ANNEX G

ECONOMY WORKSHEETS AND OTHER SUPPORTING DATA

The information contained in this annex is based on answers to questions contained in the Healthcheck Worksheets plus responses from interviews with:

Lucy Hanson: Leatherhead Town Centre Manager
Pat Lawless: Swan Centre Manager
Simon Matthews: Mole Valley Business Development Officer
Paul McWhirter: Partner – Menzies & Co.
Directors of the Leatherhead & District Chamber of Commerce
Businesses within Leatherhead Town Centre

WORKSHEET E1: RETAIL AND TOWN CENTRE SERVICES

Task: to discover the key facts about the retail and town centre services available and consider how well they meet people's needs.

For the purposes of this report the town centre was considered as comprising:

- Swan Centre, High Street, Church Street, Bridge Street, North Street, The Crescent.

There are 137 potential retail outlets in the centre of Leatherhead. There is a possibility for more since not all potential retail locations are used for retail purposes. The retail offer is split into four categories by type:

- Shops selling products (e.g. Corbetts Book Shop, Englishman's Castle)
- Shops selling services (e.g. Wing Dry Cleaners, Monroe Hairdressing)
- Financial & professional services (e.g. banks, building societies, estate agents)
- Catering establishments (e.g. Caesar's Restaurant, Soulinnis)

The town has seven major national retailers in the centre:

- J. Sainsbury, Argos, Boots, WH Smith, Next, Dixons, Dorothy Perkins.

In addition it has two major retailers "out of town" to the north:

- Tesco, B&Q.

The retail profile for the town centre is given in table EC1 below.

Table EC1: Retail Profile: Leatherhead Town Centre

	Total	Product	Services	Catering	Fin. & Prof.	Vacant
Swan Centre	20	11	6	2	nil	1
High Street	45	14	14	11	5	1
Church Street	20	11	3	1	4	1
Bridge Street	21	4	7	6	4	Nil
North Street	25	6	5	4	6	4
The Crescent	8	1	3	3	nil	1
Totals	**139**	**47**	**38**	**27**	**19**	**8**

Retail activity in the town centre is supplemented by a twice weekly general market (Thursdays and Saturdays) and a monthly Farmers' Market (on the fourth Wednesday of every month.)

There is anecdotal evidence, supplied by the Town Centre Manager, that the shops that act as a "draw" and entice visitors into the town, other than the multiples, are specialist retailers catering for a specific and geographically spread customer base. Such outlets are:

- Argos, Wharfside, Inside London, Cycle Works, TopRunner, Duxiana, Ritz Music, Black Dog Gallery, Englishman's Castle, Acorn Images.

These outlets are supplemented in their "draw" capacity by the Theatre. There is no doubt as well that the new restaurants (Piazza Firenze, Vecchia Trattoria etc.) have made a vital contribution to the evening economy. The town has benefited over the past couple of years by the arrival of new outlets – some of which are listed below:

- Cannons, TopRunner, Inside London, SpecSavers, Acorn Images, Kea, Natural Beauty, Moore by Design, Duxiana, Ritz Music, Argos, Blockbusters, Savers, Tony's Tattoos, Subway, Toni & Guy, Estrellas, Travelodge.

In addition shops such as J. Sainsbury, Boots, and Next have made substantial investments in their premises, as have Barclays Bank.

In the main retailers are confident about future trading. The areas of concern are the upper end of the High Street and North Street. The latter is particularly critical since Wharfside for example is not visible from the North Street/Bridge Street junction. Church Street is fragile because of upward pressures on rent.

Confidence in the Swan Centre is reasonably high. Comment from the Swan Centre Manager "…those that are making the effort are doing well and getting the rewards."

Retailers are encouraged to take part in initiatives such as a Shop Front Contest and a Disability Access Award Scheme.

Promotion of the Town Centre is via the following:

- Town Directory, Christmas “Yuletide” publication, Web Site (www.visitleatherhead.com), Visitor Leaflet, Tourist Leaflets covering the whole of Mole Valley, Surrey Tourism Brochure covering the whole of Mole Valley.

This promotional activity is complemented by that undertaken by the Swan Centre. They promote themselves – and hence the town – in Drama Festival Brochures, Tourism Brochures, Theatre Brochures. They also provide editorial in selected magazines.

E1 SWOT SUMMARY

Question	Comment	Conclusion
How much of the local shopping provision is in the town centre, out of town centre, or in the villages?	The area has five shopping “clusters” – Leatherhead Town Centre, Leatherhead Kingston Road, Ashtead, Bookham and Fetcham village centres.	Fact
Are there any obvious gaps or shortages in provision of different types of shops or services?	Clothing, local produce, specialist foodstuffs (e.g. delicatessen)	Weakness
Has the town become a more or less attractive location for retail development?	Over the past few years it has become more attractive. However it has been for businesses selling services (e.g. hairdressing) and for the provision of catering facilities. It has also become more attractive for businesses in the Financial & Professional Services sector (A2 use) given the number of applications for change of use from A1 use to A2 use. However respondents to the surveys did not indicate that they wanted more of this type of outlet in the town.	Weakness Weakness
Is there commercial demand for additional retail floorspace?	There is one large brown field site earmarked for retail development. But suitable space is in short supply.	Weakness
What is retail confidence like?	Confidence is higher than it has been over the past couple of years but is vulnerable to national retailing trends.	Fact. National trends may provide threats particularly in respect of the continuing growth of large multiples which are putting the small retail sector under pressure.

WORKSHEET E2: COMMERCIAL AND INDUSTRIAL PROPERTY NEEDS

Task: to identify whether there are likely to be enough commercial and industrial properties for existing and new businesses.

At the commencement of the Healthcheck there were outstanding planning permissions for 12,205 m^2 of commercial development including office, R&D and light industrial uses. There was also 13,519 m^2 of vacant B1 ("general office use" within the area. It is estimated that this could provide office accommodation for up to 1,200 people. In addition there were outstanding planning consents for 4,400 m^2 of general industrial floor space and 643 m^2 of warehousing. During the course of the Healthcheck some of this space has been filled (e.g. Fairmount House) and some has been vacated.

Rents range from around £20 psf (per square foot) to £40 psf dependent upon location within the town. There is evidence of upward pressure on retail rents – particularly in Church Street where some retailers have moved to other locations within the town centre.

E2 SWOT SUMMARY

Question	Comment	Conclusion
How have vacancy levels for commercial properties changed in the last three years?	Vacancy levels have increased but this has been due to the growth in office accommodation available and this accommodation not being occupied. There has been speculative development to take advantage of the good rail and road communication links.	Opportunity.
Are existing commercial and industrial firms planning to expand?		More information needed.
Are there sufficient premises at affordable rents for new small businesses and for businesses that want to expand?	New small businesses, particularly the "micro" businesses with fewer than 10 staff struggle to find suitable premises at reasonable rents. This is more of a problem in the villages rather than in the town itself. Businesses larger than "micro" businesses have less of a problem.	Weakness
What is the overall demand for, and gaps in the provision of, different types of commercial and industrial property?		More information needed.

WORKSHEET **E3: TOURISM AND VISITOR SERVICES**

Task: to measure the level of tourism activity in the area and make an assessment of visitor services and facilities.

Although very little was mentioned within the Healthcheck process about the impact of tourism the fact remains that Leatherhead is ideally placed to take advantage of tourism activity since it is on the edge of the Surrey Hills Area of Outstanding Natural Beauty. No data is available for the Leatherhead area as such but is for Mole Valley as a whole.

According to a study conducted by Tourism South East, Mole Valley experiences:

- Over 230,000 staying trips per annum,
- Over £35m expenditure on day trips per annum,
- Over 2.65 million day trips per annum,
- Over £87m expenditure on day trips per annum,
- Total economic value of the market is £165m.

The proximity the town has to the Surrey Hills AONB has prompted the preparation of two complementary leaflets:

- *Dorking: Heart of the Surrey Hills AONB*
- *Leatherhead: Gateway to the Surrey Hills AONB*.

There are other potential tourist attractions in the town and surrounding area, for example:
The Theatre, The Leatherhead Museum, The Fire & Iron Gallery, The Black Dog Gallery, The River Mole, Bocketts Farm, Polesden Lacey, The Surrey Society of Model Engineers Railway, Norbury Park, Bookham Common, and Ashtead Common.

However there isn’t a specific Tourist or Visitor Information Centre in the town centre although the Help Shop performs this function. There are very few map points and direction signs to these attractions. It is not hard to draw the conclusion that the Leatherhead area is not making enough of these tourist assets.

The tourism market is divided into two distinct categories – “Leisure Tourism” and “Business Tourism.” “Leisure Tourism” is mainly the VFR (“visiting friends and relatives”) market, and the majority of visitors are day visitors in the older age groups.

However the “Leisure Tourism” market is only part of the story. Leatherhead is also a commercial centre with easy access to London and to two major airports. The “Business Tourism” market is also important. The opening of a new Budget Hotel with 91 rooms in the town in the summer of 2004 has been a stimulus to the growth of the town’s evening economy. Business tourists can, in the fullness of time, become leisure tourists. This market is ripe for development.

Despite the opening of this new hotel there is a shortage of bed accommodation. In a report produced for Tourism South East on the Surrey hotels market, it was suggested that market opportunities exist for a 3 star hotel development in the Leatherhead area.

Promotional Literature designed to encourage visitors to the area – apart from those mentioned above are:
"Leatherhead Directory"
"The Surrey Hills Explorer"
"Mole Valley Parks and Open Spaces"
"Leatherhead Theatre"
"Leatherhead Town Trail"
"Where to stay in Mole Valley"

E3 SWOT SUMMARY

Question	Comment	Conclusion
How important is tourism spending and tourism related employment to the local economy?	See comments above.	Opportunity
How vulnerable is the local economy to seasonal variations in tourism?	The business tourism market is even throughout the year with the exception of the August holiday period. However this is offset by visitors coming into the area for walking short stay holidays. Tourist attractions cater for both summer and winter activities.	Opportunity
How do historical employment rates and business stocks in tourism related services, such as hotels and catering, compare with national and regional averages over the past three to five years?	The tourism sector has not been seen as high profile although the economic data presented above indicates that it is a substantial market. Employment rates in the sector are low compared with other employment sectors although it has grown over the past two years within the arrival of the new hotel and the opening of new catering establishments in the town. No information available for comparison with national and regional averages.	Development of the two tourism markets is an Opportunity.
Is visitor activity concentrated mainly within the town itself or within the hinterland?	The tourist attractions listed above cover both in town and out of town locations. The majority are "out of town".	The opportunity here is to attract those visitors to the out of town attractions to come in to the town to use the shops and catering establishments.

Question	Comment	Conclusion
How good are the transport links into the town and tourist attractions?	Detailed information about Transport is given in Annex I. Most visitors come by car because of the good road links that Leatherhead has. However for those visitors who come by rail it is not easy to visit the "out of town" attractions.	Weakness.
What tourism information sources are there in the area and how well used are they?	There is not a visitor information centre in the town. The "Help Shop" attempts to provide this facility but not all visitors would be aware of this. Signage to visitor information is none existent.	Weakness
Do the town and its hinterland have adequate parking facilities for both residents and visitors?	Detailed information about parking is given in Annex I. Town parking is limited and this acts as a constraint for visitors to the town attractions.	Weakness

WORKSHEET E4: EMPLOYMENT

Task: To assess the strength of the local job market.

The area covered by the Healthcheck has a population of about 47,000 of which 48% are designated as being "economically active." The area as a whole provides employment for 21,000 people in 2,671 businesses.

The two Leatherhead wards (Leatherhead North and Leatherhead South) account for 9,600 residents (20% of the population), 10,100 jobs (48% of the jobs) and 933 businesses (35% of the business stock). Unemployment in the area is low at 0.6%.

Leatherhead is typical of the rest of the country in that the vast majority of its businesses (89%) employ less than 10 people each and only a small number (0.3%) have workforces in excess of 200 people. Of all the wards covered by the Healthcheck the one that can be identified as the "commercial and industrial" area is Leatherhead North which has 637 businesses and 8,046 jobs.

A full breakdown of the employment profile is shown in the tables below.

Table E4.1: Number of Businesses in each MVDC Ward

Size of firm by number of employees	>200	50 - 199	11 - 49	<10	Total
Ashtead Common	0	0	6	107	113
Ashtead Park	2	7	10	194	213
Ashtead Village	0	2	17	235	254
Bookham North	1	3	19	218	241
Bookham South	0	5	17	244	266
Box Hill & Headley	0	2	4	67	73
Effingham	0	3	10	134	147
Fetcham East	0	2	10	167	179
Fetcham West	0	1	7	145	153
Leatherhead North	6	25	94	512	637
Leatherhead South	0	10	24	262	296
Mickleham & Westhumble.	1	3	15	80	99
TOTAL	**10**	**63**	**233**	**2,365**	**2,671**

Table E4.2: Number of Employees by MVDC Ward

Size of firm by number of employees	>200	50 - 199	11 - 49	<10	Total
Ashtead Common	0	0	113	203	316
Ashtead Park	847	720	246	489	2,302
Ashtead Village	0	236	359	509	1,104
Bookham North	336	205	412	482	1,435
Bookham South	0	315	330	582	1,227
Box Hill & Headley	0	142	102	156	400
Effingham	0	307	290	301	898
Fetcham East	0	113	230	346	689
Fetcham West	0	53	177	285	515
Leatherhead North	1,615	2,490	2,271	1,670	8,046
Leatherhead South	0	819	547	684	2,050
Mickleham & Westhumble.	865	268	347	127	1,607
TOTAL	**3,663**	**5,668**	**5,424**	**5,834**	**20,589**

Notes:

1. Data in both these tables was extracted from Government Census information.
2. Sole traders (whether incorporated or not) are included in the <10 employee category. VAT returns and Tax Returns provide the raw data.

The most significant SIC ("Standard Industrial Classification) categories in terms of employment are in the following table.

Table E4.3 Most Significant SIC Business Categories by Number of Employees

	Leatherhead Total	Leatherhead North	Leatherhead South	Area
Commercial & Business Activities	3,671	3,129	542	6,198
Wholesale & Retail Trade	2,234	2,000	234	3,247
Education	647	463	184	2,292
Health & Social Work	869	596	273	1,826

Categories that are significant by not being included in the top four as indicated above are (a) manufacturing and (b) hotels and restaurants. It is reported that the smaller businesses in the town, including shops and catering establishments, have difficulty in recruiting staff locally.

E4 SWOT SUMMARY

Question	Comment	Conclusion
Is employment a significant issue locally?	Unemployment in the area is low – one of the lowest in the country – however there are small pockets of higher unemployment – particularly in skilled and unskilled manual area. Difficult for small businesses to recruit.	Weakness
Is the town a dormitory town or does it have a significant employment role?	The town and its hinterland fulfil both roles. About 10,000 people commute out of the area to work and about the same number commute in. See table EC4.2 for a breakdown of employment by ward. The critical area is Leatherhead North and the concentration of employment in that part of the town. This contributes to the congestion problems described in Annex I. Those who commute out have high salary levels and high levels of disposable income.	Dormitory characteristic is a strength because of the spending power of those who work outside the area. Those who come in to the area to work bring spending power particularly to the catering sector (lunches) and to the service sector. This too is a strength.

Question	Comment	Conclusion
Is local employment particularly dependent on specific industry sectors and / or a small number of large employers?	No to both. The town is not dependent upon a particular industry or a particular employer. Thus it is not vulnerable to economic downturns in a particular sector. However the majority of employment opportunities are office based or knowledge based rather than being based on skilled or unskilled manual trades.	Strength Weakness
Is employment growth within only some industry sectors or spread more widely?	As indicated above it is spread. There has been employment growth in the Leisure sector. Recruitment has been difficult for the micro business sector.	Strength Weakness
How much confidence is there within the business sector?	Business confidence in the non retail sector is more a reflection of national rather than local issues. Increases in interest rates would dampen confidence as would increases in business rates. The retail sector – particularly the small independent retailers – in addition to the above has concerns about the expansion of the national multiples – as evidenced by recent national reports and comments in the Press. A dampening down of economic activity in the commercial sector would have an adverse effect on business in the catering and retailing outlets in the town.	Threat Threat Threat
Is the number of jobs available locally increasing or decreasing?	Static. This is not surprising given the very low level of unemployment in the area. However if and when the vacant office accommodation becomes occupied there will be an increase in the number of jobs in the area. The estimate is about 1200. Some of these jobs will be filled by incoming commuters – thus putting pressure on the transport infrastructure. Some will be filled by individuals transferring from their existing employment – thus putting pressure on the already difficult recruitment difficulties that small businesses are facing.	The high level of employment is a strength. However this is a silver lining that has clouds attached, i.e. pressure on the transport infrastructure and the recruitment difficulties facing the small business sector. These are potential weaknesses. Threat

Question	Comment	Conclusion
What opportunities are there for job creation from the expansion of local firms?	See comments above. The issue here is not the potential for job creation but the difficulty of finding employees to fill the jobs once these jobs have been created. Yet young people have observed that the jobs in the town are not exciting or interesting enough for young people.	Fact
How vigorous is the local economy – based on new business start ups and closures?	The economy, as seen from levels of employment, is buoyant. The pressures are on the small business sector – and this reflects national rather than local conditions – and particularly on small businesses within the retail sector.	Strength in general. Potential threats to small business sector. Note the comments above in respect of business confidence.