

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 3 MARCH 2015

Title:

ECONOMIC STRATEGY

[Portfolio Holder: Cllr Adam Taylor-Smith]

[Wards Affected: All]

Summary and purpose:

This report sets out a new Economic Strategy for Waverley drawing on latest economic data and views of key stakeholders. Once formally adopted, Waverley's Economic Strategy will form a key source document for the development of the new Local Plan. In particular it will help inform the Employment Land Review and the scale of housing development necessary to meet business needs and sustain the on-going development of Waverley's economy.

Waverley Borough Council has long recognised the importance of Waverley's economy and the key part played by local businesses in the wider success of the borough. There is also a well established link between rates of employment and improved health and wellbeing outcomes. As a result the Council has invested in a range of initiatives to support new and existing businesses which are detailed in this report.

Overall the Strategy highlights the considerable strengths of Waverley's economy including very high skill levels in the local working population, very high employment levels, and the number and diversity of small businesses in the borough.

Given the relatively high cost of housing in the borough, the strategy also highlights the importance of the Council's continued commitment to affordable housing as a way of securing key workers into essential roles within the borough such as nurses, teachers and care workers.

How this report relates to the Council's Corporate Priorities:

The Economic Strategy relates to all of the Council's Corporate Priorities.

Financial Implications:

The protection of Waverley's overall business base is key in preserving and enhancing revenue generated by non domestic business rates.

Legal Implications:

One of the main benefits of adopting the Economic Strategy would be to inform the evidence base for the Council's Local Plan. Local Planning Authorities are required

to prepare and maintain an up-to-date Local Plan for their area, and the Economic Strategy informs the Local Plan.

Introduction

1. The Economic Strategy will contribute to the evidence base for the new Local Plan, by clarifying the vision and objectives for the local economy. The previous Economic Strategy was in place from 2007-2012 - the economic climate and regional structures have changed considerably over the last few years and new objectives now need to be considered. Whilst the IED (Institute of Economic Development) advise there is no statutory requirement to have a formal Economic Strategy, they recommend it is important to display good governance and a clear direction. The new Economic Strategy will therefore provide a positive steer for the local economy over the next five years.
2. Atkins, who have been involved with the preparation of the Local Plan and the Employment Land Review, were recently asked to review the latest economic data for Waverley. They used the data alongside other developments in the local and regional economy to inform the development of a new Economic Strategy, attached as Annexe 1.

The Council's support to local businesses

3. The Council is proud of its track record as a business friendly organisation and the steps taken by the organisation to support the local economy and businesses. Key examples include:
 - Support to local businesses through the supply of delivery of a wide range of employment related training and the supply of apprentices through Waverley Training Services. Support is also provided to residents who are long-term unemployed to help them get back into employment.
 - The Council offers free business advice and support to anyone wishing to start or expand a business in the borough, through a service level agreement.
 - Rate relief provided to 916 local businesses including rural businesses such as general stores and post offices
 - A commitment to pay all invoices to local businesses within 10 working days and actively encourage the use of local suppliers, and the use of local labour in the Council's main contracts.
 - Removed unnecessary burdens on local businesses through the development last year of a new Council policy for Regulatory Services which promotes more efficient approaches to regulatory inspection and enforcement
 - Free advice and guidance to local businesses from Waverley's Environmental Health Service regarding food hygiene, health & Safety, licensing etc

- Provides local businesses with 16 hectares of land for industrial use, 17 hectares for commercial leisure use, 246 square meters of commercial office accommodation, and 740 square meters of retail space through various lease arrangements.
- The provision of business support alongside Council run workshops and events for local businesses such as the recent Digital Skills Workshops, Compete on the Streets initiative, and Meet the Buyer Event and relevant information and opportunities through a quarterly e-bulletin to local businesses
- The Council helped secure £30,000 for the Portas Town Team Bids last year.
- Offer free parking initiatives at different times of the year to benefit local retailers
- Support the Maltings to provide incubator space for micro business working in arts and craft sector
- Meeting national and local targets for turning around planning applications including applications relating to business premises and providing pre application advice to developers

Economic Profile of Waverley

4. Atkins recently reviewed a wealth of local data from sources such as ONS, Experian and the council's own information. They used the data to create an economic profile of the borough which forms the background to the Economic Strategy. The headline statistics are:

Population - Waverley's population is growing at a slower rate than the county and national averages, having grown by 6.1% over the period 2000 – 2013 compared to growth rates of 9% across Surrey and 9.4% across England.

Qualifications - Waverley has a highly qualified resident population with 40% of residents aged 16 and over holding Level 4 qualifications and above. This is higher than both the England (27%) and Surrey (36%) averages.

Employment - The Borough has a higher than average economic activity rate, with 75% of the population aged 16-64 being economically active.

- The Borough also has higher than average levels of self-employment (12% compared to 10% across England)
- It also has a higher than average number of part-time jobs. Approximately 30% of all people aged 16 – 64 working in Waverley work part-time (compared to an average of 25% across Surrey and across England).
- Waverley also has the largest number of homeworkers in Surrey with nearly 10,000 people homeworking.

Gross pay - The Borough is one of the least deprived in England, ranking 320th out of 326 local authorities in terms of deprivation. It is an affluent Borough with the median gross annual pay of Waverley residents being significantly higher than the national average (£38,200 compared to £27,500). The median gross annual pay of people **working** in Waverley is approximately one third lower than the median gross annual pay of people **living** in Waverley which suggests that many residents commute out of the Borough to access higher paying jobs.

Business base - Waverley has one of the highest business densities in Surrey with over 7,000 VAT registered businesses in the Borough. There are 3,949 businesses currently paying NNDR (business rates) within premises in the Borough, of which 421 are currently empty.

- Waverley's business base is dominated by small and medium sized enterprises. Approximately 91% of Waverley's businesses are micro businesses employing fewer than 10 people. This is higher than the national average of 88%. At the same time, the Borough has only 15 large enterprises employing 250 or more people.
- Analysis of a sample of 2,000 businesses in the Borough shows that the average business size is 3 employees. That average however is skewed by a small number of large employers. The typical (median) business size is only 2 employees.

Town Centres - The health and vitality of Waverley's town centres is reflected in their low High Street vacancy rates which range from 4% in Haslemere to 7% in Farnham. The overall vacancy rate across the four High Streets is approximately 6% - significantly lower than the UK High Street average of 14%. While the above vacancy rates represent a snapshot (November 2014), they indicate relatively healthy High Streets and town centres.

Employment premises - Waverley offers a range of employment premises including business parks and industrial estates, which provide flexible and secure accommodation for both start-up firms and more established, smaller businesses. According to Valuation Office Agency data, Waverley has approximately 264,000 square metres of employment floorspace including office, industrial, and warehousing and distribution floorspace.

Vision

5. It is important that the Strategy sets out a clear vision to direct the objectives and actions within the work programme. Having reviewed the latest economic data for Waverley, Atkins have suggested the following vision:

'Waverley will enjoy continued economic prosperity and diversity while safeguarding and enhancing its attractive character and high quality of life'.

Objectives for economic growth

6. While the vision aims to provide the overarching direction, six objectives are suggested for the local economy:
- **safeguard and enhance the Borough's attractive character and high quality of life.** Including maintaining access to well paid jobs. Excessive levels of housing or employment growth would threaten Waverley's character and unique characteristics and would ultimately damage its economy.
 - **maintain and enhance the attractiveness and vitality of the Borough's town centres**
 - **support modest levels of employment growth** at the appropriate locations and without compromising what makes Waverley successful.
 - **engage with local businesses and offering business support** – continue to help business start-ups and supporting existing businesses.
 - **high quality infrastructure** - the Council will continue working with its partners (including the Local Enterprise Partnership and the private sector) to maintain and improve the Borough's infrastructure, especially in terms of transport and broadband but also wider infrastructure such as Health.
 - **provide affordable housing to key workers** - Given the high average cost of housing in the Borough, it is important that Waverley is able to provide affordable housing to key workers as they are vital to the continued prosperity of the Borough and its economy.

Conclusion

7. The draft Economic Strategy provides an up-to-date analysis of Waverley's Economy and the steps necessary to secure its continued success. It highlights its distinctive place that Waverley has within the wider economic region and provides a helpful contribution to the development of the new Local Plan.

Recommendation

It is recommended that the Executive approves the Economic Strategy.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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