Waverley Economic Development Strategy Review 2022

Evidence Base

Prepared for

Waverley Borough Council

By

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Waverley Economic Development Strategy Review 2022:
Evidence Base

CONTENTS	Page
KEY HIGHLIGHTS FROM THE EVIDENCE BASE	**4**

Waverley Economic Development Strategy Review 2022:
Evidence Base

CONTENTS	Page
7. Spatial Development	**49**
7.1 Commercial Property Market Trends	49
7.2 Commercial Property Availability	56
7.3 Planning Policy Framework	57
7.4 Key Development Sites and Locations	60
7.5 Planning and Development Issues	60
7.6 Infrastructure Priorities	62
8. Digital Connectivity Strategy	**64**
8.1 Why Digital Connectivity Matters	64
8.2 Growth of Digitisation	64
8.3 Evolution of Fast Broadband in Surrey	65
8.4 The Government's Policy	65
8.5 Progress in Delivering Full Fibre Connectivity in Waverley	66
8.6 Government Support for Hard-to-Reach Areas	68
8.7 Fibre Delivery Support Requirements for Waverley Premises	68
8.8 Measures to Address Gaps	70
8.9 Case Study: F&W Networks	70
8.10 Case Study: Broadband for Surrey Hills	71
8.11 Case Study: Openreach	72
8.12 Local Measures that to Accelerate Full Gigabit Coverage	74
9. Place Making in the Settlements	**76**
9.1 Overview	76
9.2 Farnham	76
9.3 Godalming	77
9.4 Haslemere	79
9.5 Cranleigh	80
9.6 Godalming Business Improvement District	81
10. Regional and Sub-Regional Strategic Policies and Ambitions	**82**
10.1 EM3 LEP Strategic Economic Strategies	82
10.2 Surrey's Plan for Growth: Surrey's Economic Future	85
10.3 Regional and Sub-regional Transport Policies	87
11. Stakeholders Aspirations for the Evolution of The Borough	**90**
12. Main Challenges and Opportunities	**92**
12.1 Challenges	92
12.2 Opportunities	95
13. Economic Development Contributions of Council Functions	**98**
Appendix: Waverley Economic and Sector Profiles	**99**

KEY HIGHLIGHTS FROM THE EVIDENCE BASE

	Evidence Base Section
Recent Economic Performance	
Resident Qualifications Waverley has the highest proportion of residents in employment who are in professional or technical occupations amongst immediately surrounding boroughs. 56% of Waverley residents in employment hold qualifications of NVQ 4 or above and 75% of NVQ 3 and above.	1.1
Business Sectors and Trends Waverley has a very strong base of information and communications businesses and professional, scientific, and technical services sector businesses, though a number of these have closed in recent years. Against this, 750 manufacturing and 500 construction jobs were created between 2015-20. There were net reductions in number of businesses in Waverley and 2019 and 2020, but a healthy rate of alternative business creation during 2020-21.	1.3
Current Issues	
Impact of Brexit Trade in services, manufactured goods and agriculture has suffered since the introduction of Brexit and difficulties in employing EU citizens present new challenges in each sector. Both imports and exports from the UK to the EU have decreased by 15% each. It is not clear when these constraints will be fully resolved.	3.1
Cost of Living A cost-of-living crisis involving a fall in real disposable income in the UK has been experienced since late 2021 and is now exacerbated by high inflation outstripping wage and benefit increases and recent tax increases. Further pain is expected in the UK economy.	3.2
Recession Prospects A global slowdown is looming as countries try to recover from the COVID-19 pandemic, due to the current draconian lockdown in China, rising US interest rates and a cost-of-living crisis in Europe amid the ongoing conflict in Ukraine.	3.3
Local and Sub Regional Job Losses Over the past seven years within Waverley 4000 jobs been lost in sectors such as business services and professional technical services and several major employers have left. Within the Enterprise M3 region, job growth has been stagnant since 2016 with 12,200 net job losses.	3.4

	Evidence Base Section
Issues on the Horizon	
Growth Sector Prospects Low carbon, gaming, creative immersive and health technologies have scope to be the main focus for growth in Waverley. Food and beverage, small, localised freight transport and construction driven by demand for retrofitting are also likely to grow.	**4.1**
Future of Work Digital transformation and artificial intelligence is one the rise. By the middle of the 2020s, analytical thinking, creativity, and flexibility will be among the most sought-after skills. The number of such jobs will increase whilst that for repetitive, administrative and middle management jobs were shrink. For workers set to remain in their roles over the next five years, nearly half will need retraining for their core skills.	**4.2**
Future of Mobility A move to connected, automated and zero emission mobility has the potential, if poorly managed, to worsen congestion and public health. But if it is well managed, it could help tackle predominantly urban challenges such as congestion and air pollution, improve connectivity within urban areas, and boost productivity.	**4.3**
Changing Landscape of Town Centres The COVID-19 pandemic, e-commerce and increased home working have led to many changes to how people use and visit town centres. Key requirements are good local shops, faster reliable internet access, supportive communities. pleasant streets, places to go out, workspace to support local businesses and jobs, housing that meets needs, fresh air, exercise and sports facilities and good transport services.	**4.5**
Housing and Employment A proportion of the new 590 homes planned each year will bring new residents into the area. To encourage as many of these to work in the area as possible rather than out-commuting, well-paid employment opportunities need to be created.	**4.6**
Climate Change and Meeting Net Zero Targets	
The Government's net zero carbon sectoral strategies have scope to create significant numbers of new jobs. For example, retrofitting buildings to meet government energy efficiency targets requires an additional 350,000 skilled construction workers in Britain by 2028.	**5.3**

	Evidence Base Section
Planned retrofit initiatives for Council owned housing stock will require a firm local base of competence for zero carbon construction. Waverley's zero carbon policy and housing delivery and procurement strategies are driving local employment and training by contractors in the use of low carbon and modern methods of construction.	**5.5**
A green skilled job can range from civil mechanical, electrical, electrical engineers, data analysts, machine learning experts to skilled trades people, as well many others. There is a key role for education institutions, especially further education, to make more flexible and more modular courses related to zero carbon available for those currently in work.	**5.6**
Labour Force	
Early retirement of many workers over the age of 50 has caused problems across the UK labour market. Many employers who used to rely on EU workers have had to adjust by either reducing their need for workers by turning to automation or simply producing less. Around 60 per cent of companies surveyed by the British Chamber of Commerce have been experiencing recruitment difficulties.	**6.1**
The hardest to fil local vacancies are in nursing, sales, software, gaming and immersive technologies, social care workers, logistics workers, chefs, kitchen and catering assistants.	**6.2**
There is a low take-up of vocational provision, including apprenticeships, in the Enterprise M3 area.	**6.4**
Identified skills priorities for the Enterprise M3 area are high level digital skills for workers in specialist roles; supporting retrofitting activity to decarbonise homes and buildings; and technical jobs in low carbon sectors.	**6.5**
The biggest barrier to local people accessing low paid jobs is inadequate public transport. Housing costs also are prohibitive to people working in the area.	**6.7**
Spatial Development	
Commercial property in highest demand is for industrial uses, given demand from activities such as storage, standard and high-tech motor activity and various mechanical or electrical industries.	**7.1**

	Evidence Base Section
Office demand is currently subdued due to uncertainty about possible recession. Office workers now expect nicer, more modern buildings with air conditioning conducive to wellbeing.	**7.1**
Demand for retail is now mainly for small units from independents which are beginning to grow, not multiples. Farnham now has a low town centre vacancy rate.	**7.1**
For any business type, mostly the demand is from within the Borough. There has not been much movement of businesses into the Borough in recent years, apart from a few businesses who have gone into Dunsfold	**7.1**
Much of the commercial space formerly available has been lost as permitted development rights have enabled such buildings to go to housing uses. Article 4 agreements have been put together to protect a number of office buildings, but these need to be renewed and this is subject to consultation and there is a risk of such buildings being lost.	**7.5**
Within the Local Plan two main sites have been allocated for development: land off Water Lane, Farnham where 16,000 m² of offices and R&D space has been allocated and Dunsfold Aerodrome where 28,000 sqm has been allocated. New employment development is set out to be mainly focused on the settlements of Cranleigh, Farnham, Godalming and Haslemere, where services, connectivity and labour are strongest. Outside the settlements, the appropriate expansion and growth of existing business premises and the conversion of rural buildings is also supported where there is no detrimental impact.	**7.3**
Economic growth needs to be balanced against the need to protect the unique character and environment of Waverley and respond to climate change. A major concern has been to preserve the character of the area and protecting the green belt. Waverley's natural beauty and ecological importance are key assets and the desire is to discourage putting pressure on sensitive areas. Too much growth would result in additional housing numbers being required. A review of the current Local Plan is due in February 2023. The Economic Development Strategy will need to align with the Local Plan.	**7.5**
Digital Connectivity	
Waverley needs to accelerate the roll out of high-performance digital connectivity across the borough due to: intensified work patterns across a high proportion of knowledge-based occupations; digitised and data-driven industries replacing many traditional work roles, intensively dependent on high-performance digital connectivity; the need for Waverley to compete for	**8.1**

	Evidence Base Section
investment delivering high-quality, well-paid jobs; to reduce the need to travel; and to support more people who now work from home.	
The government has stimulated a sharp increase in the pace of investment in full fibre roll out by promoting competition and investment by commercial operators where possible, then intervening where necessary to address gaps.	**8.4**
Virgin Media 02 have now completed the internal upgrade of their existing network across the UK. In Waverley, Openreach will upgrading premises across the main urban areas to full fibre by 2026. In the meantime, a number of smaller providers have announced plans to install fibre connections to the larger villages.	**8.5**
Despite this, there will be gaps in the smaller urban locations and rural areas and where premises are hard to reach. Support for hard-to-reach areas is being provided by the Government's Project Gigabit programme. Business or residential communities can get together to apply for vouchers which can fund Gigabit capability fibre connections in their localities. It is estimated that 9,600 premises in Waverley will be eligible for this support.	**8.6** **8.7**
Waverley Borough Council needs to establish a coordination resource to mobilise businesses and residential communities in the hard-to-reach areas to marshal demand for Government assisted provision. In parallel, much can be done by the Council to streamline procedures and remove constraints which would other delay accelerated installation of fibre connectivity and 5G mobile provision.	**8.10**
Place Making in the Settlements	
The four settlements of Farnham, Godalming, Haslemere and Cranleigh share the need to deliver an adequate good mix of housing to meet needs, for measures to diversify, enliven but also protect the character of the town centres.	**9.1**
Waverley Borough Council is seizing the initiative through an investment strategy in the four main high streets. The Council is acquiring key vacant sites in each town and bringing in more market and social housing, retaining frontages and attracting more food and beverage operators.	**9.1**
Each settlement has identified priorities as set out in their respective neighbourhood plans and according to their unique ambitions, factors driving change, opportunities being created through Council initiatives and other required interventions.	**9.2** **9.3** **9.4** **9.5**

	Evidence Base Section
Strategic Alignment	
Common themes of the LEP and County strategic policies for the economy with which Waverley will need to align are: stimulating and supporting leading edge industries, high quality place making, balanced skills provision and developing the green economy. Sustainable movement, connectivity and increased productivity are also key threads.	**10.**
Stakeholders Aspirations for the Evolution of The Borough	
Following extensive consultation, wide range of views has been captured about the future of the borough related to innovation, enterprise and investment, net zero carbon and green economy, creating new jobs, environment. labour force, town centres, built environment, living and working patterns. quality of life and leadership.	**11.**
Challenges and Opportunities	
Based on the above evidence, the major challenges and opportunities facing the borough have been summarised.	**12.**

1.   Borough Economic Profile

1.1   Recent Economic Performance

A summary of the borough's economic structure and trends is provided below, with reference to its ranking against each of the immediately surrounding boroughs. Appendix 1 sets out supporting key statistical datasets.

Enterprises by Size

Waverley had 8,310 businesses in 2021, of which 92% are of less than 10 employees. Waverley's stock of businesses of all sizes increased by 2.3% between 2016 and 2021, but in some years more businesses have closed than opened.
Source: UK Business Counts – Enterprises

Growth of Business Stock Beyond Micro Businesses

However, Waverley's stock of businesses of between 10 to 49 employees reduced by 7.6% during the small period. Compared to the immediately surrounding boroughs (see Appendix), it has proved to be the least successful at transitioning micro businesses to growth mode and moving more of them into higher employment size bands.
Source: ONS; UK Business Counts – Enterprises

Comparative Business Survival

Of businesses that were started in 2014, in Waverley, only 45.5% had survived after five years; this is the lowest survival rate of all the eight boroughs compared.
Source: ONS Business Demography

In 2020, 25 more businesses closed than were created in Waverley. Similar reverses were experienced in Hart and Mole Valley and to a small extent in Guildford, but with net gains in East Hants, Horsham and Rushmoor.
Source: ONS Business Demography

Growth Performance of Key Sectors

Waverley has under-performed in terms of business creation and growth across Information and Communications and Professional, Scientific and Technical Services, each losing 65 businesses between 2020 and 2021. Against this, 130 firms have opened in manufacturing, construction, and some service sectors.
Source: ONS; UK Business Counts – Enterprises

Employment Trends

The latest available employment data is for 2021. The main increases in employment from 2016-21 by sector have been 1000 new jobs in retail, 500 in construction and 100 in agriculture, forestry & fishing.

Between 2016 and 2021, Waverley has seen a net decrease of 2,750 jobs, with losses across the following sectors.

Wholesale	-750
Transport & storage (inc postal)	-250
Accommodation & food services	-500
Information & communication	-500
Financial & insurance	-100
Property	-250
Business administration & support services	-1,500
Arts, entertainment, recreation & other services	-500

Source: ONS; Business Register and Employment Survey

This compares with job losses of 1075 in Chichester, 2,300 in East Hants, 4875 in Hart, 200 in Horsham, 325 in Mole Valley and 175 Rushmoor, with no change in the number of jobs Guildford. There has been a net loss of 14,450 jobs across all eight districts.

Source: ONS; Business Register and Employment Survey

1.2   Workforce

Economic Activity

Across the immediately surrounding boroughs, Waverley has the fifth highest proportion of economically active persons and the third highest employment rate. Waverley has the highest proportion of self-employed amongst the immediately surrounding boroughs. In terms of the proportion of unemployed, all districts are around 2-4% with Waverley 3.1%, Waverley's rate of economically inactive is the fourth lowest at 19.5% after East Hampshire Hart and Rushmoor.
Source: ONS Annual Population Survey

Higher Level Workforce Occupations

At 38% and 21% respectively, Waverley has the highest proportion of employed residents in professional and associate professional and technical occupations than any of the immediately surrounding districts, though a moderate proportion in senior management occupations. (See Appendix for other occupations).
Source: ONS Annual Population Survey

Workforce Qualifications Above NVQ 1

In Waverley, 56% residents aged 16-64 have NVQ 4 and above qualifications exceeded only by Guildford at 59%.
Source: ONS Annual Population Survey

1.3   Key Sector Trends

Growth Performance of Key Sectors

Waverley has under-performed in terms of business creation and growth across two key knowledge-based sectors – Information and Communications and Professional, Scientific and Technical Services, each losing 65 businesses between 2020 and 2021. Against this, 130 firms have opened in manufacturing, construction, and some service sectors.

Sector	No. Enterprises 2021	Changes 2016-21	Employment 2020	Change 2015-20
1 : Agriculture, forestry & fishing	175	-15	400	-100
2 : Mining, quarrying & utilities	40	15	350	50
3 : Manufacturing *	290	0	2,500	750
4 : Construction	895	65	3,000	500
5 : Motor trades	155	0	1,250	0
6 : Wholesale	220	-20	1,250	-500
7 : Retail	440	-10	5,000	-1,000
8 : Transport & storage (inc. postal)	100	0	1,000	100
9 : Accommodation & food services	255	-35	3,500	-500
10 : Information & communication	915	-5	3,500	0
11 : Financial & insurance	740	290	1,250	250
12 : Property	390	20	1,250	0
13 : Professional, scientific & technical	1,960	-135	5,000	-2,000
14 : Business administration & support	755	45	4,000	-2,000
15 : Public administration & defence	20	0	600	100
16 : Education	165	15	8,000	1,000
17 : Health	220	-5	6,000	0
18 : Arts, entertainment, recreation etc.	570	-25	3,500	0
Column Total	**8,310**	**190**	**52,000**	**-3,000**

Source: ONS; UK Business Counts & Business Register and Employment Survey

- Waverley has 915 information and communication businesses, and despite an increase since then, the number of businesses fell by 65 between 2019 and 2020. There was no bet employment change from 2015 to 2020.

- The number of professional, scientific and technical businesses in Waverley has declined by 135 businesses since 2016 (including by 65 businesses since 2020). Waverley had 6000 employees in the sector in 2020, the third highest amongst the four boroughs, but saw a reduction of 2,000 jobs in the sector between 2015 and 2020, (including 1,000 from 2019-20).

- The number of financial and insurance businesses is 740 and this has grown by 290 businesses since 2016; employment grew by 250 from 2015 to 2020.

- Waverley has 755 business administration and support services firms, 45 having appeared between 2016 and 2021. However, employment had reduced by 2,000 from 6,000 to 4,000 between 2015 and 2020.

- Waverley has the highest number of education businesses (165) having increased by 15 from 2016-21. Employment in the sector rose by 1,000 to 8,000 jobs between 2015-2020.

- The borough has 250 manufacturing businesses. There has been no net change since 2016 but manufacturing of food and beverages has increased by 20 businesses and with a further increase of 20 more accounted for by increases in textiles, paper products, computer and electronic products and repair and installation. In the same period, 40 manufacturing businesses have been lost in wood products, recorded media, non-metallic mineral products, machinery, motor vehicles, other transport equipment and other manufacturing. An additional 750 manufacturing jobs have been generated during this period.

Changes in No. of Manufacturing Enterprises, Waverley 2016-21	No.
10 : Manufacture of food products	10
11 : Manufacture of beverages	10
13 : Manufacture of textiles	5
16 : Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-5
17 : Manufacture of paper and paper products	5
18 : Printing and reproduction of recorded media	-10
23 : Manufacture of other non-metallic mineral products	-5
26 : Manufacture of computer, electronic and optical products	5
28 : Manufacture of machinery and equipment n.e.c.	-5
29 : Manufacture of motor vehicles, trailers and semi-trailers	-5
30 : Manufacture of other transport equipment	-5
32 : Other manufacturing	-5
33 : Repair and installation of machinery and equipment	5
Column Total	**0**

Source: ONS; UK Business Counts

Construction has also proved resilient with an increase of 65 additional enterprises and 500 new jobs.

1.4   Supporting Statistical Evidence

Datasets supporting the above narrative, along with details of data sources and statistics on income, productivity comparative business density, housing costs and sector profiles can be found in Appendix 1.

1.5   Economic Health Check

A summary economic health check is provided below.

Waverley Economic Development Strategy Review 2022: Evidence Base

Factor	RAG	Issues
Business growth performance	🔴	Losses of businesses in 10-49 employment size band have occurred.
Business survival	🔴	Net reductions in number of businesses in 2019 and 2020. Waverley's business survival rate outperformed by immediately surrounding boroughs.
Performance of key sectors	🔴	130 firms in information and communications and professional and technical services lost during 2020-21.
Performance of other sectors	🟢	Healthy rate of alternative business creation during 2020-21, with 130 firms opening in other sectors.
Service sector employment	🔴	4,350 jobs disappeared across white collar sectors, accommodation & food services, arts and entertainment and distribution during 2016-2021.
Retail and construction	🟢	1000 retail and 500 construction jobs created 2016-21
Economic activity and inactivity	🟢	Waverley compares favourably with immediately surrounding boroughs.
Occupational structure	🟢	Waverley has the highest proportion of residents in employment who are in professional or technical occupations amongst immediately surrounding boroughs
Qualification Levels	🟢	56% of Waverley residents in employment hold qualifications of NVQ 4 or above and 75% of NVQ 3 and above.
Earnings by Place of Residence	🟢	At an average of £719, Waverley's weekly earnings by place of residence exceed most immediately surrounding boroughs
Earnings by Place of Work	🔴	At an average of £549, Waverley's weekly earnings are significantly lower than the immediately surrounding boroughs.
GVA £ per head	🟠	GVA per head in Waverley is lower than that of Rushmoor, Mole Valley and Waverley but higher that the other surrounding districts.
Average Price of a Home	🟠	The average price of a home in Waverley is higher than that for immediately surrounding boroughs except Mole Valley, but the latest price increases have been moderate.

2. Economic Profile of the Settlements and Rural Areas

2.1 Business and Employment Structure of the Settlements

Business Structure

Table 1 below provides an analysis of the number of enterprises bisector across each of the gravely urban settlements and the rural areas. Ask can be seen, 30% of the districts businesses are located in Farnham, 23% in Godalming, 9% in Haslemere and 7% in Cranleigh. Collectively call mom the settlements account for 69% of all enterprises across the borough.

Across the sectors, Farnham exceeds all other urban settlements, except in the case of Finance and Insurance, where the highest concentration is in Godalming.

Table 1

No. Enterprises by Settlement and Rural, Waverley 2021	Rural Areas	Farnham	Godalming	Haslemere	Cranleigh	Total Urban	Total Urban %	Total Borough
1 : Agriculture, forestry & fishing (A)	140	15	5	10	5	50	29%	**175**
2 : Mining, quarrying & utilities (B,D and E)	5	5	20	0	0	20	67%	**30**
3 : Manufacturing (C)	105	90	30	30	25	195	70%	**280**
4 : Construction (F)	315	285	135	70	95	585	65%	**900**
5 : Motor trades (Part G)	70	40	15	20	20	105	64%	**165**
6 : Wholesale (Part G)	80	75	30	15	20	165	75%	**220**
7 : Retail (Part G)	115	135	80	70	40	310	70%	**440**
8 : Transport & storage (inc postal) (H)	35	35	15	5	15	60	57%	**105**
9 : Accommodation & food services (I)	90	90	45	25	20	200	74%	**270**
10 : Information & communication (J)	245	350	190	70	55	720	79%	**910**
11 : Financial & insurance (K)	45	55	615	10	10	420	57%	**735**
12 : Property (L)	120	115	90	45	20	245	63%	**390**
13 : Professional, scientific & technical (M)	645	630	330	230	115	1,495	77%	**1,950**
14 : Business administration & support services (N)	245	265	130	70	45	510	68%	**755**
15 : Public administration & defence (O)	15	0	5	0	0	5	25%	**20**
16 : Education (P)	55	60	25	15	15	110	65%	**170**
17 : Health (Q)	60	85	30	20	15	165	79%	**210**
18 : Arts, entertainment, recreation & other services (R,S,T and U)	190	175	100	75	35	410	71%	**575**
Column Total	**2,575**	**2,505**	**1,890**	**780**	**550**	**5,770**	**69%**	**8,300**
% Total	31%	30%	23%	9%	7%			100%

Source: ONS; UK Business Counts

As can be seen from Table 2 Farnham and Godalming experienced an increase in the number of enterprises between 2016 and 2021 whereas Haslemere in Cranleigh experienced net losses.

It should be noted below that employment levels in finance and insurance in Godalming has not changed in proportion to the increase in enterprises suggesting that not all of these companies were employers.

Table 2

Change in No. Enterprises by Settlement and Rural 2016-2021	Rural	Farnham	Godalming	Haslemere	Cranleigh	Total Urban	Total Borough
1 : Agriculture, forestry & fishing (A)	-5	0	0	0	-5	-5	-10
2 : Mining, quarrying & utilities (B,D and E)	0	0	5	0	0	5	5
3 : Manufacturing (C)	10	-5	-10	0	-5	-20	-10
4 : Construction (F)	0	30	25	-5	15	65	65
5 : Motor trades (Part G)	10	0	-5	5	-5	-5	5
6 : Wholesale (Part G)	5	-10	-5	-15	0	-30	-25
7 : Retail (Part G)	-15	-10	10	0	0	0	-15
8 : Transport & storage (inc postal) (H)	-5	10	5	0	0	15	10
9 : Accommodation & food services (I)	-5	0	-10	0	0	-10	-15
10 : Information & communication (J)	-5	40	-25	-20	0	-5	-10
11 : Financial & insurance (K)	5	10	275	0	-5	280	285
12 : Property (L)	0	10	0	0	5	15	15
13 : Professional, scientific & technical (M)	-30	-45	-35	-20	-5	-105	-135
14 : Business administration & support services (N)	10	15	15	-5	10	35	45
15 : Public administration & defence (O)	5	0	0	0	0	0	5
16 : Education (P)	5	10	10	-5	-5	10	15
17 : Health (Q)	-10	0	0	-10	0	-10	-20
18 : Arts, entertainment, recreation & other services (R,S,T and U)	5	-15	-10	10	-10	-25	-20
Column Total	**-20**	**40**	**245**	**-65**	**-10**	**210**	**190**

Source: ONS; UK Business Counts

Employment Structure

As can be seen from Table 3, the four settlements account for 79% of all Borough employment in 2020. 20,050 of jobs, 38% of borough employment were in Farnham, with 11,100 jobs, 21% of borough jobs in Godalming, 6,500 jobs, 12% of borough employment in Haslemere and 3,300 jobs, 6%, in Cranleigh.

Table 3

Employment Structure of the Settlements 2020	Rural Areas	Farnham	Godalming	Haslemere	Cranleigh	All urban	Total	% Total
1 : Agriculture, forestry & fishing (A)	110	5	20	20	20	**65**	**175**	0.3%
2 : Mining, quarrying & utilities (B,D and E)	40	245	35	0	0	**280**	**320**	0.6%
3 : Manufacturing (C)	495	1,480	110	220	135	**1,945**	**2,440**	4.7%
4 : Construction (F)	890	1,090	395	250	300	**2,035**	**2,925**	5.6%
5 : Motor trades (Part G)	250	765	85	195	85	**1,130**	**1,380**	2.6%

Employment Structure of the Settlements 2020	Rural Areas	Farnham	Godalming	Haslemere	Cranleigh	All urban	Total	% Total
6 : Wholesale (Part G)	215	495	210	155	105	965	1,180	2.3%
7 : Retail (Part G)	735	2,010	1,385	775	500	4,670	5,405	10.4%
8 : Transport & storage (inc postal) (H)	245	480	110	80	70	740	985	1.9%
9 : Accommodation & food services (I)	960	1,305	555	400	250	2,510	3,470	6.7%
10 : Information & communication (J)	785	1,285	1,060	250	165	2,760	3,545	6.8%
11 : Financial & insurance (K)	150	390	460	75	55	980	1,130	2.2%
12 : Property (L)	275	500	245	155	55	955	1,230	2.4%
13 : Professional, scientific & technical (M)	1,190	2,175	1,125	525	250	4,075	5,265	10.1%
14 : Business administration & support services (N)	635	1,760	1,440	250	75	3,525	4,160	8.0%
15 : Public administration & defence (O)	15	30	610	0	0	640	655	1.3%
16 : Education (P)	2,195	2,800	1,225	1,025	650	5,700	7,895	15.1%
17 : Health (Q)	1,135	2,085	1,135	1,350	325	4,895	6,030	11.6%
18 : Arts, entertainment, recreation & other services (R,S,T and U)	710	1,315	675	675	275	2,940	3,650	7.0%
Total	11,200	20,050	11,100	6,500	3,300	40,950	52,150	100.0%
Total %	21%	38%	21%	12%	6%	79%	100%	0%

Source: ONS; Business Register and Employment Survey

2.2   Status of the Rural Economy

Significance of the Rural Business and Employment Base

An analysis of businesses enterprises by Super Output Area across Waverley indicates the following patterns.

- There are 2585 businesses in the rural areas and 5720 in the urban areas indicating that rural businesses account for 31% of the borough total.
- 31% of Waverley businesses are rural-based in sectors such as construction, transport and storage, accommodation and food services, property and professional, scientific and technical services, business administration, education and arts, entertainment and recreation.
- Sectors showing above average predominance in the number of businesses in the rural areas include Agriculture (74% of the borough total) manufacturing (38%) motor trades (42%) and public administration and defence brackets (75%).
- Sectors which are represented less than the average within the rural areas include utilities, retail information and communication, finance and insurance and health.

Trends In Rural Industries

Sectors which have shown an increase in the number of businesses in the rural areas have included manufacturing, motor trades, wholesale, finance and insurance, business administration, and public administration and defence and education.

Declines in employment between 2015-20 have been seen in agriculture (90 jobs), retail (55 jobs), and accommodation and food services (185 jobs) and in transport and storage. Declines in professional scientific and business administration have also led to significant losses in the rural areas.

3. Current Issues

3.1 Brexit Impact on Trade Levels

Brexit Impact on the Service Sector

The service sector makes up 80% of the UK economy. 40% of exports from the sector went to the EU pre-pandemic. Trade in services has become more difficult between the two unions since the signing of the 2020 Brexit deal. The trade deal signed provided agreements and a framework for dialogue between the UK and EU in regard to financial services and greater trade opportunities. However, progress in this area has been limited.

While the UK is free to make its own trade deals with other countries, this does not necessarily mean that barriers to trade will be liberalised as it is often easier to trade with geographically proximate partners. As a result, it means regaining the loss from EU trade with new trading partners presents a significant challenge to the UK economy.

It is important for the government develops a clear and concise strategy for the service sector post-Brexit that is realistic about the prospects and risks associated with deepening services with non-EU partners.

Source: Professor Sarah Hall; UK in a Changing Europe

Brexit Impact on the Manufacturing Sector

The Trade and Cooperation Act signed on 30th December between the UK, EU and European Atomic Energy Community (TCA) helped to avoid tariff-barriers but non-tariff barriers have returned since the end of the transition period and has brought adverse effects onto the UK economy. TCA does not replace the frictionless trade that occurred prior to the UK's departure from the EU. Administrative barriers to trade and Disruption to labour flows have indirectly damaged service sectors that support it. Both imports and exports from the UK to the EU have decreased by 15% each. Production disruptions have been reported. The volatile Northern Ireland situation risks worsening relations between the UK and EU, which can put the current TCA in jeopardy.

The potential benefits to Brexit have not materialised and for those that have, they do not make up the loss in trade that the UK previously had with the EU. More regulatory divergence from the EU could either bring further benefits or disruption and is yet to be confirmed in either case.

Although no-deal has been avoided, the TCA is still considered a 'thin' deal and UK manufacturing may not be wiped out, it will suffer greatly without some government intervention. The government needs to accept that the sector is going through problems far beyond 'teething trouble'. Measures such as postponed accounting for VAT and custom easements have been welcomed short-term measures but more options must be considered.

Any benefit to Brexit will not happen automatically and will require a well-funded industrial policy if UK manufacturing is to benefit from further growth opportunities. This strategy will also need to take the move to net-zero, industrial 4.0 and levelling up all into account.
Source: Professor David Bailey and Dr. Ivan Rajic; Brexit's Effect on the UK's Manufacturing Sector; January 2022

Other Brexit Impacts

According to Agricultural Recruitment Services' report from July 2021, impacts of Brexit have been[1] increased red tape and uncertainty about farm payments.
Source: Agricultural Recruitment Services' Report, July 2021

UK's new migration policy and restrictions on freedom of movement make it difficult for British companies to employ EU citizens and for UK service providers to travel to the EU for work. These new travel difficulties present new challenges where travel and frictionless trade is important.

Managing these uncertainties requires cooperation with the EU Without this cooperation, there is a risk that ongoing disputes and further changes to the volatile post-Brexit relationship could lead to a reduction in confidence in the UK economy, limiting investment and productivity improvement that can hamper development of the UK's services sector.

3.2   Cost of Living Crisis

The 'cost of living crisis' refers to the fall in 'real' disposable income that the UK has experienced since late 2021. The current crisis has been predominantly caused by high inflation outstripping wage and benefit increases and made worse by recent tax increases. Packages announced by former chancellor Rishi Sunak in both February and May of this year were set to protect lower income households from the increase in inflation, but inflation is still expected to increase faster than post-tax and benefits incomes this year.

According to the Office of National Statistics, the current Consumer Price Index is at 10.1% to the 12 months to July 2022, with the Bank of England planning to keep the CPI rate of inflation between 1% and 3% and adjust interest rates to achieve this. Since the CPI excludes the cost of housing, the ONS has its own measure for CPI that includes housing known as the Consumer Price Index with Housing, which is currently measured at 8.8%. [2]

The latest Bank of England forecast has inflation peaking at 13.1% in the fourth quarter of 2022, driven largely by the 54% increase from 1st April of the energy price cap and a forecasted further increase of 75% in October. [3] Households are expected to undergo further strain as energy bills with Ofgem stating that their previous price cap of £1,971 will increase to £3,549 in October. [4]1nflation is expected to remain high, with the Bank expecting that inflation will

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[1]*The Early Impact of Brexit on UK Agriculture*- Agriculture Recruitment Services (Jul 2021)

2   'Cost of living crisis' *Institute of Government.* Explainer. Updated Aug 17th, 2022
3   Bank of England, Monetary Policy Report - August 2022, 4 August 2022
4   'Ofgem raises energy price cap by 80% to £3,549 from October' Alex Lawson. *The Guardian.* Aug 26th 2022

not reach its 2% target until the third quarter of 2024. [5] The rise of inflation has put the BoE under the line of fire from the Conservative Party, with Suella Braverman stating in a coming review of the BoE that the government would assess if it were still 'fit for purpose'.

Criticism of the bank lies on its handling of the economy during the coronavirus pandemic and allowed spending to rise too quickly, resulting in excess demand and inflation [6] The crisis has been exacerbated by a variety of factors such as the disruption to global supply chains from pandemic shutdowns in Asian countries and the Russian invasion of Ukraine causing knock-on effect on the gas and agricultural exports. [7]

The ONS reports that around 9 in 10 (89%) of adults in Great Britain have seen an increase in their cost of living, an increase from 62% in November 2021. The most common reported increases were people finding an increase in the price of food (94%), an increase in gas or electricity bills (82%) and an increase in the price of fuel (77%). [8]

This has prompted many people to take measures such as cutting back on non-essential items (57%), using less gas and electricity at home (51%) and cutting back on non-essential trips on a vehicle (42%). The report also found that 35% cut back on spending on food and other essentials, 23% using savings to cover costs and 13% using more credit than usual. [9] Businesses have also reported to be heavily effected, with 26% of businesses polled by YouGov stating that their energy costs could be unsustainable in the coming months and 75% stating that they will have to pass the cost onto their customers. In an interview with the Daily Telegraph, Chancellor Nadhim Zahawi said Britons on an income of £45,000 will need help paying energy bills [10] as consultancy firm Auxilione have issued a forecast stating that they believe that the energy price cap may go as high as £5,600 by the start of next year and going as high as £7,700 from April 2023.

Another poll commissioned by the Liberal Democrats and conducted by polling firm Savanta ComRes found that many families and households will take drastic measures to reduce their cost of heating, with many 23% saying that they will do without heating during the winter months and 27% of those with children doing the same. 70% said they will use the heating less and 11% stated that they are considering taking loans to cover extra costs, with the figuring rising to 17% again for those with children. [11]

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5   ibid
6   'Bank of England in line of fire over UK's double-digit inflation' Chris Giles. *Financial Times.* Aug 17th, 2022
7   'Cost of living crisis' *Institute of Government.* Explainer. Updated Aug 17th, 2022
8 'What actions are people taking because of the rising cost of living?' Office of National Statistics. Explainer. Aug 5th, 2022
9 ibid
10 'Cost of living crisis: Britons on £45,000 will need help paying energy bills, chancellor says - as experts warn price cap could rise to £7,700' Conor Stepson. *Sky News.* 27th August 2022
11   'Nearly a quarter of UK adults plan to keep heating off this winter, poll finds' Kalyeena Makortoff. *The Guardian.* 29h August 2022

The crisis remains ongoing and further pain is expected to affect the UK economy. The Office of Budget Responsibility is due to publish an up to date forecast on the UK economy and public finances, in time for an emergency budget.[12]

3.3   Prospects of a Global Slowdown

Worries about a global slowdown or a recession are looming due to a series of unprecedented events as countries try to recover from the COVID-19 pandemic. These include the current draconian lockdown in China, rising US interest rates and a cost-of-living crisis in Europe amid the ongoing conflict in Ukraine. Brooks, chief economist of the Institute of International Finance has said "We're in another global recession scare, except this time we think it's for real." [13]

In an interview with CNN's Fareed Zakaria, Bill Gates was added to the list of voices who believe a global slowdown may happen in the next year stating: "It comes on top of the pandemic where government debt levels were already very, very high, and there were already supply chain problems," Gates said. "It's likely to accelerate the inflationary problems that rich world economies have and force an increase in interest rates that eventually will result in an economic slowdown." whilst also pointing towards the economic fallout of the pandemic and the Russia-Ukraine war as strains for the global economy. [14] The mood at this year's World Economic Forum at Davos was noted to be 'dark',[15] as the original IMF forecast of global growth in 2022 to be at 4.4% is currently being revised amidst due to the conflict and fallout from sanctions on Russia. [16] During the Global Economic Outlook panel discussion, Kristalina Georgieva, Managing Director of the International Monetary Fund believed that the horizon has 'darkened' due to global supply chain crisis, food price shocks, stalling on addressing the climate crisis and the slump in digital money assets. [17]

The summit of Davos was also marked by many business leaders that we are currently facing the end of globalisation, with Jose Manuel Barroso, chair of Goldman Sachs International, believing the invasion of Ukraine and tension between US and China as signs of a decoupling world. Onshoring, renationalisation and regionalisation had become the latest trends for companies, slowing the pace of globalisation. Industries have begun to act more local and less global, which on such a large scale can indicate larger risks for the wider economy. Dominic Asin, chief financial officer of Airbus believes that de-globalisation will happen in a short period of time that inflation will drive up and result in a major protracted recession. [18]

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12   'Treasury watchdog readies UK economic forecast for emergency budget' Chris Giles. *Financial Times.* 26th August 2022

[13]'Is the global economy heading for a recession?' Chris Giles, *Financial Times* (22 May 2022)

[14]'Bill Gates sees a 'pretty strong argument' for a global economic slowdown hitting this year — here's why' Tom Huddleston Jr, *CNBC.* (10 May 2022)

[15]'Davos is dead'- Jenny Ricks, *Al Jazeera* (23 May 2022)

[16]'Are we heading for a global recession and if so how concerned should we be?' Amy White, *World Economic Forum.* (24 May 2022)

[17]Ibid

[18]'Business leaders warn that three-decade era of globalisation is ending'- Kaye Wiggins and Antonie Gara, *Financial Times.* (22nd May 2022)

Accounting for 19% of the world's total output, China is the country most economists are worried about as when China experiences economic hardship, its impact on the global supply chain is monumental. [19] Retail sales fell 11 per cent year on year in April, while industrial production was down 3 per cent and housing sales dropped in spite of the People's Bank of China loosening monetary policy to encourage borrowing and spending. On top of this, unemployment is rising. [20]

The situation in America is also of concern, as Fed chair Jay Powell made it clear that interest rates will continue to rise until it saw "clear and convincing" evidence would return to the 2 per cent target. While being unconcerned of unemployment rising, Powell did state he believes that avoiding recession would cause 'some pain' and that it may rely on factors beyond 'the fed's control'.[21] Krishna Guha, vice-chair of Evercore ISI, has said he does not believe a recession is likely but that Powell's self-described 'soft-landing' for the US economy will be difficult to achieve. [22]

The situation in Europe is slightly different but equally challenging, as inflation stems from higher energy prices that can be traced from the situation in Ukraine. Inflation was at 7.4% cent in April with eurozone prices rising faster than most citizen's incomes. Forecasts from the European Commission that previously predicted an expansion of 4 per cent, now have the current number at 2.7 per cent for this year and 2.3 per cent for 2023. Energy prices were up 38 per cent year-on-year in April, with food costs rising more than 6 per cent in the same period. In spite of this, the commission believes that unemployment will continue to fall from 7.7 per cent last year to 7.3 per cent this year. Budget balances are expected to also improve, with overall euro area to drop to 3.7 per cent of GDP from 5.1 last year and to further decline to 2.5 in 2023.[23]

Despite all these concerns and troubling situations, many economists believe a recession can be avoided. Inness McFee, chief global economist of Oxford Economics, says that global economic expansion has reached its peak and a tightening needs to occur but that recession is unlikely as policymakers still have the means to back away from worsening the situation. [24]

However, at Davos figures such as David M. Rubenstein of The Carlyle Group and Jane Fraser of Citi believed a recession could be close due to Russia and interest rates. François Villeroy de Galhau, Governor of the Central Bank of France reiterated the point of bringing inflation back down to 2 per cent. Rubeinstein ended the Global Economic Outlook panel on a positive note stating that compared to previous economic shocks such as the 2008 recession and dotcom bubble, that this potential recession could be 'mild' in comparison and Georgieva

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[19]'Shanghai lockdown exposes global supply chain strains' Peggy Hollinger, Gloria Li, Andrew Edgecliffe-Johnson, and Primrose Riordan (17th May 2022)

[20]'China's Lockdowns Hammer Consumer Spending To Reveal Zero Covid Toll' Thomas Hale and Andy Lin. *Financial Times* (18th May 2022)

[21]'Jay Powell warns that taming US inflation will cause 'some pain'', Colby Smith . *Financial Times* (12th May 2022)

[22]Ibid 'Is the global economy headinf for a recession?

[23]'Outlooks for EU growth and inflation worsen as energy crisis hits'- Sam Flemming, *Financial Times*. (16th May 2022)

[24]Ibid 'Is the global economy heading for a recession?

stated we can build resilience through hard times by investing in education, health and social protection. [25]

3.4 Loss of Local Employers and Jobs

Over the past seven years within Waverley 4000 jobs been lost in sectors such as business services and professional technical services. (See Appendix 1). These are activities that offer well-paid jobs with a degree of long-term job to security and attractive ongoing career prospects. Waverley has lost several large employers and 45 SMEs between 10 and 50 employees since 2015. It would appear that most of Waverley 's small businesses have been struggling to scale up. **Source: ONS; UK Business Counts**

Enterprise M3 reports that over recent years there has been a marked loss of jobs across much of the area in some of the frontier sectors that are most significant for the economy.

Within the Enterprise M3 region, job growth has been stagnant since 2016 with 12,200 net job losses. This is equivalent to an employment shrinkage of -1.6% compared to an increase of 2.8% jobs growth in England in the same period: the second lowest in employment growth across LEPs between 2016-19. Many of these jobs have been shed from EM3's most productive, specialist sectors, at a time when those sectors are growing rapidly in other parts of the country. Similarly, the net business birth rate has slowed since 2015.
Source: Enterprise M3; Revive and Renew: Skills and People

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[25]Ibid Are we heading for a global recession and if so how concerned should we be?'

4.   Issues on the Horizon

4.1   Emerging Industries and Future Growth Sectors

Sub-regional Growth Sectors

Enterprise M3 has highlighted the following high innovation, knowledge-based sectors as a focus for growth:

- Clean growth manufacturing/technology
- Games and creative immersive technology
- Space and satellite especially earth observation
- Aerospace and aviation & defence
- Health, including animal health

Source: Enterprise M3; Revive and Renew: Supporting Business-Led Innovation, Diversification, Entrepreneurship And Our High-Tech Sectors

Local Growth Sectors

Of the above, clean growth technologies, particularly as relate to construction with the demand for retrofitting and with the introduction of modern methods of construction such as modular housing and the games and creative industry immersive technology, given the graduate output of UCA Farnham are likely to be the most relevant to Waverley.

In addition to the above sectors food and beverage manufacturing is emerging as a local growth sector (see Section 1.3 above). Food and beverage hospitality outlets can also be expected to increase with the diversification of the town centres. Small, localised freight transport is likely to see further increases in activity with the growth of e-commerce, evidenced by the surge in demand for small industrial premises (see Section 7.1 below).

Major Emerging Industries
The following sectors are projected to be the fastest growing new industries during the 2020s. Most of these are projected to experience global growth rates for between 11% and 25% over most of the decade.

• Data Science • Cloud Computing • Artificial Intelligence (AI) • Internet of Things (IoT) • Cyber Security	• Blockchain Technology • Robotics • Drones • Virtual Reality • Genomics	• Nano Technology • Renewable Energy • E-learning • 3D Printing • Sharing Economy • Care Economy

Source: Debiprasad Bandopadhyay; The 16 Fastest Growing Industries of The Future (2021); blog post published on June 12, 2021

These activities not only have scope to create large numbers of well-paid jobs but will also be having a disruptive effect on wide range of other industry sectors. One common theme across each of these activities is the reliance on advanced digital technologies.

4.2 The Future of Work

The Future of Work

As reported by the OECD, digitalisation and globalisation have sparked radical shifts in how populations live and work and the coronavirus crisis has accelerated these beyond anything that could have been anticipated.
Source: https://www.oecd.org/future-of-work/

Shifts in work patterns are occurring with the adaption of technology such as artificial intelligence, machine learning and robotics in the workplace, changing physical distribution of the workforce enabled by the internet and mobile communications and rising hybrid workforce models. Even the caring economy will require extensive amounts of innovation to make the service more productive given constant labour shortages and to enable members of the ageing population to become more independent and self-sufficient.

Major in trends include accelerated adoption of AI in the workplace, the rise in the number of gig workers. Mobile devices enable workforces to become considerably more distributed due to more sophisticated software and data management tools. This frees up people to work wherever they are enter fixing minds on solutions and innovation rather than repetitive tasks.

The introduction of AI in the workplace has boosted demand for logic based and cognitive roles.

The digital workplace reduces the need for on-site workforce and increases the need for knowledge intensive tasks including complex problem-solving and innovative thinking based on a sophisticated level of computer and software literacy. In addition, the multi generation workforce introduces new cultures and shifts in and out of the workforce. The management of these new trends such as the adoption of the new technologies and working with remote workforces are also need to be learned in applied.
Source: https://www.sap.com/insights/what-is-future-of-work.html

Emerging and Declining Professions

World Economic Forum's Future of Jobs Report 2020 which maps the jobs and skills of the future, tracking the pace of change based on surveys of business leaders and human resource strategists from around the world Highlights the following five trends.

The workforce is automating faster than expected, displacing million jobs worldwide in the next five years, which in tandem with the COVID-19 recession, is creating a "double-disruption" scenario for workers. Companies' adoption of technology will transform tasks, jobs, and skills by 2025. Some 43 percent of businesses surveyed by the Forum indicate that

they are set to reduce their workforce because of technology integration, 41 percent plan to expand their use of contractors for task-specialized work, and 34 percent plan to expand their workforce as a result of technology integration. By the middle of the decade, employers will divide work between humans and machines roughly equally. The demand for a number of jobs will increase whilst that for other traditional jobs were shrink as indicated in the table below.

Increasing Demand	Decreasing Demand
Data analysts and scientists	Data input clerks
Artificial intelligence and machine learning specialists	Administrative and executive secretaries
Big data specialists	Accounting, bookkeeping and payroll clerks
Digital marketing and strategy specialists	Accountants and auditors
Process automation specialists	Assembly and factory workers
Business development professionals	Customer services workers
Digital transformation specialists	General and operations managers
Information security analysts	Stock keeping clerks
Software and applications developers	Financial analysts
Internet of Things specialists	Postal services clerks
Project managers	Sales representatives for products
Database and network professionals	Relationship managers
Robotics engineers and strategic advisors	Bank tellers uncloaks and clerks
Management and organisation analysts	Electronics and telecoms installers and repairers
Fintech engineers	Human resources specialists
Mechanics and machinery repairers	Training and development specialists
Organisation development specialists	Construction labourers
Risk management specialists	

https://www.weforum.org/reports/the-future-of-jobs-report-2020

Shifts in the Profile of Skills Demand

The world of work is therefore changing. Digitalisation, globalisation, population ageing and the transition to a low-carbon economy are affecting the jobs available and the skills required to perform them. By the middle of the 2020s, analytical thinking, creativity, and flexibility will be among the most sought-after skills and critical thinking, analysis, and problem solving will grow in importance in the coming years. The most competitive businesses will focus on upgrading their workers' skills. For workers set to remain in their roles over the next five years, nearly half will need retraining for their core skills.

Shift to Remote Working

Remote work is here to stay. Some 84 percent of employers are set to rapidly digitalize work processes, including a significant expansion of remote working. Employers say there is the potential to move 44 percent of their workforce to operate remotely. However, 78 percent of business leaders expect some negative impact on worker productivity, and many businesses are taking steps to help their employees adapt.

How the Public Sector Needs to Respond

The World Economic Forum also found that the public sector needs to provide stronger support for reskilling and upskilling of at-risk or displaced workers. Currently, only 21 percent of businesses report being able to make use of public funds to support their employees through retraining initiatives. The public sector must provide incentives for investment in the markets and jobs of tomorrow, offer stronger safety nets for displaced workers during job transitions, and tackle long-delayed improvements of education and training systems.

Bodies such as the OECD have prioritised the providing of information on future skills evolutions and requirements, measuring the actual skills of adults and support in improving adult learning systems as priorities.

Digital transformation is on the rise and affecting every industry imaginable. Farmers are no longer merely sowing seeds and harvesting a crop; they're using sensors and information technology to automate, monitor, and regulate their systems to become more profitable, efficient, and sustainable. Food delivery apps are helping restaurants provide their menu options to hungry patrons without them having to leave their homes. This adds a complex layer of responsibilities for restaurant workers who now must manage orders through digital devices, as well as any in-person interactions. Even real estate, a traditionally face-to-face industry, relies on digital skills. Virtual walk-throughs are available to prospects looking to relocate, and signing documents remotely with services like DocuSign is a quick and convenient way to finalize an agreement. Source: University of Nevada Las Vegas

4.3 The Future of Mobility

Drivers of Change

Several key drivers are about to significantly disrupt existing mobility modes and choices.

- The most current driver is the UK government's decision to achieve net zero carbon by 2050 along with associated measures such as banning the sale and eventual use of fossil fuel vehicles.

- Major developments in data, connectivity, artificial intelligence, automation and battery and electrical vehicle technology are creating conditions for a disruptive impact on existing availability systems.

- Enhancing digital connectivity will develop smarter ways of working and reduce the need to travel.

- The demand for travel will increase with population growth.

- Younger people are less likely to travel by car than before and therefore active travel infrastructure and very high quality, frequent mass transit services will be the way forward.

The Government's Move Towards Clean Transportation

In 2015, the Government set a target to "ensure almost every car and van is a zero-emission vehicle by 2050" and in 2017, the Government announced that it will end the sale of all new conventional petrol and diesel cars and vans by 2040 and in 2018 that all new cars and vans should be effectively zero emission. In the Road to Zero strategy, the Government set an ambition for between 50% to 70% of new car sales to be ultra-low emission by 2030, alongside up to 40% of new vans. Electric vehicles will require locations for short term hire and charging points. There is no overarching strategy across all the arms of government, organisations and bodies for an EV charging network to be rolled out in the way the policy makers have envisaged and to facilitate a totally electric UK vehicle fleet. This project will accelerate the adoption of EV's by providing copious charging points adjacent to a central urban transport hub and enable approaches to for the management and pricing of charging facilities to be tested, evaluated and optimised.

In May 2020, the Transport Minister, Grant Shapps announced an ambitious programme to be published in early June with the aim of doubling cycling and increasing walking to work by 2025. Measures will include pop-up bike lanes and wider pavements as well as cycle and bus-only streets.

The minister has indicated that outside London, half of all journeys are under three miles and that if cycling increased by 5%, it would mean eight million fewer car journeys, nine million fewer rail journeys and 13 million fewer bus journeys.

Potential Benefits of Net Zero Mobility

A wide range of benefits for can stem from a Net Zero mobility strategy.

- Zero emission vehicles have no greenhouse gas or air pollutant tailpipe emissions. Making the transition to these types of vehicles will help tackle climate change and improve air quality in urban areas.

- The promotion of active travel within urban areas Improving health Leading to longer and happier lives and reducing the need for car travel.
- Smoother journeys and less wasted time on travelling brought about by better and more integrated transport choices and eventually self-driving cars can have a massive impact on productivity and enhanced economic performance and wealth creation

- The existence of a state of the art urban and rural mobility system will be an important factor in raising quality of life in Waverley.

- Reduction of congestion, increased convenience and lower cost of travel.

- Widening accessibility for disabled and older people.

- These benefits address a number of three grand challenges set out in the government's industrial strategy, not only the future of mobility but in meeting the needs of an ageing society, capitalising on UK strengths in artificial intelligence and data and policies for clean growth.

Managing the Transition

The Department of Transport report Future of Mobility: Urban Strategy, March 2019, states that, if appropriately harnessed and managed such measures can transform urban and rural mobility significantly. But if it is inadequately managed this could worsen congestion and public health. For example, existing pinch points could be replaced by excessive congestion from the bunching up of driverless electric vehicles. A holistic and integrated approach, supported by a viable economic rationale will be key to successful transition to net zero mobility.

The Future of Mobility: Urban Strategy states that:

a) New mobility services must lead the transition to zero emissions and be safe and secure by design, able to operate as part of an integrated transport system combining public, private and multiple modes for transport users.

b) The marketplace for mobility must be open to stimulate innovation and give the best deal to consumers.

c) Mobility innovation must help to reduce congestion through more efficient use of limited road space, for example through sharing rides, increasing occupancy or consolidating freight.

d) Data from new mobility services must be shared where appropriate to improve choice and the operation of the transport system.

e) Walking, cycling and active travel must remain the best options for short urban journeys and mass transit must remain fundamental to an efficient transport system. *(Findings from a recent policy conference webinar are summarised in the Annexe below).*

Regional Priorities

Enterprise M3 recognises the need for smarter approaches to transportation is focused on promoting decarbonisation and innovation in transport systems to achieve cleaner, smarter mobility. This is because: transport represents around 50% of emissions in the region; EM3 and neighbouring areas are losing jobs due to issues with mobility and connectivity; and growth and development depend on suitable connectivity and mobility. The LEP supports the priorities in the TfSE strategy. Local action also needs to be shaped by factors such as there

being low levels of investment in east-west routes and the congestion on radial routes, particularly around Guildford on the A3 and the M3.

In conjunction with TfSE, Enterprise M3 LEP proposes that it and other partners bring forward the low carbon transport agenda and necessary transport infrastructure, actions to minimise "unclean" transport to reduce the need to travel beyond the local area and promote active travel for individuals and other low emission forms of mobility. This will include advancing the digitalisation of the economy and projects such as "Gigabit EM3: Town & Rural" for ultra-fast broadband; and the renewal of town centres with more local "casual" office spaces to blend home and office working, as an alternative to commuting long distances.

Source: Enterprise M3; Revive and Renew: Actions To Support A Low Carbon Economy

4.4   Changing Landscape of Urban Centres

What is Considered Likely to Happen to Town Centre Activities

The COVID-19 pandemic has led to many changes to how people use and visit high streets. Data from November 2020 shows that footfall was at 45% compared the same time as the year before. Meanwhile, internet sales had risen to 33% of all sales by the start of the pandemic. [26]

Overall, data from IMRG states that online sales grew by 36% in 2020, which is the highest growth seen in 13 years. This is in contrast to overall retail sales, which fell by 0.13% marking the lowest annual growth figure for 25 years.

Research done by e-commerce quarterly shows that most of 2020's retail growth was driven by multichannel retailers, who were the ones most easily able to make a shift to online retail. Grocery is shown to have had the biggest surge of online retail at 128%.

However, research has shown that many consider this a temporary measure for groceries once retail commences after lock own is over. The retail sector is preparing for a series of innovations that have ripened during the course of the pandemic, including things such as; reactive digital sales, investment in delivery, new 'brand experiences' to bring customers into stores and innovations in online and offline customer service. [27]

These raise a lot of questions for the future of city centres, especially with the permanent closure of many businesses on high streets. 57 of 264 stores in Oxford Street have permanently closed since the start of the pandemic and major landlords are receiving only half of their usual income from renting out commercial spaces. [28]

Research from KPMG says that that it is clear things won't return to the way things were before the pandemic. With the reduction in commuter footfall and reduction in commercial rent, city centres may now have to consider serving their inhabitants in a different way. According to the same report, high streets could lose anywhere from 20-40% and end up affecting 1-5% of the local labour force. Basingstoke and Bracknell are said to be the most

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26   *The future of the high-street, House of Commons, 10th December 2020.* Local Government Association

27   'Covid-19 impact on retail: what trends are emerging in 2021?' Nikki Gilliland. *Econsultancy* (20th January 2021)

28   'What will city centres look like post COVID?' George Arnett, *Vogue Business. (*15th February 2021)

affected, with 39% of retail jobs said to be in jeopardy with the move to online commerce. Some reports are expecting up to 400,000 job losses on high streets nationwide.

New models could be emerging from the shift to online, with consumers buying online and getting a better price whilst some stores may adopt a hybrid model where they have their stores as a showroom before the customer buys the product on their website. However, some speciality stores may keep their physical locations intact.[29]

Suggestions in the KPMG report include:

− office spaces for start-ups, pop ups or incubators who will now be able to afford rent in the city centre whilst businesses provide support and mentoring

− community centres can be opened with focuses ranging from children's recreation to adult art courses

− residential property is also said to play a key role in the revitalisation of city and town centres. [30]

New Concepts Being Planned for Revitalisation and Diversification of Town Centres

Hybrid and remote-working will create a new set of benefits but also challenges to local economies with its wide-spread adoption. Research by Legal and General and Demos showed that the new working model will provide opportunities for parts of the country such as rural areas and neighbourhoods that were previously ignored. The survey identified the following factors as being more important to between 50% and 70% individuals if working from home:

- Access to fresh air
- Good local shops
- Faster reliable Internet access
- Supportive communities and pleasant streets
- Places to go out
- Premises to support local jobs
- Housing that meets needs
- Exercise and sports facilities
- Good transport services

However, this also runs the risk of creating regional inequalities as city centres are left in the dust in a post-COVID world. 35% of respondents stated that they planned to spend more money at their local neighbourhoods, whilst 25% said they wanted to do so in local high streets and town centres. In his article on the same report for *The Times*, Gurpreet Narwan states that:

"The findings underscore the need for thriving local high streets, which could require a rethink of town planning. It presents a challenge to the concept of high population density urban accommodation. The report called for a renewed focus on "15-minute

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29   *The future of towns and cities* (January 2021) *KPMG*
30   ibid

neighbourhoods", with places close by to meet and work, as well as outdoor public spaces for leisure and recreation."[31]

The same report found that 2.5 million people (5% of the population) had moved from their previous homes with a further 5.5 million considering moving. This in part due to wanting access to more outdoor spaces but also due to wanting more suitable living arrangements. This impacts on some major cities where housing is on average less spacious than non-urban areas. However, the report concludes that the previously predicted and reported mass exodus from cities is overblown as young people and those with jobs that cannot be done remotely make up the majority of those that moved last year and that they moved within larger cities.

The '15 minute cities' concept was developed by Carlos Moreno, scientific director and professor specialising in complex systems at University of Paris Panthéon-Sorbonne, who believes that city-life as we knew it before the pandemic won't make a return. Instead, he proposes the creation of cities where everything an individual needs can be reached within a quarter of an hour by foot or by bike. In an article on BBC Work life, the 15 minute city is quoted as requiring minimal travel between housing, offices, restaurants, parks, hospitals and cultural venues. Each neighbourhood is also quoted as needing to fulfil six functions: living, working, supplying, caring, learning and enjoying. [32]

The concept has proved popular, with Paris Mayor Anne Hidalgo putting it at the centre of her successful 2020 re-election bid and hiring a commissioner to make the concept a reality.

Latest Thinking on Town Centres

Set out below is a selection of points recorded from the Westminster Social Policy Forum webinar on the Next Steps For High Streets and Town Centres in England which took place on the 7th September 2022. (Speakers' names are indicated in each case).

- Every high street should have a Hub and High Street Coordinator. 80% of businesses fail and the Government needs to take into account the impact on mental health of high streets with more empty buildings. More businesses owners need education on how to manage a business and know their full potential. **Samantha Poole (Ask GoTo)**

- Government is giving business relief to businesses of 15% for retail, hospitality and leisure industries. A tax cut of about £1,000 has been given to struggling small businesses. More measures will shortly be announced. Low tax and a competitive economy will help businesses under the new government. Getting people back to shopping on the high streets are only a small part of the plan. For the high streets to grow, investment and infrastructure is needed. Class E gives businesses breathing room to experiment without planning permission. Government is looking into a reworking of the landlord and tenant relationship. A new retail strategy developed by the new Truss government will focus on seven points to help revitalize the high street. **Paul Scully (MP, Minister for Local Governments and Communities)**

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31   'Hybrid working could be right up your street', Gurpreet Narwan, *The Times* (March 22nd, 2021)
32   'How 15 minute cities will change the way we socialise' Peter Yeung, *BBC Worklife* (January 4th 2021)

- Government policy is needed fast and planning policy must take changes into account. Planning processes are too slow at the moment. Due to taxation and business rates, 4 in 5 retailers could close their shops if the rates are not put down. The system is too slow to reflect market values. Local leadership is important for town centres. Retail and the High Street are not the same thing. Roles of shops could be expanding, becoming more like experiences rather than strictly shops. The green economy and sustainable public transport are needed so that everything is easy to get to. **Helen Dickinson, British Retail Forum**

- The night time economy brings a cultural and economic factory, generates £4.6 billion annually and 425,000 jobs and attracts 3 million tourists per year. Cities often attract students depending on vibrant nightlife. Fintech companies are often attracted to areas with vibrant nightlife and huge cultural output. It is vital for work life balance. Discussion of renovating centres rarely takes into account people's social and mental health. Cities and towns with less vibrant nightlife and low cultural output have more cases of depression in those aged 20-39. The industry is aspirational to youth culture and has helped stem crime rates. A case study has shown no rise in criminal activity with the rise of nightlife economy. **Michael Kill, Chief Executive Night Time Industries Association**

- Digital placemaking (enhancing people's experience of places through location-specific digital technology), community engagement and innovation are all important for maintaining healthy high streets. **Jo Morrison (Calvium)**

- We to instil some magic onto the high streets. Children and young people need to be consulted and interviewed on what they want from a high street and we need artists and creatives and youth workers need to be involved. Community cafes and toy libraries are also ways to integrate and interact with communities to bring life back into the high street. **Helen Dewdney (The Complaining Company)**

- Class E gives greater flexibility on floor plans and how to use new or old buildings to create new market places or community areas and allows for creativity and more businesses to occupy a certain space. **Lizzie Le Mare (Tibbalds)**

- The digital revolution has been accelerated by Covid and any initiative or plan must bring it into the centre of the holistic approach to town centres. Culture, arts and leisure are important in any plan for any new high street strategy. Experimentation with commercial and public spaces must be allowed as strictly bureaucratic practices do not allow for completely holistic approaches and do not take certain aspects of creativity into account. Leveling up must remain a core part of the government's strategy and cannot change course or risk further chaos in trying to revitalise town centres. **Baroness Valentine (summing up)**

5. Climate Change and Meeting Net Zero Targets

5.1 Climate Change Legislation

In 2008 the UK passed the Climate Change Act which committed the UK to lower their net UK carbon account for greenhouse gases by at least 80% of the 1990 baseline by 2050. In 2019 the Climate Change Act's targets were revised setting a new target of net-zero emissions by 2050.

5.2   Emerging Government Strategies

On a wider front, more recently the Government has been working on a whole variety of sectoral strategies related to net zero carbon targets, brought together with the Prime Minister's 10 Point Plan for the green industrial revolution which came out in the autumn of 2020 and addressing the following aspects.

- Advancing Offshore Wind
- Driving the Growth of Low Carbon Hydrogen
- Delivering New and Advanced Nuclear Power
- Accelerating the Shift to Zero Emission Vehicles
- Green Public Transport, Cycling and Walking
- Jet Zero and Green Ships
- Greener Buildings
- Investing in Carbon Capture, Usage and Storage
- Protecting Our Natural Environment
- Green Finance and Innovation

The UK is to reduce its emissions by 77% by 2035, compared to a 1990 base level. The plan sets out a commitment to bringing a greater degree of renewables and systems, as well as more offshore wind as well as nuclear, to phase out the sale of conventional petrol diesel cars by 2030 and for all heating in homes and workplaces to be low carbon by 2035. This has the potential to deliver up to an estimated £42 billon of private investment by 2030 across energy, buildings, transport, innovation and the natural environment. In doing so, the aim is to position the UK to take advantage of export opportunities presented by low carbon technologies and services into new, global emerging markets. Skills requirements will need to be defined and set out to make the transition.

Source: HM Government: The Ten Point Plan for a Green Industrial Revolution; Building back better, supporting green jobs, and accelerating our path to net zero; November 2020

5.3   Job Creation Prospects

The Government's Ten Point Plan to get there will mobilise £12 billion of government investment, and potentially three times as much from the private sector, to create and support up to 250,000 green jobs.

Sector	Key Interventions	No. Jobs Created or Supported
Advancing Offshore Wind	£160 million into modern ports and manufacturing infrastructure and delivery of 60% UK content in offshore wind projects	Up to 60,000 jobs in 2030

Driving the Growth of Low Carbon Hydrogen	£240 million Net Zero Hydrogen Fund	8,000 jobs by 2030, potentially 100,000 jobs by 2050
Delivering New and Advanced Nuclear Power	£385 million in an Advanced Nuclear Fund enable up to £215 million into Small Modular Reactors and unlocking up to £300 million private sector match-funding. £170 million for a research and development on Advanced Modular Reactors	10,000 jobs during construction of each large nuclear plant
Accelerating the Shift to Zero Emission Vehicles	All vehicles being required to have a significant zero emissions capability (e.g. Plug-in and full hybrids) from 2030 and be 100% zero emissions from 2035 £1 billion to support the electrification of UK vehicles and their supply chains, including developing "gigafactories" in the UK £1.3 billion to accelerate the roll out of charging infrastructure £582 million to extend the plug-in car, van, taxi and motorcycle grants to 2022–23 Date and freight trails for phasing out the sale of new diesel heavy goods vehicles	40,000 new jobs in 2030
Green Public Transport, Cycling and Walking	Electrify more railway lines Introduction of at least 4,000 more British built zero emission buses National bus strategy Hundreds, then thousands, of miles of segregated cycle lane and Create more low-traffic neighbourhoods A new body, Active Travel England, will hold the budget, inspect schemes, and assess local authorities for their performance on active travel	Up to 3,000 jobs by 2025
Jet Zero and Green Ships	£15 million competition to support the production of Sustainable Aviation Fuels Invest £20 million into the Clean Maritime Demonstration Programme	5,200 jobs supported by a domestic SAF industry
Greener Buildings	Implement the Future Home Standard Consult shortly on increased standards for non-domestic buildings 600,000 heat pump installations per year by 2028 Strengthen energy efficiency requirements for Private sector landlords Various grant schemes to support transition to higher EPC standards	50,000 jobs in 2030
Investing in Carbon Capture, Usage and Storage	CCUS in four industrial clusters by 2030, capturing up to 10 Mt of carbon dioxide per year	50,000 jobs by 2030
Protecting Our Natural Environment	New National Parks and Areas of Outstanding Natural Beauty Environmental Land Management pilots A six-year programme for flood and coastal defences	Up to 20,000 jobs from improving flood defences by 2027
Green Finance and Innovation	£1 billion Net Zero Innovation Portfolio	The potential for hundreds of thousands of jobs by 2030

5.4 LEP Support Proposals

Proposed actions by the EM3 LEP will be to support a low carbon economy through a number of initiatives.

- Prioritising the decarbonisation of transport and buildings.
- Investment in capacity to deliver a Clean Growth Business Support Service
- Establishing a Clean Growth Forum to help raise awareness of appropriate funding opportunities

- Work with the Skills Advisory Panel to advance skills supply for clean growth industries especially at technical levels 4 & 5 and at from degree to PhD levels to address the priority of creating jobs and skills supply in low carbon sectors.
- Supporting development of marketable low carbon innovations.
- Supporting partners in developing new economic opportunities, jobs and skills in the restoration sector.
- Communication and sign posting to the Government's substantial investment in careers and employment support which includes a £3bn green investment package that could help support 140,000 green jobs.

Source: Enterprise M3: Revive and Renew: Clean Growth

Within the EM3 region, analysis shows that the low carbon and environmental goods and services sector (LCEGS) has a 9.8% share in the national overall market; with 49% in low carbon, 35% in renewable energy and 17% in environmental services with total value by sales of £18.2bn in 2017/8. There is a core speciality in high-end mechanical, electrical, electronic engineering and associated design, computing and software and five main sub-sector specialisms account for 64% of activity: alternative fuels, building technologies, wind, alternative fuel vehicles and geothermal.

Pre-pandemic the low carbon and environmental goods and services sectors (LCEGS) in EM3 supported over 126,800 employees with core specialties in technologies including electrical and electronic engineering and the associated design, computing and software.
Source: Enterprise M3; Revive and Renew: Low Carbon

5.5 Waverley Borough Council Initiatives

Carbon Neutrality Plan

Waverley Borough Council has brought forward a carbon neutrality plan aimed at making the Council fully carbon neutral which aims to:

a) Identify pathways to reducing emission from its own buildings to net zero carbon by 2030
b) Develop a plan to reduce emissions from travel by converting our fleet to 100% zero emissions
c) Reduce car journeys
d) Promote reduction, re-use and recycling, so as to become a zero waste organisation by 2030.
e) Adopt sustainable procurement practices throughout the Council.

In parallel, Waverley Borough Council will:

a) Work with Surrey County Council to reduce volume of traffic on the roads and encourage a radical transformation of our transport infrastructure in favour of active transport.

b) Work with partners to deliver a greenway network, connecting the main centres across the Borough by 2030.

c) Identify funding models for renewable energy generation projects in the Borough.

d) In its role as an active developer building new Council homes, lead by example and show the local development industry what is possible and show the public what they can demand from private developers.

e) Promote waste reduction, re-use and recycling, so as to become a zero-waste organisation by 2030.

f) Maximise sequestering potential, improving land and woodland management practices and rewilding.

g) Support development of a green economy, providing incentives and support for local businesses to operate on a sustainable model and commit to becoming carbon neutral by 2030 and encouraging the development of small, local sustainable businesses in the borough as well as a culture for shopping locally.

Climate Change and Sustainability Strategy

The Borough Council's Climate Change and Sustainability Strategy is an overarching framework bringing together existing areas of work including its polices and strategies for biodiversity, electric vehicles, tree planting, green spaces, air quality, contaminated land, pesticides, local cycling & walking infrastructure, the Waverley Borough Council cycle plan supplementary planning document and its single use plastic policy.

Members have stipulated achievement of carbon neutrality in Council owned housing stock by 2030. This creates a major driver for establishing firm supply chains and skill sets within the borough. An action plan will be coming forward with this in mind out of the Council's asset management strategy.

Housing Delivery Net Zero Initiatives

Waverley's housing development function endeavours to promote sustainable economic growth by encouraging contractors to use local people and use of modern construction techniques requiring new skill sets. It is engaged with Beatty Passive who will work with contractors to train them in passive construction. This initiative is in compliance with the Councils sustainably sustainability and carbon neutral strategies.

A pilot retrofit initiative has been mounted involving taking the interiors back to the brick then insulating walls and ceilings and installing floor insulation as well as applying external insulating render, replacing boilers with heat pumps or possibly infrared heat applications. Photo voltaic will be installed on rooftops along with the installation of double glazing windows. The aim is to future proof the housing as much as possible creating air tightness for doors and installing mechanical heat recovery mechanisms and equipment for constant ventilation to dissipate heat from kitchens and bathrooms to cooler areas of the home lost taking out pollutants.

There is a big requirement for education in how to install these enhancements and to get a firm based of competence within the area for these new technologies. There is also a need to educate local people into how to use these new installations as well.

Separate narratives have been prepared for green economy skills and for the future of mobility.

5.6 Green Economy Skills

The Enterprise M3 Local Skills Report points out that retrofitting buildings to meet government energy efficiency targets requires an additional 350,000 skilled construction workers in Britain by 2028 and that construction companies in EM3 have reported a need to reskill and upskill the existing workforce to make existing and new buildings more energy efficient and low carbon. Skills required include retrofitting, project coordination and heat pump and solar panel installation. With a population of over 1.5m residents and 80,000 businesses in the EM3 area, there is a need but until there is increased consumer demand for retrofitting, employers are reluctant to invest in training. The introduction of the Government's Clean Heat Grant from April 2022 should help further stimulate this demand. As regards manufacturing, the Government's Industrial Decarbonisation Strategy highlights the sector as a key industry in working towards net zero. This activity will require skills and innovation. In 2020, 6% of employment in EM3 was in the manufacturing sector, and the sector has shown growth in business units and employment in recent years.

A Westminster Employment Forum webinar conference which took place on Thursday, 10th March 2022, on green skills, apprenticeships, and employment, policy, implementation, and related priorities for education and training, businesses and the workforce. Key findings from are summarised below.

Amy Jenkins (Deputy Director for Green Finance Jobs and Investment for net zero in the Department for Business, Energy and Industrial Strategy) stated that 430,000 is the current base level of low carbon jobs across the UK. Retrofitting buildings to meet government energy efficiency targets requires an additional 350,000 skilled construction workers in Britain by 2028. A green skilled job can range from civil mechanical, electrical, electrical engineers, data analysts, machine learning experts skilled tradespeople, as well many others.

The government predicts the manufacturing sector will create 1.2 million additional jobs in the sector by 2050. In a survey by Make UK, 45% of manufacturers said that green skills needed are in fact at level four or five at the higher level and 30% saying it degree level. There is a major requirement for reskilling and retraining the existing workforce, but there are major gaps. Level 3 and 4 programmes that do not properly equip many of those engineers for the digital technologies that are used in manufacturing at the moment.

Dr Adam Read President of the Chartered Institute of Waste Management maintains that collaboration is needed to get the 300,000 new waste management employees with the right skills are needed as well as reskilling the 150,000 and take them on a transition. Green skills in the sector will encompass engineers, communications experts, designers technologists,

data scientists. Science, technology, engineering and maths will be particularly important in many low carbon jobs across different sectors, whether in renewables, electric vehicles or heavy industry and so on. The UK has a skills gap in this area.

By 2040, all jobs will be green jobs. The conclusion of the Green Skills Taskforce set up towards the end of 2019 was that a modular upskilling approach breaking the training down into modular courses would be necessary. There is a key role for education institutions, especially further education, to make more flexible and more modular courses available for those currently in work. Awareness of climate change needs to be mainstreamed, allowing the next generation of the workforce to understand the world of business that is carbon and resourced constrained.

6.   Labour Force

6.1   Causes of Current National Labour Shortages

A major report from reWage and the Migration Observatory at Oxford University has concluded that Brexit has exacerbated recruitment issues faced by UK employers. Many employers who used to rely on EU workers and are now ineligible to recruit from overseas have had to adjust by either reducing their need for workers by turning to automation or simply producing less.

Employers from some industries, such as agriculture, have been able to recruit from non-EU countries, however most companies in low-wage industries are not permitted to do this under the current immigration system. [33]

The authors of the report were careful not to pin all of the current labour shortages solely on Brexit; pointing out that many countries in Europe have had difficulty in recruiting in the travel sector after the pandemic,[34] as well as the early retirement of many workers over the age of 50 that has caused problems across the UK labour market. [35]

Still, labour shortages were worse in sectors that were heavily dependent on the EU - such as hospitality and warehouse and security work- employers were not able to use new visa routes due to the wage rates being too low while sectors such as health and agriculture have been able to bring in workers from non-EU countries.

Contrary to the belief of many Brexit supporters, the fall in immigration has not resulted in higher wages and employers have simply cut output instead. [36]

Professor Madeline Sumption cautioned against increasing the number of low-wage work visa schemes as they are notoriously difficult to police and often open workers to exploitation and abuse. The report concluded that government may want to 'wait it out' as the economy slowly adapts and shortages disappear over time. [37] The Home Office said it has reduced the time it took for employers to recruit overseas for those eligible for visas but stressed that employers should look to the domestic labour market."[38]

In July 2022, the British Chambers of Commerce urged the UK government to overhaul the post-Brexit list of occupational shortages, after warning that many companies were struggling

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33   *How is the End of Free Movement Affecting the Low-wage Labour Force in the UK?* (Aug, 2022) ReWage and the Migration Observatory

34   'Europe's stretched tourist workforce struggles to meet surge in demand' Peter Wise, Eleni Varvitsioti and Amy Kazmin. *Financial Times* July 24th, 2022

35   'Sharp rise in early retirements drives contraction of UK workforce' Delphine Strauss. *Financial Times* July 16th 2022

36   *How is the End of Free Movement Affecting the Low-wage Labour Force in the UK?* (Aug, 2022) ReWage and the Migration Observatory

37   ibid

38   'Brexit intensifies labour shortages as companies struggle to hire' Chris Giles. *Financial Times.* August 15th 2022

to recruit workers. [39]According to a survey conducted by the BCC, more than 60 per cent of companies told the BCC that they were experiencing recruitment difficulties.

According to the report, three quarters of firms (76%) continue to experience recruitment difficulties, dropping only two percentage points from the first quarter (78%). The report found that the construction sector is facing the most severe recruitment challenges with 83% reporting difficulties, followed by production and manufacturing on 79%, logistics on 79% and hospitality on 78%. The report also found that only 28% of employers have increased their investment in the last three months, with only 19% of smaller firms likely to report an increase. [40] In response to these challenges, the BCC has recommended a three-point plan:

- Firms must be encouraged to find new ways of unlocking pools of talent – by investing more in training their workforce, adopting more flexible working practises and expanding use of apprenticeships;

- Government must help employers invest in training by reducing the upfront costs on business and providing training related tax breaks; and

- The Shortage Occupation List (SOL) must be reformed to allow sectors facing urgent demand for skills to get what they need.[41]

Enterprise M3 has reported that the South East economy more generally faces labour supply constraints that make the creation of new jobs in frontier industries increasingly tough.

6.2   Local Hard to Fill Vacancies

The Enterprise M3 Local Skills Report and Skills Action Plan 2022 has reported the highest persistent vacancies to be for:

- Nurses
- Sales and business development managers
- Programmers and software development professionals
- Gaming and immersive technologies professionals
- Social care workers
- Haulage and Logistics workers, particularly due to the rise in internet shopping
- Hospitality roles such as Chefs, Kitchen and catering assistants.

Many of the hard to fill job roles highlighted are reflective of the types of clients the Job Centres and DWP support, which tends to be those who are less highly skilled. They are hard to fill due to the lower pay, anti-social hours, how physically hard the work is and the expense

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39   'UK business lobby group calls for government help over labour shortages' Daniel Thomas, *Financial Times.* July 14th 2022
40   'Rapid reform needed to tackle crippling staff shortages - Quarterly Recruitment Outlook' Press Release, British Chamber of Commerce. July 14th 2022
41   ibid

of childcare. Covid has also had a negative impact on the appeal of health and social care opportunities.
Source: Enterprise M3 Local Skills Report and Skills Action Plan 2022

6.3   Regional Skills Strengths

The Enterprise M3 area and Waverley in particular exhibits high productivity, high employment and high incomes, due to:

- A higher concentration of high skilled jobs compared to national levels
- More highly skilled workers compared to national levels
- High progression rates of young people into higher education; Resilience to economic shock of Covid19.

Analysis has shown that there is a very high rate of employment and growing resident workforce, very low rate of economic activity, highly skilled workforce and very diverse skills base, very high in and out commuting with out of area jobs being critical to overall prosperity and high incomes, high skills and employment in frontier sectors.
Source: Enterprise M3 Local Industrial Strategy: Skills and People

6.4   Take Up of Vocational Provision

The Enterprise M3 Local Skills Report highlights a low take-up of vocational provision – including apprenticeships – which could offer routes to employment and address skills needs. Demand for Apprenticeships continues to wane both nationally and in EM3. Nationally, apprenticeship starts in 2019/20 fell to their lowest level in ten years. The EM3 area has strengths in the academic route to employment and high university-level participation which arguably accounts for the low demand, supply and uptake of vocational routes including apprenticeships.
Source: Enterprise M3 Local Skills Report and Skills Action Plan 2022

6.5   Responding to the Move to Digitisation

Digital technologies already make a significant contribution to Enterprise M3's productivity advantage through large numbers of high value jobs, for example in computer consultancy and programming, and a rapid growth in computer games publishing, wired telecommunications and computer facilities management. In 2020, EM3 hosted 45,973 jobs in the Digital sector with 1.7% growth compared to 1.3% nationwide.

The gaming, visual effects and immersive technologies sector accounted for over 1,000 jobs in 2020 – mainly in the production and publishing of gaming software which have seen high growth and concentration of jobs in/around Guildford. The skills in these sectors are also likely to see increasing demand due to the recent growth of other creative industries in the EM3 area.

For example, film and TV production with the announcement of Netflix expanding their production facilities at the EM3 Enterprise Zone site at Longcross in Surrey. Significant

additional pressure on the local skills pipeline is expected to arrive in 2022 as a result of inward investment in the region from large international studios such as Amazon, Disney and Netflix.

In healthcare, the NHS is committed to digitise the entire service by 2024.

Integrating more sophisticated digital solutions into workforce requires specialist training with implications for continuous reskilling and recycling of work forces.

As part of the actions to support digitalisation, the LEP team and Growth Hub and other partners will need to continue to support digitalisation of the economy especially as a contribution to clean growth and innovation, and this will include helping businesses and organisations to improve their digital facilities and skills.

Examples are the EM3's investment of Getting Building Funds in 'Digital Skills Work' for FE Colleges and the 'Creative Tech Growth Booster' and, funded by EM3, regional colleges and universities, the Innovation South Virtual Campus hosts a range of 15 bite sized online programmes in digital skills designed to upskill and reskill.
Source: Enterprise M3: Revive and Renew: Actions To Support Digitalisation

6.6   Identified Priorities

Key priorities for the sub-region are therefore to help employers to fill persistent vacancies, address the low take-up of vocational provision, widen participation in higher education in parts of the Enterprise M3 area and meet the need for training at higher technical skill levels to address urgent skills needs.

The skills priorities included in the 2020/21 Skills Action Plan include the three big ambitions for the EM3 area, prioritising accelerating and expanding education and training in:

- High level digital skills for workers in specialist roles
- Supporting retrofitting activity to decarbonise homes and buildings
- Technical jobs in low carbon sectors

Action priorities are to:

- Establish a local Digital Skills Partnership; led by employers, this would bring together public, private and charity sector to innovative delivery of high-level digital skills in AI and cyber security.
- Establish a network of training provision for retrofitting.
- Support the Apprenticeship and Skills Hub as a specialist in technical skills for emerging low carbon sectors.
Source: EM3 Local Skills Report January 2022

6.7   Employment Development Issues

Organisations interviewed

The findings below are drawn from interviews with the Farnham, Godalming and Haslemere Job Clubs were interviewed as well as two local DWP Partnership Managers.

The Job Clubs are largely run by volunteers and give support on CV writing, applications and job searching. A couple of the job clubs said they are currently supporting more Ukrainians than British people.

The local delivery arm of DWP spans two districts - Surrey and Sussex, and Dorset, Wiltshire, Hampshire and the Isle of Wight and supports working age people into work. Work coaches from Job Centre Plus meet with job seekers, get them onto benefits if needed and help them to look for employment.

Employment Advisors bring employers into Job Centres and get claimants in front of them so there is face to face interaction. There are various programmes, for example JET - Job Entry Target – which provides intensive support if someone is out of work longer than 13 weeks, and the Restart programme is if someone out of work for 9 months or more.

National Careers Service and Job Centre Work Coaches collaborate to deliver outreach services to local people. They also made the comment that they are seeing and helping a lot of Ukrainians.

A job fair was recently held in Farnham for Ukrainians, organised in conjunction with Waverley Borough Council and was extremely well attended. DWP runs sector specific job fairs, but wasn't sure whether there had been any in Waverley - possibly there had been a care related one.

Barriers For Local People Accessing Local Jobs

Transport is cited as the biggest barrier to local people accessing local jobs. Buses do not run often enough or across as much as the Borough as is needed and aren't conducive to 9-5 or other shift patterns. Farnham station is cited as being hard to get to.

The concept of a Job Bus is raised, something similar to the bus that goes out to the hospital; could something be started up which picked up from outlying villages and took people to employment areas? It is highlighted that people without a car stand a far higher risk of being unemployed.

Housing costs also are prohibitive to people working in the area; people working in the town live well outside of the area as it isn't possible to take on the lower income jobs and live nearby. DWP said, 'We have ended up with a highly affluent area but with no one able to work locally'.

Another barrier is the fact there is no central point of information for finding work; there are now too many channels and information gets lost.

DWP commented that engagement is also a barrier and how difficult it can be to get local people to attend events focused on finding work.

Choice Of Jobs In The Area

Those interviewed stated they mainly support people who are in the lower paid end of the job market, so would find it hard to comment on highly skilled job availability.

One of the Job Clubs said they recently helped a Pharma Engineer but could not find them anything and that it is unusual for an employment agency to have a job on the books over £50-60k.

General opinion is that there does not seem to be many highly skilled jobs locally, yet there are plenty in the service industry, for example, cafes, restaurants, nail bars etc.

DWP, however, commented that the labour market in the South East is buoyant and there is a wide range of jobs available. They give the example of Frimley Park Hospital which always has a number of job vacancies, skilled and unskilled, but who seem to have huge issues recruiting.

Links Between Local Skills Provision And Job Placement Services

With regard to how good links are between skills providers and job placement services locally, only a few opinions were offered:

- There are not nearly enough adult education classes locally in Haslemere and it doesn't help that there is no job centre in the area, except for Guildford.

- One of the DWP Partnership Manager's commented that Waverley Borough Council's training arm - Waverley Training – is excellent. However, also says that DWP works closely with other Council's Economic Development Teams and meets with them regularly, along with the Job Centre, to look at local needs, opportunities and skills gaps and that it would be good to work similarly with Waverley. At the moment the dialogue is occasional, and it would have more impact if it were regular and frequent.

- DWP talked about various programmes they run such as 'Swap' which gives someone pre-employment training and a bit of work experience and then a guaranteed interview at the end of it. It is commented that it makes such a difference for job-seekers able to speak to the employers face to face and any intervention that can encourage that is welcomed.

How Local Authorities And Educational Institutions Can Help People Prepare For Local Jobs

The main response is for there to be more joined up conversations, between all organisations, for example between school career departments and local employers.

It is emphasised that young people need to be inspired and to see for themselves what is on offer. Can schools and colleges take them to employers locally; for example, to Farnborough to see all the innovation and opportunity there?

Waverley Borough Council needs to have regular meetings with DWP and Job Centre Plus. DWP point out that they need to know what is available in the area, and what courses are out there for claimants. The DWP Managers interviewed say they have not done much work in Waverley and this is probably partly due to not having a close relationship with the Council.

An example is given of how DWP had sought engagement from Waverley Borough Council, which was not taken up. During Covid, the number of claimants aged 18-24 years went up considerably and DWP started up a series of Youth Clubs in response. DWP approached Borough Councils and presented the case that they would fund them, if the Council was able to run them. Woking took it on and contracted it out to Surrey Care Trust who now run it; Surrey Heath took it up; Runnymede and Elmbridge went in together and ran it. However, Waverley never got involved and Guildford said the timing wasn't right as their Economic Development lead had just left. This is considered to be a missed opportunity; DWP states it is more than happy to do outreach work in the area but that it needs engagement with the Council to do so.

The other point made is that schools need to focus less wholeheartedly on academic pursuits and ensure young people who are not academic still have options. SkillWay, a local organisation teaching young people woodwork, plumbing, etc, is highlighted as a positive move in this direction.

6.8 Strengths In Higher Education

The findings below are from interviews with representatives of UCA and University of Surrey.

University of Creative Arts

UCA's Farnham Campus
UCA Farnham is one of four campuses along with Rochester, Epsom and Canterbury. The Rochester campus will be closing and consolidating into Epsom.

Plans for Development of the Farnham Campus

UCAFarnham will now concentrate on film and media, a new school of games and creative technologies, and fine arts and crafts. Courses will be provided at undergraduate, graduate and post graduate levels.
The university is to expand from 3000 to 5000 students of which 50% will be national and 50% international. UCA has 18,000 applications annually but is unable to accommodate them all but there is considerable scope for further expansion.

University of Surrey

Taken together with the University's own GVA of £1bn and 6,500 jobs, the University and the Research Park together make a substantial contribution to the local economy, generating one eighth of Guildford's employment.

Subject rankings the Complete University Guide 2023 rank the University of Surrey as first in Information Technology Systems and Tourism, Transport, Travel and Heritage Studies, second in Food Science and Paramedic Science, and third in Nursing and Veterinary Medicine. Other subject rankings within the top ten include Aeronautical and Aerospace Engineering, Manufacturing and Production Engineering, Sports Science and Medical Technology and Biomedical Engineering.

The University of Surrey offers a very wide range of services to businesses, borough councils, and range of other organisations in the surrounding region.

- Incubation services for technology start-ups - virtual and physical
- Support to businesses seeking to scale up, e.g. from 4 employees upwards
- Support from the health tech accelerator
- Facilitating access to fast start grants from Innovate 2
- Support and advice to start up technology businesses and SMEs
- Student engagement, placements and recruitment
- Projects to find solutions to a wide range of problems
- Joint funded research projects with partner organisations

The People Centred AI Awareness Centre, part of the 5G Innovation Centre, is a key resource for enabling businesses to identify related opportunities for their businesses and measures to adapt to the going impact of digitisation on their business operations and with their customers.

There is wide potential for Waverley Borough Council and its local partners and businesses clients to work together with University of Surrey.

There is a wide range of expertise available from professors, research fellows and students. There are a number of funded work placements that could be offered enabling businesses to benefit from knowledge introduced from students who could potentially end up as employees. The university's participation in Waverley could be promoted through joint events for businesses or other special interest groups, involvement in town centre diversification and improvement initiatives or other projects that are relevant to Waverley's ongoing development.

7. Spatial Development

7.1 Commercial Property Market Trends

The findings below are based on Interviews with local Commercial Property Agents.

Agents Interviewed

A number of commercial property agents serving the Waverley area have been contacted for their experience of business demand, opinion on the suitability of available accommodation, attraction and constraints of doing business in the Borough and key priorities for infrastructure and other improvements.

Agents from Owen Isherwood, Park Steele and Curchod & Co have been interviewed and the findings are summarised below.

Types of Businesses Making Enquiries

The busiest sector is industrial, whether it is leasehold, freehold or freehold investor, there is a lot of interest and demand. It is for a range of uses, including storage, standard motor industry activity or more high-tech motor activity, various mechanical or electrical industries. In one agent's experience, for every industrial requirement there are 8-9 warehouse enquiries.

More surprising is the high demand for retail., and the interest and demand is across the sector; cafe, hairdresser, beauty, household goods. Farnham is very 'buzzy', with lots of independent outlets; no enquiries from the big multiples however, the demand is mainly for small retail units.

The smaller independents are beginning to grow and expand, opening shops in other places outside the Borough. Farnham especially tends to be an incubator town; little businesses start here and then open up second place elsewhere.

No comment was made about office-based businesses; the demand being generally much less than within industrial and retail. For any business type, mostly the demand is from within the Borough.

Changes Since Covid 19

One agent said that the office market had been expected to drop off but instead enquiries have increased and there is a demand for good quality office space, although it has recently got quieter due to concern over a potential recession. Another agent said they were finding the office market very quiet and they couldn't remember the last office enquiry they had.

One of the other agents commented that demand for office space has been steady but that the market 'still doesn't know what it is doing'. Often senior management are going into the office, as well as the younger employees, but those in the middle are still working from home so businesses don't know how much space they need. Flexi working means the environment is changing; traditional office spaces are not in demand anymore and businesses are either reducing space or creating more 'wellbeing' space within their premises. Employees now expect a nicer, more modern building with air conditioning.

It is noted that the office market is starting to be more active in London which should filter down to Waverley over time.

Industrial has been positively impacted by Covid; the demand has increased significantly and is mostly for small units. This is being driven by online retail and storage requirements; lots of retailers are downsizing and taking up warehouse space due to the cheaper business rates.

In retail, it is busy but much more among the independents than multiples. The cheaper end of retail is buoyant.

Before Covid, there were a lot of enquiries for leisure spaces such as yoga, Pilates and gyms etc, and these businesses have been hit hard through covid, and haven't been able to go back to previous class numbers, meaning they have to make careful decisions about how much space they can afford.

Attributes of the Borough

The aesthetic appeal of the area is emphasised over and above anything else, which is a comment on the area's appeal generally, but not necessarily in relation to business. Farnham and Godalming are both attractive towns and the surrounding area is also appealing with pretty villages and good access to the A3 and M3.

There is a strong sense of lifestyle, however, there is little association with it as a place to do business or as a centre of employment.

Retail is attracted to Farnham as a buoyant town, with significant footfall and affluence. Godalming also has a smart, upmarket image; not that it necessarily attracts business but they tend to want to stay once there.

Movement in and out of the Borough

All agents commented that there has not been much relocation into the Borough in recent years. A few businesses have gone into Dunsfold, but mainly any activity has been local.

Agents instead highlighted the notable departures from the Borough such as M&Co and Lorimers having left Godalming, and British Car Auctions who is moving to Hook.

A big furniture shop came out of Cranleigh as they did not need larger size of building anymore. Parsons Brinckerhoff, previously in a 60,000 sq ft premises, was also a loss to the area, with one agent feeling that they were 'allowed to leave'.

Gordon Murray Racing could have come to Waverley however no available space was found for them. The departure of the WWF, who were located in a 25,000 sq ft building, was cited by all agents as something that could have been avoided, despite the organisation approaching Waverley Borough Council to discuss expansion opportunities. Woking Borough Council's enthusiasm and efforts to accommodate the organisation are also emphasised.

Other departures are Sita (20,000 sq ft), Scotts (12,000 sq ft) and Hotel Plan (20,000 sq ft).

One agent said, '*Businesses leave as they can't get what they need here; they often have to relocate to the Blackwater Valley or Guildford when they want to grow'.*

Waverley's Main Competitors

Guildford and Farnborough are two of the big competitors with better quality and style of buildings, and bigger spaces available for when businesses want to expand.

Camberley, Horsham and Petersfield are also noted as being towns businesses will consider over Waverley. Horsham is considered to have a better retail offering, a Waitrose and a good train station.

Adequacy of Commercial and Industrial Property in the Area

There is a substantial shortage in the industrial warehouse market and a lack of new build in this sector, which is a great shame as the demand is there, it goes quickly and for a high rent. Much more of this type of space is needed, not the Amazon size of premises, but for smaller occupiers.

With retail there is not a lot of stock, but lots of enquiries.

Generally, as mentioned previously, the office market is in limbo, but there is not enough there if the demand picks up, for example there is nothing in Farnham if an enquirer wants something a bit bigger. There is not much modern office space in the Borough and lots of office buildings are now residential.

Currently, the demand is not there to warrant building more office space; the rent prices don't stack up against construction costs. However, if that changes, more appealing, modern, sexy office space is needed, not the traditional old buildings of years gone by.

With bigger businesses having vacated premises, it is seen as an opportunity to get several smaller businesses into one 60,000 sq ft building; which many smaller businesses like as they end up in an HQ building without having to pay the price of it.
One agent said that the Council's policy seems to be entirely centred on Dunsfold, even though the road network there is not that good.

Constraints on businesses being attracted to or growing in Waverley

There are some other factors that can prevent businesses choosing to locate or expand in the area.

- The lack of available premises as outlined above.

- The small size of the towns can discourage some; it is part of their charm in some ways but it doesn't represent an appealing prospect for many.

- The rail service is said to have gone downhill, with regular delays, cancellations and diversions. Farnham doesn't have a good train line, Cranleigh has nothing, Godalming's line is okay.

- The fact that Waverley Borough Council seems to have no register of land available for potential investors to see; a couple of the agents said 'they might have the land, but they don't seem to want to share information on it'.

- Similarly, there seems to be no marketing of the area and the opportunities; not even the online marketing which other Boroughs do to attract inward investment. It is very easy and cost effective and Waverley don't seem to do it at all.

- The Council seems over-focused on the supply of housing to the detriment of business and PDR has reduced the amount of commercial opportunities. For example, when WWF left, the premises were turned into flats, some of which, it is said, went to 'less desirable tenants' which has reduced the commercial appeal of the area. Cranleigh has lost a lot of industrial to housing.

- The collective impression is that the Council seeks to convey the message that they are 'happy to chat', but doesn't follow it up with discussions and decisions. An agent said, '*the most important thing for economic development is the courage to make a decision and to make it quickly. Inward Investment opportunities don't hang around and need quicker decision making'*.

- An example is given of a major investor seeking 80,000 sq ft of space and arriving for an appointment with the Planning Department. However, due to the investor parking in the wrong space at the Council car park, they were asked to move. The handling of the situation is believed to be integral to them deciding to go elsewhere.

- It can be hard for some businesses to recruit, due to bad connectivity and expensive housing. The main constraint is the cost of living in the area; residential and commercial used to be on a par, now residential prices are twice as high as office space.

Potential For Attracting Larger Businesses

The main response here is to question whether the area is the right place to try and attract big business, and whether it is better to remain a nice place to live and work on the scale it is already achieving.

There are smart business parks in Camberley, Farnborough, Fleet, but it is doubted that they could be successfully replicated here.

This is largely due to the factors outlined in the previous section.

Godalming has lost a lot of its bigger buildings. The biggest in Farnham is 22,000 sq ft and there have been virtually no enquiries for it. Surveying activity in London does not have Waverley on its radar; the towns are too small and Guildford has more to offer. Farnham is a bit 'crafty and twee' and is unlikely to appeal to big business.

Conditions for Waverley to Retain Key Businesses

The main point made is how the local authority needs to make every effort to make sure businesses feel valued and cared about, and that this is often an area where the local authority falls down. They should seek opportunities to make a business's life as easy as possible and ensure they have an easy, direct channel to ask for help and planning advice. It is all about attitude and the local authority needs to demonstrate a proactive and supportive one.

Having one nominated person within Waverley Borough Council who can bridge the gap between planning regulators and businesses will help. Councillors have their own agenda, and it requires someone who has the overview of it all to understand what is needed.

The team at Waverley are well regarded, however more proactivity and engagement are considered to be needed. Officers picking up the phone regularly to commercial agents to find out what is happening in the market, would have a positive knock-on impact to local business as they will benefit from that dialogue.

As mentioned in other sections, infrastructure improvements, such as to public transport, traffic and broadband are also key to retaining businesses in the area.

10-Year Vision Of Key Sectors And Economic Profile

Agents struggled to think of a 10-year vision or to identify key sectors. One agent stated:

'I suspect not a lot will change as I'm not sure the members genuinely want it to. I suppose it is good for the environment if there are not loads of developments!'

Comment is made instead about how Waverley Borough Council could change this. For example, by making land available, and if that is not possible, then making better what is already there, and doing so quickly, cutting through some of the planning and policy that is the 'bane of agents' lives'.

It is commented that '*buildings stay empty because of policy; it holds back growth. Look at Woking - the Chief Executive brushed away all obstructions and made things happen. Some might not like it, but at least he has made changes. Look at Woking and do it better'.*

The question is asked about where the new population and new housing residents are going to work, and that there is a need to focus on building business not just housing.

In terms of sectors, a couple of areas are highlighted as possibilities, such as filming and the computer games industry. For the latter, UCA has courses in this area and a couple of gaming companies have come to Farnham, although Guildford is clearly the main hub. It is emphasised that both these sectors would need encouragement to gain traction.

Development Needs And Potential Of Town Centres

All the agents agree that local commercial rents are not that high, especially compared to Guildford. One agent also refuted that there are many long-term voids in the town centres, especially in Farnham where currently there are only 2-3 empty shops, one of which in the process of being fitted and the landlord has strict criteria as to who takes the other one.

It is felt that the strong, appealing character of the towns is a big asset and that more pragmatic planning is needed to maximise their success. For example, relaxing the rules around having to cook off-site in some premises.

Although business rates are not within the Council's control, they somehow need to be made more conducive to business as often they are based on historic rents.

The Council is urged to respond quickly to commercial demands; for example, if A2 brings in footfall, let it be A2. Don't be overly prescriptive; look at where the footfall is likely to be and go for that.

The Council car park in Godalming is considered to be under-utilised and therefore could be a site for some development. There is also a need for a good hotel to be brought into the town.

In Cranleigh retail is hugely outweighed by housing stock; there needs to be some thought around new uses and occupiers, perhaps more entertainment and leisure facilities.

Landlords locked in to higher rents from previous big-name stores need to be persuaded to adjust their expectations in order to attract smaller names.
Rents in the West Street Castle Street area used to be £110 sq ft but now have come down and are the same as the secondary rents in places like the other end of West Street and Downing Street, closer to £70 sq ft.

Key Commercial Sites and Their Potential Uses

Agents stated they could not think of many, or even any, commercial sites with potential for development. One agent said they have asked Waverley Borough Council for a list of development sites and not received anything in response.

Dunsfold is the main area of potential, with a quarter of a million sq ft to be developed. It is highlighted that it will take time to let it out but it has potential, even though a lot of it is now housing.

Mansfield Park in Cranleigh is also mentioned, and the fact that, as Cranleigh is expanding with housing stock, there needs to be the jobs and businesses in line with this. However, its lack of connectivity is a drawback.

One of the agents said if there were a development of small industrial units, they could be let off plan, but that developers would have to be really quick as the market is at its peak. With a forthcoming rent re-evaluation and the fact small business rates will be coming to an end, this will be likely to lead to a drop in demand.

One site highlighted as having potential is a redundant golf course outside Cranleigh, called Wild Wood. An agent said it did have planning for a hotel spa but didn't go through and that it could be used for a mix of leisure and business, office and industrial, as an alternative to Dunsfold. It is thought to be around 248 acres.

Key Priorities For Infrastructure and Other Improvements

Internet speed is key; it needs to be a minimum of 100 megabytes. Generally, it is fine across the Borough but the local authority needs to make sure it remains in line with other areas and with demand.

In terms of traffic, congestion around Farnham is highlighted and, whilst no specific suggestions are made, any improvements would be welcome.

One agent commented that building new roads would only serve to increase the volume of traffic, and another agent suggested that giving more roads a 20mph speed restriction would make it a safer and nicer place.

Improvements to public transport are considered to be crucial, as it is so fragmented and travel to work around the area is generally very difficult. It is recognised it will require a mindset change for many, as there was at one point a shuttle bus to Coxbridge Business Park but not many people used it.

In the knowledge it would be almost impossible, one agent suggested opening up the railway line from Cranleigh to other towns would help Cranleigh grow.

7.2   Commercial Property Availability

Currently Available Employment Space

An analysis undertaken in April 2022 of office, industrial and warehouse space available in and around the main settlements is summarised below.

Advertised Employment Space, Waverley Borough, April 2022	Flexible Workspace/ Serviced Office	Offices	Office or Retail, Leisure	Office, Distribution Warehouse,	Warehouse, Industrial	General Industrial

Area			and Other Types	Offices, Industrial		
	Sqft	Sqft	Sqft	Sqft	Sqft	Sqft
Farnham GU 9&10	4,670	77,566	6,050	6,962	108,488	21,000
Godalming GU 7&8	2,310	57,555	2,318	3,365	0	2,276
Haslemere GU27	1,980	924	0	0	0	0
Cranleigh GU6	0	600	0	0	27,282	5,600
Total	8,960	136,645	8,368	10,327	135,770	28,876
Source: EG Property Link. Vacant Office and Industrial Space Waverley 21st April 2022						

As can be seen there is ample provision of office space currently available at around 137,000 sqft, the vast majority concentrated in Farnham and Godalming. A further 19,000 ft.² in the form of mixed office and retail office and distribution space is also available. However, there is only just under 9000 ft.² of all-inclusive flexible workspace and/or service offices currently advertised. As regards warehouse and industrial space there is around 174,000 sqft mostly located in the Farnham area although there is 34,000 ft.² of warehouse in industrial space around the Cranleigh area.

Workspace Centres

The borough has a number of workspace centres. These are mostly serviced offices as opposed to shared space communities. The above analysis suggests that around 9,000 sqft was available amongst these developments.

Eastgate
St Paul's House
Clockhouse, Dogflud Way
20 Riverside, Riverside Industrial Estate, Dogflud Way
Alexandra House, 1 Waverley Lane
No 11, Riverside Park Industrial Estate
6 Riverside Park
The Granary, 1 Waverley Lane
Coltwood House, 2 Tongham Road, Farnham, Surrey
The Space Coworking Farnham
Regus Business Centres
Source: EG Property Link

7.3   Planning Policy Framework

Employment and the Economy

Economic growth needs to be balanced against the need to protect the unique character and environment of Waverley and respond to climate change.

The Council is mindful of the need to deliver new housing and that it also contributes to economic growth. Employment land that is no longer suitable for employment is therefore a source of housing land.

The EM3 LEP's objective is to achieve economic growth and create jobs through a number of interlinking interventions, such as: enterprise development and competitiveness; the generation and commercialisation of innovation; the growth of high value industries; the development of skills needed by employers.

EM3 LEP's Strategic Economic Plan recognises the significance of the area to the growth of SciTech and the importance of SMEs, and the rural economy. However the priority for intervention is on Growth Towns which deliver a high proportion of jobs, such as Basingstoke, Guildford, Farnborough, Woking, and on Step-up towns with economic potential, such as Camberley, Aldershot, Andover, Whitehill/Bordon and Staines. Waverley is not identified as a strategic location for employment, nor is any of its settlements identified as Growth Towns or Step-up towns.

Surrey's Local Economic Assessment shows that Waverley is the 22nd most competitive borough in the country; with a business density of 72 businesses per 1,000 adults in 2007, the highest in the county.

Most of the Borough's employment development is concentrated within Waverley's four main settlements: Farnham, Godalming, Cranleigh, Haslemere. However there are also a significant number of premises or land in employment in the smaller settlements and the rural area. Dunsfold Aerodrome has approximately 17.5 ha of commercial land.

Waverley's Economic Strategy 2015-2020 set out the Borough's characteristics, including a higher than average economic activity rate. One objective was to make the best use of Waverley's existing supply of employment land, to accommodate small levels of employment growth in key growth sectors, and explore opportunities for higher levels of mixed use development and growth. The accommodation needs of SMEs was also a priority.

The Waverley Employment Land Review 2016 showed that the surplus in B1c/B2 and B8 up to 2033 is forecast to be more than enough to meet the shortfall in B1a/b forecast in the same period. However it also states that, although it should be sufficient quantitatively, qualitative factors such as location, quality, type, size and accessibility do not mean that all surplus B1c/B2 (light/general industrial) and B8 (storage and distribution) sites will be suitable for meeting future need for B1a/b (office and R&D).

Market analysis for the ELR suggests that Waverley's market is constrained by a lack of flexible industrial premises that can accommodate SMEs. The Borough has lost all or part of 90 employment B1a premises since the amendment of PDR to allow for change without planning permission.

As limited supply is likely to constrain business growth and investment, the ELR recommends that as well as providing additional B1a/b floorspace, it is also important that the Borough

provides a continuing supply of land suitable for B2 and B8 use as well as premises for a wide range of business sizes.

Tourism in Waverley supports over 2,600 jobs and there is potential for the creation of luxury, boutique and budget hotels in Waverley, with Farnham and Godalming being the main areas of interest.

In order to meet the demands of the economy and businesses flexibility, the ELR recommends that the Council safeguards its existing sites for B1a/b and explore opportunities to provide additional B1a/b floorspace from B1c, B2 and B8 uses.

It also recommends the Council safeguards good quality, fit for purpose, B1c, B2 and B8 sites to maintain a diverse business base.

In order to protect existing employment sites, the Council will permit the change of use of existing employment sites to residential and other uses, where it is clearly demonstrated that there is no prospect of employment use.
Source: Local Plan Section 10

Current Provision of Employment Sites

The Local Plan sets out that 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/D&D) floorspace, will be delivered through:

- The allocation of sites for additional employment floorspace: on land off Water Lane, Farnham; on land at Dunsfold Aerodrome; and in accordance with relevant saved polciies of the Waverley Borough Local Plan 2022 and in Local Plan Part 2.

- Permitting new employment and development within defined settlements that meets the criteria set out in relevant saved policies.

- 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.

- 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.

- Making provision for accommodation for visitors to the Borough.

The Council's LAA 2016 identified one new site off Water Lane, Farnham that is solely suitable for employment use, and employment development has also been promoted as part of mixed use development on a number of other sites. New employment development is set out to be mainly focused on the settlements of Cranleigh, Farnham, Godalming and Haslemere, where services, connectivity and labour are strongest.

Outside the settlements, the appropriate expansion and growth of existing business premises and the conversion of rural buildings is also supported where there is no detrimental impact.

The redevelopment of Dunsfold Aerodrome also presents an opportunity for employment development, with a projected increase of approx. 26,000 sq m.

In some cases, uses outside the Use Class B land may be appropriate for the reuse of existing employment premises or the reuse of rural buildings.

As well as the provision of new employment land, there is also merit in encouraging SMART economic growth and the ELR has identified a number of existing employment sites that provide the opportunity for this in the short and longer term. SMART economic growth includes measures such as changing working practices to support live/home working and developing ICT.

Source: Waverley Local Plan Part 1: Strategic Policies and Sites February 2018 p85

Housing Development

The Local Plan sets out that the Council will make provision for at least 11,210 net additional homes between 2013 and 2032, or 590 dwellings a year. The following numbers of new homes are planned:

Main settlements:
Farnham 2,780; Godalming 1,520; Haslemere 990; Cranleigh 1,700; Dunsfold Aerodrome new settlement 2,600.

Large villages:
Bramley 90; Chiddingsfold 130; Elstead and Weyburn Neighbourhood Plan area 160; Witley, including Milford 480.

Smaller villages:
Alfold (not including Dunsfold Aerodrome) 125; Churt 15; Dunsfold (not including Aerodrome) 100; Ewhurst 100; Frensham 20; Tilford 20; Wonersh and Shamley Green 30.
In addition, 188 dwellings are set out in the Local Plan to be delivered on windfall sites in the large and smaller villages, based on past trends.

Source: Waverley Local Plan Part 1: Strategic Policies and Sites February 2018 p48

7.4   Key Development Sites and Locations

Allocations for Additional Employment Space

The Waverley Employment Land Review, April 2016 has projected an overall shortfall of offices of 4659 sqm (50, 135 sqft) but with a surplus of 86,000 sqm (92,500 sqft) of light industrial and storage and distribution space.

As regards new employment development, within the Local Plan two main sites have been allocated for development:

- Land off Water Lane, Farnham where 16,000 m² of offices and R&D space has been allocated
- Dunsfold Aerodrome where 28,000 sqm has been allocated

New employment development will be permitted within defined settlements subject to meeting the criteria of existing policies for non-strategic sites. Within the rural areas the local plan provides for permitted reuse and conversion of buildings and provision is also made for accommodation for visitors to the borough for business or tourism related purposes.
Source: Waverley Employment Land Review, April 2016

7.5 Planning and Development Issues

The findings below are drawn from an interview with the Council's planning policy team.

Protecting the Borough's Character

A major concern has been to preserve the character of the area and protecting the green belt. Waverley's natural beauty and ecological importance are key assets and the desire is to discourage putting pressure on sensitive areas.

Housing

Housing to meet demographic needs is a major policy focus. There are affordable housing targets oriented to the need to meet demand for key workers as well as for accommodating small levels of growth as informed by the parish Councils and the way in which housing needs to meet the needs of these local communities.

A main concern is about pushing for too much growth which would result in additional housing numbers being required. Therefore, the borough's planning policies are not oriented towards major office or industrial development and are concerned with guarding against the potential consequential impact of economic development if this were to result in high housing numbers. Moreover, with 50% of the local workforce commuting outwards and given the difficulties to attract key workers a push for further employment is not considered justified.

Key areas that the Council would like to support are:

- Encouraging less outward and inward commuting, encouraging high income residents working out of the borough to work in Waverley
- Attracting high spending visitors
- Addressing climate change and related economic opportunities
- Provision of facilities to support small businesses and working from home

Development in the Urban Settlements

New employment development is set out to be mainly focused on the settlements of Cranleigh, Farnham, Godalming and Haslemere, where services, connectivity and labour are strongest.

Much of the commercial space formerly available has been lost as permitted development rights enable such buildings to go to housing uses. Article 4 agreements have been put together to protect a number of office buildings, but these need to be renewed and this is subject to consultation so there is a risk of such buildings being lost. In Catteshall most of the former commercial premises have been converted to housing. Currently the borough is losing a number of industrial premises around the station the situation is therefore under review.

The stance on town centres is to reflect the changing economy, the impact of online retailing and the effects of larger centres outside competing with local provision. However current planning policies are based on retail studies dating back to 2013, since which there have been major shifts.

The Economic Development Strategy will need to align with and not conflict with the Local Plan. The review of the current Local Plan due in February 2023 will therefore need to go hand in hand with the Economic Development Strategy.

Industrial Development

As regards industrial development, the policy is not to promote development of large industrial premises though the policy is flexible. The employment land review commented that Waverley was not a suitable location for such activity.

Scope for Large Scale Projects

Nothing in the Local Plan includes policies for large scale projects. There are no other major sites apart the from the allocations in Water Lane and Dunsfold but some sites could be looked at throughout the borough it further employment space were needed.

However, if a major opportunity such as a significant film studio were to come forward then due consideration would be given too accommodating it somewhere within the borough subject to protecting the environment and making full use of the existing built environment.

There is no prospect of developments being proposed on the green belt.
Any specific targeted initiatives need to be evidence based and until a firm grip on the circumstances and changes the borough has to deal with is achieved it is not possible to formulate such initiatives.

The Dunsfold aerodrome site will incorporate current uses, mixed commercial development and mixed housing. There is a strategic policy in the local plan along with a separate strategic policy document for it, though much is still open to interpretation.

7.6   Infrastructure Priorities

Key Transport Policies

There are four key cross-cutting pillars within the Surrey Transport Plan LTP 4

Active Travel and Personal Mobility

This is to prioritise walking and cycling. Currently in Waverley, a local cycling and walking improvement plan is being drawn up for the entire borough. The improvement plan defines the network of routes for cycling and walking that will be typically developed within 2-5 miles of each of the town centres. These will include some have fast routes into the town centre and stations which will link in with the liveable areas through distribution routes. The local walking and cycling plan may link towns, for example between Godalming and Guildford. For this type of initiative there are now subject one or two rounds per year. To be successful, detailed plans need to be in place well in advance.

Public and Shared Transport

This is focused currently on buses and strategies will vary according to the different priorities within different places. There is scope for developing high quality bus corridors but in the short term the tendency is to prioritise the hinterland areas of around the settlements, linking the extremities into the town centres and providing good access to schools and hospitals. Creating high quality bus corridors depends on the commercial operators and has to be on discrete routes where the population and demand is big enough to generate high use of the services that make them viable.

In the long-term, people will dial up an autonomous vehicle to pick them up once these are seen as safe and are accepted, in which case there would not be much appeal for getting on a bus, though this would be a radically different model and unlikely to appear for some considerable time.

Electric Vehicle Charging

This relates to on-street parking and residents and the aim is to run a concession for the private sector to roll out installations. Transport for the South East has not developed appropriate models for electric vehicles use by the disabled and this needs to be rectified so that appropriate guidance can be put forward before the programme can be fully rolled out.

Planning for Place

This centres around the creation of liveable neighbourhoods involving the community in planning how to make peoples' residential areas quieter by creating places where people can

walk and play. The liveable neighbourhoods initiative involves reducing speeds, closing off roads then creating amenities like small open space, play areas or community amenities such as coffee concessions at closed off ends of roads. This initiative does not involve any dedicated routes but more greening of the streets and reducing speeds.

Strategic Highway Programmes

Alongside these pillars are the high impact strategic programmes, which account for 85% of all expenditure County-level expenditure.

Amongst these, the major priority for the Waverley areas is improving the A31 Farnham corridor, a major scheme being push forward along with in conjunction with the Department for Transport, for which an outline business case has been submitted and is awaiting approval. The mainstream programmes also involve improvements to the general road network, mainly small-scale junction improvements. Surrey County Council deploys a prioritisation tool to rank such transport improvement schemes.
Source: Surrey Transport Plan LTP 4

8. Digital Connectivity

8.1 Why Digital Connectivity Matters

Waverley needs to accelerate the roll out of high-performance digital connectivity across the borough for a number of reasons.

> ➢ The drive towards net zero, measures to reduce the need to travel combined with constraints in the supply of commercial property and the after effects of the pandemic have intensified the need for alternative work patterns.
>
> ➢ Working from home and/or in shared workspace communities along with hybrid working is becoming increasingly the norm across a high proportion of knowledge-based occupations. High broadband speeds are essential to enabling and maintaining these newly emerged work patterns.
>
> ➢ Tomorrow's industries will be predominantly digitised and data-driven replacing many traditional work roles. These will be intensively dependent on high-performance digital connectivity and key to boosting productivity and value-added wealth creation.
>
> ➢ Waverley needs to be ahead of the game in this regard in order to compete for the types of investment that can deliver high-quality, well-paid jobs. The promise of an ultra-fast broadband infrastructure would be a powerful asset to add to the list of persuasive selling points.
>
> ➢ Before the pandemic, slow broadband speeds were holding business development back. Post Covid, it is putting business livelihood at stake. The impact of Covid19 has magnified the need and urgency to deliver a step change in digital connectivity.
>
> ➢ In a typical family household, parents working from home, and children dependent on the internet for their homework as well as for gaming and entertainment require high speed connectivity.
>
> ➢ High speed connectivity can make Waverley's rural areas, which already accounts for 32% of all businesses and 21% of employment in the borough fully viable for modern day businesses.

Currently the local economy is hindered by slow speeds and lack of consistent coverage, and practical constraints are being felt by some frontier sectors, particularly virtual reality gaming, big data and machine learning, with many examples of how these businesses are being held back.

8.2 Growth of Digitisation

The EM3 Local Industrial Strategy highlighted the need for a step change in digital broadband and mobile connectivity. It found a significant gap between maximum speeds in any area and the average speeds and that businesses are less well served by broadband operators who favour domestic users.

The digital sector is an increasingly important part of the modern business base and is extremely diverse.

Waverley's best opportunity for creating a dynamic growth cluster lies in film, electronic games an immersive technologies activity for which the University of Creative Arts is a major generator of relevant skills. High-capacity digital connectivity will be essential for these activities to grow.
Source: EM3 Local Industrial Strategy

8.3   Evolution of fast Broadband in Surrey

Up until the early years of this century, most premises relied on ADSL which was based on copper wire technology. Openreach and Virgin Media 02 then upgraded the infrastructure to Superfast.

In the case of Openreach, they started to upgrade their network to Fibre to the Cabinet (FTTC) which provided superfast download speeds of up to 80Mbps. In the case of Virgin Media 02, more than 60% of Surrey premises could already access their network which was a copper-based co-axial technology.

In 2011, Surrey County Council undertook an Open Market Review (OMR) to understand the broadband landscape of Surrey. This identified that more than 84,000 homes and businesses (approximately 20%) were not included in any commercial plans.

SCC subsequently signed a contract with Openreach to connect as many of these premises to faster speeds. More than 84,000 premises were upgraded as part of the Superfast Surrey Broadband Programme to speeds of more than 24Mbps.

With the need to access ever faster speeds, Fibre to the Cabinet (FTTC) technology which provided superfast speeds is no longer being deployed and all network operators are now installing gigabit-capable infrastructure (1000Mbps) via full fibre (Fibre to the Home or FTTP) or 5G.
Source: SCC Digital Connectivity Office

The government's aim is for 85% of all UK premises to benefit from gigabit-capable speeds 2025.

Early initiatives have been instigated by Enterprise M3 including: Gigabit EM3 Town & Rural, a £4.5m programme to employ gigabit capable fibre along an initial route between Guildford and Basingstoke. (**Source: Enterprise M3 Revive and Renew P38, 39).**

8.4   The Government's Policy

The Government has set clear, ambitious targets for the availability of full fibre gigabit capability and 5G networks and wants to see 15 million premises connected to full fibre by 2025, with coverage across all parts of the country by 2033 and for the majority of the population to have 5G coverage by 2027.

To meet its ambitions, there must be a sharp increase in the pace of full fibre roll out for the Government to recoup the level of investment required for the national roll out of full fibre, and to stimulate the delivery of more valuable services to help pay for this investment. This large-scale investment will require the mass take-up of full fibre services to recover the costs of the new networks. To meet the ambition of world class digital connectivity for the UK, no part of the country being left behind.

To deliver nationwide full fibre connectivity at pace, the Government is promoting competition and commercial investment where possible, then intervening where necessary to address gaps.

The DCMS Future Telecoms Infrastructure Review stated that the Government estimated that:

- At least a third (with the potential to be substantially higher) of UK premises are likely to be able to support three or more competing gigabit-capable networks
- Up to half (or lower if there are more three network areas) of premises are likely to be in areas that can support competition between two gigabit-capable networks
- Around 10% of premises are in areas that, while commercially viable for at least one operator, may not benefit from investment. The Government will use 'competition for the market' mechanisms to secure investment in areas.
- In the final c.10% of premises, the market alone is unlikely to support network deployment and additional funding of some description will be required to ensure national coverage.

The Government is therefore relying on the market to get up to 90% of gigabit capability connectivity nationally.

Those areas that are likely to be unviable commercially for full fibre deployment will require additional funding of some kind.

By way of the Project Gigabit programme, it has identified additional funding of around £5 billion to make sure that fibre delivery in these areas starts early -see further details below.

There are alternative solutions that may also deliver ultrafast connectivity in harder to reach areas, so in areas where it may not be cost effective to get fibre all the way to the home, even with additional funding, other technologies like hybrid fibre-wireless solutions would be deployed to deliver gigabit connectivity.
Source: DCMS; Future Telecoms Infrastructure Review

8.5 Progress in Delivering Full Fibre Connectivity in Waverley

Openreach and Virgin Media 02 are the two major providers, but the government has been keen to open up the market to the smaller providers. These smaller suppliers, known as Alt Nets, are ramping up their installation programmes to get their infrastructure in place before Openreach and Virgin Media O2.

There are a number of whom are already investing in Surrey and 75% of Surrey premises already have this gigabit capability.

Only 4.89% of coverage in Surrey is by the Alt Nets. The rest of the 74.8% coverage by 2026 is by Openreach (FTTP) and Virgin Media O2 (FTTP or DocSIS 3.1). In Waverley, gigabit-capable coverage is 45.69% and of this Alt-Net coverage is 16.7%, so a higher percentage of Alt Net coverage is already taking place in Waverley.

There has therefore been positive progress in Waverley in achieving gigabit-capable coverage not least of all through the interest shown by the smaller providers, in Waverley. Swish Fibre, Fibre & Wireless and Grayshott Gigabit are all providing full fibre connections to Farnham, Godalming, Haslemere and Hindhead. Box Broadband is doing a considerable amount of full fibre installation in Cranleigh, Ewhurst, Ellen's Cross and Chiddingsfold.

Broadband for Surrey Hills (B4SH) are also providing full fibre connections in the south and west of the County to hard to reach premises, including areas close to the Guildford-Waverley border, such as Wonersh, then working down through Shanley Green, Stroud Green and Willinghurst towards the outskirts of Cranleigh.

STATUS	Already Connecting Homes and Businesses	Plans Announced to Deploy					
PROVIDER	Box Broadband	F&W and Hey Broadband	Grayshott Gigabit	Swiss Fibre	Basingstoke-Guildford Spine	Virgin Media 02 See note below	Openreach: where upgrading premises to FTTP by 2026
AREA							
Beacon Hill			√				
Chiddingsfold	√						
Churt			√				
Cranleigh	√			√			√
Ellens Green	√						
Elstead		√	√				
Ewhurst	√						
Farnham				√	√		
Frensham			√				√
Godalming		√		√	√		√
Grayshott			√				
Haslemere				√			√
Hindhead			√				√
Tilford			√				
Wormley							√

Source: https://www.surreycc.gov.uk/business/digital-infrastructure-coverage

In addition to these developments a proposed fibre spine between Basingstoke and Guildford funded by Enterprise M3 is planned. This will run in an S shaped loop and will pass through Godalming and Farnham. No decisions have been made so far about where the spurs will run off from this spine. This will depend on decisions by Enterprise M3.

In December 2021, Virgin Media 02 undertook an internal reconfiguration of their existing network across the UK. This means that residents or businesses in Surrey who can connect to the Virgin Media O2 network can now access the Gig1 service with gigabit-capable speeds. They have also announced plans to upgrade their whole existing network to Fibre to the Premises (FTTP) by 2028.

Large new commercial developments in Waverley are expected to be engaging with the fibre providers at an early stage. This is because no businesses are now likely to rent premises unless there is full fibre connectivity. These and new housing schemes are being targeted by the providers.

8.6   Government Support for Hard-to-Reach Areas

The main area of support provided by the Government is Project Gigabit. This is a £5 billion programme consisting of a series of demand-side (Gigabit Voucher Scheme, GigaHubs) and supplier-side procurements.

In terms of the supplier procurements, the Government is undertaking a series of phased procurements across the country to connect as many homes and businesses that are not included in any commercial gigabit (1000mbps) plans. Most Surrey premises are included in procurement 'lots' in phase 2 and over the past year several market engagement activities have taken place with suppliers to determine which premises may be eligible for public subsidy. In April 2022 this included a market review of Surrey. Procurement is due to start late 2022 with the contract commencing in late 2023.

The Gigabit Voucher Scheme enables businesses and/or residential communities to get together to apply for vouchers which can fund Gigabit capability fibre connections in their localities. Vouchers are worth £1500 for homes and for businesses £3500. Currently the voucher scheme is paused for between 4-9 months while the procurement activities take place.

8.7   Fibre Delivery Support Requirements for Waverley Premises

A huge amount of data work has been gathered nationally including across Surrey to map and classify the likelihood or otherwise of premises receiving Gigabit capability connections through market driven activity in the next 3 years, as a means of distinguishing those that could be eligible for public subsidy. The government has published its findings and provided these to analyse with a view to addressing gaps. Premises have been classified as follows.

- **Black and Grey** - indicates premises with one or more qualifying gigabit infrastructures from different suppliers being available or will be deployed in the coming 3 years. These premises are not eligible for public subsidy.

- **Blue** – Under Review – indicates premises where suppliers have reported planned commercial broadband coverage, but where those plans have been judged through the Open Market Review as potentially being at risk of not being completed. These premises won't be included in any initial procurement but will be subject to on-going monitoring.

- **White** - indicates premises with no gigabit network infrastructure and none is likely to be developed within 3 years by commercial providers. These premises will be considered for inclusion in any initial procurement but it should be noted that not all white premises will be included in the initial deployment

Source: SCC RSPC Update on the roll out of digital infrastructure in Surrey 13 July 2022

The table below shows the number of premises falling into each of these categories by main postcode area.

Post Code	Locality	Black	Grey	Blue	White	Total
GU5 0	Bramley	2	217	2177	722	3118
GU6 7	Cranleigh East	83	1621	2021	274	3999
GU6 8	Dunsfold Aerodrome -Elstead	33	921	1964	893	3811
GU6 9	Cranleigh West	0	0	0	10	10
GU7 1	Central Godalming	0	452	3892	234	4578
GU7 2	Central Godalming	76	801	1801	516	3194
GU7 3	Farncombe	1334	1761	936	110	4141
GU7 9	Godalming West	0	0	0	31	0
GU8 4	Dunsfold-Chiddingsfold	0	468	967	998	2433
GU8 5	Deerlans Lane	0	1071	2294	321	3686
GU8 6	Chiddingsfold Road	0	213	23	1649	1885
GU9 0	Farnham	0	2526	1	648	3175
GU9 1	Farnham	0	0	0	50	50
GU9 7	Farnham	83	3271	87	518	3959
GU9 8	Wrecclesham	28	3996	363	73	4460
GU9 9	Farnham	221	2980	3	679	3883
GU 10 1	North West	0	1367	629	745	2741
GU10 2	Outer Farnham	0	142	211	549	902
GU10 3	Outer Farnham	70	1259	328	95	1752
GU10 4	Outer Farnham	102	2446	105	142	2795
GU10 5	Outer Farnham	0	77	12	96	185
GU26 6	Hindhead	0	71	3332	272	3675
GU 27	Haslemere	0	43	9	18	70
Total		**2032**	**25703**	**21155**	**9643**	**58502**

Source: Building Digital UK: Surrey OMR outcome postcode list N.B. These OMR reviews took place in 2021 and data is likely to change once the Government have completed its analysis of the Public Review responses. Also, there are also some Waverley premises in Lot 1 (West Sussex) and Lot 27 (Hampshire) not covered here.

As can be seen some 28,000 Waverley premises appear to be assured of a choice of provision over the next 3 years, with 21,000 at risk of connections not being completed. Some 9,600 premises are considered likely to require Government subsidy.

8.8   Measures to Address Gaps

There will be gaps in the smaller urban locations and rural areas where premises are hard to reach.

In parallel, mobile connectivity is being upgraded, with more than 50% of the UK now covered by 5G both on the EE network and also on the Three network. Wi-Fi can get to even more premises subject to masts being installed to fill in gaps. This is an important factor as 5G only works with newer technologies so those with older devices may have inadequate coverage. In hard-to-reach areas, extremities in the rural areas are unlikely to get 5G coverage due to the considerable expense involved and other technologies and approaches will need to be considered such as satellite.

Intervention will therefore be needed to get Gigabit connectivity to as many of these hard-to-reach premises as possible.

8.9   Case Study: F&W Networks

Progress in Deployment of Full Fibre

In Surrey F&W Networks is deploying gigabit capability fibre in several market towns in Surrey and in Waverley in Godalming Cranleigh and Elstead, the Elstead deployment being funded by the Project Gigabit voucher scheme. The company is also planning to deploy in Farnham and has already completed its design phase involving around 10,000 connections.

Approach to Network Penetration

F&W Network's focus is on targeting towns and generating demand within communities. Their aim is to get as close to 100% fibre connection as possible across the areas targeted. F&W Networks will design as much as possible in each town if the demand is there other than where there is already competition or are significant technical constraints. The company is there for the long term and will work on filling out the gaps over the course of time.

The company will deploy where a return on investment can be achieved, but not if the cost is prohibitive. However, they are willing to provide installations on the basis of direct contributions from customers or the voucher scheme.

As far as hard to reach areas are concerned, they will try to find solutions such as through self-dig approaches, working through the voucher scheme and erecting masts and poles from which line of sight connections can be made to the surrounding buildings.

Marshalling Demand from the Communities

The company set out with a project plan for collaboration based on engaging with identified champions. The champions are often people like parish councillors. These are encouraged to work together to promote the connections amongst premises owners by distributing flyers organising meetings and explaining what groups of owners need to do to apply call my receive and redeem vouchers.

Ways in Which Progress Can Be Accelerated

Ways in which boroughs and districts can help accelerate progress are to:

- Have a general strategy and road map for the next two to three years for gigabit capability network development.
- Define the coordination measures for attracting private sector investment and for getting funding.
- Develop intelligence of which areas are being covered with fibre networks and by whom.
- Facilitate and enable the process by opening up details of assets, wayleaves and major development schemes in the planning system.
- Identifying and working with giga hubs such as halls, schools and other public buildings.
- Adopting planning policies require any new housing developments to have full fibre connections provided either by developers or via Section 106.
- Facilitation and barrier busting liaising with mobile providers, and mapping provision via the Ofcom tool.

Highway departments are strict but if they can be encouraged to cooperate more closely, network operators would feel more confident about developing their network coverage.

Future Support by F&W Networks

Fibre And Wireless will get more involved in addressing digital inclusion requirements such as through online tuition, measures to help the elderly and other initiatives to assist economic growth. Fibre and wireless is keen to add value to Waverley.

8.10   Case Study: Broadband for Surrey Hills

Broadband for Surrey Hills (B4SH) is unique among fibre providers in that it is a not-for-profit Community Benefit Society. All of its directors are volunteers. Its mission is to set up services to those areas within the Surrey Hills area and its hinterland where there is poor internet.. B4SH has so far installed 90 kilometres of ducts in the ground and is spreading out from this installed base. Broadband speeds are 950 megabits per second upload and download. A charge of £37.50 pence is made per month which can be cancelled at any time.

The organisation aims to get internet fibre installed to remote premises by way of the Gigabit voucher scheme. To receive the Gigabit voucher scheme benefits, the required investment to

meet hard to reach properties must already have taken place, so there is therefore a need for upfront cash. To cover this, investments are made by private individuals by way of shares or in the case of Guildford a large contribution. The organisation currently holds some £750,000 in reserves.

Point to point connections are made so B4SH retains the fibre connections infrastructure from homes to the cabinet. The core of the B4SH network is at Silent Pool where the connections are agglomerated then go to a direct connection at Telehouse North in Docklands. As this is B4SH's own kit it does not have to buy expensive capacity from mainstream providers. Their connections have to spread out like a daisy chain, i.e. once an area is connected, B4SH progresses to an adjacent rather than to a new local area in isolation.

Within Waverley B4SH has been making connections in Wonersh, Shamley Green, Willinghurst Estate and Stroud Common and part of Peaslake then down to the outskirts of Cranleigh. The natural route from there would be towards Dorking in the Surrey Hills area so the easternmost part of the borough could be where the next groups connections could take place.

8.11   Case Study: Openreach

National Role

Openreach is the national broadband infrastructure provider. It manages a network of 600 providers all sizes and specialisms. Its network has been undergoing a transformation from FTTC (fibre to the cabinet) copper hybrid infrastructure to full fibre across the UK, with a view to delivering Openreach coverage to 80% of the country, covering 25m homes and businesses. Those areas that are hard to reach will be covered by government schemes such as Project Gigabit.

Progress in Waverley

The aim is to complete provision across a large proportion of the estimated 48,000 premises in Waverley. Openreach works through area exchanges rather than borough boundaries. Parts of the borough have already received Openreach connections are the borders with Guildford and parts of Godalming. Further announcements are due to be made in October four other exchanges within the Waverley area.

The next phase will include the rest of Godalming and Haslemere, followed by a number fo the smaller urban areas, aiming for 75% coverage in each. Outlying premises will be eligible for government intervention or alt net solutions.

How to Check Coverage

It is not possible to project in advance which premises will not be covered, but Openreach makes it possible to clarify progress via the online checker, entering the post code then checking colour coding indication to show what has been built where.

country.https://www.openreach.com/fibre-broadband/where-when-building-ultrafast-full-fibre-broadband

How Full Fibre Connections Could be Accelerated

Waverley accelerate the move towards 100% Gigabit capability through number of approaches.

Having a local coordinator is useful because the providers do not have enough of their own people to carry out the engagement with all of the different parties involved.

- The key role is encouraging the formation of community partnerships amongst groupings of homes and businesses. Education and awareness sessions about Project Gigabit would be useful in preparation for when the scheme resumes.

- Access to the borough council's own housing can help accelerate installation.

- Some councils have distributed leaflets to inform households and businesses that the connections have now been completed, because often property owners don't know they are connected and take up does not happen automatically.

- If there is a difficulty with private landlords, it is useful for there to be a contact within the council who can make introductions or act as a mediator in the case of any disputes between neighbours.

- Generally keeping red tape to a minimum.

8.12 Local Measures that to Accelerate Full Gigabit Coverage

Key Aims

- Acceleration of gigabit capability fibre connections to all towns and villages all homes and business premises within the borough and to all homes and business premises.

- Maximum take of the Project Gigabit support by the premises in the borough not eligible for the Government's procurement scheme but eligible for the voucher scheme.

- Identified solutions for Gigabit capability where fibre connections are not viable.

Key Roles for Waverley Borough Council

Waverley Borough Council and its partners have a key role to play in facilitating accelerated provision of Gigabit capability.

- Setting up a coordination resource, as per the roles described below.

- Facilitating FTTP connections to the Council's housing stock, operational centres and administrative offices.

- A streamlined process to wayleave applications, particularly where there is land owned by the Council.

- Having fast track systems and administrative procedures in place so that there is no delay regarding installation of new ducting, poles and cabinets installed through permitted development rights.

- Liaison if necessary with Surrey County Council on removal of any constraints and obstructions to civil works which could delay the laying passive infrastructure like ducts and poles and reducing red tape when digging across roads.

- Interventions with railways where it is necessary to cross their lands.

- Possible investment in commissioning of fibre links where upfront investment is needed for voucher funded or where or when voucher schemes are not eligible.

Key Coordination and Facilitation Roles

A Council appointed coordinator would bring key parties together to increase the rate at which FTTP connections and alternative solutions are delivered, with the following key roles:

- Close relationship building with private sector Gigabit capability providers in order to track progress in the penetration of FTTP connections within commercially viable urbanised and rural areas.

- Continual mapping and monitoring to find out which homes and businesses still have slow speeds, possibly working with the town councils.

- Tracking the existence of premises that have been missed in viable FTTP provision and promoting gap filling by providers.

- Spreading the word about the about the Project Gigabit voucher scheme.

- Mobilising eligible business and residential communities in the hard-to-reach areas and advising and assisting them to plan and deliver the solutions and secure voucher funding from Project Gigabit.

- Acting as a go-between between communities, providers and public bodies to get constraints to full connectivity removed.

- Pressure and influence that can be applied on commercial providers where essential cooperation, such as access to ducting into urban areas is required.

9.   Place Making in the Settlements

9.1   Overview

The four settlements of Farnham, Godalming, Haslemere and Cranleigh share a number of common place making issues.

- The need to deliver an adequate good mix of housing to meet needs
- Measures to diversify and enliven and at the same time protect the character of the town centres
- The delivery of high-capacity digital connectivity.

Each has a Neighbourhood Plan which defines a vision, ambitions and objectives and policies for the future development of each town.

The Government's Levelling Up department has been discussing the possibility of local authorities taking over properties which have been empty for a long time due to landlords not being able to agree terms with prospective tenants.

Waverley Borough Council is seizing the initiative through an investment strategy focused on investing in the four main high streets and bringing in more market and social housing and preserving the high streets. The aim is to retain frontage on the high streets in parallel with housing provision following the decline of physical retail. The Council now has acquired or is in the process of acquiring key sites in each town. Details are provided below.

9.2   Farnham

Local Policies and Ambitions

The Neighbourhood Plan states the aims of retaining and enhancing the attractive historic market town centre as the economic and social hub of Farnham, retaining a range of retail sizes, promoting a variety of retailer and a thriving evening economy and protecting the clusters of shops and services at the neighbourhood centres. It acknowledge the need for locally appropriate housing mix to meet identified need and the demand for student accommodation within the town.

A perceived shortage of high quality modern accommodation for light industrial uses within Farnham is highlighted and for a possible need to identify further land for modern workshop space as well as through the regeneration of existing sites. The Neighbourhood Plan allocates an additional business site for development.

The Plan supports proposals for a Games Design and Creative Media Enterprise and Incubation Hub at the University for the Creative Arts (UCA) campus compliant with other Neighbourhood Plan policies and favours graduate retention.

<u>Factors Driving Change</u>

- Planned increase in UCA student numbers from 3,000 to 5,000 intensifies demand for student accommodation and vibrant evening economy.
- Intensified Focus on film and immersive technologies as well as arts and crafts.
- 18% business start up rate by graduating students driving demand for characterful shared accommodation.
- Basingstoke-Guildford ultrafast internet to pass through Farnham.

<u>Current Council Led Interventions</u>

Brightwells, a regeneration project of 18 to 20 commercial units, a cinema, restaurants and other elements together with leisure activities. It has scope to become high end. It will bring jobs into the centre of Farnham and will open in 2023. The scheme will provide a night life option for students in them Farnham as well as job opportunities for them.

Weydon Lane, an ex-landfill disused green space could become possible a bike park, and bowls club with some sports pitches. It is some way out from the town centre.

Waggon Yard Garages, a scheme involving 10 garages on leases to residents in a car park in the town centre with scope for development into workspace for designer makers, hopefully in conjunction with UCA.

Other schemes under consideration include the possible extension of Farnham leisure centre, situated next to Brightwell's, development of a site for student accommodation and repurposing of former office space at the Pump House.

<u>Other Interventions Required</u>

Other sites for UCA student housing which is difficult to resolve, though the Council is taking a proactive stance.

Widening the start-up accommodation for young businesses: workshop style spaces for designer makers; interactive shared spaces for digital technology ventures; support for general start-ups and home workers.

9.3   Godalming

<u>Local Policies and Ambitions</u>

Stated objectives in the Neighbourhood Plan reflect an ambition for:

a) Protecting the considerable heritage of Godalming and Farncombe and the sensitive natural environment by the River Wey and the Lammas Lands, along with the hillsides that rise up and provide a very visible setting for the town.
b) Ensuring development enhances the character of the town

c) Retaining and enhancing the vitality and retail offer of the High Street and Farncombe
d) Making use of sustainable modes of transport more attractive by improving the provision for walking and cycling as alternatives to the private car
e) Addressing the impact that strategic scale development at Dunsfold Park will have on Godalming and Farncombe and the railway stations and road infrastructure
f) Improving accessibility for alternative modes of travel at the railway stations
g) Addressing the loss of employment and employment sites to housing, by providing modern, flexible employment space for start-ups and growing micro-businesses
h) Safeguarding and enhancing community infrastructure and facilities
i) Addressing the needs of an ageing population and related residential and social care provision.
j) Enhancing accommodation for the elderly, to make way for reasonably priced accommodation for growing families and young people.
k) Providing affordable housing for key workers.

Factors Driving Change

The twon council reports that the High Street is going through a transition from retail to experiential services and socialising. This has been going on for a number of years but accelerated during lockdown. Private landlords and pension funds owning the commercial units expecting unrealistic rents, unattractive to new physical ventures, with limited interest in the future of the town centre, only preserving value which can be more valuable empty than if let on a lower rent. Large scale development at Dunsfold Park driving footfall but threatening major increase in congestion.

Current and Planned Council Interventions

- 69 High Street, the former M and Co store has been acquired with a view to creating eight dwellings and 1 food and beverage outlet.
- The Council is looking at two more sites in Godalming for food and beverage and for shared workspace.
- Consideration is being given to the creation or enhancement of an undercover marketplace, comprising food and stalls such as the walkthrough from the Crown Court car park.
- The Council is looking at how best to utilise the Berries where there is scope for reducing office space and the residual space sustainably and viably.
- Another scheme may include housing in the town centre and may offer workspace.

Other Interventions Required

A coherent planning policy on the siting of telecommunications masts, as this is impeding upgraded provision of tactical provision of high capacity internet and wifi across the town.
Widening the start-up accommodation for young businesses: interactive shared spaces for digital technology ventures; support for general start-ups and home workers.

9.4 Haslemere

Local Policies and Ambitions

The priorities of the Neighbourhood Plan are:

- To encourage development of high quality socially and environmentally conscious housing that meets the needs of the community and respects the character of the area. In particular to encourage development of more homes for young people, local workers and homes suitable for downsizers
- To protect and enrich our green spaces, biodiversity and the natural environment
- To re-balance road use, limiting the adverse impact of motor vehicles by improving provision for off-street parking and improving facilities for alternative forms of transport
- To protect existing employment and to encourage the development of a more diverse range of local employment opportunities to create an increasingly vibrant and sustainable local economy

Factors Driving Change

The area needs to diversify sources of employment (e.g. through tourism) to replace lost jobs, support current employers by preserving employment sites (where possible) and provide affordable housing for local workers. There is a thriving town centre and lively base of cultural and community activity.

Current and Planned Initiatives

The Council is looking at extending the high street strategy with the provision of a surgery, pharmacy and community uses together with boutique type shops and housing, with a view to helping the town become a destination to attract visitors and spending. Consideration is being given to a mixed-use development in Haslemere with food and beverage retail and housing and community space to meet local plan targets. In Wey Hill there is scope for a scheme for new community facilities, housing and commercial development. This could act as a driver to bring more commercial activity there.

Other Interventions Required

The Haslemere Neighbourhood Plan states that Haslemere should:

encourage the development and siting of SME commercial office space in the town
to take advantage of the excellent railway connections
increase the number of residents working in the town and improve economic activity.
Retain, enhance and manage changes to retail shop frontages
Support developments for recreational and leisure purposes including hostels, camping and glamping aimed at attracting more visitors provided that such development is sustainable.

9.5   Cranleigh

<u>Local Policies and Ambitions</u>

The Neighbourhood Plan has proposals for:

- Retaining the village feel of Cranleigh
- Providing for a mix of housing with a variety of social, affordable and market tenures to meet local need
- New development only to be located on brownfield land
- Adequate off-road car parking
- New housing located near to the village centre to encourage walking and cycling
- Protection and enhancement of sufficient green spaces alongside new development
- Encouragement of local employment and businesses including rural enterprises.

<u>Factors Driving Change</u>

Large scale development at Dunsfold Park may drive footfall but increase in congestion.

<u>Current and Planned Initiatives</u>

A new leisure centre is planned in Cranleigh. The aim is to develop this is a net zero building, but the centre will have high energy demands. The Council would like to collaborate with the University of Surrey on finding a comprehensive net zero solution. This will be a big challenge. The scheme is in the town centre so will have a regenerative impact. This was start on site in the summer of 2023.

Negotiations are in hand for the Hamleys store which has a plaza at the front which would be ideal for food and beverage. The Council is also redeveloping the leisure centre close by so that will be a parallel focus.

<u>Other Interventions Required</u>

The intention is to promote similar schemes in Cranleigh along with a possible cinema. Continual monitoring of ultrafast internet provision.

General

<u>Attraction of Low Cost Food Retail Operators</u>

Estates has a role in attracting operators and is talking to ALDI and Lidl to encourage them to come into the towns.

<u>Parks</u>

In Broadwater Park there is an old barn which has become disused. This could be regenerated to become a cafe and events venue. Designs have been done to show off the opportunity. The Council owns several parks with similar buildings which could be extended and made into commercial venues.

9.6   Godalming Business Improvement District

This would cover the primary retail area as per the local plan with a future programme bringing in £2.1m of funding. For this to be achieved the project must be worked up and presented. However the Chambers of Commerce lack capacity to bring their BID proposals forward.

The scope so far is to boost retail and hospitality through promotion of the town. Godalming has the disadvantage by being five miles from Guildford, where local residents are tempted to go to shop and young people to visit for night life. A previously promotion campaign on the buses and on the radio worked well.

When Dunsfold is developed the choice for shopping and food and beverage will be between Guildford and Godalming. The main role of the BID is therefore to promote Godalming as a desirable and attractive town centre location as opposed to the current perception of a location with a one-way road with a bypass around it.

Godalming has no open air areas or main town square, just narrow pavements and a one way road. However, a number of things could be done to encourage more footfall. There is a park with the bandstand where music is played om Sundays and Fridays from 6:00 to 8:00 pm. This could be funded by selling tables to businesses as sponsors with visitors being able to order a drink and a burger.

The older town centre residents tend to go to the restaurants whilst the younger ones are there to support the night time economy. Instead of going on a train to Guildford there is a need to get the message across that Godalming can provide what the young people need.

There are plans both in Godalming and Farncombe. It is uncertain whether the Chambers of Commerce have the capacity to bring them forward given that they must be business led. This needs a support and capacity from economic development as the Chamber of Commerce capacity is comprised of people running their own businesses in difficult times.

The links to Farnham by bus are not very frequent and there is no train link directly. North-South links are however good.

Data awaited on Farnham and Cranleigh BIDs.

10. Regional and Sub-Regional Strategic Policies and Ambitions

10.1 EM3 LEP Strategic Economic Strategies

Strategic Economic Plan

Enterprise M3's Strategic Economic Plan 2018-30 set out a vision to transform Enterprise M3 into a globally competitive region, unique for its knowledge, digital and design-based economy and an already-established national asset and economic powerhouse. It identifies two 'stimulants' that will generate economic expansion:

➢ Digital and Data Technologies – incorporating the ground-breaking 5G Innovation Centre based at the University of Surrey which includes Vodafone, Huawei, O_2 and EE as corporate members, and also the National Cyber Security Centre at Royal Holloway University.

➢ The Clean Growth Economy – Siemens is working on an Energy Strategy for our region and there are plans to create an energy hub.

These would underpin Enterprise M3's five priorities for economic expansion:

1) High value sectors for a globally facing economy.
2) Enterprise and innovation for scaling up high productivity SMEs.
3) Skills for a high value, high growth economy.
4) Connectivity for a 21st century advanced digital and low carbon economy.
5) Dynamic communities and sustainable growth corridors.

The plan also highlights how the Government's four 'Grand Challenges' - The Ageing Society; Clean Growth; Future of Mobility; Artificial Intelligence and Big Data - from in the National Industrial Strategy are 'Grand Opportunities' for Enterprise M3.

The Enterprise M3 Local Industrial Strategy is comprised of strategic narratives with a particular focus on digital infrastructure.

- Growth, innovation and productivity in the frontier sectors supported with digital infrastructure, which will attract prospective employees to the area.

- Towns have the digital and other infrastructure needed to support an increasingly multi-functional mix of flexible workspaces, housing, leisure, culture, public and local services, attracting more people in the middle part of their careers to live and work in the area.

- Rural areas benefitting from high-speed broadband and mobile connectivity, and smart mobility, affordable housing and flexible workspaces better distributed across the area to enable more people to work closer to home.

- Investment in infrastructure focused on an agreed view of future spatial growth and economic activity, smart energy systems, maximum access to global markets and improved orbital and east-west movement across the EM3 area
- Health and well-being as a central focus for economy and society and recognising the reciprocal relationship between them.

Digital connectivity needs to match aspirations for clean, economic growth and activity; fast reliable digital connectivity is now fundamental to everyday economy and society. Modern digital infrastructure is required for frontier sectors to operate at full capacity. Currently the economy is hindered by slow speeds and lack of consistent coverage, and practical constraints are being felt by some frontier sectors, particularly VR/AR gaming, big data and machine learning, with many examples of how these businesses are being held back.

This market failure requires an intervention mainly concerning the provision of new fibre, requiring local authorities and public bodies to engage via a clear governance and delivery models. Patient investment is required as payback and income will not be immediate.

Enterprise M3 Revive and Renew

Prepared in response to Covid 19, Revive and Renew updates EM3's priorities as follows.

EM3 priorities for recovery and renewal are:

– jobs and skills for employment;
– digitisation for new ways of working; growing our low carbon economy;
– supporting business-led innovation and diversification
– entrepreneurship and our high-tech sectors;
– practical and sustainable transport;
– town centres fit for the future and
– convening people and organisations in shared projects.

Source: Revive and Renew p32,36

It also advocates a number of key approaches.

Town Centres

Responding to a potential growth in the market for co-working space outside of city centres, by researching interest and identifying sites and intensified challenges for high streets, helping retail to move its offer online.

Mobility

Supporting, active travel, transport innovations good connectivity and lower emissions through investment, policy and leadership, building on Sustainable Travel Plans through Local Cycling and Walking Implementation Plans.

Transition to the Green Economy

Prioritising the decarbonisation of transport and buildings and supporting the partners in developing new economic opportunities and the associated skills and jobs in the restoration sector. Investment in the Future Towns Innovation Hub at Chilworth.

Attracting High Value Activities

Consider the most appropriate way of supporting the growth of entrepreneurial start up success through advancing the area's reputation as a great place to do business and facilitating the necessary conditions for attracting scale-ups, high innovation companies and entrepreneurs to the area.

Digitisation

Building of the Covid driven accelerated shift to digitisation and demand spike for networking and capacity services, collaboration software and cybersecurity. Bringing forward the Gigabit EM3 Town & Rural: £4.5m programme to employ gigabit capable fibre along an initial route between Guildford and Basingstoke. The need for a skills programme as well as an infrastructure programme, in order to stimulate employment and progression within the sector, particularly as redundant employees looking to enter the Digital sector.

Economic Growth Sectors, Drivers and Inward Investment Opportunities

A priority is to attract scale-ups and innovation-led, high productivity sectors to the area, and provision of local workspaces with integrated business support, focusing on the following high innovation, knowledge-based sectors:

- Clean Growth manufacturing/technology
- Games and Creative Immersive Technology
- Space and Satellite especially Earth Observation
- Aerospace and Aviation & Defence
- Health, including Animal Health
- Enabling Technologies including Robotics/AI, Cybersecurity.

Transport

Working with smart mobility and transport action groups, local and regional transport bodies and TfSE to advance the low carbon transport agenda and necessary transport infrastructure, active travel for individuals and other low emission forms of mobility.

Enterprise M3 High Growth, Low Carbon

This is the latest Vision document launched by Enterprise M3 expressing its aim to continue nurturing high productivity sectors, driving inward investment and seeing businesses through

Brexit, the after effects of the pandemic, labour shortages, skills needs and ongoing challenges and providing tailored support to businesses through our Growth Hub.

A key focus will be helping businesses to achieve carbon-friendly growth and to compete in international markets, whilst supporting high potential sector clusters, and enhancing the conditions where innovation and enterprise flourish.

The LEP will maintain its independent voice in bringing the private, public and not-for-profit sector organisations together focussing on a high performance, high skill economy, driving economic growth and prosperity for the future.

LEPs will in the future integrate with local authorities and will move forward bringing an independent business voice with the prospect of devolving certain freedoms and powers to local areas.

10.2 Surrey's Plan for Growth: Surrey's Economic Future

Surrey's Plan for Growth

Surrey's Economic Future, One Surrey Growth Board's Plan for Growth, sets out four priority areas of focus. These are:
1. Growing Surrey's leading edge, maximising opportunities within the county's knowledge economy
2. A 'whole Surrey' approach to growing and sustaining quality places, addressing infrastructure constraints to the provision of housing and reinvigorating the county's town centres
3. Maximising opportunities within a balanced and inclusive economy, better aligning skills demand and supply
4. Capturing the potential of a greener economy, delivering the objectives of Surrey's Greener Future.

A series of interventions has been defined under each of these themes.

1. Growing Surrey's Leading Edge

Intervention Area 1-1: Build stronger business-to-business and business-to knowledge base links. *Types of outcome sought:*
- *Businesses engaging with the knowledge base*
- *University/ business research collaborations*
- *University spin-outs/ university-related start-ups*
- *Intervention Area 1-2: Ensure capacity for innovative businesses to expand*

Intervention Area 1-2: Ensure capacity for innovative businesses to expand. *Types of outcome sought:*
- *Additional commercial floorspace delivered*
- *Jobs created and/or safeguarded*

Intervention Area 1-3: Develop a stronger investment 'brand' and offer. *Types of outcome sought:*

- *Increased jobs, workforce pay and skills demand within target technology or sector propositions*

Intervention Area 1-4: Build a targeted innovation support system. *Types of outcome sought:*
- *Increased turnover, access to and take up of specialist support*

2. A 'Whole Place' Approach to Creating and Sustaining Quality Places

Intervention Area 2-1: Drive the development of the Surrey Infrastructure Plan
Types of outcome sought:
- Delivery of planned growth through housing and commercial developments enabled as a result of infrastructure schemes coming forward
- Additional infrastructure investment secured

Intervention Area 2-2: Improve digital connectivity. *Types of outcome sought:*
- Pending

Intervention Area 2-3: Reimagining the future of the town centre. *Types of outcome sought:*
- Additional investment in town centre locations
- Reduced vacancy rates
- Transport modal shift
- Physical output measures (sq m green space, buildings refurbished, etc.)
- Resident satisfaction

3. Maximising Opportunities Within a Balanced, Inclusive Economy

Intervention Area 3-1: Strengthen the employer voice in skills planning. *Types of outcome sought:*
- Increased supply of new entrants to the labour market (and existing workers) with technical skills that meet employer demand
- Reductions in 'hard to fill' vacancies

Intervention Area 3-2: Promote retraining. *Types of outcome sought:*
- Increased take-up of adult skills/ retraining opportunities
- Increased business resilience as access to skills to respond to technology change increases
- Reductions in 'hard to fill' vacancies

Intervention Area 3-3: Maximise inclusion within the labour market. *Types of outcome sought:*
- Reduced economic inactivity and increased participation in employment and learning
- Greater employer engagement

Intervention Area 3-4: Drive a jobs recovery that works for businesses and employees
Types of outcome sought:
- Reduced claimant count numbers (including pace of return to pre-Covid levels)

- Increased take up of existing Government schemes
- Increased entry to employment within identified target groups

4. Capturing the Potential of a Greener Economy

Intervention Area 4-1: Deliver the Surrey Climate Change Strategy. *Types of outcome sought:*

- Achieving Surrey's ambitious climate change targets
- Generate energy from renewable sources
- More sustainable, lower carbon homes, which are cheaper to run and more resilient
- 60% reduction in carbon emissions from the transport sector by 2035
- Rollout of electric vehicle infrastructure at scale using public highways
- Reduced overall transport use through the promotion of active travel
- Reduced congestion; and reducing carbon emissions from within the transport sector
- 56% reduction in industrial emissions by 2035
- 61% reduction in emissions across the commercial and public building stock by 2035 and a 65% reduction for the housing stock

Source: Surrey's Economic Future: Towards 2030: One Surrey Growth Board's Plan for Growth; Part B: Delivery Plan

10.3 Regional and Sub-regional Transport Policies

Transport for the South East

Transport for the South East vision is that by 2050, the South East of England will be a leading global region for net-zero carbon, sustainable economic growth where integrated transport, digital and energy networks have delivered a step-change in connectivity and environmental quality. A high-quality, reliable, safe and accessible transport network will offer seamless door-to-door journeys enabling our businesses to compete and trade more effectively in the global marketplace and giving our residents and visitors the highest quality of life.

Strategic Goals

The regional transport strategy sets out three Strategic Goals

➢ Economic. Improve productivity and attract investment to grow our economy and better compete in the global marketplace.
➢ Social. Improve health, safety, wellbeing, quality of life, and access to opportunities for everyone.
➢ Environmental. Protect and enhance the South East's unique natural and historic environment.

The following strategic priorities have been defined to address the above economic objective are.

- Better connectivity between our major economic hubs, international gateways (ports, airports and rail terminals) and their markets.
- More reliable journeys for people and goods travelling between the South East's major economic hubs and to and from international gateways.
- A transport network that is more resilient to incidents, extreme weather and the impacts of a changing climate.
- A more integrated approach to land use and transport planning that helps our partners across the South East meet future housing, employment and regeneration needs sustainably.
- A 'smart' transport network that uses digital technology to manage transport demand, encourage shared transport and make more efficient use of our roads and railways.

Notable priorities in support of the other two objectives are:

- A network that promotes active travel and active lifestyles to improve our health and wellbeing.
- An affordable, accessible transport network for all that promotes social inclusion and reduces barriers to employment, learning, social, leisure, physical and cultural activity.
- A seamless, integrated transport network with passengers at its heart, making it simpler and easier to plan and pay for journeys and to interchange between different forms of transport.
- A reduction in carbon emissions to net zero by 2050, at the latest, and minimise the contribution of transport and travel to climate change.
- A reduction in the need to travel, particularly by private car, to reduce the impact of transport on people and the environment.
- Minimisation of transport's consumption of resources and energy.

Surrey Transport Plan

The Surrey Transport Plan sets out a vision for a future-ready transport system that allows Surrey to lead the UK in achieving a low-carbon, economically prosperous, healthy and inclusive county with excellent quality of life for all residents, whilst seeking to enhance both the built and natural environments. The following objectives are defined.

1. To rapidly reduce carbon emissions, ensuring Surrey is on track for net zero emissions by 2050.
2. To support Surrey's growth ambitions and enable businesses and people to prosper sustainably.
3. To provide well connected communities that encourage equal access to travel to ensure no one is left behind.

4. To create thriving communities with clean air, excellent health, wellbeing and quality of life.

Key policies are summarised as follows.

- Planning for Place. Plan, design and improve local neighbourhoods to reduce the number and length of car trips.
- Digital connectivity. Promoting and encouraging access to high-quality digital connectivity for all the people of Surrey.
- Active travel and personal mobility. Prioritising walking and cycling to improve the health of the county.
- Public and shared transport. Working with operators to improve journeys on public and shared transport.
- Demand management for cars: Introducing measures to shift the priority from vehicles to active travel.
- Demand management for goods vehicles. Measures to reduce pollution in Surrey caused by delivery vehicles.
- Efficient network management. Managing the efficiency of the highway network to minimise the impact on people and places.
- Promoting Zero Emissions Vehicles (ZEVs). Raising awareness of the benefits of Electric Vehicles to increase uptake.
- Supporting behaviour change. Raising awareness to encourage more walking, cycling and use of public transport and electric vehicles.
- Protecting the environment. Identifying and avoiding the impacts our proposals may have on the environment wherever possible.

11. Stakeholders Aspirations for Evolution of The Borough

Stakeholders Aspirations for the Evolution of The Borough

An extensive programme of consultation has taken place amongst the heads of specialist Council departments and a wide range of external stakeholders. These have been asked to define their future aspirations for the borough and what it would look like in 10 years' time.

A wide range of views has been captured which are summarised below under a number of thematic headings.

Innovation, Enterprise and Investment

- A strong focus, culture and support infrastructure on innovation, investment and enterprise.
- More investment Waverley from the most successful sectors of the wider region and surrounding districts creating high quality and well-paid jobs
- Waverley as the first choice for the creative arts of filming

Net Zero Carbon and Green Economy

- A firm base of competence within the area for the application and use of zero carbon building technologies modular building techniques
- A thriving base of green economy businesses creating new jobs

Environment

- Preserving and protecting the character and beauty of the area
- No major office or industrial development

Labour Force

- Higher rate of graduate retention in the borough
- Well developed base of skills supporting the green economy

Town Centres

- Strong base of demand from high spenders in the high streets and at cultural venues and visitor attractions
- Farnham and to a lesser degree Godalming more orientated to catering for student needs

Built Environment

- Proliferation of attractive and characterful co-working spaces for small scale fabrication and computer-based work and for supporting small business and home working
- Successful mix of housing to meet demographic needs and for accommodating essential and low paid workers
- Maintaining and enhancing the light industrial areas in Farnham and Cranleigh
- Guarding against the potential consequential impact of economic development if this were to result in high housing numbers

Living and Working Patterns

- A marked reduction of outward and inward commuting
- More high-income residents working and living in Waverley
- Strong support facilities for people working from home
- Clarity on where the new housing residents are going to work
- Adequate and affordable solutions to transporting low paid or unemployed people to work locations in the towns

Quality of Life

- Wide access to leisure schemes that people want and promoting high quality as widely and affordably as possible.
- An area with an increasingly high-quality visitor economy and hospitality
- A strong performing arts scene and more performance spaces

Leadership

- A stronger focus on brushing away all obstructions and making things happen
- No initiatives receiving resources unless they are fully sustainable and viable
- Maximising resources by exploiting the economic development and net zero impacts of all functions within the Council
- Valuable synergies realised by people working together, through successful partnerships and leadership

12. Main Challenges and Opportunities

12.1 Challenges

Challenge No. 1: Digital Connectivity

Waverley needs to accelerate the roll out of high-performance digital connectivity across the borough due to support intensified work patterns across a high proportion of knowledge-based occupations and in view of digitised and data-driven functions and industries replacing many traditional work roles which are intensively dependent on high-performance digital connectivity. High speed connectivity can reduce the reduce the need to travel and support more people who now work from home.

Useful progress is already being made by the private sector in laying down full fibre infrastructure which will provide Gigabit capability to increasing numbers of premises in various locations within the borough.

However, this will take several years to roll out and that there will be gaps in this high-capacity provision requiring further intervention to accelerate the levelling up areas and subject to gaps so that they can become fully productive and competitive as early as possible. The collaboration of the borough local businesses residential communities will be necessary to identify where gaps remain and to assemble the necessary funding and solutions to bring them up to full Gigabit capability.

Challenge No. 2: Transition to Net Zero Carbon

The UK is to reduce its emissions by 77% by 2035, compared to a 1990 base level and to achieve the 2019 Climate Change Act's target of net-zero emissions by 2050. Major strides need to be made in reducing and removing the carbon impact associated with travel, buildings, power generation and the consumption of resources. Transition to the net zero necessitates prioritising the decarbonisation of transport and buildings and developing new economic opportunities and the associated skills and jobs in the low carbon goods and services sector.

Waverley Borough Council has brought forward and exemplary plan to make it fully carbon neutral by identifying pathways to reducing emissions from its own buildings, vehicles, work journeys, waste and procurement to achieve net zero carbon by 2030. The challenge now is to get the rest of the local economy on board with comparable practices.

Key to achieving the required targets will be the removal of constraints in the supply base to providing the goods, services and required skills to help both public and private sector complete the transition to net zero.

Challenge No. 3: Enlivening the Town Centres

The growth of online retailing coupled with the after effects of the Covid pandemic, the current cost of living crisis and the crisis and the prospective growth and the student population are creating major drivers for change. These are changing how people expect to use and visit high streets and town centres.

Research during the Covid period has shown that factors which are now more important to individuals working from home are access to fresh air, good local shops, faster reliable internet access, supportive communities and pleasant streets, places to go out, premises to support local jobs, housing that meets needs, exercise and sports facilities and good transport services.

Waverley needs to create diverse town centre economies in the urban settlements, which utilise retail, leisure, culture and experience as part of a high-quality environment to attract sufficient footfall to ensure that new and existing businesses can thrive, and provide the amenities that residents, businesses and visitors need to make Waverley's town centres attractive and vibrant places to live, work and play.

Provision needs to be made for more housing provision in the town centres, along with allocated areas for al fresco dining, improved visual quality, enhancements of gardens and open spaces and other high-quality public realm enhancements and intensification of heritage interpretation. Creating these conditions will be conducive to getting more local people to use town centre facilities on their doorstep rather than travelling to Guildford end to attracting height spending visits which will enhance the spending on, investment in and quality of the retail, food and beverage and other amenities on offer.

Challenge No. 4: Bringing More Highly Paid Jobs to Waverley

There is a need to generate a significant number of high-quality, well-paid jobs in Waverley for a number of reasons.

Getting well qualified residents to work locally will reduced levels of out commuting, helping to protect the environment. More spending will take place within the town sentence, making them and their component business is more viable.

Waverley has for some time underperformed in terms of local workplace earnings. A wider choice of well-paid jobs is required if this weakness is to be addressed. The low workplace earnings is partly explained by the fact that since 2015 within Waverley 4000 jobs have been lost predominantly in high earning sectors such as business services and professional technical services. Moreover, Waverley has lost a significant number of its SMEs between 10 and 50 employees and many of its small businesses have been struggling to scale up.

In addition to replacing lost high value jobs, Waverley needs is an infusion of fresh blood amongst its entrepreneurial base; to attract dynamic entrepreneurs with robust, business concepts with high growth potential aim with good access to investors who can establish new industries with accelerated growth potential. Enterprise M3 considers it a priority to attract

scale-ups and innovation-led, high productivity sectors to the area focusing on high innovation, knowledge-based sectors for which the borough and surrounding sub-region has major competitive strengths. The priority is to attract scale-ups and innovation-led, high productivity sectors to the area, and provision of local workspaces with integrated business support.

Challenge No. 5: Addressing Constraints on Commercial Property Availability

If Waverley is to attract in businesses and entrepreneurs of the required calibre, to adequately support the newly emerging working patterns such as working from home and to create the conditions for small business with scope to expand, it will need to have a strong offer in terms of the business accommodation it can provide.

There is a strong demand for small business accommodation and support facilities given that UCA has a start-up rate of 18%, amongst the highest in the country add in view of the strong entrepreneurial culture which already exists within the borough.

The scope for attracting in major headquarters in office users which have previously being a prominent feature of Waverley's local economy is now limited.

However, the borough will require an ongoing choice of characterful shared community workspace to support start-ups, gaming and immersive technologies and arts ana crafts businesses and employed home workers, small expansion units and scale up premises to accommodate those businesses which are becoming team managed of between 10 and 50 FTE workers.

Much of the commercial space formerly available has been lost as permitted development rights have enabled such buildings to go to housing uses. Article 4 agreements have been put together to protect a number of office buildings, but these need to be renewed and this is subject to consultation so there is a risk of such buildings being lost.

The Local Plan requires commercial development to prioritise the urban settlements. Clear policies and supporting initiatives are required to identify sites where existing employment uses can be intensified such as the re-use and recycling and possible densification of vacant office and industrial buildings. This will require the preparation development briefs and possible acquisition and direct development by the council if the private sector is not delivering the built products required.

Any such development must be mindful of the need to preserve the character of the area, protect the green belt, Waverley's natural beauty and ecological importance and would need to be planned with due sensitivity.

Challenge No. 6: Addressing Labour and Skills Shortages

Notwithstanding the large number of professional job losses in recent years, there are other types of worker in short supply in Waverley. The local DWP has reported particularly acute

shortages of people to fill job roles that are less highly skilled. Jobs in the NHS, health and social care, delivery driving and hospitality are hard to fill due to the lower pay, anti-social hours and how physically hard the work is.

A comprehensive approach is needed to address these difficulties, embracing more affordable housing will help increase the supply of workers providing key services, better transport from the rural areas and villages and encouragement of technology-based labour-saving approaches to people intensive activities such as hospitality and care of the elderly.

Attention needs to be directed to the need for retraining of middle level white collar workers who may be displaced by emerging digital technology business models and for the training of workers in skills to support the green economy.

12.2 Opportunities

Opportunity No. 1: Potential of the High Value Creative Industries

The University of Creative Arts Farnham campus will now concentrate on film and media, a new school of games and creative technologies, and fine arts and crafts, offering courses will be provided at undergraduate, graduate and post graduate levels. The university is to expand from 3000 to 5000 students of which 50% will be national and 50% international but there is considerable scope for further expansion.

The university is a major driver for the growth and development of a substantial base of high value creative industries. The rate of business start-up amongst UCA graduates in Farnham is within the top ten nationally at 18%. As students graduate, there will be an increasing demand for small business start-up spaces around Farnham offering attractive co-working space in characterful environments some for small scale fabrication as well as computer-based work.

UCA want to see inward investment in the area from major film production and video streaming services as a number the international partners that UCA works with in these sectors, who have said that if they can find the appropriate sites they would be very keen to set-up anywhere within a 20 minute radius of Farnham. The attraction of a major film or TV studio could create significant demand for the skills and talents of local graduates and downstream services from a range of existing creative businesses if this could be suitably accommodated.

Were such site opportunities to be brought forward it would be possible to create a thriving film and media cluster with potential for the creation of significant numbers of high-quality jobs and downstream supply chain opportunities.

Opportunity No. 2: Opportunities in The Green Economy

Waverley has scope to capitalise on the business opportunities that will be brought about through the transition to the green economy, but this will only come together comprehensively once the demand for low carbon goods and services materialises significantly.

Waverley Borough Council has been pursuing an aggressive programme to decarbonize its assets and its activities. A major demand stimulus can come about from its plan for a comprehensive programme of retrofit to convert its housing stock zero carbon. To achieve this, a parallel requirement will be a firm base competence within the area in the installation and use these of zero carbon products and applications. Attracting building technologies businesses and a modular house factory to within or close to the borough would be also useful.

If this were to be brought about it would kick start Waverley's transition to the green economy significantly.

Opportunity No. 3: Exploiting Subregional Strengths and Opportunities

Waverley has scope to attract businesses and job opportunities from high value growth sectors within the wider region through a focus on innovation, investment and enterprise. There are high concentrations of businesses investing in R&D with scope for growth through international models throughout the Enterprise M3 area; for example, it already accounts for 10% of UK turnover in low carbon and environmental goods and services.

Waverley has existing strengths to build on in games and creative immersive technology, clean growth technology, human and animal health and aviation as a basis for such a strategy. Defining a clear offer in terms of touch down and expansion space, business support oriented to innovation and business growth and relevant business networks will be a key step forward.

Opportunity No. 4: Commercial Development at Dunsfold

Waverley needs to raise its game by attracting new types of high value businesses that will employ the type of people who will earn enough to live in the area and generate local supply opportunities, such as a film studio or technology scale ups moving in form elsewhere in the Enterprise M3 area.

However, due to constrained supply of employment sites and buildings and housing constraints, only a limited number of large and intermediate sized operations could be attracted to Waverley.

Dunsfold has an additional 28,000sqm allocated for employment development and could provide this opportunity. The provision of high-quality housing alongside could prove highly attractive to prospective occupiers.

Dunsfold could be tailored to technology and science entrepreneurism but so far it has grown up organically and needs a vision and clear offer be formulated, based on securing the required digital connectivity.

However, this requires a defined strategy for its intended uses and required accessibility improvements and infrastructure enhancements need to be articulated.

Opportunity No. 5: Hospitality Sector and the Visitor Economy

A number of key drivers such as increase in the student population, and drive for high value business activities to improve earnings and planned town centre placemaking initiatives have scope to boost the demand and prospects for the hospitality sector. At present there is a need to attract investment in high quality hotels if the types of incoming business investment Waverley dates is to be successful. Food and beverage outlets will play a major part in the diversification and enlivening of the boroughs town centres.

The visitor economy sector presents a major opportunity for the rural areas. A number of food and beverage outlets have suffered during the pandemic and their recovery can be boosted find counting an influx of higher spending.

The proposed set up a business improvement districts can play a major part in communicating what the town centre and rural areas have to offer and what visitors can spend their money on. Initiatives to stimulate investment in the types of upgraded facilities for the visitor economy and hospitality sector need to run in parallel.

Opportunity No. 6: Guildford Waverley Joint Strategy

A more intense working relationship between Waverley and Guildford is being initiated, driven by the need for the boroughs to become more strategic and more partnership orientated to achieving efficiencies am maximising impacts from available resources. This is to be achieved through leadership and bringing people together at town, borough and county council levels and close working with the chambers of commerce and other partners.
Key areas for collaboration will be on sustainable and net zero business activity, business support, cluster engagement, business retention and inward investment delivery, development of the visitor economy, skills and employability and developing opportunities in the rural economy.

Everything the Council does has an economic development and climate change perspective which must be embedded across all functions.

Sharing best practice and collaboration on the Shared Prosperity Fund, the next round of the Levelling Up Fund and future funding opportunities will be a key focus. This new strategic relationship will provide a powerful means for tackling current challenges and taking forward more ambitious initiatives to realise major opportunities.

13. Economic Development Contributions of Council Functions

From interviews with service heads throughout the Council, the following roles contributing to economic development have been identified.

Function	Contribution to Economic Development
Assets	Formulation of a targeted investment strategy for the four main high streets focused on bringing in more market and social housing and preserving the retail frontages and acquiring key sites for this purpose in each town.
Major Projects	Delivery of projects with a catalytic impact on urban transformation and regeneration, particularly in the town centres.
Housing Strategy	Bringing forward homes to enable low paid and essential workers to live in the borough and keep the local economy running
Housing Delivery	Encouraging contractors to use local people and use modern construction techniques requiring new skill sets. Accelerating a major social housing retrofit which will marshal demand for important green economy suppliers and skilled workers.
Sustainability	Developing the climate change and net zero strategies which provide an exemplar for local businesses to adopt similar approaches for achieving net zero. Coordinating schemes to support and enable local businesses such as opportunities for funding and carbon literacy training.
Building Control	Enabling competent and experienced resources to be applied to specialist technical functions thus avoiding bottlenecks to planning, land charges, housing, surveying, Council tax and installation of utilities.
Estates	Bringing in affordable supermarket operators.
Planning	Allocation of employment sites and protection through Article 4. Assessing infrastructure needs. Protecting the character of the area.
Leisure	Bringing more footfall to each of the urban settlements, providing an important source of employment for local people and delivering wider health benefits, by delivering and maintaining local leisure centres.
Community Services	Helping the low paid, disadvantaged and unemployed to progress towards sustained employment.
Business rates	benefits and help towards rent and Council tax can try to extract any data that may be needed.

Appendix

Waverley Economic and Sector Profiles

Incorporating Comparisons with all Neighbouring Boroughs and Districts

1. Make Up of the Waverley Economy

1.1   Enterprises by Employment Size Band Waverley, 2021

Employment Size Band	No. 2021	% Total	Change 2016-21	% Change
Waverley				
Total	**8,310**	**100%**	**190**	**2.3%**
Micro (0 To 9)	**7,645**	92.0%	**230**	**3.1%**
Small (10 To 49)	**550**	6.6%	**-45**	**-7.6%**
Medium (50 To 249)	**95**	1.1%	**0**	**0.0%**
Large (250+)	**20**	0.2%	**5**	**33.3%**
Chichester				
Total	6,680		180	2.8%
Micro (0 To 9)	6,020	90.1%	170	2.9%
Small (10 To 49)	550	8.2%	5	0.9%
Medium (50 To 249)	90	1.3%	0	0.0%
Large (250+)	20	0.3%	5	33.3%
East Hants				
Total	6,475	90.7%	155	2.5%
Micro (0 To 9)	5,875	8.0%	160	2.8%
Small (10 To 49)	520	1.1%	-5	-1.0%
Medium (50 To 249)	70	0.2%	0	0.0%
Large (250+)	10		0	0.0%
Guildford				
Total	7,360		45	0.6%
Micro (0 To 9)	6,590	89.5%	25	0.4%
Small (10 To 49)	630	8.6%	20	3.3%
Medium (50 To 249)	115	1.6%	-5	-4.2%
Large (250+)	25	0.3%	0	0.0%
Hart				
Total	4,820		-30	-0.6%
Micro (0 To 9)	4,400	91.3%	-35	-0.8%
Small (10 To 49)	340	7.1%	0	0.0%
Medium (50 To 249)	65	1.3%	5	8.3%

Employment Size Band	No. 2021	% Total	Change 2016-21	% Change
Large (250+)	15	0.3%	-5	-25.0%
Horsham				
Total	7,905		565	7.7%
Micro (0 To 9)	7,185	90.9%	530	8.0%
Small (10 To 49)	605	7.7%	15	2.5%
Medium (50 To 249)	100	1.3%	25	33.3%
Large (250+)	15	0.2%	0	0.0%
Mole Valley			0	0.0%
Total	5,400		50	0.9%
Micro (0 To 9)	4,915	91.0%	60	1.2%
Small (10 To 49)	395	7.3%	0	0.0%
Medium (50 To 249)	65	1.2%	-10	-13.3%
Large (250+)	25	0.5%	0	0.0%
Rushmoor				
Total	3,445		260	8.2%
Micro (0 To 9)	2,990	86.8%	230	8.3%
Small (10 To 49)	345	10.0%	15	4.5%
Medium (50 To 249)	85	2.5%	15	21.4%
Large (250+)	25	0.7%	5	25.0%

Source: UK Business Counts – Enterprises Note: All figures are rounded ONS to avoid disclosure. Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology. **See Annexe A for year on year further breakdown.**

1.2 Businesses by Sector 2016 – 2021

Sector	Waverley No. Enterprises 2021	Changes 2016-21	Chichester No. Enterprises 2021	Changes 2016-21	East Hampshire No. Enterprises 2021	Changes 2016-21	Guildford No. Enterprises 2021	Changes 2016-21	Hart No. Enterprises 2021	Changes 2016-21	Horsham No. Enterprises 2021	Changes 2016-21	Mole Valley No. Enterprises 2021	Changes 2016-21	Rushmoor No. Enterprises 2021	Changes 2016-21
1 : Agriculture, forestry & fishing	175	-15	470	-60	280	-35	125	0	95	-5	395	-30	140	10	10	0
2 : Mining, quarrying & utilities	40	15	20	0	30	5	50	5	10	0	40	-10	25	10	15	-5
3 : Manufacturing *	290	0	365	15	345	5	225	-5	190	-5	420	-5	200	10	185	0
4 : Construction	895	65	880	90	920	75	890	0	630	70	1,035	200	735	95	540	80
5 : Motor trades	155	0	195	25	220	30	165	-5	150	5	235	15	130	-20	115	5
6 : Wholesale	220	-20	250	5	235	-25	250	-20	145	-15	305	-30	195	-10	110	5
7 : Retail	440	-10	475	0	380	5	370	0	220	-5	425	0	320	5	250	35
8 : Transport & storage (inc postal)	100	0	145	25	155	30	140	35	115	15	400	255	90	5	215	100
9 : Accommodation & food services	255	-35	330	-15	225	15	245	-5	165	-5	330	60	180	0	210	50
10 : Information & communication	915	-5	425	-20	620	-25	965	15	695	-85	695	-50	545	-85	415	-5
11 : Financial & insurance	740	290	105	20	130	30	175	15	90	25	175	35	165	30	65	15
12 : Property	390	20	320	55	230	20	295	45	165	25	275	40	205	20	85	0
13 : Professional, scientific & technical	1,960	-135	1,300	45	1,390	-5	1,860	-45	1,145	-90	1,540	5	1,265	-70	545	-50
14 : Business administration & support services	755	45	580	25	565	60	700	45	450	60	765	105	540	60	340	30
15 : Public administration & defence	20	0	30	-5	35	10	20	0	20	0	25	0	10	0	5	0
16 : Education	165	15	115	-5	110	-10	150	0	90	5	125	-5	110	30	50	-10
17 : Health	220	-5	205	-20	230	-10	260	0	140	-15	235	5	180	-15	110	0
18 : Arts, entertainment, recreation etc.	570	-25	475	-5	385	-15	480	-35	305	-15	490	-15	365	-30	175	0
Column Total	8,310	190	6,680	180	6,475	155	7,360	45	4,820	-30	7,905	565	5,400	50	3,445	260

*See Annexe A B for further breakdown

Source: UK Business Counts – Enterprises Note: All figures are rounded ONS to avoid disclosure. Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.

1.3   Changes to Numbers of Businesses by Sector, Waverley, 2020 to 2021

Industry	Waverley	Waverley	Change
	2020	**2021**	**Change 2020-21**
1 : Agriculture, forestry & fishing (A)	185	175	-10
2 : Mining, quarrying & utilities (B,D and E)	40	40	0
3 : Manufacturing (C)	280	290	10
4 : Construction (F)	875	895	20
5 : Motor trades (Part G)	155	155	0
6 : Wholesale (Part G)	220	220	0
7 : Retail (Part G)	415	440	25
8 : Transport & storage (inc postal) (H)	85	100	15
9 : Accommodation & food services (I)	255	255	0
10 : Information & communication (J)	980	915	-65
11 : Financial & insurance (K)	710	740	30
12 : Property (L)	380	390	10
13 : Professional, scientific & technical (M)	2,025	1,960	-65
14 : Business administration & support services (N)	745	755	10
15 : Public administration & defence (O)	20	20	0
16 : Education (P)	165	165	0
17 : Health (Q)	220	220	0
18 : Arts, entertainment, recreation & other services	560	570	10
Column Total	**8,320**	**8,310**	**-10**

1.4 Births and Deaths of Waverley Enterprises 2015 to 2020

	2015	2016	2017	2018	2019	2020
Waverley						
Births of New Enterprises	**1,020**	**930**	**920**	**880**	**825**	**775**
Deaths of Enterprises	**765**	**755**	**955**	**775**	**865**	**800**
Births less Deaths	**255**	**175**	**-35**	**105**	**-40**	**-25**
Chichester						
Births of New Enterprises	735	745	700	675	645	635
Deaths of Enterprises	600	615	655	610	655	635
Births less Deaths	135	130	45	65	-10	0
East Hants						
Births of New Enterprises	740	660	685	660	675	690
Deaths of Enterprises	555	595	600	600	680	665
Births less Deaths	185	65	85	60	-5	25
Guildford						
Births of New Enterprises	970	955	895	790	895	755
Deaths of Enterprises	755	750	825	735	880	760
Births less Deaths	215	205	70	55	15	-5
Hart						
Births of New Enterprises	600	605	560	520	560	460
Deaths of Enterprises	500	525	555	500	490	525
Births less Deaths	100	80	5	20	70	-65
Horsham						
Births of New Enterprises	830	900	745	775	760	865
Deaths of Enterprises	655	665	740	685	725	690
Births less Deaths	175	235	5	90	35	175
Mole Valley						
Births of New Enterprises	635	590	600	545	570	465
Deaths of Enterprises	545	505	585	490	725	530
Births less Deaths	90	85	15	55	-155	-65
Rushmoor						
Births of New Enterprises	500	515	420	400	525	470
Deaths of Enterprises	325	345	435	345	445	400
Births less Deaths	175	170	-15	55	80	70

Source: ONS Business Demography

1.5 Business Survival Rates

Source: ONS Business Demography	Births in 2014	1-year per cent	2-year per cent	3-year per cent	4-year per cent	5-year per cent
Waverley	1,020	89.2	70.6	56.4	49.5	42.6
Chichester	735	89.8	72.8	58.5	51.7	46.3
East Hampshire	740	91.2	73.6	60.1	51.4	44.6
Guildford	970	88.7	73.2	61.9	52.6	44.3
Hart	600	92.5	76.7	60.8	51.7	44.2
Horsham	830	92.8	77.1	64.5	56.0	48.2
Mole Valley	635	87.4	73.2	60.6	51.2	44.9
Rushmoor	500	88.0	69.0	55.0	47.0	39.0

2. Employment

2.1 Employment by Industry Sector, 2020 and Change 2015-20

Industry	Waverley 2021	Change 2016-21	Chichester 2021	Change 2016-21	East Hants 2021	Change 2016-21	Guildford 2021	Change 2016-21	Hart 2021	Change 2016-21	Horsham 2021	Change 2016-21	Mole Valley 2021	Change 2016-21	Rushmoor 2021	Change 2016-21
Agriculture, forestry & fishing	400	100	2,250	250	800	100	300	100	125	-25	800	-200	350	125	75	75
Mining, quarrying & utilities	350	0	150	-75	450	-150	600	-100	1,000	750	700	100	1,000	700	1,250	800
Manufacturing	1,750	0	6,000	1,000	4,500	1,000	4,000	-500	1,250	-750	3,500	-500	1,750	-750	2,500	-500
Construction	3,000	500	3,000	500	2,500	0	4,000	500	2,250	250	4,000	500	3,000	0	2,000	250
Motor trades	1,500	0	900	0	800	0	1,500	-250	800	0	1,000	0	600	0	1,500	250
Wholesale	1,250	-750	1,750	-500	2,000	-500	2,250	-1,750	900	-850	2,500	-2,000	1,750	0	2,250	500
Retail	6,000	1,000	6,000	0	4,500	0	7,000	0	3,000	500	6,000	0	3,500	0	4,500	500
Transport & storage (inc postal)	1,000	-250	1,000	-500	1,500	0	1,750	-750	600	-300	2,250	750	700	-100	2,250	500
Accommodation & food services	3,500	-500	5,000	-1,000	3,000	0	5,000	0	5,000	0	3,500	500	2,500	0	3,000	0
Information & communication	3,000	-500	1,500	-250	1,750	-250	5,000	500	3,000	-1,000	2,500	-1,000	3,500	-500	6,000	-1,000
Financial & insurance	900	-100	1,250	0	600	-900	3,500	1,000	600	150	1,750	250	2,000	0	2,000	-500
Property	1,250	-250	1,500	-1,000	700	0	1,250	-250	600	-100	1,500	0	800	-450	700	-300
Professional, scientific & technical	6,000	0	4,500	500	4,000	0	10,000	-1,000	3,500	-1,000	5,000	0	7,000	-1,000	7,000	1,000
Business administration & support services	4,500	-1,500	4,000	0	3,000	-500	4,000	-500	3,000	-1,500	6,000	1,000	5,000	500	4,500	-1,500
Public administration & defence	500	0	2,500	-1,000	800	-100	4,000	0	400	0	800	-100	600	-100	1,250	0
Education	8,000	0	6,000	0	4,500	-500	10,000	1,000	3,000	-500	5,000	0	3,500	0	3,500	0
Health	6,000	0	9,000	1,000	5,000	0	12,000	3,000	3,000	500	5,000	500	6,000	1,000	3,500	0
Arts, entertainment, recreation & other services	3,000	-500	3,500	0	1,750	-500	4,000	-1,000	1,250	-1,000	3,500	0	2,250	250	1,500	-250
Column Total	51,900	-2,750	59,800	-1,075	42,150	-2,300	80,150	0	33,275	-4,875	55,300	-200	45,800	-325	49,275	-175

Source: ONS; Business Register and Employment Survey

2.2   Employment Change by Sector, Waverley, 2019 to 2020

Industry	Waverley	
	2021	Change 2020-21
Agriculture, forestry & fishing	400	0
Mining, quarrying & utilities	350	0
Manufacturing	1,750	-750
Construction	3,000	0
Motor trades	1,500	250
Wholesale	1,250	0
Retail	6,000	1,000
Transport & storage (inc postal)	1,000	0
Accommodation & food services	3,500	0
Information & communication	3,000	-500
Financial & insurance	900	-350
Property	1,250	0
Professional, scientific & technical	6,000	1,000
Business administration & support services	4,500	500
Public administration & defence	500	-100
Education	8,000	0
Health	6,000	0
Arts, entertainment, recreation & other services	3,000	-500
Column Total	51,900	550

3. Workforce

3.1   Population, 2020

	Waverley	Chichester	East Hampshire	Guildford	Hart	Horsham	Mole Valley	Rushmoor
All People	126,600	121,500	123,800	150,400	97,600	145,500	87,500	94,400
People Aged 16-64 %	57.7%	55.8%	58.4%	65.8%	60.1%	59%	58.6%	64.7%

Source: ONS Population Estimates

3.2   Economic Activity, Waverley, Oct 2020 – Sep 2021

	Waverley %	Chichester	East Hampshire	Guildford	Hart	Horsham	Mole Valley	Rushmoor
	%	%	%	%	%	%	%	%

Waverley Economic Development Strategy Review 2022: Evidence Base

Economic activity rate - aged 16-64	80.5	69.2	85.2	79.1	82.6	76.7	79.2	85.4
Employment rate - aged 16-64	79.2	67.4	82.3	77.6	78.7	73.9	78.0	83.4
% aged 16-64 who are employees	64.9	53.7	69.5	65.0	75.4	63.0	66.1	74.4
% aged 16-64 who are self employed	14.3	13.8	11.3	10.9	3.3	10.9	11.6	9.0
Unemployment rate - aged 16+ (Jul 20 to Jun 21 only)	3.1%	4.2%	3.7%	3.1%	4.3%	3.4%	3.0%	3.6%

Source: ONS Annual Population Survey

Numbers are for those aged 16 and over, % are for those aged 16-64

3.3   Economic Inactivity (Oct 2020- Sep 2021)

	Waverley	Chichester	East Hampshire	Guildford	Hart	Horsham	Mole Valley	Rushmoor
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Economically inactive - aged 16-64 %	19.5	30.8	14.8	20.9	17.4	23.3	20.8	14.6

Source: ONS Annual Population Survey

3.4   Occupational Structure, Waverley Residents, Oct 2020-Sep 2021

	Waverley	Waverley	Chichester	East Hampshire	Guildford	Hart	Horsham	Mole Valley	Rushmoor
	(No.)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
1 Managers, Directors and Senior Officials	7,200	11.9	17.2	13.1	20.9	14.5	7.9	12.7	9.4
2 Professional Occupations	22,800	37.6	21.6	23.8	26.6	27.2	27.5	20.1	17.2
3 Associate Professional & Technical	12,900	21.3	21.2	12.3	16.7	17.0	14.8	13.7	19.4
4 Administrative & Secretarial	9,100	15.0	7.8	10.9	11.2	10.6	17.3	10.9	7.6
5 Skilled Trades Occupations	2,600	4.2	10.4	11.0	6.9	7.9	6.8	9.1	10.9
6 Caring, Leisure & Other Service Occs	2,600	4.3	9.5	10.5	5.1	5.4	6.6	12.2	12.7
7 Sales And Customer Service Occs	1,500	2.5	4.7	8.9	6.2	9.0	7.5	8.9	8.9
8 Process Plant & Machine Operatives	!	!	2.2	2.5	2.0	!	!	!	!
9 Elementary Occupations	!	!	5.4	4.7	4.6	6.6	10.6	10.6	10.9

Source: ONS Annual Population Survey
\# Sample size too small for reliable estimate
Numbers and % are for those of 16+; % is a proportion of all persons in employment

3.5   Qualification Levels, Waverley Residents, Jan-Dec 2020

Qualifications (Jan 2018-Dec 2018) (Level)	Waverley	Waverley	Chichester	East Hampshire	Guildford	Hart	Horsham	Mole Valley	Rushmoor
	No.	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
NVQ4+	38,800	55.9	38.9	49.8	59.6	50.2	45.8	42.7	38.4
NVQ3+	51,800	74.5	56.5	68.7	69.3	74.5	68.6	65.7	58.6
NVQ2+	56,300	81.0	71.0	90.8	79.8	88.1	84.5	79.0	76.6
NVQ1+	61,800	88.9	85.8	96.3	87.6	94.9	91.3	91.1	90.3

Source: ONS annual population survey
Numbers and % are for those of aged 16-64; % is a proportion of resident population of area aged 16-64

4. Income and Productivity

4.1 Average Earnings, 2021

Average Gross Pay, Full Time Workers	Waverley	Waverley	Chichester	East Hampshire	Guildford	Hart	Horsham	Mole Valley	Rushmoor
	2020	**2021**	**2021**	**2021**	**2021**	**2021**	**2021**	**2021**	**2021**
Earnings by Place of Residence	£	£	£	£	£				£
Weekly pay - gross	777.9	719.3	651.5	633.4	753.7	769.8	670.0	708.0	679.4
Earnings by Place of Work									
Weekly pay - gross	548.8	552.7	574.9	548.2	712.5	744.4	599.0	764.2	678.7

Source: ONS Annual Survey of Hours and Earnings - resident analysis and workplace analysis

4.2 Gross Value Added (GVA)

	2011	**2012**	**2013**	**2014**	**2015**	**2016**
GVA Total £m	£m	£m	£m	£m	£m	£m
Waverley	3171	3295	3448	3590	3716	3809
Chichester	2897	2909	3003	3000	3098	3132
East Hampshire	2686	2753	2639	2679	2751	2845
Guildford	4524	4798	4964	5303	5243	5505
Hart	2475	2518	2694	2944	2901	2842
Horsham	3017	3033	3176	3382	3531	3573
Mole Valley	2937	3133	3163	3089	3408	3503
Rushmoor	2553	2682	2679	2971	3101	3097
GVA £ per head	£s	£s	£s	£s	£s	
Waverley	26040	27036	28162	29233	30318	30744
Chichester	25413	25398	26049	25967	26487	26504
East Hampshire	23157	23650	22540	22804	23295	24115
Guildford	32855	34340	35206	37098	35890	37193
Hart	26997	27325	29059	31545	30886	30152
Horsham	22937	22946	23902	25207	25985	25889
Mole Valley	34293	36493	36651	35821	39576	40624
Rushmoor	27062	28265	28208	31180	32528	32147

Source: Regional Gross Value Added (Balanced) by Local Authority in the UK, Regional Accounts, Office for National Statistics

4.3 Comparative Turnover Profile Amongst Waverley Settlements

Settlement	Farnham	Godalming	Cranleigh	Haslemere	Rural
Annual Turnover Band	% Businesses in Turnover Band				
£0-50,000	33%	25%	33%	34%	36%
£51,000 - 100,000	20%	20%	29%	25%	20%
£101,000 - 200,000	12%	12%	9%	12%	12%
£201,000 - 500,000	9%	14%	15%	12%	14%
£501,000 - 1,000,000	7%	9%	5%	6%	5%

£1,000,001 - 10,000,000	10%	13%	7%	8%	10%
£10,000,000 - 100,000,000	7%	8%	2%	4%	3%
£100,000,000+	1%	1%	0%	0%	1%
Total	100%	100%	100%	100%	100%

Source: FAME Database

5. Business Density

Waverley Business Density Against Surrey Comparators

Surrey District	Business Density*
Elmbridge	719
Epsom and Ewell	529
Guildford	585
Mole Valley	696
Reigate and Banstead	552
Runnymede	558
Spelthorne	543
Surrey Heath	590
Tandridge	622
Waverley	721
Woking	601

Source: ONS Business Counts

***Defined as numbers of local business units per 10,000 population.**

6.   Housing Costs

6.1   Average Annual of a Home and Price Change 2020-21

	Waverley	Chichester	East Hampshire	Guildford	Hart	Horsham	Mole Valley	Rushmoor
Average Price of a Home 2021	£499,608	£433,554	£406,692	£472,649	£441,110	£424,512	£532,468	£314,978
Increase in average house prices 2020 to 2021	7.1%	10.5%	6.7%	6.2%	7.5%	14.1%	11.6%	10.2%

Source: ONS; UK House Price Index England: August 2021

6.2   Achieved House Prices, Waverley Urban Areas, June 2021

	Farnham	Godalming	Cranleigh	Haslemere
Detached	£725,600	£830,833	£865,000	£1,071,375
Semi Detached	£473,100	£469,286	£0	£403,500
Terraced	£513,750	£399,700	£380,000	£0
Flat	£278,975	£285,000	£285,000	£282,500
All	**£582,592**	**£529,690**	**£712,857**	**£878,227**
Source: Rightmove (Source acknowledgement: House price data produced by Land Registry)				

6.3   Private Rental Levels, Waverley, 1st April 2020 to 31st March 2021

	Mean	Lower Quartile	Median	Upper Quartile

Room	£685	£650	£650	£725
1 Bedroom	£830	£775	£825	£895
2 Bedrooms	£1104	£950	£1075	£1200
3 Bedrooms	£1430	£1250	£1395	£1595
4 or more Bedroom	£2212	£1700	£1950	£2500
Source: ONS Private Rental Market Statistics				

7. Profile of Waverley's Key Sectors

7.1 Overview

Profiles are set out below of the following key sectors in Waverley.

- ICT
- Property
- Finance
- Professional Scientific & Technical
- Education Sector
- Creative Industries
- Tourism, Culture and Leisure
- High Tech Manufacturing

Information and Communication

There are a total of 700 businesses in Waverley in the Information and Communication sector. The changes in the sector as a whole saw an overall decrease of 40 businesses between 2016 and 2021. The overwhelming majority of businesses in this sector are micro-sized as 650 businesses are listed as having fewer than 10 employees and 615 of these having less than 5 employees.

There are 15 businesses of less than 50 employees and only 10 medium-sized businesses from 50-249 employees, 5 of which have appeared since 2016. There were no businesses listed as having more than 100 employees.

The three largest sub-sectors were: computer consultancy activities with 420 businesses, computer programming activities with 135, and other information technology and computer service activities with 85 businesses.

Since 2016, computer consultancy activities has seen an decrease of 30 businesses in Waverley, other information technology and computer service activities has decreased by up to 25 businesses, and wired telecommunications activities and new agency activities has decreased by 5 businesses.

Other information service activities is the only area to have seen an increase, by up to 5 businesses.

Waverley Economic Development Strategy Review 2022: Evidence Base

Information & Communication No. of Enterprises 2021	Total	0 - 4	5 - 9	10 - 19	20 - 49	50 - 99	Change 2016-2021
6110 : Wired telecommunications activities	5	5	0	0	0	0	-5
6120 : Wireless telecommunications activities	5	5	0	0	0	0	0
6130 : Satellite telecommunications activities	0	0	0	0	0	0	0
6190 : Other telecommunications activities	10	5	0	0	0	0	0
6201 : Computer programming activities	135	115	5	5	0	5	0
6202 : Computer consultancy activities	420	390	10	10	5	5	-30
6203 : Computer facilities management activities	5	5	0	0	0	0	0
6209 : Other information technology and computer service activities	85	60	10	5	5	0	-25
6311 : Data processing, hosting and related activities	10	10	0	0	0	0	5
6312 : Web portals	5	5	0	0	0	0	0
6391 : News agency activities	0	0	0	0	0	0	-5
6399 : Other information service activities n.e.c.	15	10	0	0	0	0	5
Column Total	**700**	**615**	**35**	**20**	**15**	**10**	**-40**

Source: ONS All figures are rounded to avoid disclosure. Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.

Finance and Insurance

There are 7410 businesses in the Finance and insurance sector, which has seen an increase of 2905 businesses up in the area since 2016. The vast majority of these firms are micro-sized as 725 of these are listed as having fewer than 9 employees with 715 having less than 4. There are only 10 small-sized businesses of between 10 and 19 employees and no businesses in this sector being listed as being any larger than this.

The largest sub-sectors were 'Pension funding' and those listed under 'Other activities auxiliary to financial services except pension funding and insurance'. Since 2016, there have been increases of 155 and 185 businesses respectively in these sub-sectors.

Financial & Insurance No. of Enterprises 2021	Total	0 to 4	5 to 9	10 to 19	*Change 2015-20*
6420 : Activities of holding companies	15	15	0	0	5
6430 : Trusts, funds and similar financial entities	5	5	0	0	5
6499 : Other financial service activities, except insurance and pension funding, n.e.c.	20	15	0	0	10
6530 : Pension funding	255	255	0	0	155
6611 : Administration of financial markets	0	0	0	0	0
6612 : Security and commodity contracts brokerage	5	5	0	0	-10
6619 : Other activities auxiliary to financial services, except insurance and pension funding	395	385	5	5	185
6621 : Risk and damage evaluation	5	0	0	0	0
6622 : Activities of insurance agents and brokers	15	10	0	0	-5
6629 : Other activities auxiliary to insurance and pension funding	20	15	0	0	-40
6630 : Fund management activities	5	5	0	0	0
Column Total	740	715	10	10	290

Waverley Economic Development Strategy Review 2022:
Evidence Base

Property

There are around 390 businesses in the Property sector in Waverley, which has seen an increase of 20 businesses setting up in the area since 2016. The Property sector seems to be majority micro-sized businesses with 335 of the total 390 having zero to four employees. There are only 10 small sized businesses of 10 to 19 employees, with no evidence to suggest there are any businesses in this sector having more than twenty employees.

The largest sub-sector is renting and operating of own or leased real estate has 225 businesses listed under it. It is followed by those listed under 'Real estate agencies' and 'Management of Real estate on a fee or contract basis with 80 and 60 businesses respectively. Between 2016 and 2021, there have been increases of 15 businesses in real estate agencies and 10 businesses in buying and selling of own real estate. Renting and operating of own or leased real estate and management of real state on a fee or contract basis have seen a decrease of up to 5 businesses each in the same time period.

Property No. of Enterprises 2021	Total	0 - 4	5 - 9	10 - 19	*Change 2016-2021*
6810: Buying and selling of own real estate	20	20	0	0	10
6820: Renting and operating of own or leased real estate	225	200	20	5	-5
6831: Real estate agencies	80	60	10	5	15
6832: Management of real estate on a fee or contract basis	60	55	10	0	-5
Total	**390**	**335**	**40**	**10**	**20**

Professional, Scientific and Technical

There are 1,960 businesses in the Professional, scientific, and technical sector in Waverley, a decrease of 135 since 2016. As before, the majority of these businesses are micro sized with 1,775 having up to four employees and 95 having between five and nine. There are around 55 businesses which have from 10 to 19 employees, 20 which have between 20-49, and 5 which have 50-99 employees.

There are also five medium-sized businesses in this sector between 100 and 249 employees, all within 'Accounting, and Auditing activities'.

The largest sub-sector was listed as those under 'Business and other management consultancy activities' with 915 businesses, albeit a decrease of 70 businesses since 2016. This was followed by 'Engineering activities and related technical consultancy' with 220 businesses, which have decreased by 40 businesses since 2016.

The next highest concentrations are in 'accounting, bookkeeping and auditing activities', and 'other professional, scientific and technical activities', with 165 and 145 businesses, and a decrease of 10 and 20 businesses respectively.

Other notable concentrations are in specialised design activities, which has 110 businesses, an increase of 5 since 2016, and legal activities and advertising agencies, each of which have 80 businesses, although those in legal activities have decreased by 10 since 2016.

Professional, Scientific & Technical Services No. of Enterprises 2021	Total	0 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	*Change 2016- 2021*
6910 : Legal activities	80	60	5	10	0	0	0	-10
6920 : Accounting, bookkeeping and auditing activities; tax consultancy	165	135	20	10	0	0	5	-10
7010 : Activities of head offices	25	10	5	5	0	0	0	15
7021 : Public relations and communication activities	45	45	0	0	0	0	0	15
7022 : Business and other management consultancy activities	915	880	20	10	5	0	0	-70
7111 : Architectural activities	70	55	10	5	0	0	0	0
7112 : Engineering activities and related technical consultancy	220	195	10	5	5	0	0	-40
7120 : Technical testing and analysis	5	0	0	0	0	0	0	0
7211 : Research and experimental development on biotechnology	5	5	0	0	0	0	0	5
7219 : Other research and experimental development on natural sciences and engineering	15	10	0	0	0	0	0	0
7220 : Research and experimental development on social sciences and humanities	0	0	0	0	0	0	0	0
7311 : Advertising agencies	80	70	5	0	0	0	0	0
7312 : Media representation	10	10	0	0	0	0	0	0
7320 : Market research and public opinion polling	20	20	0	0	0	0	0	-5
7410 : Specialised design activities	110	95	10	0	0	0	0	5
7420 : Photographic activities	30	30	0	0	0	0	0	-10
7430 : Translation and interpretation activities	10	10	0	0	0	0	0	0
7490 : Other professional, scientific and technical activities n.e.c.	145	135	5	5	0	0	0	-20
7500 : Veterinary activities	15	10	5	5	0	0	0	-5
Column Total	1,960	1,775	95	55	20	5	5	-135

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Business Administration and Support Services

There are 755 total businesses in this sector, with an increase of 45 since 2016. The majority of these businesses are micro-sized, with 630 having up to four employees and 65 between five and nine. 35 businesses have 10-19 employees and 15 small sized businesses have between 20 and 49 employees. There are 5 businesses that employ 100-249 and 5 that employ 250+.

The largest sub-sector were businesses listed under 'Other business support service activities' which had 310 listed, and which saw an increase of 5 businesses since 2016. This was followed

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by 'Landscape service activities' at 145, which had increased by 30 businesses, and 'Activities of employment placement agencies at 60, which had seen an increase of 5.

Business Administration & Support Services No. of Enterprises 2021	Total	0 - 4	5 - 9	10 - 19	20 - 49	50- 99	100- 249	250+	Change 2016- 2021
7711 : Renting and leasing of cars and light motor vehicles	5	0	0	0	0	0	0	0	0
7712 : Renting and leasing of trucks	5	0	0	0	0	0	0	0	0
7721 : Renting and leasing of recreational and sports goods	5	0	0	0	0	0	0	0	0
7729 : Renting and leasing of other personal and household goods	5	5	0	0	0	0	0	0	0
7732 : Renting and leasing of construction and civil engineering machinery and equipment	10	10	0	0	0	0	0	0	0
7739 : Renting and leasing of other machinery, equipment and tangible goods n.e.c.	10	10	0	0	0	0	0	0	0
7740 : Leasing of intellectual property and similar products, except copyrighted works	5	5	0	0	0	0	0	0	0
7810 : Activities of employment placement agencies	60	50	5	5	0	0	0	0	5
7820 : Temporary employment agency activities	35	25	5	0	5	0	0	0	-5
7830 : Other human resources provision	5	5	0	0	0	0	0	0	-5
7911 : Travel agency activities	15	15	0	0	0	0	0	0	5
7912 : Tour operator activities	10	5	0	0	0	0	0	0	0
7990 : Other reservation service and related activities	5	5	0	0	0	0	0	0	-5
8010 : Private security activities	10	5	0	0	0	0	0	0	0
8020 : Security systems service activities	5	5	5	0	0	0	0	0	0
8030 : Investigation activities	0	0	0	0	0	0	0	0	-5
8110 : Combined facilities support activities	10	10	0	0	0	0	0	0	0
8121 : General cleaning of buildings	30	15	5	5	0	0	0	0	5
8122 : Other building and industrial cleaning activities	10	5	5	0	0	0	0	0	0
8129 : Other cleaning activities	10	10	0	0	0	0	0	0	0
8130 : Landscape service activities	145	120	15	5	0	0	0	0	30
8211 : Combined office administrative service activities	10	10	0	0	0	0	0	0	0
8219 : Photocopying, document preparation and other specialised office support activities	5	5	0	0	0	0	0	0	0
8220 : Activities of call centres	5	0	0	0	0	0	0	0	0
8230 : Convention and trade show organizers	20	20	0	0	0	0	0	0	5
8291 : Activities of collection agencies and credit bureaus	5	5	0	0	0	0	0	0	0
8299 : Other business support service activities n.e.c.	310	280	15	10	5	0	0	0	5
Column Total	**755**	**630**	**65**	**35**	**15**	**0**	**5**	**5**	45

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Education Sector

Waverley Economic Development Strategy Review 2022: Evidence Base

There are a total of 165 businesses in this sector, which saw an increase of 15 since 2016. The number of micro businesses with zero to four employees is 105, with 25 having between 5 and 9 employees. There are 5 businesses of between 10 and 19 employees, 5 of between 20 to 49 and 5 of between 50 to 99 employees. There are 15 of between 100 and 249 employees and five large businesses of over 250 employees in this sector.

Businesses listed under 'Other education' make up the largest sub-sector, with 75 businesses being listed under it. This sub-sector has seen an increase of five businesses since 2016.

Educational support activities are the next largest sub-sector with 20 businesses, having increased by 15 since 2016.

The sub-sectors listed under Pre-Primary Education, Technical and Vocational Secondary Education and Sports and Recreational Education are the next largest sub-sectors as they all comprise 15 businesses under their sub-sector. Primary Education has seen a decrease of five businesses since 2016, whilst Cultural Education, Sports and Recreational Education have seen an increase of five.

Waverley is notable for the number of independent schools within its boundaries which include Caldicott in Farnham, Charterhouse, Prior's Field, Aldro, King Edward's Witley, The Royal School, and St Ives School, Haslemere.

Education No. of Enterprises 2021	Total	0 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	250 - 499	*Change 2015-20*
8510 : Pre-primary education	15	5	5	0	0	0	0	0	0
8520 : Primary education	10	0	0	0	0	5	5	0	-5
8531 : General secondary education	5	0	0	0	0	0	5	5	-5
8532 : Technical and vocational secondary education	15	10	0	0	0	0	0	0	5
8541 : Post-secondary non-tertiary education	0	0	0	0	0	0	0	0	-5
8542 : Tertiary education	5	0	0	0	0	0	0	0	0
8551 : Sports and recreation education	15	10	5	0	0	0	0	0	5
8552 : Cultural education	5	5	0	0	0	0	0	0	5
8553 : Driving school activities	0	0	0	0	0	0	0	0	0
8559 : Other education n.e.c.	75	60	10	0	0	0	5	0	5
8560 : Educational support activities	20	15	0	0	0	0	0	0	15
Column Total	**165**	**105**	**25**	**5**	**5**	**5**	**15**	**5**	**15**

Creative Industries

Waverley Economic Development Strategy Review 2022:
Evidence Base

<u>Definitions</u>

The creative industries definition from the UK Government's Department for Culture, Media and Sport is: 'Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.'

There are thirteen **sub-sectors** under the term 'creative industries' and these are:

- Advertising
- Architecture
- The Art and Antiques Market
- Crafts
- Design
- Designer Fashion
- Film and Video
- Interactive Leisure Software
- Music
- The Performing Arts
- Publishing
- Software and Computer games
- Television and radio.

<u>Sector Analysis</u>

There were 790 enterprises in the Creative Industries sector in 2021 in Waverley. The sector has seen a net increase of 30 enterprises in Waverley since 2016, taking account of increases and decreases of various sub-sectors.

There are 695 of those with fewer than 5 employees, with 55 between 5 and 9; 20 of between 10 and 19; 15 of between 20 and 49, and 5 of 50-99. No businesses in this sector being listed as being any larger than this. The largest sub-sectors are as listed below.

Activities	No. Enterprises	Change 2016-2021
Computer programming activities	135	0
Motion picture, video and television programme production activities	110	50
Specialised design activities	110	5
Advertising agencies	80	0
Artistic creation	75	-20
Architectural activities	70	0

Increases in the number of enterprises have occurred in publishing of newspapers, motion picture, video and television programme production activities, motion picture, video and

television programme distribution activities, television programming and broadcasting activities, performing arts, support activities to performing arts and specialised design activities.

There have been decreases of up to 5 enterprises in book publishing, publishing of journals and periodicals, other publishing activities and radio broadcasting; up to 10 enterprises in photographic activities and up to 20 enterprises in artistic creation.

Industry	Total*	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	Large (250+)	Change 2016-2021
5811 : Book publishing	15	10	0	0	0	0	0	0	-5
5813 : Publishing of newspapers	10	5	5	0	0	0	0	0	5
5814 : Publishing of journals and periodicals	15	10	5	0	5	0	0	0	-5
5819 : Other publishing activities	15	10	0	0	0	0	0	0	-5
5821 : Publishing of computer games	5	5	0	0	0	0	0	0	0
5829 : Other software publishing	10	10	0	0	0	0	0	0	0
5911 : Motion picture, video and television programme production activities	110	100	5	0	0	0	0	0	50
5912 : Motion picture, video and television programme post-production activities	15	15	0	0	0	0	0	0	0
5913 : Motion picture, video and television programme distribution activities	5	5	0	0	0	0	0	0	5
5920 : Sound recording and music publishing activities	15	15	0	0	0	0	0	0	0
6010 : Radio broadcasting	5	5	0	0	0	0	0	0	-5
6020 : Television programming and broadcasting activities	10	10	0	0	0	0	0	0	5
6201 : Computer programming activities	135	115	5	5	0	5	0	0	0
7311 : Advertising agencies	80	70	5	0	0	0	0	0	0
7312 : Media representation	10	10	0	0	0	0	0	0	0
7111 : Architectural activities	70	55	10	5	0	0	0	0	0
9001 : Performing arts	40	40	0	0	0	0	0	0	5
9002 : Support activities to performing arts	20	20	0	0	0	0	0	0	10
9003 : Artistic creation	75	65	5	0	0	0	0	0	-20
9004 : Operation of arts facilities	0	0	0	0	0	0	0	0	0
7410 : Specialised design activities	110	95	10	0	0	0	0	0	5
7420 : Photographic activities	30	30	0	0	0	0	0	0	-10
Column Total	**790**	**695**	**55**	**20**	**15**	**5**	**0**	**0**	**30**

Source: ONS All figures are rounded to avoid disclosure. Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.

3.5   Tourism, Culture and Leisure

Definition

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There are various definitions of Tourism as a sector activity. The simplest of these specified the five industries of tourism as being: accommodations, food and beverage services, recreation and entertainment, transportation, and travel services. Other definitions include adventure tourism and recreation, events and conferences and tourism services. However, these are not included in standard industrial classifications so are not adopted here, but would be covered by the sub-sectors listed below.

Sector Analysis

There were 415 businesses in the Tourism sector in Waverley as defined above in 2021, which has seen a decrease of 15 businesses since 2016. There are 245 of those with fewer than 5 employees, with 75 between 5 and 9, 65 between 10 and 19 employees, 25 businesses of between 20 and 49, 5 of 50 to 100 and 5 of 100 to 249. No businesses in this sector are listed as being any larger than this.

The largest number of businesses are in the food and beverage sector, within which there are 125 restaurants and mobile service activities, 80 beverage serving activities and 25 event catering activities. Since 2016, there are 25 fewer beverage serving activities and 10 fewer restaurants and mobile service activities and 5 fewer event catering activities.

There are 15 hotels and similar accommodation and 5 other holiday and other short-stay accommodation businesses but no camping grounds, recreational vehicle parks and trailer parks, or other accommodation defined as being in the tourism sector. There has been no change in the number of these businesses since 2016.

There are 30 travel services businesses.

In the area of entertainment activities, there are 40 businesses in performing arts and 20 businesses in support activities to performing arts; these businesses have seen an increase of 5 and 10 respectively since 2016. There are 20 businesses in amusement and recreation activities and these have also increased, by 5 businesses, since 2016.

Industry	Total*	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	Large (250+)	Change 2016-21
Accommodation									
5510 : Hotels and similar accommodation	15	5	0	5	0	0	0	0	0
5520 : Holiday and other short stay accommodation	5	5	0	0	0	0	0	0	0
Food and Beverage									
5610 : Restaurants and mobile food service activities	125	60	35	25	5	0	0	0	-10
5621 : Event catering activities	25	15	5	5	0	0	0	0	-5
5629 : Other food service activities	5	5	0	0	0	0	0	0	0
5630 : Beverage serving activities	80	25	20	20	10	0	0	0	-25
Transportation									
4931 : Urban and suburban passenger land transport	5	5	0	0	0	0	0	0	0

Industry	Total*	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	Large (250+)	*Change 2016-21*
4932 : Taxi operation	10	5	0	0	0	0	0	0	0
4939 : Other passenger land transport n.e.c.	5	5	0	0	0	0	0	0	0
5030 : Inland passenger water transport	0	0	0	0	0	0	0	0	0
5110 : Passenger air transport	5	5	0	0	0	0	0	0	5
Travel services									
7911 : Travel agency activities	15	15	0	0	0	0	0	0	5
7912 : Tour operator activities	10	5	0	0	0	0	0	0	0
7990 : Other reservation service and related activities	5	5	0	0	0	0	0	0	-5
Visitor Attractions, Recreation and Entertainment Activities									
9001 : Performing arts	40	40	0	0	0	0	0	0	5
9002 : Support activities to performing arts	20	20	0	0	0	0	0	0	10
9004 : Operation of arts facilities	0	0	0	0	0	0	0	0	0
9102 : Museum activities	0	0	0	0	0	0	0	0	0
9103 : Operation of historical sites and buildings and similar visitor attractions	5	0	0	0	0	0	0	0	5
9311 : Operation of sports facilities	15	10	5	0	0	0	0	0	0
9321 : Activities of amusement parks and theme parks	0	0	0	0	0	0	0	0	0
9329 : Other amusement and recreation activities	20	15	5	0	0	0	0	0	5
Column Total	**415**	**245**	**75**	**65**	**25**	**5**	**5**	**0**	**-15**

High Tech Manufacturing

There are a total of 25 businesses in high-tech manufacturing, with no net changes in the total number since 2015. The majority of these businesses are micro-sized, with 15 businesses having less than five employees in this sector. There are approximately five small businesses in the area with between 20 and 49 employees. The remainder ten are spread across other size bands but are not shown in the available data due to rounding.

The largest sub-sector is 'Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment' which has 15 businesses listed under it, having increased by 5 businesses since 2016. The sub-sectors under both 'Manufacture of computers and peripheral equipment' and 'Manufacture of consumer electronics' have seen a decrease of five businesses in their respective sub-sectors in the same time-span. The number businesses in Manufacture of electronic components has increased by 5.

High-tech Manufacturing No. of Enterprises 2021	Total	0 to 4	5 to 9	10 to 19	20 to 49	Change
2120 : Manufacture of pharmaceutical preparations	5	0	0	0	0	0
2611 : Manufacture of electronic components	5	5	0	0	0	5
2612 : Manufacture of loaded electronic boards	0	0	0	0	0	0
2620 : Manufacture of computers and peripheral equipment	0	0	0	0	0	-5

Waverley Economic Development Strategy Review 2022: Evidence Base

High-tech Manufacturing No. of Enterprises 2021	Total	0 to 4	5 to 9	10 to 19	20 to 49	Change
2630 : Manufacture of communication equipment	0	0	0	0	0	-5
2640 : Manufacture of consumer electronics	0	0	0	0	0	-5
2651 : Manufacture of instruments and appliances for measuring, testing and navigation	15	5	0	0	5	5
Column Total	25	15	0	0	5	0

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