channel draining surface water is also of low ecological value.

There is significant opportunity to improve the ecological value of the rec by creating areas of native and pollinator planting, native hedgerow and meadow. There is an opportunity to improve the watercourses running through the site, naturalising channels and introducing marginal planting and shingle beach. Swales and other SUDs features would also provide habitat for reptiles and invertebrates.

The area of land to the south-east of the Rec is part of the Holmethorpe Sandpits Complex Site of Nature Conservation Importance (SNCI). The SNCI consists of lagoons, ruderal communities, marsh, willow carr and rank grassland. It is selected as being of county importance for birds both as foraging and breeding site. Any proposals in this area would need to be carefully undertaken to avoid destruction of habitat.

Key

	Amenity grassland
	Existing Stream
	Improved Grassland
	Ruderal
	Scrub

66



View east across improved grassland and drain east of the Recreation Ground

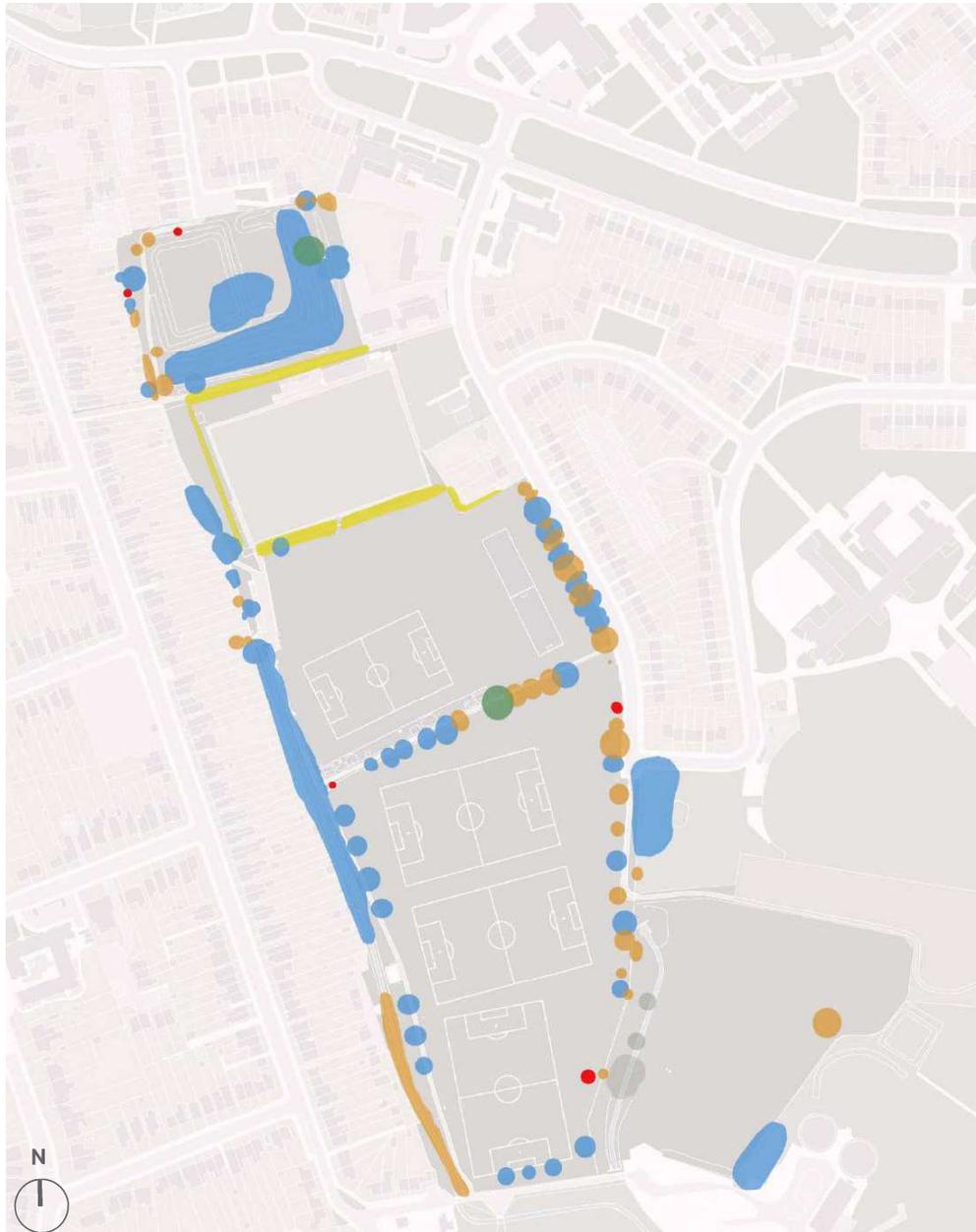


Scrub / woodland planting to the south and east edge of Albury Farm



The majority of the Recreation Ground is amenity grassland with low ecological value

100



The majority of the trees on The Rec are located at it's periphery along east and west edges. A significant avenue is orientated east-west along the existing footpath along a historic filed boundary.

A large group of category B tree is located along RedHill Brook to the west of the site. There is another significant category B group on the Albury Farm site to the north of the Rec.

The majority of trees are category B and C. Two Category A specimens are located in the middle of the Rec and the Albury Farm site.

The trees present a significant asset for the Rec, however proposals will need to be carefully developed to avoid level changes and foundations with root protection areas (RPAs). There is an opportunity for significant additional tree planting in the Rec as part of a long term tree strategy.

Key

- Cat A
- Cat B
- Cat C
- Cat U
- Hedge



Category B tree Avenue on the western footpath edge



Category B tree Avenue on Weldon Way edge



Tree avenue south of play area consisting of Cat.A, B, C specimens



Merstham Recreation Ground is generally flat with a gentle gradient from north to south. The ground levels range between 83.7m AOD and 80.0m AOD approximately. The sports pitches have a suitably gentle gradient.

The Recreation Ground has watercourses defining its west and south-east boundaries. The western watercourse is a culverted stream which emerges above ground to the north west edge of the Recreation Ground.

Another drain runs beneath Weldon Way before emerging as an open channel along the south -east edge of the site. This drain seems to serve the dwellings in Weldon Way, Sutton Gardens and Taynton Drive – and possibly St Nicholas School. These drains join close to the SE corner and the stream discharges into Redhill Brook approximately 180m further to the southeast. Redhill Brook is a tributary of the River Mole, in turn a tributary of the Thames.

The majority of the site is in fluvial Flood Zone 3 (FZ3), with a narrow strip of FZ2 on the west boundary and FZ1 over a small part in the SE corner. The EA's historical flood map show a record of flooding along the watercourse along the west boundary with the majority to the east unaffected. There have been reports of poor drainage to the sports pitches.

The FRA undertaken by GTA Engineers state the any raising of levels within the floodplain would have to be balanced by lowering levels elsewhere within the site. Any buildings set in FZ3A would have to be set 0.3m above the critical flood level.

Key

- ■ ■ ■ Approximate Extent of Recreation Ground with historical flooding
- Existing watercourse



The northern boundary of the Recreation Ground is the highest point with ground sloping gradually to the south



Redhill Brook forming the Rec/s west boundary is canalised limiting aesthetic & biodiversity value and ability to alleviate flooding



The channel to the east of the site has limited ecological value, is currently inaccessible and has limited additional capacity for storm flows



Recreational amenities in the Rec include a playground, a multi-use games area (MUGA), tennis court and a number of grass football pitches. The playground is approximately 30 years old and arranged in a linear form adjacent to the footpath running east-west through the Rec. The linear form results in a space which is not easy for children to use, with long distances between equipment.

The MUGA and tennis court are located together on the eastern edge of the Rec. The surfacing of both courts is in poor state of repair and the chain link tennis court fencing need replacing. Neither court meet Sports England space standards.

Full size sports pitches occupy the southern half of the rec, with junior pitches to the north. There is an opportunity to improve the current play space and reduce the amount of space dedicated solely to football and subsequently underused both in terms of time and demographic.

Key

-  Junior Field
-  Mini U9-U10 Field
-  Mini U7-U8 Field
-  MUGA
-  Tennis Court
-  Playground area
-  Football Field



Linear play area space makes it difficult for children to develop a 'route' for play



Existing MUGA is surrounded by grass, with low and high fencing



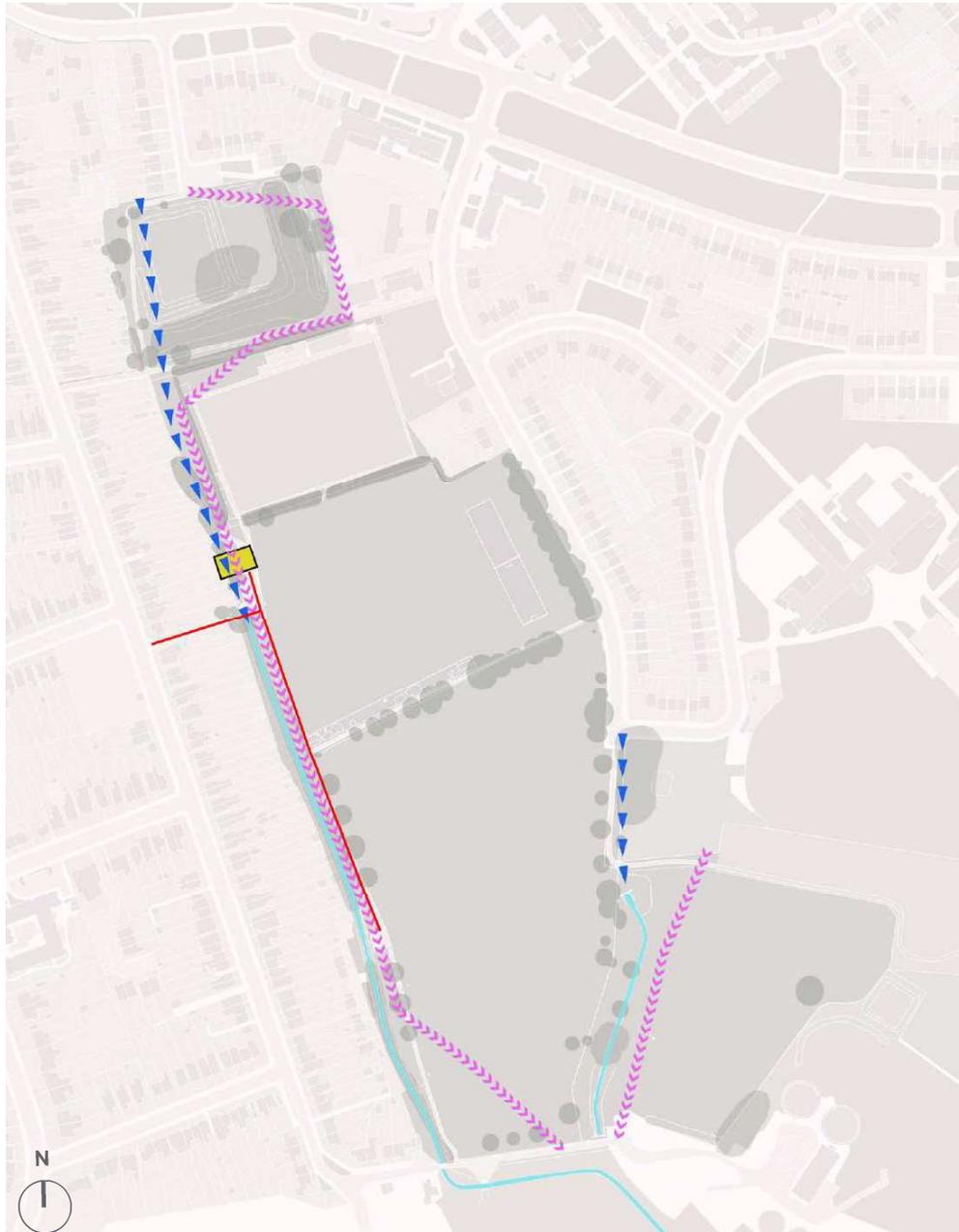
Existing MUGA and tennis court are not to standard size and need resurfacing



Existing changing room



Football pitches dominate the open space

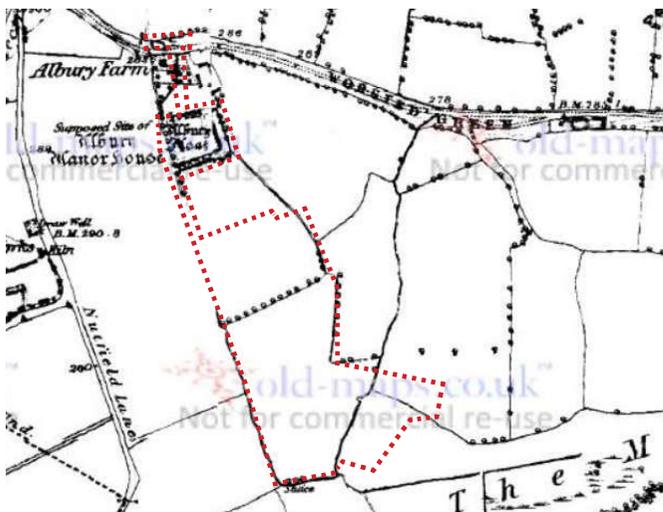


Surface and foul water services are located to the west and east edging of the recreation ground. The western foul water sewer crosses the south extent of the recreation ground into Merstham Sewage Treatment works located south-east of the site.

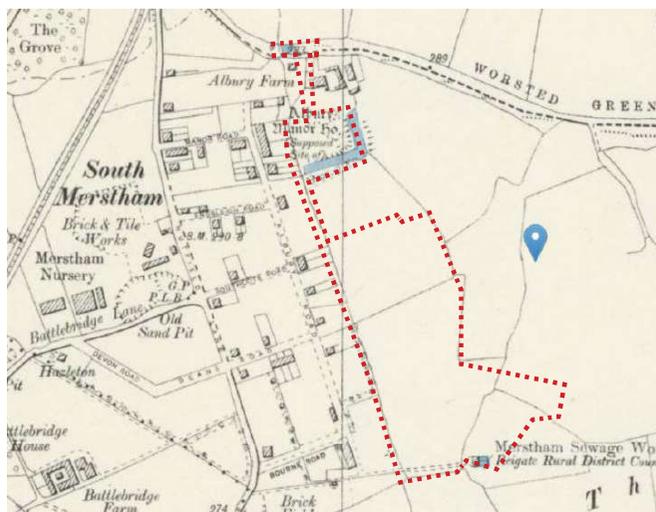
Surveys suggest no gas pipelines in the site area. Electrical connections are limited to the existing electrical enclosure and changing rooms to the west of the Recreation Ground.

Key

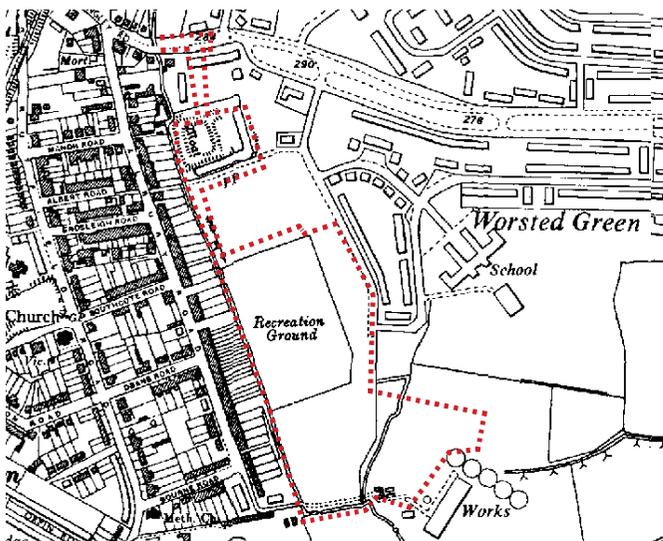
- Existing electrical enclosure
- Existing Stream
- Surface water sewer
- Foul water sewer
- Existing electricity connection



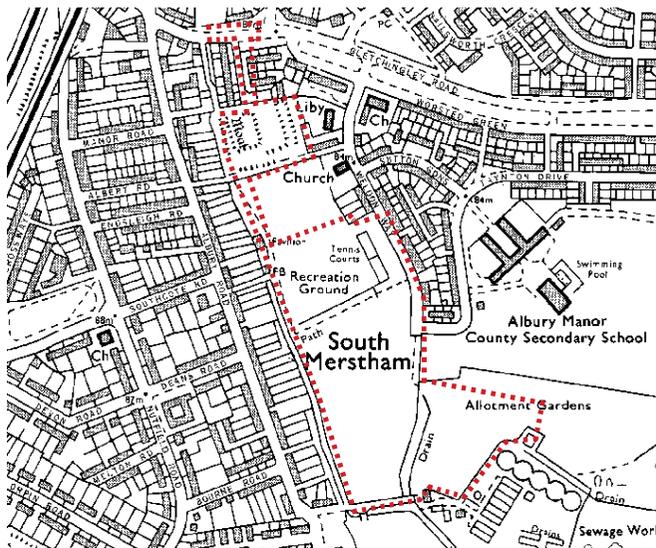
1874



1900



1961



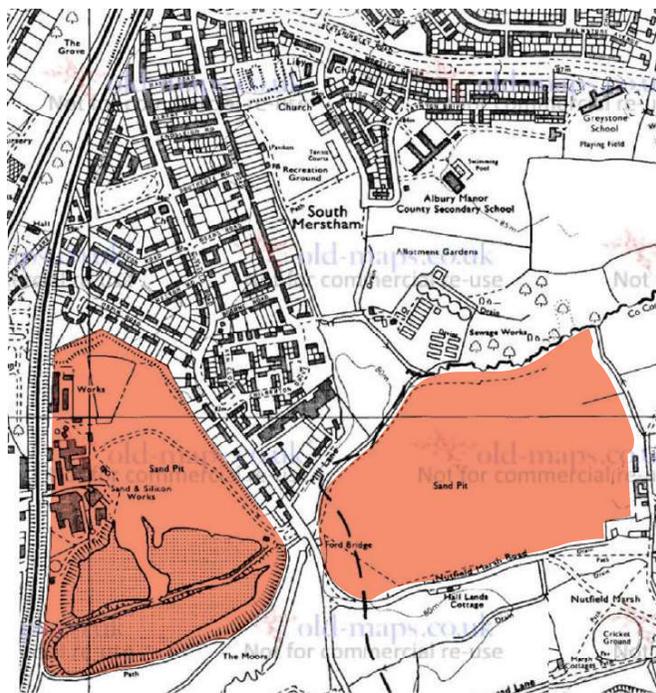
1983

Merstham Recreation Ground is located on former agricultural land to the south-east of Merstham.

By 1900 residential streets has been built to the east of Nuffield Lane defining the western edge of the current Recreation Ground. Brick and Tile works, chalk quarry and sand extraction pits were located to the west adjacent to the train line. Merstham Sewage Works had been built to the south-east of the site.

The Recreation Ground was first indicated as a rectangular plot on the 1935 OS map. By 1961 residential properties had been built to the east of the Recreation Ground, along Weldon Way Road. The School and residential properties had been built to the South of Bletchingly Road (known as Worsted Green)

By 1983 the Recreation Ground was similar in structure to the present day with tennis courts located in to the South west, an east-west path running along a historic field boundary and a pavilion (now demolished) to the north-west edge. There is no record of Merstham Football Club on the 1983 OS map so presumably this was build after this date.



The Stone Quarries

Field terraces on the southern slope of the North Downs overlooking the stone quarries at Merstham suggest the area was inhabited and cultivated perhaps as early as pre-Roman times. It is fairly certain that the Romans quarried here. The original entrance to one of the quarries was lined to form two continuous arches. Every stone in the smaller arch was inscribed with the Roman numeral VII and it is thought that the Roman VII legion was responsible for this quarry. Next we turn to medieval times and it is in this period that we are able to put names to the quarry masters of the area. Records prove that the green sandstone had been in more than just local demand. In 1259, in the accounts of the building of the King's Palace at Westminster we find, amongst the names of the purveyors of freestone, the name of Peter of Merstham. The price paid for the stone at this time was 6 shillings per cwt.

In 1360 John and Philip Prophete were appointed wardens of the quarries at Merstham and empowered to press masons and other workmen to prepare materials there for the works at Windsor Castle. Any man who refused was sent as a prisoner to Windsor.

In 1395 William Prophete supplied stone from the Merstham quarries for the building of Henry VII's Chapel in Westminster Abbey.

The next period in history when demand for Merstham stone was known to have been heavy was in the re-building of London after the Great Fire of 1666. It was used in the building of London Bridge and it seems inevitable that it was used elsewhere.

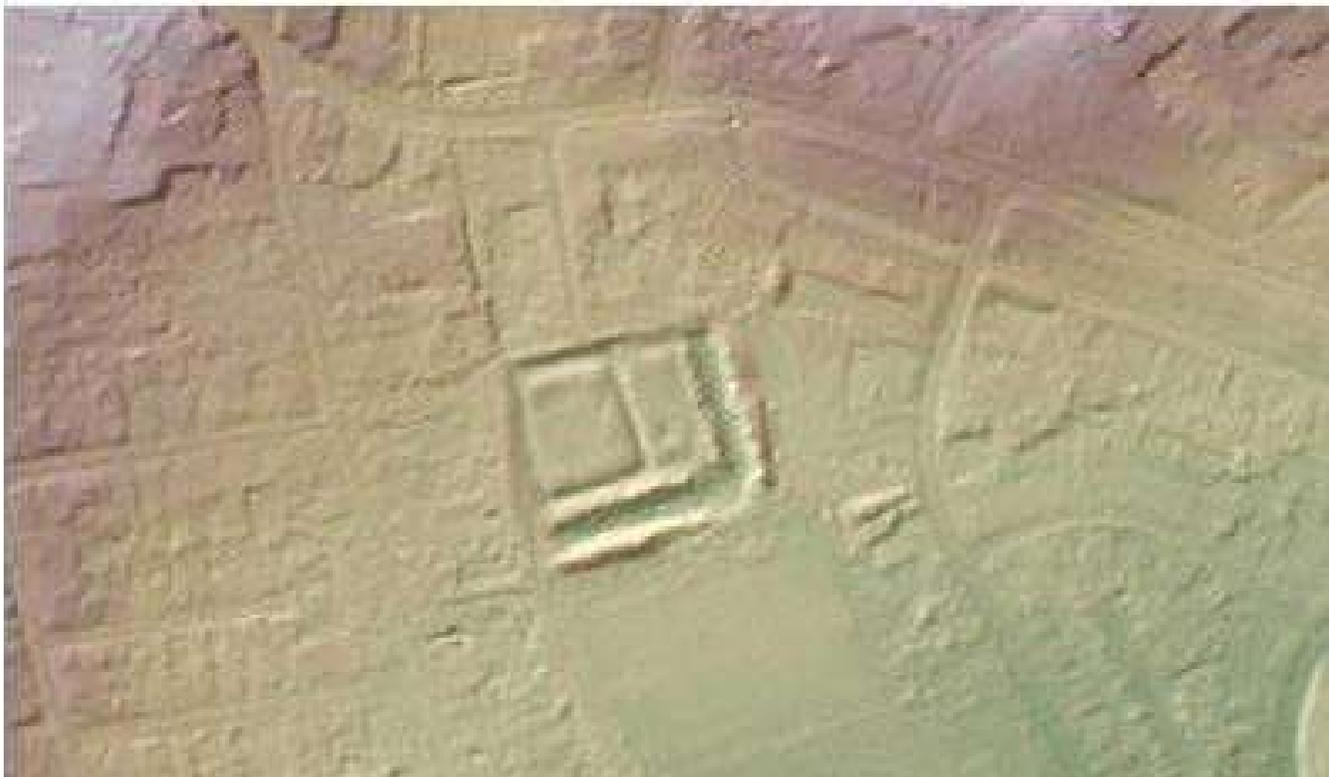
The Sand Quarries

South of the site is the Nutfield Marsh Nature Reserve.

Historical records indicated a wetland had existed here for over a thousand years.

The wider area surrounding the Moors, was extensively worked for sand and minerals for many years before Surrey County Council promoted an environmental enhancement initiative in the 1990's

Council promoted an environmental enhancement initiative, in association with the four companies operating in the area. This partnership became known as the Nutfield Ridge & Marsh Project. It created a shared vision for the area, and implemented a series of restoration and enhancement schemes including the Moors project – the creation of a new wetland nature reserve.



LIDAR showing Moat at Albury Farm Medieval Moated Site

The monument at Albury Farm includes the inner and outer banks and ditches of a medieval moated site together with the area enclosed by the ditches on which buildings are considered likely to have stood. Moated sites are generally seen as the prestigious residences of the Lords of the manor, the moat marking the high status of the occupier but also serving to deter casual raiders and wild animals. Most moated sites were constructed in the period either side of 1300 AD, and historical documents exist which confirm that the manor house of Albury existed in the 13th or 14th century, at which time it was in the hands of the de Passelle family.

The earthworks form an inner, square moat within which would have stood the manor house itself, and three sides of an outer moat. The fourth side of the outer moat was formed by the stream, now ducted underground, which formerly flowed from north to south on the western side and which filled both the inner and outer moat with water. Earthen banks, some of impressive proportions, survive both around the edge of the moat island and on the outer edge of the outer moat, although they have been partially slighted at the south-east corner, perhaps at the same time as the house of Albury Manor was demolished around 1750.

The tarmac path leading across the southern side of the scheduled area, the benches on the western side and the surrounding fencing are all excluded from the scheduling, although the ground beneath the path and benches remains included.



Below ground services and culverts present a possible constraint to development. The watercourses to the west and south-east of the site are not celebrated and present an opportunity for improvement, however any works in these areas will require consultation and sign off from the Environment Agency (EA) and Surrey County Council (SCC) which may present programme risks.

The site to the north of the Rec is Albury Farm Ancient Scheduled Monument, any proposals in this area will be subject to Historic England (HE) sign-off and archaeological watching brief during construction.

Existing sport pitches in the southern extent of the Rec need to be retained. All proposals to relocate existing sports pitches in the northern section of the Rec will be subject to Sport England (SE) approval.

The site consists of many existing mature trees, limiting works which can be undertaken within root protection areas (RPAs).

Key

-  Existing services
-  Existing culverts
-  Existing watercourses
-  Root Protection Area of existing mature trees
-  Albury Farm Ancient Scheduled Monument
-  Existing sports pitches to be retained

111



There is an opportunity to review existing footpath network in the Rec, improving existing footpaths and creating a new circular walk around the rec and formalising existing desire lines. There is an opportunity to improve links across the Rec and improving the route linking the Rec to Brook Hill open space and north to the train station and town centre.

Existing entrances are unwelcoming and the east-west connection north of Merstham football club is uninviting and not overlooked.

There is an opportunity to create a new community cluster of amenities including play, ball courts, youth, fitness and community garden spaces with a new community building with a cafe kiosk at the heart of the Rec.

There is an opportunity to improve the biodiversity and natural character of the Rec. The water courses would benefit with widening and naturalisation of the channels with native planting enhancing ecology. Platforms and boardwalks what provide opportunities for people to access and enjoy the water. Enhanced planting throughout the Rec will enhance biodiversity, improve natural character and create more intimate spaces for quiet enjoyment and enhancing connection with nature.

Key

-  Opportunity to improve existing entrances
-  Opportunity to improve existing routes and formalise desire lines
-  Opportunity to provide a circular walking route around the Rec
-  Opportunity to create a community cluster of amenities
-  Opportunity for new building with cafe kiosk, toilet and changing rooms as a focus for the community
-  Opportunity to improve the existing streams from an ecological, recreation and aesthetic perspective
-  Opportunity to enhance natural character of the Rec
-  Opportunity to improve current sport pitches in terms of drainage and playing surface

LISTENING

112



The consultation process has been critical in allowing the design team to understand the key aspirations and requirements of all the residents and end users, as well as identifying and defining Merstham Recreation Grounds strengths and weaknesses to inform the key design decisions and priorities for the regeneration of the Rec. This consultation process will continue into the next stages of work and will help inform the design development and evolution of the overall scheme.

The consultation process to date has help to engender a sense of inclusion for those most closely impacted by regenerating the site, to develop a sense of ownership and encourage a sense of collective cooperation as there will inevitably always be some conflicting thoughts and ideas.

A time line of consultation events is provided below identifying those groups who were consulted. We have provided further information on how and what we presented, as well as some of the key feedback and comments we received from the main groups consulted.

Focus Group

- 2021.04.01 Focus Group event 1
- 2021.04.28 Focus Group event 2
- 2021.07.27 Focus Group event 3
- 2021.10.27 Focus Group event 4

Reigate & Bandstead Borough Council

- 2021.03.08 Site Visit and Meet
- 2021.04.22 Greenspaces Review of Initial Ideas
- 2021.09.15 Greenspaces Review of Initial Play Proposals
- 2021.09.22 Surrey County Council, Wider Drainage Proposals
- 2021.09.24 Greenspaces Review of Initial Developed Proposals

Wider Stakeholders

- 2021.03.16 Facebook Q&A, Wider stakeholder Event 1
- 2021.04.21 Historic England Consultation
- 2021.05.26 Merstham Park School, Years 7-9
- 2021.06.02 Wider stakeholder Event 2
- 2021.07.31 Public Consultation
- 2021.11.21 Merstham Park School, Years 7-9 - follow-up

Initial designs

To help to start people thinking about what the improvements might include we have prepared some initial ideas about how Merstham Rec might look and what it might include. Dependent on the feedback you give and the money available, these plans will develop and change over time.



Draft plan

- Key:**
- | | | |
|--|--|--|
| 1. Entrance | 8. Community field | 15. New car park |
| 2. Retained and improved moat | 9. New changing rooms and community space | 16. Upgraded football pitches to meet FA recommendations |
| 3. Merstham Football Club | 10. Community orchard and wildflower area | 17. Wide path for walking, cycling, running path |
| 4. Improved car park | 11. Community garden with grass, plants and paving | 18. Existing trees |
| 5. Outdoor gym | 12. Play area | 19. Existing drainage ditch |
| 6. Mounds to reduce impact of tennis courts/ MUGA on homes | 13. Tree avenue walkway | 20. Timber bridge |
| 7. New MUGA/tennis court with low level lighting | 14. Landscaping and planting | 21. Ecological / nature walk |



Draft concept design

- Key:**
1. Merstham Football Club
 2. Community orchard
 3. Community garden
 4. Park entrance
 5. Play area
 6. New pavilion
 7. Community event space

www.reigate-banstead.gov.uk/MersthamRec



Phase 1 of the public consultation was undertaken by Reigate & Banstead Borough Council (RBBC) in September and October 2020 in advance of Turkington Martin being appointed. The aim was to get initial feedback from local people about how they use the park, their likes and dislikes about the park in its current form and their preferences for future facilities.

Phase 2 of the consultation will take place in 2021. It is likely to include some small group discussions with local residents and representatives from groups in the community as well as a second public survey to ask residents their views on the developed design.

The consultation took place through a survey which was delivered to 2,900 homes in Merstham, publicised online through social media and the council's website, and promoted through local media. The council also emailed the survey to local community groups, such as sports clubs, older people's groups and children's or family support groups.

654 people took part in the main survey, the vast majority being people who lived in Merstham.

Results from the survey are illustrated in this section, with key findings summarised below:

1. Participants describe Merstham Rec as an important but underused asset providing a vital and convenient outdoors space.

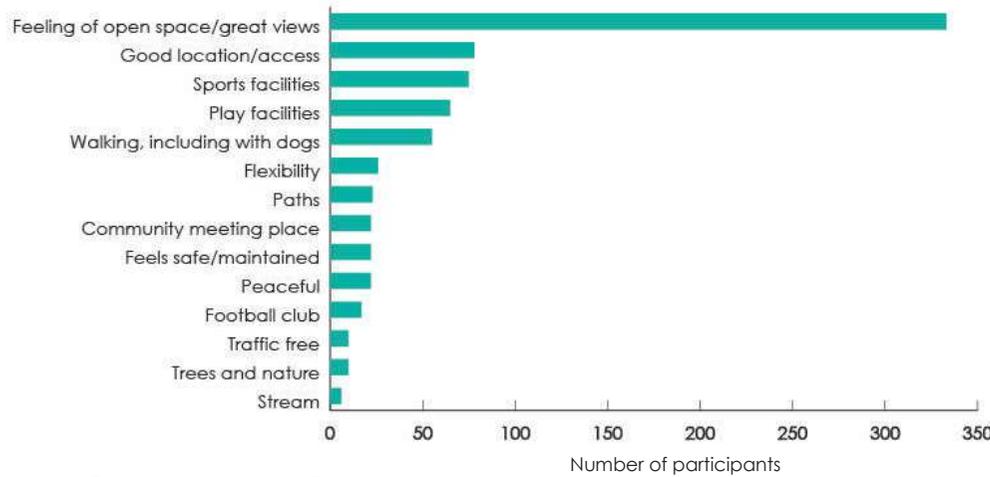
It is a place that **provides a link with nature, for exercise, fresh air, to meet others and a place to enjoy solitude**. In an area where many residents report they lack their own outdoor space of their own, participants felt these were especially important.

2. In the young people's survey, top uses for the Rec were **meeting friends, using the play area** and leisure activities such as **exercise or playing sports**.

3. The Rec's biggest asset at the moment, according to participants, is the feeling it gives of being in a **wide open space with views of the countryside**. People also said they liked that it gave them convenient access between different parts of Merstham and from various entrances. Others enjoyed the sports and play facilities.

4. Participants were **most critical of the current provision for children and young people**, which they felt was inadequate and in a poor condition. They also felt the park was in general need of an update and that litter was a problem.

what do you Like best about the Rec?



"I like that you are in a large green area with a view of the hills. It feels like you've escaped from the city."

"The kids like putting leaves and sticks through the railings into the stream to see them float away. I like the trees by the playground and along Weldon way."

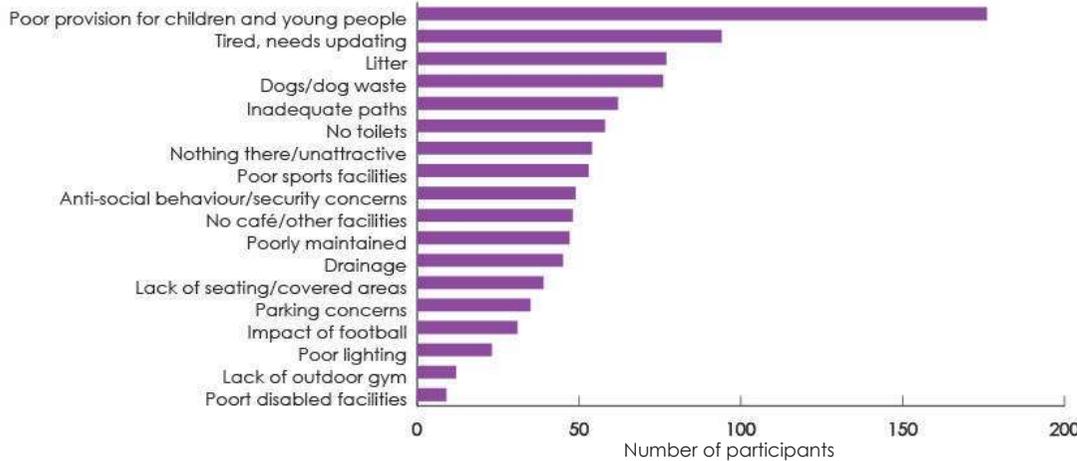
"it's where I play football with Merstham Ladies FC and I enjoy our community atmosphere, how friendly other users of the site are and that there is always something going on"

"It is a friendly place to go and play sports, e.g football tennis or just chill out with your friends."

"We like the greenery, having access to a free tennis court, the convenience of it and seeing everyone enjoying the park."

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What do you Dislike about the Rec?



"The playground is old, a weird shape and in a bad location."

"There isn't anything for teenagers to do. We need a skate park and maybe a cafe to get a drink."

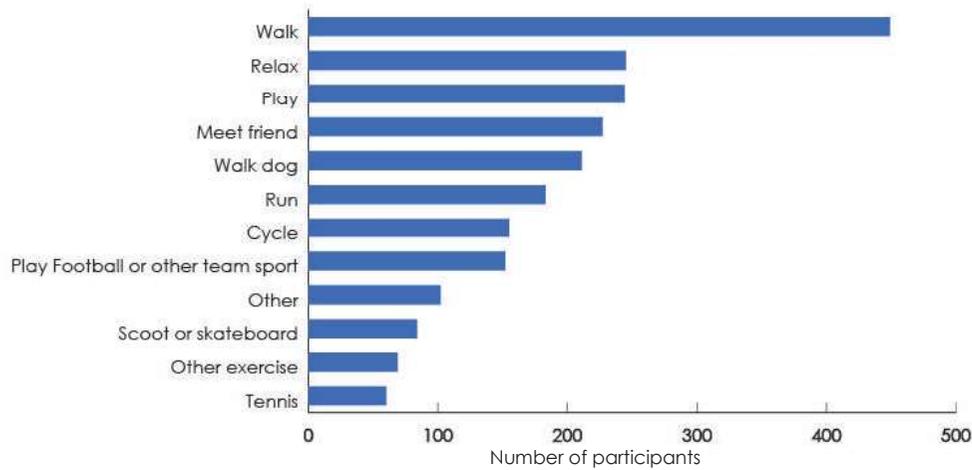
"They do not cater for disabled like myself, no toilets, pathways are horrendous. List is endless."

"The drainage, especially in winter makes a lot of the green area unusable."

"individuals on benches drinking alcohol when children are in the park."

"No night lighting means I don't feel safe walking through the park when it's dark."

What do you do in the park?



"I normally go there for a nice walk. The trees, the views, the birds. It's a lovely spot."

"Get good use from the children's play area in general but would warmly welcome an upgrade."

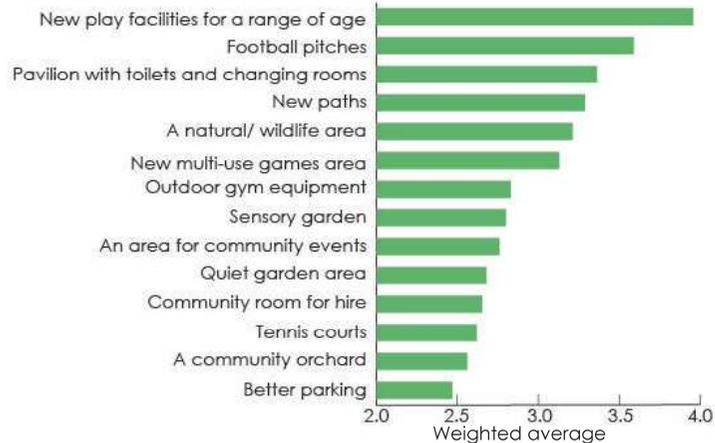
"A great park to walk dog & meet other dog owners."

"Park for my daughter, space to walk/run for myself and my wife, basketball and football court"

"It's the hub of Merstham sport, I've been playing football for over 50 years now down the rec and still enjoy spending time there with my son."

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What would like to see at the Rec?



"There isn't anything for teenagers to do. We need a skate park and maybe a cafe to get a drink."

"I think a cafe in the pavilion would be hugely beneficial to the community and a real attraction to the park. As a new mum, I know that a cafe would be appreciated by other parents and families in the area."

"Got to have better pathways, most time I can't watch the kids football or training as the pathways are so bad or grass, my mobility scooter can't do that"

"the kids playground is looking very tired and needs updating."



A Focus Group has been established by RBBC that has been an effective platform for the design team to consult with. The Focus Group members have diverse interests including access to inclusive play and toilet facilities, improved ecology and opportunities for nature as well as dog walkers.

Throughout the design period there have been a number of online Focus Group consultation events. At the outset, the discussion topics and themes were very broad to help get an understanding of local priorities. As the design developed the Focus Group discussions narrowed to provide more specific comments on more detailed design ideas to help ensure that the Recreation Ground proposals represent local needs and priorities.



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The first Focus Group event allowed us to introduce some of the key themes and requirements that emerged from the first, wider consultation event. These were:

- Paths
- Water
- Play
- Nature
- Sport & Fitness

We presented ideas around potential path networks and access points which has been identified as a key improvement that could be made to the site. There were discussions around creating a circular route, as well as providing new paths that respond to desire lines, particularly in the north of the site.

The possibility of access to water, using the sites two water courses that bound the east and west boundaries was introduced, as well as through sustainable drainage systems. This proved to be a popular concept with residents that touched on themes around access to nature and education.

Different play themes were discussed, including linking play concepts back to the local areas quarrying heritage. There was a strong desire to ensure that the play area includes access to nature, but is also accessible to all ages and abilities.

Sport and fitness were also considered. The concept of an outdoor gym was well received, however, there was no strong direction on whether this should be located in a single point, or as a wider trim trail.

This feedback was used to help identify priorities for the emerging site and spatial plans.

"My main concern is surfaces. Those with mobility issues or wheelchairs users will need a decent path not bark, mud etc. They will need a hard surface of some sort"

"The stream (Redhill Brook) is an extremely underutilised feature. Would be great to open up the stream. Will need to be safe for children."

"Please think of flooding, there's an issue of flooding at the south of Weldon way"

"As Merstham Park school grows, there will be more and more teenagers using the park, as it is right next to the school. We need to ensure there are spaces suitable for them, so they are not just sitting and hanging about on the young children's play areas"

"Can we have space for outdoor yoga and Tai Chi?"

"Other thing to consider is management. I see the park rangers killing off the wildflowers with weed killer fairly regularly."

"Lighting for safe exercise as dusk?"

"Any landform areas would be good, to remove the sense of just one large open field."

"Sensory garden/trail I think is a great idea and something that everyone would enjoy"

"Different 'rooms' is a good idea, particularly thinking about getting girls to use the park. There is research that young and teenage girls are more unlikely to use parks which are wide open spaces. Boys are more likely to use them because of ball sports etc. We need a balance."



The second Focus Group event allowed us to introduce the emerging spatial layouts for the Recreation Ground. Three different approaches were presented and discussed:

- Central Green
- Meadows and Water
- Central Hub

The strengths and weaknesses of each were considered by the team and a number of key priorities were reinforced from the feedback including:

- Providing quiet areas
- Community orchard
- Trim / exercise trail
- Providing improved access to nature
- Creating a connection to water, if it was safe

Of the three approaches, there was more interest in the Central Hub approach. This was considered to be the most 'transformative' of the approaches, creating a new central heart to the Recreation Ground. This approach provides different ways to access water through sustainable drainage and swales, as well as looking to improve connections to the channel on the east.

There were some concerns raised about the approach that needed to be considered by the design team:

Adjacencies of use; there was a concern that having children's play so close to the youth space would cause issues.

It was felt that everything was being concentrated to the north of the site and that some activities should spread further south.

Size and scale of the pavilion; it was providing 'too much space for football' and was not commensurate with the overall community use.

More toilets should be provided.

This feedback has been considered through the design process and development of the emerging landscape design.

"Green area for an activity needs to be a quieter area than it looks like on the plan at the moment. For something like yoga and tai chi, you don't necessarily want to be near the pavilion and busy area"

"Outdoor gym and youth space next to the pavilion is not great because proximity of outdoor gym and play area are too close. Based on Memorial Park experience, better not to do this and to have gym dotted around the park."

"Why not refurb the existing tennis court and MUGA if money is an issue and leave them where they are"

"All the stuff is compacted at the top"

"I prefer the water features on this and the layout of the play areas etc. But having all the pitches in the bottom half results in a big open space that's just pitches"

"Find a way of breaking up the adult gym area so that it breaks up the intensity – again for older people."

"Need more toilets "

"Changing rooms look bigger than needed. It's out of proportion from the need."

"please don't make the toilets too small. Would be great to have more than one but agree that this shouldn't compromise the disabled access"



Focus Group event 3 was the first opportunity we had to show detailed landscape proposals for the site and explain some of the key proposed interventions, as well as how we had responded to previous feedback.

We were able to explain how the proposed Community Hub, centred around the new pavilion building, would work in relation to the play area, outdoor gym as well as the tennis courts and MUGA improvements. We were also able to provide feedback on our consultation with the local school children and their key aspirations for the regeneration proposals. We discussed the importance of a youth shelter and more free form opportunities learn, play and exercise and how a new Parkour course would help provide this, which the Focus Group were very supportive of.

As well as showing the 'whole' proposed works, we presented the key priorities to be delivered which include; all weather path network, new play area, youth areas, gym, trim trail, associated furniture – bins, seating etc, planting (trees and woodland), orchard, drainage (swales), pavilion (changing rooms, kiosk and toilet provision). We also discussed the proposals for works including how the community garden could be developed.

The Focus Group appreciated the honesty of these discussions and agreed with the priority areas identified.



A focused online workshop was set-up with Years 7-9 pupils at Merstham Park School. At the workshop a number of themes were discussed:

Layout

Play concepts

Exercise and fitness

Places to sit and meet

The pupils were broadly supportive of the overall layout including improvements to access to water, improved paths as well as the implementation of new planting and trees. They also expressed the importance of well located litter bins in an effort to help reduce litter across the recreation ground.

We presented different concepts for the play area, including more natural play, colourful play as well as building on the sites quarrying heritage. There was a broad agreement that colourful play may look dated and appeal only to younger children. The pupils favoured a more natural approach to play and play equipment aesthetics.

The pupils were shown options for table tennis, basketball and climbing but felt these activities were too 'prescribed'. They favoured the Parkour equipment / installation, shown opposite, as it 'looked cool' but also offered flexibility in how it could be used as well as providing an on-going challenge as they connect movements between different 'obstacles'. As part of the exercise and fitness conversation, they also supported a central gym over a trim trail. They discussed the benefits of having a gym that would act as a social space and setting, as well as for exercise.

Of main interest and desire for the pupils was the inclusion of a shelter. They clearly articulated the importance of this as part of the way that young people socialise, in all weathers.

to be updated



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Working with you to improve Merstham Recreation Ground

Improving Merstham Rec

The Council is investing £1.5m to refurbish Merstham Recreation Ground, which we plan to complete by 2022.

It is really important to us that we deliver improvements that you want.

So, last year we undertook a survey of local residents and users about what we might do in the Rec.

We received a fantastic response with over 700 local residents and groups completing our questionnaires – a big thank you to everyone who took part!

Your feedback was really helpful in helping us to understand what you like and don't like about the Rec and what you would like to see in the future.

Since then we have been really busy.

We have appointed a professional design team to take the project forward.

We have set up a residents' focus group to talk to the design team about different ideas and solutions.

And we have been talking to lots of groups: Age Concern, Café Mix, Merstham Baptist Church, YMCA, The Environment Agency, Surrey County Council, Merstham Football Club, Merstham Cricket Club, Merstham Millennium Trust and Merstham Community Facility Trust, as well as children from Merstham Park School.

We are now excited to share the emerging ideas and plans with you.



The Vision for Merstham Rec

Our vision

Building on what everyone has told us we have developed a vision for the Rec. We want to create a high quality and valued green space for Merstham that will offer something for everyone. We want it to be a place to meet, socialise, play and be active and a place where people can enjoy access to nature and relax.

Our objectives

To help deliver this vision we think that it is important that we:

- Provide high quality play for children and young people of all abilities
- Create more opportunities for local people to participate in a range of sports
- Help local people who do not participate in sport to keep fit and active through informal activities like walking
- Create different places for people to meet and to come together as well as quieter places for people to enjoy
- Protect and enhance the natural environment and people's access to nature.

We also want to ensure that what we do is:

- Inclusive to ensure as many people as possible can enjoy the Rec
- Environmentally sustainable
- Safe
- Easy to maintain.



The masterplan

The masterplan for Merstham Rec shows how we will deliver the overall vision for the site including what we propose and where things will be.

A hub for the community

A key part of the Master Plan is a new community hub at the centre of the Rec, which will be the focus for a range of activities centred around a new pavilion building.

Within the hub will be a series of linked but dedicated spaces for children to play, for young people to hang out, for people to keep fit and active or to just sit, meet and relax.

All-weather pathways

A series of new all-weather pathways will be provided. These include two new routes through the park - one connecting Albury Road and Weldon Way / Taynton Drive, and the other a circular path around the park.

New planting

Informal planted and wooded areas around the Rec's edge will provide somewhere that people can sit and enjoy nature and opening up the water channel to the east of the site.

Sports pitches

Importantly a large area will be retained for grassed pitches, which will be reconfigured to play mini, junior and adult football throughout the winter and cricket in the summer.

- Improve drainage (with swales)
- New pavilion. Include changing rooms, toilets and a café kiosk



New all-weather paths | Planted and wooded areas | Swales to improve drainage

The masterplan

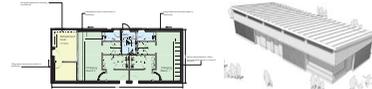


Delivering the Rec refurbishment – key priorities

Based on what local people have told us and the total budget that we have, we are proposing to deliver an exciting range of new things in the Rec which are shown within the area marked red on the plan. This includes:

A new pavilion

With a refreshment kiosk to provide drinks and snacks, toilet facilities and two sports changing rooms.



Improved paths

Providing two new all-weather routes to connect Albury Road and Weldon Way and a route around the edge of the Rec.



A community garden

A community garden with an orchard and a central green with a picnic area.

Improved drainage

Introduction of swales (sunken areas that are planted) to help drain and store water around the Rec. These will help reduce flood risk and improve local biodiversity.



Wildlife areas

Planted and woodland areas to improve biodiversity and places for people to sit and

A play area

An exciting new play area to cater for children of all ages and abilities, with both formal equipment and more natural areas, and including equipment aimed at under 5s and 5s to 11s.



A youth facility

A dedicated place aimed at children from age 12 and over, with a youth shelter and parkour area for the over 12s, will provide something very different from elsewhere.



Equipment to keep fit

A dedicated gym and a trim trail for people of all ages to keep fit and active



Improved grass pitches

We will look to improve the quality of the grass pitches and through a slight re-design we aim to make better use of them and to introduce other sports, like providing a cricket pitch.

Have your say

What do you think about these ideas?

A consultation event, to present the emerging design, was held as part of the 'Big Community Day' at Merstham Football Club. All of the proposals were on display, including plans for the pavilion and indicative ideas for the play and youth space.

There were mixed responses to the proposals, often contrasting opinions about the impact on the sports pitch provision. A number of residents, associated with Merstham Football Club, were concerned about any loss of sports pitch provision.

This was in contrast to considerable support for the proposals, with residents supporting the new and enhanced activities proposed including the walking routes, play and youth areas and enhanced ecology and access to water.

It is clear that a balance of uses across the Recreation Ground is desired, but there will be a vocal group that do not support any proposals for the regeneration of the open space.



DESIGN PROPOSALS



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Vision:

Merstham Recreation Ground to be a flagship open space within the Borough

Principles:

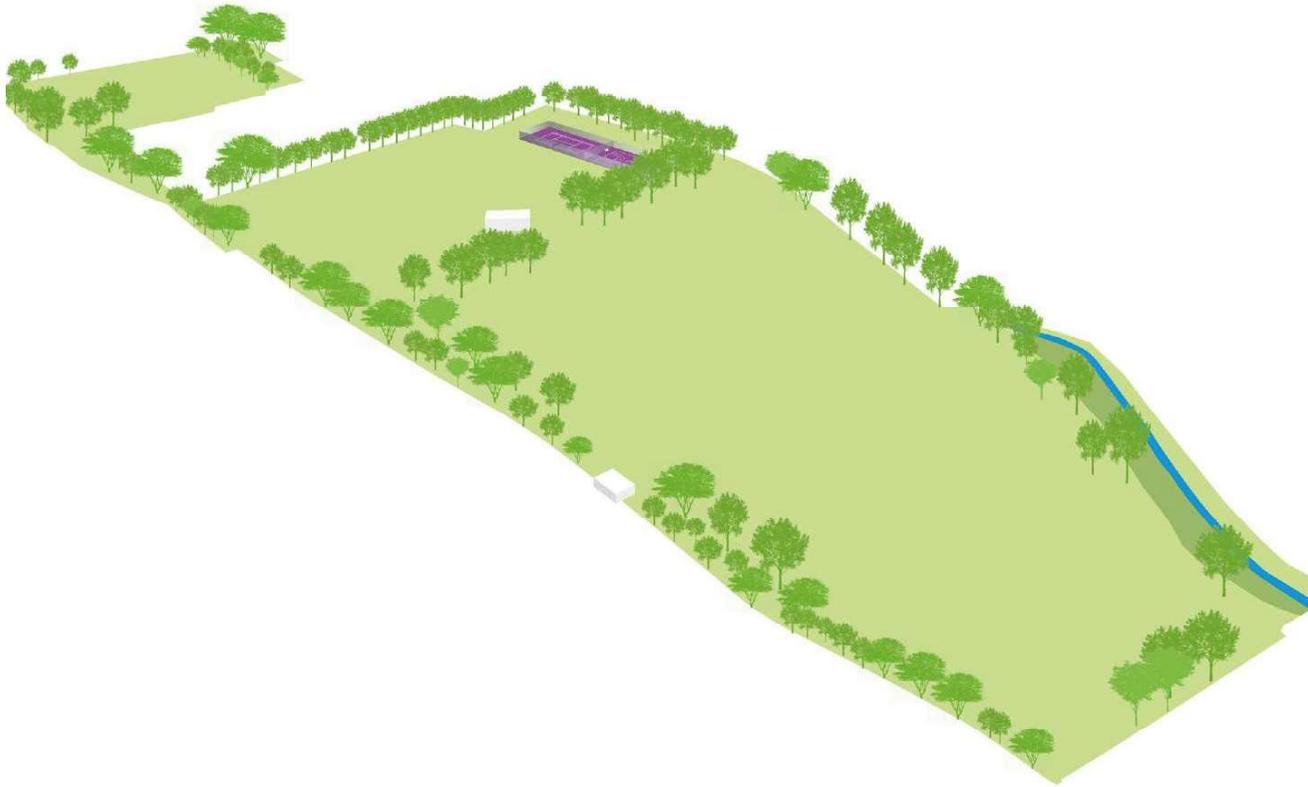
- Environmental Sustainability
- Improved Health and Wellbeing
- Accessibility and Inclusivity
- Safety and Legibility
- Community Ownership
- Easily Maintained

Objectives:

- Better opportunities for local people to participate in a range of sports
- Help local people keep fit and active through informal activities
- Provide quality play for all
- Opportunities for community and social interaction
- Enhance the natural environment and biodiversity

At the outset of the project, the client (RBBC) provided a brief, consisting of a clear Vision Statement, supported by a set of Principles and Objectives.

This brief has been used as a 'touchstone' throughout the design process and referred to during all consultation events.

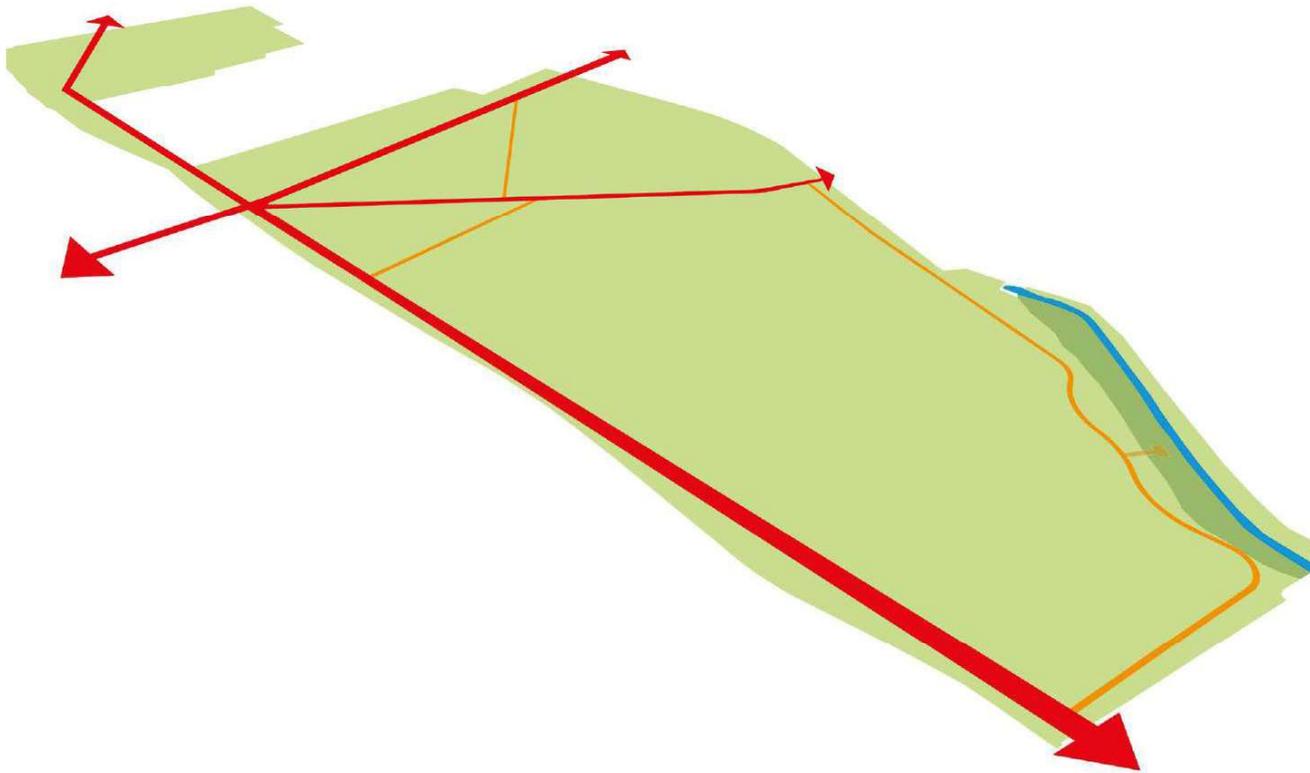


At the outset of the design for Merstham Recreation Ground, strategic landscape design interventions were identified to help address the points raised during the consultation process by local stakeholders and residents, as well as delivering on the principles established as part of the brief.

The main points can be summarised as; improved walking routes, better access to nature and water, improved access to play for all ages and abilities, improving health and well-being opportunities through passive and active interventions and enhancing the use of the Recreation Ground for a wider range of users.

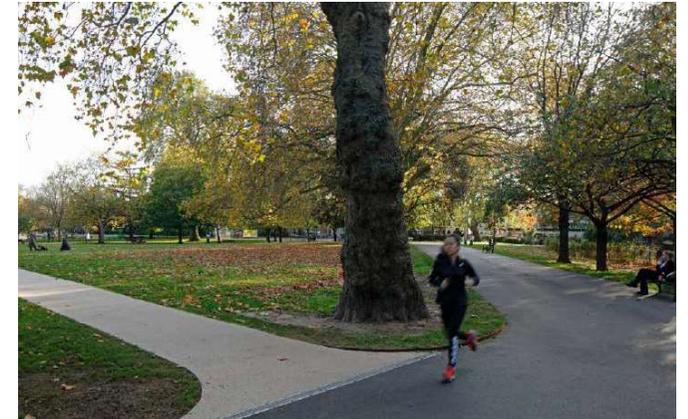
These are described in more detail on the following pages under the headings of:

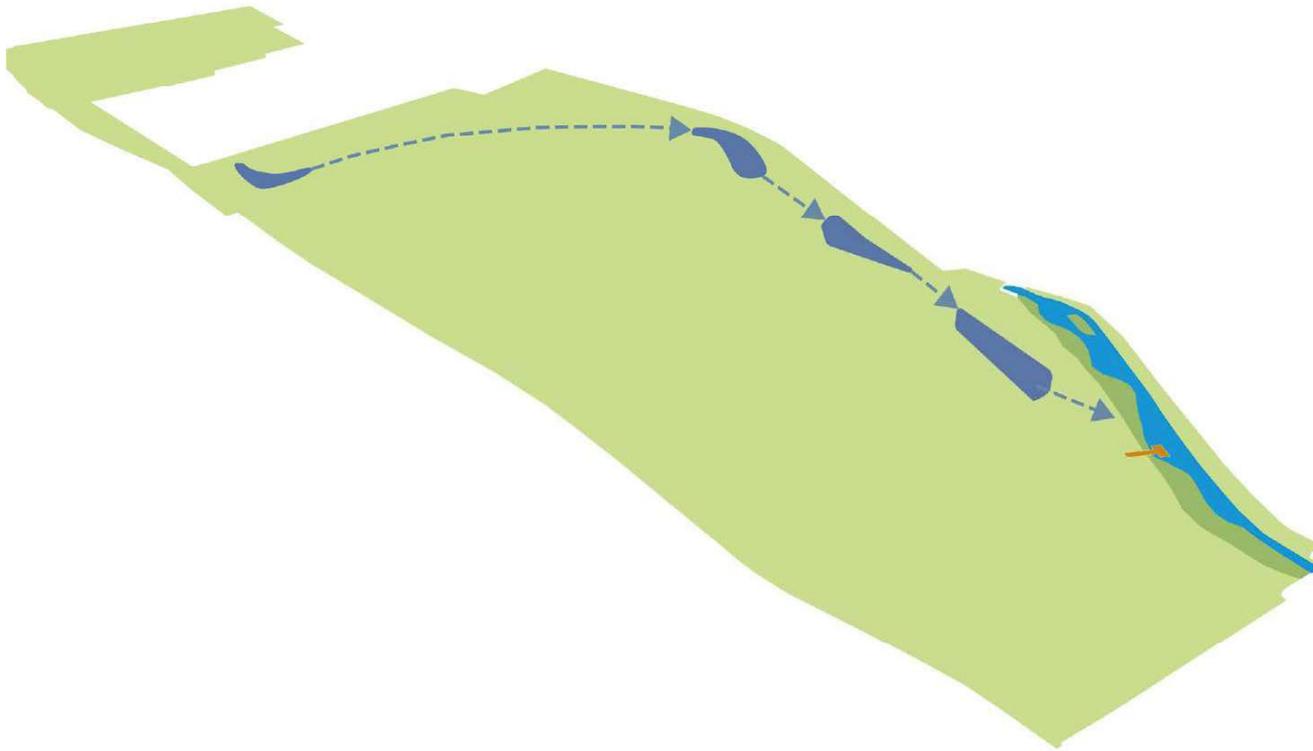
- Routes
- Sustainable Urban Drainage (SuDS)
- Planting
- Amenities



Improving access through, across and around Merstham Recreation Ground has been a key aspect of the design process. The site has a good north / south connection, which is to be retained, whilst new east / west routes will formalise desire lines and establish a new framework to the site.

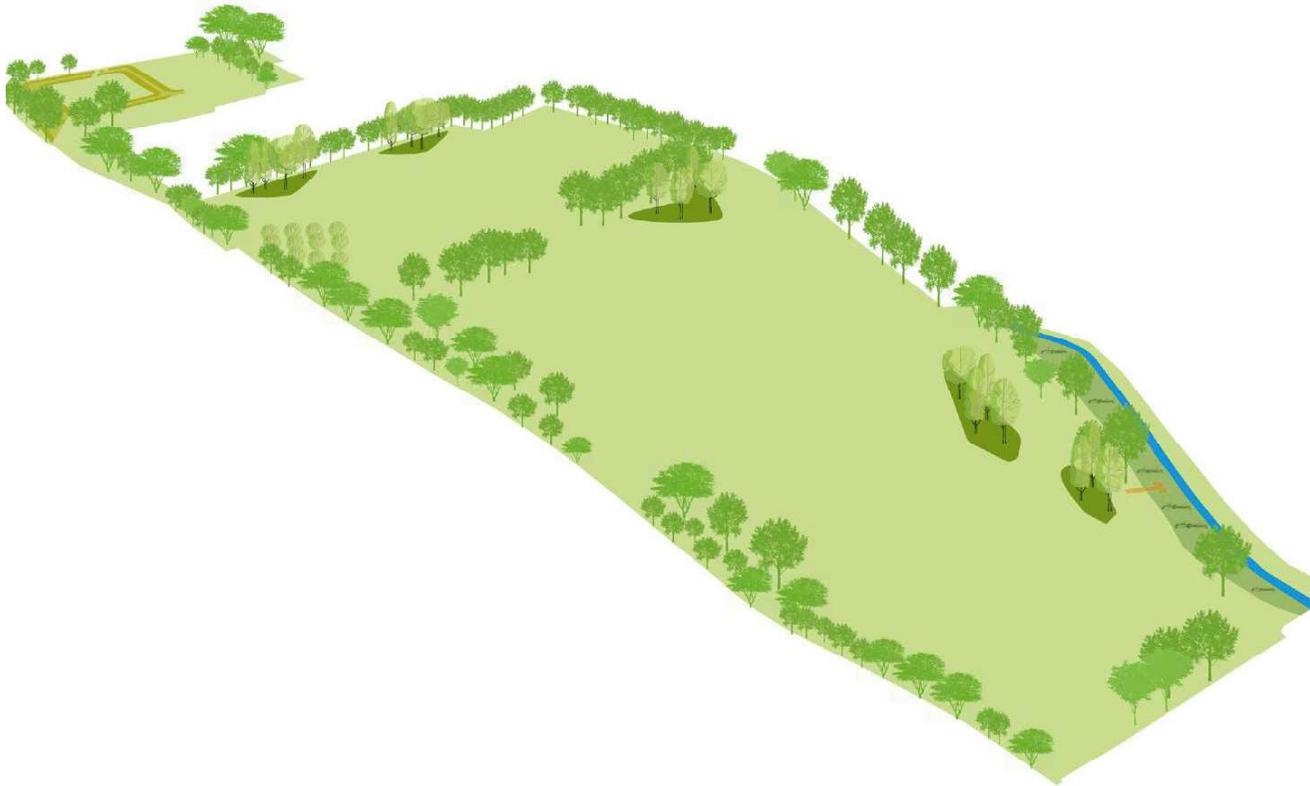
A circular walking route was also a key priority for many stakeholders which will help open up access to the wider site for all ages and abilities.





Improving the immediate sites impact of localised flooding is considered alongside how the new landscape interventions to the Recreation Ground can contribute to the wider areas flood resilience. A network of swales will improve the drainage of the Recreation Ground, which will also provide playful interventions and new habitats for wildlife. This will connect to an improved water channel to the east of the site which is widened to increase surface water capacity.





Planting will be used to inform and enhance the framework of spaces and amenities provided as part of the regeneration proposals, without creating a 'formal appearance' that would dramatically alter the character of the site. New woodland copses will help frame views to the Surrey Hills on the east, native shrubs will enclose the play area and planting to the water channel and swales will improve local biodiversity. Several specimen trees are proposed to reinforce routes, similar to existing tree lines and a new community orchard is proposed.





Providing a range of uses and amenities to serve a wide range of ages and abilities has been integral to the regeneration proposals. Key to the regeneration proposals is the creation of a new central hub which will provide play, fitness and social facilities, at the heart of Merstham Recreation Ground.

The importance of the Football pitches to the local community is understood and are retained, alongside a new cricket wicket and trim trail to maximise use of the Recreation Ground in all seasons.





By establishing clear landscape design strategies, it has allowed the design of the regeneration proposals for this significant open space to develop as a clear composition of interventions.

The intention is to expand the uses of the Recreation Ground, providing a better balance between the need of sports recreation and passive uses, improving facilities for all ages and abilities and creating a clear identity to the site that instills a sense of pride amongst the community that it serves.

It is also the intention that these 'core' interventions of the regeneration proposals provide a framework for any future works that could take place as funding, local stewardship and local needs emerge.



The landscape design has been developed in response to stakeholder comments and feedback, throughout the design process.

The design creates a new central hub to the north of the Recreation Ground, creating a focal point for activity and recreation opportunities which radiate around the pavilion, creating a heart to recreation ground and local community.

A new series of paths are created to the north of the site, which help to improve the east / west connections between Albury Road and Weldon Way / Taynton Drive. These new paths also contribute to a new circular walking and fitness route, created by a new south and eastern path adjacent to the water channel and allotments that connect to the existing north / south path to the west of the site. This new route is edged with new swales and woodland planting, creating quiet areas away from the central sports pitches.

Sports pitch provision is retained on site with a junior pitches (9x9), a mini pitch (5x5) and two adult sized pitches. Additional junior pitches (7x7) are provided by overlapping the adult pitches and larger junior pitch, creating flexibility in the site offer.

A new cricket wicket is also introduced which utilise the site during the summer months when the football pitches are not in use).

- ① Pavilion
- ② East / West path
- ③ Circular path
- ④ Fitness trail
- ⑤ Woodland / planting areas
- ⑥ Community orchard
- ⑦ Swales
- ⑧ Quiet area
- ⑨ Retained changing rooms (converted to store)
- ⑩ Sports pitches



Key site improvements include the new circular path and routes across the Recreation Ground, trim trail, planting and an integrated sustainable drainage system. In addition there are several key interventions that are proposed which include a new pavilion, outdoor gym, play area and youth space. These more active uses are located centrally to the site, away from surrounding properties, to reduce any potential noise impacts on surrounding residents. The MUGA and tennis court, although planned to be refurbished and slightly enlarged, stay in their current location and benefit from the large mature tree line on the eastern boundary of the site, which continues to help mitigate noise and overlooking.

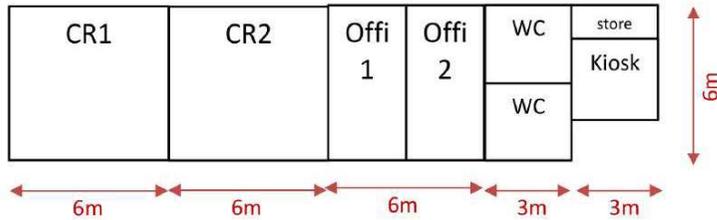
The key spaces are explained in more detail in the following sections and identified opposite.

- ① Pavilion
- ② Play area
- ③ Youth space
- ④ Gym
- ⑤ Water channel
- ⑥ Albury Moat SAM



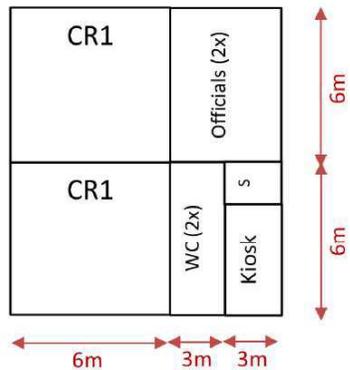
Pavilion Size and Layout Options (indicative only)

- Linear Option



Pavilion Size
24 x 6m = 144m²

- Square Option



Pavilion Size
12 x 12m = 144m²

135

The brief is to replace the existing changing rooms.

The new facilities are to provide the following:

New changing room facilities

The new facility includes separate changing rooms for two teams. Each changing room has en-suite shower and lavatory provision.

The design has been made to allow for maximum flexibility in users attending the site, and have been designed as unisex facilities for any age group and including fully accessible for those with disabilities.

Following consultations with local users, no provision has been made for official changing rooms.

Public Toilet

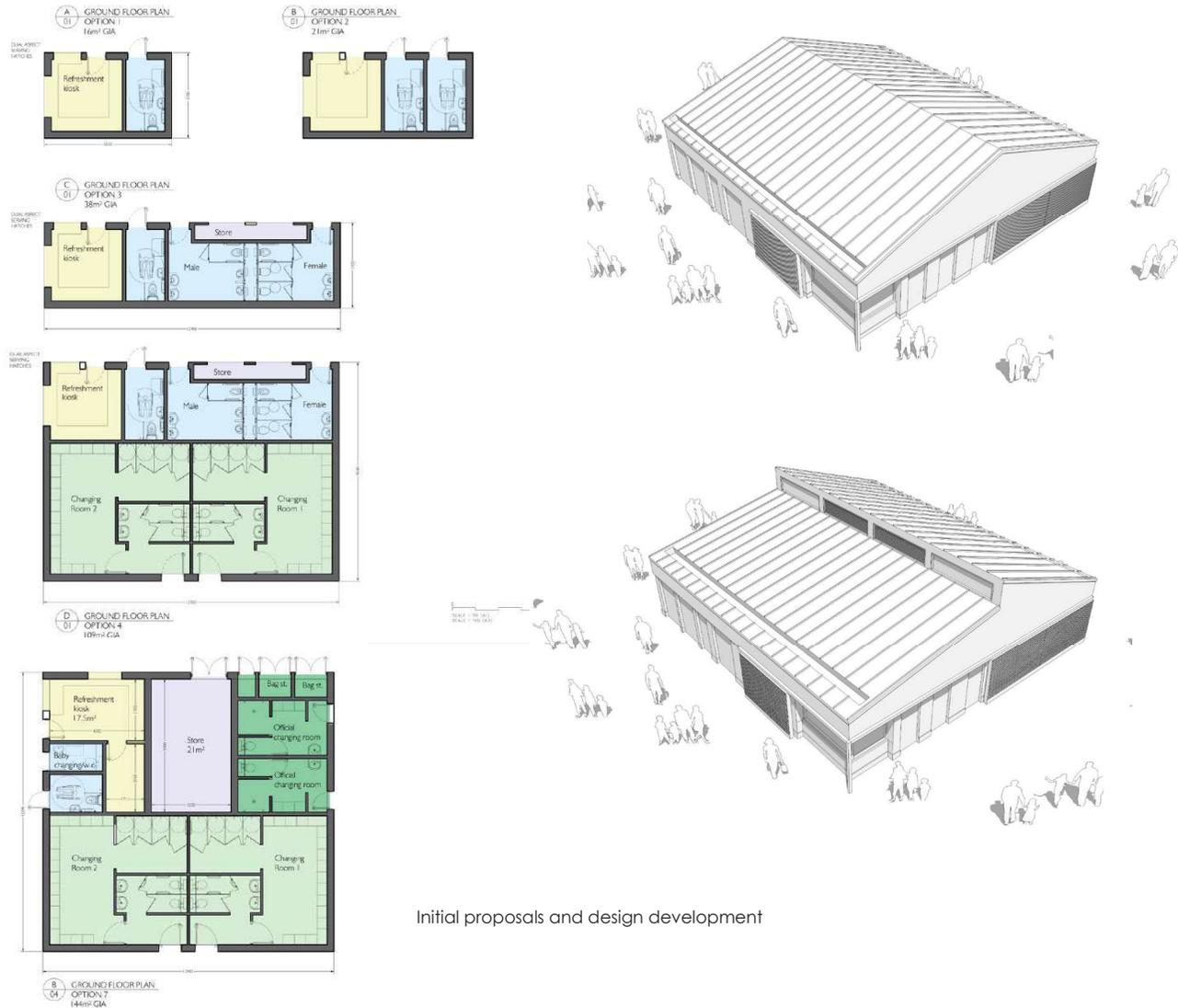
In order to deliver public toilets in Merstham Recreation Ground, it is recommended that this will be associated with the refreshment kiosk, which will allow for cleaning and management. The toilets will only be open when the kiosk is in operation.

Refreshment Kiosk

The provision of a refreshment kiosk would provide a strong local community meeting place and an important component in delivering a destination Park in Merstham.

The location of the kiosk has been associated with the play area and the main routes, but for ease of construction and for environmental and economical reasons, it should also be included within the building providing the changing facilities.

The provision within the kiosk would be takeaway only and not provide a sit-in area. Menus should extend only to hot and cold drinks, light snacks such as sandwiches and paninis but no hot meals.



Initial proposals and design development

The proposals are for the demolition of the existing standard changing rooms and for the provision of a new building containing modern and flexible changing rooms, public toilets and a refreshment kiosk.

The early design stages looked at various iterations for the new building based around accommodation requirements, massing and floor plates.

Earlier considerations included the provision of official changing rooms and additional facilities for the sports changing rooms, however these were ultimately omitted due to lack of demand from the local community following consultation events.

The shape of the building also went through some initial iterations, starting out as a square floor plate, however given the omission of some of the accommodation, the most economical plan reverted to a rectilinear building.

Application proposals

The main floor plate of the building has been designed as an economical and sustainable building, providing ease of management and secure by design as important parts of the scheme.

The layout is divided into two sections.

The 'front' of the building is on the north, offering the more public face of the scheme. This overlooks the proposed play areas which surround the kiosk at this location. This, and the two side elevations, offer the more visual and open elements of the scheme with the kiosk and the public toilets.

The south face, opens onto the main cross path across the site connecting Albury Road and Weldon Way. This elevation overlooks the recreation ground and has a more open aspect, providing more informal surveillance opportunities and ease of access. This side provides access to the changing rooms only.

Site levels

The site around the proposed building has a slight gradient of 160mm drop from the north elevation to the south elevation.

Access to the areas of the building have been designed to allow for level step free access to all doors locally to their location. As a result, the floor slab to the changing rooms (and resulting finished floor level) are 160mm lower than the FFL to the kiosk and public toilets.

Design

The design has been influenced by the need to provide a flexible, easily maintained, secure, sustainable and economically viable detached building.

The kiosk is the main public face of the new building, providing refreshments for park users. It has been positioned on a corner of the building which provides not only dual aspect (for informal surveillance and orientation purposes) but also allows for two separate serving hatches. The separate hatches will allow ordering at one and serving at the second, which means that queues are easily managed but also, if the need is required, for social distancing to be maintained in the future.

The kiosk itself has been designed with integral storage to allow for adequate supplies to be on site during busy periods.

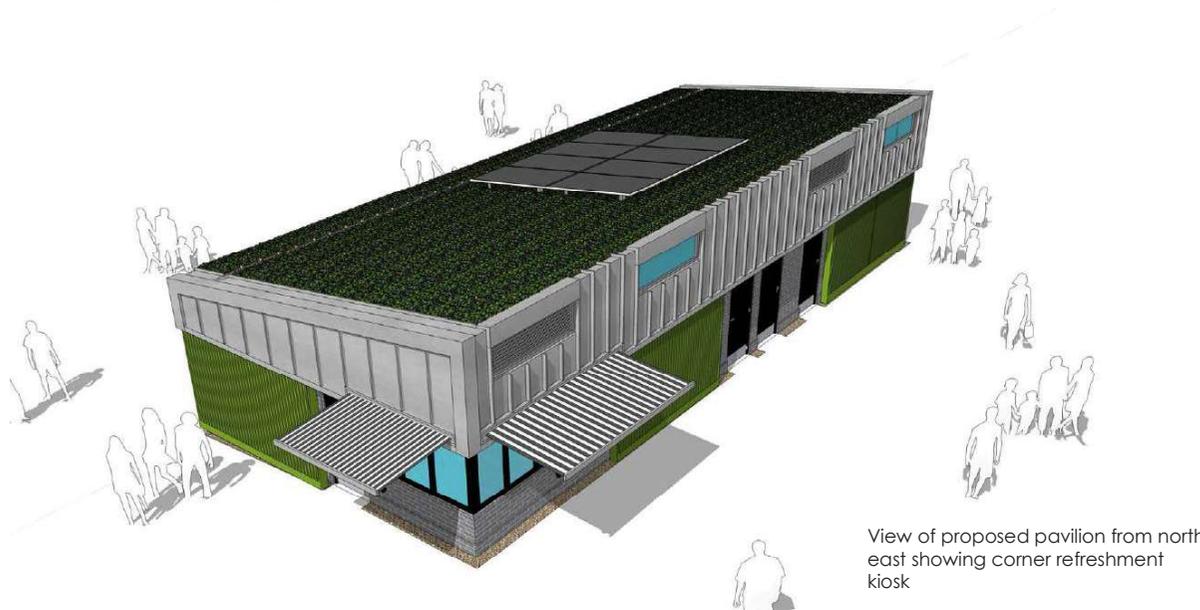
The adjoining public toilets provide two unisex toilets and one accessible toilet. These are located close to the refreshment kiosk for informal surveillance and for ease of management and maintenance.

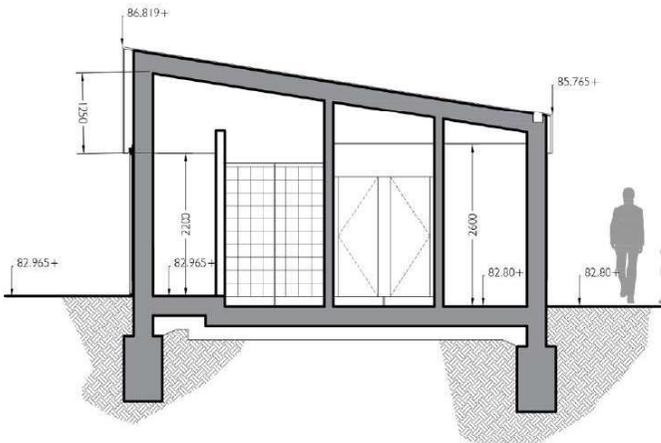
Both of these elements of the project have door access direct to the adjoining landscaped areas. However as these two elements are also the main general public elements, the design reflects this hierarchy by providing sliding external shutters which act both as a out of hours security, but also as design features of the building.

The sliding screens will be in aluminium powder coated, sliding via a top and bottom track and lockable at night time. Visually striking, when open the screens fit neatly against sections of rendered building providing a dynamic elevation during the day. At night they provide suitable security to both the toilets and the kiosk.

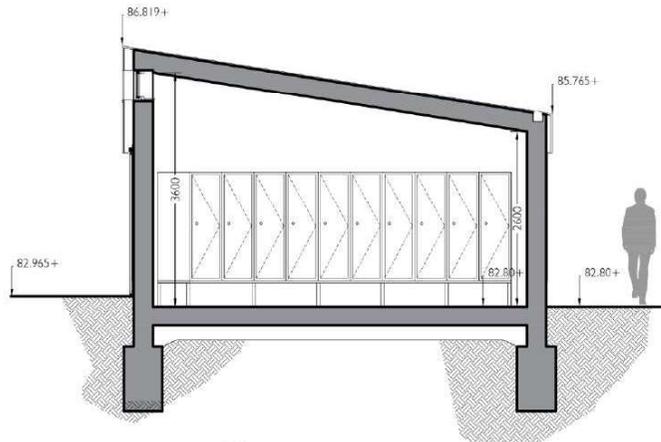
To the rear, and at a lower ground level, the two changing rooms are equal in size and facilities. Both have accommodation for 16 lockers, together with unisex toilets and showers. This provides a safe, clean and modern accommodation for two separate teams.

Externally, the building is rendered with a brick plinth to all elevations and the roof is a mono pitch roof, which allows for ease of maintenance and maintenance. Dormers to the north elevation allow for natural light and ventilation to the changing rooms below.

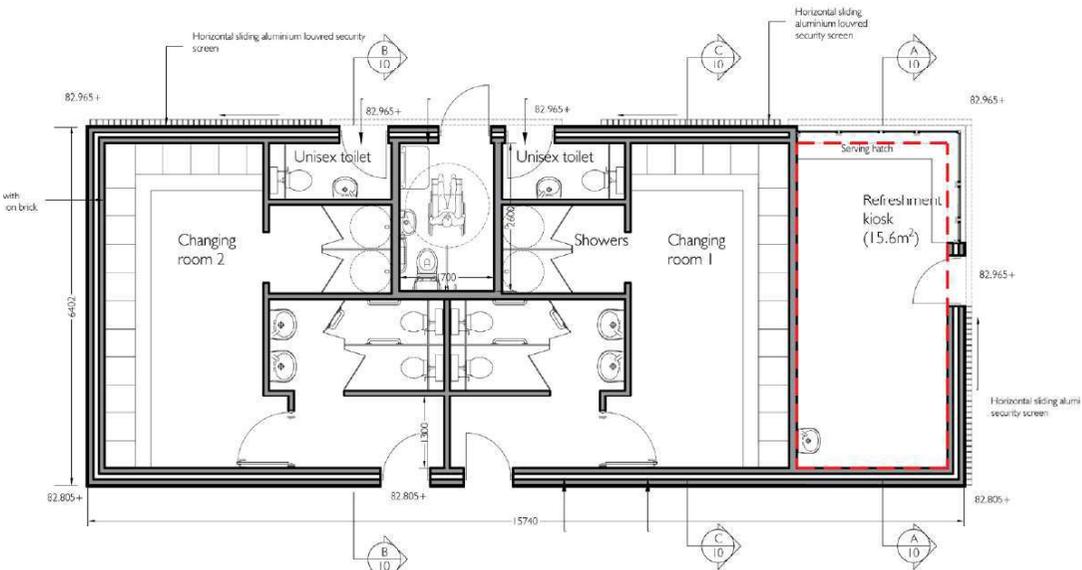




B SECTION B-B



C SECTION C-C



I GROUND FLOOR PLAN

SCALE 1:50 (A1)
SCALE 1:100 (A3)
METRES

Secure by design

Security on buildings in parks, and Secure by Design, are always important elements to build into the scheme.

The location is situated towards the centre of the recreation ground and is not overtly overlooked from adjoining neighbouring properties. Therefore the design has been made to ensure there are no hiding places within the layout, and that during operating hours, informal surveillance is provided.

The materials used for the building are easily maintainable and the lowest part of the roof is a min. of 2800mm from the adjoining ground floor level.

The design allows for the downpipes from the hidden gutters to be internal within the building and the elevations are designed to ensure that no areas at lower levels provide the opportunity for a grip to step up onto the roof.

The shutters to the kiosk and public toilets provide security to these elements as part of the building design; and access to the changing rooms will be via simple flush steel doors.

Drainage

The sanitary accommodation would be connected to the mains sewer by a pumped foul drainage system due to the location of the nearest mains sewer.

Flood risk

The Flood Risk report states:

New buildings' floor levels have to be set + 0.3m above the 2070 critical fluvial flood level for full compliance of the NPPF. This level varies over the site, but in the middle of the flood outline in the SE corner the flood level is approximately 81.6m AOD – so any building's lowest floor level should be set no lower than 81.9m AOD – if positioned in this part of the site.

The ground level of the pavilion to be approximately 82.8m AOD. Therefore we see no issues with the flood risk.

Facilities and access for people with disabilities

All access doors, circulation route, materials and finishes will comply with part M of the Building Regulations.

All external doors are accessed via flat surfaces externally with level thresholds.

Paving to the café entrance and external seating areas will complement the surfacing proposals for the park pathways.

All toilets provided will be unisex toilets and there is a dedicated accessible toilet for public use.

The serving hatch will be a max of 750mm above the external ground area to allow for wheelchair accessibility.

Sustainability and environmental considerations

It is the Design Teams policy to promote energy efficiency design solutions whenever and wherever possible, minimise energy consumption and costs and to reduce what is referred to as the 'carbon footprint' of the building.

The main fabric of the building will be designed to achieve a higher level of insulation values than required under Part M of the Building Regulations, which will contribute towards a lower environmental impact and running costs.

The new Café kiosk and changing room will effectively be an unoccupied building, with limited hours of operation. This makes selecting suitable low carbon technologies extremely limited because their benefits cannot be maximised due to very low hours of use. The building is therefore proposed to have 12m² of photovoltaic panels. These will operate during the hours of daylight regardless of the building being in use or not. Any electricity generated, that cannot be used within the building will be exported to the national grid

In addition, energy-saving LED lighting will be provided, interlinked with smart controls.

Additional measures include dual flush toilets and double glazed windows

The roof will be a sedum roof which will provide a suitable sustainable approach to local urban wildlife but also the impact on the drainage system.

External lighting

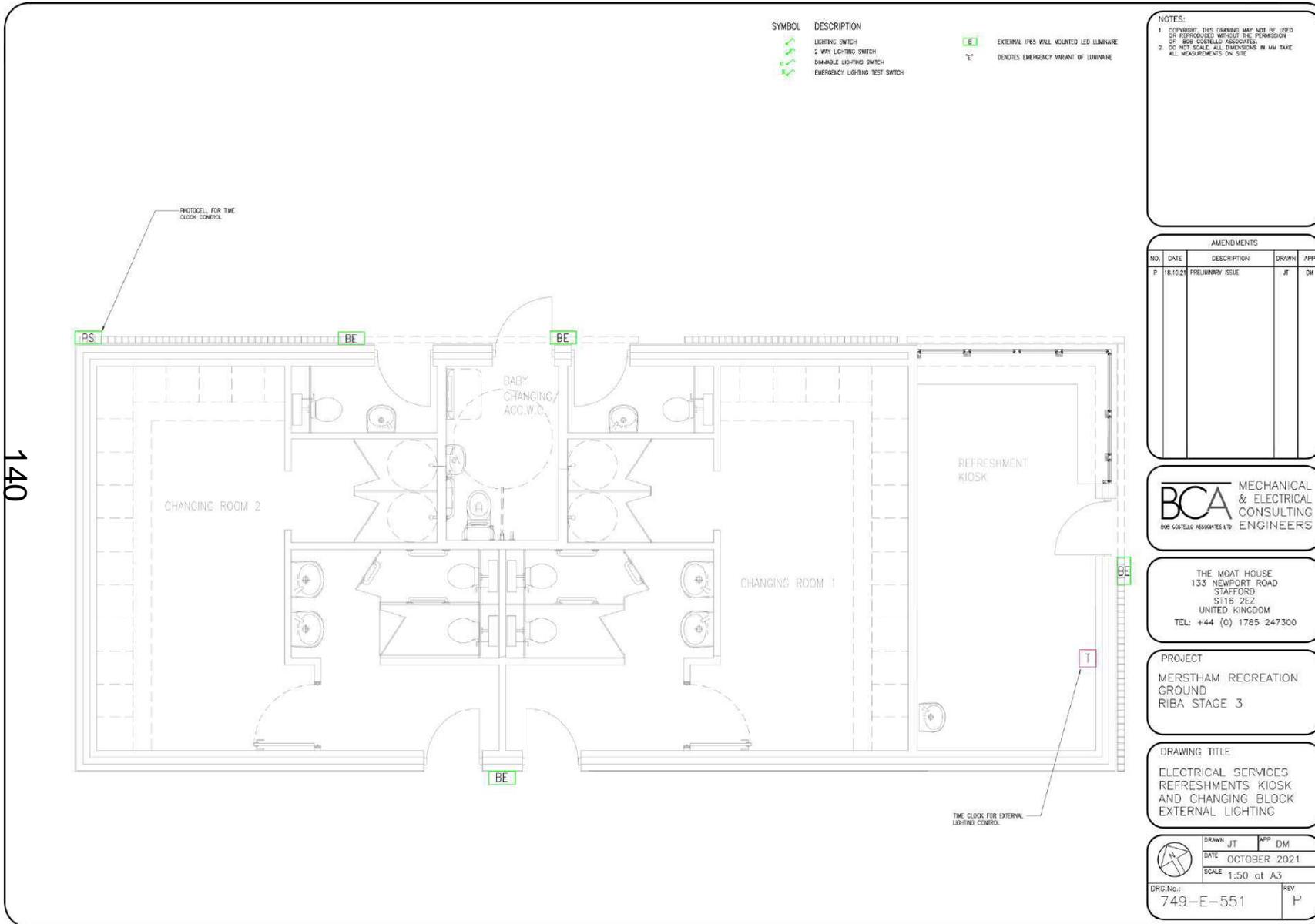
The external lighting scheme will be minimal and above final exit doors for safety purposes only.

The external lighting will be controlled via a photocell and time clock for efficient and practical control.

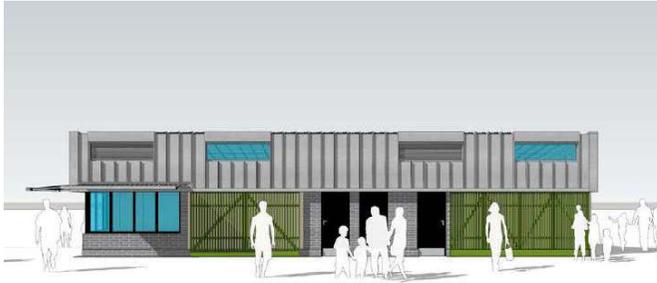
The location and selection of external luminaires will be designed to minimise light pollution and will be based on the principles set out in the guidance by the Institute of Lighting professionals.

Services and plant

Due to the simplicity of the building, plant is provided in the ceiling space above the public toilets with access via doors within the changing rooms.



Extrnal Lighting strategy



View of north elevation showing screens open



View of north east elevation showing screens open



View of north elevation showing screens closed



View of north east elevation showing screens closed

The proposed exterior fabric of the building would be insulated block work construction. The finish was generally discussed at an early stage from stone gabion cages; rendered; brick; ceramic tiles; timber or concrete panels. Due to management and maintenance constraints, we have proposed a rendered finish to the majority for the walls. The building will have a brick plinth of 3 courses minimum and the brick will also extend up around the doors and serving hatch.

The roof finish would be an aluminium standing seam roof, which we have shown finished with a living roof with solar panels. The standing seam finish will also extend down the upper portions of the sides of the pavilion, which will also hide the track for the sliding shutters.

The refreshment kiosk serving hatches will be fronted by an opening glazed screen during operation hours to provide weather protection.

The north and north east elevations will have sliding horizontal shutters which will be aluminum framed with aluminum fins. These will be manually operated but will act as security to the main public areas of the pavilion during out of hours, but also as an architecture feature to the building.

The colours of the building materials are subject to confirmation however the aluminum standing seam roof and wall finishes will be a RAL colour 9007 or similar; the sliding shutters will be a contrasting RAL colour (shown green in this instance), and the rendered walls will be a self coloured render. At present the option of splitting the render into panels of colour may be a possibility.

The bricks to the plinth and the door surrounds will be a grey colour.

The extending retractable awnings will be positioned over the serving hatches when in use, and retract back into slots within the elevation of the pavilion.



External Materials



Walls – Aluminium powder coated standing seam panels, Blue Engineering Brick Plinth and Smooth Self-Coloured Render

Roof – Standing Seam aluminium

Horizontal Shutters – Galvanized Steel Frame with Perforated Pattern Metal Sheet

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Drainage

There are two elements of the drainage to be considered for this scheme: foul and surface water.

This section will outline the design criteria for both foul and surface water. A more comprehensive description is provided in the separate Drainage Strategy document.

Foul Water Design

A new foul water system is being required to service the new sanitary ware being installed in the proposed Pavilion.

An allowance has been made in the design for the following sanitary ware:

8 No WC's; 8 No Hand basins; 4 No Showers;

The drainage system will be designed using the total discharge unit design method as described in BS12056 using the discharge units stated in Table 2 for the above units.

The foul water will be collected by several plastic Soil and Vent pipes, which connect into a series of plastic inspection chambers. These chambers are connected by 100mm diameter plastic pipes which in turn discharge into a proprietary pumping station, just outside the new Pavilion.

Then this foul water will be pumped into the nearest existing public manhole to the west of the proposed of the building.

A pre-application capacity check has been undertaken and Thames Water has confirmed that the existing 300m diameter sewer has sufficient capacity to accommodate this new demand.

Surface Water Design

There are several areas to be considered in the design of the surface water system:

- New Pavilion roof
- Surrounding hardstanding areas
- New play areas
- Existing hardcourt areas

There are no existing surface water sewers located on site, so it is proposed to lay a new drainage network to carry to the surface water run-off to the existing open water channel in the south east corner of the site. This channel discharges directly onto an adjacent field which is a designated flood plain.

A series of swales are being created to attenuate the surface water discharge to the greenfield field run-off rate, so the resulting flow will be greater than the present situation.





- ① Mounded play with slide
- ② Central seating area
- ③ Sand play
- ④ Lawn
- ⑤ Accessible, active play
- ⑥ Swings
- ⑦ Challenging active play
- ⑧ Water fountain

The play area design draws on the local areas quarrying history and heritage, as well as a desire to connect to nature. The use of natural materials is prevalent throughout the play area, whilst providing robust play equipment that satisfies RBBC’s maintenance requirements.

The play offer is designed to provide play experiences, challenges and opportunities for all abilities and ages. Standard play equipment is integrated with playable and playful landscape features. At the centre of the play area is a mound, that can be accessed by a gently ascending path or by boulder and timber log scrambling areas at the steeper points. At the top of the mound is a large, wide slide that can be accessed by all. At the bottom of the slide is a group seesaws and roundabout set within a wet pour surface, suitable for wheelchairs. Accessible routes create a continuous circuit back to the start of the mound leading through and around the play area which includes a number of sensory and percussion instruments.

A large sand play area is created that offers extensive sensory play opportunities. A decked sand play area projects into the sand and includes a series of pulleys and buckets with opportunities to dig and pour to ensure people of all abilities can benefit from these play experiences. Further sand play equipment is located more centrally to the sand pit itself. A timber bridge extends over the sand area that extends the circulation routes and provides role play opportunities.

A central seating area faces towards the sand and active play areas, creating an area for parents and carers to sit, meet and talk whilst observing children’s play and exploration. New shade shelters over the seating area and sand pit are complimented with new tree planting to the mound, which over time will establish and mature to provide shaded areas for play.

Swings are grouped to create a dynamic social space close to the pavilion. More active and challenging play is grouped to the north of the play area, closest to the youth space and MUGA. A large tower unit can be accessed from the boulder area which has different climbing opportunities and slide. Groups swings are provided in this area, which all has a loose woodchip surface.

A large lawn space close to the sand play area allows free play and the play area is enclosed by a hedge and fence line with gates.



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- ① Boulders / scrambling
- ② Sand play area
- ③ Accessible slide
- ④ Inground trampolines
- ⑤ Basket swing
- ⑥ Flat seat and cradle swings
- ⑦ Accessible sand play deck
- ⑧ Sand play house
- ⑨ Sand scooper
- ⑩ Sand play table
- ⑪ Rocker / seesaw
- ⑫ Flat table spinner
- ⑬ Nest spinner
- ⑭ Feature climbing and slide
- ⑮ Tarzan swing
- ⑯ Group swing
- Percussion play

The play equipment has been selected to provide diverse play experiences and opportunities for learning, exploration and challenge for a wide age range and for people of all abilities.

All play equipment has been selected following consultation with RBBC Greenspaces team to ensure there are no concerns around maintenance and replacement issues.





⑦ sand and mud play unit Gran Paradiso(eibe)51153001100
<https://shop.eibe.co.uk/sand-and-mud-play-unit-Gran-Paradiso/51153001100>



⑧ OASIS SAND HOUSE WITH DESK AND CRANE (Kompan) NRO528
<https://www.kompan.co.uk/playground/nature-play/robinia-sand-and-water-play/oasis-with-sand-house-with-desk-crane>



⑨ Spoon (Jupiter)50000100
<https://jupiterplay.co.uk/product/spoon/>



⑩ ROTATING SAND TABLE (Kompan)PCM501
<https://www.kompan.co.uk/playground/treststanding/sand-water-play/rotating-sand-table>



⑪ Multi see-saw (Kompan) KPL116-0412
<https://www.kompan.co.uk/playground/treststanding/seesaws/multi-seesaw-3>



⑫ Turntable 2.5m (Jupiter) 9044601250
<https://jupiterplay.co.uk/product/spinning-tumtable-2-5m/>



⑬ Trampoline crater round (Hags) TRAM8066469
<https://hags.co.uk/en-gb/playground-equipment/trampolines/play-ground-equipment-traditional-dynamic-play-equipment-trampoline/trampoline-crater-round>



13 Access Whirl (Russell play) CA-02-0001
<https://russell-play.com/products/access-whirl/>



14 Spielanlage Immenstadt (Russell play) A113
<https://russell-play.com/products/a113-spielanlage-immenstadt/>



15 Liana (Russell play) 95.190.605
<https://russell-play.com/products/liana/>



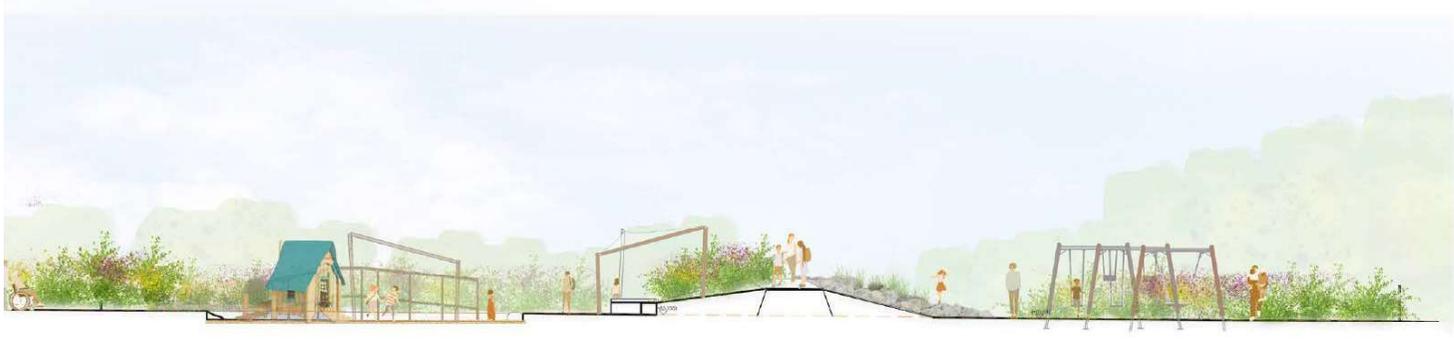
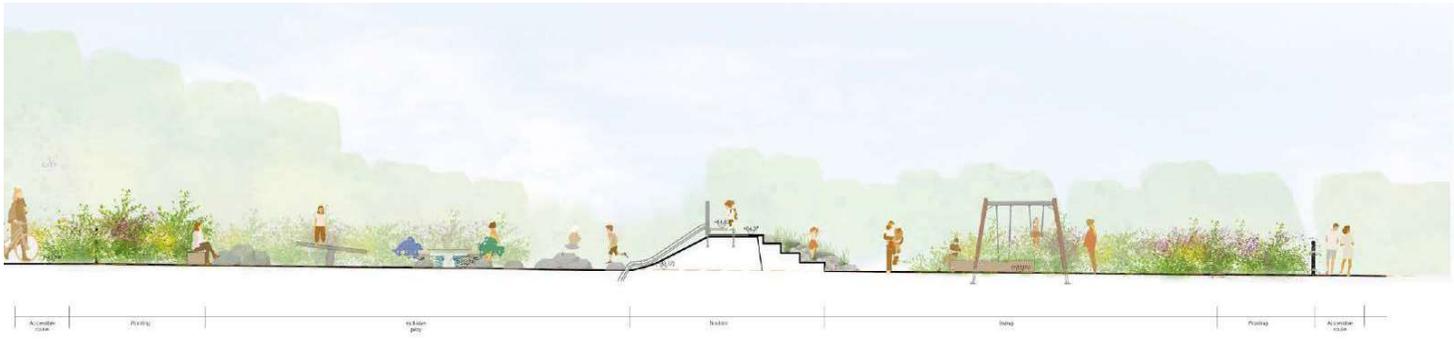
16 Viper Swing (Hags) 8062081
<https://www.hags.com/en-us/play/swings/viper>



5 Swing Kondor with nest seat Ø 100 (eibe) 51007301100
<https://shop.eibe.co.uk/swing-kondor-with-nest-seat-ØE-100/51007301100>



6 TWO SEAT SWING (Kompan) NRO904
<https://www.kompan.co.uk/playground/nature-play/robinia-swings/two-seat-swing>







- ① Youth shelter
- ② Beginners parkour area
- ③ Main Parkour area
- ④ Warm-up area
- ⑤ Tennis court
- ⑥ Muga
- ⑦ Flexible space

The consultation with the pupils from Merstham Park School and Focus Group has informed the design proposals for the Youth Space. The youth space is intended to be a unique space that contributes to the overall character of Merstham and Merstham Recreation Ground. The local school children were very keen that this space should offer something that is not found elsewhere in the borough and would instill a sense of local ownership and pride amongst the youth and young adults of the local area. The space is designed to be flexible in its use, providing a space that is non-prescriptive, whilst offering a series of challenges.

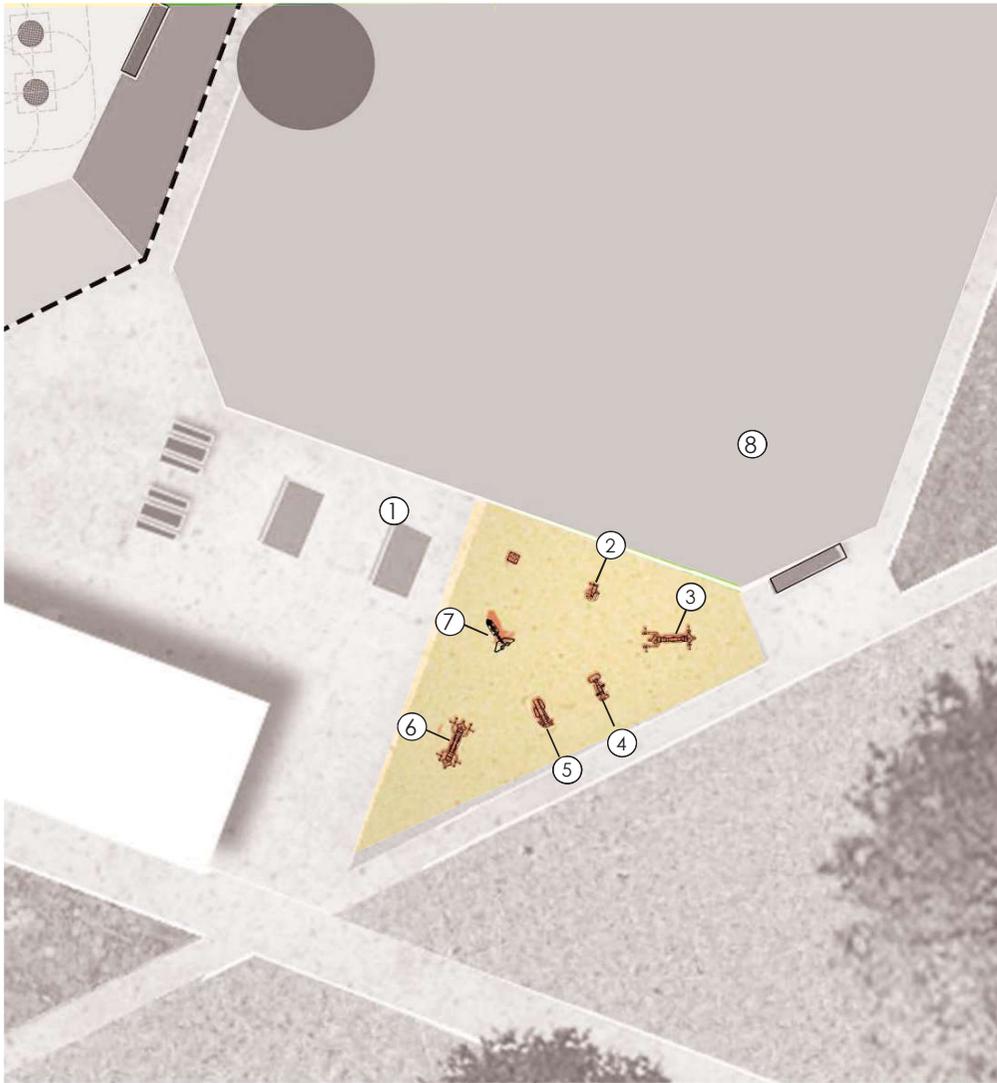
The space is given a dynamic, energetic character by the creation of a unique, site specific parkour course. Parkour is an activity that can be practiced alone or with others and is a training discipline where participants aim to get from one point to another in a complex environment in the fastest and most efficient way possible. With roots in military obstacle course training and martial arts, parkour includes running, climbing, swinging, vaulting, jumping, plyometrics, rolling, whatever is suitable for the situation.

The parkour course provides challenging, non-prescriptive opportunities for participants to link together new ways around the equipment as they start develop the skills, fitness and expertise to do so. The course is designed for people of all levels and it is intended that participants will learn and grow into the course, avoiding it becoming a simple repetitive, programmed space.

A sheltered space allows friends to meet and congregate in any weather, providing protection from rain as well a sun. The shelter is an extension of the forms created by the parkour course, and includes opportunities to sit and meet. The orientation is intended to allow clear sight lines through and around the shelter, without is feeling 'exposed' and under constant surveillance.

Being situated adjacent to the tennis court area and MUGA, the youth space creates a consolidated zone of activity and energy that creates a free flow of movement and engagement, supporting health and wellbeing from an early age. The area around the parkour course is intended to be a flexible space, that could be developed in the future for activities such as a skate area, building on the character and activity of the space.





- ① table tennis table
- ② Hand bike
- ③ Spin bike
- ④ Lat pull down/shoulder press
- ⑤ Cross trainer
- ⑥ Chest press
- ⑦ Rower
- ⑧ Flexible space

The inclusion of a new outdoor gym is integral to supporting the local residents access to a broad range of exercise activities to promote health and well-being on a wider scale. Situated at the heart of the central hub, it is intended the outdoor gym contributes to a vibrant character centred around the pavilion.

Equipment in the outdoor gym provides a range of cardio and strength building exercises suitable for young and old participants. The equipment is arranged to provide social opportunities, where people can train facing each other, whilst also providing opportunities to exercise alone.

Adjacent to the gym area are new table tennis tables, providing alternative exercise and social sport activities. Combined, it creates a hub of activity that is intended to provide better natural surveillance of both the gym and the pavilion at all times of the day.

The area to the north of the gym space is intended to be part of the layouts flexible space. Group exercise activities could take place in this area and the gym could be expanded to this space should future funding become available.



Rower



Chest press



Lat pull down/shoulder press



Cross trainer



Spin bike



Hand bike



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- ① New footpath
- ② Swale
- ③ Timber deck raised platform
- ④ High flow channel and pools
- ⑤ Existing water channel
- ⑥ Shingle beach

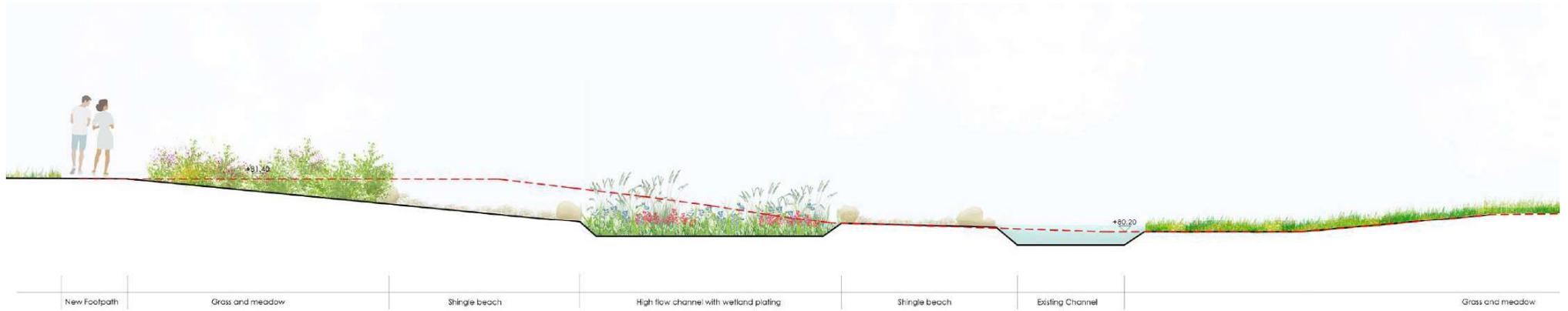
Bounded on the east and the west by water courses, there is currently no way for local residents to access these areas. Improving the sites relationship with access to water has been an integral part of the design development, led by feedback from the consultation process.

The water channel to the east is to be widened on the Recreation Ground side, creating a new high flow water course, leaving the current water channel to flow unimpeded. During high flow periods, the water channel will spill over in to the new pools. These areas will be planted with species that are drought and flood tolerant, creating new habitats for local wildlife, to improve local ecology.

Shingle beaches are created as part of these new seasonal pools, allowing residents access to the edge, providing new educational and exploration opportunities. A timber deck will also extend out over the water course providing access for all to the water during high and low level flows.

The new swales in the Recreation Ground will be connected and eventually discharge into the water channel. This may only occur during peak rain flow events as natural infiltration is expected to occur for the majority of the time.

The new path, to the east of the Recreation Ground forms part of the wider circular walking route created. In the area of the water course, it takes on a more meandering, sinuous route as it passes new woodland copse planting which helps create new quiet areas sheltered from the sports pitches.



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- ① New footpath
- ② Bridge
- ③ Seating area
- ④ Reinstated grass area
- ⑤ Moat planting

The Albury Moat site is an important gateway point into Merstham Recreation Ground and is treated with similar finishes to other parts of the site helping it to be recognised as part of the wider site.

An existing desire line, that has formed an informal path cutting across the moat site, will be formalised with a new bound path and bridges that span the moats level changes. At the centre of the path will be a new seating area which will include signage to inform people about the sites history and importance.

The existing footpath to the west and north of the site will be removed and returned to grass and planting. The moat 'dip' itself will be seeded with a new wildflower seed mix to discourage people crossing the site, better preserving the history of the sote, as well as making a better feature of the site.

These proposals have been discussed and agreed in principle with Historic England. Any detailed works and construction would be undertaken following further consultation with Historic England and securing Scheduled Ancient Monument consent.

LANDSCAPE COMPONENTS

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Robust materials

Selecting products in consultation with RBBC

Promoting a circular economy, re-using and re-purposing existing surfaces, subbases and structures where possible

Re-using felled trees in site as part of habitat creation and informal play opportunities

TO BE UPDATED



- Existing footpath to be retained
- Proposed resin bound gravel footpath
- Tarmac ballcourts with painted surface
- Shingle beach
- Timber deck walkways
- Rubber play surface
- Tigermulch play surface
- Woodchip play surface
- Sand play surface

A consistent and robust palette of materials is proposed. This drawing illustrates the key materials.

New footpaths are resin bound gravel. All routes will be step free with gentle gradients to ensure they are accessible for everyone. The new ballcourt will be tarmacadam with a painted surface to allow for a variety of sports. Play and fitness areas will generally be rubber surfacing in warm or natural colour tones. The playground features sand and bark mulch to enhance play value. The improved water channel will feature a shingle beach as an attractive amenity asset whilst maximising ecological value of the channel. Boardwalks are proposed where the new direct footpath crosses the moats of the Albury Farm Scheduled Monument.





Proposed resin bound gravel footpath



Tigermulch play surface



Rubber play surface



Timber deck walkways



Tarmac ballcourts with painted surface



Shingle beach



Woodchip play surface



Sand play surface



- Bench with steel frame & backrest
- Bench with steel frame
- Timber picnic table
- Picnic table with steel frame
- Timber boardwalk
- Table tennis
- Stainless steel cycle hoops
- Shade sail with timber posts
- Steel fence to playground
- Double gate for maintenance access
- Pedestrian gate

A simple and robust palette of furniture is proposed. Timber seating with metal supports and arm rests are located throughout the Rec along all pedestrian routes and within the play area.

Picnic tables and table tennis are located adjacent to the Pavilion providing opportunities for people to meet and play. A timber boardwalk is proposed for the improved water channel providing a location for dipping or to wildlife spotting.

The playground is enclosed by steel fencing with gates to allow pedestrian and maintenance access. Shade sails provide shade during summer months.





Bench with steel frame & backrest



Bench with steel frame & backrest



Picnic table with steel frame



Timber picnic table



Timber boardwalk



Table tennis



- Swale planting
- Woodland planting
- Wetland planting
- Wetland meadow
- Playground shrub planting
- Hedge
- Specimen trees
- Orchard trees
- Lawn

The proposed planting strategy seeks to maximise biodiversity and provide a new structure of trees and herbaceous planting which will create an attractive and varied landscape for the Rec.

New areas of woodland planting feature native woodland species which will develop into copses providing refuge for wildlife and contribute an attractive woodland character to parts of the Rec. A network of swales promote sustainable drainage and will be planting will native species and meadow which will thrive in damp conditions.

The improved water channel will feature meadow and wetland planting within the widened channel. The playground will feature low maintenance shrub planting and hedge to promote an attractive natural character and sense of enclosure. A structure of new specimen and orchard trees are proposed within the community cluster.

The Albury Farm moats will be seeded with meadow species to protect the medieval archeology and enhance biodiversity.



Swale Planting



Hedge

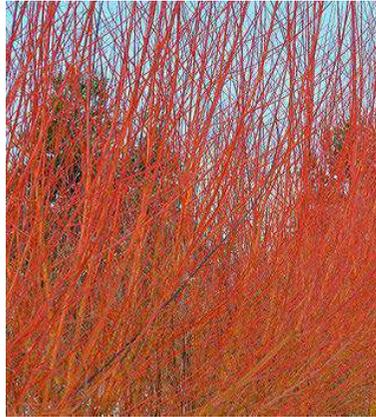


TO BE UPDATED

Playground shrub planting



Cornus sericea 'Flaviramea'



Cornus sanguinea 'Midwinter Fire'

Wetland meadow



Wetland planting



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Salix alba Chermesina



Salix viminalis

TO BE UPDATED

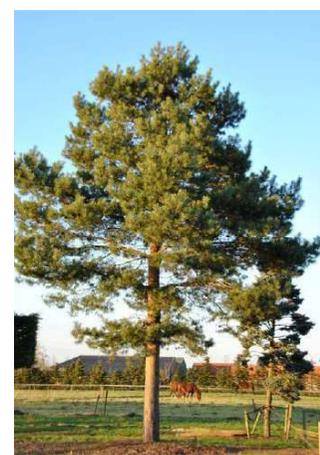
Woodland Planting



Specimen Trees



Orchard Trees



TO BE UPDATED



- Trees to be retained
- Trees to be removed

Trees retained and Removed | 4.4

Almost all the existing trees located within the Rec will be retained. A total of four trees will be removed. Two Cat. C tree will be removed on Weldon Way to the north-east of the Rec to allow a new footpath and drainage connection to be constructed. A replacement specimen tree will be planted in this location. A further two trees, a Cat. C and Cat. U will be removed adjacent to the water channel to accommodate a new footpath and woodland planting.

A full schedule of trees to be removed and retained is set out in the arboricultural assessment, included within this submission. The retained trees and their respective RPAs will be protected in accordance with the latest BS5837: Trees in relation to construction - Recommendations 2012.

○ 2nr trees adjacent to water channel to be removed



○ 2nr trees adjacent to Weldon Way to be removed





- Outdoor gym
- Trim Trail

Fitness equipment is proposed throughout the Rec to promote a broad range of exercise activities to promote health and well-being on a wider scale.

The outdoor gym is situated at the heart of the central hub, and is illustrated in section 3.8. A trim trail is proposed on the new circular route and provides an alternative location for exercise away from the central hub, as part of a health and fitness trial around the Rec.

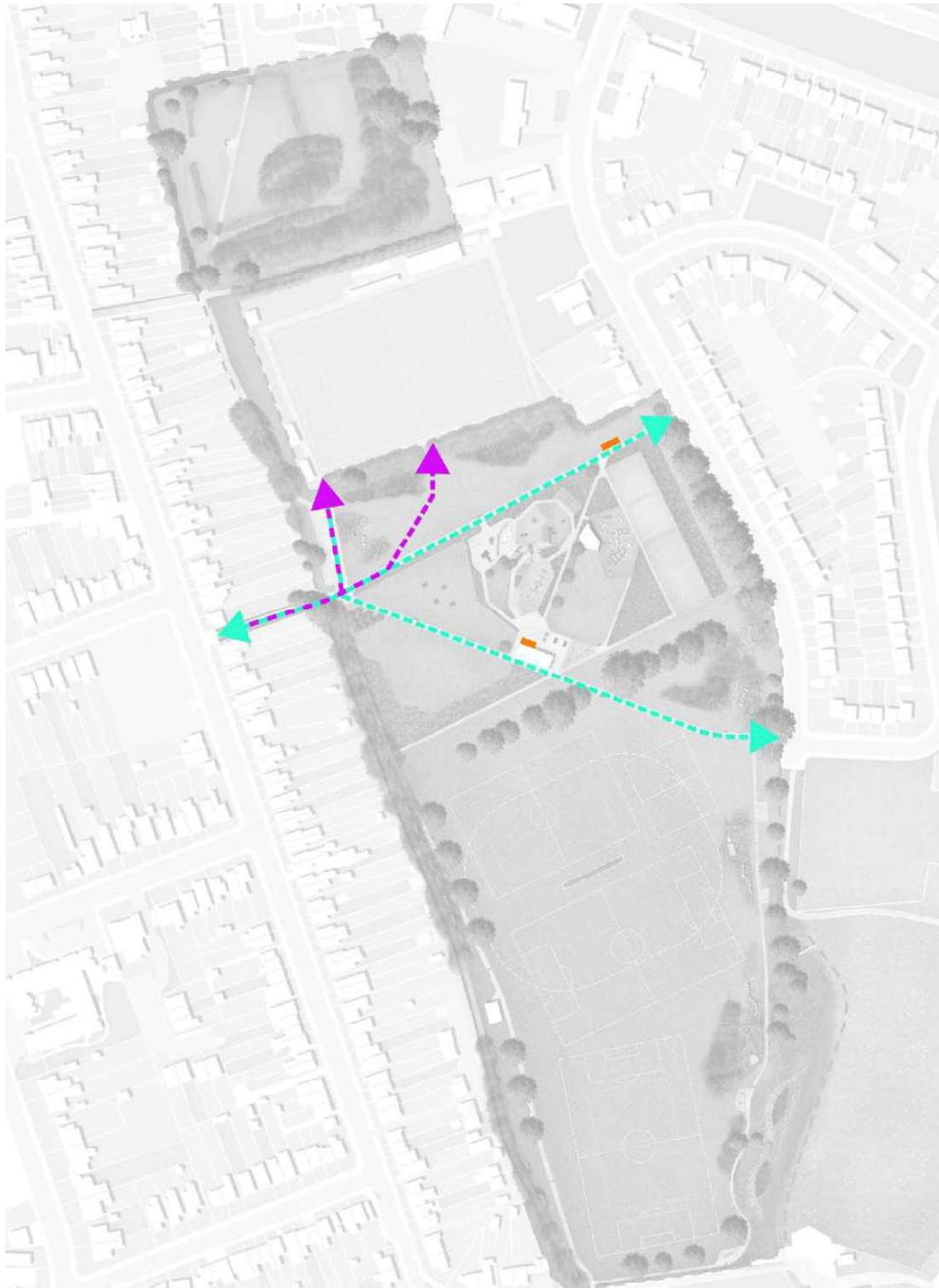
Additional sections of the trim trail could be delivered should future funding become available.

Outdoor gym



Trim Trail





- - - - - ▶ Maintenance / service vehicle routes
- - - - - ▶ Merstham Football Club maintenance access
- Proposed visitor cycle parking

Access for maintenance vehicles will be provided to service the Pavilion and provide maintenance access for the Rec and for Merstham Football Club. The existing vehicle entrance from Albury Road will be retained, along with the existing paved area to the northwest of the Rec as an informal parking area for maintenance vehicles. Two maintenance access points to the south edge of Merstham Football Club are also retained.

The new primary footpaths in the central hub will be constructed to support maintenance vehicles and allow deliveries to the new cafe kiosk. New access points for maintenance vehicles will be constructed on Weldon Way to avoid the need for vehicle turning heads within the Rec.

Merstham Recreation Ground is a local park for local residents, it is not intended to be a destination park where residents from other towns will drive to. There is no formal parking currently in Merstham Recreation Ground and the new proposals do not include new parking. It is hoped local residents will use sustainable transport methods such as cycling and walking. New cycle parking is provided adjacent to the new east-west routes and outside of the pavilion, providing twenty new cycle spaces overall.

SUMMARY

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The landscape regeneration proposals for the Merstham Recreation Ground are designed to enhance the current green space, that serves the local community, by providing a diverse range of facilities and uses for people of all ages and abilities set within a framework that allows future adaption and interventions to take place.

Reigate and Bandstead Borough Council has a clear vision to provide access to great green spaces for its residents and for Merstham Recreation Ground to be a flagship open space within the borough, captured in the brief that the design team were asked to fulfill. The brief has been a touchstone throughout the consultation, engagement and design process.

The landscape composition, diverse facilities and elements; materials, play, planting, furniture, are selected to provide a cohesive palette that contributes to the provision of 'a flagship open space', providing an environment that promotes activity, social engagement, is safe, clean, robust and evokes a sense of pride for the local residents.

Enhancement to local ecology and biodiversity are central to the design, as is providing access to nature for the users of the Rec. New woodland copses, playful swales and access to water are all new features that users will be able to enjoy.

The central hub, focussed around the new pavilion and refreshment kiosk, creates a heart to the Recreation Ground. The new framework of routes, which respond to desire lines, provides safe, clear movement into and across the site, aiding legibility without detracting from the open green nature of the site.

At the heart of the landscape regeneration proposals is the belief that Merstham Recreation Ground can provide for the needs and improve the health and well-being of the current users, to provide a beautiful, enduring and resilient setting, that will be adaptable to the requirements of the many future generations of residents and families that will grow up using Merstham Recreation Ground.

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Signed off by	Head of Planning
Author	Tanya Mankoo-Flatt, Principal Planning Development Officer
Telephone	Tel: 01737 276402
Email	Tanya.Mankoo- Flatt@reigate- banstead.gov.uk
To	Executive
Date	Thursday, 18 November 2021
Executive Member	Portfolio Holder for Planning Policy and Place Delivery

Key Decision Required	N
Wards Affected	Horley Central and South

Subject	Draft Horley Business Park Supplementary Planning Document for Consultation
----------------	--

Recommendations

- (i) The Executive approve the draft Horley Business Park Development Brief Supplementary Planning Document (SPD) for public consultation.
- (ii) The Executive authorise the Head of Planning in consultation with the Executive Member for Planning Policy to make any necessary minor factual or typographic amendments to the draft Horley Business Park Development Brief SPD draft prior to consultation.

Reasons for Recommendations

The draft Horley Business Park Development Brief SPD has been prepared in accordance with the requirement of Development Management Plan (DMP) 2019 Policy HOR9 that supplementary planning guidance will be prepared to assist with the planning and on-going functioning of this key site allocation.

The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), hereafter referred to as the "Local Planning Regulations", requires consultation on draft supplementary planning documents for at least 4 weeks prior to their adoption.

Before a local planning authority adopt a supplementary planning document it must prepare a statement ("the Consultation Statement") setting out (i) the persons the local planning

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authority consulted when preparing the supplementary planning document, (ii) a summary of the main issues raised by those persons, and (iii) how those issues have been addressed in the supplementary planning document.

Following adoption, the SPD must be made available, specifying:

- a) the date on which the supplementary planning document was adopted,
- (b) if applicable, any modifications made pursuant to section 23(1) of the Act,
- (c) that any person with sufficient interest in the decision to adopt the supplementary planning document may apply to the High Court for permission to apply for judicial review of that decision, and
- (d) that any such application must be made promptly and in any event not later than 3 months after the date on which the supplementary planning document was adopted.

Executive Summary

This report sets out the steps taken to produce the draft Horley Strategic Business Park Development Brief Supplementary Planning Document (SPD) for consultation. This new SPD is being prepared in order to provide guidance for the masterplanning of this key allocation site under Development Management Plan (DMP) Policy HOR9.

Consultation on the draft SPD is planned for at least four weeks between November 2021 and January 2022, with adoption of the updated SPD scheduled for Spring 2022.

Executive has authority to approve the above recommendations.

Statutory Powers

1. The Council has no statutory obligation to produce supplementary planning documents (SPDs) but has powers under planning legislation to adopt SPDs as appropriate, following a specified formal consultation period, and also to revoke SPDs.
2. The preparation of supplementary guidance to assist with the planning and on-going functioning of the Horley site is a requirement of Development Management Plan (DMP) site allocation Policy HOR9 ("Delivery" requirements).
3. The Planning and Compulsory Purchase Act 2004 (as amended) and the associated Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) set out the requirements for the preparation of SPDs. These include a period of public consultation on the draft SPD, which must be accompanied by an initial consultation statement setting out who was consulted in preparing the draft SPD, the main issues they raised, and how their comments were addressed in the SPD. The initial consultation statement for the draft Horley Strategic Business Park SPD is annexed to this report.

4. As required under the “Environmental Assessment of Plans and Programmes 2004”, SI 2004 No.1633 and the “Conservation of Habitats and Species Regulations 2017 (as amended)”, the Horley Strategic Business Park SPD has been “screened” to determine whether the SPD should be subject to Strategic Environmental Assessment (SEA) and / or Appropriate Assessment (AA). The Council’s opinion on both is set out in the screening statement (annexed to this report), which found that the SPD does not require full SEA and AA assessments. This was confirmed by the three statutory consultation bodies.
5. The draft SPD is compliant with the Human Rights Act 1998.

Background

6. Supplementary planning documents provide guidance to assist in implementing development plan policies. They may be used to provide guidance for development of specific sites, or on particular issues such as design. They are material considerations in planning determinations where relevant.
7. The 2019 DMP allocated this key site to contribute to meeting the employment needs of the borough and wider area in a sustainable location between Horley and Gatwick airport. The Horley Strategic Business Park Development Brief SPD has been prepared to help to guide the masterplanning and on-going functioning of this key site.

Key Information

Draft Horley Business Park Supplementary Planning Document for Consultation

8. Horley Business Park Development Brief SPD has been produced by the Planning Policy Team to assist in the masterplanning of the site. As required by DMP site allocation Policy HOR9, once adopted, the SPD will inform the production of a masterplan by the site promoter in consultation with the Council. The masterplan is to be submitted at the outline planning application, to assist the consideration of planning applications for the site’s development. As was the case with the allocation of site HOR9 in the DPD, this draft SPD has been prepared by the Council’s Planning Policy Team, retaining an “ethical wall” (an information barrier) between the Council’s interest as landowner and as local planning authority.
9. The draft SPD has been informed by desktop analysis of the site, its surrounding context, and relevant issues, as well as by correspondence and a series of workshops with representatives of interested organisations, held in the second half of 2020. The main issues raised by those consulted when preparing the draft SPD and how these issues have been addressed in the draft SPD for consultation are summarised in the initial Consultation Statement, annexed to this report. The draft SPD has also been informed by recent evidence commission by the Council’s Planning Policy Team from experts in the fields of town planning / site development and urban design / masterplanning. These two studies are also annexed to this report.

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As referenced in the DMP (paragraph 3.3.167) Chilmark Consulting was commissioned by the Council's Planning Policy Team some five years ago to provide evidence on the suitability of allocating the Horley site for a strategic business park. The published Chilmark 2017 evidence study informed the DMP site allocation Policy HOR9.

10. Given the time passed, the Planning Policy Team again commissioned Chilmark Consulting, this time to:

- consider the current market demand for the type and scale of accommodation envisaged in DMP paragraph 3.3.167 (the site allocation policy itself does not include floorspace quanta) including in light of Brexit and the pandemic.
- extend the employment forecast to 2045 considering the likely build-out period (Chilmark's 2017 Report considered the period to 2035), and
- assess the potential economic impact of the business park on Horley and Crawley town centres, existing employment areas and existing and committed business parks nearby.

The findings are presented in Chilmark Consulting's "Horley Strategic Business Park Economic and Market Assessment: Market Demand and Supply and Economic Effects" (Feb 2021), annexed to this report.

11. David Lock Associates were commissioned to provide design / masterplanning advice on how the site might be developed to achieve sustainable, well-planned growth that contributes to the local area and maximises the opportunity presented. Their "Horley Business Park: Design Principles and Options" (March 2021) sets out design principles for the development of the site, and design and massing options to support the SPD. The David Lock study is annexed to this report.

12. At least four weeks of statutory consultation on the draft SPD is planned for between November 2021 and January 2022, which, as well as meeting the Council's statutory requirements, will additionally include sending letters to local addresses around the site. Following public consultation on the SPD, a summary of the main issues raised and how they have been addressed in the SPD for adoption, will be provided in a final consultation statement. The finalised SPD is planned to come back to the Executive in Spring 2022 with a recommendation for adoption.

Options

13. Recommendation 1: The Executive approve the draft Horley Business Park Development Brief Supplementary Planning Document (SPD) for public consultation.
- a. Option 1: approve the draft SPD for public consultation. This option is recommended as it would assist in the planning and on-going functioning of the allocated development site.
 - b. Option 2: do not approve the draft SPD for public consultation. This option is not recommended as it may result in wasted time and

14. Recommendation 2: The Executive authorise the Head of Planning in consultation with the Executive Member for Planning Policy to make any necessary minor factual or typographic amendments to the draft SPD draft prior to consultation.
 - a. Option 1: Agree to the suggested authorisation for making any minor amendments prior to consultation. This option is recommended to ensure the best presentation and accurate draft SPD for consultation.
 - b. Option 2: Do not agree to the suggested authorisation for making any minor amendments prior to consultation. This option is not recommended, as it could result in inaccuracies being present in the draft SPD for consultation.

Legal Implications

15. The Local Planning Regulations require the draft Horley Business Park Development Brief SPD to be subject to at least four weeks consultation, and to be updated as required in response to the comments received, and other relevant matters, before adoption.
16. As required by relevant legislation, the draft Horley Strategic Business Park SPD has been “screened” to consider whether SPD needs to be subject to Strategic Environmental Assessment (SEA) and / or Appropriate Assessment (AA) under the Habitats Regulations.
17. The screening found that the SPD does not require full SEA and AA assessments, and opinion which was confirmed by the three statutory consultation bodies. The screening statement is annexed to this report.

Financial Implications

18. The costs of the public consultation and subsequent adoption of the SPD will be met from existing Planning and Facilities (printing) revenue budgets.

Equalities Implications

19. The draft Horley Business Park SPD does not introduce new policies nor requirements, instead it provide guidance to the implementation of DMP policies, in particular to Policy HOR9.
20. In accordance with the Council’s Public Sector Equality Duty, an Equalities Impact Assessment (EqIA) screening was undertaken for the pre-submission DMP (at the Regulation 19 stage). This identified no negative equalities impacts, and identified positive equalities in relation to older people, younger people and children, disability, pregnancy and maternity, racial and specific ethnic groups. An updated EqIA was then prepared in respect of the DMP for adoption (including the Main Modifications proposed by the Inspector). This similarly identified no negative equalities, but further positive outcomes.

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21. Given that no negative equalities impacts were identified for the DMP, a full EqlA is not required for this SPD, which provides guidance on implementation of the adopted Core Strategy and DMP Policies.

Communication Implications

22. A formal communication plans is not considered necessary for the Horley SPD, as its preparation is governed by clearly defined requirements set out in Local Planning Regulations and supplemented by the Council's adopted Statement of Community Involvement (SCI), both background papers to this report, subject to Covid legislation restrictions in place at the time.
23. Being a site-specific SPD, it is considered appropriate to also include more targeted consultation and publicity to the Horley town centre and south area in order to elicit views and comments on the draft Horley SPD. As relevant, this may include the involvement of Horley Town Council (whose members' informal comments have informed the draft SPD).

Environmental Sustainability Implications

24. The development of a primarily greenfield site for a strategic business park with related facilities and a new public open space will have implications for environmental sustainability. In producing the draft SPD for consultation, the Council involved specialist consultations, David Lock Associates, who amongst other issues, advised on general and site-specific principles for developing the site with regards to water, green infrastructure and biodiversity, open space, sustainable design and construction, and sustainable movement (including maximising opportunities for using active travel to the site). The Council's Sustainability Project Officer also provided suggestions for the draft SPD relating to biodiversity, water, energy efficiency / renewables, and transport, which have been incorporated wherever possible in the draft SPD for consultation.
25. The Initial Consultation Statement, provided at Annex 3 to this report, that will accompany the draft SPD for consultation includes summaries of the environmental sustainability issues raised, considered, and incorporated in the draft SPD for consultation. The draft SPD also includes the need for the site's master-planners to consider and comply with the relevant sections of the Council's Climate Change and Sustainable Construction SPD 2021.
26. The Council has "screened" the emerging draft SPD for both Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA), which both concluded that neither a full SEA nor Appropriate Assessment under the Habitats Regulations are required. The Screening Statement was shared with the relevant statutory organisations, who all confirmed the Council's view (see "Legal Implications" section above).

Risk Management Considerations

27. No risk management considerations have been identified in relation to this SPD.

Other Implications

28. No additional implications to be aware of.

Consultation

29. Details of the informal consultation in preparing the draft Horley Business Park SPD for its formal consultation are set out in the initial consultation statement annexed to this report.
30. As set out above, the formal consultation on the draft Horley SPD will additionally include a targeted approach to the area around the site, relevant to a site-specific SPD.
31. The informal consultation, and the formal consultation, have and will comply with the relevant legislative requirements, including the Council's "Community Involvement in Planning" 2019, published on the Council's website (see Background Documents), subject to Covid legislation limitations in place at the time.

Policy Framework

32. Supplementary planning documents are optional for the Council to produce and are not part of the Council's Policy Framework under the existing Constitution.

Background Powers

1. Corporate Plan 2015-20 - http://www.reigate-banstead.gov.uk/council_and_democracy/about_the_council/plans_and_policies/corporate_plan/index.asp
2. Planning and Compulsory Purchase Act 2004 (as amended)
3. Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)
4. Environmental Assessment of Plans and Programmes Regulations 2004
5. Conservation of Habitats and Species Regulations 2017 (as amended)
6. National Planning Policy Framework (NPPF) 2019
7. Planning Practice Guidance (PPG)
8. Reigate and Banstead Development Management Plan (DPM) 2019
9. Reigate and Banstead Community Involvement in Planning 2019

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Annexes

Annex 1: Draft Horley Business Park Development Brief Supplementary Planning Document (SPD)

Annex 2: Draft Horley Business Park SPD Initial Consultation Statement

Annex 3: Horley Business Park Development Brief SPD Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) Screening Statement

Annex 4: Chilmark Consulting (Feb 2021) “Horley Strategic Business Park Economic and Market Assessment: Market Demand and Supply and Economic Effects”

Annex 5: David Lock Associates (March 2021) “Horley Business Park: Design Principles and Options”



Horley Strategic Business Park Development Brief Supplementary Planning Document

Draft for Consultation

November 2021



This document is available in **large print** or another language on request.

Ten dokument jest dostępny w języku polskim na życzenie.

Este documento está disponível em português a pedido.

Ce document est disponible en français sur demande.

Ang tekstong ito ay magagamit sa Filipino kapag hiniling.

Este documento está disponible en español bajo pedido.

Contact the Planning Policy Team at ldf@reigate-banstead.gov.uk or

Phone **01737 276 178**

SMS **07834 626468** if you are deaf or hard of hearing

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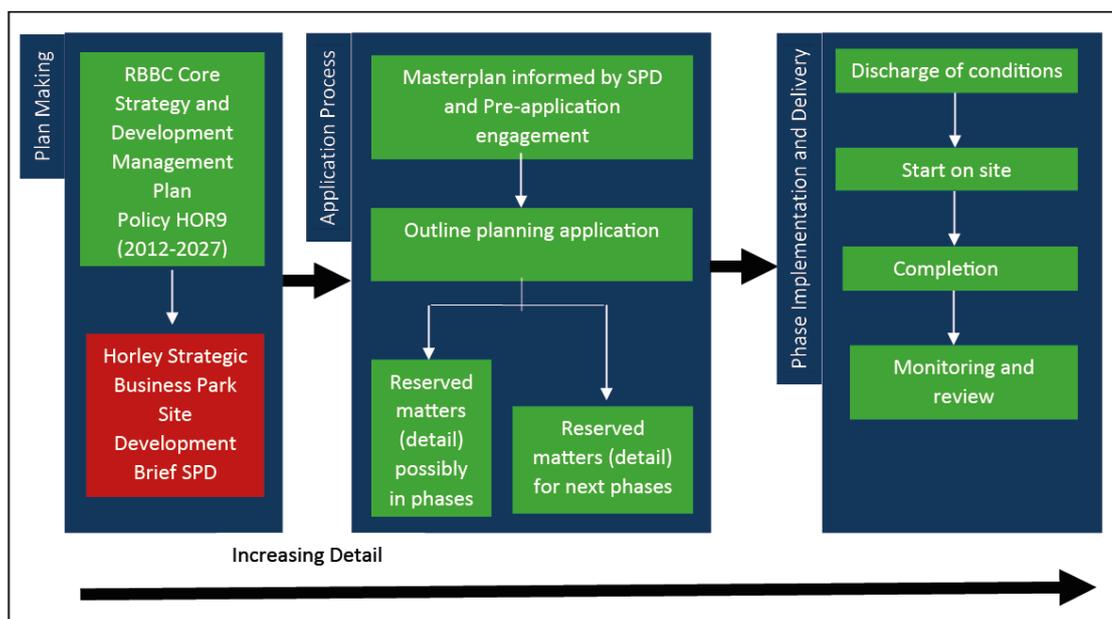
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Section 1: Introduction

a) Purpose of this Supplementary Planning Document

- 1.1 Reigate & Banstead Borough Council (the Borough Council) adopted its Development Management Plan (DMP) in September 2019. As explained in the “Policy Context” section below, a key site allocation of the plan is the DMP site allocation Policy HOR9 Horley Strategic Business Park.
- 1.2 This Development Brief has been prepared as a Supplementary Planning Document (SPD). It is therefore not part of the borough’s development plan, does not introduce new policy, and is not prescriptive. It provides guidance on the Borough Council’s key development plan policies relevant to the development of the site, in particular, DMP Policy HOR9. On adoption, the Development Brief SPD will be a material consideration in assessing development proposal for the site.

Figure 1: Context of the SPD in the site’s development



- 1.3 The Borough Council’s Planning Policy Team has produced this Development Brief SPD to assist with the planning, delivery, and on-going functioning of the Horley Strategic Business Park, as is required by DMP Policy HOR9. The SPD provides guidance and illustrative scenarios to inform preparation of the site owners and promoter’s masterplan in consultation with the Borough Council as local planning authority, as which is required by policy HOR9 to accompany and inform planning applications for the site’s development. It will also help other interested organisations and consultees to have a more comprehensive appreciation of the issues.

- 1.4 This SPD will help the site's landowners and developers achieve the successful development of the site in a manner which delivers the policy requirements and supports the sustainable economic, social, and environmental future of the site and the wider area.
- 1.5 The SPD has been prepared by the Borough Council's Planning Policy Team, in accordance with the requirements of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), hereafter referred to as the "Local Planning Regulations".
- 1.6 The Borough Council is required by law to prepare, and to review every 5 years, a "Statement of Community Involvement" (SCI). A SCI must set out how and when the Borough Council will involve the community and other stakeholders regarding planning matters. The Borough Council's current SCI was adopted in April 2019 and sets out the requirements for the preparation of planning policy documents, including this SPD, and the consideration of planning applications. You can use [this link to view the R&B Council's SCI April 2019](#). The SCI's Figure 3 summarises the stages in preparing SPDs such as this. The Borough Council's Planning Policy Team has considered the requirements of its SCI, as well as the Local Planning Regulations in preparing this SPD.
- 1.7 As required under the "Strategic Environmental Assessment Regulations 2004", SI 2004 No.1633 and the "Conservation of Habitats and Species Regulations 2017 (as amended)", the Horley Strategic Business Park SPD has been "screened" to determine whether the SPD should be subject to Strategic Environmental Assessment (SEA) and / or Appropriate Assessment (AA). The Council's Planning Policy Team's opinion on both is set out in its SEA/HRA screening statement, which found that the SPD does not require full SEA and AA assessments. This was confirmed by the three statutory consultation bodies.
- 1.8 Preparation of this draft SPD has been informed by the key relevant DMP Policy, HOR9 and its Explanation text and other relevant plan policies, Planning Policy officer's desk top work; workshops with various officers, councillors, locals, and written input from infrastructure providers; and consultants' Economic Demand and Impacts, and Design reports.
- 1.9 The comments and issues raised by various interested organisations that have been involved in the drafting of this SPD, and how their comments have been addressed, are summarised in the Initial Consultation Statement accompanying the draft SPD consultation.
- 1.10 Key input to the SPD is acknowledged from specialist design and economic consultants David Local Associates and Chilmark Consulting. The key findings of both of their reports are presented in this SPD, and the full reports are available for reference alongside the consultation draft SPD.

- 1.11 **Chilmark Consulting's** "*Horley Strategic Business Park Economic and Market Assessment: Market Demand and Supply and Economic Effects*" (February 2021), confirmed key issues relation to the likely demand for additional floorspace for employment and supporting uses in this location; and potential impacts on Horley and Crawley town centres, existing employment areas nearby, and on existing and committed business parks nearby. [You can use this link to view Chilmark Consulting's 2021 Horley Strategic Business Park report on the Borough Council's website.](#)
- 1.12 **David Lock Associates** was commissioned by the Borough Council's Planning Policy Team to produce "*Horley Business Park: Design Principles and Options*" (March 2021). This report was commissioned to consider the opportunities and constraints presented by the site's development allocation, to set out a series of "Design Principles" that will guide the site's masterplan and development, and finally, to present "Design and Massing options" as potential scenarios to consider for the development of the site. [You can use this link to view David Lock Associates 2021 Horley Business Park report on the Borough Council's website.](#)
- 1.13 In accordance with the "Local Planning Regulations" (Regulations 12 and 13), the Borough Council will invite comments on this draft SPD over a period of at least four weeks. All representations received during this formal consultation period will be taken into consideration in the visual and marketing preparation of the final SPD. Once adopted, the SPD will be used by the site owners and promoters to inform the masterplan which they are required by DMP Policy HOR9 to prepare in consultation with the Borough Council, and to submit at the outline planning consent stage to inform the planning application, as well as the planning application itself.
- 1.14 The Development Brief SPD establishes a Vision for the site; provides guidance to inform the masterplan that the developers are required to submit at the outline planning application stage; and includes design principles to help assist in the design of development and its delivery.

Section 1 of this SPD provides the introduction and policy context for this SPD.

Section 2 summarises the main features of the site, its context in the surrounding area, and the key constraints, challenges, and opportunities to its development.

Section 3 is the Vision for the site.

Section 4 sets out the key masterplanning considerations for the site, including design principles.

Finally, *Section 5* highlights the key issues in delivering Horley Strategic Business Park, the new public open space and the supporting uses.

b) Policy Context

- 1.15 The Horley Strategic Business Park is identified and allocated for development in

Reigate & Banstead Local Plan: Development Management Plan (DMP)
September 2019 Policy HOR9 to provide:

- A strategic business park of predominantly offices
- A complementary range of commercial, retail and leisure facilities to serve and facilitate the main business use of the site and
- At least 5ha of new high quality public open space, including parkland and outdoor sports facilities.

1.16 Located south of Horley and north of Gatwick Airport and Crawley, the site is in a key strategic location with direct access to the Gatwick Airport, the strategic road network (J9A of the M23 spur road) and rail. The allocation of this site for a high-quality strategic business park is proposed to meet the strategic office needs of the borough and of the adjoining Crawley borough and wider Gatwick Diamond economic sub-region, which would otherwise be unmet. This will help to strengthen the economic role of this sub-region.

Figure 2: Horley Strategic Business Park site allocation area Policy HOR9
Source: Reigate & Banstead Development Management Plan (Sept 2019)



Reigate and Banstead Local Development Plan and Planning Guidance

1.17 Reigate & Banstead borough's Core Strategy 2014 (Reviewed 2019) is the

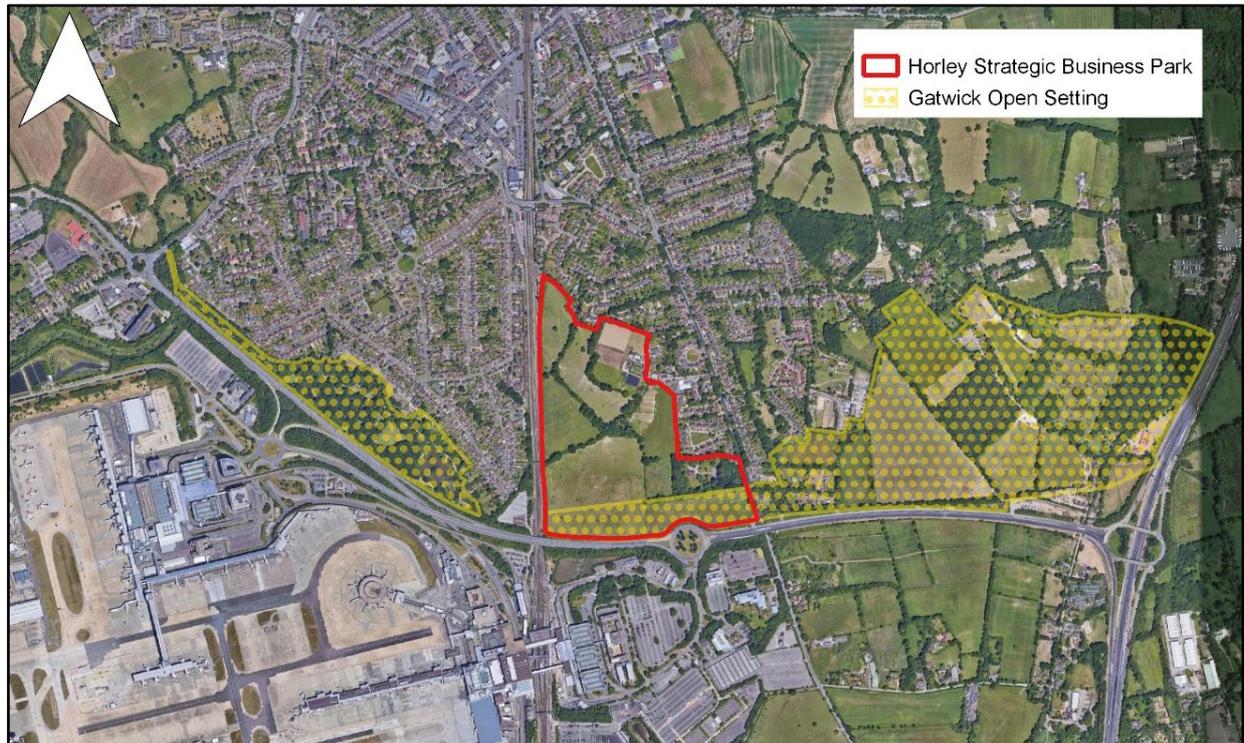
first part of the borough's development plan (also known as a local plan). It sets out the broad quantum of development planned for the borough over the 15-year plan period of 2012 -2027, based on identified needs and constraints to achieve a sustainable development strategy.

- 1.18 The Explanation to Core Strategy Policy CS5 *Valued People and Economic Development* (paragraphs 5.5.6, 5.5.8 and 5.5.11) provides the context to why this site is suitable for a strategic business park. This includes its location in the Gatwick Diamond and its proximity to Gatwick Airport. This includes potential for identification of a strategic employment development through joint working with other authorities, and potential for production of an SPD.
- 1.19 The borough's **Development Management Plan (DMP) 2019** provides detailed policies and site allocations to deliver the Core Strategy's strategic framework. DMP Policy HOR9 'Horley Strategic Business Park' outlines the specific requirements and considerations for the development of the strategic business park. [You can use this link to view Reigate & Banstead Borough Council's Local Development Plan on the Borough Council's website.](#)
- 1.20 As well as Policy HOR9, a number of other DMP policies are relevant to the development of this site. The relevant policies and their requirements are summarised below, although the full DMP Policy with its supporting Explanation must be considered in drawing up the masterplan and development proposal.
- Policy EMP5 *Local Skills and Training Opportunities* details the requirements for employment skills and training for new employment developments.
 - Policy RET5 *Development of Town Centre Uses Outside Town and Local Centres* outlines criteria that need to be taken into consideration in impact assessments for town centre uses outside town and local centres.
 - Policy DES1 *Design of new development* recognises that the character and local distinctiveness of the borough is part of what makes the borough special and therefore details the design criteria for new development.
 - Policy DES8 *Construction Management* recognises that the construction phase of development can have a detrimental impact on the amenity and safety of neighbours and highway users if managed ineffectively and therefore outlines the construction management requirements for developments.
 - Policy DES9(2) *Pollution and Contaminated Land* recognises that in areas of poor air quality (identified as Air Quality Management Areas), development must be designed to minimise the users' exposure to air pollution, both internally and externally. Policy DES9(3) requires residential development proposals to include a full noise impact assessment, which may potentially be relevant for any hotel proposed on the site.

- Policy OSR2 *Open Space in New Developments* and OSR3 *Outdoor Sport and Recreation* outline the requirements for open space provision in the borough.
- Policy TAP1 *Access, Parking and Servicing* recognises that new development has a role to play in ensuring that the increased demand for travel arising from development does not adversely affect the efficiency and safety of the local transport network. It therefore outlines the requirements for access, parking and servicing for new development.
- Policy CCF1 *Climate Change Mitigation* recognises that the borough has a role to play in mitigating climate change and therefore encourages the use of sustainable construction methods and materials and outlines the energy requirements required as part of new developments.
- Policy CCF2 *Flood Risk* outlines the climate change allowances and flood risk considerations that need to be taken into consideration as part of new developments.
- Policy NHE1 *Landscape Protection* requires development proposals located between Horley and Gatwick Airport to comply with a number of requirements (including ensuring that a physical break is maintained between Horley and Gatwick Airport) and outlines a number of more general landscape criteria that development proposals are required to comply with.
- Policy NHE4 *Green and Blue Infrastructure* requires new development to take into consideration green and blue infrastructure, appreciates that green and blue infrastructure supports economic development and recognises that green and blue infrastructure can extend across administrative boundaries.
- Policy INF1 *Infrastructure* provides detail on the infrastructure requirements required as part of new developments.
- Policy INF2 *Community Facilities* requires new community, sports and recreational facilities to have no adverse impact on residential amenity or the character of the area.
- Policy INF3 *Electronic Communication Networks* requires all new development to be connected with high speed and reliable broadband.
- Policy NHE1 *Landscape Protection* designates a strip of land 111 metres wide along the southern site boundary abutting the M23 spur road and A23 Airport Way as “*Gatwick Open Setting*”. This is reflected on the policies map with the designation of Gatwick Open Setting. The Policy requires development proposals between Horley and Gatwick to have regard to the open setting of Gatwick Airport consistent with adopted planning policies in adjoining areas.

- Policy NHE1(3) requires development proposals located between Horley and Gatwick Airport to ensure that a physical visual break is retained to reinforce the identity and separateness of the settlement of Horley from Gatwick Airport and Crawley. This can be achieved through the protection and intensification of existing tree and hedgerow belts and other landscape measures including introducing a suitable and distinct landscape buffer to reinforce the identity and separateness of Horley from Crawley and Gatwick Airport.

Figure 3: Gatwick Open Setting



- 1.21 The Borough Council's [Climate Change and Sustainable Construction SPD September 2021](#) can be viewed using [this link](#). It provides guidance on the application of a number of CS and DMP, including Policies CS4 *Valued Townscapes and the Historic Environment*; CS10 *Sustainable development*; Policy CS11 *Sustainable Construction*; Policy CS17 *Travel Options and Accessibility*; as well as DMP Policies CCF1 *Climate Change Mitigation*; NHE4 *Green and Blue Infrastructure*; NHE9 *Heritage Assets*; DES1 *Design of New Development*; DES8 *Construction Management*; DES9 *Pollution and Contaminated Land*; and TAP1 *Access, Parking and Servicing*. All relevant elements of the Climate Change SPD will need to be considered in drawing up the site's masterplan, some of the key implications for those preparing the masterplan and planning application(s) are summarised in Section 5c) below.
- 1.22 All other Supplementary Planning Documents guidance adopted by the Borough Council that is relevant to the preparation of a masterplan and planning applications for the site should be considered. [You can view these guidance](#)

[documents using this weblink.](#)

- 1.23 Other than the DMP site allocation, there is no significant relevant planning history for this site.

Other Council Plans and Strategies

- 1.24 The Borough Council's current corporate plan, *Reigate and Banstead 2025: Our Five Year Plan (2020)*, sets out the Borough Council's priorities for the five year period 2020-2025. The plan includes the objective of driving the continued economic prosperity of the borough, facilitating improved business infrastructure, and confirming the borough's reputation as a great place to do business. In order to do this, the Borough Council will work with partners to progress the Borough Council's plans for Horley Business Park, supported by infrastructure (including new road access, bus, walking and cycling routes, and a new public park), and other investment and benefits for the local area (such as jobs for local people including during construction). The plan also includes a commitment to act in an environmentally responsible way. [You can use this link to view the Borough Council's five-year plan for the borough.](#)
- 1.25 Reigate & Banstead agreed its *Environmental Sustainability Strategy and Action Plan* in 2020. This Strategy document explains how the Borough Council can and will achieve positive environmental change across the borough, working with residents, communities, businesses, and other partners. The Strategy is supported by an Action Plan which sets out actions that the Borough Council will take within its own areas of responsibility to contribute towards environmental sustainability objectives, including through planning policy and processes. Actions include promotion of renewable energy, minimising reliance on person car, increasing the area of soft landscaping, and limiting negative impacts to the wider environment. You can [view the Borough Council's Environmental Sustainability Strategy and Action Plan using this link.](#)

Other Relevant Strategies

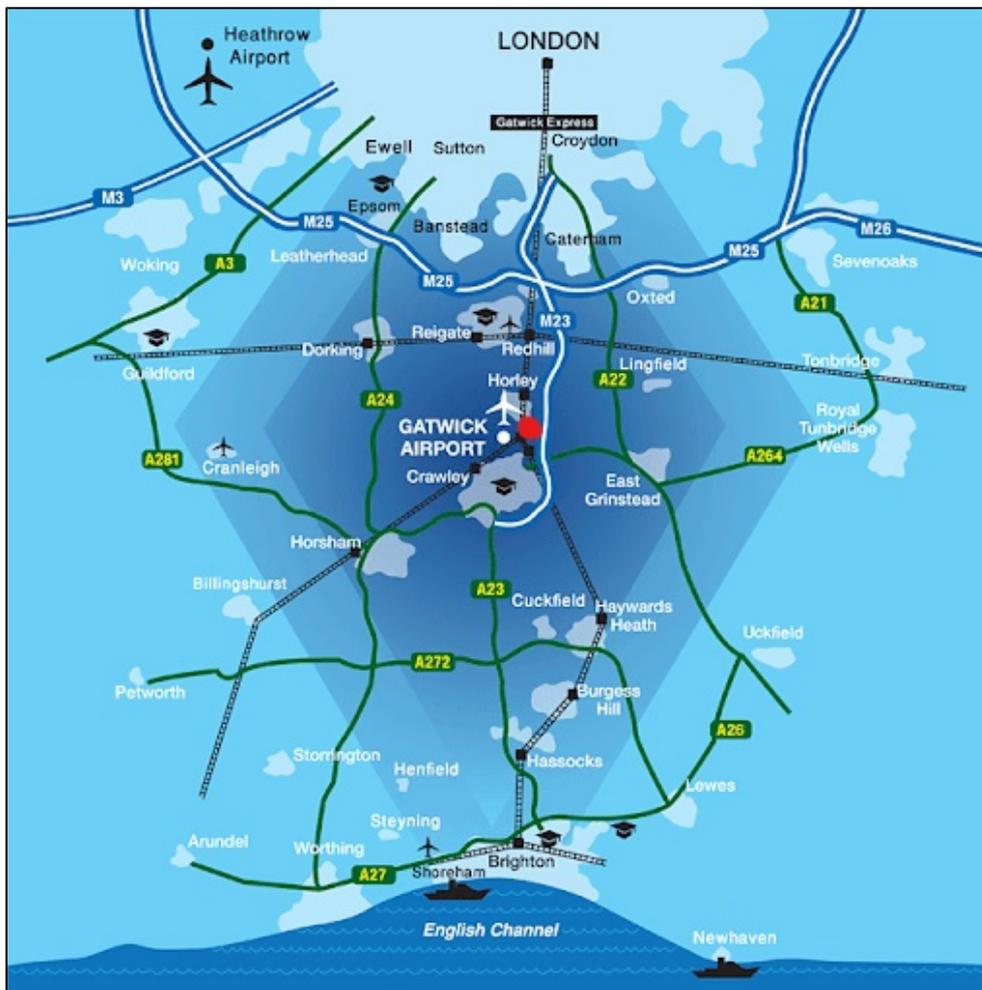
- 1.26 Reigate & Banstead borough lies within the **Coast to Capital Local Economic Partnership** (LEP) area, which has the strongest regional economy in the UK outside of London. The LEP's Strategic Economic Plan for 2018 to 2030 is "*Gatwick 360°*". You can [view the Gatwick 360° Strategic Economic Plan on the Coast to Capital LEP's website using this link.](#) The LEP area is a network of functional economic hubs. Its strong economy partly reflects the competitive advantage of having Gatwick Airport at its geographic and economic heart.
- 1.27 As the second busiest airport in the UK, Gatwick Airport is a key economic driver in the Coast to Capital LEP area. It is recognised by the LEP's Strategic Economic Plan as a main focus for future economic growth, including its role as a

vital gateway for trade which will be key in growing the area's economy after leaving the European Union. The LEPs' Vision for the local economy is to "become the most dynamic non-city region in England, centred around a highly successful Gatwick airport" by 2030.

- 1.28 Located between London and the South Coast and centred on Gatwick Airport (see Figure 4 below), the **Gatwick Diamond Initiative Area** is a vibrant, dynamic and innovative business location that includes areas of East Surrey and West Sussex. The Gatwick Diamond Initiative is a business-led strategic partnership focused on creating the right conditions for sustainable economic growth. With one of the strongest regional economies in the UK, its location gives companies the competitive edge they need to grow in a global marketplace.

Figure 4: Site location within the "Gatwick Diamond" Area

Image Credit: www.gatwickdiamond.co.uk



- 1.29 Companies located in the Gatwick Diamond have easy access to the rest of the UK, and to global markets and key suppliers. The area has a strong communications infrastructure including an international airport, international road, rail and sea links and high-speed broadband access. Many innovative companies have chosen the location for their national and regional headquarters,

with particular representation in the sectors of advanced manufacturing, digital economy including data services and E-commerce, environmental technologies, aviation, financial and professional services, and innovative small companies.

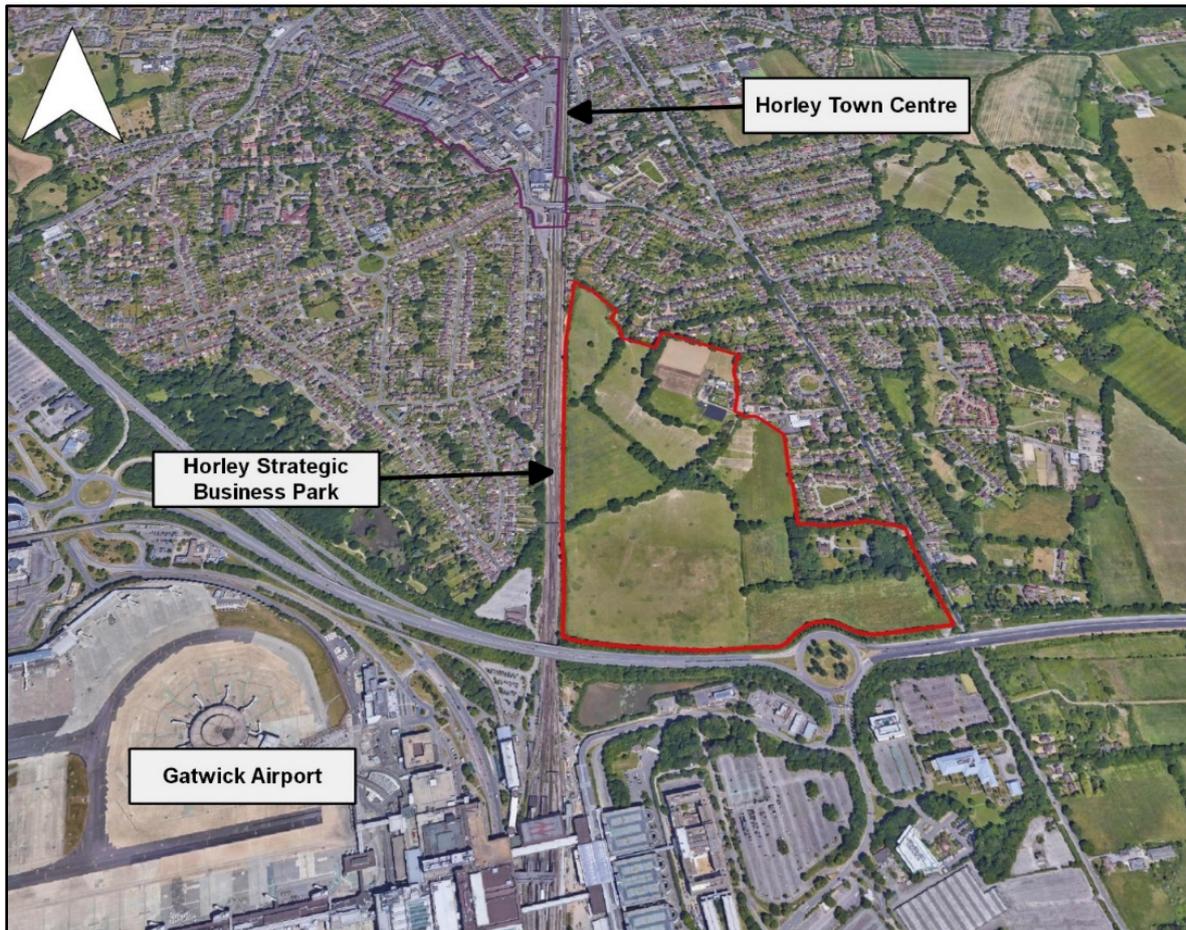
- 1.30 The LEP's economic priorities include to establish a new University focus on business innovation in high growth areas such as the Gatwick Diamond or Croydon in order to strengthen the research and innovation opportunities in those areas. It is acknowledged as an ideal location in which to establish an international headquarters or UK office, open up a research and development centre, establish service facilities, or to start a new business or relocate a growing business.
- 1.31 Due to its strategic location, requirement for high quality business accommodation and unique supply chain opportunities, this business park development site provides an attractive location to local, national, and international businesses, recognised by the Gatwick Diamond Initiative.
- 1.32 The development of this site for a strategic business park has potential to attract world leading businesses to the area, and to raise competitiveness and profile of the borough and of the wider region. The site's development for a business park with complementary supporting uses has potential to create approximately 11,000 Full Time Equivalent (FTE) new jobs in both the office market and the complementary uses, such as food and drink outlets, once the business park is operational, with approximately 4,600 FTE construction jobs during its construction phase.

Section 2: Site Analysis

a) Site Context

- 2.1 Reigate & Banstead extends between Croydon and Sutton on the edge of London to the northern edge of the M23 Gatwick spur road in the south. The borough benefits from enviable road and rail links to central London, the South Coast and the wider South East, and national and international destinations via the A23/M23 corridor, Brighton mainline and the North Downs line, the M25 and Gatwick Airport. The borough is generally very pleasant, with attractive countryside and landscape, four distinctive towns, and a range of smaller settlements. The locational advantages offered by the borough have attracted many national and international companies, including the headquarters of ESure, and Scotia Gas Network Ltd.
- 2.2 Horley town is home to approximately 22,000 people. Due to its excellent transportation links, vibrant community, and access to beautiful countryside, it is an attractive area for people to live, work and invest. The town is one of the borough's major growth areas planned under previous borough Local Plans, which included the Horley Masterplan identifying two new neighbourhoods at north east and north west Horley.
- 2.3 The Horley North East Sector (known as "The Acres") was completed around providing approximately 710 homes and the Horley North West Sector (known as "Westvale") is under construction which will deliver approximately 1,500 homes. Along with more minor site allocations in the DMP, the total growth of Horley will be approximately 2,500 new homes in Horley.
- 2.4 Horley Town Centre is identified by Policy CS6 of the Borough Council's Core Strategy 2014 as a priority location for development and regeneration. Detailed plans were adopted in the Horley Town Centre SPD 2006. Within Horley town centre, a number of developments have recently been completed, including the award-winning Russell Square development providing 90 new apartments and 1,100sqm of commercial space providing cafés, restaurants, and public library.
- 2.5 Town Centre regeneration plans are also in progress, with four planned projects being delivered as part of "Delivering Change in Horley Town Centre". These improvement projects are refurbishing the 1905 subway between the High Street and Station Approach; improvements to the High Street such as street furniture, landscaping and planting and signage; installation of pay-on-exit car parking at the Victoria Road Car Park and Central Car Park; and re-developing the High Street car park to provide new homes and other uses.

Figure 5: Site location context map



2.6 The Horley Strategic Business Park site is located in the borough of Reigate & Banstead, adjoining the administrative boundary of Crawley Borough Council along the north of the A23/M23 Gatwick spur road. The site is approximately 15 minutes' walk south from Horley town centre and north from Gatwick Airport.

Figure 6: View of the site from M23 spur road



2.7 The site is bounded to its south by the M23 Gatwick spur / A23 Airport Way and J9a Airport Way Roundabout; to west by the Brighton Mainline railway line; Balcombe Road (B2306) and the residential cul-de-sacs and crescents off it to the east; and the residential cul-de-sacs and crescents off Victoria Road to the north.

Figure 7: View of the site’s western boundary to the railway line looking north



2.8 Horley is situated on the Wealden Clay Vale, underlain by river terrace deposits, an area of generally flat open landscape. The underlying geology of the Weald lacks hills to provide local features or landmarks, and generally the area now lacks extensive woodland. As a result, buildings become the area’s landmarks, particularly the taller or larger ones such as farm complexes.

Figure 8: Balcombe Road looking south



- 2.9 The site is fairly low-lying and level, with approximately 1m difference between its highest and lowest point in the northern part of the site. It is within the Low Weald landscape of clay geology which is dissected by the River Mole and its catchments, including the Burstow Stream. The lower lying parts of the site in the north and north east are subject to surface water flooding, as are parts of the residential streets to the north.
- 2.10 The site is currently predominantly greenfield and undeveloped. Most of the land is used for grazing and equestrian uses, with mature field boundaries of well-established long-standing trees and hedges. Bayhorne Farm is an agricultural holding in the north east of the site which Surrey County Council leases to a tenant.
- 2.11 Meadowcroft House is an Edwardian building set in approximately 1.2 hectares of grounds with a surface car park for around 40 cars. It currently provides around 370sqm of flexible co-working office space for rent. Regrettably, the site was cleared of most of its trees in late November 2020, and a Tree Protection Order (ref: TPO number RE1503/2021) was served on the remaining trees along the boundary of the site in May 2021.

Figure 9: Meadowcroft House



- 2.12 Public access into and within the site is currently limited. An east-west public right of way footpath (Prow 362a) crosses the site, between Balcombe Road just north of Meadowcroft to the western site boundary with the railway line, where it continues over Network Rail's footbridge to come out at The Crescent. This public right of way broadly follows the field boundary tree belts across the site, just south of the central wooded area. See Figure 40 for a map showing the public rights of way.

2.13 On the western side of the railway bridge, it is joined to public right of way footpath 355a which extends northwards from Station Approach Gatwick, under the A23, and along the western side of the railway lines. Along the eastern side of the railway line, Prow 362a joins public right of way footpath Prow 360 which extends southwards to along the western site boundary into the south western corner of the site.

Figure 10: Stile on public right of way footpath crossing the site



2.14 To the north and east of the site are residential streets of predominantly two storey houses, including a few cul-de-sacs and crescents. Whilst these will be screened somewhat from the development by hedgerows and tree belts, existing and reinforced, they still have potential to be impacted by construction impacts (noise, dust etc.), particularly the properties along the Balcombe road and surrounding streets.

Figure 11: Residential properties around the site: The Coronet



Figure 12: Residential properties around the site: Meadowcroft Close



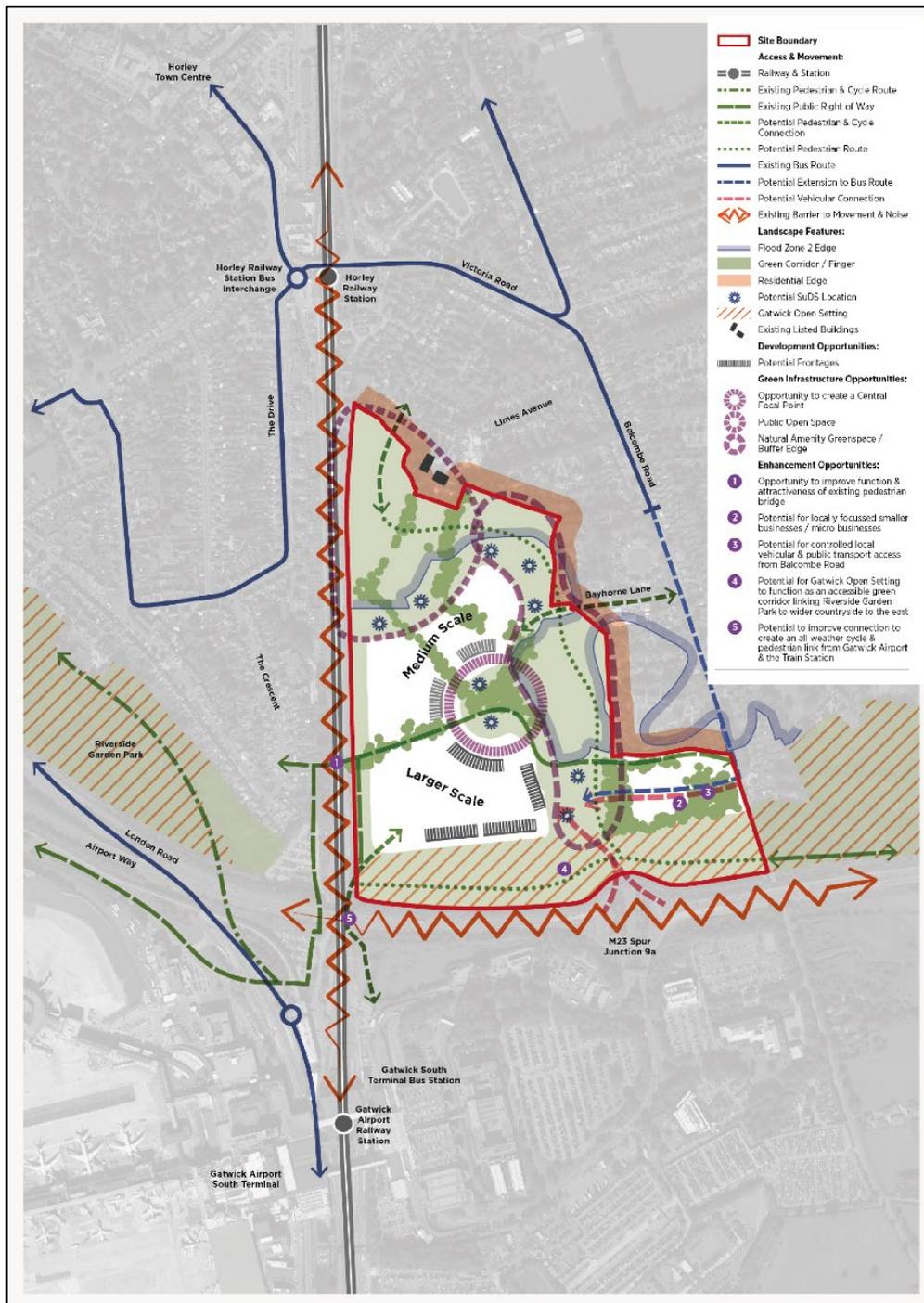
2.15 As well as being well located for a new business park which itself presents many opportunities for the site's development, there are many constraints and challenges which need to be address in preparing a masterplan for the site's development.

b) Site Constraints, Challenges, and Opportunities

2.16 This section summarises the site’s Constraints, Challenges, and Opportunities. It has been informed by Policy officer’s desk top work; “virtual” meetings with Council officers, Borough and Horley Town councillors, and locals; written input from infrastructure providers; and consultants’ “Economic Demand and Impacts”, and “Design” Reports.

Figure 13: Site Opportunities and Constraints Plan

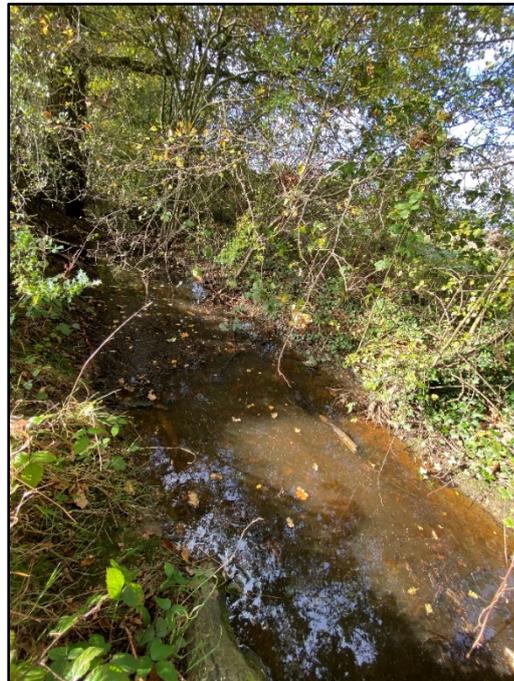
Image credit: David Lock Associates 2021



Constraint: Flooding

- 2.17 Horley is situated at the confluence of the River Mole and Gatwick Stream, and a short distance downstream is the confluence of the River Mole and Burstow Stream. All three rivers flow through the town in open channel, and all pose a risk of flooding to homes and businesses in events of varying magnitude and return period. Due to fairly low lying topography, with generally impermeable soil, Horley is vulnerable to flooding, both from surface water and as the river system overflows, and the landscape is characterised by rivers, streams and ditches. There is a large pond the south of the site on the other side of the A23, adjacent to Gatwick Airport's South Terminal.
- 2.18 The site is located on Wealdon Group, mudstone, siltstone and sandstone bedrock, with Sand and gravel river terrace deposits over the whole site. The south west of the site has slowly permeable loamy and clayey soils which impede drainage. The north east of the site has naturally wet loamy soil with high groundwater, and several drains and ponds. No rivers or streams cross the site. The northern and eastern parts of the site are within the Environment Agency's Flood Zone 2. 24% of the site is within Flood Zone 2 and also at risk of surface water flooding. No building will be permitted in these areas other than potentially car parks in accordance with Policy HOR9. The site is not within a Groundwater Source Protection Zone, and no part of it is designated by the Environment Agency as historic landfill site.

Figure 14: Open drain adjacent to public footpath on the site



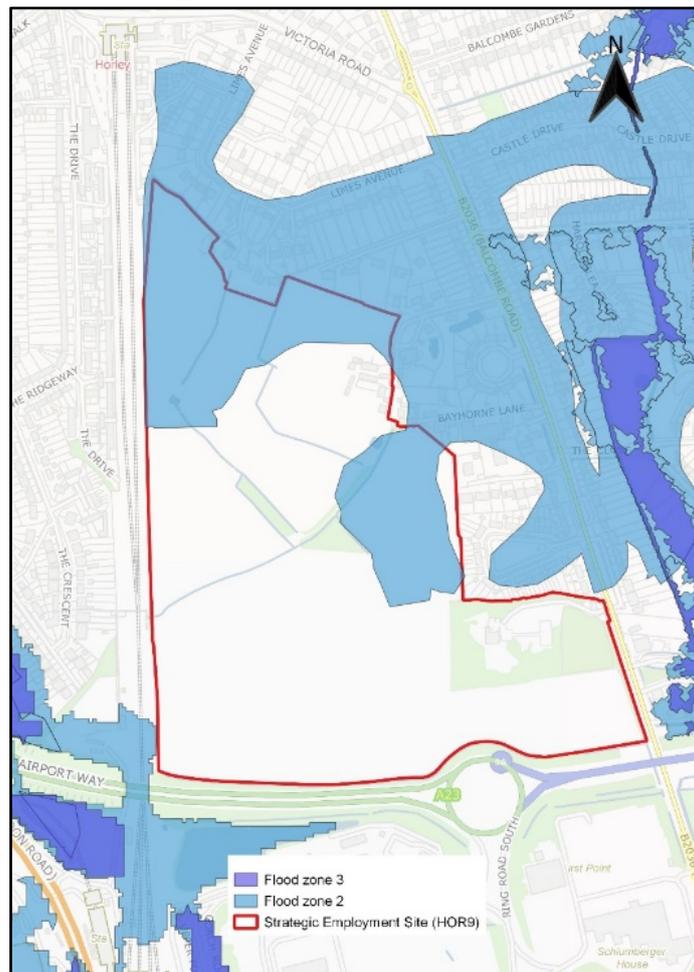
- 2.19 The Reigate & Banstead Level 2 Strategic Flood Risk Assessment, known as "SFRA" Level 2 (site specific) was prepared in 2017 to inform the DMP site

allocations. You can use [this link to view the “Strategic Flood Risk Assessment Final Report; Appendix B: Site Mapping”](#) (on page 1) and [this link to view the “Strategic Flood Risk Assessment Final Report Appendix A: Site Summary Sheets”](#) for the site (on page 4) on the Borough Council’s website.

- 2.20 The site’s flood risk assessment maps at Appendix B of the Level 2 SFRA show the main watercourses and other watercourses; the flood zones (the north eastern parts of the site are in Flood Zone 2) and including a climate change scenario, surface water flooding map (which shows the north eastern part of the site at most risk of flooding); and Hazard Map (showing no danger areas on the site).
- 2.21 Whilst the site is fairly level, the land drops by about 1m towards the north of the site. This supports flood mitigation measures being provided in the north eastern corner of the site, in particular on the land to be established and provided as new public open space parkland. The site development will need to be balanced with the need to ensure new development is designed safely and will not worsen the risk of flooding for other areas. This constraint will need to be considered in the site layout design and development, as outlined in Section 4(h) below.

Figure 15: Flood Zones

Source: Environment Agency



Constraint: Heritage Assets

2.22 There are no designated heritage assets, either statutorily listed or locally listed, within the site. However, a short distance to the north of the site, is a Grade II listed building, Fisher’s Farm House. This is accessed from Limes Avenue and the Farm House site also includes the cottage and barn.

Figure 16: Heritage assets



2.23 Fisher’s Farm House dates from the 17th century. The house has been divided and restored, with 20th century extensions.

Figure 17: Grade II Listed Fishers Farm’s house to the north of the site



2.24 Bayhorne Farm’s granary building which is located directly to the east of the site is locally listed. Bayhorne Farm itself, with its two farmhouses, farmyard and cart shed, is situated within the north east part of the site and is not listed as a heritage asset.

Figure 18: Aerial view of Bayhorne Farm’s locally listed buildings to the east of the site



Figure 19: Bayhorne Farm’s locally listed granary (photo 1989)



- 2.25 To the north east of the site, off Apperlie Drive are the locally listed buildings of Little Manor, Little Manor Lawn and Hatch End.
- 2.26 Some 150m to the north of the site is the locally listed Horley Railway Station building, close to Massetts Road Conservation Area, about 200m to the north east of the site.
- 2.27 Although there is a prehistoric occupation / burial site on the opposite side of the railway line from the south west of site, there appear to be no archaeology remains recorded on the site.

Constraint: Trees, hedgerows and landscape character

- 2.28 The site includes a mature historic farmed landscape character with extensive historic hedges along field boundaries marked on the 1602 Horley map, pre-dating this, which should be retained wherever possible. Certain hedges are protected by law and permission is needed to remove these. In masterplanning the site, the site promoters must consider the Hedgerow Regulations 1997 to ascertain whether any hedgerows on the site fall within the protections offered by the Regulations. The [1997 Hedgerow Regulations can be viewed using this weblink.](#)

Figure 20: Field boundaries looking west from public footpath by Meadowcroft House



- 2.29 There are also a few small areas of mature woodland, particularly around the centre of the site and at Meadowcroft. A blanket Tree Preservation Order (TPO) made in 2020, covers the remaining trees on the northern and southern boundaries of the Meadowcroft site in the east of the site. There are also TPOs on trees surrounding the site along Balcombe Road close to the Meadowcroft entrance to the site, and just outside the site at Warltersville Way, The Coronet, Apperlie Drive, and Balcombe Road.

Figure 21: Map showing location of Tree Protection Orders



Constraint: Airport Noise

- 2.30 The southern part of the site falls within the Civil Aviation Authority's (CAA) defined 57 dB $L_{Aeq, 16 \text{ hour}}$ (07:00 to 23:00) L_{Aeq} airport noise contour. Mapping of this 57dB (07:00 to 23:00) L_{Aeq} contour is produced by the CAA, which has identified this as the level at which noise is will start to cause significant community annoyance. The government acknowledges the evidence from recent research which shows that sensitivity to aircraft noise has increased, with the same percentage of people reporting to be highly annoyed at a level of 54 dB $L_{Aeq, 16 \text{ hour}}$ as occurred at 57 dB $L_{Aeq, 16 \text{ hour}}$ in the past.
- 2.31 Planning applications within affected areas of Reigate and Banstead borough are assessed in accordance with DMP Policy DES9(3) 'Pollution and contaminated land', although recognising that changes to aircraft fleet and aircraft traffic may alter these.

Constraint: Gatwick Airport Aerodrome Safeguarding

- 2.32 Aerodrome Safeguarding is a legislative requirement for officially safeguarded aerodromes, which includes Gatwick Airport. This process ensures the safety of aircraft while taking off and landing or flying close to aerodromes. These requirements are formalised in a Directive and its related circular. There are a several elements that will govern what is an acceptable height with regard to an aerodrome safeguarding, namely Navigational Aids, Instrument Flight Procedures (IFPs), and Obstacle Limitation Surfaces (OLS).
- 2.33 Gatwick Airport Ltd.'s Airport Safeguarding has advised that with regard to this site the most restrictive set of protected surfaces will be with regard to navigational aids. Any restriction on building heights, material and lighting required by Gatwick's Aerodrome will depend on the exact siting of proposed buildings will be sited, and on the size of the building footprint and as to whether they are in line of site to the radar.
- 2.34 It is vital that the safe operation of officially safeguarded aerodromes is not impacted upon by buildings, structures or works which infringe the protected Obstacle Limitation Surfaces (OLS), impact on navigational aids utilised by the airport, distracting or confusing lighting or by development which has the potential to increase the number of birds or the bird hazard risk, and other factors.
- 2.35 Gatwick's air traffic control providers ANS (Air Navigation Solutions) and NERL (NATS EN Route Ltd) have advised that in general, any buildings proposed for this site should be no taller than the buildings on the Gatwick Airport site (for example the Premier Inn is approximately 12 storeys). This would be subject to a full assessment. Early discussion with Gatwick Airport Ltd.'s Airport Safeguarding is recommended in drawing up the site masterplan.

- 2.36 Detailed consideration must also be given to design of the business park and the development and the new public open space to ensure that birds that may be hazardous to aviation are not attracted to this site over and above the numbers that already exist. Birds that are more likely to cause damage to aircraft are flocking birds including Starlings and Gulls and large heavier species such as waterfowl, while other species including Pigeons and Corvids can also be problematic. Smaller bird species such as Sparrows and Finches, as well as bats are generally not an issue. Gatwick Airport Ltd.'s Airport Safeguarding has an active bird management programme to reduce risk, and early discussions in the masterplanning process is recommended, including regarding open space and soft landscaping, and any outdoor eating areas proposals.

Challenge: Gatwick Airport expansion plan

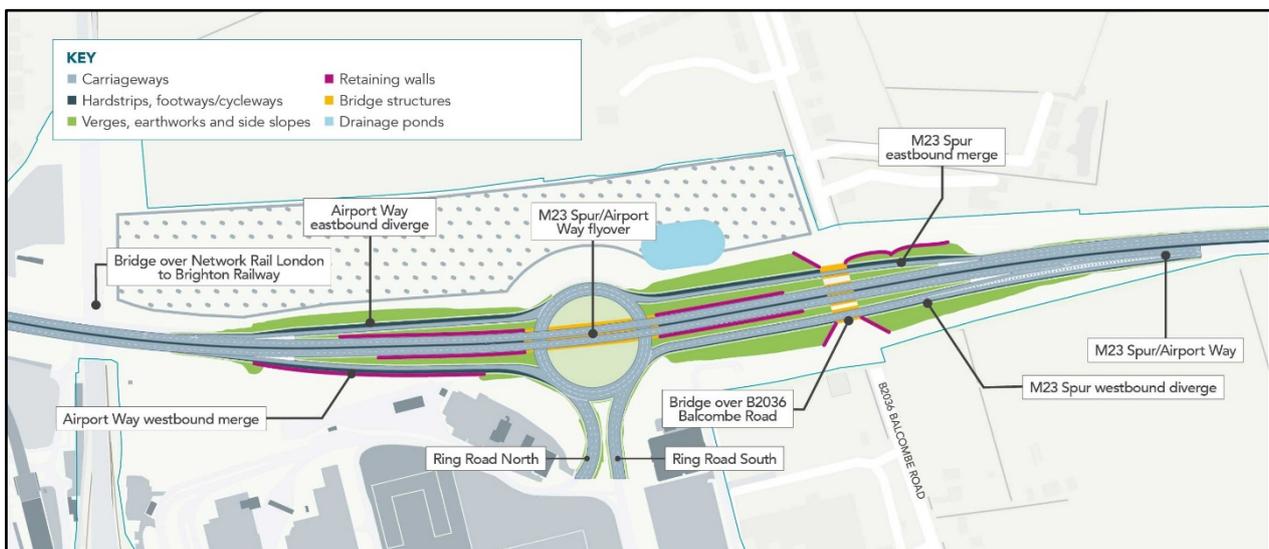
- 2.37 In July 2019, Gatwick Airport Ltd (GLA) published its masterplan for increasing **Gatwick Airport's** capacity. As nationally important infrastructure, at that time, GAL also confirmed its intention to apply to the Secretary of State for Transport "development consent" for routine use of the northern runway, currently only used for emergencies, as a Nationally Significant Infrastructure project. This **Northern Runway** Development Consent Order (DCO) is scheduled to be submitted in late 2022, with a decision anticipated in 2024. GAL is holding a consultation on the proposed submission proposal between September and December 2021.
- 2.38 The existing northern runway is currently mostly used for aircraft to taxi, or when the main runway is closed for maintenance or emergencies. The proposal is to use the Northern Runway for departing smaller aircraft only. GAL considers that routine use of the northern runway would provide an innovative and low-impact way to increase the airport's capacity and resilience.
- 2.39 Whilst GAL's proposals include greater modal shift for Airport passengers and staff to public transport and active transport modes than before the Covid pandemic, it is also proposing an additional 18,500 car parking spaces as well as changes to nearby road junctions to add to existing road capacity and to increase flow. The proposals take account of background traffic including commitments such as development plan site allocation such as this site. GLA's proposed highways works include introducing a flyover approximately 8 metres above existing ground level, with a noise barrier, to take through-traffic above the existing A23 / M23 J9A Airport Way roundabout.
- 2.40 GAL's highways proposals also include widening of both carriageways of the M23 Spur and improving or replacing the existing bridge over Balcombe Road (the B2036) to accommodate the proposed flyover. Most of the land-take, including acoustic measures, would be within the airport site, although a narrow strip of land at R&B Borough Council owned Riverside Gardens, to the west of the railway line would be required by GAL. GAL's proposals also include grade

separating Junction 9A M23 Spur Airport Way roundabout. These works would not be needed for the business park site’s key access road off the M23 J9A and would be likely to be needed after the Business park’s key site access has been built.

- 2.41 It will be vital for the landowners and site promoters to continue discussions with National Highways (formerly Highways England) and Gatwick Airport Ltd about this key junction and the timing and funding of the works to provide access to the business park. The development of this site also represents an opportunity to provide greatly improved pedestrian and cycle linkages between Gatwick and the business park site, including potentially a new underpass under the A23 Airport Way east of the railway line into the site (as outlined in section 4d).
- 2.42 Gatwick Airport’s DCO proposals also include three new hotels (total of 1,000 rooms), and three new office blocks (each around 27m high, over 6 storeys high) to provide approximately 9,000m² floorspace.
- 2.43 GAL’s plans include a temporary construction compound and balancing pond on Surrey County Council owned land along the southern part of the Business Park site on land designated as “Gatwick Open Setting” in R&B Borough Council’s DMP, which GAL indicates would be needed until 2038. Through the Development Consent Order (DCO) process for Nationally Strategic Infrastructure Projects, “Project Sponsors” such as Gatwick Airport Ltd. are able to compulsory purchase land. The scale of land that would need to be acquired will be determined as part of the DCO process.

Figure 22: Gatwick Airport Ltd.’s proposed surface access improvements & construction compounds

Image Credit: GAL’s South Terminal Roundabout Exhibition slide, September 2021

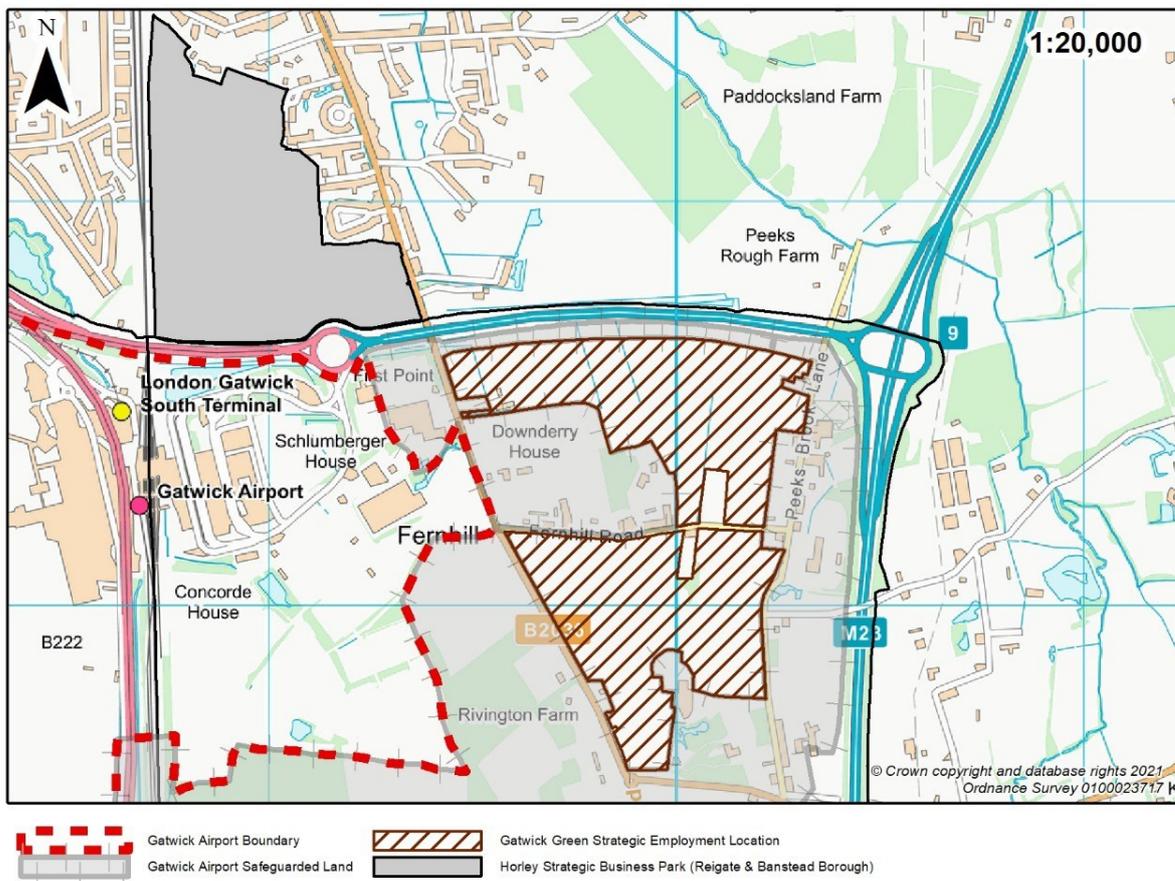


Challenge: Crawley Local Plan Review

- 2.44 **Crawley Borough Council** held two stages of pre-submission consultation (under Regulation 19) on its Local Plan Review 2020-2035 between January and March 2020 and January and June 2021. The first consultation proposed a North Crawley Area Action Plan that would consider whether land should continue to be safeguarded for a possible wide-spaced runway to the south of the airport, or whether safeguarding could be lifted to help accommodate Crawley's employment needs.
- 2.45 In the second consultation, following representations and advice, the Area Action Plan policy was deleted, safeguarding was retained for most of the area, and a newly proposed site allocation (Local Plan Policy EC4: Strategic Employment Location) was included. The proposed site allocation, referred to as **Gatwick Green**, is for land to the south of the M23 spur and east of Balcombe Road, diagonally opposite the Horley Business park site (see Figure 23 below).
- 2.46 Crawley BC is proposing to allocate this site through its Local Plan Review for delivery of a strategic employment location that will provide, a minimum of 24.1 hectares of new industrial land, predominantly for storage and distribution uses. Draft Policy EC4 also includes a requirement to justify any limited complementary supporting uses such as office floorspace and small-scale convenience retail and leisure facilities. It is noted that office and hotel use for the site were also tested as part of the Local Plan Review strategic highways assessment evidence at Regulation 19 stage. The draft Policy also requires an impact assessment to demonstrate how it will complement other employment locations including Crawley Town Centre, Manor Royal and the proposed office-led Horley Strategic Business Park. Crawley Borough Council's intention for the proposed allocation site at Gatwick Green is that it complements the existing provision at Manor Royal and the planned development at Horley Strategic Business Park.
- 2.47 Access to the site is proposed from Balcombe Road (south), with no access from M23 Spur, and a proposed restriction of access / egress to Balcombe Road (north). Crawley BC is proposing that a significant area of the site is provided with landscaping buffers, including to the adjoining Gatwick Wood Biodiversity Opportunity Area.
- 2.48 At the time of preparing this draft development brief SPD for Horley Business Park, Crawley's Local Plan Review had not been submitted for independent examination by a government inspector. The proposed Gatwick Green site remains part of the land safeguarded by Crawley Local Plan 2015 for the possible future expansion of Gatwick Airport, with the Local Plan Review proposing an amended safeguarding area that will allow Crawley to meet its strategic warehousing and industrial needs.

Figure 23: Crawley Borough Council's proposed site allocation Gatwick Green

Image Credit: Crawley Borough Local Plan 2021 – 2037, Proposed Submission consultation draft, January 2021



2.49 In preparing the masterplan and planning application for Horley Strategic Business Park, site promoters are advised to check on progress and status of Crawley’s Local Plan Review to ascertain whether or how it might impact on the Horley business park development.

Opportunities: Public Transport and Active Travel

2.50 The site’s location in relation to Gatwick Airport and Horley rail and bus stations and national cycle network is one of its considerable assets. Despite this, the development site and the surrounding areas would benefit from improvements to the area’s pedestrian and cycle infrastructure. As detailed in Section 4c and d below, the development of this well-located site with the limitations imposed on the road network, presents an opportunity to develop an exemplar low carbon business park development, so improving pedestrian, cycle and public transport infrastructure and services in the area.

Figure 24: Existing pedestrian access to the site



2.51 Creating and enhancing pleasant, safe linkages into the business park, including through the new public open space will maximise the opportunity to integrate the business and with Horley town.

Section 3: Vision for Horley Strategic Business Park

This Vision for the development of the site for a Strategic Business Park and new public open space has been informed by research and by discussions and consultation with relevant organisations and individuals, including Horley ward councillors, Horley Town Council, local interest groups and the site developers / landowners / promoters.

“Horley Strategic Business Park will be a thriving, exemplary, cutting edge strategic business park that is functionally, visually and physically integrated into the wider Horley area. This will include an inspiring biodiverse green environment with high quality public open space.

The business park will offer high value jobs for residents from the local and wider area in sustainably designed and constructed, flexible Grade A quality accommodation. It will capitalise on its key strategic location, attracting local, national and international businesses to assist in the long term sustainable economic growth of Horley, the borough and the wider region.

Employment, training, and supply chain opportunities and accommodation will be provided for local residents and for small and medium sized businesses. The business park will also provide a range of complementary facilities for employees and local residents.

Ultra-modern infrastructure including telecommunications, power and transport will be provided. Flood alleviation interventions will reduce flooding on the site and surrounding areas.

Attractive and safe pedestrian and cycle links will encourage sustainable journeys between the site and Horley, Crawley and Gatwick Airport, and across the site, minimising car use.”



Section 4: Key Masterplanning considerations

- 4.1 In preparing a site masterplan and in designing the site layout and the buildings and spaces around them, the site owners and promoters will need to address the “design principles” set out in in this section of the SPD. These are predominantly established by “*Horley Business Park: Design Principles and Options*” (March 2021) David Lock Associates, the key elements of which have been incorporated into this SPD.
- 4.2 These design principles consider the site’s development at several scales, from site-wide principles for site layout, street widths, permeability and urban grain, to detailed design including building heights, roof designs and building sustainability, and are illustrated with exemplar precedents showing how they can be applied. The design principles for the site cover wide range of themes, water, open space, green infrastructure, sustainable movement, vehicle access and parking, location of key uses on the site, urban design, urban design, grain and massing, building heights, and sustainable design and construction.
- 4.3 In preparing the masterplan for this site, the landowners and site promoters must have regard to the full David Lock Associate report (March 2021) and Chilmark Consulting report (February 2021). They are also advised to consider the British Council for Offices’ (BCO) research on “The Future of Business Parks” (March 2019), referred to the DLA report, which outlines the emerging trends in business parks. You can download the [BCO's 2019 Future of Business Parks 2019 report from its website using this weblink](#). The BCO’s website also includes a number of potentially useful research publications and best practice guides on office design, including digital workspace, office specification design, and office building sustainability.
- 4.4 The site allocation HOR9 covers 31 hectares. Of this 31ha, at least 5 hectares of the site must be laid out and dedicated as new public open space. The southern part of the site is designated as “Gatwick Open Setting”, 6.1 hectares and 111 metres wide. This ensures that a physical visual break between Horley and Gatwick Airport is retained. With the exception of the new access from Airport Way roundabout (J9A of the M23 Gatwick spur), this land is to be retained as green open space and enhanced by the addition of trees and hedges and potentially a pedestrian footpath running east-west.
- 4.5 This leaves approximately 17.3 hectares of developable area in which to provide the business park, supporting uses, infrastructure such as roads and parking, and hard and soft landscaping areas.

Figure 25: Recent business park development: Chiswick Park Business Park, London

Image Credit: Orchards of London



a) Land Uses

- 4.6 The Borough Council recognises the importance of being pro-active with the local economy, and its Economic Prosperity Team assist existing businesses in the borough to secure economic prosperity, and to promote the borough as an attractive location for businesses to locate. The borough must continue to increase its attractiveness and competitiveness and to national and international businesses, and existing businesses must be supported and allowed to grow. The Borough Council is committed to ‘sustainable economic growth’ which harnesses the positive impacts of economic growth whilst securing social and environmental objectives which benefit all those who live in, work within or visit the borough.
- 4.7 The need and demand for a strategic business park site was identified to provide for most of the borough’s strategic office needs as well as the unmet office and research and development needs of Crawley Borough Council’s, and the wider Gatwick Diamond Initiative Area which would otherwise be unmet. Due to its location, it is also well placed to provide an opportunity for foreign direct investment into the borough.
- 4.8 A new strategic business park in this location with the latest building and technology in a pleasant environment with a range of supporting facilities can help to meet the current gaps in the range, type and quality of business premises that the Borough Council and Coast to Capital LEP have identified in the borough and the wider LEP area. It will also support the local economy by providing a

highly visible centre for business and innovation with cutting-edge property and facilities for businesses that will provide flexible space to support new businesses to start and grow, and will reduce out-commuting from Horley, particularly to London.

- 4.9 Early work on planning for a new strategic business park in the borough included Nathaniel Litchfield & Partners' 2014 report on "*Scope for a Strategic Employment Site within Reigate and Banstead*". That report concluded that 20-30 hectares would be needed to provide sufficient "critical mass" for a business park, and that demand is likely to be driven by occupiers seeking a highly accessible location. This is summarised at paragraph 3.3.164 of the Explanation to DMP Policy HOR9. [You can use this link to view Nathaniel Litchfield & Partners' 2014 report.](#)
- 4.10 The Borough Council's Planning Policy Team then assessed potential site options for delivering a new strategic site in the borough to meet identified unmet needs and demands for employment provision from the borough's strategic needs, Crawley and the wider Gatwick Diamond Initiative area. The assessment is provided in its "Strategic Employment Provision Opportunity Study" (June 2016). [You can view the Borough Council's 2016 "Strategic Employment Provision Opportunity Study" on its website using this link.](#)

Figure 26: Recent business park development: Caribbean Business Park, Victoria, Australia

Image Credit: Sydney Morning Herald



- 4.11 As referenced at paragraph 3.3.167 of DMP Policy HOR9's Explanation,

Chilmark Consulting was then commissioned by the Borough Council's Planning Policy Team to review, update and evaluate the evidence to date, and to further assess the suitability of allocating land south of Horley (proposed site allocation HOR9) for a strategic employment site. Chilmark Consulting's 2017 report "*Strategic Employment Site: Economic Evidence*" (September 2017) informed the DMP site allocation Policy HOR9. [You can use this link to view Chilmark Consulting's 2017 report.](#)

- 4.12 The 2017 Chilmark report's guidance on indicative floorspace quantum that could potentially be provided on the site given the identified needs and demands was based on market indications at the time the report was written. Its findings are summarised in the DMP paragraph 3.3.167, the Explanation to Policy HOR9, as "up to 200,000sqm of B1 floorspace, predominantly focusing on B1a (*offices*), B1b (*research & development*) and B1c (*light industrial*) including floorspace for new incubator and start-up units for small and medium-sized enterprise" and "up to 10,500 sqm of community facilities, including A1 (predominantly convenience shops); A3 (Food and Drink); D1 (Children's Nursery) and/or D2 (Gymnasium)." The report advised that detailed masterplanning and further market testing will inform the final quantum and mix.
- 4.13 Subsequently, the DMP 2019's site allocation Policy HOR9 allocated the site for a strategic business park of predominantly offices, with a complementary range of retail and leisure facilities to serve the main use, and new public open space. The Policy allocation also permits limited B1b (Research and Development), B1c (Light Industrial), B8 (storage, distribution, and logistics), and non-B Class uses including appropriate airport-related Sui Generis uses (which may include uses such as flight simulator training facilities).
- 4.14 Neither the DMP site allocation Policy HOR9 nor this draft SPD set out prescriptive floorspace quanta. Potential floorspace ranges for the key office use and for other uses on the site will need to be proposed in the masterplan and planning application(s) with a range or upper limit fixed by any planning permission.
- 4.15 Given the changes since Chilmark's 2017 was prepared, including Brexit and the Coronavirus pandemic, the Borough Council's Planning Policy Team commissioned Chilmark Consulting again in 2020 to review the current market demand for the type and scale of accommodation included in its 2017 report; to extend the employment forecast to 2045 to reflect that strategic business park is unlikely to be occupied before 2025; and to assess the potential economic impact of the business park development on Horley and Crawley town centres, existing employment areas nearby, and on existing and committed business parks nearby. You can view Chilmark Consulting's 2021 report from the link provided in Section 1a) of this SPD.

- 4.16 Chilmark Consulting's 2021 report advises that in recent years the market supply of quality office and industrial floorspace in the local Horley / Gatwick / Crawley area has been tight, and take-up has been strong. A similar position is reflected in the wider Gatwick Diamond area. Alongside this limited new supply has been the loss of offices, particularly older offices with smaller templates, largely due to national permitted rights to change to residential use. Commercial space needs have changed in their nature in recent years, and this has accelerated recently with the increase in remote and home working driven by the Coronavirus pandemic over the past two years.
- 4.17 The 2021 report concludes that whilst uncertainties and economic shocks caused by the Coronavirus pandemic and Brexit are and will impact on market demand and developer confidence to invest in new commercial floorspace in the shorter term, overall, the fundamentals of market demand for the development of the site are confirmed.
- 4.18 Current demand for the type of building accommodation envisaged is evident in the recent development of Gatwick Park, nearby in Crawley Borough. Located on the eastern side of Gatwick Road, Crawley, this recent development, by Commercial Park Group, will provide up to 18,581 sqm of new Grade A offices to let, set within a pleasant and attractive green environment.

Figure 27: Recent business park development: Gatwick Park, Crawley
Image credit: Gatwick Park Brochure; Vail Williams & eujll (artist impression)



- 4.19 As summarised in Section 1a above, David Lock Associates (DLA) were commissioned by the Borough Council's Planning Policy Team in 2020 to provide design and masterplanning advice on how the site might be suitably developed to achieve sustainable, well-planned growth that contributes to the local area and maximises the opportunity presented, achieving the Vision for the site.
- 4.20 David Lock Associates' 2021 report does not present a prescriptive design scenario. Rather, it sets out design principles based on various themes with indicative design approaches and uses these to build up three indicative layouts that balance development with key principles relating to themes including placemaking, green and blue infrastructure, open space, and sustainable movement to achieve the "Vision" for the site.
- 4.21 The three indicative design scenarios demonstrate how different floorspace quanta could be accommodated on the site. These are not prescriptive scenarios but are examples of what a could be achieved on the site taking account of the constraints, opportunities, and the design consultant's recommended design principles for the site.
- 4.22 These three illustrative "Design and Massing" scenarios are considered in detail below in Section 4e of this draft SPD, "Masterplanning Considerations: Site Layout". The DLA report also includes computer simulated aerial views of how the site could look after its development to provide a strategic business park, including views from key vantage points around the site.
- 4.23 David Lock Associates' 2021 report's "*Balanced Development Scenario*" design scenario shows the site as it could potentially be developed to provide approximately 147,000sqm gross total floorspace (approximately 128,000sqm business use floorspace). This scenario also includes 7,500sqm of mixed supporting facilities, and 11,500sqm of hotel space. There is additional floorspace requirement for multi-storey car parks associated with each scenario, approximately 2,386 car parking spaces for Scenario 1.
- 4.24 The report also considers the same scenario, with limited B8 included as in the DMP site allocation Policy HOR9. Small scale logistics premises, potentially to service the site could be located in the Meadowcroft area of the site, which due to its proximity to existing houses and limited scope to add additional height.
- 4.25 The DLA report also includes a "*Maximising Employment Floorspace*" layout scenario, which could accommodate at total of 190,000sqm. This could consist of 170,000sqm commercial floorspace with limited B8 distribution floorspace, 8,500sqm of mixed supporting uses located central in the site, and 11,500sqm hotel space located in the south west corner of the site. This level of floorspace quantum would need higher buildings, and therefore higher plot ratios (ratio of floorspace to building plot area). The plot ratio is an indication of the intensity of

development (site coverage and building height) needed to achieve the floorspace ambitions.

- 4.26 The DLA report makes it clear (at paragraph 4.6) that the overall quantum of development will depend on a balance of level of car parking provision, the location and design of car parking (for example underground), transport, site layout and building heights and viability issues.
- 4.27 To help existing and new local businesses to grow in a nurturing environment with opportunities for collaboration, a range of business accommodation sizes and types should be provided to suit small and medium sized businesses. These could include small scale premises designed for incubator and start-up businesses, each including a range of workspace types such as co-working, hot desking, serviced accommodation. Provision must also be made for expanding businesses and also buildings designed for major anchor occupiers, suitable for a range of tenants or owner-occupiers.

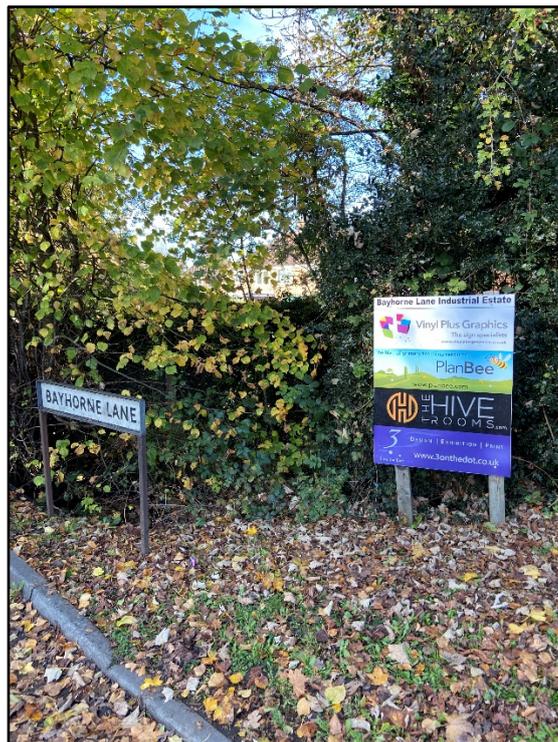
Figure 28: Example of well-designed small scale business premises, Rugby Radio Station



- 4.28 Provision for should be made for business units suitable for start-ups and small and medium enterprises (SMEs). This could include retaining and using some of the buildings at Bayhorne Farm in the east of the site, potentially with limited

modifications. This option should be assessed and considered, particularly given the contribution these buildings make to the character of the local area, and their potential role in the transition between the existing residential areas the Bayhorne industrial park and the strategic business park. In this context, the Borough Council’s Barn and Farm Conversion SPD 2020 may assist. Provision of facilities designed for co-working, conferencing and meetings will need to be provided as part of the business park to encourage business collaboration and growth.

Figure 29: Existing businesses at Bayhorne Lane Industrial Estate to the east of the site



- 4.29 Access to leisure and everyday services on the site will be vital in attracting occupants and employees to the site. Complementary uses to support the main business use of the site could include on-site food and drink outlets, limited retail provision, hotel and conference facilities, gym, crèche and medical services. Early comments locally indicate that provision of a holistic “wellness” centre with a gym and fitness studios, a mental health and GP facility, chemist and health food facility, and possibly a place for contemplation or worship, and a workplace nursery may be welcome.
- 4.30 The scale of these complementary uses must be limited and designed to meet the on-site needs of the business park employees without not significantly diverting trade from the wider area. Provision of such uses will enhance the wellbeing of employees of the site and will enable the business park to become a community of businesses rather than a collection of individual premises.
- 4.31 Inclusion of such supporting uses at a suitable scale will ensure that the business

park provides for a contemporary lifestyle, focussed on an attractive working environment offering significant opportunities for interaction and networking in a pleasant environment. With improved pedestrian and cycle linkages from the site into Horley, including through the new public parkland, there is potential for Horley residents to also enjoy the supporting facilities on the site.

- 4.32 A suitably-scaled and branded hotel with conference facilities, potentially located close to Gatwick Airport in the south west of the site, where building heights could potentially be highest, would be a great asset to Horley business park, noting the lack of state of the art conference facilities in this area.
- 4.33 Following the introduction of the new use Classes Order in September 2020, former Use Classes B1, A2, A3, and most uses within the former Use Classes D1 and D2 (including crèche / day nurseries, clinic / health centres, and gyms) are now merged within the Use Class E “Commercial, Business and Services”. This national change does not however mean that the site is suitable for all E Class uses.
- 4.34 The success of Horley business park will be dependent on finding its role and function and ensure it is sufficiently differentiated from other supply in the borough and wider surrounding area. It will be crucial to secure the suitable mix of supporting uses on the site to ensure that a quality brand and image is promoted to the regional and international commercial market. By securing a plan allocation and preparing this SPD whilst allowing the detailed scheme to emerge and respond to market requirements, the flexibility needed for this large scale development that will be delivered over a longer-term timeframe is being provided.
- 4.35 As the site is outside of any designated town or local centre and the complementary uses in the site allocation to support the business park development, convenience and comparison retail and food and drink to be provided on the site should be of limited scale, aimed at serving the site, and should not operate as a destination in its own right.
- 4.36 The site allocation also includes “at least 5 hectares of new high quality public open space”. Although the Policy HOR9 site allocation includes parkland and outdoor sports facilities, following more detailed consideration of the open space needs in the area and the issues relating to formal sports provision in this location (in particular the needs for a car park, lighting, and changing and washing facilities in a pavilion), formal playing pitches and fields are considered unsuited to this site.
- 4.37 The required area of newly accessible public open space to be provided for local residents and employees of the business park is unchanged. The new public parkland to be created will provide a buffer and a pedestrian and cycle route

between Horley and the business park will be required to be delivered early in the phasing of the site’s development and adopted by Reigate & Banstead Borough Council. It will also need to link up to the Gatwick Open Setting greenspace in the south of the site, via green corridors along roads and walkways crossing the site.

b) Highway Access and Parking

- 4.38 The site is located in an excellent position with regards to connectivity to the road and rail networks. By making the most of the site’s sustainable location, negative impacts on traffic flows and on air quality can be minimised.
- 4.39 The site allocation Policy HOR9 requires a new dedicated access onto the **strategic road network** from the M23 Gatwick spur. As well as being a key draw of the site, with its main access from J9A Airport Way Roundabout at M23 Gatwick Spur and the A23, its location so close to Gatwick Airport which is also nationally-important infrastructure, will require a creative access solution to be negotiated with National Highways (formerly Highways England) and Gatwick Airport Ltd.

Figure 30: Site and existing nearby transport facilities



- 4.40 A number of potential solutions to accessing the site from the strategic road network at J9A Airport Way Roundabout have been considered by the site owners and promoters through the DMP examination. Potential design solutions range from a new access to the existing roundabout through to a grade-separated junction, depending on the level of development traffic, other committed development in the local area, and surrounding network traffic flows.
- 4.41 A key consideration in designing the business park will be the need to ensure that there would not be an unacceptable impact on highway safety, or severe residual cumulative impact taking into consideration committed developments in the borough and surrounding areas, including West Sussex, and any necessary mitigation proposed. The operation of Gatwick Airport as strategic national infrastructure will also need to be a key consideration.
- 4.42 To this end, as requested by National Highways (formerly Highways England) DMP Policy HOR9 includes the requirement for a cap on the number of vehicles accessing the site per hour from the strategic road network, if this is shown to be needed at the planning application stage. This will depend on the particulars of the development and the findings of the Transport Assessment which is required to be submitted as part of any planning application. If a cap is needed, details of how this would be monitored and enforced will need to be negotiated and secured. Such a cap has been imposed at University of Surrey in relation to the A3, in order to safeguard the strategic road network from severe congestion.
- 4.43 The site allocation policy HOR9 also includes a restriction on the use of Balcombe Road (B2036), for serving the site. This has been accepted in principle by the Local Highways Authority Surrey County Council. The Policy permits a secondary access to the site from Balcombe Road to be used by emergency services, public transport and other sustainable transport modes. It will also be available for use by only a limited number of private motor vehicles which are employees' cars registered at local addresses. Restricted access between Balcombe Road and the site is needed in order to prevent local employees' cars being forced onto the strategic road network, or people driving through the site onto Balcombe Road.
- 4.44 The operation of this restriction would need to be controlled by barriers working alongside technology such as local council tax (such as currently operated at Dartford Crossing), vehicle tax or ANPR. Improvements to manage the impact of additional traffic on surrounding local roads will also be required.

Figure 31: Existing site access to Meadowcroft from Balcombe Road



- 4.45 Whilst air pollution in most areas of the borough is well below the government limits for all pollutants, in nine areas of the borough the levels of Nitrogen Dioxide (NO₂) has been identified as a potential problem, in relation to road traffic. The site is within an Air Quality Management Area, which is subject to AQMO No.3 2003 for an area south west Horley. The Borough Council has an Action Plan for this AQMA, and annual status reports. [You can use this link to view AQMA Order No.3 and Air Quality Action and Monitoring Reports on the Borough Council's website.](#)
- 4.46 Whilst a relevant issue to be considered, the AQMA is not considered by the Borough Council's Environmental Protection Team to be a significant constraint in designing the business park, although the inclusion of a hotel would require more consideration in relation to building design for its occupants.

On-site parking

- 4.47 The site allocation Policy HOR9 requires the provision of “appropriate levels of on-site parking and a comprehensive Travel Plan”. In considering what an “appropriate” level of on-site parking might be, several factors must be considered and balanced. These relevant factors are likely to include:
- The proposed floorspace quantum
 - R&B Borough Council's maximum car parking standards (DMP Annex 4; maximum of 1 space per 30 square metres)
 - Commercial requirements and attractiveness for the type of occupier (occupier demand for car parking),
 - any cap on the number of vehicles accessing the site from the M23 Gatwick spur / A23 Airport Way
 - the limit on private cars accessing the site from the new Balcombe Road

access to be created (restriction to be limited to employees’ cars registered at local addresses)

- the success of modal split in favour of more sustainable public and active transport modes, which can also contribute to limiting the carbon emissions arising from the site’s development
- design, massing and visual impact issues related to car parking provision

Figure 32: Car Parking provision for Design Scenario 1

Source: David Lock Associates 2021

Development Phase	Net Floorspace* (sqm)	Number of Car Parking Spaces	Car Parking Spaces per sqm	Notes
1	39,300	600	65	Multi-storey car park (MSCP) Can be supplemented with selective undercroft or podium parking
2	33,200	730	45	MSCP
3	27,800	440	63	MSCP Could be supplemented with selective undercroft or podium parking
4	12,500	400	31	MSCP
Meadowcroft	12,100	240	50	Surface parking
TOTAL	125,000	2,386	52	

* Note that the net floorspace is assumed to be 85% of gross floorspace after servicing floorspace subtracted.

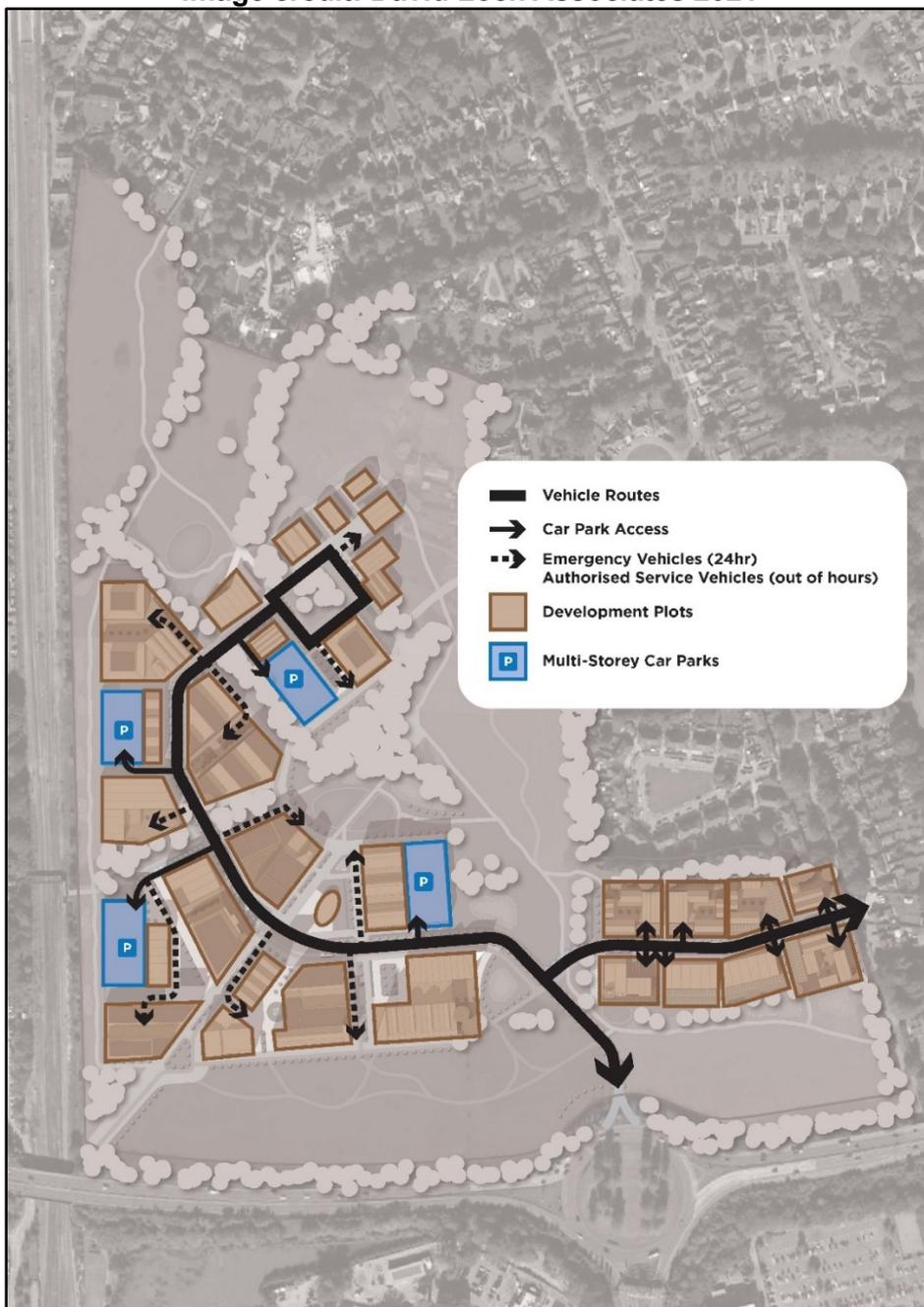
- 4.48 The policy requirement in HOR9 for “provision of appropriate levels of on-site parking and a comprehensive travel plan” will prevent the development significantly adding to on-street parking pressure. Provision of specific, conveniently-located, parking spaces for use by car clubs should be addressed within the parking plans, and the Travel Plan.
- 4.49 The policy also requires “measures and improvements to manage the impact of additional traffic on surrounding local roads” in order to help to ensure that the development’s transport assessment and any subsequent planning permissions protect the local road network from severe adverse impacts. Most of the roads surrounding the site already have parking controls in place due to their proximity

to Gatwick Airport.

4.50 Provision and design of on-site car parking should be addressed in the masterplan in accordance with the design principles. This may suitably include very limited surface car parking (mainly disability bays and car club bays) beside buildings, with most car parking spaces being provided within creative solutions such as podium, undercroft or a sleeved multi-storey design for each of the main development parcels.

Figure 33: Indicative plan of servicing and parking access

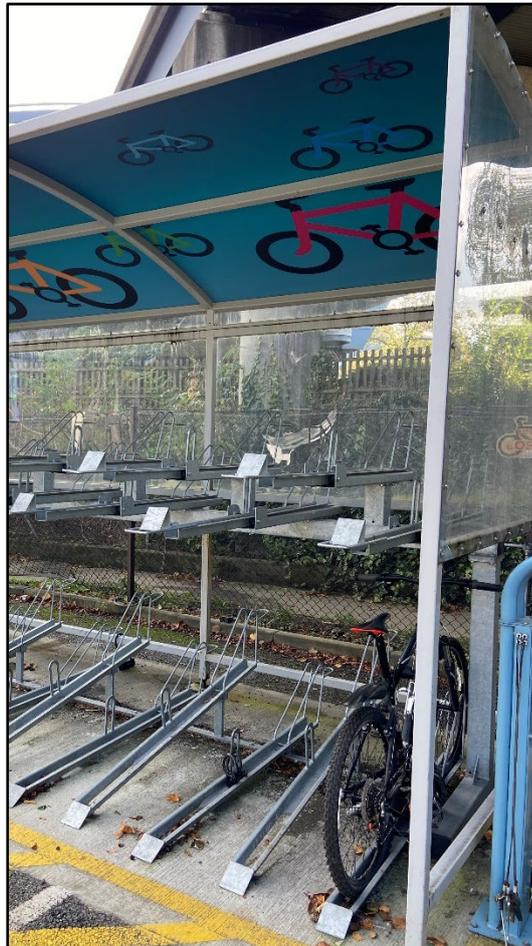
Image credit: David Lock Associates 2021



4.51 An appropriate number of **cycle parking spaces** must be provided across the

site both specific to buildings and in the communal hard landscaped areas to encourage cycling. Minimum cycle parking standards are set out in the DMP Annex 4. Provision of lockers, changing facilities and showers within buildings should be made. By focussing efforts on maximising use of sustainable transport such as cycling, walking and public transport, carbon emissions arising from the development of the site can be minimised.

Figure 34: Cycle parking to be provided throughout the site



PRINCIPLES FOR HIGHWAYS ACCESS AND PARKING

1. The primary vehicle access is to be from a new dedicated, direct access onto the M23 Gatwick Spur road at J9A, with a cap on the number of vehicles per hour accessing the site and how to monitor and enforce it (if at the planning application stage, it is determined that this is needed.)
2. Secondary vehicle access to the site from Balcombe Road, for use by emergency vehicles, public transport and other sustainable transport, and by a limited number of registered local employees, the number and proportion of vehicles should be considered at the masterplanning stage and will be assessed and

agreed at the planning stage and enforced through a planning obligation or condition.

3. A main central tree-lined street with wide segregated footways and cycleways should run through the main employment park area, connecting the two vehicle access points. This should give access to the business parks' development plots and car parks via distributor roads and should terminate in a "green square" in the northern part of the site, which could provide a turning area for buses and service vehicles.
4. Car parking provision must be planned for delivery alongside each development phase. If early phases do not require a full multi-storey car park to be developed at that time, temporary surface car parking could potentially be provided on a future development plot until development reaches a threshold where a multistorey car park is needed.
5. Most car parking on the site should be provided within "disguised" multi-storey car parks. These could be provided as undercroft or podium car parks integrated within buildings at ground or below ground levels subject to flooding and design principles, including active ground floor frontages to key pedestrian routes and public spaces. Alternatively, shared multi-storey car parks could be wrapped by office development or clad at upper levels to become a feature building. Only limited surface parking should be provided, either as disabled parking spaces close to buildings or towards the sites' edges, appropriately landscaped to soften their visual impact.
6. Cycling parking provision must be made in secure storage areas to meet or exceed the minimum local plan standards. Within each building, facilities for changing, showers and lockers should be provided to encourage cycling to the site.

c) Public Transport

- 4.52 At Gatwick Airport South Terminal, the bus stops on either side of the A23 are accessible by lift from South Terminal arrivals (for the northbound stops towards Redhill and Horley) and from the inter-terminal shuttle station, near the train station (for southbound stops).
- 4.53 Given its proximity to a range of existing public transport links, Horley Business Park is a great opportunity to create a public transport oriented development

(PTOD), known internationally as a “transit-oriented” development (TOD). The site is located within a few minutes’ walk of Gatwick Airport railway station, one of the best-connected rail station and bus stations in the south-east of England. Horley railway station is also located some 10 minutes north of the site, adjacent to a public transport interchange and the edge of Horley town centre.

- 4.54 The development of the site provides an opportunity to enhance the role of the integrated transport interchange on the western side of Horley Railway Station, potentially to include stops for a shuttle bus to the business park. Located at The Close, with access from The Drive, there are existing bus stands, which could provide a frequent regular electric mini-bus shuttle service down the residential streets of The Drive and The Crescent to the railway bridge between numbers 114 and 116 The Crescent, which provides access to the public right of way across the site.

Figure 35: Existing Public Transport / Public Transport Facilities in Horley



- 4.55 Enhancements will need to be made to existing public transport facilities, including existing bus and passenger facilities to maximise the accessibility of routes/ services to current and future occupiers in and around the site. The local bus operator in the area around Horley, Gatwick and Crawley, is Metrobus. Existing Metrobus routes 20, 100, 400, 420 and 460 serve Horley town centre, and the wider Horley area around the site, whilst these and many other routes also stop at Gatwick South Terminal bus station.
- 4.56 Surrey County Council’s *Bus Service Improvement Plan* (October 2021) identifies the Redhill – Horley – Gatwick Airport (Metrobus route 100 corridor) as a Bus Rapid Transport Network (BRT) route that connects towns and already operates at high frequency. Surrey’s *Bus Service Improvement Plan* considers this route to

have scope for further growth. The plan includes an aspiration to invest in this bus priority corridor, amongst others, to improve the reliability of bus journeys on the route. SCC will then submit its *Bus Service Improvement Plan* to the Department for Transport (DfT) and will work with its bus operator partners on improving these services.

- 4.57 Other options to be explored in masterplanning the site include whether a new Metrobus route could permeate into the site, either in a traditional or in a demand-responsive way. Potential for re-routing bus services 100 and 20 to serve the site should be discussed with Metrobus. A further alternative could be improving the pedestrian access to the existing Gatwick South bus stops to access the excellent services already provide there. In designing interventions to maximise modal split in favour of public transport and active travel, early discussions with Metrobus is recommended.
- 4.58 The DLA 2021 report shows how public transport running along Balcombe Road and entering the side by Meadowcroft could run along the main street in the business park, turning at a one-way bus turning in the north park of the business park. The DLA report 2021 (figure 47) shows indicative how all area of the business park development could be within 200m of a bus stop with only three bus stops needed within the site.
- 4.59 Gatwick Airport Railway Station situated next to the South Terminal, approximately 15 minutes' walk from the site, is owned by Network Rail (NR). Govia Thameslink Railway (GTR) operates the Gatwick Express service, with Great Western trains also stopping at Gatwick. Thameslink and Southern services also provide direct rail services on the Brighton Main line between Brighton, London Victoria and London Bridge. The station is owned and managed by Network Rail and has six platforms immediately below the airport's South Terminal. The ticket office is located on the main concourse of the rail station.
- 4.60 In 2020 a major upgrade to Gatwick rail station commenced to increase its capacity to accommodate forecast rail growth up to 2036, and to improve accessibility and station facilities. The improvement project, proposed by Network Rail in partnership with Gatwick Airport Ltd, Coast to Capital Local Enterprise Partnership and the Department for Transport (DfT) was approved by Crawley Borough Council. The project is worth over £50 million, and is being funded by Gatwick Airport Ltd, Network Rail and Coast to Capital Local Enterprise Partnership, and managed by Network Rail in partnership with the Department for Transport and Govia Thameslink Railway (GTR). It is due to be completed in 2023.
- 4.61 The proposed improvements include almost doubling the size of the rail station concourse; providing eight new escalators, five new lifts and four new stairways to improve accessibility and passenger flow; widening platforms 5 and 6 to

reduce overcrowding; improving connections to the south terminal with improved passenger information; and providing an attractive new roof structure for all weather protection.

d) Active Travel: Walking and Cycling

- 4.62 The site is well located for travel on foot or by cycle from Gatwick Airport railway station to the south and Horley bus and train stations to the north.
- 4.63 The walk between Horley train and bus station and the site along the west of the railway line is approximately 1.1km (14minutes), via The Drive or Cheyne Walk and Fairfield Avenue to The Crescent and via the pedestrian footbridge over the railway into the site. An alternative, more attractive route is approximately 1.6 km (20 minutes' walk) eastwards from Horley station via Victoria Road and the tree-line Balcombe Road into the site by Meadowcroft.

Figure 36: Entrance to Public Right of Way to the site from The Crescent, Horley

Image credit: Google Maps



- 4.64 The existing walking route from Gatwick rail and bus stations is on the footpath running alongside Station Approach Road, past Gatwick Staff B car park and through the A23 Airport Way underpass on the western side of the railway line. After about 200m this footpath joins the public footpath from The Crescent where they access the pedestrian railway bridge into the site.
- 4.65 Despite being within walking distance of Gatwick Airport, the existing walking and cycle routes between Horley town centre and Gatwick Airport are currently indirect and in places unappealing. The two photographs below (Figure 37) show existing pedestrian and cycle routes to the site, one of the graffitied underpass

under the A23 Airport Way to the west of the railway line and one of the public footpaths north of the A23 and west of the railway linking Gatwick to Network Rail's pedestrian railway bridge.

Figure 37: Existing Pedestrian and Cycle Linkages with Gatwick



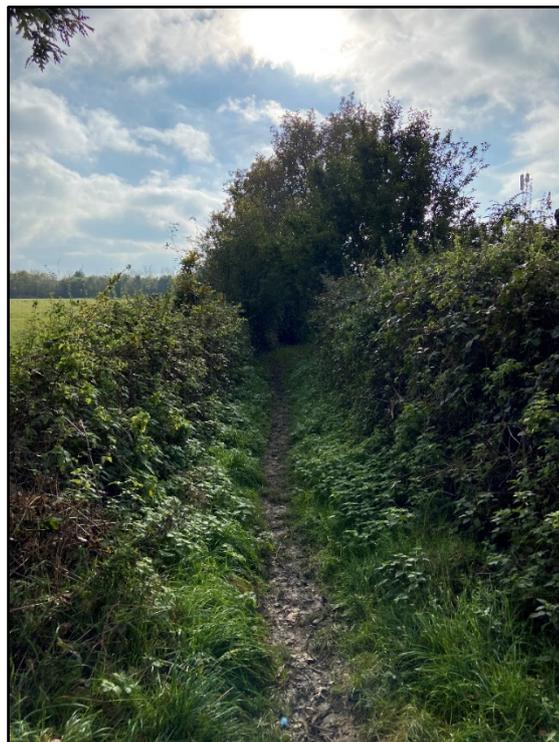
- 4.66 Considering the close proximity of the site to Horley town centre with short walking and cycling routes, direct routes need to be enhanced to provide safe and attractive routes for pedestrians and cyclists in order to maximise active travel to the site by those who are able to walk and cycle, and to minimise the use of the private car. This will also help to maximise opportunities for enhanced footfall into Horley town centre, including to Waitrose close to Horley train station.
- 4.67 It has been a long-term regeneration priority for the town centre to improve the connectivity between Horley Town Centre and Gatwick Airport. This recognises the importance and potential of the Town's proximity to Gatwick Airport, as an international gateway. The development of the Horley Strategic Business Park presents an opportunity to enhance existing pedestrian and cycle routes between Horley town centre and Gatwick Airport and to develop direct, safe and attractive pedestrian and cycle routes between Horley town centre and Gatwick Airport.
- 4.68 To encourage use of public and active travel modes and minimise use of the private car, every effort will need to be made to create the shortest, safe, and pleasant walking and cycle routes between Horley bus and train station, and Gatwick Airport Station to / from the site.
- 4.69 Across the site, public access routes across the sites are limited. A Public Right of Way footpath (No.362a) runs east-west across the site, linking Balcombe Road

and Network Rail's footbridge across the railway lines. This is currently overgrown and often muddy.

Figure 38: Public Right of Way across site

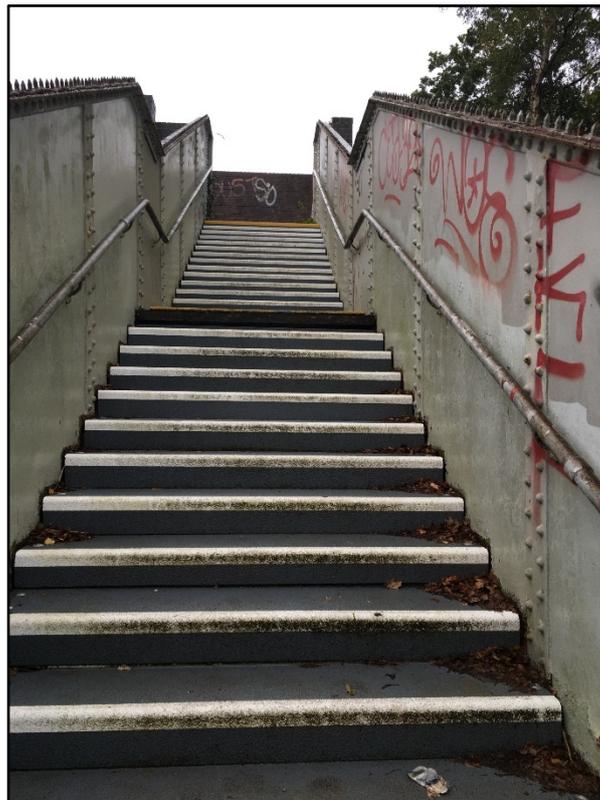


Figure 39: Photograph of the Public Right of Way footpath across the site



4.70 This Network Rail railway footbridge needs of improvement or replacement for it to provide a convenient and pleasant route into the site. It is currently blighted by graffiti and overgrowth vegetation, and does not provide access for cycles, those with restricted mobility, or carers with buggies. As part of the improvement to this existing pedestrian route, the fencing to the railway line would need upgrading, along with new lighting. The existing railway footbridge would need upgrading with a bicycle groove to assist cyclists, along with environmental and wayfinding improvements.

Figure 40: Existing footbridge over the railway lines



- 4.71 Other options to provide short, safe and pleasant pedestrian and cycle routes to the business park from Gatwick Airport South Terminal rail and bus stations that should be explored include the potential to create a new attractive subway tunnel under the A23 embankment east of the railway line, which could potentially include murals or other art work that increases the appeal of the walking / cycling route. This would be ideal for the business park, given that the majority of business park employees using public transport would be likely to use Gatwick rail and bus stations.
- 4.72 Alternatively, a new footbridge over the railway to the north of the existing bridge, could potentially be provided in conjunction with Network Rail. It is acknowledged that neither the cost of a new underpass under the A23 embankment nor of a new railway bridge have been included in the development viability work to date, and as both options would be very costly, this could be discussed with Gatwick

Airport Ltd and National Highways as part of the Gatwick proposal.

- 4.73 A potential option to consider would be to divert the existing Public Right of Way to extend from Balcombe Road across the site along the northern edge of the designated Gatwick Open Setting to the pedestrian bridge across the railway. This option provides an opportunity for the Public Right of Way to follow a more natural recreational route. In drawing up the site masterplan, early discussion with Surrey County Council's Rights of Way Officer is recommended.
- 4.74 Should the business park layout be designed retaining the public right of way in its current location, an additional east-west recreational route along the Gatwick Open Setting, planted up with screening vegetation to its western side, and on over the rail bridge into Riverside Gardens would increase the recreational value of this green corridor. This would also help to retain exiting green chains for animals to move between the site and other greenspaces nearby, including the fields to the west of the site.
- 4.75 Opportunities should be taken where viable to provide "green bridges" for animals to move over roads and rail lines, and wildlife tunnels for hedgehogs and amphibians. National Highways (formerly Highways England) advises that as the site shares its boundary with the M23 Gatwick Spur, it will need to consider and agree to any landscaping and / or boundary treatment such as noise barriers adjacent to the M23 Spur boundary in accordance with DfT Circular 02/2013.
- 4.76 Detailed consideration should be given to potential pedestrian and cycle routes into the site from Limes Avenue to the north, which could lead into the new public park and on into the business park, and also from Bayhorne Lane to the east. The limited access point from Limes Avenue (between number 28 and 30) has historically been used by R&B Borough Council for grounds maintenance but has potential to form a suitable pedestrian and potentially cycle access to the new public open space in the north of the site. National Cycle (NCN) Route 21 enables off-road cycling between Crawley and Gatwick. However, its links into Horley are limited, and would benefit from improvements.

PRINCIPLES FOR SUSTAINABLE TRAVEL

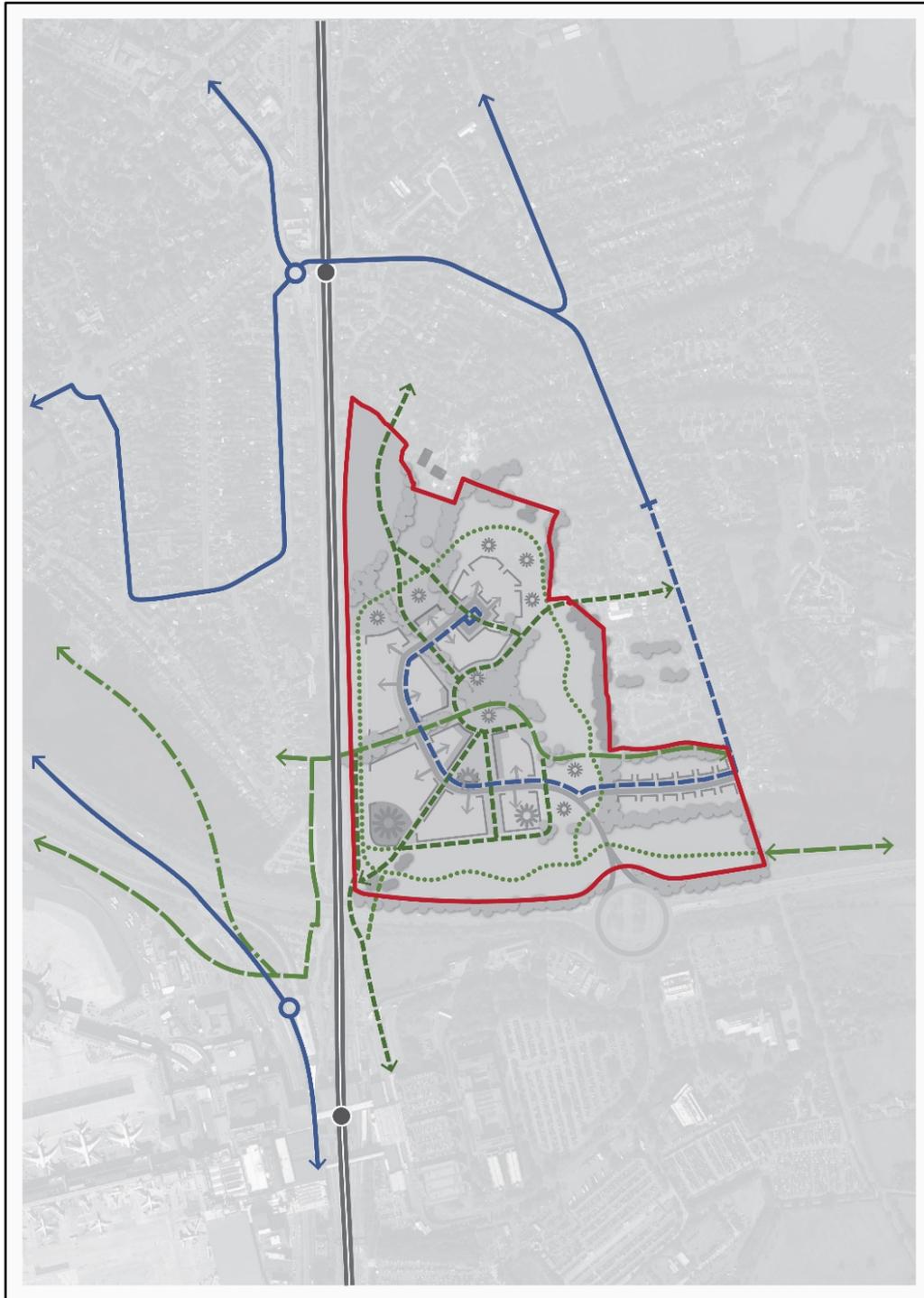
1. Maximising travel by sustainable modes, cycling, walking, and public transport will be key to the business park's success, allowing it to operate within the local and strategic road network limitations, minimising the developments carbon footprint and impact on air quality.
2. The masterplan and planning application must include proposals for improved pedestrian and cycle access to the site from Gatwick Airport reflecting its higher service levels, connectivity and accessibility to the wider region by sustainable transport modes. This could be through improvements to lighting, security,

boundary treatment, and environmental improvements in the A23 underpass on the western side of the railway line and along the public right of way to the footbridge into the site, involving Network Rail.

3. Improvements to, including potentially a bicycle groove, or replacement of Network Rail's railway footbridge will be needed to provide access for cycles.
4. Alternatively, a more costly but potentially more attractive shorter route between Gatwick Airport, rail and bus stations and the site should be investigated, to create a new tunnel under the A23 to the east of the railway line for cyclists and pedestrians. Potentially designed as an attractive art work and gateway feature to Gatwick Airport South Terminal and Railway Station, investigations into design, costs and viability should be considered in discussion with Gatwick Airport Ltd, National Highways, and Network Rail.
5. The masterplan must include proposals for improvements to walking and cycling routes from Horley town centre, train and bus interchange and nearby residential areas to the site.
6. Clear wayfinding signage will be needed between Gatwick, the site and Horley town centre, and Limes Avenue and Bayhorne Lane into the new public open space.
7. A public transport corridor should run through the site linking Balcombe Road to a central square in the business park. All development parcels should be within 400m walk of a bus stop, with most being within 250m, with bus stops located at key locations and walking network nodes.
8. A "green" walking and cycling leisure circuit could be provided linking the new public open space in the north of the site, the open green space to the east of the business park, and the southern "Gatwick Open Setting" land. This could potentially be used for "Parkrun" or similar local community events.

Figure 41: Sustainable Movement principles diagram

Image credit: David Lock Associates 2021



e) Site Layout

4.77 David Lock Associates’ 2021 report “*Horley Business Park: Design Principles and Options*” (March 2021) sets out a series of themed “design principles” for the development of the site, both general and location-specific, which should be

followed by the site promoter in preparing the masterplan and designing the site's development in order to achieve the site's "Vision".

- 4.78 These design principles have been applied to the site to create three **illustrative masterplan** scenarios which demonstrate how different floorspace quanta could be accommodated on the site to achieve an attractive sustainable development. These three illustrative design scenarios are not prescriptive but are examples of what masterplanning of the site can achieve taking account of the constraints, opportunities, and the design principles set out in DLA's 2021 report and summarised in this SPD. These three "Design and Massing" scenarios are presented in this section.
- 4.79 Whilst the three Design Scenarios presented are indicative and not prescriptive, the DLA report concludes that Design Scenario 1: "Balanced Development Scenario" delivers a suitable balance of developable floorspace whilst also satisfying the design principles for sustainable development including requirements of DMP Policy HOR9.
- 4.80 Each of the three scenarios includes a supporting mix of uses being concentrated around a central square located just south of the existing woodland area for convenience to all employees, and to act as a focus, providing more coherence to the business park development. Small scale offices, light industrial, research facilities or distribution units suitable for local start-up companies could be suitably located in the south east of the site close to the Balcombe Road site entrance. There is potential to create a combined hotel with conference facilities close to the south west corner of the site closest to Gatwick Airport to maximise connectivity.
- 4.81 For each design scenario, the floorspace is split between five main development parcels, four in the western part of the site and one around Meadowcroft area in the east of the site. Within each parcel, which could be phased in delivery, are individual development plots that could potentially be subdivided depending on market demands. Whilst plot ratios (ratio of floorspace to building plot area) vary through the site, the overall average over the whole site in Scenario 1 is 1.5, which is similar to that of a town centre.
- 4.82 DLAs "*Balanced Development Scenario*" illustrative masterplan scenario shows the site as it could be developed to provide approximately 147,000 sqm gross total floorspace, of which approximately 140,000 sqm is for business uses. This is shown on Figure 42 below. This scenario includes a large new public parkland in the north of the site, two further areas of natural open green space to the east and south, with the business park in the centre of the land adjacent to the railway line.

Figure 42: Design Scenario 1: Balanced Development Scenario

Image credit: David Lock Associates 2021

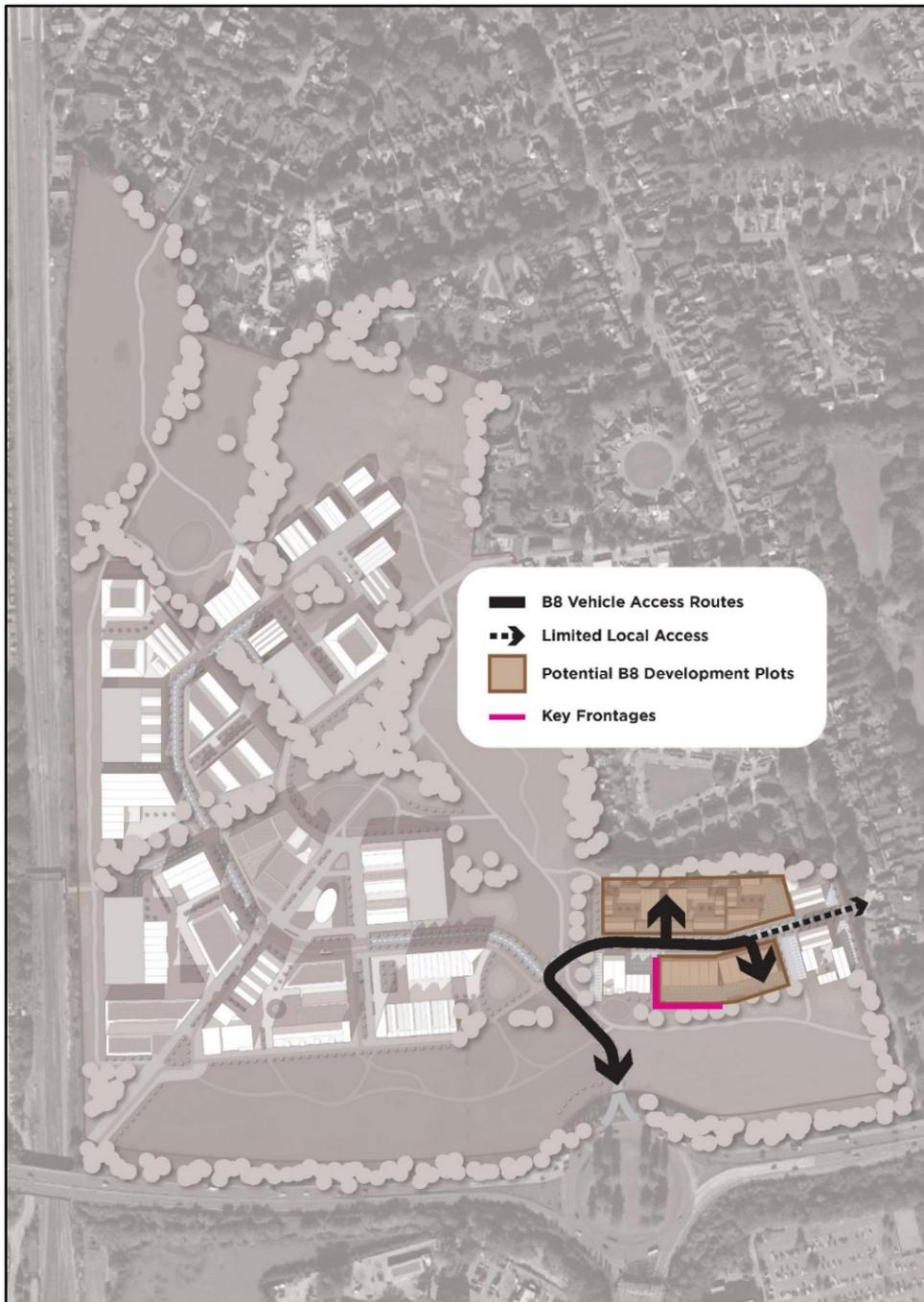


4.83 DLA’s 2021 report then considers the same scenario, but with limited B8 uses (storage or distribution) included as in the Policy allocation, “Incorporating B8 uses”. Should it be included in development proposal, limited logistics or

warehouse floorspace should be located close to the site access point from the M23 Spur J9A. Any logistics / warehousing provision must be of limited, small scale to serve local distribution needs. The design of such buildings should contribute positively to the street scene, and where possible should be partially surrounded with other finer-grain uses such as light industrial or research and development on key frontages. Consideration of connectivity and movement patterns will help to inform where the various uses would best be located within the site.

Figure 43: Design Scenario 1A: Incorporating B8 Uses

Image credit: David Lock Associates 2021



- 4.84 A third indicative scenario is presented, a “*Maximising Employment Floorspace*” Design Scenario, which accommodates 170,000sqm business floorspace with limited B8, with approximately 11,500sqm hotel space and 8,500sqm mixed supporting uses.
- 4.85 Due to constraints on the site, such as Flood Zone 2, Gatwick Open Setting, the surrounding residential floorspace to the north and east, and airport safeguarding, provision of the amount of floorspace accommodated in scenario 2 would require very high plot ratios (ratio of floorspace to plot area). The higher plot ratio required by this scale of development would have implications for the character of the development across the site. Buildings would need to be higher, resulting in it being more visible from the surrounding areas, and / or there would be less open public area surrounding buildings, and the streets and spaces would have a more intensive, urban character. Buildings would generally need to have larger footprints with less variety, potentially reducing flexibility in the buildings’ use.
- 4.86 Greater floorspace provision results in more people travelling to the site, which would require higher level of sustainable modal split, encouraged by demand management and limits on site access from the M23 Spur and from Balcombe Road. A greater level parking provision may also be needed, which would impact on the public open spaces within the site. Some of this additional car parking could potentially be accommodated within Flood Zone 2 land in the east of the site, raised above Flood Zone 2 level.

Figure 44: Design Scenario 2: Maximising Employment Floorspace

Image credit: David Lock Associates 2021



4.87 The DLA report (paragraph 4.6, page 42) makes it clear that the overall design and quantum of development will depend on a balance of car parking, the location and design of car parking (e.g., underground), transport, and viability issues. The design scenarios set out design principles, and indicative design approaches and layouts that balance development with placemaking, green and blue infrastructure, open space, and sustainable movement to achieve the “Vision” for the site.

Building Heights

- 4.88 The surrounding building height context is approximately 12 commercial storeys (48m) at Gatwick Airport to the south west of the site, and 4 to 5 storeys (residential storey height) at the recently constructed Russell Square development in Horley Town Centre to the north of the site. The surrounding residential building height to the east and north of the site is typically 2 (residential) storeys.
- 4.89 The height of buildings at different locations within the site will depend on the floorspace required for the development to be commercially viable and attractive to the market; the constraints on the site and close to the site; and good building design, including as creating landmark buildings in suitable locations.
- 4.90 Towards the north of the site, bordering the planned new public open space, buildings heights will be expected to be lower, no more than 3 storeys to fit the residential context.
- 4.91 Building heights would suitably rise towards the southern edge of the site bordering the Gatwick Open Setting, in particular towards the south west corner of the site away from domestic scale buildings. A taller landmark building of striking design should be considered in the south west of corner of the business park, where it would create a legible (easy to navigate) environment, providing a visible southern gateway to the site, more reflective of the nearby Gatwick Airport buildings. The maximum height will be subject to a full assessment from Gatwick Airport.
- 4.92 The DLA report explores building heights for Design Scenario 1 and Design Scenario 2, showing in two indicative plans (DLA's report figures 52 and 66 respectively) how the storey heights could be accommodated across the site to provide the floorspace given in each scenario. The two DLA figures both show a generally stepped increase in height from 2 storeys in the north and east of the business park, closest to the open space and existing residential areas to 7 storeys (approximately 28m) towards the south west corner, which is closer to the Gatwick Airport buildings. Storey heights are assumed to be 4m for office buildings.

Figure 45: Indicative Building Heights Plan for Design Scenario 1

Image credit: David Lock Associates 2021



- 4.93 Building heights have potential to impact on the surrounding area including daylight and overshadowing. The building height of any development should not harm the amenity to the existing residential areas and proposed public realms, noting that there is no right to retain existing views. Building heights on the site must also not encroach airport safeguarding requirements depending on context. Applications will be required to consult with Gatwick Airport to ensure there are no conflicts with safeguarding requirements.
- 4.94 A landmark building should be used as an orientation point within the site to aid legibility (be easy to navigate). Attractive memorable buildings that stand out within their environment through height and scale can significantly contribute to the character of an area by implementing placemaking principles. A legible

building therefore can create a sense of pride to communities and create navigational benefits for better connectivity.

Figure 46: Newcastle College landmark building

Image Credit: Critical Tortoise Ltd 2021



- 4.95 Through the use of appropriate height, scale and design, a focal feature can be created to provide legibility (be easy to navigate) to particular spaces, such as a public realm space. Consideration of the “grain” of development within each plot and along key streets in the business park will be an important way to make the business park more walkable and attractive. The business park masterplan should suitably include more fine-grain buildings, or articulation of larger buildings to break up the massing. Narrow floorplates which maximise access to natural sunlight and allow for passive ventilation should be considered for suitable parts of the business park.
- 4.96 Views both into the site and long views of the site will need to be considered. Additional planting along Balcombe Road will help to screen the development, reducing its visual impact. Blank frontages should be avoided, including from long distance views into the site.

PRINCIPLES FOR SITE LAYOUT AND BUILDING HEIGHTS

9. The masterplan and proposed site layout must be informed by the design scenarios presented in David Lock Associates 2021 report and the commentary that supports them.

10. Small scale supporting uses should be focussed around an attractive urban square towards the centre of the business park, south of the wooded area, which would act as a central focal point for the business park development.
11. Clear sightlines should be provided along main routes towards the main urban square.
12. Small scale offices, light industrial, research or distribution buildings providing accommodation particularly suited for small local businesses would be suitably located close to the Balcombe Road site entrance.
13. Finer grain buildings should be located in the south easter corner of the development, close to the Balcombe Road entrance, around the central square, and in the northern part of the business park bordering the new public open space.
14. Buildings should not result in adverse impacts on the character of the area, public realm environments and the amenity of nearby properties.
15. Building heights on the site could range from 2 office storeys high in the north and east of the site to 7 storeys close to the south west corner, respecting the height context of nearby buildings. Along the business park's key streets and the urban square, 4 storey buildings could provide suitable enclosure to the spaces.
16. Within the building design of the lower buildings on the site, particularly along the northern and eastern edges of the site, refence could be made to the character of neighbouring buildings.
17. A well designed prominent landmark building, potentially providing a hotel with conference facilities, could be located towards the south west corner of the site, closest to Gatwick Airport. The landmark building would provide legibility and enhance the area.
18. The masterplan should be based on a strong urban design framework that enables creation of an interesting and varied business park, which has a strong character and is easy to navigate. This will help to maximise the business park's attractiveness to prospective businesses and employees.
19. Plans and visual assessments supporting the masterplan and planning application must show how the proposal would be viewed within the wider context of the site.

f) Building Design and Sustainability

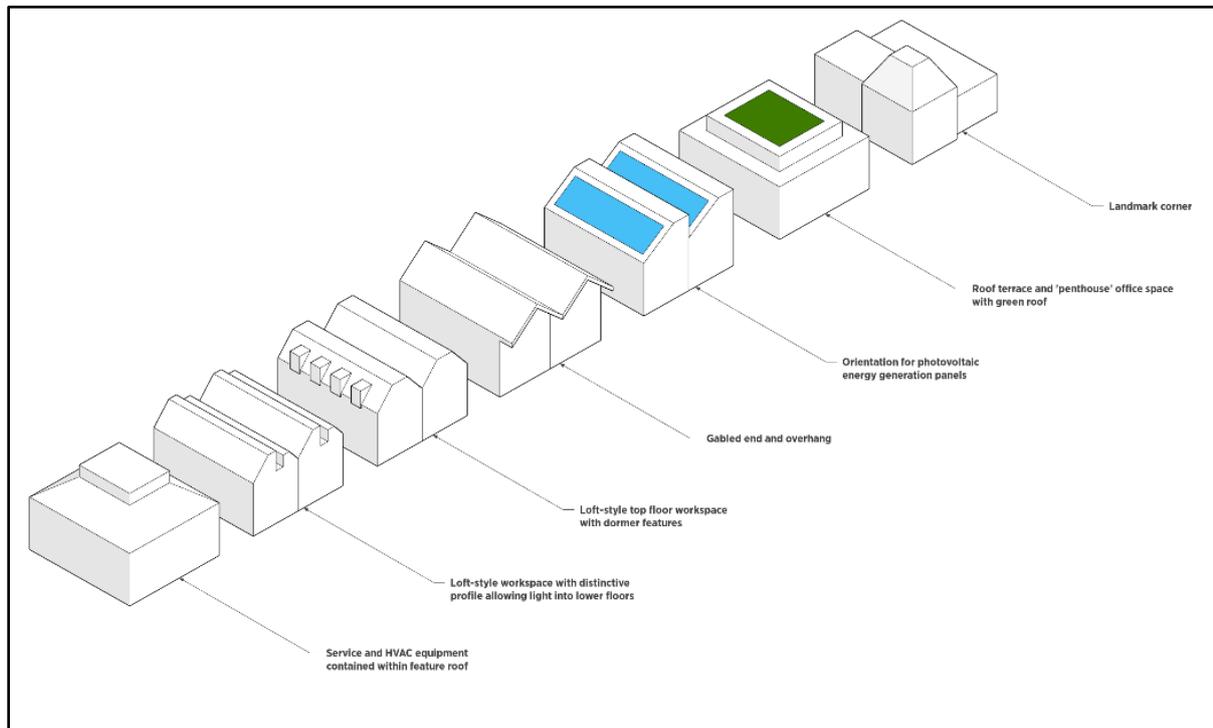
Building Design

- 4.97 Carefully planned building design can avoid inefficient, poorly designed buildings that do not integrate with the surrounding area. Well-planned building design contains high quality architectural detail that integrates with the surrounding area, and optimises energy, materials, and water use.
- 4.98 The businesses that will occupy the site once developed will want to attract and retain the best talent available, and a high quality workplace will be important to attract and retaining staff. Linking design, people and technology to enhance health and productivity will be fundamental for high -performing workplaces. A healthy attractive office environment that offers supporting facilities for leisure and everyday needs set in an attractive environment which facilitates interaction, collaboration and networking will help to attract businesses and employees to the business park and will help to create a coherent business community. Attractive workspaces will need to be fully integrated into the development, including the intelligent buildings to support occupier and employee expectations for a healthy working environment. More information can be found on the British Council for Offices website.
- 4.99 The National Planning Policy Framework 2021 (paragraphs 126 – 136) focusses on national planning policy to achieve well-designed, sustainable places, which create better places to live and work. This includes recognising the important role that trees play in the character and quality of urban environments and in helping areas to reach carbon neutrality. New streets should be tree-lined, and trees should be incorporated in parks and community orchards.
- 4.100 Roofscapes are a significant influence on a buildings design that can add considerable to the character and individuality of the business park. A variety of roofscapes should be used across the site to mitigate some of the scale of taller buildings and to add to the character of the business park.
- 4.101 Contemporary office roofscapes could be multifunctional, incorporating green roof terraces with places for employees to sit out. Other roof forms to be considered include roofs angled for photovoltaic energy generation and servicing equipment contained within a feature roof, and loft style workspaces for the lower buildings more suitable for SMEs.
- 4.102 Green roofs can help optimise building energy conservation and are encouraged, provided they are made unattractive to flocking birds to avoid potential to create bird strike at Gatwick Airport. Techniques to create such roofs, which remain friendly to insects and other biodiversity, have been employed in the vicinity of other international airports, and should be considered for this site.

4.103 The site owner or management company would need to sign up to a Bird Hazard Management Plan to ensure that regular inspections are undertaken to ensure that flocking birds such as Gulls do not use the roofs for nesting or roosting, as this could potentially endanger Gatwick's aviation safety.

Figure 47: Roofscape design options

Image credit: David Lock Associates 2021



4.104 Building design, construction, operation and ongoing management has potential to contribute to addressing carbon emissions. Building design must also directly contribute to the health and wellbeing of the people who work inside them. It is essential that building design options reflect commercially deliverable schemes, and the DLA 2021 report selected a range of suitable office building types which they used to develop the three illustrative design scenarios.

4.105 Architectural detailing including materials and colour have a strong influence on the quality of a building. The choice of materials and material colours for this development should be derived from urban design analysis that considers the surrounding area and character. This includes building grain, roof forms, architectural features, and materials.

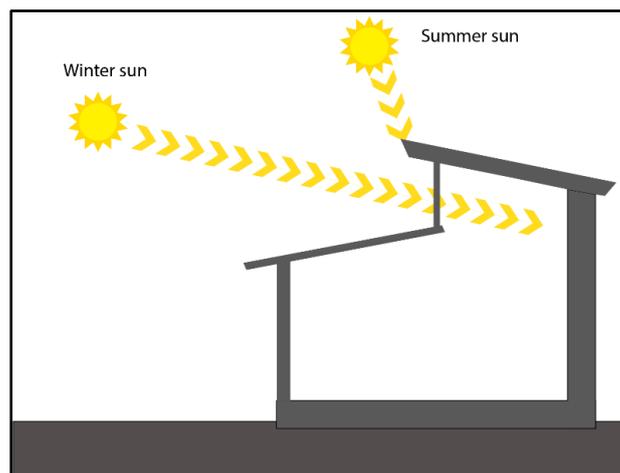
4.106 Window design is a part of architectural detailing that has a strong influence on the quality of a building, whilst also creating benefits to the workspace inside. Windows can provide natural lighting that brings offices to life and helps an employee's ability to focus. Window design should consider the height, bulk and scale of the development and be positioned to provide views, lighting and active

frontages.

Building Sustainability

- 4.107 Developers should use “sustainability assessment” methods, such as the Building Research Establishment Assessment Method (BREEAM) in masterplanning the site and in the design and construction and management of buildings. This could include aiming for carbon neutrality for the business park’s development to reduce as far as possible carbon dioxide emissions and balancing carbon dioxide emissions with removal of carbon dioxide. [The BREEAM Sustainability Assessment Method Technical Standards for New Construction can be viewed using this weblink.](#)
- 4.108 Through masterplanning, the sites owners and promoters should aim to achieve BREEAM technical “excellent” standard for new building construction. It is acknowledged that as most of the site is currently undeveloped this will be challenging. BREEAM “very good” standards must be met as a minimum but should be exceeded wherever possible, such as in water efficiency.
- 4.109 Buildings should be designed to incorporate the latest suitable technologies, with built-in future-proofing wherever possible. Opportunities to maximise energy saving, including maximising solar gain including through orientation of buildings, and planting of deciduous trees should be used. Building design aimed at maximising solar gain , including use of narrower floorplates, will provide heat and light in the winter months whilst providing shade during the hottest parts of the summer months.

Figure 48: Solar Gain design



- 4.110 Wherever possible and suitable for design and appearance, building materials that absorb and maintain heat should be used for insulating walls and roofs. This will help to save energy in the operation of the buildings.
- 4.111 Hot weather has potential to result in some buildings overheating, which can

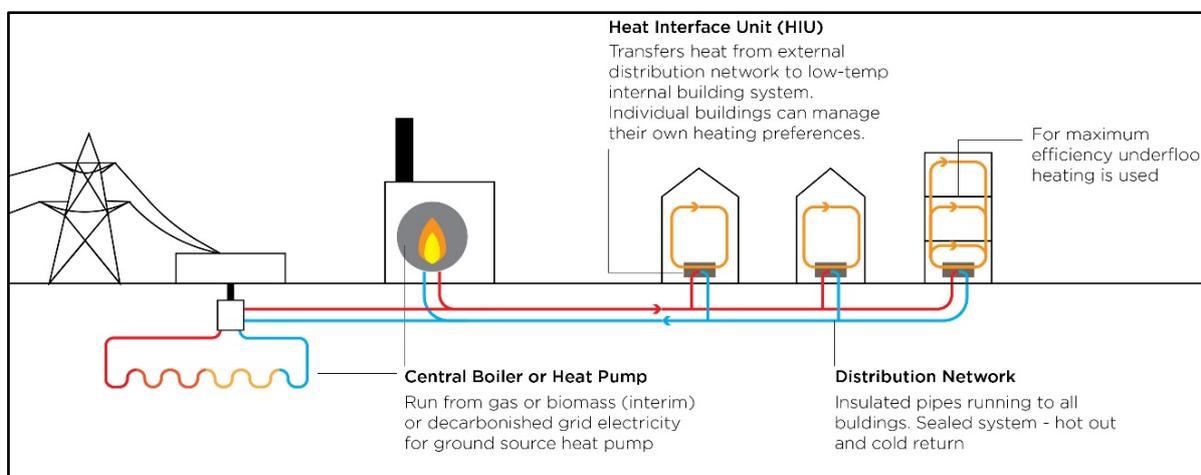
cause serious health issues such as heat stress. It is therefore important that buildings can be kept warm in winter but can also stay cool during the summer months without an overdependence on energy intensive air conditioning systems, which are also more expensive to run. Use of building materials with high thermal mass together with mechanical ventilation could provide flexible options for some buildings. The Council's preferred approach to avoid buildings overheating is that the design of developments follows a 'cooling hierarchy'. Figure 11 of the Borough Council's adopted Climate Change and Sustainable Construction SPD 2021 should be referred to. To prevent buildings overheating, the use of "brise soleil" using aluminium louvred blades for relevant elevations of buildings should be considered in design buildings depending on their scale and orientation.

4.112 DMP Policy CCF1 requires new non-residential developments of 1,000 sqm or more such as this to be renewable or low-carbon energy generation, in order to provide 10% of the anticipated energy use of the development. Site promoters should aim for this 10% to be far exceeded on this strategic cutting-edge business park, setting an example of what is possible through the masterplan and planning application. This could be achieved through including in the site and building design renewable energy technologies such as provision of a district heating network, and solar photovoltaics.

4.113 The scale of the site's development offers potential to provide on-site sustainable energy generation through use of a district heating solution, either a heat exchange loop from a ground source heat pump (GSHP), or centralised CHP energy generation facility using low or zero-emission technologies. If biomass is to be used, local emission impacts on air quality must be considered as the site lies in an air quality management area (AQMA). Related to these and to solar panels will be a need for batteries to store electricity or hydrogen tanks on site.

Figure 49: District heating network principles

Image credit: David Lock Associates 2021



- 4.114 Gatwick Airport Ltd (GAL) has asked that use of wind turbines as a renewable energy source or to power building ventilation be avoided if possible, due to the potential for their rotating blades appearing as “clutter” on the airport’s radar screens. Bladeless wind turbine ventilators may be suitable and viable, and their use could be explored. Where solar panels are including on buildings, these should be sited to avoid being in the line of site of the airport’s radar to avoid distortion of beams. Every opportunity to incorporate sustainable energy technologies, including solar collectors and solar water thermal stores, must be considered, and included where suitable.
- 4.115 Use of sustainable construction materials and methods should be employed wherever possible, starting at the masterplanning stage. This should include green thermal insulation, recycled wood, and recycled metal. “GreenSpec” is the leading resource in the UK promoting sustainable building products, materials, and construction techniques. It was launched with government funding in 2003 and is independent of companies and trade bodies. Further information on sustainable building materials is available on the [GreenSpec website, which you can access using this weblink](#). Forest Stewardship Council certified materials are certified sustainable materials that could also potentially be included in the build. Further information is available on [the FSC website, which can be accessed using this weblink](#).
- 4.116 Surrey County Council (SCC), as the waste planning authority for the site has produced and adopted an [Aggregate Recycling Joint Development Plan Document 2013, which can be viewed on SCC’s website using this weblink](#). The County Council’s development plan document encourages use of recycled aggregates such as inert construction, demolition and excavation waste in place of land won aggregates where possible and suitable.

PRINCIPLES FOR BUILDING DESIGN AND SUSTAINABLE CONSTRUCTION

1. Building design should contribute to the health and wellbeing of the end users. Architectural detailing should be used to create beautiful buildings that contribute positively to the area.
2. Roof design should be varied, interesting and contextually sensitive.
3. Green roofs to optimise building energy conservation are encouraged, provided they are made unattractive to flocking birds to avoid potential to create bird strike at Gatwick Airport.
4. Streets should be lined with trees.
5. Workspaces should be designed to be healthy and stimulating to help optimise productivity and wellbeing.

6. A variety of suitable office building types should be used across the site, suggested by their location within the site.
7. Larger buildings should be articulated or “broken up” so that they appear as groups of smaller buildings to retain a “human” relatable scale.
8. Presentation of larger format buildings with active short edges towards main pedestrian routes and public areas to create a visually finer grain.
9. Development should be adaptable and resilient with consideration of building orientation to maximise solar gain and minimise carbon emissions. Where suitable, use of narrower floorplates can help to maximise access to sunlight to warm buildings whilst enabling passive ventilation. As an absolute minimum, at least 10% of anticipated energy use must be provided by renewable or low carbon methods.
10. Commercial building design and construction should aim to be carbon neutral and should incorporate the latest technologies to create an exemplary sustainable business park, exceeding BREEAM “very good” standards.
11. Water efficiency measures designed to minimise water consumption on the developed site, including grey water recycling systems should be considered at the masterplanning stage.
12. Building design and construction should make use of recycled materials including inert construction and design waste and should consider the use of sustainable materials and high thermal mass materials.
13. Development should use high thermal mass building materials where suitable, whilst considering potential to overheat in the summer.
14. Developments should follow the Borough Council’s “cooling hierarchy” guidance to reduce buildings overheating.
15. Sustainable construction techniques using recyclable materials where possible should be used.

g) Open Space: Public park, hard and soft landscaping and trees, hedgerows and biodiversity

- 4.117 The site includes field boundaries consisting of hedgerows and trees that may well date back beyond the 1600s. This makes up a large part of the historic landscape character of the site. These are important landscape character features to protect and should be retained and enhanced along with the central

woodland copse which could provide a green focal point, with a new small “green square” planted to contribute to provide the green setting of the business park.

- 4.118 The east part of the site contains the only formally protected trees on the site. These are subject to a blanket TPO covering the remaining trees along the north, south and eastern boundaries of Meadowcroft House. The mature tree and hedge belts along the site’s east edge to Balcombe Road must be retained and enhanced to provide green “buffers” to the business park. Suitable new planting will need to be provided along the site boundaries, between the business park and the nearby houses, for screening, biodiversity, and to support a reduction in carbon emissions.
- 4.119 As part of the site’s development, at least 5ha of high quality public open space will need to be provided. This would be best provided in the northern part of the site for several reasons. This northern part of the site, being the lowest part of the site, and within Flood Zone 2, has limited development potential. However, laid out as parkland, it could include flood mitigation measures, such as balancing ponds and swales (a broad shallow planted channel designed to store and convey runoff and help remove pollutants) to help reduce flood risk on the rest of the site and in the surrounding streets.
- 4.120 The land in the south, designated as the Gatwick Open Setting (DMP Policy NHE1), would not be suitable as the new public open space as it is not sufficiently close to the existing homes to the north and north east of the site to be well used, and would not form the required buffer to the existing houses. Instead, a public park situated in the north of the site will allow better public access for the local residents. However, it could be linked through a network of green corridors to the new public open space in the north of the site.
- 4.121 It is likely that this new public park will be laid out and dedicated as public open space by the Borough Council as the first , or early phase in the site’s development. This would need to include details of the ongoing management and maintenance of the new public open space by R&B Borough Council. Transfer of the land for the new public open space, most likely through a planning obligation, will allow for effective on-going management of the new public open space.
- 4.122 The Natural Environmental and Rural Communities Act 2006 requires the Borough Council as a public authority to have regard to biodiversity conservation when carrying out its functions in order that biodiversity conservation is embedded in all its relevant policies and decisions
- 4.123 Although the site allocation includes parkland and outdoor sports facilities, following more detailed consideration of the open space needs in the area and the issues relating to formal sports provision in this location (in particular parking, lighting, a building for changing and washing facilities), formal playing pitches /

fields are considered unsuited to this site.

- 4.124 Provision of a new public open space would be most suited to take the character of semi-natural parkland. It could provide a pleasant parkland area potentially with outdoor gym equipment or “trim trail” of outdoor exercise equipment, young children’s play area, an orchard area of native trees, a sensory garden for relaxation and rest, and temporary water features and ponds which could help to reduce flood risk elsewhere in the area.
- 4.125 Access to a large area of natural green space will provide opportunities for exercise, play, and quiet enjoyment of nature, benefitting health of local residents and business park employees.
- 4.126 A new large public open space in the north of the site will provide a buffer between the houses surrounding the site and the business park, acting as a new southern ‘gateway’ to Horley. It also offers the opportunity to provide tree lined walking and cycling corridors linking this to other areas of open space, and to Sustainable Drainage Systems (SuDS) on the site.
- 4.127 A well planned green infrastructure network on the site will deliver many positive benefits for nature and for the local community, including providing a habitat for important species, managing flood risk. This will create recreation and biodiversity links and will avoid fragmented green spaces. Green space linkages should be provided within and to outside the site, including to the “Gatwick Open Setting” in the south of the site, and the Riverside Garden Park in the west in order to link into a wider green and blue infrastructure network. Consideration should be given to opportunities to provide green bridge crossings for small animals to cross “obstructions” such as roads and railway lines where possible, including examples of such corridors already built.
- 4.128 Hard and soft landscaping should be used to create aesthetically pleasing environment for the business park which also provide biodiversity opportunities. Getting the correct balance of hard and soft landscaping is key to building effective green infrastructure networks. Developers are urged to explore multifunctional landscape provision to deliver wide ranging benefits.

Figure 50: Indicative plan of green and blue infrastructure within the site

Image credit: David Lock Associates 2021



4.129 Efforts should be made to contribute to functioning, diverse biodiversity in the site. Within the centre of the site a formally landscaped “urban square” space forming the focal point of the business park development should be provided, linked by a pedestrian and cycle route to Gatwick railway station to the south and

to Horley town centre via the new public park to the north.

- 4.130 New streets on the site should be lined with trees and landscaped to create a pleasant mature green setting for the business park whilst providing some shade for pedestrians and cyclists.
- 4.131 Development should protect or replace existing wildlife corridors, and also provide opportunities to develop new habitats for wildlife, which will help to achieve a net gain in biodiversity. Green walls and wildflower planting with native and pollinator species in particular will be an effective way to enhance biodiversity of the developed site. Consideration must be given to [Surrey Wildlife River Mole and Tributaries Biodiversity Opportunity Area Policy Statement September 2019, which can be accessed using this weblink.](#)
- 4.132 Attention must be taken in designing the park and soft landscaped areas within the business park to avoid increasing the attractiveness of the site to birds which may be hazardous to aviation safety. Habitats that help improve biodiversity on the site but do not increase the birdstrike risk to the airport include long grass meadows and planting for pollinators; provision of habitat for bats, excluding permanent large areas of open water; bat boxes and bird boxes for smaller species; scrub or bare ground habitat for invertebrates or smaller, non-flocking bird species; areas of short grass, provided they are away from open water; and green walls, which tend to attract smaller species.

**PRINCIPLES FOR OPEN SPACE: PUBLIC PARK, HARD AND SOFT
LANDSCAPING AND TREES, HEDGEROWS AND BIODIVERSITY**

1. Hedgerows and mature trees along the site boundary and within the site should be retained as far as possible. Generous screening planting including suitable deciduous tree species should be provided as a buffer to existing housing areas around the site. Full Arboriculture and Ecological Surveys will be required at the planning application stage to include impact assessment on existing trees.
2. A high quality public open space (5ha) in the north of the site close to Limes Avenue must be provided to serve the local community and the employees of the site. The open space should link via green corridors through the site to the area designated as Gatwick Open Setting in the south of the site to connect to the local green infrastructure network.
3. Open spaces must be multi-functional, providing for recreational amenity, natural habitats for wildlife, surface and fluvial water management, and an attractive distinctive setting for the business park development.

4. Two key features of the business park that would benefit its employees could be provided around the existing central area of woodland. An “urban square” to the south of the woodland area which provides outdoor seating, meeting and eating areas, and a smaller “green square” to the north of the central woodland area to provide a turning area for buses and service vehicles and an attractive green setting for the business park buildings.
5. The site’s development must avoid an overall decline of biodiversity. Instead, wildlife habitats must be protected and enhanced, whilst also providing opportunities for new habitats for flora and fauna.

h) Mitigation of Surface Water and River Flooding

- 4.133 Areas within the north and eastern part of the site (shown on Figure 15 above) are within Flood Zone 2, although no rivers or streams actually run through the site. Nevertheless, the site lies within the “Burstow Stream at East and North Horley” flood warning area and Ifield Brook, Upper River Mole, Gatwick Stream, Burstow Stream and Salfords Stream flood alert area. Opportunities must be planned through the site’s development to ensure no increased flooding on the site and surrounding streets, and where possible, to reduce it. A site-specific flood risk assessment will be needed to support any planning application, which takes account of the findings of the DMP’s Level 2 Strategic Flood Risk Assessment 2017.
- 4.134 As part of the development of the site, flood mitigation and attenuation measures must be provided to ensure no increase in the risk of flooding to the site and nearby properties. Due to the existing flood risk to properties surrounding the site, surface water runoff must be restricted to greenfield runoff rates, unless satisfactory evidence is submitted to demonstrate why this is unfeasible. Noting that the site is predominantly greenfield, Surrey County Council as Lead Local Flood Authority (LLFA) for the area requires for the development of the greenfield land area, the peak runoff rate from the development to any highway drain, sewer or surface water body for the 1 in 1 year rainfall event and the 1 in 100 year rainfall event should never exceed the peak greenfield runoff rate for the same event.

Figure 51: Groundwater on the site



- 4.135 SuDS should be designed around existing surface water flow paths and areas of ponding. The soils on the site and the high groundwater table may limit the opportunities for infiltration SuDS, however this large undeveloped site should be able to implement other SuDS features and designs.
- 4.136 Creation of new SuDS balancing ponds, temporary wetland areas, swales, as well as improvements to existing drains on and around the site should all be explored as early as possible in drawing up the masterplan to help mitigate future flooding of the site and surrounding streets. [Surrey County Council's Sustainable Drainage System Design Guidance, which you can access using this weblink](#), was prepared by the County Council in its role as LLFA for this area. By meeting the requirements of that guidance relating to surface water drainage will help the LLFA to assess the planning application, to which they will be a statutory consultee. Where a site is significant in size, is hydrologically complex or where an approach which goes against the advice in this guidance is proposed, it is strongly advised that applicants seek pre-application advice from SCC as the LLFA prior to submission of their application.
- 4.137 Thames Water, as the wastewater / sewage undertaker for the area has advised that the developer is responsible for following the sequential approach to the disposal of surface waters with proper provision for surface water draining to ground, water course or surface water sewers being given. The discharging of surface waters to the foul sewer can be a major contributor to sewer flooding and should therefore be avoided.

Figure 52: Oxford Science Park's integration of water channel, walking route and green infrastructure



- 4.138 Opportunities should be taken to deliver multi-functional SuDS which also deliver benefits to biodiversity and recreation through integration with areas of greenspace. These can provide attractive multifunctional landscape features route that help increase biodiversity, provide for temporary water storage during wet times, and provide pleasant walking / cycling routes, recreation or seating areas.
- 4.139 Any open water areas to be created as SuDS must be designed to be as unattractive as possible to birds which may be hazardous to aircraft safety. SuDS should be reasonably small with steep banks, and continuous planting on its edges with an evergreen plant such as Common Reed, which will obstruct land access by waterfowl. There must be no islands in water features, which should ideally have shrub or tree planting around them, and no adjacent short grass as that will be attractive grazing source for geese.
- 4.140 The existing culvert between Staffords Place and Limes Avenue is currently restricted. The potential for this culvert to be improved through clearing and potentially widening must be investigated with SCC in order to increase its capacity. A survey of existing ditches and culverts is needed to inform the design of flood alleviation measures, which could also potentially include new swales and balancing ponds.
- 4.141 Green roofs that are appropriately designed to be unwelcoming for certain

flocking birds which can be hazardous to aviation activity should be considered throughout the site in order to absorb and filter rainwater. Green Roofs can be designed to absorb and filter rainwater with appropriate rainwater harvesting techniques, whilst being uninviting to flocking birds.

Figure 53: Landscaped balancing ponds used for temporary flood water storage, Cheltenham

Image credit: JPR Environmental



Figure 54: Example of Sustainable Drainage System at Watercolour, Redhill



4.142 The site masterplan should include the northern part of the site within Flood Zone 2 as public open space incorporating flood attenuation measures, with built development (other than infrastructure such as car parks) restricted to Flood

Zone 1.

- 4.143 Following an extreme flooding event in the Horley area in late 2013, the Environment Agency (EA) work has been working on design of a suitable flood alleviation scheme in order to reduce the risk of the area flooding in the future. The EA has to date shortlisted six potential options for the Burstow Stream catchment, which require further detailed appraisal to assess feasibility before any formal design and consultation can begin. These options incorporate natural methods, such as using more natural measures like upstream storage and increased wetlands and washlands to offer improved habitats. The EA intends to further develop the options that would deliver the widest range of benefits, including improved biodiversity, habitat creation, improved amenity and public access. Progress on the EA's development of these potential options to improve the flooding in the Burstow Stream catchment should be checked as the masterplan is being prepared.

PRINCIPLES FOR MITIGATION OF SURFACE WATER AND RIVER FLOODING

1. A site-specific Flood Risk Assessment with Surface Water Drainage Strategy must be submitted as part of any planning application and must inform the site masterplan. Both must take into account the Reigate & Banstead Level 2 Strategic Flood Risk Assessment (2017).
2. The use of multifunctional SuDS and other flood mitigation and attenuation measures will need to be provided on appropriate areas of the site, especially where they can provide multifunctionality and can integrate into the green infrastructure network. Must avoid creating permanent large areas of open water that could attract birds that could become a hazard to the adjacent airport. Flood alleviation proposal must ensure no increased risk to nearby residential properties and must comply with Surrey County Council's SuDS Guidance.
3. Maximising use of SuDS and other flood mitigation measures such as green roofs designed to absorb and filter rainwater.
4. The flow of surface water should follow natural topography and existing channels with attenuation features within or adjacent to development phasing plots.
5. No buildings except for supporting infrastructure such as car parking may be proposed within Flood Zone 2 in the site's masterplan.
6. The north of the site should be used to provide strategic flooding mitigation within the new public parkland, potentially through creation of wetland habitats to slow down the flow of surface water out of the site.

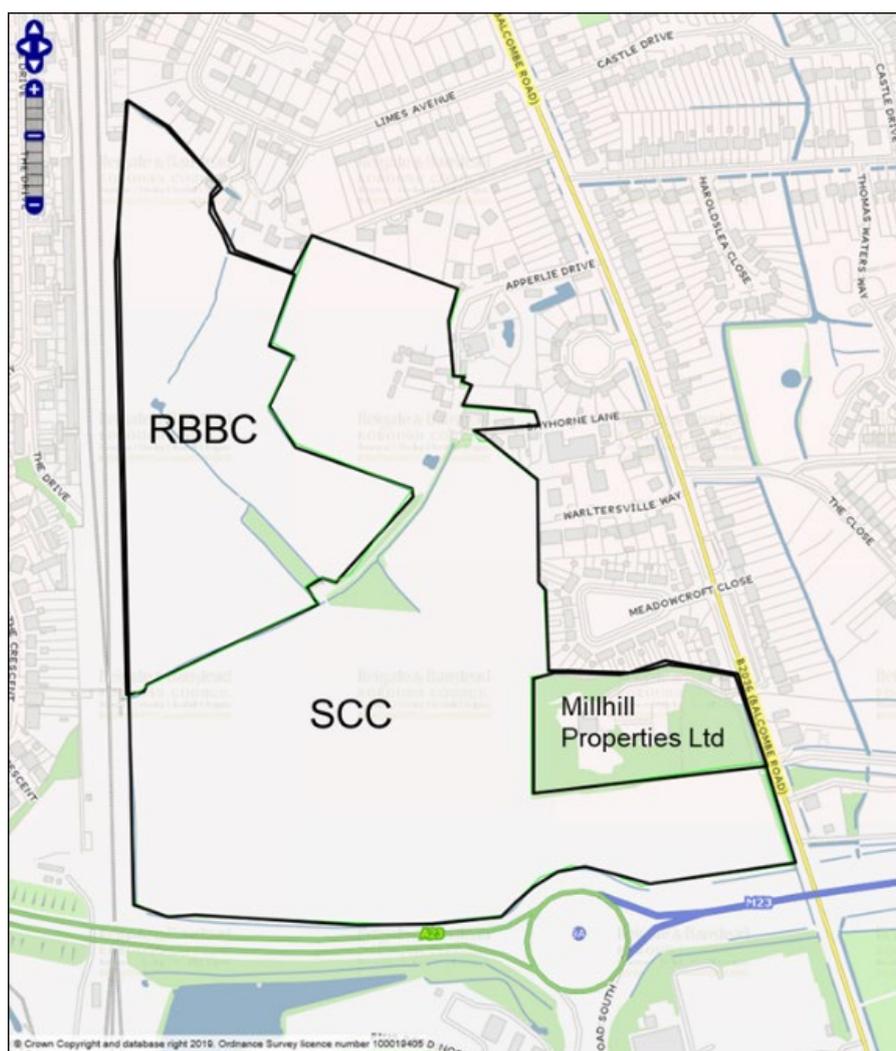
7. Using permeable surfaces and planting within the limited surface car park areas and areas of “hard” landscaping to adsorb surface water, and street trees with tree pits in all streets and public spaces.
8. Use of swales within street verges and open space, and rills within hard paved areas to channel water towards the swales.
9. Stafford’s Place culvert directly to the north of the site should be improved and upgraded

Section 5: Delivery

a) Land Ownership

- 5.1 The ownership of the 31-hectare site is divided between three parties. Surrey County Council (SCC) owns over half of the site, some 19ha, in the north-east, central and south of the site. SCC's ownership includes the main access point from Airport Way roundabout at the junction of the M23 Gatwick spur road and the A23 Airport Way.
- 5.2 Approximately 8.82ha at the central and north west of the site, with a limited serving access from Limes Avenue used for maintenance, including the landholding of Fishers Farm, is owned by Greensands Holding Ltd, Reigate & Banstead Borough Council's private limited wholly owned company.
- 5.3 Millhill Properties (Horley) Ltd owns Meadowcroft House (approximately 2.3ha) in the far east of the site, with vehicle access from Balcombe Road (B2036).
- 5.4 Horley Business Park Development LLP (HBPD LLP) a joint venture company was established by Reigate & Banstead Borough Council (50%) and Millhill Properties (Horley) Ltd and Berwick Hill Properties Ltd (49.99% and 0.01% respectively) for the development and ongoing management of this site as a strategic business park.
- 5.5 The Borough Council's Planning Policy Service prepared this SPD in consultation with consultants. As was the case with the allocation of site HOR9 by the Development Management Plan (DMP), this SPD has been prepared by the Borough Council's Planning Policy Service, retaining an "ethical wall" (in effect an information barrier) between the Borough Council's two interests, as landowner and as local planning authority (LPA). This "ethical wall" prevents exchange of information or communication that could lead to conflicts of interest. At both officer and member level, communication between R&B Borough Council's interests as the LPA regarding the site's development brief SPD, as opposed to the Borough Council's interest as landowner and site promoter has been limited to discussion in a virtual meeting with the site owners regarding contents of the SPD and key issues. This "ethical wall" will remain in place when the Borough Council, in its role as LPA, considers any planning application for development of the site.

Figure 55: Illustrative landownership map of the site



5.6 With the constraints on various parts of the site, including Flood Zone 2 and the designation of the Gatwick Open Setting, and the policy requirement for a significant new public open space, a Developer Equalisation Agreement may well be required to assist in delivery of the development. This will ensure a comprehensive and co-ordinated approach that results in integrated and sustainable development and a high quality, well designed place

b) Pre-application Community Involvement Requirements

5.7 As summarised in Section 1a above, the Borough Council has an adopted Statement of Community involvement, which set out how and when the Borough Council will involve the community and other stakeholders regarding planning matters, including in the consideration of planning applications. The Borough Council’s current SCI was adopted in April 2019. Section 4.2 of the SCI sets out how developers, particularly of large-scale developments such as this new business park and public open space, should seek feedback from the Borough Council on draft proposals and should engage the public before submitting a

planning application.

- 5.8 Having prepared a masterplan that takes account of the contents of this SPD, the landowners and site promoters should engage with the local community, interested and affected organisations including local residents' associations, Gatwick Airport Ltd and National Highways (formerly Highways England), and Horley Town Council before submitting a planning application. The public engagement could usefully include a local public exhibition.
- 5.9 Details of the pre-application engagement and how the feedback has informed the submitted proposal should be submitted to the local planning authority (LPA) alongside any planning applications submitted for its consideration.

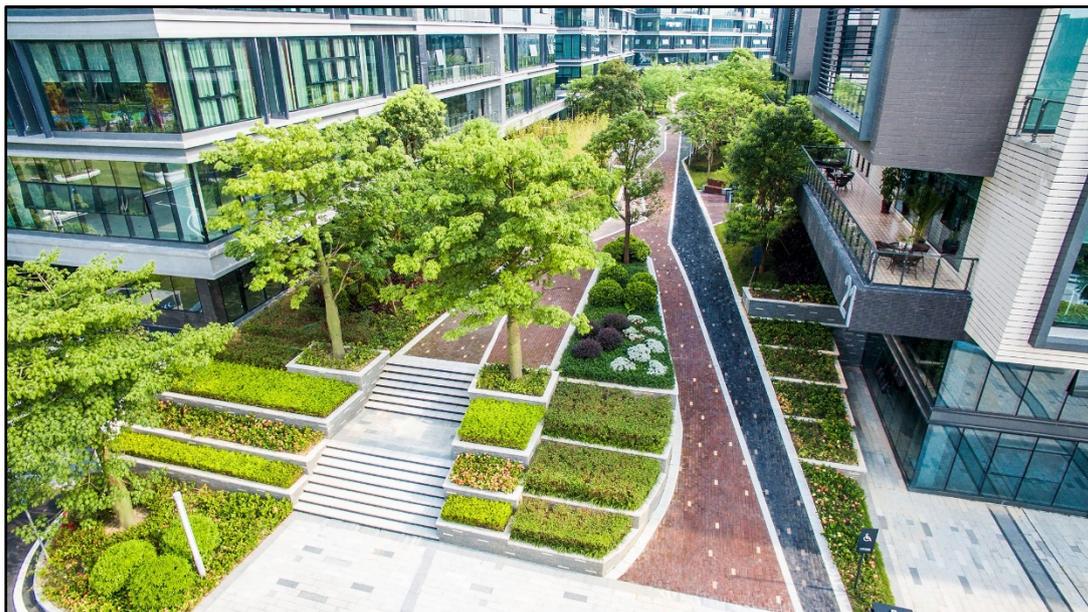
c) Planning Application Requirements

- 5.10 In drawing up a masterplan for the development of the site, the owners and promoters must take account of, amongst many factors, the guidance contained in this SPD. That masterplan will need to be submitted alongside any outline planning application made to help explain the rationale behind the outline scheme chosen which will assist the LPA to assess the proposal and subsequent Reserved Matters or phased full planning applications.
- 5.11 As detailed in Section 4e) "Key Masterplanning Considerations: Site Layout" above, the quantum of development that will be provided on the developed site, will depend on a balance of considerations, including site layout, design and massing, which will need to be balanced against viability issues. The site masterplan and the planning application(s) based on the masterplan are likely to include a narrow range of floorspace provision rather than an absolute or maximum amount.
- 5.12 National Planning Practice Guidance (PPG) advises that **Environmental Impact Assessment (EIA)** must be applied where needed under *the Town and Country Planning (Environmental Impact Assessment) Regulations 2017*, to individual projects which are considered likely to have significant environmental effects. Its consideration may include potential mitigation requirements. This would include consideration of potential impacts on biodiversity. The PPG advises on the different requirements between strategic environmental assessment (SEA) and other forms of assessment. It advises that strategic environmental assessment (SEA) may be used at the plan-making stage to assess the likely environmental effects of the plan when judged against reasonable alternatives, which the site allocation in the DMP was subject to.
- 5.13 The development of this allocated site, if in accordance with the site allocation HRO9, is not of a type listed in Schedule 1 of the 2017 Environmental Impact Assessment Regulations. However, it may well fall within the description of

projects (in column 1) over the specified size threshold (listed in column 2) of Schedule 2.

- 5.14 **Screening for Environmental Impact Assessment** may therefore be required under Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 for urban development projects over a specified size and / or in a sensitive location. A “sensitive location” could potentially include the Air Quality Management Area subject to AQMO No.3 2003 for an area south west Horley, within which the site is located. Section 4b, above, provides more detail and links to relevant documents.
- 5.15 **Before** submitting a planning application, the applicant may submit, or the local planning authority (LPA) may request submission of EIA screening information. On the basis of that information, the LPA may give a screening opinion as to whether an EIA is required to be submitted with a planning application as an Environmental Impact Assessment Development.
- 5.16 The Natural Environment and Rural Communities Act 2006 (section 40) requires all public bodies to have regard to biodiversity conservation when carrying out their functions. This is commonly referred to as the ‘**biodiversity duty**’. The National Planning Policy Framework (paragraphs 174 and 180) requires developments to improve biodiversity where possible. Biodiversity net gain can be achieved on-site, off-site or through a combination of on-site and off-site measures. There is a national proposal for most developments to be required to achieve a net gain in biodiversity of at least 10%, which is proposed to be included in the Environment Act 2021. It is likely to be a requirement nationally from 2024. Full **Arboriculture and Ecological Surveys** must be submitted as part of any planning application. This must include impact assessment on existing trees.

Figure 56: Green infrastructure at Link International Business Park in Dongguan, China



- 5.17 National requirements for planning applications of various types and scales to be considered valid are set out in planning legislation and in the NPPF, known as **national validation requirements**. The NPPF also establishes policy for local planning authorities to adopt **local validation requirements checklist** of local requirements. Both the national and the Borough Council's **Local Validation Lists for planning applications** are available on the Borough Council's website. [You can use this link to view \(2013\) national and local validation requirements lists on the Borough Council's website.](#) In addition to these national and local validation requirements, the following will be required to be submitted in support of any planning application on this site. This is not exhaustive, and other studies and assessments may be required to be submitted, depending on the detail of the proposed development.
- 5.18 The detailed guidance provided in Reigate & Banstead's *Climate Change and Sustainable Construction SPD 2021* should inform the preparation of the site masterplan. This includes methods of minimising water usage and flood risk, promotion of sustainable transport use, suggestions for sustainable site layouts, sustainable building design and construction, local power and heating opportunities to help minimise man-made climate change, use of green infrastructure including planting of native deciduous trees to provide shade to buildings in summer whilst allowing the sun to warm the buildings during the winter. A list of suitable native trees is included in the Borough Council's [Local Character and Distinctiveness Design Guide SPD 2021, which can be viewed using this weblink.](#)
- 5.19 The 2021 CCSC SPD also includes requirements for submitting a planning application, such as the need for a **Sustainability Checklist**, a **Carbon**

Reduction Statement, and a **Construction Management Statement**. A weblink to the 2021 CCSC SPD is provided at Section 1b) above.

- 5.20 As required by national planning policy and site allocation Policy HOR9, a comprehensive **Transport Assessment** will need to be submitted as part of any planning application. Although a site-specific Transport Assessment was submitted to inform the DMP site allocation and examination, the Assessment submitted with the planning application will need to include more refined floorspace quantum and phasing. The key modelling assumptions will need to be developed in liaison with National Highways, Gatwick Airport Ltd (as a national infrastructure provider), Surrey County Council and West Sussex County Council. Committed development in the borough and in the surrounding areas including West Sussex, will need to be taken into account. Committed development means having a local plan site allocation, planning permission, or Permission in Principle.
- 5.21 As the site is located within an Air Quality Management Area Order 3 2003 (SW Horley), in accordance with DMP Policy HOR9, the developer will be required to submit an **Air Quality Modelling Report** alongside the required Transport Assessment as part of any outline planning application. This should include consideration of cumulative impacts.
- 5.22 Surrey County Council (SCC) is the designated Lead Local Flood Authority (LLFA) for the county, including Reigate & Banstead borough. Consequentially, it is a statutory consultee on surface water drainage for all major development proposals, which will include the development of this site.
- 5.23 A **site-specific Flood Risk Assessment** (considering all sources of flooding) and a **Surface Water Drainage Strategy** will be required as part of any planning application submitted. The later could form part of the site's SFRA or could be presented as a separate document, and it must set out the surface water drainage assessment and proposals for the site. Both the FRA and the Surface Water Drainage Assessment should take account of the Strategic Flood Risk Assessment (SFRA) Level 2 (2017) and should be prepared in early consultation with SCC as LLFA and the Environment Agency (EA). A weblink to the Level 2 SFRA is provided in Section 2 above.
- 5.24 Detailed modelling will be required to confirm Flood Zone and climate change extents, and groundwater flood risk in the north of the site should be investigated. The Environment Agency and the LLFA should be consulted to obtain the latest hydraulic modelling information for the site at the time of the flood risk assessment. They will advise as to whether existing detailed models need to be updated. Climate change modelling should be undertaken using the relevant allowances (February 2016) for the type of development and level of risk. The SFRA will need to update data upon and add to the understanding of flood risk in

the Horley area.

- 5.25 The Environment Agency (EA) recommends that the site’s flood alleviation scheme be designed to provide sufficient protection to existing properties at risk from flooding in Horley, in particular those areas in Horley East ward, adjacent to the Burstow Stream and Haroldtslea Stream. This should follow a natural flood management approach, linking in with wider sustainability and habitat creation to use natural flood risk management techniques to slow the flow and store flood waters.
- 5.26 The site-specific SFRA will need to provide a detailed assessment of potential flood risk from all sources such as fluvial, groundwater, sewers and surface run-off (including potential impact of climate change) and a strategy to manage all such risks; and demonstrate that the new development will not increase flood risk on the site and elsewhere during all phases of the development.

Summary of Key Planning Application Submission Requirements

- Environmental Impact Assessment (EIA) Screening
- Site Masterplan
- Compliance with national validation requirements
- Compliance with local validation requirements checklist
- Design and Access Statement
- Transport Assessment
- Air Quality Modelling Report
- Full Arboriculture Survey
- Full Ecological Survey
- Sustainability Checklist
- Carbon Reduction Statement
- Construction Management Statement
- Site-specific Flood Risk Assessment
- Surface Water Drainage Strategy
- Surrey County Council’s Surface Water Drainage Pro-Forma
- Heritage Impact Assessment
- Retail and leisure impact assessments

- 5.27 As advised by Historic England, a **Heritage Impact Assessment** (HIA) should be undertaken and submitted as part of any planning application, to consider all heritage assets, statutory and others. A HIA should consider the implications of development (positive and negative) for the setting of a heritage asset, for

landscape and townscape character, and any for potential archaeological interest of the site. Information on the area's historic character of the area such as historic landscape characterisation should be included. The HIA should inform the preparation of the masterplan and subsequent planning application.

- 5.28 Due to proximity of the site to Gatwick Airport and the need to protect airport safety, the design, heights, materials and any green roofs of buildings, and any permanent water features must have regard to the requirements of ODPM / DfT Circular 01/2003 2003 'Safeguarding of Aerodromes, Technical Sites & Military Explosives Storage Areas and to the Town and Country Planning (safeguarded aerodromes, technical sites and military explosives storage areas) Direction 2002.
- 5.29 **Retail and leisure impact assessments** may be required to be submitted as part of any planning application, depending on their floorspace, to ensure that the proposals do not result in undue competition with designated town centres at Horley and Crawley, and smaller local centres in the surrounding area. Sequential assessments will not be required for limited scale supporting retail and leisure uses on the site, provided their location requirement is to support and complement the business uses.

d) Infrastructure Requirements, planning conditions and obligations

- 5.30 **Due** to the scale and complexity of the likely development on this site, any planning permission will need to include a planning obligation and planning conditions. These will help to ensure that the development is delivered in a comprehensive manner with all the infrastructure, supporting facilities and new public open space delivered when needed. This will assist in the proper, effective planning of the site, and prevent individual elements of the scheme being "cherry-picked" for delivery.
- 5.31 **This** section summarises the likely **potential S106 planning obligations and / or planning conditions** based on the site assessment and early work. It is indicative only, and is not exhaustive, as the full nature of the development and its potential impacts that need to be mitigated will not be known until a masterplan and outline planning application have been prepared and submitted and are being assessed.
- 5.32 National planning guidance (the PPG) advises that SPDs must not add unnecessarily to the financial burden on development. The DMP allocation policy HOR9 for the development of the site was subject to high level viability testing during preparation of the DMP, which included most of the infrastructure and other requirements listed in this section (unless specified). The site allocation, including its high level viability assessment was confirmed by the DMP Examiner.

- 5.33 Any planning permission granted for this scale of development will need to be subject to planning conditions, which would be imposed only where they are considered necessary, relevant, enforceable, precise and reasonable.

Planning conditions which may be required include

- Restricting the land uses and floorspace on the site within use Class E to those uses the site was allocated and planed for
- Requiring ongoing economic impacts testing
- Securing the detail, timing and maintenance of the new public open space to be created
- Requiring use of local labour and training for construction of the business park, local supply chain procurement
- Enhancement of local training opportunities particularly in nearby colleges and sixth forms
- Requirement to submit and have approved a *Construction Management Statement*
- Requiring a palate of building and outdoor surfacing materials to be agreed across the site and for individual phases of the development
- Potentially requiring details of noise attenuation details to be submitted if needed for a hotel or offices, reflecting the southern part of the site being within the current 57dB LEQ airport noise, in order to ensure a suitable interior environment for users
- Requiring high speed electric vehicle charging points throughout the site
- Requiring all commercial properties to be within 90m of a fire hydrant for the supply of water for firefighting, and for the locations to be agreed

- 5.34 There are several infrastructure requirements that are crucial to the site’s successful development. These include highways access; initial and on-going investment in sustainable transport modes; telecommunications, digital connectivity, and other utilities infrastructure. These will most likely need to be secured by means of a s106 planning obligation.

- 5.35 Whilst being in a highly accessible, sustainable location, the Borough Council’s Planning Policy Team appreciates that the development of the site will need to be supported by a wide range of significant “hard” and “soft” infrastructure to optimise the development’s sustainability credentials. Public and active transport infrastructure will be key to the success of the development, including designing for a suitable balance between on-site car parking and public transport and

pedestrian and cycle infrastructure provision and improvements.

- 5.36 In assessing any planning application for the site, as set out in national planning policy, the decision maker will need to be assured that any significant impacts from the development on the transport network (in terms of capacity and congestion), or on highway safety, can be cost effectively mitigated to an acceptable degree so that there would not be an unacceptable impact on highway safety, and the residual cumulative impacts on the road network would not be severe.
- 5.37 In allocating the site, the Borough Council and the DMP examiner consider the viability of the site's development and the infrastructure required to successfully deliver it. The floorspace quantum shown in DLA's "Balanced Development Scenario" represents a favourable design scenario in terms of layout, design and massing. This will need to be balanced against the infrastructure needs, including substantial costs of a new M23 spur road and significant active transport projects and other infrastructure improvements, and the site's overall development viability.
- 5.38 The design of the primary means of access to the site from the strategic road network will need to be viable and deliverable. It will also need to comply with the Secretary of State's for Transport's relevant policy, and with the Secretary of State for Transport's licence appointing National Highways (formerly Highways England) as a strategic roads company. Consideration of Gatwick Airport Ltd.'s (GAL) proposals for the M23/A23 and J9A Airport Way Roundabout will also be needed and discussions with GAL and National Highways regarding the re-design of this key roundabout, including its funding and timing, will need to continue.
- 5.39 **A Planning obligation** entered into under **section 106** of the Town and Country Planning Act 1990 may be used to assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. This may include prescribing the type of development, and the timing of delivery of elements of the development such as the public open space and supporting uses, and its supporting infrastructure.
- 5.40 The decision taker may consider a planning obligation in granting planning permission if it meets the three legal tests set out at regulation 122 of the *Community Infrastructure Levy Regulations 2010 (as amended)*. These include the requirements that they are necessary to make the development acceptable in planning terms, directly related to the development; and fairly and reasonably related in scale and kind to the development.

Potential S106 planning obligation general clause to regulate or require:

- Phasing of development including the new public open space and timing of

infrastructure provision and upgrades

- Provision, delivery and on-going management and maintenance of the new public open space, likely to be adopted by the Borough Council
- Guidelines to ensure the effective ongoing management of the business park over its lifetime, including its shared areas, servicing, regardless of its final ownership
- Biodiversity / Ecological Surveys, undertaken at an appropriate time of year for the relevant species. These should include consideration of the many small watercourses on the site and their role as green wildlife corridors.
- Replacement of any trees to be removed from the site should be with tree of a similar canopy size
- Upgrade to wastewater network including to Horley wastewater treatment works
- Arrangements for co-ordinated servicing and waste management across the site's buildings
- On-site telecommunications infrastructure to support the business park, including advanced wireless networks (including fixed link and mobile 5G connectivity), which could potentially benefit the wider Horley area.
- Requirement for the owner / developer to fund the Borough Council's monitoring or the delivery of the development including timely delivery of infrastructure
- Incorporation of site-specific Flood Risk mitigation measures for the site and surrounding areas, including creation of balancing ponds and potentially upgrading the capacity of the existing Stafford Place culvert
- On-going Biodiversity requirements
- Economic needs/ ongoing requirements
- Need to agreed guidelines to regulate the "branding" of the busines park at the outset and ongoing, including building signage and potentially a hotel and conference facilities

5.41 **Section 278 highways agreements** entered into under section 278 of the Highways Act 1980 allows developers to carry out works on the public highway using their contractors. Planning obligations and s278 agreements will be used where it is not possible to address the issue through a **planning condition**. This

will include any off-site considerations that cannot be regulated by a planning condition, including mitigation of impact on the local and strategic road network. It may also be used to regulate phasing of development and timing of infrastructure provision. Depending on the development proposed, the following issues may need to be included in a s106 planning obligation or section 278 highways agreement:

Potential s106 planning obligation or s278 highways agreements clauses to regulate or mitigate transport issue:

- A new direct dedicated access onto the strategic road network at J9A of the M23 spur
- Cap on the number of vehicles accessing the site per hour from the strategic road network, and the means of controlling vehicle entry and exit to the site, and how to monitor and enforce this (to be determined at the planning application stage)
- Design of new secondary access from Balcombe Road and method of restriction to emergency vehicles, public transport and other active travel modes, and a limited number of local private registered vehicles of employees living local to the site.
- Upgrade to Balcombe Road / Antlands Lane to the south east of the site.
- A comprehensive Travel Plan to maximise modal split in favour of non-car modes, including provision for car clubs. Potential for a car-sharing application, with a prize to encourage participation, should be explored
- Securing, maintaining and managing an appropriate maximum or range of on-site car parking for all site users.
- Securing, maintaining and managing an appropriate minimum number of cycle parking / storage spaces.
- Enhancement and extension of pedestrian and cycle routes from the Business Park to Horley town centre and Gatwick Airport station including to include the north-souths route connecting Horley to the site and Gatwick Airport to the site. this could potentially also include upgrade to subway under the A23 with a new railway bridge to the north of the existing one and / or a new subway under the A23 embankment on the eastern side of the railway
- Upgrade to national cycle route NCR21

- Enhancement to the east-west public right of way route across the site either upgrading right of way footpath in its current location or re-routing it
- A new electric shuttle bus service from transport interchange on the west side of Horley station
- Improvements to public transport facilities, including a new bus service (Metrobus) operating between Horley and Crawley town centres via the business park, to operate for between three and years; and
- A financial contribution towards Network Rail / GLA's work in increasing the capacity of Gatwick Airport station, if required (to be determined at the planning application stage)
- Demand-Responsive Transport (DRT) potentially consisting a five vehicle operation serving the Business Park
- One Connected and Autonomous Vehicle (CAV). A self-driving vehicle to operate within the Business Park with potential to connect to Gatwick Airport rail station supported by the latest telecommunications connectivity (including 5G technology)
- 20 self-drive electric vehicle pods supported by the latest (5G) technology
- Micro Consolidation Centre - a small logistics facility for small, light goods delivered by couriers
- A Community Concierge

5.42 A **section 278 Highways Agreement** will be needed for off-site highways works, which will include the new access road from Airport Way Roundabout, and the new access to be formed from Balcombe Road. The cost of a new at grade access road to the site from Airport Way Roundabout and Balcombe Road will be significant, potentially in the order of £20 million. Other section 106 active travel costs could potentially be in the order of around twice as much as the section 278 highways costs.

5.43 To achieve the very ambitious modal split needed for this site to function with the likely restriction on number of private vehicles accessing the site from both access points, there will need to be a significant and ongoing investment in alternative modes of transport which will include on-site shuttle buses or their equivalent, electric vehicles and cycling pods.

Figure 57: Electric charging points in the Borough



- 5.44 Achieving this will be challenging, and at the very least will need to be ‘pump primed’ through section 106 money in coordination with the local planning authority and the local highways authority, Surrey County Council for at least five years, and potentially longer given the scale of development. Any ongoing costs would have to be borne by occupiers.
- 5.45 It will be crucial for the site’s development to be planned to incorporate cutting edge **telecommunications and utilities infrastructure technology**. This is much easier to build in or upgrade at the start of the site’s development and will be likely to include power generation and storage such as battery facilities for storing electricity, potentially solar panels, or hydrogen tanks inside buildings, and water supply and waste-water treatment to serve the site’s businesses.
- 5.46 Opportunities for the Horley Business Park to benefit from cutting edge telecommunications and full fibre digital network infrastructure (including all necessary ducting) to support 5G technology and ultrafast broadband must be fully explored with local providers and planned for early in the masterplanning process. These should all be designed to be future-proofed as far as is possible given the rapid pace of technological change. The Coast to Capital LEP’s Strategic Economic Plan includes the commitment to improve digital connectivity in the area, in particular to establish a new full-fibre network and delivering ultrafast broadband across the area along railways and to key locations, including Crawley. Opportunities should be discussed early with the Coast to Capital LEP and with network provider Cityfibre to support the business park’s requirements.
- 5.47 The Environment Agency has classified the South East of England as an “area of

serious water stress”, which means there is concern about the amount of water available for future use. The development should be designed to help address this issue by minimising water use by the development, including implementing rainwater harvesting, collection and filtering rainfall from the roofs. The development will need to achieve BREEAM Excellent (or Very Good as a minimum) in respect of water efficiency, reflecting the serious water stress of the area.

- 5.48 The area’s water supply company, SES Water, has advised that measures such as limiting road and silt run-off to prevent groundwater and local waterways from being harmed by the development should be considered. This would need consideration at the planning application stage, potentially enforced by a planning condition.
- 5.49 The wastewater company for the area, Thames Water (TW), has advised that the scale of development is likely to require upgrades to the wastewater network, including Horley’s Lee Street sewage treatment works. TW has therefore recommended early discussions to agree a Development and Infrastructure Phasing Plan. This will determine the amount of spare capacity currently available within the network, and what phasing may be required to ensure development does not outpace delivery of any network upgrades needed to accommodate the planned development. It is not permitted by the Regulator to provide speculative additional capacity.
- 5.50 **Wastewater infrastructure** capacity will need to be considered early in the masterplanning process to ensure sufficient wastewater capacity is available when required, to plan and programme in any upgrades needed. The potential need for a trade effluent license, would also be considered depending on uses proposed. Lead in time for upgrades to the wastewater local network can take approximately 18 months and upgrades to sewage treatment and water treatment works can take between 3 and 5 years to implement.
- 5.51 Due to lead in times for upgrading of infrastructure such as power, telecommunications and water supply infrastructure, these should be investigated in detail with suitable providers early on in the masterplanning process. SES Water (formerly Sutton and East Surrey Water plc) is the Water Company for the area in which the site is located. Further information on water supply and wastewater infrastructure, and water quality in the area is available in the [Gatwick Sub-Region Water Cycle Study, August 2020, which you can view using this link](#).
- 5.52 Electricity and gas connections currently serve the surrounding residential streets, Gatwick Airport, and the few commercial buildings currently on the site, but not the whole site. Early discussions with local power distribution and supply companies will help to ensure that each phase of the development has the infrastructure in place before it is needed, including sufficient time for upgrading

of capacity where needed.

- 5.53 In September 2020 the Use Classes B1, A1, A3, D1 and D2 were merged into the new Use Class E “Commercial, Business and Services”. As the site allocation policy HOR9 includes these uses, based on identified need and demand, any planning permission for predominantly office development would likely need to be subject to a planning condition to restrict the use of the floorspace and land on the site to the approved uses within the new Class E.
- 5.54 Local skills and training: DMP Policy EMP5 requires for schemes of more than 1,000sqm (gross) a minimum of 20% of the total jobs created by the construction of new development for local residents or apprenticeships. It also says that “opportunities for training and placement schemes targeted at local residents in respect of any jobs created through the end use of any non-residential development will also be explored”.
- 5.55 A planning condition could require local procurement and training opportunities to be promoted by the developer. For example, a “Meet the Buyer” event could be held, potentially in partnership with Horley Town Council and Horley Chamber of Commerce Council and supported by Construction Line. This could be used to procure some of the subcontractors for the build, fit out, and management of the site’s development from existing local businesses. A planning condition could require an “Employment and Training strategy” to be submitted and agreed.
- 5.56 The construction of the Horley Strategic Business Park is likely to be planned in phases and take place over a period of approximately 20 years. Whilst construction is ongoing, the developer will need to ensure that construction does not unduly affect the amenity of those living and working within close proximity of, or on, the Horley Strategic Business Park, and does not impact upon the local and national infrastructure network. This will need to take account of any major development close by. The Borough Council will therefore require a *Construction Management Plan* to be prepared and approved for each phase of the development. This should be produced in accordance with the requirements of DMP Policy DES8 ‘Construction Management’ and BS5228.
- 5.57 Given the location of the site and the long construction timeframe envisaged, consideration should also be given to the impact on the local community; and on the strategic road network and Gatwick Airport, both of which are nationally significant infrastructure. If development consent be granted for Gatwick’s Northern Runway proposal, should the construction of the Horley Strategic Business Park coincide with development of a second operational runway at Gatwick Airport, opportunities should be sought to co-ordinate the impacts of the project, for example the schedule of deliveries on the strategic road network.
- 5.58 The developers will be encouraged to use best practice guidance, including that produced by the Construction Industry Research and Information Association

(CIRIA) on the preparation of Site Environmental Plans and commit to the Considerate Constructors Scheme.

- 5.59 The Borough Council has implemented the **Community Infrastructure Levy (CIL)** within the borough. The **CIL rates for the borough**, are set out in the Charging Schedule, which can be viewed on the [Council's website using this link](#). The CIL rates vary by type of development (and by location within the borough for residential uses) operational since April 2016, remain current (with annual indexing of rates from 2020). The rate for convenience retail development is £120 per square metre, and for residential Use Class C3 use is £200 per square metre in greenfield locations such as this. For all other uses, including office and warehousing / logistics, the Borough Council's CIL rate is "Nil".

e) Delivery and Phasing

- 5.60 The DMP site allocation Policy HOR9 requires the site to be developed comprehensively. This requires the whole site, including all elements of the development, to be planned at the same time, even though it is likely that a development of this scale will be delivered in phases for various reasons, such as infrastructure requirements and their programming, funding and viability, the market, and dependencies.
- 5.61 The northern part of the site, the preferred location for the new public open space to be created, is in the ownership of the Joint Venture company, as is the likely access point from Balcombe Road. The key access point to be formed into the site from the M23 Gatwick spur / A23 Airport Way roundabout is through the land designated as Gatwick Open Setting and owned by Surrey County Council. The site's development will likely need to be subject to an Equalisation Agreement to ensure that the landowners each receives a suitable share of the return from the site's development.
- 5.62 The site masterplan will need to include a phasing plan and programming timeline for the site's development, including the new public open space. The phasing plan should be clear and concise. It should set out the approximate type and quanta of uses proposed in each phase (noting that ongoing economic effects modelling and impact testing will determine the final type and quanta of uses) and the supporting infrastructure to be delivered with each phase. Evidence indicates that development of the site is likely to be completed within approximately 20 years of gaining planning permission, which could potentially be in around 2045.
- 5.63 The phasing plan will likely need to reflect the need for development to begin near the two highways access points but should, as far as possible, seek to avoid the creation of isolated parcels of land or pockets of development.

- 5.64 The first phase will likely need to involve initial site preparation and the infrastructure required to unlock the early stages of development, including the first accommodation to fund the infrastructure. Increased capacity in utilities infrastructure and the road network will be required before the next phase can be commenced. This will need to include provision of the new public parkland, the points of access, the flood alleviation to be included within the site, and the funding needed to deliver it.
- 5.65 The site is likely to be developed as one entity by a developer commissioned jointly by the landowners, rather than individual building plots being sold off. This approach will help to ensure that the business park has a single coherent identity, whilst allowing for elements of individuality in building design. It will also help to ensure that the branding of the complementary uses on the site, including food and drink and retail outlets, hotel and conference facilities are of suitable quality to support the business park.
- 5.66 It may be suitable for a management company to be established by the landowners to secure the ongoing management of the site. This could suitably include ongoing management of the shared spaces of the business park, monitoring, site servicing, waste management, delivery of Travel Plans, and on-site transport.

Figure 58: Simulated aerial view of the site from the south west showing the illustrative Balanced Development Scenario

Image credit: David Lock Associates 2021



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Horley Strategic Business Park Development Brief Supplementary Planning Document

Initial Consultation Statement

Prepared in accordance with Regulation 12 of the Town and Country Planning (Local Development) (England) Regulations 2012 (as amended)

June 2021

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or
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1. Introduction

- 1.1. The Council's Development Management Plan (DMP) in September 2019, includes the site allocation Policy HOR9. This allocates the 31-hectare site located directly north of M23 junction 9a / A23 and east of the railway line serving the London to Brighton route. The site, situated between Horley and Gatwick Airport, is allocated for the development of a strategic business park of predominantly offices, a complementary range of commercial, retail and leisure facilities to serve and facilitate the main business use of the site and at least five hectares of new high quality public open space including parkland and outdoor sports facilities.
- 1.2. The Council's Planning Policy Service is preparing the Horley Strategic Business Park Development Brief Supplementary Planning Document (SPD) in accordance with all relevant legal requirements, in particular the requirements of the Planning and Compulsory Purchase Act 2004 (as amended), and the related Town and Country Planning (Local Development) (England) Regulations 2012 (as amended) (SI No 767, 2012), hereafter referred to as the "Local Planning Regulations".
- 1.3. With regards to consultation and involvement of relevant organisations and the public in the preparation of the draft SPD for formal consultation and subsequently the finalising of the SPD for adoption, we are also following the requirements set out in the Council's "Statement of Community Involvement in Planning" (SCI) April 2019, available on the Council's website at: [View the Council's 2019 Statement of Community Involvement in Planning](#)
- 1.4. The SCI summarises how the Council will engage its communities in its planning functions, including in the preparation of SPDs. The process, along with the timeline for this SPD is summarised in **Table 1** below.

Table 1: Timeline for preparing the Horley Business Park Supplementary Planning Document (SPD)

Stage	Date
Development Management Plan (DMP) adopted	September 2019
Early scoping and information gathering	February to August 2020
Preparation of draft SPD with input from relevant key individuals and organisations Engagement methods included workshops, emails and preparation of two specialist consultants' reports (on Economic Update and Design / Massing)	August to May 2020
Writing the draft SPD	April to October 2021
Consultation on draft SPD with supporting Initial Consultation Statement, Strategic Environmental Assessment and Habitats Regulations Assessment Screening Statement.	November 2021 to January 2022
<i>Consider representations received and update draft SPD as relevant</i>	<i>January to February 2022</i>
<i>Anticipated Adoption of the SPD</i>	<i>March 2022</i>
<i>Publish SPD with final Consultation Statement and Adoption Statement</i>	<i>March 2022</i>

1.5. In accordance with the Local Planning Regulations (Regulation 12), this Initial Consultation Statement has been prepared to accompany the draft Supplementary Planning Document (SPD) when it is made available for a four-week formal consultation period.

1.6. As required, this initial Consultation Statement sets out:

- Who the Council consulted with when preparing the SPD;
- A summary of the main issues they raised; and
- How those issues have been addressed in the SPD.

2. Preparing the SPD

- 2.1. Following adoption of the DMP in September 2019, the Planning Policy Service commenced preparation of the SPD in spring 2020 with desk-based analysis of issues, constraints, and opportunities. This was followed in the autumn by a series of online meetings with presentations to inform and to stimulate discussion on what to include in the draft SPD. Emails were also sent to relevant organisations and individuals inviting input to the draft SPD. The individuals and organisations which the Planning Policy Service involved to inform the content and prepare the draft SPD are listed in **Table 2**.
- 2.2. A summary of the main issues these individuals and organisations raised are listed in **Table 2**. Their input was valuable in inform the drafting of the SPD. Where a consensus was reached on an issue between stakeholder's opinions, these have been incorporated in the draft. Otherwise, their suggestions have been incorporated as far as possible into the draft SPD.
- 2.3. In late 2019 and early 2020, planning officers worked with two specialist consultancies to sense-check the employment demand given changes to working patterns and the economy since the pandemic and the exit of the UK from the European Union, and to inform the site layout, and massing, design and sustainability issues relating to the development of the site. These two reports that informed preparation of the draft SPD are provided for information alongside the draft SPD.
- 2.4. The comments and information gathered from meetings with a variety of Council officers, councillors, locals and specialist statutory organisations; written input from infrastructure providers; Policy officer's desk top work; and consultants' Economic Demand and Impacts and Design reports, has informed a list of opportunities, constraints and challenges relating to the development of the site, provided in the draft SPD.

Table 2: Individuals and Organisations consulted in the preparation of the draft Supplementary Planning Document

Organisation / individual consulted	Main issues raised	How these issues have been addressed in the draft SPD:
<p>Horley Town Councillors; RBBC ward councillors representing Horley Central and South, Horley East and Salford, Horley West and Sidlow wards, and Council Planning Policy officers</p> <p>Invited to a "Virtual" Meeting in Oct 2020</p>	<ul style="list-style-type: none"> • Input to SPD's "Vision" for the site • The site needs to be integrated with the whole of Horley town, not just the town centre • The new public park should be one for Horley town to be proud of • What will the business parks' selling point be? • To attract employees into Horley town centre, the walk through the park needs to be attractive • Location of sports pitches • Delivery of new public park, the flood alleviation works needed, and the business park need careful phasing • Important to include environmental sustainability in the Vision • A conference centre is needed in this area and could be a very positive element in this location, possibly with a related hotel • SPD should include photos of what could be achieved on the site • Higher buildings should be located along the A23/M23, lower buildings closer to the existing residential areas • Transport infrastructure must not be car-based; commuter car parking in the streets surrounding the station is an issue • Do not want vehicle access to the site from Limes Avenue • The railway footbridge and the pedestrian route along the eastern side of the railway under the A23 need improving if business park employees are to walk to and from Gatwick station and Horley to the site. • Potential for negative impact on Horley town centre if not well linked to the 	<p>Incorporated comments into:</p> <p>Vision for the Business Park site</p> <p>Site layout section</p> <p>Key considerations section: Transport and Active Travel sections</p>

	development, e.g. could consider a shuttle bus between the town centre and the site	
<p>Horley Town Councillors</p> <p>Invited to a “Virtual” Meeting in Nov 2020</p>	<ul style="list-style-type: none"> • A main concern locally appears to be replacing greenfield undeveloped land with buildings • Recognise the sites’ important strategic location • The SPD should require enhancements to biodiversity for the site and surroundings • Improving the flooding in the northern part of the site and surrounding roads will be a positive result and will be needed due to increased hard surface on the site from its development • Introduction of new swales or ditches on the site needed to help improve flooding situation on the new public park, which is the lowest part of the site. These could potentially feed into Gatwick Stream • The existing culvert between Staffords Place and Limes Avenue is very restricted, and needs investigating to see if it can be cleared and widened to increase its capacity. A survey of existing ditches and culverts is needed to design new swales and balancing ponds for flood relief • Use the area between the houses and the new office buildings for a green boundary and flood relief • The SPD should encourage roadways and other hard surfaces on the site to be of permeable materials wherever possible to minimise run-off • Discussion about ideas for the new public park to be created on the northern part of the site; what local residents would like to see what would be suitable and unsuitable for the area; ideas included formal and informal play areas. Formal pitches may need a changing pavilion, car parking and lighting • With benches in suitable location, could become a pleasant area for local residents and employees on the site to relax, similar character to the Riverside 	<p>Key Considerations: Flooding section</p>

	<p>Garden Park to the west of the site, which is used by Gatwick airport employees</p> <ul style="list-style-type: none"> • Commissioning of a “statement” water feature for the park is supported (it would need to take account of any issues with standing water features in relation to the airport). • Layout of the site will need to inform the building design, which should not be “boxy” standard office type, prefer bold design like the L3 Harris pilot training centre in Crawley • Building design must be bold and modern, designed for the future, with suitable technology in order to attract forward-looking companies • Ducting for digital infrastructure needs to be designed in at the start when it is easier to install. To attract desirable companies, it will be crucial to future-proof the site for future technologies. • Electric charge points must be provided across the whole site • Building design must aim for carbon neutral, including solar panels and technology for batteries to store electricity or hydrogen tanks, or underground heat pumps • The ecological / sustainable green credentials of the development will be a good selling point to suitable businesses • SPD shouldn’t be overly prescriptive on technology, rather what it seeks to achieve, as technologies are rapidly changing • Would prefer to see underground car parking, which would allow for good use of the site • Any multi-storey parking needs to be designed well with interesting design features • Access to the site for pedestrians and cyclists needs improving • A free shuttle bus to the site would be helpful for employees • Residents living north west of the site have a long walk to access the site. A new 	<p>Delivery: Infrastructure Requirements section</p> <p>Key Considerations: Sustainable Design and Construction section</p> <p>Key considerations: Highways Access and Parking and Active Travel sections</p>
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	<p>route should be investigated, potentially along or around Limes Avenue.</p> <ul style="list-style-type: none"> • Discussed which local residents' groups to contact • Site should include a conference centre, as good strategic location and currently very little provision between London and the south coast • Discussion about supporting uses on the site and whether they will be intended to serve the employees on the site or the wider area. The supporting facilities will be for all to use, to support the site employees and to attract people from the wider area, but care must be taken that they do not have a negative impact on Horley town centre and wider Horley area. • Would support a "wellness" centre with a gym / fitness studios, mental health and GP facility, chemist & health food facility, possibly a place for worship, and a workplace nursery 	Key considerations: Land use
<p>Local Residents Associations and Action Groups: Court Lodge Residents Association (RA), The Acres RA, Hookwood RA, Northwood Hill RA, Ladbroke Road RA, and Westvale park RA, Keep Horley Green, and Horley Access Group</p> <p>Invited to a "Virtual"</p>	<p>It became apparent that some of the groups invited to participate are not currently active, so the meeting had only one long-term resident of the area and member of "Keep Horley Green" (KHG) attending, who provided useful comments and input to the SPD. The main issues raised were:</p> <ul style="list-style-type: none"> • Would like to keep the site predominantly green space as is now • Outlined important features to retain including old hedgerows • Importance of retaining what is important to the local area, such as the character of adjoining roads such as Bayhorne Lane with its listed historic Bayhorne Farm and barn and stable yards. • New public open space provision should focus on what the area needs, such as natural wildlife areas with wooded areas and ponds • The new public open space must be well managed and maintained • Significant investment is needed to alleviate flooding in the area, flood alleviation should take into account experiences of current tenants of the land on the site that 	<p>Site constraints, challenges, and opportunities</p> <p>Key Considerations: Open space section</p> <p>Key Considerations: Flooding</p>

<p>Meeting in Nov 2020</p>	<p>floods</p> <ul style="list-style-type: none"> • A new bridge across the railway to the northern part of the site would be useful • Buildings should be ecologically sustainable including green / living walls and roofs, and appropriate materials (not concrete nor timber cladding) and power-generation • Building heights and views of the site will be important to consider; the developed should be stepped to be lower closer to existing houses with the site screened with planting from Balcombe Road • The need for additional new office floorspace should be reviewed • Other uses should be considered, including education (potentially a 6th form college) • Non-office uses on the site should benefit the town (such as primary school or 6th form college or NHS dentist) but should not compete with the town (any food shops need to be small) 	<p>section</p> <p>Key Considerations: Active Travel section</p> <p>Key Considerations: Land Use section and Chilmark Consulting's 2020 report</p>
<p>RBBC's Greenspaces Managers, Open Space Development Manager, Head of Place Delivery, and Place Project Manager</p> <p>Invited to a "Virtual" Meeting in Nov 2020</p>	<ul style="list-style-type: none"> • Noted that the site allocation includes "high quality public open space including parkland and outdoor sports facilities" • Discussion regarding the needs for open space provision in Horley town, and what type of open space and outdoor sports facilities would be most suitable for this site • Including consideration of the Council's Open Space Assessment 2016 • The Place Delivery Team is considering where additional Horley cricket and football pitches would be best located • The management including its future management costs will need to be factored in and would possibly need to part of an "equalisation agreement" • The new public open space should be provided early on in the development's phasing • Considerable parking provision and an adopted road would be needed to provide vehicle access to any formal sports pitches 	<p>Key Considerations: Open space section</p>

	<ul style="list-style-type: none"> • An important aspect will be attracting employees who do not live in Horley to socialise there as well as at restaurants and bars within the Business Park • Supply chain opportunities for Horley town to capitalise on include around food deliveries, security, cleaning, landscaping, etc • Local Horley businesses are not currently looking at opportunities in the new business park and to support it future promotion events to involve town centre businesses should be considered • There is good potential for a positive long-term impact on the area in particular by encouraging up-skilling through education and training opportunities linked to the business park • Such opportunities should be maximised, including through liaising and strengthening links with nearby universities. Aviation and space sectors may be particularly suitable for this location • The unique selling point of this new Business Park needs to be clear • Care must be taken to avoid undue competition / duplication with the planned Burgess Hill Science and Technology Park 	<p>section</p> <p>Infrastructure Requirements, planning conditions and obligations section</p> <p>Vision for the Business Park site</p>
<ul style="list-style-type: none"> • RBBC's Director of Commercial and Investment • RBBC's Head of Corporate Policy • RBBC's Head of Planning • Avison Young for RBBC • Director of Berwickhill and Millhill Properties 	<ul style="list-style-type: none"> • Who is the open space to be aimed at employees or local residents? • Long term maintenance needed for a new public open space would potentially be taken on by RBBC • If any formal sports pitches, need to provide buffer so no disturbance to rail or road transport from flying balls • AY advised caution regarding floodlighting, car parking space and changing infrastructure needed for formal sports pitches • Access to the new public park to be created; where will it be from, and who owns it? • Ponds and water-features – consider proximity to Gatwick with regards avoiding 	<p>Key considerations: Open space section</p>

<ul style="list-style-type: none"> • JLL • Surrey County Council's (SCC's) Head of Land Acquisitions and Disposal <p>Site landowners and their representatives were invited to a "Virtual" Meeting in Nov 2020</p>	<p>increases in bird strike</p> <ul style="list-style-type: none"> • Need to get car parking provision on site right, which will require balancing market demands and operational requirements with exemplar sustainable travel and M23 spur road capacity • Discussion about capacity at J9A roundabout and Gatwick Airport's potential future needs • The new access road from J9A of M23 spur road needed to access the site would need planning permission in itself and needs to be done early on to open up the site • Potential safeguarding of some land for Gatwick airport expansion • Building design and materials need to be exemplary, achieving at least BREEAM "very good" requirements, and must be high quality but flexible to appeal broadly. The development would need to comply with SCC and RBBC's sustainability requirements • Power and Digital infrastructure both need considerable attention early on, but SPD should not be overly prescriptive 	<p>Key Considerations: Highway Access and Parking section</p> <p>Key Considerations: Sustainable Design and Construction section</p> <p>Delivery: Infrastructure Requirements section</p>
<p>Horley Access Group</p>	<p>No comments received</p>	
<p>RBBC Tree Officer</p>	<ul style="list-style-type: none"> • A full Arboriculture and Ecological Survey will be required at the planning application stage including impact assessment on existing trees 	<p>Key considerations: Open space section</p>
<p>RBBC's Senior Conservation Officer</p>	<ul style="list-style-type: none"> • Fishers Farm includes a number of statutory listed buildings • Bayhorne Farm includes locally listed buildings, such as the granary (including cart shed, farmyard and two farmhouses), and a number of traditional Victorian buildings worthy of retention and conversion (in accordance with the Council's 	<p>Site Analysis: Site constraints</p>

	<p>Barn and Farm Conversion SPD 2020).</p> <ul style="list-style-type: none"> • The granary could potentially be retained and converted to maybe provide small office units • The northern part of the site has extensive historic hedges marked on the 1602 map of Horley which should be retained where possible and tree lines and Meadowcroft has extensive garden woodland dating from 1900 • The site includes a mature historic landscape character with mature woodland. • Retention of historic hedges and trees should be encouraged where possible. <ul style="list-style-type: none"> • Balcombe Road should become a Green Corridor and should continue and strengthen the A23 Parkway to prevent settlement coalescence and retain the green and wooded rural character in accordance with the Local Character and Distinctiveness Guidance SPD. <ul style="list-style-type: none"> • Recommend a 25 metre-wide green buffer for screening of any 2-storey buildings, wider if higher buildings are planned then a wider buffer would be recommended (bearing in mind as well the elevated levels of the A23). • New vehicular entrances into the site should be of minimal width where possible. <ul style="list-style-type: none"> • Building heights should be maximum of 5 storeys in line with Horley's Russell Square building • Acknowledging that buildings at Gatwick Airport are up to 14 storeys (about 42m high), development on the site should step down in height towards the listed buildings to the north of the site 	<p>and Opportunities</p> <p>Trees, hedgerows and Landscape Character</p> <p>Delivery: Planning Application Requirements section</p> <p>Site Layout: Building Design Guidance section</p>
Historic England	<ul style="list-style-type: none"> • Heritage Assets are an irreplaceable resource that should be conserved in a manner appropriate to their significance. The setting of an asset may form a part of its significance. (National Planning Policy Framework paragraph 184) • There are no designated heritage assets within the site itself but that one listed building, Grade II Fisher's Farm, is located a short distance from the site boundary to the north of the site. • While it would not be necessary to consult Historic England on the effects of 	

	<p>development proposals on this particular heritage asset, we would advise that the SDP encourages the site promoter / developer to undertake a <u>Heritage Impact Assessment (HIA)</u> of the development on the setting of Fisher's Farm and other potential heritage assets and historic character within and surrounding the site (e.g. the field boundaries noted in the Development Management Plan policy HOR9).</p> <p>A HIA should include the following factors:</p> <ul style="list-style-type: none"> • All heritage assets should be considered encompassing buildings, monuments, sites, places, areas or landscapes identified as having a degree of significance meriting consideration in planning decisions, because of their heritage interest (archaeological, architectural, artistic or historic). These include designated heritage assets and other assets identified by the local planning authority (including local listing). • Implications of development (positive and negative) for the setting of a heritage asset and its significance should be considered. • The potential archaeological interest of a site. In considering implications for landscape and townscape character, relevant information on the historic character of places should be utilised for example historic landscape characterisation, historic environment assessments, historic area assessments, extensive urban surveys and conservation area appraisals, and other historic characterisation studies. • The specific consideration of settlement character may also be appropriate, as for example whether development would significantly alter the historic settlement pattern (positively or negatively). 	<p>Planning Delivery: Planning Application requirements section</p>
<p>RBBC Environmental Protection and Air Quality Officer and Team Leader</p>	<ul style="list-style-type: none"> • As the site may be built out over a period of about 20 years, with regards to residential amenity (especially noise and dust during construction) given the proximity of Meadowcroft, Watersville Way, Bayhorne Lane, Apperlie Drive, Limes Avenue and Staffords Place, which all adjoin the site. • Whilst they will likely be screened somewhat from the development, they still have potential to be impacted by construction impacts (noise, dust etc.), more so the properties on the eastern side, including Meadowcroft Close, as the Balcombe Road access will enter the side just south of this (around the Meadowcroft House area) • The SPD could require a construction management plan in accordance with 	<p>Infrastructure Requirements,</p>

	BS5228 that also takes account of development in the wider surrounding area given possibility that there may also be airport-related development at Gatwick during the same period.	planning conditions and obligations
Surrey Wildlife Trust	No comments received	
RBBC Sustainability Project Officer	<p><u>Biodiversity</u></p> <ul style="list-style-type: none"> • If trees do need to be felled use a scalable approach to replacement (see p.66 of Crawley Council’s Draft Local Plan), rather than ‘a tree for a tree’ (which can mean replacing mature trees with whips) • Consider early implementation of biodiversity net gain, i.e. 10%+ increase post-development according to DEFRA’s Biodiversity Metric • Where there is additional planting, consider pollinator / native species to support biodiversity, i.e. bee-friendly plants etc. • Where bridges are installed / improved to provide access, look at options to create ‘green bridges’ to link green spaces and provide wildlife corridors • As the site has hedgerows / trees formulating old boundaries, the Woodland Trust may be able to provide useful input. See guidance at https://www.woodlandtrust.org.uk/publications/2019/06/planners-manual-for-ancient-woodland/ • Ask Woodland Trust for their comments on the draft SPD <p><u>Water</u></p> <ul style="list-style-type: none"> • Good coverage of sustainable best practice around water, including. SuDS, minimising flood risk, permeable surfaces, greenfield run-off rates, etc. If balancing ponds are implemented, there is an opportunity to include water source heat pumps • While water is covered in relation to soft-landscaping, drainage, etc., no mention of water efficiency measures within the build, e.g. use of low-flow fixtures, grey water recycling, etc. <p><u>Transport</u></p>	Key considerations: Building design and sustainable design and construction

	<ul style="list-style-type: none"> • Good coverage of sustainable transport options; where there are proposed walking/cycling routes, explore opportunity to align with green infrastructure (i.e. green corridors etc.) • While the focus is on public transport / non-motorised transport, there is provision for car parking – but no mention of provision of EV charging points that I could see • Look at securing car club provision at the development if feasible <p><u>Energy efficiency/renewables</u></p> <ul style="list-style-type: none"> • While renewables are mentioned, the report doesn't provide concrete solutions (turbines not suitable, solar if no glare hazard, biomass has air quality considerations) – need to ensure that best viable solution is a renewable one (in line with requirements for flight paths etc.) • Aim above BREAAAM 'very good' – can we aim for 'excellent' (although noted that site may make this challenging) • Sustainable construction – mentions the use of recyclable materials; also consider use of recycled building materials where possible and certified materials (such as FSC for carcassing / cladding, etc.) • Green roofs mentioned re: insulation, but more consideration needed to sustainable building design re: insulation (cavity wall, floor, use of sustainable / low impact materials, etc.) • Some consideration given to passive design around ventilation, but also other aspects such as thermal mass, air-tightness, etc. could be considered • Good that possibility of district heating is mentioned – this development could be a great opportunity for this 	<p>Key Considerations: Highway access and parking</p> <p>Key considerations: Building design and sustainable design and construction</p>
Environment Agency	<ul style="list-style-type: none"> • Horley is situated at the confluence of the River Mole and Gatwick Stream, and a short distance downstream is the confluence of the River Mole and Burstow Stream. • All three rivers flow through the town in open channel, and all pose a risk of flooding to homes and businesses in events of varying magnitude and return period. 	<p>Site Constraints: Flooding section</p>

	<ul style="list-style-type: none"> • Whilst there is a need to make best use of land in the borough, there is a policy requirement that this is balanced with the need to ensure new development is designed safely and will not worsen the risk of flooding for others. • The EA is pleased that the SPD acknowledges that flooding is an issue within the area of the proposed development. • All our maps and data sets are regularly reviewed and updated so it's important you are using the latest data as part of the evidence base for the SPD. • The latest data and maps are available to download from: http://environment.data.gov.uk/ds/partners/index.jsp#/partners/login • The Council with the help of the Environment Agency has undertaken a Strategic Flood Risk Assessment to fully understand the flood risk in the area from all sources, now and in the future, taking account of the impacts of climate change, and to assess the impact that land use changes and development in the area will have on flood risk. • Advice on the scope required should be sought from the Environment Agency for <u>site specific Flood Risk Assessment</u>. • We support the nature improvements along the Ditch network. • Establishing green buffer zones along watercourse helps to protect and enhance this function. • River corridors are important habitats and can be valuable links between larger areas of habitat enabling wildlife to move between them. <p><u>Flood risk management</u></p> <ul style="list-style-type: none"> • The Environment Agency has carried out <u>detailed modelling of fluvial flood risk for the Horley area</u> which includes the potential impact of climate. • This indicates a relatively large increase in the number of properties at risk of flooding within Horley. • Flood Zone 2 Medium Probability affects a considerable number of properties within Horley; an important planning consideration. • The depth of flooding, even in Zone 2, can be quite considerable in parts of Horley. 	<p>Key Considerations: Flooding mitigation section</p> <p>Planning application requirements section</p> <p>Site Constraints: Flooding section</p> <p>Key Considerations: Flooding mitigation section</p>
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	<p>safeguarded from flooding</p> <ul style="list-style-type: none"> • The Environment Agency would like any scheme to provide sufficient protection to existing properties at risk from flooding in Horley. In particular those areas in Horley East ward, adjacent to the Burstow Stream and Haroldslea Stream. • The EA is keen to develop a <u>natural flood management approach</u>. This element of the work links in with wider sustainability and habitat creation. It looks to utilise natural flood risk management techniques to slow the flow and store flood waters. This is the <u>natural washlands</u> element. • A site specific <u>Flood Risk Assessment (FRA)</u> for any development should be undertaken in order to ensure that flood risk is avoided. In order to achieve the above aims, a FRA should be undertaken to:- <ul style="list-style-type: none"> • Demonstrate that new developments will not increase flood risk on site and elsewhere including during all phases of their development; • Provide a detailed assessment of potential flood risk from all sources such as fluvial, groundwater, sewers and surface run-off and a strategy to manage all such risks; • Assess the potential impact of climate change, urbanisation and their inherent uncertainty; • Update data upon and add to the understanding of flood risk in the Horley area; • An assessment of the likely impact of any displaced water on neighbouring or other locations that might be affected subsequent to development is required. This should address the potential for change of the flooding regime both upstream and downstream of the site due to ground raising or structures. • We are pleased to see the requirement to incorporate Sustainable Drainage System (SUDs) into new development. • SUDs should involve a range of surface water drainage techniques, some of which will be invisible, such as porous surfaces for parking areas, while others will provide potential to create attractive new features such as shallow watercourses, ponds and reed beds. These will probably be placed in open space, notably in the Ditch network, and will be very effective in slowing down, filtering and reducing the volume of surface water compared with a normal sewer system, while also 	<p>Delivery: Planning application requirements section</p> <p>Infrastructure Requirements, planning conditions and obligations</p> <p>Key Considerations: Flooding Mitigation section</p>
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	<p>enhancing the area's biodiversity.</p> <ul style="list-style-type: none"> • It will be essential that SUDS are properly planned at the onset of planning for the development. • Developers and their design teams need to take into account different factors including the layout of the site, topography and geology when planning and positioning the different SUDS elements for the whole development schemes. <p>This information will be required for both outline and full applications so it is clearly demonstrated that the SUDS can be accommodated within the development that is proposed.</p> <ul style="list-style-type: none"> • If SUDs cannot be included on the site, the developer should contribute to a scheme in the surrounding area – this could be by implementing a scheme, or by providing some money for a future scheme. <p><u>Watercourses and Biodiversity</u></p> <ul style="list-style-type: none"> • The Horley area is crossed by many smaller watercourses and it is important that these are retained and incorporated into the new development. • These small watercourses are ecologically important, and development should incorporate buffer strips and bank side and in- stream enhancements where appropriate. • Watercourses are also a very important drainage resource, providing storage capacity as water backs up along them when water levels are high in local rivers, reducing the risk of flooding. • The Environment Agency has a particular role to play in the conservation and enhancement of species and habitats that are dependent on the water environment. In the planning process we are particularly concerned with biodiversity associated with main rivers. • Watercourses and their green corridors are vitally important for wildlife. • There is also a direct link between environmental quality, economic vitality and our mental and physical health and wellbeing. • A high-quality water environment makes places attractive, providing valuable local amenity and recreation space. • The water environment also supports our resilience to climate change as areas of 	<p>Planning application requirements section</p> <p>Key Considerations: Mitigation of Flooding section</p>
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	<p>water and water storage and associated green space help reduce flood risk and provide urban cooling during periods of high summer temperatures.</p> <ul style="list-style-type: none"> • Watercourses and connected river corridors reduce the impacts of climate change on biodiversity by enabling species and habitats to move as environmental conditions alter. • Some of the challenges are from damage to and fragmentation of habitats which reduces their ability to provide benefits. This can arise from development encroaching on rivers and past poor management techniques leading to concreting river banks; culverts and other in channel structures. Diffuse pollution, invasive non-native species, climate change and increased demand for water from our growing population further add to these pressures. • The SPD can provide a mechanism to improve biodiversity to ensure that development protects and enhances existing wildlife sites and corridors and also provides opportunities to develop new habitats. It can help to reverse the overall decline in biodiversity to achieve a net gain, including by establishing coherent ecological networks that are more resilient to current and future pressures. • <u>Biodiversity net gain</u> is an approach which aims to leave the natural environment in a measurably better state than beforehand. <p>The Environment Bill has mandated that planning permission will only be given if developers can demonstrate a 10% increase in biodiversity on or near development sites. There are some exemptions.</p> <p>Natural England are the lead responsible organisation for advising on the adoption of <u>biodiversity net gain</u> into planning policy.</p> <p>We recommend that you seek advice from Natural England on how to incorporate this into your local plan policies.</p> <p>DEFRA's Biodiversity Metric 2.0 tool has recently been developed alongside specific metrics to enable developers to calculate losses and gains.</p> <ul style="list-style-type: none"> • Guidance was provided regarding biodiversity on land adjacent to watercourses, and on legal requirements of such. This is not relevant to the site, as it does not include any watercourse 	<p>Key Considerations: Open space; biodiversity section</p> <p>Key considerations: Open space; biodiversity section</p>
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	<p><u>Quality Design</u></p> <ul style="list-style-type: none"> • We are pleased to note that the SPD stresses the need for high quality design. Paragraph 130 of the NPPF "states clearly that permission should be refused for development of poor design that fails to take the opportunities available for improving the character and quality of an area and the way it functions, taking into account any local design standards or style guides". • The New <u>National Design Guide</u> emphasises role of NPPF in design grounds refusals. • On built form, the document states that well-designed places have compact forms of development that are walkable, contributing positively to well-being and place making. It adds that "well- designed new development makes efficient use of land with an amount and mix of development and open space that optimises density." • On "nature", the document states that well-designed places "prioritise nature so that diverse ecosystems can flourish to ensure a healthy natural environment that supports and enhances biodiversity". • It also states that open spaces should include "well-integrated drainage, ecology, shading and recreation that achieve a biodiversity net gain as required by the 25-year Environment Plan". • We note the requirement in bullet 3 of Policy HOR9, "Design" section that buildings should be of an exemplar standard of design. • We would like to see a requirement for at least the larger developments to achieve BREEAM standards of Very Good or Excellent in respect of water efficiency, bearing in mind the serious water stress of the area as set out in our classifications Water stressed areas - final classification (2013) 	<p>Key Considerations: Building Design and Sustainable Design and Construction Guidance section</p>
<p>Surrey County Council in capacity as Lead Local Flood Authority for the area</p>	<ul style="list-style-type: none"> • In its capacity as the Lead Local Flood Authority (LLFA) Surrey County council are a statutory consultee on all major planning applications in relation to the sustainable drainage system proposed. • Many drainage schemes that deliver the management of water quantity but do not fulfil the four pillars of SuDS design as defined by the SuDS Manual. • The manual encourages schemes that manage the quantity and quality of surface water runoff, provide an amenity that integrates surface water as an attractive part 	<p>Delivery: Planning application requirements section</p>

	<p>of public space and also enhance biodiversity.</p> <ul style="list-style-type: none"> • Schemes based around the management of quantity alone are purely drainage schemes not SuDS. • We have produced a SuDS advice note, which is available on our website: https://www.surreycc.gov.uk/people-and-community/emergency-planning-and-community-safety/flooding-advice/more-about-flooding/suds-planning-advice • Also see Defra - Sustainable Drainage Systems: Non-statutory technical standards for sustainable drainage systems (March, 2015) • We also provide guidance on <u>discharge off site</u>, which should only be considered if infiltration to the ground is deemed unfeasible. • <u>We expect to see all developments achieve greenfield run-off, where this is unfeasible evidence must be submitted as to why it cannot be achieved.</u> <p><u>Peak Flow control</u></p> <ul style="list-style-type: none"> • For developments on previously developed land, the peak runoff rate from the development to any drain, sewer or surface water body for the 1 in 1 year rainfall event and the 1 in 100 year rainfall event must be as close as reasonably practicable to the greenfield runoff rate from the development for the same rainfall event, but should never exceed the rate of discharge from the development prior to redevelopment for that event. • For greenfield developments, the peak runoff rate from the development to any highway drain, sewer or surface water body for the 1 in 1 year rainfall event and the 1 in 100 year rainfall event should never exceed the peak greenfield runoff rate for the same event. <p><u>Volume control</u></p> <ul style="list-style-type: none"> • Where reasonably practicable, for sites which have been previously developed, the runoff volume from the development to any highway drain, sewer or surface water body in the 1 in 100 year, 6 hour rainfall event must be constrained to a value as close as is reasonably practicable to the greenfield runoff volume for the same event, but should never exceed the runoff volume from the development site prior to redevelopment for that event. The runoff volume must be discharged at a rate that does not adversely affect flood risk. • The drainage system must be designed so that, unless an area is designated to 	<p>Key Considerations: Mitigation of Surface Water and River Flooding section</p> <p>Delivery: Infrastructure Requirements, planning conditions and obligations section</p> <p>Delivery: Infrastructure Requirements, planning conditions and obligations section</p>
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	<p>hold and/or convey water as part of the design, flooding does not occur on any part of the site for a 1 in 30-year rainfall event.</p> <ul style="list-style-type: none"> • Evidence must be provided to establish the greenfield runoff rate for the site and for previously developed sites, evidence must be provided where the greenfield runoff rate cannot be reasonably practicably achieved. • Regarding the specific site itself, we would expect to see ground investigations carried out to establish whether infiltration to the ground is suitable as a method of discharge (in whole or in part). 	<p>Delivery: Planning Application Requirements</p>
<p>Thames Water</p>	<p><u>Wastewater/Sewerage Infrastructure</u></p> <ul style="list-style-type: none"> • The scale of development/s is likely to require upgrades to the wastewater network. • TW recommends that the developer and the Local Planning Authority liaise with Thames Water at the earliest opportunity to agree a <u>Development and Infrastructure Phasing Plan</u> to determine the magnitude of spare capacity currently available within the network and what phasing may be required to ensure development does not outpace delivery of essential network upgrades to accommodate future development/s. • Failure to liaise with Thames Water will increase the risk of planning conditions being sought at the application stage to control the phasing of development in order to ensure that any necessary infrastructure upgrades are delivered ahead of the occupation of development. • In this respect we support the section of Policy HOR9 under drainage referring to the need for early discussions with Thames Water. • The developer can request information on network infrastructure by visiting the Thames Water website https://developers.thameswater.co.uk/Developing-a-large-site/Planning-your-development • A key sustainability objective for the preparation of Local Plans and SPDs should be for new development to be co-ordinated with the infrastructure it demands and to take into account the capacity of existing infrastructure. • It is important to consider the net increase in wastewater [and water supply] demand to serve the development and also any impact that developments may have off site, further down the network. • The SPD therefore correctly seeks to ensure that there is adequate wastewater 	<p>Delivery: Pre-application and Planning Application Requirements sections</p>

	<p>[infrastructure to serve the new development/s.</p> <ul style="list-style-type: none"> • Thames Water will work with developers and local authorities to ensure that any necessary infrastructure reinforcement is delivered ahead of the occupation of development. Where there are infrastructure constraints, it is important not to under-estimate the time required to deliver necessary infrastructure. For example: local network upgrades take around 18 months and Sewage Treatment & Water Treatment Works upgrades can take 3-5 years. <p><u>Flood Risk and SUDS</u></p> <ul style="list-style-type: none"> • The National Planning Practice Guidance (NPPG) requires a sequential approach to be used by local planning authorities in areas known to be at risk from forms of flooding other than from river and sea, which includes "Flooding from Sewers". • When reviewing development and flood risk it is important to recognise that water and/or sewerage infrastructure may be required to be developed in flood risk areas. • It is likely that these existing works will need to be upgraded or extended to provide the increase in treatment capacity required to service new development. • Flood risk sustainability objectives should therefore accept that water and sewerage infrastructure development may be necessary in flood risk areas. • Flood risk sustainability objectives should also make reference to 'sewer flooding' and an acceptance that flooding can occur away from the flood plain as a result of development where off site sewerage infrastructure and capacity is not in place ahead of development. <ul style="list-style-type: none"> • It is the developer's responsibility to make proper provision for <u>surface water drainage</u> to ground, watercourses or surface water sewer. • It is important to reduce the quantity of surface water entering the sewerage system in order to maximise the capacity for foul sewage to reduce the risk of sewer flooding. <ul style="list-style-type: none"> • Limiting the opportunity for surface water entering the foul and combined sewer networks is of critical importance to Thames Water. Thames Water have advocated an approach to SuDS that limits as far as possible the volume of and rate at which surface water enters the public sewer system. 	<p>Delivery: Planning application</p>
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	<ul style="list-style-type: none"> • Ensure all water efficiency measures are taken, at a minimum fitting water efficiency devices across the site (tap aerators, shower regulators, low flow shower heads, efficient urinals, efficient toilets) and ensure landscaped areas need limited watering. • Consideration could be given to specifying an efficiency level under the BREEAM certification scheme. <p><u>Catchment Management:</u></p> <ul style="list-style-type: none"> • Consider ways to prevent local rivers / groundwater being adversely impacted by this development, such as limiting road and silt run-off and implementing sustainable drainage systems. 	Key Consideration: Sustainable Design and Construction section
SGN	No comments received	
Surrey Fire & Rescue	No comments received	
West Sussex Fire & Rescue; Water & Access Manager	<ul style="list-style-type: none"> • Suggested planning condition to ensure that all commercial properties on the proposed site are within 90m of a fire hydrant for the supply of water for firefighting. • Advised that evidence will also be required that Fire Service vehicle access meets with the requirements identified in the Approved Document B Volume 2: 2019 Edition - B5 Section 15, including Table 15.1, 15.2 and diagram 15.1. <p><u>Suggest planning conditions:</u></p> <ol style="list-style-type: none"> 1. Prior to the commencement of the development details showing the proposed location of the required fire hydrants shall be submitted to and approved in writing by the Local Planning Authority in consultation with West Sussex County Council's Fire and Rescue Service. These approvals shall not be unreasonably withheld or delayed. 2. Prior to the first occupation of any dwelling/unit forming part of the proposed development that they will at their own expense install the required fire hydrants (or in a phased programme if a large development) in the approved location to 	Key considerations: Site Layout section Delivery: Planning conditions and obligations

	<p>BS 750 standards or stored water supply and arrange for their connection to a water supply which is appropriate in terms of both pressure and volume for the purposes of firefighting.</p> <p>3. The fire hydrant shall thereafter be maintained as part of the development by the water undertaker at the expense of the Fire and Rescue Service if adopted as part of the public mains supply (Fire Services Act 2004) or by the owner / occupier if the installation is retained as a private network.</p> <p>4. As part of the Building Regulations 2004, adequate access for firefighting vehicles and equipment from the public highway must be available and may require additional works on or off site, particularly in very large developments. (BS5588 Part B 5) for further information please contact the Fire and Rescue Service</p> <p>5. If a requirement for additional water supply is identified by the Fire and Rescue Service and is subsequently not supplied, there is an increased risk for the Service to control a potential fire. It is therefore recommended that the hydrant condition is implemented</p>	
South East Coast Ambulance Service NHS Foundation	No comments received	
UK Power Networks	No comments received	
Telecoms Providers (various from Policy database)	No comments received	
CLH Pipeline System Ltd	Map of pipeline apparatus provided, which is however, in north of the borough, not near the site.	
Highways England; Area 4 Spatial	<ul style="list-style-type: none"> Highways England has been appointed by the Secretary of State for Transport as strategic highway company under the provisions of the Infrastructure Act 2015 	

<p>Planning Manager (Acting)</p>	<p>and is the highway authority, traffic authority and street authority for the strategic road network (SRN).</p> <ul style="list-style-type: none"> • The SRN is a critical national asset and as such Highways England works to ensure that it operates and is managed in the public interest, both in respect of current activities and needs as well as in providing effective stewardship of its long-term operation and integrity. • Highways England will be concerned with plans and / or proposals that have the potential to impact on the safe and efficient operation of the SRN. • In the case of this SPD our focus will be on any potential impact to the M23 Gatwick Spur and the M23 mainline including the two roundabout junctions. • In terms of the key aspects of the policy HOR9 the traffic and transport matters relating to the developments impacts appear to be adequately covered. However, there are some other key points that are worth including within the document as follows: <p><u>Drainage</u> –</p> <ul style="list-style-type: none"> • Highways England will not accept any storm water run-off from the development to be discharged into its drainage asset or into the highway boundary in accordance with DfT Circular 2/2013 clause 50. <p><u>Boundary</u> -</p> <ul style="list-style-type: none"> • The site and M23 Gatwick Spur share a common boundary and any landscaping / boundary treatment adjacent to the M23 Spur boundary will need to be considered and approved by Highways England. • This includes any geotechnical works, structures, planting, noise / environmental barrier etc. • Such features will not be accepted within the highway boundary in accordance with DfT Circular 2/2013 Annex A clause A1. • Highways England will also need to agree any site advertising/billboards which are visible from the M23 Spur or indeed any standalone advertising. Any such advertisement which is considered to be a distraction to the driver and hence create a safety risk is likely to be refused. 	<p>Delivery: Infrastructure requirements, planning conditions and obligations</p>
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Surrey County Council highways officers	No comments received	
Department for Transport	No comments received	
West Sussex County Council	No comments received	
Network Rail	No comments received	
GTR	No comments received	
Great Western Railway	No comments received	
Commercial Director of Metrobus	<p>Metrobus operates a very comprehensive 24-hour bus network connecting local neighbourhoods and towns to Gatwick South Terminal A23 and also to eastern Horley.</p> <p>We are very keen to work with you on the development of this proposal, whether it is expected to have buses permeating the site in a traditional or demand-responsive way, or if it is deemed best to improve the pedestrian access to the existing Gatwick South bus stops to access the excellent services already provide there.</p>	
Compass Bus	No comments received	
Sustrans	No comments received	
Reigate and Banstead Cycle Forum	No comments received	

SCC Cycle Transport officers	No comments received	
Crawley Borough Council Planning Policy Service	No comments received	
Gatwick Airport Ltd (GAL): Surface Access Team	No comments received	
Gatwick Airport Ltd: Airport Safeguarding	<ul style="list-style-type: none"> • This response relates solely to aerodrome safeguarding matters in relation to Gatwick Airport and does not take into account any other land use planning aspects which GAL may raise for example the impact on the transport network. <p><u>Aerodrome Safeguarding</u> is a legislative requirement for officially safeguarded aerodromes of which Gatwick Airport is one. Aerodrome safeguarding is the process used to ensure the safety of aircraft while taking off and landing or flying in the vicinity of aerodromes.</p> <ul style="list-style-type: none"> • It is vital that their safe operation is not impacted upon by buildings, structures or works which infringe the protected Obstacle Limitation Surfaces (OLS), impact on navigational aids utilised by the airport, distracting or confusing lighting or by development which has the potential to increase the number of birds or the bird hazard risk. Please note this list is not exhaustive. • Aerodrome safeguarding is embedded in the <i>Town & Country Planning Process by way of ODPM/DfT Circular 01/2003 'Safeguarding of Aerodromes, Technical Sites & Military Explosives Storage Areas: The Town & Country Planning (Safeguarded Aerodromes, Technical Sites & Military Explosives Storage Areas) Direction 2002.</i> • With regard to the proposed development outlined in your email dated 09 June 2020, as there are no details of any buildings or structures at present we are only able to give some general aerodrome safeguarding advice as follows: <u>Height Limitations</u> There are a several elements that will govern what is an acceptable height for a development with regard to an aerodrome safeguarding perspective. These are: <ul style="list-style-type: none"> • Obstacle Limitation Surfaces (OLS) 	Site Analysis: Site Constraints section

	<ul style="list-style-type: none"> • Navigational Aids • Instrument Flight Procedures (IFPs) <ul style="list-style-type: none"> • It appears that with regard to this site the most restrictive set of <i>protected surfaces</i> will be with regard to <i>navigational aids</i>. • They have advised that they are unable to give a blanket height restriction as it very much depends on where the buildings will be sited, the size of the building footprint and as to whether they are in line of site to the radar. • Gatwick's air traffic control providers ANS (Air Navigation Solutions) & NERL (NATS EN Route Ltd) have said that as a rule of thumb any buildings proposed for this site should be the same height or lower than the buildings on airport to the south & south west of the proposed site. However they would still be subject to a full assessment. • We cannot be more prescriptive with regard to height restrictions at this stage. • Once indicative heights, footprints and siting of the proposed buildings are available, I will be pleased to carry out further checks with regard to any potential impacts on navigational aids. • AOA <i>Advice Note 1 'Safeguarding of Aerodromes'</i> provides helpful information. <p><u>Bird Hazard Management</u></p> <ul style="list-style-type: none"> • As this development is in such close proximity to the airport and flight paths, careful consideration needs to be given to the design of the development to ensure that birds hazardous to aviation are not attracted to this site over and above the numbers that already exist. • Birds that are more likely to cause damage to aircraft are flocking birds such as Starlings and Gulls and large heavier species such as waterfowl. However other species such as Pigeons and Corvids can also be problematic. • GAL has an <u>active bird management programme to reduce risk</u>. We always seek to work with developers, LPA's and others to ensure that proposed schemes meet environmental requirements where possible but at the same time do not increase the bird strike risk to aircraft operating at the airport. <p>With regards to <u>Bird Hazard Management</u>, the following elements need to be taken into consideration:</p>	<p>Key Considerations: Site Layout and Building Design sections</p> <p>Site Analysis: Site Constraints section</p>
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	<p><u>Landscaping</u></p> <p>Large landscaping schemes including tree and shrub planting has the potential to increase the attractiveness of the site to birds hazardous to aviation for example:</p> <ul style="list-style-type: none"> • Create dense vegetation that may become a roost. • Provide an abundant food supply in the form of fruits, nuts or berries. • Large areas of woodland will be attractive to birds for nesting, roosting and loafing. <p>Given the above we make the following recommendations:</p> <ul style="list-style-type: none"> • Ideally areas of woodland should be minimised in favour of a more open park landscape and areas of scrub. Any planting should minimise large trees such as Oak and Scots Pine, a few single large trees would be acceptable. There should be smaller more loosely canopied trees such as Black Poplar. • Any woodland planting should be planted on the part of the site furthest away from the airport. • Berry & fruit bearing species should be minimised, ideally in this location less than 20% of the planting palette should be fruit/berry bearing species and they should be dispersed throughout so that large areas of exploitable habitat are not formed. <p>The smaller bird species such as Sparrow, Finches, Blue Tits etc are generally not an issue.</p> <p>Some habitats that can be used to help meet the environmental credentials, but should not increase the birdstrike risk to the airport are:</p> <ul style="list-style-type: none"> • Long grass meadows and planting for pollinators should not result in an attractant for hazardous birds. • The provision of habitat for bats (excluding open water), bat boxes and bird boxes for smaller species would be acceptable. • Scrub or bare ground habitat for invertebrates or smaller bird species would be acceptable. • Areas of short grass would not be problematic as long as they are kept away from open water. • Green walls, which tend to attract the smaller species as mentioned above. • Bug/insect hotels. • Small carefully designed newt ponds, see guidelines relating to water bodies below. 	<p>Key Considerations: Open space and biodiversity section</p>
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	<p>pitched roofs forming part of this development we would request that the developers/owners enter into a robust Bird Hazard Management Plan to ensure that regular inspections are undertaken to ensure that Gulls do not utilise the roofs.</p> <ul style="list-style-type: none"> • We would ask that <u>green roofs</u> are not incorporated in this development as they are attractive to birds as they provide a food source. see AOA Advice note 3 'Wildlife Hazards Around Aerodromes' attached for your information. <p><u>Lighting</u></p> <ul style="list-style-type: none"> • Lighting must be carefully designed to ensure that there is no dazzle or glare to pilots, air crew and Air Traffic Control in the tower or that any proposed lighting cannot be confused with any aeronautical ground lighting. • Lighting should be white lighting, where possible, full cut off with no light spill above the horizontal. No laser lights must be used in this location. see AOA Advice Note 2 'Lighting Near Aerodromes' <p><u>Renewables</u></p> <ul style="list-style-type: none"> • We would request that <u>wind turbines</u> do not form part of these proposals as the rotating blades have the potential to be seen by radar and cause 'clutter' on the radar screens. <p><u>Solar panels</u></p> <p>May be acceptable subject to further investigation to ensure that there will be no glint or glare and that they are not in line of sight to radar as they have the potential to distort the beams. Please see AOA Advice note 5 'Renewable Energy & Impact on Aviation' attached for your information.</p> <p><u>Reflective Materials</u></p> <ul style="list-style-type: none"> • If the proposed buildings have large areas of glass or highly reflective materials, depending on their orientation, location and size we may request that a solar hazard glare study is undertaken to ensure that there will be no dazzle or glare to pilots, aircrew and air traffic control. <p><u>Cranes & Construction Equipment</u></p> <ul style="list-style-type: none"> • Cranes and tall construction equipment have the potential to impact on airport 	
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	<p>operations by way of infringement the protected Obstacle Limitation Surfaces (OLS) and/or impacting on navigational aids or instrument flight procedures (IFPs).</p> <ul style="list-style-type: none"> • Consideration needs to be given at an early stage as to how the buildings are to be constructed, for example the height of the cranes that will be required. For a site this close to the airport we would recommend that 'telescopic' cranes are used so that they can be lowered at short notice if flight operations require. Recommend that you contact gal.safeguarding@gatwickairport.com as soon as crane details are known for an assessment. <p>The crane operator must apply to Gatwick Airport Ltd for a crane permit at least one month before any crane is due on site. See AOA Advice note 4 'Cranes & Other Construction</p> <p>Please be advised that the advice given is informal and without prejudice to the consideration of any planning application which may be referred to us pursuant to Planning Circular 01/2003 in consultation under the safeguarding procedure.</p> <p>The information is correct at the time of writing, however it is subject to change and it cannot be assumed that any response to consultation under Planning Circular 01/2003 will necessarily coincide with the informal advice now given. We will not have any liability to you or third parties who may follow this advice.</p> <p>Provision of this advice does not constitute support for the development nor an opinion that the development is acceptable under local planning policy.</p> <p>Gatwick Airport Ltd, in line with the recently produced Gatwick Master Plan (July 2019), is progressing plans to routinely use the existing northern runway and that further assessments will need to be undertaken as part of that development on the acceptability of surrounding land uses.</p>	Deliver section
RBBC's Head of Economic Prosperity and Officer	Provided input to inform the 2021 Chilmark Report	Policy Context and land Uses sections

	for review – no specific comments to add beyond above comments.	
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3. Next Steps

- 3.1. The Council's Planning Policy Service will hold a statutory consultation on the draft SPD, planned to be held for a minimum of four weeks between November 2021 and January 2022. We will invite comments by emailing and writing to the "specific" and "general" consultees, and "prescribed bodies" (for the Duty to Co-operate organisations) as specified in the Local Planning Regulations, and other individuals and organisations registered on the Council's Planning Policy database for planning consultation purpose.
- 3.2. We will also send letters to addresses within 1 km of the site and will involve Horley Town Council and will publicise the period for inviting comments on the draft SPD through Horley Town Council. Paper copies of the consultation documents will be made available for inspection at the six libraries in the borough subject to pandemic restrictions.
- 3.3. The consultation draft Supplementary Planning Document (SPD), the Sustainability Appraisal and Habitats Regulation Assessment Screening Statement, and the two commissioned reports that informed the draft SPD will be available on the Council's website on its [Planning Emerging SPD webpage](#).
- 3.4. Following the formal consultation period, this Initial Consultation Statement will then be updated with a list of who we consulted on the draft SPD, a summary of the comments received, and how those comments have been addressed in finalising the SPD.
- 3.5. The draft SPD will then be amended to take account of consultation responses received, and any other matter the Council thinks relevant (as specified in Section 23(1) of the Planning and Compulsory Purchase Act 2004 (as amended)).
- 3.6. The SPD will be put to the Council's Executive in March 2022 for adoption. Following its adoption, the SPD will be a material consideration to inform the production of a site masterplan by the site promoter in consultation with the Council, as required by DMP Policy HOR9 ("Delivery" requirements). The masterplan will need to be submitted to the Council at the outline application stage to assist the consideration of planning applications for the site's development.



Horley Strategic Business Park Site Development Brief Supplementary Planning Document

**Strategic Environmental Assessment and
Habitats Regulations Assessment
Screening Statement**

March 2021

Summary

This Screening Statement considers whether a Strategic Environmental Assessment (SEA) and / or a Habitats Regulation Assessment (HRA) should be produced to inform the production of the Horley Strategic Business Park Supplementary Planning Document (SPD), as required under regulation 9 of the Environmental Assessment of Plans and Programmes Regulations 2004.

As set out later in this Statement, the screening for both SEA and HRA undertaken by Reigate & Banstead Borough Council (“the Council”) in accordance with the relevant legislation and guidance, concludes that **a SEA is not required** for the Horley Strategic Business Park SPD. It also concludes that the SPD **would not need to be subject to a full Appropriate Assessment under the Conservation of Habitats and Species Regulations 2017**.

This conclusion as to whether the SPD is likely to have significant environmental effects requiring environmental assessments has been confirmed following receipt and consideration of comments from the three statutory consultation bodies.

1. Introduction

- 1.1 Reigate & Banstead Borough Council is in the process of preparing a Supplementary Planning Document (SPD), to provide guidance for the site promoters / developers in preparing their masterplan for a site allocated within the borough of Reigate & Banstead which is allocated by the Council’s Development Management Plan (September 2019) Policy HOR9 for the development of a strategic business park with new public open space.
- 1.2 The national Planning Practice Guidance (PPG)¹ sets out the difference between strategic environmental assessment (SEA) and other forms of assessment. It advises that strategic environmental assessment (SEA) is a tool used at the plan-making stage to assess the likely environmental effects of the plan when judged against reasonable alternatives. In contrast, Environmental Impact Assessment (EIA) is applied where needed, under the Town and Country Planning (Environmental Impact Assessment) Regulations 2017, to individual projects which are considered likely to have significant environmental effects. Its consideration may include potential mitigation requirements.
- 1.3 A plan or project may also require an appropriate assessment, as set out in the

¹ PPG Strategic environmental assessment and sustainability appraisal (Paragraph: 003 Reference ID:11-003-20190722)

Conservation of Habitats and Species Regulations 2017 (as amended), if it is considered likely to have significant effects on a protected habitats site.

- 1.4 The requirement for local planning authorities to carry out a Strategic Environmental Assessment (SEA) of relevant town and country planning or land use plans and programmes before their adoption is a requirement of the [Environmental Assessment of Plans and Programmes Regulations 2004](#) (the “Strategic Environmental Assessment Regulations 2004”), Statutory Instrument 2004 No.1633, in certain situations.
- 1.5 The PPG advises² that *“supplementary planning documents do not require a sustainability appraisal but may in exceptional circumstances require a strategic environmental assessment if they are likely to have significant environmental effects that have not already been assessed during the preparation of the relevant strategic policies”*.
- 1.6 It is the responsibility of the local planning authority to assess whether the plan is likely to have significant effects on the environment in accordance with the relevant legislation, and to make these conclusions public.
- 1.7 *“A strategic environmental assessment is unlikely to be required where a supplementary planning document deals only with a small area at a local level (see regulation 5(6) of the Environmental Assessment of Plans and Programmes Regulations 2004), unless it is considered that there are likely to be significant environmental effects.”*
- 1.8 *“Before deciding whether significant environment effects are likely, the local planning authority will need to take into account the criteria specified in Schedule 1 of the Environmental Assessment of Plans and Programmes Regulations 2004 and consult the consultation bodies. The consultation bodies are defined in Regulation 4 of the Environmental Assessment of Plans and Programmes 2004 as Historic England, Natural England, and the Environment Agency.”*
- 1.9 Article 6 of the *Conservation of Habitats and Species Regulations 2017* (“the Habitats Regulations 2017”) requires an assessment of the implications of a plan, both individually and in combination with other plans or projects, on designated ‘Natura 2000’ sites. Such “Natural 2000” sites include Special Protection Areas (SPAs), Special Areas of Conservation (SACs) and Ramsar sites (which are treated as equivalent to Natura 2000 sites. If it is determined that a plan or

² PPG Strategic environmental assessment and sustainability appraisal (Paragraph: 008 Reference ID:11-008-20140306)

project is likely to have a significant effect on these protected sites, an Appropriate Assessment should be undertaken.

- 1.10 The Council has therefore prepared this Screening Statement to determine whether the SPD currently being prepared for a strategic business park located between Horley town centre and Gatwick airport should be subject to a Strategic Environmental Assessment (SEA) and / or Habitats Regulations Assessment (HRA), also known as an “Appropriate Assessment”. A draft of this Screening Statement was sent to the three statutory consultation bodies for their comments on the Screening, and for their view as to whether they concur with its findings. Following receipt and consideration of comments received, this screening statement was finalised.
- 1.11 Reigate and Banstead Development Management Plan including site allocation Policy HOR9, its Inspector’s Report and the SA reports for the later stages of the DMP’s preparation can be accessed from the following weblink https://www.reigate-banstead.gov.uk/info/20088/planning_policy/1101/development_plan_2020/3
- 1.12 The various stages of Sustainability Appraisals and Habitats Regulation Assessments can be accessed from the following weblink https://www.reigate-banstead.gov.uk/info/20088/planning_policy/1109/evidence_2020/9

2. Scope of the Horley Business Park site development brief SPD being prepared

- 2.1 This section of the SEA and HRA Screening Statement sets out the purpose, scope and content of the Horley Strategic Business Park SPD, currently under preparation, and which is the subject of this screening.
- 2.2 As mentioned above, the 31ha site is allocated by the Council’s Development Management Plan (September 2019) Policy HOR9 for the development of a strategic business park with a new public open space of at least 5 hectares. The Council’s Development Management Plan is the second part of the Council’s current Local Plan to be adopted covering the plan period 2012-2027, the first, strategic part being the Core Strategy (adopted in 2014 and Reviewed and found to be up to date in July 2019). The DMP includes detailed policies to aid in determination of development applications and also include site allocation policies.
- 2.3 Site allocation Policy HOR9 includes requirements and considerations regarding uses, movement and accessibility, design, drainage, and delivery. Within the HOR9 Policy section on delivery, it is stated that a Supplementary Planning

Document (SPD) will be provided “to assist with the proper planning and on-going functioning of the site”. Once adopted, the SPD will subsequently assist the Council as it works with the site promoter in its preparation of its masterplan for the site, which will be submitted with the outline planning application for the site’s development.

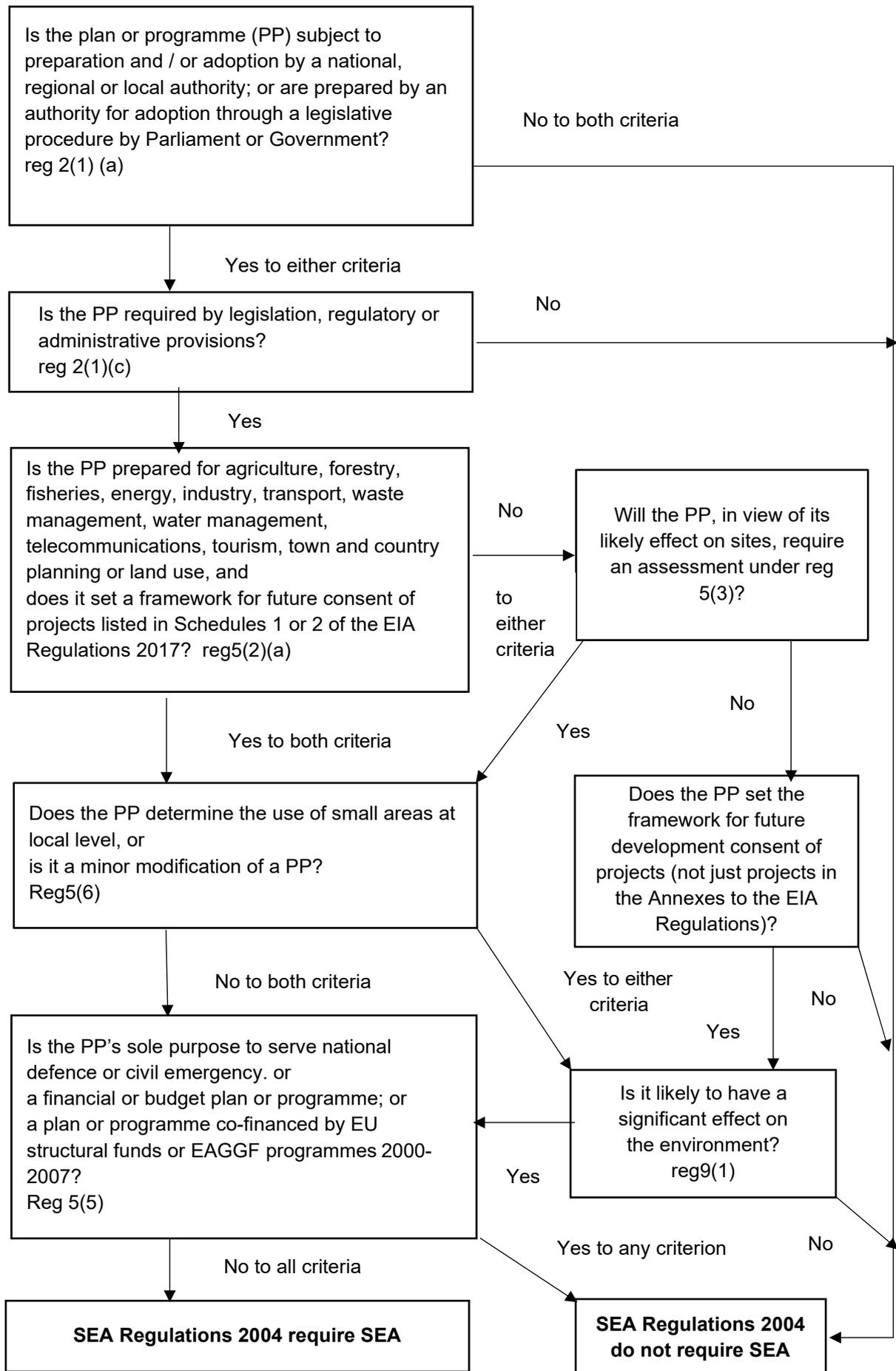
- 2.4 Within the 31ha of the allocated site, is a 111m wide strip of green open land running along the northern side of the A23/M23 (at Junction 9a) which is designated as the Gatwick Open Setting (GOS) under DMP Policy NHE1(3). The purpose of this land is to retain a clear visual break to protect against coalescence of Gatwick and Horley. The GOS-designated land within the allocated HOR9 business park site covers some 6.1ha.
- 2.5 Within the land designated as GOS, the proposed new spur road to connect the site to Junction 9a of the M23 will be the only development permitted. The northern part of the site is in fluvial Flood Zone 2, in which Policy HOR9 only permits construction of supporting infrastructure including car parks within this land. A minimum of 5 hectares of the land in the north part of the site is to be laid out and managed by the Borough Council as a new public open space. This leaves approximately 17.3 ha of developable area for the strategic business park, with its infrastructure, supporting uses and landscaping.
- 2.6 The strategic business park would provide predominantly office uses, with some research and development and light industrial floorspace, and also potentially limited storage and distribution floorspace. To support the employees of these uses and to promote a coherent business community, complementary uses including retail, leisure, food and drink, children’s’ nursery and wellbeing centre, as well as a conference centre and hotel are included in the site allocation. Based on a 2017 consultant study, taking account of the need, market demand and potential impact on the nearest town centres and business parks, the Policy Explanation text advises of indicative floorspace quanta of up to 200,000sqm of business uses and 10,500 sqm of supporting uses.
- 2.7 Following adoption of the DMP in September 2019, the preparation of the SPD commenced in summer 2020 with desk-based analysis of constraints, followed in the autumn by a series on on-line workshops and email inquiries. In late 2019 and early 2020, planning officers have been working with two specialist consultancies to sense-check the employment demand given the current pandemic and the recent exit of the UK from the European Union, and to inform the urban design issues relating to the development of the site.
- 2.8 The SPD is being drafted and is programmed for public consultation for at least four weeks in September 2021. Adoption of the SPD is programmed for December 2021.

- 2.9 The SPD will not contain any new policies, proposals or site allocations. Nor will it influence or alter the scale or spatial distribution of development across the borough which is already established through the Core Strategy and Development Management Plan.
- 2.10 Policy HOR9 has been thoroughly assessed at each stage of its preparation through the DMP's Sustainability Appraisal (SA), which incorporated SEA. As set out in the following section of this Screening Statement, this includes the Inspector's Report on the DMP Examination (at paragraph 217), which found in relation to the DMP's SA (incorporating SEA) that a "*Sustainability Appraisal has been carried out and is adequate.*"

3. Strategic Environmental Assessment (SEA) Screening

- 3.1 With regard to SPDs, the national Planning Practice Guidance indicates that SEA will normally only be required in exceptional circumstances. The flow chart at **Figure 1** summarises the process to follow to determine whether a town and country planning or land use plan or programme requires a SEA to be prepared. It is based on the European Directive, from which the Strategic Environmental Assessment Regulations 2004 were transposed for England. The process diagram is intended as a guide to the criteria for application of the Environmental Assessment of Plans and Programmes Regulations 2004 (the "Strategic Environmental Assessment Regulations 2004").

Figure 1: Application of the Environmental Assessment of Plans and Programmes Regulations 2004



- 3.2 As the “responsible authority”, the Council must therefore determine, whether SEA is required for the Horley Strategic Business Park Site Development Brief SPD. The Council must initially determine whether the SPD is a “plan or programme” covered by regulation 5(2). If it determines that it is, then the Council must carry out a screening to establish whether SEA is required, based on its likelihood to have significant environmental effects. In deciding whether significant environmental effects are likely, the Council must take into account the criteria in Schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004.
- 3.3 The Council considers that the SPD being prepared is a plan under regulation 5(2) and has therefore produced its screening opinion under regulation 9(1), set out below in **Table 1**, to determine the likely significance of effects on the environment, and therefore whether a SEA is required.
- 3.4 Under regulation 5(6), and environmental assessment need not be carried out for a plan or and programme of a description set out in regulation 5(2) that determines the use of a small area at local level, and for minor modifications to such a plan or programme. Neither of these apply to the SPD currently being prepared.

Table 1: Consideration of emerging SPD against the criteria for determining potential for likely significant effects on the environment (from Schedule 1 to the Strategic Environmental Assessment Regulations 2004

1. The characteristics of plans and programmes, having regard, in particular, to -	
(a) the degree to which the plan or programme sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources;	<p>The emerging Horley Strategic Business Park SPD does not set the framework for any project or other activity.</p> <p>The “framework” for development of this predominantly greenfield site has been set in Policy HOR9 of the adopted Development Management Plan (DMP) 2019, which allocates the site for development and for a new public open space.</p>
(b) the degree to which the plan or programme influences other plans and programmes	The emerging SPD will not influence other plans or programmes. It is influenced by the higher order plans, namely the Council’s

<p>including those in a hierarchy;</p>	<p>adopted development plan documents, the Core Strategy 2014 (Reviewed 2019 and found to be up to date) and the DMP, both of which have been subject to SEA, as well as the NPPF.</p> <p>It will assist in guiding the development of the site, in accordance with the adopted DMP site allocation Policy HOR9 but will not influence other plans or programmes. The SPD does not set new policies.</p>
<p>(c) the relevance of the plan or programme for the integration of environmental considerations in particular with a view to promoting sustainable development;</p>	<p>SPD will provide guidance for incorporating sustainable development considerations into the layout of the site, the design of buildings, and in the promotion of active travel (improved pedestrian and cycle linkages) to and through the site, and public transport, connecting with nearby towns in order to minimise use of private cars travelling to the site.</p>
<p>(d) environmental problems relevant to the plan or programme; and</p>	<p>The SPD will reduce flooding in the northern and eastern parts of the site and the surrounding streets through its guidance regarding incorporation of new swales, balancing ponds and other Sustainable Drainage Systems (SuDS), as well as upgrades to an existing underperforming culvert that runs off to the north of the site.</p> <p>The northern part of the allocated site is in fluvial Flood Zone 2, and Policy HOR9 only permits construction of supporting infrastructure including car parks within this land.</p> <p>The site lies in an Air Quality Management Area. The higher level DMP Policy HOR9 from which this SPD will provide more detailed guidance, includes a requirement for air quality monitoring, including consideration of cumulative impacts, to be submitted as part of any planning application for development of the site.</p>
<p>(e) the relevance of the plan or programme for the implementation of Community legislation on the environment (for example, plans and</p>	<p>The SPD is not directly relevant to the implementation of Community legislation on the environment.</p>

programmes linked to waste management or water protection)	
2. The characteristics of the effects and of the area likely to be affected, having regard, in particular, to -	
(a) the probability, duration, frequency and reversibility of the effects;	Whilst the development of the mainly greenfield site will clearly have long term effects on the environment, these have been assessed in the SA/SEA of the development of Policy HOR9 in the higher order DMP, which was adopted in 2019. Further detail of the SA/SEA for Policy HOR9 is provided in the paragraphs following this table.
(b) the cumulative nature of the effects;	The SPD is not considered to have any cumulative effects.
(c) the transboundary nature of the effects;	The SPD site sits up by the southern boundary of the local authority area, adjacent to Crawley borough in West Sussex county. Clearly air quality and traffic impacts are transboundary in such a location.
(d) the risks to human health or the environment (for example due to accidents),	The SPD does not present any risk to human health. The key potential impacts on the environment are to air quality, flooding, and biodiversity. These potential impacts have been assessed in the SA/SEA of the development of Policy HOR9 in the higher order DMP, which was adopted in 2019. Further detail of the SA/SEA for Policy HOR9 is provided in the paragraphs following this table.
(e) the magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected),	The SPD is for development of a strategic business park of site area as set out in paragraph 2.5 above. The need and demand for a strategic business park to serve the sub-region is likely to have an impact on the population of a wide area, from which its workforce may be drawn. These potential impacts have been assessed in the SA/SEA of the development of Policy HOR9 in the higher order DMP, which was adopted in 2019.

<p>(f) the value and vulnerability of the area likely to be affected due to:</p> <p>(i) special natural characteristics or cultural heritage;</p> <p>(ii) exceeded environmental quality standards or limit values; or</p> <p>(iii) intensive land-use</p>	<p>() There are some Grade II listed and locally listed buildings close to the site, and a designated heritage Conservation area some 500m from the site.</p>
<p>(g) the effects on areas or landscapes which have a recognised national, Community or international protection status.</p>	<p>The SPD does not include any recognised national, Community or international protection status, and is not likely to affect any such areas or landscapes.</p> <p>The only potential impact could be on a designated heritage Conservation area some 500m from the site.</p>

- 3.5 As mentioned earlier, the Policy HOR9 allocation site has been subject to SEA/SEA throughout the preparation of the DMP. All the SA/SEA Reports are available through the weblink https://www.reigate-banstead.gov.uk/downloads/download/2030/sustainability_appraisal_and_strategic_environmental_assessment_for_local_plan_policy. The first assessment was carried out to inform the regulation 18 stage of the DMP production, being published in June 2016. Table 7 (page 17) of the SA Main Report summarises the assessment of 14 potential land parcels for a strategic employment site (SES). The full appraisal for each of the land parcels assessed are provided in Appendix H.
- 3.6 The conclusions for each land parcel are set out on pages 68-77 of the SA report. These include consideration of potential mitigation measures for each land parcel, and cumulative impacts of the plan as a whole at Section 5. The SA/SEA assessment of the policy approach to allocating land for a Strategic Employment Site to seek to meet the local employment needs to grow the borough's economy working with Gatwick Diamond partners is provided in Appendix E, on page 163. The alternative assessed was not to allocate a site to meet these needs. As it was a policy approach rather than a specific site assessment, several questions regarding potential impacts were flagged up.
- 3.7 The two land parcels selected (SEH1 and SEH2) from the 14 parcels considered were progressed for inclusion in the regulation 19 pre-submission publication DMP as, although they included some negative elements related to landscape impact, noise and air pollution, the sites score more positively than most of the appraised sites in terms of flooding and sustainable transport, and when combined would provide a site large enough to meet the required site size of at least 20ha identified in the [Strategic Employment Provision Opportunity Study](#)

(June 2016). The appraisal and assessment for the selected site are reported in the regulation 19 *Submission Sustainability Appraisal Report* (incorporating SEA), published in October 2017 and updated May 2018 prior to submission), at pages 129-136, with the individual assessments provided in Appendix K.

- 3.8 Following submission of the DMP for independent examination, and the examination hearing, a *Sustainability Appraisal Addendum* (incorporating SEA) was prepared (published in February 2019) to assess the environmental, social and economic impacts of the proposed Main Modifications to the DMP. Of particular relevance to consideration of the environmental impact of this site are the Main Modifications to Policy HOR9 Horley Strategic Business Park (Main Modification MM42). This concluded that *“Subject to the identified mitigation, the modifications do not therefore significantly alter the overall conclusions or scoring of the SA in relation to this policy, nor give rise to significant sustainability effects.”* This should be read alongside the *Submission Sustainability Appraisal Report*.
- 3.9 The Inspector’s Report (at Paragraph 4) in relation of the SA of the proposed Main Modifications following the Examination hearing found that: *“Following the examination hearings, the Council prepared a schedule of proposed MMs and carried out sustainability appraisal and Habitats Regulation Assessment of them. The MM schedule was subject to public consultation for six weeks.”* ..*“None of the amendments significantly alters the content of the modifications as published for consultation or undermines the participatory processes and sustainability appraisal that has been undertaken.”*

SEA Screening Conclusions

- 3.10 As stated at paragraph 2.8, the SPD currently being prepared will not include any new policy proposal or site allocation, but rather will set out further detail to assist in implementing the adopted DMP Policy HOR9. Policy HOR9 was subject of SA (incorporating SEA) throughout the process of its preparation within the now adopted DMP. This includes the SA/SEA of the Main Modifications to the DMP proposed by the Inspector during the DMP Examination.
- 3.11 Having assessed the emerging SPD against the relevant criteria and considerations in Schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004 (as set out in Table 1 above), the Council concludes that the Horley Strategic Business Park Site Development Brief SPD will not give rise to significant environmental effects. **A Strategic Environmental Assessment is therefore not required for the SPD.**
- 3.12 The Council’s conclusion regarding the screening was finalised following receipt and consideration of comments from the three consultation bodies.

Environmental Impact Assessment (EIA)

- 3.13 Screening for Environmental Impact Assessment may be required under Schedule 2 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 for urban development projects over a specified size and / or in a sensitive location.
- 3.14 The development of the site subject to the SPD being prepared is not of a type listed in Schedule 1 of the 2017 Regulations. However, it is likely to fall within the description of projects (in column 1) over the specified size threshold (listed in column 2) of Schedule 2.
- 3.15 Before a planning application is submitted, the applicant may submit, or the LPA may request submission of EIA screening information. On the basis of that information, the LPA may give a screening opinion as to whether an EIA is required to be submitted with a planning application as an Environmental Impact Assessment Development.

4. Habitat Regulation Assessment (HRA) Screening

- 4.1 *The Conservation of Habitats and Species Regulations 2017 (as amended)* is one of the pieces of English law that transposed the land and marine aspects of the European Habitats Directive (Council Directive 92/43/EEC) and certain elements of the Wild Birds Directive (Directive 2009/147/EC) (known as the Nature Directives) into English law. Changes have been made to the 2017 Regulations by the [Conservation of Habitats and Species \(Amendment\) \(EU Exit\) Regulations 2019](#) to make them operable from 1 January 2021 following the UK's departure from the European Union, in the field of biodiversity protection in England and Wales.
- 4.2 These regulations concern sites of exceptional importance in respect of rare, endangered or vulnerable natural habitats and species. Most of these changes involved transferring functions from the European Commission to the appropriate authorities in England and Wales. All other processes or terms in the 2017 Regulations remain unchanged and existing guidance is still relevant. The obligations of a "competent authority" in the 2017 Regulations for the protection of sites or species do not change. A "competent authority" includes a public body such as Reigate & Banstead Borough Council.

- 4.3 The purpose of the HRA is to assess the implications of a plan, either individually, or in combination with other plans or projects, on the protected biodiversity sites.
- 4.4 The Habitats Directive applies the precautionary principle to all such designated sites. In normal circumstances, a land use plan can be brought into effect only after having ascertained that it will not adversely affect the integrity of a designated biodiversity site of national importance, either alone, or in combination with other plans.
- 4.5 The first stage in the process is to establish, through “screening” of the emerging SPD whether the plan is either directly connected with, or necessary to, the management of a protected biodiversity site. If not, a determination needs to be made as to whether the plan in itself or in combination with others is likely to have a significant effect on a protected national site.
- 4.6 Any plan or project not directly connected with, or necessary to, the management of a designated site, but likely to have a significant effect thereon, either individually or in combination with other plans or projects, shall be subject to appropriate assessment of its implications for the site in view of the site's conservation objectives. In the light of the conclusions of the assessment of the implications for the site, the competent national authorities shall agree to the plan or project only after having ascertained that it will not adversely affect the integrity of the site concerned and, if appropriate, after consultation.
- 4.7 Comprehensive Habitats Regulation Assessment (HRA) / Appropriate Assessment was undertaken throughout the process of preparation of the DMP, including Policies HOR9 and NHE1. This included assessing the emerging policies to consider whether those policies would have likely significant effects including in combination with other relevant plans. The conclusions of the HRAs at various stages in the preparation of the DMP are considered highly relevant to this screening assessment of the emerging Horley Strategic Business Park Site Development Brief SPD. In particular [the Proposed DMP Submission Habitats Regulations Assessment](#) (published in October 2017 and updated in May 2018), which in relation to the key policies which the proposed SPD will implement (namely Policies HOR9 and NHE1(3)), the HRA for the DMP concluded on their impact of the proposed site allocation policy on the Ashdown Forest Special Area of Conservation (SAC) will not result in adverse effects on this SAC.
- 4.8 The Regulation 18 and Regulation 19 (Oct 2017, updated May 2018) Habitats Regulation Assessment (HRA) / Appropriate Assessment for the DMP considered the likely impact of the development of the proposed site allocation through Policy HOR9. Given its distance from the Mole Gap to Reigate Escarpment SAC, and the allocation for a park of at least 5 hectares on the site,

it was concluded that the proposed allocation would not have a recreational impact on the SA, nor would it impact via cessation of grazing or disturbance to roosting populations of Bechstein's bats.

- 4.9 As the qualifying features of the Mole Gap and Reigate Escarpment SAC (located about 10km from the site) are vulnerable to changes in air quality due to emissions, the initial assessment of predicated traffic increase exceeding the threshold, and therefore likely to have a significant effect requiring appropriate assessment.
- 4.10 The likely impact on Ashdown Forest SAC was also considered, in particular the increase in road traffic from the development around 12 miles drive from Ashdown Forest. The HRA Addendum (March 2019) considered implications of the proposed Main Modifications and concluded that they would not alter the conclusions of the October 2018 HRA in relation to Air Quality from Traffic impacts. The modifications include a specific requirement to undertake detailed Air Quality assessment at the application stage. It was determined MM42 would not have an adverse effect on integrity on the Natura 2000 sites within the scope of the HRA / AA either alone or in combination.
- 4.11 With regards to the HRA / AA of the DMP, the DMP Inspector's Report concluded (at paragraph 218) that *"The Habitats Regulations / Appropriate Assessment Report published in September 2018 updates two interim Habitat Regulation Assessments. This concludes that subject to mitigation measures in the plan, no significant adverse effects on the integrity of European sites are likely. Natural England agrees with this finding."*

HRA Screening conclusions

- 4.12 The DMP's HRA / AA prepared to inform the DMP, concluded that subject to mitigation, the DMP and its policies, including Policy HOR9, would not be likely, either alone or in combination with other plans and projects, to result insignificant effects on protected biodiversity sites.
- 4.13 As the Horley Strategic Business Park Site Development Brief SPD being prepared is intended to provide supplementary guidance on the implementation of DMP Policies HOR9 and NHE1(3) in particular, it is therefore concluded that **a full Appropriate Assessment under *the Conservation of Habitats and Species Regulations 2017 (as amended)* is not required for this emerging SPD.**
- 4.14 The Council's draft conclusion regarding the screening was considered in light of the comments received from the three consultation bodies, and as a result, it was confirmed that a full AA of the SPD is not required.

Appendix 1: Responses from the three consultation bodies

Reigate & Banstead Borough Council
Building & Development Services
Town Hall Castlefield Road
Reigate
Surrey
RH2 0SH

Our ref: SL/2011/108875/SE-11/SC1

Your ref: Email

Date: 12 March 2021

LDF@Reigate-Banstead.gov.uk

Dear Sir/Madam

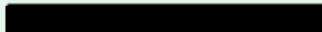
Horley Strategic Business Park Site Development Brief SPD- SEA/HRA Screening Statement

Thank you for consulting the Environment Agency on the above. We are in agreement with your conclusion that the Horley Strategic Business Park Site Development Brief SPD is unlikely to have any significant environmental effects and therefore a full Strategic Environmental Assessment will not be required.

We agree that the proposed SPD is intended to provide supplementary guidance to aid implementation of existing policies in the local plan and will not introduce new or amended planning policy and therefore will not give rise to significant effects on the environment.

Please do not hesitate to contact me should you wish to discuss this further.

Yours faithfully,


Planning Specialist

Kent and South London
charles.muriithi@environment-agency.gov.uk



Historic England

Planning Policy Team
Reigate and Banstead Borough Council
Town Hall, Castlefield Road
Reigate RH2 0SH

Our ref: PL00738782
Your ref:
Telephone 020 7973 3700
Email e-seast@historicengland.org.uk
Date 9 March 2021

By email only to LDF@reigate-banstead.gov.uk

Dear Sir or Madam

**Reigate and Banstead Borough Council - Horley Strategic Business Park Site
Development Brief SPD Strategic Environmental Appraisal Screening Opinion**

Thank you for your email dated 5 February 2021 consulting Historic England on your intention of carrying out a SEA for the above plan.

In light of the Environmental Assessment of Plans and Programmes Regulations 2004, our view is that a SEA is not required in this instance for the reason set out in Paragraph 3.11 of the Screening Statement.

Yours sincerely



Historic Environment Planning Adviser



Historic England, 4th Floor, The Atrium, Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA
Telephone 020 7973 3700 HistoricEngland.org.uk

Please note that Historic England operates an access to information policy.
Correspondence or information which you send us may therefore become publicly available.



From: [REDACTED]
To: LDF
Subject: Natural England Response - 342541 - Horsley Strategic Business Park Site Development SPD - SEA & HRA Screening
Date: 12 March 2021 16:30:02

FAO: Planning Policy Team,

Many thanks for sending through the below SEA and HRA screening opinion consultation. Having taken a look at the submitted screening document we would not disagree with the conclusions that no SEA or AA (under the Habs Regs) would be required for the proposed SPD for Horley Business Park.

Given the higher level of screening, for this site, that has already occurred for the now adopted local plan and the fact that this site is already included within that plan and had been assessed then we would not have any further comments to make over and above any that we might have made back during that local plan consultation process.

I trust that this satisfies your requirements however do get in touch should you require any clarifications.

Regards,

[REDACTED]
Planning and UAS
Thames Solent Team
0208 026 3893

From: LDF <LDF@reigate-banstead.gov.uk>

Sent: 05 February 2021 16:07

To: SM-NE-Consultations (NE) <consultations@naturalengland.org.uk>

Subject: RBBC's Consultation on Strategic Environmental Assessment and Habitats Regulations Assessment Screening Statement for SPD

Dear Sir / Madam

Reigate & Banstead Borough Council is currently preparing a new Supplementary Planning Document (SPD) to provide additional guidance and "to assist with the proper planning and on-going functioning" of a new Strategic Business Park south of Horley town.

The SPD being prepared is the "**Horley Strategic Business Park Site Development Brief SPD**"

The site was allocated in the Council's Development Management Plan (DMP), which was adopted in September 2019.

I attach a link to the Council's Development Management Plan, where you will find the key policy relevant to the SPD, the site allocation Policy HOR9.

https://www.reigate-banstead.gov.uk/info/20088/planning_policy/1101/development_plan_2020/3

As required by the *Environmental Assessment of Plans and Programmes Regulations 2004 (as amended)* and the *Conservation of Habitats and Species Regulations 2017*, the Council has undertaken Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) screening to determine whether the SPD being prepared should be subject to full SEA and / or HRA / Appropriate Assessment.

The **SEA / HRA Screening Statement** is attached to this e-mail.

The Council is **seeking your view**, in your capacity as one of the three statutory consultation bodies, on the attached **SEA / HRA Screening Statement**.

We would welcome any comments you may have within 5 weeks, i.e. **by Friday 12th March 2021**.

Should you have any questions about the emerging SPD, or wish to discuss it, please do not

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REIGATE & BANSTEAD BOROUGH COUNCIL

Horley Strategic Business Park Economic and Market Assessment

Market Demand and Supply and Economic Effects

February 2021

Project Version Control

Version	Issue Date	Contributors	Approved
1	23.10.20	DJ, JW, MT	MT
2	20.11.20	DJ, JW, MT	MT
3	18.12.20	DJ, JW, MT	MT
4	26.01.21	JW, MT	MT
Final	03.02.21	MT	MT

Chilmark Consulting Ltd

Bath: Cambridge House, Henry Street, Bath BA1 1BT
Wiltshire: Albany House, High Street, Hindon, Wiltshire SP3 6DP

| T: 0330 223 1510 | info@chilmarkconsulting.co.uk
www.chilmarkconsulting.co.uk

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APPENDICIES

Appendix 1: Stakeholder Engagement Consultee List

Appendix 2: Current Market Demand Assessment

Appendix 3: Future Market Demand Assessment

Appendix 4: Wider Effects – Comparator and Competing Locations

1. Introduction

1.1 Overview

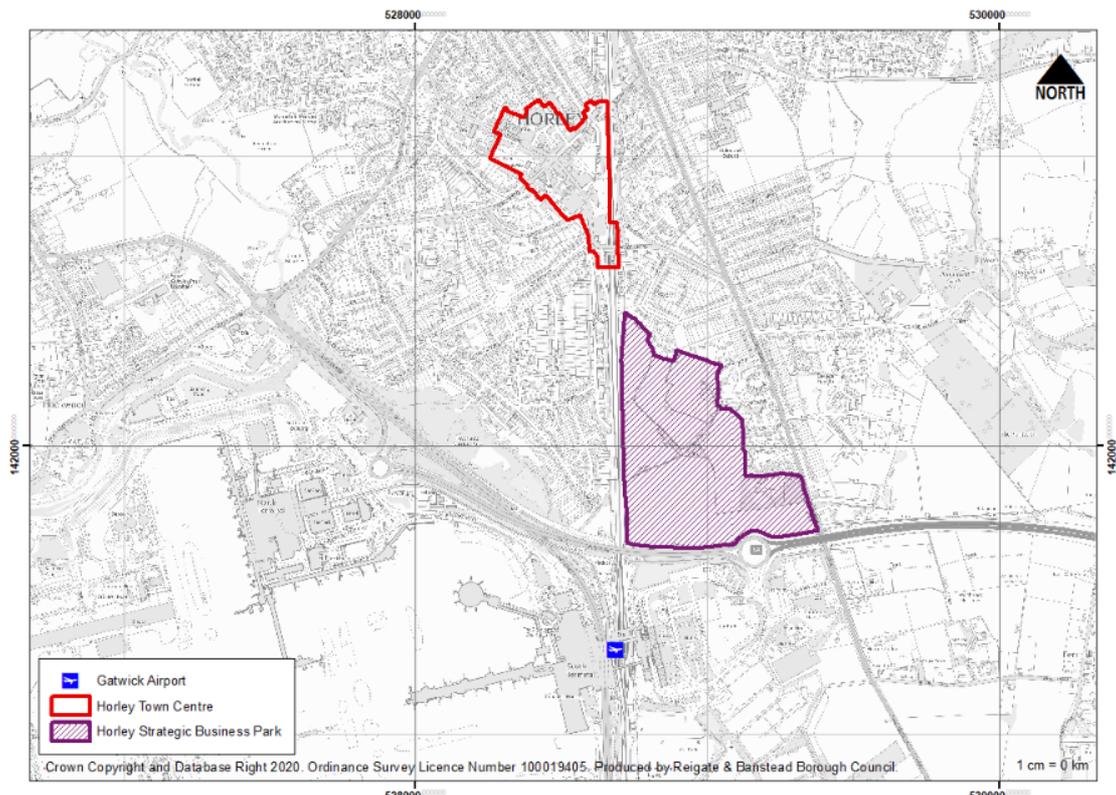
- 1.1.1 Chilmark Consulting Ltd (CCL) was instructed by Reigate & Banstead Borough Council (RBBC) in September 2020 to assess the market demand for the type and scale of accommodation envisaged in Paragraph 3.3.167 of the RBBC Local Plan: Development Management Plan (DMP) Explanatory Text on the Horley Strategic Business Park (HSBP) and to assess the economic impact on Horley and Crawley town centres; existing employment areas in neighbouring boroughs; and existing and committed business parks in the Borough and wider Gatwick Diamond area.
- 1.1.2 CCL previously prepared evidence base work concerned with identifying the market supply and demand for a potential strategic employment business park and potential economic effects arising for RBBC in 2017ⁱ (referred to herein as the ‘2017 report’). This earlier work supported the Council in its preparation of the Borough’s Development Management Plan (DMP) to include the allocation of the HSBP site.
- 1.1.3 This assessment has been undertaken to provide an economic update of market trends for the scale of development envisaged taking into consideration changes in the market since the original piece of work was completed in 2017, the impact of emerging technology trends and impact of the Coronavirus.
- 1.1.4 The update is to support RBBC’s preparation of a robust site-specific Supplementary Planning Document (SPD) that will establish the detailed parameters for development of the HSBP flowing from DMP policy HOR9 (Horley Strategic Business Park).

1.2 Horley Strategic Business Park

The Site

1.2.1 The HSBP is allocated for development in RBBC’s adopted DMP through policy HOR9. Figure 1.1 below establishes the location and extent of the HSBP. It is situated to the West of Balcombe Road at the southern edge of RBBC’s administrative boundary and to the north of Crawley Borough a short distance from Horley town centre to the north and Gatwick Airport to the south.

Figure 1.1: Horley Strategic Business Park Location Plan



Source: RBBC 2020

1.2.2 To the west, the HSBP site is bounded by the main Brighton, Croydon, London railway line which runs north-south along the boundary. To the south, the site area is bounded by the M23/A23 running east-west and including Junction 9a of the M23. To the east, the boundary is partially along the B2036 Balcombe Road and is then formed of the rear of

residential properties on Meadow Croft Close, Warltersville Way, Bayhorne Lane, Apperlie Drive and Limes Avenue.

- 1.2.3 The HSBP site is some 31 hectares in size and formed of a largely triangular shape parcel of land. Much of the site is comprised of open fields used for grazing and equestrian activities. The land has a public footpath running east – west across the site and along the south western corner, but no other existing public access. There is an existing office facility at Meadowcroft House set within extensive grounds towards the south-eastern corner of the site.

Proposed Development

- 1.2.4 The DMP policy HOR9 allocates the site for:
- a) a strategic business park of predominantly B1(a) use with limited B1(b), B1(c), B8 and non-B Use Classes including appropriate airport-related Sui Generis uses;
 - b) a complementary range of commercial, retail and leisure facilities to serve and facilitate the main business use of the site; and
 - c) at least 5 hectares of new high quality public open space, including parkland and outdoor sports facilities.
- 1.2.5 The DMP site allocation does not stipulate the quantum and mix of floorspace / uses but indications are set out in the DMP at paragraph 3.3.167 which draws on the previous 2017 report findings:
- a) up to 200,000 sq.m of predominantly B1(a) accommodation with limited B1b, B1c, B8 and non-B class uses including appropriate airport-related Sui Generis uses; and
 - b) up to 10,500 sq.m of complementary community facilities including A1 (predominantly convenience retail), A3, D1 and/or D2 uses.

1.3 Data Sources, Assumptions and Limitations

Data Sources

- 1.3.1 The work builds upon previous evidence, studies and analyses undertaken for the RBBC Core Strategy, the DMP and for the HSBP site itself. This is supplemented by reference to updated and new research to provide commentary on market demand for the type and scale of development envisaged taking into consideration changes since the 2017 report was published.
- 1.3.2 Data sources and the use of existing information is identified in each of the relevant sections of the Report.

Assumptions and Limitations

- 1.3.3 The analysis and findings must be read in the context of the assumptions and limitations concerning available information and the level of analysis possible at various geographic scales.
- 1.3.4 Emerging planning policies, targets and land allocations of local authorities adjacent to Reigate & Banstead Borough are included for the purposes of this assessment.
- 1.3.5 The principal assumptions and limitations are recorded in more detail in each of the relevant sections.
- 1.3.6 It should be noted that while most of the allocated Use Classes for the HSBP now fall within the new E Use Class (introduced in September 2020), it will be possible for RBBC to restrict the floorspace and land use activities within the E Use Class to reflect the site allocation policy and supporting evidence.
- 1.3.7 References to the now defunct Use Classes are still used in this report where appropriate because they are a shorthand and convenient way to describe the HSBP site allocation uses.

1.4 Report Structure

1.4.1 Following this Introductory Section, the Report is structured into two overall Parts, A and B, as follows.

Part A: Assessment of Market Demand and Supply

1.4.2 Part A contains an assessment of the market demand taking into consideration the supply of land for the type and scale of accommodation envisaged in Paragraph 3.3.167 of the DMP Explanatory Text for the HSBP:

- **Section 2** – sets out a brief summary of the current planning and economic policy context; and
- **Section 3** – sets out an analysis and commentary of the current and future commercial property market for the Borough and the wider Gatwick Diamond area together with the London Boroughs of Croydon and Sutton.

Part B: Assessment of Potential Economic Effects

1.4.3 Part B provides an assessment of the potential economic effects on Horley and Crawley town centres; existing employment areas in neighbouring boroughs; and existing and committed business parks in the Borough and wider Gatwick Diamond area.

- **Section 4** – sets out an analysis of likely economic effects arising from HSBP in terms of job creation, gross value added and also considers the local effects and impacts on Horley Town Centre;
- **Section 5** – examines the potential wider effects on the commercial market including for other local authority areas in the Gatwick Diamond and the London Boroughs of Croydon and Sutton. It also considers the potential synergies and differences between HSBP with other comparable strategic employment sites and schemes; and
- **Section 6** – draws overall conclusions for both Parts A and B of the report.

PART A

Market Demand and Supply

2. Policy Context

2.1 Introduction

- 2.1.1 CCL's previous economic effects and market assessment reportsⁱⁱ in the 2017 report set out in detail the relevant planning and economic policy / strategy background for the HSBP.
- 2.1.2 This section does not therefore repeat the previous review but does provide a short update in terms of new policies and strategies that have emerged since 2017 in order to set the current context for consideration of market demand and economic effects arising.

2.2 Reigate & Banstead Development Plan

- 2.2.1 Since CCL's previous 2017 report RBBC has completed the preparation, examination and adoption of the *Reigate & Banstead Local Plan: DMP*. The Plan was adopted in September 2019 and now forms part of the Borough's overall Development Plan together with the adopted *Reigate & Banstead Local Plan: Core Strategy* (July 2014; reviewed July 2019). The Plan period is for fifteen years from 2012 – 2027.
- 2.2.2 Relevant policy for the HSBP in the DMP is set out in policy HOR9. This is a site allocation policy which establishes the principal parameters for development of the HSBP including its location, scale and main purpose and economic functions. It requires, in summary:
- a) a strategic business park of predominantly B1(a) use with limited B1(b), B1(c), B8 and non-B use classes including appropriate airport-related Sui Generis uses;
 - b) a complementary range of commercial, retail and leisure facilities to serve and facilitate the main business use of the site; and

- c) at least 5 hectares of new high quality public open space, including parkland and outdoor sports facilities.

2.2.3 The DMP supporting text in paragraph 3.3.167 states that the HSBP should be:

- a) up to 200,000 sq.m of predominantly B1(a) accommodation with limited B1b, B1c, B8 and non-B class uses including appropriate airport-related Sui Generis uses; and
- b) up to 10,500 sq.m of complementary community facilities including A1 (predominantly convenience retail), A3, D1 and/or D2 uses.

2.3 Strategic Economic Policy Context

2.3.1 Relevant economic strategies and plans relevant to the HSBP development were reviewed in detail in the 2017 report.

Coast to Capital Local Enterprise Partnership

2.3.2 The Coast to Capital Local Enterprise Partnership (C2CLEP) encompasses Reigate & Banstead Borough as well as Brighton & Hove, Croydon, the other Gatwick Diamond area authorities, East Surrey, Lewes and West Sussex.

2.3.3 The LEP's *Strategic Economic Plan 2018 – 2030* (SEP) has eight economic priorities:

- Priority 1: Deliver prosperous urban centres;
- Priority 2: Develop business infrastructure and support;
- Priority 3: Invest in sustainable growth;
- Priority 4: Create skills for the future;
- Priority 5: Pioneer innovation in core strengths;
- Priority 6: Promote better transport and mobility;

- Priority 7: Improve digital network capability;
- Priority 8: Build a strong national and international identity.

2.3.4 The SEP notes in its analysis of the current business environment (Chapter 5, page 70) that wider business infrastructure has failed to keep pace with the growing expectations of investors and businesses, particularly those international businesses which might be looking to invest in the UK.

2.3.5 It states that no major new business parks have been built in the area since Manor Royal at Crawley in 1950. The SEP identifies that there are plans in place for similar developments in Horsham, Burgess Hill and in Horley but concludes that the area's business park capacity is significantly behind many other parts of the South-east.

2.3.6 Chapter 6 sets out an updated business sector analysis of the LEP area, confirming the importance of: the Advanced Manufacturing, Creative, Digital, and IT, Low Carbon, Professional and Financial Services, and Health and Life Science sectors to the local economy (as set out in the original 2014 SEP) with the additional increased importance for Horticulture and the Visitor economy. It also notes the importance of emerging sub-sectors where there are particular specialisms.

2.3.7 For Reigate & Banstead Borough these sub-sectors are identified in the SEP to include: Med-Tech, Data Processing and Data Hosting, Insurance and Financial Services, Visitor Economy and Support Services, Air Transport, Computer and Consumer Electronic Manufacturing.

3. Current and Future Market

3.1 Introduction

- 3.1.1 In order to assess the market demand for the type and scale of development envisaged this Section focuses on the current active property market and provides commentary on changes since the 2017 reportⁱⁱⁱ. It considers how the market has developed over the last five to ten years, current activity levels, and views on the market over the short-term (1-2 years). It provides an important snapshot of recent and current market demand issues.
- 3.1.2 This Section should be read in conjunction with Appendix 2 (Current Active Market) and Appendix 3 (Future Market Demand) which provide more detail and background to the summary set out here.
- 3.1.3 The evidence base and perspectives on the current commercial market position has been used to inform the assessment of likely longer-term demand patterns, as reported later in this section which looks at the future market demand.

3.2 Current Active Market: Reigate & Banstead Borough

Offices and R&D Space

Existing Stock and Change Over Time

- 3.2.1 Information collated by the Valuation Office Agency (VOA) provides a Borough-wide summary of commercial floorspace stock together with changes over time. Table A2.1 in Appendix 2 provides a summary of office stock levels and change over the period 2006 – 2019.
- 3.2.2 Approximately **274,000** sq.m of office space was identified in Reigate & Banstead in 2019. Over the period 2006 – 2019 the VOA data indicates a

reduction of circa **37,000** sq.m of office floorspace – a change of **11.9%** in the Borough. During this period, the most significant level of reduction has occurred in the five-year period 2011 – 2016, which resulted in a reduction of **24,000** sq.m.

Take Up

- 3.2.3 Council take-up data for the Borough provides a summary of stock absorption and stock growth (or decline)^{iv} (see Appendix 2, Table A2.2) Taken together, these factors provide the net level of office space taken up in Reigate & Banstead on an annual basis.
- 3.2.4 The average annual market absorption rate has been 3,640 sq.m. from 2012 onwards. There were particularly healthy levels of take-up in 2014/15 and 2015/16, and again in 2017/18 and 2018/19.
- 3.2.5 In contrast, the general absence of new stock in the office sector has resulted in an average annual loss of stock as a result of development, especially over recent years (due mainly to Permitted Development Right (PDR) conversions from offices to residential, with notable losses in 2015/16 and 2017/18). In net terms, since 2011/12, there has been an annual average loss of office floorspace of 3,272 sq.m or 26,179 sq.m in total. This reinforces the changing stock pattern reported in the VOA figures (Appendix 2, Table A2.1).
- 3.2.6 Appendix 2 at Figure A2.1 illustrates the pattern of office take-up for the borough of Reigate & Banstead over the period 2000-2019. This shows the cyclical nature of take-up across the Borough, but with a rising trend line for the period. Across 2000-2019 as a whole, the average annual office take-up rate has been approximately 7,760 sq.m. However, the last five-year period 2015 - 2019 has seen the average annual office take-up rate rise to approximately 8,717 sq.m.

Availability

- 3.2.7 Table A2.3 in Appendix 2 provides a summary of available office floorspace in Reigate & Banstead Borough over the period 2010/11 to 2018/19. This covers areas monitored by RBBC and shows a broadly constant reduction in the amount of available floorspace over time, from 48,462 sq.m in 2010/11 to 19,526 sq.m. This is a reduction in available floorspace of 28,936 sq.m or almost 60%.
- 3.2.8 Over the period 2011 to 2019 the availability rate has more than halved, resulting in a relatively tight office market, as highlighted from discussions with local property agents who report the impacts of a lack of new supply, particularly for Grade A floorspace and the loss of stock due to PDR, as contributing to the lower availability of office stock.
- 3.2.9 Table A2.5 in Appendix 2 summarises the results of analysis of total occupational take-up recorded by EGi. In the borough of Reigate & Banstead the current (September 2020) office availability is 32,048 sq.m. This demonstrates the increasingly tight office occupational market.
- 3.2.10 Commercial agents report that the local office market in the Borough, particularly in the principal commercial centres of Redhill, and to a lesser extent Reigate, has been driven by demand for small, high quality space, including from larger occupiers seeking to downsize and often with back office functions away from the main commercial centres including London.

Rents and Yields

- 3.2.11 Recorded information from EGi for the period 2019/20 indicates rents for office stock across the Borough average £23.50/sq.ft. This represents an increase in the Borough average from £18.87/sq.ft identified in the 2017 report.
- 3.2.12 Prime rents of over £30/sq.ft are reported in relation to Grade A stock in Redhill whilst there is increasing trends of refurbishments being undertaken which has lifted rents for many previously secondary space

into the mid £20s/sq.ft rental market. These positive rental trends reflect the local market characteristics of low office supply levels and qualitative deficiencies which have pushed up rental values where new and improved stock is available.

3.2.13 In contrast, lower quality office provision (e.g. at secondary commercial and industrial estates) is typically from £11 - £14/sq.ft.

3.2.14 Recent transactional data from EGi is limited and identifies two investment deals in the Borough for the period 2019 and 2020 at 5.68% and 9.19% respectively; the latter for secondary space. More historical analysis for the period 2017 - 2018 indicates a yield range of 5.5% to 7.5% which compares to the yield of 5.6% identified for office sales in the 2017 report. This suggests that office yields have strengthened since the completion of the 2017 study.

Historic Development Activity

3.2.15 Analysis of RBBC's *Commercial Commitments Monitor* (March 2019) shown in Table A2.6 of Appendix 2, confirms a significant decline in historic office completions, particularly since the introduction of PDR for office to residential conversion from 2013. This position is confirmed from local agent discussions.

3.2.16 The level of new office floorspace has been limited over the last decade, except for more pronounced activity in 2015/16. This indicates that between 2010/11 and 2018/19 there was a net loss of office floorspace of 30,923 sq.m.

3.2.17 The reduction in total stock of office floorspace in Reigate & Banstead Borough over the last 13 years has been strongly influenced by losses associated with PDR, with very low levels of new development evident. Despite this, the underlying occupational market take-up is relatively strong.

Light Industrial, Logistics, Storage and Distribution

Industrial Stock and Change Over Time

3.2.18 The level of industrial floorspace in the Borough, at 31st March 2019, is identified by the VOA to be **293,000** sq.m (Table A2.7). From Table A2.7 in Appendix 2, it can be seen that there was a loss of **24,000** sq.m (**7.6%**) of industrial floorspace between 2006 and 2019.

3.2.19 The Council's latest *Industrial Estates Monitors* provides an overview of use trends and market activity relevant to the Borough's main industrial estates (as opposed to overall industrial stock). In total, the main industrial estates support almost **370** business premises and provide over **247,000** sq.m of industrial floorspace.

Take Up

3.2.20 RBBC's take-up data provides a summary of industrial stock absorption and stock growth which is set out in Table A2.8 of Appendix 2.

3.2.21 Net industrial take-up over the period 2010/11 to 2018/19 has averaged **2,166** sq.m per annum, although with marked variations year on year reflecting the 'lumpy' nature of the industrial market relative to the office sector. This includes major net take-up in 2010/11 and 2015/16, and major net loss in 2012/13.

3.2.22 EGi analysis is shown in Figure A2.2 of Appendix 2 and illustrates the pattern of industrial take-up for Reigate & Banstead Borough over the period 2000 - 2019.

3.2.23 It highlights a steady increase in activity, particularly from 2012 onwards. From 2000 - 2019 as a whole, the average annual industrial take-up rate has been approximately 4,774 sq.m. However, the last five-year period 2015-19 has seen the average annual office take-up rate rise to approximately 8,262 sq.m.

Availability

- 3.2.24 The level of industrial and distribution availability in the Borough is summarised for the period 2011/12 - 2018/19 in Table A2.10 of Appendix 2, based on RBBCs Commercial Commitments Monitors^v. This illustrates the significant reduction in industrial and distribution floorspace availability over this period, from a peak of 29,000 sq.m in 2012/13 to 8,017 sq.m in 2018/19. It represents a reduction of almost 21,000 sq.m, or less than a quarter of availability levels in 2012/13.
- 3.2.25 Over the period the availability rate has dropped from an indicative 6.8% to 2.7%, a decrease of more than half. This is creating a very tight industrial market, which is confirmed and reinforced through discussions with local property agents who report the exceptionally strong driver of the warehousing and logistics market (as opposed to the light industrial market) as driving demand for storage and distribution space fuelled by last mile delivery associated with the significant rising in online retailing (both pre and during the Coronavirus pandemic). Notwithstanding this, market sentiment and occupier demand is reported to remain positive driven by improving confidence of greater Brexit certainty, the aforementioned strong demand for storage/distribution and an ongoing demand for light industrial and trade counter units to serve local markets.
- 3.2.26 The amount of available industrial floorspace and total occupational take-up rates are summarised in Table A2.12 of Appendix 2, based on EGi data.
- 3.2.27 The majority of available supply is of units of less than 500 sq.m, with the overall average unit size for all stock being 879 sq.m. The total availability figure is 11,429 sq.m. This is closer to the 8,017 sq.m availability figure recorded by RBBC for 2019 and reported in Appendix 2 at Table A2.11.
- 3.2.28 The majority (85%) of availability is of mixed employment space (office, industrial and storage & distribution), totalling 9,586 sq.m. There is a particularly limited supply of light industrial space (527 sq.m, or 5% of

total). There is 991 sq.m of storage and distribution space (9% of total) and 325 sq.m of general industrial space (3% of total).

3.2.29 The constraints of available supply, particularly for storage/distribution, is confirmed by local commercial agents and is recognised as a wider issue which is not restricted to the Borough.

3.2.30 Analysis of vacant premises across the Council's defined main industrial estates confirm a similar downward trend in vacancy, as illustrated in Table A2.13 of Appendix 2.

Rents and Yields

3.2.31 For established light industrial stock rents recorded by EGi can vary from £8.25 to £11.50/sq.ft although the new modern supply coming forward at Wells Point and North Gatwick Gateway is quoting £13.77 - £13.95/sq.ft respectively for flexible accommodation (suitable for industrial and warehousing). This provision of modern, quality stock is driving rental values, a position confirmed by local commercial agents in light of a constrained local supply and strong demand.

3.2.32 With regard to general industrial and storage/distribution stock, EGi data is often characterised as 'mixed industrial' although a range of £7 - £9.50/sq.ft is typically identified. Local agents confirm that rental values for storage and distribution have increased due to occupier demand with typical rents over £10/sq.ft and new stock now quoted above £13/sq.ft.

3.2.33 Yield evidence recorded by EGI is relatively limited. Two recent recorded deals from 2019 and 2020 indicate yields of 5.68% and 4.81% respectively, both for storage/distribution properties. These confirm a healthy investment market for such stock which is driven by growth in the logistics sector. Local agents confirm these yields are broadly reflective of the strong market commanded by storage and distribution floorspace.

Historic Development Activity

- 3.2.34 The total commercial stock measured by VOA at Table A2.7 of Appendix 2 identifies an overall reduction in industrial stock levels over recent years, Council monitoring of industrial and distribution floorspace in the Borough highlights the trend of low levels of new floorspace completions over recent years.
- 3.2.35 Table A2.14 of Appendix 2 covers gains and losses of industrial floorspace between 2011/12 and 2018/19, and illustrates the paucity of gains since 2013/14 with a reduction in overall industrial stock in Reigate & Banstead between 2006 and 2019, although primarily associated with the aftermath of the global financial crisis.
- 3.2.36 Take-up rates, in contrast, have been relatively healthy, particularly in the wider occupational market as opposed to development-related take-up. Lack of new supply has however driven availability rates to record low levels.

3.3 Current Active Market: Gatwick Diamond and Wider Area

- 3.3.1 This sub-section provides a headline-level overview of the main commercial trends relevant to the wider market area within which the borough of Reigate & Banstead sits. The area relates to the authorities comprising the Gatwick Diamond together with the London Boroughs of Croydon and Sutton.

Offices and R&D Space

Existing Stock and Change Over Time

- 3.3.2 Data from the VOA identifies almost 2 million sq.m of office floorspace in the Gatwick Diamond and wider market areas as at March 2019.

- 3.3.3 The largest office stock is concentrated at LB Croydon which accounts for over 27% of this total. In the context of the Gatwick Diamond, Crawley, and to a lesser extent, Reigate & Banstead and Mole Valley, support healthy levels of existing office floorspace.
- 3.3.4 Table A2.15 in Appendix 2 provides a summary of provision across the wider area. There has been a 15% reduction in office floorspace across the area in the period 2006 – 2019 totalling 347,000 sq. m.

Take Up

- 3.3.5 Data from EGi covers the office take-up patterns within the Gatwick Diamond and wider study area, with results summarised in Figure A2.3 of Appendix 2.
- 3.3.6 Across 2000 - 2019 as a whole, the average annual office take-up rate has been approximately 57,420 sq.m. However, the last five-year period 2015 - 2019 has seen the average annual office take-up rate rise to approximately 62,424 sq.m. This represents an increase of approximately 9% above the longer-term 2000 - 2019 take-up rate.

Availability

- 3.3.7 The amount of available office floorspace and total occupational take-up rates are summarised in Appendix 2 at Table A2.16, based on EGi data. It demonstrates that total office availability is 304,090 sq.m in the Gatwick Diamond and wider study area as at September 2020.
- 3.3.8 This is compared against average annual office take-up rates for different periods. It shows the increasingly tight office occupational market, although not to the same extent as in Reigate & Banstead, where the notional supply of office floorspace is 3.7 years based on the average take-up rates for the period 2015 - 2019.

3.3.9 While availability rates vary across the Gatwick Diamond area, many of the markets are considered broadly similar with vacancy rates reported of 3% to 4% which confirms the limited availability of office stock.

Rents and Yields

3.3.10 Rental activity in the study area confirms healthy levels of office rental growth from the average of £20.78/sq.ft identified in our 2017 report. At the local level, local agents for the Gatwick/Crawley market indicate the majority of lettings for Grade A accommodation has remained strong at circa £25 - £27.50/sq.ft although the growing shortage of Grade A supply has pushed the prime rental tone to circa £30/sq.ft.

3.3.11 There is evidence of strengthening yields over recent years. The 2017 report identified an average yield of 6.7% and whilst transactional activity has remained relatively modest, agent commentary has outlined a yield range of 5.5% to 7.75% depending on location and quality.

Light Industrial, Logistics, Storage and Distribution

Existing Stock and Change Over Time

3.3.12 There is approximately 3.6 million sq.m of industrial floorspace in the Gatwick Diamond and wider market areas as at March 2019 according to VOA data.

3.3.13 The largest industrial stock is concentrated in Crawley and in Croydon boroughs, which between them account for almost 40% of the total. Table A2.17 in Appendix 2 provides a summary of provision across the wider area and highlights that there has been a 3% reduction in industrial floorspace across the area in the period 2006 – 2019, totalling 125,000 sq.m.

3.3.14 The largest rates of industrial stock reduction have been in the boroughs of Epsom & Ewell, Croydon, Mole Valley and Tandridge. Reigate & Banstead

sits within the group of local authorities that have seen less significant levels of industrial stock reduction, which also includes Crawley and LB Sutton.

Take Up

3.3.15 Figure A2.4 in Appendix 2 shows the scale and pattern of industrial take-up patterns within the Gatwick Diamond and wider study area, based on EGi data. It covers the period 2000 - 2019 and highlights an uplift in take-up from 2007 to a peak in 2013. Since then take-up has been declining year on year but is still relatively healthy, apart from in 2018 and 2019. The reduced take-up in these two years may be associated with a reducing level of available industrial floorspace as well as the occupier uncertainties created by Brexit. Discussions with local agents confirm levels of occupier demand and confidence had improved following Brexit and political certainty at the end of 2019.

3.3.16 Across 2000 - 2019 as a whole, the average annual industrial take-up rate has been approximately 62,183 sq.m, whilst the last five-year period 2015 - 2019 has seen the average annual industrial take-up rate rise to approximately 69,036 sq.m. The post global financial period 2010 - 2019 has seen industrial take-up average 81,593 sq.m per annum, which reflects major take-up in 2013, 2014 and 2015 in particular.

Availability

3.3.17 The amount of available industrial floorspace and total occupational take-up rates are summarised in Appendix 2 at Table A2.18, based on EGi data. This analysis found that the total industrial availability is 378,067 sq.m in the Gatwick Diamond and wider study area as at September 2020.

3.3.18 The role of the logistics sector is considered the main driver of demand by local agents and has led to a number of speculative schemes coming

forward to service strong demand which is focused on the storage and distribution market.

Rents and Yields

- 3.3.19 Rental information presented at the time of the 2017 report confirmed an average rental of £9.88/sq.ft for light industrial uses. This represents rental growth in the wider area set against a five year average of £7.79/sq.ft.
- 3.3.20 The situation has improved with evidence of prime rents of £14/sq.ft identified for industrial space. While general industrial rents can vary, the strength of the distribution market has led to headline rents of £13.75/sq. ft and even pushing up to £15/sq.ft.
- 3.3.21 With regard to investment yields evidence shows a strengthening of yields with agents reporting a typical range of 4.5% - 6% for modern flexible industrial/warehouse stock.

3.4 Committed and Future Pipeline Provision

- 3.4.1 In order to assess the market demand for the type and scale of development envisaged it is important to consider employment floorspace and land provision that is planned or committed to be delivered in the future.
- 3.4.2 This sub-section summarises future employment floorspace provision based on the current pipeline (committed sites, floorspace under construction and extant employment land allocations) for RBBC and the wider Gatwick Diamond authorities area. More detailed analysis for each local authority area is included in Appendix 2.

Reigate & Banstead Borough

- 3.4.3 Monitoring data from the borough of Reigate & Banstead can be used to assess the current pipeline of employment floorspace. This comprises

both extant unimplemented employment floorspace permissions and floorspace now under construction but not yet completed.

- 3.4.4 The *Commercial Commitments Monitor* (September 2020) sets out information of B Use Class employment floorspace completed and committed in the period 2019/20 using data up to March 2020.
- 3.4.5 The Monitor identifies a total net loss of -4,918 sq.m of employment floorspace in the Borough in 2019/20 with the greatest loss arising from storage and distribution of -2,147 sq.m. Continued net losses are also recorded for office floorspace (-1,284 sq.m) and also for light and general industrial uses. Table A2.20 in Appendix 2 summarises the gains and losses.
- 3.4.6 Turning to the extant pipeline of employment floorspace, the Commercial Commitments Monitor confirms an overall net loss of 7,042 sq.m of employment floorspace. This overall loss masks a net gain of +12,948 sq.m of storage and distribution space; and a net loss of 14,617 sq.m of offices.
- 3.4.7 The Monitor highlights that the pipeline anticipated loss of office floorspace can, as with previous years, be largely attributed to PDR conversions to residential use. The Monitor finds that of all recorded losses, conversion of offices through permitted development accounts for some 85% of the total.

Crawley Borough

- 3.4.8 *Northern West Sussex Economic Growth Assessment* (NWEGA) provides a substantial update on the economic growth situation, characteristics and employment floorspace for Crawley Borough as well as for Horsham and Mid Sussex Districts (the other constituent local authorities in the Northern West Sussex functional economic market area).
- 3.4.9 Overall, the NWEGA concludes that when compared with pipeline supply, in quantitative terms Crawley has insufficient employment land supply to meet the spatial requirements emerging from the past take-up based

scenario over the period to 2036. It further finds that the emerging pipeline of available supply identified by the Council's Employment Land Trajectory would be sufficient to accommodate office needs identified, but a significant shortfall would arise for industrial uses, equivalent to over 25 hectares.

3.4.10 Crawley Borough has also commissioned a specific piece of work from consultants Lichfields for the Borough that includes identifying a net requirement for 21.4 hectares of B8 logistics and warehousing units. The Council proposes to meet through the allocation of Gatwick Green (a greenfield site east of Gatwick Airport) in the draft Crawley Borough Local Plan.

Epsom & Ewell Borough

3.4.11 Epsom & Ewell Borough has not published recent data on the emerging or potential employment land supply, however the latest available evidence is set out in the *Epsom & Ewell Annual Monitoring Report 2019/20* (January 2020) (AMR).

3.4.12 The 2019/20 AMR notes net losses of office floorspace through two applications for change of use from offices to residential use and to non-residential uses. The overall conclusion is that Epsom & Ewell Borough continues to see a net loss of employment floorspace, particularly for offices.

Horsham District

3.4.13 Completed and pipeline employment land/floorspace stock is examined in Horsham District's AMR. Additional information is also set out in the NWEGA.

3.4.14 The latest AMR identifies that, in total, the gross and net employment floorspace developed within the District for the 2018/19 monitoring period was 15,936.5 sq.m (the net figure is 15,246.5 square metres). It confirms

that some 84% of new employment floorspace developed in the monitoring year was for storage and distribution uses.

3.4.15 There were no net overall losses of floorspace for any of the employment uses in 2018/19 and the NWEGA confirms (paragraph 6.29) that as at January 2020 there was overall an employment floorspace gain in Horsham District in the period from 2011 – 2018 and that this growth was driven by increases to the District's light and general industrial and storage and distribution stock together with mixed office use floorspace. There was an overall slight loss on offices and R&D floorspace (-1,340 sq.m) over the same period.

3.4.16 The latest AMR highlights that the largest pipeline pool of land / sites for employment development is for office use. There is also significant land available for general industrial and storage and distribution uses. The details are set out in Table A2.21 of Appendix 2.

3.4.17 The NWEGA concludes there is some 35,920 sq.m of office floorspace that could be lost as a result of permitted development conversions to residential use equating to some 23% of the total office floorspace recorded in the District in 2014.

London Borough of Croydon

3.4.18 Much of the office stock of the Borough is focused within the designated Croydon Metropolitan Centre (CMC). The Local Plan seeks to enable the development of new and refurbished office floorspace and also to maintain the retail vitality and viability of the Centre. The Plan anticipated the development of up to 92,000 sq.m of new and refurbished space in CMC to 2031.

3.4.19 The Borough's latest AMR^{vi} identifies (page 16) that if all completed office space (circa -60,000 sq.m), committed and pipeline developments (circa - 62,000 sq.m net) were completed there would be a total net loss of 123,961 sq.m of office floorspace in the CMC from 2011.

3.4.20 The AMR concludes that most of the loss of office floorspace has arisen due to the use of PDR for conversion of office floorspace to residential.

3.4.21 For industrial and storage and distribution floorspace, the Local Plan targets no net loss of such space across all four tiers of employment land within the Borough^{vii}.

3.4.22 There does however remain a significant level of vacant employment floorspace which totalled 78,900 sq.m in 2016; 74,801 sq.m in 2017; and 71,334 sq.m in 2018.

London Borough of Sutton

3.4.23 The London Borough of Sutton's latest published monitoring data^{viii} sets out the most recent, published information on employment land and floorspace development in Section 5.

3.4.24 The AMR confirms that there were no net losses of employment land in any of the designated employment locations in 2018/19.

3.4.25 The AMR highlights a net increase of +30,710 sq.m of additional R&D, light and general industrial and storage and distribution floorspace between 2016 and 2019 with the largest increase (+15,691 sq.m) in 2018/19. The net increase comprised 19,566 sq.m gross new floorspace less -3,875 sq.m of floorspace lost (from the total employment floorspace stock).

3.4.26 Turning to office development, the AMR shows a very different picture with net losses of office floorspace in each year from 2016/17 to 2018/19 totalling some -44,101 sq.m (of which -9,878 sq.m was in Sutton Town Centre).

3.4.27 In the latest year, 2018/19 there was a gross loss of -6,168 sq.m of office floorspace with just +112 sq.m gross (through three very small separate schemes) being added to the supply; a net total loss of -6,056 sq.m.

Mid Sussex District

- 3.4.28 Information on employment land and floorspace for Mid Sussex District, is published in the latest West Sussex County Council *Commercial and Leisure Development Survey, 2019* (CILLA) which covers the period from April 2018 to March 2019.
- 3.4.29 Table A2.22 in Appendix 2 shows a substantial pipeline of office floorspace (8,013 sq.m recently completed and extant permitted). There is also a substantial pipeline of new light industrial space (11,441 sq.m recently completed and extant permitted) and of storage and distribution space (23,979 sq.m recently completed and permitted).
- 3.4.30 In paragraph 6.45 the NWEGA affirms that net floorspace change in Mid Sussex (in the period 2011 – 2018) highlights that new employment space gains significantly outweighed losses of existing floorspace with net gains of 13,800 sq.m (offices and research & development), 9,100 sq.m (mixed offices and other employment use) and 21,700 sq.m (light and general industrial and storage and distribution).
- 3.4.31 Future planned and allocated employment land is set out in the Mid Sussex *Submission Draft Site Allocations Development Plan Document* (SADPD) (August 2020). Key employment land allocations are in Burgess Hill, Copthorne, Bolney and at Pease Pottage and the SADPD proposes site allocations for some 17.45 hectares of employment floorspace.
- 3.4.32 A further 48.75 hectares (gross development site area) is allocated through SADPD policy SA9 at the proposed Burgess Hill Science Technology Park to support a minimum of 2,500 new jobs.

Mole Valley District

- 3.4.33 Table 19 of the most recent Mole Valley *AMR* (2018) covering the period 2017 – 2018 highlights the pipeline commitment gains and losses for commercial employment floorspace. The key changes are shown in Table A2.23 in Appendix 2 which extracts the pipeline as at March 2018 and shows a net loss of employment floorspace (the majority from loss of office

stock) totalling -18,217 sq.m in 2017/18. There were modest net changes in terms of light industrial, general industrial or storage and distribution floorspace

3.4.34 Turning to the effect of PDR some 16,218 sq.m of office floorspace had achieved prior approval although its conversion to residential had not yet commenced.

3.4.35 The consultation Regulation 18 Local Plan (*'Future Mole Valley: 2018 – 2033'*) at policy EC2 (Protection of Employment Land) identifies that the District's EDNA identifies **no** requirement for additional land allocations to meet the economic development needs of Mole Valley over the plan period. Intensification of existing employment land floorspace is supported to provide additional capacity as needed.

Tandridge District

3.4.36 Provision of employment floorspace in Tandridge District is therefore reviewed in the District Council's annual AMR. The latest report was published with data for the year April 2019 to March 2020 and offers a recent snapshot of employment floorspace completions and the extant pipeline.

3.4.37 Table 15 of the AMR (page 26) identifies the total employment floorspace stock. In 2018/19 the total industrial, storage and distribution floorspace was 194,000 sq.m. This had reduced by 2,000 sq.m to 192,000 sq.m in the latest 2019/20 year. The AMR also recorded the total stock of offices as 55,000 sq.m in 2018/19 falling to 54,000 sq.m in 2019/20.

3.4.38 The position outlined in the AMR emphasises the impact of PDR conversions which has clearly continued to adversely affect the available office stock in particular with net losses recorded each monitoring year.

3.4.39 The *Our Local Plan 2033 (Submission Local Plan)* (January 2019) indicates in policy TLP01 (Spatial Strategy) and in policy TLP20 (Supporting a Prosperous Economy) that at least 15.3 hectares of net new

employment land and sui generis uses will be supported in the period to 2033 with an emphasis on the delivery of office floorspace at sustainable locations such as town centres and those well served by public transport.

3.5 Current Market: Property Agents Views

- 3.5.1 The consistent message from data and from commercial property agents active in the local office market is the lack of suitable supply of good quality Grade A floorspace.
- 3.5.2 Demand for quality floorspace is reported to be strong from occupiers with increasing evidence of larger occupiers seeking to downsize to smaller, smarter workspace even before the current pandemic and its resultant impacts on office occupation in the short term.
- 3.5.3 This situation is expected to continue and whilst the implications of the surge in home and remote working is anticipated to remain a trend beyond the immediate period, the drivers of quality office stock linked to amenity considerations are identified as key market requirements.
- 3.5.4 The tight supply of quality office space is attributed by agents to a lack of development activity and a loss of office accommodation (often secondary/tertiary) to residential through PDR. This situation has encouraged some new supply with activity in Redhill (Prospero) identified as a good example of the type of quality sought by the market.
- 3.5.5 In turn this has supported healthy rental values with agents reporting that occupiers are prepared to pay for quality although the underlying concern remains that more Grade A floorspace is needed and is simply not there at present.
- 3.5.6 The upward pressure on office rental values and strengthening office yields is identified as evidence of robust demand set against limited quality supply with agents reporting headline rents achieved across much of the Gatwick Diamond area.

- 3.5.7 Local agents have highlighted pipeline activity, including Gatwick Park on the edge of Manor Royal which seeks to deliver approximately 15,400 sq.m of gross new high-quality office floorspace that promotes wellness for the workforce.
- 3.5.8 There is also evidence of an increasing number of existing office refurbishments underway that are intended to address quality and availability constraints although agents noted that this needs to be undertaken for the right stock in the right locations.
- 3.5.9 Regeneration initiatives in Crawley town centre are also identified as important for raising the quality and scale of the office offer. There is also a recognition of a current oversupply of large, vacant 'legacy' offices in Manor Royal which are not attractive to the occupier market and were highlighted by agents and public sector stakeholders as an example of how the market expectations and sentiment has been shifting towards higher quality, smaller footprint stock.
- 3.5.10 Similar messages are reported by commercial agents in respect of the industrial and warehousing / logistics market where supply has been very tight over recent years, particularly in the Crawley / Gatwick area.
- 3.5.11 Demand for storage and distribution space remains significant and is driven by the continued growth of the logistics sector which shows no sign of slowing with strong interest from occupiers, especially for units of over 2,000 sq.m. As a consequence of high demand and the limited availability, local agents identify an underlying frustration from prospective occupiers unable to secure suitable stock in the area.
- 3.5.12 Agents confirm that the logistics sector through 'last mile' distribution is driving demand rather than light industrial.

3.6 Future Market Demand

- 3.6.1 The purpose of this Section is to assess the market demand for the type and scale of accommodation envisaged in paragraph 3.3.167 of the DMP

Explanatory Text taking into consideration the following factors (more details of each are provided in Appendix 3):

- a) Covid-19 and underlying structural changes including changing work practices and the automation of work through increased use of artificial intelligence;
- b) Brexit;
- c) recent and current market activity;
- d) recent and proposed development and site allocations;
- e) the future of Gatwick Airport; and
- f) emerging policy.

3.6.2 In order to satisfactorily address this the work synthesises current and recent market activity findings with a qualitative interpretation on how relevant future trends are likely to influence market demand.

3.6.3 The current and recent market activity findings recognise that too much focus on the immediate current market may present an unduly pessimistic picture of longer-term demand for office accommodation. Nevertheless an up-to-date understanding of the current market demand for the type and scale of development envisaged is important.

3.6.4 In addition to current market activity, a measured, qualitative interpretation on how trends in factors such as employment densities and space design, remote and home working patterns, and work travel patterns may evolve has been developed. This provides an indication of the potential impact because of current market demand.

3.6.5 To provide consistency, the 2015 Experian Employment Projections have been used as the reference base. These projections assume the underlying fundamentals of the Reigate & Banstead Borough economy remain broadly constant. This is consistent with assessments in studies, such as the C2C Local enterprise Partnership commissioned *Coronavirus 19 (COVID 19) Economic Impact Assessment* (August 2020), which

indicate various levels of economic shock but less likelihood of major structural changes.

- 3.6.6 The underlying employment projection figures in the ‘Labour Demand’ scenario in the 2017 report were used, as these formed the key element of the Updated Economic Assessment work in that report.
- 3.6.7 Qualitative-based adjustments have been made to the employment projections reflecting assumed employment number impacts arising from Coronavirus and Brexit. This is translated into new floorspace demand requirements over the analysis periods.
- 3.6.8 A re-assessment of wider unmet need and Foreign Direct Investment (FDI) potential has been undertaken. This is translated into new floorspace market demand over the analysis periods. An updated commentary on the potential impacts of Gatwick Airport has also been provided.
- 3.6.9 In addition, qualitative-based adjustments have been made to reflect impacts that may arise through changing working practices established as a result of Coronavirus in particular, but also reflecting underlying long-term trends. This primarily relates to employment densities and commuting patterns and is translated into new floorspace requirements over the relevant time periods of analysis.
- 3.6.10 For further detail and an expanded discussion of the assumptions, calculations and analysis refer to Appendix 3. A summary set of results is provided below. This looks at overall market demand in Reigate & Banstead Borough first, and then the expected strategic demand potential.
- 3.6.11 The analysis set out below develops, on a cumulative basis, with the results of each factor (for example, extending the timeframe of employment forecasts) forming the basis for the analysis provided for the next factor. In other words, the floorspace figures provided at the end of each factor form the starting point for the analysis in the next factor, finishing with the Strategic Market Demand section.

Extending Timeframe of Employment Forecasts to 2040 and 2045

- 3.6.12 As part of this report the timeframe of the employment projections has been adjusted to reflect that work has not yet commenced on the development of the HSBP and that it is unlikely that the HSBP will be ready for occupation before 2025 at the earliest. The 2017 report used the period 2015 - 2035 for analysis purposes, which had more alignment with Local Plan timeframes. For the current exercise the employment projection timeframe has been run over two periods: 2020 - 2040 and 2020 - 2045.
- 3.6.13 The results of applying the different timeframes indicate that the potential floorspace change in the borough of Reigate & Banstead may change from 92,794 sq.m^x for 2015 - 2035 to between 93,076 sq.m for 2020 - 2040 and 118,254 sq.m for 2020 - 2045. The floorspace requirements for the period 2020 - 2045 are higher reflecting the longer assessment period. As such, the 2020 onward employment projections are not creating any undue skewing of trends compared with the analysis prepared previously in the 2017 report.

Economic Shock Adjustments – Brexit and Coronavirus

- 3.6.14 With agents reporting increasing evidence of occupier and business downsizing to smaller, smarter workspaces as a result of changing work practices arising from Coronavirus and possibly in response to Brexit (a trend that was evidenced previously) it is anticipated that this trend will remain in the longer term.
- 3.6.15 The latest Office for Budget Responsibility (OBR) forecasts^x indicate that the economic impact for the UK economy for 2020 may be -12.4% with a 'bounce-back' growth rate for 2021 of 8.7%. However, this analysis was produced in July 2020, since when the position will undoubtedly have changed further.
- 3.6.16 The OBR forecasts did provide an estimate of impacts on employment rates at the national level. This suggested under their 'central' scenario

that there may be a decline in employment of 1.3% between 2020 and 2021; and growth of 4.2% between 2021 and 2022. Within the 'downside' scenario there may be a decline in employment of 2.6% between 2020 and 2021; and growth of 4.2% between 2021 and 2022.

3.6.17 Given the on-going and uncertain nature of both Brexit and Coronavirus it is difficult to provide a fully robust set of impact assessments, which is complicated further because of how policy rescue packages and incentives are influencing matters. However, the results of the assessment undertaken in this report indicate that over the period 2020 - 2040 the floorspace demand levels may be approximately 5.0% lower than under the original 2015-based employment projections. Thus, floorspace market demand would reduce from 93,076 sq.m for 2015 - 2035 to 88,422 sq.m for the period 2020 – 2040.

Modifications to Working Practices and Employment Densities

3.6.18 The Coronavirus pandemic has had significant, immediate, impacts on the use of workspaces, notably office space. During the national lockdown from March 2020 and the Government guidance to work from home if possible from September 2020 there was very little use of office floorspace and employers and businesses have been instigating social-distance design arrangement for their workspaces where staff are working in offices.

3.6.19 In the case of workspace design this has, and is having, a major effect in terms of the amount of floorspace 'allocated' per employee, effectively increasing the amount of space provision per person significantly. This is assumed to be in place over the longer-term reinforced by existing structural trends. In addition, there have been increased levels of employee remote working, and this is expected to continue, but at a reduced scale into the future.

3.6.20 The impact of these assumptions indicate a reduction in floorspace demand of approximately 8.7% when compared against the unadjusted economic shock assessment. Thus, floorspace demand would reduce

from 88,422 sq.m to 80,738 sq.m for the period 2020 – 2040. For the period 2020 – 2045 floorspace demand would be 102,586 sq.m.

Market Adjustments

3.6.21 A series of market adjustments and allowances have been applied to the above floorspace figures. These follow the same process of adjustments as applied in the *Local Economic Needs Assessment* (June 2016), including as follows:

- a) vacancy rate of 7%;
- b) land flexibility margin (2 years based on past take-up rates);
- c) windfall loss replacement allowance; and
- d) adjustment for planning consents and vacant stock supply.

3.6.22 The results of the above set of adjustments and allowances indicate that floorspace demand may be 110,051 sq.m for the period 2020 – 2040 and 133,428 sq.m for the period 2020 – 2045.

Strategic Market Demand

3.6.23 As with the 2017 report, it has been assumed that potentially 75% of the demand may be categorised as of a strategic nature. The analysis results in the strategic demand profile of between 82,538 sq.m (2020 - 2040) and 100,071 sq.m (2040 - 2045). This compares against a floorspace demand figure of 66,442 - 80,885 sq.m for the period 2015 - 2035 from the 2017 report analysis.

Assessment of Wider Needs

3.6.24 It needs to be recognised that HSBP is a major long-term scheme with a strategic focus. The site is allocated in the Reigate & Banstead: DMP to meet the unmet strategic office needs in the Crawley Borough Council Local Plan: 2015 – 30, identified in the 2017 Report as 45,513 sq.m.

- 3.6.25 The HSBP is located close to major transport infrastructure in the form of Gatwick Airport, the M23 and mainline rail services, and will be designed and developed to meet corporate and strategic business and supporting needs. It is therefore expected to have a draw far beyond the immediate local authorities, covering London and the wider South East as well as national relocations and Foreign Direct Investment opportunities.
- 3.6.26 The rates of change seen in VOA floorspace stock levels in London and the South East over the past 20 years have been assumed to continue into the future. Assuming HSBP captures 2.5% - 5% of such increase in net floorspace, this would result in a strategic market demand potential of between 47,250 sq.m to 118,125 sq.m, leaving aside additional gross floorspace demand potential as set out in Appendix 3 including at Table A3.10.

Gatwick Airport

- 3.6.27 A high-level assessment has been prepared for the potential demand that may arise from Gatwick Airport (see Table A3.11 in Appendix 3), but recognising that HSBP has not been allocated to meet the needs arising from further development at Gatwick Airport.
- 3.6.28 Given the high degree of uncertainty associated with the aviation sector currently, this sub-section has only focused on the 'demand increase' scenario presented in the 2017 report. Even within this, caution is needed in interpreting the results given the on-going structural changes taking place within this sector.
- 3.6.29 The market demand assessment has also worked from the assumption of making best use of the existing main runway, as laid out in the *Gatwick Airport Masterplan (2019)*^{xi}. The potential use of the Northern Runway^{xii} / routine use of the Emergency Runway scenario in the *Gatwick Masterplan (2019)* has not been assessed. If this operational assumption was applied it is likely to increase the demand for commercial employment floorspace.

3.6.30 Fuller details on the update assessment are provided in Appendix 3, but the result indicate that there could be a minimum of an additional 19,059 sq.m of employment floorspace in the borough of Reigate & Banstead associated with this scenario at Gatwick Airport.

3.7 Summary

- 3.7.1 The above analysis indicates that the strategic floorspace demand arising from Reigate & Banstead Borough is broadly comparable with the 2017 analysis. Thus, the current analysis results indicate a strategic demand profile of between 82,538 sq.m (2020 - 2040) and 100,071 sq.m (2040 - 2045) from the Reigate & Banstead Borough. This compares against a floorspace demand figure of 66,422 - 80,885 sq.m for the period 2015 - 2035 from the 2017 analysis.
- 3.7.2 The HSBP has been allocated to meet the identified unmet strategic office needs in Crawley Borough's *Local Plan 2015 – 2030*, identified in the 2017 report as 45,513 sq.m.
- 3.7.3 In addition, an updated assessment of wider potential strategic need has indicated that within the strategic geography of London and the South East there could be a realistic minimum office demand figure of 47,250 sq.m to 118,125 sq.m associated with HSBP over the period 2020 - 2040/45.
- 3.7.4 The assessment results discussed above, with further detail in Appendix 3, have been based on updated data wherever possible, including current market evidence, and a review of developments since the 2017 report.

PART B

Economic and Wider Effects

4. Economic Effects

4.1 Introduction

4.1.1 This Section provides a high-level assessment of the possible economic impacts of the HSBP development in Reigate & Banstead Borough. The analysis examines:

- a) employment generation associated with HSBP covering direct construction jobs and when the strategic business park is in operation; and indirect employment and wider supply-chain effects; and
- b) the potential economic impact on the local Horley Town Centre.

4.1.2 Each of these aspects is examined in turn in the following sub-sections while wider effects for other local authorities and strategic employment sites are considered in Section 5.

4.1.3 Key assumptions have been used in order to estimate employment generation and local economic potential. These have been explicitly stated at appropriate points throughout the section.

4.2 Employment Generation from HSBP

Key Assumptions and Inputs

4.2.1 There are a number of high-level input assumptions that have been used as part of the employment generation assessment. These are outlined below, including the sources for these assumptions.

4.2.2 These assumptions have been based on available best practice or reasonable interpretations. It should be recognised that modifications to individual assumptions would be likely to change the overall results. As such, the results presented herein need to be treated with caution and are

best viewed as an indication of the potential scale of employment associated with HSBP.

- 4.2.3 An estimated floorspace figure for the development of the HSBP has been made based on the indicative quanta and mix of development in the DMP Explanatory Text based on the previous 2017 report. The core 200,000 sq.m mix was indicative in the 2017 report and remains so, but has been adjusted to reflect current market realities and findings from discussions with local property agents.
- 4.2.4 It must be stressed that these scenarios need to be viewed as indicative quanta and mixes of floorspace. The actual scale and nature of floorspace provision will be driven by a range of factors as set out in the DMP Explanatory Text.
- 4.2.5 Given that the complementary facilities floorspace mix will be dependent on the type and scale of development, two alternative impact assessment scenarios have been prepared to consider the possibilities arising:
- **Option A:** Planning Capacity – **High Retail Mix Scenario** derived from market demand evidence and discussions with property agents; and
 - **Option B:** Planning Capacity – **Mixed Community Floorspace Scenario**.
- 4.2.6 A breakdown of the component parts of the business floorspace and community mix scenarios floorspace is provided in Table 4.1 below. The breakdown shown helps provide an indication of the possible floorspace provision from which employment generation potential can then be assessed.

Table 4.1: Indicative Floorspace Breakdown of HSBP, Sq.m

Core Business Space	Floorspace (GIA sq.m)	
Office	160,000	
Research & Development	10,000	
Light Industrial	10,000	
Distribution	20,000	
Total Core Business Park	200,000	

Community Space	Floorspace GIA (sq.m) Option A – High Retail Mix	Floorspace GIA (sq.m) Option B – Mixed Community Space
Retail	8,000	1,000
Café/Restaurant	1,500	1,000
Mid-scale Hotel	-	3,500
Mid-scale Hotel Business Space	-	1,500
Gym (Mid-Market)	1,000	2,000
Crèche	-	1,500
Total Non-Core Business Park	10,500	10,500

Source: RBBC and CCL

Construction Job Potential

- 4.2.7 The number of construction jobs associated with the HSBP has been estimated. This is based on two approaches in order to provide a robust assessment and is related to a total scheme development of **210,500** sq.m GIA.
- 4.2.8 Using an indicative total unit build cost of **£2,775** per sq.m^{xiii} equates to an overall construction cost of approximately **£584** million for buildings. The indicative nature of this figure should be noted, as the scheme design and development may result in costs that are higher or lower than this.
- 4.2.9 It has been assumed that the scheme would be built-out over a 20-year period, with the type and timing of job generation depending upon the overall phasing programme of HSBP. In practice there is likely to be an

increased level of construction job generation during the first 5-10 years of the scheme.

4.2.10 Using the above size and value assumptions an estimate of construction jobs is summarised in Table 4.2 based on two approaches, the latter being used to cross and sense check the former:

- a) the first approach is based on identified relationships between construction spend and the number of direct construction jobs associated with this spend. This is derived from actual projects and related to national UK construction data, and indicates that approximately 8.5 Full Time Equivalent (FTE) construction jobs are created for each £1m of expenditure per annum. Based on this ratio then there could be approximately **4,965** FTE temporary construction jobs arising from the development of HSBP. This is greater than the level found in the 2017 report due to changes in the estimated build cost per sq.m for HSBP now; and
- b) the second approach is based on the average ratio of construction value per employee, as derived from the latest ONS data. This indicates that each person employed in the construction sector is associated with approximately £124,440 of construction value per annum. Based on this ratio then there could be approximately **4,693** FTE temporary construction jobs arising from HSBP.

Table 4.2: Potential Construction Jobs Associated with HSBP

Component	Average FTE Job per £1m construction spend = 8.5 ^{xiv}	Average Employee/Output Ratio (£124,437 ^{xv})
Total Project Construction Cost	£584,137,500	£584,137,500
Total Number FTE Jobs	4,965	4,693
Annual Construction Jobs ^{xvi}	248	235
Total Construction Jobs	4,965	4,693

Source: Forbes, El Haram, Horner, Lilley (2012), ONS Construction Statistics GB (2018), CCL calculation. Note figures rounded

Operational Job Potential

4.2.11 An estimate of the number of operational phase jobs that could be created at HSBP has also been made. This is based on the likely floorspace mix of the site and the adjusted employment density figures discussed in Appendix 3. A summary of the key assumptions and resulting job generation is provided in Table 4.3 below.

4.2.12 Table 4.3 shows that the core business park element of HSBP could generate approximately **10,671** FTE jobs. Many these jobs (**10,000**) would be associated with office floorspace.

4.2.13 The complementary community element could generate between **256** FTE jobs (Option B – Mixed Community Provision) and **490** FTE jobs (Option A – High Retail Mix).

4.2.14 In total, there could be approximately **10,927 – 11,161** FTE direct operational jobs generated at HSBP.

Table 4.3: Potential Operational Jobs Generated at HSBP

Core Business Park Space	Floorspace (GIA sq.m)	Employment Density (GIA sq.m per person) ^{xvii}	Total Employees (FTE)
Office	160,000	16	10,000
Research & Development	10,000	47	213
Light Industrial	10,000	58	172
Distribution	20,000	70	286
Total Core Business Park	200,000		10,671

Option A – Community Space: High Retail Mix	Floorspace (GIA sq.m)	Employment Density (GIA sq.m per person) ^{xviii}	Total Employees (FTE)
Retail	8,000	20	400
Café/Restaurant	1,500	20	75
Gym (Mid-Market)	1,000	65	15
Total Community Space	10,500		490

Option B – Community Space: Mixed Community Provision	Floorspace (GIA sq.m)	Employment Density (GIA sq.m per person) ^{xix}	Total Employees (FTE)
Retail	1,000	20	50
Café/Restaurant	1,000	20	50
Mid-scale Hotel (75 beds) ^{xx}	3,500	1 FTE per 3 Bed	25
Mid-scale Hotel Business Space	1,500	47	32
Gym (Mid-Market)	2,000	65	31
Crèche ^{xxi}	1,500	22	69
Total Community Space	10,500		256
Overall Total all Components	210,500		10,927-11,161

Source: CCL calculation

Direct Employment Potential

- 4.2.15 In summary, the construction and operational elements of HSBP could generate between **15,620 - 16,126** jobs.
- 4.2.16 The direct construction jobs would only be in place during the build-out of the site and are therefore a temporary, positive, beneficial effect. However, this temporary effect may run over a 20 year plus time-frame given the possible build-out rate, although this is likely to vary depending upon the actual development rate.

Indirect Employment Potential

- 4.2.17 In tandem with the direct jobs associated with the HSBP, both operational and during the construction phase, there will be the potential for indirect job creation in the wider supply chain as well as from wage spend by employees.
- 4.2.18 These indirect jobs, or multipliers, are employment opportunities generated by and in support of the direct commercial and complementary functions taking place on the HSBP site.
- 4.2.19 In order to develop job estimates that will be of value in estimating impacts on local centres, a set of geographically-based indirect employment multipliers have been used. These are based on multiplier rates used in the *HCA Additionality Guide (2014)*. In addition, an assessment of potential leakage and displacement effects has been made based on guidance in the *HCA Additionality Guide (2014)* in order to identify the net number of jobs associated with HSBP.
- 4.2.20 Table 4.4 summarises results of applying standard multiplier rates to the construction work associated with HSBP. This indicates that the estimated 4,693 - 4,965 construction jobs associated with building HSBP could result in an additional **1,174 - 1,241** jobs in the local area. On the basis of a 20-year build out this equates to 59 - 62 jobs per annum. The number of jobs are likely to vary depending upon the scale of the build and phasing. The

Table also identifies wider regional and national level indirect job creation and support in addition.

Table 4.4: Gross Direct and Indirect Construction Jobs from HSBP

Employment Category	Direct Jobs	Multiplier Rate ^{xxii}			Indirect Jobs		
		Local	Regional	National	Local	Regional	National
Construction	4,693	1.25	1.5	2.7	1,174	2,347	7,980
Construction	4,965	1.25	1.5	2.7	1,241	2,483	8,441
Total Jobs	4,693 - 4,965	-	-	-	1,174 - 1,241	2,347 - 2,483	7,980 - 8,441

Source: HCA Additionality Guide (2014), CCL calculation

4.2.21 Table 4.5 summarises the results of applying the multiplier rates to the operational aspect of HSBP. This is assessed on the basis of the Planning Capacity – High Retail Mix Scenario (Option A) and the Planning Capacity – Mixed Community Floorspace Scenario (Option B).

4.2.22 The Table identifies that the estimated 10,927 - 11,161 operational jobs associated with HSBP could result in an additional **3,175 - 3,200** jobs in the local area.

Table 4.5: Gross Direct and Indirect Operational Jobs from HSBP

Option A – Planning Capacity with High Retail Mix	Direct Jobs	Multiplier Rate ^{xxiii}			Indirect Jobs		
		Local	Regional	National	Local	Regional	National
Office	10,000	1.29	1.44	2.2	2,900	4,400	12,000
R&D	213	1.29	1.44	2.2	62	94	255
Light Industrial	172	1.29	1.44	2.2	50	76	207
Industrial and Distribution	286	1.29	1.44	2.2	83	126	343
Retail - Shop	400	1.21	1.38	2.2	84	152	480
Retail - Cafe	75	1.21	1.38	2.2	16	29	90
Recreation (Gym)	15	1.38	1.56	2.2	6	9	18
Total Jobs	11,161	-	-	-	3,200	4,884	13,394

Option B – Planning Capacity with Mixed Community Floorspace	Direct Jobs	Multiplier Rate ^{xxiv}			Indirect Jobs		
		Local	Regional	National	Local	Regional	National
Office	10,000	1.29	1.44	2.2	2,900	4,400	12,000
R&D	213	1.29	1.44	2.2	62	94	255
Light Industrial	172	1.29	1.44	2.2	50	76	207
Industrial and Distribution	286	1.29	1.44	2.2	83	126	343
Retail - Shop	50	1.21	1.38	2.2	11	19	60
Retail - Cafe	50	1.21	1.38	2.2	11	19	60
Recreation (Mid- Hotel)	25	1.38	1.56	2.2	10	14	30
Office (Hotel Business Space)	32	1.38	1.56	2.2	12	18	38
Recreation (Gym)	31	1.38	1.56	2.2	12	17	37
Recreation (Creche)	69	1.38	1.56	2.2	26	38	82
Total Jobs	10,927	-	-	-	3,175	4,821	13,113

Source: HCA Additionality Guide (2014), CCL calculation

4.2.23 In total, therefore, there could be approximately **24,040 - 24,555** direct and indirect jobs generated or supported during the operation of the HSBP.

Net Employment Potential

4.2.24 The likely net employment generation associated with the construction and operational aspects of HSBP in the local area is summarised in Table 4.6. This adjusts the gross employment figures summarised in Table 4.5 for 'leakage' (the proportion of employment that is secured by people outside of the target area) and 'displacement' (the proportion of employment that achieved by reduced employment elsewhere in the target area). The output is an estimated net employment figure of **7,281 - 7,497 FTE** for the local area.

Table 4.6: Net Construction and Operational Job Generation in Reigate & Banstead from HSBP

Stage	Component	Reigate & Banstead Construction ^{xxv}	Reigate & Banstead Operational ^{xxvi}	Reigate & Banstead Total
A	Assumed Leakage Rate	60%	50%	
B	Assumed Displacement Rate	30%	20%	
1	Total Gross Direct Jobs (from Table 6.4 & 6.5)	4,693-4,965	10,927-11,161	15,620-16,126
2	Retained Employment after Leakage (A*1)	1,878-1,986	5,464-5,581	7,341-7,567
3	Estimated Job Displacement (B*2)	563-596	1,093-1,116	1,656-1,712
4	Net Direct Jobs (2-3)	1,314-1,390	4,371-4,465	5,685-5,855
5	Indirect Jobs (Based on Multipliers)	329-348	1,268-1,295	1,596-1,642
6	Total Net Jobs in Reigate & Banstead	1,643-1,738	5,638-5,759	7,281-7,497

Source: CCL calculation

GVA Potential

4.2.25 The potential Gross Value Added (GVA) contribution of HSBP is summarised in Table 4.7. It assesses the GVA that may arise from the operational aspect of HSBP, covering the core business activities and the complementary community activities, as well as the contribution arising from constructing the scheme.

4.2.26 The approach taken involves deriving an average GVA per employee by broad industrial sector for the South East region and applying this to the employment associated with corresponding land use activities on HSBP. This was based on the latest regional accounts from ONS (2019) and the latest employment data from Nomis (2020), with the values expressed as 2018 prices.

4.2.27 From Table 4.7 it can be seen that the overall potential GVA generated by HSBP may be of the order of **£905 - £908 million** per annum. Using the net job employment ratios from Table 4.6 suggests that the GVA for the local area may be approximately **£361 million** per annum.

Table 4.7: Potential GVA Generated by HSBP from Direct Employment

Core Business Space	Sector	GVA per Employee (£)	Employees	Total GVA (£p.a.)
Office	Information & communication; financial & insurance activities; professional, scientific and technical activities; admin and support services.	£84,212	10,000	£842,123,177
Research & Development	Professional, scientific and technical activities	£50,524	213	£10,749,793
Light Industrial	Manufacturing	£78,813	172	£13,588,474
Distribution	Manufacturing; wholesale and retail; transport & storage	£62,498	286	£17,856,584
Total Core Business Park			10,671	£884,318,027

Option A – Community Space: High Retail Mix	Sector	GVA per Employee (£)	Employees	Total GVA (£p.a.)
Retail Shop	Accommodation and food services	£23,147	400	£9,258,632
Café/ Restaurant	Accommodation and food services	£23,147	75	£1,735,993
Gym	Arts, entertainment and recreation	£29,700	15	£456,923
Total Community Space			490	£11,451,548

Option B – Community Space: Mixed Community Provision	Sector	GVA per Employee (£)	Employees	Total GVA (£p.a.)
Retail Shop	Accommodation and food services	£23,147	50	£1,157,738
Café/ Restaurant	Accommodation and food services	£23,147	50	£1,157,738
Mid-scale Hotel	Accommodation and food services	£23,147	25	£578,664
Mid-scale Hotel Business Space	Information & communication; financial & insurance activities; professional, scientific and technical activities; admin and support services.	£84,212	32	£2,683,962
Gym	Arts, entertainment and recreation	£29,700	31	£913,849
Crèche	Admin and support services; human health and social work activities; other services.	£33,706	69	£2,310,228
Total Community Space			256	£8,802,179

Construction^{xxvii}	Sector	GVA per Employee (£)	Employees	Total GVA (£p.a.)
Construction Work – Unit Build Cost	Construction	£50,831	4,965	£12,619,231
Construction Work – Employee Turnover Ratio	Construction	£50,831	4,694	£11,930,685
Overall Total All Components				£905,050,891 - £908,388,806

Source: CCL calculation

4.3 Horley Town Centre Economic Impacts

- 4.3.1 The analysis of potential job creation and of the GVA set out above indicates that HSBP is likely to have significant economic impacts during its construction and operational phases. This will include effects on local centres in the area of the scheme, such as Horley Town Centre which is the closest town centre area to the site.
- 4.3.2 In making this assessment, it is expected that HSBP will be appropriately linked and integrated into Horley Town Centre, based on a positive planned master-planning approach to the development of the strategic site with appropriate planning controls in place to minimise expenditure leakage outside of the area.
- 4.3.3 It is recognised that the development of HSBP will add a considerable workforce into the catchment area of Horley Town Centre. There is a workday population in Horley of 17,234 based on the 2011 Census, although this may have been reduced due to PDR conversions to residential and increased vacancy of office accommodation in the town centre.
- 4.3.4 The generation of 15,620 to 16,126 direct construction (albeit temporary in nature for the duration of the construction of the HSBP) and operational jobs from HSBP will almost double the workday population in Horley. As such, this is likely to have major economic impacts in Horley Town Centre.

- 4.3.5 In terms of the main type of economic impact on the Town Centre this is likely to be primarily increased spending on convenience goods. This includes pre-work expenditure, lunch and snacks during the day, general services during the day, after work activities, and post-work shopping.
- 4.3.6 An assessment of likely economic impacts arising for Horley Town Centre reflecting the above spending activities has been made. This has used official published data sources as far as possible, with assumptions specified as appropriate.
- 4.3.7 Table 4.8 summarises the results of the economic impact assessment for Horley Town Centre. This is based on the potential expenditure of the total direct workforce at HSBP (both operational and construction phases), derived from the ONS Family Spending survey. The focus has been on the core goods and services that are likely to be the main area of expenditure of workers at HSBP. As such it may under-report the overall expenditure that may be available to Horley Town Centre as a result of spending by HSBP workers.
- 4.3.8 Cautious assumptions have been used in order to develop an informed judgement of potential. It should also be noted that figures in Table 4.8 are rounded so may not add to the overall total.
- 4.3.9 In terms of the potential market draw to Horley Town Centre, these are based on reasoned assumptions as follows, reflecting the existing make-up of Horley and how it may evolve and react to the potential from HSBP:
- a) **Food and non-alcoholic drink:** this relates to the main goods shopping by households. There is the potential for workers to use Waitrose or other shops in the Town Centre to do this, either during the day or on the way home, although this may be in the context of another supermarket / location being the primary shopping destination for a worker. It is assumed that 10% of expenditure under this category could be captured by Horley Town Centre;

- b) **Alcoholic drink:** this covers drinking at home, pubs and elsewhere. In the context of Horley this may relate to drinking after work or social events during the day. It is assumed that Horley Town Centre has the potential to capture approximately 25% of such expenditure based on improving provision of facilities in the area;
- c) **Recreation and culture:** this only relates to a sub-section of this category of expenditure, specifically the recreational and culture services sub-category and the newspapers, books and stationery sub-category. These are goods and services that may be purchased by HSBP workers in Horley Town Centre, and 25% of expenditure in these sub-categories has been assumed;
- d) **Restaurants:** this relates to the catering aspect only and so excludes hotels and other accommodation expenditure. While there may be a greater relative emphasis of expenditure on this category at the weekend, there is likely to be the opportunity for Horley Town Centre and the immediate surrounding areas to capture a reasonably significant share of this expenditure, which is assumed to be 25%;
- e) **Miscellaneous goods:** this only relates to a sub-section of this category of expenditure, specifically the personal care and personal effects sub-categories. These are goods and services that may be purchased by HSBP workers in Horley Town Centre, and 25% of expenditure in these sub-categories has been assumed.

4.3.10 From Table 4.8 it can be seen that the overall estimated expenditure by HSBP workers on the identified goods and services is approximately £47.4 - £48.9 million per annum.

4.3.11 Of this total it is estimated that Horley Town Centre may capture between **£8.7 - £9.0 million per annum** supporting between 45 - 46 jobs in Horley centre^{xxviii}.

Table 4.8: Potential Economic Impacts on Horley Town Centre from HSBP

Goods	Average Weekly Spend per Person ^{xxix}	Annual Expenditure (@225 days) ^{xxx}	Total Spend (£m, based on 15,620-16,126)	Assumed Horley Town Centre Spend % Draw ^{xxxi}	Assumed Horley Town Centre Spend £m
Food & Non-Alcoholic Drink	£29.91	£1,346	£21.0 - £21.7	10%	£2.1 - £2.2
Alcoholic Drinks	£6.18	£199	£3.1 - £3.2	25%	£0.8 - £0.8
Recreation & Culture	£13.40	£431	£6.7 - £6.9	25%	£1.7 - £1.7
Restaurants	£24.28	£781	£12.2 - £12.6	25%	£3.1 - £3.2
Miscellaneous Goods	£8.62	£277	£4.3 - £4.5	25%	£1.1 - £1.1
Total	-	-	£47.4 - £48.9		£8.7 - £8.97

Source: CCL calculation

Qualitative Impacts on Horley Town Centre

- 4.3.12 As part of HSBP's mix of uses, indicative floorspace suggests that up to 10,500 sq. m of complementary community facilities and uses could be provided across a number of activities; Class A1 (predominantly convenience retail), A3, D1 and/or D2 uses (noting the recent changes to the Use Class Order categories in September 2020).
- 4.3.13 Many of these complementary community facility uses represent 'main town centre uses' (as defined in the NPPF) and in this context commentary is provided on the potential qualitative impact these uses could have on Horley town centre.
- 4.3.14 Any comment on this issue is caveated given that the precise nature and mix of uses is unknown although for the purposes of this assessment we have adopted two options, based on a retail (convenience) led mix and a mixed use option comprising retail, food and drink, hotel, gym and creche facility.

- 4.3.15 In all cases, the facilities are intended to provide services for employees of the HSBP but equally offer facilities for the wider community in Horley given its location to the south of the town centre.
- 4.3.16 In assessing qualitative impact, it is necessary to understand the offer available in Horley town centre and the analysis draws on RBBC's Town Centre Monitor (2019) supplemented by more recent data from the 2020 town centre survey.
- 4.3.17 Horley is identified in the second tier of the Borough as a Town Centre according to policy CS7 of the Core Strategy which details the borough's hierarchy of town centres.
- 4.3.18 The centre is primarily focused along two main streets: Victoria Road extending from Waitrose supermarket in the south (beyond which is Horley Railway Station) to Lidl in the north west, together with High Street, which is part pedestrianised. The main concentration of uses is centred around the junction of Victoria Road, High Street and Massetts Road.
- 4.3.19 The Council's latest 2020 town centre survey identifies a total of 115 units with the overall composition geared towards main and top up convenience retail provision (Waitrose, Lidl, Iceland, independent butcher), cafés and takeaways, retail and professional services, and community facilities (Post Office, library). The level of comparison uses (25 units) is more limited (some clothing and footwear, furniture, pets, jewellers with charity shops the most numerous) although the centre includes a department store (Collingwood Batchellor).
- 4.3.20 The main attractors in the town centre are convenience and service led with the key main convenience attractor Waitrose, and to a lesser extent Lidl and Iceland. Other local attractors include Collingwood Batchellor together Boots, Post Office, library, bank and pharmacies. Many other uses are orientated towards retail and professional services (45 units) whilst food and drink uses (café / takeaway / restaurant / public house) account for 26 units in the overall town centre.

- 4.3.21 The current composition of Horley Town Centre clearly performs a localised top up function which is convenience-led alongside a food / drink and retail / professional services role. The retail role of the Town Centre appears to have declined over recent years and instead has become increasingly focused on non-retail uses, with a notably narrow evening economy. This matter is identified in the Council's 2019 Monitoring Report which notes the high number of take-aways and charity / second-hand retailers in Horley.
- 4.3.22 Notwithstanding this, the latest measure of vacancy identifies 9 vacant units; a vacancy rate of 8%. This is lower than the 11 vacant units identified in 2019 and represents a stable centre given the challenges facing high streets.
- 4.3.23 From a qualitative perspective, Horley Town Centre offers a functional and varied range of offer. The overall shopping environment is heavily influenced by Victoria Road thoroughfare although the pedestrianised High Street (part) adds to the centre.
- 4.3.24 The overall quality of the public realm appears safe, clean and well maintained and has been subject to recently completed improvements within the pedestrian area. Other improvements to the public realm around Waitrose have also been completed in recent years.
- 4.3.25 The Town Centre is subject to a committed Council-led regeneration programme through 'Delivering change in Horley'. Focused on the revitalisation of the town centre, it seeks to deliver new homes in the current High Street car park together with public space improvements to the High Street together with refurbishment of the subway between the High Street and Station Approach.
- 4.3.26 Overall, it is considered the complementary community uses at the HSBP would be unlikely to adversely impact on Horley Town Centre, even under a convenience-led retail scenario, based on the assumption that any convenience retail at HSBP would be provided in small scale shops rather than a large supermarket. It is clear Horley Town Centre is well served by a

mix of main and top up convenience facilities and can be characterised as providing a localised retail and service offer.

- 4.3.27 With regard to a wider mix of community facility uses at the HSBP, there are currently no hotel, creche or gym facilities in the defined Horley Town Centre which would overlap with provision at the HSBP. There are however such facilities in the wider Horley area, including proximity to Oakwood Sports Centre on Balcombe Road and hotels in close proximity to Gatwick Airport. The wider mix of facilities at HSBP, if delivered, will therefore need to be carefully monitored.
- 4.3.28 Similarly, there is a healthy range, offer and choice of food and drink facilities in the town centre which provide options throughout the day. It is considered unlikely future food and drink uses proposed at the HSBP would realistically compete with town centre operators which are orientated towards town centre shoppers and those on dedicated visits. There is the potential for positive synergies between the two.
- 4.3.29 It is anticipated that the nature of future complementary community facilities which are ancillary uses at HSBP would help meet the on-site needs of employees. They would not directly compete with Horley Town Centre which provides a far greater range and choice to that which would most likely be available within HSBP.
- 4.3.30 In view of its close proximity to the Town Centre and easy walking / cycle distance, it is vitally important that integrated pedestrian and cycle linkages are created between HSBP and the town centre. These connections will be essential for providing HSBP employees with a direct and safe route to the town centre given the opportunities for enhanced footfall into the Town Centre, including Waitrose acting as a potential trip attractor in the after-work hours period and the associated spin off expenditure that should arise.
- 4.3.31 Overall it is concluded that HSBP should be viewed positively as a significant economic driver for expenditure in Horley Town Centre as the scheme is constructed and occupied.

5. Wider Effects in Other Areas

5.1 Introduction

- 5.1.1 Given the scale and nature of the HSBP, based on an office led scheme together with supporting community facilities and services, it is essential that the implications of this are considered with respect to other existing commercial centres and strategic employment sites in the wider Gatwick Diamond and LB Sutton and LB Croydon areas.
- 5.1.2 This section, together with Appendix 4 offers an overview of the anticipated effects of the HSBP on other employment locations in the Borough, including the designated employment areas, and then for comparable provision beyond the Borough.
- 5.1.3 It considers the effects and implications of a number of larger schemes in the wider sub-region which are possible comparators or competitors to HSBP.

5.2 Reigate & Banstead Borough Area

- 5.2.1 The current Borough wide commercial market is characterised by established industrial estates with office provision primarily concentrated at Redhill and to a lesser extent, Reigate.
- 5.2.2 At the local level, the area is dominated by a traditional industrial and storage / distribution offer, primarily at the Salfords Industrial Estate in and the smaller Balcombe Road Industrial Area; with Perrywood Business Park providing more office provision, albeit small units orientated towards the industrial and warehousing uses in the area.
- 5.2.3 Overall, Salfords, and to a lesser extent Balcombe Road, are orientated towards light industrial and storage / distribution uses, which benefit from their A23 corridor location and support for airport related uses related to

Gatwick airport location. An element of new industrial and warehouse supply has recently come forward in the local area to support the industrial market, namely at North Gatwick Gateway.

- 5.2.4 Elsewhere in the Borough, the northern area can be characterised by relatively limited employment provision, such as Pitwood Park Industrial Estate focused on local needs whilst the industrial provision serving the main centres of Redhill and Reigate are relatively small and dominated by local light industrial and some warehousing occupiers. The largest employment area at the Holmethorpe industrial estate in Redhill remains a traditional led industrial estate which supports good levels of local occupiers and continues to meet local market needs.
- 5.2.5 While HSBP is an office-led development proposal, the support for other employment uses, including appropriate airport-related sui generis uses, forms an integral part of its potential offer.
- 5.2.6 It is considered the nature of HSBP will serve to enhance the quantum and quality of new light industrial and storage / distribution provision in the local market which remains characterised by tight supply, unmet needs and high demand (as found previously in the 2017 report^{xxxii}). On this basis, the HSBP is still considered to complement existing supply and have an ability to co-exist alongside established industrial stock.
- 5.2.7 The main focus for office provision in the Borough is concentrated at Redhill and Reigate. There are also a number of standalone campus sites such as Fidelity at Lower Kingswood and Pfizer UK headquarters at Walton on the Hill. Elements of office space also exist throughout the aforementioned industrial estates although these are typically small scale and ancillary to the main industrial and storage function.
- 5.2.8 Both Reigate and Redhill represent established M25 office locations, which support HQ offices and a generally low vacancy rate. Both markets have been constrained by a limited availability of high-quality Grade A supply. This remains the case and whilst some new quality supply has come forward in Redhill (Prospero) alongside refurbishment activity, there remains

a general absence of new quality supply and neither location offers business parks that are more typically associated within other established office centres in the M25 corridor.

- 5.2.9 Our conclusions from the 2017 Report highlighted the possibility that HSBP could prove attractive to some existing office occupiers in Reigate (given the number of HQ office facilities) and Redhill, together with other prospective occupiers who may traditionally have been attracted to either town centre. We consider this would likely remain the case particularly if the available offer of both centres is unable to meet changing occupier requirements.
- 5.2.10 This is considered particularly relevant to the business and financial sectors which are established in both centres, and which represent the types of corporate sector occupier that could be attracted to the HSBP. The implications of changing workspace trends (accelerated by the Coronavirus restrictions and increased emphasis on remote / home working) are also expected to further drive office relocations and corporate restructuring from London and other large centres which could all benefit HSBP.
- 5.2.11 The delivery of the HSBP will generate some local market ‘churn’ therefore, as concluded in the 2017 report. This is considered inevitable given the scale, range and choice of office led supply expected to be delivered in time (ranging from larger units to smaller, affordable start-up/incubator space, and serviced accommodation). It is likely to prove attractive to the local market, and some potential commercial market impact should be anticipated. As previously reported, the phasing of delivery and the specific nature of future provision will ultimately determine the extent of and timing of impact.
- 5.2.12 Overall, the local commercial market for both office and industrial can be characterised by healthy levels of demand but equally one of limited new supply.
- 5.2.13 There is nothing comparable to the scale and nature offered by HSBP in the Borough, which as a predominantly office led business park, is considered a ‘game changer’ for the Borough by property market agents. The consistent

message of the revealed office market demand and supply position is of a constrained supply of high-quality office floorspace and properties which HSBP will seek to alleviate. It is also seen by agents as a regional business park which will help to strengthen the Borough as an office location both in terms of its offer but also its perception as a key business location in the south-east.

5.3 Other Authorities in the Gatwick Diamond and Beyond

- 5.3.1 There is a long-established policy aspiration for a strategic scale employment site to be developed in the Gatwick Diamond sub-region to support future economic growth. Future potential provision will be expected to help provide for commercial needs arising from across the Gatwick Diamond.
- 5.3.2 There are a number of large employment locations spread across the Gatwick Diamond area and in neighbouring LB Sutton and LB Croydon. Although few are considered to be 'strategic' in scale and nature and provide mostly for existing and projected local employment needs, there are a number which are considered more likely to be affected by the development of HSBP than others.
- 5.3.3 The wider commercial market effects and impacts of the HSBP proposals for 200,000 sq.m of office-led business park development with a further 10,500 sq.m of ancillary and community facilities in the Gatwick Diamond area and further afield remains difficult to distil in detail given the outline nature of what is proposed and the timescales for delivery.
- 5.3.4 Nevertheless, it is inevitable that the delivery of this scale of new office-led commercial floorspace provision will be expected to have an impact on the local and wider commercial market, including the displacement of some existing occupiers from existing employment sites, but also a positive benefit in terms of enhancing the market perception of the local area and the

Gatwick Diamond more widely as a good place for business investment and growth.

- 5.3.5 At the Reigate & Banstead Borough-wide level, commercial evidence (and the assessment of new job creation and economic effects) continues to indicate (as it did at the time of the HOR9 2017 report) that the HSBP will help meet evident demand for high quality office spaces in highly accessible locations to the benefit of the local Horley area and more widely for the Borough. It will align with the recent revealed market demand characteristics which have seen an increased demand for high quality space closer to Crawley and around Gatwick Airport (a shifting centre of gravity as the Northern West Sussex EGA notes in section 7) and as existing stock continues to be converted to residential use (via PDR) changing the nature of smaller town centres office floorspace offer (such as in East Grinstead, Haywards Heath, Horsham and Burgess Hill for example).
- 5.3.6 Analysis of the wider commercial market and existing supply of employment land sites in adjoining Gatwick Diamond authorities confirms a continued trend of a localised, relatively self-contained markets for offices and for industrial uses. The absence of a Strategic Employment Site serving this area is relevant to all the adjoining authorities, and in many ways, has helped to reinforce the creation of localised commercial markets.
- 5.3.7 Of all the existing strategic employment sites, the Manor Royal Business District is considered the site that could be most impacted by the HSBP. Manor Royal has successfully developed its office offer and has accommodated several large office schemes over recent years.
- 5.3.8 More recently however, the focus and vision for Manor Royal Business District has notably shifted towards supporting industrial and logistics / warehousing needs rather than the development of new office floorspace.
- 5.3.9 Coupled with new and refurbished office supply coming forward in Crawley Town Centre, there is potential now for HSBP, Manor Royal and Crawley commercial floorspace offers to reflect a complementary rather than competing offer with significant wider synergies arising in terms of the

perception of the area to support economic development and investment for both office and industrial / logistics-based businesses.

5.3.10 These areas and sites should therefore be considered as complementary to ensure that inward investment is secured and commercial needs are retained within the core of the Gatwick Diamond, for the benefit of the wider sub-region.

5.3.11 The opportunity to capitalise on changing structural demands from businesses / occupiers driven by the effects of Coronavirus (i.e. a tendency for occupiers to start re-considering their commitments to retaining floorspace situated in larger city centre areas) could support an emerging focus more on locations such as HSBP together with Manor Royal and town centres such as Crawley, Redhill and Reigate that are well connected, offer supporting amenities and can provide new, high quality office and industrial floorspace.

5.3.12 Turning to future strategic employment sites (not yet fully committed or consented) the analysis in this section (and with reference to Appendix 4) considers changes since the 2017 report was prepared.

5.3.13 The potential future sites identified which could contribute significantly to future supply are principally located in Horsham, Mid Sussex and LB Sutton (the Land North of Horsham and Horsham Enterprise Park in Horsham; The Hub, Northern Arc and Burgess Hill Science & Technology Park in Mid Sussex; and the London Cancer Hub in Sutton).

5.3.14 From the review it is evident that these sites will be essential to meet market demands (and lack of high quality supply) and primarily serve either their local market needs (offering a choice over an established supply of older, dated stock which is increasingly unsuited for modern requirements) or are sector / end user specific.

5.3.15 Similarly, the delivery of a Science and Technology Park at Burgess Hill is described in the adopted Mid Sussex District Plan as a specialist and unique employment offer, which is specifically orientated towards research and

development. The important issue at this site will be to maintain the high quality, science and technology focus to ensure its commercial appeal is not diluted.

- 5.3.16 The London Cancer Hub is notably focused on the cancer and life sciences research sector and seeks to consolidate the global expertise which exists at established research and medical facilities existing in Sutton. This is fundamentally different to an office-led business park scheme as proposed at HSBP and continues to raise no concerns in terms of commercial competition.
- 5.3.17 It is imperative that the wider community facilities and services proposed for HSBP through DMP Policy HOR9 are fully secured to ensure the site is sufficiently differentiated from existing local and Borough-wide market provision but equally to ensure that a quality brand and perception is promoted to the wider commercial market.
- 5.3.18 As noted in the 2017 report, ultimately the success of the HSBP is to find its role and function and ensure it is sufficiently differentiated from other supply in the market.
- 5.3.19 The need for flexibility and adaptability is also critical for the longer-term development timeframe envisaged for HSBP and this represents a major potential advantage and point of differentiation for the scheme compared to other existing and proposed sites.
- 5.3.20 The analysis of market demand, supply and potential economic effects in this report reaffirms this conclusion and support the approach taken by RBBC to prepare a Supplementary Planning Document to guide the HSBP's design and development allowing the scheme's detailed proposals to emerge and respond to market requirements and changing appetites over time.

6. Overall Conclusions

6.1 Introduction

- 6.1.1 This section draws together the analysis and findings for Parts A and B of the Report. It concludes the position with respect to the market demand and supply context and potential future conditions for the proposed Horley Strategic Business Park. It also summarises the possible economic impacts of HSBP and the wider effects arising from the development scheme.
- 6.1.2 The analyses set out in the preceding sections have reflected on the extent to which the commercial market situation for HSBP has changed since Chilmark Consulting's previous report in 2017.
- 6.1.3 The following sub-sections set out more detail as to the findings from different aspects of the analysis.

6.2 Future Demand for Employment Floorspace

- Section 3 and Appendices 2 and 3 considered current and future employment demand potential for the Borough with the Experian September 2015 employment forecasts extended over the period to 2040 and 2045 representing the realistic period for the build-out and completion of HSBP.
- The analysis indicate a strategic demand profile of between 82,538 sq.m (2020 - 2040) and 100,071 sq.m (2040 - 2045) from the Reigate & Banstead Borough.
- In addition, an updated assessment of wider potential strategic need has indicated that within the strategic geography of London and the South East there could be a realistic minimum office demand figure of 47,250 sq.m to 118,125 sq.m associated with HSBP over the period 2020 - 2040/45.

- This is considered to be broadly aligned with the assessment carried out previously in 2017.

6.3 Revealed Market Demand and Gaps

- There is a clear picture of strong take-up particularly of storage and distribution floorspace but also for offices and industrial space.
- The local market in the Crawley / Gatwick / Horley area over recent years has been characterised by a tight supply of quality office and industrial floorspace. The general absence of new quality supply has further compounded the issue together with Brexit uncertainties although some development activity has resulted more recently.
- The same situation exists for industrial and logistics, especially the distribution market. Constrained availability of supply has led to pent up demand and take up, but this has also spurred developers to now deliver high quality new industrial / warehousing and logistics space.
- At the Borough-wide level recent levels of net take-up have exceeded available office and industrial supply resulting in rising stock absorption rates and reflected in increasing per sq.ft rental values for all employment floorspace.
- The Borough-wide picture is similarly reflected at the wider Gatwick Diamond + LB Sutton and LB Croydon level with significant reductions in available stock, increasing take-up and rental growth for both office and industrial floorspace.
- The future pipeline supply of employment floorspace (existing commitments and floorspace under construction) in the borough of Reigate & Banstead is negative with some significant net losses anticipated from the existing office stock and from the light and general industrial stock due to re-development for alternative purposes.

- The pipeline position in other Gatwick Diamond authority areas and in the London Boroughs of Croydon and Sutton shows a similarly mixed picture. Some areas continue to experience significant net losses due largely to PDR office to residential conversions and for other re-development reasons as well as new floorspace supply coming forwards.
- Local property agents have continued to stress the underlying importance of new, high quality floorspace to meet occupier / business requirements.
- The changing nature of space needs was evident at the time of writing the 2017 report and which have accelerated recently with the rise of remote and home working driven by the Coronavirus pandemic.
- There is therefore a clear gap in market demand to provide new employment land and sites capable of supporting the delivery of high-quality employment floorspace in Reigate & Banstead Borough over the plan period and beyond. The expansion of existing commercial and industrial sites can provide for some of that demand but that source of supply is increasingly taken up by existing and expanding occupiers and there remains a demand and need to provide additional land and sites (including strategic sites) capable of meeting employment needs in both the shorter and longer term periods.

6.4 Sector and Business Offer

- In terms of the sectoral and business offer that the HSBP could address there are a number of important 'ingredients' that the development of the HSBP would satisfy from a business and market perspective.
- Stakeholder discussions with local agents and economic development organisations have now reaffirmed the importance of direct access to the motorway and strategic road network, sufficient site size to offer a scale and visibility / presence in the wider Gatwick Diamond market area and a location that could support sustainable transport and offer a working

environment that has supporting facilities and could be flexibly designed to meet occupier / business health and wellbeing requirements (even assuming that the Coronavirus pandemic has receded by the time that the first phases of the HSBP are constructed).

- The latest C2C LEP *Strategic Economic Plan* and of the short-term Coronavirus impact analyses highlights the underlying strength of demand and emphasis on economic growth driven by a range of business occupiers including sectors such as finance, insurance & pensions, professional services, computer & electronic products, and real estate sectors, pharmaceuticals and health technologies, environment and energy technologies, and advanced engineering sectors.
- The immediate and short term impacts of Coronavirus on aviation and aerospace sector are highlighted by stakeholders but there is still clear ambition and expectation for future recovery and growth in the longer term, allied in this case, to the expansion of capacity and facilities at Gatwick Airport and therefore into the business supply chain focused in Crawley, Reigate & Banstead and more widely in the Gatwick Diamond.
- Specific demand related to high quality, modern office, small and medium sized light industrial and from storage and distribution uses as well as for hybrid mixed-uses were highlighted in agent and stakeholder discussions which continues to reflect the position previously found in the 2017 report.
- Supporting complementary activities (as policy HOR9 identifies) are seen as important location and business value-added benefits for HSBP and would support a wider supply chain.

6.5 Economic Effects

Employment Potential of HSBP

- There could be between approximately **4,693** and **4,965** Full Time Equivalent (FTE) construction jobs arising from the development of HSBP.
- The core business park element of HSBP could generate approximately **10,671** FTE jobs in its operational phase. Many of these jobs (some **10,000**) would be associated with the office floorspace provision with further job creation arising from the complementary community facilities on site. In total, it is therefore concluded that there could be some **10,927 – 11,161** FTE direct operational jobs generated at HSBP.
- Bringing the construction and operational elements of HSBP together leads to a conclusion that the scheme could generate between **15,620 - 16,126** direct on-site jobs.
- Overall, therefore from direct and indirect jobs there is concluded potential for some **24,040 - 24,555** gross jobs generated or supported during the operation of the HSBP.
- The likely overall net employment generation associated with the construction and operational aspects of HSBP in the Reigate & Banstead Borough area adjusts the gross employment figures for 'leakage' and 'displacement' and results in an estimated net employment figure of **7,281 - 7,497** FTE for the borough of Reigate & Banstead.

Potential Gross Value Added

- The potential Gross Value Added (GVA) contribution of HSBP covers the core business activities and the complementary community activities, as well as the contribution arising from constructing the scheme.
- The overall potential GVA generated by HSBP may be of the order of **£905 - £908 million** per annum.

- Using the net job employment ratios suggests that the GVA for the borough of Reigate & Banstead may be approximately **£361 million** per annum.

Horley Town Centre

- HSBP is likely to have significant economic impacts during its construction and operational phases. This will include effects on local centres in the area of the scheme, such as Horley Town Centre which is the closest town centre area to the site.
- The development of HSBP will add a considerable workforce into the catchment area of Horley Town Centre.
- In terms of the main type of economic impact on the Town Centre this is likely to be primarily increased spending on convenience goods. This includes pre-work expenditure, lunch and snacks during the day, general services during the day, after work activities, and post-work shopping.
- It is estimated that Horley Town Centre may capture between **£8.7 - £9.0 million per annum**. This is estimated to support between **45 - 46** jobs in Horley Town Centre.

6.6 Wider Effects

- The wider commercial market effects and impacts of the HSBP in the Gatwick Diamond area remain difficult to distil in detail given the outline nature of what is proposed and the timescales for delivery.
- It is inevitable that the delivery of this scale of new office-led commercial floorspace provision will be expected to have an impact on the local and wider commercial market, including the displacement of some existing occupiers from existing employment sites

- There will also be a positive effect and benefit in terms of enhancing the market perception of the local area and the Gatwick Diamond more widely as a good place for business investment and growth.
- At the Borough-wide level, HSBP will help meet evident demand for high quality office spaces in highly accessible locations to the benefit of the local Horley area and more widely for the Borough.
- HSBP will align with the recent revealed market demand characteristics which have seen an increased demand for high quality space closer to Crawley and around Gatwick Airport.
- In adjoining Gatwick Diamond authorities, there is a continued trend of commercial development that supports a localised, relatively self-contained market for offices and for industrial uses.
- Of all the existing strategic employment sites, Manor Royal Business District is considered the location that could be most impacted by the HSBP. However, the focus for Manor Royal has shifted notably towards supporting industrial and logistics / warehousing needs rather than the development of new office floorspace.
- There is potential now for HSBP, Manor Royal and Crawley Town commercial floorspace to reflect a complementary rather than competing offer with wider synergies arising in terms of the perception of the area as a whole to support economic development and investment.
- The potential future strategic sites identified which could contribute significantly to commercial employment supply are the Land North of Horsham and Horsham Enterprise Park (former Novartis site) in Horsham; The Hub, Northern Arc and Burgess Hill Science & Technology Park in Mid Sussex; and the London Cancer Hub in Sutton.
- These sites are concluded to be essential to meet market demands and address the lack of high-quality supply. They are intended, primarily, to serve either their local market needs offering a choice over an established supply of older, dated stock which is increasingly unsuited for

modern requirements; or are sector / end user specific in the case of the London Cancer Hub.

- It is imperative that the wider community facilities and services proposed for HSBP through Policy HOR9 are fully secured to ensure the site is sufficiently differentiated from existing local and Borough-wide market provision. The differentiation is also important to ensure that a quality brand and perception is promoted to the wider commercial and investor market.
- The need for flexibility and adaptability is also critical for the longer-term development timeframe envisaged for HSBP and this represents a major potential advantage and point of differentiation for the scheme compared to other existing and proposed sites.

6.7 Overall Conclusion

- 6.7.1 Overall the fundamentals of market demand, supply of employment and related commercial floorspace and the underlying drivers of the local economy in the borough of Reigate & Banstead and more widely remain as set out in the previous 2017 report.
- 6.7.2 There are and will undoubtedly be impacts on market demand and developer confidence to invest in new commercial floorspace in the immediate period due to the uncertainties and economic shocks caused by both the Coronavirus pandemic and Brexit.
- 6.7.3 Nevertheless, the HSBP is a long term development project (with a 20+ year time frame) and extensive consideration has already been factored into the evolution of the HSBP concept and design leading to its formal allocation in the DMP of the long-term, systemic changes to working practices and business / occupier expectations.
- 6.7.4 The immediate and shorter-term uncertainties and concerns as to business and investment confidence do not alter the fundamental, identified needs for new, high quality and easily accessible business park floorspace.

6.7.5 In light of the long term market demand and supply fundamentals, it is considered that the HSBP remains an appropriate and necessary strategic employment-led development that will assist Reigate & Banstead Borough to meet its economic growth objectives, support existing businesses and encourage inward investment within the Borough and the Gatwick Diamond area more widely.

END NOTES

ⁱ HOR9 Horley Strategic Employment Site, Economic Assessment - Task 1: Supply and Demand Evidence, Chilmark Consulting Ltd (2017); and HOR9 Horley Strategic Employment Site, Economic Assessment – Task 2: Economic and Market Impact Analysis (2017)

ⁱⁱ HOR9 Horley Strategic Employment Site, Economic Assessment - Task 1: Supply and Demand Evidence, Chilmark Consulting Ltd (2017)

ⁱⁱⁱ HOR9 Strategic Employment Site Economic Assessment (Task 1: Supply & Demand Evidence), September 2017

^{iv} Market absorption is based on the change in the amount of available space between each year. This may be positive or negative. Thus, in 2011/12 available floorspace was 44,000 sq.m and in 2012/13 available floorspace was 44,135 sq.m. This means there an increase in available floorspace of 135 sq.m, so a negative market absorption rate. Development take-up refers to net completion rates – gains in floorspace in a year minus losses of floorspace in the year to produce a net take-up figure. This may be positive or negative

^v The data recorded in the RBBC Commercial Commitments Monitors in terms of **available** floorspace is not directly comparable with the data on **vacancy** recorded in the Industrial Estates Monitors. The Commercial Commitments Monitors lists the amount of floorspace identified on the market to rent or sell, whilst the Industrial Estates Monitors records vacant units and floorspace identified from an annual site visit. Therefore, the Commercial Commitments Monitor data does not necessarily capture space that is vacant but not being marketed, so may under-record total available space. Nevertheless, the overall trend is similar between the Commercial Commitments Monitors and the Industrial Estates Monitors

^{vi} The Croydon Monitoring Report (June 2019), LB Croydon

^{vii} The Borough has a 4 tier hierarchy of employment land: Tier 1 (Strategic and Separated Industrial Locations); Tier 2 (Integrated Industrial Locations); Tier 3 (Town Centre Industrial Locations); and Tier 4 (Scattered Employment Sites)

^{viii} Authority Monitoring Report 2018/19, London Borough of Sutton (December 2019)

^{ix} The 92,794 sq.m floorspace is the initial input figure in calculating space requirements for the period 2020-40 used in the 2017 analysis. This reflects the floorspace requirements associated with the employment changes forecast over the period 2020-40 and summarised in Table 3.12 in the 2017 report. This forecast

an increase in B Use Class employment of 4,798 FTEs. The 2017 analysis included a 7% vacancy allowance which increased the 92,794 sq.m to 99,289 sq.m. A flexibility, windfall and planning consent allowance of 15,300 sq.m was applied, increasing the 99,289 sq.m to 114,589 sq.m. An adjustment for redevelopment potential of 26,000 sq.m was subtracted from the 114,589 sq.m to leave a residual requirement figure of 88,589 sq.m. This is the figure summarised in Table 3.13 of the 2017 report

^x Fiscal Sustainability Report Table 1, Page 8, Office for Budget Responsibility (July 2020)

^{xi} Gatwick Airport Masterplan, Gatwick Airport (2019)

^{xii} Making Best Use of Gatwick. An Overview of Our Northern Runway Plans, Gatwick Airport (Autumn 2019)

^{xiii} Building – Cost Model (2016), updated from ONS New Work Output Prices (August 2020)

^{xiv} Forbes D; El-Haram M; Horner M and Lilley S (2012) *Forecasting the number of jobs created through construction* in: Smith, S.D (Ed) Procs 28th Annual ARCOM Conference, 3-5 September 2012, Edinburgh, UK, Association of Researchers in Construction Management, 317-326. This has been updated to reflect building cost inflation

^{xv} Based on ONS *Construction Statistics GB* (2018) data, using total employment from Table 3.3a and value of work done by trade of firm and type of work covering both new orders and repair and maintenance in Table 2.9

^{xvi} It has been assumed that there would be a 20-year build out period for the scheme. The development rate could be longer than this, however

^{xvii} Source: HCA (November 2015) *Employment Density Guide 2015* page 29. Employment density figures have been translated into a consistent GIA basis using industry standard conversion rates. The employment density figures used were those proposed in Part A as part of the adjustment to reflect changing work practices but use the standard employment densities in the *Employment Density Guide* as the reference figure. The density figures are rounded

^{xviii} Source: HCA (November 2015) *Employment Density Guide 2015* page 29. Employment density figures have been translated into a consistent GIA basis using industry standard conversion rates. The employment density figures used were those proposed in Part A as part of the adjustment to reflect changing work practices but use the standard employment densities in the *Employment Density Guide* as the reference figure. The density figures are rounded

^{xix} Source: HCA (November 2015) *Employment Density Guide 2015* page 29. Employment density figures have been translated into a consistent GIA basis using industry standard conversion rates. The employment density figures used were those proposed in Part A as part of the adjustment to reflect changing work practices but use the standard employment densities in the *Employment Density Guide* as the reference figure. The density figures are rounded

^{xx} Source: Marriot Design Standards Brochure (2014); Design Guide for Hotels (Scrib)

^{xxi} Source: *Statutory Framework for the Early Years Foundations Stage* (March 2017) DfE. Split by age based on DfE Provision for Children Under 5 years of Age statistics (2019)

^{xxii} Source: *HCA Additionality Guide (2014)*, based on Table 4.13 for local multiplier, Table 4.14 for regional multiplier, and Table 4.11 for national multiplier

^{xxiii} Source: *HCA Additionality Guide (2014)*, based on Table 4.12 for local and regional multipliers and Table 4.11 for national multiplier

^{xxiv} Source: *HCA Additionality Guide (2014)*, based on Table 4.12 for local and regional multipliers and Table 4.11 for national multiplier

^{xxv} Source: *HCA Additionality Guide (2014)*. Leakage rate based on 'high' leakage effect in Table 4.3 and adjusted upwards to reflect demands may put on local construction employment market. Displacement based on results in Table 4.5 and 4.8

^{xxvi} Source: *HCA Additionality Guide (2014)*. Leakage rate based on 'high' leakage effect in Table 4.3 given overall scale and nature of employment generation at HSBP. Displacement based on results in Table 4.7 and 4.8

^{xxvii} The construction GVA figures are based on the overall GVA from construction annualised over a 20 year period

^{xxviii} Based on the average amount of retail expenditure required to support a retail job. This is based on the total value purchase of retail and wholesale goods, materials and services in the South East (adjusted for on-line expenditure) divided by the total number of retail and wholesale jobs, equating to £194,365 per employee. Expenditure data derived from the Annual Business Survey 2018 Regional Results (May 2020) and employment data from Nomis Labour Market Profile: South East (June 2020)

^{xxix} Source: Family Spending (March 2020). Average weekly spending based on average of household expenditure by household reference persons (Table A22), covering large employers and senior managerial; higher professional; lower managerial and professional; intermediate; and small employers. Note that

recreation & culture based on recreational and culture services and newspapers, books and stationery sub-categories. Note that restaurant category only relates to the catering aspect of this expenditure, so excludes hotels. Note, miscellaneous goods only relate to personal care and personal effects sub-categories

^{xxx} Based on average weekly spend divided by 7 and then multiplied by assumed average number of working days per year (225). Exception is food and non-alcoholic drink which was based on average weekly spend multiplied by assumed average 45 working weeks

^{xxxii} The market draw potential has been based on professional judgement of the potential for expenditure to be attracted to Horley. The emphasis has been on cautious assumptions, which may therefore under-record the full potential for Horley to attract expenditure and so may represent realistic minimum potential impacts. The food and non-alcoholic drink expenditure cover main food shopping, which may be related to where people live. As such, it is assumed that Waitrose and other stores in Horley may be able to attract 10% of such expenditure. Alcoholic drink expenditure will include evening/day socialising and related social events by workers at HSBP, with the potential for 25% of such expenditure potentially drawn to Horley with the right offer in place. A sub-sector of recreation & culture and miscellaneous goods expenditure has been used, which is more aligned with the potential for spending activity close to the place of work. It has been assumed that potentially 25% of such expenditure may be spent at Horley. The 25% expenditure on restaurants in Horley is slightly lower than the assumptions used in the Reigate & Banstead Retail Needs Assessment (2016) study reflecting potential draw from any such facilities within HSBP itself.

^{xxxii} HOR9 Strategic Employment Site Economic Assessment (Task 1 and Task 2 reports), September 2017

Appendix 1: List of Stakeholder Consultees

Public Sector Organisation	Position	Notes
Reigate and Banstead Borough Council – Economic Development	Economic Prosperity Manager	Telephone conversation.
Horley Chamber of Commerce	Chairman	Contact made by email and telephone with Chamber Chair.
Crawley Borough Council - Planning Policy and Economic Development	Senior Planning Policy Officer and Economic Development Manager	Contact made with planning policy and economic development. Telephone conversation held with senior planning policy officer.
Epsom & Ewell District Council - Planning Policy	Planning Policy Officer	Telephone conversation.
Horsham District Council – Planning Policy and Economic Development	Principal Planning Officer and Economic Development Manager	Contact made. No response received.
London Borough of Croydon Council	Planning Policy and Economic Development	Contact made. No response received.
London Borough of Sutton Council - Planning Policy	Senior Planning Officer	Telephone conversation.
Mid Sussex District Council - Planning Policy and Economic Development	Business Unit Leader – Planning Policy and Economic Development	Contact made with planning policy and economic development. Telephone conversation held with Business Unit Leader Planning Policy.
Mole Valley District Council -Planning Policy and Economic Development	Senior Planning Officer and Economic Development Manager	Telephone conversation with Economic Development Manager and Senior Planning Officer.

Tandridge District Council – Planning Policy and Economic Development	Planning Policy Manager and Economic Development Manager	Telephone conversation with planning policy manager.
Manor Royal Business Improvement District	Executive Director	Telephone conversation.
Coast to Capital Local Enterprise Partnership	Chief Operating Officer	Telephone conversation.
Gatwick Diamond Initiative	Executive Director	Telephone conversation.
Commercial Property Agents	Position	Notes
Stiles Harold Williams	Senior Partner	Declined to comment due to conflict of interest. Advises Horley Business Park LLP in relation to HSBP development.
Stiles Harold Williams	Partner (Head of Agency)	Telephone conversation.
Vail Williams	Partner	Declined to comment due to conflict of interest. Advises Surrey County Council in relation to the HSBP development.
Graves Jenkins	Director	Contact made. No response received.
Altus Group	Director (M25 South agency)	Telephone conversation.
Hurst Warne	Director	Telephone conversation.

Appendix 2: Current Active Market

1.1 Current Active Market

- 1.1.1 This Appendix focuses on the current active property market and provides commentary on changes since the 2017 report¹. It considers how the market has developed over the last five to ten years, current activity levels, and views on the market over the short-term (1-2 years). It provides an important snapshot of recent and current market demand issues.
- 1.1.2 The synthesis of current and recent market activity findings with a qualitative interpretation on how relevant future trends will influence market demand, enables a more nuanced and robust high-level consideration of the demand assessment outputs associated with the Horley Strategic Business Park (HSBP) in the context of changing economic circumstances.
- 1.1.3 Given the strategic nature of the HSBP the geographical scope of the assessment has been at a local authority-wide level. This includes Reigate & Banstead Borough and then a broader market area covering the Gatwick Diamond area (Crawley, Epsom and Ewell, Horsham, Mid Sussex, Mole Valley, Tandridge) and the London Boroughs of Croydon and Sutton. It is primarily at these geographical scales that HSBP will be meeting demand as it is developed and so understanding the current market dynamics in these areas is important.
- 1.1.4 A further assessment of the immediate local catchment area of HSBP (approximately 2 miles from the HSBP, covering Crawley and Horley Town Centres and Manor Royal in particular) has not therefore been carried out as this area provides a market offer with a different, more local focus. This immediate market catchment area has, however, been the subject of the economic effects and impact work undertaken

and considered in Part B of this report which examines the nature of potential impacts on the local centres and employment locations (positive or negative) that may result from HSBP.

1.2 Current Active Market: Reigate & Banstead Borough

Offices and R&D Space

Existing Stock and Change Over Time

- 1.2.1 Information collated by the VOA provides a Borough-wide summary of commercial floorspace stock together with changes over time. Table A2.1 below provides a summary of office stock levels and change over the period 2006 – 2019.
- 1.2.2 From Table A2.1 it can be seen that approximately **274,000** sq.m of office space was identified in the borough of Reigate & Banstead in 2019. Over the period 2006 – 2019 the VOA data indicates a reduction of circa **37,000** sq.m of office floorspace – a change of **11.9%** in the Borough. During this period, the most significant level of reduction has occurred in the five-year period 2011 – 2016, which resulted in a reduction of **24,000** sq.m.

Table A2.1: Stock of Office Floorspace Sq.m, Reigate & Banstead Borough 2006 - 2019

Type	2006	2011	2016	2019	Change 2006 - 2019
Office	311,000	308,000	284,000	274,000	-37,000 (-2,846 pa)

Source: VOA, 2019

Take Up

1.2.3 Council take-up data for the Borough provides a summary of stock absorption and stock growth (or decline)ⁱⁱ. Taken together, these factors provide the net level of office space taken up in Reigate & Banstead on an annual basis. Table A2.2 provides a summary of take up over the period 2010/11 – 2018/19.

Table A2.2: Overall Office Take Up, Sq.m – Stock Absorption & Stock Growth, 2010/11 - 2018/19

Office	2010/ 11	2011/ 12	2012/ 13	2013/ 14
Take Up: Market Absorption	-16,614	4,642	-135	355
Take Up: Development	1,118	-438	-2,165	-733
Net Office Take Up	-15,496	4,204	-2,300	-378

Office	2014/ 15	2015/ 16	2016/ 17	2017 /18	2018/ 19
Take Up: Market Absorption	10,147	7,489	-2,506	5,692	3,432
Take Up: Development	-2,372	-9,525	-2,088	-13,009	-593
Net Office Take Up	7,775	-2,036	-4,594	-7,317	2,839

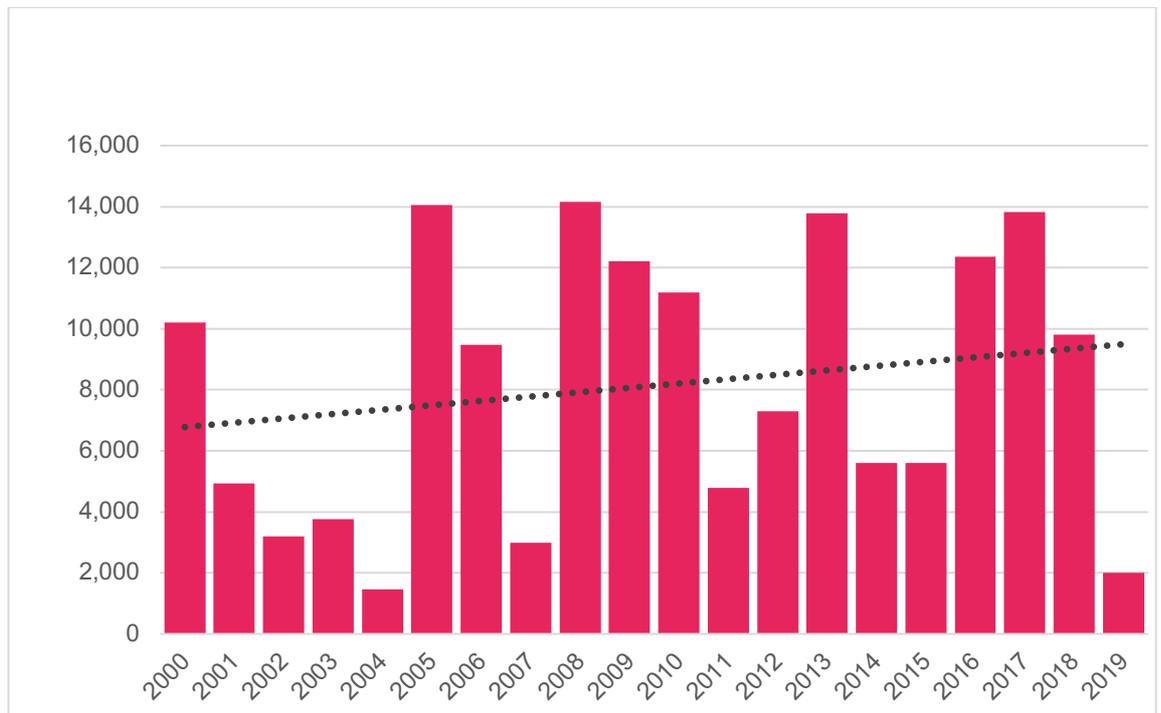
Source: Commercial Commitments Monitors (2019) RBBC

1.2.4 The market absorption rate for 2010/11 in Table A2.2 includes the impacts of the global financial crisis, and so reflects abnormal market conditions. If this is excluded then the average annual market absorption rate has been 3,640 sq.m. There were particularly healthy levels of take-up in 2014/15 and 2015/16, and again in 2017/18 and 2018/19.

1.2.5 The negative market absorption figure for 2016/17 does however partially reflect the impacts of PDR on the office sector. Excluding this from the analysis indicates an underlying market absorption rate of 4,517 sq.m per annum.

- 1.2.6 In contrast, the general absence of new stock in the office sector has resulted in an average annual loss of stock as a result of development, especially over recent years (due mainly to PDR conversions from offices to residential, with notable losses in 2015/16 and 2017/18). In net terms, since 2011/12, there has been an annual average loss of office floorspace of 3,272 sq.m or 26,179 sq.m in total. This reinforces the changing stock pattern reported in the VOA figures in Table 2A.1.
- 1.2.7 Alongside market absorption take-up, which primarily covers development related take-up, there is the wider occupational take-up as reported by EGi. This covers pre-lets, newly developed space and occupation of existing stock of space, whether marketed or not. While not covering all the occupational market (some smaller deals and off-book transactions may not be captured) it is estimated to capture over 80% of market transactions, including secondary market areas. This is generally a higher figure than local authority monitoring data and is always a positive figure as it is only dealing with occupation of space (i.e. not loss of space to other uses).
- 1.2.8 Figure A2.1 below illustrates the pattern of office take-up for Reigate & Banstead over the period 2000-2019. The Figure shows the cyclical nature of take-up across the Borough, but with a rising trend line for the period. Across 2000-2019 as a whole, the average annual office take-up rate has been approximately 7,760 sq.m. However, the last five-year period 2015 - 2019 has seen the average annual office take-up rate rise to approximately 8,717 sq.m. This includes a much more muted level of take-up in 2019, which partial reflect continued uncertainties over Brexit but also an increasing shortage of office floorspace supply to meet need.

Figure A2.1: Office Floorspace Take-up, sq.m, Reigate & Banstead 2000 - 2019



Source: EGi, September 2020

1.2.9 The relative increase in office take-up in the borough of Reigate & Banstead since 2011/12, excluding the PDR impact years of 2015/16-2017/18, compared to the take-up analysis rates used in the RBBC *Local Economic Needs Assessment Update (2016)* report has been used to substantiate the future market demand. This is considered in the next sub-section.

Availability

1.2.10 Table A2.3 provides a summary of available office floorspace in Reigate & Banstead over the period 2010/11 to 2018/19. This covers areas monitored by RBBC. This shows a broadly constant reduction in the amount of available floorspace over time, from 48,462 sq.m in 2010/11 to 19,526 sq.m. This is a reduction in available floorspace of 28,936 sq.m or almost 60%.

Table A2.3: Available Office Floorspace, Sq.m, Reigate & Banstead Borough 2010/11 – 2018/19

Office	2010/ 11	2011/ 12	2012/ 13	2013/ 14
Available Floorspace	48,642	44,000	44,135	41,780

Office	2014/ 15	2015/ 16	2016/ 17	2017 /18	2018/ 19
Available Floorspace	33,633	26,144	28,650	22,958	19,526

Source: Commercial Commitments Monitors (2019), RBBC and RBBC Local Economic Needs Assessment Update (June 2016)

1.2.11 This is a significant level of reduction in available office floorspace demonstrated by comparing the amount of available floorspace with the total stock of office floorspace as identified by the VOA. While the data sets are not identical, being developed for different purposes and with different definitions and assumptions, they are helpful in demonstrating patterns of change.

1.2.12 The results are summarised in Table A2.4, and shows available floorspace as a proportion of total stock. Over the period 2011 to 2019 the availability rate has more than halved, resulting in a relatively tight office market, as highlighted from discussions with local property agents who report the impacts of a lack of new supply, particularly for Grade A floorspace and the loss of stock due to PDR as contributing to the lower availability of office stock.

Table A2.4: Office Availability as Proportion of Stock – Change Over Time in Reigate & Banstead

Office	2011	2016	2019
Total Office Stock	308,000	284,000	274,000
Office Availability	48,642	26,144	19,526
Availability % Stock	15.8%	9.2%	7.1%

Source: VOA, 2019 and RBBC, 2019

1.2.13 Further insight can be gained by looking at the amount of available office floorspace identified by EGi and relating this to total occupational take-up recorded by EGi. This can provide a notional years supply figure, which is a guide as to how healthy the occupational market is. It should be noted that the available floorspace figure recorded by EGi is higher than that recorded by RBBC, which reflects differences in coverage.

1.2.14 Table A2.5 summarises the results. In Reigate & Banstead the current (September 2020) office availability is 32,048 sq.m. This is compared against average annual office take-up rates for different periods and demonstrates the increasingly tight office occupational market.

Table A2.5: Notional Years Supply of Office Floorspace, Sq.m in Reigate & Banstead

Office	2000 - 2019	2015 - 2019
Annual Average Take-up	7,760	8,717
Office Availability	32,048	32,048
Notional Years Supply	4.1	3.7

Source: EGi, September 2020

1.2.15 Commercial agents report that the local office market in the Borough, particularly in the principal commercial centres of Redhill, and to a lesser extent Reigate, has been driven by demand for small, high quality space, including from larger occupiers seeking to downsize and often with back office functions away from the main commercial centres including London. This trend has however been constrained by a lack of office supply, which has dipped to one of its lowest levels over

recent years, particularly over 2017 and 2018, due to the general absence of new development activity and the consequences of losses to PDR.

1.2.16 Discussions with local agents confirm that occupier demand has remained strong for quality, both in terms of floorspace and amenity considerations, which together represent key local drivers of demand for new or refurbished space. The combination of demand and limited supply has encouraged some new high-quality development to come forward such as Prospero in Redhill whilst the role of refurbished offices (e.g. Regents House in Redhill) has proved attractive in helping to address the constraints of qualitative supply and raised availability (primarily in Redhill). This has helped to secure higher rental values for landlords although there still exists a lack of new quality supply and availability of offices which remains a concern for local agents.

Rents and Yields

1.2.17 Recorded information from EGi for the period 2019/20 indicates rents for office stock across the Borough average £23.50/sq.ft. This represents an increase in the Borough average from £18.87/sq.ft identified in the 2017 report.

1.2.18 At the Borough level, commercial agents report a range of office rental values reflecting location and quality, with the larger traditional office markets in Reigate and Redhill typically in the rental range £23.50 - £27.50/sq.ft. Whilst the lower range is comparable to the EGi data, reported market conditions support higher average rents compared to the EGi data.

1.2.19 Prime rents of over £30/sq.ft are reported in relation to Grade A stock in Redhill whilst there is increasing trends of refurbishments being undertaken which has lifted rents for many previously secondary space into the mid £20s/sq.ft rental market. These positive rental trends

reflect the local market characteristics of low office supply levels which have pushed up rental values.

1.2.20 In contrast, lower quality office provision (e.g. at secondary commercial and industrial estates) is typically from £11 - £14/sq.ft. The local Horley market reflects a general lack of office supply compared to Redhill and Reigate and is also located in close proximity to the established office supply at Crawley and Gatwick, where agents report prime rents of circa £30/sq.ft and typically around the £25 - £27/sq.ft.

1.2.21 Recent transactional data from EGi is limited and identifies two investment deals in the Borough for the period 2019 and 2020 at 5.68% and 9.19% respectively; the latter for secondary space. More historical analysis for the period 2017 - 2018 indicates a yield range of 5.5% to 7.5% which compares to the yield of 5.6% identified for office sales in the 2017 report. Overall, office yields are considered to have strengthened which reflects rising rental values and decreasing stock availability although for older office stock, yields in the range 8% - 9% could be expected.

Historic Development Activity

1.2.22 RBBC's *Commercial Commitments Monitor* (March 2019) confirms a significant decline in historic office completions, particularly since the introduction of the PDR for office to residential conversion from 2013. This position is confirmed from local agent discussions.

1.2.23 The level of new office floorspace has been limited over the last decade, except for more pronounced activity in 2015/16. Local agents report a small element of new activity in Redhill together with increased refurbishment of secondary office stock although this is set against a significant loss of office floorspace, especially between 2014/15 and 2016/17. Table A2.6 summarises the level of floorspace gains/completions in the Borough over the last decade. This indicates that between 2010/11 and 2018/19 there was a net loss of office

floorspace of 30,923 sq.m. The future office pipeline (commitments and floorspace under construction) is considered in more detail later in this Section.

Table A2.6: Trends in Office Floorspace Completions and Losses In Reigate & Banstead Borough, Sq.m, 2010/11 – 2018/19

Year	2010/ 11	2011/ 12	2012/ 13	2013/ 14
Gain sq.m	515	162	0	0
Loss sq.m	953	2,327	733	2,372
Net sq.m	-438	-2,165	-733	-2,372

Year	2014/ 15	2015/ 16	2016/ 17	2017 /18	2018/ 19
Gain sq.m	98	5340	0	638	515
Loss sq.m	9,623	7,428	13,009	1,231	953
Net sq.m	-9,525	-2,088	-13,009	-593	-438

Source: Commercial Commitments Monitors (2019), RBBC

1.2.24 In summary, there has been a reduction in the total stock of office floorspace in the borough over the last 13 years, strongly influenced by losses associated with PDR, with very low levels of new development evident. Despite this, the underlying occupational market take-up is relatively strong. This has been strengthening over the last five years, although a number of factors are identified by local agents as impacting on market conditions even before the pandemic, and related to market uncertainty associated with Brexit together with the shortage of suitable quality supply, especially for Grade A stock.

Light Industrial, Logistics, Storage and Distribution

Industrial Stock and Change Over Time

1.2.25 The level of industrial floorspace in the Borough, at 31st March 2019, is identified by the VOA to be **293,000** sq.m (Table A2.7). From Table 2A.7 it can be seen that there was a loss of **24,000** sq.m (**7.6%**) of industrial floorspace between 2006 and 2019. In contrast to the loss of office stock, the majority of floorspace reduction occurred in the earlier

2006 - 2011 period and is more likely to have been a result of re-development activity and loss during the recession.

Table A2.7: Stock of Industrial Floorspace, Sq.m, Reigate & Banstead Borough 2006 - 2019

Type	2006	2011	2016	2019	Change 2006 - 2019
Industrial and Warehousing	317,000	298,000	294,000	293,000	-24,000 (-1,846 pa)

Source: VOA, 2019

1.2.26 The Council's latest *Industrial Estates Monitors* (March 2011 to 2019) provide an overview of use trends and market activity relevant to the Borough's main industrial estates (as opposed to overall industrial stock).

1.2.27 In total, the main industrial estates support almost **370** business premises and provide over **247,000** sq.m of industrial floorspace. As such, these locations represent the major focus of industrial activity in the Borough and so are reported on separately as appropriate.

Take Up

1.2.28 The Reigate & Banstead Borough Council take-up data provides a summary of industrial stock absorption and stock growth. The position is summarised in Table 2A.8 for the period 2010/11 – 2018/19. It indicates that net industrial take-up over the period 2010/11 to 2018/19 has averaged **2,166** sq.m per annum, although with marked variations year on year reflecting the 'lumpy' nature of the industrial market relative to the office sector. This includes major net take-up in 2011/12 and 2015/16, and major net loss in 2012/13.

Table A2.8: Overall Industrial Take Up – Stock Absorption & Stock Growth, 2010/11-2018/19

Industrial	2010/ 11	2011/ 12	2012/ 13	2013/ 14
Take Up: Market Absorption	1,449	9,620	-8,850	152
Take Up: Development	-828	495	1,484	0
Net Industrial Take Up	621	10,115	-7,366	152

Industrial	2014/ 15	2015/ 16	2016/ 17	2017 /18	2018/ 19
Take Up: Market Absorption	3,891	11,049	-629	346	6,174
Take Up: Development	131	-292	-925	-1,353	-2,419
Net Industrial Take Up	4,022	10,757	-1,554	-1,007	3,755

Source: Council Commercial Commitments Monitors (2019), RBBC

1.2.29 RBBC data also confirms that take-up at the main industrial estates of Reigate & Banstead has been relatively buoyant over recent years. Table 2A.9 provides a summary of absolute gross take up between 2011/12 and 2018/19 at the main estates. This indicates that average industrial take-up has averaged 15,894 sq.m over this period, with 2018/19 witnessing particularly strong take-up.

Table A2.9: Take Up at the Borough's Main Industrial Estates, Sq.m 2011/12 - 2018/19

Industrial	2011/ 12	2012/ 13	2013/ 14	2014/ 15
Main Industrial Estate Take-up	16,495	10,133	14,290	16,810

Industrial	2015/ 16	2016/ 17	2017 /18	2018/ 19
Main Industrial Estate Take-up	15,981	16,635	13,400	23,411

Source: Industrial Estates Monitor, 2019, Reigate & Banstead Borough Council

1.2.30 It is important to note that the main industrial estates take-up data is based upon annual monitoring of on-site schedules maintained by RBBC. It captures a range of activities deemed to represent take-up, which are not necessarily picked-up by the occupational take-up as monitored by EGi. This includes occupational sales, off-market deals and on-site expansions. In addition, however, there may be cases in

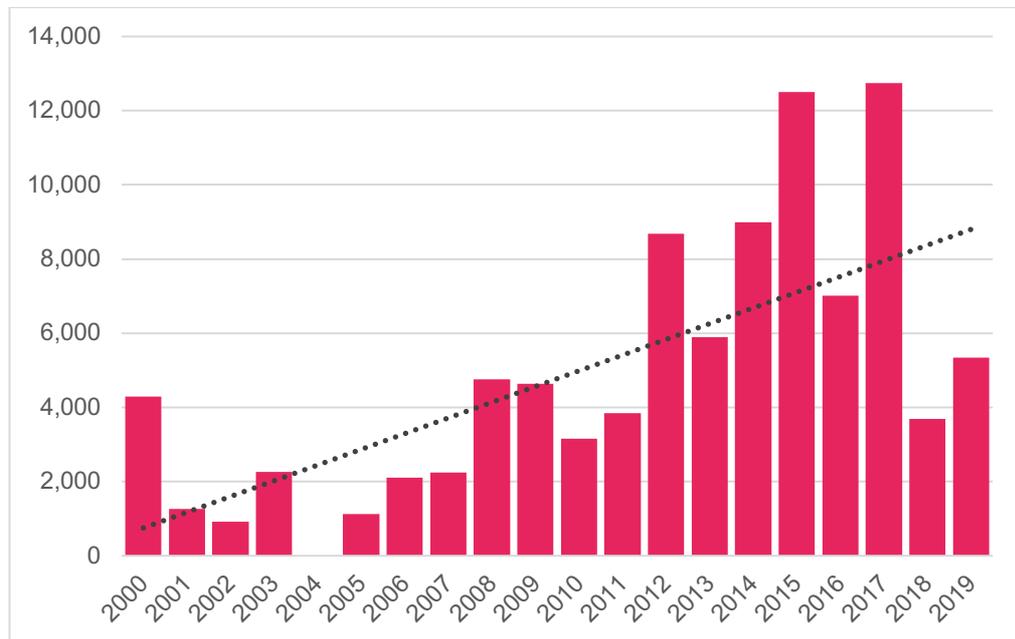
which the main industrial estates take-up is in excess of actual take-up, such as rebranding by occupiers.

1.2.31 As such, the main industrial estates take-up figures are likely to capture a much wider picture of industrial take-up than the core occupational take-up recorded by EGi. The EGi analysis is useful however in reflecting the marketed or underlying trends in industrial occupational take-up, and Figure A2.2 illustrates the pattern of industrial take-up for Reigate & Banstead over the period 2000 - 2019.

1.2.32 This shows the steady increase in activity, particularly from 2012 onwards. From 2000 - 2019 as a whole, the average annual industrial take-up rate has been approximately 4,774 sq.m. However, the last five-year period 2015-19 has seen the average annual office take-up rate rise to approximately 8,262 sq.m. This includes reduced levels of take-up in 2018 and 2019, primarily associated with uncertainties over Brexit but also a more significant shortage of available industrial floorspace supply to meet need.

1.2.33 The broad trend, if not the scale, for reasons outlined above, is similar to that revealed from the main industrial estates monitoring. The main exception is 2018/19, where the Industrial Estates Monitor shows a noticeable increase in take-up. This appears to be associated with a significant gain in B8 distribution space from extant planning permissions or under construction space, which may have been subject to pre-lets.

Figure A2.2: Industrial Floorspace Take-up, Sq.m, Reigate & Banstead 2000 - 2019



Source: EGi, September 2020

1.2.34 The changing level of industrial take-up in Reigate & Banstead over the period 2011/12 to 2018/19 compared to the take-up analysis rates used in the RBBC *Local Economic Needs Assessment Update (2016)* report has been used to inform the verification of future market demand.

Availability

1.2.35 The level of industrial and distribution availability in the Borough is summarised for the period 2011/12 - 2018/19 in Table A2.10, based on Reigate & Banstead Borough’s Commercial Commitments Monitorsⁱⁱⁱ. This illustrates the significant reduction in industrial and distribution floorspace availability over this period, from a peak of 29,000 sq.m in 2012/13 to 8,017 sq.m in 2018/19. This represents a reduction of almost 21,000 sq.m, or less than a quarter of availability levels in 2012/13.

Table A2.10: Summary of Available Industrial Floorspace in Borough, Sq.m, 2012 – 2019

Year	2011/ 12	2012/ 13	2013/ 14	2014/ 15
Available Floorspace	20,150	29,000	28,848	24,957

Year	2015/ 16	2016/ 17	2017 /18	2018/ 19
Available Floorspace	13,908	14,537	14,191	8,017

Source: Commercial Commitments Monitors (2019), RBBC

- 1.2.36 There has been a significant level of reduction in available industrial floorspace. This can be seen by comparing the amount of available floorspace with the total stock of industrial floorspace as identified by the VOA, with the results summarised in Table A2.11.
- 1.2.37 Over the period 2011 to 2019 the availability rate has dropped from an indicative 6.8% to 2.7%, a decrease of more than half. This is creating a very tight industrial market, which is confirmed and reinforced through discussions with local property agents who report the exceptionally strong driver of the warehousing and logistics market (as opposed to the light industrial market) as driving demand for storage and distribution space fuelled by last mile delivery associated with the significant rising in online retailing (both pre and during the Coronavirus pandemic).
- 1.2.38 Local commercial agents further recognise that the local industrial market is often within the shadow of the ‘Gatwick effect’ although there is evidence that a significant level of new logistics and industrial space is coming forward/to be developed in the Borough over the short term to address a tightly constrained market. This includes the North Gatwick Gateway scheme at Cross Oak Lane in Horley (5 units providing over 15,600 sq.m) and the smaller Wells Point at Redhill (2 units totalling 3,593 sq.m). Notwithstanding this, market sentiment and occupier demand is reported to remain positive driven by improving confidence of greater Brexit certainty, the aforementioned strong

demand for storage/distribution and an ongoing demand for light industrial and trade counter units to serve local markets.

Table A2.11: Industrial Availability as Proportion of Stock, Sq.m – Change Over Time in Reigate & Banstead Borough

Industrial	2011	2016	2019
Total Industrial Stock	298,000	294,000	293,000
Industrial Availability	20,150	13,908	8,017
Availability as % Stock	6.8%	4.7%	2.7%

Source: VOA, 2019 and RBBC, 2019

- 1.2.39 The amount of available industrial floorspace and total occupational take-up rates are summarised in Table A2.12, based on EGi data. This establishes a notional supply figure (in terms of number of years of supply based on take up), which is a guide as to how healthy the occupational market is.
- 1.2.40 It should be noted that the overall available floorspace figure of 46,565 sq.m recorded by EGi is higher than that recorded by Reigate & Banstead Borough Council. This generally reflects differences in coverage but in addition the figures are also skewed by two particularly large schemes: a site at Bonehurst Road (15,793 sq.m for mixed B1, B2, B8 use); and open land at Merstham (19,343 sq.m for mixed B1, B2, B8 use) which has just come on to the market.
- 1.2.41 The majority of available supply is of units of less than 500 sq.m, with the overall average unit size for all stock being 879 sq.m. If the two large schemes are excluded, then this results in an availability figure of 11,429 sq.m. This is closer to the 8,017 sq.m availability figure recorded for 2019 and reported in Table A2.11.
- 1.2.42 Table A2.12 below applies the two different EGi availability figures for the borough of Reigate & Banstead and compares them against average annual industrial take-up rates for different periods. and demonstrates the increasingly tight industrial occupational market, reinforcing the findings in Table A2.11.

Table A2.12: Notional Years Supply of Industrial Floorspace, Sq.m in Reigate & Banstead Borough

Industrial	2000 - 2019	2015 - 2019
Annual Average Take-up (sq.m)	4,774	8,262
Industrial Availability - All	46,565	46,565
Notional Years Supply	9.8	5.6
Industrial Availability - Core	11,429	11,429
Notional Years Supply	2.4	1.4

Source: EGi, September 2020

- 1.2.43 Even excluding the two large units noted above, the majority (85%) of availability is of mixed employment space (B1, B2 and B8), totalling 9,586 sq.m. There is a particularly limited supply of light industrial space (527 sq.m, or 5% of total). There is 991 sq.m of storage and distribution space (9% of total) and 325 sq.m of general industrial space (3% of total).
- 1.2.44 The constraints of available supply, particularly for storage/distribution, is confirmed by local commercial agents and is recognised as a wider issue which is not restricted to the Borough.
- 1.2.45 Improvements in industrial supply are proposed in the Gatwick/Crawley market (as discussed later in this Section) although the general market sentiment and commentary is one of tightening availability. This will complement the modern new supply which is available for occupation through the Goya Developments schemes at Wells Point and North Gatwick Gateway.
- 1.2.46 Analysis of vacant premises across the Council's defined main industrial estates confirm a similar downward trend in vacancy, as illustrated in Table A2.13.
- 1.2.47 In terms of the number of units there has been a particular reduction over the last few years, from 11.7% in 2017/18 to 8.4% in 2019/20. The floorspace vacancy rate is lower and has seen a steady reduction since 2017/17 to stand at 5.4% in 2019/20. Whilst it is recognised this relates to premises at specific industrial estates as opposed to all

industrial stock, monitoring data highlight the falling long-term vacancy trend at the main estates in the Borough.

1.2.48 It is important to note that the distribution of vacancy rates varies amongst the main industrial estates, ranging from no vacancies at Wells Place and Balcombe Road in terms of number of units, to 15% vacancies in terms of number of units at Kingsfield Business Centre and Salfords. In terms of vacancy by floorspace, Pitwood Park (Tadworth) has a 32% vacancy rate (as at March 2020). The main concentration of vacant industrial floorspace is at Salfords.

Table A2.13: Reigate & Banstead Borough Main Industrial Estates Long Term Vacancy Trends (Number of Units and Floorspace, Sq.m)

Year	2011/ 12	2012/ 13	2013/ 14	2014/ 15
Vacant Units (%)	14.0	16.6	18.6	15.6
Vacant Floorspace (%)	10.3	12.1	14.0	10.0
Vacant Floorspace (sq.m)	26,915	31,795	37,015	27,505

Year	2015/ 16	2016/ 17	2017 /18	2018/ 19	2019/ 20
Vacant Units (%)	10.4	10.9	11.7	7.8	8.4
Vacant Floorspace (%)	8.1	8.3	7.5	4.9	5.4
Vacant Floorspace (sq.m)	21,455	22,228	19,899	12,984	13,465

Source: RBBC, 2020

Rents and Yields

1.2.49 EGi data shows that rents for industrial stock varies across the Borough depending on the stock quality/grade and its location.

1.2.50 For established light industrial stock, this can vary from £8.25 to £11.50/sq.ft although the new modern supply coming forward at Wells Point and North Gatwick Gateway is quoting £13.77 - £13.95/sq.ft respectively for flexible accommodation (suitable for industrial and warehousing). This provision of modern, quality stock is driving rental values, a position confirmed by local commercial agents in light of a constrained local supply and strong demand.

1.2.51 With regard to general industrial and storage/distribution stock, EGI data is often characterised as 'mixed industrial' although a range of £7 - £9.50/sq.ft is typically identified. Local agents confirm that rental values for storage and distribution have increased due to occupier demand with typical rents over £10/sq.ft and new stock now quoted above £13/sq.ft.

1.2.52 Yield evidence recorded by EGI is relatively limited. Two recent recorded deals from 2019 and 2020 indicate yields of 5.68% and 4.81% respectively, both for storage/distribution properties. These confirm a healthy investment market for such stock which is driven by growth in the logistics sector. Local agents confirm these yields are broadly reflective of the strong market commanded by storage and distribution floorspace.

Historic Development Activity

1.2.53 Whilst the total commercial stock measured by VOA at Table A2.7 identifies an overall reduction in industrial stock levels over recent years, Council monitoring of industrial and distribution floorspace in the Borough highlights the trend of low levels of new floorspace completions over recent years.

1.2.54 This is summarised in Table A2.14 which covers gains and losses of industrial floorspace between 2011/12 and 2018/19, and illustrates the paucity of gains since 2013/14.

Table A2.14: Trends in Industrial Floorspace Completions and Losses Reigate & Banstead Borough, Sq.m, 2011/12 – 2018/19

Year	2011/ 12	2012/ 13	2013/ 14	2014/ 15
Gain sq.m	1,069	1,977	0	246
Loss sq.m	574	493	0	115
Net sq.m	495	1,484	0	131

Year	2015/ 16	2016/ 17	2017 /18	2018/ 19
Gain sq.m	0	0	0	595
Loss sq.m	292	925	1,353	3,014
Net sq.m	-292	-925	-1,353	-2,419

Source: RBBC, 2019

1.2.55 In summary, there has been a reduction in overall industrial stock in the borough of Reigate & Banstead between 2006 and 2019, although primarily associated with the aftermath of the global financial crisis.

1.2.56 Take-up rates, in contrast, have been relatively healthy, particularly in the wider occupational market as opposed to development-related take-up. Lack of new supply has however driven availability rates to record low levels.

1.2.57 This situation is changing through the delivery of a number of new schemes in the Borough although as outlined by local agents, the market in the Borough remains characterised by limited availability, particularly for flexible and quality accommodation which proves popular to the industrial and distribution market.

1.3 Current Active Market: Gatwick Diamond and Wider Area

1.3.1 This sub-section provides a headline-level overview of the main commercial trends relevant to the wider market area within which Reigate & Banstead sits. The area relates to the authorities comprising the Gatwick Diamond together with the London Boroughs of Croydon and Sutton.

Offices and R&D Space

Existing Stock and Change Over Time

- 1.3.2 Data from the VOA identifies almost 2 million sq.m of office floorspace in the Gatwick Diamond and wider market areas as at March 2019. However, there is a substantial variation in the distribution of office floorspace across the nine authorities which comprise this wider market area.
- 1.3.3 The largest office stock is concentrated at LB Croydon which accounts for over 27% of this total. In the context of the Gatwick Diamond, Crawley, and to a lesser extent, Reigate & Banstead and Mole Valley, support healthy levels of existing office floorspace. Table A2.15 provides a summary of provision across the wider area.

Table A2.15: Total Office Floorspace, Sq.m, across Gatwick Diamond and Wider Study Area, 2006 - 2019

Office	2006	2011	2016	2019	Change 2006 - 2019 Sq.m	Change 2006 - 2019 %
Reigate & Banstead	311,000	308,000	284,000	274,000	-37,000	-12%
Crawley	413,000	382,000	351,000	360,000	-53,000	-13%
Horsham	163,000	165,000	157,000	145,000	-18,000	-11%
Mid Sussex	177,000	180,000	175,000	158,000	-19,000	-11%
Tandridge	60,000	67,000	62,000	55,000	-5,000	-8%
Mole Valley	226,000	247,000	244,000	244,000	18,000	8%
Epsom & Ewell	100,000	95,000	89,000	77,000	-23,000	-23%
LB Croydon	687,000	613,000	540,000	543,000	-144,000	-21%
LB Sutton	203,000	175,000	147,000	137,000	-66,000	-33%
Total	2,340,000	2,232,000	2,049,000	1,993,000	-347,000	-15%

Source: VOA, 2019

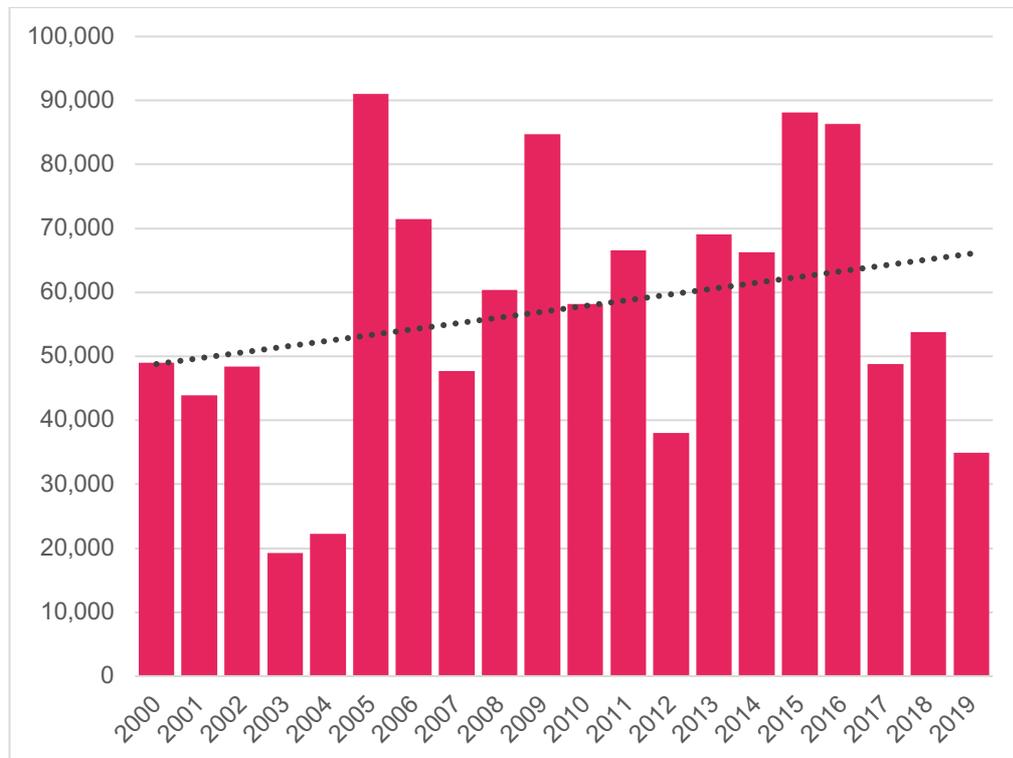
- 1.3.4 Table A2.15 also indicates that there has been a 15% reduction in office floorspace across the area in the period 2006 – 2019 totalling 347,000 sq. m. Reigate & Banstead have seen a slightly below average level of decline, at 12%. The most significant levels of reduction have been in in Sutton (33%), Epsom and Ewell (23%), and Croydon (21%). Interestingly, Crawley and Croydon both witnessed

increases in office stock between 2016 and 2019. Mole Valley represents the only authority which has seen an increase in overall office floorspace over the longer-term period of 2006-2019.

Take Up

- 1.3.5 Data from EGi covers the office take-up patterns within the Gatwick Diamond and wider study area, with results summarised in Figure A2.3. This illustrates the pattern of office take-up over the period 2000 – 2019 and shows a similar cyclical pattern to that revealed for Reigate & Banstead Borough, although the annual fluctuations are not as variable, which is associated with the dampening effects of a wider study area.
- 1.3.6 Across 2000 - 2019 as a whole, the average annual office take-up rate has been approximately 57,420 sq.m. However, the last five-year period 2015 - 2019 has seen the average annual office take-up rate rise to approximately 62,424 sq.m. This represents an increase of approximately 9% above the longer-term 2000 - 2019 take-up rate.
- 1.3.7 The take-up is however lower than the rate of increase seen in Reigate & Banstead, which had a 12% increase in take-up above the longer-term trend, despite more limited take-up in 2019 due to supply constraints. This highlights the underlying business occupier interest in the Reigate & Banstead office market.

Figure A2.3: Office Floorspace Take-up, Sq.m, in Gatwick Diamond and Wider Study Area, 2000 - 2019



Source: EGi, September 2020

- 1.3.8 Discussions with local commercial agents highlight a number of headline office market trends albeit from the most recent years of 2018 and 2019 which confirm the EGi data.
- 1.3.9 For the largest office markets of Croydon and Crawley, office take up was reported as disappointing, especially in Croydon which recorded its lowest take up for 20 years. The average size of letting was also characterised to be smaller than previous years.
- 1.3.10 The majority of property agents reported the negative impact of Brexit uncertainty on occupier take up whilst the limited availability of quality office stock was an additional reported constraint.
- 1.3.11 Equally, consistent feedback from agents focused on the trend towards ‘downsizing’ to smaller, more efficient and smarter use of office

floorspace across many of the office locations in the wider area, which has contributed to lower office size requirements.

Availability

1.3.12 The amount of available office floorspace and total occupational take-up rates are summarised in Table A2.16, based on EGi data. This provides a notional years supply figure, which is a guide as to how healthy the occupational market is.

1.3.13 From Table A2.16 it will be seen that total office availability is 304,090 sq.m in the Gatwick Diamond and wider study area as at September 2020.

1.3.14 This is compared against average annual office take-up rates for different periods. It demonstrates the increasingly tight office occupational market, although not to the same extent as in Reigate & Banstead, where the notional supply of office floorspace is 3.7 years based on the average take-up rates for the period 2015 - 2019.

Table A2.16: Notional Years Supply of Office Floorspace in Gatwick Diamond and Wider Study Area

Office	2000 - 2019	2015 - 2019
Annual Average Take-up (sq.m)	57,420	62,424
Office Availability	304,090	304,090
Notional Years Supply	5.3	4.9

Source: EGi, September 2020

1.3.15 While availability rates vary across the Gatwick Diamond area, many of the markets are considered broadly similar with vacancy rates reported of 3% to 4% which confirms the limited availability of office stock.

1.3.16 By contrast, and more relevant to the local market, it is reported that Crawley has higher availability although much of this is attributed to oversupply in Manor Royal where a number of large 'legacy' offices have become available but where limited demand exists given its focus

on small and medium sized requirements and represents space which is no longer fit for purpose. The situation is slowly changing in Crawley Town Centre, with initiatives including the Town Hall area re-development and Gatwick Park seeking to bring forward much needed Grade A office floorspace within the town.

Rents and Yields

- 1.3.17 Rental activity in the study area confirms healthy levels of office rental growth from the average of £20.78/sq.ft identified in our 2017 report. At the local level, local agents for the Gatwick/Crawley market indicate the majority of lettings for Grade A accommodation has remained strong at circa £25 - £27.50/sq.ft although the lack of Grade A supply has pushed the prime rental tone to circa £30/sq.ft. For the wider area, headline rents are reported up to £35/sq.ft in Croydon whilst secondary rents across the region are typically in the range £20 - £27.50/sq.ft.
- 1.3.18 There is an agreed market sentiment that the lack of an available and quality of office supply in the wider Gatwick Diamond area has driven rental growth.
- 1.3.19 Similarly, there is evidence of strengthening yields over recent years. The 2017 report identified an average yield of 6.7% and whilst transactional activity has remained relatively modest, agent commentary has outlined a yield range of 5.5% to 7.75% depending on location and quality.
- 1.3.20 This is considered to reflect the constraints of low levels of office availability combined with the general lack of speculative development which has supported rental growth and a resultant downward pressure on yields. The sale of Griffin House in Crawley for example achieved 7.2% yield in mid-2019 which broadly accords with the anticipated yield range.

Light Industrial, Logistics, Storage and Distribution

Existing Stock and Change Over Time

- 1.3.21 There is approximately 3.6 million sq.m of industrial floorspace in the Gatwick Diamond and wider market areas as at March 2019 according to VOA data.
- 1.3.22 There are marked variations in the amount of industrial stock across the nine authorities which comprise this wider study area. The largest industrial stock is concentrated in Crawley and in Croydon boroughs, which between them account for almost 40% of the total. Table A2.17 provides a summary of provision across the wider area.
- 1.3.23 Table A2.17 demonstrates that there has been a 3% reduction in industrial floorspace across the area in the period 2006 – 2019, totalling 125,000 sq.m. This is made up of areas that have seen a net increase in industrial stock (Horsham and Mid Sussex) and the other locations witnessing various levels of net industrial stock reduction.
- 1.3.24 The largest rates of industrial stock reduction have been in the boroughs of Epsom & Ewell, Croydon, Mole Valley and Tandridge. Reigate & Banstead Borough sits within the group of local authorities that have seen less significant levels of industrial stock reduction, which also includes the boroughs of Crawley and Sutton.

Table A2.17: Total Industrial Floorspace, Sq.m, across Gatwick Diamond and Wider Study Area, 2006 - 2019

Industrial Floorspace	2006	2011	2016	2019	Change 2006 – 2019 Sq.m	Change 2006 – 2019 %
Reigate & Banstead	317,000	298,000	294,000	293,000	-24,000	-8%
Crawley	709,000	717,000	666,000	684,000	-25,000	-4%
Horsham	475,000	531,000	546,000	546,000	71,000	15%
Mid Sussex	403,000	430,000	445,000	459,000	56,000	14%
Tandridge	220,000	207,000	192,000	194,000	-26,000	-12%
Mole Valley	228,000	204,000	202,000	199,000	-29,000	-13%
Epsom & Ewell	95,000	83,000	79,000	80,000	-15,000	-16%
LB Croydon	785,000	736,000	687,000	674,000	-111,000	-14%
LB Sutton	487,000	493,000	453,000	465,000	-22,000	-5%
Total	3,719,000	3,699,000	3,564,000	3,594,000	-125,000	-3%

Source: VOA, 2019

Take Up

1.3.25 Figure A2.4 below illustrates the scale and pattern of industrial take-up patterns within the Gatwick Diamond and wider study area, based on EGi data. It covers the period 2000 - 2019 and highlights an uplift in take-up from 2007 to a peak in 2013. Since then take-up has been declining year on year but is still relatively healthy, apart from in 2018 and 2019. The reduced take-up in these two years may be associated with a reducing level of available industrial floorspace as well as the occupier uncertainties created by Brexit.

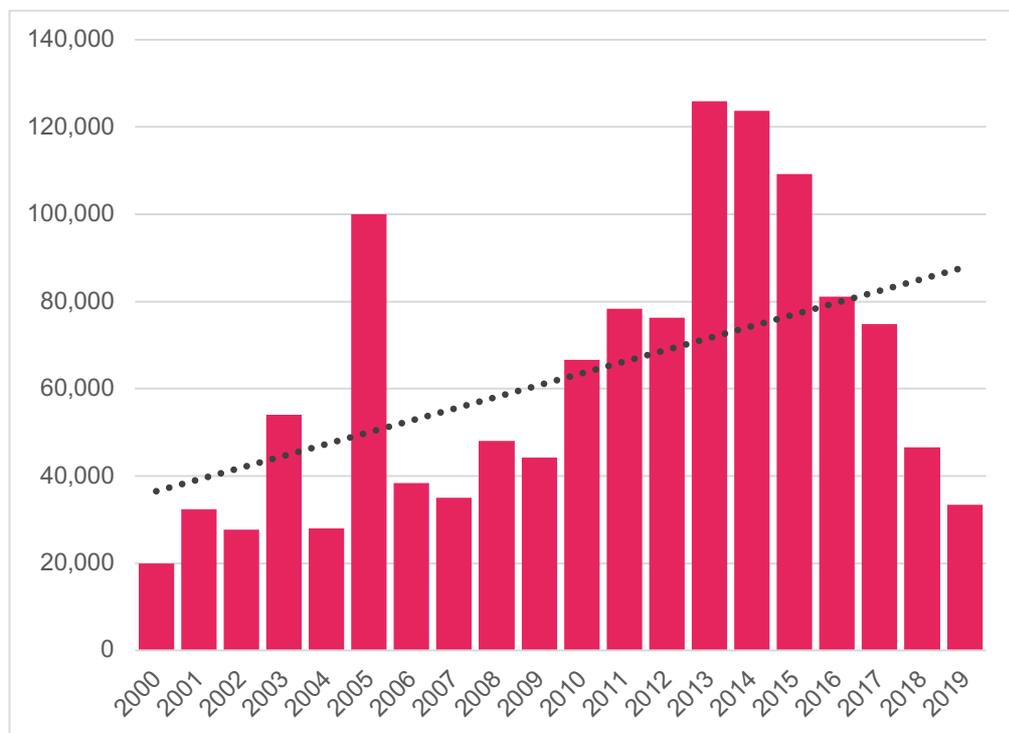
1.3.26 Across 2000 - 2019 as a whole, the average annual industrial take-up rate has been approximately 62,183 sq.m, whilst the last five-year period 2015 - 2019 has seen the average annual industrial take-up rate rise to approximately 69,036 sq.m. The post global financial period 2010 - 2019 has seen industrial take-up average 81,593 sq.m per annum, which reflects major take-up in 2013, 2014 and 2015 in particular.

1.3.27 The increase in take-up in the Gatwick Diamond and wider study area over the period 2015 - 2019 is approximately 11% above the longer-

term 2000 - 2019 take-up rate. However, Reigate & Banstead Borough saw an almost 80% increase in take-up above the longer-term trend for the period 2015 - 2019.

1.3.28 Partly this reflects the increased locational attractiveness of the Borough in terms of distribution activities, but also the fact that there was much more muted levels of activity during the early part of the 2000s prior to the global financial recession.

Figure A2.4: Industrial Floorspace Take-up, Sq.m, in Gatwick Diamond and Wider Study Area, 2000 - 2019



Source: EGi, September 2020

1.3.29 Discussions with local agents confirm levels of occupier demand and confidence had improved following Brexit and political certainty at the end of 2019.

1.3.30 In the context of Gatwick Diamond industrial take up activity, the situation in Crawley in 2019, for example, was reported to equal the 10-year average (at 26,000 sq.m) although more recent evidence for

2020 indicates lower than predicted take up despite increased availability of quality industrial/logistics space.

Availability

- 1.3.31 The amount of available industrial floorspace and total occupational take-up rates are summarised in Table A2.18, based on EGi data. This provides a notional years supply figure, which is a guide as to how healthy the occupational market is.
- 1.3.32 Total industrial availability is 378,067 sq.m in the Gatwick Diamond and wider study area as at September 2020. This is compared against average annual industrial take-up rates for different periods in Table A2.18 and demonstrates a marginal reduction in the notional years' supply of industrial floorspace overall in the Gatwick Diamond and wider study area.

Table A2.18: Notional Years Supply of Industrial Floorspace in Gatwick Diamond and Wider Study Area

Industrial	2000 - 2019	2015 - 2019
Annual Average Take-up (sq.m)	62,183	69,036
Industrial Availability	378,067	378,067
Notional Years Supply	6.1	5.5

Source: EGi, September 2020

- 1.3.33 Local agents report an improvement in the amount of industrial and logistics space coming to the market, particularly in the Crawley/Gatwick Airport area, with over 30,000 sq.m of new speculative stock coming forward to address a constrained availability, particularly for units of over 2,000 sq.m. A similar situation exists in Croydon with new supply focused at the Beddington Lane area for example.
- 1.3.34 The role of the logistics sector is considered the main driver of demand by local agents and has led to a number of speculative schemes coming forward to service strong demand which is focused on the

storage and distribution market. However, agents recognise that supply issues are likely to remain moving forward as demand rebuilds post Brexit and post Coronavirus pandemic.

Rents and Yields

- 1.3.35 Rental information presented at the time of the 2017 report confirmed an average rental of £9.88/sq.ft for light industrial uses. This represents rental growth in the wider area set against a five year average of £7.79/sq.ft.
- 1.3.36 The situation has improved with evidence of prime rents of £14/sq.ft identified for industrial space.
- 1.3.37 A similar position exists for general industrial and particularly storage and distribution stock which was previously identified at an average of £9.32/sq.ft in the 2017 report. While general industrial rents can vary, the strength of the distribution market has led to headline rents of £13.75/sq. ft and even pushing up to £15/sq.ft.
- 1.3.38 In all cases, rents have continued to increase as a consequence of lower stock levels and strong demand.
- 1.3.39 With regard to investment yields evidence, the issues of location and quality drive investment considerations although the issues of constrained supply and robust demand, especially for distribution space, have led to a strengthening of yields with agents reporting a typical range of 4.5% - 6% for modern flexible industrial/warehouse stock. This compares favourably to the 5.1%. yield identified for the nine authorities in the 2017 report.

1.4 Committed and Future Pipeline Provision

- 1.4.1 In order to assess the market demand for the type and scale of development envisaged it is important to consider employment floorspace and land provision that is planned or committed to be delivered in the future.
- 1.4.2 This sub-section examines future employment floorspace based on the current pipeline (committed sites, floorspace under construction and extant employment land allocations) for RBBC.

Reigate & Banstead Borough Existing and Allocated Employment Land

- 1.4.3 The adopted *Core Strategy* (2014, reviewed 2019) sets out the quantum of future employment land requirements totalling approximately 46,000 sq.m by 2027 and the overall spatial strategy for its broad distribution between three defined Areas (North Downs, Redhill and Reigate; and the Low Weald).
- 1.4.4 The DMP makes provision in policy EMP1 for the protection and development of employment uses in four Principal Employment Areas (PEA), namely: Holmethorpe Industrial Estate; Wells Pace Industrial Estate; Perrywood Business Park; and Salfords Industrial Estate.
- 1.4.5 Policy EMP1 recognises that the PEA's make a significant contribution to employment provision and economic growth. The PEA's are identified as locations of strategic importance due to their size, accessibility and commercial offer.
- 1.4.6 DMP policy EMP2 designates Local Employment Areas (LEA) at Pitwood Park Industrial Estate, Kingsfield Business Centre and Balcombe Road Industrial Area. These areas are identified as they provide local opportunities for business location and development often with a range of stock suitable for smaller businesses and with more affordable accommodation.

1.4.7 Turning to supporting evidence, the RBBC *Strategic Employment Provision Opportunity Study* (June 2016) summarised the position with respect to the existing employment land supply allocations and sites in the Borough. Paragraph 2.18 of the report identified:

growing pressure on existing employment land provision in the borough (and more widely).

1.4.8 It continues, concluding that:

the strategy of focusing on existing employment areas and town centres in order to meet growth needs – as envisaged by the Core Strategy – is increasingly challenging.

1.4.9 The Opportunity Study identified an unmet local need (i.e. within RBBC) for at least 17,500 sq.m of office space and potentially as much as 50,000 sq.m based on various economic scenarios. Paragraph 2.17 highlighted qualitative shortages in the office sector in terms of quality, range and mix of stock. Pressure on the existing provision is seen to be arising from losses to stock and sites by virtue of PDR changes to residential use.

Reigate & Banstead Borough Employment Land Floorspace Pipeline

1.4.10 Monitoring data from Reigate & Banstead Borough Council can be used to assess the current pipeline of employment floorspace. This comprises both extant unimplemented employment floorspace permissions and floorspace now under construction but not yet completed.

1.4.11 To update the position from that set out in the previous *Horley Business Park Strategic Employment Site: Economic Assessment in 2017* it is useful to consider the latest two years completions and

pipeline data prepared by RBBC and set out in the Commercial Commitments Monitors that are published annually.

2018/19

- 1.4.12 Table A2.19 below sets out a summary of the total change in completions in the Borough for offices, light industrial, general industrial and storage/distribution space.
- 1.4.13 The Table shows the current position, as at 2018/19 in terms of new floorspace gains as well as losses arising from new developments. It shows a net loss of some -3,012 sq.m of employment floorspace overall as new floorspace completed totalled +1,233 sq.m while losses equated to -4,245 sq.m during the year.
- 1.4.14 The *Commercial Commitments Monitor* notes that the largest loss recorded with general industrial floorspace largely due to the completion of the Frith Park residential re-development project which accounted for a loss of -1,996 sq.m of general industrial space. The Monitor also identified that the losses of office floorspace continues an ongoing trend for the conversion of offices to residential use by virtue of PDR^{iv}. In 2018/19 this equated to some 63% of all office floorspace loss in the Borough.

Table A2.19: Reigate & Banstead Employment Floorspace Completions, 2018/19

Use	Floorspace Gain (Sq.m)	Floorspace Loss (Sq.m)	Net Change (Sq.m)
Office	638	1,231	-593
R&D	0	0	0
Light industrial	222	188	34
General industry	96	2,319	-2,223
Storage and distribution	277	507	-230
Total Floorspace sq.m	1,233	4,245	-3,012

Source: Table 1, RBBC Commercial Commitments Monitor, 2019

1.4.15 While the employment floorspace pipeline position is negative with some significant net losses (a position that accords with evidence from previous years set out in Figure 8 of the RBBC *Local Economic Needs Assessment Update*, June 2016 and RBBC's annual *Commercial Commitments Monitor* reports) there is also evidence of new employment floorspace being permitted and constructed.

1.4.16 The pipeline (extant planning permissions or under construction) of new employment floorspace development totals some +19,581 sq.m for the Borough in 2018/19. Set against this there were however consents granted or developments under construction that will result in a loss of -29,504 sq.m resulting in an overall extant employment floorspace developments pipeline of -9.653 sq.m in 2018/19.

1.4.17 Looking in more detail at the pipeline gains and losses, Table 2 of the RBBC *Commercial Commitments Monitor* 2018/19 records the largest pipeline floorspace gains for storage and distribution (+5,591 sq.m) and the greatest loss from offices (-15,254 sq.m).

2019/20

1.4.18 The *Commercial Commitments Monitor* (September 2020) sets out information of B Use Class employment floorspace completed and committed in the period 2019/20 using data up to March 2020.

1.4.19 The Monitor identifies a total net loss of -4,918 sq.m of employment floorspace in the Borough in 2019/20 with the greatest loss arising from storage and distribution of -2,147 sq.m. Continued net losses are also recorded for office floorspace (-1,284 sq.m) and also for light and general industrial uses. Table 2A.20 below summarises the gains and losses and is extracted from Table 1 of the *Commercial Commitments Monitor*.

Table A2.20: Reigate & Banstead Employment Floorspace Completions, 2019/20

Use Class	Floorspace Gain (Sq.m)	Floorspace Loss (Sq.m)	Net Change (Sq.m)
Office	238	1,522	-1,284
R&D	0	66	-66
Light industrial	460	668	-208
General industry	243	1,456	-1,213
Storage and distribution	22	2,169	-2,147
Total Floorspace sq.m	963	5,881	-4,918

Source: Table 1, RBBC Commercial Commitments Monitor, 2020

1.4.20 The Monitor notes that the loss of industrial floorspace is largely due to the completion of residential redevelopments at the former Elgar Works site, Merstham and at the former Hengest Farm in Woodmansterne, accounting respectively for a loss of 1,456 sq.m of B2 industrial space and 1,356 sq.m of storage and distribution floorspace.

1.4.21 With respect to light industrial floorspace the Monitor concludes that pipeline development could lead to high losses (7,920 sq.m) principally attributed to the residential re-development of Nutley Dean Business Park in Horley (2,804 sq.m), Hockley Industrial Centre in Redhill (1,802 sq.m), and Unit 1 at Pitwood Park in Tadworth(1,579 sq.m).

1.4.22 Turning to the extant pipeline of employment floorspace, the *Commercial Commitments Monitor* confirms an overall net loss of 7,042 sq.m of employment floorspace. This overall loss masks a net

gain of +12,948 sq.m of storage and distribution space; and a net loss of 14,617 sq.m of offices. The Monitor highlights that the pipeline anticipated loss of office floorspace can, as with previous years, be largely attributed to PDR conversions to residential use. The Monitor finds that of all recorded losses, conversion of offices through permitted development accounts for some 85% of the total.

- 1.4.23 The creation of new floorspace is beneficial to the overall quality of employment floorspace and the stock of higher grade space that better meets occupier requirements for building environmental performance and flexibility.
- 1.4.24 This dynamic is particularly important for office and floorspace where there have been (and are) significant pressures arising from changing work practices and new technologies to encourage new, fit-for-purpose floorspace and stock to come forward, weeding out older and poor quality provision.
- 1.4.25 The fact that new employment floorspace continues to be permitted and is brought forward for construction (even though a relatively small quantum of development) shows a positive market signal of demand across the various employment land uses.
- 1.4.26 All employment floorspace losses (other than through changes of use using PDR) have been assessed. Development Plan policies resist the loss of employment land unless marketing details and evidence is provided which shows no market demand for the employment accommodation in question.

Wider Area Employment Floorspace Pipeline

- 1.4.27 While the HSBP site is situated in Reigate & Banstead Borough, the site's location immediately adjacent to the northern boundary of Crawley Borough means that it is also appropriate to review the future pipeline provision in that Borough as well other local authority areas

that form neighbours to RBBC and share functional economic market relationships and localised commercial market characteristics.

1.4.28 The following sub-sections review the employment floorspace pipeline in these neighbouring areas in more detail and update the analysis previously set out in the 2017 report at paragraphs 4.114 onwards.

1.4.29 A variety of different data, monitoring and information sources are used as each District / Borough prepares and publishes its own analyses with varying levels of detail and over different time periods.

Crawley Borough

1.4.30 The most recent analysis of employment land and floorspace provision in Crawley Borough is set out in the *Northern West Sussex Economic Growth Assessment* (January 2020) (NWEGA).

1.4.31 The latest NWEGA provides a substantial update on the economic growth situation, characteristics and employment floorspace for Crawley Borough as well as for Horsham and Mid Sussex Districts (the other constituent local authorities in the Northern West Sussex functional economic market area).

1.4.32 In Section 6 the NWEGA identifies that:

- a) in 2019 Crawley contained 1,044,000 sq.m of existing employment floorspace, the majority of which was industrial in nature (684,000 sq.m) with some 360,000 sq.m of offices;
- b) from 2001 – 2019 the stock of industrial and office floorspace had decreased by 23,000 sq.m (industrial) and 16,000 sq.m (offices) respectively;
- c) The net loss of both office and industrial floorspace was considered to reflect the ongoing re-development of sites across the Borough but particularly within Manor Royal and coupled with trends in conversion of existing office space to residential in Crawley town

centre especially. The trends are noted to be treated with caution due to variance between the Council's own data (showing a net gain in employment floorspace) and the VOA data reflecting a net loss;

- d) In the period 2011 – 2018 Crawley experienced a net increase of employment floorspace of 61,300 sq.m with a net gain in such floorspace of some 42,000 sq.m since the adoption of the Crawley Local Plan in 2015;
- e) Implemented changes of existing office to residential floorspace by PDR totalled 52,160 sq.m from 2013 to date. The NWEGA notes that a further 5,880 sq.m of office floorspace with prior approval has not yet been implemented and could therefore result in further net losses to the office stock, largely in Crawley Town Centre;
- f) the Council has implemented an Article 4 Direction for storage and distribution and light industrial to residential permitted development at Manor Royal and is proposing further Article 4 Directions at its designated Main Employment Areas.

1.4.33 Overall, the NWEGA concludes that when compared with pipeline supply, in quantitative terms Crawley has insufficient employment land supply to meet the spatial requirements emerging from the past take-up based scenario over the period to 2036. It further finds that the emerging pipeline of available supply identified by the Council's Employment Land Trajectory would be sufficient to accommodate office needs identified, but a significant shortfall would arise for industrial uses, equivalent to over 25 hectares.

1.4.34 Crawley Borough has also commissioned a further specific piece of work from consultants Lichfields for the Borough that includes identifying a net requirement for 21.4ha of B8 logistics and warehousing units. The Council proposes to meet through the

allocation of Gatwick Green (a greenfield site east of Gatwick Airport) in the draft Crawley Borough Local Plan.

Epsom & Ewell Borough

- 1.4.35 Epsom & Ewell Borough has not published recent data on the emerging or potential employment land supply, however the latest available evidence is set out in the *Epsom & Ewell Annual Monitoring Report 2019/20* (January 2020) (AMR) which monitors the performance of economic development policies DM24 and DM25.
- 1.4.36 The 2019/20 AMR notes net losses of office floorspace through two applications for change of use from offices to residential use and to non-residential uses (D1 Use Class). In both cases the AMR highlights that the office stock was already vacant prior to the determination of the applications.
- 1.4.37 The overall conclusion is that Epsom & Ewell Borough continues to see a net loss of employment floorspace, particularly for offices; a trend that was very much in evidence at the time the 2017 report was prepared.

Horsham District

- 1.4.38 Completed and pipeline employment land/floorspace stock is examined in Horsham District's AMR, the latest being for the period April 2018 – March 2019. Additional information is also set out in the *Northern West Sussex Economic Growth Assessment, 2020*.
- 1.4.39 The latest AMR identifies that, in total, the gross and net employment floorspace developed within the District for the 2018/19 monitoring period was 15,936.5 sq.m (the net figure is 15,246.5 square metres). The AMR is clear that is less than that last recorded for the 2017/18 monitoring year, which was 25,070 square metres. It confirms that

some 84% of new employment floorspace developed in the monitoring year was for storage and distribution uses.

1.4.40 There were no net overall losses of floorspace for any of the employment uses in 2018/19 (Table 4 of the AMR). Indeed the NWEGA confirms (paragraph 6.29) that as at January 2020 there was overall an employment floorspace gain in Horsham District in the period from 2011 – 2018 and that this growth with driven by increases to the District’s light and general industrial and storage and distribution stock together with mixed office use floorspace. There was an overall slight loss on offices and R&D floorspace (-1,340 sq.m) over the same period. Since the beginning of Horsham’s current Local Plan period in 2015, the NWEGA records (paragraph 6.30) that there has been a net gain in employment floorspace of some 43,200 sq.m mostly for industrial and storage and distribution uses and for mixed office space with very little (1% of total floorspace gained) for offices.

1.4.41 The District Council also monitors the quantum and type of employment land available for development. This land includes sites allocated for employment uses in Development Plan Documents (DPDs) and sites for which planning permission has been granted for employment uses (excluding allocated sites). The latest AMR highlights that the largest pipeline pool of land/sites for employment development is for office use. There is also significant land available for general industrial and storage and distribution uses. The details are set out in Table A2.21 below which is extracted from the AMR.

Table A2.21: Employment Land / Floorspace Available for Employment Use, Horsham District, 2018/19, Sq.m

Type	Gross Floorspace (Sq.m)	Net Floorspace (Sq.m)	Site Area
Office	3,141.2	1,837.2	1.57
R&D	0	0	0
Light industrial	8,330.5	6,621.5	2.28
Mixed use	89,592.5	87,328.5	259.33
General industry	29,862.6	29,549.0	12.97
Storage and distribution	31,721.9	29,751.4	9.46
Total Floorspace sq.m	162,648.7	155,087.6	285.61

Source: Extracted from Table 6, Horsham District Annual Monitoring Report (2019)

1.4.42 The NWEGA identifies (paragraphs 6.31 and 6.32) that there are currently seven prior approval PDR consents awaiting implementation and that these are all located in Horsham Town Centre bar one which is in Billingshurst. The total quantum of office floorspace associated with these sites is 16,700 sq.m. A further 19,200 sq.m of office floorspace with prior approval has not yet been implemented.

1.4.43 The NWEGA concludes (paragraphs 6.33 – 6.35) that this means there is some 35,920 sq.m of office floorspace that could be lost as a result of permitted development conversions to residential use equated to some 23% of the total office floorspace recorded in the District in 2014 (157,000 sq.m).

1.4.44 Clearly the loss of such existing office space is potentially significant in the context of the District's role/function as a substantial office workspace location. The propensity for loss of office floorspace to residential via permitted rights conversions reflects the wider market changes evidenced in other local authorities and it is notable that there has been little sign of a reduction in the focus and emphasis of developers on the use of such permitted rights.

London Borough of Croydon

1.4.45 The adopted *Croydon Local Plan* (February 2018) includes policies for the protection and growth of employment land and floorspace in the Borough.

1.4.46 Much of the office stock of the Borough is focused within the designated Croydon Metropolitan Centre (CMC). The Local Plan seeks to enable the development of new and refurbished office floorspace and also to maintain the retail vitality and viability of the Centre. The Plan anticipated the development of up to 92,000 sq.m of new and refurbished space in CMC to 2031.

1.4.47 The Borough's latest AMR^v identifies (page 16) that if all completed office space (circa -60,000 sq.m), committed and pipeline developments (circa -62,000 sq.m net) were completed there would be a total net loss of 123,961 sq.m of office floorspace in the CMC from 2011. The Council notes that this figure has decreased by some 6,767 sq.m since April 2017 (it is assumed due to the non-implementation of approved schemes or lapse of extant planning permissions).

1.4.48 The AMR concludes that most of the loss of office floorspace has arisen due to the use of PDR for conversion of office floorspace to residential. Such permitted rights have now been removed by an Article 4 Direction covering the CMC and the new Local Plan's Office Retention policy is specifically aimed at ensuring that needed office floorspace is not lost.

- 1.4.49 For industrial and storage and distribution floorspace, the Local Plan targets no net loss of such space across all four tiers of employment land within the Borough^{vi}. There is greater flexibility in Tiers 2 and 4 for the loss of industrial or warehousing space which is intended to be off-set against intensification of employment use (through net additions and floorspace intensification) in Tier 3 locations.
- 1.4.50 The AMR identifies (page 26) that all four tier of employment land have witnesses losses to existing floorspace between 2011 and 2018 (34,811 sq.m in total), of which the greatest reductions in industrial and storage/warehousing space was in Tier 2 (-20,872 sq.m). The net losses experienced in the recent years and as anticipated in the pipeline of recent completions and commitments exceeds the adopted *London Plan* benchmark targets for change to industrial floorspace.
- 1.4.51 There does however remain a significant level of vacant employment floorspace which totalled 78,900 sq.m in 2016; 74,801 sq.m in 2017; and 71,334 sq.m in 2018.
- 1.4.52 The Local Plan is currently subject to a partial review that commenced in Autumn 2019 and is ongoing. An updated Employment Land Review of need and supply is currently being prepared but has not been published at the time of writing.

London Borough of Sutton

- 1.4.53 The London Borough of Sutton's latest published monitoring data^{vii} sets out the most recent, published information on employment land and floorspace development in Section 5.
- 1.4.54 Key industrial and employment locations in the Borough including the Strategic Industrial Locations (SIL) at Beddington, Kimpton and Imperial Way. Lower tier Established Industrial Locations (EIL) have also been identified. The Authority Monitoring Report confirms that

there were no net losses of employment land in any of these locations in 2018/19 (Table 5.3).

- 1.4.55 The AMR highlights a projected future need for industrial land and floorspace by 2031 of 10.1 hectares or 40,500 sq.m.
- 1.4.56 Table 5.7 of the AMR highlights a net increase of +30,710 sq.m of additional R&D, light and general industrial and storage and distribution floorspace between 2016 and 2019 with the largest increase (+15,691 sq.m) in 2018/19. The net increase comprised 19,566 sq.m gross new floorspace less -3,875 sq.m of floorspace lost (from the total employment floorspace stock).
- 1.4.57 Turning to office development, the AMR shows a very different picture with net losses of office floorspace in each year from 2016/17 to 2018/19 totalling some -44,101 sq.m (of which -9,878 sq.m was in Sutton Town Centre) (Table 5.9 and Figure 5.3).
- 1.4.58 The loss of offices was driven by PDR conversions to residential totalling -11,063 sq.m over the 2016/17 – 2018/19 period. Taking account of losses to office stock not by way of PDR, there was a cumulative net loss of 11,351 sq.m in the 2016/17 – 2018/19 period representing a continued trend in the overall reduction of office stock in the Borough.
- 1.4.59 In the latest year, 2018/19 there was a gross loss of -6,168 sq.m of office floorspace with just +112 sq.m gross (through three very small separate schemes) being added to the supply; a net total loss of -6,056 sq.m.
- 1.4.60 The analysis of the pipeline confirms a loss of some 0.4 hectares of existing industrial land at the Mill Green Business Park (a former EIL) that was permitted in September 2019 and is now under construction.

Mid Sussex District

1.4.61 Information on employment land and floorspace for Mid Sussex District, is published in the latest West Sussex County Council *Commercial and Leisure Development Survey, 2019* (CILLA) which covers the period from April 2018 to March 2019.

1.4.62 The CILLA identifies the floorspace gains and losses for employment floorspace during the latest year of survey. The pipeline of recently completed and extant permitted floorspace (yet to be implemented) are summarised in Table A2.22 below.

Table A2.22: Summary Employment Completed Development Floorspace and Extant Permissions Pipeline, Mid Sussex District 2018 – 2019

Use	Completed Development Net Change (Sq.m)	Existing Permissions Net Change (Sq.m)
Offices	180	7,833
R&D	0	0
Light Industrial	3,815	7,626
General Industrial	1,759	1,281
Storage & Distribution	12,095	11,884
Total	17,849	28,624

Source: Commercial and Leisure Development Survey (2019), West Sussex County Council

1.4.63 Table A2.22 shows a substantial pipeline of office floorspace (8,013 sq.m recently completed and extant permitted). There is also a substantial pipeline of new light industrial space (11,441 sq.m recently

completed and extant permitted) and of storage and distribution space (23,979 sq.m recently completed and permitted).

1.4.64 The *Northern West Sussex EGA Update* (January 2020) considers the stock of employment floorspace in Section 6 from paragraph 6.36 onwards. It notes that in 2019, Mid Sussex contained 617,000 sq.m of employment floorspace, the majority of which was industrial in nature (459,000 sq.m), with offices making up 158,000 sq.m, or 25.6%, of the total.

1.4.65 In paragraph 6.45 the NWEGA affirms that net floorspace change in Mid Sussex (in the period 2011 – 2018) highlights that new employment space gains significantly outweighed losses of existing floorspace with net gains of 13,800 sq.m (offices and research & development), 9,100 sq.m (mixed offices and other employment use) and 21,700 sq.m (light and general industrial and storage and distribution). The NWEGA found that in 2018 the vast majority of net employment floorspace gain was in light and general industrial and storage and distribution floorspace which accords with the data found in the analysis of the West Sussex County CILLA information set out above.

1.4.66 With respect to changes to employment floorspace arising from PDR conversions, the NWEGA identifies in paragraphs 6.46 – 6.48 that there have been 71 prior approval applications submitted since May 2013 for office to residential conversions. The NWEGA does however note that information about the scale and implementation status of these prior approvals is not available so it is not possible to quantify the potential change or indeed any future effects on the office stock pipeline arising.

1.4.67 Future planned and allocated employment land is set out in the *Mid Sussex Submission Draft Site Allocations Development Plan Document* (SADPD) (August 2020) notes in policy SA1 that there is a job growth target of 543 new jobs per year and a new employment land

allocation of 25 hectares (arising from adopted District Plan policy DP1). Key employment land allocations are in Burgess Hill, Copthorne, Bolney and at Pease Pottage

- 1.4.68 The SADPD proposes site allocations for some 17.45 hectares of employment floorspace (Table 2.1) as part of the overall District employment land target.
- 1.4.69 A further 48.75 hectares (gross development site area) is allocated through SADPD policy SA9 (and by virtue of District Plan policy DP1) at the proposed Burgess Hill Science Technology Park to support a minimum of 2,500 new jobs. This allocation is to support a Science Park facility and a business support environment that is focused on start-up, incubation and innovation-led knowledge-based industries. It does not include storage and distribution uses.

Mole Valley District

- 1.4.70 Pipeline employment land and floorspace for Mole Valley District is set out in a variety of documents.
- 1.4.71 The Mole Valley *Economic Development Needs Assessment* (March 2017) (EDNA) has an analysis base date of March 2016. There was subsequently published an Addendum to the EDNA in 2018 (undated) which forms the latest published consideration of existing and future employment land needs in the District.
- 1.4.72 Table 19 of the most recent Mole Valley *AMR* (2018) covering the period 2017 – 2018 highlights the pipeline commitment gains and losses for commercial employment floorspace. The key changes are shown in Table A2.23 below which extracts the pipeline as at March 2018.

Table A2.23: Employment Floorspace Permitted and Lost, 2017/18, Mole Valley

Use	New Gross Floorspace (Sq.m)	Lost Floorspace (Sq.m)	Net Floorspace Change (Sq.m)
Offices	223	18,750	-18,527
R&D	0	0	0
Light Industrial	0	53	-53
General Industrial	0	1,189	-1,189
Storage & Distribution	1,552	0	1,552
Total	1,775	19,992	-18,217

Source: Mole Valley Authority Monitoring Report, 2018, extracted from Table 19 and CCL calculations

1.4.73 Turning to the effect of PDR for the conversion of employment

floorspace to residential use, the EDNA identified (Table 1e) potential losses to the office floorspace stock to residential use arising from Prior Notification PDR approvals. It highlighted that at August 2016, some 16,218 sq.m of office floorspace had achieved prior approval although its conversion to residential had not yet commenced (Annexe 8).

1.4.74 In the two following years to March 2018 the EDNA Addendum found that some 4,462 sq.m of office floorspace has been converted via prior approvals. Unimplemented prior approvals as at the end of March 2018 were recorded as 26,675 sq.m (Annexe 1 of the EDNA Addendum). Taken together these figures represent some 12% of the estimated total office floorspace for the District as at March 2016. The EDNA Addendum continues, noting that only circa 14% of the offices

which have gained prior approval had by 2018 either commenced or been completed and that there were a further 9142 sq.m of extant prior approvals which the Council considered had a high probability of implementation with consequent net losses to the office floorspace stock. Current prior approval conversions under construction during 2018 added a further 825 sq.m of net loss of office stock.

- 1.4.75 The 2017/18 Mole Valley *AMR* concludes (paragraph 4.92) that the majority of the net loss of B Class floorspace is attributed to losses to the office stock (reaffirming the analysis set out in the EDNA Addendum) with modest net changes in terms of light industrial, general industrial or storage and distribution floorspace.
- 1.4.76 The future employment land pipeline can also be considered in terms of the proposed supply of new employment land allocations.
- 1.4.77 The Regulation 18 *Mole Valley District Consultation Draft Local Plan* ('Future Mole Valley: 2018 – 2033') is the emerging Local Plan for the District and will, when adopted, replace the existing *Core Strategy* (2009) and *Dorking Town Area Action Plan* (2012).
- 1.4.78 Draft Policy EC2 (Protection of Employment Land) and supporting text (page 44) identifies that the District's EDNA identifies **no** requirement for additional land allocations to meet the economic development needs of Mole Valley over the plan period. The EDNA indicates that there is a broadly balanced employment land market whereby the continued safeguarding of employment land is justified.
- 1.4.79 The future pipeline of employment land and sites is therefore to be supported through the protection, intensification and improvement of the existing Strategic Employment Areas (and other non-designated industrial and commercial employment sites/floorspace).
- 1.4.80 The EDNA Addendum reaffirms this approach and identifies potential capacity arising from under-utilised land on employment sites in Mole Valley (Table 1) equating to opportunities for intensification of some

27,500 sq.m land for additional office development and circa 12,380 sq.m of land for industrial and storage and distribution floorspace.

Tandridge District

- 1.4.81 Tandridge District's adopted *Core Strategy* (2008) does not set a specific target in relation to the provision of new employment land or floorspace. The District Council has however committed to continue monitoring the amount of employment floorspace developed and lost.
- 1.4.82 Provision of employment floorspace in Tandridge District is therefore reviewed in the District Council's annual *Authority Monitoring Report* (AMR). The latest report was published with data for the year April 2019 to March 2020 and offers a recent snapshot of employment floorspace completions and the extant pipeline.
- 1.4.83 Table 15 of the AMR (page 26) identifies the total employment floorspace stock (using Valuation Office Agency data). In 2018/19 the total industrial, storage and distribution floorspace was 194,000 sq.m. This had reduced by 2,000 sq.m to 192,000 sq.m in the latest 2019/20 year. The AMR also recorded the total stock of offices as 55,000 sq.m in 2018/19 falling to 54,000 sq.m in 2019/20. The AMR notes a small overall net gain of employment stock recorded in 2019/20 of 973 sq.m (all employment uses floorspace).
- 1.4.84 Figure 2 of the AMR notes that there have been net losses to employment land in every year since 2006/7 with a loss of 0.37 hectares of such land during 2019/20.
- 1.4.85 Conversion of offices to residential via PR has resulted in a net loss of some 1,483 sq.m across five sites in Caterham, Oxted and Whyteleaf during the 2019/20 monitoring period.
- 1.4.86 The position outlined in the AMR in 2019/20 reflects a continuation of the trends previously found in the 2017 report which noted a gradual net loss of existing employment floorspace and little pipeline new

floorspace/sites coming forwards. The impact of PDR conversions has clearly continued to adversely affect the available office stock in particular with net losses recorded each monitoring year.

1.4.87 The District Council is in the process of updating the development plan and has published *Our Local Plan 2033 (Submission Local Plan)* in January 2019. While this remains an emerging draft Local Plan it indicates in policy TLP01 (Spatial Strategy) and in policy TLP20 (Supporting a Prosperous Economy) that at least 15.3 hectares of net new employment land and sui generis uses will be supported in the period to 2033 with an emphasis on the delivery of office floorspace at sustainable locations such as town centres and those well served by public transport. The draft policy also states that an “element” of employment provision will be met through the delivery of a new Garden Community. Redhill Aerodrome (IES05) is also identified for 0.43ha of employment floorspace.

1.4.88 The Plan notes (paragraph 23.8) that opportunities for intensification of employment sites (including defined Strategic and Important sites) amounts to some 21 hectares and therefore exceeds the level of future market needs identified in the District’s *Economic Needs Assessment Update* (2017). The same paragraph does note that there will need to be a pragmatic and flexible approach to these intensification opportunities given the extent of employment sites that are within the Green Belt or which may have site specific restrictions.

END NOTES

ⁱ HOR9 Strategic Employment Site Economic Assessment (Task 1: Supply & Demand Evidence), September 2017

ⁱⁱ Market absorption is based on the change in the amount of available space between each year. This may be positive or negative. Thus, in 2011/12 available floorspace was 44,000 sq.m and in 2012/13 available floorspace was 44,135 sq.m (see Table 2A.3). This means there an increase in available floorspace of 135 sq.m, so a negative market absorption rate. Development take-up refers to net completion rates – gains in floorspace in a year minus losses of floorspace in the year to produce a net take-up figure. This may be positive or negative.

ⁱⁱⁱ The data recorded in the RBBC Commercial Commitments Monitors in terms of **available** floorspace is not directly comparable with the data on **vacancy** recorded in the Industrial Estates Monitors. The Commercial Commitments Monitors lists the amount of floorspace identified on the market to rent or sell, whilst the Industrial Estates Monitors records vacant units and floorspace identified from an annual site visit. Therefore, the Commercial Commitments Monitor data does not necessarily capture space that is vacant but not being marketed, so may under-record total available space. Nevertheless, the overall trend is similar between the Commercial Commitments Monitors and the Industrial Estates Monitors.

^{iv} The trend of net loss of office floorspace was set out previously in the Chilmark Consulting HOR9 Strategic Employment Site: Economic Assessment – Task 1 Supply & Demand Evidence, August 2017 at paragraphs 4.105 et seq.

^v The Croydon Monitoring Report (June 2019), LB Croydon

^{vi} The Borough has a 4 tier hierarchy of employment land: Tier 1 (Strategic and Separated Industrial Locations); Tier 2 (Integrated Industrial Locations); Tier 3 (Town Centre Industrial Locations); and Tier 4 (Scattered Employment Sites)

^{vii} Authority Monitoring Report 2018/19, London Borough of Sutton (December 2019)

Appendix 3: Future Market Demand Analysis

1.1 Introduction

1.1.1 This Appendix provides an assessment of potential future market demand for the type and scale of accommodation envisaged in Paragraph 3.3.167 of the DMP Explanatory Text. This takes into account the following factors in particular:

- a) Covid-19 and underlying structural changes;
- b) Brexit;
- c) recent and current market activity;
- d) recent and proposed development and site allocations;
- e) the future of Gatwick Airport; and
- f) emerging policy.

1.1.2 The Appendix explains the assumptions, analysis and results used in Section 3 of the main report. Overall future market demand is assessed first, and then the strategic market demand potential.

1.2 Updated Economic Assessment: 2020

Extending Timeframe of Employment Forecasts to 2040 and 2045

1.2.1 The 2017 report used the period 2015 - 2035 for analysis purposes, which had more alignment with Local Plan timeframes. For the current exercise the employment projection timeframe has been run over two periods: 2020 - 2040 and 2020 - 2045.

- 1.2.2 An assessment from 2020 has been used to work from the current position, and a 20-year period has been used to allow comparison with the 2015 - 2035 assessment.
- 1.2.3 In practical terms it is unlikely that the HSBP would be ready for occupation before 2025 at the earliest. As such, an assessment for the period 2020 - 2045 has also been used which would still work from a 20-year development build-out period (2025 - 2040).
- 1.2.4 It may well be the case that the development timeframe is longer than 20 - 25 years, but these two timeframes provide a reasonable and appropriate basis for re-assessing the future potential market demand for the type and scale of development envisaged.
- 1.2.5 The assessment uses the Experian employment projections prepared for the RBBC *Local Economic Needs Assessment* (June 2016) which are from a September 2015 base. These are used in order to provide consistency with the original analysis. Given the level of economic uncertainty at the moment it is unlikely that more current formal employment forecasts would provide any greater degree of precision, particularly in terms of fundamental patterns of change. The specific issue of employment impacts over 2020- 2021 are covered later. For the projections beyond 2035 the preceding 5-year Experian-based employment projection trends were carried forward.
- 1.2.6 The results of applying the different timeframes are summarised in Table A3.1, which are compared with the employment change for 2015 - 2035 reported in the 2017 report. This is on the basis of no adjustments to the underlying employment numbers; in other words, no adjustment for the impact of Covid-19 or for Brexit.
- 1.2.7 From Table A3.1 it will be seen that the headline employment numbers are broadly similar for the periods 2015 - 2035 and 2020 - 2040. There is an increase of approximately 28% for the period 2020 - 2045 compared to 2015 -2035, which is primarily due to the longer assessment period used.

Table A3.1: Projected Employment Change Reigate & Banstead – Unadjusted Projections

Floorspace Type	Employment Change		
	2015 - 2035	2020 - 2040	2020 - 2045
Industrial B1(b) / (c) / B2	382	396	508
Storage & Distribution B8	744	738	930
Office B1(a)	3,673	3,694	4,711
Total B Use Class	4,798	4,828	6,148

Source: CCL calculation using Experian (September 2015)

1.2.8 Table A3.2 below translates the projected employment changes into floorspace requirements. No adjustments have been made to these figures at this stage. The purpose is to illustrate how the scale of floorspace compares between the different timeframes.

1.2.9 As with the employment projections, there is marginal difference in floorspace requirements between the periods 2015 - 2035 and 2020 - 2040. Floorspace requirements for the period 2020 - 2045 are higher reflecting the longer assessment period. As such, the 2020 onward employment projections are not creating any undue skewing of trends compared with the analysis prepared previously in the 2017 report.

Table A3.2: Potential Floorspace Change Reigate & Banstead – Unadjusted Projections

Floorspace Type	Employment Change		
	2015 - 2035	2020 - 2040	2020 - 2045
Industrial B1 (b) / (c) / B2	15,260	15,560	19,900
Storage & Distribution B8	33,458	33,188	41,828
Office B1(a)	44,076	44,328	56,526
Total B Use Class	92,794	93,076	118,254

Source: CCL calculation using Experian (September 2015)

Economic Shock Adjustments – Brexit and Coronavirus

1.2.10 The potential impacts of Brexit and Coronavirus on employment levels needs have been assessed and incorporated into the assessment of market demand for the type and scale of development envisaged on the Horley Strategic Business Park. However, given the on-going and uncertain nature of both of these factors it is difficult to provide a fully

robust set of impact assessments. The latest Office for Budget Responsibility (OBR) forecastsⁱ indicate that the economic impact for the UK economy for 2020 may be -12.4% with a 'bounce-back' growth rate for 2021 of 8.7%. However, this analysis was produced in July 2020 since when the position will undoubtedly have changed further.

1.2.11 As an illustration of this, the KPMG *September Economic Outlook* suggests a slightly smaller (but still severe) level of national economic decline in 2020 of 10.3% and a relatively strong level of growth in 2021 of 8.4%ⁱⁱ. KPMG also suggest that Reigate & Banstead may not see as severe a downturn as the national economy, with a reduction in economic output of 8.1% in 2020 and then an increase in output of 8% in 2021.

1.2.12 The OBR forecasts did provide an estimate of impacts on employment rates at the national level. This suggested under their 'central' scenario that there may be a decline in employment of 1.3% between 2020 and 2021; and growth of 4.2% between 2021 and 2022. Within the 'downside' scenario there may be a decline in employment of 2.6% between 2020 and 2021; and growth of 4.2% between 2021 and 2022.

1.2.13 Analysis for the Gatwick Diamondⁱⁱⁱ suggested a 13% impact on GVA in 2020 based on the OBR 'Coronavirus Reference Scenario' as at May 2020. Based on a 'Gatwick Airport Rebound Scenario' the impact for the Gatwick Diamond area was estimated as a 16% decline in GVA in 2020, due to the significant impacts likely to be felt at major business hubs such as Gatwick Airport. The assessment also concluded that it would take the Gatwick Diamond area ten years to recover the GVA lost in 2020 based on pre-Coronavirus growth rates. This however relates to the whole of the Gatwick Diamond area, where overall average economic growth rates have been low relative to Reigate & Banstead Borough.

1.2.14 An assessment of impacts of Coronavirus on the West Sussex economy was undertaken in July 2020^{iv}. It found that there were

17.2% fewer business start-ups in West Sussex in the Q2 period March - May 2020 compared to the previous quarter in 2019. It also found that the number of 16+ claimants in June 2020 was 2.5 times higher than in March 2020; and that 31% of the resident workforce had been furloughed. This provides a snapshot of how the economic impacts are translating into employment changes.

- 1.2.15 Analysis by Coast to Capital LEP^v examined the potential impact of Coronavirus on the Coast to Capital LEP area as at August 2020. This estimated a £9.8bn (17%) contraction in GVA in 2020 (compared to a national average of 15% as estimated at that point in time), which was based on a single national lockdown scenario^{vi}. A second lockdown was estimated to result in a GVA loss of 26%. It was also noted that a V-shaped recovery would lead to an estimated loss of 12% in GVA, although this type of swifter recovery was not anticipated.
- 1.2.16 Translating these economic effects into future employment impacts is complicated, not least because of how policy rescue packages and incentives are influencing matters. However, in order to provide an updated assessment, it is assumed that employment levels may drop by 5.0% in the borough of Reigate & Banstead over the period 2020 - 2021. This is likely to be at the higher end of the potential scale of employment reduction but ensures a robust assessment of future floorspace potential demand associated with HSBP is made^{vii}.
- 1.2.17 In addition, it has been assumed that employment growth in the borough of Reigate & Banstead would return to the Experian-based growth rates from 2021. Put simply, there would be no 'bounce-back' growth. Again, this is likely to be an over-cautious assessment but means that a tempered assessment of future floorspace demand is provided.
- 1.2.18 The results of this assessment are summarised in Table A3.3. It should be stressed that these are indicative estimates, designed to test the

robustness of the scale of market demand for the development proposed at HSBP.

1.2.19 Over the period 2020 - 2040 the results suggest that employment levels may be approximately 5.0% lower than under the original 2015-based employment projections.

Table A3.3: Projected Employment Change Reigate & Banstead – Brexit and Coronavirus Impact

Floorspace Type	Employment Change	
	2020 - 2040	2020 - 2045
Industrial B1(b) / (c) / B2	376	483
Storage & Distribution B8	701	883
Office B1(a)	3,509	4,475
Total B Use Class	4,586	5,841
Unadjusted Projections	4,828	6,148

Source: CCL calculation

1.2.20 The results in floorspace terms are summarised in Table A.4. This shows a corresponding decrease in floorspace of approximately 5%. Thus, floorspace need reduces from 93,076 sq.m for 2015 - 2035 to 88,422 sq.m for the period 2020 - 2040.

Table A3.4: Potential Floorspace Change Reigate & Banstead – Brexit and Coronavirus Impact

Floorspace Type	Floorspace Change (Sq.m)	
	2020 - 2040	2020 - 2045
Industrial B1(b) / (c) / B2	14,782	18,905
Storage & Distribution B8	31,528	39,736
Office B1 (a)	42,112	53,700
Total B Use Class	88,422	112,341

Source: CCL calculation

Modifications to Working Practices and Employment Densities

1.2.21 The Coronavirus pandemic has had significant, immediate, impacts on the use of workspaces, notably office space. During the national lockdown from March 2020 there was effectively no use of office floorspace and employers and businesses have been instigating social-distance design arrangement for their workspaces. In the case

of workspace design this has, and is having, a major effect in terms of the amount of floorspace 'allocated' per employee, effectively increasing the amount of space provision per person significantly.

1.2.22 Within the Government estate^{viii}, for example, new workspace designs are resulting in average space provision levels almost three times pre-Coronavirus levels. This is to ensure workspaces are configured in a way that maintains social and physical distance so as to minimise risks associated with Coronavirus. These design constraints are likely to be in place in the immediate period and short-term.

1.2.23 Over the longer-term it is more uncertain whether these less intense employment densities will remain in place. There will be pressure to maximise the economic efficiency of floorspace, which will increase pressure for more intensive use of space. However, the enhanced social-interaction and healthy workplace driver will, together with changing employee and employer experiences of remote working and working from home, maintain pressure to support greater levels of floorspace provision per person.

1.2.24 It is therefore assumed that there will, over the 20 - 25 year assessment period, be an increased emphasis on 'productive' space^{ix}. This is likely to result in an overall lower employment density figure (i.e. more floorspace needed per employee). The effect is most likely to be felt in the office sector, where collaboration, touch-down and interaction space is likely to take on much greater significance. There may also be a reduction in industrial employment density, although this may be more associated with the underlying trends in terms of automation and AI than Coronavirus safety particularly.

1.2.25 The following changes to average employment floorspace densities have therefore been assumed and applied to the analysis, which are based on GIA provision figures^x:

- Office sector – moving from 12 sq.m per person to 14 sq.m per person;
- Light industrial sector – moving from 40 sq.m per person to 50 sq.m per person; and
- Storage and distribution sector – moving from 45 sq.m per person to 60 sq.m per person.

1.2.26 These changes would **increase** the amount of floorspace required in the future.

1.2.27 In addition, there have been increased levels of employee remote working. Overall, this change has been viewed positively by workers and employers, although there are important wellbeing issues that remote working raises. It is expected that this emphasis on remote working will continue, although it is unlikely to be at the level seen during the national lockdown and immediate post-lockdown periods.

1.2.28 The Office of Government Property, for instance, anticipates that approximately 40% of staff could be working from home^{xi}. A recent survey of 2,000 workers by the British Chamber of Offices (BCO)^{xii} reported that 20% of workers plan to work primarily from home, 27% plan to work from home for less than half the working week and 38% do not plan to work from home at all. Analysis by CIPD^{xiii} found that in the UK approximately 30% of people worked from home over the last year (which relates to pre-Coronavirus activity mainly).

1.2.29 Based on the various analysis and commentary, the following assumptions about the levels of remote working have been used:

- a 25% 'remote-working' ratio for the office sector; and
- a 10% 'remote working' ratio for the industrial sector.

1.2.30 The remote working ratio is an assumed amalgam of home working and remote working combinations. In broad terms each 1% level of remote working equates to a 1% reduction in demand for floorspace.

Whilst core industrial activities are unlikely to be suitable for remote working, some of the supporting and ancillary activities may be, which is the justification for the 10% assumption. The remote working assumptions used may be towards the higher-range but they do provide a critical test of the scale of potential employment floorspace demand for HSBP.

1.2.31 These changes would **decrease** the amount of floorspace in the future.

1.2.32 One of the consequences of the national lockdown and forced working from home has been a reflection on commuting patterns by individuals and organisations with the acknowledged benefit of less time and costs spent commuting and the ability to use this time for other purposes^{xiv}. This is reported to have seen relocations by individuals to more desirable locations^{xv} and to also reflect on the type of space and environment they want to work in, which may not necessarily be a central city location.

1.2.33 In this context, the potential for a very high-quality working environment and easily accessible location of the HSBP may be a particularly attractive feature for employees and employers (although much would of course depend upon the actual design of the buildings and floorspace).

1.2.34 HSBP may therefore provide an alternative employment location that better suits future working and commuting needs, with the potential to attract residents within Reigate & Banstead who currently commute out of the Borough (which included 45% travelling to London^{xvi}). Conversely, however, a similar number of people commute into the Borough as commute out. It may be the case that there is a counter-pull for a proportion of these in-commuters to seek employment closer to home.

1.2.35 As such, it has been assumed that the result would be no change in the net result of potential commuting patterns in terms of floorspace requirements. This is likely to be a cautious assumption, as the

potential healthy working and flexible working opportunities that HSBP may offer could be a potential employment draw of the scheme.

1.2.36 Table A3.5 summarises the impact of these assumptions on floorspace requirements. This is applied to the reduced employment numbers resulting from the assessment summarised in Tables A3.3 and A3.4.

1.2.37 The results indicate a reduction in floorspace demand of approximately 9% when compared against the unadjusted economic shock assessment in Table A3.4. If the remote working rate was to be higher, then the floorspace reduction would also be greater. However, the assumption of 25% of the office workforce effectively working at home is likely to be a more extreme scenario.

Table A3.5: Potential Floorspace Change Reigate & Banstead – Adjustment for Changing Working Practices and Economic Shock

Floorspace Type	Floorspace Change (Sq.m)	
	2020 - 2040	2020 - 2045
Industrial B1(b) / (c) / B2	13,387	17,127
Storage & Distribution B8	31,528	39,736
Office B1(a)	35,823	45,723
Total B Use Class	80,738	102,586

Source: CCL calculation

Market Adjustments

1.2.38 A series of market adjustments and allowances have been applied to the floorspace figures and is summarised in Table A3.6. The same process of adjustments as applied in the *Local Economic Needs Assessment* (June 2016) has been used, including as follows:

- a) vacancy rate of 7%;
- b) land flexibility margin (2 years based on past take-up rates);
- c) windfall loss replacement allowance; and
- d) adjustment for planning consents and vacant stock supply.

1.2.39 The vacancy rate of 7% and the windfall loss replacement figures used in the *Local Economic Needs Assessment* report were retained as

these are considered broadly reflective of current conditions. The windfall loss replacement figures were applied for a 10-year period in the *Local Economic Needs Assessment* report. Arguably the figures could be increased to reflect the 20-year period related to the HSBP analysis, but a 10-year period has been retained in order to provide a more cautious assessment of potential demand.

- 1.2.40 The land flexibility margin is based on the equivalent of two years of total annual take-up. This allowance is to reflect the average time for a site to gain permission and begin development.
- 1.2.41 The take-up rates used in the *Local Economic Needs Assessment* have been updated to reflect the latest data monitored by Reigate & Banstead Borough Council and build upon the analysis of these trends in the Current Active Market Section. This has seen an overall increase in the amount of floorspace associated with this allowance, which is driven by increases in the industrial sector. The office sector has seen a reduction in this allowance relative to the 2016 analysis.
- 1.2.42 An adjustment for planning permissions and vacant supply is made to reflect how this will influence overall floorspace requirements. Thus, existing planning permissions will potentially increase or decrease the amount of new land which needs to be found in order to meet gross floorspace requirements. Updated analysis has been carried out to reflect the latest data, as discussed in the Current Active Market Section, while still applying the same assumptions used in the *Local Economic Needs Assessment*^{xvii}.
- 1.2.43 No modification for redevelopment potential was made as the redevelopment potential of 18,000 sq.m in the industrial and storage and distribution sectors and 8,000 sq.m in the office sector identified in the 2017 report has been built-out.
- 1.2.44 The results of the above set of adjustments and allowances are summarised in Table A3.6. This indicates that an increase of 23,661 sq.m of floorspace provision needs to be allowed for.

Table A3.6: Potential Floorspace Change Reigate & Banstead – Market Adjustments, Sq.m

Floorspace Type	Flexibility Margin ^{xviii}	Windfall Allowance	Planning Consent & Vacant Stock Supply ^{xix}	Total
Industrial B1 (b) / (c) / B2	1,651	434	1,982	4,067
Storage & Distribution B8	3,067	805	-3,355	517
Office B1 (a)	6,754	3,367	8,956	19,077
Total B Use Class	11,472	4,606	7,583	23,661

Source: CCL calculation

1.2.45 In addition to the above provision, the vacancy rate of 7% is applied to the floorspace requirement figures identified in Table A3.5 as this relates to two timeframes (2020 - 2040 and 2020 - 2045). This is summarised in Table A3.7 below.

Table A3.7: Potential Floorspace Change Reigate & Banstead – Vacancy Rate on Changing Working Practices and Economic Shock Figures

Floorspace Type	Floorspace Change Sq.m	
	2020 - 2040	2020 - 2045
Industrial B1(b) / (c) / B2	937	1,199
Storage & Distribution B8	2,207	2,782
Office B1(a)	2,508	3,201
Total B Use Class	5,652	7,181

Source: CCL calculation

1.2.46 Combining the analysis from Tables A3.5, A3.6 and A3.7 results in the floorspace demand pattern summarised in Table A3.8.

Table A3.8: Potential Floorspace Change Reigate & Banstead – Changing Working Practices, Economic Shock Figures and Market Adjustments

Floorspace Type	Floorspace Change (Sq.m)	
	2020 - 2040	2020 - 2045
Industrial B1(b) / (c) / B2	18,391	22,394
Storage & Distribution B8	34,252	43,035
Office B1 (a)	57,407	68,000
Total B Use Class	110,051	133,428

Source: CCL calculation

Strategic Market Demand

1.2.47 As with the 2017 report, it has been assumed that potentially 75% of the demand may be categorised as of a strategic nature. The analysis results in the strategic demand profile summarised in Table A3.9 which indicates a potential floorspace demand of between 82,538 sq.m (2020 - 2040) and 100,071 sq.m (2040 - 2045). This compares against a floorspace demand figure of 72,713 sq.m for the period 2015 - 2035 from the 2017 analysis.

Table A3.9: Potential Floorspace Change Reigate & Banstead – Changing Working Practices, Economic Shock Figures and Market Adjustments: Strategic Demand

Floorspace Type	Floorspace Change (Sq.m)	
	2020 - 2040	2020 - 2045
Industrial B1(b) / (c) / B2	13,793	16,795
Storage & Distribution B8	25,689	32,276
Office B1 (a)	43,055	51,000
Total B Use Class	82,538	100,071

Source: CCL calculation

Assessment of Wider Needs

1.2.48 HSBP is a major long-term scheme with a strategic focus, with high-levels of accessibility potential (close to major transport infrastructure such as Gatwick Airport, the M23 and mainline rail services). It is intended to meet corporate and strategic business and supporting needs and is therefore expected to have a draw far beyond the immediate local authorities. This will include London and the wider South East as well as national relocations and Foreign Direct Investment opportunities.

1.2.49 To put this in context, VOA floorspace stock data changes in London and the South East region has been analysed and is summarised in Table A3.10. It shows that over the period 2000/01 – 2018/19 office floorspace has increased by approximately 126,000 sq.m per annum on average across this area.

Table A3.10: Change in Office Floorspace Stock in Wider Strategic Area

Floorspace Type	Office Floorspace Change (sq. m)		
	2000/01	2018/19	Overall Change (average p.a)
London	24,531,000	26,414,000	1,883,000 (105,000)
South East	12,917,000	13,295,000	378,000 (21,000)
Total Office	37,448,000	39,709,000	2,261,000 (126,000)

Source: CCL calculation using VOA data, 2020

- 1.2.50 If this rate of net increase in office floorspace was to continue into the future, and assuming 75% of this growth was associated with strategic demand, this would equate to an annual increase of 94,500 sq.m in office floorspace in this area. If HSBP was to secure 2.5% of this net growth this would be approximately 47,250 sq.m over 20 years and 59,063 sq.m over 25 years. If 5% of this growth was secured then this would be approximately 94,500 sq.m over 20 years and 118,125 sq.m over 25 years.
- 1.2.51 Whilst there is no guarantee that these levels of ‘market capture’ would occur, it does indicate the potential scale of opportunity that may arise. In addition, this potential demand excludes demand that may arise elsewhere in the UK, and which may be attracted to HSBP, as well as Foreign Direct Investment.
- 1.2.52 It should also be noted that the above analysis relates to net change in office floorspace only. There will also be gross occupational demand occurring within market-places. In the case of the borough of Reigate and Banstead, for example, the VOA data indicated that there was a **net loss** in office floorspace of approximately 2,848 sq.m per annum over the period 2006 - 2019. This is in contrast to average occupational office take-up of 7,760 sq.m per annum over the period 2000 - 2019.
- 1.2.53 In other words, even within an area that is seeing a net reduction in office floorspace there will be still be demand for office floorspace from existing occupiers, new start-ups and relocating businesses. This suggests that the above wider strategic floorspace need figures of

47,250 sq.m to 118,125 sq.m may be minimum demand levels associated with the HSBP.

Gatwick Airport

- 1.2.54 An assessment of market demand that may arise from Gatwick Airport has been carried out. Given the high degree of uncertainty associated with the aviation sector currently, the assessment has only focused on the 'demand increase' scenario presented in the 2017 report. Even within this, caution is needed in interpreting the results given the on-going structural changes taking place within this sector.
- 1.2.55 The market demand assessment has also worked from the assumption of making best use of the existing main runway, as laid out in the *Gatwick Airport Masterplan (2019)*^{xx}. The potential use of the Northern Runway^{xxi} / routine use of the Emergency Runway scenario in the *Gatwick Masterplan (2019)* has not been assessed. If this operational assumption was applied it is likely to increase the demand for commercial employment floorspace.
- 1.2.56 The key assumptions used in the Gatwick Airport impact assessment in the 2017 report have been retained. The exception is to change the employment density ratios to reflect the lower employment density figures used earlier in this report (14 sq.m GIA for office activity; 50 sq.m GIA for light industrial use; and 60 sq.m GIA for storage and distribution use).
- 1.2.57 The original impact assessment worked from analysis undertaken in 2014^{xxii}. This identified the number of airport-related jobs in 2014 and how these may change by 2030. Under a 'no runway growth' scenario the total job growth was expected to be 6,600 between 2014 and 2030, from 31,100 to 37,700. This is an average growth rate of 1.3% per annum and related to a growth in passenger numbers of approximately 1.2% per annum over the same period. The 'no runway growth'

scenario is taken to be comparable to the ‘making best use of the existing runway’ scenario in the *Gatwick Airport Masterplan (2019)*.

1.2.58 The *Gatwick Airport Masterplan (2019)* identified that the total number of direct jobs at Gatwick Airport is 24,000. The Masterplan also projects a growth in passenger numbers under the ‘making best use of the existing runway’ scenario as 13% between 2020/21 and 2032/33, of 1.1% per annum^{xxiii}. These are all pre-Coronavirus passenger growth forecasts. Gatwick Airport currently suggest it will be 48 months before air traffic growth is back to pre-Coronavirus levels.

1.2.59 It has been assumed that passenger growth between 2020/21 and 2032/33 would be approximately 75% that forecast in the Gatwick Masterplan, with a figure of 0.8% per annum used^{xxiv}. This has been applied to the direct jobs at Gatwick Airport to estimate potential job growth for the period 2020 - 2040. It is likely to under-record job growth as it does not account for in-direct jobs and runs over a longer time period that used in the Gatwick Masterplan forecasts, so should provide a realistic minimum level of job growth associated with the Airport.

1.2.60 The results are summarised in Table A3.11 which finds that there could be a realistic minimum of an additional 19,059 sq.m of employment floorspace in Reigate & Banstead Borough associated with this scenario at Gatwick Airport.

Table A3.11: Potential Floorspace Impact of Gatwick Airport (Best Use of Existing Runway Scenario) on Reigate & Banstead by 2040, Sq.m

Gatwick Airport Growth	Direct Airport Jobs ^{xxv}	Reigate & Banstead Share	Assume 80% B Use	Offices	Industrial / Warehousing	Total Sq.m
2019	35,543	-	-	-	-	-
2040	42,017	-	-	-	-	-
Total Change	6,474	596	476	3,335	15,724	19,059

Source: CCL calculation

1.3 Summary

- 1.3.1 Table A3.12 provides a summary of the above analysis highlighting a range of potential employment floorspace demand of between 82,538 and 100,071 sq.m. This is broadly comparable with the 2017 analysis based on the 2020 - 2045 timeframe, which is likely to be reflective of the development build out of HSBP.
- 1.3.2 In addition, an updated assessment of wider potential strategic need has indicated that within the strategic geography of London and the South East there could be a realistic minimum office demand figure of 47,250 sq.m to 118,125 sq.m associated with HSBP over the period 2020 - 2040/45. Demand that may arise from Gatwick Airport could be of the order of approximately 19,060 sq.m under a 'making best use of existing runway' scenario.

Table A3.12: Gross Strategic Floorspace Requirements in Reigate & Banstead 2020 - 2040 and 2020 - 2045*

		Floorspace Requirements (Sq.m)	
		2017 Analysis	2020 Analysis
		2015 - 2035	2020 - 2040 & 2020 - 2045
1	Industrial: B1 (b)/(c)/B2	9,093 - 10,777	13,793 – 16,795
2	Storage & Distribution: B8	18,212 - 18,212	25,689 – 32,276
3	Offices: B1 (a)	39,136 - 51,896	43,055 - 51,000
4	Strategic Total	66,422 - 80,885	82,538 – 100,071

Source: HOR9 Horley Strategic Employment Site, Economic Assessment - Task 1: Supply and Demand Evidence (2017) and CCL calculation, 2020

* - Adjusted for Changing Working Practices, Economic Shock, Market Adjustments, Wider Unmet Need and FDI / UK Relocations

- 1.3.3 The assessment set out in Table A3.12 has been based on updated data wherever possible, including current market evidence, and a review of developments since the 2017 report. A number of assumptions have, however, had to be applied in order to test the original assessment and to reflect current developments and market trends. These have risks attached to them.

1.3.4 Whilst the emphasis has been on using cautious assumptions (i.e. less optimistic demand figures), it is possible that matters may differ in practice from what has been assumed. A summary of key risks is therefore outlined below, including a commentary on how it may impact on the market demand assessment:

- a) **Development Timeframe.** A 20 and 25 year set of timeframes have been used. In practice, a longer development period may emerge. **Potential impact: increased level of floorspace demand;**
- b) **Brexit and Coronavirus Employment Impact.** A reduction in employment of 5% has been assumed. This is likely to be at the high-end of impacts^{xxvi}, with a 1 - 2% reduction in employment possible. **Potential impact: increased level of floorspace demand;**
- c) **Employment Growth.** No 'bounce-back' growth rate in employment has been assumed. Instead, the growth rates used in the baseline Experian 2015 projections have been retained, which is likely to under-record employment growth from 2021 onwards^{xxvii}. **Potential impact: increased level of floorspace demand;**
- d) **Employment Densities.** Reduced employment density levels have been assumed (i.e. more space per person) to reflect new working practices, with office densities assumed to move from 12 sq.m per person to 14 sq.m per person. It is possible the employment densities may be lower than this, raising to 15 or 16 sq.m per person. Equally, employment densities could revert to pre-Coronavirus levels which would reduce the level of floorspace demand. **Potential impact: could increase or decrease level of floorspace demand;**
- e) **Remote Working.** A remote working ratio of 25% for the office sector and 10% for the industrial sector has been used. The office remote working ratio is seen as being towards the higher end of

likelihood, but it is possible that it may be higher which would reduce the demand for floorspace. It is unlikely that the industrial sector remote working ratio would be higher than 10% and if anything may be lower than this. **Potential impact: reduced level of floorspace demand;**

- f) **Commuting Patterns.** It has been assumed that there would be a balancing effect between Reigate & Banstead residents who currently work in London and who are attracted to working within the Borough and those who commute into the Borough being attracted to work locations closer to their residence. However, the balance could change either way, with possible greater potential for drawing people into Reigate & Banstead given the development of HSBP. **Potential impact: could increase or decrease level of floorspace demand;** and
- g) **Wider Need.** A limited strategic geography of London, Kent, East and West Sussex and Surrey has been used to assess potential demand that may arise from this source. This underplays potential demand from elsewhere in the UK as well as FDI. **Potential impact: increased level of floorspace demand**

END NOTES

ⁱ Fiscal Sustainability Report Table 1, Page 8, Office for Budget Responsibility (July 2020)

ⁱⁱ KPMG September 2020 Economic Outlook forecasts national economic output to contract by 10.3% in 2020 but increase by 8.4% in 2021

ⁱⁱⁱ Covid-19 Impact Assessment. Gatwick Diamond. Hatch Consulting, Gatwick Diamond (May 2020)

^{iv} Impact of COVID-19 on the West Sussex Economy, The West Sussex Way (July 2020)

^v Coronavirus (COVID-19) Economic Impact Assessment. Page 12. Hatch Consulting, Coast to Capital LEP (August 2020)

^{vi} It should be noted that the Gatwick Diamond (May 2020) Covid-19 Impact Assessment report also contained analysis for the Capital to Coast area but based at an earlier date than the August 2020 report referred to here. This earlier analysis indicated a decline in GVA for the Coast to Capital area of 12% in 2020

^{vii} Nomis Labour Market Profile identified 78,400 economically active in Reigate & Banstead (April 2019-March 2020) and 1,800 unemployed with an unemployment rate of 2.3%. KPMG September 2020 Economic Outlook forecasts national unemployment rate to rise from 3.8% 2019, 5.9% 2020 to 8.2% 2021. Assuming this doubling of unemployment (3.8% to 8.2%) applies to Reigate & Banstead would mean unemployment rising from 1,800 to 3,600. This is equivalent to a 2.3% reduction in employment

^{viii} Based on confidential project design work undertaken for Government departments and agencies during Summer 2020.

^{ix} Productive space is space that is used to achieve the most effective and efficient output from staff whilst providing suitable well-being and supportive physical and operational environments

^x It should be noted that the employment generation figures for HSBP used different employment floorspace density ratios as this scheme deals with more corporate and strategic uses. As such the office employment density used was 16 sq.m GIA, light industrial employment density was 58 sq.m GIA and storage and distribution employment density was 70 sq.m GIA.

^{xi} Spending Review 2020: Guidance for the Property Function, page 9, Office of Government Property (August 2020). However, the terms home working

and remote working are often used interchangeably, but cover two distinct types of working arrangements. There is home-working, where an individual works primarily from home, normally on a contractual basis, with only occasional visits to an office base. Then there is remote working in which an individual works 1, 2, 3, or 4 days or some other combination of time away from the office. As such, a phrase such as '40% home working' does not necessarily mean that there is a 40% reduction in space need as much will depend upon the actual scheduling of remote and home working within an organisation, and how form of remote working

- ^{xii} Source: <http://www.bco.org.uk/News/News45664.aspx> May 2020
- ^{xiii} Megatrends. Working from home: what's driving the rise in remote working? CIPD (April 2020)
- ^{xiv} Source: Imperial College Business School (March 2020). COVID-19 and the end of the daily commute. <https://www.imperial.ac.uk/business-school/ib-knowledge/management/covid-19-and-the-end-the-daily-commute>
- ^{xv} Source: <https://www.bbc.co.uk/news/uk-england-52847319>; and <https://www.mortgagestrategy.co.uk/news/quarter-of-brits-consider-relocation-after-lockdown/>
- ^{xvi} Source: RBBC Local Economic Needs Assessment (June 2016), Page 7. Based on analysis of 2011 Census commuting patterns and flows.
- ^{xvii} This assumed that 75% of applications for new office accommodation would be built out, and that 60% of applications for industrial and warehouse space would be built out
- ^{xviii} This was based on average take-up levels of 826 sq.m for Industrial: R&D, light industrial and general industrial, 1,534 sq.m for Storage & Distribution and 3,377 sq.m for offices. For the office sector this covered the period 2011/12 - 2014/15 and 2018/19. 2015/16 - 2017/18 were excluded due to the exceptional impacts associated with PDR. The period 2011/12 - 2018/19 was used for the industrial analysis
- ^{xix} Based on analysis from the RBBC Commercial Commitments Monitor (2019) on gains and losses from development pipeline (Table 2, page 7). This includes the assumption that 75% of applications for new office accommodation would be built out, and that 60% of applications for industrial and warehouse space would be built out. Note that a positive figure reflects a loss of such floorspace from the analysis in the monitoring report and is therefore effectively a replacement provision for such loss. This applies to light industrial and office floorspace

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- ^{xx} Gatwick Airport Masterplan, Gatwick Airport (2019)
- ^{xxi} Making Best Use of Gatwick. An Overview of Our Northern Runway Plans, Gatwick Airport (Autumn 2019)
- ^{xxii} Understanding the Economic and Employment Impact of Having or Not Having a 2nd Runway at Gatwick Airport. Nairne Ltd. Coastal West Sussex (September 2014)
- ^{xxiii} The use of the Northern Runway suggests a growth in passenger numbers of 2.8% per annum over the same period
- ^{xxiv} The 75% assumption was used to reflect the downturn in airport flight traffic over the next four years (based on Gatwick Airport's assessment) and then a return to the long-term growth pattern of 1.1% per annum
- ^{xxv} Based on direct airport job total of 24,000 from Gatwick Airport Masterplan. This was uplifted by 48% to reflect off-airport jobs, indirect and induced job impacts. This level of uplift was used in the Understanding the Economic and Employment Impact of Having or Not Having a 2nd Runway at Gatwick Airport. Nairne Ltd. Coastal West Sussex (September 2014) report.
- ^{xxvi} Nomis Labour Market Profile identified 78,400 economically active in Reigate & Banstead (April 2010-March 2020) and 1,800 unemployed, and unemployment rate of 2.3%. KPMG September 2020 Economic Outlook forecasts national unemployment rate to rise from 3.8% 2019, 5.9% 2020 to 8.2% 2021. Assuming this doubling of unemployment (3.8% to 8.2%) applies to Reigate & Banstead would mean unemployment rising from 1,800 to 3,600. This is equivalent to a 2.3% reduction in employment
- ^{xxvii} KPMG September 2020 Economic Outlook forecasts national economic output to contract by 10.3% in 2020 but increase by 8.4% in 2021

Appendix 4: Wider Effects On Other Areas

1.1 Introduction

- 1.1.1 Given the scale and nature of the HSBP, based on an office-led scheme together with supporting community facilities and services, it is essential that the implications of this are considered with respect to other existing commercial centres and strategic employment sites in the wider Gatwick Diamond and LB Sutton and LB Croydon areas.
- 1.1.2 This Appendix provides an overview of the anticipated effects of the HSBP on other employment locations in the Borough, including the designated employment areas and then for comparable provision beyond the Borough.
- 1.1.3 It considers the effects and implications of a number of larger schemes in the wider sub-region which are possible comparators or competitors to HSBP.

1.2 Wider Reigate & Banstead Borough Area

- 1.2.1 The current Borough wide commercial market is characterised by established industrial estates with office provision primarily concentrated at Redhill and to a lesser extent, Reigate.
- 1.2.2 At the local level, the area is dominated by a traditional industrial and storage / distribution offer, primarily at the Salfords Industrial Estate; and the smaller Balcombe Road Industrial Area; with Perrywood Business Park providing more office provision, albeit small units.
- 1.2.3 Overall, Salfords, and to a lesser extent Balcombe Road, are orientated towards light industrial and storage / distribution uses, which benefit from their A23 corridor location and support for airport related uses related to

its Gatwick airport location. An element of new industrial and warehouse supply has recently come forward in the local area to support the industrial market, namely at North Gatwick. Strong occupier demand remains.

- 1.2.4 Elsewhere in the Borough, the northern area can be characterised by relatively limited employment provision such as Pitwood Park Industrial Estate focused on local needs. The industrial provision serving the main centres of Redhill and Reigate are relatively small and dominated by local light industrial and some warehousing occupiers. The largest employment area at the Holmethorpe Industrial Estate in Redhill remains a traditional led industrial estate which supports good levels of local occupiers and continues to meet local market needs.
- 1.2.5 While HSBP is an office-led development proposal, the support for other employment uses, including appropriate airport-related sui generis uses, forms an integral part of its potential offer.
- 1.2.6 It is considered the nature of HSBP will serve to enhance the quantum and quality of new industrial and storage / distribution provision in the local market which remains characterised by tight supply, unmet needs and high demand (as found previously in the 2017 reportⁱ). On this basis, the HSBP is still considered to complement existing supply and have an ability to co-exist alongside established industrial stock.
- 1.2.7 The main focus for office provision in the Borough is concentrated at Redhill and Reigate. There are also a number of standalone campus sites such as Fidelity at Lower Kingswood and Pfizer UK headquarters at Walton on the Hill. Elements of office space also exist throughout the aforementioned industrial estates although these are typically small scale and ancillary to the main industrial and storage function.
- 1.2.8 Both Reigate and Redhill represent established M25 office locations, which support HQ offices and a generally low vacancy rate. Both markets have been constrained by a limited availability of high-quality Grade A supply. This remains the case and whilst some new quality supply has

come forward in Redhill (Prospero) alongside refurbishment activity, there remains a general absence of new supply and neither location offers business parks that are more typically associated within other established office centres in the M25 corridor.

- 1.2.9 Our conclusions from the 2017 Report highlighted the possibility that HSBP could prove attractive to some existing office occupiers in Reigate (given the number of HQ office facilities) and Redhill, together with other prospective occupiers who may traditionally have been attracted to either town centre. We consider this would likely remain the case particularly if the available qualitative offer in both centres is unable to meet changing occupier requirements.
- 1.2.10 This is considered particularly relevant to the business and financial sectors which are established in both centres, and which represent the types of corporate sector occupier that could be attracted to the HSBP. The implications of changing workspace trends (accelerated by the Coronavirus restrictions and increased emphasis on remote / home working) are also expected to further drive office relocations, ‘downsizing’ and corporate restructuring from London and other large centres which could all benefit HSBP.
- 1.2.11 The delivery of the HSBP will generate some local market ‘churn’ therefore, as concluded in the 2017 report. This is considered inevitable given the scale, range and choice of office led supply expected to be delivered in time (ranging from larger units to smaller, affordable start-up/incubator space, and serviced accommodation). It is likely to prove attractive to the local market, and some potential commercial market impact should be anticipated. As previously reported, the phasing of delivery and the specific nature of future provision will ultimately determine the extent of and timing of impact.
- 1.2.12 Overall, the local commercial market for both office and industrial can be characterised by healthy levels of demand but equally one of limited new supply.

1.2.13 There is nothing comparable to the scale and nature offered by HSBP in the Borough, which as a predominantly office led business park, is considered a 'game changer' for the Borough by property market agents. The consistent message of the revealed office market demand and supply position is of a constrained supply of high-quality office floorspace and properties which HSBP will seek to alleviate. It is also seen by agents as a regional business park which will help to strengthen the Borough as an office location both in terms of its offer but also its perception as a key business location in the south-east.

1.3 Other Authorities in the Gatwick Diamond and Beyond

- 1.3.1 While it is essential to consider the impact of the HSBP on the local area, given the significance of the proposed development (due to its scale, characteristics and location) it must also be considered in the context of the Gatwick Diamond area, and potentially further afield.
- 1.3.2 There is a long-established policy aspiration for a strategic scale employment site in the Gatwick Diamond sub-region to support future economic growth. Future potential provision will be expected to help provide for commercial needs arising from across the Gatwick Diamond.
- 1.3.3 There are a number of large employment locations spread across the Gatwick Diamond area and in neighbouring LB Sutton and LB Croydon. Although few are considered to be 'strategic' in scale and nature and provide mostly for existing and projected local employment needs, there are a number which could be considered more likely to be affected by the development of the HSBP than others.

1.4 Crawley Borough

- 1.4.1 As the largest and most significant commercial centre within the sub-region, the market in and around Crawley acts as the main driver of the local employment land market. Dominated by the distinct areas of Manor

Royal and Crawley Town Centre, each has distinct implications for the future performance and prospects for the HSBP given their close proximity.

Manor Royal

- 1.4.2 Manor Royal Business District is a key business location for the South East, with over 780,000 sq.m of employment floorspace. It has a particular focus and reputation / profile for the industrial sector, ranging from small manufacturing units to larger distribution-focussed businesses together with elements of offices and ancillary uses.
- 1.4.3 Over recent years, Manor Royal has diversified its commercial offer particularly in respect of its office stock although relatively high levels of office vacancy now exist following some consolidation (e.g. Virgin Atlantic & Elekta).
- 1.4.4 The problems of dated surplus office stock is reported an issue although new quality stock is coming forward at Gatwick Park – a new office district has planning consent for Phase 1 (10,220 sq.m) and an additional Phase 2 (5,300 sq.m) has been submitted which focus on the regeneration of dated office buildings. The potential for further phases exists. This qualitative improvement of office supply is much needed in Crawley and while construction may be delayed in the short term (understood due to lease restrictions), the qualitative offer is seen as important for strengthening the local market which has been largely absent of available Grade A office stock.
- 1.4.5 While such quality office accommodation could be seen as local competition for HSBP, it remains that Manor Royal is not a planned high-quality office campus that can be clearly differentiated from HSBP. Manor Royal has a different scale, composition and proximity to Gatwick Airport. Furthermore, it is evident that Manor Royal is increasingly re-positioning towards its traditional, established role as an industrial / distribution location in light of market trends while issues of parking provision, the

need for qualitative environmental improvements and the need for more ancillary facilities are recognised as constraints for some office occupiers. For these reasons, it is concluded that HSBP and Manor Royal represent complementary rather than directly competing offers.

- 1.4.6 With regard to the industrial market, there is a relatively small scale of industrial floorspace proposed at HSBP which may include sui generis Gatwick Airport related activities.
- 1.4.7 A significant level of new speculative logistics and industrial floorspace (e.g. Gatwick 55, Centron, Space Gatwick, Gatwick 33 and St Modwen Park Gatwick) has come forward in Manor Royal and the wider Crawley / Gatwick market over recent years which together have helped address a tightly constrained market driven by strong demand and previously unmet needs. This demand is expected to continue although it is clear the relatively modest levels of industrial floorspace and airport-related sui generis space at HSBP would clearly help contribute towards existing supply in the local area.
- 1.4.8 As such, HSBP is not expected to have a detrimental impact upon the operation or emphasis of Manor Royal Business District. It is more likely to complement the activities of Manor Royal Business District and help address identify shortages of industrial space in the sub-region.

Crawley Town Centre

- 1.4.9 The office market in Crawley Town Centre is characterised by a reported oversupply, especially of older stock. Despite the erosion of secondary and tertiary office provision (through continued PDR conversions), the main issue has focused on qualitative deficiencies as opposed to supply, with a two tier market reported driven by a general absence of high quality Grade A provision, a position that Manor Royal has sought to exploit. There is also growing demand for small scale, flexible accommodation to better meet changing market needs.

- 1.4.10 This position is now changing. A number of pipeline schemes exist for the Town Centre whilst construction is underway on the Council-led Town Hall redevelopment which will bring forward over 6,590 sq.m of Grade A office space. This development is recognised as the first speculative office built in the Town Centre for many years and forms part of wider town centre regeneration plans that include the ‘Eastern Gateway’ commercial quarter; large scale investment in sustainable transport infrastructure including upgrade of the railway station and broadband infrastructure; and a programme for 3,000 homes in the Town Centre. In addition, the confidence in the Town Centre office market has led to the repositioning and refurbishment of key office buildings, such as Origin One.
- 1.4.11 As an office destination, Crawley Town Centre offers an easily accessible location, particularly for public transport services and is complemented by a significant range of retail, leisure and other ancillary uses associated with a regional centre. These fundamentals of the Town Centre offer (accessibility, amenities and high-quality stock) are considered key attractors which are driving business confidence in the town centre office market and helping to strengthen, enhance and reposition the centre as an office destination.
- 1.4.12 For these reasons, the HSBP and Crawley Town Centre are concluded to continue to represent two different offers; business park versus town centre. There could be expected to be some floorspace take up at HSBP that may have previously considered Crawley Town Centre although much will depend on how Crawley repositions its office offer as part of the regenerated wider town centre. For many occupiers, ease of accessibility, and proximity to amenities for staff remains a core driver of office location, an issue which is a key existing advantage and attraction for Crawley Town Centre.
- 1.4.13 While there remains uncertainty in respect of the offer likely to be available at HSBP, it is considered the new business park would provide

additional range, choice and quality to complement office needs arising in the Crawley market. It should therefore be seen as a complementary offer to that of the traditional office market in Crawley Town Centre.

- 1.4.14 In respect of the potential impact of the non-core community facilities floorspace at HSBP, the scale of anticipated provision and mix of uses is focused on meeting on-site needs of the HSBP and creating a stronger synergy with Horley Town Centre nearby. It will likely have very little impact on the retail, leisure and services offer in Crawley Town Centre reflecting the size and status of that centre as a large-scale, key retail / leisure destination for the sub-region.
- 1.4.15 Furthermore, the HSBP is more distant from Crawley Town Centre with Gatwick Airport separating these locations with access required via car or bus via the M23 or A23, which is currently a 10 - 15 minute off-peak drive time. Perceptually, therefore, Crawley Town Centre is less likely to be seen as a primary destination for people working at HSBP, although it may be a focus for occasional visits and expenditure.

1.5 London Borough of Croydon

- 1.5.1 As outlined in the 2017 Report, Croydon Metropolitan Town Centre represents a core office location. It is the largest office market in outer London which has proved attractive to professional and financial services including the potential for relocations from Inner London and other footloose occupiers given its rail links and attractive rents. The nature of the robust market is also underpinned by a critical mass of local occupiers loyal to Croydon with strong levels of demand for smaller secondary space.
- 1.5.2 Given the strength of the office market, speculative development has come forward with schemes such as Interchange and Renaissance delivering Grade A stock whilst a healthy level of pipeline supply exists which will further increase the quantum of much needed Grade A supply

although it is understood many await pre-let confirmation prior to construction.

- 1.5.3 The industrial and logistics market also remains strong in the Borough although over recent years supply has been tight and a general absence of speculative development has led to pent-up demand, particularly high demand from occupiers including last-mile delivery operators. This supply position is changing with a surge in development reported and a significant pipeline, particularly at the Beddington Lane area which together with Purley Way (noting the identification of this area for residential development in the emerging Local Plan) and Beddington Farm Road, forms the Borough's main industrial hub.
- 1.5.4 In view of the natural strength of Croydon Borough as a large established office location, driven by its proximity and attractiveness to the City and West End and role as an office hub for government and HQ offices, the dynamics of the office market remain firmly established. High levels of pipeline supply for quality space exist while major regeneration of the Metropolitan Town Centre continues to develop the overall offer. On this basis, it is concluded that Croydon will remain a primary office location and would not be adversely impacted by the HSBP.

1.6 Epsom and Ewell District

- 1.6.1 The employment land market in Epsom and Ewell is small and self-contained given its proximity to and reliance on London and Guildford.
- 1.6.2 Forming part of the East Surrey M25 Growth Corridor, Epsom acts as the main focus for the office market, primarily concentrated in Epsom town centre but is characterised by dated stock and floorspace losses due to PDR given the significant local pressures for residential development. In contrast, local industrial provision is focused at the two main estates (Longmead and Nonsuch) which serve as the main industrial hubs and which are dominated by local occupiers and healthy levels of occupancy.

- 1.6.3 There is a recognised need to widen the range and choice of commercial supply in the Borough including the creation of small business accommodation, particularly to meet the needs of creative / arts industries (driven by the presence of the University for the Creative Arts and Nescot College). Council officers further report there is now support for a business Growth Hub to help develop start-up and incubator industries in the area together with opportunities for redevelopment to bring forward higher quality offices. This is considered to be capable of responding to evident local needs for smaller businesses and is undoubtedly going to be popular and needed as Coronavirus increases a drive for remote and home working coupled with flexible office and meeting spaces.
- 1.6.4 The Borough is relatively distant from HSBP at the northern fringe of the Gatwick Diamond area and given the localised nature and modest scale of the local commercial market, especially its office offer and reported absence of any significant pipeline, there is not expected to be any realistic impact or competition from the HSBP on Epsom and Ewell Borough.

1.7 Horsham District

- 1.7.1 The focus for office accommodation in the District is primarily centred on Horsham Town Centre although shortages of supply, historically driven by small local requirements have been accelerated by office losses via PDR conversions.
- 1.7.2 The availability constraints of dated stock and an absence of new office provision over recent years (as set out in the 2017 report) remain a concern in retaining some occupiers with neighbouring locations, particularly Crawley, reported as offering an alternative office location with available space.
- 1.7.3 This position will change in the District with office development coming forward at the former Novartis site close to the town centre together with large scale opportunities at Land North of Horsham (see below), which

are considered as key opportunities to re-energise the local office market but which in the case of North Horsham offer a distinctly different type and location of office floorspace that is currently limited in the District.

- 1.7.4 In contrast, the District is not perceived as an industrial location and the market has traditionally been driven by localised and small-scale requirements given a business base of predominantly SME's.
- 1.7.5 The nature of industrial stock is more evenly spread throughout the district compared to the office stock with many occupiers reported as keen to stay within the area. Healthy levels of unsatisfied requirements are reported now in 2020 driven by local occupiers seeking expansion together with logistics operators although supply has been limited. This is changing with new stock emerging as set out in Section 5 of the report previously.
- 1.7.6 There are a number of significant employment schemes in the District which were initially identified in the 2017 Report and which have now progressed. An update on Land North of Horsham and Horsham Enterprise Park is provided below.

Land North of Horsham

- 1.7.7 The Land North of Horsham site is a large mixed-use development which was granted planning permissionⁱⁱ by Horsham District Council in March 2018 and was acquired by Legal & General (from Liberty Property Trust) in December 2018.
- 1.7.8 The consented scheme includes **2,750** dwellings and supporting mixed uses, including a business park of **46,450** sq.m (**500,000** sq.ft) of B1 office floorspace; an education campus; and a new sports hub. The area is identified in the adopted Horsham District Planning Framework (and in the emerging Draft Local Plan Review, February 2020) as the major mixed-use allocation for the District. The employment provision is promoted to address the general absence of suitable provision in Horsham over recent years.

- 1.7.9 Since acquiring the land north of Horsham, Legal & General have been reviewing the approved plans and considering each element in greater detail leading to a consultation on potential changes held in November 2019. Work on other technical elements to implement the existing consent have been ongoing.
- 1.7.10 The scheme was consented and is still promoted by Legal & General to help meet local needs for employment arising from the new housing (on a one job per dwelling basis) but may also attract new occupiers into the District. New cycle, pedestrian and road connections are proposed to ensure there is a range of sustainable modes of transport and to help integrate the development into Horsham town overall services.
- 1.7.11 The employment floorspace consented is intended to provide a range of floorspace sizes/types, in a campus setting with landscaped grounds. Details of the phasing and specific mix of employment units have still to be confirmed although the permission granted is primarily for office floorspace of Grade A quality.
- 1.7.12 The employment elements of the consented scheme represents a comparable type of office led provision to HSBP although this is of a significantly smaller scale. Both schemes have the benefit of allocation in existing Development Plan documents and the Land North of Horsham has the further support of an extant planning permission for the scale and nature of employment development (as part of the overall mix) proposed.
- 1.7.13 The Land North of Horsham scheme is evidently intended to serve local needs and address a provision gap which currently exists in the District; the Local Plan Review makes this clear in Section 5 in paragraph 5.7.
- 1.7.14 The HOR9 2017 Economic Effects report previously concluded that the Land North of Horsham scheme would successfully co-exist with HSBP at the local level, and help meet local unmet needs within the Horsham property market, particularly in providing for high quality, modern stock (replacing office stock losses evident in Horsham Town Centre), alongside a range and choice of provision in an area that has a dearth of

available good quality supply. This remains our conclusion now. There is a strong potential synergy in market terms for both HSBP and Land North of Horsham to co-exist rather than to directly compete for market demand.

Horsham Enterprise Park (Former Novartis Site)

- 1.7.15 The Horsham Enterprise Park, promoted by West Sussex County Council, is situated at the former Novartis Site, located off Wimblehurst Road in Horsham town. The site covers some 7.6 hectares.
- 1.7.16 The re-development of the site has been granted planning permissionⁱⁱⁱ from Horsham District Council in October 2019 for 25,000 sq.m of converted and improved office floorspace in addition to some 300 new residential dwellings and 618 sq.m of flexible commercial/community space (A1, A2, A3, D1, and crèche). The site is listed as a committed development in Horsham District's emerging draft Local Plan Review.
- 1.7.17 The employment mix proposed also includes research and development uses covering some two-thirds of the site area and will provide a new enterprise hub or collaborative workspace to incubate micro and small businesses.
- 1.7.18 At the time of writing, a private sector development partner is in the process of being secured to take the development forward.
- 1.7.19 Although the Enterprise Park does not share the same scale or characteristics as HSBP, it is nevertheless a substantial re-development project located within the existing Horsham town area.
- 1.7.20 The office and research and development floorspace for which outline consent has been granted does represent a significant contribution towards meeting evident office employment floorspace needs. However the timing of the development's completion and therefore availability of the floorspace is yet to be set out in detail.
- 1.7.21 The consented scheme is particularly aimed at improving the quality of provision in Horsham given the loss of much existing space via PDR

conversions to residential use. The size and nature of the Enterprise Park is therefore considered to be of high profile given the local authority public support for the development.

1.8 Mid Sussex District

- 1.8.1 The focus for employment land in Mid Sussex is concentrated at its main settlements of Haywards Heath, Burgess Hill and East Grinstead, each with its own offer but equally one that has been characterised by limited new development, unmet demand requirements and qualitative limitations of existing stock and levels.
- 1.8.2 Haywards Heath has traditionally remained the main office location in the District and whilst much of its stock is considered dated, qualitative improvements are planned with planning permission granted for development to deliver new Grade A space at Haywards Park Phase 1 (6,039 sq.m) in the Perrymount Road area of the Town Centre and promoted as HQ style space. Further phases by the Commercial Park Group are proposed as part of a business hub which seek to re-establish and strengthen the office market in the Town Centre and focused on meeting unmet need. By contrast, East Grinstead has lost much of its office stock to PDR.
- 1.8.3 In Burgess Hill, the proposed Science and Technology Park (discussed further below) offers scope to deliver significant levels of office floorspace which have been largely absent from the local market.
- 1.8.4 In industrial market terms, East Grinstead and Burgess Hill have been more orientated towards industrial occupiers particularly for light industrial and storage / distribution uses at established industrial estates. Elsewhere in the District, industrial schemes such as Link 23 (Longcross) have come forward in locations close to the Crawley area which acts as the main industrial location whilst emerging supply at The Hub (see below) are considered important in meeting local needs whilst providing potential competitor sites to Crawley and Brighton.

The Hub and Northern Arc, Burgess Hill

- 1.8.5 Mid Sussex District Council granted outline planning permission in November 2015 for up to 50,000 sq.m of employment floorspace on land to the north west of Burgess Hill.
- 1.8.6 The site forms part of a larger strategic allocation to the north and north west of Burgess Hill (Policy DP9 of the adopted District Plan), for some 3,500 homes and 25 hectares for a high quality business park south of the A2300 road and is intended to meet the level of economic growth proposed in the District Plan (Policy DP1).
- 1.8.7 The principle and location of The Hub and The Northern Arc development allocation was established in the District Plan. The current Mid Sussex Submission Draft Site Allocations DPD also identifies and details the sites (see paragraphs 2.3, et seq.). This draft Plan is currently subject to further testing and consultation prior to public examination in due course but the principle and overall scale of employment land is already established.
- 1.8.8 Indeed, progress has accelerated on the delivery of the 25 hectare of employment land with development well advanced at the 15 hectare 'The Hub' site (with Phase 1 completed and occupied by DPD, and Phase 2 pre-let to Roche and GeoPost UK), and a further 4 hectares proposed within the adjacent 'Northern Arc' strategic residential-led development at Burgess Hill.
- 1.8.9 The prospective employment floorspace at The Northern Arc forms part of the overall strategic development allocation, which in sustainability terms, is considered essential (together with the industrial employment floorspace delivered at The Hub) in meeting the future employment needs of Burgess Hill and the wider District.
- 1.8.10 Given its local focus and clear alignment of jobs to housing, it is not anticipated that either The Hub (marketed as a prime industrial warehouse location) or the Northern Arc employment land will be

adversely affected by the development of HSBP as the role of these two sites is to provide for employment floorspace provision needed within Mid Sussex District to accommodate projected and evident growth in local demand over the District Plan's lifetime. Given the now reduced scale of employment development proposed for the Northern Arc (4 hectares rather than 10 hectares as originally planned) there is relatively little prospect that the Northern Arc employment land will be used to help resolve unmet employment land needs arising from adjoining authorities (such as Brighton & Hove and Worthing to the south).

- 1.8.11 It is concluded that neither The Hub or the Northern Arc employment land areas will compete directly with HSBP with both having a different focus that are intended to fulfil a largely local (within District) employment land provision role in support of strategic residential growth of Burgess Hill and meeting identified needs set out in the adopted Mid Sussex District Plan.

Science and Technology Park, Burgess Hill

- 1.8.12 Mid Sussex adopted District Plan Policy DP1 identifies the proposal to develop a Science and Technology Park within a broad location to the west of Burgess Hill. This is indicated on the adopted Policies Map. The proposal for a Science and Technology Park in this location has been part of the Council's approach to development in the District for many years.
- 1.8.13 The Submission Draft Sites Allocation DPD considers the evidence^{iv} and analysis for two potential sites west of Burgess Hill and draft Policy SA9 proposes to allocate a 48.75 hectare site (gross) to the north of the A2300 (to the east of Bolney Grange Business Park) for the Science Park.
- 1.8.14 The proposed Science and Technology Park is intended to help support research and development, and to deliver high quality employment and inward investment opportunities to the Gatwick Diamond area.
- 1.8.15 Indeed, draft Policy SA9 highlights that the proposed scheme will comprise employment accommodation for a minimum of 2,500 new jobs and that development proposals must comprise uses within the definition

of a Science Park (a business support environment that encourages and supports the start-up, incubation and development of innovation-led, high-growth, knowledge-based businesses). Appropriate ancillary facilities including hotel, conference centre, gym, convenience retail and creche are also supported. Development is to progress in accordance with a Masterplan and Phasing Strategy (yet to be prepared).

- 1.8.16 At the time of writing there is not a settled planning policy position (other than the principle of the development of a Science and Technology Park to the west of Burgess Hill and the overall scale of job creation envisaged). There have been detailed concept representations submitted by the land owners / promoters of the proposed site but these are not yet part of a formal planning application for the development.
- 1.8.17 In the 2017 report it was concluded that, given its focus on scientific research and development uses, the Burgess Hill Science and Technology Park proposal was considered sufficiently differentiated in concept and approach from other business parks, including HSBP.
- 1.8.18 This was concluded on the basis that its focus on research and development led by an anchor higher education occupier / development partner and proposals for active scientific tenant / occupier management would drive a research focus for activities on-site. That conclusion remains valid now.
- 1.8.19 If and when delivered, the Science and Technology Park scheme would represent a sub-regional facility and has been recognised as an objective for the Gatwick Diamond economy's future growth in the Coast to Capital LEP Strategic Economic Plan, the Greater Brighton City Deal and the Gatwick Diamond Local Strategic Statement.
- 1.8.20 The delivery of the Science and Technology Park alongside HSBP is therefore still considered to represent a regional economic approach that would secure high quality complementary facilities for the Gatwick Diamond. Both schemes could provide a range and choice of exemplar facilities for large, corporate occupiers and for research focused activities,

whether of a bespoke nature or to meet market requirements that become evident during the construction phase.

- 1.8.21 Overall, it remains the conclusion that the local and sub-regional economy can, in commercial market terms, accommodate both schemes to support economic growth and investment in the Gatwick Diamond area. Indeed both have the backing of the Gatwick Diamond Initiative and of the C2C LEP.

1.9 Mole Valley District

- 1.9.1 The main commercial area in Mole Valley District is Leatherhead. Its office provision comprises large footprint offices in the town centre and at business parks for HQ premises, R&D and ICT occupiers. The local office market has historically orientated itself towards the London market whilst the smaller Dorking office market is more localised and self-contained. Over recent years, the office market has been characterised by a move towards smaller but quality 'smarter' space although in comparison to many of its Gatwick Diamond neighbours, the quality of offices in the District is generally good which has encouraged refurbishment activity to meet strong levels of demand. Some stock has been lost to PDR although levels of new build office activity has remained limited.
- 1.9.2 Given the dominance as an office location, the market for industrial and warehousing uses is more limited in Mole Valley.
- 1.9.3 The District is recognised as an office destination and it is considered that the 2017 report conclusions remain relevant and valid now for Mole Valley, namely its continued orientation towards London, particularly the main office market at Leatherhead.
- 1.9.4 There remains a strong local loyalty and demand from occupiers including those seeking to downsize and driven by qualitative considerations. In this context, there is not considered to be a direct impact for the local Mole

Valley market from HSBP which is expected to complement and co-exist alongside the high-quality office market that is already firmly established in the District.

1.10 London Borough of Sutton

- 1.10.1 The Borough's employment land offer is predominantly industrial and focused at three main industrial estates; Kimpton, Beddington and Imperial Way. This reflects a strong market demand for industrial locally although available and suitable supply is reported to be tight in 2020.
- 1.10.2 In contrast, the Borough supports a relatively modest and localised office market with the main concentration of office provision in Sutton town centre, and to a lesser extent in Cheam and Wallington centres, focused on smaller scale occupiers. As an outer London Borough, Sutton has faced significant competition from its better connected neighbouring London Boroughs and as a consequence has not proved attractive to larger office occupiers seeking to relocate from central London.
- 1.10.3 No significant office development has come forward over recent years (with the exception of the proposed specialist London Cancer Hub – as set out in more detail below) while the supply position has been further restricted by office floorspace losses arising from PDR conversions especially in Sutton Town Centre.
- 1.10.4 In view of the relatively localised and low demand office market in the Borough, the relative strength of industrial provision and its distance from Horley, there is not considered to be an impact on the Borough's commercial market from the HSBP. Furthermore whilst this report identifies the London Cancer Hub, this is differentiated from the HSBP as a large, specialist, sector specific medical and life science campus.

London Cancer Hub

- 1.10.5 The London Cancer Hub in Sutton is a development that proposes to establish world-class research and development facilities to expand and test leading cancer research and enterprise supporting some 13,000 new jobs.
- 1.10.6 The London Cancer Hub represents a highly specialist facility which is intended to be a phased development over 20 years and dedicated to the life sciences sector.
- 1.10.7 The development is based on a partnership between The Institute of Cancer Research (ICR) and the London Borough of Sutton (with support from partners including the Royal Marsden NHS Foundation Trust and the Greater London Authority).
- 1.10.8 The plan for the Hub is therefore to completely remodel the existing site near Belmont in Sutton (to the south of Sutton Town Centre and north of Banstead Common) to create a green campus of research and enterprise buildings and hospital facilities. The site will be designed as a living community with a school, leisure space, and hotel accommodation for visitors and patients.
- 1.10.9 In more detail, the London Cancer Hub is based on the creation of some 280,000 sq.m of integrated life science buildings within a campus environment^v. The Development Framework proposes a mix of research, treatment and business floorspaces capable of supporting innovation and spin-out enterprise for start-up and grow-on research firms as well as larger, anchor tenants. Education space and hotel accommodation is also envisaged to support conferencing and visiting research workers.
- 1.10.10 The scheme is promoted as a major regeneration project for London and seeks to enhance and remodel the existing facilities of the ICR and Royal Marsden alongside the expansion of life sciences research on site.
- 1.10.11 At the time of writing, LB Sutton has, following a procurement process, decided not to proceed to appoint a commercial partner at the present

time^{vi}. The Council has however set out plans for a new Innovation Gateway in an existing Council owned building to support start-up and spin-out companies. It is understood the project is moving forward with delivery options under further review now by the Borough Council.

- 1.10.12 The focus of the Cancer Hub is therefore on the creation of a scientific and research nexus that allows researchers the opportunity to work collaboratively and flexibly. It is however recognised that the development programme is clearly extended over a long period before the Hub is completed.
- 1.10.13 As outlined in the 2017 report, the scheme has a unique sectoral focus and a direct relationship to existing research and medical facilities at the ICR and Royal Marsden. On this basis, the promotion of an integrated global life sciences campus would not be impacted by (or likely impact upon) the HSBP which is orientated towards a wider 'mainstream' market office led business park environment and which is not proposed to be anchored by existing scientific research institutes.

1.11 Tandridge District

- 1.11.1 Tandridge has a small office market focused on its main settlements in the north (Oxted, Caterham and Whyteleafe) and an offer which is limited in range and quality of stock.
- 1.11.2 Elements of office stock exist in the south of the District but this is typically in small rural sites. It is reported by property market agents that the competition from the larger established and higher quality office markets in Croydon, Crawley and to a lesser extent, Redhill / Reigate partly accounts for modest level of office stock although the District is also characterised by significant out-commuting by professionals, principally to London. In common with other places, levels of available office stock supply have reduced through conversions arising from prior approval consents of PDR. This is especially pertinent in Caterham.

- 1.11.3 The District supports a greater provision of industrial stock with healthy levels of demand and activity for industrial floorspace, especially along the A22 corridor but typically of smaller stock to support small local needs.
- 1.11.4 With the majority of the District constrained by Green Belt (94%), it is unsurprising that there are reported low levels of industrial estate vacancy. Furthermore, emerging Plan policy (currently at the Examination stage) is heavily focused on retaining and protecting existing employment sites, especially the larger employment sites at Hobbs Industrial Estate (Felbridge) and Lambs Business Park (South Godstone) including opportunities for intensification and modernisation and focused on light industrial, storage / distribution and general industrial uses.
- 1.11.5 Given the small office market in Tandridge, Green Belt restrictions, general absence of committed new supply and focus on maximising capacity from existing industrial estates to meet local needs, there is not considered to be a direct impact or competition from HSBP on existing provision in Tandridge.
- 1.11.6 It is important to be aware of potential new large site developments at South Godstone Garden Community. These could bring forward much needed new employment floorspace in both cases, as part of residential-led, mixed-use schemes, although equally both remain prospects rather than commitments with no certainty as to delivery timescales.

South Godstone Garden Community

- 1.11.7 The South Godstone Garden Community (formerly named 'Garden Village') is identified in the Council's Our Local Plan: 2033 (Regulation 22 Submission, January 2019 and now at Examination) and forms a key element of the spatial strategy for the District.
- 1.11.8 The Garden Community is proposed in an 'area of search' around South Godstone and is identified under Strategic Policy SGC01 which outlines a development of 4,000 new homes with a mix of employment space indicated as including offices, start up space and 'hot-desking' facilities.

- 1.11.9 No quantum of employment floorspace is identified although it is stated to provide local employment opportunities to meet local market needs associated with the new community.
- 1.11.10 The emerging Plan further recognises that the scale and complexity of the development will require details, design and delivery to be set out in an Area Action Plan which amongst others, will identify the level of employment land.
- 1.11.11 In view of the scale of the development, the draft policy recognises the need for substantial supporting infrastructure (along the A22 from J6 M25 to Felbridge).
- 1.11.12 This has resulted in an unsuccessful Housing Infrastructure Fund (HIF) bid although the Council have indicated they are not reliant on HIF to secure delivery. This is a matter which the Inspector to the Local Plan Examination has raised concerns in relation to the soundness of the Plan with regard to transport infrastructure, viability and associated delivery in the absence of HIF.
- 1.11.13 At the current time, and subject to the Inspector's Report, there remains some uncertainty over the realistic prospects for the Garden Community. Notwithstanding this, should the Plan progress, it would appear the nature and scale of employment provision will likely be focused on meeting local needs to support self-containment within the Garden Community and that provision would be integrated throughout the development to accord with garden settlement principles. As a consequence, it is not anticipated that the HSBP or Garden Community employment offer would realistically compete with each other.

Redhill Aerodrome

- 1.11.14 Land at Redhill Aerodrome is subject to active promotion by Thakeham alongside development partners, Quintain. The site has and continues to be the subject of significant Local Plan debate given it straddles the boundary between Tandridge and Reigate & Banstead.
- 1.11.15 The concept development framework prepared by the site promoters for the site proposes a new business park to the east of the M23 served by a new junction, which the promoters consider could create a regionally significant employment location. The site promoters published Vision Statement (January 2018) outlines the potential for circa 3,800 jobs on / off site which it envisages will be provided within the local and neighbourhood centres of the new community together with the aforementioned dedicated business park (located within the Tandridge element of the site).
- 1.11.16 The Council will be aware that the site was initially safeguarded in the emerging RBBC DMP. This was subsequently removed following major modification advised by the Inspector who concluded that insufficient evidence had been demonstrated for exceptional circumstances for Green Belt release.
- 1.11.17 At the time of writing the site represents an omission site within the submission Tandridge Local Plan with South Godstone promoted as the preferred location for a Garden Community in the Borough. The part of the site within Reigate & Banstead Borough remains designated Green Belt.
- 1.11.18 The principle for a new business park adjacent to the M23 and accessible from a new motorway junction would represent an attractive addition to local employment land supply. It is closely located to the HSBP and is suggested by the site promoters as a highly accessible location which could be expected to meet local and sub regional needs in the M23 corridor. Subject to phasing and timescales, it could represent some

competition in time to HSBP but if delivered would further complement the sub-regional offer and add to the portfolio of employment supply available.

- 1.11.19 There are however major uncertainties and the reality now is that Redhill Aerodrome represents an omission site in the earliest stages of planning promotion and therefore a risk in planning and delivery terms.
- 1.11.20 It is considered the HSBP is of a scale and advanced planning status which Redhill Aerodrome is not. Equally the principle of the business park is dependent on the delivery of a developer funded new motorway junction which in its own right raises significant implications for implementation.
- 1.11.21 On this basis, the promotion of Redhill Aerodrome is one site that will need to be monitored both in terms of the emerging Tandridge Local Plan and its future promotion through any review of the Reigate & Banstead Borough Development Plan.

END NOTES

ⁱ HOR9 Strategic Employment Site Economic Assessment (Task 1 and Task 2 reports), September 2017

ⁱⁱ Planning Application DC/16/1677, Land North of Horsham

ⁱⁱⁱ Planning Application DC/18/2687 granted permission on 16th October 2019

^{iv} Mid Sussex District Strategic Housing and Economic Land Availability Assessment

^v The London Cancer Hub: Development Framework (2016)

^{vi} The London Cancer Hub website, May 2016:
<https://www.londoncancerhub.org/news/detail/next-exciting-development-at-the-london-cancer-hub>



Wiltshire

Chilmark Consulting Ltd.
Albany House
High Street, Hindon
Wiltshire
SP3 6DP

T: 0330 223 1510

Bath

Chilmark Consulting Ltd.
Cambridge House
Henry Street
BA1 1BT

T: 0330 223 1510

E: info@chilmarkconsulting.co.uk

Twitter: @chilmarkUK

chilmarkconsulting.co.uk

Horley Business Park

Design Principles and Options

Prepared on behalf of **Reigate & Banstead Borough Council**

By **David Lock Associates**

March 2021



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1. Introduction

Overview

- 1.1 The site of Horley Business Park, allocated in Reigate and Banstead Borough Council's (RBBC) adopted Development Management Plan (DMP), presents an exceptional opportunity to provide exemplary employment space in a highly-connected, sustainable location, contributing to economic growth, placemaking and prosperity in the local area. It has the potential to create a regionally-significant employment area with high levels of sustainable transport built in from the start.
- 1.2 This report sets out Design Principles and Design and Massing Options to support the allocation of this land, exploring how the site might be best developed to achieve sustainable, well-planned growth that contributes to the local area and maximises the opportunity present.
- 1.3 The findings of this report will inform a Supplementary Planning Document (SPD) which will provide guidance for the development of the site..



Figure 1: Annotated aerial view of the site

Policy Context

- 1.4 This Design Principles and Design and Massing Options Report has been prepared to inform the preparation of a SPD which will provide guidance to implement the site allocation in Policy HOR9 of the adopted DMP, which was adopted in September 2019. The allocation supports the Core Strategy, its vision and relevant Core Objectives.
- 1.5 The policy allocates 31ha of land at the southern edge of Horley on the western side of Balcombe Road to the south of Horley Town Centre and to the north of J9A of the M23 Airport Spur which provides access to Gatwick Airport terminals to the south of the site.

Growing a prosperous economy

- Employment Areas (EMP1);
- Town Centre Boundaries (RET2)
- Primary Shopping Areas
- Primary Retail Frontage (RET1)

Building self reliant communities

- Residential Areas of Special Character
- Urban Open Space (OSR1)
- Area of Outstanding Natural Beauty (CS2; NHE1)
- Area of Great Landscape Value (CS2; NHE1)
- Gatwick Open Setting (NHE1)
- Special Area of Conservation
- Sites of Special Scientific Interest (CS2; NHE2)
- Sites of Nature Conservation Importance (NHE2)

Place shaping

- Gypsy, Traveller and Travelling Showpeople Site Allocations (GTT1)
- Urban Site Allocations (BAN3; RTC4&5; RED1-9; HOR8&10)
- Opportunity Site Allocations (BAN1; RE11; RE13; HOR6; HOR7)
- Secondary Retail Frontage (RET1)
- Local Centre Boundaries (RET3)
- Retail Warehouse Areas (RET6)
- Potential Sites of Nature Conservation Importance (NHE2)
- Local Nature Reserves (CS2; NHE2; NHE4)
- Ancient Woodlands (CS2; NHE3)
- Regionally Important Geological Sites (NHE2)
- Riverside Green Chain (NHE4)
- Metropolitan Green Belt (CS3; NHE5)
- Rural Surrounds of Horley (NHE6; NHE7)
- Conservation Areas (CS4; NHE3);
- East Surrey Hospital (RED9)
- Sustainable Urban Extension Allocations (ERM1; ERM2/3; ERM4a; ERM4b; ERM5; SSW2; SSW6; SSW7; SSW9; NWH1; NWH2; SEH4)
- Strategic Employment Site (HOR9)

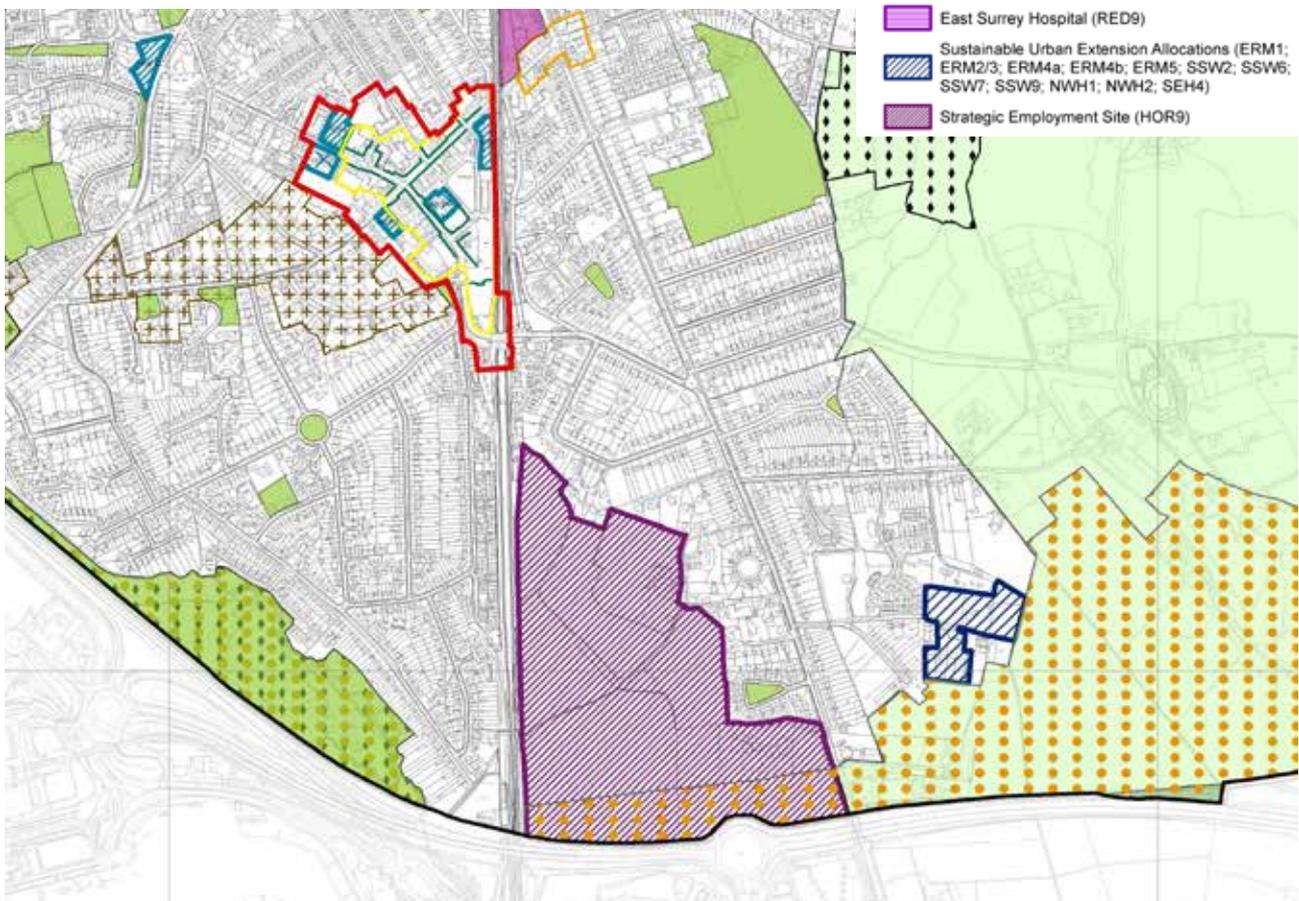


Figure 2: Extract from RBBC DMP Policies Map showing HOR9 allocation

- 1.6 The allocation seeks to provide:
- A strategic business park of predominantly B1(a) use with limited B1(b), B1(c), B8 and non-B use classes including appropriate airport-related Sui Generis uses;
 - A complementary range of commercial, retail and leisure facilities to serve and facilitate the main business use of the site; and
 - At least 5ha of new high quality public open space, including parkland and outdoor sports facilities.
- 1.7 Further detailed requirements and policy considerations are set out in the policy that relate to movement and accessibility, drainage, design, uses and developability, which have been taken into account to inform key design principles and design and massing options. They are explored in the analysis of Opportunities and Constraints to inform the Concept, Design Principles and Design Options.
- 1.8 An overview of the evidence base supporting the site allocation underpins requirements for development to provide for a mix of employment provision, although this is mainly to comprise office space for incubator/start-ups, expanding/stable businesses and major/anchor occupiers, as well as provision of shared specialist facilities and shared meeting and conference space.
- 1.9 In the context of Policy HOR9 and brief for exploring the Design Principles and Massing Options, the design of development is required to create a coherent business community, where people are able to interact as much as possible, supporting facilities including, catering, limited retail, gym, crèche, medical services and on-site pharmacy or a holistic wellness centre.
- 1.10 Indicative quanta supporting the allocation (set out on paragraph 3.167 of the explanation to Policy HOR9) suggest that the site could potentially provide for the following identified demand:
- Up to 200,000sqm of B1 floorspace, predominantly focussing on B1(a), B1(b) and B1(c) including floorspace for new incubator/start up units/Small Medium Enterprise.
 - Up to 10,500sqm of community facilities, including A1 (predominantly convenience shops); A3 (Food and Drink); D1 (Children’s Nursery) and/or D2 (Gymnasium).
- 1.11 The need for this amount of floorspace is also identified in the Council’s Strategic Employment Provision Opportunity Study (June 2016), which is informed by data on locally generated need and unmet needs from adjoining Gatwick Diamond boroughs.
- 1.12 From September 2020 Use Classes B1, A1, A3, D1 and D2 were superseded with the new Use Class E. As the site allocation is based on identified need and demand, it is likely that any planning permission for predominantly office development would need to be subject to a planning condition to restrict the use to offices.

- 1.13 Accommodating this scale of development equates to a relatively high density of employment at a plot ratio of 0.65. When taking into account site constraints and identifying net developable areas, the final ratio, as calculated in the Design Options is much higher, influenced by:
- The desirability to retain, enhance and integrate existing landscape and watercourse features to provide a positive setting for development and support biodiversity.
 - The Gatwick Open Setting at the southern edge of the site, designated under DMP Policy NHE1(3), prevents any built development except for access to ensure that Horley remains separate from Gatwick Airport and Crawley.
 - Maintaining adequate amenity buffers from the existing developed residential edges, protecting trees including those that are subject to Tree Preservation Orders at the northern and eastern boundaries and protecting and where possible enhancing the setting of the statutory and locally Listed Buildings.
 - Areas of the site that are in Flood Zone 2 where no buildings other than car parking is to be permitted, and other areas where flood and surface water mitigation will be required.
 - The southern part of the site being affected by a 57dB airport noise corridor.

Business Park Design Trends

- 1.14 The HOR9 Strategic Employment Site: Economic Assessment, by Chilmark Consulting (September, 2017) highlights important design considerations that are specific to Horley. A review of relevant best practice research has also been undertaken and this centres on research by the British Council for Offices (BCO) on The Future of Business Parks (March, 2019) to highlight the changing trends in business parks and highlight important urban design features.
- 1.15 The HOR9 Strategic Employment Site: Economic Assessment, by Chilmark Consulting (September, 2017) sets out a number of key considerations which are important for informing the masterplanning of HBP:
- Worker experience will be important in design and functionality of workspace.
 - Different types of workspace will likely be required, including within the same building (e.g. co-working, hot desking, serviced accommodation).
 - Key drivers of occupiers will be proximity to public transport options, pedestrian and cycle friendly environments.
 - Access to leisure facilities and a range of local amenities, are vital to attracting future employees and occupiers.
 - Office location, the organisation of workspace and the built/local environment is essential to help differentiate workspace locations.
 - Workspace provision will need to be fully integrated into the vision and character of development, including the development of intelligent buildings to support occupier and employee expectations for a healthy working environment.

1.16 As such the assessment recommends that the mix of employment uses includes:

- Business incubator facilities;
- Move-on space;
- Specialist space and equipment;
- Shared meeting and conference space; shared communal facilities;
- Business support services;
- Environmental enhancement; and
- Sustainable transport initiatives.

1.17 The proportion of tenants (but not necessarily floorspace) is recommended by the assessment to be within the following ranges:

- Incubator/Start-ups: 20-30%.
- Expanding/Stable businesses: 30-40%.
- Major/Anchor occupiers: 30-40%.

1.18 To make the business park a community of businesses rather than simply a collection of individual premises, the Assessment recommends that design and management must ensure as much interaction as possible between the people working within the business park – this is reflected in the explanatory text supporting Policy HOR9 in the DMP. The range of community facilities reflects the trend in business park design in providing a range of amenities, with the Assessment recommending:

- On-site catering;
- Limited retail provision;
- Gym;
- Crèche; and
- Medical services.

1.19 The recommendations of the Assessment are representative of research by the BCO which finds that business parks are evolving significantly to maintain their role and relevance in meeting employment needs. Business parks are changing with a greater focus on lifestyles by providing a diverse mix in the offer of employment space and supporting amenity provision.

1.21 The overall trend essentially describes a significant shift in business park design thinking. Typically business parks are thought of as single use office parks often in isolated and out of town locations that prioritise access for the car, are dominated with individual large scale buildings accessed by loop roads separated from each other with generous parking and landscaping footprints. Appetites for more urban lifestyles, interaction and networking, coupled with a government urban renaissance agenda, has led to a focus on creating employment clusters in city centre locations. The urban centres approach is being weakened by the costs and complexities of developing urban sites, and being undermined further by a housing growth agenda and permitted development rights that allow the change of use of employment space to residential use.

- 1.22 The current context provides an opportunity for new and repurposed business parks to compete with urban centres by being more place focussed to create more diverse, attractive environments. The BCO research identifies four types of business parks that are emerging, including:
- Parks developed to be linked to higher education institutions to become university led science and technology parks;
 - Urban edge parks that are being repurposed and intensified to create a mixed use offer and be more accessible. This includes the urbanisation of low density research parks to include leisure, retail and residential uses and compete with urban centre offers;
 - Regional international interchange parks that are closely related to regional and international airports to take advantage of international trade and small scale businesses operating with an international reach; and
 - Urban business parks, developed in new locations to support accessible mixed use developments.
- 1.23 The research highlights several examples in the UK and internationally to demonstrate how the design of business park environments is evolving. Additional proposals for new development have emerged that reflect the latest design thinking. Those of interest and relevant to Horley include:
- **Edinburgh Park, Edinburgh** – featured in the BCO research, was originally planned as a conventional office-based business park. A new masterplan and vision seeks to increase the intensity of development with a greater mix and intensity of uses. The masterplan seeks to provide a wide amenities offer, high quality public spaces and include a residential component of up to 1,800 dwellings. Edinburgh Park also benefits from good public transport connections, proximity to the strategic road network and Edinburgh Airport. Development is planned to be based on a grid structure with connections maximised with the surrounding existing urban fabric with the intention of the development becoming a new urban quarter.
 - **Milton Park, Oxford** – although referred to in the BCO research, proposals have emerged subsequently for a 2040 Vision - a masterplan that seeks to increase the working population from 9,000 to 20,000 with 370,000sqm of development on a 121ha site. The masterplan seeks to intensify development on the site with buildings that are adaptable to the types and growth of companies and how they will use space, create spaces that are the focus for people and businesses, maintain and extend green spaces and support a wider range of travel choices.
 - **Oxford North, Oxford** – is a proposal that has been submitted for a new urban district at the northern edge of Oxford. The masterplan seeks to provide 87,000sqm of workspace and create 4,500 jobs and 480 new homes. The employment offer intends to include offices, labs and shared space. The amenities offer is proposed to include retail, restaurants, cafes, bars, nursery, hotel and performance space to enhance Oxford North, both as a working and living environment. Although the site is located at the edge of Oxford, it is well linked to public transport routes. Connections with Oxford and neighbouring areas will be enhanced with investment in a central boulevard 'gateway' and upgrades to walking and cycle routes. Sustainability is also a promoted feature of the development through building orientation and proposals including a ground source energy loop system to serve the development.

Sustainable Public Transport Oriented Development (PTOD)

- 1.24 The design objectives of new and repurposed business parks can be considered overall to be aimed at providing a more flexible and adaptable offer of accommodation that is able to support a wider offer of types of spaces, including start up organisations. A wider choice of amenities with a mix of supporting retail, cafes, child care, leisure facilities and hotels aim to promote better lifestyle features and increase their attractiveness, alongside wider accessibility options with public transport connections and walking and cycling options. Some examples also seek to widen the mix of uses, with residential uses, essentially to provide an offer that is competitive with urban centre environments.
- 1.25 Residential development is not a land use component of the site allocation at Horley. In response to the Economic Assessment by Chilmark Consulting, the site allocation in DMP Policy HOR9 is focussed on delivering employment development at a capacity that can meet the identified employment demands with an appropriate mix of supporting uses that intend to create an attractive employment destination in the Gatwick Diamond.
- 1.26 The evidence base and wider research underpins the development and design aspirations, which are conveyed in the Vision for Horley Business Park and, together with an analysis of site opportunities and constraints, have informed the concept and design principles.
- 1.28 Horley Business Park presents a clear opportunity for a public transport oriented development (PTOD), known internationally as a transit-oriented development (TOD). The site is located within a few minutes' walk of Gatwick Airport railway station, one of the best-connected rail and bus stations in the south-east of England. Horley railway station is also located some 10 minutes north of the site, adjacent to a public transport interchange and the edge of Horley town centre. Proximity to these transport hubs and the town centre demonstrate how Horley Business Park can be superbly connected by sustainable modes of travel with enhanced cycle and pedestrian links, which could be further enhanced with public transport services. This potential to maximise accessibility via sustainable travel connections, rather than the site's adjacency to the strategic road network, should be considered its major locational attribute.
- 1.29 PTOD is an approach to development that maximises the accessibility of uses by public transport, walking and cycling. It is not just any development near public transport. It should have characteristics that:
- Increases 'location efficiency' so people can walk, cycle and take public transport;
 - Boosts public transport patronage and thereby minimises the impact of traffic;
 - Provides a rich mix of uses, jobs, and recreational choices within close proximity, accessible to the widest possible population by sustainable modes;
 - Provides value for the public and private sectors, and for both new and existing residents.
- 1.30 The principles of PTOD are embedded throughout the design principles and design options presented in this report.

Horley Business Park Vision

“The Horley Business Park will be a thriving, exemplary, cutting edge strategic business park that is functionally, visually and physically integrated into the wider Horley area. This will include an inspiring biodiverse green environment with high quality public open space.

The business park will offer high value jobs for residents from the local and wider area in sustainably designed and constructed, flexible Grade A quality accommodation. It will capitalise on its key strategic location, attracting local, national and international businesses to assist in the long term sustainable economic growth of Horley, the borough and the wider region.

Employment, training, and supply chain opportunities and accommodation will be provided for local residents and for small and medium sized businesses. The business park will also provide a range of complementary facilities for employees and local residents.

Ultra-modern infrastructure including telecommunications, power and transport will be provided. Flood alleviation interventions will reduce flooding on the site and surrounding areas.

Attractive and safe pedestrian and cycle links will encourage sustainable journeys between the site and Horley, Crawley and Gatwick Airport, and across the site, minimising car use.”

2. Baseline Assessment

Site Opportunities and Constraints

MANAGING DRAINAGE AND FLOOD RISK

2.1 The north and north eastern areas of the site are in Flood Zone 2 and therefore, form the parts of the site where built development is to be avoided. Although Policy HOR9, in flood risk terms, considers land in Flood Zone 2 to be acceptable for car parking and related infrastructure, the parts of the site in Flood Zone 2, in proximity to residential areas, creates a valuable opportunity for green infrastructure to extend from the Gatwick Open Setting to accommodate a landscaped buffer between built development and existing adjacent residential development.

RETAINING THE GATWICK OPEN SETTING

2.2 The Gatwick Open Setting is designated in DMP Policy NHE1(3) to maintain physical visual separation between Horley and Gatwick Airport and forms a green corridor that connects the Riverside Garden Park to the wider countryside to the east, underscoring an opportunity for green infrastructure to extend from this corridor into the site.

IDENTIFYING HEIGHT CONSTRAINTS

2.3 Drawing on advice from Gatwick Airport, buildings should as a broad guide, be no higher than buildings at Gatwick Airport. Existing buildings at Gatwick Airport include hotels, such as Premier Inn, which suggests that buildings in this context could be as high as some 12 storeys. A key consideration is how tall buildings and structures could affect flight paths and radar scanning. The site flanks and does not conflict with the airport flight paths. However, the potential effects of the height and mass of buildings on airport radar scanning must be considered. Although, modest heights that are lower than existing buildings should not present any major

conflict with scanning radar, Gatwick Airport should be given the opportunity to respond to proposed building heights at an early stage of the masterplanning process. A further key influence on building heights is the proximity of neighbouring residential development and their character and outlook. Overall, this existing context suggests a design approach that locates lower built forms closer towards existing residential development and higher built forms towards the southern edge of the site, creating a similar scale in outlook across the Gatwick Open Setting to other existing larger scale forms.

RESPECTING THE CHARACTER AND AMENITY OF SURROUNDING DEVELOPMENT

2.4 Existing mainly residential areas on Limes Avenue and off Balcombe Road directly overlook existing fields within the site. Two Grade II Listed Buildings (Fishers Farm House & Fishers Cottage/The Barn) overlook the site from the north. Being in Flood Zone 2, a retained and enhanced green corridor would respect the character of these edges, protect amenity and the setting of the Listed Buildings.

OPPORTUNITIES FOR CREATING POSITIVE SETTINGS FOR NEW DEVELOPMENT

2.5 Existing landscape features, including hedgerows, trees and woodland copses, are attractive elements that would be desirable to retain where possible. They provide a positive influence in structuring development and have the potential to create a positive setting for the development and individual built forms. There is also an opportunity for landscape enhancements, being mindful of the potential effects of landscaping on the risk of bird strike in such close proximity to Gatwick Airport.

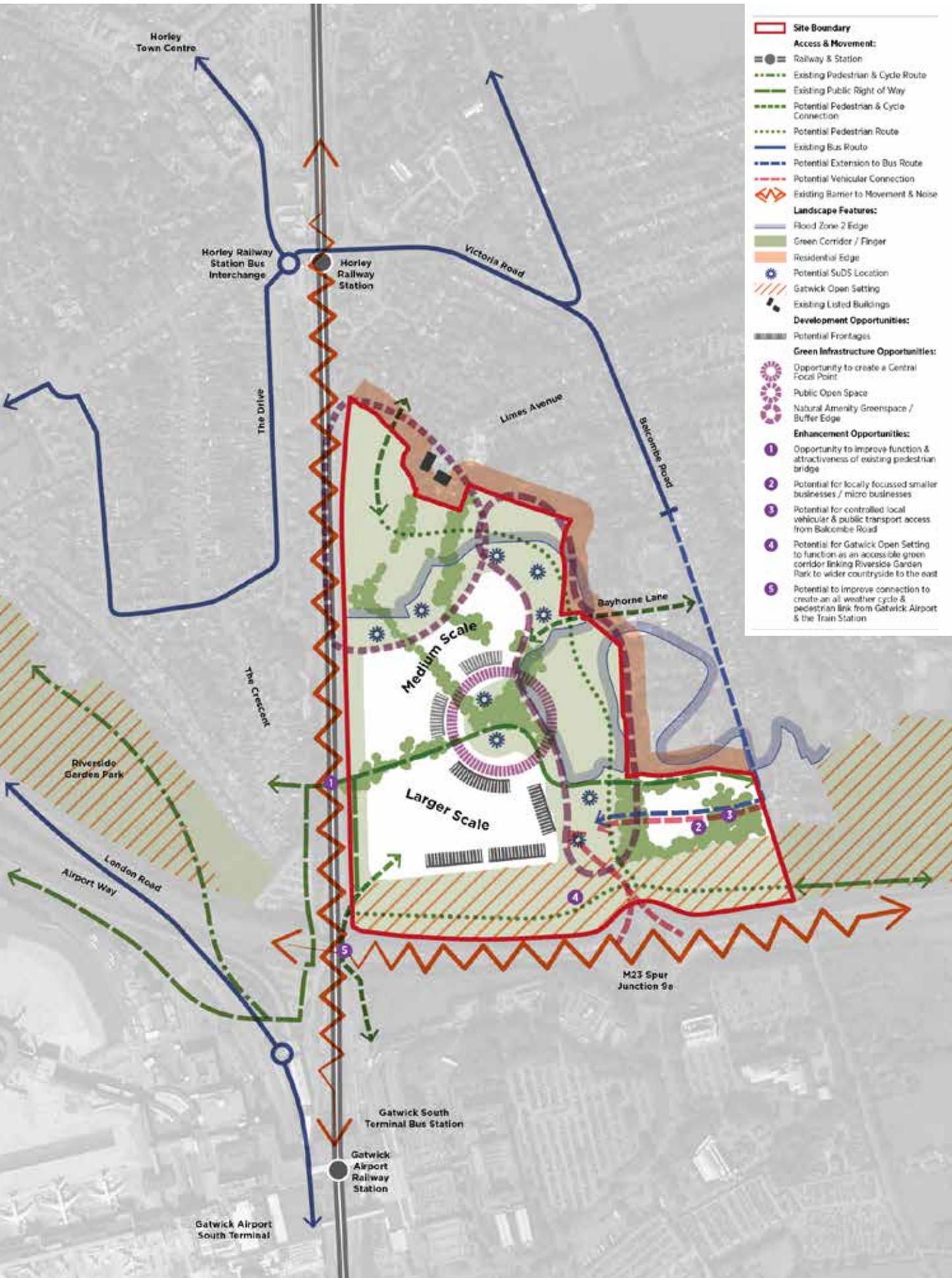


Figure 3: Site opportunities and constraints plan

OPPORTUNITIES FOR RECREATION

- 2.6 A retained and enhanced green corridor provides an opportunity to structure greenspaces within the site to include a public park towards the north of the site close to Horley Town Centre, a focal point around the retained central woodland and natural greenspace corridors along the eastern edge and within the Gatwick Retained Open Setting

OPPORTUNITIES FOR MAXIMISING ACCESSIBILITY BY SUSTAINABLE MODES

- 2.7 Policy HOR9 sets out a key requirement for a cap on the number of vehicles accessing the site per hour from the strategic road network M23 J9A spur, which is to be determined at the planning application stage if needed. The policy also requires a suitable monitoring regime to be proposed and sets out measures that could be implemented if the determined cap is breached. This key requirement underscores the importance of fully exploiting existing and potential walking and cycling connections into the site from the railway stations and Horley town centre and providing access for existing and new public transport services.
- 2.8 Maximising access for these sustainable modes is critical for reducing the need for private vehicles to access the site to residual levels. In turn, this will reduce the need for car parking and allow for development areas to be used more effectively for creating space for employment and supporting mixed uses. Legible, convenient attractive and safe connections to Horley Town Centre, Horley Train Station and Bus Interchange and also Gatwick Airport Train and Bus Stations are particularly paramount. In this context particular opportunities for focussing new and enhanced connections include:

- The scope to improve the quality of the pedestrian link underneath the A23 to Gatwick Airport South Terminal and railway station;
- A new pedestrian and cycle between Limes Avenue and the site to create a shorter and more attractive link to Horley Railway Station and town centre;
- Improving the quality of the pedestrian footbridge link from the site to The Crescent to improve the existing route to Horley railway station and town centre and increase the potential cycle and pedestrian catchment;
- A cycle and pedestrian link to the site from Bayhorne Lane to increase the potential cycle and pedestrian catchment.
- A cycle and pedestrian connection to provide access to the site direct from Balcombe Road.

- 2.9 Potential also exists for new and enhanced connections to be complemented with wayfinding which could become part of a strategy to support navigation to the site from these key connection points.

IDENTIFYING DEVELOPABLE AREAS FROM POLICY, OPERATIONAL AND PHYSICAL CONSTRAINTS

- 2.10 The combination of constraints and opportunities as summarised above, all play a key role in beginning to shape and define potential developable areas and begins to inform early thoughts on how development parcels key movement routes and spaces, might be developed. Key considerations include the scale, grain and height of built forms. Generally, the approach envisages the scale and intensity of development rising from the north to the south.

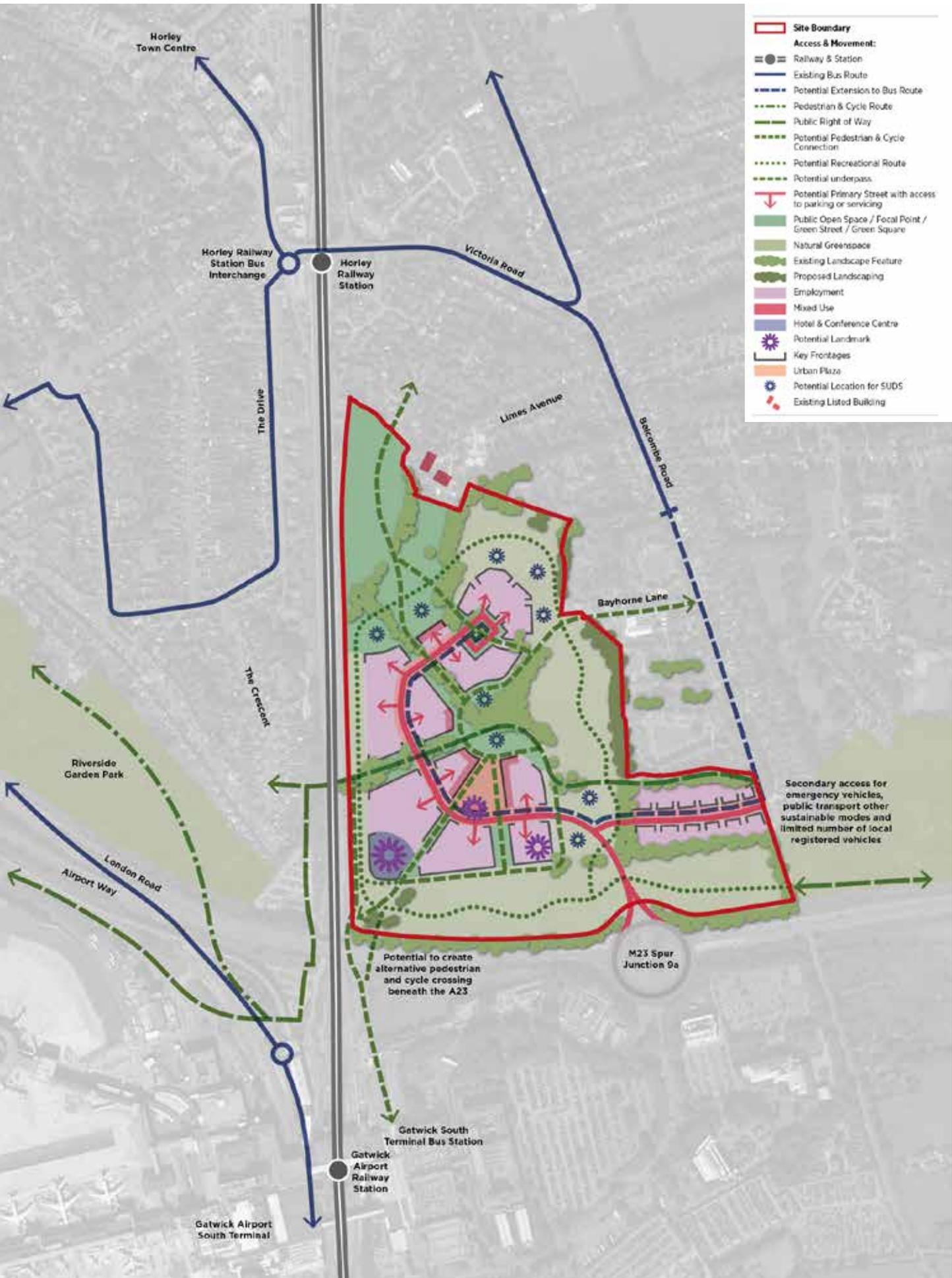


Figure 4: Concept Plan based on opportunities and constraints

3. Design Principles



Figure 5: Concept artist's impression of main focal point space

Overview

- 3.1 To deliver on this ambitious vision and realise the opportunity present on the site, masterplanning and detailed design at HBP should follow the design principles set out in this section.
- 3.2 The design principle themes are set out in order of scale, beginning at site-wide water and landscape issues, refining down to detailed design principles for urban grain and built form. They are intended to be applied as a whole in an iterative design process.
- 3.3 Each of the design principle themes is illustrated with a plan showing application at the HBP site, with supporting explanatory text on aims, objectives and implementation. Where necessary, supporting diagrams are included, and each theme includes a range of exemplar precedents to demonstrate how they can be applied in practice. Where available, links to further best practice guidance are provided.



Water

3.4 Although no rivers or streams cross the site, there is water present throughout, particularly to the north and east where the site is identified within Food Zone 2. In the wider context, water features include a large pond to the south of the A23 adjacent to the Gatwick Airport South Terminal and Riverside Garden Park to the west of the site. A successful water management strategy has the potential to create an attractive and biodiverse place within the new business park and to help alleviate flooding in the surrounding developed areas to the north and west.

3.5 An appropriate strategy should be prepared with consideration given to:

- [Reigate & Banstead Level 2 Strategic Flood Risk Assessment \(October 2017\)](#)
- [Surrey Wildlife Trust's River Mole Biodiversity Opportunity Area](#)



Figure 6: Water principles diagram (As others enlarge to fill the page)

AIMS AND OBJECTIVES

- Managing surface water runoff using natural drainage approaches where possible.
- Maintaining or improving on greenfield runoff rates from the site.
- Protecting the quality of water that enters local watercourses
- Minimising the risk of fluvial flooding & surface water flooding to new and existing development.
- Preventing an increased risk of bird strike at Gatwick Airport.

IMPLEMENTATION

Location-Specific

- No buildings except car parking and supporting infrastructure on land within Flood Zone 2 at the east and north of the site.
- Upgrade Stafford's Place culvert to the north of the site allocation.
- Flow of surface water to follow existing topography and channels towards the north, with attenuation within or adjacent to plots.
- Strategic attenuation at the north of the site to use wetland habitat creation to slow flow of surface water out of the site.

General Principles

- Use of permeable surfaces and planting within surface car parking and 'hard' areas of public realm to absorb surface water.
- Use of swales within street verges and open spaces, and rills within hard paving surfaces to channel water towards swales.
- Street trees and tree pits within all streets and public spaces.
- Use of appropriately-design Green Roofs designed to absorb and filter rainwater and be uninviting to birds coupled with appropriate rainwater harvesting techniques.
- Wetland habitat within the northern open space area as a strategic SuDS.
- No permanent large open bodies of water on the site that could attract birds that would become a hazard to the adjacent airport.
- All proposals to be compliant with Surrey County Council's SuDS Design Guidance.

GUIDANCE

- [Ciria, The SuDS Manual 2015](#)
- [Surrey County Council, SuDS Design Guidance](#)
- [Urban Design London, Designing Rain Gardens: A Practical Guide](#)

PRECEDENTS



Figure 7: Oxford Science Park, Oxfordshire: Integration of water channel, walking route and green infrastructure amongst development



Figure 8: Watercolour, Redhill: Integration of a variety of SuDS features throughout this development

Open Space

3.6 Attractive and varied open space is essential for a stimulating, healthy and enjoyable environment. At HBP, open space provision should include a combination of formal provision, in the form of a new public open space and well landscaped green corridors, enhanced with additional landscaping. This range of open spaces will add to the overall offer of facilities that will attract businesses to Horley, but importantly it will become a valued resource to future employees, surrounding residents and the wider living and working population of Horley.

3.7 This extensive open space network will seek to retain and enhance and create new natural habitats to enhance biodiversity. All open space should be multifunctional and make good use of land and offer varied and interesting character.



Figure 9: Open space principles diagram

AIMS AND OBJECTIVES

- Providing high quality recreational open space for the living and working population of Horley and future businesses and employees based at HBP.
- Creating a central focal point for activity within HBP.
- Making efficient use of land through multi-functional use of open space.
- Maintaining the Gatwick Open Setting area as a physical visual break between Horley and Gatwick Airport.
- Providing a buffer between existing residents and new development.
- Enhancing natural habitats.

IMPLEMENTATION

Location-Specific

- Enhancing land within the Gatwick Open Setting as a natural green space corridor with landscaping and integrating a footpath link between Balcombe Road and the pedestrian footbridge across the railway.
- Linking the Gatwick Open Setting to the north of the site with an additional natural corridor, adjacent to existing development at the eastern edge of the site.
- At the north of the new natural corridor - a new public open space in the north-west apex of the site, closest to Limes Avenue and the town centre, providing small-scale recreational facilities for local residents, employees and opportunities for rest and recreation.
- An 'urban plaza' style space to the south of the central copse of trees, terminating the walking route to Gatwick railway station providing a focus for mixed uses and space for indoor activities to spill outdoors.
- A smaller 'green square' to the north of the central copse of trees, to provide an attractive setting for development and provide turning facilities for buses and vehicles.

General Principles

- Open spaces should be multi-functional, providing recreational amenity for employees and local residents, natural habitats for wildlife, an attractive and characterful setting for development, and strategic surface and fluvial water management.

GUIDANCE

- [Sport England, Active Design Guide](#)

PRECEDENTS



Figure 10: Pebble Mill, Birmingham: Use of water, planting and movement networks within open space to provide a multi-functional setting for development

Green Infrastructure

3.8 The environment at HBP contains significant mature green infrastructure, based around field boundaries that date back beyond the 1600s. This structure and maturity should be used to structure and enhance the new development created within its framework. New green infrastructure within streets and 'hard' public spaces can enhance surface water drainage, create attractive and distinctive environments, and provide a habitat for insects, small reptiles and mammals and small birds.



Figure 11: Green Infrastructure principles diagram

AIMS AND OBJECTIVES

- Protecting existing mature green infrastructure.
- Providing habitats and corridors for nature and biodiversity.
- Creating an attractive, mature and varied setting for development.
- Enhancing an environment for healthy recreation for employees and local residents.

IMPLEMENTATION

Location-Specific

- Adopt an approach of screening development from Balcombe Road with generous landscaping and mitigate the impact of recent tree removal.
- Retention of hedgerows and mature trees on the site, in particular those running along field boundaries seen on historic maps going back to the early 1600s.
- Retention of the central woodland copse to provide a green focal point to the site.
- Consider the type and location of trees in order to support a reduction in carbon emissions – deciduous trees can shade buildings help to keep them cool during summer whilst allowing for sunlight to penetrate and solar gain during winter.
- Planting of new screening vegetation and trees at the eastern edge of the site.

General Principles

- Street trees and planting throughout ‘hard’ landscaped areas to improve surface water retention and soften the environment.
- Use of green infrastructure, particularly by retaining and enhancing existing features on site to structure the form of development, provide a pleasant mature green setting for streets and spaces whilst providing welcoming shade for pedestrians and cyclists.

GUIDANCE

- [Natural England’s Green Infrastructure Guidance \(NE176\)](#)
- [UK Green Building Council: Demystifying Green Infrastructure](#)
- [Trees and Design Action Group: Trees in Hard Landscapes](#)

PRECEDENTS



Figure 12: Pebble Mill, Birmingham: Planting integrated within a ‘hard’ landscaped environment



Figure 13: Pebble Mill: Birmingham: Existing mature trees can provide a strong backdrop, setting and structure to development



Figure 14: Corby Enterprise Centre, Northants: Smaller spaces framed with green infrastructure

Sustainable Movement

- 3.9 Key to the success of HBP will be capitalising on its excellent sustainable mobility connectivity, allowing it to prosper and create employment opportunities into the future, whilst minimising impact on traffic flows and local roads and on air quality.
- 3.10 Maximising accessibility to Gatwick Airport railway and bus station is likely to provide the most sustainable mobility access, as it has the highest levels of service, connectivity and accessibility to the wider region by sustainable modes. Secondary connectivity to Horley town centre and railway station and bus interchange will secure additional sustainable mobility benefits, along with pedestrian connectivity to the surrounding built-up area.
- 3.11 As the site is compact and walkable, movement between uses on the site should be as easy and attractive as possible on foot and by cycle, without making pedestrians navigate significant highway infrastructure.



Figure 15: Sustainable movement principles diagram

AIMS AND OBJECTIVES

- Making sustainable travel to work the easiest option for employees at HBP, capitalising on its exemplary sustainable mobility links.
- Creating good walking and cycling routes to Horley town centre, train station and bus interchange, residential areas and Gatwick Airport rail and bus stations.
- Provide direct and attractive bus routing.
- Reducing the carbon footprint and air quality impact of the new development.
- Limiting the impact on the strategic highways network, in particular at M23 J9.
- Retain existing public rights of way, although allow for diversions if good connectivity can be maintained.

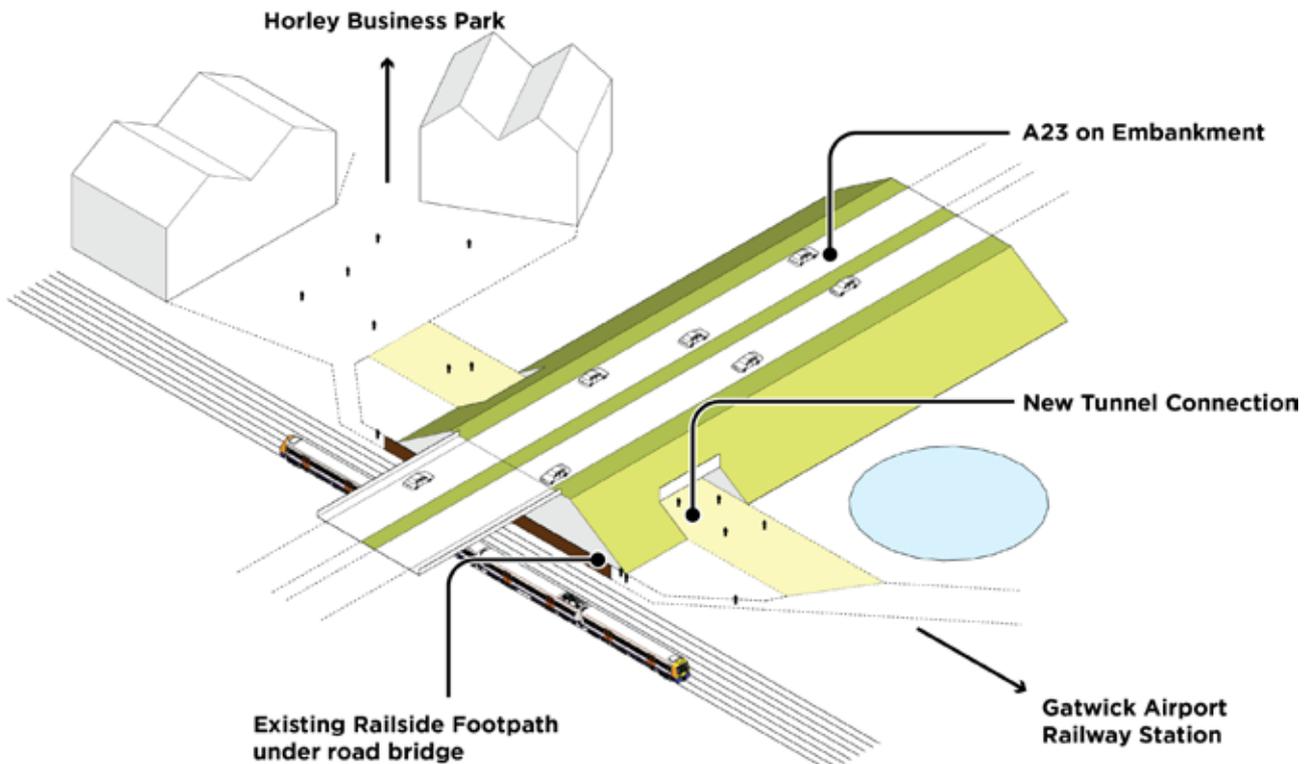


Figure 16: Potential approach to establishing a new pedestrian connection to Gatwick Airport railway station under A23 embankment

IMPLEMENTATION

Location-Specific

- Improved pedestrian access points at the edges of the site:
 - Gatwick Airport: Clear wayfinding and landscaping improvements on the airport side, and lighting, security and environmental improvements in the A23 underpass adjacent to the railway line. An alternative solution, although more costly, could be to create a new cycle and pedestrian tunnel under the A23 separate to the railway. A new crossing could be designed, potentially as an artwork, with lighting to create a feature gateway entrance from Gatwick Airport South Terminal and Gatwick Airport railway station. Although, this was not considered as part of the costed infrastructure for the site allocation, it represents an opportunity to create a unique gateway feature when entering the site from Gatwick Airport South Terminal and the railway station. Further work on design, cost and viability would be needed.
 - Railway footbridge: clear wayfinding and environmental improvements to the footbridge, along with provision for bicycle access such as a bicycle groove.
 - Bayhorne Lane: clear wayfinding and gateway improvements to open space.
 - Limes Avenue: clear wayfinding and gateway improvements to open space.
- Walking routes converging on a central focal point, following existing green infrastructure.
- A key corridor between the entrance at the southwestern corner of the site (to Gatwick Airport) and the central plaza adjacent to the woodland copse.
- Public transport corridor running through the site from Balcombe Road, serving the central plaza and focal point of the site. As recommended by guidance for Buses in Urban Developments (CIHT, 2018) carriageway widths should be a minimum of 6.5m and bus stops located at key locations or nodes within the walking network. All development should be within a maximum 400m walking distance of a bus stop, and a large majority of development should be within 250m walking distance of a bus stop.
- A leisure circuit around the site taking in the public open space, natural environment to the east, and the southern “Gatwick Open Setting” open space, which could be used, for example, for a ‘Parkrun’ style event or similar.

General Principles

- Highly permeable and attractive walking networks throughout the site, minimising detours for pedestrians.
- A presumption in favour of pedestrian and cyclist-only streets, with general vehicle traffic restricted to the main ‘boulevard’ route and plot or car park accesses.
- Pedestrian and cyclist-only streets will allow access for authorised service vehicles and emergency vehicles.
- Maximising walking connectivity to Gatwick Airport railway and bus stations.
- Provision of public/visitor cycle parking spaces within the main public spaces and at the southern edge of the new public open space, as well as employee cycling spaces provided securely within buildings or on plots.
- Maximising the provision of infrastructure and supporting facilities to enable cycling to be a mode of choice. As such, cycle parking provision should be generous, exceeding the DMP’s minimum standards (of 1 space per 125sqm).

GUIDANCE

- [Reigate & Banstead Local Plan Development Management Plan, Annex 4: Parking standards](#)
- [Sport England, Active Design](#)
- [NHS England, Putting Health into Place](#)
- [DfT Local Transport Note 1/20 – Cycle Infrastructure Design](#)
- [TfL: Healthy Streets, Living Streets](#)

PRECEDENTS



Figure 17: Milton Park, Oxfordshire: Shuttle buses or other public transport links should run through HBP



Figure 18: Cambourne Business Park, Cambridgeshire: Sheltered and secure bicycle parking conveniently located adjacent to employment floorspace and supporting mixed uses should be provided to enhance cycling as a mode of choice



Figure 19: Chiswick Park, West London & Corby Enterprise Centre: Streets and public spaces should be vehicle-free wherever possible

Vehicle Access and Parking

3.12 Carefully-designed and integrated vehicle movement networks and car parking can ensure that access by car is simple and possible for business park users. Carefully considered, these networks can minimise the negative environmental effects on the site and context that significant levels of traffic can otherwise bring. Efficient use of land, by employing more compact car parking forms, can ensure that HBP can maximise floorspace to realise the opportunity for job creation. The approach avoids sacrificing land for extensive and unsightly surface car parking and allows for generous green infrastructure provision.



Figure 20: Vehicle access principles diagram

AIMS AND OBJECTIVES

- Provide necessary car parking to support employment provision in a space-efficient manner that does not compromise the public realm or open space.
- Ensure vehicle movement does not conflict with sustainable and active modes.
- Minimise vehicle movements so that they do not becoming a constraining factor on employment growth at HBP in the long-term.

IMPLEMENTATION

Location-Specific

- Primary vehicle access to be provided with a new spur road from M23 J9A with a cap on the number of vehicles accessing the site per hour from this junction should it be needed (to be determined at the planning application stage).
- Secondary vehicle access from Balcombe Road, for use by emergency vehicles, public transport and other sustainable transport modes. A limited number of registered vehicles of local employees will be permitted to use this access with the amount to be agreed at the planning application stage.
- A central 'boulevard'-style corridor running from the two access points through the main development area of the site. The boulevard should be equipped with walking and cycling provision, and provide access to plots and parking facilities.
- A 'green square' terminating the boulevard at the northern end of the site.

General Principles

- Use of the following parking typologies:
 - Undercroft / podium parking integrated within buildings at the ground floor or below ground, subject to flooding constraints and alignment with wider design principles. Active ground floor frontages must be retained on key pedestrian routes and public spaces.
 - Centralised/shared multi-storey car parks (MSCP), wrapped by development or clad at upper levels to become a feature building. An active ground floor frontage must be retained on key pedestrian routes and public spaces.
 - Limited surface car parking towards the edges of the site, appropriately landscaped to visually soften the appearance. Disabled car parking spaces will be located closest to building entrances.

- Cycle parking provision to meet or exceed minimum standards with opportunities for secure storage and for supporting facilities such as changing, shower and locker facilities.
- Ensure that car parking provision is co-ordinated with a identified cap on hourly vehicle access from J9a of the M23 and agreed limit on access for local employees from Balcombe Road.
- Phasing of development to be carefully planned with appropriate provision. Should early phases or intermediate phases bring forth requirements for parking that would not necessitate a full MSCP, temporary surface parking may be provided on a future development plot until development reaches a threshold where an MSCP is required.
- In line with planning policy, most vehicle access should be via M23 J9A up to an agreed hourly cap. A limited number of registered vehicles for employees of the business park will be permitted to access the site from Balcombe Road. Both the hourly cap and local access limit will be determined and agreed at the planning application stage.

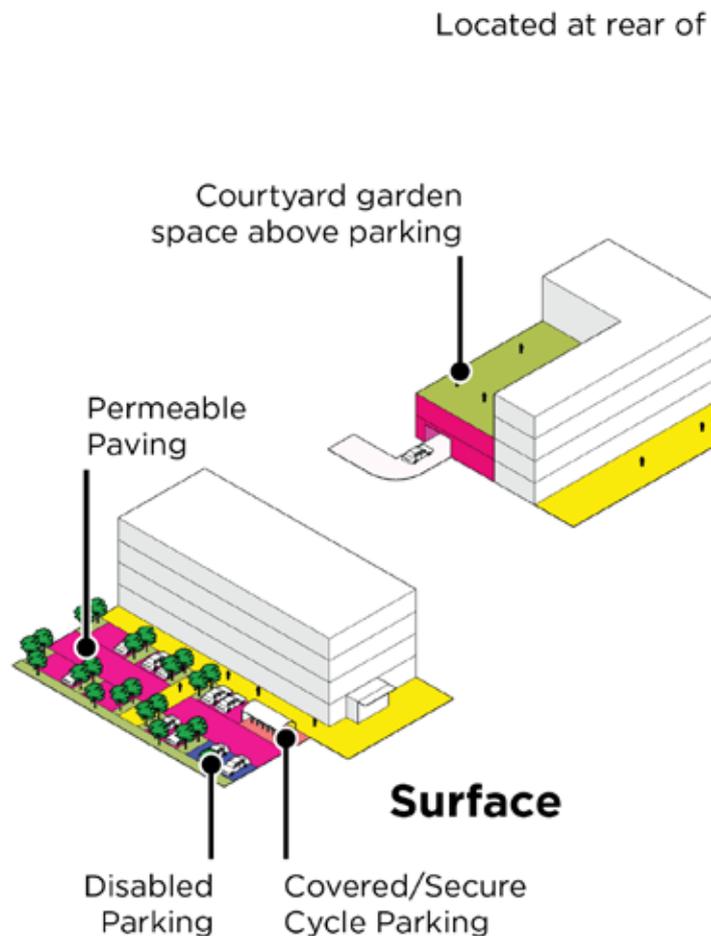


Figure 21: Appropriate parking typologies and design considerations

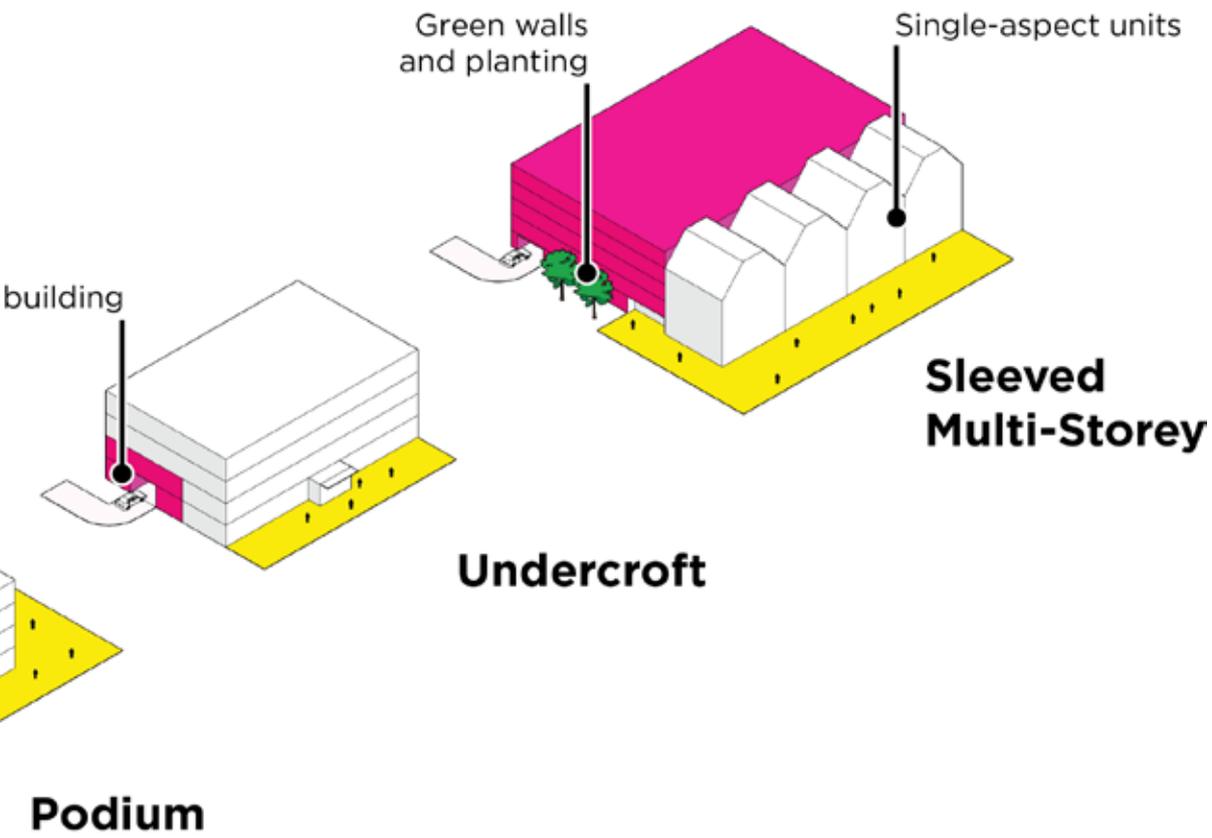
GUIDANCE

- [DfT Local Transport Note 1/20 – Cycle Infrastructure Design](#)
- [Manual for Streets, \(DfT, 2007\)](#)

PRECEDENTS



Figure 22: Castle Boulevard, Nottingham: Example of a segregated on road cycle route



Location of Key Uses

- 3.13 Concentration of activity-generating uses around key focal points can create interesting and vibrant environments, encouraging business park users to use the open spaces and recreation opportunities available. Consideration of movement patterns and wider connectivity can help inform where these uses would be best located.
- 3.14 A flexible approach to uses on site should be taken, within the aims and objectives outlined in these design principles.



Figure 23: Location of key uses principles diagram

AIMS AND OBJECTIVES

- Co-locate key uses to create a central focal point for HBP.
- Create gateway locations through the placement of key uses.
- Ensure a good mix of uses to provide for daily needs of employees on HBP.

IMPLEMENTATION

Location-Specific

- Concentrating complementary mixed uses such as local retail, cafes and restaurants around the southern central plaza, to concentrate public realm activity and convenience for employees
- Some mixed-use (e.g. a café) adjacent to the new public open space.
- Potential for a combined hotel and conference facility located close to the southwestern entrance to HBP, nearest to Gatwick Airport railway station to maximise national and regional sustainable connectivity.
- Locally-oriented employment uses, located in the south-east of the site close to the Balcombe Road entrance. This may include small offices, incubator spaces and co-working hubs, research and development spaces, light industrial workshops and small scale logistics and warehousing.
- Should it be proposed, limited logistics or warehouse space should be located close to the M23 J9A access point. They should be small in scale, to serve local distribution (for example sustainable local consolidation centres) and be appropriately designed to contribute to the street environment. Where possible, they should be 'sleeved' by partially surrounding them with other finer-grain uses on key frontages.

PRECEDENTS



Figure 24: Milton Park, Oxfordshire & Alconbury Weald, Cambridgeshire: A co-working hub or 'Innovation Centre' with flexible workspaces and facilities can create activity and a sense of place near the centre of a business park

Urban Design

3.15 A strong urban design framework to govern the design of buildings and spaces can create an environment that is easy to navigate (legible), interesting and varied, and with respect for surrounding areas and residents. Use of landmarks, sightlines, active frontages and public spaces with distinctive characters potentially including moving water and/or outdoor art features can create a 'sense of place' within the development, significantly enhancing its attractiveness to business and prospective employees.



Figure 25: Urban design principles diagram

AIMS AND OBJECTIVES

- Create a legible, easily navigable environment for all users.
- Create safe, active and vibrant public spaces and streets between buildings and along movement corridors.
- Respect and reflect the context of the surrounding environment.
- Make an active and healthy environment for employees and local residents.

IMPLEMENTATION

Location-Specific

- Landmarks at key locations:
 - At the south-west - where visible from the railway line, the A23 and as pedestrians enter the site from Gatwick rail station, potentially also via a new gateway underpass feature, if viable.
 - At the south as the main vehicle access from M23 J9A enters the site.
 - At the central plaza to the south of the woodland copse.
- Clear sightlines along the main routes towards the central focal point and plaza.
- Active frontages at ground level facing onto key walking routes.
- Identification of key nodes within the movement network with a clear articulation of their distinctive character – e.g. ‘urban plaza’, ‘green square’ or pedestrian entrances to the new public open space as identified in the concept plan.

General Principles

- Identification of clear views within the site, ensuring that pedestrians unfamiliar with the site can clearly understand how to move through using cues such as scale, enclosure and visibility of key buildings.
- Consideration given to giving each main street a distinctive and recognisable character through scale, enclosure, street furniture and planting schemes.
- Buildings should have a contextually-sensitive and interesting roofscape to create a distinctive new development with attractive, fine-grained architecture.
- Reference to the character of neighbouring buildings, particularly along the northern and eastern edge of the site, is encouraged.
- A wayfinding strategy, with clear signposts and maps of the site posted at key locations.

GUIDANCE

- [Horley Design Guide SPD \(2006\)](#)
- [Sign Design Society, Sign Design Guide](#)

PRECEDENTS



Figure 26: Media City Salford: Locating more active uses such as cafes adjacent key streets and spaces to activate the public realm



Figure 27: Brooklands, Milton Keynes & Corby Enterprise Centre, Northants: Varied and interesting frontages to buildings create an attractive and memorable environment to walk through

Grain and Massing

3.16 Consideration of the scale or 'grain' of development within plots and along key streets is an important part of making a place more walkable and attractive and can make land use more efficient. HBP should aim towards including finer-grain buildings, or articulation of larger buildings to break up massing.



Figure 28: Grain and massing principles diagram

AIMS AND OBJECTIVES

- Locate buildings of different sizes in appropriate locations across HBP.
- Ensure an active and vibrant public realm through concentration of people and variety at key locations.
- Create variety in the built form along key streets to add interest to the walking experience.

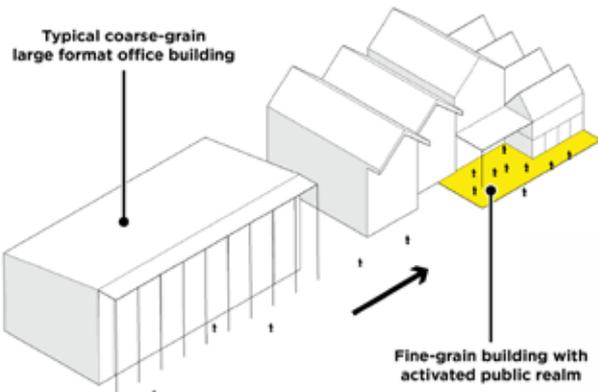


Figure 29: Breaking up the bulk of buildings and using built form to enclose and activate public space

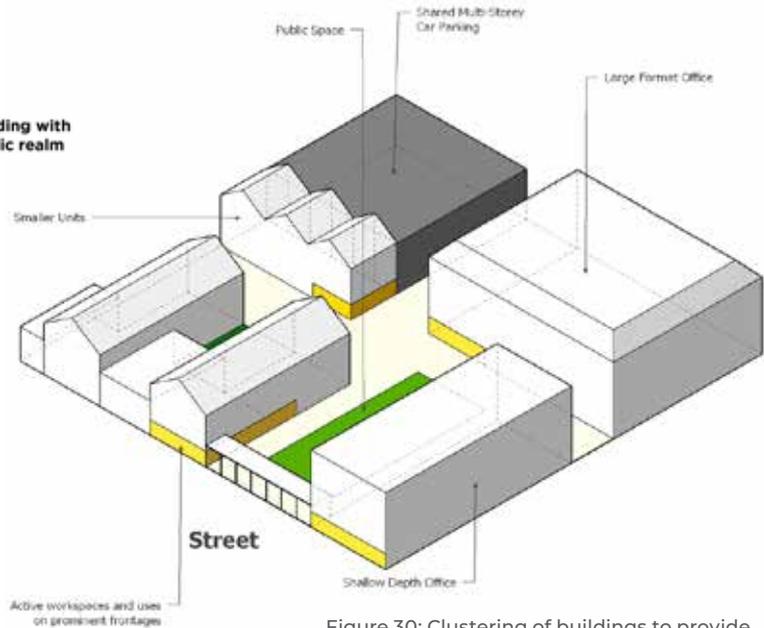


Figure 30: Clustering of buildings to provide variety of accommodation and public spaces

IMPLEMENTATION

Location-Specific

- Finer-grain buildings located in the south-eastern corner of the site, near the Balcombe Road entrance.
- Large format, coarse grain office buildings located closer to the southern edges of the site, overlooking the open space towards the A23.
- Buildings around the central plaza, and other key spaces and streets, to be visually fine-grained through architectural treatment, or to include fine-grained ground-floor uses such as cafes, food takeaways, meeting spaces, co-working hubs or maker spaces, to ensure the spaces and streets have activity and interest along them.

General Principles

- Frequent vertical articulation of facades, especially at ground floor level.
- ‘Breaking up’ of larger buildings to be conveyed visually as groups of smaller units.
- Larger format buildings to present active short edges towards main pedestrian routes and public spaces to create a visually finer grain.
- Use of clusters of buildings around varied public spaces to provide a variety of accommodation types around attractive outdoor spaces.

PRECEDENTS



Figure 31: Rugby Radio Station, Rugby: ‘Breaking up’ the mass of a building with architectural articulation, building arrangement around a public space and an attractive and context-sensitive roofscape

Building Heights

- 3.17 To maximise development opportunities, building heights should be within an envelope defined by sunlight access to existing residents, airport safeguarding requirements, amenity of existing residential areas and a strong urban design framework. Different heights across the site will respond to their context.

- 3.18 An interesting roofscape can mitigate some of the scale of taller buildings and create a more distinctive looking place that more closely reflects the local context.

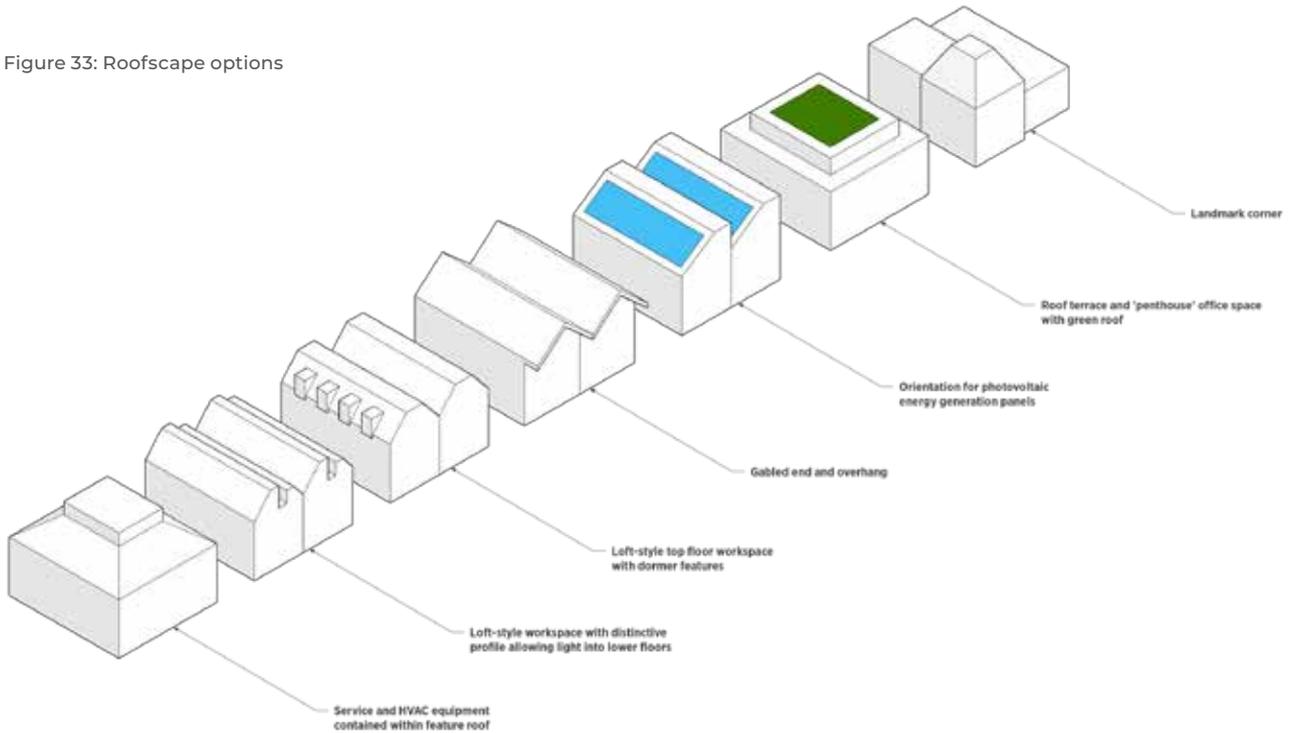


Figure 32: Building heights principles diagram

AIMS AND OBJECTIVES

- Respect existing area by ensuring sunlight access to surrounding homes.
- Locate different building heights at appropriate locations within HBP.
- Use scale and height to create a more legible and interesting environment.

Figure 33: Roofscape options



IMPLEMENTATION

Location-Specific

- Building heights should be lower at the northern edge, to the north of the 'green square' bordering the open space, reaching up to 2 storeys (9m).
- Building heights rise towards the western edge near the railway and northern side of the central 'crescent park' focal point and along key movement routes up to 3 storeys (13m).
- Building heights rise around the central 'crescent park' focal point and 'urban plaza' spaces and along key movement routes, up to 4 storeys (16m) in key locations.
- Building heights rise at the southern edge, bordering the Gatwick Open Setting, up to 4 storeys (16m) and with a taller landmark building of up to 5 storeys (21m).
- Building heights within the south eastern parcel of development adjacent to Balcombe Road should be up to 2 storeys (9m).

General Principles

- Buildings should have a contextually-sensitive and interesting roofscape, to create a distinctive new development with attractive, fine-grained architecture.
- Building heights must consider the aerodrome safeguarding requirements of Gatwick Airport – emerging proposals must be presented to Gatwick Airport for ensure there are no conflicts with safeguarding requirements.

PRECEDENTS

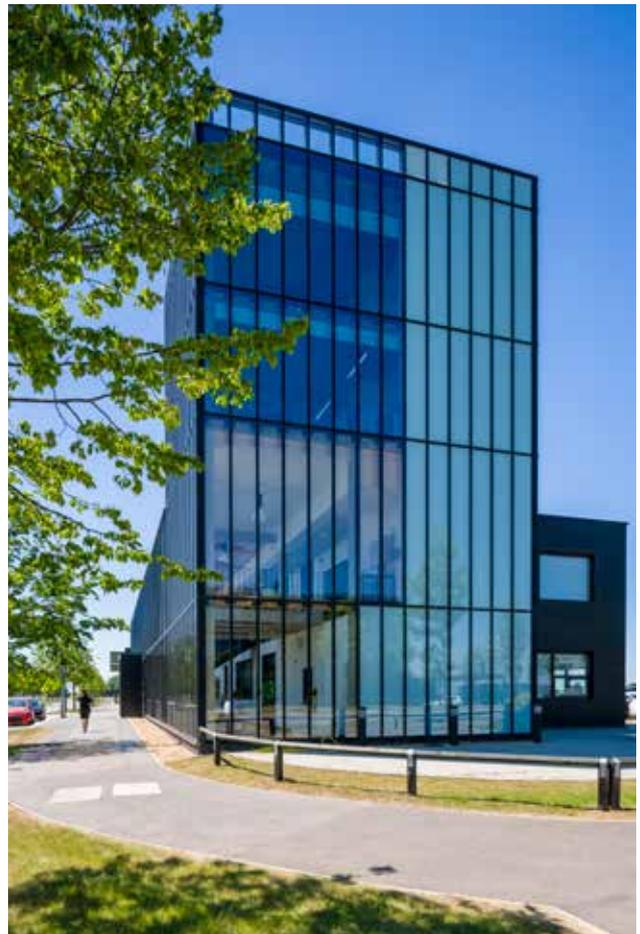


Figure 34: Alconbury Weald, Cambridgeshire: A taller landmark building at a key corner can aid legibility and wayfinding

Sustainable Design and Construction

3.19 HBP is located in a highly sustainable location, accessible by a variety of public transport and other sustainable transport solutions. To help tackle the climate emergency caused by carbon emissions, as well as reducing transport emissions the role of construction, building operation and energy consumption must be addressed through a range of measures.

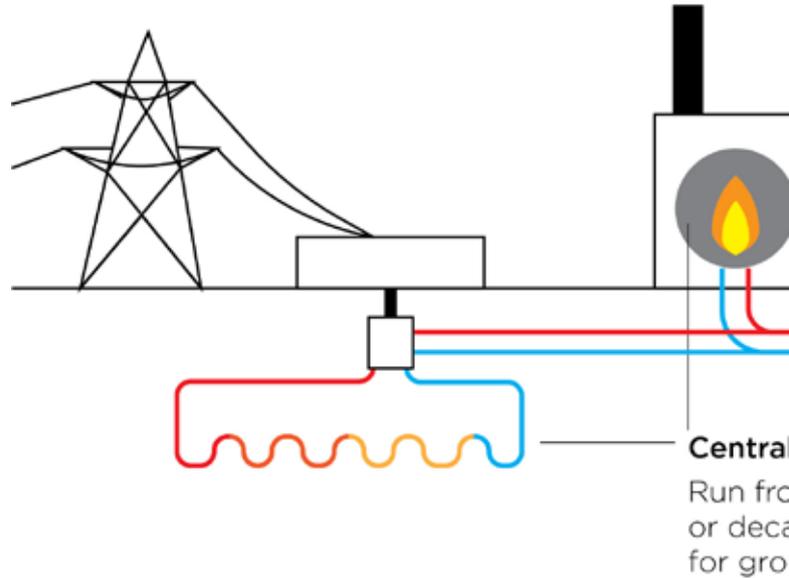


Figure 35: District heating network principles

AIMS AND OBJECTIVES

- Reduce carbon footprint of development by maximising energy efficiency of buildings.
- Maximise possibilities for on-site sustainable energy generation, taking into account potential impact of installations.
- Consider ‘full-cycle’ impact of development through sustainable construction and re-use practices.

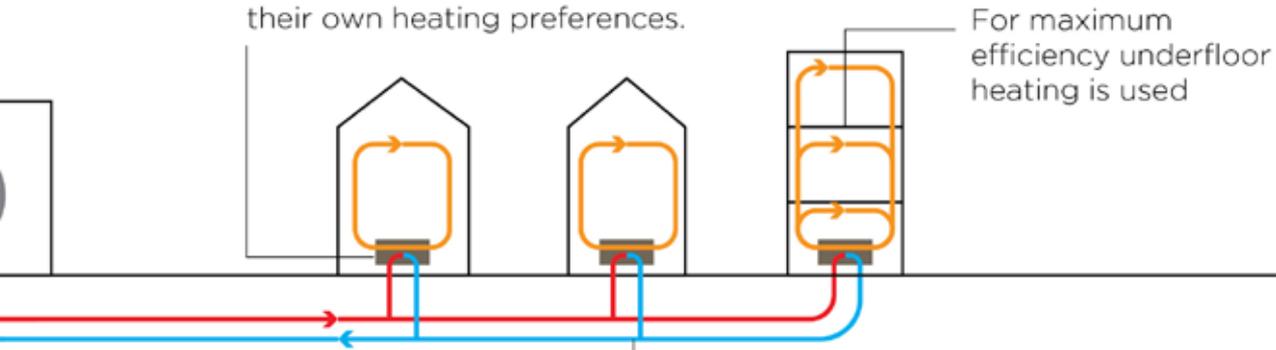
IMPLEMENTATION

General Principles

- On-site energy generation should be maximised where possible:
 - Use of wind turbines is not permitted due to the adjacent airport.
 - Use of solar panels on buildings and roofs is permitted, provided they are assessed by Gatwick Airport to not provide a dazzling hazard for pilots on approach to the airport.
- The site offers potential to deliver a district heating solution, through a heat exchange loop from a ground source heat pump (GSHP), or centralised CHP energy generation facility using low or zero-emission technologies. If using biomass, local emission impacts on air quality must be considered as the site lies in an air quality management area (AQMA).

Heat Interface Unit (HIU)

Transfers heat from external distribution network to low-temp internal building system. Individual buildings can manage their own heating preferences.



Boiler or Heat Pump
 from gas or biomass (interim)
 carbonised grid electricity
 and source heat pump

Distribution Network
 Insulated pipes running to all
 buildings. Sealed system - hot out
 and cold return

- Green roofs to improve building energy conservation are encouraged, provided they are made unattractive to birds to avoid creating a bird strike issue at the adjacent airport. Techniques to create such roofs, which remain friendly to insects and other biodiversity, have been employed in the vicinity of other international airports.
- Built form should be oriented to consider and maximise solar gain and make use of passive ventilation from prevailing winds, so minimising carbon emissions. Narrower floorplates should be considered to maximise access to natural sunlight and ensure passive ventilation is possible.
- Commercial buildings should be constructed to exceed BREEAM “very good” standards.

- Buildings should be designed to be flexible and adaptable to future uses and circumstances, to minimise the need for demolition and carbon-intensive reconstruction.
- Sustainable construction techniques, using recyclable materials where possible, should be adopted.
- A full-cycle zero-carbon approach should be adopted to analyse the carbon emissions through the construction, operation and adaptation of a building through its life cycle.

GUIDANCE

- [BREEAM: Technical Manual](#)
- [UK Green Building Council: Zero Carbon Non-Domestic Buildings](#)
- [Carbon Trust: Combined heat and power for buildings](#)

4. Design Options



Figure 36: Concept artist's impression of design option at night, looking southwest

Overview

4.1 This chapter presents illustrative design and massing options for Horley Business Park, testing the policy allocation and design principles. It presents illustrative layouts, massing, movement, green and

blue infrastructure and other placemaking considerations, and discusses the effects on development quanta and the surrounding environs.



Methodology

- 4.2 The design options take the design principles established in Chapter 3 and apply them to the concept plan presented in an illustrative layout and massing. This testing process aims to balance the principles and objectives set out previously to deliver the vision and seeks to understand the quantum and form of development that may be appropriately developed on the site.
- 4.3 A sub-option is presented with a subtly different mix of uses (incorporating limited B8), along with discussion on the implications of including this form of development.
- 4.4 A second option is presented, intensifying the development quantum to be as close as possible to the policy maximum of 200,000sqm of commercial floorspace. The implications of this scale of development on policy objectives and deliverability of the design principles are then presented and discussed.
- 4.5 This approach provides a robust test for the RBBC Local Plan policy, which is flexible in its allocation, subject to masterplanning. It does not determine a final layout for the site, and is not prescriptive or restrictive upon development options, but seeks to provide a design output that successfully balances the council's policy objectives and the need for sustainable and commercially viable development of the site. It also seeks to demonstrate clearly the implications of more intensive development on the site, to inform a future Supplementary Planning Document.
- 4.6 The results of the report are not prescriptive in terms of design (as policy states that this will be for the masterplan submitted by the developer), but a number of different options have been undertaken for different quantum of accommodation to determine if they would be appropriate and fulfil the design principles and vision for the site. The overall design/ quantum will depend on a mix of viability, car parking/transport issues and design. This report does set out a preferred design option.

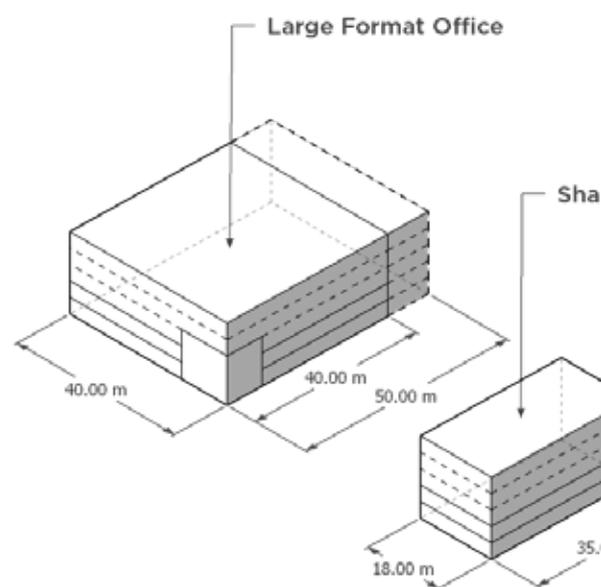


Figure 37: Typical building typologies used within the illustrative

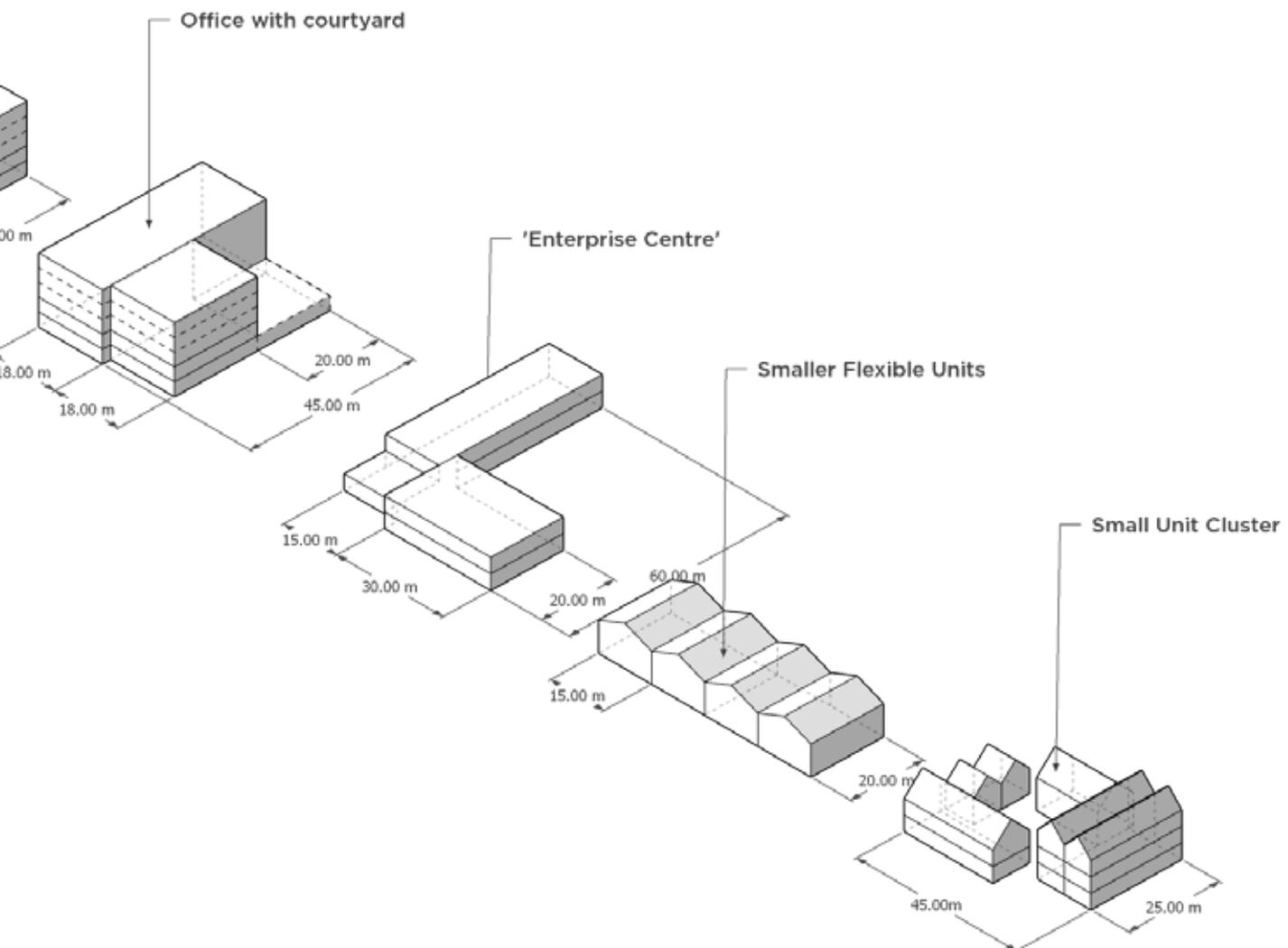
Building Typologies

4.7 It is essential that design options reflect commercially deliverable schemes for them to be meaningful. To ensure the illustrative layout reflects commercial requirements for office space and other uses, background research into currently available precedent office schemes of high quality has been undertaken to determine typical dimensions and layouts.

4.8 The precedent office typologies were selected for their strong match with the vision and ambitions for quality development on the site, and precedents were located across the UK, in existing or proposed business park and urban regeneration settings.

4.9 As a result, a range of suitable building typologies has been used in the production of the illustrative design options. Figure 37 below shows typical dimensions for these flexible typologies.

Lower Depth Office



Design Option 1: Balanced Development Scenario



Figure 38: Illustrative masterplan for Design Option 1

Access

- 1 M23 J9A Vehicle Access
- 2 Access to Gatwick Airport
- 3 Railway Footbridge
- 4 Access to Limes Avenue
- 5 Access to Bayhorne Lane
- 6 Restricted Vehicle / Bus Access
- 7 New Sussex Border Path Access

Public Space

- 8 Gatwick Open Setting - 'Biopark'
- 9 Formal Landscape 'Gateway'
- 10 Focal Point Space
- 11 Natural Open Space
- 12 Parkland-style Open Space
- 13 Central Square
- 14 Green Square

Green and Blue

- 15 Retained Copse
- 16 Retained Tree Line
- 17 New Screen Planting
- 18 SuDS Swales and Ponds
- 19 Green Roofs
- 20 Swales within streets

Built Form & Character

- 21 Meadowcroft - smaller units
- 22 Intensive Campus-style area
- 23 Farm Barn-style cluster
- 24 Landmark Hotel
- 25 Landmark Feature
- 26 Cafe Pavilion
- 27 Mixed use facility addressing park

ILLUSTRATIVE MASTERPLAN

4.10 The illustrative masterplan sets out an indicative design approach and layout that balances development floorspace with placemaking, green and blue infrastructure, open space and sustainable movement.

4.11 Simulated aerial views of the illustrative masterplan from the north, east and southwest are shown below, showing how the proposals would sit within the context.

4.12 The following sections set out the illustrative masterplan's approach to Development Quanta, Movement, Servicing and Vehicle Parking, Green and Blue Infrastructure. Built Form & Character and Environment Sustainability.



Figure 39: Aerial view of illustrative masterplan from southwest



Figure 40: Aerial view of illustrative masterplan from north



Figure 41: Aerial view of illustrative masterplan from the east (Balcombe Road)

DEVELOPMENT QUANTA

4.13 The illustrative masterplan identifies a potential 147,000sqm of gross floorspace development, across all uses, comprising:

- 11,500sqm hotel space
- Mixed use facilities at the main square and facing the parkland-style open space (7,500sqm).
- Commercial space, including B1 offices and limited B8 storage and distribution facilities (128,000sqm).

4.14 In addition, there is additional floorspace required for multi-storey car parking (discussed later in this chapter).

4.15 This is split between five main development parcels, four located in the western part of the site, and one located in the Meadowcroft area of the site. Within each parcel, there are smaller individual development plots that can potentially be further subdivided dependent on market demands and any designs for cluster-style built form.

4.16 Indicative floor area ratios (FAR) show a graduation in development intensity from the southern edge (higher at around 2.0 to 2.2) to the northern and eastern edge (lower at around 0.75). The overall 1.5 FAR is similar to that of a town centre, indicating the intensity of development required to achieve the floorspace ambitions set out in the policy.

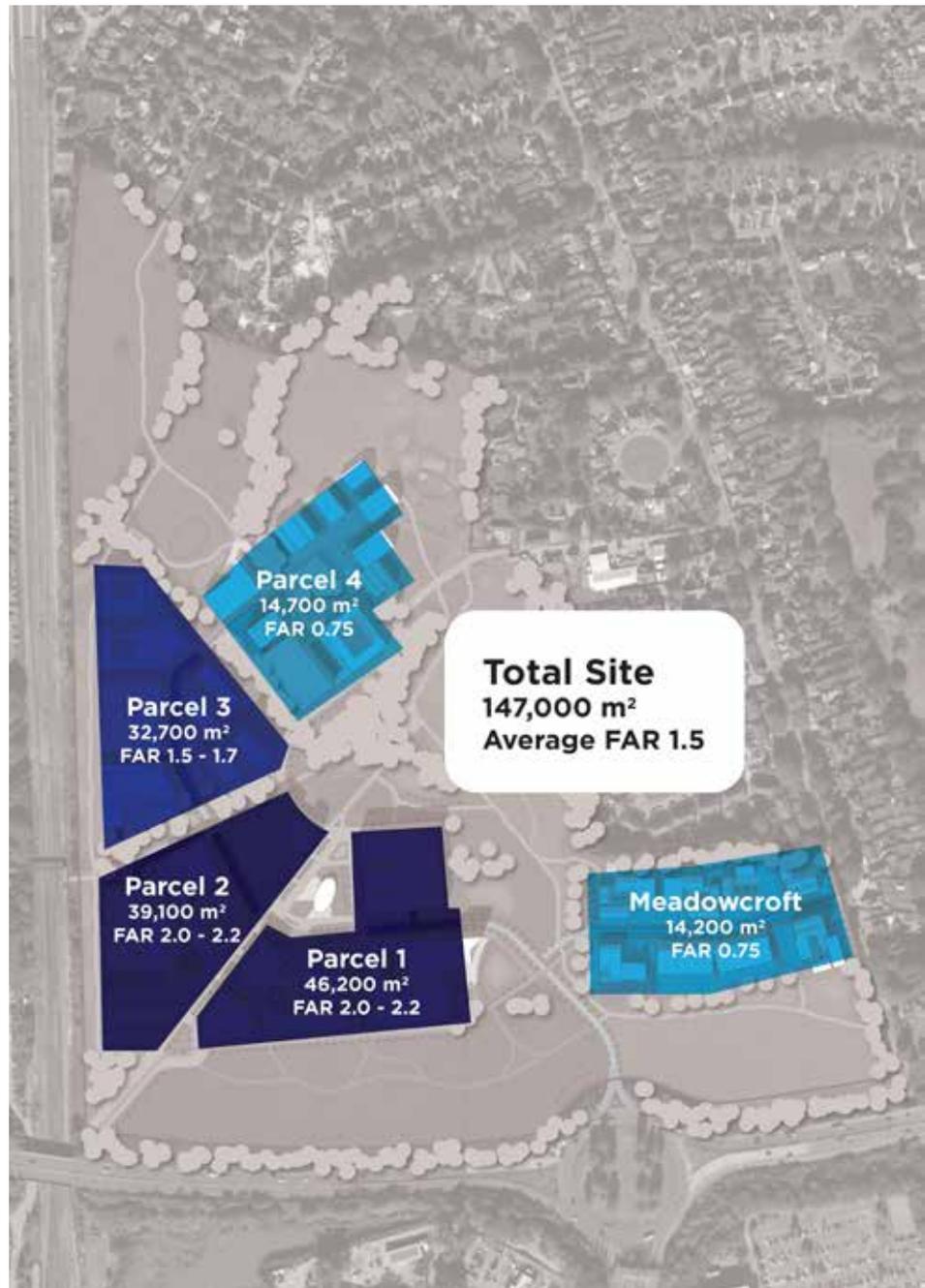


Figure 42: Development quanta for Design Option 1

MOVEMENT

4.17 The movement network on the site is designed to strongly prioritise the use of sustainable transport modes, such as walking, cycling and public transport. As with the concept plan, maximising permeability and connectivity to Gatwick Airport railway station, Horley railway station and the town centre is vital for this to occur. The movement network includes an option to divert the existing Public Right of Way to extend from Balcombe Road across the site along the northern edge of the designated Gatwick Open Setting to the pedestrian bridge across the railway. This option provides an opportunity for the Public Right of Way to follow a more natural and recreational route. Even if the public right of way were to remain on its current route, an alternative recreational route along the Gatwick Open Setting would increase the recreational value of this corridor.

4.18 The different core street typologies are identified:

- Main Street – car, bus, cycle, pedestrian.
- Formal Pedestrian Routes – cycle, pedestrian.
- Green Finger – cycle, pedestrian.

4.19 These typologies are located on the movement plan. Formal pedestrian routes are predominant at the southern, more intensively developed end of the site, and green finger routes are more prevalent at the northern end of the site, connecting to open space and following the lines of existing green infrastructure.

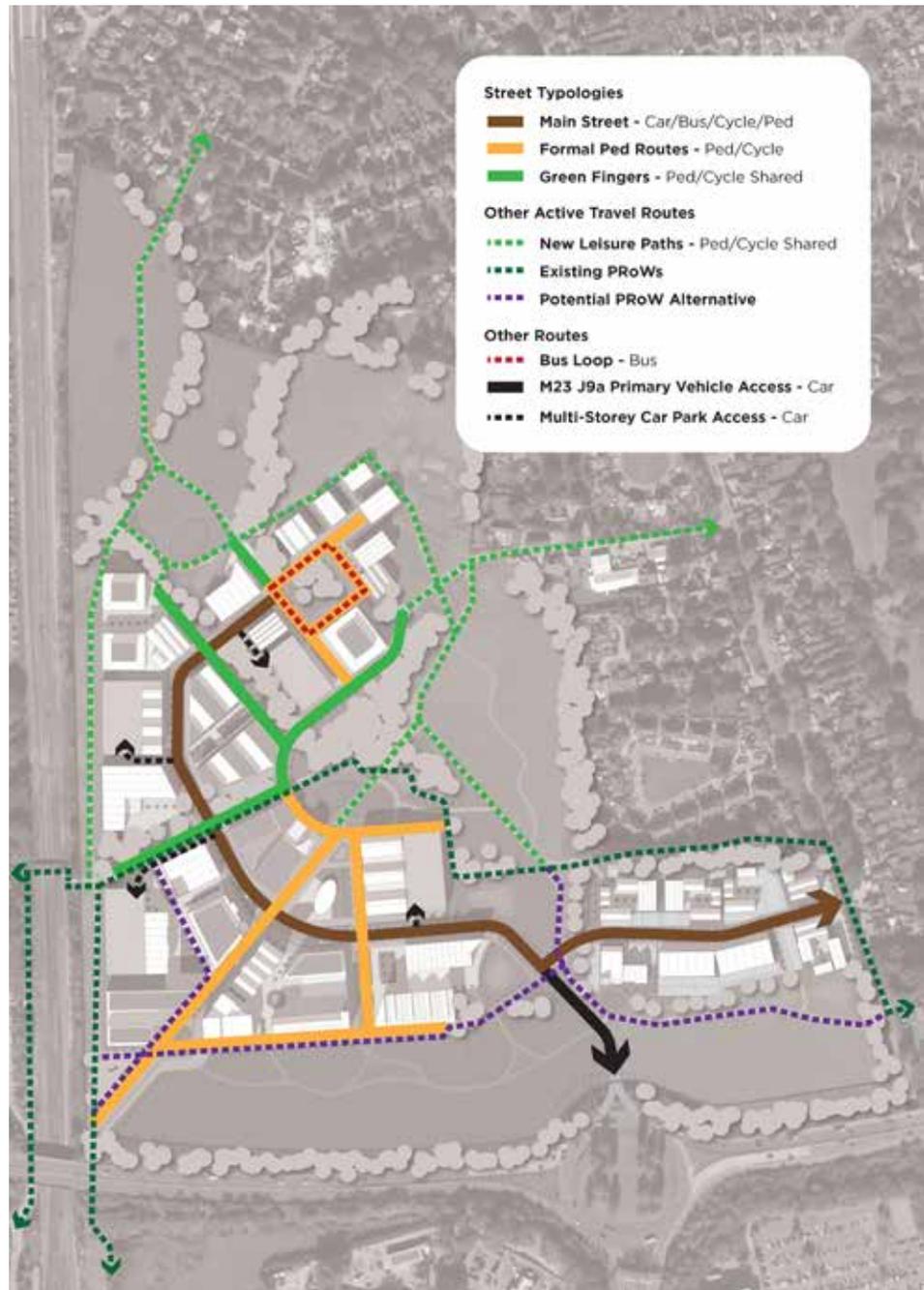


Figure 43: Movement network for Design Option 1

4.20 The three main typologies are illustrated below, with indicative street sections and design details.

4.21 As well as the street typologies, a range of illustrative leisure routes through open space have been detailed on the plan. These provide connectivity to the existing built up areas, and a 'leisure loop' through open space for employees and local residents.

4.22 Existing public rights of way (PRoWs) are retained. Potential alternative routes for Public Rights of Way are shown to illustrate how diversions can provide a recreational walking environment that is attractive and well-overlooked. In the south-east, an alternative route for the Sussex Border Path which cuts across open space and avoids the use of Balcombe Road is illustrated.

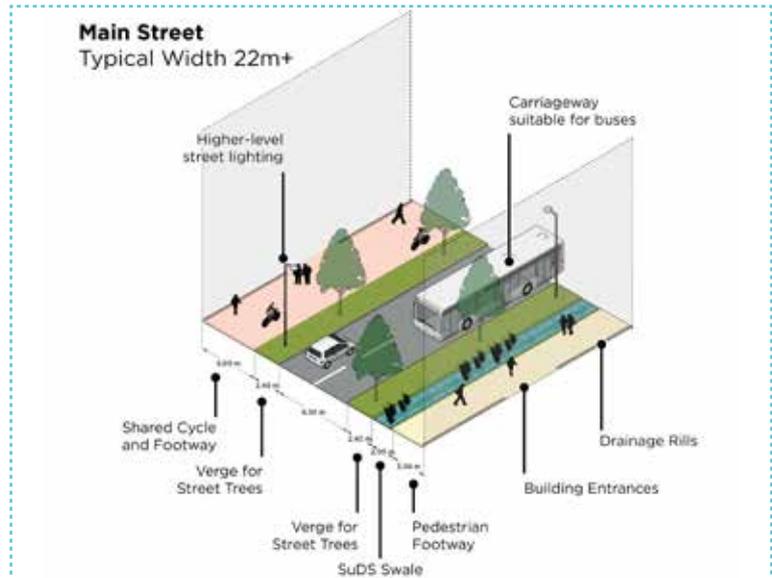


Figure 44: Illustrative profile of Main Street typology

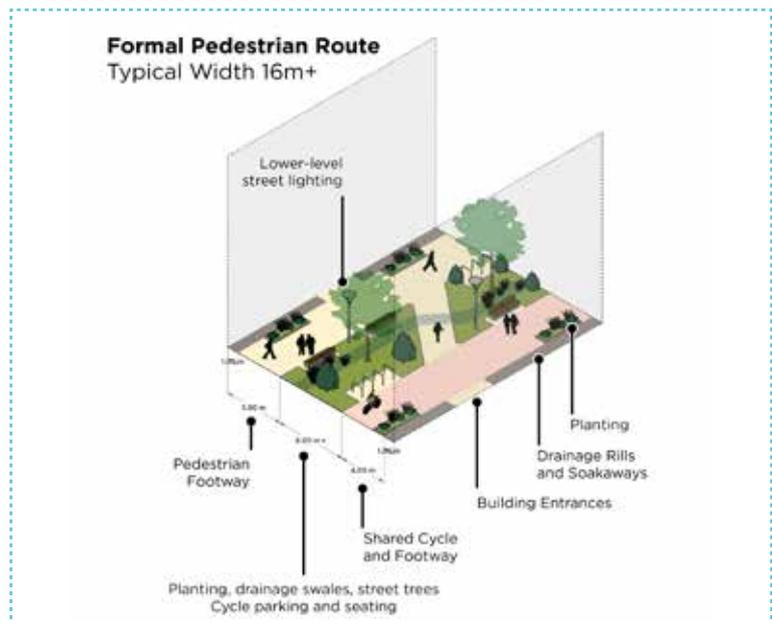


Figure 45: Illustrative profile of Formal Pedestrian Route typology

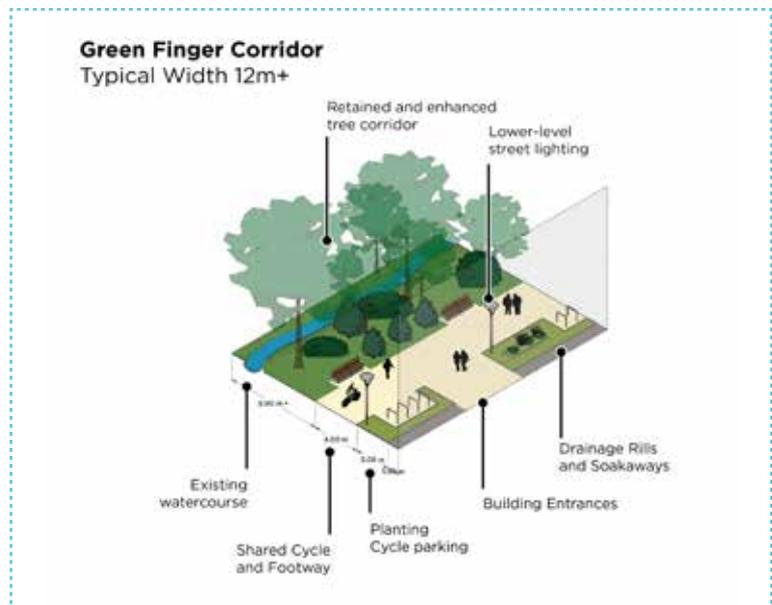


Figure 46: Illustrative profile of Green Finger typology

4.23 Public transport runs from Balcombe Road along the Main Street through Meadowcroft and into the western part of the site, turning at a loop around the green square at the north end. Indicative locations for bus stops show that all development within the site can be less than 200m from a bus stop with the use of just 3 stops.



Figure 47: Indicative public transport routing and stops

SERVICING AND VEHICLE PARKING

- 4.24 All development plots can be accessed by service and emergency vehicles, although as this requires the use of pedestrian and cycling routes. Service vehicles would ideally be restricted to authorised vehicles only, and restricted to out of normal office hours.
- 4.25 Uber, Taxi and other Private Hire Vehicles would be restricted to the Main Street. No development plot is more than 2 minutes' walk from this street.
- 4.26 Delivery vehicles would be either restricted to operating out of office hours or restricted to the main street, with final journeys to buildings on foot with a trolley or similar.
- 4.27 Car parking on site is handled in line with the design principles laid out earlier in this document. Within the main site, car parking is provided through multi-storey car parks, one located within each of the four main development parcels. Within the Meadowcroft area, car parking is handled by landscaped surface car parking.
- 4.28 This approach ensures approximately one parking space per 50sqm of net commercial floorspace when averaged across the site.
- 4.29 Multi-storey car parks are located at edges of development parcels, minimising their inactive frontages to the main street or primary pedestrian movement corridors. Where car park sides are exposed to open space, use of green walls is recommended.

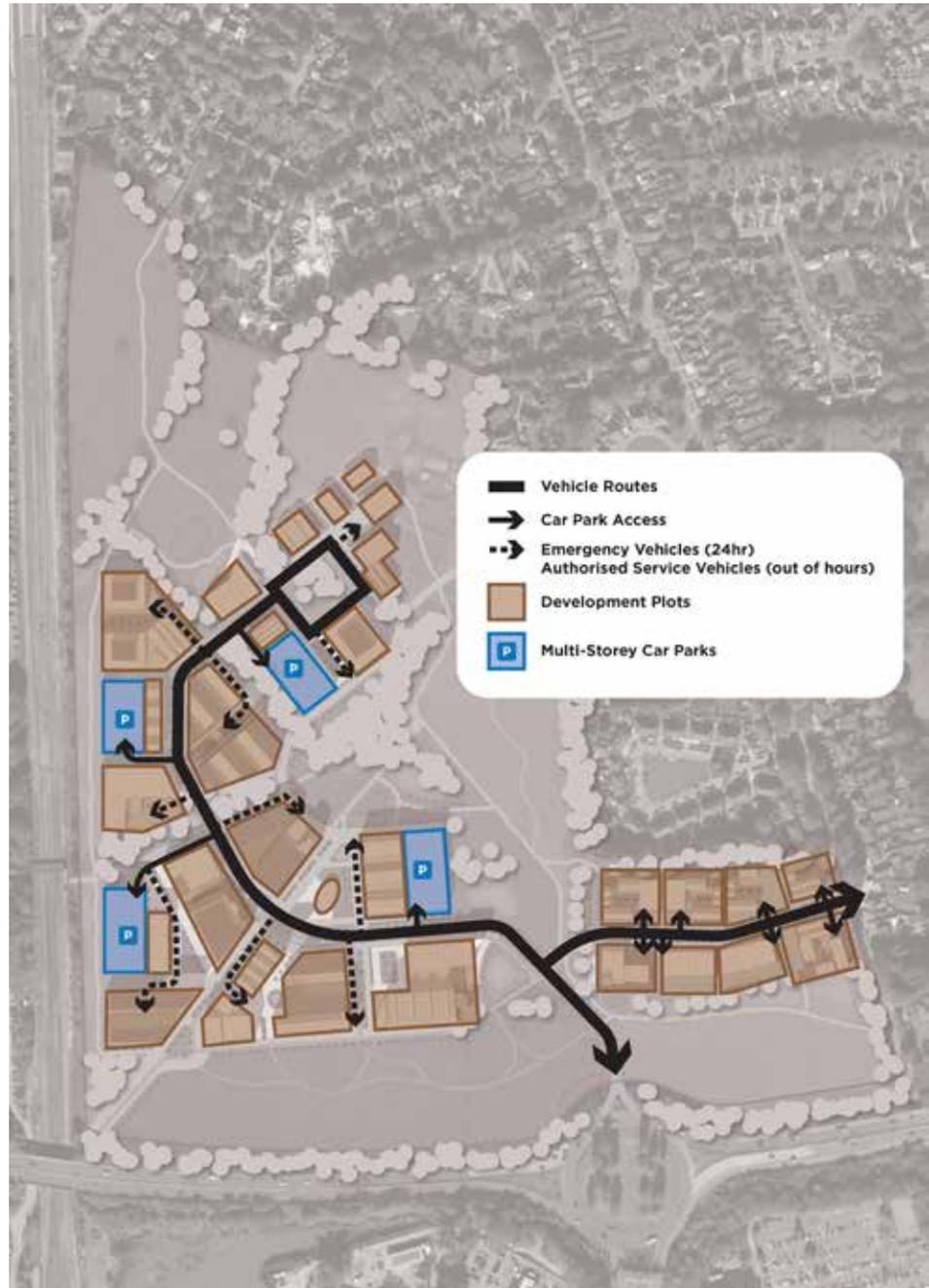


Figure 48: Indicative plan of servicing and parking access

4.30 Multi-storey car park heights are assumed to be 3m per deck, with the roof also used for parking. Overall heights are matched to adjacent buildings.

4.31 Multi-storey car parks are accessed from the main street where possible.

Table 1: Car parking provision for Design Option 1

Parcel	Net Floorspace* (sqm)	Parking Spaces	Spaces per sqm	Notes
1	39,300	600	65	MSCP Can be supplemented with selective undercroft or podium parking
2	33,200	730	45	MSCP
3	27,800	440	63	MSCP Can be supplement with selective undercroft or podium parking
4	12,500	400	31	MSCP
M'croft	12,100	240	50	Surface parking
TOTAL	125,000	2,386	52	

* Assumed to be 85% of gross floorspace after building servicing subtracted

4.32 This level of car parking provision is lower than RBBC's maximum parking standards in policy, however, as detailed in the Design Principles chapter, a reduction in this provision is necessary to maximise the sustainable modal shift opportunity for the site. Given the highly sustainable location, and recent precedent examples of similar business parks in sustainable locations, this parking provision should be sufficient.

4.33 As well as what is suitable in terms of commercial attractiveness and issues, car parking space numbers on the site will also be dependent on any cap on the number of vehicles accessing the site from the M23/A23, and any limit on access from Balcombe Road. Therefore car parking provision is likely to be a key determinant of floorspace achievable on the site. Maximising sustainable mobility is therefore in the interests of developers keen to maximise floorspace development.

4.34 Although not detailed in the plan, the Design Principles chapter sets out a phasing approach for car parking development, which allows flexibility in parking provision over time as building plots are developed, with the long-term target of parking provision as set out above.

1. Initial plots within a development parcel are built with temporary surface car parking on an adjacent plot that serves the whole parcel.
2. As the parcel is built out, a multi-storey car park (MSCP) is built as the parcel's development becomes sufficient to support one. Surface parking is retained throughout the transition.
3. Once the MSCP is complete, the plot containing surface parking can be developed and the surface parking removed. All parking for the parcel is contained within the MSCP or any in-building podium or undercroft parking, at the discretion of the developer.

4.35 Provision of disabled parking bays should still be made close to or adjacent to buildings that are more distant from MSCPs within their cluster.

GREEN AND BLUE INFRASTRUCTURE

4.36 The illustrative masterplan contains extensive green and blue infrastructure, forming an attractive and sustainable setting for development, as well as providing amenity value for local residents and employees working on the site.

4.37 Areas within Flood Zone 2 are undeveloped, and surface water SuDS features are outside of these fluvial flood zones. Surface water management is undertaken through a combination of plot-level and street-level interventions such as rills, soakaways and planted areas, through to strategic level balancing ponds at the edge of development parcels and the retention of existing watercourses throughout the site.

4.38 Existing mature trees are retained in their entirety, except for where the main street needs to cut through existing tree lines. The existing tree lines and central copse form a strong green and blue framework for development, creating an attractive mature setting from first occupation.

4.39 Open space typologies vary subtly around the site, from the north where a more 'parkland' style feel is evident with strong tree lines, to the east where natural open space is proposed, to the southern Gatwick Open Setting where a 'biopark' of grass and wildflower planting is proposed. Taken together, these typologies provide variety, function and contribute to the biodiversity of the site.



Figure 49: Indicative plan of green and blue infrastructure within the site

4.40 Within the centre of the site, the focal point is a more formally landscaped location, blending towards the tree copse as a backdrop. Streets are lined with trees and planted areas (see Movement section for more information on green and blue infrastructure within streets).



Figure 50: Potential character of northern 'parkland'-style open space

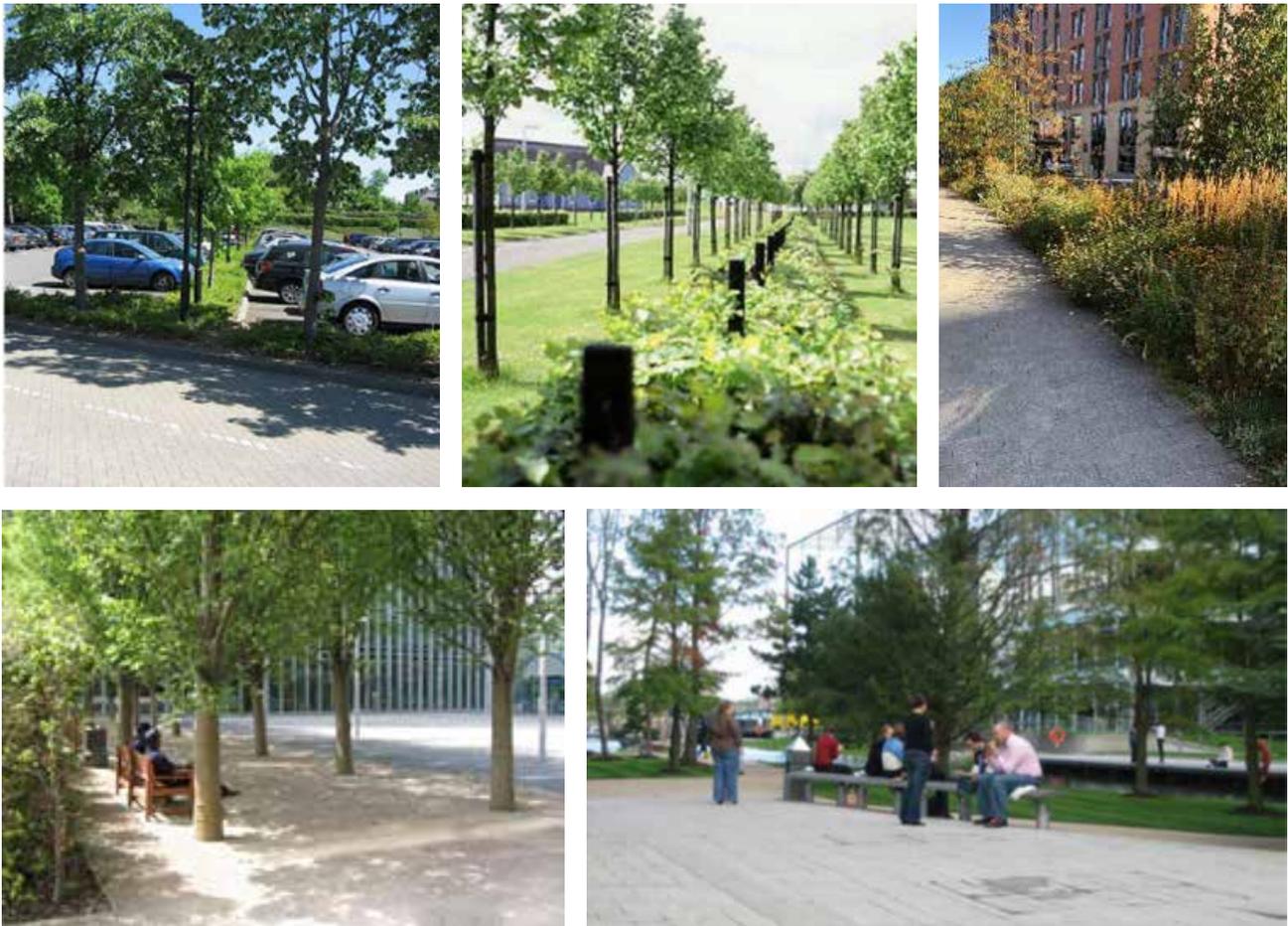


Figure 51: Landscape character precedents for public realm

BUILT FORM & CHARACTER

4.41 Building heights have been kept as low as possible to avoid impacts on nearby Gatwick Airport and its safeguarding issues, as well as to reduce impact on surrounding residential areas.

4.42 Building heights rise from the north-east (bordering existing residential areas), where they broadly match existing heights, and peak in the southwest at a maximum of 7 storeys at the hotel site (approx. 28m). Storey heights are assumed to be 4m for office buildings.



Figure 52: Indicative plan of building heights

4.43 Building heights are considered with adjacent street cross-sections to reinforce distinctive character areas within the site. A variety of characters are set out in Figure 53.

4.44 Potential character areas within the site are:

- 'Campus': a high-intensity campus-style, walkable environment with high quality street scenes and formal street planting or landscaping.
- Green Streets: formal streets and courtyard spaces, with strong building lines framed by mature tree lines.
- Green Square: a loose collection of buildings based around existing mature trees with shared space public realm connected to the surrounding natural open space.
- 'Farm Barns': inspired by the farm building vernacular, barn-style highly permeable development with views through to the natural open space and natural planting/landscaping.
- Park Focal Point: a distinctive building and public space fronting onto the parkland-style open space, providing a focal point to draw the eye from the northern entrance
- Focal Point: a formally landscaped open space at the heart of the development, backed by a mature tree copse.

4.45 Although it has not been included in the illustrative masterplan, some of the existing buildings and gardens at Bayhorne Farm may be suitable for retention for community use. The



Figure 53: Indicative plan of character areas within the site

masterplan outlined does not prevent their retention and they would naturally connect to the 'farm barn' style character area adjacent. Retention and reuse could create a connecting asset between residential areas and the business park, and provide punctuation within an open space loop around the site.

4.46 General character and architectural precedents for a modern high quality development of the form set out in the vision are shown in Figure 54 below:



Figure 54: Built form character precedents

4.47 Views into and within the site have been considered, with the following considerations:

- Reduction of visual impact on surrounding residential areas.
- Glimpsed visibility from Horley town centre.
- Visibility of the site and a distinctive frontage from the A23.
- Legibility for pedestrian movement and navigation within the site, especially when arriving from Gatwick Airport rail station.

4.48 A selection of simulated viewpoints from surrounding locations are shown below. These views use Google Maps data with the illustrative masterplan overlaid. At street levels, Google Maps data can display some artefacts which are present in the images.

4.49 Key landmarks within the site are created through building heights. A landmark tower is located at the focal point open space, guiding pedestrians towards it. In addition, the hotel at the southwestern corner functions as a landmark with high visibility from surrounding roads and the railway. The Horley Design Guide references high buildings as key landmarks for legibility, character and memorability due to the otherwise flat land levels of the area.



Figure 55: View from A23 looking east showing distinctive southern frontage



Figure 56: View from Horley Rail Station bridge showing glimpsed view of roofscape and landmark tower



Figure 57: View from Horley town centre ground level showing very small glimpses of landmark tower



Figure 58: View from Balcombe Road along Bayhorne Lane

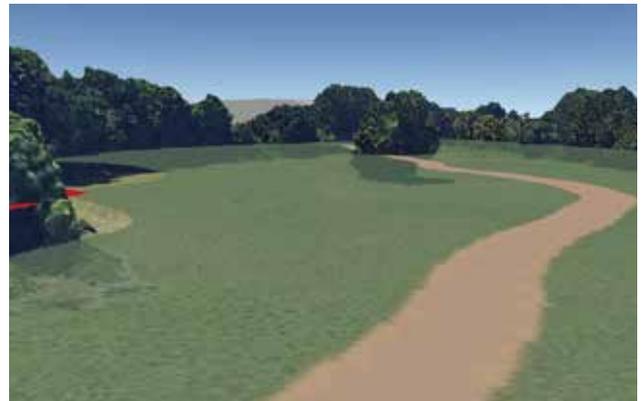


Figure 59: View from north (Limes Avenue entrance) across 'parkland' open space to mixed-use facility



Figure 60: View from The Crescent looking southeast



Figure 61: View from The Crescent looking northeast

ENVIRONMENTAL SUSTAINABILITY

4.50 The environmental sustainability measures of the illustrative masterplan are summarised in Table 2 below, across four key themes.

Table 2: Environmental sustainability measures

Theme	Measures
Energy	<ul style="list-style-type: none"> • Potential for low-carbon district heating network (more information below) • Building depths minimised to allow natural lighting, solar gain and natural ventilation • Use of internal atria to allow natural light into deeper buildings • Roofscape designed to allow maximum space for solar panel energy generation • Public spaces oriented for maximum sunlight to ensure extended use of outdoors • Green roofs for insulation and heat moderation • Retention of mature trees for pleasant microclimate throughout year in public realm
Transport	<ul style="list-style-type: none"> • Highly sustainable location with excellent rail and bus services to Gatwick Airport • Pedestrian and walking connectivity maximised, with clear connectivity to onward sustainable travel • Car parking minimised • Walking connections to town centre and surrounding residential areas
Nature	<ul style="list-style-type: none"> • Extensive natural open space provision • ‘Biopark’ habitat provision in Gatwick Open Setting • Retention of mature tree corridors and vegetation • New street trees and public realm planting to introduce variety of habitats throughout site • Green roofs to support biodiversity • Integration of habitats within SuDS features
Water	<ul style="list-style-type: none"> • Use of SuDS at local and strategic scale to slow water flow from site and provide filtration through use of reedbeds or planting • Retention of existing watercourses • Use of green roofs to filter rainwater

4.51 The scale of development proposed for the site offers the potential for a viable district heating network with a centralised heat source. Such networks offer the potential for significant reductions in carbon emissions and energy efficiency across the development. For a masterplan to incorporate such a network, the following design considerations apply:

- A central location for the district heating source, weighted by development quantum. Potential locations are highlighted in Figure 62.
- Installation of heating ducts along streets and servicing routes prior to plot development to prevent conflicts with future development.

- Use of the open space for ground source heat pump loops connected to the centralised heating source.
- ‘Sleeving’ of the central heating source by single-aspect units.
- Co-location of the central heating source with a foodstore or similar on-site facility to harvest waste heat from fridges.

4.52 Given the new-build nature of the development and high energy-efficiency standards that will be in place, a low-temperature heat network using a ground source heat pump would be a potential low-carbon configuration. More information on configurations can be found in the Department of Energy and Climate Change publication ‘Heat Pumps in District Heating’ (2016).

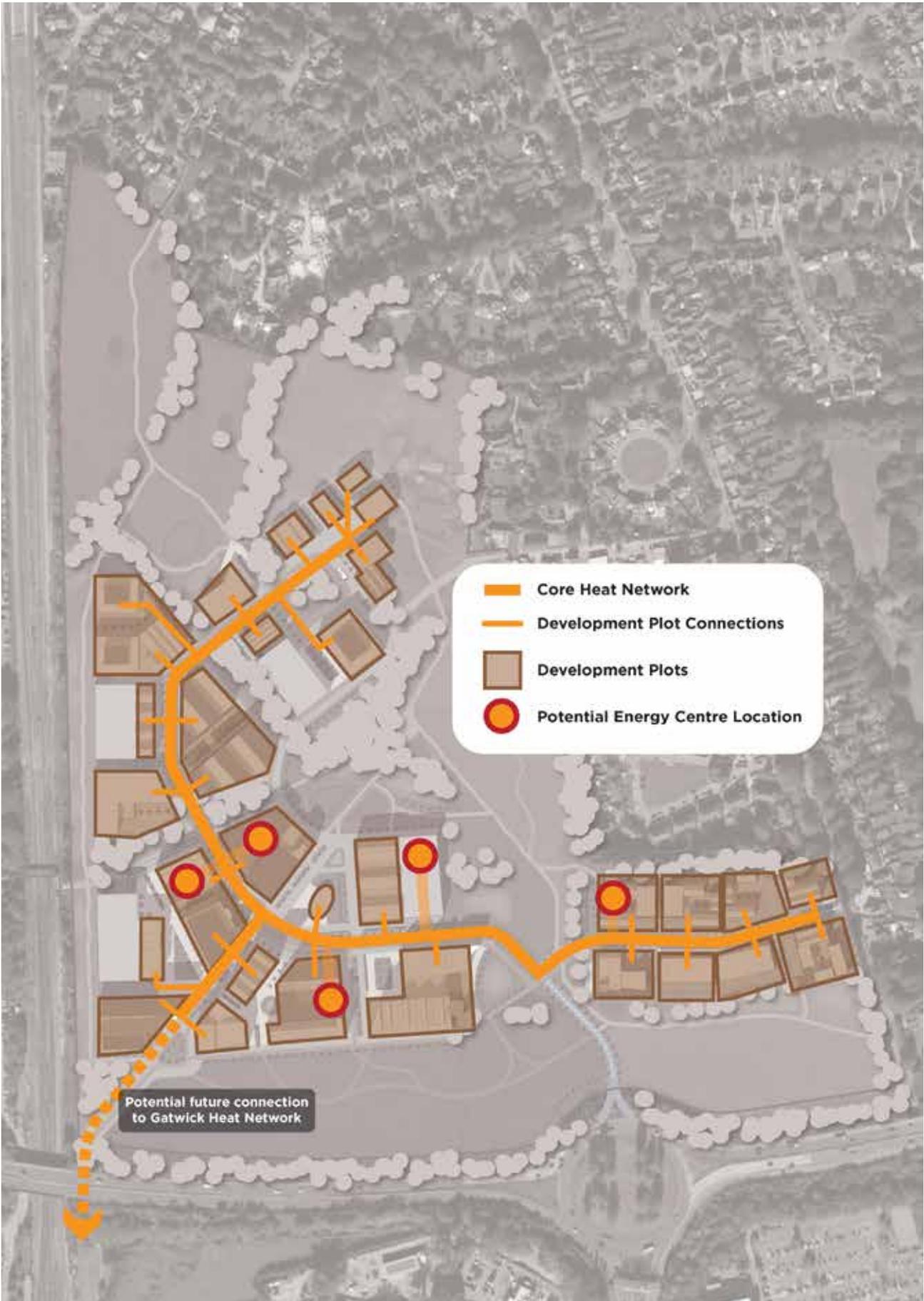


Figure 62: Illustrative configuration of district heat network

**DESIGN OPTION 1A:
INCORPORATING B8 USES**

4.53 This sub-option within the preferred design option (1), sets out an alternative configuration of uses to incorporate the potential of limited smaller-scale B8 warehousing and distribution uses. The potential for incorporation of limited B8 uses is set out in RBBC’s policy.

4.54 B8 uses are normally subject to different, and potentially conflicting design considerations to those that have driven the masterplan for the rest of the site. Typically B8 developments require large footprints at a low intensity with, major servicing areas, highway infrastructure and lack active frontages on most of their exterior. They typically require more car parking for employees and are difficult to serve with public transport due to their low employment density. In this context, DMP Policy HOR9 permits only a limited amount of B8 development to avoid the design issues that otherwise arise when trying to integrate such large scale developments.

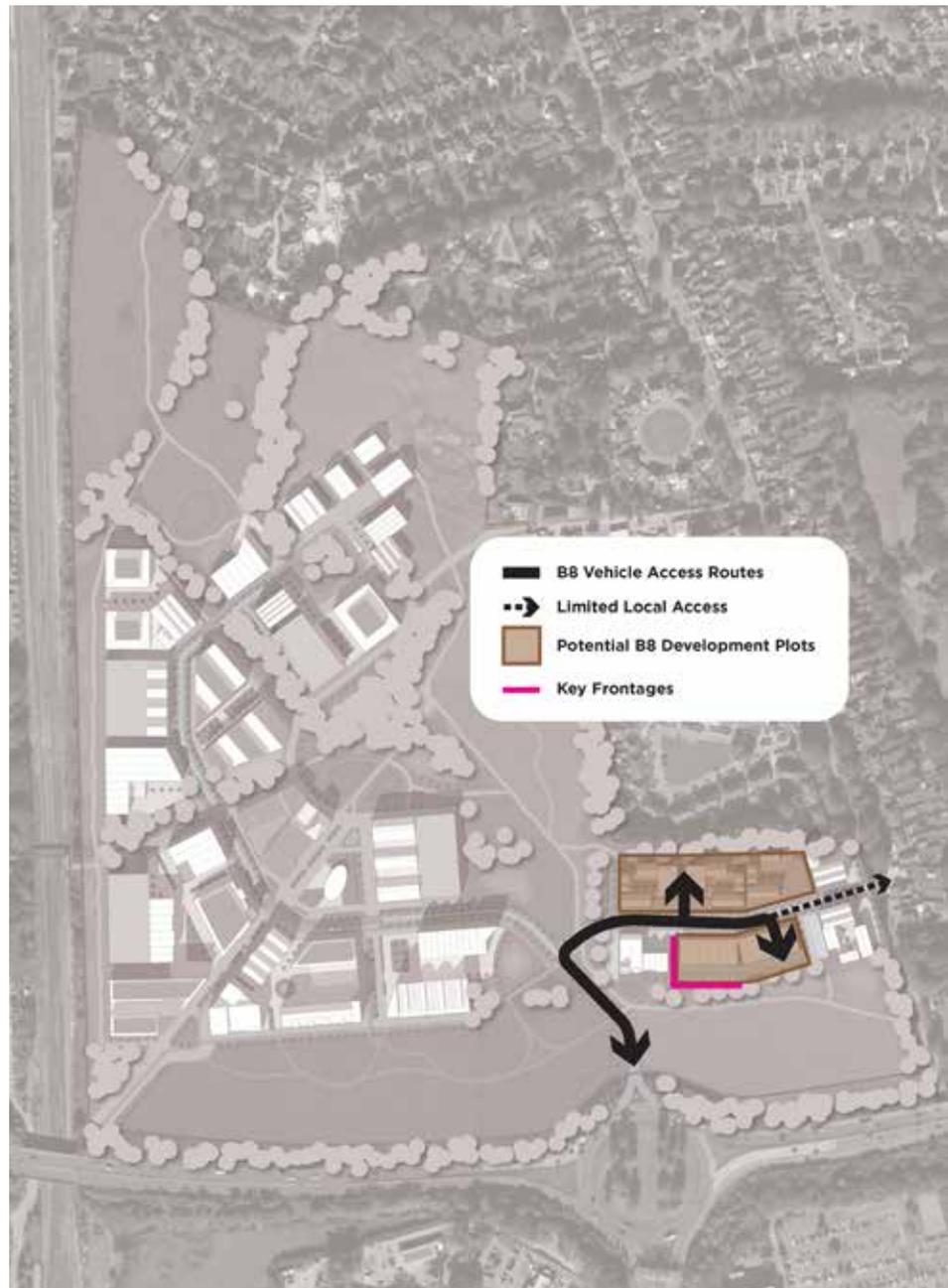


Figure 63: Design option 1a, showing potential locations and considerations for B8 uses

4.55 Figure 63 sets out potential locations for limited B8 uses within the illustrative masterplan. These are concentrated in and around Meadowcroft, close to the M23 J9a for the following reasons:

- Assist in opening up the site during the early phasing of development.
- Be more suitably served from the M23 – the use of Balcombe Road for accessing the site is restricted by DMP Policy HOR9 to emergency services, public transport, cycles and a limited number of registered vehicles of local employees.
- Avoid the need for larger vehicles to travel through the site to serve B8 development, which would compromise objectives to create a movement network that is weighted towards walking and cycling - thereby limiting motorised access to public transport and to access car parking and servicing areas that support the office and complementary mixed uses.

4.56 Locating limited B8 uses within the site should be approached with caution. Emphasis should be placed on small scale logistics operations. Otherwise, the increased scale of such facilities, coupled with lack of active frontages and need for significant highway infrastructure and servicing access will compromise adjacent parts of the park, potentially reducing the value uplift for the whole site and reducing its overall saleability. 'First impressions count', and although this does ensure some commercial flexibility, this may be at the long term detriment of the overall value and potential of the rest of the development.

4.57 As the uses are necessarily near an important gateway access to the site, sensitive architectural treatment of the highlighted frontages would be needed to ensure blank facades are not presented to arriving vehicles and views from the A23.

4.58 In addition, B8 is required to be limited in scale so as to limit its impact on the strategic road network, and maximise the opportunity for high employment density on this well-connected and sustainable site.

Design Option 2: Maximising Employment Floorspace



Figure 64: Illustrative masterplan for Design Option 2, with changes from option 1

ILLUSTRATIVE MASTERPLAN

- 4.59 Design Option 2 sets out an intensified design option, maximising commercial floorspace to test the policy designation of a maximum of 200,000m² of development.
- 4.60 Given the site constraints of Flood Zone 2, Gatwick Open Setting, airport safeguarding considerations, and surrounding residential development of this level of floorspace requires high overall floor area ratios and a high average intensity across the site.
- 4.61 This design option alters the basic illustrative masterplan from Option 1 with targeted intensification. These alterations are:
- A general increase in building heights.
 - An increase in ground footprints or infill development.
 - Relocation of multi-storey car parks from the main development parcels into the eastern natural open space.
- 4.62 Detailed differences are annotated in Figure 64.

DEVELOPMENT QUANTA

4.63 Option 2 shows a layout supporting 190,000sqm of gross commercial floorspace across all uses, comprising:

- 11,500sqm hotel space
- Mixed use facilities at the main square and facing the parkland-style open space (8,500sqm).
- Commercial space, including B1 offices and limited B8 storage and distribution facilities (170,000sqm).

4.64 To achieve this, the indicative plot ratio for the development parcels has to rise considerably, varying from 1.5 to 2.5 across the site. The average FAR within developable areas rises to 1.9.

4.65 The Meadowcroft parcel remains unchanged, due to its proximity to existing houses and limited scope to add additional height.

4.66 Building heights across the site have been increased, particularly in the following locations:

- The south western corner adjacent to the airport.
- The northern edge.
- The centre of the site adjacent to the focal point, at the furthest point from surrounding built-up areas.



Figure 65: Development quanta for Design Option 2

ANALYSIS AND COMPARISONS

4.67 The illustrative layout demonstrates that incorporating such a development quantum is feasible, but it does have impacts on a range of issues discussed below:

- Character and public realm: the increase in Floor Area Ratio required across the site will alter the character of the development across the site. There is less space for public realm and the streets and spaces will have a more intensive, urban character.
- Impact on surroundings: the increase in heights to support additional floorspace will mean the development is more visible from the surrounding built-up area.
- Parking provision and sustainable travel: increases in development floorspace require greater levels of car parking provision, which will have an impact on open space provision and the levels of traffic generated. High levels of sustainable modal shift, encouraged through employee incentives and other demand management measures, will be essential if such development quantum is to be realised.
- Development in open space: the location of the multi-storey car parks in the open space to the east requires development outside of the boundaries set out in the Concept Plan and principles earlier in this document, although it remains in compliance with policy HOR9 which does not



Figure 66: Building heights in Design Option 2

prevent development in this area, assuming the car park remains outside of or raised above Flood Zone 2.

- Development variety: buildings are generally larger in footprint, and have less variety in unit size and configuration across the site, potentially reducing flexibility.

4.68 To demonstrate the increased impact on visibility of taller building heights and other design changes, a range of simulated views are shown below.



Figure 67: View from east showing visibility of car parks and green walls from Design Option 2



Figure 68: View from north showing increase in mass and heights of buildings from Design Option 2



Figure 69: View from Horley rail station bridge showing increased visibility from Design Option 2



Figure 70: View from The Crescent showing increased visibility from Design Option 2

5. Conclusions

- 5.1 This report has set out a range of constraints and opportunities on the site at Horley, defined by RBBC DMP policy HOR9, that will determine masterplanning responses and overall capacity.
- 5.2 Informed by these constraints and opportunities, a set of design principles covering all scales of built environment development have been set out, that aim to achieve high quality placemaking and sustainable development on the site.
- 5.3 A concept plan informed by the constraints and opportunities has been prepared, that offers an approach to structuring development on the site.
- 5.4 More detailed masterplanning of different development options has been undertaken to test the concept plan and design principles with example layouts and massing. This has combined:
- The agreed vision from stakeholders.
 - Physical constraints.
 - The opportunity of the sustainable location.
 - Urban design considerations.
 - Deliverability and commercially viable units.
- 5.5 Three options have been prepared:
- Option 1: A balanced scenario, with approximately 150,000m² of gross floorspace.
 - Option 1a: An alteration demonstrating flexibility to accommodate limited B8 uses.
 - Option 2: A scenario maximising employment floorspace, with approximately 190,000m² of gross floorspace.
- 5.6 This approach has tested the HOR9 policy, which allocated up to 200,000m² of development subject to masterplanning. **Option 1 is the preferred design option,** delivering a balance of developable floorspace and satisfying the design principles for sustainable development.
- 5.7 This report is not prescriptive and sets out design options and considerations that may be followed by future masterplanning work.

www.davidlock.com





SIGNED OFF BY	Interim Head of Finance
AUTHOR	Pat Main Interim Head of Finance David Brown Finance Manager Tom Borer Policy Officer Simon Rosser Head of Revenues, Benefits & Fraud
TELEPHONE	Tel: 01737 276840 / 276063 / 276717 / 276478
EMAIL	pat.main@reigate-banstead.gov.uk david.brown@reigate-banstead.gov.uk tom.borer@reigate-banstead.gov.uk simon.rosser@reigate-banstead.gov.uk
TO	Executive
DATE	Thursday, 18 November 2021
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	ALL

SUBJECT:	SERVICE & FINANCIAL PLANNING 2022/23
RECOMMENDATIONS:	
<ul style="list-style-type: none"> (i) That the national and local policy context (Annex 1) and significant financial uncertainties at this stage in the budget-setting process be noted. (ii) That the service proposals set out in this report which seek to respond to this context and deliver our corporate priorities, be endorsed (iii) That the draft service business plans for 2022/23 to 2024/25 be approved, and that Heads of Service be authorised to finalise the plans for their service areas, in consultation with the relevant Portfolio Holders. (iv) That the following be approved for consultation under the Council's budget and policy framework: 	

Agenda Item 7

- a) **Medium Term Financial Plan Summary (Annex 2);**
- b) **Revenue Budget Savings and Additional Income proposals totalling £0.566 million (Annex 3);**
- c) **Revenue Budget Growth proposals totalling £0.567 million (Annex 3) ;**
- d) **Forecast ongoing income budget pressures in 2022/23 as a consequence of the COVID-19 pandemic totalling £1.300 million (Annex 2);**
- f) **Revenue Reserve Balances at 1 April 2021 of £41.738 million (Annex 6.1).**
- (v) **That the Fees & Charges Policy (Annex 5) be approved.**
- (vi) **That the Reserves Policy (Annex 6.2) be approved.**
- (vii) **That the Medium Term Financial Plan forecast for 2023/24 onwards (Annex 2) and proposed actions to address the forecast revenue budget gap be noted.**
- (viii) **That the Local Council Tax Support Scheme be reviewed during 2022/23 and the outcome reported as part of Service & Financial Planning for 2023/24.**

REASONS FOR RECOMMENDATIONS:

Recommendations (i) to (vii): To ensure that the Council continues to plan and manage its resources well, deliver high standards of service and meet the aims and objectives of its Corporate Plan for 2020-2025.

Recommendation (viii): To ensure that council tax policy continues to support delivery of Council objectives.

EXECUTIVE SUMMARY:

The primary objectives of the service & financial planning process are to ensure that the Council continues to be financially sustainable, and that we are able to effectively deliver our services and corporate priorities.

Reigate & Banstead Borough Council is recognised as being a forward-looking local authority that delivers high quality services.

Our five year Corporate Plan looks to build on and further develop the work we have been doing, as well as expanding our efforts to support environmental sustainability, affordable housing and the wellbeing of our residents.

As always, we are seeking to ensure that the borough remains a great place to live and work, and to maintain and improve the quality of our services, all whilst securing savings and investment to remain financially sustainable.

The Council's Medium Term Financial Plan (MTFP) was updated and reported to Executive in July 2021. It covered:

- Objectives and priorities for the 2022/23 budget;
- Context to budget-setting, including updates on the national economic forecast, local government funding, Corporate Plan priorities and specific factors to be taken into account when developing budget proposals for 2022/23;
- Key budget information, including the 2020/21 budget outturn position, current year budgets and forecast new budget pressures and saving opportunities;

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- Updates on the capital programme and treasury management;
- Information about the service & financial planning process and budget-setting timetables; and
- A summary of budget risks and sensitivities and how they will be managed.

Updated MTFP forecasts are presented in this report (Annex 2) which reflects the fact that the Council no longer receives Revenue Support Grant from Government and faces the prospect of a forecast reduction in retained business rates, resulting in significant financial pressures over the medium term. It also explains the emerging financial risks, issues and opportunities identified during services & financial planning over recent months.

The supporting Reserves and Fees & Charges policies are presented once again for approval.

The Revenue Budget for 2020/21 that was approved in February 2020, was agreed before the impacts of the COVID-19 pandemic on the UK became apparent. It did not therefore consider the significant additional financial impacts that were subsequently faced during 2020/21 on service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates.

The 2020/21 budget outturn position at year-end was more positive than initially feared, mainly due to the injection of additional Government funding to fund unplanned expenditure and income losses during the year.

At the time of preparing this report the global pandemic was not yet over and there remains uncertainty about the impacts on Council finances; both for the remainder of 2021/22 and with regard to the ongoing reduction in car parking income receipts in 2022/23 onwards due to changes in customer demand that will have to be resourced in future years.

Nevertheless, the Council remains in a relatively strong position to respond to these challenges. In recent years, we have established ring-fenced revenue reserves to manage financial risks; however, use of reserves represents a short term tactic. We also continue to work towards generating new sources of income to secure our long-term financial stability. Our 2022/23 budget proposals recognise that we need to continue to invest in our capacity and staff to achieve this.

Work has continued to develop the Council's Strategy to support future commercial and investment activity around our Corporate Plan objective to be financially self-sufficient. This considers the degree and type of investment which might be supported, appetite for risk and the scope within which this might take place. Part 2 of the Commercial Strategy is currently being prepared.

The budget proposals detailed in this report are based on analysis of a range of data and evidence, and the result of extensive discussions over recent months between the Executive and Management Team. This report provides a condensed version of those discussions, describing the national and local context and the service and budget proposals which have been put forward in response.

The provisional budget proposals set out within this report include revenue budget savings, additional income-generation proposals and budget growth.

While much of the detail is included in this report, work on some aspects of Central Budgets and confirming the sources of funding will continue and the outcome will be presented in the final budget proposals in January 2022 following the Government's Provisional Local Government Settlement Announcement in December. Work also

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continues on other potential budget risks and opportunities identified during service & financial planning.

At the time of preparing this report the Council faces a potential budget gap of around £0.718 million in 2022/23 after implementing the actions as described in this report. The extent to which any residual forecast budget shortfall will have to be funded from drawing on reserves will be confirmed in the final budget report in January.

Over the medium term action will be required to continue to pursue projects that generate new sources of income while continually seeking ways to use existing resources more efficiently. Reliance on one-off measures such as the use of reserves is not without risks and is not sustainable over the long-term. Going forward, solutions that reduce costs or increase income on a permanent basis will have to be identified for 2023/24 onwards.

A Financial Sustainability Plan is being developed and will be subject to regular monitoring and review, focussing on four key areas:

- Income Generation;
- Use of Assets
- Prioritisation of Resources; and
- Achieving Value for Money.

The report also confirms there are no significant new Capital Programme proposals for consideration. The final Capital Programme for 2022/23 to 2026/27 will be confirmed in the January budget report; no further significant growth proposals are anticipated at the time of preparing this report.

If the Executive accepts the budget recommendations in this report, further work will be undertaken over the coming weeks to test and refine the proposals, including consultation with the Overview & Scrutiny Committee's Budget Scrutiny Panel and other stakeholder groups. This will help ensure that the Council adopts a balanced budget for 2022/23 and is in the best position to prepare for anticipated budget challenges in 2023/24 onwards.

In addition, this report seeks approval to the proposed review of the Local Council Tax Support Scheme during 2022/23, including comprehensive consultation with stakeholders; any recommendations for changes to the Scheme would be considered as part of budget-setting for 2023/24.

Executive has authority to approve recommendations (i) to (viii).

STATUTORY POWERS

1. The Local Government Act 1972 requires the Council to set the associated annual budget as part of proper financial management. This report is part of that process.
2. The Local Government Act 1992 requires councils to set a balanced budget and announce the Council Tax level by 11 March each year. Section 65 of the Act requires the Council to consult representatives of those subject to non-domestic rates in the Borough about its proposals for expenditure for each financial year.
3. The Chief Finance Officer has a key role to play in fulfilling the requirements of the statutory duty under the Local Government Act 2003 to keep the authority's finances

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under review during the year and take action if there is evidence that financial pressures will result in a budget overspend or if there is a shortfall in income.

4. Council Tax Reduction Scheme: Section 13A(2) of the Local Government Finance Act 1992 (as amended) requires billing authorities to make a reduction scheme for persons in financial need or classes of persons that the authority considers – in general – to be in financial need. Section 13A(1)(c) of this Act gives billing authorities the power to reduce a liability to an extent that is seen fit.
5. The Council's current Local Council Tax Support Scheme policy fulfils the public sector equality duty, as set out in Section 149 of the Equality Act, 2010, the duty to mitigate child poverty as set out under the Child Poverty Act, 2010 and requirements under the Armed Forces Covenant. Any Scheme changes that arise from consultation next year will also need to meet those obligations.

SERVICE & FINANCIAL PLANNING

Service Context

6. It is important that our service plans respond to the context in which they will be implemented, in order to provide effective services that meet the needs of residents, communities and businesses. The local, national and regional context that has informed our service plans is summarised below.

Reigate & Banstead 2025 - Our five-year Corporate Plan

7. The Corporate Plan for 2020-25 sets out the organisation's vision, priorities, aims and objectives, and informs Council decisions at every level. The vision set out in 'Reigate & Banstead 2025' is to be recognised by our residents, businesses and partners as a leading Council. This means:
 - Delivering quality services and support;
 - Providing value for money;
 - Making the borough a great place to live, work and visit;
 - Being proactive about tackling climate change and reducing our environmental impact;
 - Being flexible and sustainable, responding to the needs and demands of our borough, residents, businesses; and
 - Operating as an increasingly commercial organisation.
8. The Corporate Plan seeks to deliver against the vision, with priorities grouped around the three themes of People, Place and Organisation. These priorities have been taken into account in developing the 2022/23 service & financial planning proposals.

Service Plans

9. Each Council service has reviewed its future direction in light of the wider context in which it operates, and its role in delivering our updated Corporate Plan priorities. These plans set out the direction of Council services, including key changes and priorities.
10. The following paragraphs highlight areas where changes to the way in which the Council carries out its business are planned, or where substantive revenue savings, income or growth are proposed:

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- Electoral and Democratic Services: budget growth is being sought primarily for the costs associated with the implementation of new systems to facilitate the smooth running of future elections;
- Community Partnerships: budget savings are proposed in relation to CCTV maintenance costs and from a pause in various community partnership funding streams including small and medium grants and taxi vouchers;
- Neighbourhood Services: growth is being sought to fund an additional waste and recycling crew in response to the increased number of households and record volumes of recyclates, to manage the impact of Ash Die Back disease and to better align the budget with forecast costs/income;
- Management Team: savings are proposed resulting from a review and restructure of the current senior management team structure;
- Property and Facilities: growth is sought to reflect higher business rates payments associated with council assets;
- Communications: reduced frequency of publishing Borough News;
- Revenues, Benefits and Fraud: growth is necessary due to reductions in Government funding while some savings have been identified in printing, postage and IT system costs; and
- Planning: an increase in income is proposed, to be secured via increased pre-application advice fees.

National and Regional Context

11. Legislation, policies from national government, and decisions made by partner organisations (eg. Surrey County Council), will continue to have a significant effect on our residents, and therefore on the support and services that the Council provides. Annex 1 provides a summary of the international, national and sub-national context within which this Council will need to operate in 2022/23.
12. The overarching context remains one where there is increasing demand for Council services, whilst simultaneously experiencing a reduction in funding and resources. The context of Brexit and COVID mean that new challenges also continue to be faced, for example supply chain issues and an increasing cost of living for residents. The Council is continuing to work to respond to these challenges by increasing efficiencies and generating income, but this context continues to present an increasing pressure of work to meet the needs of our residents.

FINANCIAL CONTEXT

13. The Council continues to manage its finances well and has continued to deliver significant service improvements and priority projects despite increasing pressures on resources.

Chancellor's Autumn Budget and Spending Review21

14. Overall the increase in funding for local government announced by the Chancellor on 27 October 2021 was better than had been expected, however most of this Council's share of this funding 'gain' will be based on an expectation that council tax will increase to the referendum limit (which is already included in MTFP forecasts). Many of the additional grants announced related to services provided by upper tier authorities.

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15. The Chancellor announced specific grants that may be relevant to this Council; the details of how they will be distributed where to be confirmed at the time of preparing this report. They include:

- £200m allocated for the 'cross-government Supporting Families programme';
- £37.8m for cyber security;
- £34.5m to 'strengthen local delivery and transparency' – some of this will be used to set up the new Audit Reporting and Governance Authority (ARGA) as a new system leader for local audit;
- £65m invested to 'digitise' the planning system; and
- £850m for 'cultural and heritage infrastructure'.

16. Other points of note included:

Local Government Funding

- No specific funding was announced to help authorities address ongoing COVID income pressures;
- There was no confirmation about how the increase in the employer's National Insurance Contributions will be funded. HM Treasury had previously indicated that authorities will receive compensation for the additional contributions in respect of direct employees;
- There were no specific announcements about local government funding reforms (Fair Funding Review or business rates changes) – it is therefore expected they have been pushed back to at least 2023/24;
- There was no confirmation of whether local government will receive a multi-year funding settlement;
- There was no indication whether New Homes Bonus will cease in 2022/23 or 2023/24, or whether it will continue in some form for the rest of the spending review period; and
- Continuation of the Lower Tier Services Grant (introduced in 2021/22) is expected to be confirmed in the Provisional Settlement announcement in December.

Council Tax

- Council tax referendum limits are expected to remain at similar levels to recent years – assumed to be 1.99% or £5 per band D property for this Council (to be confirmed in the Settlement Announcement in December);
- The adult social care precept levied by Surrey County Council will remain (also to be confirmed in December); and
- There were no announcements about whether there will be any additional funding to support authorities with increased costs of demand for Local Council Tax Support.

Business Rates

- Some changes were announced including new 50% reliefs for the Retail, Hospitality and Leisure sectors and the planned increase in the business rates multiplier next year

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has been cancelled - local authorities will receive compensation for lost income;

- No announcement was made about the planned baseline reset or any of the other business rates reforms. This may mean they are no longer going ahead;
 - The Chancellor did say that the Government does not intend to abolish business rates but will launch a consultation on an Online Sales Tax;
 - Other reforms to business rates include: three yearly revaluations (from 2023) and investment reliefs to encourage green investment and premises improvements (any increase in rates payable will be delayed for 12 months). Delays to when improvements are recognised will have some effect on local government. Administratively, the changes will affect the uplift in valuations, which will be handled administratively by the Valuation Office Agency. However delays in recognising when increases in valuations are recognised on the valuation list (by 12 months) will reduce local authorities' retained business rates growth.
- Housing and Homelessness
- By 2024/25, an additional £639m will have been committed to rough sleeping. The Rough Sleeping Initiative and Homelessness Prevention Grant will be continued; and
 - £300m grant funding for mayoral combined authorities and local authorities (to unlock brownfield sites) and £1.5bn 'to regenerate unused land'.

Government Funding Assumptions 2022/23 Onwards

17. The Council still expects to see a significant decline in Government funding support over the medium term as our retained business rates receipts are cut, a net reduction of up to £0.069 million, after loss of 'Negative RSG Grant' of £1.230 million.
18. The table below summarises how Government funding will change for the Council in coming years.

Table 1: BUSINESS RATES FORECAST	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Forecast Business Rates Resources	1.819	1.710	2.060	2.690	2.750	2.980
Less 'Negative RSG Grant'	-	-	-	(0.740)	(0.980)	(1.230)
Net Forecast	1.819	1.710	2.060	1.950	1.770	1.750
Annual Increase / (Reduction)	-	(0.109)	0.350	(0.110)	(0.180)	(0.020)
Cumulative Increase / (Reduction)	-	(0.109)	0.241	0.131	(0.049)	(0.069)

19. These forecasts will be updated when the Provisional Local Government Settlement is announced in December.

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Specific Grants

20. There is still an expectation that these will be rolled into the funding system when 75% business rates retention is introduced (expected as part of the longer-term Spending Review).

New Homes Bonus

21. At the time of preparing this report it remained unclear whether 2021/22 was the final year of New Homes Bonus allocations.

Council Tax Reform

22. No significant changes are expected following the Chancellor's autumn Budget and Spending Review 21 announcements.

Partner Funding

23. Like the majority of authorities, Surrey County Council continues to face financial constraints. SCC implemented £41.2 million of budget efficiencies in 2021/22 and forecast a budget gap of £47 million in 2022/23. Efficiencies included reductions in funding for the Adult Social Care service and the Children and Families service.
24. County service reductions will impact on residents in this borough, and make it more difficult for us to deliver on our own corporate priorities within the context of our already challenging financial position. Financial constraints at the county level mean that this Council needs to continue to work closely with the County Council and other partners to ensure that residents continue to receive the services they need, delivered in an efficient and cost-effective way.

COVID-19 Pandemic

25. During 2020/21 the pandemic impacted on:
- Expenditure budgets – significant unbudgeted costs were incurred to deliver the Council's emergency response to the pandemic;
 - Income budgets – there were material shortfalls in income receipts across many services compared to budget;
 - Collection fund recovery performance – council tax and business rates income receipts were distorted by short-term relief measures introduced by Government at the same time as underlying economic pressure on taxpayers and delays in recovery processes during lockdown; and
 - Financial responsibilities – local authorities were asked to take on new responsibilities at short notice to support Government in distributing new reliefs, grants and benefits.
26. The 2020/21 budget outturn position at year-end was more positive than initially feared, mainly due to the injection of additional Government funding to fund unplanned expenditure and income losses during the year.
27. At the time of preparing this report the global pandemic was not yet over and there remains considerable uncertainty about the impacts on Council finances; both for the remainder of 2021/22 and with regard to the ongoing reduction in income receipts due to changes in customer demand that will have to be resourced in future years.
28. Further details of are set out at Appendix 4 of the MTFP attached at Annex 2.

Medium Term Financial Planning

29. The Council has been planning for the loss of Government funding, with the objective to become financially self-sufficient going forward. In order to achieve self-sufficiency

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the Council needs to continue to find budget efficiencies whilst also generating new sustainable sources of additional income.

30. For 2022/23 onwards the additional impacts of the material reduction in income from car parking following the pandemic, has heightened the urgency for generation of new sources income and for making economies in how resources are utilised.
31. The Council's latest MTFP, summarised at Annex 2, was approved in July 2021 and sets out the financial direction of the Council over the medium term to ensure that the Council plans and manages its resources effectively. It sets out the priorities that will be taken into account when preparing the draft budget for 2022/23.

Medium Term Financial Plan Forecasts at November 2021

32. At the time of preparing this report MTFP forecasts indicate that it will be possible to balance the 2022/23 budget through expected Government funding, planned use of earmarked reserves and a call on the General Fund Balance. The final position will be confirmed in the January budget report.
33. However there remains a forecast budget gap over the medium term: £2.257 million for 2023/24 rising to £4.275 million, the primary causes being anticipated Government funding reductions and income reductions as a consequence of changes in customer demand, principally relating to car parking where a £1.300 million shortfall is forecast compared to pre-pandemic income levels.
34. The final position and MTFP forecasts for 2022/23 will be set out in the January budget report. Many of the measures that will be used to balance the budget for 2022/23 are likely to include, once again, be one-off cost reductions, including calling on reserves to address any residual budget gap.

Financial Sustainability Plan

35. Reliance on one-off measures such as the use of reserves is not without risks and will not be sustainable over the long-term. Going forward, solutions that reduce costs or increase income on a permanent basis will have to be identified for 2023/24 onwards.
36. A Financial Sustainability Plan will be developed, focussing on four key areas:

- | | |
|-----------------------------|---|
| Income Generation | <ul style="list-style-type: none">• Pursuing opportunities to generate new income streams.• Optimising fees and charges.• Implementation of the Commercial Strategy. |
| Use of Assets | <ul style="list-style-type: none">• Making effective use of existing assets, including the repurposing and sale of surplus properties. |
| Prioritisation of Resources | <ul style="list-style-type: none">• Reviewing in-year budget monitoring forecasts to identify new opportunities for savings and efficiencies.• Reviewing the level of service provided and focussing resources on priority services.• Managing pay costs and making effective use of staff resources. |
| Achieving Value for Money | <ul style="list-style-type: none">• Actively pursuing options to share with other councils to realise efficiency savings. |

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- Identification of invest to save opportunities – including investment in technology and assets to reduce operational costs.

37. The Corporate Governance Group (comprising statutory officers and Directors) will oversee progress in the identification and delivery of initiatives in the Plan while delivery of individual projects will be managed within existing project management Boards.
38. Progress will be reported to Executive, Overview & Scrutiny and individual Portfolioholders as part of quarterly performance reporting.

Commercial Strategy

39. While service efficiencies and council tax increases are important, their contribution to addressing the financial challenges faced by the Council is limited. It is therefore important that the Council also becomes an increasingly commercial organisation. This means maximising existing net income streams and generating new ones to support service delivery. This requires investment – and will have an element of commercial risk – but it will also enable the Council to develop and grow into a self-sustaining organisation. As set out above, this will be supported by the developing commercial approach, strategy and associated plans.
40. The Commercial Ventures Executive Sub-Committee, supported by other Executive Members, has been working to develop the Council's commercial agenda. This has included (and will continue to include) consideration of the scale and appropriate type of investments, the geographic area of any investment activities, and the opportunities for partnership working.
41. The current MTFP financial model includes indicative forecasts for income from newly-constructed commercial units at the Cromwell Road and Marketfield Way developments. These are based on an early assessment of the level of rental income net of landlord overheads; they will be updated in future MTFS reports as these developments are handed over and tenancies are signed. Forecasts for other commercial projects will be included when individual business cases have been approved and delivery timescales are confirmed.
42. The Commercial Strategy Part 1 was adopted in November 2020 and Part 2 is currently being prepared.

REVENUE BUDGET

43. The Revenue Budget comprises five 'building blocks' as follows:
 - **Net Cost of Services:** These are the direct costs incurred in delivering services, net of specific income generated by them;
 - **Central Budgets:** These are costs incurred and income received that are not service-specific, eg. Pension Fund deficit contributions and treasury management costs and income;
 - **Sources of Funding:** These income budgets are general, non-service specific income sources. They include other grant funding from Central Government and our share of Non-Domestic Rate income.

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For 2021/22 it includes the continued impact (benefit) of the one-off elimination of 'Negative Revenue Support Grant'. Over the medium term this is expected to cease resulting in a significant budget pressure;

- **Council Tax:** After the budget requirement has been established for the other blocks then the amount required by this Council from council tax can be calculated; known as the 'Demand on the Collection Fund';
- **Contributions (to)/from Reserves:** This relates to use of Earmarked Revenue Reserves, which have been allocated to fund specific purposes. The impact of the use of reserves is a reduction in the total income demand on council taxpayers. It also refers to the use of funds from the General Fund Balance to support the annual revenue budget (£0.235 million in 2021/22).

Revenue Budget Outturn 2020/21

In February 2020 the Council set a net Revenue Budget for 2020/21 of £24.459m, including an advance payment of employer's pension contributions of £6.204m. Transfers from the Corporate Plan Delivery Fund and other Earmarked Reserves during the year resulted in a net increase to £25.713m.

Service Budgets

The 2020/21 Original Budget for Services approved by Council in February 2020 was £14.900m. At 31 March 2021 the full year outturn was £17.852m against a management budget of £16.010m resulting in an overspend of £1.841m (11.5%). The primary reason for this overspend is the inclusion of income losses as a consequence of the COVID-19 pandemic.

The table below summarises the 2020/21 provision outturn as reported to Executive in June 2021.

Table 2: REVENUE BUDGET Outturn at 31 MARCH 2021	Original Budget £m	In-Year Adjustments £m	Management Budget £m	Year-end Outturn £m	Year End Variance £m
Service Budgets – including the impacts of COVID-19 pandemic income losses	14.900	1.110	16.010	17.852	1.841
Central Budgets	9.560	0.142	9.702	6.935	(2.767)
Sub-Total	24.459	1.253	25.713	24.787	(0.925)
COVID-19 Pandemic – unplanned expenditure					3.782
COVID-19 Pandemic – specific Government Funding					(3.327)
COVID-19 Pandemic - other Government Funding					(4.170)
COVID-19 Pandemic – distribution of discretionary Business Grants to 31 March					(0.238)
Total Revenue Budget Outturn 2020/21 inclusive of COVID-19 Pandemic Expenditure and Funding					(4.878)
Transfers to Reserves:					

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Contribution to General Fund Balance/Earmarked Reserves	2.184
Unspent balances on specific Government funding for COVID-19 impacts - to be transferred to an Earmarked Reserve	0.456
Balance of COVID-19 Government funding for discretionary business grants - to be transferred to an Earmarked Reserve to fund the ongoing Pandemic Response	0.238
Balance of other COVID-19 Government funding - to be transferred to an Earmarked Reserve to fund the Council's ongoing pandemic response	2.000
Total	4.878

The most significant Service Budget variances for the year are summarised below:

Organisation:

- £0.617m overspend in Finance, which is mostly attributable to the costs of interim staff covering vacant posts and additional support for the closure of accounts and advising on development projects. Permanent staff recruitment has now been completed with all staff in post by October. The Head of Finance post is still covered on an interim basis. Other overspends within Finance relate to £0.060m increased cost of financial software and £0.020m transactional related charges from the Council's banking provider. These pressures have been addressed during 2021/22 Service & financial Planning;
- £0.231m underspend in ICT due to lower software costs, hardware maintenance costs and staff vacancies;
- £0.231m underspend in Legal Services due to vacancies. These posts have now been recruited;
- £0.094m underspend in Democratic Services;
- £0.184m underspend in Elections due to cancelled local elections;
- £0.116m increased income for Land Charges;
- £0.070m underspend in Organisation Development & Human Resources due to vacancies earlier in the year.

Place:

- £0.074m net overspend in Refuse and Recycling due to additional temporary staff and overtime; offset in part by fuel price decreases and increased income;
- £0.105m additional Fleet costs of older vehicles;
- £1.702m income losses from Parking;
- £0.097m savings on fuel costs and vacant posts for Street Cleansing.

People:

- Housing – the underspend reflects receipt of £0.402m additional funding that will be carried forward for use in 2021/22;
- Revenues &, Benefits & Fraud – the primary underlying causes contributing to the £1m overspend at year end (20/21) are:
 - loss of income due to the COVID-19 pandemic: £0.179m was lost due to courts being closed and therefore costs from council tax summonses were not recovered. Another £0.070m was lost from the service's external contracts for commercial work.

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- Irrecoverable bad debts were written off - £0.200m for Fraud/Compensation cases; £0.101m Council Tax Benefits debts balance; £0.095m Housing Benefit Overpayments.
- £0.095m reduction in Housing Benefit subsidy due to an increase in private supported accommodation in the borough for which the Council does not get fully reimbursed by the Government. The subsidy rate on all Housing Benefit expenditure was 99.3% of net expenditure, less than the usual rate of 99.6% in previous years. £0.140m against Software Acquisitions and External printing. Budget growth has been approved for these two areas for 2021/22.
- £0.160m of Printing and Software related cost pressures. This budget has also been reviewed as part of the 2021/22 Service & financial Planning process.
- Supporting Families – the underspend reflects receipt of £0.240m additional funding that will be carried forward for use in 2021/22;
- Harlequin Theatre – income losses due to the COVID-19 pandemic £0.266m;
- Leisure Services – management fee income losses due to the COVID-19 pandemic £0.240m.

Senior Management Team

- £0.266m underspend in the Chief Executive’s Office due to reduced salary costs.

44. The service & financial planning process for 2022/23 has included an assessment of whether any Service budgets require realignment to reflect historic outturn trends.

COVID-19 Expenditure and Funding 2020/21

45. The Revenue Budget for 2020/21 that was approved by Council in February 2020, was agreed before the impacts of the COVID-19 pandemic became apparent. It did not therefore consider the significant additional financial impacts that were faced during 2020/21 on Service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates.
46. Further details were presented in the outturn report to Executive in June 2021 about:
- the additional net expenditure incurred in delivering the Council’s response;
 - the income losses incurred while Council facilities were closed;
 - the additional Government funding received to fund these pressures; plus
 - information about the grants that were received for distribution to residents and local businesses on behalf of the Government.

2021/22 Revenue Budget

47. The Revenue Budget for 2021/22 was approved in February 2021. In summary it comprises:

Table 3: BUDGET SUMMARY 2021/22		Budget 2021/22 £m
1.	Net Cost of Services	14.903
2.	Central Budgets	2.492

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Table 3: BUDGET SUMMARY 2021/22	Budget 2021/22 £m
NET EXPENDITURE 2021/22	17.395
3. Council Tax	14.365
4. National Non-Domestic Rates (NNDR)	1.819
5. Un-ringfenced Grants – transferred to Reserves	2.193
6. Other Un-ringfenced Grants	0.734
7. Contribution to Earmarked Reserves:	(2.193)
8. Call on Earmarked Reserves in 2021/22	0.242
9. Use of funds from the General Fund Balance to support the 2021/22 Revenue Budget ¹	0.235
NET SOURCES OF INCOME 2021/22	17.395

1. The actual sum to be drawn from reserves to support the budget will depend on the budget outturn position for 2021/22.

Service Budgets

Table 4: SERVICE BUDGETS 2021/22	Budget 2021/22 £m
ORGANISATION	
Communications / Customer Service	1.052
Finance	1.168
IT	1.810
Legal & Governance	2.022
Organisational Development & HR	0.785
Corporate Policy, Projects & Performance (incl. environmental sustainability)	0.420
Property Services	(1.510)
PLACE	
Economic Prosperity	0.398
Neighbourhood Operations	3.119
Place Delivery	0.326
Planning	0.548
PEOPLE	
Community Partnerships	1.588

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Table 4: SERVICE BUDGETS 2021/22	Budget 2021/22 £m
Housing	0.950
Revenues, Benefits & Fraud	0.525
Leisure & Intervention	0.537
SENIOR MANAGEMENT TEAM	1.166
TOTAL	14.903

Central Budgets

48. Central budgets are set out in the table below. They comprise those budget items that are corporate in nature and are not associated with delivery of specific services.

Table 5: CENTRAL BUDGETS 2021/22	Budget 2021/22 £m
Insurance	0.460
Treasury Management	
Interest on Investments and Company Loans	(1.218)
Interest on Borrowing	0.165
Minimum Revenue Provision	1.361
Interest on Trust Funds and Treasury transaction costs	0.041
External Audit Fees	0.067
Budget for Staff Salary Increases	1.428
Preceptor Grants	0.038
Apprenticeship Levy	0.069
Visa Sponsorship Budget	0.005
Central Training Budget	0.077
Central Salary Contingencies	-
Central Budgets	2.492

Revenue Budget Funding

49. The sources of funding for the revenue budget in 2021/22 are set out in the table below.

Table 6: REVENUE BUDGET FUNDING 2021/22	Budget 2021/22 £m
Council Tax	14.365
National Non-Domestic Rates (NNDR)	1.819

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Table 6: REVENUE BUDGET FUNDING 2021/22	Budget 2021/22 £m
Un-ringfenced Grants – transferred to Reserves <ul style="list-style-type: none"> • COVID-19 Emergency Funding - Allocation 5 • New Homes Bonus • Homelessness Prevention 	0.638 0.887 0.668
Other Un-ringfenced Grants <ul style="list-style-type: none"> • Lower Tier Services Grant • COVID-19 Tax Income Guarantee Grant (estimate) • COVID-19 Local Council Tax Support Grant 	0.394 0.150 0.190
Contribution to Earmarked Reserves: <ul style="list-style-type: none"> • COVID-19 Emergency Funding – transferred to new COVID-19 Reserve • New Homes Bonus – 2021/22 allocation transferred to Government Funding Risks Reserve • Homelessness Prevention – 2021/22 allocation transferred to Earmarked Reserve 	(0.638) (0.887) (0.668)
Call on Earmarked Reserves in 2021/22: <ul style="list-style-type: none"> • Government Funding Risks Reserve (Housing Benefit subsidy reduction) • Commercial Risks Reserve (Redhill hotel rent income reduction and Revenues & Benefits trading income) 	0.104 0.138
Use of funds from the General Fund Balance to support the 2021/22 Revenue Budget ¹	0.235
NET SOURCES OF INCOME 2021/22	17.395

Revenue Budget-Setting Assumptions 2022/23

50. The following assumptions will be used during service & financial planning over coming months when preparing the draft Budget estimates for 2022/23:

- | | |
|--------------------------------|--|
| Council Tax | <ul style="list-style-type: none"> • To increase by the referendum limit – assumed to be £1.99% or £5 per Band D property (subject to confirmation by Government); • Plus an increase due to growth in the taxbase of 1.5% per cent in 2022/23; this will be confirmed when preparing final council tax forecasts for the January budget report; • The impacts of local discounts, exemptions and the local council tax support scheme will be taken into account when preparing income forecasts. Also the ongoing impacts of the COVID-19 pandemic on collection performance and take up of the Local Council Tax Support Scheme; |
| Government Funding | <ul style="list-style-type: none"> • Fair Funding Review and loss of Negative RSG Grant will not impact in 2022/23; |
| Retained Business Rates Income | <ul style="list-style-type: none"> • Reset of Business Rates will not impact in 2022/23; |

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- | | |
|----------------------------------|---|
| Fees & Charges | <ul style="list-style-type: none">• The Fees & Charges Policy is attached at Annex 5. For budgeting purposes it is assumed that fees and charges will increase in line with the Policy and that all fees and charged will be reviewed to ensure they comply; |
| Investment Income and Borrowing | <ul style="list-style-type: none">• Investments and borrowing will be forecast in line with forecast balances (reserves) and Capital Programme investment plans; |
| Pay Inflation | <ul style="list-style-type: none">• An allowance for a pay award has been included in the draft Budget, in addition to forecast contractual pay increases;• This provides the option for pay rises but the specific rate of increase will be subject to established consultation processes;• The 1.25% increase in Employer's NI contribution to fund the new Health & Social Care levy will be funded in full by the Government; |
| Employer Pension Costs | <ul style="list-style-type: none">• As part of budget-setting 2021/22 The approved approach was:<ul style="list-style-type: none">○ To maintain the primary employer contribution rate at 15% of salaries. This has been factored into the 2022/23 base budget;○ The secondary employer rate was paid as an advance lump sum of £6.204 million in April 2020 funded from the earmarked reserve set aside for this purpose plus a contribution from General Fund Reserves at the beginning of 2021/22. This represented a saving of £0.397 million compared to payment in three annual instalments from 2021/22 to 2024/25;○ To plan to rebuild the Pensions Reserve ready for the next revaluation in 2022; |
| Price Inflation & Supplier Risks | <ul style="list-style-type: none">• The general principle is that services should first seek to cover price inflation from their existing budgets, unless tied contractually to significant cost increases that warrant additional funding;• Inflation was rising at the time of preparing this report with reports of pressures on future building costs in excess of 20%, however it was too early to predict how this might impact on capital projects that have not yet been out to tender;• Volatility in the energy support market was a new emerging risk in autumn 2021 and will be kept under review. |

2021/22 Revenue Budget Monitoring

51. The full year forecast at the end of Quarter 1 (30 June) for Service budgets was £0.024m (0.1%) lower than the management budget and Central budgets were reporting £0.002m higher than budget, resulting in an overall forecast of £0.022m (0.1%) lower than budget for the year.
52. Ongoing COVID-19 income losses are forecast to be £2.319m, £0.354k of which are expected to be funded by the Q1 Sales Fees & Charges grant claim from Government. The remainder will be covered by the Reserve that was created at the end of 2020/21 for this purpose. Inclusion of these losses results in a forecast of £1.943m (10.9%) higher than budget (before use of reserves).

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2022/23 Service Budget Proposals

53. Service budget proposals are detailed at Annex 3 and summarised below:

Table 7: SERVICE BUDGET PROPOSALS 2022/23	Approved Budget 2021/22 £m	Proposed Budget 2022/23 £m	Net Service Budget Increase / Decrease £m
ORGANISATION			
Communications / Customer Service	1.052	1.037	(0.015)
Finance	1.168	1.168	-
ICT	1.810	1.810	-
Legal & Governance	2.022	2.061	0.039
Organisational Development & HR	0.785	0.785	
Corporate Policy, Projects & Performance (incl. environmental sustainability)	0.420	0.420	
Property / Commercial	(1.510)	(1.390)	0.120
PLACE			
Economic Prosperity	0.398	0.398	-
Neighbourhood Operations	3.119	3.369	0.250
Place Delivery	0.326	0.326	-
Planning	0.548	0.473	(0.075)
PEOPLE			
Community Partnerships	1.588	1.370	(0.218)
Housing	0.950	0.950	
Revenues, Benefits & Fraud	0.525	0.625	0.100
Leisure & Intervention	0.537	0.537	
SENIOR MANAGEMENT TEAM	1.166	0.966	(0.200)
TOTAL	14.903	14.904	0.001

54. Service savings, additional income and growth proposals result in the following net budget movements:

Table 8: SERVICE BUDGET PROPOSALS FOR 2022/23			
		FTE	£m
Budget Movements:			
Annex			
3.1	Services – Pay	0.6	(0.163)
3.2	Services – Non-Pay	-	0.039

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Table 8: SERVICE BUDGET PROPOSALS FOR 2022/23			
		FTE	£m
3.3	Government Funding Reductions	-	0.125
NET BUDGET GROWTH		0.6	0.001

Service Budget Risks and Opportunities - 2022/23 Onwards

55. In addition to the service budget growth proposals in this report there are other potential service budget pressures and opportunities that will have to be addressed in 2022/23 onwards:

Issues:

(i) Car Parking Income

- Analysis of car parking income forecasts during 2021/22 indicates that income is highly unlikely to return to pre-pandemic levels. The primary reason is changes in commuter working patterns resulting in a fall in income from parking permits;
- During 2020/21 and 2021/22 this loss has been underwritten through use of Government funding for COVID income losses and use of Earmarked Reserves that have been set aside to cover the risk for the remainder of this year;
- Government funding support ceased at 30 June 2021 and the Reserve will be exhausted by the start of 2022/23;
- It is therefore necessary to plan to re-baseline the parking income budgets for 2022/23 onwards based on the forecasts for post-pandemic demand;
- This results in a £1.3 million reduction in the service's income budget compared to 2019/20; equivalent to an 7.5% cut in the Council's net budget.

Risks

(i) IT Resilience.

- The Council's IT Strategy is being reviewed to ensure that the IT infrastructure and systems continue to support delivery of strategic and operational plans. It will be necessary to take action over the coming five-year period to invest in:
 - Replacement of the Virtual Server Environment;
 - Replacement Telephony System;
 - Improved Disaster Recovery capability;
 - Improved Cyber Security resilience;
 - Improved staff/Members' remote working/flexible working support; and
 - Investment in IT team capacity to support the above
- Much of the forecast investment reflects cyclical costs that fall due over the next five years along with the new requirement for enhanced resilience to protect Council networks and systems against increased risks of cyber-attack. The recommended approach will be based on an inter-related

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package of works that would cost more over the medium term to implement if not carried out in parallel;

- The costs and impact of a Disaster Recovery event in our current IT environment would be millions more than the cost of investment in preventative measures now, as evidenced by cyber-attacks on other local authorities over the past 18 months, resulting in multi-million pound recovery programmes;
- Another important factor is the move by software vendors to migrate their services to Software as a Service ('SaaS' – 'the Cloud') which offers the benefits of enhanced resilience. Over coming years the Council is likely to be obliged to migrate to the Cloud versions anyway as vendors make that the default route to access their software;
- The proposed solutions for addressing these IT Resilience risks are currently being developed and proposals will be brought forward for decision in a separate report. Funding options under consideration include making use of capital receipts to resource some of the costs (under the Government's scheme for 'flexible use of capital receipts') and making use of Government grant funding (where eligible);
- Early indicative forecasts for the costs of this investment over the medium term are set out below to help illustrate the potential scale of investment required; but these are subject to ongoing review, prioritisation and confirmation of timescales and funding. In part these estimates reflect the fact that it has been some years since the IT Strategy was last reviewed; also the heightened level of risks that are now faced across all business sectors. Further details will be provided in the planned IT Strategy report and recommendations.

Table 9: INDICATIVE COST OF INVESTMENT IN IT RESILIENCE (at November 2021)	Forecast 2021/22 £m	Forecast 2022/23 £m	Forecast 2023/24 £m	Forecast 2024/25 £m	Forecast 2025/26 £m	Forecast 2026/27 £m
Project / Implementation Costs	0.250	0.300	0.400	0.100	0.250	0.200
Operating Costs	0.350	0.700	1.000	1.100	1.200	1.250
Total	0.600	1.000	1.400	1.200	1.450	1.450

(ii) Property Rental Income

- The Property team continue to take a proactive approach to managing tenancies and minimising the financial impacts of voids; however several significant leases are due for renewal in 2022/23 and there is a risk that current income levels may not be achievable if tenancies come to an end and result in lengthy void periods.
- Rental income forecasts for 2022/23 are therefore currently under review; the outcome will be included in the January budget report.

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(ii) Government Waste & Resources Strategy

- Proposals set out in the Waste & Resources Strategy, and anticipated to be introduced via secondary legislation following enactment of the Environment Bill. The strategy sets out how the Government intends for the country to preserve material resources by minimising waste, promoting resource efficiency, and moving towards a circular economy.
- Three key measures from the strategy are proposed:
 - Invoke the ‘polluter pays’ principle and extend producer responsibility (EPR) for packaging;
 - Introduce a deposit return scheme (DRS) for drinks containers, to reward people for bringing back bottles and encourage them not to litter their empties; and
 - Improve recycling rates by ensuring consistency in household and business recycling.
- These measures will have a considerable impact on local authorities, particularly consistency in recycling, which will affect how kerbside recycling services are delivered in the near future.
- Timescales are subject to confirmation when the outcome of consultation is known.

Opportunities:

Other aspects of Service budgets that are currently being reviewed are set out below; an update will be provided in the January budget report:

(i) Family Support & Refugee Resettlement

- Recent funding announcements indicate that there are potential new opportunities to reduce the direct cost of the service to this Council through calling on grant funding and sharing costs with other Councils.

(ii) Procurement and Contract Management Capacity

- There is a potential requirement to ensure that the Procurement team has sufficient capacity to support services with significant new procurement projects and also to ensure that their existing contracts are monitored effectively to control costs

(iii) Data Insight Capacity

- There is a potential requirement to create more capacity to support services in the analysis and reporting of data to support effective planning, decision-making and the identification of opportunities to reduce operating costs.

Service Fees & Charges

56. Income from fees and charges in 2021/22 contributes £17.376 million to support service delivery. The Policy on Fees & Charges is attached at Annex 5.
57. A review of Fees & Charges is being carried out during 2021/22 to support delivery of Medium Term Financial Plan and Commercial Strategy targets for increasing sustainable income streams to support the budget. Actions that are planned to implement the review include:
- Improving the Council’s strategic approach to fees and charges;

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- Charging for new services and for those not currently charged for; and
- Investing in expanding existing charged for services that have scope for growth.

Commercial Income

58. The Medium Term Financial Plan includes the objective of:

- To consider and take advantage of **commercial opportunities** as they arise to deliver new income streams.

59. Delivery of this objective is supported by the allocation of additional funds in the Capital Programme to purchase or develop assets that will generate new income streams as well as supporting delivery of corporate objectives. These purchases will be financed through prudential borrowing therefore provision will have to be made in the revenue budget for the costs of repaying that debt. It will also be necessary to ensure that borrowing for this purpose complies with Government and CIPFA guidance, specifically 'borrowing in advance of need' and enhanced restrictions on PWLB borrowing.

60. Following the recent refusal of planning permission for the Crematorium (which was intended to deliver a new income stream to help fund services as well as being a valuable community facility), the main new sources of additional income that are being progressed are the Commercial units at the new Cromwell Road Development (Wheatley Court); and the commercial units at the Marketfield Way development.

61. As explained above, initial estimates for the income to be delivered have been included in budget forecasts for 2022/23 onwards; they are however subject to confirmation as tenancies are signed.

Commercial Strategy Part 2

62. The Commercial Strategy Part 2 will set out the future focus for the Council's commercial activity and currently being prepared.

Central Budget Proposals 2022/23

63. Proposed changes to Central budgets are summarised in the table below.

Table 10: CENTRAL BUDGETS	Approved Budget 2021/22 £m	Proposed Budget 2022/23 £m	Net Central Budget Increase / Decrease £m
Insurance ¹	0.460	0.460	-
Treasury Management ¹	0.349	1.124	0.775
Employer Pension Costs	-	0.350	0.350
External Audit Fees ¹	0.067	0.067	-
Budget for Staff Salary Increases ¹	1.428	2.228	0.800
Preceptor Grants	0.038	0.038	-
Apprenticeship Levy ¹	0.069	0.069	-
Visa Sponsorship Budget	0.005	0.005	-

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Table 10: CENTRAL BUDGETS	Approved Budget 2021/22 £m	Proposed Budget 2022/23 £m	Net Central Budget Increase / Decrease £m
Central Training Budget	0.077	0.077	-
Central Budgets	2.492	4.418	1.925

Notes:

- Final budgets and any changes will be confirmed in the January budget report.

64. Central budgets include:

- £0.350m funding for employer pension contributions; these will be funded from the Pension Reserve established for this purpose;
- £0.038m funding for a preceptor grant to Horley Town Council. This is the latest instalment under a 10-year agreement (2014/15 to 2023/24) to eliminate 'double taxation' whereby Horley residents pay direct to the Town Council for the local services that it provides. A decision will have to be made during budget setting for 2023/24 whether to continue this arrangement.

65. While some Central Budgets have been reviewed while preparing this report, as highlighted in the table above, further work is in progress in order to confirm the remainder for inclusion in the final budget proposals in January 2022.

Revenue Budget Funding 2022/23

66. The sources of funding for the revenue budget are set out in the table below.

Table 11: REVENUE BUDGET FUNDING 2022/23	Approved Budget 2021/22 £m	Draft Budget 2022/23 £m	Net Increase / Decrease £m
Council Tax	14.365	14.905	0.540
National Non-Domestic Rates	1.819	1.710	(0.109)

Use of Reserves

67. Based on the outcome of services & financial planning work to date it is likely to be necessary to call on earmarked reserves and a contribution from the general fund balance in order to achieve a balanced budget in 2022/23.

68. The latest MTFP at Annex 2 is based on initial assumptions regarding use of reserves. These figures will be updated in the final budget report in January when the outstanding budget items (as explained in this report) are confirmed.

69. Work is also still in progress to update the funding forecasts for inclusion in the final budget proposals. Factors to be taken into account will include:

Council Tax

- The final recommendation on the council tax increase will be included in the January budget report following confirmation of the referendum limit by Government;
- Council tax income forecasts for 2022/23 will be dependent on the outcome of work that is currently in progress to forecast the council tax base for 2022/23. This continues to be challenging due to the increasing numbers of local council tax support

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- scheme claimants as a consequence of the COVID-19 pandemic;
- National Non-Domestic Rates
- Includes retained Business Rates, Negative RSG Grant, Fees and Charges and Other Grants;
 - These are expected to be confirmed in the Provisional Settlement announcement in December;
- Contributions To/From Reserves
- Options for drawing on reserves will be finalised for inclusion in the January budget report;

Forecast Budget Gap at November 2021

70. The forecast budget gap over the next five years is set out below. Further details are provided in the MTFP at Annex 2 (Appendix 2).

Table 12: MEDIUM TERM REVENUE BUDGET FORECAST (at November 2021)	Approved Budget 2021/22	Forecast Budget 2022/23	Forecast Budget 2023/24	Forecast Budget 2024/25	Forecast Budget 2025/26	Forecast Budget 2026/27
	£m	£m	£m	£m	£m	£m
FORECAST GAP	Balanced	0.718	2.257	2.616	3.775	4.275
Annual Increase in Gap	-	0.718	1.539	0.359	1.159	0.500
Gap as % of 2021/22 budget requirement	-	4.1%	13.0%	15.0%	21.7%	24.6%

71. While some specific COVID-19 grants have continued to be received during 2021/22 to help fund the legacy response to the pandemic (primarily support for the vulnerable); Government support for pandemic-related income losses ceased at 30 June 2021.
72. The above forecasts confirm that there is still a budget gap to be addressed for 2022/23 onwards. In principle the 2022/23 budget can be balanced through calling on reserves however other options continue to be pursued and will be finalised in the January budget report. They include:
- Identification of further savings, income generation opportunities or budget efficiencies (net of any new pressures identified); and
 - Confirmation of retained business rates and Government grants in the Provisional Settlement.
73. Over the medium term, the Financial Sustainability Plan is being developed to address the budget gap and will be subject to regular monitoring and review, focussing on four key areas:
- Income Generation;
 - Use of Assets;
 - Prioritisation of Resources; and
 - Achieving Value for Money.

Further details are provided in this report.

USE OF RESERVES

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74. The Council holds reserves to provide protection against financial risks. Our current level of reserves provides a relatively secure financial base compared to many authorities; it is important to ensure an appropriate balance between securing the financial position of the Council and investing in delivery of services.
75. Reserves can be held for four reasons:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
 - A contingency to cushion the impact of unexpected events or emergencies;
 - A means of building up funds to meet known or predicted liabilities; and
 - A means of setting aside sums for future identified uses and / or investments.
76. There is an opportunity cost of holding reserves in terms of restricting capacity to invest in current service delivery but this is offset by the additional flexibility that reserves provide when manage budget risks and adverse variations.
77. The Council's Reserves Policy is attached at Annex 6.2
78. Current Revenue Reserves are summarised below and detailed at Annex 6.1

Table 13: RESERVES SUMMARY	Balance at 1 April March 2020 £m	Balance at 1 April 2021 ¹ £m
General Fund Balance	3.246	3.000
Other Earmarked Reserves	32.145	36.044
COVID-19 Reserves	-	2.694
TOTAL	35.391	41.738

Notes

1: Balances after decisions made during budget setting for 2021/22 to redistribute funds between Reserves. Includes sums set aside at year-end 2020/21 relating to unspent COVID-19 funding.

79. The legal requirement for the Council to agree a balanced budget means that Council may be required to draw on its reserves to address any shortfall between forecast expenditure and forecast income.
80. The Council has set a minimum level for unallocated General Fund reserves of 15% of the net revenue budget, which equates to £2.600 million (for 2021/22). The unallocated balance on the General Fund at 1 April 2021 of £3.000 million, is compliant with this limit.

NEW HOMES BONUS

81. The New Homes Bonus was introduced in 2011/12. Authorities are rewarded with a financial bonus, equal to the national average council tax on each additional property built which is paid for a number of years as a non-ring-fenced Government grant. 80% of the Bonus is paid to the district council and 20% to the county council. There is an enhanced payment for new affordable homes.
82. New Homes Bonus was revised for the 2017/18 financial year with the length of time it is paid reducing from six to five years (for the 2017/18 award) and to four years from 2021/22 onwards. A new 'baseline' of +0.4% growth was also introduced before any

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Bonus is paid. The retained funds were used by the Government to support authorities with adult social care responsibilities.

83. The Government originally set out its intention to end New Homes Bonus as part of the Fair Funding Review. The objective is to replace this mechanism with a different means of incentivising and rewarding housing growth. The detail and timing remain unclear due to the delay in the Fair Funding review.
84. In previous years this funding was set aside in an Earmarked Reserve for general use. During budget-setting 2020/21 a sum equivalent to the historic accumulated funds was transferred to an Earmarked Reserve to support implementation of the Housing Delivery Strategy. Details at Annex 6.2. New Homes Bonus allocations for 2021/22 onwards are transferred to general reserves.
85. The allocation for 2022/23 is subject to confirmation in the Provisional Settlement Announcement in December.
86. Forecast New Homes Bonus allocations are set out in the table below:

Table 14: NEW HOMES BONUS	2022/23 £m	2023/24 £m
New Homes Bonus – legacy payment	0.325	nil
New Homes Bonus – 2022/23 allocation	TBC In December 2021	TBC In December 2021

COUNCIL TAX

87. Council Tax Precepts 2021/22

Table 15: ANALYSIS OF COUNCIL TAX BY PRECEPTOR		
Authority	£000	% share
Surrey County Council ¹	94,061.1	74.48%
Surrey Police & Crime Commissioner ¹	17,339.8	13.73%
Reigate & Banstead Borough Council	14,418.6	11.42%
Horley Town Council	428.1	0.34%
Salfords & Sidlow Parish Council	42.0	0.03%
	126,289.6	100.00%

88. The referendum cap is expected to be confirmed with the Provisional Local Government Funding Settlement Announcement in December. It is anticipated to be the higher of 1.99% or £5 per Band D property for district councils.
89. Final recommendations will be included in the January Budget and Council Tax reports when the referendum cap has been confirmed by the Government.

Local Council Tax Support Scheme

90. Under the Local Council Tax Support Scheme this Council, as the billing authority, awards council tax reductions to eligible claimants. The cost of lost council tax income falls on the Collection Fund as a consequence of these claims resulting in a reduction in the Council Tax base which is calculated as part of budget-setting.

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91. The precepting authorities collectively fund the cost of Local Council Tax Support Scheme claims as the costs fall on the Collection Fund and are distributed between authorities in line with their share of the council tax bill
92. In addition, the full administration costs of processing awards, and of any discretionary awards, are met directly by this Council as the billing authority. Caution therefore has to be exercised when amending the Scheme to ensure that the cost to this Council of administering changes does not exceed any reduction in the cost of the Scheme overall.
93. There are several factors that make the annual cost of funding Council Tax Support very difficult to predict:
 - Council tax increases by precepting authorities will increase overall Scheme costs;
 - There was an increased number of claims during the COVID-19 pandemic; it is still too early to predict whether or when numbers will reduce, although the national employment rate is now rising much faster than previously anticipated which is likely to reduce the number of claims;
 - More recently, changes announced in the Chancellor's autumn budget statement will potentially reduce Scheme costs through:
 - a reduced Universal Credit taper (meaning that low-income earners can keep more of their pay)
 - a 6.6% increase in the national living wage; and
 - a 3.1% increase in DWP benefits.
94. During 2022/23 it is recommended that the Scheme is reviewed to ensure that it reflects the current economic environment and to ensure that the design and operation of the Scheme remains fit for purpose:
 - it should not be a barrier to work; it should help make work pay; and
 - it should be easy to understand and at minimal cost to administer.
95. There have been no major changes to the Scheme since its introduction in 2013. After seeking Member and Officer views during 2022/23 on potential scheme designs, the law requires extensive consultation with taxpayers and preceptors as well as advice groups and other stakeholder before any final decisions are made on changes.
96. Following consultation any changes would be recommended as part of budget-setting and implemented in 2023/24.

Council Tax Collection Performance 2020/21

97. This Council's collection performance for council tax in 2020/21 was 98.06% (98.65% in 2019/20); 37th highest performance compared to all English local authorities

Council Tax Options 2022/23

98. Each 1% increase in Council Tax generates £0.144m additional income for this borough. A £5 increase in 22/23 would yield £0.510m additional income
99. Council tax income forecasts for 2022/23 will be dependent on the outcome of work that is currently in progress to forecast the council tax base for 2022/23. This is more challenging due to the increasing numbers of local council tax support scheme claimants as a consequence of the COVID-19 pandemic.

Council Tax Forecasts

100. For MTFP modelling purposes, based on a £5 increase and a 1.5% increase in the taxbase, the Council Tax income forecast at November 2021 is set out below:

Table 16: COUNCIL TAX FORECAST	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Forecast Resources	14.360	14.900	15.410	15.940	16.330	16.650
Annual Increase in Income	-	0.540	0.510	0.530	0.390	0.320
Cumulative Increase in Income		0.540	1.050	1.580	1.970	2.290
Band D	£237.46	£242.46	£247.46	£252.46	£257.46	£262.46
Band D Increase	-	£5.00	£5.00	£5.00	£5.00	£5.00
Taxbase Increase ¹	1.15%	1.5%	0.7%	0.4%	0.5%	0.5%

NOTES:

1. Subject to confirmation in the January Budget report when forecasts for the number of new homes and Local Council Tax Support claims are updated.

101. Although council tax is a significant source of funding for local government, it remains subject to restrictions by Government. The Localism Act included a requirement to hold a local referendum if any council tax increase is deemed 'excessive'; a limit for increases is set each year by the Government.

102. The forecast amount of council tax to be collected takes into account local decisions on discounts, exemptions and reliefs and Local Council Tax Support scheme claim numbers.

Council Tax Policy

103. Changes to council tax charges on empty homes were approved during 2020/21 and 2021/22:

- Homes that have been empty and substantially unfurnished for more than two years and less than five years are now charged a Council Tax long term empty premium equivalent to 100% of the Council Tax in addition to their current Council Tax;
- Homes that have been empty and substantially unfurnished for five years and more are now charged a Council Tax long term empty premium equivalent to 200% of the Council Tax; and
- Homes that have been empty and substantially unfurnished for ten years and more are now charged a Council Tax long term empty premium equivalent to 300% of the Council Tax.

104. As these changes help deliver a county-wide initiative to reduce the number of empty properties throughout Surrey, the County Council has agreed to reallocate its share of the increased funding that results from changes in Empty Homes policies. Under this commitment the Boroughs and Districts receive reallocated funding where agreed conditions are met.

105. The Country Council has distributed the funds during 2021/22: £0.070m was distributed to this Council in 2020/21 and £0.085m in 2021/22; proposals for use of these funds were included in the January 2021 budget report.

106. During 2022/23 the Revenues & Benefits team will continue to investigate those aspects of the council tax system that are at risk of non-compliance with consequent

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risks of a reduction in income collected. This includes a full review of single person discounts. The service is entitled to levy an administration charge on households that are found to have failed to notify the team about changes despite receiving reminders: £70 on the first occasion and £280 for repeated failure.

BUSINESS RATES (NATIONAL NON-DOMESTIC RATES)

107. In 2013, the Government introduced a scheme through which local authorities retain a proportion of any business rates growth above a set 'baseline'. The purpose was to give authorities a financial incentive to encourage and foster economic growth within their area and to work collaboratively with other authorities and business organisations to achieve that growth.
108. While this scheme was broadly welcomed by the sector, there remain concerns over the potential volatility of this income stream due to the level of appeals; even a small variation in the overall revenue generated can result in a significant financial impact.
109. The Government has been undertaking a review of how business rates will operate going forward and has previously stated its intentions to achieve 75% localisation of business rates from 2022. The full impact of this cannot be assessed until the details of these changes are release by the Government.
110. As explained above, in 2023/24, the Council expects to see further significant decline in Government funding support as retained business rates receipts and Negative RSG Grant' are phased out. It remains unclear how these reductions will be implemented but we are assuming this will be clearer when the outcome of the Fair Funding Review and Business Rates Reset are announced. Current MTFP forecasts are based on the information that is currently available.

Business Rates Pooling

111. A small number of Surrey authorities are once again planning to establish a voluntary Business Rates Pool for 2022/23 with Surrey County Council using the same methodology as in previous years. This Pool is not open to Reigate & Banstead due to the relative size of our business Rates Levy change.

Business Rate Appeals

112. Business rate forecasts include an assessment of the likelihood of successful appeals.

Business Rates Collection Performance 2020/21

113. Collection performance for business rates in 2020/21 was 99.8% (99.94% in 2019/20); this was the 2nd highest performance in the country compared to all English local authorities.

Table 17: NDR FORECAST	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Forecast NDR Resources	1.819	1.710	2.060	2.690	2.750	2.980
Less 'Negative RSG Grant'	-	-	-	(0.740)	(0.980)	(1.230)
Net Forecast¹	1.819	1.710	2.060	1.950	1.770	1.750
Annual Increase / (Reduction)	-	(0.109)	0.350	(0.110)	(0.180)	(0.020)

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Table 17: NNDR FORECAST	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Cumulative Increase / (Reduction)	-	(0.109)	0.241	0.131	(0.049)	(0.069)

NOTES: Subject to confirmation in the January Budget report following the Provisional Settlement announcement.

114. These forecasts take into account the impacts of spreading 2021/22 collection fund losses over three years and the removal of one-off support measures after 2021/22.

CAPITAL PROGRAMME 2022/23 ONWARDS

Capital Investment Strategy and Capital Programme

115. The latest Capital Investment Strategy was approved by Executive in July 2021 and sets out how the Council plans to invest in assets to generate income.

2021/22 to 2025/26 Approved Capital Programme

116. The Capital Programme that was approved in January 2021 and the unspent balance on previously-approved schemes is summarised below:

Table 18: CAPITAL PROGRAMME 2021/22 to 2025/26 by SERVICE	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL £m
	Projected £m	Projected £m	Projected £m	Projected £m	Projected £m	
ORGANISATION SERVICES						
Property Services	1.332	1.658	1.374	1.258	-	5.622
IT Services	1.175	0.375	0.385	0.375	0.060	2.370
Organisational Development	0.260	0.260	0.260	0.260	-	1.040
PEOPLE SERVICES						
Housing	11.695	11.355	1.355	1.355	0.021	25.781
Leisure & Intervention	0.140	0.140	0.140	0.140	0.140	0.700
Community Partnerships	0.030	0.030	0.030	0.030	-	0.120
PLACE SERVICES						
Neighbourhood Operations	2.397	1.049	1.457	1.030	0.339	6.272
Place Delivery	24.496	15.100	-	-	-	39.956
Economic Prosperity	0.100	0.100	0.100	0.100	-	0.400
CORPORATE						
Commercial Investment Strategy	-	-	-	-	-	-
TOTAL APPROVED CAPITAL PROGRAMME	41.625	30.067	5.101	4.548	0.560	81.901

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117. Some of the sums allocated in the approved Capital Programme are intended to demonstrate a commitment to invest, rather than specific spending plans. For some capital schemes relating to Housing and Commercial projects there will therefore be a requirement for further reports to Executive or to the Commercial Ventures Executive Sub Committee when the business cases for specific investment proposals have been developed.

Capital Programme Growth 2022/23 onwards

118. The final Capital Programme for 2022/23 to 2026/27 will be confirmed in the January budget report; no further significant growth proposals are anticipated at the time of preparing this report. The main area of growth is likely to be the addition of 'rolled-forward' allocations for 2026/27. Any new schemes that are proposed will be added to the schedules at Annex 4 for consideration as part of final budget-setting decisions.

Capital Programme Funding

119. Sources of funding for the 2021/22 Capital Programme are summarised below

Table 19: CAPITAL PROGRAMME FUNDING 2021/22 to 2025/26	2021/22	2022/23	2023/24	2024/25	2025/26	Total £m
	Projected £m	Projected £m	Projected £m	Projected £m	Projected £m	
TOTAL CAPITAL EXPENDITURE 2021/22 - 2025/26	41.625	30.067	5.101	4.548	0.560	81.901
Funded by:						
Capital Reserves	-	-	-	-	-	-
Capital Receipts	4.187	26.778	0	0	-	30.965
Capital Grants & Contributions	2.385	1.187	1.187	1.187	-	5.946
Earmarked Reserves – Housing Delivery Strategy	9.520	-	-	-	-	9.520
Prudential Borrowing	25.533	2.102	3.914	3.361	0.560	35.470
TOTAL CAPITAL FUNDING 2021/22 to 2025/26	41.625	30.067	5.101	4.548	0.560	81.901

120. The sources of funding for the Capital Programme are explained below:

Table 20: CAPITAL FUNDING	
Capital Reserves	<ul style="list-style-type: none"> Previously the Council benefitted from access to significant capital reserves following the sale of its housing stock. Over recent years these reserves have been utilised to invest in the capital programme. The remaining balance was nil at March 2021.
Capital Receipts	<ul style="list-style-type: none"> Sale of capital assets results in a capital receipt that can be used to invest in new capital assets or to repay prudential borrowing. The main source of capital receipts over the duration of this Capital programme relate to delivery of major schemes including Marketfield Way redevelopment, Pitwood Park and the Cromwell Road Housing

Table 20: CAPITAL FUNDING	
	developments. These capital receipts have been factored into forecast funding requirements.
Capital Grants & Contributions	<ul style="list-style-type: none"> • Forecasts of the future grant funding allocation for Disabled Facilities works have been updated to reflect forecast allocations; • They also include the Council’s share of Section 106 and CIL funding. • Revenue funding equivalent to the historic New Homes Bonus grant allocation to 2020/21 has been allocated to support implementation of the Housing Delivery Strategy.
Prudential Borrowing	<ul style="list-style-type: none"> • The primary source of long-term funding for the Capital Programme is now prudential borrowing, mainly from the Public Works Loans Board (PWLB); • Loans are managed through the approved Treasury Management Strategy and policies; • Interest on borrowing is paid to the PWLB and charged to the annual revenue budget along with the Minimum Revenue Provision that is necessary to set aside funds for eventual repayment of the loan principal. These costs have to be taken into account when setting a balanced Revenue Budget; • There are increasing restrictions on the type of capital expenditure that is eligible for prudential borrowing. Borrowing to fund investment solely for commercial gain is no longer permitted.
Revenue Budget Contributions	<ul style="list-style-type: none"> • There is no expectation that significant capital expenditure will be funded from the revenue budget in 2022/23.

Capital Programme – Revenue Budget Implications

121. As explained above, the Council no longer has significant capital reserves, therefore, while a small number of schemes will be continued to be funded from capital grants and other contributions, the majority of the approved Capital Programme must be funded through prudential borrowing. The costs of repaying this borrowing fall on the revenue budget as treasury management costs in Central budgets.
122. Treasury management budgets will be updated to reflect the costs of borrowing for the approved Capital Programme for 2022/23 onwards net of interest on forecast balances. Details will be confirmed in the Treasury Management Strategy for 2022/23 that is reported to Executive and Full Council for approval in March/April each year.
123. The costs of managing and maintaining new capital assets will have to be taken into account in the revenue budget as new assets come into use. Budgets will also have to be set for any new income streams generated.

BUDGET SETTING TIMETABLE

124. The timetable for approval of the 2022/23 budget is summarised below:

Date	Event	Purpose
June/July 2021	Management Team away day	Consider service position and initial forecasts

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Date	Event	Purpose
	Executive away day	Discuss budget setting priorities and 'direction of travel'
15 July 2021	Overview & Scrutiny	Medium Term Financial Plan Update Capital Strategy Update
22 July 2021	Executive	
September 2021	Management Team away day	Consider draft Budget proposals
November 2021	Executive away day	Agree draft Budget proposals
18 November 2021	Executive	Agree draft Budget
1 December 2021 9 December 2021	Budget Scrutiny Panel Overview and Scrutiny	Review of draft Budget
16 December 2021	Executive	Receive Scrutiny Panel Feedback
28 January 2022	Executive	Final Budget and Council Tax proposals
10 February 2022	Full Council	Approve Budget and Council Tax

OPTIONS

125. Service & Financial Planning: the following options are available to the Executive:

OPTION 1 - Approve the proposed budget and financial planning changes set out within the report, for consultation under the terms of the Constitution. Also to approve the proposed review of the Local Council Tax Support Scheme during 2022/23.

This option is recommended for approval, to ensure that service and financial plans are agreed in good time to adopt a balanced budget for 2022/23. Also that the Local Council Tax Support Scheme remains fit for purpose.

OPTION 2 - Only approve some of the proposed budget and financial planning changes set out within the report, for consultation under the terms of the Constitution.

This option is not recommended, as it would undermine the service plans and would present a risk to closure of the forecast budget gap for 2022/23.

OPTION 3 - Reject the proposed budget and financial planning changes set out within the report, and request that further work be undertaken to develop new proposals for consultation under the terms of the Constitution.

This option is not recommended as it would delay the budget consultation process, undermine service planning and leave the Council and risk of failing to adopt a balanced budget for 2022/23.

LEGAL IMPLICATIONS

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126. Service & financial planning: there are no direct legal implications arising from the recommendations in this report subject to the Council adopting a balanced budget for 2022/23 by 11 March 2022 to meet the requirements of the Local Government Finance Act 1992.
127. Local Council Tax Support scheme: consultation during 2022/23 on any potential changes to the scheme will be conducted in a way that ensures compliance with relevant regulations.

FINANCIAL IMPLICATIONS

128. Service & financial planning: these are addressed throughout the report.
129. Proposed Local Council Tax Scheme review: these are addressed in the relevant section of the report.

EQUALITIES IMPLICATIONS

130. An Equalities Impact Assessment of the final service & financial planning proposals will be undertaken and will be provided as a background paper to the January budget report.
131. An initial assessment of the proposals presented in this paper has indicated that the following proposals could potentially have a negative impact (direct or indirect) on one or more of the groups protected under the Equality Act 2010. These proposals include:
- Proposals from the Community Partnerships service, including in relation to CCTV maintenance, and community partnerships funding streams including small and medium grants and taxi vouchers;
 - Proposals from the Communications and Customer Contact service relating to the reduced frequency of publishing the Borough News magazine;
 - Proposals from the Revenues, Benefits & Fraud service relating to the introduction of e-billing; and
 - Proposals to increase the Borough Council's element of Council tax by, on average, £5 per year.
132. As part of the budget setting process, consultation on these proposals will be undertaken (see below) and the results of the consultation taken into account before any proposals are finalised. This will include consideration of alternative courses of action and/or actions that could be taken to reduce any potential negative impacts on those with protected characteristic groups.
133. The Local Council Tax Support Scheme is designed to help low-income council taxpayers, who are largely unemployed, or disabled, or low-income earners or pensioners. There are no significant changes proposed for the next financial year which would impact on a specific group of taxpayers. The proposed Scheme review will include consultation with all affected stakeholders.

COMMUNICATION IMPLICATIONS

134. The Council continues to offer value for money for Council residents – in 2021/22, the average household pays just £4.57 per week to the Borough Council in Council Tax, which pays for the wide range of services that the Council delivers, including household waste and recycling collections, street cleaning, greenspaces maintenance, leisure and community centres, and statutory and regulatory services such as licencing, environmental health and planning.

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135. Central to the Council’s communications and engagement strategy is not only to promote the good work that the Council does and the great services it provides, but also to make sure that our annual service & financial planning process reflects what our residents and businesses need. Development of the 2020-2025 Corporate Plan was supported by extensive consultation with residents and other partners to ensure that our priorities remain relevant up to 2025.
136. It should be noted that one element of the service & financial planning proposals for 2022/23 is to move to one (rather than two) publications of the Council’s Borough News magazine per year – this is reflective of the changing ways in which the Council communicates with residents, including an increase in social media engagement. The Council will continue to include a range of methods and modes of communicating with residents, of which the Borough News will remain one.

RISK MANAGEMENT CONSIDERATIONS

137. The Council has strong risk management arrangements in place to ensure that any risks are identified and managed, with regular reports provided to the Audit Committee and the Executive.
138. The risks relating to the long term financial sustainability of the Council remain on the strategic risk register and controls and mitigating actions are regularly reviewed. They are set out in the MTFP at Annex 2 (Appendix 3).
139. Service & financial planning risks: the service and financial plans contained within this report are aimed at minimising risks and ensuring that the Council continues to deliver great services whilst managing budgets and other resources well.
140. Local Council Tax Support scheme risks: there are ongoing risks associated with not carrying out a review of the Scheme. It needs to current circumstances and the costs of processing claims have to be managed as they all fall on this authority. The window of opportunity for consultation is growing ever smaller and significant changes will require wide consultation to avoid the risks of legal challenge, which again are borne entirely by this authority. This does not however prevent the Council from managing and controlling other areas of the Council Tax base, such as discounts and exemptions.

HUMAN RESOURCE IMPLICATIONS

141. The Council will need to maintain workforce capacity and skills to enable the organisation to diversify and deliver again Corporate Plan ambitions.
142. The service & financial planning proposals for 2022/23 set out in this report result in an overall change in FTE numbers as set out in the table below; the final position will be confirmed in the January budget report

Table 21: STAFF ESTABLISHMENT - FTE MOVEMENTS 2021/22 TO 2022/23		
STAFF ESTABLISHMENT 2021/22 (including fixed term posts)		534.0
Net Permanent Posts to be Created as part of 2022/23 Service & Financial Planning Growth		
Annex		
3.1	Electoral and Democratic Services : net change in FTE following a restructure of restructure of the team under one manager (previously two); including changes to grades and working hours of existing staff and appointment of a new Electoral Services apprentice.	0.6

Table 21: STAFF ESTABLISHMENT - FTE MOVEMENTS 2021/22 TO 2022/23		
STAFF ESTABLISHMENT 2021/22 (including fixed term posts)		534.0
3.1	Planning: deletion of a vacant funded post.	(1.0)
3.1	Waste & Recycling: additional waste crew required due to increased household demand across the borough.	3.0
3.1	Management Team: reduction following the proposed review and restructure of current senior management team budget.	(2.0)
FORECAST STAFF ESTABLISHMENT 2022/23		534.6
NET INCREASE/(DECREASE)		0.6

143. The final budget proposals and Medium Term Financial Plan forecasts will include provision for an annual cost of living pay award for staff. This award is subject to negotiations with staff representatives and will depend on a variety of factors, including economic conditions, inflation levels and staff recruitment and retention considerations. The budget forecast also includes an allocation for contractual pay increases for some staff (primarily incremental pay rises linked to achieving appraisal targets).

CONSULTATION

144. Consultation will be carried out in line with the Council’s budget and policy framework. This includes consideration by the Overview & Scrutiny Committee.
145. The Overview & Scrutiny Committee has established a Budget Scrutiny Panel to support this work. The Panel is scheduled to meet on 1 December 2021. It is anticipated that the Panel’s report will be considered by the Overview & Scrutiny Committee on 9 December 2021. Any comments or recommendations will be reported to the Executive meeting on 16 December 2021.
146. Section 65 of the Local Government Finance Act 1992 requires the Council to consult representatives of those subject to non-domestic rates in the borough about its proposals for expenditure for each financial year.
147. General consultation with local businesses on the proposal in this report will be achieved as in past years through activities coordinated by the Economic Prosperity Team, including business networking events and using the Council’s business e-newsletter.
148. Any interested parties will be able to respond to the budget consultation, and publicity will be produced following this meeting explaining how to submit comments in writing or via email. Targeted consultation will also take place with stakeholder groups that may be impacted by specific proposals.

POLICY FRAMEWORK

149. The budget proposals within this report form part of the Council’s budget and policy framework. The annual budget is developed to ensure that the Council can deliver its Corporate Plan and services to residents and businesses.

Background Papers:

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Medium Term Financial Plan Update, report to Executive on 22 July 2021

Capital Investment Strategy 2022/23, report to Executive on 22 July 2021

Service Plans, 2022/23 to 2025/26, copies of draft Service Plans can be viewed in the Members' Section of the Modern.Gov Library.

List of Annexes:

- 1 Policy Context
- 2 Medium Term Financial Plan - Summary
- 3 Revenue Budget – Growth, Income and Savings Proposals
- 4 Capital Programme - Growth Proposals
- 5 Fees & Charges Policy
- 6.1 Revenue Reserves at 1 April 2021
- 6.2 Reserves Policy

POLICY CONTEXT

The international, national and sub-national context in which the Council will need to operate in 2022/23.

1. International Context

- 1.1 The UK and the Council are part of a global economic system. The state of this system therefore shapes and influences the context in which the Council must operate. This includes factors such as international political stability, global productivity, international finance, and commodity prices and supply chains. Whilst the Council is a very small part of the system, the macrotrends shaping the global situation also have local implications, awareness of which is important for informing the work of the organisation.
- 1.2 At present, the global economy is facing challenges from a number of directions. Most prominently, the ongoing effects of the Covid-19 coronavirus pandemic have significantly hindered wellbeing and productivity across the world. In addition to the direct health implications for millions, this is particularly being felt in terms of supply of many resources, including some foodstuffs, fuels, and raw materials. Whilst vaccination levels in the most developed areas are enabling a return to near-normal levels of activity, other regions have so far had less access to these remedies, and the effects are therefore likely to continue to be felt for some time.
- 1.3 Underlying this effect, international instability is increasing. Increased tensions between the USA and China, a resurgence of a more nationalistic and authoritarian politics across many countries, and a retreat from the overarching trend towards globalisation of recent decades are pulling international relations away from the previous global order. These effects are already being felt in their impacts on supply chains and wider international trade, and may become more pronounced over time.

Climate Change and Environmental Degradation

- 1.4 The effects of climate change and environmental degradation are both increasingly evident, and increasingly harmful. The planet continues to experience a wide range of threats to the environment, including air pollution, waste plastics, loss of habitats & biodiversity, water scarcity, and, in particular, global warming and climate change due to human-led carbon emissions. These risks have been highlighted by the increased prevalence of extreme weather events, flooding and wildfires across the globe.
- 1.5 Regardless of other economic factors, if determined action is not taken to address this crisis, the wellbeing and prosperity of everyone on the planet are likely to suffer greatly. The Paris agreement, adopted by the UK and 195 other countries in 2015, sets out a plan to address carbon emissions and global warming, but this will need to be supported and delivered by practical action at a national and more local level. Even where action is taken, there is likely to be continued disruption for some time, with wide ranging implications to food and

resource security, migration, and international tensions, further exacerbating other global economic pressures.

- 1.6 At the time of writing, the 26th United Nations Conference of the Parties (to the United Nations Framework Convention on Climate Change) (COP26) is taking place, with all parties to the convention considering options for addressing climate change. The outcomes of this conference may have significant ramifications for future national and international responses to climate change, and will be monitored as part of ongoing work to support environmental sustainability.

Brexit

- 1.7 Brexit, the recent departure of the UK from the European Union, is an example of the wider trend away from multilateralism towards more nationalistic focus, as well as a reflection of the impact of these wider pressures on the function of the EU. It remains unclear how the longer term impacts of this move will manifest, with arrangements around sensitive elements such as Northern Ireland and fishing rights still being resolved. However, in the short term, it has introduced significant turbulence in the trading environment, leading to disruption to supply chains and increased costs for many businesses and customers. These increased costs filter through the economy, leading ultimately to increased pressures upon Council services.

Recyclate Markets

- 1.8 An international economic factor of particular note to the Council is the price of recycled materials. The Council is a supplier of these, using recycling collected locally, and the value of these materials is therefore a considerable income consideration for the organisation. The general constraint on resource availability means that the level of demand for paper is currently relatively high, which presents a good outlook for income from this source in the coming year.
- 1.9 However, prices in this sector have been historically highly volatile, and if demand diminishes again, due to either temporary pressures causing longer term economic slowdown, or alternatives becoming more readily available, then this income may not be realised. In parallel, cost associated with the processing and disposal of materials are expected to increase, reducing the net surplus of the Council's operations. On this basis, recyclate costs are identified as an operational risk for the organisation, and this risk will continue to be monitored and managed as far as possible.

2. National Context

- 2.1 The national context, with regard to the Council, is currently dominated by the conjunction of two factors: the coronavirus pandemic, and real terms reductions to and constraints on public sector funding, both set within the wider trend of the stagnation in living standards of much of the population. These factors interrelate, and all present pressures upon the borough and the Council. Along

with these pressures, there are some potential opportunities which may emerge.

Coronavirus (COVID-19)

- 2.2 Of these, the coronavirus pandemic and its impacts are the most striking at the present time. The pandemic, and the control measures it required, constituted a major disruption to the national economy, leading to significant reductions in productivity and surges in business closures and unemployment. Whilst the pandemic led to significant loss of life, and continues to present a major pressure on health services leading in to already challenging winter months, state action to mitigate its wider consequences appear to have worked relatively well, with current indications suggesting that the economy, and the lives of the population, are recovering strongly.
- 2.3 However, the majority of these support measures are now either being removed or scaled back, and the Council will therefore need to remain alert to potential negative shifts in conditions. Elements such as the removal of the temporary increase to universal credit and the backlog facing health services may yet lead to further economic and social difficulties, which will need to be addressed. Along with the broad international implications of the pandemic, the potential for these pressures to escalate remains a risk.

The Public Sector

- 2.4 The overarching national policy context in the past decade has been central government's programme of austerity. This real terms reduction in the resources available to public services has increased the demands upon local authorities, whilst simultaneously reducing the tools they have available to respond. The recent pandemic underscored the importance of the NHS in particular, along with the wider state sector and local authorities, in maintaining the functionality of the nation, but it remains to be seen if this lesson will be taken to heart.
- 2.5 There are indications, including in the Autumn 2021 budget, that central government may be moving away from its previous approach, and towards either restoring resources for key functions, such as education and health, to more normal levels, or at least preventing further real terms reductions in funding. However, many elements remain below pre-2008 levels in real terms, and even if this trend towards restoration is maintained, the underinvestment and its consequences will continue to be felt for some years.

The Economy and Living Standards

- 2.6 Real terms income for much of the population has been largely flat in recent years, with the benefits of economic growth during this period disproportionately accruing to the most wealthy. Whilst there have been some positive shifts in income distribution, the wealth disparity, increases in living costs associated with elements such as housing, and the challenges faced by public infrastructure, have meant that overall standards of living for most of the population have not significantly improved.

- 2.7 Overall levels of deprivation have therefore remained at constant or elevated levels, as evidence through phenomena such as increased demand for homelessness support, rising levels of personal debt, and expanded use of foodbanks in some areas. Combined with the ongoing demographic shift towards an older population, thereby increasing demand for adult social care, the burdens upon local authorities and other public services have thus generally increased over this period.
- 2.8 There are positive signs that the economy is shifting in ways which may ameliorate these issues over time. In addition to the initial steps towards undoing the reduction to funding for public services being taken by the government, employment levels and real average earnings have been increasing in the last year. However, caution must be applied to these observations, as they are significantly influenced by the rebound from pandemic conditions, and may therefore not be sustained.

Welfare System

- 2.9 Changes to the welfare system, triggered by national austerity measures, continue to impact on the most vulnerable in our society.
- 2.10 Universal Credit, combining a range of previous benefits, is now the default system for new benefit applicants. Initial implementation in Reigate & Banstead commenced in October 2018 and is now at 63%, with the current target for full national roll-out, including transferring previously existing benefits, is September 2024. As has been the case in most areas where the scheme has been implemented, this has presented some challenges for recipients and the Council, which the Council has worked to address. The Council introduced its Money Support Service to advise residents and help prevent them encountering financial difficulties.
- 2.11 The Council also administers Discretionary Housing Payments on behalf of the Government. The Department of Work and Pensions revised its funding methodology for these in 2021/22, leading to the Council now receives less funding for these payments. As these payments are under high demand, and work towards preventing the risk of homelessness, this could also potentially cause cost pressures in other service areas.
- 2.12 During the coronavirus pandemic, claimants received an additional £20 per week, reflecting the potential for increased costs due to the unusual circumstances. This additional benefit was removed again in October 2021. As a number of the potential cost pressures for those receiving universal credit remain, this may lead to further demand for other Council support services.
- 2.13 Unemployment levels increased during the pandemic, and rose during the early part of 2021. However, they have since trended downward in the borough, and remain at a lower rate relative to most English local authorities. As it had previously been anticipated that unemployment might remain at an elevated level, it is hoped that this reduction will reduce the demand for associated Council services. It remains uncertain if there will be a further uptick in demand following the removal of pandemic response measures.

2.14 The Council has also been responsible for the administration of the allocation and distribution of business support grants and self-isolation payments as part of the COVID-19 response. Whilst many of these measures have now been, or are being wound up, it remains uncertain what additional demands may continue to be made, or what administrative support any new measures may require. In addition, there are a number of local support measures, such as Council Tax support, which are continuing to be in higher demand.

Planning Policy

2.15 The Government has been consulting on major changes to the planning system, following the publication of a white paper in August 2020. Initial indications of the paper were that in the future, national planning policy might remove many elements of local choice and control, and replace them with centrally determined standards. These changes have the potential to substantially change how development planning takes place in the borough.

2.16 A central national objective of changes to the planning system remains securing the delivery of more homes: while the proposed changes may potentially remove some obstacles to housing development, there are significant concerns that it could also lead to a reduction in standards, and more low-quality housing, which does little to address the real needs of the population.

2.17 With the recent change of Secretary of State, the proposed changes to the system are anticipated to be reviewed. However, there have been no significant announcements regarding plans for the system, and there is thus currently a high level of uncertainty regarding any changes to the planning system in the coming years. In the event that significant changes are applied, the Council may need to revise its local plan, which would incur additional costs to implement.

Environmental Policy

2.18 At a national level, in 2019 the UK government amended the Climate Change Act 2008 to commit the country to a target of net-zero greenhouse gas emissions by 2050. This target is supported by a range of current and emerging legislation and policies, including the government's Net Zero Strategy and decarbonisation strategies around heat, industry and transport. Further commitments may emerge from the COP26 conference on climate change, taking place in Glasgow at the time of writing.

2.19 In June this year the Committee on Climate Change published its annual report to Parliament about reducing UK emissions. Their report identified that the government had committed to a range of positive steps, but that it was being too slow to implement these through policies and legislation. It identified that current policies would only deliver approximately 20% of the required cut in carbon emissions to meet the UK's targets, and act to limit the harm caused by climate change.

2.20 The National Audit Office also published its review of local government and net zero [carbon] in England in July 2021. It identified that local government would

have an important part to play in reaching the UK's net zero target, including through their responsibilities around waste, local transport and social housing, as well as their roles in community engagement. The report also noted that further support for local authorities would be required to help deliver this goal, and that challenges such as unclear responsibilities and piecemeal funding would need to be overcome.

- 2.21 Future legislation will include a new Environment Act (currently the Environment Bill) which will set long-term legally binding environmental targets, beyond climate change mitigation. Targets in relation to issues such as air quality, biodiversity and waste reduction will be relevant to the Councils work in future years. The Environment Bill also proposes a new independent watchdog, the Office for Environmental Protection, which is intended to hold the Government to account on environmental issues. The Council will need to continue to have regard to the implications of its activities for the environment, both in terms of compliance with current and emerging legislation and to minimise contributing to worsening global conditions. The Bill is currently undergoing final parliamentary consideration.

Waste & Recycling

- 2.22 In addition to monitoring recycle prices, as identified above, there remains a significant degree of uncertainty for the Council's waste and recycling services around the government's forthcoming Resources and Waste Strategy. Emerging from legislation tied to the Environment Bill, this has the potential to impose additional requirements on local councils for the collection of waste and its composition.
- 2.23 The strategy has the potential to require the Council to undertake additional activity, whilst both providing no certainty of additional resources, and removing or reducing the Council's current options for generating related income. This would apply significant additional pressure to the Council's budget. Additionally, the ongoing uncertainty constrains the organisation's capacity to make decisions on investments in services. The Council will therefore need to continue to monitor the development and finalisation of this strategy as it emerges.

Local Government Reorganisation

- 2.24 Previous proposals from Surrey County Council around moving towards a unitary local government arrangements have not been progressed, but local government reorganisation remains a possibility that may need to be considered in future years. Following announcements earlier in the year from Government, Surrey County Council submitted an expression of interest to be a pilot area for a new-style 'County Deal', and a White Paper on Levelling Up is anticipated later in the year. The potential implications of these for the borough will continue to be tracked.

3. Sub-National Context

Health & Wellbeing

- 3.1 Healthcare is a national issue, and one that has been at the forefront in the last years due to the coronavirus pandemic. Whilst funded nationally, it is delivered locally, and remains of central importance to the health and wellbeing of Reigate & Banstead residents.
- 3.2 At the sub-regional level, Surrey Heartlands is the Integrated Care System (ICS) for the county. This partnership has been established with the aim of enabling health organisations, local authorities and other partners to take collective responsibility for the health of the local population, and managing resources while providing high quality health services. Sitting below the ICS are integrated care partnerships (ICPs) which are groups of more locally based health and care organisations; whilst Surrey County Council has responsibility for Public Health.
- 3.3 There is an ongoing role for this Council to work closely with the Surrey Heartlands ICS, Surrey CC and the Surrey Downs ICP to ensure that health services are provided in a joined up and holistic way, and that the work that we do in relation to resident wellbeing complements that of the health sector. A wide range of our Borough Council services have the ability to contribute to securing resident wellbeing, including planning, greenspaces, leisure, community partnerships, housing, family support, economic prosperity, environmental health and licensing. COVID-19 has demonstrated the importance of local areas in supporting resident wellbeing (for example through increase use of our parks and countryside) and there is a continuing opportunity for the Council to maximise its support in this area.

Economic Prosperity

- 3.4 Reigate & Banstead sits at the heart of Coast to Capital Local Enterprise Partnership (LEP) area and the Gatwick Diamond. The LEP's Strategic Economic Plan identifies the pivotal role of Gatwick Airport and the surrounding area within the sub-regional economy, and sets out priorities for economic growth and investment in future years.
- 3.5 In its most recent update to its Coronavirus Economic Impact Assessment, dated July 2021, the LEP estimates that the Coast to Capital area could have lost up to 12% of GVA during 2020. This is a great reduction than the overall UK figure of 9.9%, but less than the previous forecast of a 17% reduction. To return to pre-COVID GVA levels by 2029, regional GVA growth would need to significantly increase from its 2010-2019 level of 3% by 2026. It has identified five 'foundations of productivity' – business environment, people, places, infrastructure and ideas – around which to build a framework for economic recovery.
- 3.6 Analysis by the LEP suggested that as of August 2020 around 30% of Reigate & Banstead employees were on government support schemes. Some of the highest economic impacts were felt in the south of the borough, likely as a result of the impact on airport-related employment in these areas. Since then,

the local status has markedly improved, with regional furlough rates dropping to 15% between December and March 2021, and Self-Employment Support Scheme take-up also decreasing from peak levels. The furlough scheme has now ended, as of August 2021, and it possible that this will lead to further challenges for some local residents who were utilising this support.

- 3.7 In the longer term, underlying demand factors suggest that much of the reduction in economic activity is likely to be recovered, although there is the potential for some elements, such as business flights, to remain at a reduced level. Adjustments to employment patterns, with a move to more remote or 'hybrid' working, and fiscal developments, such as the recently announced business rates relief for leisure, retail and hospitality sectors may also influence the future shape of the local economy.
- 3.8 It remains to be seen what the longer term economic trends for the sub-region will be. It will be important that the Council continues to work in partnership with the LEP to target support and investment to support those sectors of the economy key to its recovery and resurgence, to help support residents into employment, education and training. The Council will need to monitor the effects of other shifts, and help the borough residents and business respond to the developing context.

The Local Housing Market

- 3.9 Housing affordability in the borough and surrounding areas has for many years been such that local residents, young families and local employees on moderate incomes are often unable to buy their own homes. Recent years have seen average house prices in excess of 12 times local wages. Demand in the preceding year was buoyed by stamp duty reductions, but whilst that scheme has now ended, there remains no clear sign of any significant reduction in prices, and wages would still need to increase considerably to meaningfully improve affordability at current price levels.
- 3.10 Similarly, private rents in the borough remain high, with the average 2 bed monthly rent being around £1,200. This compares to a maximum local housing allowance rate of just under £950 for most of the borough. Whilst the economy is now starting to recover from the pandemic, support measures are also now being reduced, and there remains the potential for further job local job losses, particularly in traditionally lower income sectors such as the service and hospitality sector. There therefore remains the risk that more households will struggle with housing costs in the coming year.
- 3.11 At the same time, social housing (particularly social rented housing) remains in high demand in the borough, with higher cost affordable rented social homes being beyond the reach of many households. As well as demand from families for social housing, the Council is receiving more approaches from single people with more complex needs at risk of homelessness.
- 3.12 The Homelessness Reduction Act, which expanded our duties to assist those at risk of homelessness, is now in its fourth year. The grant supporting this activity was extended in the 2021 Autumn Budget, but uncertainty remains

about whether the increased work and responsibility for the Council arising from the Act will continue to attract Government funding into future years.

- 3.13 The Government response to the initial COVID crisis resulted in the Council placing more households into emergency accommodation in the spring, in particular single households. Whilst many of these households have successfully been helped into private rented sector, social rented or supported accommodation, a number of these cases are still open. In the event of increasing unemployment, demand for the Council's housing services, and for affordable housing, will continue to increase.

The Local Commercial Market

- 3.14 Local commercial markets have been reasonably buoyant in recent years; however the national (and global) economic impact of coronavirus has and will continue to have a local impact.
- 3.15 High street businesses and properties have experienced significant challenges due to the COVID restrictions in place, along with competition with online retailers, although some sectors, such as supermarkets have continued to fare well. Increased and ongoing demand for on-line shopping suggests that the warehousing sector will continue to be strong. Recent adjustment to business rates for some town-centre sectors may alleviate some of these pressures, but would not be expected to overturn the prevailing trends.
- 3.16 The future of the office market remains uncertain and is likely only to become apparent as leases come up for renewal. Greater levels of working from home may impact the demand for office accommodation, however in the medium term tenants may require additional space if social distancing measures continue, or general employer and employee appetites for working spaces shift towards less dense working in general. It remains to be seen if demand for office space in local town centre (rather than city centre) locations increases as employers are more reluctant to commute into London daily, but recent survey indicate that overall demand for high quality office space in the borough remains high.
- 3.17 In light of the widespread market uncertainty, particularly regarding future trends around office use, the income generated from Council assets remains potentially vulnerable, as recognised in the strategic risk register. The Commercial Ventures Executive Sub Committee will need to continue to monitor this and where necessary decide on mitigation actions.

Local Environmental Sustainability

- 3.18 In 2020 Surrey County Council published its Climate Change Strategy. This sets out an ambitious plan for the county to achieve zero net carbon by 2050, and includes a range of actions and activities that will need to be implemented at the borough level, in conjunction with measures outlined in our own Environmental Sustainability Strategy.
- 3.19 Surrey County Council has recently agreed its first Climate Change Delivery Strategy, focusing on the activity it, and partner organisations such as this

council will need to take to achieve county-wide targets. It will be important that the Council works closely with Surrey County Council (and other local partners) to deliver on shared environmental and climate objectives, to lobby for further powers and funding from central government and to deliver maximum benefits from the resources that are available.

Transport and Other Infrastructure

- 3.20 Funding and delivering the infrastructure to support growth remains a challenge, and one which is largely outside the control of the Council. Transport for the South East (TfSE) (the sub-national transport body) submitted its bid for statutory status in July 2020, including a regional transport strategy recognising the important regional radial and orbital transport routes that cross Reigate & Banstead. In October 2020, the government confirmed its support for the work of TfSE, but elected not to take forward statutory status or devolution of powers at that time.
- 3.21 The recognition of key corridors such as the A23/M23/Brighton Mainline corridor and M25/North Downs Line by TfSE is to be welcomed, however it remains the case (especially with the Government's current focus on Levelling Up) that the criteria for transport investment used by the government and other agencies render it challenging to justify transport spending in areas such as Reigate & Banstead, which are relatively prosperous and which do not have the capacity to deliver the large amounts of housing that are often expected to secure investment.
- 3.22 At a local level, the Council continues to collect the Community Infrastructure Levy, which is now being allocated to assist with the delivery of a range of infrastructure projects across the borough. However, the funds that the Levy generates will not be sufficient to address the overall infrastructure funding gap, which the most recent Surrey Infrastructure Study estimated at £96m for the borough.
- 3.23 In terms of aviation, the industry was hard hit by the coronavirus pandemic, with flights from Gatwick Airport dropping to near-zero levels at the low points. This would have had very significant economic downsides for the local area had it persisted. However, most recent indicators show that flights have now recovered to levels largely consistent with this seen pre-pandemic, and associated economic activity is therefore expected to similarly recover.
- 3.24 Gatwick Airport is currently undertaking a public consultation on its proposal to bring its existing standby runway into routine use, as part of an expansion of the airport's capacity. The Council will be monitoring and responding to this consultation, including with regard to both its potential impacts on the local economy, and around social and environmental impacts of such an expansion.

MEDIUM TERM FINANCIAL PLAN - SUMMARY

2022/23 to 2026/27

November 2021

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APPENDICES

- 1. Revenue Budget 2020/21
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- 3. Strategic Financial Risks
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Introduction

This Medium-Term Financial Plan (MTFP) is a summary of the Council's key financial information, including the budget challenges faced, over the period 2022/23 to 2026/27 and our approach to addressing them.

It sets out the approach to establishing a sustainable financial base to support delivery of Council policies and priorities. It also highlights the financial risks and issues which have to be tackled, including ongoing reductions in Government funding.

In July 2021 the Executive approved the previous version of the MTFP which was based on the objectives of the Corporate Plan 2020-2025. It set out the latest resource projections and estimates of expenditure. This document refreshes and updates MTFP forecasts in anticipation of service & financial planning for 2022/23.

Key changes since the July 2021 MTFP report include:

- Updated Forecasts for Service budgets

1. Medium Term Financial Plan Objectives

The objectives of this MTFP are to help us:

- Provide a robust financial framework to assist decision-making processes;
- Manage council finances within the context of a forward-looking service & financial planning framework;
- Prioritise resources to align spending plans with our vision and strategic objectives and resident priorities;
- Recognise the ongoing funding challenges that will need to be addressed through changes to how services are delivered, realising new sources of income and delivery of cashable budget savings, or a combination of all three;
- Maintain council tax resource levels;
- Maintain a balanced budget and continue to strengthen that position;
- Maintain the General Fund reserve at a minimum of 15% of the annual net Revenue Budget to cover significant unforeseen expenditure;
- Maintain Earmarked Revenue Reserves for specific purposes, consistent with achieving our priorities and managing risks. The use of Earmarked Revenue Reserves will be in line with the Reserves Policy and will be reviewed annually;
- Help confirm the affordable level of capital investment required to support our strategic and financial priorities while remaining within prudential borrowing limits;
- Ensure that fees and charges are set at an appropriate level and that they take into account comparative levels of charge and ability to pay, in line with the Fees & Charges Policy;
- Demonstrate probity, prudence and strong financial control;

- Manage financial risks;
- Continually review budgets to ensure resources are targeted on key objectives;
- Continue to improve our approach to commissioning and procurement to ensure value for money for local taxpayers;
- Support new ways to ensure financial sustainability and maximise income to deliver our priorities. This includes the development of commercial projects to capture both revenue income and capital growth opportunities;
- Pursue opportunities for securing external funding; and
- Support opportunities for working in collaboration with partners where this will support our priorities and improve service value for money.

2. Medium Term Financial Plan Priorities

In considering future budget projections, it is recognised that there are unknowns which could impact upon forecasts. The MTFP is not a static document but rather one that is constantly evolving as the environment around it changes. Some of the key risks and sensitivities which need to be monitored are set out below.

- **Economic conditions.** The impact of the economic cycle will need to be considered particularly in relation to business growth, inflationary pressures and interest rate movements. The impact of changes and any impact on public finances will need to be fully evaluated on the financial model.
- **Government Finance Legislation.** There are key pieces of Government legislation which will impact upon the future financial position of the Council. In particular the impact of the localisation of business rates and any additional responsibilities will need to be fully evaluated as well as the Governments current Fair Funding Review of local Government finance which has been delayed but is still due to be introduced at some point in the future;
- **Other Government Legislation.** There are a significant number of political initiatives particularly in relation to localisation and the role of local Government. These will need to be assessed for their relevance to Reigate and Banstead and the impact on future finances;
- **Buoyancy of Income Streams.** These will be sensitive to changes in consumer confidence and the economy so will need to be closely monitored;
- **Strategic Investments:** The Council is looking to continue to pursue developments that produce financial returns while at the same time supporting the delivery of housing and regeneration priorities;

- **Commercial Ventures:** The Council will seek to take advantage of commercial opportunities wherever possible to cover costs and to review our fees and charges in order to maximise income in line with corporate objectives. Commercial opportunities will be pursued in line with the guiding principles set out in the Commercial Strategy
- To carry out an annual **Financial Review** of the historic budget outturn position and of our base budget to ensure maximum value is obtained from those resources already allocated – effectively to ensure financial discipline and good housekeeping are maintained;
- Using **Reserves** in a sustainable and prudent manner to support the Council’s strategies and priorities. This will be supported by the Reserves Policy. It is recognised that reserves can only be used on a ‘one off’ basis. However, they can play an important part in supporting initiatives or investments which can deliver future benefits;
- To maintain the Council’s financial standing it is important that it continues its proactive approach to **Service & Financial Planning** and ensures that budget plans are deliverable and that investments are focussed on securing our financial health; and
- To continue to monitor any potential financial impacts of **Brexit** (for example on the Council’s procurement plans) following withdrawal in January 2020 .

3. Medium Term Financial Plan Context

Service & financial planning takes place within the context of the national economic and public expenditure plans; this MTFP has been formulated within the context of the current UK economic position, continued reductions on local government funding and political uncertainty surrounding the shape of Brexit and the ongoing impacts of COVID-19 on council finances and the wider economy .

In response to this financial challenge, local government has innovated, streamlined services and increased productivity. The Government’s plans to devolve more responsibilities through the localisation of business rates has been delayed (date to be confirmed), however the detail as to whether councils will be required to take on additional responsibilities remains unclear. The devolution of business rates is intended to be fiscally neutral but how this will work in practice is currently being developed alongside the Fair Funding Review. These changes will bring both risks and opportunities.

The Economy and Public Spending

There remains considerable uncertainty in financial and economic forecasts. In October 2021 as part of the budget statement, HM Treasury reported to Parliament:

- *Gross domestic product (GDP) grew 0.4 per cent in August 2021, according to the latest figures, remaining 0.8 per cent below its pre-pandemic level;*

- GDP grew by 2.9% in June-August 2021 compared to the previous three-month period (March-May);
- Two of the headline sectors provided a positive contribution to three – month growth in June - August. The services sector grew by 3.7%, production by 0.3% and construction fell by 1.3%;
- As restrictions were lifted and consumer and business confidence returned, the economy grew by 5.5% in the second quarter of 2021.

In their October report, the Office for Budget Responsibility (OBR) forecast that The economy is now expected to grow by 6.5 per cent in 2021.

Forecasts for Bank Rate

Bank Rate is not expected to go up quickly after the initial rate rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%

Table 1: FORECAST INTEREST RATES	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24
	%	%	%	%	%	%
Forecast Bank Rate	0.1	0.25	0.25	0.5	0.5	0.75

Source: Link Asset Management October 2021

Inflation

The MPC indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its most recent statement

Table 2: FORECAST INFLATION (CPI)	2021	2022	2023	2024
	(Q3)	(Q3)	(Q3)	(Q3)
	%	%	%	%
Forecast CPI	2.7	3.3	2.1	1.9

Source: Link Asset Management October 2021

Economic Growth

Economic growth – as measured by Gross Domestic Product (GDP)

- The latest estimate for the unemployment rate covering the three months to August has fallen to 4.5 per cent,
- GDP is still expected to grow by 6.5 per cent in 2021 and to regain its pre-pandemic level around the turn of the year, some months earlier than we expected in March

Source: Office of Budget Responsibility October 2021

Context: Potential ongoing implications of the COVID-19 economic situation for local government

- It may be harder to collect sums due, for example for council tax and business rates. Despite these increasing pressures, to date our performance on income collection remains consistently strong.
- Increased demand for services to assist residents falling into hardship.
- Suppliers and contractors being at risk of liquidation, potentially affecting delivery of services.
- Cost inflation pressures may be greater than assumed.
- Impacts on our supply chain eg. price increases, impacts on operational delivery of capital schemes, supplier workforce impacts.

Local Government Funding

The local government sector has been one of the areas hardest hit by the Government's deficit reduction plan. For Reigate and Banstead Government Revenue Support Grant reduced from £1.6 million in 2014/15 to nil by 2017/18.

Over recent years the framework for local government funding has been subject to a sustained period of change and uncertainty:

- April 2011 – New Homes Bonus introduced
- April 2013 - Business Rates Retention introduced
- October 2015 – 100% BRR and Funding Review announced
- April 2016 – Government and LGA working groups set up and start meeting
- Early 2017 - Call for evidence on Fair Funding and Business Rates Retention consultation
- April 2017 – New Homes Bonus scheme changes
- May 2017 election – Business Rates Retention primary legislation falls; Fair Funding Review to continue
- Summer 2017 – announcement of move to 75% Business Rates Retention; confirmation of new Business Rates Baseline and continuation of Fair Funding Review – all for 2021/22
- July 2018 – new simplified Business Rates Reset first suggested
- December 2018 – no figures beyond 2020/21 available; indications that 'Negative Revenue Support Grant' will result in significant funding reductions for councils like Reigate & Banstead
- December 2018 – new consultations on Fair Funding Review, Business Rates Retention and confirmation of a full Reset of Business Rates growth
- December 2019 - Spending Round19 – one-year settlement for 2020/21 only

- July 2020 - Spending Review20 – delayed to autumn 2020 due to Government’s COVID-19 pandemic response.
- September 2020 - the Chancellor confirmed the Government’s intention to complete a multi-year Spending Review in 2021, setting revenue and capital budgets for 2022/23 to 2024/25. The stated intention was to lay laid out the intention that the review would set out how the Government would ‘Build Back Better’, by:
 - ‘ensuring strong and innovative public services’ (highlighting, in particular: the NHS, education, criminal justice and housing as priority services for investment);
 - ‘levelling up’;
 - ‘Leading the transition to net zero’;
 - ‘advancing global Britain’; and
 - delivering the Government’s plan for growth.
- October 2020 - Spending Review20 – the Government confirmed that this would be another one year review and was published on 25 November 2020. It focussed on prioritising funding to support the ongoing response to the pandemic to:
 - control and suppress the virus;
 - increase support to public services; and
 - support jobs and businesses.
- June 2021 - the Government launched a consultation which could see business rates revaluations take place every three years instead of the current five. The consultation is part of the fundamental review of business rates which the Treasury now indicated will not conclude in 2021 as previously planned, instead publishing ‘preliminary conclusions in autumn 2021 ahead of ‘final conclusions’ in spring 2022.
 - Between 1990 and 2010, business rates revaluations took place every five years. The 2015 revaluation was postponed until 2017 and in May 2021, the 2021 revaluation was postponed until 2023 to reduce uncertainty for businesses affected by COVID-19. The Treasury argues that making revaluations more frequent would ensure they better reflect changing economic conditions.
- July 2021 - the Housing, Communities and Local Government Select Committee published its report on *Local Authority Financial Sustainability and the Section 114 Regime* following their inquiry into a number of local authorities that had issued Section 114 Notices during 2020/21. The Government responded in October 2021, stating that it would "*take stock of the impact the pandemic has had on both local authority resources and service pressures*" to determine the future of local government finance reforms, such as the Fair Funding Review.

Local Government Funding – Current Position

The last three-year Spending Review was in 2015, covering the financial years 2016/17, 2017/18 and 2018/9. As explained above, the anticipated 2018 Spending

Review never took place and departmental budgets were instead ‘rolled over’ into 2019/20, while the Spending Review in 2019 was also cancelled and replaced by an interim Spending Round that set out current spending by departments for one financial year (2021/22) and capital investment plans for two financial years (2021/22 and 2022/23). Spending Review20 was then delayed from July to November 2020 to enable the Government to remain focused on responding to the COVID-19 pandemic.

As summarised above, for the past two years, the Government has announced single-year Spending Reviews, in 2019 due to the political turbulence around Brexit and in 2020 given the COVID-19 pandemic.

Prior to 2019, there had been three Spending Reviews since 2010, with each impacting on local government’s strategic financing:

- 2010 established the initial path of reductions to local government grant funding and introduced the Council Tax Freeze Grant and New Homes Bonus;
- 2013 continued on this trajectory and introduced the Better Care Fund; and
- 2015 saw the scrapping of the Council Tax Freeze grant, and the introduction of referendum limits for council tax and the introduction of the Social Care Precept.

Spending Review 2021 therefore potentially represents the first return to multi-year statements since 2015.

In October 2021, the Chancellor’s Autumn Budget and Spending Review21 document covered the following key themes:

- **Investing in growth** – through changes to the taxation system and by increasing capital expenditure on research and development; through further investment in infrastructure across road, rail, digital and locally; and a package of additional measures aimed at boosting skills;
- **Supporting people and businesses** – through a range of measures, including reducing the taper on Universal Credit from 63% to 55% and a 6.6% increase to the National Living Wage to £9.50 an hour from April 2022. There will also be adjustments to business rates, including a temporary relief for retail, hospitality and leisure properties, a freeze on the business rates multiplier and a new business rates relief for investment in property improvements from 2023;
- **Building back greener** – through measures aimed at reducing transport as an emitter of greenhouse gases; extending efforts to reduce greenhouse contributions from buildings; supporting decarbonisation of energy and industry through new technologies and protecting and enhancing the natural environment;
- **Levelling up** – including publication of a Levelling Up White Paper by the end of this year, setting out in more detail the framework and next steps towards levelling up opportunities and boosting livelihoods across the country. Spending Review21 also announced the first £1.7 billion allocations through the Levelling Up Fund;

- **Advancing Global Britain** – through the government policy on development on diplomacy, tackling global challenges and defence and security; and
- **Seizing opportunities of Brexit** – through measures on alcohol duty reform, a package of reforms to air passenger duties and developing freeports

Fiscal Rules

- The Budget statement announced a new charter for budget responsibility:
 - The first fiscal rule commits to ensuring that underlying public sector net debt, excluding Bank of England borrowing, falls as a percentage of GDP; and
 - The second commits to everyday spending being paid through taxation rather than borrowing.

Both rules must be met by the third year of every forecast period.

- There were also commitments to:
 - ensure that public sector net investment does not exceed 3% of GDP on average over the rolling forecast period; and
 - to ensure that expenditure on welfare is contained within a predetermined cap and margin set by the Treasury.

Council tax

- The referendum threshold is expected to remain at 2% per year through the SR period, with an additional 1% per year for social care authorities.
- No announcements were made about whether there will be an extension of the additional funding to support authorities with increased costs of Localised Council Tax Support.

Business Rates

- The latest fundamental review of the business rates system has now been completed, and the outcome has been published. The Chancellor's speech highlighted that the Government does not intend to abolish business rates, but stated that it plans to launch a consultation on an Online Sales Tax.
- Other notable announcements include a further freeze of the business rates multiplier (following a freeze for 2021/22) and an extension of the Retail, Hospitality and Leisure relief (this time at 50%, lower than the 66% currently applicable, with a cash cap of £110,000 – up from the £105,000 cap applicable in 2021/22). The Government anticipates that the relief will cost £1.7bn nationally in 2022/23. Local authorities will be compensated for the consequent income losses.
- The Government also announced that, after the next revaluation in 2023, revaluations will take place every three years.
- There will also be a new relief introduced from 2023, which will allow businesses to benefit from 100% relief for 12 months from when they make improvements to their premises. A relief will also be introduced for

plant and machinery used in onsite renewable energy generation and storage. It is understood that local authorities will be compensated for the consequent income losses.

Business Rates Retention

- No announcement was made about the Government's plans for funding reform or a reset of the Business Rates Retention system, both of which were originally expected to be implemented in 2019/20, but which have been delayed a number of times.
- However, the Government has announced that it is expecting the current pilots to continue throughout the Spending Review period and end when there was a reset, so the continuation represents a strong signal that a reset should not be expected during this Parliament.

Housing

- Investment was announced in affordable housing with a view to delivering £10bn of investment during this Parliament and one million new homes in the Spending Review²¹ period to 2024/25. Of this, £300m will be distributed to local authorities (and mayoral combined authorities) to support the development of smaller brownfield sites.
- There will also be £65m invested to 'digitise' the planning system.
- By 2024/25, an additional £639m will have been committed to rough sleeping. The Rough Sleeping Initiative and Homelessness Prevention Grant will continue.

Funding Reform

- The Chancellor's autumn 2021 announcements did not address the question of whether negative RSG grant will be removed.

Funding Changes with Implications for this Council

As set out above, the consultations and announcements over recent years that are likely to have implications for this Council's funding position are summarised below:

Fair Funding Review

- Intended to be introduced in 2021/22, but now delayed again as a consequence of the COVID-19 pandemic, the Review will set new funding baselines and confirm any transitional arrangements.
- The Chancellor's Autumn 2021 Budget did not confirm when they will now take place; there may be further information in the Provisional Settlement announcement in December 2021.

Business Rates Growth: Reset and 'Alternative' System

- The Government's stated aim is to balance risk and reward through a system of *Resets*, *Safety Nets*, *Levies*, *Tier Splits* and *Pooling*. Also to simplify the system by looking again at appeals, while addressing income volatility and introducing more simplification. This too was put back to 2022/23.

- The Chancellor's Autumn 2021 Budget did not confirm when they will now take place; there may be further information in the Provisional Settlement announcement in December 2021.

Business Rates Revaluation

- Delayed by an additional year to 2023 as a consequence of the COVID-19 pandemic;
- In June 2021 the Government launched a consultation on revaluations taking take place every three years instead of the current system of every five years;
- The Chancellor's Autumn 2021 Budget confirmed that three year revaluations will commence in 2023

New Homes Bonus:

- Alongside the single-year allocation in 2020/21 the Government stated that there will be further changes to the system, for example further changes to the methodology based on a reduced funding allocation and/or the allocation of higher amounts to fewer authorities (or lower amounts to many).
- The Chancellor's Autumn 2021 Budget did not confirm when they will now take place; there may be further information in the Provisional Settlement announcement in December 2021.

Specific Grants:

- There is still an expectation that these will be rolled into the funding system when 75% business rates retention is introduced (date to be confirmed)
- The Tax Income Guarantee and Lower Tier Services Grant were introduced in 2021/22; for the purposes of this report these are assumed to continue in 2022/23;
- The Chancellor's Autumn 2021 Budget did not confirm any further details; there is expected to be further information in the Provisional Settlement announcement in December 2021.

Negative RSG Grant:

- It has also not yet been confirmed when this will cease. Further information may be announced as part of Spending Review21; for the purposes of this report it is assumed to cease by 2026/27;
- The Chancellor's Autumn 2021 Budget did not confirm when these changes will take place; there is expected to be further information in the Provisional Settlement announcement in December 2021.

Council Tax:

- There is a possibility of increased freedoms (primarily for social care precepting authorities).
- The Chancellor's Autumn 2021 Budget did not confirm whether they will now take place; it is now unlikely that any changes will be made.

Service & Financial Planning: Government Funding Assumptions

For the purposes of preparing this MTFP and the draft 2022/23 budget the following has been assumed:

- No significant changes to total local government funding as a result of Spending Review21;
- The most far-reaching funding changes will be delayed until at least 2023/24;
- When implemented, the funding changes are forecast to reduce this Council's Government funding by £0.0.740m in year one followed by a further £0.220m and £0.250m in each of the two subsequent years (£1.230m in total). This is as a consequence of the removal of 'Negative RSG' grant and the Business Rates reset. The forecast assumes there will be no other transitional funding arrangements for these changes;
- Council taxbase growth of up to 1.5% per annum and council tax increases continue to be capped at a maximum of 1.99% or £5; and
- Funding from New Homes Bonus to cease in 2022/23 (no new allocations).

4. Corporate Plan Priorities

The Council's Corporate Plan 2025 sets out our priorities for the next five years, and explains how the Council will focus its resources and deliver services to those living, working and spending time in Reigate & Banstead.

This MTFP has been developed to align with the Plan vision and priorities.

The Corporate Plan includes objectives in relation to Housing, Vulnerable People, Communities & Community Safety, Leisure & Wellbeing, Towns & Villages, Economic Prosperity, Shaping our Places, Clean & Green Spaces, Environmental Sustainability, Financial Sustainability, Commercial Activities, Operational Assets and Skills & Great People.

The Plan includes:

- A set of 'cross-cutting commitments' describing how the Council will deliver services, covering aspects such as communications, customer contact, partnership working and environmental sustainability
- A 'housing' objective to do more to secure the delivery of homes that are more affordable for local people.
- Objectives about communities and vulnerable people, reflecting the Council's proactive housing, family support and community development activities
- An objective that recognises the need for the Council to support towns and villages in the borough to thrive and an updated objective on Shaping our Places recognising the future focus of our work in this area

To achieve our financial sustainability objective, our Corporate Plan 2025 explains that the Council will:

- Ensure that our budget setting process is transparent and well-managed to deliver a balanced budget outcome each year
- Run an effective collection team to recover money owed to us
- Operate in an efficient and rigorous way across all our day-to-day financial Operations
- Publish and keep up-to-date our Capital Investment Strategy; and
- Need to increase Council Tax every year to reflect increasing costs, but the Council will review this position annually.

Commercial Strategy

Following the Member task group review of commercial activity in 2018, and the establishment of the Commercial Ventures Executive Sub Committee and a new Commercial directorate in 2019, Part 1 of the Commercial Strategy was developed in consultation with Commercial Ventures Executive Sub Committee members and approved by the Executive in November 2020.

The definitions and principles that it includes, and the categories of activities it sets out, are intended to assist in the understanding of why this Council needs to undertake commercial activity, and how funding allocated in 2020/21 and 2021/22 will be focused. It also includes a Commercial Activity Action Plan, progress on which will be reported annually. The Action Plan will support delivery of new income generation opportunities for inclusion in future MTFP forecasts.

Part 1 sets out what commercialisation means to this Council, including:

- Income generation for reinvestment into Council frontline services;
- Creating a culture that encourages skills that support an enhanced approach to commercial work, including a positive culture and behaviours;
- Providing a response to reduction of Government grant and the increased need to be financially self-sustaining, whilst creating opportunity to change and supplement existing activities;
- Allowing optimisation of income and identifying new revenue opportunities that fit the remit and ambition of this Council;
- Using resources in an agile fashion to meet changing needs of residents; and
- Promoting internal efficiency and effectiveness when approaching commercial activities;

It is based on three guiding principles:

- **Principle 1:** Our commercial activity will be ethical, and consistent with the Council's statutory responsibility to promote economic, environmental and social wellbeing in the borough, and our corporate objectives as well as in line with all relevant advice and guidance;
- **Principle 2:** Any decisions which have a commercial aspect will be based on a robust assessment of the business case using consistent relevant criteria, and appropriate due diligence and risk assessment; and
- **Principle 3:** Surplus income generated through our commercial activities will be used to ensure the financial sustainability of the Council and continued delivery of services for local people.

Part 2 of the Strategy is now in development; it will provide more detail about the implementation of commercial activity, particularly investment activity.

Financial Sustainability Plan

Reliance on one-off measures such as the use of reserves is not without risks and will not be sustainable over the long-term. Going forward, solutions that reduce costs or increase income on a permanent basis will have to be identified for 2023/24 onwards. A Financial Sustainability Plan will be developed, focussing on four key areas:

- | | |
|-----------------------------|---|
| Income Generation | <ul style="list-style-type: none"> • Pursuing opportunities to generate new income streams. • Optimising fees and charges. • Implementation of the Commercial Strategy. |
| Use of Assets | <ul style="list-style-type: none"> • Making effective use of existing assets, including the repurposing and sale of surplus properties. |
| Prioritisation of Resources | <ul style="list-style-type: none"> • Reviewing in-year budget monitoring forecasts to identify new opportunities for savings and efficiencies. • Reviewing the level of service provided and focussing resources on priority services. • Managing pay costs and making effective use of staff resources. |
| Achieving Value for Money | <ul style="list-style-type: none"> • Actively pursuing options to share with other councils to realise efficiency savings. • Identification of invest to save opportunities – including investment in technology and assets to reduce operational costs. |

The Corporate Governance Group (comprising statutory officers and Directors) will oversee progress in the identification and delivery of initiatives in the Plan while

delivery of individual projects will be managed within existing project management Boards.

Progress will be reported to Executive as part of quarterly performance reporting.

5. Budget-Setting Priorities 2022/23

The Priorities that will be taken into account when preparing the draft Budget for 2022/23 are set out below:

- To ensure resources are aligned with the emerging **Corporate Plan priorities**
- To maintain a **balanced budget** such that expenditure matches income from council tax, fees and charges, and government and other grants and to maintain that position
- To set a rate for **council tax** which maximises income necessary to deliver our strategic objectives while ensuring that Government referendum limits are not exceeded. The percentage increase will be reviewed annually and be approved by Full Council
- To **maximise other income** by setting fees and charges, where we have the discretion and need to do so, at a level to ensure at least full cost recovery, promptly raising all monies due and minimising the levels of arrears and debt write offs
- To ensure a long-term sustainable view is taken of our **investments** and that appropriate risk analyses are used when considering new investments
- To consider and take advantage of **commercial opportunities** as they arise to deliver new income streams
- To maintain an adequate and prudent level of **Reserves** and regularly review their planned use and allocation to support delivery of our priorities.
- To address the legacy financial challenges forecast as a consequence of the **COVID-19 pandemic**.

6. Revenue Reserves

The Council holds Reserves to provide protection against financial risks. Our current level of reserves provides a relatively secure financial base compared to many authorities; it is important to ensure an appropriate balance between securing the financial position of the Council and investing in delivery of services.

Reserves can be held for four reasons:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.

- A contingency to cushion the impact of unexpected events or emergencies.
- A means of building up funds to meet known or predicted liabilities.
- A means of setting aside sums for future identified uses and / or investments

There is an opportunity cost of holding reserves in terms of restricting capacity to invest in current service delivery but this is offset by the additional flexibility that reserves provide when manage budget risks and adverse variations.

The level of Reserves is being reviewed throughout service & financial planning with the aim of presenting the final recommended use of reserves in 2022/23 onwards as part of the January budget report. This will include an assessment of the adequacy and allocation of current reserves and the associated risks and opportunities.

General Fund Balance

The General Fund Balance Reserve is held to manage the impact of any unexpected events/emergencies. The Section 151 Officer is required to review the level of the General Fund Balance annually in relation to the overall financial position of the Council. CIPFA guidance on Local Authority Reserves and Balances (2003) and the Local Government Act of 2003 do not recommend a specific value or budget %.

The Council's Section 151 Officer advised in the January 2021 budget report that a working balance of £3.0m is considered the minimum level required. This represents just over 15% of the net budget for 2021/22. This minimum level will be reviewed again as part of 2022/23 service & financial planning.

Earmarked Revenue Reserves

Earmarked Revenue Reserves may be used as part of a planned process to balance the budget in order to avoid short term actions which may not be in the best interests of the Council. They also allow funds to be set aside for specific purposes, often spanning more than one financial year.

Useable Revenue Reserves

Revenue Reserves have increased steadily over recent years.

Table 3: USEABLE REVENUE RESERVES	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
General Fund Balance	6.075	6.717	8.737	5.912	12.547	12.547	8.949	3.000
Earmarked Reserves	9.526	10.963	13.485	19.075	21.703	25.042	32.646	38.738
Total Reserves	15.601	17.680	22.222	24.987	34.250	37.589	41.595	41.738
Reserves as a % of the Net Revenue Budget	119.14%	135.01%	169.70%	190.81%	261.55%	287.05%	255.26%	240.00%

COVID 19 Reserves

In addition, the 2021/22 Reserves include sums set aside following the COVID-19 pandemic:

- £2.000m to cover ongoing general expenditure and to help mitigate the impacts of income losses;
- £0.108m Government funding for discretionary business grants received in 2020/21 and carried forward to 2022/23; and
- £0.534m for other pandemic funding received in 2020/21 and to be used in 2021/22 to help fund general costs.

Opportunity Cost of Holding Reserves

The opportunity cost of holding reserves has to be considered. Unused balances are used to either reduce temporary borrowing or are invested to generate income. In measuring the opportunity cost of holding reserves, consideration needs to be taken of the interest earned. The opportunity cost of holding reserves is therefore a judgment whether the 'worth' of expenditure foregone is more than the income generated. Given the current economic climate it is a balanced judgement as to whether to invest / spend reserves or to retain them.

Assessing the Adequacy of Reserves

The Chartered Institute of Public Finance and Accountancy (CIPFA) state that the Institute 'does not accept a case for introducing a statutory minimum level of reserves, even in exceptional circumstances'. It does however confirm that authorities should make their own judgment on such matters, taking into account all relevant local circumstances on the advice of their Chief Finance Officer.

The Local Government Act 2003 requires the Chief Finance Officer to formally report on the adequacy of the proposed financial reserves. To arrive at assessing the adequacy of reserves a number of issues need to be addressed:

- What are the strategic, operational and financial risks facing the Council?
- Does the Council comply with the requirements to ensure that there is an adequate system of internal control?
- Are the key financial assumptions in formulating the Council's budget robust and reasonable?
- Does the Council have adequate financial management and cash flow arrangements?

In addition there are a number of questions an authority can ask to demonstrate that it is managing its affairs satisfactorily:

- What is the track record of the Council in its budgetary and financial management?
- What is the Council's record regarding council tax collection?
- What is the Council's capacity to manage in-year budgetary pressures?
- What is the strength of the Council's financial reporting?

- What are the procedures to deal with under and over spends during and at the year end?
- In the case of Earmarked Revenue Reserves, will there be expected calls on the reserves that prompted the setting up of the reserves in the first place?

Finally, there is a need to look at the assumptions made in setting the budget, not just for the coming year but also under the MTFP. The budgetary assumptions cover:

- Inflation and interest rate projections.
- Estimate and timings of capital receipts.
- Treatment of planned efficiency savings.
- Financial risks involved in major funding arrangements.

Capital Reserves

In addition the Council holds Capital Reserves to help fund delivery of the Capital Programme. At 1 April 2020 they comprised:

- Section 106 contributions £12.772 million
- Community Infrastructure Levy £8.721 million
- Other Capital Grants & Contributions £3.263 million

7. Medium Term Financial Plan Forecast 2021/22 onwards

The latest review of Medium-Term Financial Plan budget forecasts has identified a number of pressures that will need to be addressed through service & financial planning in 2022/23 onwards.

They include:

- Making budget provision for future pay and pensions increases
- Budgeting for the costs of approved borrowing to fund planned Capital Programme commitments
- The impacts on available resources of Government funding reductions in future years, including the loss of Negative RSHG Grant, the Fair Funding Review and Business Rates Reset
- Revenue and capital budget growth to deliver priorities in the new Corporate Plan – details to be confirmed during service & financial planning
- The ongoing financial impacts of the COVID-19 pandemic; in particular continued reductions in parking income forecasts
- The requirement to address other budget risks and opportunities that have been identified during budget-setting, including:
 - IT Resilience – investment to address risks;
 - Property Rental Income – significant lease renewals during the year;
 - Procurement & Contract Management and Data Insight – investment in additional capacity;

- Family Support & Refugee Resettlement – new funding opportunities; and
- Government Waste & Resources Strategy impacts – 2024/25 onwards;

The service & financial planning process over the summer and early autumn has started to quantify the impacts as the details are confirmed; also identifying the new sources of income to help address them.

The key factors that will influence the forecast gap include:

Service Expenditure	<ul style="list-style-type: none"> • New budget pressures that have been identified through the service & financial process; the approach to funding them will be confirmed when the final budget proposals are reported in January. • Legacy impacts of the COVID-19 pandemic on parking income budgets
Central Budgets	<ul style="list-style-type: none"> • Treasury Management costs will rise significantly over the MTFP period as a consequence of the borrowing requirement to fund the approved Capital Programme
Council Tax	<ul style="list-style-type: none"> • Council tax setting assumptions • Any legacy impacts of the COVID-19 pandemic on recovery performance and Local Council Tax Support take-up
NNDR	<ul style="list-style-type: none"> • Removal of Negative RSG Grant and the Business Rates reset • Any legacy impacts on recovery performance of the COVID-19 pandemic
Use of Reserves	<ul style="list-style-type: none"> • Funding for the 2021/22 budget includes drawing £0.235 million from the General Fund Reserve. If equivalent savings, efficiencies or new sources of income are not identified for 2022/23 this requirement to call on Reserves will continue to increase, and further reduce available balances.
Budget Outturn	<ul style="list-style-type: none"> • In previous years the budget outturn position has been a revenue budget underspend of at least £1.0 million, primarily due to the inclusion of Contingency budgets that were deleted for 2021/22 onwards.

The latest MTFP forecast is set out at Appendix 2.

8. Capital Investment Strategy

The latest Capital Investment Strategy was reported to Executive in July 2021 and sets out a framework for funding and investment decisions in respect of capital assets, in the context of our vision and priorities and available financial resources.

The Capital Investment Strategy demonstrates that we take capital expenditure and investment decisions in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long-term context in which capital expenditure and investment decisions are made, and takes into account to both risk and reward and impact on the achievement of priority outcomes.

When setting its capital programme, each authority must have regard to:

- Service objectives – the capital spending plans should be consistent with the Corporate Plan;
- Stewardship of assets – as demonstrated by our asset management planning approach;
- The value for money offered by investment plans – as demonstrated by the appraisal of the options;
- The prudence and sustainability of investment plans – their implications for external borrowing;
- The affordability of capital investment plans – the implications for the council tax; and
- The practicality of capital expenditure plans – whether the forward plan is achievable.

Decisions on the Capital Programme have an impact on the Revenue Budget, in relation to:

- The revenue costs of financing capital, including prudential borrowing; and
- The ongoing running costs and/or income generated by new capital assets.

Capital investment decisions therefore have implications for the Revenue Budget. The revenue costs over the lifetime of each proposed capital project are considered when the project is being developed to ensure that the impact can be incorporated within our financial plans and to demonstrate that the capital investment is affordable.

Our revenue and capital budgets are integrated with the financial impact of the proposed Capital Programme, being reflected in the Revenue Budget estimates.

The Council will only invest where capital spending plans are affordable, prudent and sustainable. The key constraint on capital investment is the scope to afford the financial implications in terms of acceptable council tax levels.

As supported by the Capital Investment Strategy, the Council's capital investment plans over the next 5 years are set out in the Capital Programme. The efficient and effective use of capital resources, including sound asset management, is fundamental to achieving our long- and medium-term aims and objectives. It is also critical to achieving the delivery of the required savings and income across the Council to secure a balanced budget.

Medium Term Capital Programme

While Revenue Budget expenditure is concerned with the day-to-day running of services our Capital Programme is concerned with investment in the assets required to deliver services or help generate new income streams. The Medium-Term Capital Programme sets out how capital resources will be used to achieve our vision and corporate priorities.

The Council must have an affordable Capital Programme; affordability is assessed against business cases taking into account the level of future resources required to support project delivery and ongoing asset maintenance.

The strategic objectives of our Capital Programme can be summarised as follows:

- To maintain a five-year rolling Capital Programme which remains within the approved affordable, sustainable and prudential limits;
- To ensure capital resources are aligned with our strategic vision and corporate priorities by ensuring all schemes are prioritised according to the Council's prioritisation methodology;
- To identify opportunities for investment in new schemes that result in capital growth and/or new revenue income streams;
- To maximise available resources by actively seeking external funding to support Council priorities and disposing of surplus assets; and
- To use internal resources alongside external resources where appropriate to support the Capital Programme and minimise any borrowing costs.

Capital Programme – Revenue Budget Implications

As explained above, with the exception of earmarked Section 106 and CIL funds, the Council no longer has significant capital reserves, therefore, while a small number of schemes will be continued to be funded from capital grants, capital receipts and other contributions, the majority of the approved Capital Programme must be funded through prudential borrowing. The costs of repaying this borrowing fall on the revenue budget as treasury management costs in Central budgets.

Treasury management budgets have been updated to reflect the costs of borrowing for the approved Capital Programme for 2021/22 onwards net of interest on forecast balances. Details are set out in the Treasury Management Strategy for 2021/22 that was approved in April 2021.

The cost of managing and maintaining new capital assets will also have to be taken into account in the revenue budget as new assets come into use.

9. Treasury Management & The Prudential Code

CIPFA defines treasury management as:

“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the

risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management function is to ensure that this cash flow is adequately planned, with cash being available when needed. Surplus monies are invested with low risk counterparties in line with our risk appetite, ensuring adequate security and liquidity before considering investment return.

The second main function of treasury management is funding our Capital Programme. Our capital investment plans provide a guide to borrowing need, essentially for longer-term cash flow planning purposes, to ensure that the Council can meet our capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. We anticipate taking on long-term borrowing for the first time during 2021/22.

The contribution that the treasury management function makes is important, as the balance of debt and investment operations ensure liquidity and/or ability to meet budget commitments as they fall due, both on day-to-day revenue-funded activity and for larger capital projects. The treasury function balances interest costs of debt and investment income arising from cash deposits which in turn affect available resources. Cash balances generally result from our reserves and balances, therefore it is important to ensure adequate security of the sums invested, as a loss of principal will in effect result in a call on the General Fund Balance.

Company Investments

Our company investments are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

The Prudential Code

CIPFA's *Prudential Code for Capital Finance in Local Authorities* (the 'Prudential Code') provides the framework for councils' capital investments. The key feature of the prudential system is that councils should determine the level of their capital investment – and how much they borrow to finance that investment – based on their own assessment of what they can afford, not just for the current year but also for future years.

The statutory basis for the prudential system is set out in the Local Government Act 2003, which:

- Confirms councils' power to borrow – which in the medium term must only be for capital purposes, while short-term borrowing can be for cash flow purposes;
- Makes it clear that, as previously, councils may not mortgage assets;
- Places a duty on councils not to exceed their prudential borrowing limits, or any national limits imposed by central government;

- Places a duty on councils to determine – and review – their own borrowing limits in accordance with the Prudential Code;
- Gives the Government a reserve power to impose borrowing limits that would override councils' own borrowing limits for national economic reasons;
- Makes it clear that credit arrangements should be treated as borrowing under the prudential system; and
- Confirms that councils may invest both for the prudential management of their financial affairs and for purposes relevant to their functions.

Following two consultations intended to take into account the changing landscape for local government following the sustained period of reduced public spending and the developing localism agenda, the Prudential Code was updated in December 2017. One of the main changes was to introduce the requirement to publish a Capital Investment Strategy.

In July 2021 CIPFA then announced that a strengthened Prudential Code will be published by the end of 2021. The revised Code will include clarification and examples of what is and is not classified as prudent borrowing activity.

Other key changes that will be implemented following consultation include:

- The inclusion of proportionality as an objective, so that an authority incorporates an assessment of risk against levels of resources;
- Clarifications to better define the types of commercial activity and investment that are no longer permitted; and
- The introduction of the Liability Benchmark as a Treasury Management indicator for local government bodies

CIPFA also plan to revise the Treasury Management Code to integrate Environmental, Social and Governance risks into the policy framework and update the guidance on development, retention of knowledge, skills, and training in this area.

10. Medium Term Financial Plan Risks & Sensitivities

The Council's Strategic Risk Register includes the following risk:

SR2: Financial Sustainability

The Council is now operating in a uniquely challenging and uncertain financial context.

- *In the wake of the COVID-19 pandemic and likely recession which will follow, the Council faces a period of unprecedented financial uncertainty.*
- *The ongoing financial settlement with the Government also remains unclear with the Fair Funding Review and Business Rate Reset and Revaluation being delayed.*
- *There most significant risks relate to the extent to which the Government will fund the unplanned expenditure that is being incurred to deliver the Council's COVID-19 responsibilities at the same time as experiencing material reductions in income from fees and charges and local taxes. If this substantial financial burden is not mitigated through direct*

Government support these unplanned financial pressures will have an adverse impact on the Council's capacity to deliver against its Corporate Plan ambitions in future years.

A summary of the mitigating actions is set out at Appendix 3.

Operational Risk Register – Budget-Setting

The principles and assumptions contained within this MPFP are aimed at ensuring that the Council is financially sustainable and continues to deliver high quality services.

Individual revenue and capital budget proposals will be subject to risk assessment as part of the service & financial planning process.

The Council, in common with most local authorities, continues to be at risk from a range of financial risks. They include:

Perceived Risk	Impact	Likelihood	Preventative Action
Failure to remain up to date with changes in relevant legislation, regulations and guidance	High	Low	Ensure that all relevant information is taken into account when producing MTFP and budget forecasts.
Changes in legislation affecting the scope of services and the cost of carrying them out	Medium	Medium	Maintain regular contact with Heads of Service regarding developments that have potential financial implications.
Local Government Financial Settlement worse than forecast	High	Medium	Model a range of MTFP and budget scenarios and strategies.
Outdated MTFP assumptions and/or significant variations due to economic factors	High	Low	Regularly review and update assumptions.
Inaccurate budget assumptions	High	Medium	Regularly review and update assumptions.
Unexpected financial events	High	Medium	Regular in-year budget forecasting, monitoring and reporting. Take action where adverse forecasts are identified. Regular reviews of key financial risks.
Deliverability of new income streams against forecast timescales	High	Medium	Regular in-year budget forecasting, monitoring and reporting. Take action where adverse forecasts are identified. Regular reviews of key financial risks.
Demographic and demand-led pressures	Medium	Medium	Regular in-year budget forecasting, monitoring and reporting. Take action where adverse forecasts are identified. Regular reviews of key financial risks.

Perceived Risk	Impact	Likelihood	Preventative Action
Reduction in existing fees & charges income (excluding pandemic impacts)	Medium	Low	Regular in-year budget forecasting, monitoring and reporting. Take action where adverse forecasts are identified. Regular reviews of key financial risks.
Contract risks e.g. contractor viability, non-delivery	Medium	Medium	Regular in-year budget forecasting, monitoring and reporting. Take action where adverse forecasts are identified. Regular reviews of key financial risks. Maintain regular contact with Heads of Service regarding developments that have potential financial implications.
COVID-19 financial risks	High	Medium	Legacy impacts of the pandemic include ongoing cost pressures and income reductions.
Commercial Risks	High	Medium	Treasury management budget forecasts include assumptions regarding the accrued interest on loans to the council's companies. If the companies cannot repay their loans the sums outstanding and accrued interest may have to be written off (if not covered by sale of company assets).

Sensitivity Analysis

A small change in key underlying assumptions can produce a significant change in the budget.

Table 4: SENSITIVITY	Change	Estimated Annual Impact £000
Council Tax/Taxbase	+/- 1%	(144)
Business Rates Income		(18)
Staff Costs		235
Non-Pay Costs		120
Fees & Charges		(174)

Budget Uncertainties & Risks

While the approved budget for 2021/22 is robust, there remain, a number of uncertainties and risks to be addressed over the medium-term which are set out below.

The Economy:

- There is still uncertainty and a lack of confidence about the future of the economy as consequence of the COVID-19 pandemic and the UK's exit from the European Union;
- Any future economic slowdown nationally or globally - could result in lower income (through - for example - reduced discretionary spending or lower than anticipated recycle prices) and increases in demand (benefits and statutory duties such as homelessness); and
- Any reduction in the number of employers in the Borough could also have an impact on retained Business Rates income.

Future Government Funding:

- The outcome of the Fair Funding Review and Business Rates reset along with the end of Negative RSG Grant;
- The end of New Homes Bonus payments over the coming years will have an impact on reserves, but no direct budget impact; and
- The Homelessness Reduction Act requires Councils to provide more support to homeless people and people at risk of becoming homeless. The Government has committed ring-fenced funding towards this duty but there remains a question mark over the longer term.

Revenue Budget Savings and Income Generation:

- Following the significant budget reductions in recent years, it has become increasingly difficult to generate additional ongoing savings. If the Council is to deliver financial sustainability then we will need to continue our efforts to become a more commercial organisation and fully explore income generating opportunities involving, for example, asset use, partnership working and providing services for other organisations. Government and CIPFA guidance on 'borrowing in advance of need' is likely to limit the options that may otherwise have been considered to deliver new commercial income streams.

Corporate Plan 2025:

- The Corporate Plan sets out the Council's vision and objectives over the medium term and will enable it to target its resources in the most efficient and effective way; and
- The main challenge, as ever, will be balancing our ambitions as a high performing council with our ability to resource those ambitions. The prioritisation of services like Housing Delivery and Environmental Sustainability will place new demands on existing resources. A combination of careful stewardship and an innovative approach to service delivery will be required to ensure that we achieve our goals.

Budget Risks:

- Given the uncertainty over future economic conditions and the business rates regime, it is prudent to maintain our capacity to protect services from unforeseen financial pressures. Once used, however, it may prove difficult to replenish reserves; and
- Despite significant improvements in recent years the Pension Fund remains a risk over the longer term as future economic downturns may impact on the value of Fund investments and liabilities.

COVID-19 Pandemic

- While the more significant financial impacts had reduced at the time of preparing this report, ongoing impacts on parking income receipts remain a concern.

MTFP and Budget Monitoring and Review

The updated MTFP position has been reported as part of the draft Budget report in November.

The processes and procedures relating to the monitoring of the Revenue Budget and Capital Programme are set out in the Council's Financial Procedure Rules.

11. Service & Financial Planning Process 2022/23

As explained above, this MTFP represents an overarching view of our finances and looks to anticipate future demands and pressures so that we can take timely decisions to secure financial sustainability.

The MTFP is supported by a number of key documents which contribute to management of the overall financial position. These are:

Revenue Budget Report	<p>Produced on an annual basis – draft in November and final in the following January. It sets out the plan for setting and managing a balanced budget for the following financial year.</p> <p>It is here the detailed decisions on revenue and capital expenditure are presented, including proposed budget savings and growth. The recommended Budget is supported by operational budget detail that forms the basis for in-year budget monitoring and management.</p>
Capital Programme	<p>Sets out capital expenditure plans over the medium term. This is aligned with the Revenue Budget where it results in costs of borrowing and income streams.</p>
Capital Investment Strategy	<p>Updated on an annual basis and sets out the framework for investing in capital assets over the medium term. Objectives:</p> <ul style="list-style-type: none"> • Ensure capital expenditure contributes to the achievement of the Council's organisational strategy • Set a Capital Programme which is affordable and sustainable

- Maximise the use of assets
- Provide a clear framework for decision making and prioritisation relating to capital expenditure
- Establish a corporate approach to the review of asset utilisation

Treasury Management Investment Strategy	Sets out the approach to managing the cash available to the Council and how to maximise its value. Also sets out the Council's investment and borrowing arrangements and controls.
Reserves Policy	Sets out the reasons for holding reserves and how they will be used, including financial limits where appropriate.
Fees & Charges Policy	Sets out a corporate view of the fees and charges levied by the Council for consideration each year.
Annual Council Tax Report	Approved by Full Council in February each year

Service & Financial Planning Objectives

The objectives for service & financial planning each year are to:

- Help Members determine budget priorities and their timing;
- Forecast the changes in demand for services and match demand with likely resources;
- Assess the likely implications of changes in legislation on resources;
- Model the future costs of alternative policies; and
- Provide a framework for programming activities by individual services.

Service & Financial Planning Timetable

The timetable for Service & Financial Planning 2022/23 is set out in the covering report.

12. CIPFA Financial Management (FM) Code

Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code.

The CIPFA FM Code was therefore introduced in October 2019 and will be applicable from 1 April 2021. Work was undertaken as part of 2021/22 budget-setting to review compliance with the Principles and Standards in the Code and to identify any actions required to address any gaps identified.

CIPFA explain that reasons for introducing the Code include: '*... the exceptional financial circumstances faced by local authorities have revealed concerns about fundamental weaknesses in financial management, particularly in relation to organisations that may be unable to maintain services in the future. There is much good practice across the sector, but the failures of a small number threatens stakeholders' confidence in local government as a whole. Most importantly, the financial failure of just one local authority is one too many because it brings with it a risk to the services on which local people rely....*'.

The Code has several components, comprising:

- An introduction explaining how the FM Code applies, a principles-based approach and how it relates to other statutory and good practice guidance on the subject;
- The CIPFA Statement of Principles of Good Financial Management, the benchmarks against which financial management should be judged. CIPFA's view is that all financial management practices should comply with these principles; and
- The FM Code then translates these principles into financial management standards which will have different practical applications according to the circumstances of each authority and their use should therefore reflect this. The principle of proportionality is embedded within the code, reflecting the non-prescriptive approach adopted by CIPFA.

The Principles focus determining whether, in applying standards of financial management, a local authority is financially sustainable. They cover:

- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture;
- Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs;
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making;
- Adherence to professional standards is promoted by the leadership team and is evidenced;
- Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection; and
- The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

The supporting financial management Standards are summarised in the table below:

Table 5: CIPFA FINANCIAL MANAGEMENT STANDARDS	
FM Standard Reference	
Section 1: The responsibilities of the chief finance officer and leadership team	
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money.
B	The authority complies with the CIPFA <i>Statement on the Role of the Chief Finance Officer in Local Government</i> . <u>Areas for Development:</u> <ul style="list-style-type: none"> Finance team development now that all permanent vacancies are filled
Section 2: Governance and financial management style	
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control. <u>Areas for Development:</u> <ul style="list-style-type: none"> Review and update the Financial Procedure Rules and Scheme of Delegation in the Constitution to ensure they are current and relevant
D	The authority applies the CIPFA/SOLACE <i>Delivering Good Governance in Local Government: Framework (2016)</i> .
E	The financial management style of the authority supports financial sustainability. <u>Areas for Development:</u> <ul style="list-style-type: none"> Review and update the Financial Procedure Rules and Scheme of Delegation in the Constitution to ensure they are current and relevant
Section 3: Long to medium-term financial management	
F	The authority has carried out a credible and transparent financial resilience assessment. <u>Areas for Development:</u> <ul style="list-style-type: none"> Annual MTFP review and reporting, including financial risks assessment
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members. <u>Areas for Development:</u> <ul style="list-style-type: none"> Annual MTFP review and reporting, including financial risks assessment

Table 5: CIPFA FINANCIAL MANAGEMENT STANDARDS	
FM Standard Reference	
H	The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.
Section 4: The annual budget	
I	<p>The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.</p> <p><u>Areas for Development:</u></p> <ul style="list-style-type: none"> Annual MTFP review and reporting, including financial risks assessment
J	The authority complies with its statutory obligations in respect of the budget setting process.
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.
Section 5: Stakeholder engagement and business plans	
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.
M	<p>The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.</p> <p><u>Areas for Development:</u></p> <ul style="list-style-type: none"> Development of the Council's business case model and toolkit to ensure it reflects good practice relating to preparation of the financial case
Section 6: Monitoring financial performance	
N	<p>The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</p> <p><u>Areas for Development:</u></p> <ul style="list-style-type: none"> Implementation of internal audit recommendations relating to contract management
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.
Section 7: External financial reporting	
P	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.

Table 5: CIPFA FINANCIAL MANAGEMENT STANDARDS	
FM Standard Reference	
	<p><u>Areas for Development:</u></p> <ul style="list-style-type: none"> Continued development of the closedown plan and supporting processes to improve the quality and timeliness of the annual accounts
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.

The main areas for further development are set out above.

13. CIPFA Resilience Index

As part of the service & financial planning process officers undertake a financial resilience assessment by that considers principally whether the authority has in place a credible plan and planning process that gives confidence that it can deliver a sustainable budget over the medium term. The scope of this assessment includes:

- the authority's current financial position;
- an assessment of its future financial prospects;
- the extent to which the authority has embraced the financial resilience factors set out below;
- the key financial risks facing the authority, drawing on potential future scenarios including 'best' and 'worst' case scenarios – for the environment in which the authority operates and for the services that it provides;
- the use of independent, objective measures wherever possible to assess the risks to the authority's financial resilience and sustainability;
- the authority's understanding of the risks associated with all resources used for service delivery, including its workforce, its physical assets, its strategic business partners (including 'group' entities such as its companies), its information technology infrastructure, etc;
- the robustness of the plans that the authority has put in place to address these risks; and
- the capacity and capability of the authority, its leadership team and its officers to manage the authority's finances in a sustainable manner.

The assessment makes reference to the following:

- Medium-Term Financial Plan;
- Capital Investment Strategy;
- Treasury Management Strategy;
- Planned medium-term use of Reserves;

- the most recent Budget Report;
- approach to the service & financial planning process;
- Budget monitoring reports and out-turn reports and Statement of Accounts;
- Asset Management Plan; and
- Key governance documents, eg Annual Governance Statement, Risk Register, etc

The Council's position at March 2021 against a range of financial measures compared to similar councils is available online through the CIPFA Financial Resilience Index at <https://www.cipfa.org/services/financial-resilience-index-2021/resilience-index-2021>.

Table 6: CIPFA RESILIENCE INDEX INDICATORS	This Council's Relative Risk Compared to Similar Councils	This Council's Prospects over the Medium Term
Reserves Sustainability – increase in reserves over recent years	<i>Not available</i>	<i>These scores are not available because CIPFA's model is based on an incorrect (significantly reduced) value for Reserves at 31 March 2020. CIPFA have been informed</i>
Level of Reserves – compared to the annual revenue budget	<i>Not available</i>	
Changes in reserves over recent years	<i>Not available</i>	
Interest payable compared to recent budget	Lower Risk than Average	Planned growth in the Capital Programme and associated borrowing means that this position will not be maintained.
Gross external debt	Lower Risk than Average	
Fees & Charges - as % of service budgets	Lower Risk than Average	Implementation of the new Fees & Charges Policy and planned review should further improve the Council's position against this indicator if it results in new and/or increased sources of income.
Ratio of Council tax contribution to revenue budget	Lower Risk than Average	Risk may increase if the budget increases without the ability to levy a proportionate increase in council tax.
Funding growth - compared to Government baseline	Medium Risk	This risk is expected to increase as Government funding reduces.

14. Conclusion

This MTFP presents a summary of the key financial processes and policies that help us forecast the likely financial position that Council will be facing over coming years.

It is the Council's primary financial planning tool and will form the basis for ongoing discussions throughout service & financial planning for 2022/23.

APPENDICES

1. Revenue Budget 2021/22
2. Medium Term Revenue Budget Forecast 2022/23 to 2026/27
3. Strategic Financial Risks
4. COVID-19 Pandemic – Financial Implications

REVENUE BUDGET 2021/22

REVENUE BUDGET 2021/22	Approved Budget 2021/22 £m
ORGANISATION	
Communications & Customer Service	1.052
Finance	1.168
IT	1.810
Legal & Governance	2.022
Organisational Development & HR	0.785
Corporate Policy, Projects & Performance (incl. environmental sustainability)	0.420
Property Services	(1.510)
PLACE	
Economic Prosperity	0.398
Neighbourhood Services	3.119
Place Delivery	0.326
Planning	0.548
PEOPLE	
Community Partnerships	1.588
Housing	0.950
Revenues, Benefits & Fraud	0.525
Leisure & Culture	0.537
SENIOR MANAGEMENT TEAM	1.166
SERVICE BUDGETS TOTAL	14.903
Central Budgets	2.492
NET EXPENDITURE 2020/21	17.395
Council Tax	14.365
National Non-Domestic Rates	1.819
Un-ringfenced grants – transferred to Reserves:	
COVID-19 Emergency Funding – Allocation 5	0.638
New Homes Bonus – 2020/21 allocation from Central Government	0.887
Homelessness Prevention grant	0.668
Other Un-ringfenced grants	

REVENUE BUDGET 2021/22	Approved Budget 2021/22 £m
Lower Tier Services Grant	0.394
COVID-19 Tax Income Guarantee (estimate)	0.150
COVID-19 Local Council Tax Support Grant	0.190
Contribution to Earmarked Reserves:	
COVID-19 Emergency Funding – to COVID-19 Reserve	(0.638)
New Homes Bonus – to Government Funding Risks Reserve	(0.887)
Homelessness Prevention Grant	(0.668)
Call on Earmarked Reserves in 2021/22	
Government Funding Risks reserve	0.104
Commercial Risks reserve	0.138
Use of funds from the General Fund Balance to support the 2021/22 revenue Budget ¹	0.235
NET SOURCES OF INCOME 2020/21	17.395
Budget Gap	Nil

NOTE: 1. The actual sum to be drawn from Reserves to support the budget will depend on the budget outturn position for 2021/22.

MEDIUM TERM REVENUE BUDGET FORECAST 2022/23 to 2026/27

MEDIUM TERM REVENUE BUDGET FORECAST	Approved Budget 2020/21 £m	Cumulative Impact 2022/23 £m	Cumulative Impact 2023/24 £m	Cumulative Impact 2024/25 £m	Cumulative Impact 2025/26 £m	Cumulative Impact 2026/27 £m
2021/22 Budget Requirement	17.395					
Service Budgets - Pay		0.800	1.600	2.400	3.200	4.000
Service Budgets – net service growth / savings 2022/23		0.001	0.001	0.001	0.001	0.001
Post-pandemic income reductions - parking		1.300	1.300	1.300	1.300	1.300
Net new sources of Income – Marketfield Way and Cromwell Road Decvelopments ¹		(0.150)	(0.650)	(0.800)	(0.800)	(0.800)
Central Budgets - Treasury Management – net borrowing costs ²		0.775	0.945	1.053	1.622	1.622
Council Tax						
£5 per Band D equivalent plus impact of forecast taxbase		(0.540)	(1.050)	(1.580)	(1.970)	(2.290)
Business Rates²		0.109	(0.241)	(0.871)	(0.931)	(1.161)
Negative RSG Grant²		-	-	0.740	0.981	1.230
Grants and Reserves²						
Net Grants and Reserves		(1.577)	0.352	0.373	0.373	0.373
Forecast Gap at November 2021 Compared to 2021/22 Budget	-	0.718	2.257	2.616	3.775	4.275
Annual Increase in Gap		0.718	1.539	0.359	1.159	0.500
Gap as % of 2020/21 budget requirement		4.1%	13.0%	15.0%	21.7%	24.6%

Notes

1. To be confirmed as tenancies are signed.
2. To be confirmed in the January budget report.

EXTRACT: STRATEGIC RISK REGISTER STRATEGIC FINANCIAL RISKS

Risk No	Risk Description	Owner	Controls	Mitigating Actions / Progress	Rating	Status	Last review Date	Direction of Travel
688	<p>SR2</p> <p>Financial sustainability</p> <p>The Council is now operating in a uniquely challenging and uncertain financial context.</p> <p>In the wake of the COVID-19 pandemic and likely recession which will follow, the Council faces a period of unprecedented financial uncertainty.</p> <p>The ongoing financial settlement with the Government also remains unclear with the Fair Funding Review and Business Rate Reset and Revaluation being delayed.</p> <p>There most significant risks relate to the extent to which the Government will fund the unplanned expenditure that is being incurred to deliver the Council's COVID-19 responsibilities at the same time as experiencing material reductions in income from fees and charges and local taxes. If this substantial financial burden is not mitigated through direct</p>	<p>Head of Finance</p> <p>Portfolio Holder: Cllr Schofield</p>	<p>Financial sustainability In the wake of the COVID-19 pandemic and resultant recession, the Council faces a period of unprecedented financial uncertainty.</p> <p>The most significant risks relate to the extent to which the Government will fund the unplanned expenditure that is being incurred to deliver the Council's COVID-19 responsibilities at the same time as experiencing material reductions in income from fees and charges and local taxes.</p> <p>If this substantial financial burden is not mitigated through direct Government support, then these unplanned financial pressures will have an adverse impact on the Council's capacity to deliver</p>	<p>The Medium-Term Financial Plan (MTFP) revenue budget forecasts and a five-year capital programme during service & financial planning for 2021/22 onwards, set out the forecast budget challenges over the coming five years. They form the basis for service & financial planning for 2022/23 onwards.</p> <p>These are being used to confirm the extent of the financial challenges faced and support strategic service & financial planning decisions.</p> <p>We will continue to implement the actions detailed in the Capital Investment Strategy that was approved by Executive in July 2021 and will be reviewed and updated annually. This will help ensure that capital investment decisions support delivery of the Council's strategic and financial objectives.</p>	R	Treat	October 2021	-

Risk No	Risk Description	Owner	Controls	Mitigating Actions / Progress	Rating	Status	Last review Date	Direction of Travel
689	Government support these unplanned financial pressures will have an adverse impact on the Council's capacity to deliver against its Corporate Plan ambitions in future years.		<p>against its Corporate Plan ambitions.</p> <p>The delivery of corporate plan objectives will similarly be jeopardised if the Council is unable to secure additional income streams.</p> <p>The ongoing financial settlement with the Government also remains uncertain.</p> <p>The Council is therefore increasingly reliant on income derived, and to be derived and generated, from investments, fees and charges and commercial activities – the ability to do so, however, may be further restricted by changes in legislation, regulations and codes of practice. Commercial activity and investments are similarly not without risk.</p>	<p>The Treasury Management Strategy for 2021/22 was approved in April 2021. This will ensure that treasury investments achieve target returns within approved security and liquidity limits.</p> <p>The Council will continue to ensure that strong financial management arrangements are in place and will continue to invest in skills and expertise to support delivery of the Council's financial and commercial objectives while managing associated risks.</p> <p>The Council's updated Medium-Term Financial Plan was reported to the Executive in July 2021. This sets out the forecast budget challenges over the coming five years. It will form the basis for service & financial planning for 2022/23 onwards.</p> <p>The Council's Capital Investment Strategy was reported to the Executive in July 2021.</p>				

ANNEX 2

Risk No	Risk Description	Owner	Controls	Mitigating Actions / Progress	Rating	Status	Last review Date	Direction of Travel
0699				<p>The specific outcomes of the Government's Fair Funding Review and Business Rates Reset remain unknown; however, it is expected to result in significantly reduced funding.</p> <p>COVID-19 has resulted in material new financial risks, both in the previous and current financial year and over the medium term. Additional unbudgeted expenditure has been incurred to deliver the authority's response and budgeted sources of income have been impacted by reduced demand. At the close of the 2020/21 financial year, after taking account of additional COVID-19 expenditure, income shortfalls and funding, the overall budget outturn was a net underspend for the Council, with reserves remaining healthy.</p> <p>During 2021/22 the main area of concern remains the failure of income receipts to return to pre-COVID levels, particularly in relation to parking fees.</p>				

ANNEX 2

Risk No	Risk Description	Owner	Controls	Mitigating Actions / Progress	Rating	Status	Last review Date	Direction of Travel
691				Despite the impact of COVID-19 on priorities and workloads, the Council adopted Part 1 of its Commercial Strategy in Q3 2020/21 demonstrating the continued importance of: (i) adopting and implementing strategies that support sustainable income generation and (ii) taking forward income generating projects such as Horley Business Park, and a crematorium. As of Q2 2021/22, work is now underway on part 2 of the Commercial Strategy.				

COVID-19 Pandemic – Financial Implications at November 2021

2020/21 Impacts

The Revenue Budget for 2020/21 that was approved by Council in February 2020, was agreed before the impacts of the COVID-19 pandemic became apparent. It did not therefore consider the significant additional financial impacts that have been faced during 2020/21 on Service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates.

Throughout the year the pandemic has represented a potentially material financial risk to the Council's budget and financial position. The underlying analyses have evolved throughout the year therefore it is only now, at the close of the year that the final outcomes can be reported. Initially there was genuine concern across the local government sector that funding provided by the Government would not match the additional expenditure incurred or the income that was being lost. The final outcome was much more positive; for 2020/21 at least.

Wherever practicable the additional costs of delivering the Council's response to the pandemic have been recorded separately in order to track costs and ensure that all available Government funding was being claimed. As explained above, the primary exception was income losses as a consequence of the pandemic which have had to continue to be recorded against service income budgets.

The table below sets out a summary of the additional pandemic-related expenditure and the funding that has been received to offset it.

Table 7.1: COVID-19 EXPENDITURE AND FUNDING AT 31.3.21	Additional Expenditure £m	Additional Funding £m	Net Expenditure / (Funding) £m
COVID-19 Pandemic - Expenditure less specific grants & funding	3.782	(3.327)	0.455
COVID-19 Pandemic - other Government funding	-	(4.170)	(4.170)
COVID-19 Pandemic - discretionary business grants for distribution/retention (remaining balance at 31 March)	0.102	(0.340)	(0.238)

Total additional expenditure as a consequence of the pandemic in 2020/21 was £3.782m. The most significant areas of activity included:

- Supporting Shielded Residents and contributions to Voluntary Sector activities - £1.921m
- Council-wide expenses including staff redeployment, supporting remote working and compliance checks on grants - £0.631m
- Garden Waste additional expenses - £0.148m and customer refunds £0.475m

- Environmental & Regulatory checks and control measures - £0.220m
- Provision of support for the homeless - £0.156m
- Cultural services additional expenses - £0.080m
- Marketing and Public Notices - £0.071m
- Purchase of PPE - £0.153m

Specific grants and donations to support the above included:

Table 7.2: COVID-19 Specific Government Grants	£m
Contain Outbreak Management Funding to support vulnerable residents	1.331
Hardship Funding – to support council tax benefit claimants	0.755
Homelessness Support Grants	0.289
New Burdens Funding – for additional admin costs	0.275
Clinically Extremely Vulnerable Funding	0.253
Reopening the High Street Safely Grant	0.132
Emergency Assistance Funding	0.089
Other Funding & Donations	0.058
Compliance & Enforcement Grants	0.058
Environmental Response Funding	0.040
Environmental Health Grant	0.040
Winter Grant Funding – for food for families	0.007
Total	3.327

The majority of this funding was received direct from the Government but some came via Surrey County Council and also from the general public.

The general funding support from Government has comprised:

Table 7.3: COVID-19 General Government Funding Support	£m
Sales Fees & Charges Compensation Grant – representing c65% of all losses incurred	2.337
Emergency Grant for general COVID expenditure	1.833
Total	4.170

On balance the position at year end is much more encouraging than initially feared; all costs have been funded and income losses made good for 2020/21. There is also a healthy funding balance to carry forward to 2021/22 to help fund the ongoing pandemic response and impacts on service delivery, including income losses.

2021/22 Forecast Impacts

The latest forecast indicate that income losses of £1.772 million will be incurred in 2021/22 including:

- Parking - £1.300m;
- Sport & leisure - £0.278;

- Planning fees - £0.118m;
- Rental income - £0.051m; and
- Harlequin theatre - £0.020m

Expenditure of £1.323 million includes:

- Welfare response - £0.294m;
- 'Welcome back' initiatives - £0.166m; and
- Homelessness prevention - £0.1.01m

Additional Government COVID-19 funding for 2021/22 of £1.615 million includes a confirmed £0.638m grant for general COVID expenditure, £0.274m welfare support funding, £0.166m 'welcome back' funding and a further contribution towards Sales, Fees & Charges losses for quarter one only (£0.354m claimed). This will supplement the £2.000m that has been set aside in an Earmarked Reserve to fund 2021/22 income losses.

2022/23 and Medium-Term Impacts

Looking forward beyond 2021/22 it is now clear that ongoing parking income losses of £1.3 million are the most significant legacy of the pandemic that will have to be addressed as no further Government funding will be provide after carried-forward funds and Government grants have been exhausted. The unfunded impacts of these income losses will therefore have to be accommodated within budget-setting decisions for 2022/23 onwards.

Mitigation

As previously-reported, over the medium term, the main options for mitigating the financial impacts of COVID-19 include:

- Continue to lobby Central Government for additional funding in recognition of the residual impacts on district Councils and their ability to deliver services.
- Look to make offsetting savings and efficiencies where possible before calling on Reserves.
- Make use of Earmarked Revenue Reserves to close the gap. This has implications for the projects and services and other potential risks that were intended to be funded from these resources.

As a final resort it would be necessary to apply for permission from Government to capitalise some of the costs and financial impacts to enable the Council to borrow and fund them on a long-term basis. This would place the Council in the spotlight as being at risk of financial failure. The likelihood of having to take this course of action is considered to be very low given this Council's current financial position.

Further updates on forecast impacts on costs and income and how they might be funded will continue to be included in the quarterly budget monitoring reports throughout 2021/22 and 2022/23.

**REVENUE BUDGET
SERVICE BUDGET GROWTH, INCOME AND SAVINGS PROPOSALS
2022/23**

Service Revenue Budget Growth, Income and Savings Proposals 2022/23

696

3.1 Services - Pay					
Head of Service	Service	Growth £M	Income / Savings £M	FTE Impact	Description
Joyce Hamilton	Electoral & Democratic Services		(0.008)	0.6	Net budget saving and FTE adjustment following a restructure of Electoral and Democratic Services team under one manager (previously two), including changes to grades and working hours of existing staff and appointment of a new Electoral Services apprentice.
Morag Williams	Waste & Recycling	0.100		3.0	Additional waste crew required due to increased household demand across the borough.
Andrew Benson	Planning		(0.055)	(1.0)	Deletion of a vacant funded post that is no longer required.
Mari Roberts-Wood	Management Team		(0.200)	(2.0)	Forecast minimum saving that will be achieved following a review and proposed restructure of the senior management team. Actual saving to be confirmed in the January budget report when the structure proposals are confirmed
Total		0.140	(0.263)	0.6	

Service Revenue Budget Growth, Income and Savings Proposals 2022/23

3.2 Services – Non- Pay					
Head of Service	Service	Growth £M	Income / Savings £M	FTE Impact	Description
Joyce Hamilton	Electoral Services	0.027			Net cost of new Electoral Management system. The £80k ongoing annual cost of the system is partially offset by a £53k saving in budgets that were required for previous way of working.
Joyce Hamilton	Electoral Services	0.020			Investment in 'Digital Poll Clerk' technology that will help ensure that the authority is sufficiently prepared for the introduction of voter ID checks in coming years.
697 Garys Jones	Communications		(0.015)		Reduction in the frequency of publication of Borough News.
Pat Main	Property & Facilities	0.120			Increase in business rates costs for council properties.
Andrew Benson	Planning		(0.020)		Increases in pre-application planning fees.
Morag Williams	Neighbourhood Services	0.028			Alignment of budgets with current and forecast income levels.
Morag Williams	Neighbourhood Services		(0.025)		Removal of historic budget that is no longer required (Surrey Transit site).
Morag Williams	Neighbourhood Services	0.040			New arboriculture budget to combat Ash Die-Back within the borough

Service Revenue Budget Growth, Income and Savings Proposals 2021/22

3.2 Services – Non-Pay (cont'd)					
Head of Service	Service	Growth £M	Income / Savings £M	FTE Impact	Description
Morag Williams	Neighbourhood Services	0.107			Alignment of existing budget with actual contracted costs for Off-Street parking providers.
Justine Chatfield	Community Partnerships		(0.050)		Net change in CCTV maintenance savings. Scheme approved at Executive July 2021
Justine Chatfield	Community Partnerships		(0.168)		Savings across various Community Partnerships budgets: medium grants, small grants, taxi vouchers, staff costs and partnerships projects.
Simon Rosser	Revenues, Benefits & Fraud		(0.005)		Savings on printing and postage saving by moving to e-billing and publishing the council tax leaflet online
Simon Rosser	Revenues, Benefits & Fraud		(0.020)		Saving on costs of third party system support for a Revenues & Benefits database.
Total		0.342	(0.303)	-	

Service Revenue Budget Growth, Income and Savings Proposals 2022/23

669

3.3 Government Funding Reductions					
Head of Service	Service	Growth £M	Income / Savings £M	FTE Impact	Description
Simon Rosser	Revenues, Benefits & Fraud	0.015			Forecast reduction in DWP Administration Grant.
Simon Rosser	Revenues, Benefits & Fraud	0.010			Reduction in DWP Fraud funding.
Simon Rosser	Revenues, Benefits & Fraud	0.100			Reduced DWP Rent Allowances funding.
Total		0.125	-	-	

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**CAPITAL PROGRAMME
SERVICE CAPITAL GROWTH PROPOSALS
2022/23 TO 2026/27**

Capital Programme - Growth Proposals – 2022/23 to 2026/27

Head of Service	Growth Proposal	Growth 22/23 £M	Growth 23/24 £M	Growth 24/25 £M	Growth 26/26 £M	Growth 26/27 £M	Total £m
ORGANISATION							
To be confirmed in the January 2022 Budget report (no new schemes identified to date).							
Total							

702

PEOPLE SERVICES							
To be confirmed in the January 2022 Budget report (no new schemes identified to date).							
Total							

Capital Programme - Growth Proposals – 2022/23 to 2026/27

703

Head of Service	Growth Proposal	Growth 22/23 £M	Growth 23/24 £M	Growth 24/25 £M	Growth 26/26 £M	Growth 26/27 £M	Total £m
PLACE SERVICES							
To be confirmed in the January 2022 Budget report (no new schemes identified to date).							
TOTAL							

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FEES & CHARGES POLICY

Our Medium Term Financial Plan (MTFP) sets out our financial objectives to support delivery of the Corporate Plan. These plans remain challenging in the context of an uncertain economic future, on-going austerity measures, significant reductions in funding from Government and the move towards more locally-generated income streams.

In the future we will need to be financially self-sufficient and less reliant on central government funding. Maximising the potential for increased income will be integral to supporting delivery of the MTFP.

Seeking opportunities for income generation is a priority for the Council, alongside broader proposals for the trading and commercialisation of some services.

This Fees & Charges Policy outlines the key principles to be considered in charging for Council services in a transparent and consistent manner.

Scope

This Policy applies to the setting and reviewing of all fees and charges for Council services, where the Council has discretion to apply a charge and discretion over the level of charge applied.

The Policy excludes:

- Charges that are determined by Central Government
- Council Tax
- Business Rates
- Property rents
- Any charges where there are legal or contractual reasons for exclusion
- Any charges levied by Trading Companies or other third parties delivering services on behalf of the Council.

Application

Directorates should refer to this Policy when reviewing current charges or proposing new charges as part of the service & financial planning process for the forthcoming financial year, and for any other in-year consideration of service charging.

Understanding the relationship between cost and charges is vital when determining charges for services and support and advice should be sought from the Finance team when applying this Policy.

Aims and Objectives

The overarching aim of the Policy is to embed a commercial approach to setting fees and charges. An aim of commercialism is to ensure the Council thinks consistently in a business-like manner and clearly articulates the costs and benefits associated with the activities it carries out.

The objectives of the Fees & Charges Policy are:

- To promote efficiency and support the commercialisation of our business in order to support the MTFP and deliver the Corporate Plan
- To minimise the draw on local taxpayers of discretionary services and promote fairness by fostering a culture where discretionary services are supported largely by users rather than the council tax payer
- To set a clear, flexible and equitable framework of standards and procedures for applying charges and fees to relevant Council services for both individuals and organisations. The level of charge will reflect the cost plus a return where this is permissible/appropriate.
- To meet the aim of being 'business like' through service areas understanding and reviewing the costs and charges for their service areas.

Charging and Trading Legislation

The legislation and case law that governs Councils' ability to charge and generate income is complex. Specific powers to charge for services are contained in a variety of local government statutes.

These include:

- Local Authorities (Goods and Services) Act 1970 – introduced powers for councils to enter into agreement with other Local Authorities and public bodies for the supply of goods and services. Any agreement may contain such terms as to payment or otherwise as the parties consider appropriate.
- Local Government Act 2003 – added further opportunities to the above. This act enables council's to trade in activities related to their functions on a commercial basis and make a profit, which may be reinvested in services, through a trading company.
- Localism Act 2011 – the General Power of Competence (GPC) introduced a power to allow councils to do anything that an individual may do. However, for the purposes of charging, this should not exceed the cost of provision of the service in question, as operating for a commercial purpose (i.e. to make a profit) must be done through a trading company.

Standard Charging Principles

Standard principles will be applied to all fees and charges (within the scope of this Policy) set by the Council. Where a service plans deviate from these principles, the basis and reason for variation will be clearly documented and approved in accordance with the Council's Constitution/scheme of delegation.

Services that have discretion over charging are encouraged to operate more commercially in order to maximise efficiency and reduce dependence on corporate funding support. The ability of services to operate in this way is dependent on services being able to set and amend their charges with a level of flexibility, including consideration of current market rates and demand for the service. The Policy will also make decision making simpler and more timely.

This Policy enables us to apply differential charging, discounting and alternative pricing structures in order to maximise commercial benefit and target service take-up. Individual service areas can vary charge rates on a case by case basis, taking into account relevant market rates and the need to maximise income and operate efficiently.

All fees and charges will:

- Demonstrate how they contribute to the achievement of corporate and service objectives
- Maximise potential income, to achieve financial objectives, unless there is an explicit policy decision to subsidise a service
- Be subject to equality impact assessment screening and consultation where appropriate
- Minimise the costs of collection
- As a minimum be increased annually from 1 April each year in line with Consumer Price Index (CPI) inflation increases (rate published for the preceding September each year)
- Be subject to a scheduled review at least every 3-5 years.

Charging Models

When introducing or reviewing a charge the Council will follow one of three models:

Charge	Definition	Application
Full Cost recovery	<p>Full Cost Recovery is defined in this Policy as the Chartered Institute of Public Finance and Accounts' (CIPFA's) 'total cost' model.</p> <p>When charging 'total cost' the Council is aiming to charge the user the full cost to the Council of providing that service. The 'total cost' to the Council is calculated following CIPFA methodology.</p> <p>The cost of the charge will include, in addition to the direct cost of providing the service, costs such as fair and appropriate proportion of the cost of premises, central services and other overheads</p>	This is the Council's 'default' charging principle.

Charge	Definition	Application
Direct Cost Plus	<p>As a minimum the Council would recover the direct cost of providing the service plus wherever possible, a contribution to overheads.</p> <p>The level of overhead contribution is an operational decision, and will be dependent upon the particular circumstances and objectives.</p>	<p>This allows flexible pricing decisions to take account of external market conditions. For instance, there are circumstances where setting charges at a level more than full cost recovery may be appropriate (e.g. when trading with other local authorities or public bodies the Council is not limited in the amounts it can charge).</p> <p>This charging model also allows charges to be set below full cost recovery to achieve a particular objective – for example entering into a new market or attracting new business. However, in line with the Standard Charging Principles, the aim will always be to recover the full cost of a service over time.</p>
Subsidised	<p>A subsidised charge requires the Council to contribute to the direct cost of the service. Where the Council is not covering the direct costs of the service, it will require a contribution from the Council. All subsidies will be subject to the approval of the Executive.</p>	<p>This model provides the Council with the option to provide a service with full or partial subsidy. The level of subsidy will be determined by reference to the nature of the service and the rationale for any subsidy for example:</p> <ul style="list-style-type: none"> • providing a public good • encouraging service take up • the user group's ability to pay. <p>The financial impact of subsidy decisions on the budget will be identified both individually and collectively, and actively managed and reviewed.</p>

Authority to Set and Vary Charges

The decision on charging levels will be based on the relevant charging method: full cost recovery, direct cost plus or subsidised.

All charging decisions must be made in accordance with the Council's Constitution (Budget and Policy Framework, Scheme of Delegation and Financial Procedure Rules) and be able to demonstrate consistency with our strategic priorities, policies and statutory obligations.

The decision to vary charges for existing chargeable services which are not subsidised is an operational decision, which will be taken by the appropriate Director/Head of Service in consultation with the Chief Finance Officer.

Policy Review

This Policy will be reviewed periodically, taking into account developing Council policies and priorities and any changes in legislation.

November 2021

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REVENUE RESERVE BALANCES AT 1 APRIL 2021

	Balance at 31.3.21 £m	Purpose
General Fund Balance	£3.000m	Acts as a buffer against unpredicted budget pressures. The minimum level required is £2.6m

Earmarked Revenue Reserves	Balance at 31.3.21 £m	Purpose
Housing Delivery Strategy Reserve	19.079	Established to support delivery of the Council's Housing Delivery Strategy. Funded from the equivalent of the balance on historic New Homes Bonus grant allocations.
Government Funding Reduction Risks Reserve	2.849	Earmarked for the purpose of mitigating the planned reduction in Government funding pending delivery of new sustainable income streams.
Commercial Risks & Volatility Reserve	5.000	Earmarked for the purpose of mitigating the impacts of delays in delivery of new sustainable commercial income streams.
Capital Schemes Feasibility Studies Reserve	2.335	Established to ensure that funding is available to prepare business cases and obtain external professional advice for new initiatives designed to deliver new sustainable commercial income streams.
Pension Reserve	2.000	Established to set aside funds in anticipation of the next Pension Fund Revaluation.
Corporate Plan Delivery Fund (CPDF)	0.861	Provides time-limited funding to deliver key priorities, Corporate Plan objectives and invest-to-save initiatives, including investment in new technology.
Homelessness Prevention	0.810	Established to account separately for the funding set aside for homelessness prevention.
Economic Development Initiatives Reserve	0.777	Established to fund initiatives to raise awareness amongst local people of quality local employment opportunities.
New Posts Reserve	0.690	Established to provide initial funding for new permanent posts created during the year to support delivery of new corporate initiatives. Thereafter the intention is to build these posts into the approved budget in the following year.
Insurance Reserve	0.500	Provides cover against uninsured losses.
Feasibility Studies (Infrastructure Initiatives)	0.250	Established to fund the Council's contribution to councils in Surrey collectively funding the development of infrastructure feasibility studies so that bids can be

Earmarked Revenue Reserves	Balance at 31.3.21 £m	Purpose
Reserve		made for full project funding when bidding rounds become available.
Environmental Sustainability Reserve	0.248	Established to fund Investment in delivery of the Environmental Sustainability Strategy.
Refugee Family Support Reserve	0.318	Established to carry-forward unused funding for use in future years.
Family Support Programme	0.239	Established to carry-forward unused funding for use in future years.
Business Engagement Funding Reserve	0.036	Established to carry-forward unused funding for use in future years.
Brexit Funding Reserve	0.052	Established to carry-forward unused funding for use in future years.
Total Earmarked Revenue Reserves:	£36.044m	

COVID-19 Revenue Reserves	Balance at 31.3.21 £m	Purpose
COVID-19 Impacts - Funding Reserve	2.000	Established at the end of 2020/21 to fund ongoing income losses and expenditure pressures arising from the pandemic.
COVID-19 Specified Government Funding Reserve	0.456	Established to carry-forward unused COVID-19 funding for use in future years.
COVID-19 Government Business Grants (Discretionary) Reserve	0.238	Established to carry-forward unused COVID-19 funding for use in future years.
Total COVID-19 Reserves:	£2.694m	

Total Reserves	£41.738m¹
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NOTES

- Balances are as reported to Executive in July 2021 (subject to final audit of the Statement of Accounts for 2021/22) and following decisions made during budget setting for 2021/22 to redistribute funds between Reserves.

RESERVES POLICY

Introduction

The establishment, monitoring and review of the levels of reserves and balances are an important element of the Council's financial management systems and financial standing.

The Chief Finance Officer (Section 151 Officer) is required by law to formally report to the Council their opinion on the adequacy of the Council's reserves. Irrespective of this, a well-managed authority is clear about the reserves it needs now and in the future to support its service aspirations, while at the same time delivering value for money within a climate of significant resource pressure and economic/social risk.

This Policy does not cover non-distributable reserves required to support financial accounting transactions e.g. the Revaluation Reserve, Capital Adjustment Account and Pension Reserve. (Non-distributable reserves are those that cannot be used for revenue or capital purposes.)

Reserves can be held for four reasons:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- A contingency to cushion the impact of unexpected events or emergencies.
- A means of building up funds to meet known or predicted liabilities.
- A means of setting aside sums for future identified uses and / or investments

Such reserves are generally referred to as Earmarked Revenue Reserves.

What are Reserves?

There is no clear definition of reserves even though reference is made to reserves in legislation. The Chartered Institute of Public Finance and Accountancy (CIPFA) states 'amounts set aside for purposes falling outside the definition of provisions should be considered as reserves.' Provisions are required for any liabilities of uncertain timing or amount that have been incurred.

Generally there are two types of reserves, those that are available to meet revenue or in some cases capital expenditure (Usable) and those that are not available to finance revenue or capital expenditure (Unusable). Useable reserves result from events that have allowed monies to be set aside, surpluses or decisions causing anticipated expenditure to have been postponed or cancelled. They can be spent or earmarked at the discretion of the Council.

The Council must manage its reserves in accordance with its strategic longer term planning process.

Policy principles:

- The General Fund Balance will be maintained at a minimum of 15% of the net Revenue Budget to cover any major unforeseen expenditure.
- Earmarked revenue reserves will be maintained for specific purposes that are consistent with achieving Corporate Plan priorities and/or where they are required to account separately for Government funding streams.
- Reserves must only be used to fund one-off expenditure.
- Recurring expenses may only be funded from reserves if plans are in place to fund the ongoing costs and replenish the reserve within 12 months.
- Unplanned revenue income receipts will be held in a reserve pending future decisions as to their use.
- We aim to balance the Revenue Budget over the period of the MTFP without reliance on the use of reserves

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Signed off by	Head of Legal and Governance
Author	Alex Berry, Deputy Democratic Services Manager
Telephone	01737 276815
Email	alex.berry@reigate-banstead.gov.uk
To	Executive
Date	Thursday, 18 November 2021
Executive Member	Portfolio Holder for Neighbourhood Services

Key Decision Required	N
Wards Affected	Banstead Village; Lower Kingswood, Tadworth and Walton; Nork; Tattenham Corner and Preston

Subject	Appointment to the Board of the Banstead Commons Conservators (Casual Vacancy)
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Recommendations
To consider each of the nominations to the Banstead Commons Conservators and appoint one representative to fill the vacant position until the expiration of the term of office in March 2022.
Reasons for Recommendations
To ensure that positions on the Board of the Banstead Commons Conservators are suitably filled.
Executive Summary
This report covers the appointment of a representative to serve on the Banstead Commons Conservators following the resignation of a Conservator in July 2021. Officers have delegated authority to appoint a representative where the number of nominations do not exceed the number of vacancies (paragraph 1.14 of Officer Scheme of Delegation). In the event that the number of nominations received exceed the number of vacancies, or where nominations come from non-members the matter is passed to the Executive for determination.
Executive has authority to approve the above recommendations.

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Statutory Powers

1. Representation on outside bodies is made in accordance with Local Government Acts 1972 and 2000.
2. The appointment of Banstead Commons Conservators is laid down by the Scheme set out in the Schedule to the Metropolitan Commons (Banstead) Supplemental Act 1893.

Background

3. The Council works with several bodies to ensure high standards of care and ensure effective access to public open space owned by the Council. The Banstead Commons Conservators (BCC) carries out an important role in one of the largest areas of Metropolitan Common land in the Borough (Banstead Heath, Banstead Downs and Park Downs).
4. These areas form a strategically important part of the Green Belt, separating North Surrey from Greater London and make up almost 50% of total Reigate and Banstead Borough Council public open space. They provide recreation for both the local population and visitors from farther afield and are widely used for dog walking and horse riding. They form an important part of the local landscape and are acknowledged as an important wildlife habitat with nationally rare and unusual species of plants and animals. Banstead Downs and Park Downs are designated as Sites of Special Scientific Interest (SSSI) and Burgh Heath and Banstead Heath are Sites of Nature Conservation Interest (SNCI).
5. Management objectives fall into two distinct categories. Firstly, those demanded by statute:
 - To maintain and protect the integrity of the Banstead Commons,
 - To ensure the free, legal, and safe access of all to the Commons,
 - To provide safe and healthy working environment for employees.Secondly, those related to recognition of the commons as important amenity and activity areas for residents and visitors from farther afield, together with recognition of the diversity of wildlife in these areas:
 - To maintain and improve the Commons as an amenity for all,
 - To maintain and improve the Commons as a wildlife habitat.

Key Information

Board membership and meetings

6. The board consist of eight conservators appointed on a rolling basis and each serving a three-year term of office.
7. Board meetings are held on a quarterly basis.
8. The posts are voluntary and unpaid. Whilst the bodies nominating conservators has changed over the 125 years since the Commons areas were defined, the position has now settled so that all appointments are made by the Council.

Suggested selection criteria

9. Appointed representatives should ideally demonstrate the following criteria:
- A local person with knowledge and interest in local community development matters
 - A regular user of one or more of the commons with an interest in habitat and access preservation and improvement
 - Ability to attend regular evening/weekend meetings
 - Existing knowledge, and prior experience of land management or ecology/botany would be a distinct advantage
 - Professional competencies that would support the Conservators in delivering their objectives, such as:
 - Legal
 - Financial
 - Marketing
 - Public Relations

Nominations

10. A Conservator resigned in July 2021. This particular term of office is due to conclude at the end of March 2022. The nominations received are set out below:

Representative	Term ends	Appointed by	Nominees
Dr John Bellenger (resigned)	March 2022	Reigate & Banstead	1. Ian Mockford 2. Nathan Mollett

11. The nominees' expressions of interest are attached as an exempt report to the agenda.

Options

Option 1: The Executive have the authority to appoint a nominated person.

Option 2: The Executive may ask officers to seek new nominations.

Legal Implications

12. Representation on outside bodies is made in accordance with Local Government Acts 1972 and 2000.
13. The appointment of Banstead Commons Conservators is laid down by the Scheme set out in the Schedule to the Metropolitan Commons (Banstead) Supplemental Act 1893.
14. The provisions of the Act make it clear that the Council may appoint such persons as it sees fit. There is no stipulation restricting who may be appointed except that someone who is bankrupt or has compounded with his creditors is not eligible.

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Financial Implications
15. There are no financial implications relating to the appointments.
Equalities Implications
16. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to: <ul style="list-style-type: none">• Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act• Advance equality of opportunity between people who share those protected characteristics and people who do not• Foster good relations between people who share those characteristics and people who do not.
17. The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civic partnership status applies to the first part of the duty.
18. The method of nominations for this position will comply with all necessary equality legislation and duties.
19. It is important that appointments to outside bodies are made by the Council in a fair and representative way best suiting the interests and diversity of Borough residents.
Communication Implications
20. A public notice inviting applications was posted on notice boards across the Commons.
21. The appointments will be publicised on noticeboards across the Banstead Commons and nominees notified of the outcome of the Executive decision.
Environmental Sustainability Implications
22. The Conservators play an important role in maintain and protecting the Commons.
Risk Management Considerations
23. None.
Other Implications
24. None.
Consultation
25. The positions have been notified to all Members through Group Leaders.
26. The Board's clerk notified the current representatives whose terms were expiring to determine whether they would stand for re-appointment.

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Policy Framework
27. There are no policy framework implications.
Background Papers
None.

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