

2020 Economic Development Strategy



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CONTENTS

Contents.....	ii
Foreword.....	v
Executive Summary	vii
Chapter One: Introduction to the Strategy.....	1
Introduction.....	1
RATIONALE FOR AN ECONOMIC DEVELOPMENT STRATEGY	1
WHO THE STRATEGY IS AIMED AT, IT'S APPROACH AND STRUCTURE	1
Chapter Two: Strategic Context.....	3
Local Policy Context.....	3
The County Council.....	3
The Wider Policy Environment for Economic Development.....	4
Chapter Three: Surrey Heath Economic Profile.....	5
A great place for people to succeed... ..	5
CHANGING DEMOGRAPHY.....	5
EMPLOYMENT AND ECONOMIC ACTIVITY	5
A HIGHLY SKILLED AND QUALIFIED WORKFORCE	6
A great place for business to flourish... ..	6
BUSINESS AND EMPLOYMENT DYNAMICS	6
LOCAL PRIORITY SECTORS AND FUTURE LAND AND PREMISES REQUIREMENTS.....	7
AN ENTERPRISING AND PRODUCTIVE PLACE	8
A sustainable place to live, work, shop and play... ..	9
TRANSPORT AND MOBILITY	9
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL FLOORSPACE.....	10
HIGH QUALITY OF LIFE BUT AT A PRICE.....	11
Chapter Four: Surrey Heath SWOT	12
Borough Strengths.....	12
Borough Weaknesses.....	12
Borough Opportunities.....	13
Borough Threats.....	14
Chapter Five: Strategic Economic Objectives	16
A sustainable place to live, work, shop and play.....	16
AIM 1: EXPLOITING GROWTH PROSPECTS - CAMBERLEY STEP-UP TOWN TRANSFORMATIONAL ACTIONS AND NURTURING THRIVING VILLAGES.....	16

AIM 2: PLANNING FOR THE FUTURE: ACCOMMODATING EMPLOYMENT GROWTH AND PROMOTING SUSTAINABLE URBAN DEVELOPMENT.	17
AIM 3: INVESTING IN ENHANCED INTERNAL AND EXTERNAL CONNECTIVITY	17
AIM 4: STIMULATING THE VISITOR AND CREATIVE ECONOMY	18
A great place for business to flourish	18
AIM 1: SMALL BUSINESS GROWTH PROGRAMME	18
AIM 2: OPEN FOR BUSINESS.....	19
AIM 3: SCI:TECH SECTOR DEVELOPMENT	19
AIM 4: EXPORT DEVELOPMENT AND INWARD INVESTMENT.....	19
A great place for people to succeed	20
AIM 1: SHARED PROSPERITY AND MATCHING TALENT	20
AIM 2: DEEPENING MILITARY CONNECTIONS.....	20
AIM 3: ASPIRATIONS AND AWARENESS.....	20
AIM 4: ADDRESSING POCKETS OF WORKLESSNESS	21
Annex One: Action Plan	22
Introduction	22
A sustainable place to live, work, shop and play.....	22
A great place for business to flourish	26
A great place for people to succeed	28
Annex Two: Surrey Heath Economic Profile	30
A great place for people to succeed... ..	30
CHANGING DEMOGRAPHY	30
EMPLOYMENT AND ECONOMIC ACTIVITY	31
OCCUPATIONS, QUALIFICATIONS AND VACANCIES.....	32
A great place for business to flourish... ..	33
UNDERSTANDING BUSINESS DYNAMICS.....	33
A BROAD EMPLOYMENT BASE.....	36
LOCAL PRIORITY SECTORS AND FUTURE LAND AND PREMISES REQUIREMENTS.....	37
AN ENTERPRISING PLACE AND PRODUCTIVE LOCAL ECONOMY	39
A sustainable place to live, work, shop and play... ..	40
TRANSPORT AND MOBILITY	40
HOUSING	43
COMMERCIAL AND INDUSTRIAL INFRASTRUCTURE	44
QUALITY OF LIFE	45
Annex Three: Consultees.....	47
Annex Four: Glossary.....	48

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FOREWORD

Surrey Heath Borough Council is committed to supporting local business. We recognise that our businesses are the core contributors to the prosperity of the Borough. The Council has adopted this Economic Development Strategy to provide the overarching strategy for economic development in Surrey Heath. In preparing this document the Council has recognised the challenge of enabling economic growth whilst also protecting the environment and quality of life in the Borough.

Surrey Heath is an excellent location where businesses can flourish. We are home to over 4,200 companies, 90% of which employ fewer than ten people; as well as several large multinationals with either their headquarters or key UK sites located here.

The Borough boasts a thriving business community and a strong entrepreneurial spirit. A high percentage of adults are educated to degree level and exam results for school students remain consistently above the national average.

Local employment levels are high and remained so when compared to other areas during the recent recession. Strong employment sectors include: specialist engineering; pharmaceuticals and chemicals; information technology; and, health.

Quality of life is high in Surrey Heath, and residents enjoy a good and improving retail and cultural offer, from the quintessential originality of English village stores and heritage to the thriving main town of Camberley with its successful shopping centre and strong military links to the Royal Military Academy at Sandhurst.

There are challenges, too and our strategy does not shy away from identifying them. Housing costs remain high; land for residential development is subject to the constraints of Special Protection Areas making building new homes a constant difficulty; and demand for affordable homes outstrips supply. The strategy also points out that we have an ageing stock of business premises in some parts of the Borough, and land availability for new commercial development can be difficult to assemble.

Challenges, though, lead to solutions and we work hard to overcome the hurdles in front of us. For example; we and partner agencies are working hard to improve rail connection to London, an issue often cited as an inhibitor by business; and, we are working hard to face the challenges of congestion on our roads by successfully bidding for Government funding for specific infrastructure projects.

The Council published its first economic development strategy in 2011 at the height of the financial downturn. This was a broad based document which represented a first foray from being an authority which supported business led economic development but was not too directly involved, to one which sought an increasingly active role as community leader assisting the commercial sector through the financial difficulties.

Now, four years on from that first strategy, we are in a very different place. Economic development is given the highest priority across the local government sector, with Surrey Heath being no exception. This revised strategy builds on the work of its predecessor and includes specific, measurable, and achievable actions across a range of areas to deliver

identified aims and objectives on the key issues facing the borough at the local, sub-regional, and national levels.

Further, we have developed a unique Open for Business approach to help companies move into, expand, or start up in Surrey Heath. We have also secured £14.9m from the Government's Local Growth Fund to deliver specific projects for the benefit of the Borough during the lifetime of this strategy.

This is a strategy for the here and now and also for future generations. We will work with partners to train those who need basic or additional skills to either enter the work place or take the next crucial steps in their careers. We will work with like-minded organisations to ensure our young people get the best start in the world of employment and that employers have access to the brightest young talent.

Our Economic Development Strategy represents the Council's commitment to the people who live and work here, and also to the businesses that have chosen to base their companies in Surrey Heath.

Karen Whelan



Chief Executive

Surrey Heath Borough Council



EXECUTIVE SUMMARY

The Council's Strategic Economic Ambition

Surrey Heath has a vibrant and dynamic local economy, a superb quality of life and strong connectivity. Over the next few years the Borough will witness some significant transformational investments. The Borough's officers and members are keen to take a proactive stance in relation to economic development to ensure that these and other new opportunities are exploited for the benefit of businesses, residents and visitors. The Council sets out its ambitions very clearly within this strategy which was informed by a detailed economic assessment of the performance and potential of Borough.

Who this Economic Strategy is aimed at

The Council is keen to work with others in the coming years to ensure the local economy continues to retain its economic prosperity, improve its connectivity and provide a great place encouraging people to meet, interact and trade. This strategy is designed to do just that. It is aimed at officers and councillors from local, county and national government as well as the Local Enterprise Partnership. The strategy is targeted at businesses (large and small), investors and visitors. It includes a diverse spectrum of individuals comprising local residents' young and old, military or ex-military personnel, people from different parts of civil society and those looking to learn, work or set up a business in the Borough.

The Power to set Priorities for Local Economic Development

This strategy comes at a very important time for the Council (See Chapter Two). There are new flexibilities for local government in economic development, the activities of Enterprise M3 Local Enterprise Partnership (LEP) are gathering momentum, Surrey County Council has just published a draft transport strategy and national government has signalled a greater desire for a more localist approach.

Surrey Heath's Economic Trends, Performance and Trajectory

Chapter Two (and Annex Two) of the strategy takes a detailed look at the local economy, its dynamics, performance and prospects – focusing on people, business and place. The analysis highlights the challenging combination of a growing and ageing population with a high but declining employment rate. This is despite having a very well-qualified workforce and a small, but very productive, economy with some large employers including household names and headquarters. The economic profile has identified some recognisable key high technology sectors with strong turnover and productivity prospects and a vibrant micro-business base. It suggests Surrey Heath can play a very active part in Enterprise M3 LEP's ambitions for a Sci:Tech corridor – the local economy matches the LEP's priority sectors very closely. Overall Surrey Heath is a very enterprising place but three to five year survival rates could be better and there are small pockets of unemployment.

Exploiting Surrey Heath's Economic Geography

In and out commuting is extensive across the Blackwater Valley and local Boroughs with comparatively low numbers of London commuters. In other words the local Boroughs are mutually economically inter-dependent. Whilst the Borough generally has excellent

connectivity there are recognised congestion pinch-points. That said there are substantial opportunities to develop the retail offer and town centre in Camberley, as well as pursuing a village enhancement programme. Surrey Heath is green, safe and family-friendly with a very good quality of life and schools but further investment in natural and community assets is required for the Borough to realise its full potential. As part of the strategy a detailed SWOT analysis was undertaken (see Chapter Four). This builds very much on the baseline evidence and observations from consultees.

Articulating a New Economic Challenge for the Council and its Partners

In light of the evidence three principal economic objectives were designed and consulted on. These, it is anticipated, will maintain the Borough's competitive and entrepreneurial performance and enhance the quality of place that makes the Borough such a desirable location for businesses, residents and visitors. Surrey Heath will work with stakeholders to create:

- (1) A sustainable place to live, work, shop and play:** creating the conditions for growth through transformational actions in the town centre and employment sites and associated connectivity investment and measures to stimulate the visitor economy. There are four main areas of activity including:
 - Signature regeneration measures to exploit the Borough's growth prospects.
 - Planning for the future through the delivery of catalytic major new developments.
 - Investing in enhanced internal and external connectivity and sustainable transport infrastructure.
 - Activities to stimulate the visitor and creative economy.

- (2) A great place for business to flourish:** a Borough that's Open for Businesses large and small. There are four key programmes of activity designed to accelerate small, large, new and sectoral business growth respectively:
 - A small business growth programme.
 - A suite of activity to show the Council 'Open for Business'.
 - An exciting Sci:Tech sector development programme.
 - Export development and inward investment activity.

- (3) A great place for people to succeed:** ensuring the local economy trains, recruits and retains the right talent required for continued growth. There are four main areas of activity including employability and inclusion measures and initiatives targeted at military personnel and young people:
 - Ensuing shared prosperity and matching talent.
 - Deepening our strong military connections.
 - Raising the aspirations and awareness of young people.
 - Measures to address pockets of worklessness.

Each aim and action is summarised in Chapter Five with further details on each of the proposed actions in Annex One.

CHAPTER ONE: INTRODUCTION TO THE STRATEGY

INTRODUCTION

Surrey Heath is a small but strongly performing economy which has plans for significant investment over the next few years as the Borough seeks to take forward major new housing developments, town centre renewal and transport infrastructure enhancements. This strategy has been designed very much with these developments in mind combined with some key complementary actions to support businesses to continue grow and ensure people will benefit from these significant investment opportunities.

RATIONALE FOR AN ECONOMIC DEVELOPMENT STRATEGY

The Council last had an economic development strategy in 2011. The previous strategy and action plan was written in very different circumstances and was quite sensibly relatively broad based. Now more is known about the Local Enterprise Partnership's (LEP's) plans and EU funding brings the very real prospect of investment in a much wider economic agenda. LEP/EU funding will be based on the submission of bids and the Council will be working to ensure we have 'oven ready' bids to submit for specific projects. At the national level the new Business Rates Retention Scheme affords the opportunity for authorities to benefit directly from attracting new business to their areas for the first time since the introduction of Non-Domestic Rates. A further rationale is the development of the Council's Open for Business approach to helping companies' start-up, grow or move into the Borough.

All of these things, demonstrate why it makes sense, the Council believes, to be more ambitious about what is achievable with its partners. For instance investment in business growth and skills would help achieve some of the corporate commitments and objectives set out in the Council's corporate plan, the 2020 Strategy. Of course this needs to be balanced against what will be practically achievable by a small team. The aims of the economic development strategy are to:

- Set the strategic direction for the Council's economic development approach.
- Make clear links with internal and external strategies.
- Secure stakeholder support / endorsement including local firms.
- Set out a clear and definitive plan for economic priorities and actions based on a review of evidence and stakeholder discussions.
- Develop an action plan for growth which defines how key economic development projects will be delivered.

WHO THE STRATEGY IS AIMED AT, IT'S APPROACH AND STRUCTURE

The Council recognises that it has direct control over some aspects of economic development, such as planning, and an enabling or partnering role in others; notably in education and transport. The economic strategy will require a joint effort with a range of partners including local, county and national government as well as Enterprise M3 - the Local Enterprise Partnership. Many of the proposed actions are targeted at businesses (large and small) and investors and visitors. It includes measures directed at a diverse spectrum of individuals. These comprise local residents (young and old), military or ex-

military personnel, people from different parts of civil society and those looking to learn, work or set up a business in the Borough.

The strategy development process involved several principal components or building blocks. First, an assessment of current context for economic development was undertaken (Chapter Two). This is followed by a detailed assessment of the performance and prospects of the Borough to date (Chapter Three and Annex Two) and a SWOT analysis (Chapter Four). This sets out an economic narrative for the Borough and the analysis was informed by evidence from a series of stakeholder interviews.

A list of consultees appears in Annex Three and a glossary in Annex Four. Three principal strategic economic objectives are presented in Chapter Five which broadly speaking cover - place, business and people – the key ingredients for a successful local economy. These building blocks were discussed, refined and agreed by councillors, officers and consultees. An action plan with a template for each recommendation appears in Annex One.

CHAPTER TWO: STRATEGIC CONTEXT

This chapter shows that the Surrey Heath economic development strategy comes at an important time for the Borough in the context of national and sub-regional change.

LOCAL POLICY CONTEXT

The Borough, in its Core Strategy will seek to make provision for up to 7,500 new jobs in the period up to 2027. The Council will achieve this by (a) ensuring a flexible supply of high quality employment floorspace utilising existing employment areas and (b) promoting a more intensive use of these sites through the recycling, refurbishment and regeneration of existing older or vacant stock and promotion of flexible working practices (Surrey Heath Core Strategy (2012, p35)).

The Surrey Heath Core Strategy sets out the Council's policies to address the future development of the Borough in the period up to 2028. It highlights what changes are needed, when, where and how they should happen. It includes an aspiration to maintain a strong economy with high rates of economic activity and to “work with partners to support businesses in the area” (p35). The strategy's economic objectives include a desire to maintain the economic role of the Borough within the Western Corridor and Blackwater Valley sub-region and to identify sites on which employment use should be maintained and growth encouraged.

There are clear spatial priorities too to promote the role of Camberley town centre as a secondary regional centre and as a safe and attractive retail, cultural and entertainment centre with a high quality environment. Plans for the town are clearly articulated in the recent Camberley Town Centre Statement 2014-2030. Similarly the Core Strategy envisages maintaining the role of Bagshot and Frimley as district centres for local shops, services and community facilities and protecting these uses elsewhere in the Borough. It also has policies to promote the continued diversification of rural areas whilst maintaining the high quality of environment and life the area is renowned for.

The Borough is currently conducting an employment land review with Hart and Rushmoor local authorities. This will give a very clear picture of the current state and mix of provision and identify key opportunities for future development.

THE COUNTY COUNCIL

Surrey County Council has published a cabinet paper on supporting economic growth. This will help the County in achieving the One County, One Team Corporate Strategy 2012-17 (endorsed February 2012), which includes a specific priority to make Surrey's economy strong and competitive. The economic paper articulates a narrative on growth and identifies the Council's role in supporting growth on several levels; what the Council can do by itself; what it can do with districts and Boroughs and with others in Surrey and the southeast and what it could achieve through a wider deal with Government.

There are several areas of relevance for Surrey Heath particularly in the areas of transport investment (through the Local Transport Board), training and skills (apprenticeships and

schools for instance) and broadband. Innovation, enterprise and business engagement is another area where the County is active and it makes sense to collaborate at this level.

There is also a Surrey Rural Strategy and a Surrey Transport Strategy out to consultation. The County plays a key role on inward investment and is keen for Boroughs and districts to engage in this area. Through the Surrey proposition the County is also looking invest in economic development through for instance joint venture or equity investment via a community infrastructure levy and other means (Growing Places Fund for instance). The County is keen to promote collective action on economic development activity possibly through joint or pooled budgets or through local collaboration with local planning departments. Surrey Heath will seek to secure funding under the auspices of County for key economic development priorities within the borough.

Surrey is also looking to secure investment in strategic infrastructure in the greater south east, particularly for schemes that need the agreement of the Department for Transport, Highways Agency and Network Rail. For example, strategic corridor schemes such the London-Portsmouth corridor, or rail capacity constraints. The County is keen to secure a greater share of devolved funding for instance working with the Highways Agency on Major schemes, network rail on rail franchising or DWP, the SFA or JCP on skills and employment investment.

THE WIDER POLICY ENVIRONMENT FOR ECONOMIC DEVELOPMENT

The following chapter shows that the past five years or so have witnessed a considerable shift in economic conditions. There has been a much tighter financial climate and a growing emphasis on localism which is articulated in Michael Heseltine's recent [No Stone Unturned](#) report. [Enterprise M3](#), the Local Enterprise Partnership (LEP) for the area, now plays a principal and growing role in economic development. LEPs now have a notional allocation of EU funds bringing the very real prospect of support for businesses and skills locally and additional resources to enhance key national programmes. Enterprise M3 LEP is currently developing its implementation plans to inform the delivery of their EU Investment Framework published earlier in 2014.

In a similar vein some national government funding allocations are being channelled through LEPs and Enterprise M3 has recently agreed a [growth deal](#) securing £118m from the Government's Local Growth Fund including investments for Borough (highlighted in Chapter Three). Camberley is defined as a "Step-up town" in the LEP's strategic economic plan and is therefore formally recognised as representing an area of strong potential. The proposed Sci:Tech corridor also aims to channel investment into priority industries and it is important the Borough sets out its response (more on this later).

Having considered briefly the backdrop to economic development the following section looks in detail at the Borough's economic performance and prospects (the complete baseline section appears in Annex Two).

CHAPTER THREE: SURREY HEATH ECONOMIC PROFILE

Figure 1: Surrey Heath Economy



Source: Office for National Statistics (ONS)

A GREAT PLACE FOR PEOPLE TO SUCCEED...

Summary

- GVA of £2.5 billion, 52,700 jobs and 4,210 registered businesses
- A growing and ageing population
- High but declining employment rate
- Noticeable but declining military presence
- Pockets of worklessness, NEETs and young people vulnerable to economic inactivity

CHANGING DEMOGRAPHY

Surrey Heath has a population of 86,900 residents and this figure has been rising at a relatively steady rate for the past thirty years. It is projected to continue increasing by approximately 3,600 people per year over the next twenty years. The number of younger and working age residents has remained stable over this period and is projected to stay level. By 2037, it is projected that over one in four residents (27%) will be over 65. The Department for Communities and Local Government (CLG) projects local household numbers to increase by 1,600 between 2014 and 2021 to 35,950 households. In April 2014, there were 1,150 military personnel stationed in Surrey Heath, plus an additional 230 MOD civilian contractors. This will reduce further with the closure of Princess Royal Barracks in 2016 though the Borough retains strong links with the Royal Military Academy at Sandhurst.

EMPLOYMENT AND ECONOMIC ACTIVITY

Surrey Heath has 43,000 residents in employment (December 2013), equivalent to 78% of the working age (16-64) population or 61% of people aged 16+. However, both of these figures are considerably lower compared to the period 2004 to 2009. Surrey Heath no longer enjoys higher rates of employment than locally and nationally. Economic activity trends paint a similar picture to employment trends; relatively high activity between 2004 and 2009, a decrease to levels in line with the national average between 2009 and 2013, and signs of a pick-up more recently.

Further analysis suggests that the economic activity impacts of the downturn between 2009 and 2013 were generally shared across the spectrum of age groups, with the 16 to 19 age group being the one cohort where activity rates decreased more markedly. Approximately 10% of residents aged 65+ are economically active, and this may be having an impact on

the overall activity rate as the number of senior residents' increases. There are currently 1,600 residents aged 65+ in employment; 4% of total employment. This group is likely to make up a greater proportion of the workforce in future.

Approximately 6,100 people are self-employed, equivalent to 14% of the Borough's employed residents.

A HIGHLY SKILLED AND QUALIFIED WORKFORCE

The occupational profile of Surrey Heath has fluctuated between 2004 and 2014 but a constant feature appears to be the relatively large number of people employed in professional occupations (13,200 in 2012; 31% of total employment) and associate professional and technical occupations (5,600; 13%). There are 3,900 Surrey Heath residents employed as managers and directors, although this number is lower now than it has been for most of the past decade (median 5,500).

Surrey Heath has relatively high proportions of the working age population with higher level qualifications; thirty-five percent (35%) hold a degree or above, and forty-four percent (44%) hold NVQ level four or above. This compares to national averages of twenty-seven percent (27%) and thirty-five percent (35%) respectively and an Enterprise LEP performance of thirty-three (33%) and forty-two percent (42%).

There are approximately 600 people receiving jobseekers allowance (JSA) in 2014, of which a third have been claiming for over six months and one-in-six for over 12 months.

A GREAT PLACE FOR BUSINESS TO FLOURISH...

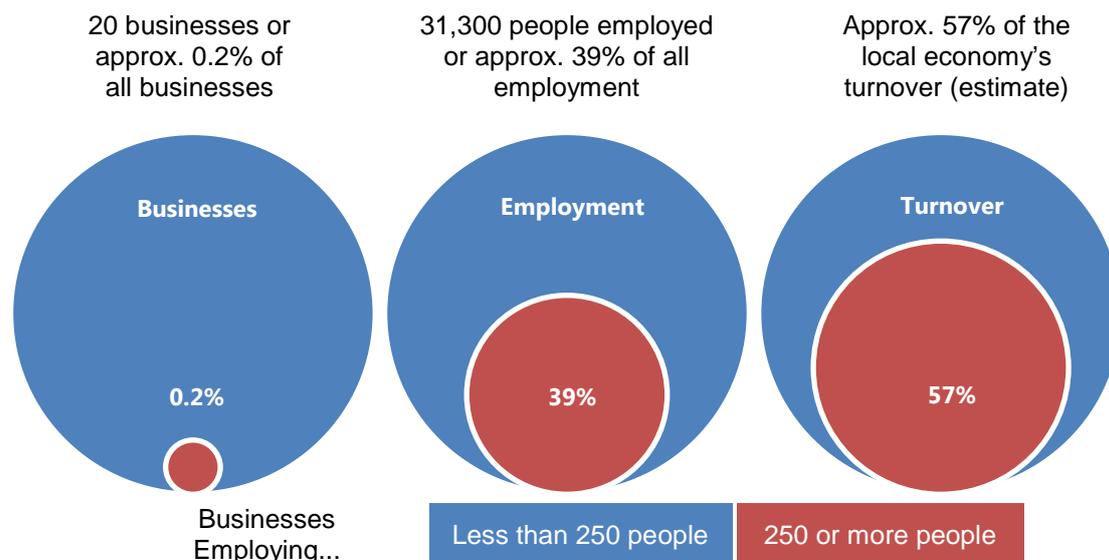
Summary

- Small but productive economy with highly skilled workforce
- Presence of important large employers including household names and headquarters
- Key high technology sectors with strong turnover and productivity prospects
- Vibrant and resilient micro-business base – urban and rural
- Highly enterprising place, but three to five year survival rates could be better
- Some employers affected by skills shortages and hard to fill vacancies

BUSINESS AND EMPLOYMENT DYNAMICS

National statistics (2013) indicate there are 4,210 businesses registered in Surrey Heath. The majority (90%) are micro-businesses employing between zero and nine people. There are 95 businesses that employ fifty or more people, accounting for 2% of all registered businesses, and twenty of these employers provide work for over 250 people. These twenty employers collectively employ 31,300 people, equivalent to 59% of Surrey Heath's workplace employment at registered businesses (see Figure 2). A review of the top thirty employers in Surrey Heath (based on rateable values) finds it is home to head office and regional HQ functions for large and well known engineering firms, financial institutions, pharmaceutical companies and utilities, all part of the knowledge economy.

Figure 2: Surrey Heath Businesses Employing 250 or More People



Source: Business Population Estimates, ONS

The public sector comprises local government as well as strategic sites for the Ministry of Defence, HM Prisons, Frimley Health and local educational institutions. There is a high proportion of retail and entertainment employers that are strategically important for the Borough including several large national chains. In addition to the 4,210 registered businesses, there could be a further 5,652 unregistered businesses, giving a total base of 9,862 businesses in the Borough. As of 2012, 52,700 people work in Surrey Heath.

LOCAL PRIORITY SECTORS AND FUTURE LAND AND PREMISES REQUIREMENTS

Table 1: Surrey Heath Employment in Key Industries according to Location Quotient (LQ), 2012

Sectors	Employment	% of employment	LQ
1. Specialist engineering	5,600	11%	2.4-70.6
<i>Engine & turbine manufacturing</i>	2,600	5%	70.6
<i>Aerospace manufacturing</i>	400	1%	2.6
<i>Engineering research and testing</i>	2,600	5%	2.4-4.8
2. Pharmaceuticals and chemicals	2,300	4%	5.4-39.3
<i>Unclassified chemicals</i>	1,000	2%	39.3
<i>Pharmaceutical preparations</i>	300	1%	5.4
<i>Pharmaceutical wholesale</i>	1,000	0%	7.7
3. Computer sales, programming and services	2,200	4%	1.4-8.7
<i>Computer and software wholesale</i>	700	1%	8.7
<i>Computer programming and services</i>	1,500	0%	1.4-3.7
4. Hospital activities	4,300	8%	1.7
Total - Key Sectors	14,400	27%	

Source: Business Register & Employment Survey (BRES), ONS

Location analysis of sub-sector employment reveals there are four broad sectors with relatively high concentrations of employment compared to the England average (Table 1). These four sectors account for 27% of the employment base with potential to be larger if supply chains in the Borough are included. Their characteristics are as follows:

1. **Specialist engineering** employs 5,600 people, 11% of the Borough total employment. It accounts for nearly two-thirds (3,000; 62%) of engine, turbine and aerospace manufacturing in the Enterprise M3 area, and one-tenth (2,600; 11%) of engineering research and testing in the LEP area. This is particularly relevant considering that aerospace is a designated priority sector for Enterprise M3.
2. **Pharmaceuticals and chemicals** employ 2,300 people, 4% of the Borough total employment. It accounts for one-third (33%) of total employment for this sector within the Enterprise M3 area.
3. **Computer sales, programming and services** employs 2,200 people, 4% of the Borough total employment. It only makes up a small proportion (7%) of employment in this sector within the Enterprise M3 area.
4. **Health Cluster and Hospital activities** employ 4,300 people, 8% of the Borough's total employment. The vast majority is based at Frimley Health.

For most of these sectors, the emerging picture appears to be of relatively high GVA growth alongside more marginal employment growth, helping increase the overall productivity of the sectors (Further detail in Annex Two).

It is possible at a very broad level to highlight the future land and premises requirements of priority sectors (see Annex Two for further detail). In addition to specific sectoral requirements sustainable commercial spaces of the future will require access to vibrant and dynamic environments supporting flexible working with central eating and meeting places, conferencing and open green spaces (or campus style developments). Science and technology companies require good access to London and international airports and proximity to universities and research centres. Given the large number of micros in the Borough a flexible grow-on incubator for knowledge-based companies of all sizes might be an attractive proposition. A facility (which could be converted from redundant offices) might combine specialist equipment, business support, and office and administrative services.

AN ENTERPRISING AND PRODUCTIVE PLACE

Surrey Heath is performing above average (compared to county, LEP, region and England) on three basic measures of enterprise, and has done so over the past decade:

- **Business births per year** - higher than average (10 new businesses were created for every 1,000 working age residents in 2012 compared to 7 nationally)
- **Business deaths per year** - lower than average (103 businesses closed for every 1,000 active businesses in 2012, compared to 108 nationally)
- **Survival rates** – a higher than average rate of new businesses surviving one year and two years (94% of businesses created in 2010 survived for at least one year, and 79% survived for at least two years compared to 91% and 72% nationally).

However Surrey Heath does have relatively low proportions – compared to Surrey and the south east – surviving for three, four and five years (64%, 52% and 45% respectively for the 2007 new business cohort).

Evidence from multiple sources at the national, LEP and county level suggests that business confidence has been increasing throughout 2013 and 2014. It is also clear that Surrey has higher rates of GVA than averages for the south east region and for England. The estimated GVA for Surrey Heath is £2.48bn.

A SUSTAINABLE PLACE TO LIVE, WORK, SHOP AND PLAY...

Summary

- In and out commuting is considerable within Blackwater Valley and local Boroughs with relatively low numbers of London commuters.
- Generally excellent connectivity but pinch-points and inadequate infrastructure may be holding back growth (e.g. M3 junctions and surface links to London and airports) though some alleviation schemes in place.
- Opportunity to develop retail offer and town centre in Camberley, as well as village enhancement programme.
- Housing affordability challenges exist but limited supply of permitted development sites – residential, commercial and industrial – leading to complex land assembly.
- Green, safe and family-friendly - very good quality of life but requires investment in natural and community assets to realise full potential (e.g. Frimley Waterside and leisure sites).

TRANSPORT AND MOBILITY

17,205 people work and live in Surrey Heath, in other words, 42% of people recorded as working in Surrey Heath also live in the Borough (2011 Census). For the 23,295 people travelling into Surrey Heath to work from outside the Borough; the highest numbers of in-commuters come to Surrey Heath from Rushmoor (4,693 in-commuters), Hart (2,972) and Bracknell Forest (2,803). Together, this group of three districts accounts for 26% of the Borough's employment base. The five other districts that directly neighbour Surrey Heath collectively account for 6,673 in-commuters or 16% of the employment base.

The remaining 15% of workers commuting to Surrey Heath are mostly located in surrounding counties and several boroughs in west London. In-commuters from the six districts in the M3 corridor between Winchester and Spelthorne account for 23% of the Borough's employment base. Of all those commuting into Surrey Heath, 81% drive a car or van and a further 5% are passengers. Only 4% take the train to work in Surrey Heath.

As well as attracting in-commuters to work each day, Surrey Heath also loses out-commuters to surrounding areas. The 17,205 people who live and work in Surrey Heath represent 38% of the Borough's resident working population, in other words, 62% of residents commute outside of the Borough to work. The primary working destinations for Surrey Heath residents are to the south of the Borough in Rushmoor (2,806 out-commuters), Guildford (2,224) and Woking (2,144). Collectively, these areas account for 16% of Surrey Heath working residents. The four other districts that directly neighbour Surrey Heath account for a further 5,597 in-commuters or 12%. Approximately 12% of residents commute to central and outer London, while the remaining 21% commute elsewhere or have no fixed place of work. Out-commuters to the six districts in the M3 corridor between Winchester and Spelthorne account for 15% of working residents. Of all those commuting out of Surrey Heath, 82% drive a car or van and a further 3% are passengers. The Census records that 9% take the train to work outside of Surrey Heath.

Within Surrey Heath, 6,835 residents drive a car or van to work within the Borough and 651 are passengers. In comparison, 2,220 residents walk and 413 cycle to work within the Borough. Clearly, a large number use the roads into, out of and within the Borough.

The 2012 Enterprise M3 transport survey found that one in ten businesses in the LEP area think that transport congestion is a barrier to growth, and pinch points near to M3 junctions three, four and four (a) were found to be the second highest priority area for EM3 businesses after the highest rated priority of A3 access through Guildford. The stretch between junction four and junction three of the M3 carries an average of 115,046 vehicles per day, a volume

that has remained relatively stable over the past decade. Surrey Future's Congestion Programme also identified challenges in Camberley town centre, the A331 corridor, the A319 in Chobham and to a lesser degree Frimley A325. The Surrey Transport Plan reports that, for the County as a whole, the cost of congestion is estimated at £550m per annum. In order to address congestion and open up access to sites, the Enterprise M3 Local Transport Body has £24m over four years to invest in projects. The provision of safe pedestrian and cycle routes will be important in addressing congestion and access issues. The July 2014 announcement of 'smart motorway' construction between M3 junctions two and four (a) is expected to boost capacity by a third and improve journey times by 15%.

Rail journey times between Surrey Heath and London are over an hour. The numbers of rail users for the stations in Surrey Heath are considerably lower than for centres elsewhere in Surrey, notably Guildford and Woking and many residents drive to Brookwood, Farnborough or Sunningdale to use a faster, more direct service to London. The 2013 Surrey Rail Strategy and 2014 Surrey Heath Local Transport Strategy recognise access to London from Surrey Heath and Blackwater Valley as a priority issue. They recommend options to improve adequacy of service in the shorter-term, such as Camberley station improvements, as well as potential improved surface links in the longer-term with Heathrow, Gatwick and Crossrail 2. The most significant rail intervention being considered in the forward programme is the reinstatement of the Sturt Rail Chord link between the Guildford-Ascot line and the south-west mainline improving direct access to London Waterloo.

RESIDENTIAL, COMMERCIAL AND INDUSTRIAL FLOORSPACE

Surrey Heath faces the challenging scenario of balancing high demand for housing with limited supply of permitted sites. Between October 2005 and March 2010, the Council issued planning permissions for 834 net new additional dwellings, a figure that was affected by the difficulty in providing Suitable Alternative Natural Green Space (SANGS). As of April 2011, housing land supply had diminished to 2.4 years of land supply and this was viewed in the Core Strategy as unlikely to increase. At the time, it was anticipated it would take at least five years for an adequate land supply to accumulate. Since then, the announcement of Growth Deal funding from Enterprise M3 brings financial support to purchase SANGS in Camberley, with the objective of bringing forward 1,300 new homes in Surrey Heath.

Despite this there is a relatively low proportion of household spaces classed as small dwellings, the high proportion of detached dwellings and the low proportion of stock classed as entry-level flats, maisonettes and terraces. This imbalance in the mix of housing results in the housing needs of certain groups going unmet. Those seeking small dwellings for reasons of affordability, convenience or simply personal preferences are likely to experience far more difficulty locally than the surrounding Boroughs.

Compared to other districts in the Enterprise M3 area, Surrey Heath has a relatively high office vacancy rate (37%) and a mid-ranking industrial vacancy rate (8%) (Enterprise M3 Commercial Property Market Study, 2010). These rates raise some concerns given national planning norm vacancy rates of 5% to 10%. Camberley is primarily a comparison goods shopping destination, with a strong service offer provided by banks, building societies, pubs and restaurants but the number of units and the overall floorspace show a lower than average convenience goods offer. 34,679 square metres of floorspace would be required for comparison goods retail between 2010 and 2026, more than double the supply in 2010. The recent Town Centre Statement outlined £310m potential regeneration investment and improvements beyond commercial floorspace.

HIGH QUALITY OF LIFE BUT AT A PRICE

One of the biggest factors affecting quality of life in Surrey Heath is house prices. The Enterprise M3 Housing Evidence Study notes that “housing affordability is a crucial factor attracting skilled workers, particularly graduates, to live and work in the EM3 area.” That said, circumstantial evidence suggests that many people choose to move to Surrey Heath because house prices are cheaper than in central London, yet at the same time, Surrey has house prices that are higher than many of its neighbouring areas.

The house price to income ratio is arguably a better measure for quality of life than house prices alone. Even though Surrey Heath average earnings have consistently been above levels elsewhere locally and nationally the house price to income ratio is estimated to be around 8.5.

Surrey Heath’s “high quality natural environment and significant amounts of open space” are recognised as considerable strengths. There are country parks in Frimley Green and Lightwater, areas of ecological importance in the Thames Basin Heaths Special Protection Area (SPA), along with five protected biodiversity areas (SSSIs) covering nearly a quarter (23%) of the Borough. These areas form part of a green infrastructure network for Surrey Heath that also includes parks and gardens, woodlands and green corridors, outdoor sports fields, allotments and other areas of accessible countryside.

CHAPTER FOUR: SURREY HEATH SWOT

BOROUGH STRENGTHS

Looking at the baseline evidence and listening to key stakeholders and businesses Surrey Heath has a number of assets which make it a great place to live, work and do business.

It is a clean, green and safe Borough with an exceptional quality of life including some quintessentially English and attractive villages and rural areas. The Borough has vibrant and resilient high streets, lots of open space with trees, woodlands and lakes and good schools. It is family friendly and has a good retail and cultural offer and restaurants and a formidable military heritage. Stakeholders cite its exceptional connectivity through the M3 to London and key locations via the M4 and M25. Surrey Heath is located within an economically buoyant sub-region, it has good broadband connectivity and proximity to ports and airports.

The Borough has an active business community with several prestigious firms. 20 large employers including Eli Lilly, Bank of America, Novartis, and Siemens have chosen to locate in Surrey Heath. Surrey Heath has high rates of employment and economic activity, strong GVA per head and a good labour market catchment area which several large employers saw as a distinct advantage. High proportions of the working age population have higher level qualifications and/or high level occupations. There is a good concentration of globally competitive sectors and key public sector employers (see previous Chapter). The analysis shows a good performance on key measures of enterprise notably births, deaths and one and two year survival rates.

BOROUGH WEAKNESSES

Successful economies tend to exhibit the strains of growth. Surrey Heath is no exception; some of its infrastructure is creaking, with congested roads and some outdated premises. It has witnessed some key economic indicators dip in performance since the recession.

The Surrey Transport Strategy clearly identifies some local transport pinch points. A large number of people use the roads into, out of and within the Borough resulting in some heavy traffic flows. Poor connections to London are a key inhibitor to future economic growth. There are some office vacancies although there is lack of new space for development with ageing supply of town centre office stock, limited choice of business park premises and increasing competition from neighbouring areas. There is a lack of extensive opportunities for new employment sites without putting pressure on the greenbelt. This is combined with new floorspace becoming available in adjoining areas. Studies indicate that the Camberley town centre retail offer could be enhanced and it is noted there are plans in place for major regeneration of the town.

Housing supply and affordability is a potential barrier to recruitment with high house price to income ratios. That said employers did not cite this phenomena as a 'deal-breaker'.

The lack of direct control over portfolios which influence economic performance, especially: skills, transport (including public transport, rail and highways), and schools, makes action at the local level sometimes quite challenging. There is scope, stakeholders maintain, to work with others more on economic development matters such as the Blackwater Valley local authorities. The Surrey Heath local authority brand is perhaps not as distinctive as others and its economic identity could certainly be conveyed more clearly.

There are relatively low proportions of businesses – compared to Surrey and the south east – surviving for three, four and five years and the Borough perhaps does not exploit available business support services as well as it might. Despite appearances there are small local pockets of deprivation with the Borough. Arguably links to colleges and universities outside of the Borough could be improved helping knowledge economy firms access the talent pool in Further and Higher Educational Institutions.

BOROUGH OPPORTUNITIES

Despite the weaknesses outlined there is a good variety of major regeneration and economic development opportunities. Investment in the right connectivity enhancements could significantly improve the productivity and prospects of the local economy. Those that would have the most profound effect include improvements to surface access to the airports and the frequency of trains to London and, longer term, the creation of a direct rail link to London. Improvements to the North Down Rail link to Reading and direct access to Cross Rail are a long term aspiration.

It makes sense to capitalise on the Borough's military heritage and proximity to RMA Sandhurst more using the military covenant to bring civil and armed forces lives' closer together. This might include activities that integrate serving and ex-services personnel and their families into local life such as healthcare, employment and housing needs.

Business confidence has been increasing, there is an appetite to engage more with the Council and businesses consulted liked local networking events. The Borough has a vibrant micro economy, supporting their needs would benefit the area. For instance the easy availability of grow on space or premises for industrial and technology uses, or rural diversification measures would broaden the overall mix of employment uses.

There are several residential and mixed use schemes including (a) Deepcut - a sustainable, high quality rural heathland village with a delivery partner appointed - and (b) the Sustainable Alternative Natural Greenspace (SANG) project to unlock housing sites. Small business units could be encouraged within these sites and local supply chains nurtured to support this significant, once in a generation, opportunity. The Council could maximise the use of urban, brownfield land in sustainable locations and regenerate key sites particularly offices and sites for industrial use. The Borough, through its Town Centre Action Plan, and other measures has an opportunity to reinforce its local character and distinctiveness through 'place shaping' and high quality design.

The Borough is in urgent need of enhanced walking, cycling and bus infrastructure measures to support access to the strategic employment sites. The outdated rail station at Camberley would benefit from investment (plans have been developed). There are some key development areas for instance along the A30 frontage and the Borough will work proactively to ensure they are developed. The Borough has an opportunity to make sure its business parks are full and continue to attract firms from London for example. To achieve this the local business parks will need some improvements and/or services.

Employer links and networking could be improved even further through the Council's Open for Business approach. This could include positive planning (there are some good examples here), and enhanced relationships with business support providers and small business infrastructure and services.

The designation as a 'Step-up town' by Enterprise M3 brings new opportunities as do potential links to Sci:Tech corridor for instance through support for growth in key sectors with good prospects. Frimley Health could become a focus for healthcare development.

There is certainly potential to improve Camberley's shopping / Town Centre, office and residential offer to exploit local spending power. A more proactive stance in rural villages could be taken following the approach in Bagshot to reduce vacancy, increase footfall and enhance leisure, culture and retail offer or using neighbourhood planning in the parishes.

Better exploitation of tourism and leisure assets could be encouraged. Investment along the canal would result in significant healthy living and economic benefits. There is scope to work with Blackwater Valley Boroughs on various matters and perhaps for the tourism sector to work together more to grow the evening economy, enhance footfall and local spend.

European Social Funding allocated to the LEP provides an opportunity to address pockets of social exclusion and has the potential to be deployed on a range of local activities. This might include measures aimed at young people not in employment or training, job clubs, employability schemes such as those helping people with learning difficulties into work, or confidence building and employment skills activities. Existing links with Job Centre Plus and Accent could be strengthened.

Overall the Borough could exploit: (a) more economic opportunities from travel given its proximity to the airports (b) technology investment at Farnborough and (c) wider business growth opportunities linked to inward investment and exporting.

BOROUGH THREATS

The Borough's make-up and dynamics mean several factors need to be considered in implementing growth measures. Disjointed land ownership can hinder new development which can be restricted to in-fill opportunities. Competing nearby developments present a potential threat; such as those at Farnborough Airport, the Aldershot Urban Extension or other retail centres such as Woking and Guildford. Other areas may be more attractive to businesses looking for new premises such as Farnborough Business Park. Similarly the new A3 corridor through Guildford may divert people from the Borough.

Despite signs of resilience there is recognition that the Borough can't be complacent. For instance there has been a decline in young people's activity rates following the recession and an ageing population may mean a greater reliance on commuters.

Continued congestion could result in major employers relocating. There is an urgent need to improve traffic flows in Camberley Town Centre, at the hospital and the M3 approach routes and there has been insufficient investment in sustainable integrated public transport solutions. There are concerns that investment in Camberley could be at the expense of rural locations and a political reticence to develop can mean investment opportunities are missed or growth is not fully exploited. The cost of housing may deter local workers moving to the Borough and there is an urgent requirement for land for affordable housing. Major new housing and development has the possibility of bypassing local people in terms of employment opportunities or by not integrating commercial opportunities.

Finally it is possible a focus on priority sectors might not provide significant new employment or employment growth, particularly for local residents. There is a danger sectors like retail, food/accommodation and construction are forgotten.

A summary of the SWOT analysis appears overleaf.

Strengths

Clean Green & Safe, Family Friendly	Good Retail & Cultural Offer	Vibrant & Active Business Community including HQs	Good Enterprise Performance
Exceptional Road, Rail, Air, Broadband Connectivity	High Rate of Employment, Ec. Activity & GVA	High Proportions of Higher Level Qualifications/ Occupations	Key Public Sector Employers Globally Compet. Sectors

Weaknesses

Transport Pinch Points & Poor Rail Connections to London	Business Survival (3-5 years)	Heavy road Usage / Flows
Ageing & Limited Business Stock / Employment Sites	Housing Supply & Affordability Challenges	Small Pockets of Deprivation

Sustainable Transport Connectivity Investment (Internal & External)	Military Connections	Business Confidence – Better Connections with Business	Address Exclusion / Worklessness and Promote Employability
Vibrant & Resilient Micro Economy	Place Shaping, Employment Land Renewal, Key Development Sites	Open for Business	Inward Investment & Exporting
Transformational Step-up Town Actions & Links to Sci:Tech Corridor	Rural Economic Development	Better Exploitation of Tourism and Leisure Assets	Support for Growth Sectors

Decline in Young People's Activity Rates	Disjointed Land Ownership	Congestion and Reliance on the Car/Commuting	Over Reliance on Growth Sectors
Competing Developments eg Business Parks, Housing, Retail, Transport	Economic Complacency	Overreliance on Camberley for Growth and Political Reticence	Public Integrated Transport Needs Investment
Cost of Housing, Rents	Ageing Population	New Development by-passes Local People	

Opportunities

Threats

 Place
 Business
 People

CHAPTER FIVE: STRATEGIC ECONOMIC OBJECTIVES

The following three principal economic objectives are designed to maintain a competitive and entrepreneurial local economy and quality of place that makes the Borough such a desirable location for businesses, residents and visitors. The Council will work with stakeholders to create:

1. **A sustainable place to live, work, shop and play:** creating the conditions for growth through transformational actions and associated measures.
2. **A great place for business to flourish:** a Borough that's Open for Businesses large and small.
3. **A great place for people to succeed:** ensuring the local economy trains, recruits and retains the right talent required for continued growth.

A description of each aim, its rationale and key actions follows, with the principal challenge for the Council and its partners considered at the beginning of each section. Further details on each of the proposed actions are provided in Annex One. The actions were designed to tackle those areas where action on economic development is feasible and the rewards most significant.

A SUSTAINABLE PLACE TO LIVE, WORK, SHOP AND PLAY

The Challenge for the Council and its partners is to realise over £0.5 billion worth of investment in the next decade or so and achieve its radical Step-up town ambitions to transform the town into the destination of choice for business and residents. This will be matched by an excellent, well-functioning and integrated transport system. Major retail development will unlock nearly 1,900 jobs (direct and indirect) in the town centre and almost 2,000 (direct and indirect) construction jobs will be created at Deepcut. Severe congestion pinch points will be addressed, connections to London will be transformed and partners will make much more of our exceptional natural assets and visitor economy.

AIM 1: EXPLOITING GROWTH PROSPECTS - CAMBERLEY STEP-UP TOWN TRANSFORMATIONAL ACTIONS AND NURTURING THRIVING VILLAGES

The vision for Camberley is to be a leading centre for the Borough and the wider North West Surrey and Blackwater Valley area. It is the Borough's number one development priority. The Council will continue to improve the Borough's competitiveness and exploit its latent potential through significant transport infrastructure development and town centre regeneration. The possible addition of a major anchor store will transform the Camberley offer and will see the delivery in total of 41,000 sq m of prime retail space in the coming years (see the Camberley Town Centre Area Action Plan, July 2014). It is important from an economic perspective that the town retains some of its office space fulfilling its role as a valuable employment centre. The Council believes there is scope to enhance the economic potential of rural areas and communities and, longer term, the infrastructure and vibrancy of Frimley, Camberley's neighbouring town. The proposed actions for this aim are as follows:

- The development of several opportunity areas and sites¹ in the north, east, west and Southside of Camberley including the Cultural Quarter, expansion of the Mall and London Road Frontage - a key priority as it has capacity for an anchor store.

¹ Pembroke Broadway north, Camberley Station, Land at Park Lane, Land east of Knoll Road; London Road Block; Magistrates Court; and The Granary.

- A village enhancement programme rolling out the Bagshot Action for Market Town's model or using neighbourhood planning in the parishes.
- The longer term enhancement of the commercial viability of Frimley.

AIM 2: PLANNING FOR THE FUTURE: ACCOMMODATING EMPLOYMENT GROWTH AND PROMOTING SUSTAINABLE URBAN DEVELOPMENT.

The local population is growing, the pressure for housing is not diminishing and the Borough needs to plan for future sustainable employment growth. Housing is an economic driver in its own right and major mixed use developments at Deepcut in particular will be exploited for the benefit of local businesses and people. The Borough faces intense competition from Science Parks, new business parks and new build office units in neighbouring areas. In response Surrey Heath will revitalise those parts of the office market which might appeal to investors. The actions under this aim concern accommodating employment growth, revitalising the office market and promoting sustainable urban development. The Council will support the growth of micro business and will ensure they have the right space to do so. The proposed actions for this aim are as follows:

- The active promotion of principal employment sites for instance: the Mall, and the Business Parks. The potential of the following will be explored (a) other employment sites with available parcels of land through downsizing or relocation (b) expansion of successful existing firms and (c) vacant office space including creative proposals for grow-on space for micros and high-tech firms.
- Filling/renewing the towns' Business Parks following the recommendations in the employment land study and including access improvements to Watchmoor and Yorktown Business Parks. The Council will work with landlords to help them enhance their commercial estates / landholdings.
- The exploitation of the business potential of Deepcut and SANGS. At Deepcut the integration of business units will be encouraged. The Borough will explore supply chain opportunities for local contractors and employment for local residents.

AIM 3: INVESTING IN ENHANCED INTERNAL AND EXTERNAL CONNECTIVITY

Effective transport connectivity is one of the Borough's unique selling points. At times it is also its Achilles heel. The Borough suffers from congestion locally and on the M3 with a chronic reliance on the car; poor rail usage, infrastructure and connections; bus services that could do with improvements and inadequate connections to London and the airports. Road congestion will directly affect economic advantage and eventually the health of local residents. A successful economy is a fully integrated one where transport modes and infrastructure are cutting edge and seamlessly interconnected. Transport systems help firms trade, raw materials to be transported and labour markets to function.

The Council believes substantial investment is required to maintain its competitiveness and unlock further growth in the Borough and the Surrey Heath Transport Strategy has well worked up plans requiring support. The intention is to work with the County to prioritise investment where it will have the greatest economic returns. The proposed actions for this aim are as follows:

- A30/A331 Corridor Improvements; Surrey Heath. A redesign of the Meadows Gyratory to provide improvements to the road network in Camberley.
- Associated public realm and highway and junction improvements are urgently needed (e.g. Knoll Road/Kings Ride and High Street). Plans for the regeneration of Camberley town centre, and in particular the A30 London Road frontage.

- Improved interchange facilities to Camberley railway station to widen travel choices. A package of enhanced walking, cycling and bus infrastructure measures to support access to the strategic employment sites.
- Rail connectivity enhancements to London and airport surface access improvements.
- The completion of the M3 Managed Motorway Scheme and M3 Approach Scheme.
- Frimley transport network improvements: enhancing movements through Frimley, reducing congestion and providing improved sustainable transport measures.
- Other improvements identified in the Surrey Heath Transport package.

AIM 4: STIMULATING THE VISITOR AND CREATIVE ECONOMY

The Borough's high quality of life is exemplified by its natural assets and recreational and leisure opportunities. Investment in these assets will have significant economic and health benefits for future generations. In a similar vein staging events will ensure more people visit, stay and return to the Borough and spin-offs for businesses will result. Employees and residents enjoy local parks, lakes, canals and woodlands. The Council believes more could be made of these assets by linking them up around Frimley Waterside and Blackwater Valley through enhanced interpretation, signage and other projects.

Some of the Borough's other recreational assets need improvements and the Council will work with leisure operators to see how facilities for visitors will be enhanced. The tourism sector could work together more to exploit evening economy, enhance footfall and local spend. The Borough does not want a 'clone' town and will encourage independents and thriving creative community. The proposed actions for this aim are as follows:

- Working to attract high profile major events following the successful staging of the Tour of Britain. This will include events linked to Surrey Heath's Military heritage and that promote healthy or active lifestyles.
- Measures to attract 'creatives' into the Borough.
- Regeneration of Frimley Waterside/Blackwater Valley and other recreational assets.

A GREAT PLACE FOR BUSINESS TO FLOURISH

The Challenge for the Council and its partners is to play a much more visible role on small business growth and survival. Above all the Council will be Open for Business deepening relations with local firms to realise their growth ambitions. Working at the heart of the Sci:Tech corridor with Enterprise M3 presents an exciting new prospect for key firms within our priority sectors. Our final challenge is to ensure Surrey Heath appeals, and is able to respond to, investor requirements more explicitly and pro-actively as well as directing firms to support to stimulate export growth.

AIM 1: SMALL BUSINESS GROWTH PROGRAMME

A resilient local economy is one that encourages new and diverse enterprise and micro enterprises. Surrey Heath scores well on most measures of enterprise performance and has a vibrant micro economy and 'prosperous suburbs'. The Council aims to improve the Borough's business survival rates at three to five years of trading and support the next generation of medium businesses. The Council wants to accelerate local micro and small business growth. The Borough will work with its neighbours to ensure the growth hub delivers the right support for growing smaller firms and start-ups. The proposed action for this aim is as follows:

- The development of a small business growth programme with neighbouring Boroughs setting out aspirations for the proposed growth hub. It might include leadership and management skills for small business, start-up advice or advice on how to secure opportunities from local public sector employers.

AIM 2: OPEN FOR BUSINESS

For the first time in a generation, local government will get a direct financial benefit in the form of business rate retention from helping to deliver local business growth. Much local growth comes from the 'here and now' and through its Open for Business approach the Council is implementing step-change in how it engages with the local business community. Experience from elsewhere suggests by deepening its relations with local firms the Council can act as a pivotal conduit for a company's growth aspirations. This measure involves working with key companies to understand their growth needs and barriers and responding accordingly, for instance, by brokering internal or external advice and support. The proposed action for this aim is as follows:

- A suite of business support measures for existing businesses including planning support for expansion, account management of the top 30 influential employers, a civic dinner and breakfast meetings.

AIM 3: SCI:TECH SECTOR DEVELOPMENT

A large proportion of Enterprise M3's priority sectors are located within the Borough. Key sectors are predicted to grow and have a greater share of the Borough's GVA. They will continue to create well-paid jobs and supply chain opportunities. The Borough has the potential to contribute to the proposed Sci:Tech corridor by exploiting its strengths in key sectors. The proposed action for this aim is as follows:

- Exploiting opportunities in the engineering, pharmaceuticals, IT and health sectors. The Council will work with companies in key sectors to help them realise their growth aspirations. This could include talent development and recruitment, R&D or physical expansion. The Borough may wish to draw on support from national providers including MAS, UKTI, Innovate UK and the Growth Accelerator. Part of the Council's enabling role will simply be to raise awareness of what's out there.

AIM 4: EXPORT DEVELOPMENT AND INWARD INVESTMENT

Productivity gains will only be realised if the Borough takes a more proactive stance in encouraging firms to locate here and increasing the number of small businesses who are trading internationally on a regular basis. The Council will support greater internationalisation of local firms from first timers to companies entering new markets or deepening existing activity through the Open for Business process. The proposed actions for this aim are as follows:

- Working with UKTI to boost propensity to export and actively encourage inward investment. The Council and its partners will ensure businesses are aware of the core offer from UKTI.
- The Council wants to take a more proactive outward facing approach to investment by setting out a compelling Surrey Heath inward investment business proposition that highlights its sectoral strengths and unique assets.

- The development of a commercial property database so that investors can see at any time what development opportunities the Borough has to offer.

A GREAT PLACE FOR PEOPLE TO SUCCEED

The Challenge for the Council and its partners is to deepen its HE/FE connections and support the qualities that make the area so attractive to employers; good schools, a highly skilled workforce, and young people aspiring to local career opportunities. Getting residents back into to work is as important as ever in tight labour market as is deploying the skills of older workers. Finally there is a real desire to nurture local economic connections with the Military.

AIM 1: SHARED PROSPERITY AND MATCHING TALENT

The Council recognises that the labour market plays a pivotal role in supporting economic and social change and directly affects the prosperity of the Borough and its workers. The competition for talent across the Enterprise M3 area is likely to intensify with a growing emphasis on world class skills within the Sci:Tech Corridor. Without an HE/FE presence this could make the Borough a little vulnerable. That said the Council could be more proactive with leading companies making connections where it is sensible to do so. New developments bring new jobs and employers should be able to access support to help them find the right talent. This will contribute to the on-going prosperity of the Borough. There are some successful local approaches to build on here and lots of pipeline activity anticipated. The proposed actions for this aim are as follows:

- Employability and recruitment measures to dovetail new developments.
- Enabling employers to articulate and access appropriate available skills support.

AIM 2: DEEPENING MILITARY CONNECTIONS

Military heritage is in the Borough's DNA and a key component of the local economy. Many stakeholders believe more could be done to capitalise on its presence and the world renowned Royal Military Academy at Sandhurst. The Borough is not alone in the Enterprise M3 area in terms of military connections and would be well placed to lead a joint programme. It could focus on maximising the economic and social impact of the MoD presence through career transition support or indirect benefits. This would contribute to the Borough's vibrancy and prosperity. The proposed actions for this aim are as follows:

- Deepening local ties through the Military Covenant.
- Leading an LEP wide programme with two parts (1) employment transitions for ex-military personnel and military (b) a local sub-contracting programme.

AIM 3: ASPIRATIONS AND AWARENESS

There is recognition that more needs to be done to attract young people into STEM subjects and a desire from the Council to enhance strategic links between employers and young people. Better links between the local business community and schools would raise young people's aspirations and enhance their awareness of available career opportunities. The Council will support schools in their proposals to maintain and enhance their performance and standards and explore the potential of an HE/FE presence in the borough.

The proposed actions for this aim is are follows:

- Promoting apprenticeships, STEM and IAG activities with the County and others.
- Raising the profile of local career opportunities through, for instance, inspiring events.

AIM 4: ADDRESSING POCKETS OF WORKLESSNESS

Rising levels of inequality could potentially hinder the growth and prosperity of the Borough. In a tight labour market those jobless individuals in a position to work represent a wasted economic opportunity. The evidence shows whilst the Borough's relative economic position is strong, it has deteriorated for some groups including young people. Officers and members are keen to address this concern in a proactive way building on existing approaches that work (with identified training providers and Job Centre Plus for example) and working with others in neighbouring Boroughs or at the county level. (Working with others is sensible as we have one of the lowest numbers of NEETs in the country). The proposed actions for this aim are as follows:

- A series of measures including: support for young people NEET, job clubs/measures around major developments, and training packages for the unemployed potentially with other Boroughs. The Council will pay particular attention to those made redundant or who have been unemployed for less than six months where they have good prospects of getting back into work and older workers.

ANNEX ONE: ACTION PLAN

INTRODUCTION

The following actions which were described briefly in the previous chapter have been designed to be relatively achievable and practicable. They strike a balance between early wins and longer term more transformational activity. They are grouped under the three strategic economic objectives. The suggested priority for each package is also shown below (a summary is provided at the end).

A SUSTAINABLE PLACE TO LIVE, WORK, SHOP AND PLAY

Aim	Aim 1: Exploiting Growth Prospects. Camberley step-up town transformational actions and nurturing thriving villages.
Description/Aim(s)	Aspirations for the retail core are set out in the Camberley Town Centre Area Action Plan (July 2014) which will ensure the town is a destination of choice for business/residents. It is important from an economic perspective the town retains some of its office space fulfilling its role as a valuable employment centre. The Council is exploring the possibility of a major anchor store transforming the Camberley offer. The proposed actions are:: <ul style="list-style-type: none"> • The development of several opportunity areas/sites in the north, east, and west of Camberley including the Cultural Quarter, the Mall expansion and London Road Frontage - a key priority as anchor store potential. • A village enhancement programme through a combination of action planning and neighbourhood planning. • The enhancement of the commercial viability of Frimley in the longer term.
Partners & Council Role and Next Steps	<ul style="list-style-type: none"> • Implementation of Camberley Town Centre Area Action Plan and Continued development of principal opportunity areas (e.g. facilitation of new retail development in London Road). • On-going negotiations and discussions with developers. • Encouragement of development proposals that improve the quality and range of office and business accommodation in a range of unit sizes. • Selection of the next locations for village enhancement programme and timetable for action in place. • For the longer term, development of a programme to enhance the commercial viability of Frimley.
Potential Economic Impact / Outputs	1340 direct jobs, 548 indirect jobs, 1888 total jobs (estimate of retail jobs based on construction ²) The delivery of 41,000 sq m of prime retail space to 2028
Costs	North Side; £120m (London Road Block); East Side; £16m (Land east of Knoll Road). Indicative total: £132m
Timing	Long Term to 2028

² Using LEK Construction in the UK economy May 2012 update

Aim	Aim 2: Planning for the Future. Accommodating employment growth and promoting sustainable urban development
Description/Aim(s)	<p>The proposed actions for this aim are as follows:</p> <ul style="list-style-type: none"> • The active promotion of principal employment sites for instance: the Mall, and the Business Parks. The potential of the following will be explored (a) other employment sites with available parcels of land through downsizing or relocation (b) expansion of successful existing firms and (c) vacant office space including creative proposals for grow-on space for micros and high-tech firms. • A workshop with commercial and residential agencies of all sizes to convey Council priorities. • Filling/renewing the towns' Business Parks following the recommendations in the employment land study and including access improvements to Watchmoor and Yorktown Business Parks. This includes addressing road bottlenecks and capacity limitations through measures including a new link road and junction/highway improvements, further measures promoting sustainable transport, improved access enhancing their attractiveness as a location for new or relocating businesses. • Exploitation of the business potential of Deepcut and SANG provision (Suitable Alternative Natural Green Space). At Deepcut in particular the integration of business units will be encouraged. The Borough will explore supply chain opportunities for local contractors and the possibility of employment for local residents.
Partners & Council Role and Next Steps	<ul style="list-style-type: none"> • Design/construction of first phase of development at Deepcut by developer Skanska and architect/masterplanners HLM. • Finalisation of negotiations with the landowner about the SANG provision. • Consideration of development briefs, scheme identification and support for appropriate development and new investment for the Mall, and the Business Parks. Work with landlords to help them enhance their commercial estates / landholdings. • Identification of creative proposals for grow-on space for micros and high-tech firms
Potential Economic Impact / Outputs	<p>Houses could create 1407 direct jobs, 576 indirect jobs and 1983 direct and indirect generating a direct and indirect construction GVA of some £151m (Kada Research estimate). 1200 new dwellings at Deepcut (200-250 per phase), 69 Ha of public open space, 2 form entry primary school, enhanced village centre, new care home and new services infrastructure. 1300 new homes as a result of SANGs including 28% affordable. GDV of SANGs £2.6m</p>
Costs	<p>£126 million (estimate for Deepcut housing element) plus a £10.5m transport package (developer contribution) SANGS - £2 million in 2015/2016. Business Park Improvements Business Park Improvements estimated at £4.6m.</p>
Timing	<p>Long Term. Deepcut 15 years (Phase 1 2016-2017) and SANG to 2028. Medium term programme 3-6 years (2016/17- 2019/20)</p>

Aim	Aim 3: Investing in Enhanced Internal and External Connectivity
Description/Aim(s)	<p>The proposed actions for this aim are as follows:</p> <ul style="list-style-type: none"> • A30/A331 Corridor Improvements; Surrey Heath. A redesign of the Meadows Gyratory to provide improvements to the Camberley road network. • Improved interchange facilities to Camberley railway station to widen travel choices. A package of enhanced walking, cycling and bus infrastructure measures to support access to the strategic employment sites. Other improvements identified in the SH Transport package. Associated public realm and highway and junction improvements are urgently needed (e.g. Knoll Road/Kings Ride and High Street). • Rail connectivity, capacity and performance enhancements to London including committed speed and extra carriages onto the SW Main Line and surface access improvements to the airports including a committed scheme on the North Downs Line at Redhill for an additional platform (platform 0) to enable 2 trains per hour to Gatwick and recently announced electrification / signalling enhancements. Longer term the Sturt Rail Chord Railway Link re-introduction will improve direct access Camberley, Frimley and Bagshot to London Waterloo. • The completion of the M3 Managed Motorway Scheme (Junction 2-4) and M3 Approach Scheme (Junctions 3 & 4 Improvements include junction safety measures and traffic flow measures to the A322 New Road/M3 junction 3 with additional street lighting, HGV weight and height restrictions on the M3 approach and passenger transport measures through improved bus ways and priority measures). • Frimley transport network improvements: enhancing movements through Frimley, reducing congestion and providing improved sustainable transport measures (longer term plan).
Partners & Council Role and Next Steps	<ul style="list-style-type: none"> • Implement A30/A331 Meadows Roundabout improvements (Surrey County Council) • Business cases need to be drawn up for 2015/16 LGF transport schemes (Surrey County Council). • Additional residential, new rail station and car park improvements for South Side (Camberley). • Implementation of managed motorway scheme (Highways Agency). • Implementation of rail improvements identified in the Surrey Rail Strategy (Surrey County Council). • Development and submissions of scheme identification, business cases for SH Transport Schemes as set out in Surrey Transport Strategy.
Potential Economic Impact / Outputs	<p>Improved competitiveness as result of reduced congestion.</p> <p>Approximately 20 new jobs will be created from the new housing at Ashwood House. Reduced congestion and improved access to Albany Park and Lyon Way Industrial Estate, Frimley Business Park, Frimley Square and Frimley Health. Improved traffic flows within the town centre and reduce congestion both within the centre and on the feeder roads and enhanced attractiveness of the centre to businesses, residents and visitors.</p> <p>The Ashwood House scheme will provide 3,800 metres of refurbished retail space, approximately 50 new flats including 20 flats for social rent.</p>

Costs	(a) Camberley Town Centre Highway Improvements, £5m, 2016/17-2019/20 (b) A30/A331 Meadows Roundabout, Camberley - £2m for 15/16 (confirmed LTB scheme) and £1.7m sought for 16/20. Total costs £4.9 million. (c) Ashwood House - £4.5m for 15/16 (secured) and £3.0m for 16/20 – a loan to convert an empty building to flats, sell the flats and repay the loan. (d) South Side: £12m (e) Managed motorway scheme: £134m and approach scheme £5m with £4.88 sought from LGF. (f) Camberley Sustainable Transport Package: £4.1m Local Growth Fund sought (£2.1m in 2016/17) (g) Sturt Rail Chord Reintroduction £100m (h) Frimley Transport Improvements (£3m) & widening of the A325 between the ‘Toshiba’ Roundabout & ‘Hospital’ Roundabout (£1m)
Timing	(a) Managed motorway short term 2015-2016 (b) Ashwood House: The aim is to complete in 2016. (c) A30/A331 Meadows Roundabout, Camberley to 2020 (d) North Downs Line Rail Improvements between 2014-2019, carriage enhancements by Dec 2014, speed enhancements 2014-2020 and recently electrification/signalling enhancements. (e) Sturt Rail Chord Reintroduction Long Term 2020/2021+ (f) Frimley Transport Improvements (2016/17- 2019/20) and widening of the A325 between the ‘Toshiba’ and ‘Hospital’ Roundabouts (2015-2016)

Aim	Aim 4: Stimulating the Visitor and Creative Economy.
Description/Aim(s)	The proposed actions for this aim are as follows: <ul style="list-style-type: none"> • Working to attract high profile major events following the successful staging of the Tour of Britain. This will include events linked to Military heritage and that promote healthy or active lifestyles. • Measures to attract ‘creatives’ into the Borough. • Work with Collectively Camberley on a plan encouraging local independents/creative businesses to locate. • Regeneration of key leisure assets and development of a continuous green space along the Blackwater Valley and realisation of its potential as an outdoor recreation resource via better promotion/maintenance, access/rights of way, recreational/cycling enhancements and volunteer opportunities.
Partners & Council Role and next Steps	<ul style="list-style-type: none"> • The identification of one or two key events to be attracted to the town. Discussions with the MOD to explore opportunities for joint event (perhaps a Centenary event to mark the end of the first world war with its twin towns). (Collectively Camberley, SHBC, IWM: WW1 Centenary Partnership, MoD). • Independent/creative business plan (Collectively Camberley, SHBC). • Liaise with landowners and planning authorities to identify and seize opportunities to improve the existing access routes and preparation, distribution and updating material promoting the Blackwater Valley. Agreement of key medium term priorities for Frimley Waterside/ Blackwater Valley including the possibility of a regional park. (Blackwater Valley Countryside Partnership).
Potential Economic Impact / Outputs	The tourism sector will work together more to exploit evening economy, enhance footfall and local spend. Estimated impact of a high profile event £2-4m.
Costs	Regional Park = to be confirmed
Timing	Events 2017 and 2018.

A GREAT PLACE FOR BUSINESS TO FLOURISH

Aim	Aim 1: Small Business Growth Programme.
Description/Aim(s)	The proposed action for this aim is as follows: <ul style="list-style-type: none"> • The development of a small business growth programme with neighbouring Boroughs setting out aspirations for the proposed growth hub. It might include leadership and management skills for small business, start-up advice or advice on how to secure opportunities from local public sector employers.
Partners & Council Role and next Steps	<ul style="list-style-type: none"> • Discussions with Hart and Rushmoor EDOs to assess willingness to collaborate on the small business growth programme (SHBC, RBC, HDC). • Design of small business growth programme for submission for ERDF funding.
Potential Economic Impact / Outputs	50 start-ups per annum in total.
Costs	Estimate £700,000 per annum (circa net cost per business £17,000)
Timing	2016-2017

Aim	Aim 2: Open for Business.
Description/Aim(s)	The proposed action for this aim is as follows: <ul style="list-style-type: none"> • A suite of business support measures for existing businesses including planning support for expansion, account management of the top 30 influential employers, breakfast meetings, and a civic dinner to be developed to include businesses.
Partners & Council Role and next Steps	<ul style="list-style-type: none"> • Account Management – Relationship management meetings (Economic Development Officer) • Chief Executives Breakfast meetings – Rolling programme of small events in the Theatre • Organise civic dinner to be developed to include businesses
Potential Economic Impact / Outputs	Retention of some £28m of rateable value (annually) New businesses attracted
Costs	To be advised.
Timing	2015

Aim	Aim 3: Sci:Tech Sector Development.
Description/Aim(s)	The proposed action for this aim is as follows: <ul style="list-style-type: none"> • Exploiting opportunities in the engineering, pharmaceuticals, IT and health sectors. The Council will work with companies in key sectors to help them realise their growth aspirations. This could include talent development and recruitment, R&D or physical expansion. The Borough may wish to draw on support

	from national providers including MAS, UKTI, Innovate UK and the Growth Accelerator. Part of its enabling role will simply be to raise awareness of what's out there.
Partners & Council Role and Next Steps	<ul style="list-style-type: none"> • Identification of key firms in priority sectors (SH EDO). • Account management programme for top three players in each sector (SH EDO) • Convening of key players in the Health Sector to assess whether there is an appetite for a sector development/growth plan. This will act as a pilot for other sectors. (SH EDO and local companies) • A series of awareness events for companies in priority sectors to find out what support is available for instance from Growth Accelerator, Enterprise M3 Funding escalator.
Potential Economic Impact / Outputs	Growth amongst key companies. Development of a pilot sector growth plan.
Costs	Officer time.
Timing	2015/2016

Aim	Aim 4: Export Development and Inward Investment.
Description/Aim(s)	The proposed action for this aim is as follows: <ul style="list-style-type: none"> • Working with UKTI to boost propensity to export and actively encourage inward investment. The Council will ensure businesses are aware of the core offer from UKTI.
Partners & Council Role and next Steps	<ul style="list-style-type: none"> • The identification of key exporters within the Borough. • The development of a compelling Surrey Heath inward investment business proposition that highlights the Borough's sector strengths and unique assets. • The development of a commercial property database so that investors can see at any time what development opportunities the Borough has to offer. (EDO).
Potential Economic Impact / Outputs	Increased inquiries, reduced vacancy rates and possible successful inward investment projects. Development of investment proposition and commercial database.
Costs	£10,000 possible external consultancy to develop an inward investment proposition. Costs of the commercial property database and staff time to respond to requests and keep updated etc.
Timing	2015/2016

A GREAT PLACE FOR PEOPLE TO SUCCEED

Aim	Aim 1: Shared Prosperity and Matching Talent.
Description/Aim(s)	The proposed actions for this aim are as follows: <ul style="list-style-type: none"> • Employability and recruitment measures to dovetail new developments. • Enabling employers to articulate and access appropriate available skills support.
Partners & Council Role and next Steps	<ul style="list-style-type: none"> • Selection of a development to pilot new employability and recruitment measures (Meet with Job Centre +). • Further developing work with training providers to develop projects to access the EM3 area.
Potential Economic Impact / Outputs	Brokering of skills support for companies. Number of participants up-skilled
Costs	£9,000 Public sector cost per net person trained
Timing	2016

Aim	Aim 2: Deepening Military Connections.
Description/Aim(s)	The proposed actions for this aim is as follows: <ul style="list-style-type: none"> • Deepening local ties through the Military Covenant • Leading an LEP wide programme with two parts (a) employment transitions for ex-military personnel and military (b) a local sub-contracting programme.
Partners & Council Role	<ul style="list-style-type: none"> • Leading a joint programme across the Enterprise M3 area to deepen military connections. (SHBC and other like-minded EM3 Boroughs). Chairing a meeting in the first instance.
Potential Economic Impact / Outputs	Ex-military personnel supported into positive outcomes such as employment or self-employment. New MOD business opportunities in the supply chain.
Costs	£14,000 Public sector cost per net additional positive outcome into employment
Timing	2016-2018

Aim	Aim 3: Aspirations and Awareness.
Description/Aim(s)	The proposed actions for this aim is as follows: <ul style="list-style-type: none"> • Promoting apprenticeships, STEM and IAG activities jointly with the County and others. • Raising the profile of local career opportunities through, for example, inspiring events. • Supporting local schools to improve their performance.
Partners & Council Role and next Steps	<ul style="list-style-type: none"> • Meeting with the County to identify possible joint actions to promote apprenticeships, STEM and IAG. • Identification of a firm to act as a pilot to work with local schools to profile local career opportunities.

	<ul style="list-style-type: none"> Looking into the feasibility of an HE/FE presence in the borough.
Potential Economic Impact / Outputs	Raised aspirations, enhanced awareness of local careers & lessons learnt from employer schools pilot
Costs	To be confirmed following meeting with the County. Staff / employer time.
Timing	2016

Aim	Aim 4: Addressing Pockets of Worklessness.
Description/Aim(s)	<p>The proposed actions for this aim is as follows:</p> <ul style="list-style-type: none"> A series of measures including: support for young people NEET, job clubs/measures around major developments and training packages for the unemployed potentially with other Boroughs. A particular focus on those made redundant or unemployed for under six months with good prospects of getting back into work.
Partners & Council Role and next Steps	<ul style="list-style-type: none"> The development of (a) a NEET project with partners (b) job clubs around key developments (c) training for the unemployed. Possible ESF project with partners (SHBC, the County, other Boroughs, providers)
Potential Economic Impact / Outputs	<p>YP NEET supported back into to work aged 18-24 Number of unemployed participants helped back into work Number of participants trained</p>
Costs	<p>£19,000 Public sector net cost per NEET into a positive outcome £14,000 Public sector cost per net additional positive outcome into employment £9,000 Public sector cost per net person trained</p>
Timing	2016-2017

ANNEX TWO: SURREY HEATH ECONOMIC PROFILE

A GREAT PLACE FOR PEOPLE TO SUCCEED...

CHANGING DEMOGRAPHY

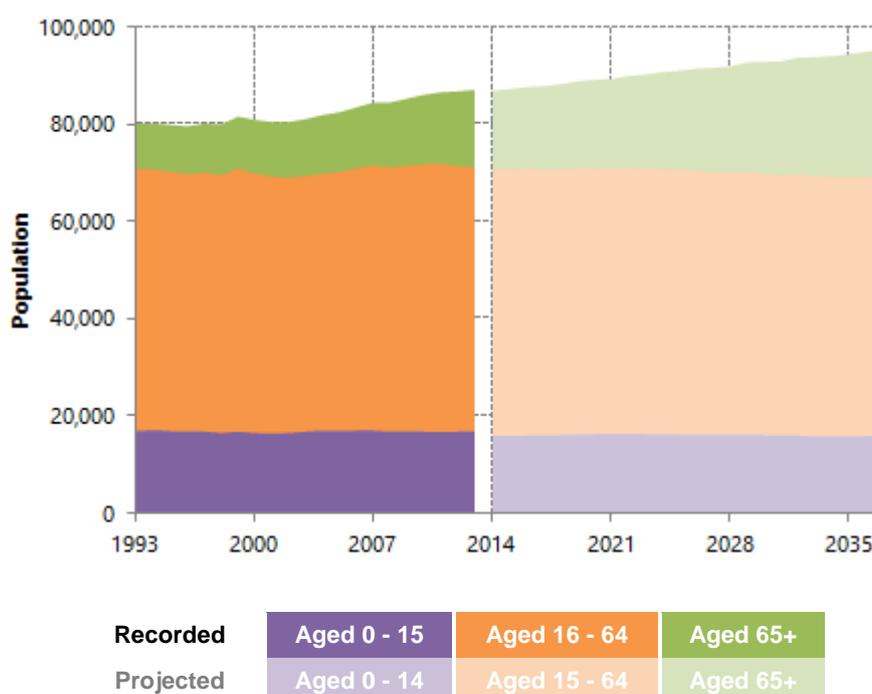
Surrey Heath has a population of 86,900 residents (mid-2013) and this figure has been rising at a relatively steady rate for the past thirty years (Figure 2). It is projected to continue increasing by approximately 3,600 people per year over the next twenty years. The number of younger and working age residents has remained stable over this period and is projected to stay level.

The proportion of Surrey Heath residents aged 65+ has increased from 11% in 1993 to 18% in 2013. By 2037, it is projected that over one in four residents (27%) will be over 65. This trend is consistent with other parts of the south east and England. Surrey Heath is home for 34,350 households, mostly in urban areas (83%) compared to rural areas (17%). The Department for Communities and Local Government (CLG) projects numbers in Surrey Heath to increase by 1,600 between 2014 and 2021 to 35,950 households.

The majority (90%) of Surrey Heath residents self-identify as white, with smaller proportions of Asian (6%), mixed (2%), black (1%) and other (1%) ethnicities. A noticeable trend has been growth of the Asian population from 2% to 6% between 2001 and 2011, accounting for more than half of the Borough's overall population growth over the decade.

As of April 2014, there were 1,150 military personnel stationed in Surrey Heath, plus an additional 230 MOD civilian contractors. The numbers have been decreasing year on year though; there were 1,450 military personnel stationed in the Borough in April 2010. This will reduce further with the closure of Princess Royal Barracks in 2016 though it must be stressed the Borough has strong links with the Royal Military Academy at Sandhurst.

Figure 2: Surrey Heath Population by Age, 1993-2037

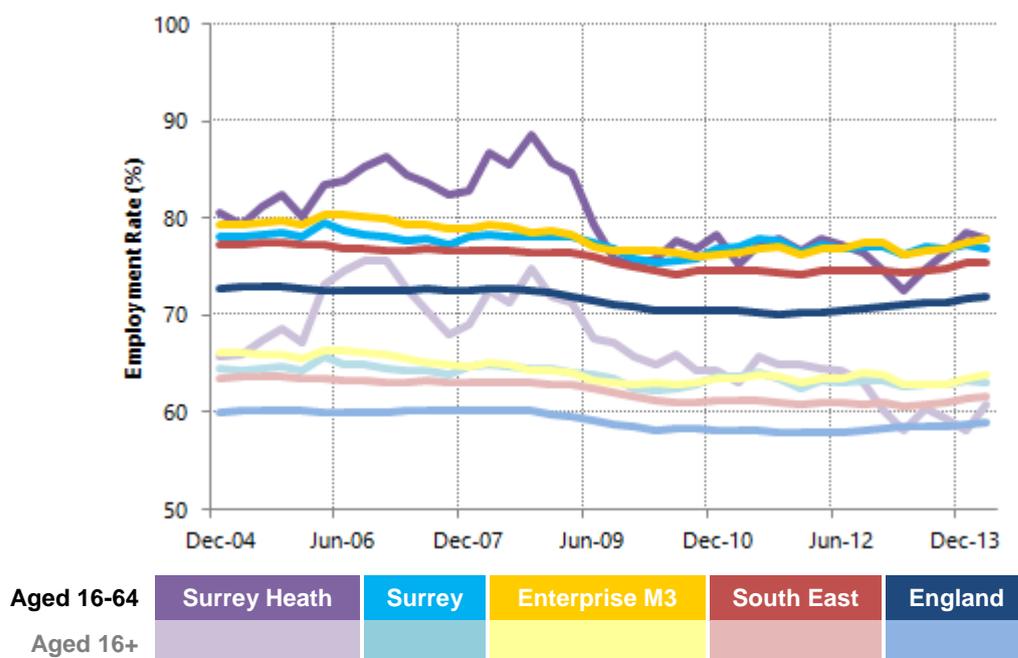


Source: Mid-Year Population Estimates, ONS; Sub-National Projections, ONS

EMPLOYMENT AND ECONOMIC ACTIVITY

As of December 2013, Surrey Heath has 43,000 residents in employment, equivalent to 78% of the working age (16-64) population or 61% of people aged 16+. However, both of these figures are considerably lower compared to the period 2004 to 2009. Surrey Heath no longer enjoys higher rates of employment than locally and nationally (see Figure 3).

Figure 3: Surrey Heath Employment Rate



Source: Annual Population Survey, ONS

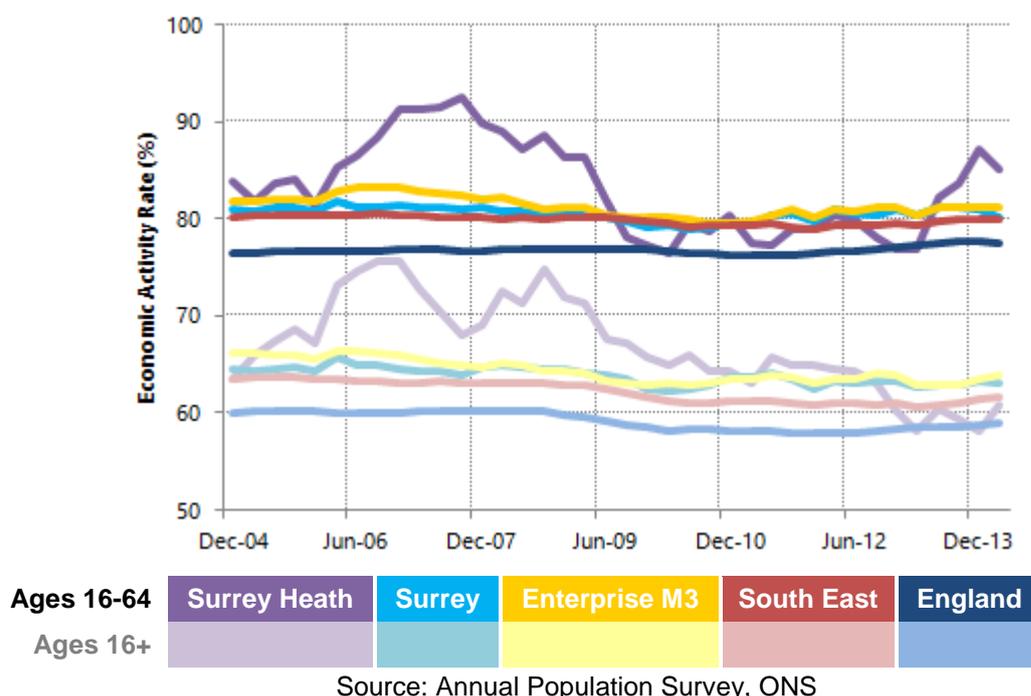
Economic activity³ trends (Figure 4) paint a similar picture to employment; relatively high activity between 2004 and 2009, a decrease to levels in line with the national average between 2009 and 2013, and signs of a pick-up more recently. Surrey Heath has 46,900 economically active residents, 85% of the working age (16-64) population or 66% of people aged 16+ (December 2013).

Further analysis suggests that the economic activity impacts of the downturn between 2009 and 2013 were generally shared across the spectrum of age groups, with the 16 to 19 age group being the one cohort where activity rates decreased more markedly.

Approximately 10% of residents aged 65+ are economically active, and this may be having an impact on the overall activity rate as the number of senior residents' increases. There are currently 1,600 residents aged 65+ in employment; 4% of total employment.

³ Economic activity refers to people in employment or unemployed but looking for work.

Figure 4: Surrey Heath Economic Activity Rate



There is no noticeable gender impact on employment or economic activity rates in the Borough. Minority ethnic groups account for 7% of Surrey Heath’s employed population in 2014, and this rate has ranged between 3% and 11% over the past ten years.

Over the past decade, full-time employment for residents has generally fluctuated between 30,000 and 35,000 and part-time employment has similarly fluctuated between 8,000 and 12,000. Latest four-quarter averages for 2013/14 report 31,900 full-time employed and 8,200 part-time employed residents.

Approximately 6,100 people are self-employed, equivalent to 14% of the Borough’s employed residents. Between 2007 and 2009, the self-employment rate halved from 15% to 8%, and this trend was distinctive to Surrey Heath. Since then, the self-employment rate has rebounded but it generally remains lower than local and national comparators.

Based on available forecasts, the Core Strategy for Surrey Heath plans for up to 7,500 additional jobs between 2011 and 2028.

OCCUPATIONS, QUALIFICATIONS AND VACANCIES

The occupational profile of Surrey Heath has fluctuated between 2004 and 2014 but a constant feature appears to be the relatively large number of people employed in professional occupations (13,200 in 2012; 31% of total employment) and associate professional and technical occupations (5,600; 13%).

There are 3,900 Surrey Heath residents employed as managers and directors, although this number is lower now than it has been for most of the past decade (median 5,500). The 5,400 residents employed in skilled trades represent a higher number than the median average (3,400) for the past decade.

Surrey Heath has relatively high proportions of the working age population with higher level qualifications; thirty-five percent (35%) hold a degree or above, and forty-four percent (44%)

hold NVQ level four or above. This compares to national averages of twenty-seven percent (27%) and thirty-five percent (35%) respectively and an Enterprise LEP performance of thirty-three (33%) and forty-two percent (42%).

A large proportion of residents are qualified to NVQ level four or above (17,600; 43%), although this is lower than the previous high of 20,600 NVQ4 holders in 2011.

There are approximately 600 people receiving jobseekers allowance (JSA) in 2014, of which a third have been claiming for over six months and one-in-six have been claiming for over 12 months.

The number of employment vacancies is not published at the Borough level but latest evidence from the UK Commission for Employment and Skills (UKCES) indicates there are 31 vacancies for every 1,000 people employed in Surrey and 29 per 1,000 in the Enterprise M3 area (as of 2013).

From the total number of vacancies in the Surrey and Enterprise M3 areas in 2013, between 34% and 35% are considered by the recruiting employers as 'hard to fill' vacancies. Similarly, 29% to 30% of vacancies in 2013 are due to skills shortages.

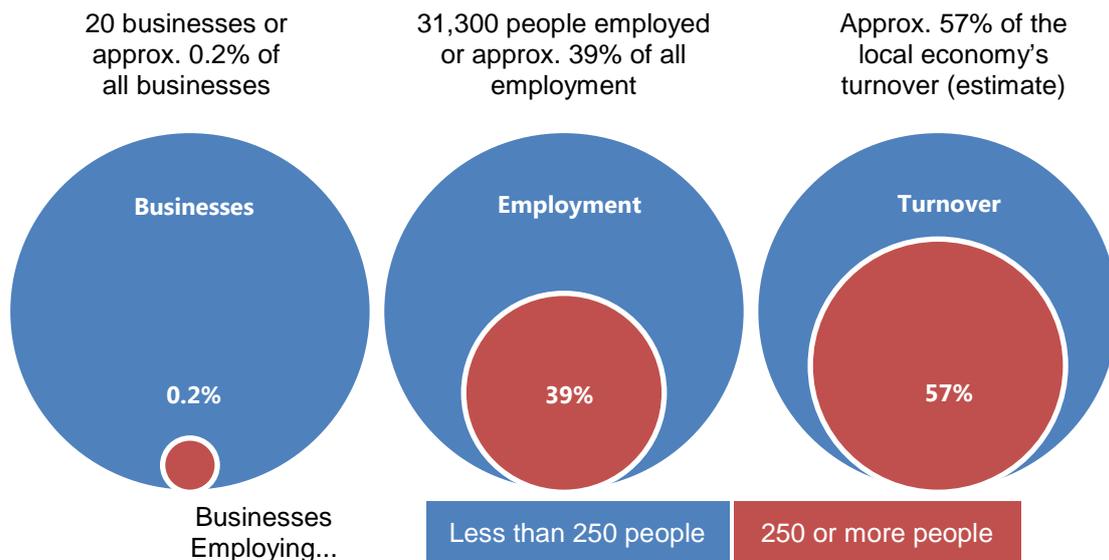
A GREAT PLACE FOR BUSINESS TO FLOURISH...

UNDERSTANDING BUSINESS DYNAMICS

National statistics (2013) indicate there are 4,210 businesses registered in Surrey Heath, equivalent to forty-eight businesses for every thousand residents. The majority (90%) are micro-businesses employing between zero and nine people. There are 95 businesses that employ fifty or more people, accounting for 2% of all registered businesses, and twenty of these employers provide work for over 250 people. These twenty employers collectively employ 31,300 people, equivalent to 59% of Surrey Heath's workplace employment at registered businesses.

If unregistered businesses are also included, statistics for the south east region suggest that businesses employing over 250 people account for 0.2% of all enterprises and 39% of workplace employment. Regional turnover statistics for the south east also suggest that enterprises with more than 250 employees contribute 57% of regional turnover. The estimated contribution and scale of large employers in Surrey Heath is summarised in Figure 5. A review of the top thirty employers in Surrey Heath (based on rateable values) finds that the Borough is home to head office and regional HQ functions for large and well known engineering firms, financial institutions, pharmaceutical companies and utilities, all part of the knowledge economy.

Figure 5: Surrey Heath Businesses Employing 250 or More People

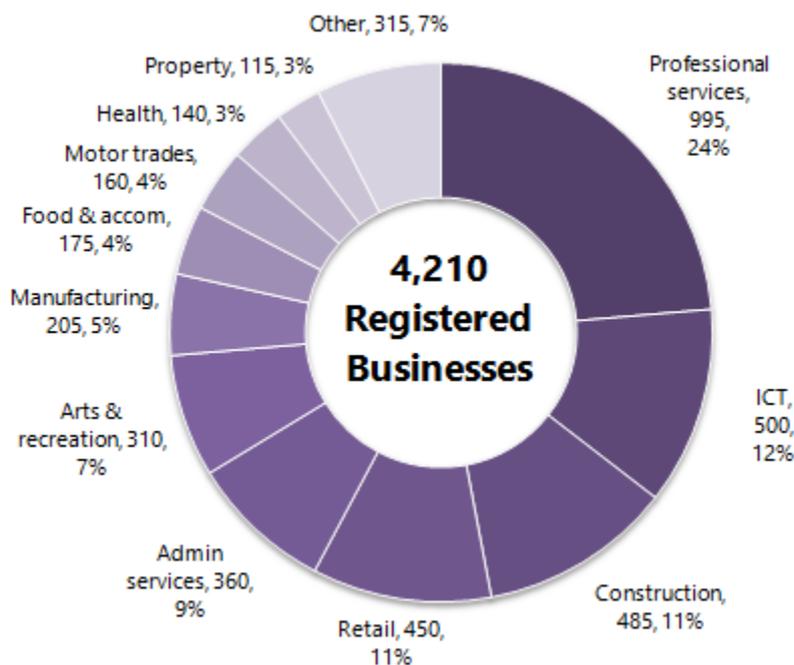


Source: Business Population Estimates, ONS

The public sector is accounted for, not only through local government, but also strategic sites for the Ministry of Defence, HM Prisons, Frimley Health and local educational institutions. There is a high proportion of retail and entertainment employers that are strategically important for the Borough including several large national chains.

Because the majority of the business base is made up of small traders though, the industrial composition of the Surrey Heath business base is a good indicator of the type of small businesses operating. This distribution of broad industry sections is presented in Figure 6. Unsurprisingly, the highest numbers of businesses are in sectors where there are fewer barriers to independent working such as professional services.

Figure 6: Surrey Heath Registered Businesses by Industry, 2013



Source: UK Business Counts, ONS

Looking in more detail at the business composition of Surrey Heath, a common means of gauging the relative importance of each industry is to use location quotient (LQ) analysis⁴. Analysis of sub-sector business counts finds that consultancy in management, computer programming and engineering, plus accounting, collectively account for 1,140 enterprises, over one-quarter (27%) of the business base. These same four sectors are relatively concentrated in Surrey Heath in comparison to the England average, as outlined in Table 1.

Other sectors that have notable concentrations in Surrey Heath include sales of cars, motorbikes and related parts, internet and mail order retail, and computer and software wholesale.

Table 1: Surrey Heath Enterprises in Key Industries according to Location Quotient (LQ), 2013

Sectors	Enterprises*	% of enterprises	LQ
Management consultancy	475	11%	1.8
Computer programming and consultancy	410	10%	1.6
<i>Computer programming</i>	85	2%	1.4
<i>Computer consultancy</i>	275	7%	1.9
<i>Other IT services</i>	45	1%	1.1
Engineering consultancy	160	4%	1.4
Accounting and tax consultancy	95	2%	1.3
Sub-total - consultancy and accounting	1,140	27%	1.6
Sale of cars, motorbikes and related parts	160	4%	1.2
Internet and mail order retail	55	1%	1.6
Computer and software wholesale	15	0.4%	3.2

* Figures do not add to the total due to rounding

Source: UK Business Count, ONS

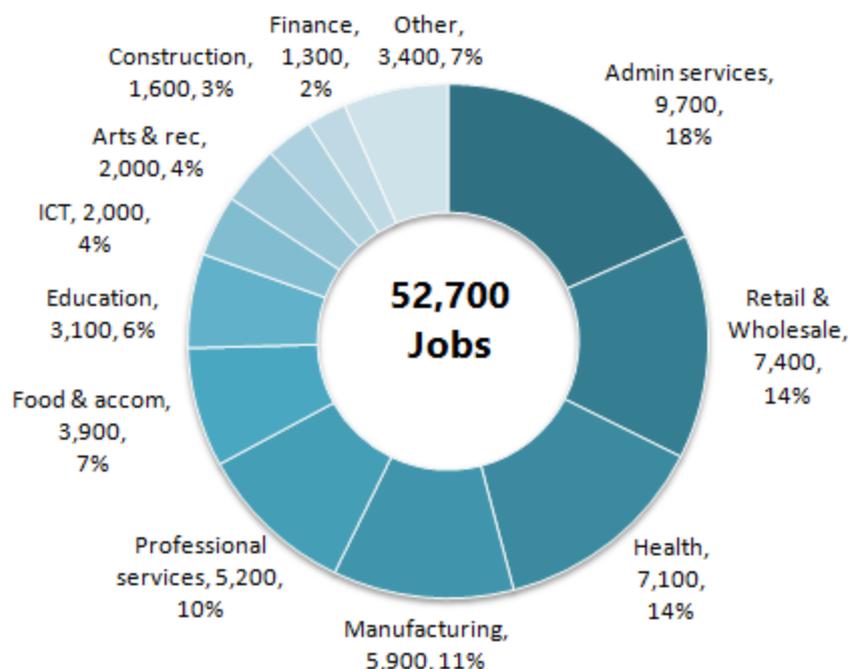
In addition to the 4,210 registered businesses in Surrey Heath, there could be a further 5,652 unregistered businesses. This calculation is based on regional statistics that count 57% of south east enterprises as unregistered. If this rate is consistent in Surrey Heath, it could mean a total base of 9,862 businesses in the Borough.

⁴ Location Quotient (LQ) analysis measures which industries are over or under-represented in Surrey Heath in relation to a comparator, in this case, England.

A BROAD EMPLOYMENT BASE

As of 2012, 52,700 people work in Surrey Heath and the broad industrial composition of this group is presented in Figure 7. Approximately 83% of employment is broadly described as private sector while 17% are employed in the public sector.

Figure 7: Surrey Heath Workplace Employment by Industry, 2012



Source: Business Register and Employment Survey (BRES), ONS

Further analysis of Surrey Heath's workplace employment by industry indicates:

- **Concentration** - Over half (57%) of employment is in the four sectors of administration services (9,700 employed; 18% of total), retail and wholesale (7,400; 14%), health (7,100; 14%) and manufacturing (5,900; 11%).
- **Specialism** – The proportion employed in administration services appears to be considerably higher than in comparator areas and compared to previous years. Further analysis suggests that this is due to large-scale growth between 2011 and 2012 in cleaning (+2,700; +427%) and private security (+1,600; +195%).
- **Core employers** – Professional services (5,400; 10%), accommodation and food (3,400; 7%), and education (3,100; 6%) are all important employers in Surrey Heath.
- **Under-representation** – Sectors that are particularly small employers in Surrey Heath compared to the England average are public administration (900 employed; 2% of total) and transport (800; 1%).
- **Change over time** – Manufacturing has declined from 17% (8,200) of Surrey Heath employment in 2010 to 11% (5,900) in 2012.

Sectoral employment projections do not exist at the scale of Surrey Heath, but there are projections available for Surrey that provide insight into future trends⁵ for sectoral GVA, employment and productivity (GVA per job). County projections suggest that construction and business services are expected to make up larger proportions of Surrey's employment in 2030 compared to 2013. In contrast, employment in government services is expected to

⁵ SQW and Cambridge Econometrics (June 2013) Forecasts and future scenarios for the economy of Surrey: an update to the work done in 2010 [here](#).

decrease considerably. The existing professional services sector is located primarily in Camberley and Frimley, and the Core Strategy notes that growth in this sector will be affected by aging supply of office stock, limited choice of business park premises and increasing competition from areas with improving transport links.

LOCAL PRIORITY SECTORS AND FUTURE LAND AND PREMISES REQUIREMENTS

Location analysis of sub-sector employment reveals there are four broad sectors with relatively high concentrations of employment compared to the England average (Table 2).

Table 2: Surrey Heath Employment in Key Industries according to Location Quotient (LQ), 2012

Sectors	Employment	% of employment	LQ
1. Specialist engineering	5,600	11%	2.4-70.6
<i>Engine & turbine manufacturing</i>	2,600	5%	70.6
<i>Aerospace manufacturing</i>	400	1%	2.6
<i>Engineering research and testing</i>	2,600	5%	2.4-4.8
2. Pharmaceuticals and chemicals	2,300	4%	5.4-39.3
<i>Unclassified chemicals</i>	1,000	2%	39.3
<i>Pharmaceutical preparations</i>	300	1%	5.4
<i>Pharmaceutical wholesale</i>	1,000	0%	7.7
3. Computer sales, programming and services	2,200	4%	1.4-8.7
<i>Computer and software wholesale</i>	700	1%	8.7
<i>Computer programming and services</i>	1,500	0%	1.4-3.7
4. Hospital activities	4,300	8%	1.7
Total - Key Sectors	14,400	27%	

Source: Business Register & Employment Survey (BRES), ONS

The four sectors in Table 2 account for 27% of the employment base with potential to be larger if supply chains in the Borough are included. Their characteristics are as follows:

1. **Specialist engineering** employs 5,600 people, 11% of the Borough total employment. It accounts for nearly two-thirds (3,000; 62%) of engine, turbine and aerospace manufacturing in the Enterprise M3 area, and one-tenth (2,600; 11%) of engineering research and testing in the LEP area. This is particularly relevant considering that aerospace is a designated priority sector for Enterprise M3. The employment in this sector has been shrinking since 2009 however; employment in engine, turbine and aerospace manufacturing was significantly higher in 2009 (5,700 employed; 77% of LEP sector total).
2. **Pharmaceuticals and chemicals** employ 2,300 people, 4% of the Borough total employment. It accounts for one-third (33%) of total employment for this sector within the Enterprise M3 area. Between 2009 and 2012, employment in unclassified chemicals has fluctuated between 100 and 1,100 suggesting that the small sample size in Surrey Heath may be affecting estimates.
3. **Computer sales, programming and services** employs 2,200 people, 4% of the Borough total employment. It only makes up a small proportion (7%) of employment in this sector within the Enterprise M3 area. It has remained relatively stable between 2009 and 2012 with employment ranging from 2,000 to 2,400.
4. **Health Cluster and Hospital activities** employ 4,300 people in Surrey Heath, 8% of the Borough total employment. The vast majority of this total is based at Frimley Health NHS Foundation Trust. Numbers have fluctuated slightly between 2009 and 2012, ranging from 4,300 to 4,800.

Referring to 2030 employment forecasts and future scenarios for Surrey, the following observations can be made for Surrey Heath's 'globally competitive' sectors:

1. **Specialist engineering** - architectural and engineering services are expected to have considerable GVA growth (+66%) between 2013 and 2030, although employment is expected to remain about the same (+1%). It is a similar picture for 'other manufacturing and repair' which is estimated to increase GVA by 45%, but only 5% employment increase. GVA in machinery manufacture is expected to increase by 16% by 2030 and employment is expected to increase by 11%.
2. **Pharmaceuticals and chemicals** – employment growth is reported as being very low but productivity and GVA growth potential is reported as very strong in the short term (2013-15). The chemicals industry is reported as being an 'adjuster', where GVA is expected to increase (+78%), but employment is expected to fall (-25%)
3. **Computing** – IT services is one of Surrey's largest globally competitive sectors and employment is expected to increase by 18% between 2013 and 2030, whereas GVA is expected to increase by 72%. According to the 2011-2028 Surrey Heath Core Strategy, "maintaining a good level of provision of small, managed business premises will help support this sector and retain the Borough's competitive edge."
4. **Hospital** – the health sector is estimated to increase GVA by 34% between 2013 and 2030, compared to 8% employment increase. As noted in the Surrey Heath Core Strategy, "growth in the health sector seems likely to reflect growth employment at Frimley Health, rather than immediate links to centres with medical or bioscience research and development."

For most of these sectors, the emerging picture appears to be of relatively high GVA growth alongside more marginal employment growth, helping increase the overall productivity of the sectors. These forecasts should be treated with caution though and are dependent on a wide range of local, national and international factors.

It is possible at a very broad level to highlight the future land and premises requirements for the Borough's priority sectors:

- Specialist engineering plants are likely to require a range of floor plates (including large scale) suitable for high-tech investment and research and development activity. Access to the motorway network is important for raw materials and finished products.
- Pharmaceutical and chemical preparations may require state-of-the-art flexible laboratories with adjoining commercial office space to let/rent in a highly secure environment.
- IT companies may require secure on site data centres with internet hosting facilities, up to 20MB broadband on demand and Cat 6 wiring throughout.
- Proximity to the hospital may be a requirement for health related companies. Again modern commercial office space is likely to be required.

In addition to specific sectoral requirements sustainable commercial spaces of the future will require access to vibrant and dynamic environments supporting flexible working with central eating and meeting places, conferencing and open green spaces (Siemens in the Borough has its own bespoke campus style development). Science and technology companies require good access to London and international airports and proximity to universities and research centres. Given the large number of micros in the Borough a flexible grow-on incubator for knowledge-based companies of all sizes might be an attractive proposition. A facility (which could be converted from redundant offices) might combine specialist equipment, business support, and office and administrative services.

AN ENTERPRISING PLACE AND PRODUCTIVE LOCAL ECONOMY

Analysis of latest business demography statistics finds that Surrey Heath is performing above average (compared to county, LEP, region and England) on three basic measures of enterprise, and has done so over the past decade:

- **Business births per year** - higher than average (10 new businesses were created for every 1,000 working age residents in 2012 compared to 7 nationally)
- **Business deaths per year** - lower than average (103 businesses closed for every 1,000 active businesses in 2012, compared to 108 nationally)
- **Survival rates** – a higher than average rate of new businesses surviving one year and two years (94% of businesses created in 2010 survived for at least one year, and 79% survived for at least two years compared to 91% and 72% nationally).

The relatively high number of business births may or may not have links to the industrial composition of the Borough which has high proportions of consultants and professions suited to sole traders and micro-businesses. While the proportions of businesses surviving for up to two years is relatively high, Surrey Heath does have relatively low proportions – compared to Surrey and the south east – surviving for three, four and five years (64%, 52% and 45% respectively for the 2007 new business cohort).

Importantly, these findings are based on the 2011 business base which may not be reflective of the enterprise context in 2014. For example, the trend between 2008 and 2011 indicates a considerable decline in survival rates across the board, and it cannot be verified yet whether this trend has continued. Circumstantial evidence on the improving state of the UK economy however suggests that 2014 enterprise in Surrey Heath may be more positive than reported here.

Evidence from multiple sources at the national, LEP and county level suggests that business confidence has been increasing throughout 2013 and 2014. The Surrey Business Survey records that 27% of respondents based in Surrey Heath are very optimistic for growth in the next two years and a further 50% are slightly optimistic.

Consistent gross value added (GVA) estimates are not published at the Borough level, but are available for Surrey and the south east region. Latest Government data estimates that Surrey's GVA is £32.7bn (2012), although the latest economic scenarios report for Surrey County Council (June 2013) estimates GVA of £26.7bn using a Local Economy Forecasting Model (LEFM) which is expected to rise by 2.5% on average between 2015 and 2030.

Using Government estimates, GVA per head of population in Surrey was £26,681 in 2011, whereas GVA per filled job was £51,013. The difference between these two figures is that the first acts a measure of broad wealth while the latter is used as a measure of productivity. Looking at the nearest available scale, it is clear that Surrey has higher rates of GVA than averages for the south east region and for England. In the absence of direct GVA data for Surrey Heath, a basic calculation of GVA per head of population for Surrey multiplied by mid-year population for Surrey Heath produces an estimated GVA for Surrey Heath of £2.48bn. Understandably, this figure should be viewed as indicative and used cautiously.

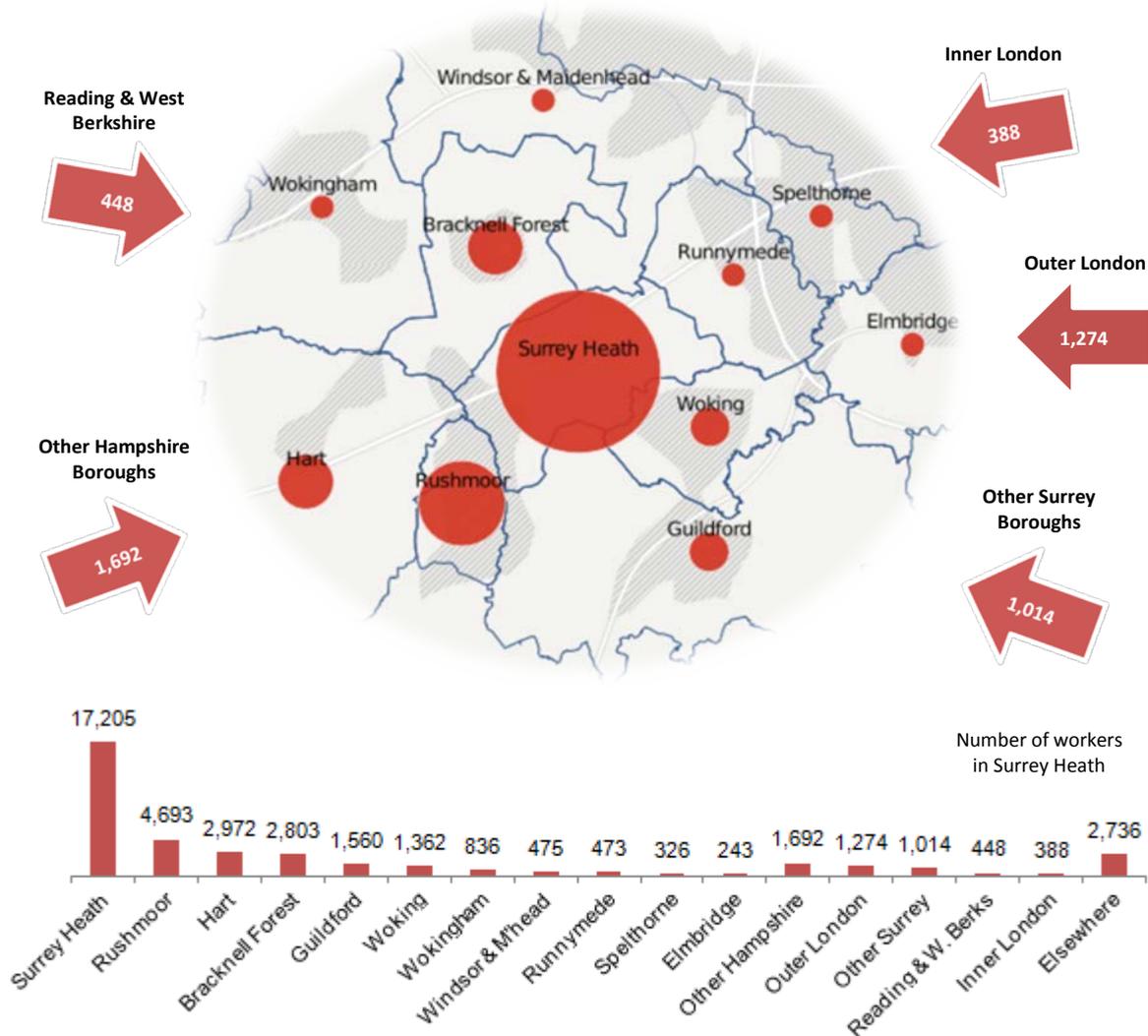
A SUSTAINABLE PLACE TO LIVE, WORK, SHOP AND PLAY...

TRANSPORT AND MOBILITY

According to the 2011 Census, 17,205 people work and live in Surrey Heath, in other words, 42% of people recorded as working in Surrey Heath also live in the Borough. For the 23,295 people travelling into Surrey Heath to work from outside the Borough, Map 1 illustrates where these people commute from. The following findings emerge:

- The highest numbers of in-commuters come to Surrey Heath from Rushmoor (4,693 in-commuters), Hart (2,972) and Bracknell Forest (2,803). This group of three districts on the western edges account for 26% of the Borough’s employment base.
- The five other districts that directly neighbour Surrey Heath collectively account for 6,673 in-commuters or 16% of the employment base. The remaining 15% of workers commuting to Surrey Heath are mostly located in surrounding counties and several boroughs in west London.
- In-commuters from the six districts in the M3 corridor between Winchester and Spelthorne account for 23% of the Borough’s employment base.

Map 1: Place of Residence for People Working in Surrey Heath



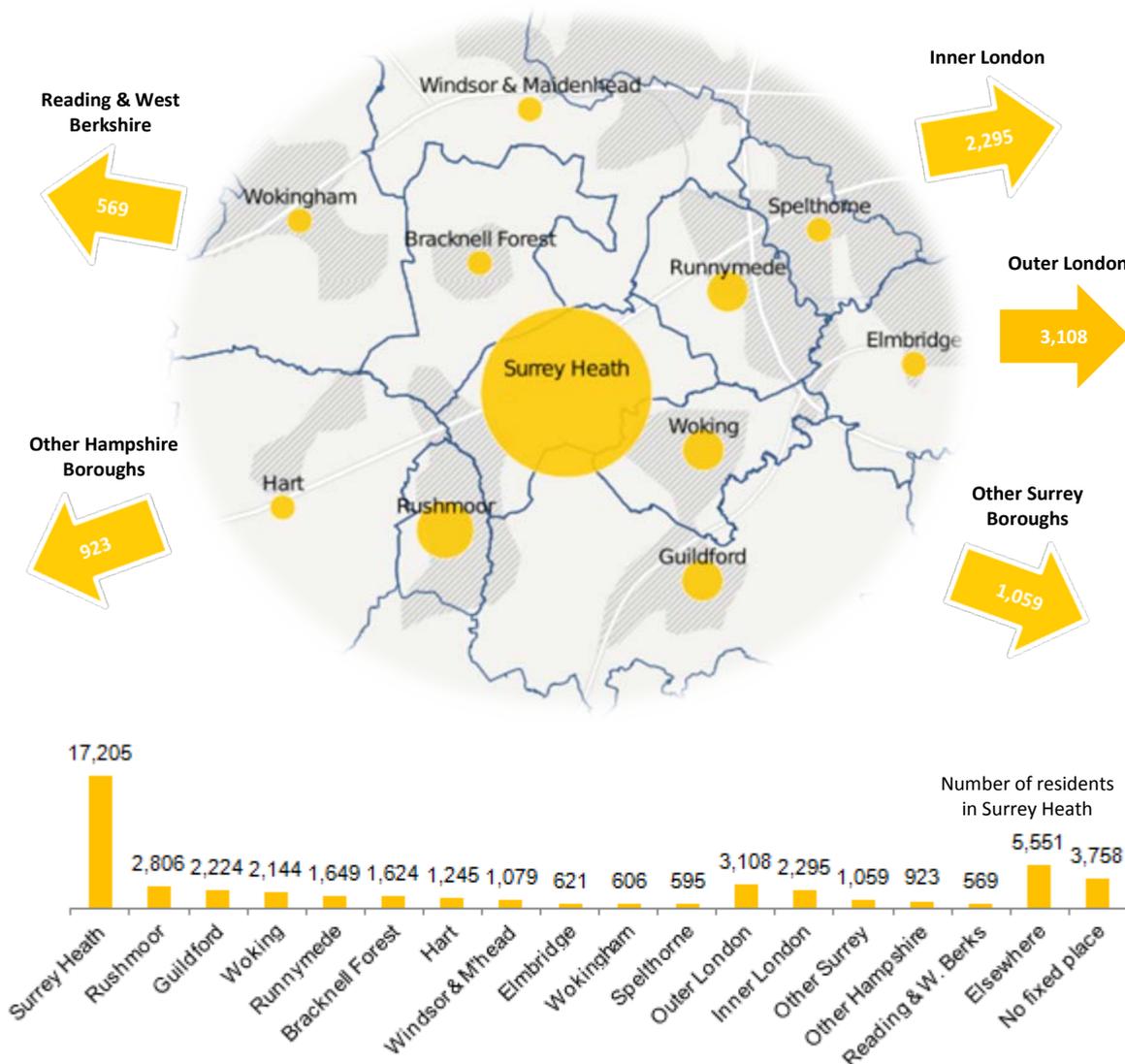
Source: Census 2011, ONS
Map: CartoDB attribution

Of all those commuting into Surrey Heath, 81% drive a car or van and a further 5% are passengers. The Census records that 4% take the train to work in Surrey Heath.

As well as attracting in-commuters to work each day, Surrey Heath also loses out-commuters to surrounding areas. In this scenario, the 17,205 people who live and work in Surrey Heath represent 38% of the Borough’s resident working population, in other words, 62% of **residents commute outside of the Borough to work**. Map 2 illustrates where Surrey Heath residents commute to:

- The primary working destinations for Surrey Heath residents are to the south of the Borough in Rushmoor (2,806 out-commuters), Guildford (2,224) and Woking (2,144). Collectively, these areas account for 16% of Surrey Heath working residents.
- The four other directly neighbours account for a further 5,597 in-commuters or 12%. Approximately 12% of residents commute to central and outer London, while the remaining 21% commute elsewhere or have no fixed place of work.
- Out-commuters to the six districts in the M3 corridor between Winchester and Spelthorne account for 15% of the Borough’s working residents.

Map 1: Place of Work for People Living in Surrey Heath



Source: Census 2011, ONS
Map: CartoDB attribution

Of all those commuting out of Surrey Heath, 82% drive a car or van and a further 3% are passengers. The Census records that 9% take the train to work outside of Surrey Heath.

Within Surrey Heath itself, 6,835 residents drive a car or van to work within the Borough, and 651 are passengers. In comparison, 2,220 residents walk and 413 cycle to work within the Borough. Clearly, a large number of people use the roads into, out of and within the Borough. The Department for Transport publishes detailed traffic flow volumes for key stretches of road in Surrey Heath. To give an example, the stretch between junction four and junction three of the M3 carries an average of 115,046 vehicles per day, a volume that has remained relatively stable over the past decade. The July 2014 announcement of 'smart motorway' construction between M3 junctions 2 and 4a (converting the hard shoulder into a running lane) is expected to boost capacity by a third and improve journey times by 15%.

The 2012 Enterprise M3 transport survey found that one in ten businesses in the LEP area think that transport congestion is a barrier to growth, and pinch points near to M3 junctions 3, 4 and 4a were found to be the second highest priority area for EM3 businesses after the highest rated priority of A3 access through Guildford. Surrey Future's Congestion Programme also identified challenges in Camberley town centre, the A331 corridor, the A319 in Chobham and to a lesser degree Frimley A325. The Surrey Transport Plan reports that, for the County as a whole, the cost of congestion is estimated at £550m per annum.

In order to address congestion and open up access to sites, the Enterprise M3 Local Transport Body has £24m over four years to invest in projects. The provision of safe pedestrian and cycle routes will be important in addressing congestion and access issues. There are three rail stations in Surrey Heath - Camberley, Frimley and Bagshot – all operated by South West Trains on the Guildford to Ascot / London line. Also, Blackwater station in Hampshire is in close proximity to Frimley, and is operated by First Great Western between Reading and Gatwick. Due to their location off the mainline, rail journey times between Surrey Heath and London are in excess of one hour.

As of 2012/13, the rail stations in Surrey Heath recorded an average of 2,319 entries and exits per day, of which the majority (55% or 1,278) were recorded by Camberley station. Frimley station recorded 620 entries and exits per day, compared to 421 for Bagshot. Blackwater station is comparable to Camberley with 1,309 entries and exits per day. For the three Surrey Heath stations, the flow of 2,319 entries and exits per day in 2012/13 is marginally higher than the equivalent of 2,277 recorded in 2011/12. The numbers of rail users for the stations in Surrey Heath are considerably lower than for centres elsewhere in Surrey, notably Guildford (average 22,000 entries and exits per day) and Woking (average 20,400). The Surrey Heath 2011-2028 Core Strategy reports that many residents drive to Brookwood, Farnborough or Sunningdale to use a faster, more direct service to London.

The 2013 Surrey Rail Strategy and 2014 Surrey Heath Local Transport Strategy recognise access to London from Surrey Heath and Blackwater Valley as a priority issue and they recommend options to improve adequacy of service in the shorter-term, such as Camberley station improvements, as well as potential improved surface links in the longer-term with Heathrow, Gatwick and Crossrail 2 (regional option). The most significant rail intervention being considered in the forward programme is the reinstatement of the Sturt Rail Chord link between the Guildford-Ascot line and the south-west mainline to improve direct access to London Waterloo. This is currently at 'scheme identification' stage but is classed as a long-term (2019-onwards) major scheme. The Borough's Core Strategy also reports that "bus services are improving from centres like Camberley but are still poor in the villages".

HOUSING

Surrey Heath faces the challenging scenario of balancing high demand for housing with limited supply of permitted sites. Between October 2005 and March 2010, the Council issued planning permissions for 834 net new additional dwellings, a figure that was affected by the difficulty in providing Suitable Alternative Natural Green Space (SANGS). As of April 2011, the housing land supply of the Borough had diminished to 2.4 years of land supply (including soft commitments) and this was viewed in the Surrey Heath Core Strategy as unlikely to increase. At the time, it was anticipated that it would take at least five years for an adequate land supply to accumulate. Since then, the announcement of Growth Deal funding for Enterprise M3 brings forward the financial support to purchase SANGS in Camberley, with the objective of bringing forward 1,300 new homes in Surrey Heath. The latest Core Strategy has set the target for 2,730 (net) additional dwellings between 2011 and 2026 and the expected geographical distribution of this new provision is outlined in Table 3. The figure for Deepcut includes 1,200 units allocated to Princess Royal Barracks.

Table 3: Anticipated Delivery of Dwellings in Surrey Heath by Area, 2011 - 2026

Area	Net Additional Dwellings*	% of Surrey Heath Total
Deepcut	1,235	45%
Camberley	860	31%
Bagshot	270	10%
Frimley	120	4%
Chobham†	55	2%
Mytchett	55	2%
Bisley	45	2%
Lightwater	40	1%
Frimley Green	20	1%
West End	20	1%
Windlesham	20	1%
Total	2,730	100%

* Figures do not add to the total due to rounding

† The figure for Chobham includes allowance for rural exceptions

Source: Core Strategy 2011 – 2028 (February 2012), Surrey Heath Borough Council

The Core Strategy also notes that the Council will make provision for 510 dwellings within settlement areas or countryside beyond the green belt between 2026 and 2028 if necessary. This increases the planned number of net additional dwellings to 3,240 by 2028, and according to the phasing outlined in Table 4.

Table 4: Anticipated Delivery of Dwellings in Surrey Heath by Date, 2011 - 2028

Period	Net Additional Dwellings
2011 - 2016	700
2016 - 2021	1,055
2021 - 2026	975
2026 - 2028	510
Total	3,240

Source: Core Strategy 2011 – 2028 (February 2012), Surrey Heath Borough Council

A further factor affecting Surrey Heath residential infrastructure is the relatively low proportion of household spaces classed as small dwellings (10% in Surrey Heath compared to 36% across the south east region), the high proportion of detached dwellings (47% of housing stock compared to the national average of 22%) and the low proportion of stock classed as entry-level flats, maisonettes and terraces (27% in Surrey Heath, 45% national average).

As noted in the Core Strategy, “the effect of having an imbalance in the mix of housing is that the housing needs of certain groups go unmet. Those seeking small dwellings in the Borough for reasons of affordability, convenience or simply personal preferences are likely to experience far more difficulty in Surrey Heath than in surrounding Boroughs.”

COMMERCIAL AND INDUSTRIAL INFRASTRUCTURE

As of 2013, Surrey Heath has approximately 200,000 square metres of office floorspace, of which c.120,000 square metres or 60% is occupied, and 76,100 square metres is available. It also has over 300,000 square metres of industrial floorspace, of which a large proportion; c.280,000 square metres or 90% is occupied, and 24,400 square metres is available.

Compared to other districts in the Enterprise M3 area, Surrey Heath had a relatively high office vacancy rate (37%) and a mid-ranking industrial vacancy rate (8%) according to 2010 statistics in the latest Enterprise M3 Commercial Property Market Study. These rates do raise some concerns given the national planning norm vacancy rates of 5% to 10%. Large concentrations of Surrey Heath’s office and industrial space are located at the business and industrial parks surrounding Yorktown and Watchmoor and other urban locations.

Table 5: Uses in Camberley Town Centre, 2010

	Units			Floorspace		
	Number	%	England %	Sq m	%	England %
Convenience	10	4%	10%	4,311	8%	17%
Comparison	122	50%	43%	30,166	53%	49%
Service	59	24%	34%	11,371	20%	22%
Vacant	52	21%	12%	11,018	19%	11%
Total	243	100%	100%	56,866	100%	100%

Source: Retail Study Update (June 2010), Chase & Partners, Surrey Heath Borough Council

In terms of retail infrastructure, research conducted by Chase & Partners in 2010 and 2012 found that Camberley is primarily a comparison goods shopping destination, with a strong service offer provided by banks, building societies, pubs and restaurants. It was also noted that the number of units and the overall floorspace show a lower than average convenience goods offer. The same study found that there are 243 retail and service units in Camberley town centre – both occupied and vacant – that account for 56,866 square metres (gross) of floorspace. The number and types of units and floorspace is detailed in Table 5.

The retail study also projected that 34,679 square metres of floorspace would be required for comparison goods retail between 2010 and 2026, more than double the baseline supply in 2010.

Table 6: Camberley Town Centre Projected Floorspace Requirements for Comparison Goods (constant market share), 2010 - 2028

	Annual Turnover (£)	Floorspace sq m (gross)
2010	278,930,746	-
2010 - 2015	335,882,714	5,113
2015 - 2020	419,865,851	8,343
2020 - 2026	546,182,444	15,116
2026 - 2028	597,205,141	6,106
2010 - 2026	-	34,679

Source: Retail Study Update (January 2012), Chase & Partners, Surrey Heath Borough Council

The 2014 Camberley Town Centre Area Action Plan refined these figures and set the target for 39,500 sq m gross comparison floorspace and 1,500 sq m gross convenience floorspace by 2028. A further target of 21,000 sq m comparison and convenience floorspace has been set for the A30 London Road Block by 2028. The turnover figures listed in Table 6 give an initial indication of the scale of Camberley town centre's contribution to the Surrey Heath economy, notwithstanding other functions and benefits it brings in terms of living, working, shopping and playing in the Borough. Similarly, the other urban centres including Frimley and Frimley Park, as well as the rural villages across the Borough, make an important contribution to the success of the local economy.

Returning to Camberley, the recently Town Centre Statement outlines £310m potential regeneration investment and improvements beyond commercial floorspace. The Statement outlines six programmes that are expected to be Camberley's first wave of developments between 2014 and 2030 to realise its potential (see Table 7).

Table 7: Future Projects for Camberley

Project	Potential Investment (£m)	Description
M3 Scheme	£134	M3 Managed Motorway Scheme
North Side	£120	London Road Block
East Side	£16	Land east of Knoll Road
West Side	£15	Redevelopment of the Arena Leisure Centre
A30	£13	Meadows Gyratory and A30 improvements
South Side	£12	Additional residential, new rail station and car park improvements
Total	£310	Major projects that Surrey Heath BC is working to deliver

Source: Camberley Town Centre Statement 2014-2030 (July 2014), Surrey Heath Borough Council

QUALITY OF LIFE

Improving quality of life is an important aspect for any economic strategy with the inherent need to attract – and retain – the best and brightest talent, and to create a place for all to live, work, shop and play.

One of the biggest factors affecting quality of life in Surrey Heath is house prices. The Enterprise M3 Housing Evidence Study notes that “housing affordability is a crucial factor attracting skilled workers, particularly graduates, to live and work in the EM3 area.” 83% of respondents to the EM3 'Barriers to Growth' business survey identified housing supply and affordability as a barrier to recruitment. Circumstantial evidence suggests that many people

choose to move to Surrey Heath because house prices are cheaper than in central London, yet at the same time, Surrey has house prices that are higher than many of its neighbouring areas. As of May 2014, the average price for a house in Surrey was £330,800 compared to an average of £226,334 for the south east region, and £172,035 for England and Wales.

The house price to income ratio is arguably a better measure for quality of life than house prices alone. The average gross household income required across the Enterprise M3 area to buy a typical two-bedroom property is just over £49,000 and this equates to a lower quartile house price to earnings ratio of 9.7, above the DCLG recommended ration of 3.5 and above that for the wider south east (8.3). Local average earnings for a full-time employed person are equivalent to £17.55 per hour, £662.90 per week or £36,338 per year. In recent years, Surrey Heath average earnings have consistently been above levels elsewhere locally and nationally. Assuming that the average house price in Surrey Heath is the same as the Surrey average, the house price to income ratio would be around 8.5.

Low cost home ownership, private renting and affordable renting are also priced relatively high when compared to average incomes; table 8 shows that Surrey Heath is comparable to, if slightly lower than, the EM3 averages. In terms of affordable housing, the north-west Surrey and north-east Hampshire Strategic Housing Market Assessment (SHMA) identified a net annual shortfall of 632 units per annum in Surrey Heath.

Table 8: Gross Household Income to Buy an Average Two-bed Property, 2014

	Buy Outright	Low Cost Home Ownership	Private Renting	Affordable Renting
Surrey Heath	£48,082	£37,565	£42,857	£34,286
EM3	£49,420	£38,610	£44,197	£35,358

Source: Housing Evidence Study (March 2014), Enterprise M3, Regeneris

Health is another determinant of quality of life and Frimley Health NHS Foundation Trust was recognised as Trust of the Year for the South of England in 2013. As noted in the Surrey Heath 2011-2028 Core Strategy, “there are, however, small pockets of deprivation in which health is poorer and crime levels are higher than for the rest of the Borough.”

Surrey Heath’s “high quality natural environment and significant amounts of open space” are recognised as considerable strengths in the Core Strategy. There are country parks in Frimley Green and Lightwater, areas of ecological importance in the Thames Basin Heaths Special Protection Area (SPA), along with five protected biodiversity areas (SSSIs) covering nearly a quarter (23%) of the Borough. These areas form part of a green infrastructure network for Surrey Heath that also includes parks and gardens, woodlands and green corridors, outdoor sports fields, allotments and other areas of accessible countryside. As detailed in the Core Strategy, “the Borough Council considers that the retention and continued protection of these areas is vital to ensuring healthy communities and in maintaining the attractiveness and quality in the built environment.”

ANNEX THREE: CONSULTEES

Janet King	Director – HR and Facilities	Frimley Health
Robert Mills	Regional Housing Director	Accent (South) Housing Group
Martin Lloyd	Head of Acquisitions & Disposals	MOD – Defence Infrastructure Organisation
Stephen Love	Portfolio Director, EMEA	Bank of America (Merrill Lynch)
Andrew Hall	Finance Director	Siemens
Zoe Griffiths	Managing Director	Collectively Camberley
Kathy Slack	Director	Enterprise M3
Louise Punter	Chief Executive	Surrey Chambers
Judith Jenkins	Economy Manager, Environment & Infra.	Surrey County Council
Andrew Haughey & Spencer Winter	Retail Asset Manager & Indept. Property Adviser	Capital & Regional
Kevin Cantlon	Economic Development	Surrey Heath Borough Council
Mark Pearson	Chief Executive	Surrey Connects
Paul Donnelly	CSR Manager	Big Yellow Ltd
Julian Kinder	Land Director	McCarthy & Stone
Rick de Kerchkove	Head of Finance	Longacres Nursery
Michelle Davey	Legal Manager/Company Secretary	BAM Nuttall

ANNEX FOUR: GLOSSARY

Blackwater Valley: an open space along the borders of the English counties of Berkshire, Hampshire and Surrey (also referred to in a local sub-regional context).

Collectively Camberley Business Improvement District: Independent, not for profit company funded by local businesses which aims to improve and promote the town centre.

Deepcut (Development Project): 15 year regeneration scheme to transform the village of Deepcut into a sustainable, high quality rural heathland village.

DWP: Department of Work and Pensions.

EDO: Economic Development Officer.

Enterprise M3: a business-led Local Enterprise Partnership (see below), one of 39 in England, which is working to secure economic growth at sub-national level. The Enterprise M3 area stretches 75 miles through Hampshire and Surrey, from rural communities in the New Forest to the perimeter of Heathrow Airport.

European Regional Development Fund (ERDF): Fund to stimulate economic development.

European Social Fund (ESF): is the European Union's main financial instrument for supporting employment as well as promoting economic and social cohesion.

Growing Places Fund: Fund to enable the development of local funds to address infrastructure constraints.

Growth Accelerator: A government funded service that helps ambitious businesses achieve rapid, high and sustainable growth.

Growth Deal: a partnership between the Government and Local Enterprise Partnerships, where the Government will respond to the offers made by Local Enterprise Partnerships in pursuit of the shared objective of growth.

GVA: A measure of the value of the goods and services produced in an area, industry, or sector of an economy.

IWM: WW1 Centenary Partnership: First World War Centenary Partnership led by Imperial War Museum to mark the First World War Centenary.

Information, Advice and Guidance (IAG) services that promote the benefits of learning, help individuals to address and overcome the barriers to learning, and support them in making realistic and well informed choices.

Innovate UK (former the Technology Strategy Board): The UK's innovation agency helping to accelerate growth by stimulating and supporting business-led innovation.

JCP: Job Centre Plus.

Local Growth Fund: Fund to local enterprise partnerships for projects that benefit the local area and economy.

Local Enterprise Partnership (LEP): Local enterprise partnerships are partnerships between local authorities and businesses. They decide what the priorities should be for investment in roads, buildings and facilities in the area.

Local Transport Board (LTB): Board established to prioritise and oversee the delivery of key Major transport schemes.

Manufacturing Advisory Service (MAS): Business support service for manufacturing businesses in England helping them improve and grow.

Military Covenant: informal understanding or agreement between the armed forces and the nation or local community.

MoD: Ministry of Defence.

NEET: A young person who is no longer in the education system and who is not working or being trained for work.

NVQ: National Vocational Qualification.

SANG: (The provision of) Suitable Alternative Natural Greenspace.

Sci:Tech Corridor: Enterprise M3 term used to describe a regeneration corridor focused around high-growth knowledge-based sectors.

SFA: Skills Funding Agency.

SH: Surrey Heath.

SHBC: Surrey Heath Borough Council.

STEM: Referring to the academic disciplines of Science, Technology, Engineering and Maths.

Step-up Town: Series of towns identified by Enterprise M3 that represent locations of strong potential and could perform at a high level but have issues with connectivity, relative deprivation, lower level skills and employability needs. They include Staines-upon-Thames, Camberley, Aldershot, Whitehill & Bordon & Andover.

Sturt Rail Chord: Rail line closed in 1964 (Its reintroduction is being considered as a long term priority).

UKTI: UK Trade and Industry works with UK businesses to ensure their success in international markets through exports and encourages and supports overseas companies to look at the UK as the best place to set up or expand their business.