

Rushmoor Functional Economic Area Analysis

Final Report

October 2014

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1. Introduction

This report considers the geographic extent of the *'functional economic area'* of which Rushmoor Borough is part. This initial section sets out why Rushmoor Borough Council (RBC) needs to identify the extent of this area, and considers what is meant by the phrase *'functional economic area'* in the context of local planning. This analysis report has been produced to determine which authorities RBC needs to engage with in preparing an assessment of the economic development needs of the Borough.

Policy Context

Rushmoor Borough Council is undertaking supporting work for the Local Plan. The Council has recently published a [draft Strategic Housing Market Assessment](#) (May 2014) in conjunction with Hart District Council (HDC) and Surrey Heath Borough Council (SHBC). RBC is now seeking to update its evidence base on economic development needs.

The [National Planning Policy Framework](#) (NPPF) requires local authorities to work together on strategic planning issues. The NPPF specifically states in paragraph 160 that local authorities *'should have a clear understanding of business needs within the economic markets in and across their area.'*

Paragraph 160 of the NPPF goes onto say that local planning authorities should:

- *work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and*
- *work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.*

The Council needs to be aware of the functional economic area within which it is located, to understand the role of the Borough in economic development terms within this wider geographic area. Therefore, the Council must have a thorough understanding of the larger economic area of which it is part of, so that we can identify which neighbouring authorities we need to engage with to consider cross boundary strategic issues. This will fulfil the requirements of the Duty to Co-operate (see Figure 1 overleaf).

[National Planning Practice Guidance](#) (NPPG) further emphasises the need for Local Planning Authorities to work with other authorities in the same functional economic market area to identify development needs, because such needs *'are rarely constrained precisely by local authority administrative boundaries'*¹.

¹ NPPG, Paragraph: 008 Reference ID: 9-008-20140306

Figure 1: The Duty to Co-operate**What does the duty to co-operate mean for Councils?**

The duty:

- relates to sustainable development or use of land that would have a significant impact on at least two local planning areas or on a planning matter that falls within the remit of a county council
- requires that councils set out planning policies to address such issues
- requires that councils and public bodies '*engage constructively, actively and on an on-going basis*' to develop strategic policies
- requires councils to consider joint approaches to plan making.

Paragraph 156 of the NPPF sets out the strategic issues where co-operation might be appropriate

Paragraphs 178-181 of the NPPF give further guidance on '*planning strategically across local boundaries*', and highlight the importance of joint working to meet development requirements that cannot be wholly met within a single local planning area, through either joint planning policies or informal strategies such as infrastructure and investment plans.

Source: Planning Advisory Service: [A Simple Guide to Strategic Planning and the Duty to Co-operate](#)

What is a 'Functional Economic Area'

The geography of economic activity is increasingly complicated. People often live, work and undertake leisure activities in different administrative areas. Functional economic geographies relate to the real area within which an economy operates, rather than simply looking at areas in terms of their administrative boundaries. Understanding these areas is important to ensure that decisions and interventions on the economy are undertaken at the right spatial level.

Many local authorities, such as RBC, cover too small a geographical area to address most economic markets. Whilst there is no formal definition of FEAs and no definitive map of the geography of FEAs, the economic linkages and flows between different places inevitably vary depending on the issue or factor being analysed.

Until recently, most research on FEAs was limited to analysing commuting data. Travel-to-Work Areas (TTWAs) are a set of market-type areas that are defined using self-containment criteria. Characterised as clusters of commuting flows and they are now considered to be official local labour market areas. However, it is considered good practice to look at a number of different economic factors to gain an understanding of the various dynamics in operation that may influence the extent of a FEA.

There is not a universal approach to defining a functional economic area. However, there are a range of widely used indicators that can be analysed to identify the drivers of a local economy. Examples include:

- Commercial property markets
- Labour markets
- Business clustering
- Housing market areas

As the boundaries of a functional economic market area vary depending on the indicator used, a judgement needs to be taken as to which features of the economy to consider. Therefore, in this report we are seeking to define an economic geography where we are confident that the majority of economic linkages and flows exist.

Report Structure

This rest of this report examines the different ways in which the functional economic area of which RBC forms part of can be defined, before presenting conclusions and recommendations for the Council to take forward in planning for economic development. The report is presented under the following headings:

- Section 2: The Geography of Rushmoor and the Blackwater Valley
- Section 3: Employment in Rushmoor Borough and the Blackwater Valley
- Section 4: The Functional Commercial Property Market Area
- Section 5: The Functional Labour Market Area
- Section 6: Industry Clusters
- Section 7: Conclusions
- Section 8: Recommendations

2. The Geography of Rushmoor and the Blackwater Valley

Introduction

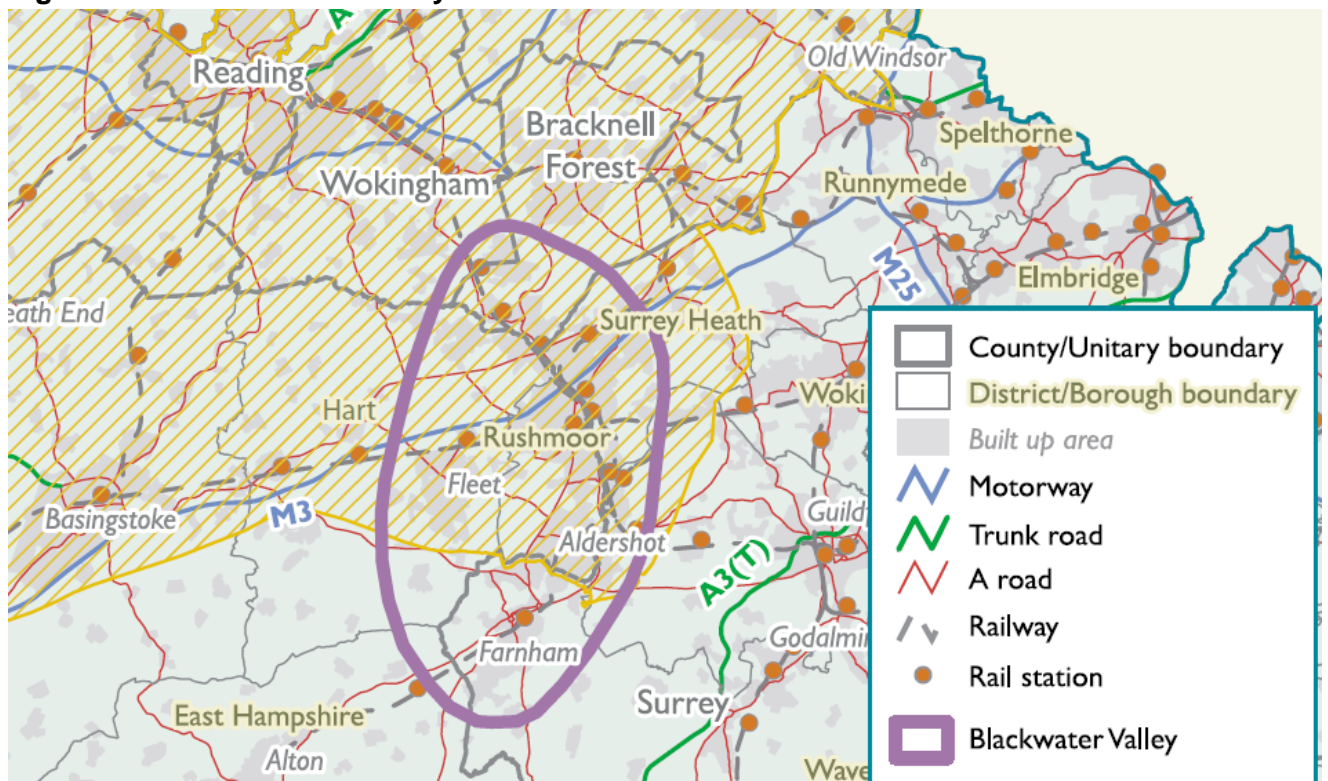
This section will provide a brief overview of Rushmoor’s strategic location in terms of its relationship and linkages with other urban areas.

Rushmoor Borough and the Blackwater Valley

Rushmoor Borough has a population of 93,800 people². The Borough’s largest town is Farnborough with a population of 57,480 representing 61% of the population of the Borough, whilst Aldershot represents 39% of the population.

Rushmoor is very much an urban Borough that is densely populated. The Borough makes a substantial contribution to the Blackwater Valley by being located in the centre of this large urban area that has been identified as a functional economic geography in numerous previous studies. Figure 2 shows the extent of the area which makes up the Blackwater Valley in the context of other major settlements.

Figure 2: The Blackwater Valley



Source: SEERA

The Blackwater Valley is made up of a number of closely linked and inter-related settlements, which are detailed below with the applicable local authority area contained within brackets:

- Aldershot (Rushmoor)
- Farnborough (Rushmoor)

² 2011 Census data referenced in the [Rushmoor Facts and Figures Population data sheet](#)

- Camberley (Surrey Heath)
- Frimley (Surrey Heath)
- Deepcut (Surrey Heath)
- Fleet (Hart)
- Church Crookham (Hart)
- Blackwater (Hart)
- Yateley (Hart)
- Crowthorne (Bracknell Forest)
- Sandhurst (Bracknell Forest)
- Badshot Lea (Waverley)
- Farnham (Waverley)

Rushmoor is wholly contained within the Blackwater Valley area yet a number of smaller settlements in neighbouring authority areas are also included³. The Blackwater Valley has excellent transport connections by both road and rail. The M3 Motorway runs through the northern part of the area, and the A31 through the southern part of the area, with the two being connected by the A331 dual carriageway that runs along the eastern edge of the Rushmoor Borough boundary. In terms of rail connections, the area is well served with the South Western Mainline serving Fleet and Farnborough Stations, whilst the Alton line provides services from Farnham to London Waterloo. The North Downs Line provides connections to other economic areas including Reading, Guildford and Gatwick Airport.

The majority of the settlements detailed above also fall within the Aldershot built up area (BUA) defined by the Office for National Statistics⁴. The Farnborough / Aldershot Urban Area as defined by the ONS is a continuous urban area with a population of over a quarter of a million people. It is the 29th largest urban area in England and Wales and the local authority areas of Rushmoor, Surrey Heath and Hart account for the majority of the population of the Farnborough / Aldershot BUA.

Housing Markets in the Blackwater Valley

The 2014 [Draft Strategic Housing Market Assessment](#) (SHMA) undertaken by Wessex Economics for Rushmoor, Hart and Surrey Heath identifies how the housing markets of these three authorities, and more particularly the parts of these authorities within the definition of the Blackwater Valley, are closely integrated and complementary. The SHMA notes that Rushmoor has a larger stock of older, smaller, cheaper property, while Hart and Surrey Heath are characterised by having larger, more modern and more expensive homes. There is evidence that Rushmoor attracts in younger, single people and childless couples and also has a high proportion of younger families than Hart or Surrey Heath. There is evidence that a significant number of family households move out of Rushmoor into Hart and Surrey Heath as children grow older.

It is important to note that these movements across local authority boundaries are often relatively short distances. The implication of the tight local boundaries is that whilst in other urban areas of a similar size, where the urban area is contained within the bounds of a single local authority, such

³ The smaller settlements of Ash, Ash Valley and Tongham (Guildford Borough), Frimley Green, Mytchett and Deepcut (Surrey Heath), Frogmore (Hart) and Hale (Waverley) are contained within the Blackwater Valley Area.

⁴ The ONS define urban areas as areas of continuous and contiguous urban development.

migration would show up as internal migration within the local authority area. However, in the case of the Blackwater Valley, it shows up as moves between authorities.

The Blackwater Valley could be described as a network urban area, with Aldershot and Farnborough comprising the older core, and settlements such as Fleet, Camberley and Frimley being the urban area's later suburbs.

In contrast, those parts of the Blackwater Valley area that are within Guildford Borough, Waverley Borough and Bracknell Forest District account for a very small part of the total population of the respective local authority areas. For example, less than a third of the population of Waverley Borough live in Farnham and the immediately adjoining settlements. Therefore, whilst it is important that we proactively engage with Guildford, Bracknell Forest and Waverley Councils in discussions around planning in the Blackwater Valley, it may be the case that they have stronger economic linkages with other areas and therefore have less resource to commit than the core Blackwater Valley authorities.

Summary

In terms of economic geography, Rushmoor Borough is the 'central authority' of the Blackwater Valley area due to its urban composition and the fact that the Borough is located entirely within the Blackwater Valley area.

The Borough has strong economic linkages with both Hart and Surrey Heath and therefore it is crucial that the three authorities work together. However, it is also important that we proactively engage with Bracknell Forest, Guildford and Waverley Councils in discussions around planning in the Blackwater Valley.

3. Employment in Rushmoor Borough and the Blackwater Valley

Introduction

In seeking to define the functional economic area within which Rushmoor is located, it is relevant to consider the scale of employment in Rushmoor, and the distribution of employment between different sectors and across the Borough as a whole and more broadly within the Blackwater Valley.

Employment in Rushmoor

There are some 44,800 jobs located in Rushmoor and Figure 3 shows the sectoral breakdown of employment. The most important sectors in terms of employment are; information and communications; professional, scientific and technical services; retail; business administration and support; and Education. Together these five sectors account for over half of all employment in Rushmoor.

Census 2011 data indicates that there are some 43,760 people in employment who live in Rushmoor, and another 5,550 people who live in Rushmoor and are self-employed. This indicates that Rushmoor has more jobs than the number of working population; by implication, there is net in-commuting into Rushmoor of approximately 1,000 people although this will depend on the extent to which the self-employed commute out of Rushmoor to work.

Figure 3: Employment by Sector in Rushmoor, 2012

Industry	Total Employment		
	Number	%	Cumulative %
Information & communication (J)	6,500	14.5	14.5
Professional, scientific & technical (M)	5,400	12.1	26.6
Retail (Part G)	4,600	10.3	36.8
Business administration & support services (N)	4,400	9.8	46.7
Education (P)	3,500	7.8	54.5
Manufacturing (C)	3,000	6.7	61.2
Health (Q)	2,700	6.0	67.2
Accommodation & food services (I)	2,600	5.8	73.0
Construction (F)	1,800	4.0	77.0
Financial & insurance (K)	1,600	3.6	80.6
Public administration & defence (O)	1,600	3.6	84.2
Arts, entertainment, recreation & other services (R,S,T and U)	1,600	3.6	87.7
Transport & storage (inc postal) (H)	1,500	3.3	91.1
Wholesale (Part G)	1,300	2.9	94.0
Motor trades (Part G)	1,000	2.2	96.2
Property (L)	900	2.0	98.2
Mining, quarrying & utilities (B,D and E)	800	1.8	100.0
Agriculture, forestry & fishing (A)	0	0.0	100.0
	44,800	100	

Source: BRES, 2012 (Note: employment data rounded to the nearest hundred)

Employment in the Blackwater Valley

There are 51,500 jobs in Surrey Heath, 44,800 in Rushmoor and 34,900 in Hart⁵. Across the three authorities of Rushmoor, Hart and Surrey Heath there were around 131,200 employee jobs. These three authorities therefore together comprise a major centre of employment.

The majority of these jobs are within the Blackwater Valley urban area. In total there are around 106,700 jobs in Rushmoor Borough, and the parts of Hart District and Surrey Heath Borough that fall within the defined Blackwater Valley urban area, this being 81% of all the jobs in these three authorities. This serves to emphasise the economic significance of the Blackwater Valley.

Forecast future job growth

Labour Demand Forecasts are a useful tool for estimating the likely growth in jobs within Local Authority Areas, although they are widely considered to overestimate the level of job growth due to the:

- top down 'shift share' methodology used
- the fact that they do not take account of the characteristics of the local economy (policy off)
- assumption that past trends will continue – questionable accuracy in the longer term

However, despite the above limitations of Labour Demand forecasts, Figure 4 below contains total employment⁶ forecasts produced by Experian Business Strategies (December 2013) for Rushmoor, Hart and Surrey Heath.

Figure 4 – Local Authority Area Forecast Total Employment Growth 2014-2031

Local Authority Area	Jobs		
	2014	2031	Change 2014 - 2031
Rushmoor	54,740	64,540	+9,800
Hart*	42,570	49,950	+7,380
Surrey Heath*	53,580	62,270	+8,690
HRSB Total	150,890	176,760	+25,870

Source: Experian 2013©

*partially contained within Blackwater Valley area

Figure 4 above identifies that there is likely to be strong employment growth across the three core local authorities that form part of the Blackwater Valley area as defined in Figure 2. However, it is important to note that Rushmoor is the only local authority area that is fully contained within the Blackwater Valley area.

From the data contained in Figure 4, we can estimate the level of job growth that could occur between 2014 and 2031 for the three core local authority areas that make up the Blackwater Valley area (Rushmoor, Hart and Surrey Heath). It is important to re-iterate that the above forecasts cover the entirety of each local authority's area and therefore some of the forecast job growth detailed above for Hart and Surrey Heath will be generated outside of the Blackwater Valley urban area.

⁵ BRES 2012 data

⁶ Total employment is calculated by workforce jobs. This includes employees, self-employed, government trainees and her majesty's forces

However, if we assume that the current proportion of jobs concentrated in the Blackwater Valley from the three authorities remains static at 81%, then based on Experian forecasts we can estimate that in the region of 20,950 additional jobs could be generated in the Blackwater Valley urban area by 2031⁷.

Summary

The Blackwater Valley is a major centre of employment that provided 104,600 jobs⁸ in 2012 and Experian forecasts suggest that this will increase by approximately 20,950 jobs by 2031, demonstrating the economic importance of the area.

Rushmoor is a major employment centre in the heart of Blackwater Valley (as described in Section 2) and the distribution of employment is likely to have a strong bearing on travel to work patterns between the three authority areas.

⁷ Forecast does not take account of potential job growth in the parts of Bracknell Forest, Guildford Borough and Waverley Borough Councils that are contained within the Blackwater Valley (as defined in Figure 2).

⁸ Rushmoor Borough, and the parts of Hart District and Surrey Heath Borough that fall within the defined Blackwater Valley urban area

4. The Functional Commercial Property Market Area

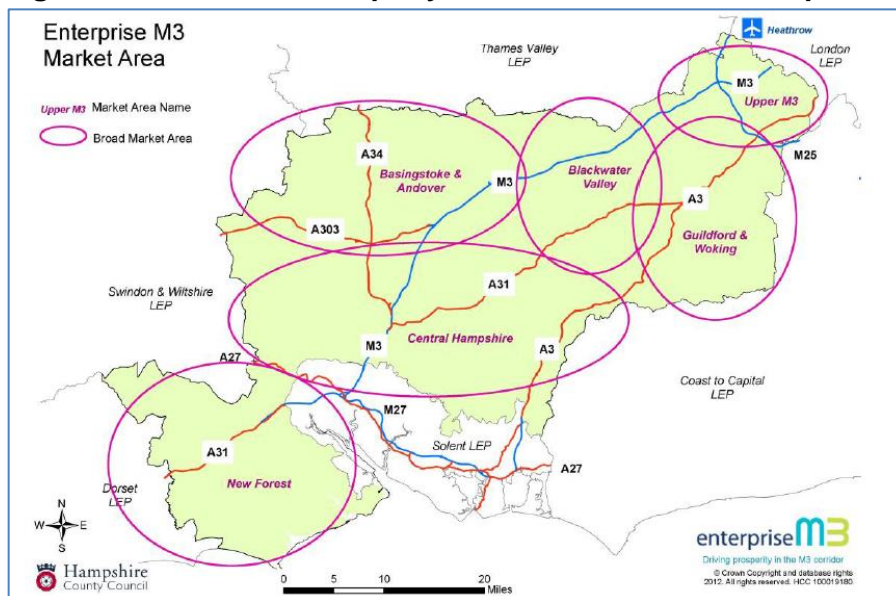
Introduction

In its role as a Local Planning Authority, RBC needs to provide adequate land for businesses and other employment creating activities. Local Plans identify sites for employment uses (office, industrial and warehouse) premises, and to do this local authorities require a detailed understanding of the property market in their locality. The reality is that commercial property markets do not line up with local authority boundaries and therefore the geography of the local commercial property markets must be taken into account in the development of planning policy, and in defining functional economic areas. This section of the report examines the evidence of the pattern of property markets in part of the [Enterprise M3 Local Enterprise Partnership](#) area.

The Pattern of Property Markets in North Hampshire and West Surrey

The Enterprise M3 LEP published a [Commercial Property Market Study](#) covering the entire LEP area in April 2013⁹. The report identifies six distinct commercial property market areas within the LEP area, as shown in Figure 5, that are described as ‘fluid geo-spatial concepts that broadly represent distinct local commercial property markets defined, among other factors, by rental contours’.

Figure 5: Commercial Property Market Areas in the Enterprise M3 Area

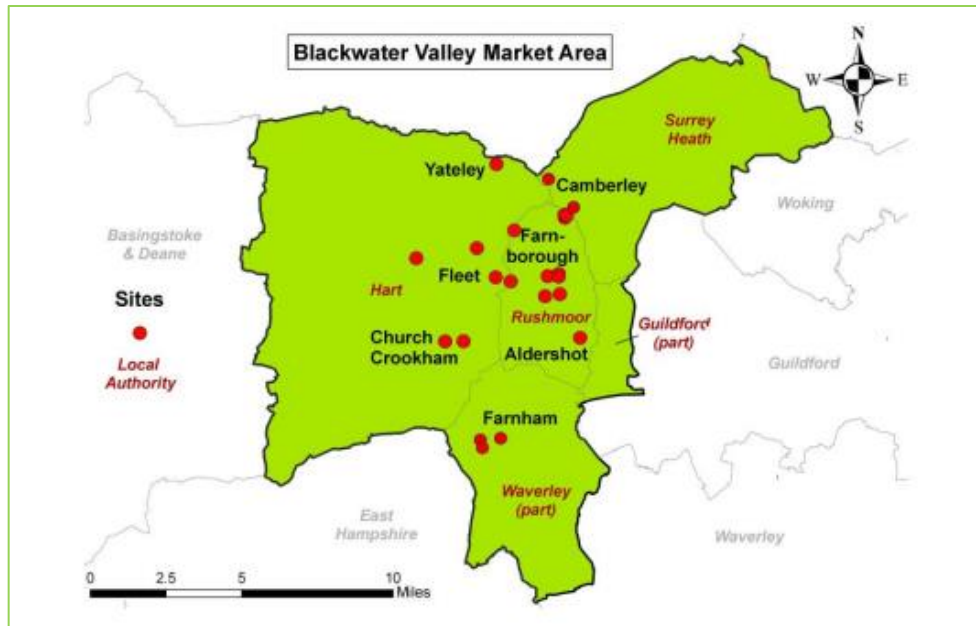


Source: Enterprise M3, Commercial Property Market Study, April 2013

Employment Sites in North Hampshire and West Surrey

The Enterprise M3 study analysed over 100 employment sites to assess their availability and suitability for development. Figure 6 shows how these are clustered in a number of areas, demonstrating that there is capacity for commercial development in the Blackwater Valley. This provides a very strong indication of the need for Rushmoor Borough Council to work with the other authorities that cover the Blackwater Valley, particularly Surrey Heath Council and Hart District Council, and, to a lesser extent, Waverley Borough Council. It is critical that these four authorities work together to plan in a co-ordinated way for employment floorspace development.

⁹ <http://www.enterprisem3.org.uk/commercial-property-market-study/>

Figure 6: Enterprise M3 Sites in the Blackwater Valley

Source: Enterprise M3, Commercial Property Market Study, April 2013

Figure 6 illustrates how the sites identified by the LEP as being strategic employment sites are distributed around the Blackwater Valley urban area and demonstrates the importance of Rushmoor to the wider Blackwater Valley area. The Blackwater Valley Market Area reinforces the case for Rushmoor Borough Council to work with Hart District Council and Surrey Heath Council, but also to engage with Waverley.

Summary

Local Planning Authorities need to plan for economic development; and the principal means by which authorities do this, is ensuring the allocation of sites for office, industrial and warehouse uses, in addition to land allocations to support the expansion of the retail and leisure sectors.

There is clear evidence that a sub-regional market for employment floorspace is operational in the Blackwater Valley that is distinct from the neighbouring markets. The cluster of developable employment sites within the Blackwater Valley area, demonstrates the need for Rushmoor to work with SHBC and HDC on a joint Employment Land Review to inform future land allocations for employment uses. It would be desirable to engage with Waverley Borough Council and to a lesser extent Guildford Borough Council, Woking Borough Council and Bracknell Forest Borough Council in co-ordinated decision making for the Blackwater Valley Area.

5. The Functional Labour Market Area

Introduction

An alternate method to those detailed in Chapters 3 and 4 for considering the extent of the functional economic area is to consider the relationship between where people live and where they work. This relationship is captured by the official analysis of Travel to Work Areas (TTWAs). A TTWA can be regarded as being the sub-regional labour market area.

The technical definition of a TTWA is an area within which at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must have a working population of at least 3,500 people. For areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.

It is acknowledged that businesses will primarily recruit staff from within the Travel to Work Area within which they are located, and it is primarily within the sub-regional TTWA that employers will be competing for labour.

The Guildford and Aldershot 2001 Travel to Work Area

In 2007, the Office for National Statistics (ONS) defined the pattern of TTWAs across Great Britain based on 2001 Census data. Unfortunately, the data that would allow mapping of TTWAs using 2011 Census data have not been published¹⁰. Therefore, the 2001 TTWAs currently represent the most up to date information on the pattern of functional labour market areas.

Figure 7 shows that the entirety of Rushmoor Borough is located within the ONS defined Guildford and Aldershot Travel to Work area. The local authorities that fall within this Travel to Work Area are as follows:

- Rushmoor
- Surrey Heath
- Hart
- Runnymede
- Woking
- Guildford (sizable proportion of Local Authority area)
- Waverley (sizable proportion of Local Authority area)
- East Hampshire (small proportion of Local Authority area)
- Bracknell Forest (small proportion of Local Authority area)

It is important to note that small parts of Spelthorne and Windsor and Maidenhead Local Authority areas also fall in the Guildford and Aldershot TTWA, but can reasonably be excluded from consideration since the majority of these two authority areas fall into other Travel to Work Areas.

¹⁰ The data is due to be published by the ONS in 2015

Figure 7: Travel to Work Areas in the South East England, 2001

Source: ONS 2001

Likely Change in TTWA Boundaries since 2001

The ONS are yet to release published maps of Travel to Work Areas based on the 2011 Census data, however, the trend over time is that the number of TTWAs in Great Britain has fallen with each Census. This is demonstrated by the fact that there was a 21% reduction in the number of TTWAs over the ten-year period 1991-2001, implying that TTWAs are increasing in size in terms of their resident workforce and geographical area¹¹.

It is likely that the number of TTWAs will have reduced further when the new data is published given historic trends and the increased use of ICT that enables more flexible work patterns and greater remote / home working.

2011 Commuting Patterns

The 2011 Census provides more up to date information on the location of where people live when working and place of work at the local authority level. Overall, the data demonstrates that Rushmoor has a relatively low level of self-containment with 16,752 people living and working in the Borough. This represents only 40.6% of all the 41,217 people who work in Rushmoor. Figure 8 identifies where those who live outside of Rushmoor, but commute into Rushmoor, travel from.

¹¹ Guide to Travel to Work Areas: <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/other/travel-to-work-areas/index.html>

Figure 8: In commuting to Rushmoor (Census 2011)

Place of work	Usual place of residence	Number of commuters	% of commuters	Cumulative %
Rushmoor	Rushmoor	16,752	40.6	40.6
Rushmoor	Hart	4,679	11.4	52
Rushmoor	Surrey Heath	2,804	6.8	58.8
Rushmoor	Guildford	2,669	6.5	65.3
Rushmoor	Waverley	2,181	5.3	70.6
Rushmoor	East Hampshire	1,238	3.0	73.6
Rushmoor	Basingstoke and Deane	1,210	2.9	76.5
Rushmoor	Bracknell Forest	1,072	2.6	79.1
Rushmoor	Wokingham	760	1.8	80.9
Rushmoor	Woking	629	1.5	82.5
Rushmoor	Winchester	339	0.8	83.3
Rushmoor	Reading	332	0.8	84.1
Rushmoor	Windsor and Maidenhead	311	0.8	84.9
Rushmoor	West Berkshire	249	0.6	85.5
Rushmoor	Test Valley	213	0.5	86.0
Rushmoor	Other Local Authority (UK)	5,779	14	100
Total Workplace		41,217	100	

Source: ONS – Census 2011 - Location of where people live when working and place of work (dataset RF04AEW accessed July 2014)

People living in the neighbouring local authority areas of Hart, Surrey Heath, Guildford and Waverley account for 29.9% of in-commuters to Rushmoor. If this tally is added to the number of Rushmoor residents who also work in Rushmoor, then 70.6% of the Rushmoor workforce lives in these five authority areas.

Figure 9 provides information of the destinations Rushmoor residents commute to. As stated above some 16,752 people live and work in Rushmoor but 24,465 commute out of Rushmoor. Thus in terms of Rushmoor residents, only 39% live and work in the Borough. Overall, taking in-commuting and out-commuting, there is a net commuter outflow from Rushmoor of some 1,712 people.

It is important to consider the nature of Rushmoor's local authority boundary as whilst the above data appears to show a large net commuting outflow, this does not necessarily entail long journeys to work. For example, a large proportion of the Borough's in and out commuting is from adjacent authorities, and particularly to / from parts of the Blackwater Valley that are in other local authority areas.

Figure 9: Out-Commuting from Rushmoor by Local Authority of Destination, 2011

Usual place of residence	Place of work	Number of commuters	% of commuters	Cumulative %
Rushmoor	Rushmoor	16,752	39	39
Rushmoor	Surrey Heath	4,711	11	50
Rushmoor	Guildford	3,358	8.3	58.3
Rushmoor	Hart	3,226	7.5	65.8
Rushmoor	Waverley	2,704	6.3	72.1
Rushmoor	Bracknell Forest	1,158	2.7	74.8
Rushmoor	Woking	1,009	2.4	77.2
Rushmoor	Basingstoke and Deane	931	2.2	79.3
Rushmoor	Westminster, City of London	864	2.0	81.4
Rushmoor	East Hampshire	633	1.5	82.8
Rushmoor	Hillingdon	499	1.2	84.0
Rushmoor	Wokingham	497	1.2	85.1
Rushmoor	Runnymede	460	1.1	86.2
Rushmoor	Hounslow	407	0.9	87.2
Rushmoor	Reading	358	0.8	88
Rushmoor	Other Local Authority area (UK)	5,152	12	100
Estimated Total Workplace		42,929	100	

Source: ONS Census 2011 - Location of where people live when working and place of work (dataset RF04AEW accessed July 2014)

Prior to the publication of ward level 2011 Census data, the level of labour market self-containment for the Blackwater Valley as defined in Figure 2 cannot be calculated accurately. However, Figure 10 summarises local authority level Census 2011 data to demonstrate levels of self-containment within Hart, Rushmoor and Surrey Heath that comprise the majority of the Blackwater Valley.

Figure 10: Self-Containment in Hart, Rushmoor and Surrey Heath, 2011

Place of work	Usual place of residence		
	Hart	Rushmoor	Surrey Heath
Hart	11,468	3,226	1,247
Rushmoor	4,679	16,752	2,804
Surrey Heath	2,971	4,711	11,044
Other Local authority area	37,786	42,929	35,127
Self-containment (%)			
Local Authority area	30.3	39.0	31.4
Within Hart, Rushmoor and Surrey Heath	50.6	57.5	43.0
Cumulative within Hart, Rushmoor and Surrey Heath	50.8		

Source: ONS Census 2011: Location of where people live when working and place of work (dataset RF04AEW)

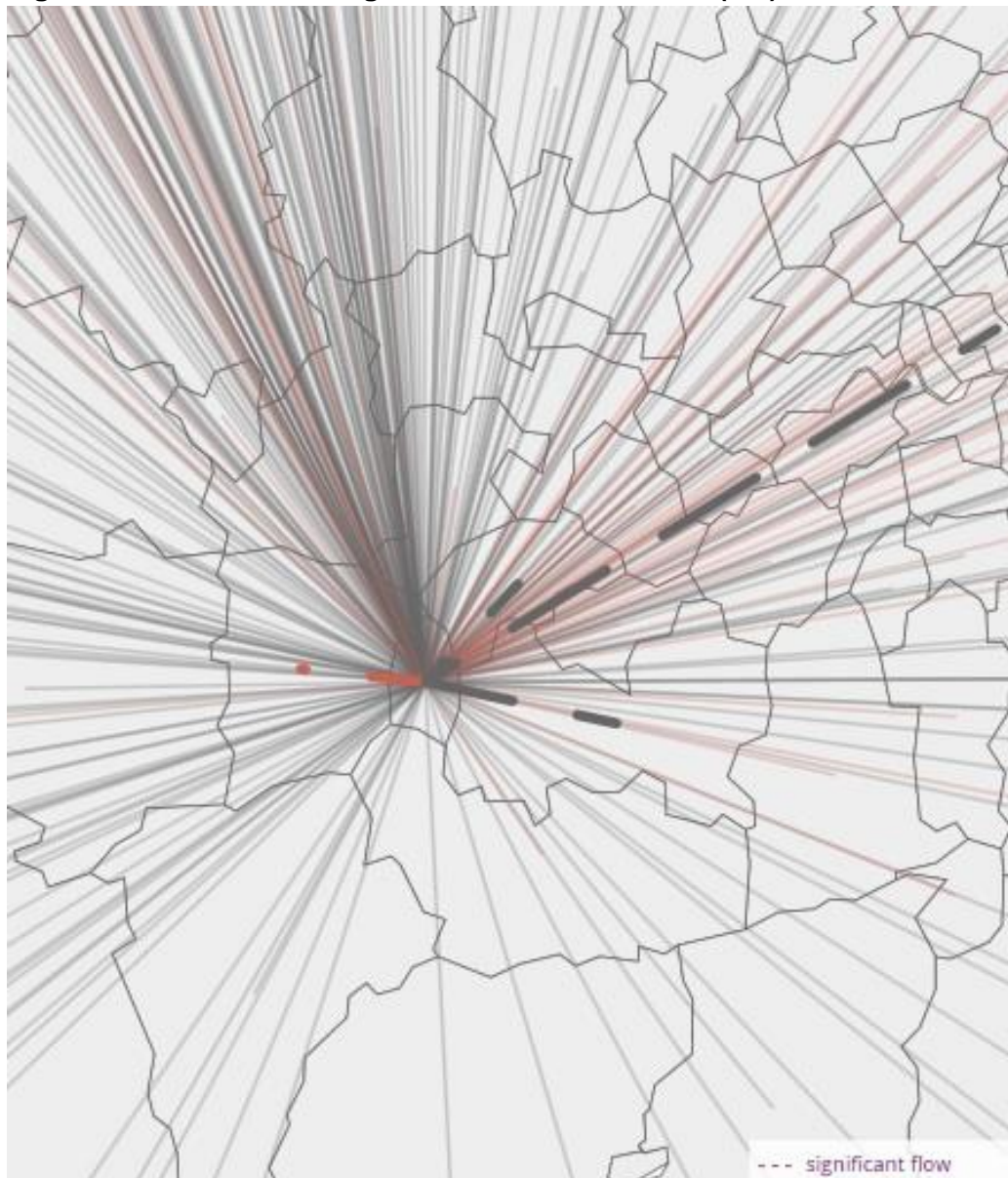
Figure 10 identifies that the cumulative self-containment across the three local authorities is 50.8%, based on the fact that 58,902 working residents out of 115,842 working residents both live and work within the administrative boundaries of Rushmoor, Hart and Surrey Heath. It is important to note that there are variations between the degree of self-containment within each local authority area. For example, 57% of working Rushmoor residents work in Hart, Rushmoor or Surrey Heath, whilst in Surrey Heath this figure is only 43%. This level of self-containment is not surprising given the dense pattern of urban settlements in the wider area and opportunities for residents in the three local

authority areas to commute into London and other economic centres such as Guildford, Reading and Basingstoke.

The Office for National Statistics has mapped the 2011 census data to show commuting flows between local authority areas. The maps identify where there are significant commuter flows between local authority areas and Figure 11 below provides an extract of this data, which identifies that there are significant inward and outward commuter flows between Rushmoor and the following adjoining local authority areas:

- Surrey Heath Borough
- Guildford Borough
- Waverley Borough
- Hart District

Figure 11 – Rushmoor - Significant commuter flows (net), 2011 Census



Source: [ONS Visualisation Centre](#) based on 2011 Census data – Accessed July 2014.

Summary

Rushmoor is located within the Guildford and Aldershot Travel to Work area which covers a large geographical area (see Figure 6) and is considered to represent the sub-regional labour market area. The 2001 TTWAs, whilst dated, represent the most up to date information on the pattern of functional labour market areas.

The TTWA data and 2011 Census indicate that there are significant inward and outward commuter flows to / from Rushmoor and the neighbouring local authority areas of Hart, Surrey Heath, Guildford, and Waverley. Interrogation of the 2011 Census data confirms that the cumulative self-containment across the local authorities that form the core of the Blackwater Valley (Hart, Rushmoor and Surrey Heath) is 50.8%, based on the fact that 58,902 working residents out of 115,842 working residents both live and work within the administrative boundaries of the three authorities. Given the dense pattern of urban settlements in the wider area and opportunities for commuting into London and other economic centres, we consider this to be a relatively high level of self-containment that demonstrates the importance of the three local authorities working together to produce joint economic evidence.

Rushmoor also has labour market ties and strong commuting links with Waverley and Guildford, therefore it is important that we engage with these authorities to determine whether there are any key economic issues that need to be addressed cross boundary.

The publication of ward level 2011 Census data in 2015 will provide accurate and up to date information on the level of labour market self-containment for the Blackwater Valley as defined in Figure 2.

6. Industry Clusters

Introduction

The NPPF (Paragraph 21) requires local authorities to *'plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries'*. Therefore, this chapter seeks to identify the clusters or networks of knowledge drive, creative or high tech industries that exist within the Borough and wider area.

Knowledge Based Industries in the Enterprise M3 LEP Area

[The Local Enterprise Partnership Area Profile](#) refers to the [KPMG Tech Monitor Study](#), which identifies the M3 LEP area as having four of the top ten technology clusters in the UK, and states that the greatest technology clusters¹² in the whole of the South East are to be found in Wokingham, Rushmoor and Hart. The Tech Monitor Study goes onto identify the importance of Farnborough with its concentrations of firms at business parks such as IQ Farnborough and the Farnborough Aerospace Centre, and notes that neighbouring Hart district is home to a number of large tech companies. This demonstrates the importance of the Blackwater Valley (see Figure 2) to the UK technology sector.

The Enterprise M3 LEP also identifies particular concentrations of knowledge based businesses in the following sectors:

- Computing
- Digital Media
- Defence
- Pharmaceuticals
- Advanced Engineering
- Professional services
- Energy
- Environmental Services

Figure 12 identifies total employment¹³ in key technology based sectors in the Enterprise M3 LEP area. The Location Quotient reported is a measure of whether the industry is more strongly represented in the LEP area than in Great Britain as a whole. For those sectors displaying a number greater than 1, this indicates that the industry accounts for a higher share of total employment in the LEP area than in the country as a whole; whilst a figure below 1 indicates the industry is under represented compared to the national average.

Figure 12 demonstrates that the LEP area has concentrations above the national average for eight of the eleven industries when compared to the national average.

¹² Technology clusters consist of business in the following sectors; Software publishing (SIC 582); Computer programming, consultancy and related activities (SIC 620); Data processing, hosting and related activities; web portals (SIC 631); Manufacture of computer, electronic and optical products (SIC 26); and Manufacture of electrical equipment (SIC 27)

¹³ Total employment is calculated by workforce jobs. This includes employees, self-employed, government trainees and her majesty's forces

The Enterprise M3 LEP [Strategic Economic Plan](#) (SEP) confirms that the LEP area has world-class sectors in ICT and digital media, pharmaceuticals, aerospace and defence and professional and business services which are supported by knowledge-based businesses, traditional and high value manufacturing and services, and world-class higher-level skills. These four sectors are also identified as priority sectors by the LEP.

Figure 12: Employment Concentration in Selective Enterprise M3 Industries

	Employment				Concentration (Location Quotient)		
	2009	2010	2011	Change 2009-11 (%)	2009	2010	2011
Energy	5,900	6,700	6,600	11.86%	1.06	1.18	1.16
Digital Media	23,300	24,800	24,800	6.44%	1.57	1.66	1.59
Pharma- Ceuticals	6,800	6,600	7,200	5.88%	1.63	1.44	1.64
Environment	8,800	9,200	9,300	5.68%	1.13	1.1	1.07
Defence	3,800	4,000	4,000	5.26%	1.64	1.51	1.69
Healthcare	73,300	75,400	76,600	4.50%	0.97	0.96	0.99
Computing	35,900	35,300	35,700	-0.56%	2.12	1.97	2
Aerospace	5,200	5,000	5,100	-1.92%	0.8	0.81	0.84
Professional Services	42,700	41,600	40,700	-4.68%	1.16	1.13	1.08
Advanced Engineering	37,700	35,600	33,300	-11.67%	1.35	1.3	1.22
Finance	24,600	22,500	20,800	-15.45%	0.83	0.76	0.69

Source: Enterprise M3 Strategic Economic Plan, Annex A – Economic Profile, April 2014

In addition to the four priority sectors, the LEP has identified eight niche sectors in which the area has established strengths and which it will aim to support:

- Satellite Technologies
- 5G Mobile Communication Technologies
- Cyber Security
- Advanced Material and Nano-technology
- Photonics
- Advanced Aerospace / Automotive Manufacturing
- Animal Health
- Computer Games and Entertainment Technologies

Knowledge Based Industries in Rushmoor and the Blackwater Valley

The LEP Strategic Economic Plan maps the key economic assets of the LEP area. This identifies the key economic assets in Rushmoor and the wider Blackwater Valley. They are listed as:

- QinetiQ (Rushmoor)
- Fluor (Rushmoor)
- TAG Farnborough (Rushmoor)

- Farnborough College of Technology (Rushmoor)
- Aldershot Garrison (Rushmoor)
- RAF Odiham (Hart)
- Royal Military Academy Sandhurst (Bracknell Forest)

At the local level, RBC commissioned GVA Grimley to produce a [Key Employment Sites Study](#) in 2012. The report provided some analysis of employment data contained within the Business Register and Employment Survey (BRES) to identify those sectors, which have a particular strength within the Borough.

Figure 13 below details the top ten sector concentrations within Rushmoor when compared to the Enterprise M3 area, demonstrating strength in a range of high value sectors including advanced engineering and defence activities.

Figure 13 - Top Ten Sector concentrations in Rushmoor compared to the Enterprise M3 LEP

Sector	Location Quotient
Water collection, treatment and supply	10
Manufacture of air and spacecraft and related machinery	6
Wholesale of electronic and telecommunications equipment	5
Building of ships and floating structures	5
Combined facilities support activities	5
Activities of insurance agents and brokers	4
Other research and experimental development on natural sciences and engineering	4
Technical and vocational secondary education	3
Book publishing	3
Defence activities	3

In contrast, Figure 14 details the top ten sector concentrations within Rushmoor when compared to England, demonstrating strength in a range of high value sectors including electronic and communications, research and development in engineering and aircraft manufacture and related machinery.

Figure 14 - Top Ten Sector concentrations in Rushmoor compared to the England Benchmark

Sector	Location Quotient
Wholesale of electronic and telecommunications equipment	31
Water collection, treatment and supply	10
Book publishing	10
Other research and experimental development on natural sciences and engineering	8
Manufacture of air and spacecraft and related machinery	6
Renting and leasing of cars and light motor vehicles	6
Computer consultancy activities	5
Building of ships and floating structures	5
Defence activities	5
Distribution of gaseous fuels through mains	4

Summary

It is evident that the Enterprise M3 LEP area has a very strong technological base with concentrations of Research and Development and technology businesses. Local evidence indicates that Rushmoor has concentrations (clusters) of business in high value sectors including, advanced engineering and defence activities amongst others.

The NPPF requirement to plan positively to support the development of clusters is of particular relevance to Rushmoor and the wider Blackwater Valley. It is therefore important for the Council to work with neighbouring authorities to plan positively to ensure that the supply of employment sites that meet the needs of the commercial market and will support the growth of the key sectors, whilst also supporting the development of infrastructure types that will support economic growth.

7. Conclusions

This report seeks to define an economic geography that covers the administrative areas of Rushmoor where we are confident that the majority of economic linkages and flows exist. There is no definition for the term ‘functional economic area’ and therefore this study has examined a number of different approaches for considering the economic geography that Rushmoor lies within.

The study has identified that there are a range of geographies that relate to different aspects of the economy, which are summarised below:

- There are distinct local property markets in the Enterprise M3 LEP area, and there is strong evidence the Blackwater Valley is a sub-regional market for employment floorspace that is distinct from those in neighbouring areas such as Basingstoke and Andover. Rushmoor is fully contained within, and at the heart of, the Blackwater Valley commercial property market area. Rushmoor also contains a concentration of strategic employment sites that will contribute towards future economic development.
- The area of the Blackwater Valley commercial property market is closely aligned with the functional economic geography of the urban settlements that make up the Farnborough / Aldershot Built up Area (BUA), the 29th largest urban area in England and Wales by population. Rushmoor is fully contained within the BUA along with the majority of employment in Hart and Surrey Heath.
- Rushmoor is located within the Guildford and Aldershot Travel to Work Area (TTWA) which has been defined using data from the 2001 Census. The TTWA covers a larger geographical area than the Blackwater Valley Market Area as it takes account of commuting patterns (the relationship of where people work and where people live) to define its geographical coverage.
- Census data (2011) relating to commuting flows between local authority areas identifies that there are significant commuter flows both to and from Rushmoor from four of the Borough’s adjoining local authority areas (Surrey Heath, Guildford, Waverley and Hart).
- Rushmoor, Hart and Surrey Heath form a single housing market area (HMA) and have jointly commissioned a Strategic Housing Market Assessment (SHMA) to identify the objectively assessed needs across the HMA between 2011 and 2031. The study takes account of the strong linkages between economic growth and housing demand.
- The Blackwater Valley authorities of Rushmoor and Hart contain a technology sector cluster, whilst the wider Blackwater Valley Area also contains clusters of business in Professional and Business Services and Defence, demonstrating the importance of the Blackwater Valley (see Figure 2) to the economic success of the wider sub region.

The study has identified that the core Blackwater Valley authorities¹⁴ provided in excess of 128,000 employee jobs in 2011¹⁵, whilst the number of employee jobs across the three authority areas is forecast to increase by approximately 21,870 by 2031. If we include the self-employed, the number

¹⁴ Rushmoor, Hart and Surrey Heath Local Authority Areas

¹⁵ Employee Jobs exclude the self employed

of jobs in the three authority areas is forecast to increase by 25,870 over the same period, demonstrating the need to plan effectively to meet this need.

The primary responsibility that RBC has to discharge as Local Planning Authority in relation to economic development is to determine the future quantity of land and floorspace that is required for economic development uses. This entails assessing both the quantitative and qualitative aspects of demand and identifying adequate supply through site allocations.

8. Recommendations

From the information analysed in Chapters two to seven of this report the Council considers the following to be priorities for joint working and fulfilling the Duty to Cooperate:

- The Council will engage with the Enterprise M3 LEP, specifically the Land and Property group, to help collaborate the definition of the Borough's functional economic area.
- The Council would like to maintain close working relationships and commission joint economic evidence with both Hart District Council and Surrey Heath Borough Council. The three authorities commissioned a joint Employment Land Review (ELR) in 2009 and it is considered that this joint evidence should be updated to reflect changes to the commercial property markets over the past 5 years. This updated evidence would enable a coordinated approach to be taken in bringing forward sites and premises for economic development across the three authorities which are the core of the Blackwater Valley commercial property market. The Enterprise M3 Commercial Property Market study highlights that most of the strategic employment sites in the Blackwater Valley urban area are within the boundaries of the three authorities.
- The Council will seek to engage with the other authorities with responsibility for settlements in the Blackwater Valley that could be affected by plans developed by the 'core' Blackwater Valley authorities (Rushmoor, Hart and Surrey Heath). Therefore, the Council will engage with Waverley Borough Council, Guildford Borough Council and Bracknell Forest Council to determine whether there are any key economic issues that need to be addressed cross boundary and whether they consider themselves to be part of the Rushmoor Functional Economic Area.
- Following the publication of 2011 Census data relating to Travel to Work areas (scheduled to be published in 2015) and / or ward based commuting data, the Council will consider approaching those authorities demonstrating strong commuting linkages to the Blackwater Valley.

It is important to note that the extent of joint working or engagement with other districts will depend on the both the issues being considered and the timescales that each local authority may be working to in developing their Local Plan and supporting evidence base.

To summarise, this report identifies that we should approach Hart and Surrey Heath as a priority to produce an up to date employment land evidence base to enable holistic planning for the functional economic area that the Borough is part of. However, it is important that the Council engages with Guildford Borough Council, Waverley Borough Council and potentially Bracknell Forest Council to establish if there are any key economic issues that need to be addressed cross boundary and whether they consider themselves to be part of the Rushmoor Functional Economic Area.