

Economic Development Strategy

2018 – 2032



Waverley
BOROUGH COUNCIL

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Foreword



Waverley's Economic Development Strategy emphasises the important role of economic development and recognises the role of the local economy in shaping the success of Waverley as a "place" and the quality of life experienced by our residents.

The strategy recognises the role of local businesses and how they help shape the character of our towns and add to the attractiveness of the borough. It also identifies the key themes, actions and the long-term vision needed to support the economic needs and vibrancy of the borough.

Waverley has much to celebrate: the borough has excellent links to London, Heathrow Airport and the south coast, good quality housing, a highly skilled working age population and a thriving small business economy.

Work has already started on boosting our economy with the Brightwells Town Centre Regeneration Scheme in Farnham that will create new jobs, new leisure facilities, retail and restaurant spaces and much needed new housing. Other developments like Dunsfold Park also provide employment space, jobs and homes. The council's purchase of business properties and commercial investment programme will help underpin this strategy.

However, we also face some significant challenges. There is competition for skilled employees, Waverley has some of the highest house prices in Surrey and the high street is being impacted by changes in consumer habits and technology. Many of our residents are commuting out of the borough to work, while local businesses must recruit from outside of Waverley.

To address these challenges, we need to build strong positive partnerships with the private sector and other key stakeholders including the Local Enterprise Partnership, Surrey County Council, national public-sector bodies, educational institutions, and training and business support providers.

Investment is a vital component of Waverley's growing economic success; securing the right facilities, developing the right business spaces and ensuring we have the right infrastructure are all vital components. This must be balanced against the reality that local authority budgets will continue shrink over the coming years and investment needs to be prioritised, so we maximise the impact of any interventions.

This plan includes six key priorities we have developed in response to an analysis of evidence about the local economy, the wider regional and national context and Waverley's ambitions for local business and the local economy. It also takes into account new adopted Local Plan Part 1 and other key council strategies including the emerging Corporate Strategy, the Cultural Strategy and the Financial Strategy.

I look forward to working with all of the council's partners and communities to ensure the vision and objectives are a success.

Councillor James Edwards
Portfolio Holder
Economic and Community Development

Executive Summary

FINAL VERSION – IMAGES TO BE PRESENTED THROUGHOUT

The evidence demonstrates that Waverley is a **highly attractive place to live and to visit**, with its high quality environment and unique character of its towns and rural areas, though it is not an affordable place to live for everyone. Waverley has a strong economy, where highly skilled out-commuting is an important variable. Waverley performs comparatively well in providing a competitive business environment.

It is also important to recognise that the economy of the wider **Surrey and Enterprise M3 LEP are important drivers** for Waverley's socio-economic performance, and these economic areas have both been performing strongly in the UK economy. This is reflected with a large share of Waverley's residents commuting to the rest of Surrey for work. Waverley Borough Council will continue to work closely with the wider area and its partner organisations.

The Economic Development Strategy for Waverley is composed of two parts:

- 1) A long-term strategy document to help deliver Waverley's economic vision, by supporting the creation of a positive business environment and helping to sustain economic prosperity.

The vision for Waverley:

A great place for local businesses to grow and flourish, where our communities have access to local employment and where everyone shares in the economic prosperity.

- 2) An Action Plan of shorter-term activities to help meet the vision, these are composed of activities and targets that will be measured. The Action Plan will be reported on an annual basis and updated as required.

The Economic Development Strategy presents **six themes for meeting this vision**. These have emerged through consultation with partners, with the alignment to Waverley's other key strategies and with socio-economic analysis.

- 1) **Support sustainable business and employment growth**
- 2) **Provide high quality business and employment support**
- 3) **Support healthy town and village centres**
- 4) **Encourage a successful visitor economy that's right for Waverley**
- 5) **Develop links with and support the education sector**
- 6) **Support the right housing developments in the local community**

Waverley Borough Council look forward to working with its partners to deliver the economic development vision for 2018-2032.

Purpose of the strategy

The Economic Development Strategy is for all organisations, businesses and individuals who are interested in the future sustainable prosperity of Waverley, and indeed who may play an important role in achieving this.

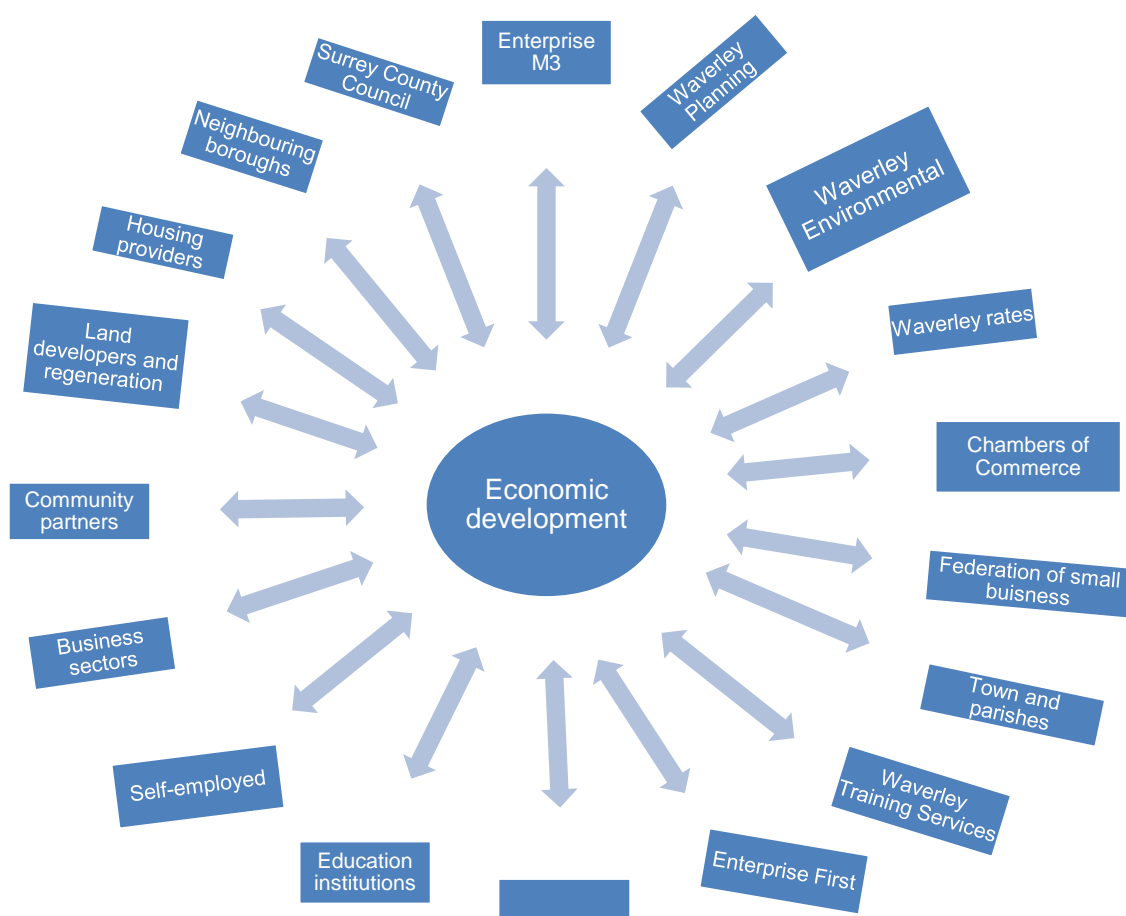
This Economic Development Strategy document presents the economic development vision and its themes, with evidence. The Economic Development Strategy presents the long term strategic activities and introduces the Action Plan, which is set out in full in as a supporting document.

The Economic Development Strategy is a supporting document and is necessarily linked with Waverley's other strategies, namely: The Local Plan to 2032; The Corporate Strategy to 2023; The Cultural Strategy to 2026; and The Infrastructure Delivery Plan as part of The Local Plan.

The Economic Development Strategy and the accompanying live Action Plan focus on measures that the council can undertake to help meet this vision, with a focus on enabling a positive business environment and facilitating activity by its partners, local stakeholders and the business community.

Waverley Borough Council provide a role in delivering this strategy, but it is important to recognise the importance of partnerships around the Economic Development Strategy. There are a host of other organisations who help support the business environment and with whom Waverley Borough Council will continue to engage with. These relationships can be understood in the following diagram, with economic development a central point with two-way communication and engagement.

Figure X: Economic development partners
FINAL VERSION - UPDATE



The process to developing the strategy

The Economic Development Strategy reflects the Cratus review findings in 2016, with an aim to produce: ‘A new Economic Development Strategy that promotes Waverley’s future economic prosperity.’

The Economic Development Strategy is the result of extensive engagement with key stakeholders and partners to produce a strategic vision for the borough. These external and internal stakeholders include those diagrammed above.

Enabling the strategy and its vision

Going forward, this strategy underlines the long term activities and support the council will provide to Waverley’s businesses, organisations and residents to 2032. The Action Plan will be a live document that will be reported on annually and updated as required, capturing the need for the strategy to remain relevant over time and respond to the changing economic environment and impacts of the ongoing programme of actions.

The Economic Development Strategy and its live Action Plan will be delivered in a partnership approach, recognising the role of Waverley Borough Council to ensure the strategy aligns with Waverley's other plans – the Local Plan, the Corporate Plan, the Cultural Strategy and the Infrastructure Delivery Plan – and to maximise its network of partnerships to influence strategic decisions (such as securing investment in local infrastructure improvements).

Key employers (including businesses and educational institutions) and the private sector (e.g. developers) have an important role to play in investing in the local economy, safeguarding existing jobs, creating new employment opportunities and delivering jobs and prosperity in the borough. The council has a crucial role to play in supporting and developing business partnerships, engaging with local businesses, understanding their problems and working with them to find efficient solutions.

The strategy sets in place an ongoing process of: a) honest dialogue and open exchange of ideas between all parties interested in the continued prosperity of Waverley; b) the identification and monitoring of local challenges and opportunities; c) taking forward ideas which will protect the longer term dynamism and prosperity of Waverley in a collaborative and positive way; and d) paying due consideration to the protection of Waverley's environment and character, with its place shaping aspirations to support key sites of interest in key town centres and rural areas.

This will make Waverley ***a great place for local businesses to grow and flourish, where our communities have access to local employment and where everyone shares in the economic prosperity.***

1. Waverley's Economy

About Waverley

Waverley's economic characteristics reflect the borough's unique location, dynamic enterprises, communities, heritage and landscape character. The borough has a population of approximately 125,300 people and is primarily rural in nature. The majority of the population live in the main urban settlements of Farnham, Godalming, Haslemere and Cranleigh.

The borough is very fortunate to have a highly skilled population and a high business density with 8,200 VAT registered businesses. The majority of these businesses are small: 91% employ fewer than ten people whilst the borough also has the highest number of homeworkers in Surrey¹.

The UK prosperity index analysis (2016), has rated Waverley as **the most prosperous borough in the country** (Evidence XX)

The UK competitiveness index (2016), has rated **Waverley as 39th of 389 local authority areas for competitiveness.** (Evidence XX)

Waverley is in a **highly strategic location**, with road and rail routes to the capital, the coast and to other significant economic centres Guildford, Basingstoke and Woking. It is within the Enterprise M3 LEP economic area and borders the Gatwick Diamond and Coast to Capital economic area.

Waverley benefits from being **part of a prosperous wider area**, with Surrey's economy performing very strongly nationally over recent years and with productive nearby areas including Guildford and Woking.

The evidence demonstrates that Waverley is a **highly attractive place to live and to visit**, with its high quality environment and unique character of its towns and rural areas, though it is not an affordable place to live for everyone. Waverley has a strong economy, where highly skilled out-commuting is an important variable, and performs comparatively well in providing a competitive business environment.

Waverley has good opportunities to drive future prosperity and dynamism.

FINAL VERSION TO ADD – MAP OF WAVERLEY AS BUSINESS DISTRIBUTION



Waverley by numbers



79% of residents aged 16-64 are economically active



17% of 16-64 are self-employed – 13,500 people



57% of residents aged 16 and above hold level four qualifications or above



More than **8,200** registered businesses



80% of the countryside is designated as an Area of Outstanding Natural Beauty (AONB)
61% as Green Belt



91% of businesses employ less than 10 people



45 conservation areas



More than **10,000** homeworkers – the highest density in Surrey



More than **1,600** listed buildings



47 Industrial parks



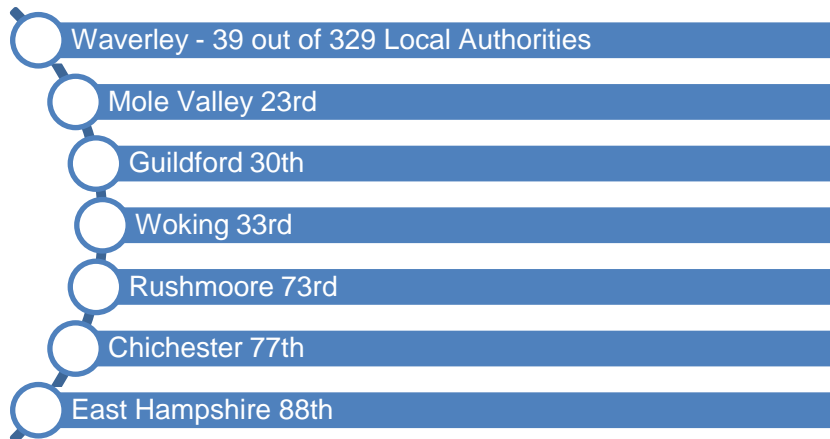
32% of businesses based in rural areas

Waverley's socio-economic performance

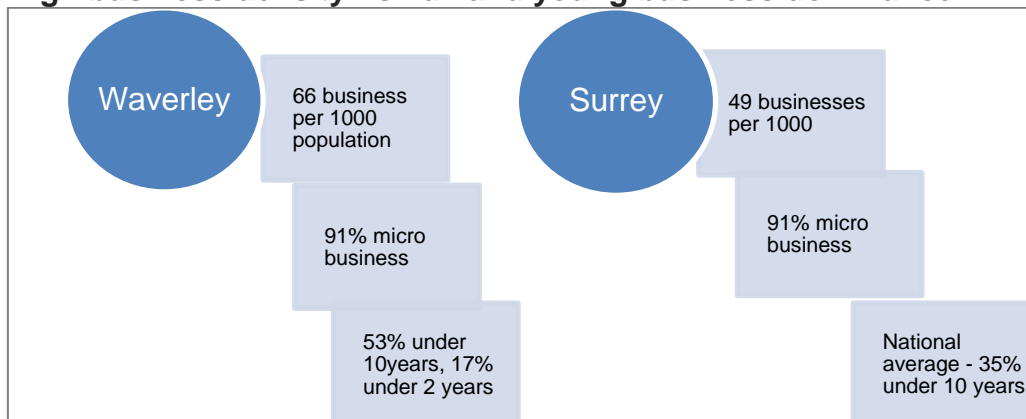
The evidence presented in xx has drawn out a series of headlines for Waverley's economy, which are presented below.

It is also important to recognise that the economy of the wider Surrey and Enterprise M3 LEP area, as well as at the regional and national level, are important drivers for Waverley's socio-economic performance.

A strong business and competitive environment



High business density - small and young business dominance



Good start-up rates but less good survival rates

Waverley	Surrey's 3rd for business births, but 10th for net additions
<ul style="list-style-type: none"> •2015 start-ups - 1020 (240 net) 2016 start-ups 930 (20 net) •2015 1-year survival rate - 84% 2012 4-year survival rate - 43% 	
Surrey	
<ul style="list-style-type: none"> •2015 1-year survival rate - 90% 2012 4-year survival rate - 50% 	
South East	
<ul style="list-style-type: none"> •2015 1-year survival rate - 91% 2012 4-year survival rate - 52% 	

Strong economic activity and employment levels

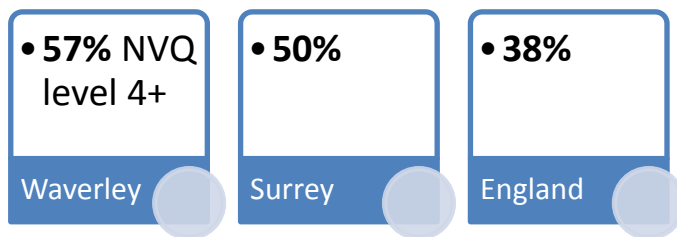
The borough has a strong average economic activity rate, with **79% of the population aged 16-64 being economically active**, and in line with Surrey's level. Both Waverley and Surrey have maintained **low unemployment**, currently at 2.5%.

There has modest total employment growth since 2010, and below Surrey's level, though Waverley's employment rates have increased. Sectors of professional and technical services, business support and ICT have grown.

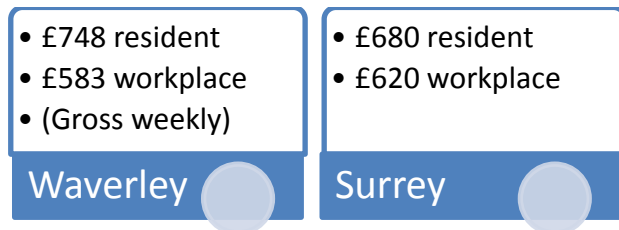
High in and out-commuting with 28,000 commuting out to the rest of Surrey (the greatest share) and London (most of the rest) for work and 20,000 commuting in for work, mostly from the rest of Surrey and by car.

Final version – Diagram to be inserted

Highly qualified residents



High residential wages, but lower workplace wages than Surrey



Lack of housing affordability for medium and lower income earners

Strong high street vacancy rates – 2-5% across centres vs. national average 9%.

2. Waverley's key sectors and sites

This section presents some of the most significant sectors and sites of Waverley's economy, reflecting areas of economic strength and economic opportunity and/or threat going forward.

There are some common themes that emerge for how Waverley Borough Council can support these sectors – with increased dialogue and engagement across stakeholders, support for the sector's opportunities for growth, and by helping to ensure there is a sufficient supply of workers to meet sector needs and opportunities. These are picked up in the six themes of Section 4.

The evidence base (xx) has demonstrated the key sectors by employment and turnover, where the top sectors are shown below.

Table X: Top sectors in Waverley by employment and turnover

Top sectors by employment - % of 56,400 employment	Top sectors by turnover ¹ - Waverley total is £4.9bn
1. Retail and wholesale at 17%	1. Retail and wholesale
2. Education – at 15%	2. Professional and technical services
3. Professional and technical services – at 11%	3. Construction
4. Business administration and support – at 11%	4. Business administration and support
5. Health – at 11%	5. ICT

Source: Economic Development Strategy Evidence base

Retail and wholesale includes retail in stores, stalls, markets and other; wholesale and retail across goods and services; and the repair and maintenance of motor vehicles. It is important for Waverley to protect its high streets (Theme 3) as key locations of its retail businesses and employment.

Professional and technical services include a range of different services including management consultancy, architecture, urban planning, engineering, photography, advertising and media. This group of services for Waverley includes many small, often home-based, expertise businesses both across the towns and in rural areas.

Construction covers a range of services that local householders and businesses may employ covering: building construction; electrical work; plastering, floor and wall works; plumbing; glazing; painting; roofing and scaffolding.

Business administration and support include a range of services including renting, leasing and reservation services of different goods and services, human resources, facilities management and support, security, building maintenance, office administration and conference organisation.

¹ This is based on NOMIS mid-point of turnover bands by business count so is an estimate and there may be some movement in the sectors within the top 5 places. For example, education could be placed in the top 5 in practice (6th based on mid-turnover points).

Information and communication as a sector covers many production types and services, across books, newspapers, journals, computer games, software, radio, television, film and animation, websites and business software support. This covers many niche specialist enterprises in the borough.

The education and health sectors are key employers in the borough and there are other key service industries that are vital to the continued functioning and prosperity of the borough and its economy. **Local services** also employ a significant share of local people in small and self-employment enterprises alongside the bigger national brands in Waverley. These include local retail; construction and maintenance services; food and leisure services such as restaurants, cafes, pubs and gyms; childcare; car repairs; local transport; support services to local businesses and the self-employed, such as accountancy; and personal services, such as hairdressers.

Further, Waverley has some **knowledge intensive businesses** and this area is an opportunity for future economic growth, where such undertakings can be high growth and help develop surrounding clusters and collaboration. For example, Dunsfold Park has seen businesses collaborations, some with the University of Surrey, to develop new green technology services.

Compared to Surrey, Waverley has some key employment differentials in the businesses administration and support and education sectors, which have an increased share of local employment (*evidence xx*).

The following sector spotlights demonstrate key sectors for the Economic Development Strategy for 2018-32.

Education

Waverley is home to **an excellent set of educational institutions**, providing economic strength and potential.

There are **20 independent schools**, in both the primary and secondary stages, in Waverley (Independent Schools Council (ISC) listing). These schools provide over 7,500 school places, which is over 30% of the school-age population of Waverley whilst a large share of the pupils commute in from outside the borough and board, bringing economic value through family visits.

There are **34 state schools** in Waverley and the education sector employs **over 8,000 workers in Waverley**.

Opportunity

Waverley's schools also provide facilities beyond their school time services, where these can provide important community engagement and also support local business.

The development of school provisions can benefit the local economy, where Charterhouse School is an example of planning for growth.

Threat

Schools rely on having a sufficient supply of qualified staff who live in the area and/or who can commute conveniently into the borough, where high house prices and poor access put this at risk.

Further education

Waverley is home to the **University of Creative Arts (UCA)**, a leading UK institution for the creative arts. The UCA has its largest campus in Farnham with **over 2,000 students**. The UCA specialises in courses including film production, animation, art and design, advertising, acting, computer games art and ceramics and glass, and is also home to gallery and exhibition space.

The UCA is also a business and is one of the borough's largest employers. Through its staff and supply chain, the UCA makes a strong contribution to the local economy and can be described as a 'hidden gem' in Waverley. The UCA Economic Impact Assessment (*CAG consultants, 2018*) demonstrated that the **university brings £23.5m to the Waverley economy** through staff, supply chain spending, student spending and employment. Further, the UCA brings social and cultural benefits.

Though not located in Waverley, **the University of Surrey** is another leading education institution with a student body of **over 12,000 undergraduates and over 3,600 post graduates**. The University of Surrey in particular has strong research and technology capabilities, alongside its Tourism faculty.

Opportunity

Waverley has an offering that already attracts students, where the market towns and beautiful surroundings appeal to creative students who may wish to study and live outside of London. To continuously have a student body of 2,000 either living in or commuting to the area presents an opportunity for the provision of services to meet student demands (including cultural offerings, the night time and leisure economies), and capture economic spending whilst they are based in Waverley, whilst developing wider community links and local diversity.

97% of UCA's graduates are in employment or further study 6 months after graduating. With the right engagement and support, Waverley can host more of these future job opportunities and benefit from the expected growth in related industries to the UCA.

The links with, and role of, the UCA in Waverley is a key theme in the Council's Cultural Strategy, which comprises three main aims

- 1) Work with the UCA to enable more cultural sector graduates to develop their creative careers within Waverley
- 2) Work with strategic partners and internal council teams to look at the opportunities for affordable studio and incubator spaces
- 3) Explore the role the council can play in enabling the UCA to address the lack of student accommodation including the use of private landlord accommodation

Threat

- A risk of there being a lack of facilities, services and accommodation for students, and follow-on housing for graduates, leading to a lost opportunity in economic development and sector growth.
- The current student to bed ratio is low – 5.88 (vs a wider average of 3.5:1), and there is significant pressure on the local housing market.
- The UCA has been developing a Student Residences project with a related sustainable travel plan.

Creative and Digital Sector

Waverley has a **highly skilled population** with a current strong level of business activity and employment in these sectors leading to a turnover of £442m (*see evidence xx*) alongside the UCA campus for creative students including digital and media specialisation. Growth of this sector also reflects wider trends in online sales and lifestyle solutions. Waverley sits adjacent to globally leading centres for 5G communications (University of Surrey and industry), software design and computer gaming.

Waverley already has a strong base of arts venues such as Farnham Maltings (a cultural organisation hosting a wide range of creative businesses and events), New Ashgate Gallery (championing artists and affordable art), Cranleigh Arts Centre (a vibrant arts venue). These create a craft town feel and provide an annual programme of arts that some of the UCA students engage in.

Opportunity

The creative sector is worth over £90billion to the UK economy, and grew 45% in value between 2010 and 2016, beyond the UK sector average of 23%. The UK exports services from the creative industry at an annual value of £21bn, 9% of the UK's total exports, and has been identified as a key UK sector for future exporting.

In 2018, a £150m creative sector deal was announced by UK Government and the Creative Industries Council (CIC) with initiatives targeting a 50% increase in creative exports by 2023, a drive to increase the supply and diversity of talent across the sector and investment from the Industrial Strategy Challenge Fund.

Outside of London, the South East is the region with the greatest share (16%) of UK jobs in the creative sector. For example, Rushmoor and Guildford have been able to develop large games industry clusters due to their strategic locations, workplace offerings and support.

Care Sector

The care sector is significant to Waverley's economy, with the old age care sector. There are many private care homes in Waverley including Birtley House, Cedar Court, Broadwater Lodge, Waverley Grange, Jubilee House, Eastlake, Chestnut view, Moorlands and Knowle Park. The population both locally and regionally is increasingly aging to 2032 (*see evidence xx*).

The provision of high quality homes that are sufficiently staffed with qualified carers, alongside mobile care and community outreach and facilities, is important to the quality of life of Waverley's older residents.

Opportunity

The meeting of local and regional resident needs' is also an economic opportunity where there are currently 33,000 jobs in the sector for Surrey where nearly 3,000 are managerial roles. The value to the South East economy from the sector is nearly £7bn. Waverley reflects 10% of Surrey's sector employment and reflects a higher share of more specific sector employment such as having over 2,000 workers employed in residential care (14% of Surrey) and 1,600 in old age residential care (16% of Surrey).

Threat

There is a potential threat with the supply of workers to this sector, where the Surrey Care Sector Report (2016/16) highlighted that around 8% of adult social care roles were vacant in Surrey. The provision of sufficient employment is at threat due to affordable homes and sector

Visitor Economy

Waverley has much to offer visitors (*see evidence xx*) with natural environment, heritage and history, cultural venues, museums, market town shopping, events, conference and meeting facilities, wedding venues, food and drink offerings, leisure and spa facilities.

The visitor economy is worth over £217m to local Waverley businesses, employing over 4,100 people. Waverley's accommodation sector had over 215,000 overnight trips in 2012, whilst day visits were estimated at over 3,000,000 to the borough. These included business visitors, VFR (visiting friends and family i.e. UCA graduation visitors), groups and leisure visitors. (*Tourism South East (TSE) 2012 estimates*).

The sector is strong in Surrey, which had over 555,000 international visitors in 2017, staying 5.2m nights (a large increase on 2016) and spending £255m (an increase on 2016) (*VisitBritain statistics*). Tourism from both domestic and overseas visitors has been growing in the South East (*Tourism South East*).

Opportunity

24% of UK day visits are now to small towns, and 23% to villages and countryside (growing in recent years). The visitor market has been shown to be supported with the presence of walking opportunities appealing to both domestic and international visitors (British Travel Survey, 2011), whilst heritage emerged as a second most popular activity for British visitors.

The Visit Britain 2017 report broke down the key activities that visitors do and spend money on, finding the following shares of day visitors doing the following as their main activity:

- Visiting family and friends – 24%
- Eating out – 11%
- Outdoor leisure – 8%
- Night-time activities i.e. bars – 8%
- Special shopping – 7%
- Generally, explore the area – 6%
- Visitor attractions – 5%
- Special public event – 3%
- Beauty/spa visit – 1%

The average spend levels of visitors helps indicate the level of economic value an increase in visitors can bring to an area that provides such activities and spending opportunities. Overseas visitors are shown to spend a trip day average of £85, UK overnight trips reflect an average £64 per day and UK day visitors an average £34. (*Visit Britain, 2017*).

Threat

The visitor economy can put further pressures on local infrastructure.

Rural Economy

Waverley's businesses are spatially distributed across the borough in both rural areas and the urban centres, with 32% of businesses located in rural areas (*see evidence xx*). And as such, the Economic Development Strategy is conducive to both these businesses environments, with support and actions readily applicable to either or to both.

The rural areas and economy make a significant contribution to Waverley, through a diverse range of business types covering agriculture, arts & recreation, estate houses, education sectors, and small expert service businesses. Waverley's landscape provides locally focussed employment for farmers, vets, woodland trades, agricultural engineers, small construction among others.

The majority though are engaged in activities different to tourism, farming and local food production. Education; business administration and support; and professional and technical services are the largest rural sectors in terms of employment levels (45% of rural employment). Professional and technical services; construction; and wholesale and retail are the largest in terms of business count. (*see evidence xx*).

The vast majority of the rural businesses are micro businesses, and many of these are be professional home-based business with specific needs. Local services, mobile coverage and high-speed broadband are important to these locally focused businesses and employers.

The rural economy is highly important for the visitor economy, with key sites and supporting services to the natural environment offers. Waverley's National Trust sites are important for the economy, and there are a series of attractions for residents and visitors (*see evidence xx*).

FINAL VERSION - IMAGES TO BE INSERTED

3. Waverley's Economic SWOT

The development of Waverley's Economic Development Strategy has been based on the borough's strengths, weaknesses, opportunities and threats (SWOT). This section presents a SWOT analysis of the borough's economy, supported by the evidence presented in xx.

FINAL VERSION – TO BE HEADLINES ONLY AND DIAGRAMMED

Economic strengths

- **Diverse economy, a strong SME business base, a highly skilled** and qualified population, and **low levels of unemployment**.
- **Healthy and attractive town centres** forming the heart of the borough's economy, with good vacancy rates.
- **A dynamic rural economy**, providing significant contribution to Waverley.
- **Several large centres**, where the town councils have an in-depth knowledge of local needs and each settlement's unique role and characteristics.
- **Strong chambers of commerce**, with the four chambers working together creating a stronger business voice for the area.
- **A strong education sector**, home to an outstanding range of excellent state primary, secondary, special and independent schools that attract pupils and families to the area and support over 8,000 jobs.
- **Location – reasonably good transport links** to London and Portsmouth, access to airports, the A3, M3 and other routes. Proximity to Surrey Hills AONB and the South Downs National Park.
- An **attractive rural nature** with areas of outstanding natural beauty and associated rural attractions. These include the Rural Life Centre (Farnham), Winkworth Arboretum (Godalming), The Sculpture Park (Farnham), Frensham Ponds and Devil's Punchbowl in Hindhead.
- The **University for the Creative Arts (UCA)** and a student population of over 2,000 studying a wide range of creative arts subjects such as fine art, photography, textiles, crafts, film, graphics, journalism and advertising.
- A **historic revival of the arts and crafts movement** with businesses such as pottery, art textiles and glass making. The Farnham Maltings is a successful location for arts and crafts activities, alongside Farnham Pottery and the Craft festival programme each October attract a national audience.
- **Tourist attractions** with key **venues**, National Trust beauty spots and **events** (see *evidence xx*)
- **Business and wedding venues** that also bring people into the area. The proximity to the newly opened Farnborough International exhibition centre provides a great new opportunity for the local service and accommodation sector.

Economic weakness

- The **affordability gap** between local salaries, especially local workplace salaries, and house prices is high.
- **Patchy broadband infrastructure and mobile coverage**, particularly in the rural areas. (This is being addressed by the Superfast Surrey project that is being led by Surrey County Council.)
- In some parts of the borough **transport infrastructure** is either lacking or stretched in terms of capacity, necessitating further investment and improvements. This includes issues with crowding, traffic and parking.
- Existing **industrial areas are under pressure from housing development** as residential development attracts higher returns for developers compared to commercial uses (also a threat).
- The absence of a major attraction for visitors and competition from other destinations.
- **Four separate chambers of commerce allow** each chamber to have its fingers on the pulse of the local economy and fully understand the needs of local businesses. However, it also makes economic logistics more difficult in comparison to other neighbouring boroughs that may have one chamber.

Economic opportunities

- **Ensuring the vitality and viability of Waverley's town centres** is important.
- **Strengthening community and business links with the University for the Creative Arts** could lead to future employment opportunities for local students, helping to develop the creative and digital sector in Waverley
- **To enable UCA growth and local economic benefit** with further student accommodation provision
- To better engage with and **support the large number of small, and home-based, businesses** and support their long term survival and growth.
- To develop the **visitor economy**, through promotion, events and a collaborative approach by those stakeholders involved.
- To **diversify hotel activities**. The larger hotels could expand their offerings to accommodate the visitor economy and business demands. This would also provide local employment opportunities. There is also an identified need for more budget accommodation options such as B&B's and low cost hostels.
- To **further utilise the Chambers of Commerce** such as through the promotion of the council's business services on the chambers' websites
- **Further support the rural economy** and its businesses, and to work more closely with the town and parish councils.
- There is a need and an opportunity to enhance the well-being of rural communities by protecting community and social facilities, such as pubs and post offices in rural areas.
- There is an opportunity to facilitate **the care sector** in Waverley, where this sector will need to grow to meet future needs.
- To work with neighbouring boroughs and the region on cross-border solutions to infrastructure and facilitating valuable sector growth.

Economic threats

- **Brexit** impact on local business (*evidence xx*)
- The demographic profile of Waverley's population is changing with a decline in the proportion of residents of working age.
- **High property prices** in Waverley are pricing out key workers such as nurses, teachers and care workers. As a result, some employers are finding it difficult to recruit.
- It is also important that there is **affordable workspace for smaller businesses** in Waverley.
- Future population and employment growth (even relatively small levels of growth) will place **further pressure on the Borough's existing transport infrastructure**.
- **Waverley's High Streets** (much like High Streets across the country) face several challenges including the continued growth of internet shopping, high rents etc.
- Furthermore, the image and attractiveness of town centres is threatened by perceptions about a **declining mix of independent retailers** and the proliferation of certain retailers (e.g. coffee shops, charity shops etc.).
- That Waverly could become a set of **dormitory towns** where proximity to London is the most dominant feature and there is lack of local dynamism and functions.
- That any development may negatively 'spoil' the countryside environment, the balance is important.

Brexit

Clearly, the UK's decision to leave the European Union will have a business impact and is a key element in the business planning across various sectors. The situation remains highly uncertain and at the time of writing, the Economic Development Strategy is not able to reflect and incorporate an understanding of the potential impacts on Waverley's businesses and residents.

However, the supporting Action Plan is flexible in that it will be updated as required and reported on annually, and so this gives a chance for Waverley Borough Council and its partners to respond to the agreed Brexit deal and its impacts with specific business support. Waverley Borough Council will maintain communication on this subject with its partners and across its business base.

4. Waverley's economic development vision and themes

The evidence base and SWOT analysis demonstrate that Waverley has good opportunities to drive future prosperity and dynamism, if key threats can be addressed.

The council's economic development vision is that Waverley is:

A great place for local businesses to grow and flourish, where our communities have access to local employment and where everyone shares in the economic prosperity.

This strategy sets out how this vision will be achieved through six key themes of activity by Waverley Borough Council and its partners, namely:

- 1) **Support sustainable business and employment growth**
- 2) **Provide high quality business and employment support**
- 3) **Support healthy town and village centres**
- 4) **Encourage a successful visitor economy that's right for Waverley**
- 5) **Develop links with and support the education sector**
- 6) **Support the right housing developments in the local community**

The Economic Development Strategy and the accompanying live Action Plan focus on measures that the council can undertake to help meet this vision, with a focus on providing the supportive business environment and facilitating activity by its partners, local stakeholders and the business community.

These strategic, long-term activities for each theme are brought out as specific actions in the accompanying Action Plan, currently for 2018-2020, with action owners and measures specified as appropriate.

Theme 1: Support sustainable business and employment growth

Enable sustainable growth that will protect and enhance Waverley's future dynamism and prosperity, with employment opportunities available to all of Waverley's communities.



Waverley already has a diverse business base with many small enterprises (*Evidence xx*) operating across a range of industry sectors. This, in combination with the borough's high levels of economic prosperity and low levels of historic population growth (*evidence xx*), means there was no strategic need to pursue high levels of growth.

However, Waverley, as other areas, has an aging population that is

projected to grow significantly for 2018-32 (*Evidence xx*) and will be facilitating new housing development as set out in the adopted Local Plan. These longer term changes mean there is a need to protect Waverley's dynamism and prosperity by facilitating employment and business opportunity for local people and the next generation.

Waverley's businesses and employment are dispersed across the borough where rural areas (26% of employment, *evidence xx*) are important as well as the key centres. Economic development actions and approaches to support business and employment growth will need to be tailored for these different areas under common principles set out in this strategy.

Waverley has long had **a large population of out-commuters** (*Evidence xx*), generally highly skilled people who bring in higher wages to the Borough. Local service business is a significant part of the economy and is important for Waverley's residents and these sectors provide employment to local people, often as small businesses. Waverley, as a whole, benefits from residents spending their wages locally. Ensuring these sectors' workers can live in Waverley or easily commute in is important, and this is developed in Theme 6.

The supporting of Waverley's priority neighbourhoods, and other known communities lagging Waverley's overall economic performance, with employment and skills support will be a positive activity. Addressing specific concerns around access to employment and socio-economic outcomes for these residents will help address the gap between Waverley and its areas of lower socio-economic outcomes and support sustainable prosperity across the borough (*evidence xx*)

The council has a lever to help ensure local businesses benefit from local services and project work by **raising awareness of Council procurement opportunities** and retain benefits in the borough. This approach aligns with Social Value and Inclusive Growth approaches. As of 2016/17, the council spent 7% of its contracted

expenditure with suppliers who have an office or depot within the borough, and 18% of suppliers within the Surrey Borders. The local figure rises to 48% if the key contracts with Mears, Veolia and Glendale are included.

The key attribute for growth is for it to be sustainable. As such, it should reflect sectors that can support the continuing dynamism and prosperity of the area in the mid to long term, whilst enabling Waverley's attractive character and quality of life to be protected and enhanced. The council will maintain a positive outlook towards exploring opportunities for employment growth in appropriate sectors and locations, necessarily engaging with the sectors and understanding the market.

Sectors where demand is expected to continue to be important or indeed grow in Waverley have been detailed in the key sectors section (xx) and include **education, further education, rural business, the care sector, the creative and digital sectors and the visitor economy** - and the council can actively support and facilitate these areas. By facilitating the growth of these valuable sectors to Waverley, and to create local employment, can help address the gap in workplace and resident wages (*evidence xx*).

The key here will be in **providing fit for purpose premises that match the growth sectors and local demand**, This likely includes office space for smaller businesses (*evidence xx*) and more specific creative sector aligned spaces, as set out in Waverley's Cultural Strategy. A commercial business hub can support isolated people who are working from home and early stage businesses by providing access to services, networking, meeting rooms and longer-term space for growth outside of the home. This will be guided by Waverley's adopted Local Plan and Employment Land Review.

The need to meet business premises can be advertised and encouraged to all potential providers. For example, Haslemere Business Centre is successfully provided by Haslemere Chamber of Commerce and the council has made acquisitions of The Enterprise Centre and Wey Court in Farnham and Langham Park in Godalmin

Long term activities and support

Work effectively as a council and with external partners to support business

A) The council's Economic Development team will work effectively with key council departments such as planning, business rates and environmental health.

B) Support suitable infrastructure projects in the borough in line with the Infrastructure Delivery Plan, engaging with Enterprise M3 and other cross-boundary partners and neighbours.

Respond to business climate change and provide support

C) Encourage valuable business sectors to locate to Waverley, supporting local employment.

D) Understand the business community needs through engagement and data gathering across sector and locations.

E) Support the rural economy by working with local parishes, Surrey Hills AONB, the National Trust, Guildford Borough Council and other partners.

F) Encourage local businesses to engage in its online tendering processes so that more local businesses are awarded council contracts.

Invest in local employment properties

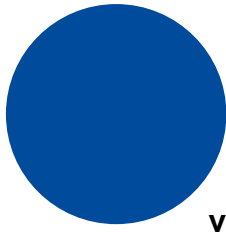
G) Explore and undertake further investment in business premises that fit with the Local Plan and match growth sectors and local demand.

Employment and skills

H) Support the sustainable growth of employment in line with the growth identified in the adopted Local Plan.

I) Address unemployment by helping people in deprived wards into work through supporting initiatives such as the Farnham Job Club and Godalming Opportunities project.

J) Promote suitable apprenticeships and training opportunities and develop local skills and training, with Waverley Training Services and other external training providers.



Theme 2: High quality business and employment support

Continue to pursue schemes that provide effective and valuable business support.



The council has a good track record of supporting local businesses and it is important that the council continues to engage with business and work in collaboration with its partners here.

Waverley has good rates of business start-ups (*evidence xx*), however it has a high business death rate, **lower rates of new enterprise survival** than the wider area (*evidence XX*) and lower rates of business scale-ups (*Evidence xx*).

B Tourism event, Waverley Abbey House and growth cycles will play a key role in facilitating the improvement alongside the availability of suitable grow-on workspace (Theme 1). It will also be important to understand why businesses are ceasing operations or relocating, where there may be some important common themes. There is a significant number of young businesses and small businesses (*evidence xx*) in the borough who can benefit from targeted business support.

Initiatives that develop the **skills and qualifications of the local workforce** can be considered, to support all of Waverley's residents who seek work into employment. This will benefit both the local workforce and local businesses, as it will make it easier to recruit locally.

There are a range of initiatives that Waverley council and its partners can continue, expand or begin from 2018, and these are detailed in the Action Plan.

The council will work on this theme with: Surrey County Council; Enterprise M3; Business South; Enterprise First; Waverley Training Services; Haslemere Business Centre; the four Chambers of Commerce; the town and parish councils; Job Clubs; Surrey Inward Investment Programme; Department for International Trade (DIT); Department for Business, Energy & Industrial strategy (BEIS) and the UCA.

A key role of Waverley Borough Council and its Economic Development Team is in signposting businesses to its partners. Communication with businesses is essential and the council will communicate with businesses using a range of channels as covered in the Action Plan, recognising that homeworkers and rural businesses may be traditionally harder to reach and therefore alternative communication tools and partners will be used. Further, there is a role for the Chambers of Commerce to help



promote and communicate on the council's various business services.

Business requirements such as broadband, mobile coverage and car parking space will be understood, and solutions worked on with partners. For example, with Enterprise M3 who have targets for digital access and the Superfast Surrey project, as well as with the Chambers of Commerce and town and parish councils.

In summary current initiatives include:

Enterprise First

The council has a three-year Service Level Agreement with Enterprise First, a not for profit organisation that provides free business advice to local start-ups. Its offer includes a variety of free programmes and support, including practical workshops on marketing, finance, and events where people thinking of starting a business can put questions to experts on various subjects such as accountancy, law, social media, and council services such as business rates and planning. The business support provided by Enterprise First during the last agreement was well received by local businesses with up to 200 new businesses a year using the service.

Waverley Training Services

The council runs study schemes and a successful apprenticeship programme through Waverley Training Services (WTS). WTS has high pass levels compared to training services in other areas and a wide and varied business clientele.

This programme is likely to expand with the Apprenticeship Levy impact, with a projected 300-400 apprentices being provided to businesses in the local and wider area each year.

Apprenticeships are currently within business admin and management, ICT, customer service, digital and media and teaching assistants, whilst accountancy and HR apprenticeships are likely to grow.

Farnham Job Club

The council established Farnham Job Club at Sandy Hill in 2013 and a team of volunteers now delivers the club every Tuesday. The club provides a supportive environment offering tailored support and advice for job seekers to find work or training. There are good links with the two nearest Job Centre Plus offices in Guildford and Aldershot.

Premises enquiry service

The council regularly responds to enquiries for local business premises and makes use of the latest EGi property database to facilitate this.

Chamber of Commerce Engagement

Initiatives have been developed in collaboration with the Chambers of Commerce such as 'Compete on the Street', which provided feedback on customer service for high street retailers in the towns, and free business events such as 'Ask the Expert' and training such as 'Digital high street skills' and 'Futureproof your business'. The council has also used the chambers' expertise, involving them in consultations such as for the scheme design following the 2017 Business Rates Revaluation.

A **Business Improvement District** is now being explored by the Chambers of Commerce, with funding provided for a feasibility study.

Waverley's BIG awards are being organised by the Chambers of Commerce with council support.

Close working with the town and parish councils

Quarterly meetings to understand concerns and share information, covering key issues such as council procurement, permitted development rights, parking provisions, local events and initiatives.

Long term activities and support

Work effectively as a council to support business and with external partners

A) Foster effective regional partnerships to encourage business growth and sector support.

B) Monitor service supply i.e. broadband and banks

C) Engage with partners on business issues i.e. rates retention, infrastructure needs

Business support

D) Promote and signpost to all business support provision and partners, covering start-ups and growth, recruitment, training and other assistance

E) Support and engage with businesses including start-ups, home workers and rural businesses

F) Communicate effectively with businesses through different channels, and via the Chambers of Commerce and town and parish councils

G) Gather business intelligence and monitor business views

H) Support the business community by promoting procurement opportunities

Employment and skills

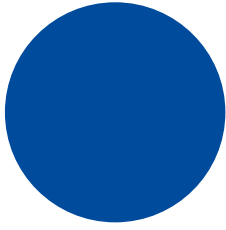
I) Develop the programme of business events and networking opportunities and the training programme for businesses, i.e. on recruitment/skills topic

J) Continue to work with Job Clubs and employment initiatives to support all our residents into work

Respond to business climate change

K) Adapt business advice service brief to suit changing needs and to advise around Brexit impacts.

L) Explore overseas exporting opportunities with partners, including Enterprise M3, Invest in Surrey, Surrey County Council and the Department of International Trade (DIT)



Theme 3: Healthy town and village centres

Protect the character and vitality of the high streets, and enhance the perception of the town centres as destinations.

The high street forms the visible, perceptible pulse of a prosperous local area and vibrant and community-feel town centres are **beneficial for local wellbeing**. In being attractive destinations, town centres support social cohesion and engagement between residents and businesses, whilst also **supporting the visitor economy**.

The Pepperpot, Godalming High Street



Across the UK, the nature of the high streets and shopping and leisure trends are changing; through internet shopping, out of town malls and the growing food convenience delivery market, where many centres have been hit hard by vacancies and short survival rates. Waverley however demonstrated **strong vacancy rates** with the latest data (*evidence xx*), outperforming the national average by a significant level.

The centres offer **a relatively good mix of shops; services; and bars and restaurants, with many small, independent shops** but also strong representation from national retailers and charity shops. Currently, the four town centres show a share of 3-7% of charity shops as part of the high street mix. This may have partly increased due to their discounted rate relief. The mix of offerings in the town and village centres is important to their continued vitality and sustainability as community hubs.

Parking issues have been consistently raised, where a lack of capacity affects the ability of residents and those from a wider area to use the different high streets, which could lower footfall. These points will help inform future Council car parking strategies.

The **Brightwells regeneration project** is a clear example of the benefits of investing in Waverley's town centres. Encouraging new businesses (shops, restaurants, leisure) and providing jobs, leisure opportunities, community facilities and much needed affordable and open market housing in the centre helped drive an economic uplift to the area. The East Street area has undergone effective regeneration adding vitality and a sense of destination to the entire town centre.

Further, Waverley has opportunities for its town and village centres **with its art and craft heritage** and offerings; its creative **students as both potential occupiers and town centre users**; and with the high level of **home-based and flexible workers** who could be more attracted to town and village centre use, especially alongside services and working space offerings.

Different relevant approaches may need to be applied to Waverley's distinct town and village centres to be most effective, the supporting Action Plan will reflect this.

Long term activities and support

Work effectively as a council to support business and with external partners

A) Encourage more people to shop on our high streets by working closely with town councils and partners to support footfall and promote the centres as destinations.

B) Gather business intelligence around the centres, and to share this with local town and parish councils.

C) Work with local town and parish councils and chambers to monitor and safeguard the loss of key office and retail sites via permitted development rights.

D) Develop a tailored parking strategy for each town centre, and areas where it is relevant, to maximise the use of existing capacity and provide additional capacity where needed and practicable.

Business support

E) Continue to offer initiatives such as the 'Compete on the Street' customer service programme.

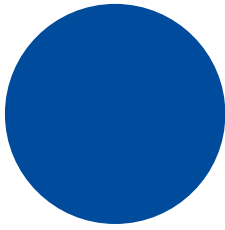
F) Investigate starting a network of independent retailers and explore new initiatives and marketing campaigns such as a 'Buy Local/Use Local' scheme with partners.

Employment and skills

G) Provide retail customer service training and support JCPs and Job Clubs to engage with town centre opportunities.

Respond to business climate change

H) Engage closely with businesses through chamber led initiatives such as the BIG Waverley business awards and explore a Business Improvement District.



Theme 4: Encourage the visitor economy in a way that fits Waverley

Develop the visitor economy in a sustainable way that brings prosperity to businesses and local diversity.

Behind the scenes tour at Dunsfold Park. Part of English Tourism week



The visitor sector is seen as a **potential growth area for Waverley** (see key sectors xx), where there is substantial value in the day visitor market from UK residents and overseas visitors, who are increasingly visiting nearby places.

Waverley has much to offer visitors (*evidence xx*) Providing events, cultural activities, eateries and attractions for residents, visitors and those visiting

friends and relatives (VFR) during their leisure time is important. As today's consumers are increasingly tech savvy customers, they are also looking for interactive experiences and expect the sector to embrace technology. Digital marketing activities would form a key part of a marketing strategy. Waverley can also be promoted as a **destination to business visitors**, an important market segment with specific needs such as conference facilities and hotel based away days.

The different market segments of the visitor sector will suit different areas of Waverley, and this can be brought out in specific approaches with town and village stakeholders.

Waverley has the potential to capture the benefits of a strong visitor economy, including through **forging stronger links with key industry bodies**: Visit England, VisitBritain, Tourism South East, Visit Surrey and the National Trust. These partnerships can raise awareness of the area as a destination and maximise additional promotion for Waverley, including local events and activities in the towns and villages.

Waverley has **outstanding natural assets** that can support a visitor economy action plan. Assets include its position as a gateway to the South Downs, the Surrey Hills and the Olympic Box Hill, Leith Hill and Pitch Hill cycle route. Further, Waverley's own offerings comprise museums, art centres, heritage sites and the market and craft towns.

The Downs Link is a hugely under resourced asset: there are examples throughout the UK of expired rail routes which

have been developed into tourist attractions and sustainable travel routes.

The rural economy can also be promoted, through supporting arts and crafts fairs, farmers' markets, small businesses and protecting community and social facilities such as pubs and post offices in rural areas, to benefit local people in the borough.

Events within Waverley can appeal to visitors and the local market. From gin, food or walking festivals, craft months to walking tree trails, cycling routes and following in the footsteps of famous locals. **Art, crafts, literature and local produce events** could be a good focus. This will help protect and further enhance the identity of Waverley's market and craft towns, and as destinations offering both culture and beautiful natural environments.

There is also an opportunity to capture benefits from the newly opened **Farnborough International** which is an expansive event space that will attract many visitors to its national and international events (estimates of 50,000+ a year). Waverley can offer such influxes of visitors with food and drink, retail and various cultural offerings, whilst accommodation provision is a further opportunity. There is a need to ensure parking is sufficient for visitors, across the towns and villages (Theme 3).

The right type of investment can help attract visitors. Hotels are one type of investment, and the proposals for Lythe Hill Hotel are a good example, where four/five-star hotel properties provide more job opportunities with higher staff: guest ratios. There is further opportunity offered by other hotel developments to provide facilities for events and functions i.e. weddings and business conferences. These can support the local economy as well as increase the demand for overnight stays.

Long term activities and support

Work effectively as a council to support business and with external partners

A) Work with tourism organisations to promote Waverley both as a leisure and business visit destination and to understand key markets and targeted joint marketing activities.

B) Consider improvements to sustainable travel, cycling and walking offerings, with local and wider stakeholders.

C) Help promote and create opportunities for the tourism industry, with local town events and activities.

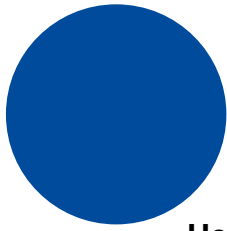
Business support

D) Communicate the importance of the visitor economy and its business opportunities, supporting this with advice services and training opportunities

Respond to business climate change

E) Support an increase in the number of hotel beds/stays

F) Encourage appropriate filming opportunities and work with local landowners to create the right planning permissions and protocols.



Theme 5: Develop links with and support the education sector

Help secure future economic sustainability by utilising and capturing potential benefits of Waverley's education institutions locally

FINAL VERSION – IMAGES ADDED

Waverley is unique in its education offer, where it is home to excellent primary, secondary, sixth form college and independent schools; the University of Creative Arts; and Waverley Training Services. **This is a real USP for the area and supports the economy** by attracting students and families to the area, supporting over 8,000 direct jobs and providing a supply of highly and specifically skilled young people.

The economic value of the education sector can be expanded and further captured in the local area through a) the development of the educational institutions in the right ways, and b) where their students continue to live and work in Waverley, contributing prosperity and sector growth.

As set out in the key sectors (*section xx*), there are both opportunities for and threats to the education sector's continued, and increasing, success. **There are opportunities for Waverley's schools to continue their success over the strategy lifetime**, where the right infrastructure plans that fit the Local Plan can be supported, whilst school facilities can be further utilised by the local community and businesses. Impacts on staff retention may need to be considered alongside housing affordability and transport access.

The UCA could become the nucleus of a 'creative hub' for a variety of creative, digital and art skills to attract creative, innovative people to settle in the borough. This community can represent business collaboration and growth as well as reinforcing town branding and local spending patterns.

Beyond the UCA courses, people can be attracted to stay locally through the right support for creative, digital and knowledge intensive start-ups. An aim in Waverley's Cultural Strategy is to work with strategic partners and internal council teams to look at the opportunities for affordable studio and incubator spaces and enable more graduates - from UCA, the University of Surrey and others - to develop their careers in Waverley. With the right engagement and support, **Waverley can host more of the future job opportunities and benefits from expected growth in key creative industries** (see key sectors *xx*).

There is also mutual benefit in forging links between the UCA, local cultural venues, social organisations (like Enterprise First and the Arts Council), Business South and local business – namely, sharing knowledge, skills, placements and start-up and employment opportunities.

Brightwells and its retail and entertainment offer will enhance the attractiveness of Farnham to students. Beyond this, there are other student life offerings that may be supported. This can support business growth and the retail sector. Waverley can seek to offer the living environment and services that young people want and provide the supporting environment to their own business and employment ventures.

Any accommodation and supporting development needs to be well thought out, including consideration of how accommodation will incorporate the use of private landlords, and locations of new supporting development.

A good example is the Epsom UCA campus. Epsom is a picturesque market town with a community feel and good proximity to London. It now has 1,500 students at its campus and has witnessed the development of a local art scene along with new bars and restaurants.

Long term activities and support

Work effectively as a council to support business and with external partners

A) Support engagement between the UCA and local cultural services such as Cranleigh Arts Centre, Farnham Maltings, Arts Partnership Surrey as well as social organisations, Business South and local business.

B) Understand the needs of students and to articulate these to partners and local businesses with the benefits of a local student population.

C) Continue dialogue with local schools to understand their development needs and where they can engage with the local community.

Invest in local employment properties

D) Identify where current or new space can be provided for creative, digital and knowledge intensive business, and support development here.

Business support

E) Provide free business advice, services and support partner engagement for graduate start-ups, alongside UCA.

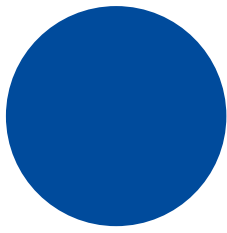
Employment and skills

F) Identify opportunities and help UCA deliver more student accommodation, working with WBC housing and property teams.

G) Work with Waverley Training Services (WTS) to develop links between local colleges and local employers.

Respond to business climate change

H) Consider supporting the creative sector with understanding overseas exporting opportunities, working with UCA and institutions including Enterprise M3, Surrey Inward Investment Programme, Surrey County Council, and the UK's DIT.



Theme 6: Support the right housing developments in the local community

It is important that affordable housing is available for key service employees, and good accessibility for those who commute in, alongside sustainable economic development.



Key local services – local retail; construction services; food and leisure services such as restaurants, cafes pubs and gyms; childcare; car repairs; local transport; support services to local businesses and the self-employed; and personal services - are vital to the continued functioning and prosperity of the borough and its economy.

Providing the local, affordable homes for these key workers is important as well as

ensuring those who commute in have good access through travel routes and car parking space.

The Strategic Housing Market Study has also noted the importance of housing availability for first time buyers and young families, students, new graduates and potential start-up business, and for the retirement market.

Waverley is projected to have a flat working age population for 2018-32 (*evidence xx*), where supporting younger professionals and families in the area can alter this projection and enable the economy to support its aging population.

This is further critical where housing affordability is impacted by workplace wages that are significantly lower than residential wages (*evidence xx*). One long term approach, alongside the addressing of housing affordability, is to help ensure higher paid sectors can thrive in Waverley to provide local employment and raise workplace wages (Theme 1).

Another approach to ensure development for sustainable prosperity is to combine housing and employment space as **mixed use development**. The Dunsfold Park proposals are an excellent example here with the provision for 500,000 square foot of varied and higher quality employment space alongside the development of its new housing village with social infrastructure development (community facilities, child care, education provision and open space). Brightwells in Farnham is another example of mixed use development where retail, restaurants and leisure provision was provided alongside community facilities and much needed affordable and open market housing.

These schemes align with the adopted Local Plan Part 2, in ensuring the right cultural, leisure and community development is also provided. It will be important for partners to the work with the Local Plan to provide right housing for each individual area.

Providing local employment for existing and new residents to Waverley is important in protecting the area's vibrancy and prosperity, as opposed to the towns becoming more dormitory (Theme 1).

Infrastructure investment is important to the area, especially with the target for thousands of new homes in the area as detailed by the Local Plan. One area to consider is the bus network in and out of Waverley. Without effective transport infrastructure, there will be constraints on commuters, the movements of goods and services by businesses and the inflow of visitors, which would have a negative impact on the local economy and quality of life. Further, the town and village centres in proximity to new housing development may need to develop to sufficiently provide the service and community facilities required by residents, reflecting an opportunity for businesses as well as an infrastructure and planning need to facilitate this.

Waverley Borough Council does not have the level of responsibility or funding for transport infrastructure. However, the council can seek to work in partnership with those that do, including Surrey County Council, Enterprise M3 LEP, the Department for Transport and MPs to communicate its needs and influence decisions. This will be in line with Waverley's **Infrastructure Delivery Plan**.

Long term activities and support

Work effectively as a council to support business and with external partners

A) Support the delivery of the new home requirement set out in the adopted Local Plan, with 590 new homes to be built annually to 2032.

B) Explore supporting infrastructure opportunities, including working with Enterprise M3 LEP and other cross-boundary partners and neighbours to discuss opportunities to improve infrastructure.

C) Work alongside partners and neighbouring authorities on transport LEP bids covering the Enterprise Growth Fund.

D) The council's Economic Development Team to liaise with planning and other internal and external partners and monitor the impact of permitted development rights and the change of use from office and retail to residential.

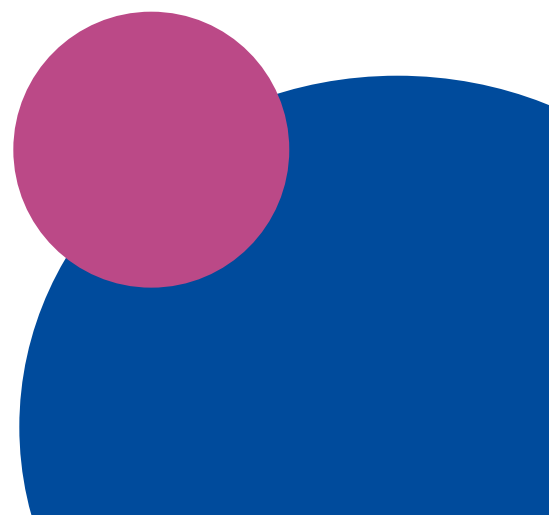
Respond to business climate change

E) Contribute to local service supply consultations. (e.g. bus services, pay phones, ticket office closures, post office closures, cash point access and others).

Business support

F) Communicate with businesses on opportunities through housing development and it's supply chain procurement.

G) Support the development of key business sectors in Waverley, to provide local employment



5. The Action Plan

Actions have been considered for these six themes that are achievable and in areas that Waverley Borough Council can influence.

The supporting Action Plan sets out the themed targets and measures and notes the role of the council and others in achieving the targets. These targets can inform a set of projects that relate to one another over the next two years and beyond.

Measuring Progress

The Economic Development Strategy incorporates two key aspects of progress measurement:

- A series of Action Plan targets that will bring focus and provide a clear pathway of progress towards meeting Waverley's economic vision.
- The use of business communication and monitoring through: Waverley's database and annual business surveys; the Chamber of Commerce and town and parish council meetings; and an annual publication of key economic measures and monitors.

The council will maintain a live Action Plan document presenting the action targets and owners and the progress being made on them. The Action Plan will also be flexible to local concerns that arise, and the economic monitoring that is undertaken, by incorporating new actions and targets as required over time.

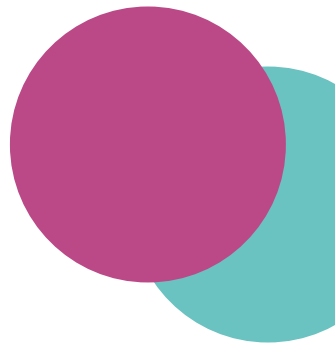
It should also be noted that a range of external factors, including the state of the national economy, could affect the success of the strategy. On this context, the council will undertake an interim evaluation and final evaluation of the strategy over the 2018-32 period. The findings of the evaluations will be used to learn lessons about what has worked well and what could be improved to adjust the strategy and inform the future economic plans of the council.

FINAL VERSION – Progress timeline diagram to be inserted

Waverley Borough Council look forward to working with its partners to deliver the economic development vision for 2018-2032:

The vision for Waverley:

A great place for local businesses to grow and flourish, where our communities have access to local employment and where everyone shares in the economic prosperity.



APPENDIX 1: Evidence base behind the strategy

A range of data sources, and the latest available data, has been used throughout the evidence to this strategy. Whilst some datasets have data published for 2017 or indeed through to 2018 quarter 1, other datasets are only available at older publication date - 2016 or earlier. Further, some variables that are collected at the census are therefore dated back to 2011, though these are often slower moving variables concerning households and travel to work.

Much of socio-economic evidence has not moved significantly from previous years, where many variables are relatively stable for Waverley.

Waverley's business environment

A strong business environment

The UK's Prosperity Index (Legatum Institute, 2016) includes a Business Environment ranking and placed Waverley 66th of the 389 local authorities included. This index covers the following dimensions:

Table 1: UK Prosperity Index: Business Environment dimensions and scores

Dimension	Measure	Waverley score
Broadband speed*	Average speed (Mbps)	73/100
Superfast broadband	% of properties with access to superfast (above 24Mbps)	86/100
Business survival	% new businesses still trading after 5 years	72/100
Entrepreneurship rate	New businesses per 1000 people	23/100
Logistics index	Measure of access to rail, road, airport and port links	11/100

**This does not feature mobile connectivity where this was raised locally as an issue.*

Waverley performed less well on logistics at 11/100, where Woking scored 20 and Guildford 16 in comparison. Though the entrepreneurship rate was just 23, this was high amongst Surrey.

Nearby Guildford was ranked 65th, Woking 56th, Mole Valley 22nd, Rushmoor 125th, Chichester 112th and East Hampshire 151st in the Prosperity Index: Business Environment dimension.

Alternatively, the UK Competitiveness Index (2016) is a related index for competitiveness more generally and uses a differing set of dimensions. Waverley was ranked 39th here (compared to similar 36th in 2013). This index covers:

- Economic activity rates
- Business start-up rates per 1,000 inhabitants
- Number of businesses per 1,000 inhabitants
- Proportion of working age population with NVQ Level 4 or above

- Proportion of knowledge-based business

Nearby Guildford was ranked 30th, Woking 33rd, Mole Valley 23rd, Rushmoor 73rd, Chichester 77th and East Hampshire 88th for this competitiveness index.

High business density

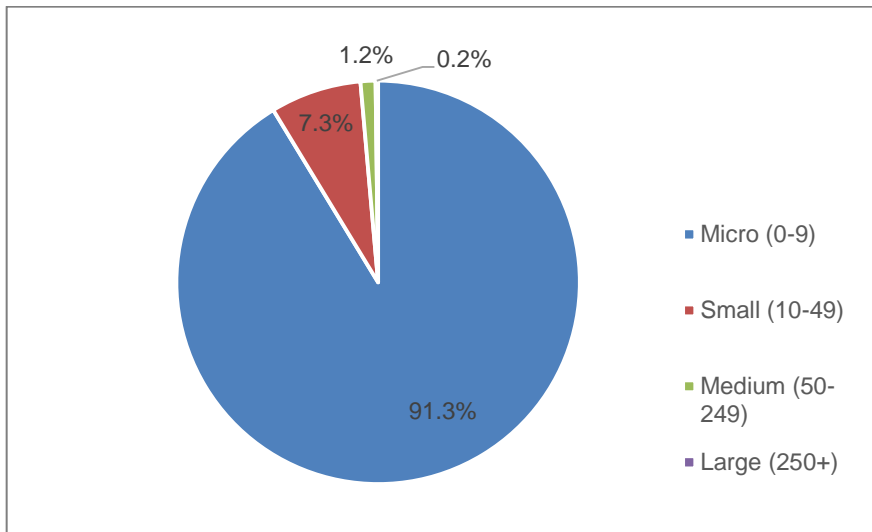
Waverley has one of the highest business densities in Surrey with 8,200 VAT registered enterprises in the borough and 9,025 local units (*source: Inter-Departmental Business Register (IDBR) from ONS, 2017*). This relates to a business density of 66 businesses to a 1000 local people, compared to 49 for Surrey, where Waverley has many micro and home-based businesses.

There are 4,081 Waverley businesses currently paying NNDR (business rates)² suggesting that many local businesses are in the knowledge economy, operating from home, where 10,200 residents are homeworkers³, and/or are utilising latest technologies to maintain a small physical footprint.

Dominance of small businesses

Waverley’s business base is dominated by small enterprises. Approximately 91% of Waverley’s businesses are ‘micro businesses’ employing fewer than ten people (*Source: NOMIS business counts by employment size, 2017*). This is higher than the national average of 88%, though in line with Surrey at 91%. At the same time, the borough has only 15 large enterprises employing 250 or more people (figure 1).

Figure 1: Waverley enterprises by number of employees



Although similar shares of micro and small businesses, Waverley has a higher SME intensity than Surrey (51%). This reflects the ratio of SME employment to economically active population. (*Source: Nesta and Sage, ‘The State of Small Business’ report and dataset, 2017*).

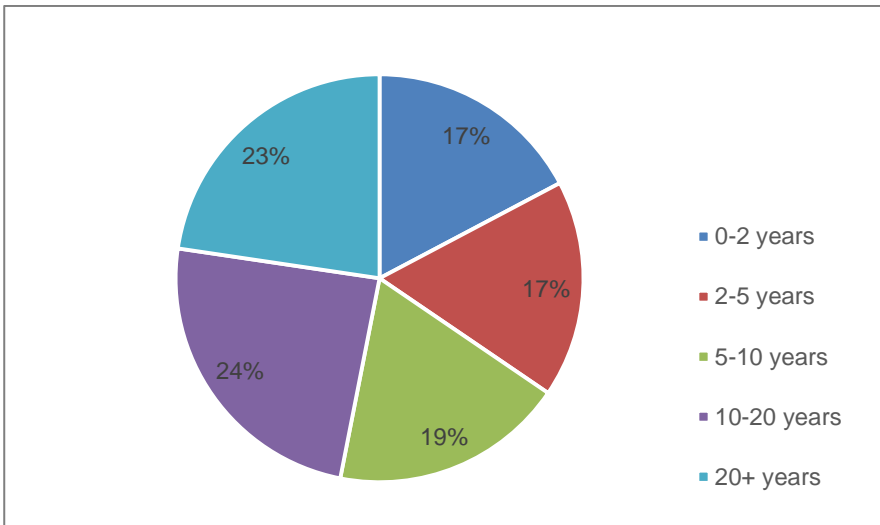
High proportion of young businesses

The borough has a higher than average proportion of younger businesses, with 17% of businesses being less than two years old and 53% of businesses in Waverley being up to ten years old (compared to the national average of 35%) (*Source: Experian business data for Waverley Borough, 2017 release, 2016 data*)

² Waverley Borough Council

³ CENSUS 2011, DC6609EW1a: those aged 16+ who work mainly at or from home.

Figure 2: Waverley age breakdown of businesses



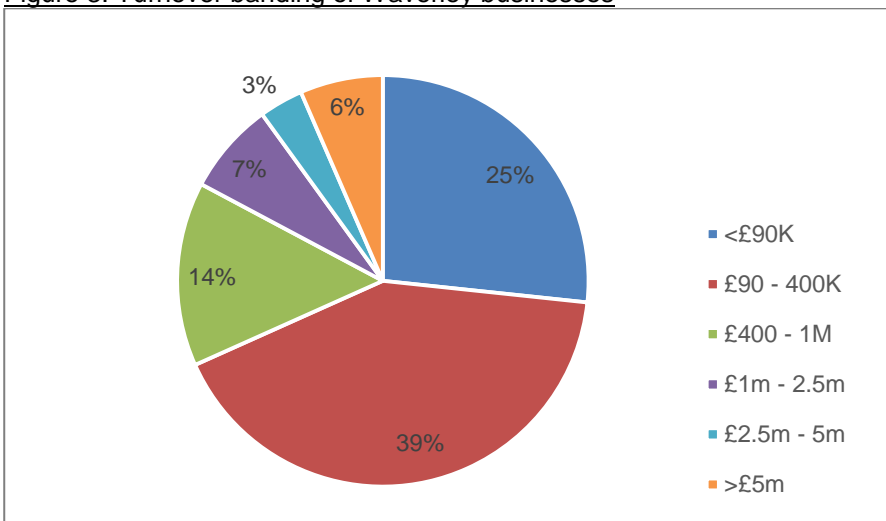
Waverley's businesses drive local turnover of nearly £5bn

Even with the dominance of younger and smaller businesses, the total business turnover in Waverley is over £4.9bn and micro and small businesses contribute £1.76bn (35%) and £1,26bn (25%) respectively to this total (61% share of total revenue). (source: IDBR March 2017, provided by ONS, 'UK Business: Activity, size and location', 2017).

Business are clustered below £400,000 per year

Individual businesses however are clustered at lower turnover bands, with 25% earning less than £90,000 per year and a further 39% earning £90,000 – £400,000, so that over two thirds of businesses earn below £400,000, as shown in Figure 3. This likely reflects the small-scale employment (less than 10 staff) for much of Waverley's businesses. (Source: Experian business data for Waverley Borough, 2017 release, 2016 data)

Figure 3: Turnover banding of Waverley businesses



In comparison to the rest of Surrey, Waverley contributes about 4% of the county's business turnover, as presented in Figure 3, whilst contributing 8% of Surrey's total workforce (ONS, 'UK Business: Activity, size and location', 2017). This may reflect lower turnover businesses as well as the movement of the resident workforce out to businesses in other areas, where Waverley (as further below in Socio-economic drivers) has a high level of out-commuting. Indeed, this lower value business environment is reflected in Figure 4 below showing the business turnover by business counts across Surrey, where Waverley has a lower level.

Figure 3: Business turnovers across Surrey

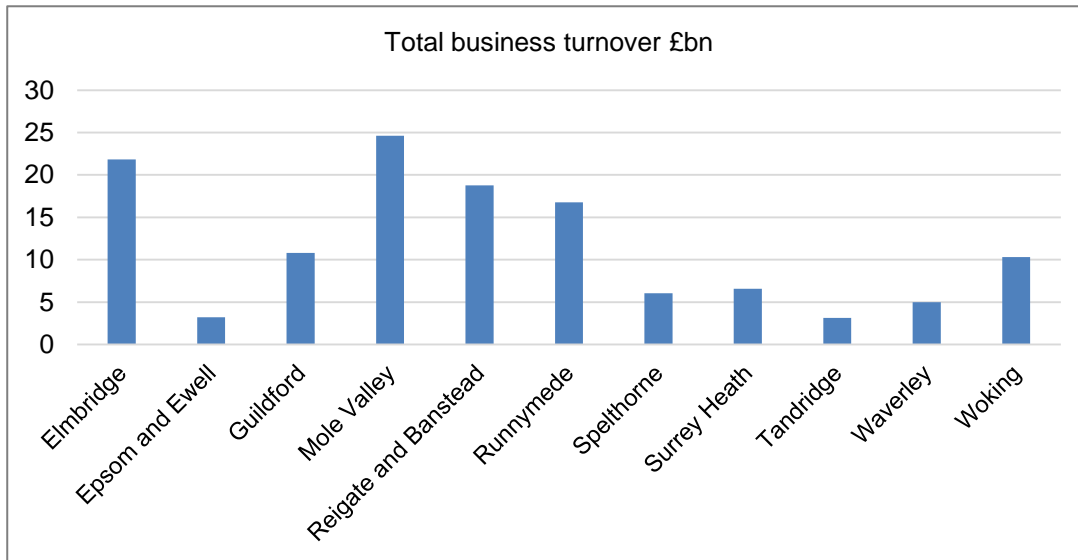
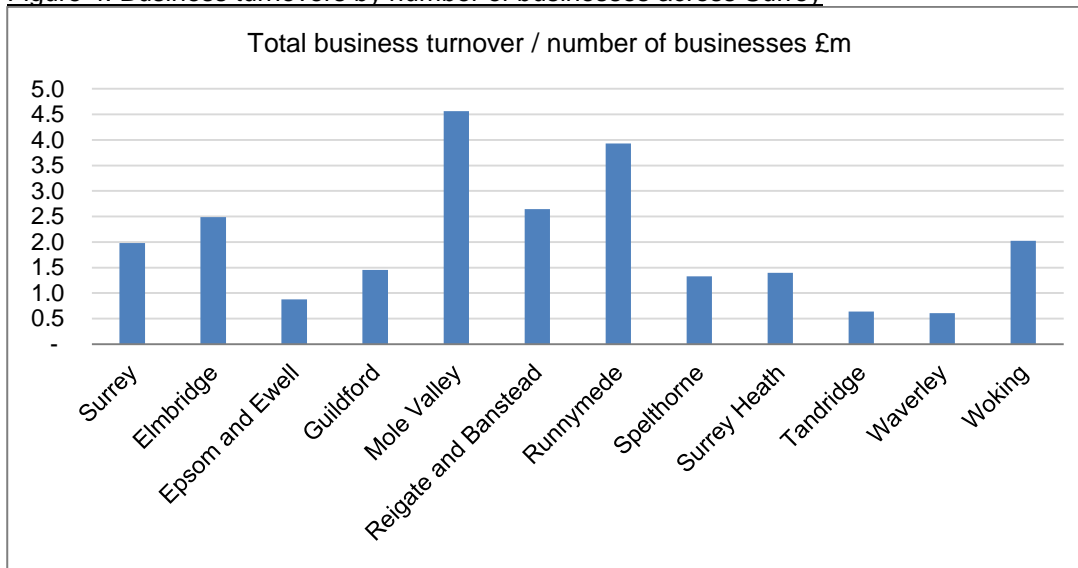


Figure 4: Business turnovers by number of businesses across Surrey



This data will be skewed by a few very large turnover businesses. Waverley has a dynamic business environment, with numerous independent businesses as a key part of their socio-economic environment.

Consistently good start-up rates, but less good survival rates

This picture of small and younger age businesses is supported by the data on the births and deaths of enterprises in the borough in recent years, as presented in figures 5 and 6 below. (Source: ONS Business Demography data, 2017)

Figure 5: New enterprises count for 2012-16

	2012	2013	2014	2015	2016
United Kingdom	269,565	346,485	350,585	383,075	414,355
England	239,975	308,770	313,200	344,385	374,035
Surrey County	7,180	8,375	8,400	9,110	8,710
Elmbridge	975	1,235	1,255	1,415	1,295
Epsom and Ewell	360	505	490	610	530

Guildford	785	845	890	970	995
Mole Valley	550	605	560	635	590
Reigate and Banstead	690	900	975	1,005	1,050
Runnymede	490	530	500	570	620
Spelthorne	665	825	820	775	640
Surrey Heath	555	610	615	670	595
Tandridge	485	615	590	680	635
Waverley	1,060	1,010	960	1,020	930
Woking	565	695	745	760	830

Waverley has one of the highest business birth levels in Surrey, accounting for an average of 1,000 new businesses every year to Surrey, which is a significant level considering its total current base of 8,200.

In terms of growth rates, Waverley has stayed stable around the 1,000 mark either rising above or dipping below this level. Alternatively, if we compared the 2012-13 average with the 2015-16 average, England has risen by 29% between these periods and Surrey at 15% whilst Waverley's new business level has fallen by 6%. Across the districts of Surrey, only Spelthorne has also declined between these periods.

Waverley also has one of the highest business death levels in Surrey, accounting for an average of 900 every year.

Figure 6: Enterprises deaths - count for 2012-16

	2012	2013	2014	2015	2016
United Kingdom	252,400	237,235	246,480	282,865	327,775
England	221,780	209,215	217,930	250,585	291,145
Surrey County	6,535	5,970	5,730	7,135	8,270
Elmbridge	850	820	845	1,000	1,270
Epsom and Ewell	320	330	350	395	435
Guildford	725	670	625	765	935
Mole Valley	465	465	435	550	645
Reigate and Banstead	685	615	630	740	870
Runnymede	410	425	355	450	540
Spelthorne	445	400	505	870	775
Surrey Heath	485	460	420	500	585
Tandridge	455	415	400	480	605
Waverley	1,195	920	690	780	910
Woking	500	450	475	605	700

Therefore, on net annual enterprise additions, Waverley is not performing well with an average 97 net additions, which is the second lowest in Surrey.

The ONS dataset also provides enterprise survival rates, where Waverley has had the following survival rates compared to Surrey as a whole. (Source: ONS Business Demography data, 2017)

Figure 6: Waverley and Surrey's survival rates of new businesses

Area	2012 – 4yr survival	2013 – 3 yr survival	2014 – 2yr survival	2015 – 1 yr survival
Surrey	50%	64%	77%	90%
Waverley	43%	65%	79%	84%
	2012 – 1 yr	2013 – 1 yr	2014 – 1 yr	2015 – 1 yr

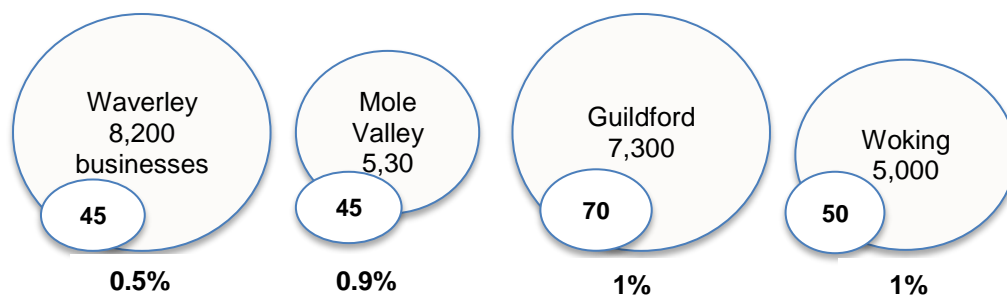
	survival	survival	survival	survival
Surrey	90%	94%	92%	90%
Waverley	84%	94%	93%	84%

Waverley therefore shows strong performance in enterprise births but has lower survival rates than other areas particularly beyond two years. The one-year survival rate has itself fallen since 2013, back to 84% of new enterprises in 2015, whilst the county level has been more stable and remains at 90% in the latest year of data (2016 survival for 2015's new enterprises).

Waverley has few business scale ups

In looking at how many businesses have scaled up, data from the Nesta and Sage 'State of Small Business' report (2017) shows Waverley's performance compared to other local areas. 'Scaling up' referred to businesses whose turnover or employment had increased by an average 20% or more annually for 2013-2016.

Figure 7: Comparative business scale up rates



Of Waverley's business base, only around 1 in 200 has scaled up since 2013, whilst the comparison areas were closer to 1 in 100 scale ups. This may reflect a share of Waverley's businesses that are home-based and do not intend to scale up their operations, whilst other factors to consider are the availability and affordability of grow on space and business support.

Further, this scale up analysis does not indicate the value of the businesses upscaling and is therefore an indicative, if incomprehensive, proxy for business growth alongside analysis on net business additions (Figure 4 and 5), total economic value (Figure x) and employment growth (Figure x).

Waverley has seen reasonable growth in GVA (gross value added)⁴

In considering GVA from across the local business sectors, Waverley has seen an 12% increase to £3.7bn since 2012 in the latest data, compared to 12% across Surrey (£39bn). (Source: ONS Regional GVA Income Approach data, 2017 release and 2015 latest GVA data). Other areas in Surrey have had higher and lower growth rates, from 1% to 17%.

Productivity growth

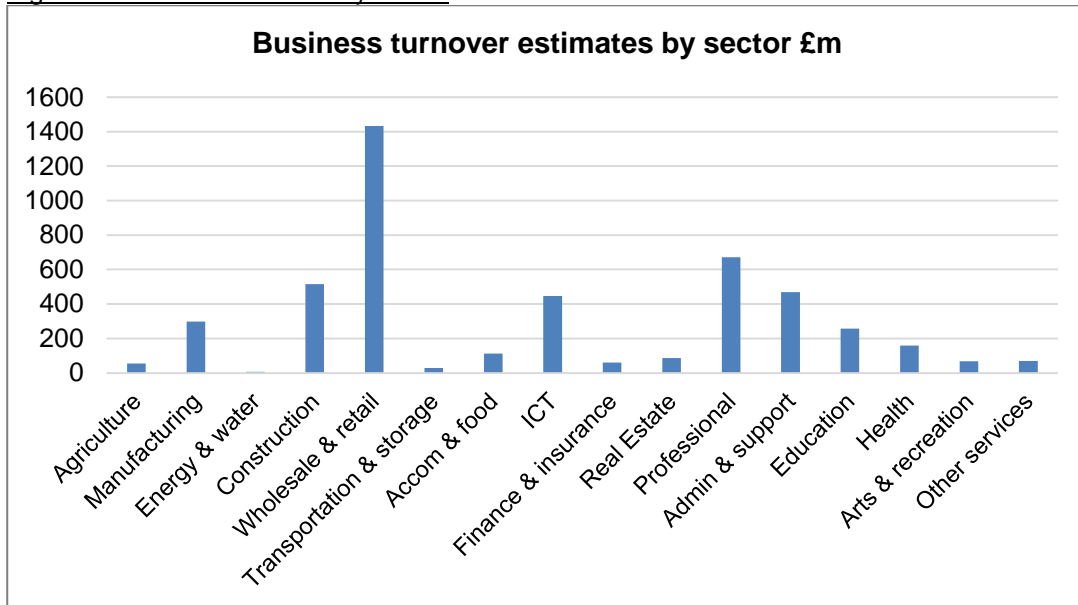
The Nesta and Sage report also considered small business productivity changes over 2013-16, concerning output per worker (SME turnover/SME employment). The reporting found that Waverley's SMEs have had modest productivity growth (6%) since 2013 whilst Guildford increased by 13% and Woking by an impressive 43%. Woking's productivity gains have likely been driven by some high value growth sectors where it is in the top ten of UK knowledge sector concentrations.

Key business sectors

Using NOMIS business count data by turnover bands (2017), we can estimate turnover by sector. It is important to note that these estimates use the NOMIS turnover mid-points and are therefore bound by a constraint on accurate information, but the total achieved is close to the known Waverley total business turnover of £4.9bn.

⁴ GVA is the value of the economy due to the production of goods and services, reflecting output minus consumption. GVA per head using total population. Data presented in nominal prices.

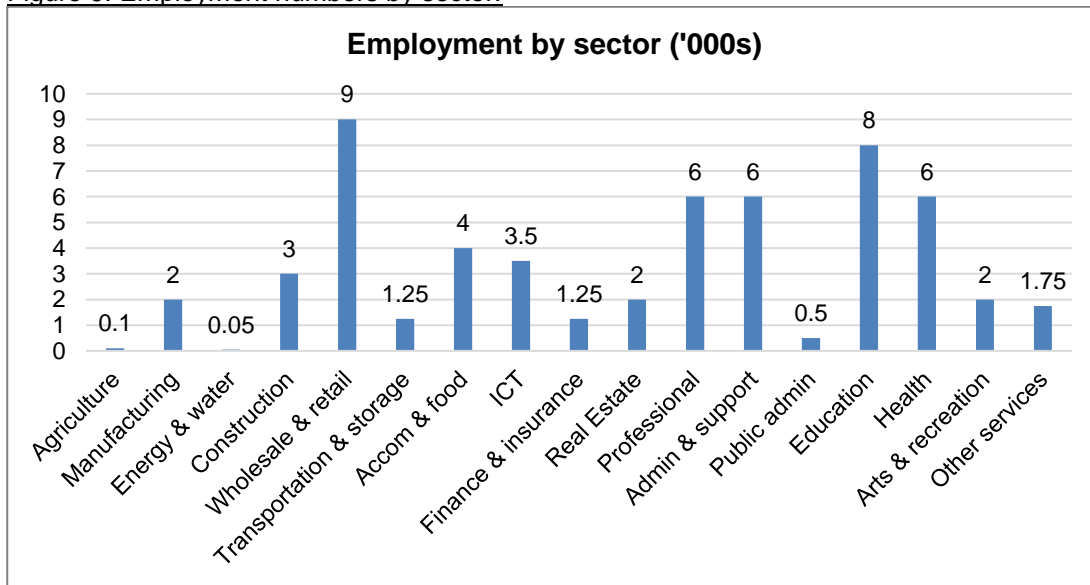
Figure 8: Business turnover by sector



As such, the analysis allows us to ascertain the most significant sectors by turnover – wholesale and retail; professional and technical services; business administration and support; ICT; construction; and education.

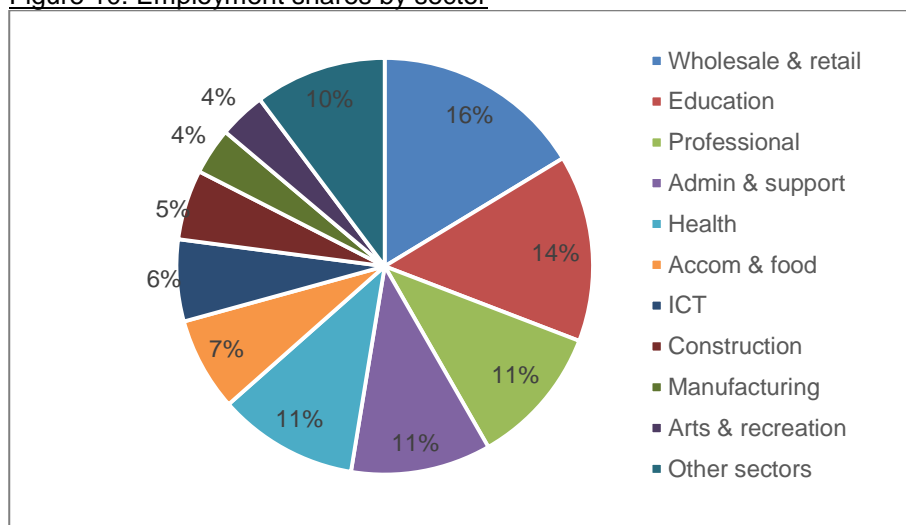
More certainly, employment is available at sector level at is presented below in Figure 9 (Source: NOMIS Business register and employment survey, 2017)

Figure 9: Employment numbers by sector.



The total employment of 56,400 can also be shown as percentage shares, as below:

Figure 10: Employment shares by sector



Wholesale and retail; education; professional and technical services; businesses administration and support and health are the key employment sectors in Waverley.

In comparing the sector employment shares to Surrey, two sectors emerge as having clear differentials – business administration and support (11% to 9% in Surrey) and Education (14% in Waverley and 9% in Surrey). Alternatively, Surrey had a slightly higher share in professional and technical services and public administration.

The creative industries in Waverley

The creative and digital industries are flourishing in Waverley as shown in Figure 12, with the number of businesses and turnover level. (Source: ONS, *Creative Industries Economic Estimates, 2016*). Waverley performs strongly to other nearby areas, whilst Woking demonstrates a smaller base of businesses but with a significant level of employment and turnover, reflecting a top location for digital and creative business in the UK.

Over half (59%) of those employed in this sector people holding a degree (DCMS report 2016).

Figure 12: The value of the digital/ creative industries in Waverley

	Count	Employment	Turnover £m
Waverley	1,260	3,573	£442m
Reigate and Banstead	975	2,812	£414m
Mole Valley	820	2,394	£310m
Mid Sussex	975	2,744	£286m
Tandridge	625	1,277	£106m
Epsom and Ewell	580	1,127	£105m
Brighton and Hove	2,845	7,334	£543m
Woking (Top ten in the UK)	980	16,411	£2,600m

Rural areas are important to businesses

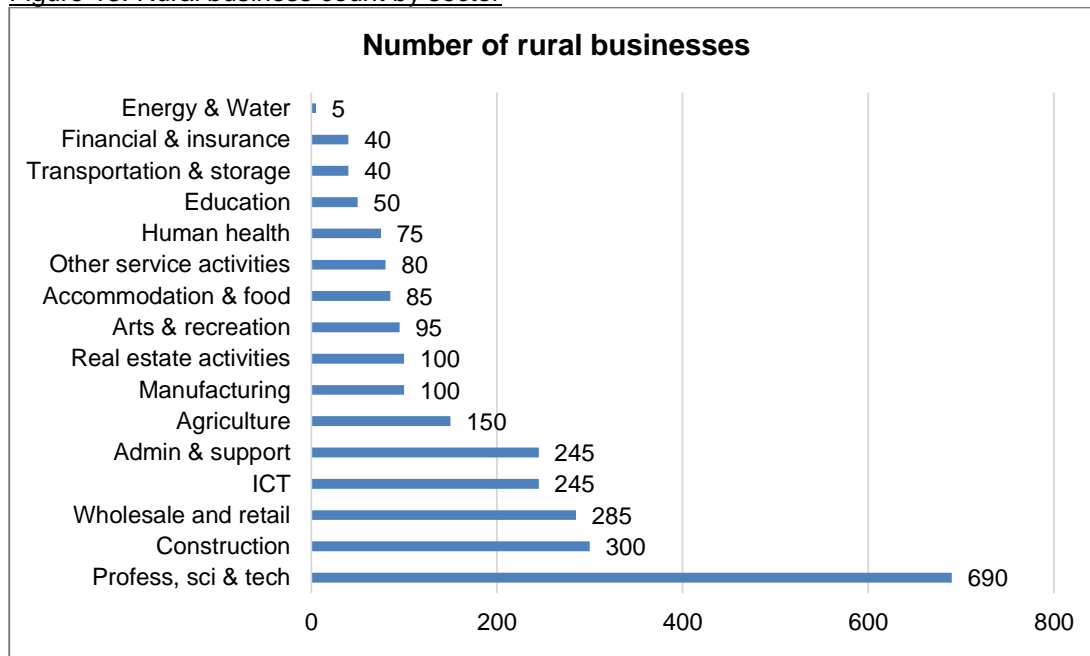
65% of Waverley's population live in rural areas and rural related hub towns⁵. Businesses are distributed spatially across the borough, where 2,600 - 32% of Waverley's total business stock - are

⁵ Surrey Rural Statement; Surrey Countryside and Rural Enterprise Forum (2016)

situated in the borough's rural areas⁶. These rural businesses deliver an estimated £800m⁷ – 16% - of Waverley's total business revenue. In terms of employment, the rural area accounts for 28% of workers (*Source: NOMIS Business Register and Employment Survey, 2017*). This highlights that many of the rural businesses are typically micro in size, with one to a few workers.

The number of rural businesses has grown 11% since 2010 (*Source: NOMIS business count by MSOA level*). The businesses are distributed across different sectors, as demonstrated in Figure 13 below.

Figure 13: Rural business count by sector



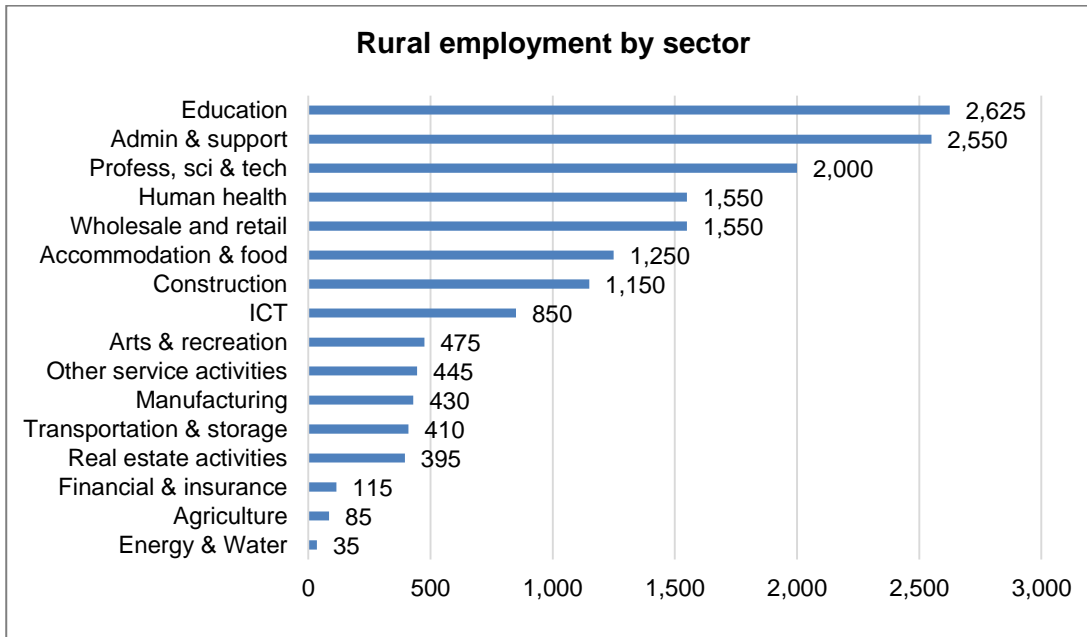
Professional and technical services; construction; wholesale and retail; business administration and support; and ICT have the largest number of businesses in the rural areas. There are also 150 agricultural based businesses in the rural area, where across Waverley this accounted for a small share of employment but clearly reflects a significant group of enterprises and farmers.

This sector breakdown does not necessarily reflect employment levels, where for example the 50 rural education businesses employ many people. The employment by sector is shown in Figure X below (*Source: NOMIS Business Register and Employment Survey, 2017*).

Figure 14: Rural sectors by employment numbers

⁶ Using Mid Super Output Area (MSOA) urban-rural designations from Census 2011

⁷ NOMIS Business counts by turnover band (2017) – midpoint estimate.



Education is the largest employer in the rural areas of Waverley (2,625 workers), followed by business administration and support (2,550) and professional and technical services (2,000). These three sectors all had a greater share of employment in the rural areas than borough wide (16%, 16% and 13% respectively compared to 14%, 11% and 11%). Health and wholesale and retail are also key sectors (both at 1,550 workers), reflecting the Waverley wide picture of top sectors. Accommodation and food has a slighter higher share of rural employment than borough wide. Construction (1,150) and ICT (850) are the next largest employers.

The employee size of rural businesses largely reflects the wider Waverley picture, with 92% of these businesses being less than ten employees, whilst education accounts for 15 of the 35 medium rural business. The rural area does not have any large businesses of 250+ employees. (Source: *NOMIS Business counts by employment bands, 2017*).

Spatial distribution mapping

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Brexit

Clearly, the UK's decision to leave the European Union will have a business impact and is a key element in the business planning across various sectors. The situation remains highly uncertain and at the time of writing, the Economic Development Strategy is not able to reflect and incorporate an understanding of the potential impacts on Waverley's businesses and residents.

However, the supporting Action Plan is flexible in that it will be updated as required and reported on annually, and so this gives a chance for specific business support considering the agreed Brexit deal and its impacts to be responded to by Waverley Borough Council and its partners. Waverley Borough Council will maintain communication on this subject with its partners and across its business base. For example, the export market is of growing interest to many businesses and the council could seek to help them take advantage of any support and opportunities available.

At this stage, we are able to present some relevant points and high-level evidence on Brexit.

Firstly, there are some key factors why Waverley may be less impacted than other areas where:

- The economy is not dependent on international visitors
- There is not a significant presence of large exporters i.e. key manufacturers
- There is a relatively low share of the local population who are EU citizens.

However,

- Rural farmers and agricultural based businesses may be impacted
- The UCA and University of Surrey both have a share of their student population who are EU citizens

- There may also be further challenges for EU graduates moving into employment, putting SMEs at a disadvantage to employing these graduates.
- The local independent schools have a portion of students from EU countries
- There are nine foreign owned companies in the borough whose parent company are EU/EEA, though this is the third lowest across Surrey local authorities (*Source: WBC analysis, 2018*)
- There are 13 foreign owned companies in Waverley whose parent companies are located in the rest of the world and thus there is a risk of headquarter moves. Again, this is the third lowest in Surrey. (*Source: WBC analysis*)

Further analysis could be undertaken as Brexit negotiations develop to understand the level of employment that could be impacted, but at this stage any estimate would need to be highly caveated.

The LSE (London School of Economics) undertook a local impact assessment⁸ of a soft or hard Brexit. For Waverley, they estimated an annual GVA impact of -1.2% under a soft Brexit scenario and -2.4% under a hard GVA impact. This considered employment shares, trade volumes and production related to a European supply chain. These estimates resulted in Waverley being in the top third of local authorities for impact, with some Surrey authorities impacted harder and a few others less so.

Office supply

- Waverly Borough Council permits the change of use of existing employment sites to residential and other alternative uses where it can be clearly demonstrated that there is no reasonable prospect of the site being used for employment use.
- The Local Plan also predicts that a limited supply of employment land and premises and the limited pipeline of future development are likely to constrain business growth and the ability to attract new investment in the Borough
- Waverley's Employment Land Review, looked at three scenarios in future employment land demand: base, higher growth and lower growth. In all three scenarios there was a forecast of increased demand for B1 Use Class – business.
- The Employment Land Review forecast a supply of 9,000 sqm of loss of office space, demonstrating a long term forecast shortage.

Waverley has 47 industrial estates and business parks

Figure x: Waverley's industrial estates and business parks across the borough

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⁸ Dhingra, Swati, Machin, Stephen and Overman, Henry G. (2017). Local economic effects of Brexit. National Institute Economic Review 242

Current socio-economic drivers

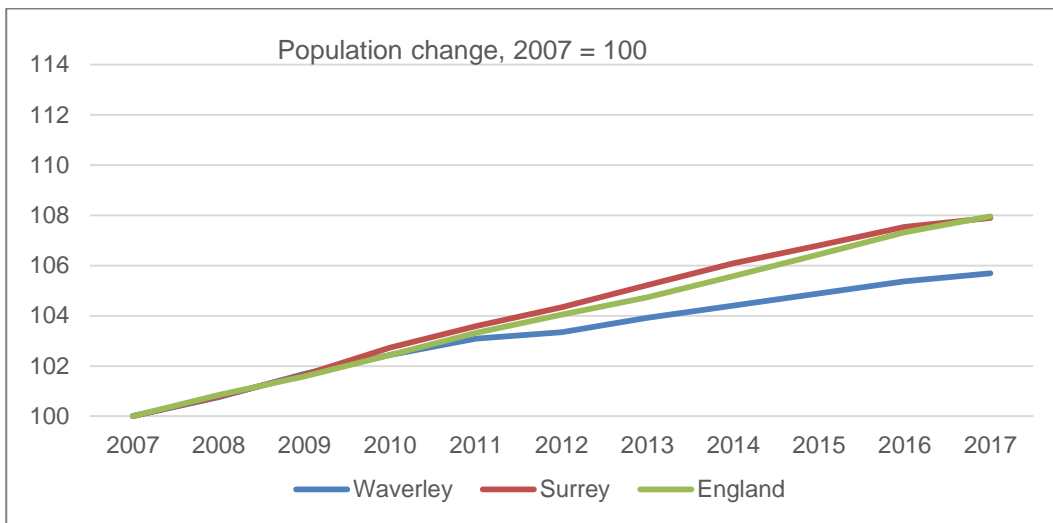
A stable but ageing population

Waverley's population is growing at a slower rate than the county and national averages, having grown by 5.7% over the period 2007–2017 compared with growth rates of 7.9% across Surrey and England (Figure X). This level of growth equates to approximately 630 new residents per year. Waverley's population has an older than average age profile, with residents aged 65 and over accounting for 22% of the Borough's population (compared with 18% across England).

There are a relatively low proportion of people aged between 20-35, higher proportions of people in all age groups over 45, and low levels of ethnic diversity compared with across England. (Source: NOMIS population estimates by 5year band, 2017; and Census 2011)

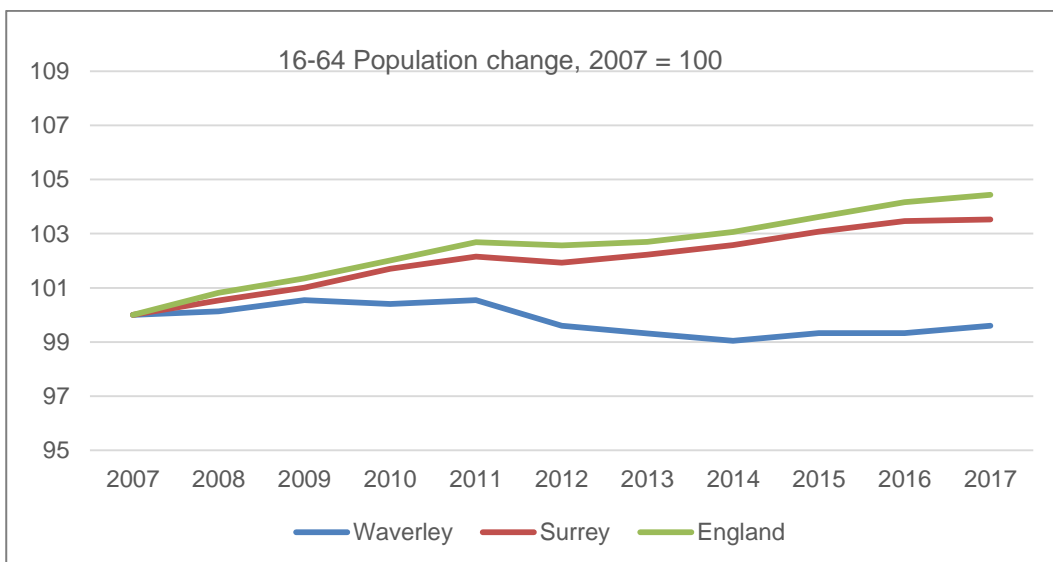
Waverley also has an aging population at a higher rate than Surrey and England (Figure X), with a working age population that fell from 2010 before stabilising.

Figure X: Index of mid-year population estimates 2007-2017 (2007 = 100)



Source: NOMIS population estimates, 2017

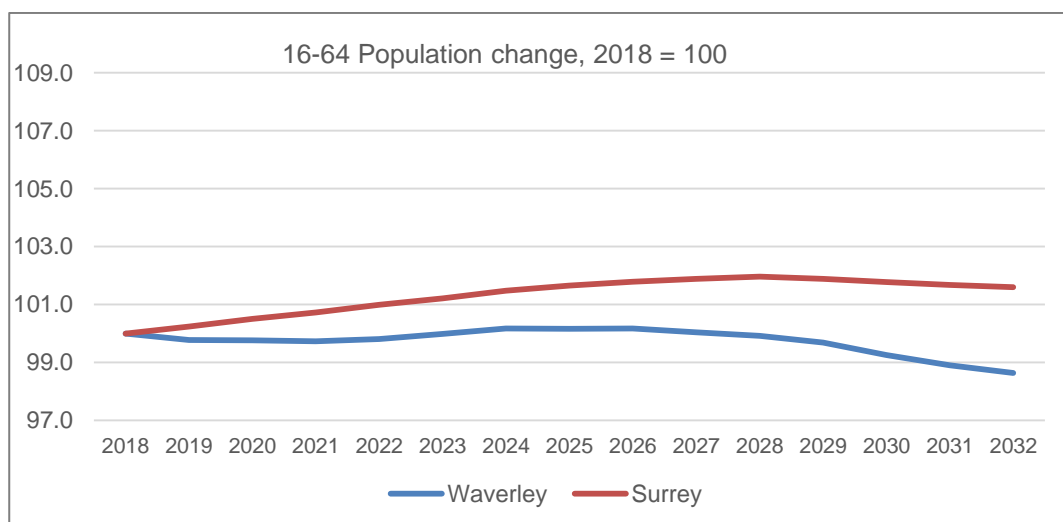
Figure X: Index of mid-year 16-64 population estimates 2007-2017 (2007 = 100)



Source: NOMIS population estimates, 2017

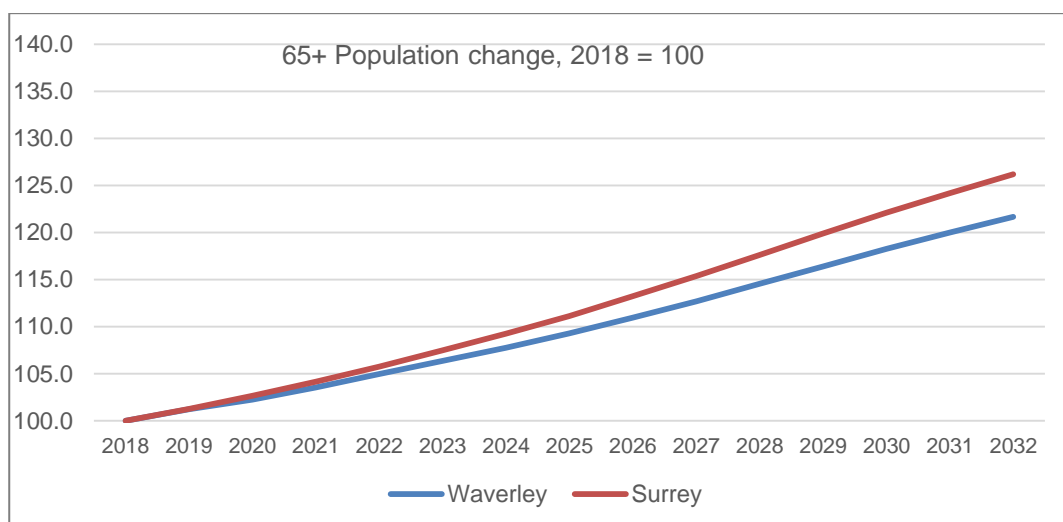
In looking ahead, NOMIS provides population forecasts where Waverley is estimated to have an increasing population over 65 years old, and a flat population aged 16-64. These forecasts are made given the existing socio-economic environment and taken forward the current population trends. Figures X and X below show these population estimates over the Economic Development Strategy period.

Figure X: Index of mid-year 16-64 population projections 2018-32 (2018 = 100)



Source: NOMIS population projections by 5-year band, 2017

Figure X: Index of mid-year 65+ population projections 2018-32 (2018 = 100)



Source: NOMIS population projections by 5-year band, 2017

Waverley is projected to have a flat working age population in the mid-2020s before it declines again below Surrey's population change levels, whilst the share of the population who are over 65 is projected to steadily rise at a similar rate to Surrey.

Healthy economic activity

The borough has a higher than average economic activity rate, with 79% of the population aged 16-64 being economically active, and in line with Surrey's level. (Source: NOMIS local authority profiles, 2017)

Waverley also has higher levels of self-employment (19%, compared to 13% in Surrey and 10% across England). 33% of workers in Waverley work part time – 3% higher than Surrey and the national average. Waverley also has the largest number of homeworkers in Surrey with over 10,000 people homeworking. (Source: NOMIS local authority profiles, 2017)

High levels of employment

There are some 56,400 employees working within the borough. The borough has experienced modest levels of employment growth mirroring the UK's economic performance.

Waverley has a relatively small proportion of residents claiming unemployment-related benefits - approximately 0.5%. This is four times lower than the national average. (Source: ONS Claimant Count, 2017)

Strong labour demand

Waverley has a greater labour density (0.95) – the % of jobs to local 16-64 population – than Surrey (0.92) and the South East (0.88). This means Waverley has the number of jobs for 95% of its working age population, whilst many in the area commute out and others commute in for these jobs this is a strong indication of local employment demand. (Source: ONS Jobs Density, 2017).

However, some local employers have indicated that whilst the demand is there, they can struggle to recruit workers. (see Place section below).

Employment growth and trends

From 2010 to 2017, employment levels have remained largely stable in Waverley, moving from 53,000 to 56,400 (5.7%) and below the county employment increase rate (8.5%). Meanwhile, the employment rate has increased from 77% to 80.7% between 2010 and 2017. (Source: Nomis, Population survey, 2010-2017).

Between 2010 and 2016, the professional and technical sector was the the only sector to see its employment share rise significantly (18%). Other sectors have shown some steady levels of positive growth including accommodation and food services; recreation; ICT; and business admin and support services.

Employment in manufacturing has seen steady decline since the year 2000, with the number of FTE jobs in the sector shrinking by over 40%. However, between 2010 and 2016 it seems to have stabilised, with around 2,000 in employment in the sector.

Waverley Borough Council is one of the largest employers in the brough, with a direct and significant supply chain that benefits the local economy. However, the overall proportion of jobs in the public administration and defence sector is low (1% compared to 5% in Guildford and 3% across Surrey) and employment levels in the sector fell 41% between 2010 and 2016, (Source: Nomis, BRES, 2010-2015 & 2015-2016).

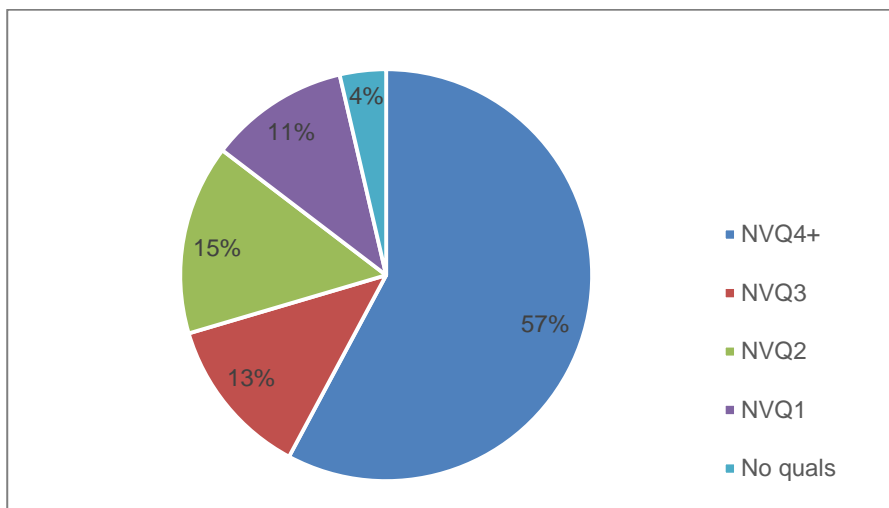
Work undertaken at a sub-regional level by the Enterprise M3 LEP and Surrey County Council has identified that Waverley sits within an area of niche sectors and knowledge-driven industries. This includes 5G and communications; advanced automotive and aerospace; gaming and creative media technologies; cyber security; space and satellite technology; agri-tech (including food and drink); oil and gas, medical veterinary; and pharmaceuticals, life sciences and healthcare.

High Employment Skill Levels

Waverley has a highly qualified resident population with 57% of residents aged 16 - 64 holding Level 4 (degree level) qualifications and above. This is higher than the Surrey average (50%) and almost 20% higher than the national average. (Source: NOMIS local authority profiles, 2017)

Waverley also has a lower than average proportion of residents with no qualifications (3.6% compared to 4.3% and 7.6% across Surrey and England respectively). Figure X presents the breakdown of skill groups for Waverley. (Source: NOMIS Annual Population Survey, 2017)

Figure X: Highest level of qualification of Waverley residents aged 16 and over



Social enterprises

Social enterprises are also an important part of the community life in Waverley. There is a growing and vibrant social enterprise sector in the borough with social enterprises providing services that are delivered locally, are tailored to local need and provide additional social value. There are currently over 120 social enterprises in Waverley (*Waverley Borough Council*) covering a wide range of areas including arts, crafts and museums; business support; conservation; disabled services; education and training; furniture; gardening; halls; housing and accommodation; housing associations; leisure; music and media; personal support; retail; charity shops; and voluntary services.

High levels of economic prosperity

The borough is one of the least deprived in England, ranking 320 out of 326 local authorities in terms of deprivation. The Legatum Institute, in its latest prosperity index analysis (2016), has rated Waverley as the most prosperous borough in the country (see Place section below). Further, Waverley has 5.7% of households that are workless compared to 10% in Surrey, and low unemployment at 2.5% in line with Surrey and lower than the South East and national levels. (Source: *NOMIS Annual Population Survey - households by combined economic activity status, 2017*)

Excellent health levels, on average

Public Health England's recent annual Health Profile for Waverley, which cover the health and lifestyle of adults and children, disease and poor health, life-expectancy and causes of death scored significantly above the average for England. However, the continued gap in life expectancy between the most and least advantaged areas is a cause for concern.

Life expectancy is 8.2 years lower for men and 10.6 years lower for women in the most disadvantaged priority neighbourhoods.

Differential wages between residents and workplaces

It is an affluent borough with the median gross annual pay of Waverley residents in employment is higher than the Surrey and national average (£39,267 compared to £36,241 and £29,085 respectively). (Source: *NOMIS Annual Survey of Hours and Earnings, 2017*)

However, residents' wages are significantly uplifted to the wages available from Waverley's workplaces as shown in Table x.

Table X: Resident and workplace wage differential

Wage (gross weekly)	Waverley	Surrey
Residential	£748	£680
Workplace	£583	£620
Residential uplift	28%	10%

Source: *NOMIS Annual Survey of Hours and Earnings, 2017*

There is a clear differential here where local workplace jobs are significantly less well paid than the wages residents receive on average, taking into account the high levels of out-commuting to high skilled and/or higher paid jobs. This has implications for housing affordability (See Place section below).

High levels of in and out-commuting

The borough has high levels of out-commuting with approximately 28,000 of residents in employment working outside the borough. The most popular commuting destinations are Guildford (18%), Central London (7%), Rushmoor (5%) and East Hampshire, with only 37% of Waverley residents working in Waverley.

At the same time, over 20,000 people commute into Waverley. The areas providing workers for Waverley workplaces are also Guildford, Rushmoor and East Hampshire as local boroughs, but also Chichester, Hart and Horsham. (Source: Census 2011, travel to work data). Of those commuting into Waverley, from other areas, the majority commute in a private vehicle (65% private road use 60% drive) this is the same as the national average (60%). Just 3% travel by train, compared to 5% in the

UK and 8% in the South East. Approximately 11% commute on foot or by bike, which is relatively lower than the in the South East and England (15%). Approximately 19% of Waverley's working population work from home, this is relatively higher than the South East (12%) and England (10%), (Source: Census 2011, method - travel to work data).

Those commuting to London travel primarily by train (67%), whilst a large share drive to work (28%) and a very small proportion are car or bus passengers. Those commuting to workplaces across the South East region, largely to the centres of Guildford, Rushmoor and East Hampshire use the road network much more intensely (82% road use and 74% driving their own cars) with just 6% using public transport (train or buses).

For all of Waverley's residents working in Waverley and beyond, a larger share are travelling to work by car (67%) than the South East (64%) and UK (60%) whilst a lower share are walking or cycling (12%, with 15% for UK and South East) and more are using rail (14%, with 5% for UK and 8% for the South East) (Source: Census 2011, working patterns data)

Unusually high proportion of home workers

Waverley also has a large share of residents who mainly work from home, around 10,200, which can be partly explained by the large base of self-employed (17,900). This is the highest level of people working from home across Surrey and of other nearby local authorities. As such, it is valuable to understand the make-up of these home workers.

Most of the home workers are at high occupational levels – Managers, directors; professional occupations; and associate professional and technical occupations – whilst 11% are in skilled trades. In terms of the sectors that Waverley's home workers are mostly employed within, these are represented by professional, scientific and technical activities; ICT; wholesale and retail; construction; education and other (services and arts and entertainment).

In terms of the age band distribution of the home workers, 37% are 35-49 and 36% 50-64, whilst only 14% (or 1,500 residents) are under 35 and working from home. (Source: ONS 2013)

Place

The UK's Prosperity Index (Legatum Institute, 2016) has rated Waverley as **the most prosperous borough in the country**. This covers a range of dimensions and measures, as presented below.

Table 1: UK Prosperity Index: Dimensions and scores

Dimension	Measures	Waverley ranking / 389 local authorities
Economic quality	<ul style="list-style-type: none"> Unemployment % Long term unemployment % Child poverty rate Feelings about household income Job satisfaction Median annual earnings Five-year average GVA growth 	9
Business environment <i>(as shown in Business Environment section above)</i>	<ul style="list-style-type: none"> Broadband speed Superfast broadband access rate Five-year business survival rate Entrepreneurship rate Logistics index 	66
Education	<ul style="list-style-type: none"> Attainment A*-C % Core subject attainment Truancy rate No qualifications rate 	31
Health	<ul style="list-style-type: none"> Life expectancy at birth Life expectancy at age 65 Anxiety rating of residents Eudaimonic wellbeing rating 	8

	<ul style="list-style-type: none"> • Cancer mortality rate • Premature CVD mortality rate • Obesity rate • Infant mortality rate • Health satisfaction rate • Smoking % 	
Safety and security	<ul style="list-style-type: none"> • % felt safe walking • % felt unsafe in neighbourhood recently • Road death rate • Violent crime rate • Theft rate 	114
Social capital	<ul style="list-style-type: none"> • Recycling rate • Volunteering rate • Voter turnout • & who think people can be generally trusted • % struggled to pay mortgage in past year • Average house price to earnings ratio • % who can rely on friends in times of need • % who can rely on family in times of need 	222
Natural environment	<ul style="list-style-type: none"> • Annual tonnes of waste per head • % waste sent to landfill • Air pollution exposure • Protected land % 	11

Waverley performed particularly well on health, natural environment, education and economic quality. Nearby Guildford was ranked 10th, Woking 13th, Mole Valley 2nd, Rushmoor 123rd, Chichester 29th and East Hampshire 8th.

Deprivation overall and target areas for beneficial support

The low level of deprivation is reflected with low levels of disadvantaged communities, good quality housing, good transport connections, first class schools, active communities, good health facilities, and a diverse range of leisure and recreational opportunities, Waverley is often named in national surveys as one of the best places to live in Great Britain⁹.

However, Waverley also has small number of priority neighbourhoods, with areas to target for economic support. These have been identified using a comparison of conditions among neighbourhoods in Waverley (containing a population of approximately 1500), with the Index of Multiple Deprivation (IMD) as:

- 1) Sandy Hill (Farnham)
- 2) Aaron's Hill (Godalming)
- 3) Northbourne/Binscombe (Godalming)
- 4) Wrecclesham/Weydon Lane estates (Farnham)
- 5) Alford Cranleigh Rural and Ellens Green

The IMD is calculated from a wide range of datasets for each of seven “domains” into a single overall IMD score. The “domains” are income; employment; health deprivation and disability; education, skills and training; barriers to housing and services; crime and living environment.

⁹ As an example, Waverley came second in the 2017 Halifax Rural Areas Quality of Life Survey.

Waverley and strategic partners support these communities, and other smaller communities, through grant allocation grants and a range of activities. These groups also reflect an opportunity for socio-economic gains through their engagement in the labour market and in opportunities for employment, skills and training support that Waverley provide.

Lack of housing affordability for medium and lower income earners

The median gross pay of people **working** in Waverley is £30,347 pa compared with the median gross pay of people **living** in Waverley that is £39,267 pa - 23% lower (*Source: Annual Survey of Hours and Earnings, 2017*). Thus, many residents are commuting out of the borough to access higher paying jobs, and others commute in to undertake lower paying jobs.

The median gross annual workplace earnings for these Waverley based workers are lower than the Surrey equivalent of £33,325, and higher than the national median of £29,079.

The gap between residence-based and workplace-based income levels, in combination with the high average property prices in Waverley, has implications on the affordability of housing for lower-paid workers.

The attractiveness of the borough is reflected in its house prices that are significantly higher than the national average and among the highest in Surrey. The average house prices across housing types are £456,000 compared to Surrey at £443,00 and £325,000 for the South East. (*Source: Land registry live tables, as per June 2018*)

Newly forming households require substantial deposits and salaries to purchase on the open market in Waverley. An income of £102,167 is required for a 90% mortgage on an average property with a deposit of £45,000.

This not only creates affordability issues but also affects employers' ability to recruit locally.

Lack of affordable housing supply

In September 2014, Waverley Borough Council's Housing Strategy and Enabling Team surveyed local public and private sector employers to establish the extent to which housing costs affect the recruitment and retention of their staff. The key findings of this survey showed that:

- More than 80% of companies based in Waverley surveyed viewed a lack of housing that people can afford in the local area as having had a great deal of impact on the local economy.
- 88% of respondents viewed a lack of affordable housing in the local area as having 'some or a great deal of impact' on their ability to recruit or retain staff.
- 68% of respondents reported that employees commute into work because they cannot afford to live in the area, with 32% of respondents believing this factor has had the greatest impact on their organisation's efficiency.
- 42% of respondents reported that employees have relocated away from the local area, as the cost of buying a home in the local area is too high.
- 83% of respondents reported some or great difficulties in recruiting new staff, with a lower number (58%) of respondents reporting some or great difficulties in retaining staff.
- Responses from public and private sector employers based in Waverley were similar suggesting that income levels for workers across sectors are commonly below the level required to access housing on the open market.

Relatively high occupancy rates on the high street

The retail sector is of importance to Waverley as it plays a major role in the vitality and attractiveness of the borough's town and village centres, and where retail and wholesale is one of the key sectors for employment and business turnover (Figure xx).

The borough's main town and village centres are healthy, vital and viable; and the indications from the latest data and consultation are that vitality remains high. They offer a relatively good mix of shops; services; and bars and restaurants, with many small, independent shops but also strong representation from national retailers and charity shops.

Their health and vitality is reflected in the low average high street vacancy rates of 2-5% (*Source: Waverley Borough Council, 2018*) compared to a UK high street average of 8.9% (*Source: British Retail Consortium, 2018*).

Figure X: Vacancy rates across Waverley centres

Town	No. of retail premises 2018	Vacancy rate spring 2018	Vacancy rate 2017	Vacancy rate 2016	Vacancy rate 2015	Vacancy rate 2014
Farnham	244	2%	9%	7%	8%	7%
Milford	25	4%	5%	5%	-	-
Farncombe	40	3%	8%	5%	-	-
Godalming	201	5%	5%	4%	4%	5%
Haslemere	119	3%	5%	3%	3%	-
Bramley	30	3%	10%	3%	-	-
Weyhill	76	4%	4%	4%	-	-
Cranleigh	109	5%	5%	3%	2%	6%

Source: Waverley Borough Council. Retail on main high street area only.

Waverley is therefore performing very well comparatively, whilst recognising that these rates can fluctuate over the year. Currently, the four town centres show a share of 3-7% of charity shops as part of the high street mix. This may have increased partially due to their discounted rate relief.

Waverley as a destination

Waverley is conveniently located between London and the coast with great airport access points. Waverley benefits from a range of visitor attractions that attract visitors from London, the south east and overseas as well as residents and those visiting friends and family including:

- 1) National Trust beauty spots such as at Frensham Great and Little Ponds in Frensham, and Hindhead Common and the Devil's Punch Bowl, Winkworth Arboretum in Godalming, and Oakhurst Cottage in Godalming Hambledon and Witley and Milford Commons.
- 2) Part of the Surrey Hills Area of Outstanding Beauty
- 3) Gateways to the North Downs Way in Farnham, the South Downs Way from Haslemere and the South Downs link in Cranleigh
- 4) A wealth of history with Farnham Castle, home to the Bishops of Winchester and a range of self-guided town, nature and heritage trails
- 5) Links of historical interest such as Conan Doyle, Edwin Lutyens, Gertrude Jekyll and Alfred Lord Tennyson
- 6) Arts venues including the Farnham Maltings, which attracts over 400,000 visitors per year. Cranleigh Arts Centre, the Sculpture Park, Farnham Pottery and a plethora of arts galleries. Farnham enjoys the title of "England's craft town"
- 7) Family attractions like the Rural Life Centre in Farnham with their activity Thursdays.
- 8) Traditional market town shopping experiences in Cranleigh, Farnham, Haslemere and Godalming
- 9) The River Wey and Farncombe Boathouse in Godalming
- 10) Local museums - The Museum of Farnham, Godalming Museum of Local History and Art and the family friendly award winning Haslemere Educational Museum
- 11) Managed open spaces such as Alice Holt Forest and Farnham Park
- 12) Large free events such as the Farnham and Haslemere walking festivals, food festivals

- 13) Conference and meeting venues such as at Barnett Hill Hotel, Waverley Abbey House, Farnham Castle and Charterhouse School. Plus, numerous halls to hire for events including the Borough and Memorial Halls
- 14) A wide range of places to eat and drink from high street chains to country pubs. The Crown Inn in Chiddingfold is a five-star inn offering accommodation too
- 15) Wedding venues including Millbridge Court, Ramster Hall and Farnham Castle bring visitors to the local area, often to stay overnight
- 16) Quality spa facilities at the Lythe Hill Hotel and Spa, The Georgian Hotel and Frensham Pond Country House Hotel & Spa attract the short breaks market to the area
- 17) Golf courses across the borough at Bramley, Broadwater Park, West Surrey (Milford), Hurtmore (Godalming), Chiddingfold, Hindhead, Farnham, Hankley Common. These offer recreation, meeting and dining facilities and attract visitors.
- 18) Dunsfold Aerodrome within the Dunsfold Park site is the host of 'Wings and Wheels' every summer and draws tens of thousands of visitors to the area, from within and outside Waverley.

Waverley also has a good local event programme, with craft events such as the Sugar Craft and Unravel festivals held at the Farnham Maltings that attract over 5,000 visitors to the town annually, many of whom are international. Other large events in the borough such as Weyfest, Jalsa Salana and EVRA (European Veterans Rugby Associations) bring visitors to the area and generate business for local accommodation providers. Further, Waverley is positioned to take advantage of major events for the South East like the Farnborough Air Show and Goodwood.

Waverley's accommodation sector (including 16 hotels) had over 215,000 overnight trips in 2012 (Tourism South East). These included business visitors, VFR (visiting friends and family i.e. UCA graduation visitors), groups and leisure visitors. The following table sets out the accommodation offerings at present.

Table X: Accommodation offerings in Waverley

Hotel	Location	Rooms	Standard
Mercure Farnham Bush	Farnham	94	3 Star
Farnham House	Farnham	25	3 Star
Bishop's Table	Farnham	18	3 Star
Premier Inn	Farnham	61	Budget
Farnham's Hog's Back Hotel	Farnham	96	3 Star
The Princess Royal (Young's)	Runfold	21	
Frensham Pond Country House Hotel & Spa	Frensham	51	4 Star
Bel & The Dragon	Churt	16	Boutique Inn
Innkeeper's Lodge	Godalming	16	Budget
Kings Arms & Royal (Relaxinnz)	Godalming	19	
The Godalming Hotel	Godalming	18	
Premier Inn Godalming	Godalming	16	Budget
Lythe Hill Hotel and Spa	Haslemere	41	4 Star
The Georgian Hotel	Haslemere	43	3 Star
Devil's Punchbowl	Hindhead	32	3 Star
The Richard Onslow	Cranleigh	10	Boutique Inn
Barnett Hill Hotel	Blackheath	54	4 star

There would be opportunities with the development of some of the larger hotels to expand their offerings, and for a 4-star hotel to move toward a 5-star rating. However, there is also an identified need for more budget accommodation options such as B&B's and low cost hostels.

Pressure on Employment Land

There is considerable pressure on the supply of employment land, as many landowners can achieve much higher financial returns through the development of that land for market housing. With recent changes in national planning legislation, it is now also much easier to convert office and light industrial premises into housing through permitted development rights introduced by the Government.

In response to local concerns raised by the town councils and chambers of commerce about the transfer of commercial to residential use, the council is actively researching an Article 4 Direction. This would require a planning application for a change of use development that would otherwise have been permitted development.

Waverley has a range of employment premises - there are 146 employment sites listed in the Employment Land Review (April 2016), including over 40 business parks and industrial estates, which provide flexible and secure accommodation for both start-up firms and more established, smaller businesses. Waverley Borough Council also owns and leases out a number of retail, office and light industrial spaces to local businesses.

According to Valuation Office Agency data, Waverley has approximately 615,000 square metres of employment floor space including office, industrial, and warehousing and distribution floor space. Reflecting the borough's business base, most of the demand for business premises originates from smaller businesses and consists mainly of demand for small to medium sized units.

While the borough is constrained due to housing need in its ability to provide significant levels of new employment land, the 2016 Employment Land Review identified a number of potential sources that could bring forward new employment floor space including currently vacant floor space of approximately 30,000 square metres; short to medium term undeveloped opportunity land totalling approximately 6 hectares; and land with scope for intensification over the medium to long term totalling approximately one hectare. The low level of floor space vacancy provides some lack of flexibility for market churn, though there is some opportunity with the land availability, for example the large site at Dunsfold Park is a key opportunity site.

The development of this Economic Strategy has considered the outcomes of the Employment Land Review, as well as considering how the use of employment land can support Waverley's objectives and help meet the targets set out in this strategy.

Local and sub-regional policy context

FINAL VERSION – UPDATES BEING WORKED ON WITH PARTNERS

The adopted Waverley Borough Local Plan (2018-32)

The new Local Plan has been developed within the context of the National Planning Policy Framework (NPPF). The vision of the Local Plan is to contribute to the achievement of sustainable development. This includes directing overall development towards the four main centres, with new development within and about the villages for local facilities and rural business growth; supporting the development of suitable brownfield land including the Dunsfold site; supporting sustainable transport; and protecting the countryside, as an area of beauty and recreational asset, and the Green Belt.

The Local Plan seeks to help maintain and improve the quality of life in Waverley, providing for homes, jobs, infrastructure and services without undermining the borough's environmental quality.

In terms of homes, the Local Plan has set a target for provision/delivery of at least 11,210 additional homes in Waverley for 2013–2032 (an average of 590 a year). This will include an increase in the provision of affordable housing to meet local needs and housing types to accommodate specific groups of the population such as first time buyers and older people, as identified in the SHMA.

Local Plan Policy TCS1 – Town Centres

The Local Plan seeks to maintain and enhance the role of the four town centres as the focus of shopping, commercial and social life in the borough, and as the location to which most new development should be directed to support the delivery of sustainable communities. The Local Plan recognises that all four of Waverley's town centres are historic, though differ in character and local role, and are relatively small in scale, with scope to accommodate only limited development. It thus emphasises the importance of safeguarding the character and quality of each town centre and identifies retail, leisure and commercial as the most appropriate uses for town centre locations. The recreational and cultural needs of the community will also need to be met.

Local Plan Policy TCS2: Local Centres

The retail role and function of the local centres of Farncombe, Bramley and Milford will be safeguarded and consolidated. Where planning permission is required, proposals that would harm or undermine the retail function of the centre by reducing its ability to meet its daily needs and/ or detract from its vitality and viability will not be permitted. Proposals for the provision of new small scale facilities will be supported, if they would support the vitality and viability of these centres and are appropriate to the role and function of the centre in the hierarchy.

Local Plan Policy TCS3: Neighbourhood and Village Shops

The Council will support the provision of small-scale local facilities to meet local needs. Where planning permission or prior approval is required, the council will resist the loss of shops and services, that are deemed important to the community. Proposals for the loss of shops will need to demonstrate that continuing in this use is unviable. The Council will respond positively to proposals for alterations to or the extension of shops which are designed to improve their viability but do not result in their loss or change of use

In terms of industry and commerce, the Plan aims to ensure that new economic development takes place in a manner which complements and enhances the environment. The Plan seeks to safeguard existing employment accommodation and support the delivery of new and improved commercial premises both in the main settlements and in rural areas. Provision will be required to meet the needs of a range of businesses in Waverley, including the specific needs of small to medium enterprises, and to meet the projected growth in B1a/b (Offices/Research and Development) uses.

Employment and the Economy

Local Plan Policy EE1: New Economic Development

The provision of development for economic growth to meet the needs of the economy, including at least 16,000 sq. m of new Use Classes B1a/b (Offices/Research and Development) floor space, will be delivered through:

a) The allocation of sites for additional employment floor space:

- On Land off Water Lane, Farnham in accordance with Policy SS9 of this Local Plan.
- On Land at Dunsfold Aerodrome in accordance with Policy SS7 and SS7A of this Plan.

☐☐ In accordance with relevant saved policies of the Waverley Borough Local Plan 2002 and in Local Plan Part 2: Site Allocations and Development Management Policies.

b) Permitting new employment development within defined settlements that meets the criteria set out in relevant saved policies of the Waverley Borough Local Plan 2002 or set out in Local Plan Part 2: Site Allocations and Development Management Policies.

c) Permitting the sustainable redevelopment, intensification and/or expansion of sites presently used for employment uses that meets the criteria set out in relevant saved policies of the Waverley Borough Local Plan 2002, or set out in Local Plan

Part 2: Site Allocations and Development Management Policies.

d) Promoting a strong rural economy through the re-use and conversion of existing buildings and well-designed buildings for economic development and promoting the development and diversification of agricultural and other land based rural businesses.

e) Making provision for accommodation for visitors to the Borough, both in terms of business trips and tourism related visits.

Local Plan Policy EE2: Protecting Existing Employment Sites

The Council will permit the change of use of existing employment sites to residential and other alternative uses where it can be clearly demonstrated that there is no reasonable prospect of the site being used for employment use. Existing employment sites include sites specifically identified by saved Waverley Borough Local Plan 2002 Policies IC2 and IC3, sites identified in Local Plan Part 2: Site Allocations and Development Management Policies, as well as other existing employment sites within the B Use Classes. Where there is an identified need for new homes, the Council will normally approve applications for a change to residential use and any associated development from employment use subject to there being no strong economic reasons why such a development would be inappropriate. In considering proposals that are not consistent with this policy, the Council will consider the extent to which the proposed new use will contribute to the economy or meet other specific economic needs and the provisions of Policy WD2 of the Surrey Waste Plan 2008 or equivalent adopted policies in a New Surrey Waste Plan 2018-2033.

Enterprise M3

The Enterprise M3 Local Enterprise Partnership (LEP) is a public/private partnership set up to support and sustains economic growth at a local level.

Waverley is part of the Enterprise M3 Local Enterprise Partnership (LEP) which comprises 14 district authorities across mid and north Hampshire and Surrey. Enterprise M3's vision is to *'be one of the premier locations in the country for enterprise and economic growth, with an excellent environment and quality of life'*. Waverley contributes to the priorities of the Local Enterprise Partnership (LEP) by protecting and improving existing employment sites, providing a high quality environment for businesses, and promoting opportunities for new businesses.

Enterprise M3's Local Industrial Strategy (2018-2030)

The new Local Industrial Strategy is a long term strategic approach aligning with the government's national Industrial Strategy. This will include a strong digital focus and reflect the need for sustainability and low carbon agenda.

Key targets include:

- Adding £39.4 billion GVA by 2030
- Reducing the Business Skills Gap to below the national average of 8% (from 14% in 2015)

- Growing the local digital economy by 3.5% per annum creating 40,000 new high value jobs
- Treble resources for promoting internationalisation and trade
- Ultrafast broadband in all commercial sites and high growth areas
- Delivering 10,000 new homes per year to 2030, an increase of 7%

The key funding streams for Enterprise M3 are:

- 1) The Local Growth Fund, through which Enterprise M3 was awarded £71.1m as a third allocation in January 2017. Transport is the area with greatest projection of spend, whilst to date skills have seen a similar funding level to transport, of around £15m
- 2) The Growing Enterprise Fund, which awards funding to capital projects, focusing on those which kick-start infrastructure and help create jobs and housing for local people, such as the Brightwells Regeneration in Farnham. The fund is open for expressions of interest until the end of 2018, at which point it expects to have over £10million available for allocation. Funding is based on a revolving loan fund (repayments come back from the project) for projects that accord with the Local Enterprise Partnership's Strategic Economic Plan

Business rates

There have been several changes to the UK business rates system over the last few years, with more change to come. In October 2015, the government committed that, by the end of the Parliament, local government should retain all taxes raised locally, including 100% of locally collected business rates. This amounts to a significant reform of the local government finance system. It will be important for the Council to ensure it retains, and expands where possible, its business base in coming years.

In Surrey a business rate retention scheme will be taking place in 2018/19, it will be interesting to see how much of the retained rates filter down to borough level and how this can in turn be used to support the business base locally.

There had been a revaluation of business rates carried out by the Valuation Office Agency (VOA) which adjusts the rateable value of business properties to reflect changes in the property market. The most recent revaluation came into effect in England and Wales on 1 April 2017, based on rateable values from 1 April 2015. It has been seven years since the last revaluation and the government has recently announced various measures to ensure support for those businesses negatively affected by the changes. Working with the chambers, the council has recently introduced a scheme to distribute relief to those affected businesses in Waverley.

Government Industrial Strategy

The UK Government, through the Department of Business, Energy and Industrial Strategy, published its Industrial Strategy green paper in January 2017. The Government intends to take forward an industrial strategy that builds on the UK's commercial strengths to increase productivity and drive growth across the whole country. In particular, it seeks to address the significant gaps in economic prosperity that exist across the UK, and to increase the proportion of high value jobs in the economy. The industrial strategy also seeks to achieve growth in "industries where Britain has the potential to lead the world".

This includes:

- 3) Hi-tech research including robotics & artificial intelligence (AI)
- 4) 5G and other mobile network technologies
- 5) Life sciences (including research and innovation)
- 6) Low-carbon-economy including low emission vehicles
- 7) Industrial digitalisation

8) Nuclear power

The Industrial Strategy also recognises the importance of having the right foundations and support in place, including the need to upgrade digital, energy, transport, water and flood defence infrastructure

The Enterprise M3 LEP and Surrey County Council issued their responses during the consultation period. As sub-regional groups that encompass Waverley, their responses reflected Waverley's position. The responses set out a clear narrative for the importance of the sub-regional economy as a national economic asset and the importance of the existing work being undertaken to support it, as well as further support for the leading industries in the region - including sector deals for aerospace and digital technologies.

The response also requested support for the key challenges of transport infrastructure, digital infrastructure, affordable housing and the 'right' skills provision to meet the needs of local businesses.

Inclusive Growth

The Inclusive Growth Commission established by the Royal Society for the encouragement of Arts, Manufacture and Commerce (RSA) produced their findings in March 2017. Their focus is on the key role of economic development in Place Shaping – in seeing economic prosperity as an important part of achieving attractive, successful and vibrant places. In particular how greater economic dynamism could be delivered in a way that benefits all communities.

The Joseph Rowntree Foundation, in collaboration with the University of Manchester, present an annual Inclusive Growth Monitor. The 2017 monitor demonstrated LEP progress on the inclusion and prosperity dimensions and found that areas that progressed in inclusion were more likely to have had progress in prosperity since 2010.

The Inclusive Growth Commission argues that economic prosperity needs to be:

- 1) An explicit goal of local leadership
- 2) Form part of strategic Place Shaping
- 3) Require new collaborative ways of working across the whole system

For a local area such as Waverley, this means inspiring local public, private and third sector organisations and local communities to all contribute to delivering a vision of Place and economic prosperity that benefits everyone who lives and works here.

Ensuring that prosperity and new local development engages those who have been in long term unemployment or are target groups for employment and training support is key to drive inclusive outcomes.

Waverley Borough Council can also use their procurement contracts as levers to retaining economic value in the local area, with support for businesses to be aware of opportunities and to have the capacity to meet requirements.

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