



Reinvigorating Guildford's Economy

Our **DRAFT** Economic Development Strategy

January 2023

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1. Guildford's Economic Strategy: An Introduction

1.1 This document sets out our *Economic Development Strategy and Action Plan* for Guildford. 'We' are the businesses, anchor institutions and organisations that have a stake our local economy and have been involved in the creation of this plan.

1.2 Our collective ambition, which responds to local aspirations and our recent weak economic performance, is to reinvigorate our economy and restore our economic competitiveness. We will work closely together to achieve this, and have captured this in our ten-year vision which will act as our mission for future action:

"We will re-establish Guildford as the beating heart of Surrey's economy. We will be widely known for our modern, innovative, progressive, productive, inclusive and green economy, characterised by unique clusters of high growth knowledge- and production-based economic activity.

Attracted by our world-class university, ground-breaking hospital, regenerated town centre, intensified employment areas and unrivalled heritage, cultural and natural assets, we will become the number one place in the South East for workers, entrepreneurs and businesses to locate.

Enterprises that choose Guildford, or have roots here, will receive first-class support from our pro-business partners to help them start-up, scale and grow, and, most importantly, clear and obvious connections will be created with our residents to ensure that everyone has the opportunity to benefit from economic success".

1.3 We will achieve this by focusing on six broad themes, which align with our economic context and the *Foundations of Economic Development* set out later in this document:

1. **Productivity:** Boosting enterprise, clustering and innovation;
2. **Property:** Meeting business and worker needs;
3. **People:** Connecting people with opportunity;
4. **Provision:** Upgrading our physical and digital infrastructure;
5. **Place:** Transforming our town centre offer; and,
6. **Planet:** Mitigating the environmental impact of economic activity.

1.4 We have identified tangible short, medium and long-term actions under each of these which will help deliver our ambition. While Guildford Borough Council (GBC) will play the role of 'lead custodian' for our local economy, no one body can deliver economic growth on its own so the responsibility for these is shared across our organisations. This includes Waverley Borough Council (WBC) given the new partnership that has been forged with GBC.

1.5 From our list we have identified ten priority interventions that we think could help deliver significant positive impact for our economy. These are:

1. Actively direct local businesses in high-value, high-growth sectors to the support and innovation programmes offered by Enterprise M3 (our Local Enterprise Partnership), the University of Surrey, Surrey Chamber of Commerce, Surrey County Council and others;
2. Continue to work with Surrey County Council, Enterprise M3 and the Department for International Trade (DIT) to raise the profile Guildford's Gaming industry, and identify other regional clusters to promote and nurture;
3. Continue to progress and drive forward the *Shaping Guildford's Future* and Weyside Urban Village regeneration schemes, and ensure they include the right space types to support high-value high-growth sectors and their supply chains;

4. Explore how council-owned sites (e.g. Slyfield Industrial Estate) could be better utilised to meet employment and housing aspirations, much like has been achieved at Midleton Enterprise Park through our Industrial Estate Growth Strategy;
5. Review publicly-owned assets and explore whether any can be used to provide low-cost business space for entrepreneurs and micro-businesses in our town centre;
6. Work collegiately with developers to unlock and deliver large-scale development schemes that align with the aspirations of this strategy, most notably Blackwell Farm, Wisley Airfield, North Street and Gosden Hill;
7. Continue to work with Network Rail and Surrey County Council to explore the feasibility of delivering new Guildford West (Park Barn) and Guildford East (Merrow) stations to improve connections to future communities and employment areas;
8. Enable Enterprise M3 to deliver the Gigabit EM3 Fibre Spine by providing the support, connections, licences and permissions they need;
9. Develop a comprehensive and granular land use strategy as part of the *Shaping Guildford's Future* programme to support the diversification of our town centre, and explore whether any publicly or privately-owned assets could be used to encourage entrepreneurs to experiment and test new concepts on the high street; and,
10. Provide advice and support for businesses to 'grow their own' skills through reskilling and upskilling programmes, including directing and signposting businesses to existing and forthcoming support (including the *Enterprise M3 Apprenticeship and Skills Hub*).

These interventions represent our priorities for future investment, and more detail is provided later.

- 1.6 The rest of this document captures our context, ambitions, themes and actions in more detail. It is structured around three broad chapters:
 - Guildford's Current Economy: The Case for Action;
 - Guildford's Future Economy: The Next Ten Years; and,
 - Guildford's Delivery Strategy: Delivering a Step Change.
- 1.7 The publication of this document is timely as it follows two major economic shocks, COVID-19 and Brexit, and is concurrent with the unfolding cost of living crisis and associated recession. While it is difficult to anticipate the combined impacts of these pressures, and the ever-changing political context, this strategy addresses these where it can.
- 1.8 It does this by proposing short-, medium- and long-term solutions that respond to the new economic, social and cultural context we now live in, while also providing a stable long-term approach to economic development. While the document may need minor updates over time, or a change in the emphasis of some thematic areas, it provides a framework that could remain in place for the next decade to deliver optimum outcomes for our borough.

Our Geographical Focus

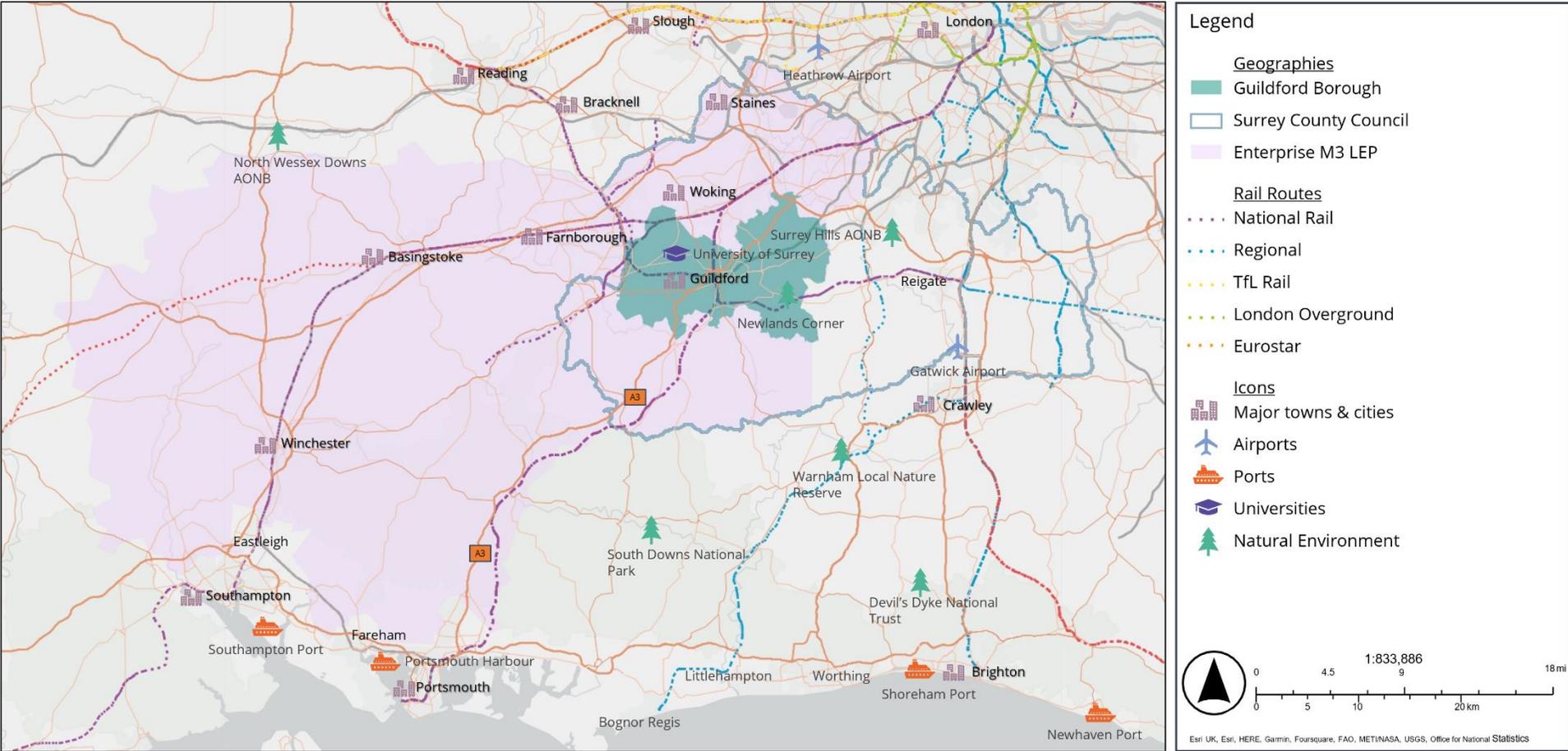
- 1.9 This document focuses on supporting Guildford's urban *and* rural economies. This incorporates the primary, secondary and tertiary economic activities that dominate our rural areas, and the tertiary and quaternary economic activities that characterise the town of Guildford¹.

¹ Primary activities involve the extraction and harvesting of natural materials (e.g. agriculture and forestry); secondary activities involve the production of goods from raw materials (e.g. construction and manufacturing); tertiary activities involve the provision of services and skills (e.g. health and retail); and, quaternary activities involve provision of information services (e.g. computing and consulting).

- 1.10 We do, however, appreciate that Guildford is part of a broader regional economy including the towns and cities of Surrey and Hampshire, including Reigate, Redhill, Dorking, Leatherhead, Woking, Godalming, Basingstoke, Winchester, Southampton and Portsmouth, as well as Greater London.
- 1.11 Guildford is not only an important contributor to this highly productive economic area, but we benefit from being part of it. The region has a wide range of locational advantages, economic assets and high-value economic specialisms that support our local economy and present opportunities for its future growth (e.g. Space, Digital, Cyber Security, Life Sciences, Medical-Technology, Gaming and Creative Technology).
- 1.12 The main actors co-ordinating economic growth across this region are Surrey County Council and Enterprise M3, who have been involved in the creation of this document, as well as Hampshire County Council and Coast to Capital LEP. All these organisations have their own economic strategies to guide their investments².
- 1.13 Our document reflects the aims and ambitions of these bodies and captures proposed interventions relevant to our economy. For example, we include an objective to support the Gaming sector in line with the Enterprise M3's Local Industrial Strategy (LIS), and have an action to work closely with them and Department for International Trade (DIT) to promote their *Immersive Visualisation and Gamification High Potential Opportunity* programme. Taking this area-wide approach will ensure that:
- Our future growth contributes to regional ambitions and complements wider investment;
 - Our future economy helps to curate and strengthen cluster specialisms across the region; and,
 - Our businesses and area benefit from investments and support available from these bodies.

² Surrey's Economic Future – Forward to 2030 (2020-2030); Enterprise M3 Local Industrial Strategy: Defining Our Approach (2020-); Hampshire Economic Strategy (2022-); Coast to Capital Local Industrial Strategy (2019-).

Figure 1.1: Guildford's Economic Context



2. Guildford's Current Economy: The Case for Action

- 2.1 We have an important economy that is made up of over 7,000 businesses and 80,000 employees. Collectively, they contribute over £5.3b to the national economy each year which is more than some other major towns and cities surrounding London (e.g. Southend, Canterbury, Colchester, St Albans and Crawley) but less than others (e.g. Milton Keynes, Reading, Oxford, Cambridge and Chelmsford).
- 2.2 Our urban economy, which is concentrated in and around Guildford itself, is underpinned by internationally, nationally, and regionally important economic anchors such as the University of Surrey, Surrey Research Park, Royal Surrey County Hospital, Guildford College, Guildford Business Park, Spectrum and London Square.
- 2.3 These anchors, among others, support economic specialisms in higher-value and higher-wage broad sectors such as Professional Services, Information Technology, and Health, as well as niche sub-sectors including Space & Satellite Technology, Video Gaming, Digital, Pharmaceuticals and Medical Technology. We also have high levels of employment in foundational sectors such as Education, Retail, Hospitality and Tourism.
- 2.4 Our rural economy is more dispersed but is characterised by traditional land-based industries (i.e. Agriculture and Forestry), in addition to Arts, Crafts, Making and non-traditional knowledge-based activities. One of our main anchors is the Surrey Hills Area of Outstanding Natural Beauty (AONB) which attracts over 30 million visits per year and supports our thriving local visitor economy.

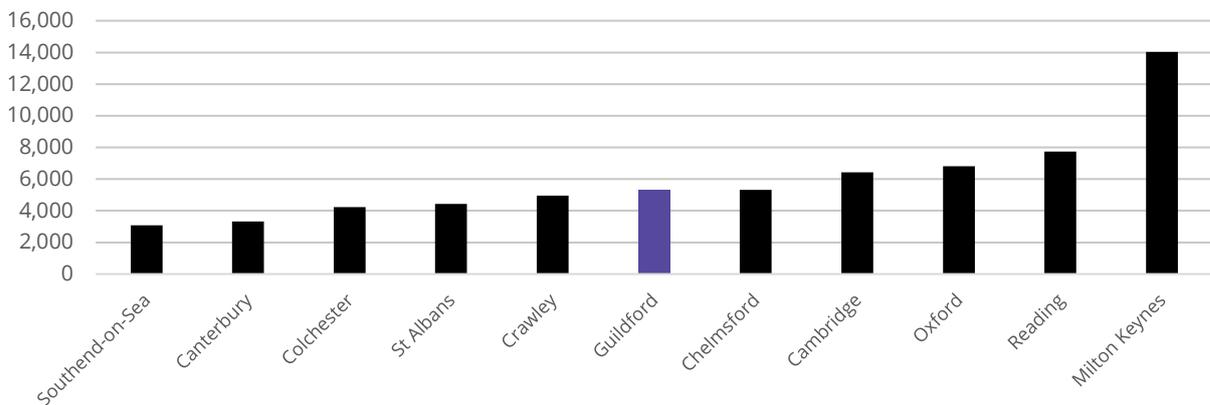


Figure 2.1: Gross Value Added, 2020 (£m)
 Source: ONS, Regional gross value added (balanced) by industry (2020)

- 2.5 Our economy has, however, stalled in recent years. Evidence shows that in the five years preceding the COVID-19 pandemic we experienced very little economic growth unlike most other cities and aspiring cities around London³. It is likely that this has been exacerbated by the COVID-19 pandemic as economic growth slowed in most places across the country and we know that our businesses were hit hard.
- 2.6 As the table below illustrates, we are among the weakest performers on several economic metrics from 2015 which means that while we have stood still our competitors have started to catch up. This is weakening our position and making us a less attractive to businesses and investors. This is underlined by the recent loss of several important employers from our borough to competitor locations, including

³ We have benchmarked our economic performance against cities around London, as well as major towns around the M25 that recently applied to become cities, as we consider these to be our main competitors for investment bar our more immediate neighbours.

Ericsson (moved to Reading), BOC (moved to Woking), IDBS (moved to Woking), Alexander Dennis (moved to Farnborough) and Sanofi (moved to Reading).

Table 1.1: Economic Change

Employment Change (%), 2015-2020	Business Change (%), 2016-2021	GVA Change (%), 2015-2020	Business Start Up Rate (%), 2015-2020
Cambridge 20%	Colchester 10%	Chelmsford 17%	Milton Keynes 14%
Crawley 8%	Crawley 10%	Cambridge 16%	Reading 14%
Reading 7%	England 9%	St Albans 14%	Crawley 14%
Chelmsford 6%	Milton Keynes 8%	England 13%	England 13%
Colchester 4%	Chelmsford 7%	Colchester 13%	Colchester 13%
Canterbury 3%	Canterbury 5%	Oxford 13%	St Albans 13%
England 3%	Cambridge 4%	Milton Keynes 11%	Southend-On-Sea 13%
Milton Keynes 2%	Oxford 3%	Canterbury 10%	Cambridge 12%
Guildford 1%	Southend-on-Sea 3%	Southend-On-Sea 9%	Chelmsford 12%
Oxford 0%	St Albans 3%	Guildford 9%	Canterbury 12%
Southend-on-Sea 0%	Reading 1%	Reading 3%	Oxford 12%
St Albans -1%	Guildford 1%	Crawley -7%	Guildford 11%

Sources: ONS Business Register and Employment Survey (2020); ONS UK Business Count (2021); ONS Regional Gross Value Added by Industry (2020).

2.7 This provides our impetus and imperative to act and illustrates why the publication of this *Economic Development Strategy and Action Plan* is timely. If we want to retain our position as major contributor to the national and regional economy, and to continue attracting innovative businesses and entrepreneurs to our borough, we need to re-invigorate our economy.

2.8 Through our extensive analysis of Guildford’s economic, social and environmental context, and our wide-reaching consultation exercise, we have identified ten ‘blockers’ or ‘barriers’ that we need to address to do this. These have been used to shape our vision for the local economy and to select thematic areas to focus on. They are summarised at a high level below, alongside illustrative statistics, but are explored in more depth throughout this document.

1. We have less commercial space than our competitors...
 - o Reading has 2.8x more office floorspace and 2.5x more industrial floorspace than we do.
2. Our commercial space could better meet the needs of modern higher-value occupiers...
 - o Only 5% of our office stock and 4% of industrial stock is classified as ‘high quality’.
3. We do not provide enough low-cost and supportive space for innovators and entrepreneurs...
 - o We do not have any innovation or accelerator type workspace in our town centre.
4. Our housing market is highly constrained...
 - o We have to deliver at least 562 homes per year to meet our identified ‘need’.
5. This is one of the most unaffordable places to live in the country...
 - o House prices are 13.2x higher than average workplace earnings.

- 6. Our local labour market profile limits some parts of the economy...
 - o Almost 70% of our residents are in highly qualified professional occupations making it difficult for foundational sectors to recruit.
- 7. We suffer from significant traffic and congestion...
 - o We are the 7th most congested borough in the entire country.
- 8. Our public transport connectivity could be stronger...
 - o Poor accessibility to education, skills and training provision are the main drivers of deprivation in our borough.
- 9. Our digital connectivity speeds are not sufficient for some innovative and high-wage businesses...
 - o Only 65% of our properties have access to Gigabit connectivity, versus 89% in Cambridge, 87% in Milton Keynes and 86% in Crawley.
- 10. Our town centre could better reflect worker needs...
 - o 40% of our units are occupied by national 'clone' chains which is more than nearly all of our competitors and double the national average.

2.9 Our view is that if we can address as many of these as possible, our economy is likely to start moving again. This is because we have strong foundations that can be built upon, ranging from our highly skilled labour force to our unique and diverse economic assets and anchors (Figure 2.2). As set out in Table 2, we also have some major strengths and opportunities that can be exploited to kickstart growth, such as our unique sector specialisms which we can use to attract likeminded businesses to Guildford, and the major development sites in and around our town centre that can provide new commercial space.

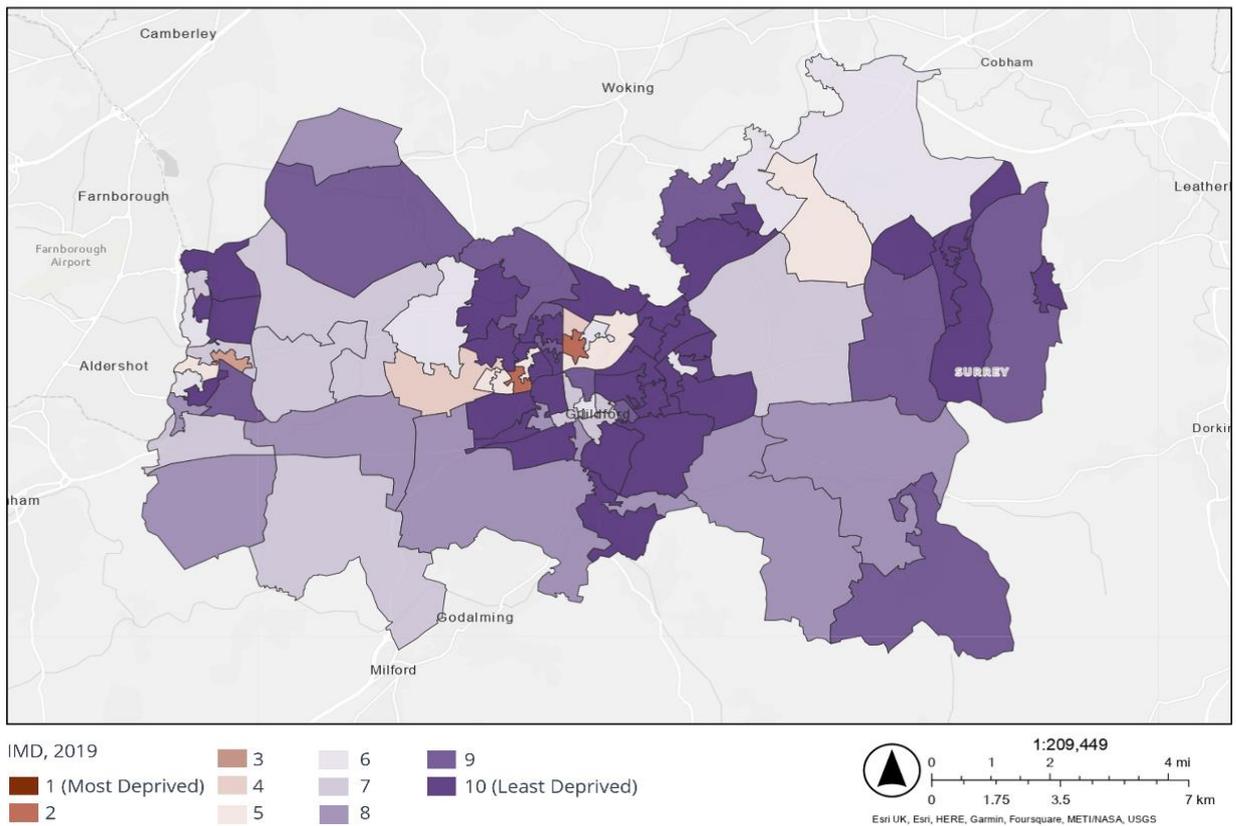


Figure 2.2: Deprivation, 2019
Source: MHCLG Indices of Multiple Deprivation (2019)

2.10 We do, however, recognise that we have a responsibility to ensure that our approach to economic development creates opportunities for *everyone* in Guildford, and that re-invigorating the economy in this way will not necessarily ‘trickle down’ to all members our community. From our analysis we know that despite our relative wealth we have pockets of deprivation across the borough, as the map above illustrates. We therefore need to make sure that the initiatives we deliver also help to tackle this wherever possible – helpfully our analysis tells us that our deprivation is primarily driven by barriers to housing, services and education which means we can deliver targeted responses.

2.11 We also recognise that air pollution and climate change are major concerns for our businesses, residents, and visitors. While this is not a net zero or environmental sustainability strategy, we need to ensure that re-invigorating our economy does not come at the cost of our environment, and that we harness opportunities presented by the low-carbon economy wherever possible. Analysis on air quality commissioned by GBC⁴ underlines the importance of this as it shows that some parts of our borough have dangerously high levels of greenhouse gases, most notably around the A3 and A31, and across the town of Guildford.

Table 2.1: Our Defining Economic Strengths, Weaknesses, Opportunities and Threats

Strengths	Weaknesses
<ul style="list-style-type: none"> ○ We are well-located and well-connected to other towns and cities, <i>and</i> major international airports. ○ Our residents are highly-skilled, well-educated and largely of working age. ○ We have a number of high-value, high-wage and specialised employment sectors ○ Our borough has a wide range of regionally and nationally significant economic assets. ○ We have a diverse business base characterised by productive rural and urban enterprises. ○ Our physical and natural environment is highly attractive to workers, businesses and visitors. 	<ul style="list-style-type: none"> ○ Our economy has grown slowly in recent years. ○ We have a constrained commercial property market that could better meet business needs. ○ Our high housing costs make it difficult for businesses to recruit workers. ○ We have infrastructure constraints limiting development and economic growth (e.g. broadband and active travel connectivity). ○ Our amenity offer has become less attractive to innovative and high-growth businesses versus competitor locations in recent years. ○ Our lack of investment in infrastructure and development is damaging businesses’ perceptions of our borough.
Opportunities	Threats
<ul style="list-style-type: none"> ○ We have employment sites that can be expanded or intensified to deliver positive economic impact. ○ Our town centre has opportunity sites that can be used to support economic development and housing. ○ Our partners are delivering programmes that we can leverage and support to deliver local benefit. ○ We have high growth sectors that can support the reinvigoration of our economy. ○ Our public bodies own sites and assets that could be utilised to deliver greater economic impact. ○ Our council is proactively investing in infrastructure and regeneration projects. ○ Our natural, cultural and heritage assets can be used to create more economic value. 	<ul style="list-style-type: none"> ○ Our constrained commercial market and lack of development could drive more businesses out. ○ Economic projections suggest some of our competitors may see higher levels of economic growth in coming years threatening our position. ○ Our housing challenges may see the private sector put more pressure on our public bodies to convert productive employment space to residential uses. ○ Climate change, and associated hazards such as flooding, are likely to bring new challenges to our business and residents. ○ Our fall in international migration following the Brexit referendum may make it difficult for our businesses to fill vacancies in the future.

⁴ Detailed Air Quality Modelling and Source Apportionment, Guildford Borough Council (2019).



Figure 2.2: Our Economic Assets and Anchors
 (From Left to Right, From Top To Bottom: University of Surrey, Slyfield Industrial Estate, Surrey Research Park, Guildford Town Centre, Royal Surrey County Hospital, Pirbright Institute, Surrey Hills Area of Outstanding Natural Beauty and Guildford College)

3. Guildford’s Future Economy: The Next Ten Years

3.1 Following detailed analysis of our economic position, and extensive and wide-ranging discussions between partners, we have agreed that we need to take concerted and focused action to reinvigorate our economy and restore our economic position. We must work closely together to unlock our economy by addressing our ‘barriers’ and building on our wide-ranging strengths and opportunities. This is captured in our ten-year vision, which will act as our mission and ‘rallying cry’ for future action:

“We will re-establish Guildford as the beating heart of Surrey’s economy. We will be widely known for our modern, innovative, progressive, productive, inclusive and green economy, characterised by unique clusters of high growth knowledge- and production-based economic activity.

Attracted by our world-class university, ground-breaking hospital, regenerated town centre, intensified employment areas and unrivalled heritage, cultural and natural assets, we will become the number one place in the South East for workers, entrepreneurs and businesses to locate.

Enterprises that choose Guildford, or have roots here, will receive first-class support from our pro-business partners to help them start-up, scale and grow, and, most importantly, clear and obvious connections will be created with our residents to ensure that everyone has the opportunity to benefit from economic success”.

3.2 This *Economic Development Strategy and Action Plan* sets out how we will achieve this. Responding to our economic context, consultations with stakeholders, and, crucially, the *Foundations of Economic Development* set out on Page 18, it is structured around six broad thematic areas that represent our priority areas for intervention:

1. **Productivity:** Boosting enterprise, clustering and innovation;
2. **Property:** Meeting business and worker needs;
3. **People:** Connecting people with opportunity;
4. **Provision:** Upgrading our physical and digital infrastructure;
5. **Place:** Transforming our town centre offer; and,
6. **Planet:** Mitigating the environmental impact of economic activity.

These are discussed in more detail throughout this chapter, and we will work hand in glove with one another to bring forward actions associated with each.

3.3 Across these we will use all the levers we have at our disposal to deliver positive change. These are:



Anchor: Using our powers, day-to-day activities, and operational expenditure to support economic activity.



Facilitator: Bringing businesses, organisations and anchor institutions together to collaborate on projects and deliver positive economic change.



Advocate: Championing our area to ensure policies, projects and funding supports and benefits our local economy.



Marketer: Attracting businesses, entrepreneurs and investors to Guildford by communicating its benefits and brokering relationships between important players.



Commissioner: Procuring goods and services to support economic development and securing public and private investment to pay for it.



Deliverer: Actively delivering physical and non-physical projects that support economic development ambitions.

3.4 Given the increasingly constrained funding environment we operate in we will focus on interventions that have high impact but limited resource implications, particularly those that fall under the 'anchor', 'facilitator' and 'advocate' categories. That said, we recognise that we will need to do more than this to move the dial on our economic performance. We have therefore identified ten priority interventions that we think could help deliver significant positive impact for our economy and will represent our priorities for investment:

1. Actively direct local businesses in high-value, high-growth sectors to the support and innovation programmes offered by Enterprise M3, the University of Surrey, Surrey Chamber of Commerce, Surrey County Council and others;
2. Continue to work with Surrey County Council, Enterprise M3 and the Department for International Trade (DIT) to raise the profile Guildford's Gaming industry, and identify other regional clusters to promote and nurture;
3. Continue to progress and drive forward the *Shaping Guildford's Future* and Weyside Urban Village regeneration schemes, and ensure they include the right space types to support high-value high-growth sectors and their supply chains;
4. Explore how council-owned sites (e.g. Slyfield Industrial Estate) could be better utilised to meet employment and housing aspirations, much like has been achieved at Midleton Enterprise Park through our Industrial Estate Growth Strategy;
5. Review publicly-owned assets and explore whether any can be used to provide low-cost business space for entrepreneurs and micro-businesses in our town centre;
6. Work collegiately with developers to unlock and deliver large-scale development schemes that align with the aspirations of this strategy, most notably Blackwell Farm, Wisley Airfield, North Street and Gosden Hill;
7. Continue to work with Network Rail and Surrey County Council to explore the feasibility of delivering new Guildford West (Park Barn) and Guildford East (Merrow) stations to improve connections to future communities and employment areas;
8. Enable Enterprise M3 to deliver the Gigabit EM3 Fibre Spine by providing the support, connections, licences and permissions they need;
9. Develop a comprehensive and granular land use strategy as part of the *Shaping Guildford's Future* programme to support the diversification of our town centre, and explore whether any publicly or privately-owned assets could be used to encourage entrepreneurs to experiment and test new concepts on the high street; and,
10. Provide advice and support for businesses to 'grow their own' skills through reskilling and upskilling programmes, including directing and signposting businesses to existing and forthcoming support (including the Enterprise M3 Apprenticeship and Skills Hub).

Building on Existing Momentum

3.5 Recognising that our economic performance has been weak in recent years, we have already started bringing forward several major investments across the borough. These are 'pre-cursors' to our future economic success, and act at the starting point for achieving our ten-year vision. A summary of the most significant are set out below to capture existing momentum that exists locally:

1. Weyside Urban Village: GBC is working to bring forward an exciting new urban village adjacent to the River Wey that will incorporate 1,500 new homes, complemented by shops, green space, nurseries, community uses and healthcare facilities. The scheme also incorporates 7,000 sqm of new employment space to complement the highly successful Slyfield Industrial Estate which sits nearby.
2. Friary Quarter: St Edward is currently working with GBC to regenerate North Street to enhance and improve this part of our town centre. They have developed a clear vision to *"bring the area back to life by delivering new spaces to eat, shop, live, meet and play, in high quality buildings and surrounded by beautiful public realm"*. Two important elements of the scheme involve the provision of a new bus station and the pedestrianisation of North Street to improve the visitor experience.
3. Guildford Park Road Regeneration: GBC is currently developing plans to deliver new homes on the former Guildford Park Road Car Park, which sits to the northwest of Guildford Station. The objective of the development, which is currently in its design phase, is to provide much needed new homes, including affordable homes, across a range of types and tenures.
4. Guildford Sustainable Movement Corridor: GBC, Surrey County Council and National Highways are currently working together to improve sustainable travel options between the Royal Surrey County Hospital, University of Surrey and Guildford Station. This involves the provision of new pedestrian and cycle paths to better link up disparate parts of our town, as well as bus lane improvements to reduce journey times and improve public transport connectivity.
5. Wisley Interchange Highway Upgrades: National Highways is currently working with GBC and Surrey County Council to deliver a £300m upgrade to the Wisley Interchange between the A3 and M25. The aim is to reduce congestion and improve reliability, which is important for Guildford as it is our main gateway to the rest of the country and wider South East.
6. Midleton Enterprise Park: GBC have recently re-developed several industrial units to provide high quality, flexible industrial space for micro, small and medium-sized production and distribution type businesses in this area. More re-development is underway on this site as part of GBC's proactive Industrial Estate Growth Strategy.



Figure 3.1: Building on Existing Momentum
(From Left to Right, From Top To Bottom: Weyside Urban Village; Wisley Interchange Upgrades; North Street Regeneration; Guildford Park Road Regeneration)

Focus On: The Foundations of Economic Development

Local economic development is typically defined as a broad set of activities that bring local partners together to generate wealth and improve livelihoods by stimulating the economy of an area through the use of resources, powers, and influence.

There are a range of metrics to track economic development, but it has traditionally been measured using Gross Value Added (GVA) which refers to the value generated in an area by businesses and organisations engaged in the production of goods and services - it can be reported in absolute and relative terms (i.e. GVA versus GVA Per Worker or GVA Per Hour Worked).

There is much literature exploring the factors that underpin places that have high GVA, and perform strongly on other traditional economic measures including those related to employment, business, sectors, income and economic activity. These studies typically refer to a wide range of economic drivers such as enterprise, innovation, inward investment, commercial space, transport, digital infrastructure, skills, education and amenities.

This is emphasised by the Government's "*What Works*" Centre for Economic Development which has conducted a thorough review of studies evaluating interventions intended to stimulate local economic growth. While each place is unique, and there are place-specific influences, they identify several factors that are consistently important in supporting local economic growth:

1. **Finance:** Provision of public sector loans or grants to firms where the market is failing to boost enterprise (e.g. to help micro, small and medium sized businesses expand);
2. **Transport:** Provision of strong public and private transport connectivity to support the productivity of firms and workers (due to efficient travel times), and attract new businesses that demand connectivity to other economic nodes;
3. **Training:** Provision of direct and indirect training and education opportunities to improve the skills of the local population – skilled labour markets can enhance the productivity of firms and attract inward investment;
4. **Apprenticeships:** Provision of apprenticeships to enhance the skills and wages of local people, and support firm level productivity;
5. **Incentives:** Provision of area-based incentives to attract investment, support growth and enhance productivity (e.g. tax breaks, wage subsidies, simplified planning etc);
6. **Broadband:** Provision of high bandwidth and rapid digital connectivity to enhance firm level productivity and attract high-value modern businesses;
7. **Business Advice:** Provision of structured business advice and/or long-term mentoring to support business creation, improve business survival, enhance productivity, and boost employment growth;
8. **Housing:** Provision of a mix of housing types and tenures for a mixed and skilled labour market which is important for economic growth and inward investment;
9. **Innovation:** Provision of grants, loans, funding, facilities and amenities that support firms to develop new products, services or methods that boost productivity;
10. **Public Realm:** Provision of high-quality public realm in town centres and commercial areas to boost footfall, interest, expenditure, and inward investment; and,
11. **Culture and Leisure:** Provision of creative, cultural, sports, leisure and tourism events and assets to support wellbeing, and economic growth through employment and visitor spend.

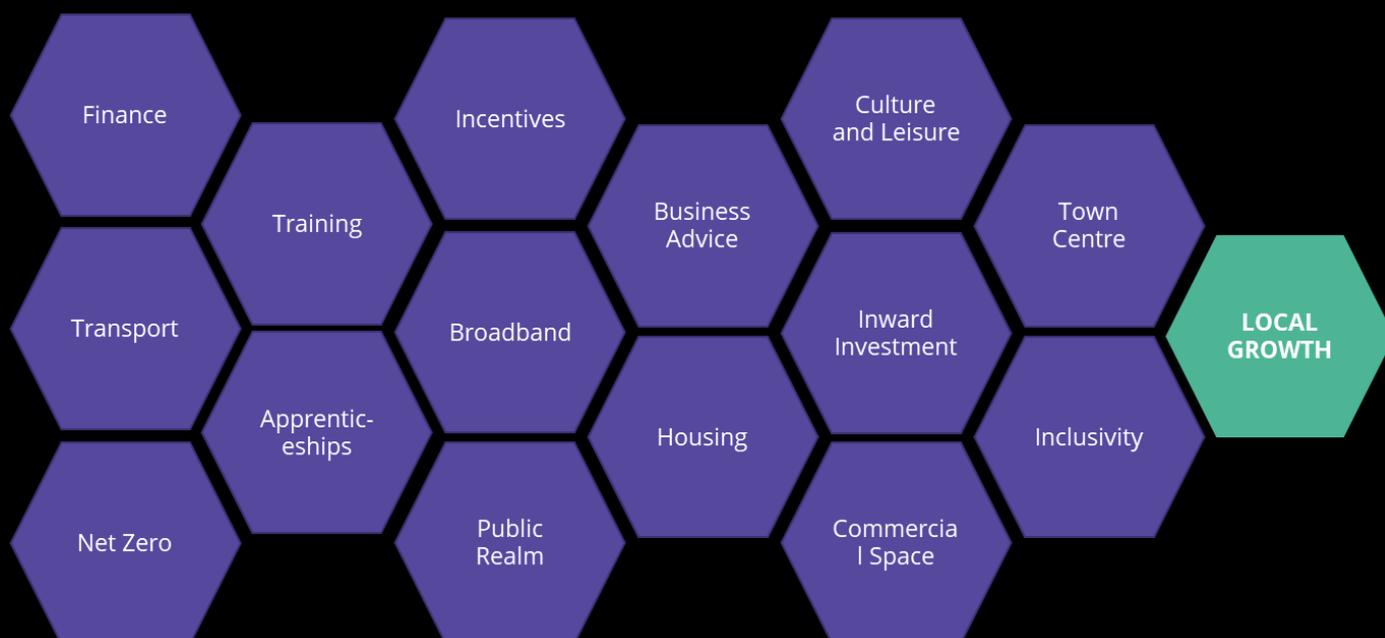
Given their importance, we will ensure that these factors underpin our approach to economic development in Guildford. We will also add (a) inward investment, (b) commercial space and (c) town centre diversification to the list, as we know that these are also relevant for driving economic growth particularly in our borough. This approach reflects the Government's previous *Industrial Strategy*, which defined five "pillars" of economic growth

(Ideas, People, Infrastructure, Business Environment and Places), and the current *Levelling Up* 'Missions' and 'Drivers' which are intimately linked to these factors.

While these traditional metrics and factors support economic development, it is worth noting that economic growth does not always translate to improved livelihoods for *all*, is not a silver bullet for improving wellbeing and can lead to unintended economic, social and environmental consequences. For example, some of the most economically productive towns and cities across the country suffer from high levels of inequality, deprivation, congestion and air pollution which are in part linked to their economic success – we know that these issues are particularly acute in London, Oxford and Cambridge.

This has led to the rise in alternative approaches in economic development such as 'inclusive growth', 'triple bottom line', 'doughnut economics', 'green economics', 'good growth', 'socio-economic development', 'levelling up', and 'low carbon economics'. There are also a wide range of holistic measures that are now commonly used that consider economic, social *and* environmental factors such as the *Indices of Multiple Deprivation* – a combined measure of deprivation based on 37 indicators. While we are not explicitly adopting any of these approaches in this strategy, we will ensure that addressing environmental and social issues also underpins our approach to delivering future economic growth.

Figure 3.2: Foundations of Economic Development



Productivity: Boosting Enterprise, Clustering and Innovation

Why is action needed?

- 3.6 We have a reasonably productive economy in both absolute and relative terms – as previously discussed, it generates around £5.3b per year which translates to £58k per worker⁵. This links to our sector mix which is dominated by knowledge- and production-based industries in the private sector.
- 3.7 Although this is relatively positive, we have been resting on our laurels in recent years and our economic growth has ground to a halt as outlined earlier in this document. This is due to a lack of commercial development and the loss of major employers to competitor locations over the last five years, as well as a range of other ‘barriers’.
- 3.8 We are surviving on our past successes and if we do not act it is likely that our more interventionist rivals will catch up and we will continue to lose our competitiveness. This is reflected in economic projections which indicate that places like Milton Keynes, Oxford, Cambridge, Reading and Canterbury could experience more rapid economic growth than Guildford over the next five to ten years.
- 3.9 Closely related to this our levels of enterprise and innovation could be stronger. For example:
- Between 2015 and 2020 our Business Start Up Rate⁶ was 11% which is significantly lower than at both the national (13%) and South East (16%) levels over this period⁷.
 - Between 2008 and 2017 55 patents were registered by businesses in our borough which is lower than in Cambridge (292), Oxford (230⁸), Milton Keynes (129) and Reading (84)⁹ over the same period.

This is of particular concern as both entrepreneurship and the innovation of new ideas, products and processes are widely recognised as key drivers of economic growth.

How will we respond?

- 3.10 We will respond to this by focusing our energies on supporting the growth of high-value sectors that are either already growing rapidly or highly specialised in our borough. Those that present the most opportunities for our future economic success include Professional Services, Information Technology (incorporating Artificial Intelligence), and Health, and niche sub-sectors such as Space & Satellite Technology, Video Gaming, Digital, Pharmaceuticals and Medical Technology.
- 3.11 We will work together to create both local and regional clusters of businesses in these sectors to boost productivity and generate agglomeration effects. Those that also present a regional opportunity, and will therefore benefit from additional targeted support from Enterprise M3 and Surrey County Council, include Professional Services, Space & Satellite Technology, Video Gaming and Medical Technology.
- 3.12 Supporting these sectors is a common thread that runs throughout this strategy, and intervention is required across several thematic areas to catalyse their growth (most notably Property, People and Place). This theme focuses on providing *direct* support to existing and prospective businesses to boost enterprise, clustering and innovation.
- 3.13 In this vein, our overarching response is to ‘get the basics right’ by improving our engagement with existing businesses *and* those considering locating in our borough. We will achieve this by improving

⁵ ONS. Regional Gross Value Added by Industry (2020).

⁶ The number of new businesses established in a given year as a proportion of the total business base.

⁷ ONS. UK Business Count (2021).

⁸ This incorporates registration in South Oxford which includes parts of the city itself.

⁹ Intellectual Property Office. Patents Granted by Local Authority (2018).

our 'front door', meaning that businesses in these sectors that engage with GBC or partners are directed to the support, advice, and opportunities they need to prosper.

- 3.14 This will require us to accelerate the roll out of our new customer relationship system to *all* departments, while also ensuring economic development officers keep up-to-date with all schemes, programmes, initiatives, funding and opportunities offered by partners for businesses in priority sectors. This will require officers to undertake an audit and gap analysis to identify (a) what business support is currently available; and, (b) what additional support could be offered to enhance provision.
- 3.15 Once this is in place, we will also actively market our borough to entrepreneurs, businesses and investors working in our priority sectors. Using existing platforms as a basis (e.g. Invest in Surrey) we will undertake proactive inward investment activities to communicate the locational benefits of our borough and direct interested parties to local opportunities.
- 3.16 This will require a joined-up approach between GBC, Enterprise M3, Surrey County Council, Surrey Research Park, Guildford Businesses Park, Invest in Surrey, commercial property agents and other inward investment players to ensure that we adopt a 'One Guildford' or 'One Surrey' approach to attracting new enterprises to our area. We need to make sure that if one partner cannot find an investment opportunity for an interested business someone else can step in to support them.

What actions will be prioritised by GBC?

- Extend GBC's new Salesforce Customer Relationship Management (CRM) system to all departments to enhance our 'front door' with businesses (Anchor).
 - This will help ensure our communications are joined up and that every interaction with businesses is informed by previous communications – this is crucial for us to come across as a 'business friendly' council.
- Work with WBC to produce collateral to signpost businesses to the support, advice and/or opportunities they need to prosper when they contact GBC and partners (Facilitator).
 - We will work with partners to capture the existing offer on a dedicated webpage on the GBC website that is updated regularly by officers.
- Actively direct businesses in priority sectors to the support programmes already offered by Enterprise M3, the University of Surrey, Surrey Chamber of Commerce, Surrey County Council and others, and help them to unlock the opportunities these present (Facilitator).
 - Examples of different programmes are set out below
- Work with WBC to undertake an audit of the business support offer available to local enterprises and use this as a basis to co-commission targeted support for different sized businesses within our target sectors (Deliverer).
 - This will involve extending the Incubive business support current offered to businesses in Waverley to Guildford.
 - We will engage with other local boroughs that have implemented similar schemes to explore any lessons learned from their experience.
- Work with WBC to use Rural Prosperity Funding to ensure that rural businesses continue to have access to funding that they can use to grow, adapt and evolve (Facilitator).
 - This will focus on small and micro businesses and will be a continuation of the Surrey LEADER programme that has previously supported rural business expansion.
- Engage with at least 20 businesses in priority sectors on an annual basis to understand their aspirations, plans and challenges (Facilitator).
 - We will use this intelligence to offer tailored responses that help support each business to reach their potential within the borough.
- Organise bi-annual 'Business Question Time' events with WBC to connect local businesses with one another and to encourage knowledge transfer.

- This will build on our first successful Business Question Time event held in December 2022 at Charterhouse School.
- Continue to work with Surrey County Council, Enterprise M3, the Department for International Trade (DIT) and the Association for UK Interactive Entertainment (UKIE) to raise the profile of Guildford's Gaming industry through the Guildford Games Cluster and the Guildford and Aldershot *Immersive Visualisation and Gamification High Potential Opportunity* (Marketer).
 - This will involve, as a minimum, ensuring our partners are aware of developments 'on the ground', such as new start-ups, business relocations and commercial space vacancies.
- Work with Enterprise M3 and Surrey County Council to raise the profile of other regional clusters that are relevant to Guildford, including Medical Technology.
 - We will work with partners to ensure that the profile Guildford's businesses and assets are at the forefront of regional promotional activity.
- Develop inward investment collateral that captures the locational advantages and opportunities offered by the borough (Marketer).
 - We will capture this on a dedicated webpage on the GBC website that includes clear links to the Invest in Surrey website and collateral.
- Agree a regular list of events and engagements that officers from GBC and WBC can attend to raise the profile of the borough among investors, funders and policymakers (Marketer)
- Work with partners to explore options to market Guildford to entrepreneurs and businesses in priority sectors looking for a new base (Marketer).
 - Our options range from placing advertisements in sector-specific publications to targeted social media campaigns.

Our Indicators of Success

Indicator	Baseline Position	Five Year Target	Ten Year Target
GVA	£5.3bn (2020)	£6bn	£7bn
GVA Per Worker	£58k (2020)	£65k	£70k
Business Start Up Rate	9% (2020)	15%	18%
Successful Inward Investments	Not currently recorded	30	70

Focus On: Existing Business Support Offer

Our partners offer a wide range of business support services that we can direct our businesses towards to. In line with our aspiration for Guildford, most of these focus on supporting high-growth and high value businesses that can deliver a step-change for local and regional economies.

Enterprise M3 is the main business support provider at present. Their most prominent programme is their High Growth Companies Programme which provides dedicated support to help high-value businesses increase their revenue and profit. They offer access to specialist software (i.e. GROWTHmapper), coaching, mentoring, and business planning support as part of this.

The University of Surrey also offers business support for start-ups via their Set Squared Programme and associated incubator hub on the Surrey Research Park. This is available to any high potential business, but those that meet their entry requirements have access to a broad suite of support. This ranges from one-to-on sessions with their International Trade Advisor and mentoring with seasoned experts, to access to their Open Innovation Programme which connects entrepreneurs with world-leading corporates who are leaders in their respective fields. They also run the S100 Angels Investment Network which helps to connect high growth businesses with Angel Investors.

Property: Meeting Business and Worker Needs

Why is action needed?

- 3.17 We have a wide range of important employment sites across our borough – examples include the Surrey Research Park, Slyfield Industrial Estate, Guildford Business Park, Midleton Enterprise Park, Tannery Studios, Guildway Office Park, and London Square. Together these and others support a broad diversity of businesses within 3.7m sq ft of office space and 3.4m sq ft of industrial space¹⁰.
- 3.18 While this is not an insignificant amount of space, it is much less than many of our more productive competitors. For example, Reading has 10.4m sq ft of office space and 8.7m sq ft industrial space respectively, Milton Keynes has 9.5m and 32m sq ft, Oxford has 4.7m and 7.2m sq ft, Chelmsford has 4.6m and 5.5m sq ft and Crawley has 4.5m and 8m sq ft respectively¹¹. This means we have less capacity for business activity than these locations limiting the size, scale, and breadth of our economy.
- 3.19 The nature of our existing commercial space offer could also better meet the changing demands of businesses in our priority growth sectors. Since the COVID-19 pandemic, and the rise in hybrid working, higher-value office-type occupiers are increasingly demanding high-quality and flexible space close to public transport nodes and vibrant town centres. Our office stock does not align with this:
- Only 5% of our office stock is classified as 'high quality' versus 47% in Reading, 35% in Crawley, 30% in Cambridge and 20% in Milton Keynes¹²;
 - Nearly all of our major office clusters are located away from our main train station and town centre (e.g. Surrey Research Park, Guildford Business Park, London Square, Cathedral Hill and Guildway Office Park); and,
 - Most of our office stock is large floorplate stock available on long and inflexible lease terms, particularly space located close to the town centre (e.g. Ranger House and Bridge House).

Our industrial offer is, in contrast, better located and more attractive for target occupiers but also suffers from issues related to flexibility, quality, sustainability and density – except for on the Midleton Enterprise Park which has recently benefitted from the provision of new higher-quality units.

- 3.20 We also lack highly-flexible and lower-cost business space directly targeted at entrepreneurs and micro businesses – this is likely to be influencing our comparatively low levels of enterprise and innovation, and is a concern because 33% of our 'high growth' businesses¹³ employ under five people and 85% employ fewer than 49 people¹⁴. Many of our more productive competitors have an array of these types of spaces¹⁵ in their town centres - for example, Oxford City Centre is well served by Oxford Innovation Space, Makespace Oxford, Make Oxford, Grassroots Workspace, Urbanoid, and Oxford DevSpace.
- 3.21 Compounding this we also suffer from a highly constrained residential market – median house prices are £485k which is 30% higher than across the South East and 63% above the national average¹⁶, and we have not delivered enough new homes to meet rising demand over the last decade. This makes it difficult for businesses to attract and recruit workers, most notably highly-skilled graduates and young professionals starting families, and is contributing to a 'brain drain' of talent to more affordable towns and cities. It also makes it harder to recruit lower-skilled workers in foundational roles as most are unable to live and work locally.

¹⁰ CoStar. CoStar Analytics (2022).

¹¹ CoStar. CoStar Analytics (2022).

¹² CoStar. CoStar Analytics (2022).

¹³ Businesses experiencing at least 20% growth in turnover or employees year-on-year over the last three years.

¹⁴ Beauhurst (2021).

¹⁵ Example typologies include co-working, incubator, accelerator, creative and maker spaces among others.

¹⁶ ONS. House Price Statistics for Small Areas (2021).

How will we respond?

- 3.22 We will respond to this by seeking to use our sites and assets to provide the commercial and residential space our businesses and workers demand. This will involve reviewing our existing landholdings and exploring whether they can be intensified or redeveloped to deliver more floorspace.
- 3.23 From a GBC perspective, this will involve the active delivery of large mixed-use regeneration schemes that incorporate commercial and residential uses. Examples include the Weyside Urban Village, and several sites identified in the emerging *Shaping Guildford's Future Masterplan* including Town Wharf, Bedford Wharf and Woodbridge Meadows.
- 3.24 We will also explore options to better use council-owned sites (e.g. Slyfield Industrial Estate, Lysons Industrial Estate and Woodbridge Meadows), which will involve undertaking detailed feasibility, capacity and masterplan studies to explore possibilities for each site. Several sites are currently being reviewed as part of GBC's Industrial Estate Growth Strategy.
- 3.25 Partners such as the Surrey Research Park, University of Surrey, Guildford Cathedral and Royal Surrey County Hospital will also do this as part of their estate strategies. Where feasible options exist we will all actively pursue the delivery of schemes, working together where possible.
- 3.26 Aligned to this we will also consider how our existing assets could be better utilised to deliver greater economic output. GBC, for example, will explore whether opportunities exist to partially or fully repurpose any of our commercial assets to provide space for 'high growth' and high potential micro businesses, while also reviewing whether any of our commercially let assets could be refurbished or re-oriented to better meet the changing needs of businesses in our priority sectors.
- 3.27 More broadly we will use our collective influence and powers to encourage the right type of uses to come forward in the right places, and to protect commercial assets that already exist. Among other things, this will include updating our Employment Land Review to reflect the changing macro- and micro-economic context and to provide site specific guidance for opportunity sites particularly where existing guidance does not yet exist. We will also work proactively developers to maximise the positive economic impacts of schemes.

What actions will be prioritised by GBC?

- Continue to pursue the Weyside Urban Village regeneration scheme (Deliverer).
 - We will carefully consider how commercial space provision can be tailored to priority sectors and/or their supply chain to drive productivity growth.
- Progress and drive forward the delivery of the *Shaping Guildford's Future* town centre masterplan (Anchor and Deliverer).
 - We will ensure that suitable business space is provided through this exercise, and that our new residential offer caters to workers in priority sectors.
- Finalise the feasibility work and begin delivery of the Guildford Park Road Regeneration scheme (Deliverer).
 - This will incorporate a wide mix of housing tenures to support the varying needs of our working age population.
- Explore how council-owned sites (e.g. Slyfield Industrial Estate) could be better utilised to meet employment and housing aspirations, much like has been achieved at Midleton Enterprise Park through our Industrial Estate Growth Strategy (Deliverer).
 - This will involve undertaking masterplans and feasibility studies for sites that are the most deliverable and offer the greatest capacity for change, and pursuing our Industrial Estate Growth Strategy.

- Review council-owned assets and explore whether any can be used to provide low-cost business space for entrepreneurs and micro-businesses (Deliverer).
 - Our town centre and business base would benefit from new accelerator/incubator spaces, incorporating wraparound business support. These could focus on complementary priority sectors (e.g. Digital, Video Gaming and Information Communication).
 - Like many private and public sector investors we will also consider, where possible, how we can maximise environmental and social value as well as financial returns from our property portfolio.
- Support anchor institutions to unlock large-scale development schemes that align with the objectives of this strategy, most notably the extension of the Surrey Research Park (Facilitator).
 - This might involve providing, delivery expertise, joint feasibility funding and/or strengthening existing functions such as Development Management.
- Proactively work with private sector developers to maximise the economic, social and environmental benefits of large-scale commercial schemes in planning or coming forward (Anchor).
 - Examples include Wisley Airfield, North Street, Gosden Hill and the former Debenhams store.
- Upgrade existing council-owned assets to better meet the needs of our priority sectors (Anchor).
 - New MEES (Minimum Energy Efficiency Standard) legislation from central Government requires landlords to invest in the sustainability of their commercial assets, which provides us with a unique opportunity to make wider improvements to our commercial portfolio.
- Update the existing Employment Land Review to reflect the changing economic context, and consider the merits of introducing an affordable workspace policy (Anchor).
 - This will include more qualitative elements than our previous Employment Land Reviews with site-specific reflections and recommendations included.
 - It will also consider whether any Article 4 directions should be introduced to protect any 'at risk' employment sites as there are limited opportunities to bring forward space in the future.
- Work with Experience Guildford to explore opportunities to introduce workspace in vacant retail units in the town centre, either on a meanwhile or permanent basis (Facilitator).
 - This will help diversify our town centre, address rising vacancies and increase footfall in the heart of our high street.

Our Indicators of Success

Indicator	Baseline Position	Five Year Target	Ten Year Target
Quantum of office floorspace	3.7m sq ft (2022)	3.9m sq ft ¹⁷	4.5m sq ft
Quantum of industrial floorspace	3.4m sq ft (2022)	3.5m sq ft ¹⁸	3.6m sq ft
Proportion of 'high quality' office floorspace	5% (2022)	20%	35%
Proportion of 'high quality' of industrial floorspace	4% (2022)	10%	20%
Number of flexible and start-up workspaces in town centre	4 (2022)	5	7
Average annual housing delivery	382 (2015-2021)	1,000 ¹⁹	1,000

¹⁷ These targets align with Guildford's current *Employment Land Needs Assessment* (2017) but will need updating following a refresh of the evidence base, including the ten year target which at present is based on bringing Guildford's stock closer to its competitor locations.

¹⁸ Ibid.

¹⁹ These targets reflect Guildford Borough Council's Local Plan target to deliver 10,678 units between 2015 and 2034, taking into account completions since 2015 (2,292).

People: Connecting People and Opportunity

Why is action needed?

- 3.28 Our borough is home to 150,000 people, many of whom are highly qualified, of working-age and have higher-wage occupations. This is reflected in the relative affluence of our population – average annual resident earnings are over £40,000 which is higher than both the South East (£34,000) and England (£31,500) averages²⁰. Despite this, our borough is facing acute skills shortages in higher-value, higher qualified roles *and* in our foundational economy – this is constraining our current and future economic growth.
- 3.29 In relation to highly-skilled roles, even though our borough produces a large number of qualified and skilled graduates from the University of Surrey, our evidence base suggests that younger professionals are less likely to be attracted to Guildford as a place to *work* than other nearby towns and cities. While some employers can offer a premium to attract highly qualified employees from elsewhere, this is not a permanent or long-term fix to attracting skilled workers and we need to act to provide the right amenities, housing and leisure offer to better appeal to these individuals. This is even more important given that international migration of skilled labour has fallen following the Brexit referendum.
- 3.30 In relation to the foundational economy, which refers to the services and products that we rely on in our everyday lives (e.g. health services, food, housing, energy, construction, tourism and retailers), we are also facing challenges. Businesses report that their largest skills gaps are in associate professional occupations²¹, as well in care and leisure occupations, skilled trades occupations and elementary staff. These sectors are constrained by a low share of existing residents working or qualified within these types of jobs, which links to issues around housing and living costs in our borough. The challenge relating to care and leisure is likely to increase in scale given that projections indicate that our population aged over 65 is likely to increase by +31% between 2018 and 2043²².
- 3.31 Linked to the above we also have pockets of deprivation across the borough. The main driver of deprivation in these areas are barriers to housing, services and education, which illustrates that these people are struggling to access the opportunities that our economy offers and that we need to lower these barriers to tackle deprivation.

How will we respond?

- 3.32 We will work with our partners to ensure higher-value sectors have access to the skills they need to prosper. We will do this by making our borough more attractive to young professionals (such as through housing delivery and town centre improvements as part of the emerging *Shaping Guildford's Future Masterplan*), supporting businesses to 'grow their own' skills through partnerships with Surrey County Council and Surrey Chambers of Commerce via the Strategic Development Fund, Local Skills Improvement Plan and Surrey Skills Plan, and by working with partners to provide courses that help fill our skills gaps.
- 3.33 We will also work collaboratively to ensure that our foundational economy has the talent it needs, and support people in deprived communities to upskill in areas that offer 'good' jobs. We will do this by mapping skills gaps within the sector and working with partners to bring relevant programmes closer to those who could help fill these gaps.

What actions will be prioritised by GBC?

²⁰ ONS. Annual Survey of Hours and Earnings (2020).

²¹ Department for Education. Employer Skills Survey (2019).

²² ONS. Population Projections (2018).

- Work with education delivery partners in Guildford to continue to access funding through the *EM3 Strategic Development Allocation* that aligns with skills need of the borough including green skills, technical skills and professional skills.
 - This builds on funding received by Activate Learning in 2022-23 to foster skills within the agri-tech, electric and hybrid vehicles, green construction and professional services sectors.
- Encourage businesses to engage with the development of both the *Surrey Skills Demand Framework* (Surrey County Council) and *Local Skills Improvement Plan* (Surrey Chambers of Commerce) to better understand the skills gaps and occupational shortages facing our borough's businesses.
 - This could also include exploring opportunities to improve our in-house knowledge of the local skills landscape through purchasing of local job board insights and through knowledge-sharing with Surrey County Council and Surrey Chambers of Commerce.
- Explore the opportunity to create a Student Skills Partnership role to liaise with the University of Surrey, Guildford College, Academy of Contemporary Music (ACM) and other institutions, as well as town centre businesses, on local skills matters, including investigating opportunities for students to plug gaps in town centre entry level employment.
 - This should take advantage of our student population who can fill entry level, part-time and/or temporary positions across catering, retail and other foundational economy sectors.
- Work with WBC to provide advice and support for businesses to 'grow their own' skills through reskilling and upskilling programmes.
 - This will include directing and signposting our businesses to existing and forthcoming support, including the *EM3 Apprenticeship and Skills Hub*.
- Explore opportunities to use the emerging *Shaping Guildford's Future Masterplan* to create housing that meets the needs of the borough's future labour market.
 - This will include provision of high-quality, modern rented accommodation – with some targeted at young professionals and others at key workers supporting our foundational economy.
- Work with WBC to the potential for both councils to adopt principles of Community Wealth Building within their current structures.
 - Initiatives will include exploring whether it is possible for both councils to work towards becoming accredited Living Wage Employers for all staff and contractors, and exploring opportunities to develop apprenticeship positions targeted at people in our most deprived communities.
- Explore opportunities to support the foundational economy across neighbourhood services, healthcare, digital infrastructure and housing.
 - This could include establishing a funding programme similar to the *Challenge Fund* by Welsh Government to catalyse foundational economy community business activities in communities where clear gaps in the provision of key services are identified – particularly in our more rural communities. This could link in with existing community programmes such as Crowdfund Guildford and Project Aspire.
- Continue to support our borough's deprived communities through national and local support schemes.
 - This will include continued roll out of the cost of living related *GBC Household Support Fund* which provides financial support for food, energy bills and other household essential items for residents on low incomes, as well as signposting to other support available.

Our Indicators of Success

Indicator	Baseline Position	Five Year Target	Ten Year Target
Proportion of residents with middle skills (including caring and leisure, skilled trades and administrative)	25%	27%	30%

Proportion of businesses in Surrey reporting that staff have a skills gap	6%	4%	2%
Number of neighbourhoods facing deprivation in the education, skills and training deprivation domain (top 30% most deprived)	14	10	7

Provision: Upgrading our Physical and Digital Infrastructure

Why is action needed?

- 3.34 We suffer from a range of infrastructure constraints that impact the performance of our economy - they slow down businesses from undertaking their day-to-day activities, impacting their productivity, and/or reduce the attractiveness of our borough for inward investment. Our five defining infrastructure challenges are:
1. **Congestion:** We are the 7th most congested borough in the country and have major pinch points along the A3 and in our town centre²³. This causes significant delays and makes moving around highly unpredictable impacting business performance. Surrey County Council estimate that the county's A-roads carry 66% more traffic than the national average, and that congestion costs the regional economy £550m per year²⁴.
 2. **Active Travel:** Our borough has a fragmented and disjointed cycle network which makes active travel unattractive to workers, residents and visitors. This is particularly the case in our town centre, which has limited river crossings and is dominated by the busy and dangerous one-way system, and our rural areas. While improvements have been made in recent years, we could do more to capitalise on the growth in cycling post-COVID to help ease congestion and enhance our air quality.
 3. **Public Transport:** We benefit from over 12 train stations across our borough, and an extensive bus network, but many of our employment sites are located away from our public transport nodes (e.g. Surrey Business Park, Guildford Business Park, Slyfield Industrial Estate and Quadrum Industrial Park). Some of our rural areas are also effectively cut off from public transport excluding some communities from economic opportunities in our urban areas. This encourages employees to drive to work creating both congestion and air pollution challenges.
 4. **Digital Connectivity:** Digital connectivity is patchy across our borough - this is particularly the case in our rural areas, some of which suffer from poor broadband and mobile connections. This impacts the ability of aspiring entrepreneurs to set up businesses in these locations, and for workers in knowledge-based industries to work remotely. We also have proportionally fewer properties connected to the fastest broadband speeds compared to our more productive competitors - only 65% have access to Gigabit connectivity versus 89% in Cambridge, 87% in Milton Keynes and 86% in Crawley for example²⁵. This is problematic as businesses in our more technological priority sectors demand rapid and reliable digital connectivity. These businesses are also relatively footloose, so it is important we enhance connectivity to retain existing businesses in these sectors and attract others.
 5. **Flooding:** Our town centre is highly vulnerable to flooding, particularly along the river corridor which has a 1 in 20 chance of experiencing a flood event each year²⁶. This is significant as this is a prime location for future residential and commercial development and features prominently in the emerging *Shaping Guildford's Future Masterplan*. Investment in flood alleviation and adaptation will be important in this location to attract occupiers, residents and developers to invest in the area over the long-term.

How will we respond?

- 3.35 Our response is simple – we will work together to deliver the infrastructure upgrades our borough needs. We know that this will not be quick, given the constrained funding environment we operate in, but we will work collegiately to secure the buy-in, endorsement, funding and programmes we need to reduce the infrastructure constraints limiting our economy. This will require a major effort from a wide

²³ University of Surrey (2021).

²⁴ University of Surrey (2021).

²⁵ Ofcom. Connected Nations (2021).

²⁶ Guildford Borough Council (2021).

range of local, regional and national partners and we are committed to working positively together to deliver the best outcomes for our borough and economy.

What actions will be prioritised by GBC?

- Work proactively with Surrey County Council and National Highways to continue delivering road schemes that reduce congestion and improve reliability in Guildford (Facilitator).
 - Notable planned investments include upgrades to the Wisley Interchange and various junctions along the A3 (e.g. Hog’s Back, Burntcommon and Burpham Junction).
- Continue to work closely with Surrey County Council and National Highways to bring forward the Guildford Sustainable Movement Corridor to enhance sustainable travel connections between the town centre, station, university, research park and hospital (Facilitator and Deliverer).
- Continue to work with partners to bring forward and secure funding for relevant infrastructure commitments set out in the *Guildford Infrastructure Delivery Plan (2017)*, *Surrey Local Transport Plan (2022)*, *Surrey Local Strategic Statement (2016-2031)*, Department for Transport’s *Road Investment Strategy (2021)* and other strategic documents (Facilitator).
 - We will encourage partners to prioritise interventions that reduce congestion and promote active travel, particularly along the A3 and in our town centre (e.g. using our Shared Prosperity Funding to invest in a new cycle hire scheme). We will also work with County to develop a Local Cycling and Walking Infrastructure (LCWIP) plan for Guildford.
- Continue to work with Network Rail and Surrey County Council to explore the feasibility of delivering new Guildford West (Park Barn) and Guildford East (Merrow) stations to improve connectivity to future communities and employment areas (Facilitator and Advocate).
 - We will explore delivery and funding options as part of this drawing on expertise and experience from across our partners.
- Enable Enterprise M3 to deliver the Gigabit EM3 Fibre Spine by providing the support, connections, licences and permissions they need (Facilitator).
 - This is a significant investment that will dramatically enhance Gigabit connectivity along a corridor running from Guildford to Basingstoke.
- Continue to support broadband providers to roll out enhanced digital connectivity particularly in rural areas, and work with rural groups across Guildford and Waverley to identify other interventions that would help support enterprise in remote locations.
 - We will identify funding to support local initiatives – this includes our Shared and Rural Prosperity Funding which includes an allocation for community enterprise projects.
- Work with WBC to develop a strategy to support the roll out of 5G across the two boroughs.
- Work with the University of Surrey to experiment and test their emerging mobile technology within our borough (Facilitator).
 - Guildford and Waverley can be the testbed for new developments from their world-leading 5G/6G Innovation Centre, particularly in our rural ‘not spot’ areas.
- Use the emerging *Shaping Guildford’s Future* masterplan to develop early ideas to for mitigating and adapting to the flood risk presented by the River Wey in our town centre (Advocate).
 - We will use these to explore the feasibility of different solutions, and use this as a basis to engage with the Environment Agency about future implementation.

Our Indicators of Success

Indicator	Baseline Position	Five Year Target	Ten Year Target
Premises connected to gigabit connectivity	65%	75%	100%
Junctions improved along A3	N/A	1	4
Amount of new dedicated cycleways provided	N/A	20km	50km

Place: Transforming Our Town Centre Offer

Why is action needed?

- 3.36 We have a much-loved historic town centre that is anchored by retail, leisure, culture, and heritage assets – these include The Friary, Tunsgate Quarter, White Lion Walk, G Live, Guildford Castle, Guildford Museum, Electric Theatre, Yvonne Arnaud Theatre, Academy of Contemporary Music, and Guildford Library.
- 3.37 Over the last decade, however, town centres like ours have faced macro-economic challenges such as the growth in online shopping, the popularity of out-of-town retail, and disproportionately high business rates. These have fundamentally impacted our centre as demonstrated by the recent closures of Debenhams, Gap, TGI Fridays, Topshop, Joules, TM Lewin, Jessops, Jaeger, Muji, Sole Trader and Monsoon among others. This has left around 18% of our units vacant²⁷, which is above the national average, and a drop in prime retail rents of c44%²⁸.
- 3.38 We therefore need to grasp emerging consumer trends that present opportunities for the future of towns centres, and to adapt our centre to attract more locals, visitors and workers. Four prominent trends we must consider include:
1. **Increasing expenditure on 'self':** Over the last decade consumer habits have shifted from buying products to spending money on personal services and activities. Analysis from the Local Data Company (2021) shows that since 2013 the top ten high street growth sectors in terms of net store openings all offer services or experiences rather than physical products (Barbers, Beauty Salons, Vaping Stores, Cafes, Nail Salons, Restaurants/Bars, Coffee Shops, Pizza Takeaway, Hair/Beauty Salons and Health Clubs)²⁹. These all offer services that are not readily available online, making them more resilient to the digital shift.
 - This is an issue for our town centre which is dominated by 'comparison' retailers³⁰ and has an underrepresentation of 'service' uses. We have a greater proportion of 'comparison' units (43%) than places like Colchester (30%), Reading (32%), Chelmsford (35%) Canterbury (38%) and Oxford (38%)³¹.
 2. **Rising demand for leisure activities:** The past five years has seen a significant growth in the leisure sector which now accounts for over 14% of consumer spending³². This was originally underpinned by the growth in casual and family friendly dining (e.g. Pizza Express, Zizzi and Jamie's Italian), but as this has declined other more experiential activities have come to the fore. Some, such as the growth in boutique cinemas (e.g. Everyman and Curzon) and bowling alleys (e.g. All Star Lanes and Lane7), are a variation on an established offer, whereas others offer new concepts catering to different groups. One of the most prominent opportunity sectors is competitive socialising which is characterised by games and activities for adults (e.g. urban mini golf, escape rooms, virtual reality, video gaming and axe throwing).
 - While we have a strong representation of 'traditional' leisure activities (e.g. Odeon, G-Live and Electric Theatre) we have few boutique operators and a lack of 'new' leisure concepts. Other town centres that have adapted more quickly have a range of these types of units which helps attract a broad visitor base (e.g. Watford town centre has Puttshack urban mini golf, Boom Battle Bar axe throwing and the Escape Hunt escape room).
 3. **Higher demand for independents:** Many 'clone' chain retailers have been retreating from high streets at pace. This is, in part, driven by failures and insolvencies but also a 'retreat to profit' by

²⁷ Experian. GOAD (2022).

²⁸ PROMIS (2022).

²⁹ Local Data Company. *Top Ten Growing and Declining Retail Since 2013* (2021).

³⁰ Products that are usually higher value and purchased infrequently, such as vehicles, household goods or clothing.

³¹ Experian. GOAD (2022).

³² Savills. *Competitive Socialising and Emerging Concepts in Leisure* (2019).

businesses that have withdrawn from marginal locations. The space being vacated by chain retailers is, however, being filled by independent businesses which appear to be in higher demand. Data from Experian shows that in 2020 the number of chain retailers fell by -3% but the number of independents increased by +1%. This trend has been happening for the past three years but has accelerated during the COVID-19 pandemic, and this is reflected by the comparative success of town centres that have more independent businesses and are considered more 'authentic'.

- Several of our side streets have a good mix of independent businesses (e.g. Quarry Street, Chapel Street and Swan Lane) but as a whole our town centre is dominated by chain retailers – over 42% of our units are taken by these occupiers which is more than in places like Colchester (25%), Southend-on-Sea (30%), St Albans (32%), Chelmsford (34%), Cambridge (35%), Canterbury (36%) and Oxford (37%)³³. This is compounded by our high retail rents which make it hard for independents to establish themselves locally.

4. **Increasing consumer conscientiousness:** Consumers are increasingly reporting that they want to buy local products and that they care about the sustainability and ethical credentials of businesses they buy their goods from. In a 2021 consumer survey, Deloitte found that 57% of respondents were more likely to spend money at businesses that offer locally produced goods and/or are independent. In a similar survey they also found that 1 in 3 consumers had stopped purchasing certain brands or products due to ethical or sustainability concerns. This is influencing the retail market as existing retailers have started to adapt (e.g. H&M's Garment Collection Programme), ethical brands grow in popularity (e.g. Patagonia) and new concepts enter the market (e.g. Retuna, the world's first sustainable shopping mall).

- We have some valuable local businesses in our town centre (e.g. Babylon Trading, Courtyard, Design Vintage, Fitstuff, Harrington Brookshaw and Michael Chell), but the 'ethical sector' provides a clear market opportunity to diversify and differentiate ourselves from other places (the Zero Carbon Guildford Zero Waste Shop and Solar Sisters are a good starting point for this).

3.39 Increasing the resilience of our town centre is important from an economic development perspective as our high street supports a wide range of jobs, and because businesses tell us that our current offer needs to improve to attract more inward investment and workers to the area. We also know that our town centre has little employment and residential space mixed in with our comparison and chain-dominated retail offer, which is limiting footfall, expenditure and vibrancy during the week.

3.40 While the emerging cost-of-living crisis and recession will impact consumer spending, these trends reflect a broader shift for town centres as places to be rather than buy products. This is unlikely to change moving forward given the role that online shopping now plays in our lives, but we must recognise that consumers are likely to tighten their belts on all non-essential expenditure over the short-term. We must therefore also ensure that our residents and workers have access to cost-effective and good-value products and activities.

How will we respond?

3.41 We understand the challenges our town centre faces and have already started developing plans to support its regeneration through our *Shaping Guildford's Future Programme*, which has received input from thousands of residents and businesses.

3.42 Our emerging strategy is captured in our recently published *Guildford Masterplan: Stage 2 Report (2022)* which sets out our aspiration to "*deliver a new Heart to the town along its waterfront*", and provides a clear spatial framework for how this will be achieved. This will form the basis of our long-term approach to regenerating and diversifying our town centre, and we will prioritise bringing the concepts set out forward over the next decade.

³³ Experian. GOAD (2022).

3.43 The next steps for the *Masterplan* will involve writing a business case, securing funding, undertaking further technical studies and producing an Area Action Plan (AAP), which is a document that will capture specific planning policy and guidance for the area. To inform this, and ensure future regeneration supports the economic development objectives set out in this report, we will develop a comprehensive land use strategy which will set out what uses types should go where based on JLL's recent *Competitive Positioning* (2022) report³⁴, as well as Avison Young's *Economic Evidence Base* (2022)³⁵. This will go beyond broad use categories and consider niche typologies and products – for example:

- Office type uses will include consideration of co-working spaces, managed workspace, innovation hubs, 'clean' creative studios, serviced offices, and 'conventional' office space;
- Industrial type uses will include consideration of workshops, maker spaces, 'messy' creative studios, flexible kitchens, and lab space, as well as 'conventional' light industrial and industrial space;
- High street uses will include convenience retail, comparison retail, 'specialist' retail, cafes, restaurants, bars, personal services, professional services, cultural uses, health and wellbeing uses, 'conventional' leisure, 'new' leisure, community centres, and educational uses; and,
- Residential uses will be broken down by market sale, shared ownership, build to rent, co-living, affordable rent, discount market sale, extra care and retirement tenures.

Through the development of this *Economic Development Strategy and Action Plan* we have identified several high-level principles that will inform the development of this land use strategy. These include:

- Encourage a more diverse mix of town centre uses to locate on our historic High Street (particularly bars, restaurants, cafes);
- Actively support more independent high street businesses to locate in our town centre, particularly via new developments (i.e. North Street, Town Wharf and Bedford Wharf), through the provision of affordable and smaller units;
- Create a new cluster of high-quality office-type spaces close to the station (i.e. as part of the Bedford Wharf development) that meet the needs of our priority sectors (e.g. co-working space, managed workspace and innovation hubs);
- Encourage affordable and flexible workspace concepts to take vacant units or space above units across our town centre to generate new day time footfall;
- Consider any proposals to re-purpose the Friary or other town centre assets for a leisure, health and fitness hub, taking advantage of 'new' leisure concepts entering the marketing and the rising importance of wellbeing to consumers;
- Prioritise edge-of-centre or edge-of-development units for personal services that do not require high footfall to succeed (e.g. salons, barbers, beauticians, tailors, dry cleaners etc); and,
- Provide new residential units across our town centre to build a new local catchment and ensure that the residential mix is varied to support a sustainable housing market and labour pool.

Over the short- and medium-term we will also work with Experience Guildford to identify non-physical and/or tactical interventions to enhance the performance of our town centre, particularly in the 'Retail Core' which is not covered by the *Shaping Guildford's Future Programme*. Some of these actions are set out below, and these focus on supporting our town centre to adapt to changing consumer trends and to become more appealing for locals, visitors and workers.

What actions will be prioritised by GBC?

- Progress and finalise the long-term delivery of the *Shaping Guildford's Future* town centre masterplan and associated AAP policy document (Anchor and Deliverer).

³⁴ JLL. Guildford's Competitive Position (2022).

³⁵ Avison Young. Guildford's Economic Evidence Base (2022).

- This will be underpinned by a detailed and granular land use strategy that aligns with the aspirations of this *Economic Development Strategy and Action Plan*.
- Update the borough’s Retail & Leisure Needs Assessment to inform the creation of the *Shaping Guildford's Future* AAP (Anchor).
 - This will reflect and respond to macro-economic shifts, including those that have been accelerated by COVID-19 (include the rise in online shopping and hybrid working). Recent evidence considered as part of planning applications suggests there may be no need for additional retail space in our town centre now and in the foreseeable future.
- Develop a Town Centre Action Plan with Experience Guildford setting out short- and medium-term interventions to enhance the core retail centre (Anchor and Deliverer).
 - Actions will range from enhanced activation through to the creation of incubator retail units. We will use our Shared Prosperity Funding to enhance our public realm.
- Explore the potential to introduce an affordable retail policy as part of new large-scale developments in our town centre (Anchor).
 - This could help encourage more independents to set up in our town centre.
- Explore whether there are any publicly or privately owned units or sites that could be activated on a meanwhile basis to encourage entrepreneurs to experiment with new concepts in our own centre (e.g. related to ‘new’ leisure or different types of F&B) (Anchor and Facilitator).
- Provide 1-1 business support to help independent businesses remain in our town centre and adapt their offer to better meet consumer needs (Commissioner).
 - This will be targeted at local comparison retailers who are most vulnerable to the turbulent macro-economic context.
- Create a loan scheme to help new independent high street businesses set up in our town centre or support existing businesses adapt to changing consumer trends (Facilitator).
 - This will be a revolving scheme and is likely to focus on capital costs that are often a significant barrier to entrepreneurs (e.g. fit out or equipment costs).
- Work with Experience Guildford to build and scale the town centre events programme to help drive more interest and footfall (Facilitator).
 - We will work with partners across the town centre to create an even more extensive and exciting events programme to attract a broader range of people to visit.
 - We will review ideal locations for this type of activity as part of the *Shaping Guildford's Future* Masterplan.
- Review licencing and planning policies to ensure they enable us to have a vibrant, diverse and well-managed town centre (Anchor).
 - This will include our approach to tables and chairs, opening times and use types.
- Work with Experience Guildford to identify vacant retail units and support stakeholders to secure long-term tenants that help enhance our town centre (Facilitator).
 - We will engage with agents and landlords to explore opportunities and use our extensive local connections and communications channels to help reduce vacancy rates.

Our Indicators of Success

Indicator	Baseline Position	Five Year Target	Ten Year Target
Vacancy rate	18%	12%	8%
Proportion of comparison retailers	43%	40%	35%
Proportion of service uses	33%	35%	40%
Weekly town centre footfall	N/A	+5%	+10%
Number of new independent businesses	N/A	20	40

Planet: Mitigating the Impact of Economic Activity

Why is action needed?

- 3.44 We are facing a climate emergency. Global temperatures are increasing and will have significant economic, social, and environmental impacts from the global to local level. Our borough specifically will face challenges related to wild fires, heatwaves, drought and flooding.
- 3.45 We are acutely aware of the pressures facing our borough that are likely to be exacerbated by climate change. Our town centre, for example, is increasingly at risk of flooding which needs to be mitigated through appropriate land use and infrastructure projects to protect our economic assets. We also need to ensure that our energy supply is sufficient and sustainable through renewable energy development to support businesses and residents in our urban and rural areas.
- 3.46 Urgent action is being taken to adapt and mitigate climate change at a national scale, including a green transition towards low carbon businesses and services. At the local level, this means that our economy and labour force will also have to adapt. It is estimated that around 7,600 of our existing jobs (roughly 10% of total employment) will require upskilling or reskilling in response to the transition towards a green economy. A further 7,500 jobs will be increasingly in demand - particularly across our construction, manufacturing, and transport sectors³⁶.
- 3.47 New energy efficiency regulations have also been introduced for commercial buildings which will put significant pressure on local real estate owners to improve the sustainability of their buildings. Minimum Energy Efficiency Standards (MEES) for non-domestic buildings will be increased from Energy Performance Certificate (EPC) grade E to EPC grade B or above by 2030. There is in excess of 1,835 properties in our borough in need of improvement in energy performance³⁷, and we need to make sure they as many as possible are upgraded and retained as commercial uses rather than converted to residential schemes.
- 3.48 We are also home to an important rural economy and nationally significant natural environment – both of which will need protection from negative environmental change. Our rural industries will need support to adopt sustainable and energy efficient practices, whilst our blue-green natural environment including the Surrey Hills Area of Outstanding Natural Beauty will need consideration to protect our ecosystems and world-class natural assets.

How will we respond?

- 3.49 We will focus on measures that support our borough's green economy transition and that protect our environment. This includes cooperating with our neighbouring boroughs, Surrey County Council, Enterprise M3 LEP, and the University of Surrey to ensure that tailored support is provided for rural industries, higher-value urban businesses, and workers most at-risk of change in construction, manufacturing and transport sectors.
- 3.50 In line with the Council's Climate Emergency Declaration (2019), we will also drive forward our target for GBC to reach net zero by 2030. This includes a mitigation plan to reduce carbon emissions and energy demand, and to adapt energy generation to renewable and low carbon energy sources.

What actions will be prioritised by GBC?

- Direct local businesses to existing support programmes that help them reduce their environmental impact.

³⁶ Place based Climate Action Network. Just Transition Jobs Tracker (2021).

³⁷ DLUHC. Energy Performance of Buildings Data: England and Wales (2022).

- We will signpost businesses to Surrey Chamber of Commerce’s Climate Change Hub, Enterprise M3’s Net Zero support service, and Zero Carbon Guildford’s Sustainable Business Network.
- Support and promote resident- and business-led green initiatives across the borough.
 - This will, for example, involve strengthening our relationship with the *ZERO Carbon Guildford* community-led climate action group. This will also involve GBC being a leader and advocate for the group’s recently established Guildford Sustainable Business Network which seeks to provide a forum for businesses interested in increasing their green credentials and minimising their environmental impact.
- Continue to help secure funding for businesses contributing to the green economy through the provision of low carbon goods and services.
 - This will involve signposting suitable businesses to the Surrey County Council *Decarbonisation Loan Scheme* which provides an annual £50,000 budget to provide financial support to help businesses implement decarbonisation and energy efficiency measures.
- Support businesses in the re-skilling and up-skilling of their employees for green skills.
 - This could include working with local skills providers and using the specialist technical skills at the *EM3 Apprenticeship and Skills Hub* to advise businesses on the development of skills for emerging low carbon industries.
- Work with businesses to identify opportunities to make use of the Enterprise M3 *Future Fund*.
 - This fund will support demonstrator and pilot projects that focus on net zero and green skills initiatives.
- Collaborate with partners such as Surrey County Council and Enterprise M3 to explore energy efficiency improvement programmes that could be introduced to residential and commercial properties.
 - This could be schemes similar in design to London-wide programmes RE:NEW for housing stock retrofitting and RE:FIT for non-domestic public buildings and assets.
- Encourage development in sustainable locations such as the town centre that support climate resilience and the blue-green economy.
 - We will build in flooding mitigation and efficient resource usage into the emerging *Shaping Guildford’s Future Masterplan*.
- Continue to work with Highways England and partners to reduce air pollution levels in the Guildford town centre Air Quality Management Area (AQMA) through sustainable travel projects and working with residents and businesses.
 - Existing schemes include the easitGUILDFORD initiative which provides discounted public transport travel for residents and businesses across the borough, and forthcoming investment in a new bike hire scheme covering Guildford town centre and satellite sites as part of the Surrey County Council’s Infrastructure Plan.
- Explore opportunities for GBC to support renewable energy schemes.
 - This could include the opportunity to leverage hydro-electric power along the River Wey for supplying energy to Guildford’s businesses and residents.

Indicator	Baseline Position	Five Year Target	Ten Year Target
Reducing annual mean NO2 pollution levels in Guildford town centre AQMA	40 µg/m3	30 µg/m3	20 µg/m3
Number of local businesses supported by the Decarbonisation Loan Scheme or similar	N/A	15	30
Number of local businesses accessing Surrey Chamber of Commerce’s Climate Change Hub support service or similar	N/A	25	50

Focus On: Our Visitor Economy

Our borough is home to a number of important tourism assets that attract more than 5.5 million local, domestic and overseas visitors each year - examples include:

- **Museums, galleries and cultural venues** such as RHS Wisley, Guildford Castle, Watts Gallery, Loseley House, Hatchlands Park, Guildford Museum and Guildford Cathedral;
- **Theatres, leisure and events** including Electric Theatre, Yvonne Arnaud Theatre, Spectrum G Live and Guildford Summer Festival; and,
- **Outdoor spaces and rural assets** including the Surrey Hills Area of Outstanding National Beauty (AONB), Newlands Corner, Hogs Back Brewery and Greyfriars Vineyard.

Our visitor economy generates around £341 million in spending each year and supports more than 6,200 jobs³⁸. While this is significant, our aim is to increase the size and value of our visitor economy through five key actions:

1. **Enhance awareness of our full offer:** Many of our visitors come for one specific event, venue or activity, but we have a range of assets that are 'hidden' and many visitors are not aware of. We will therefore raise the profile of these and their locations across the town and beyond, including through wayfinding initiatives such as improved tourism signage and through the creation of a heritage trail. We will also work closely with Visit Surrey to refresh our approach to place marketing, and our primary focus will be on boosting the visibility of our assets and encouraging more people to visit our borough.
2. **Improve provision for overnight stays:** Most of our visitors only come for the day rather than stay the night. This is an issue as overnight stays generate significantly more spending, and are therefore important for maximising the value of visits to our borough. This is linked to a lack of visitor accommodation in both our urban and rural areas as set out in our *Leisure and Tourism Topic Paper* (2017) and the *Surrey Hotels Future Study* (2015). We will therefore use our planning policy levers (see Policy E6 of our *Local Plan*) to encourage the provision of accommodation for overnight stays such as through hotels and rented temporary accommodation close to tourism assets, and promote provision of visitor accommodation through our regeneration schemes – most notably the *Shaping Guildford's Future Masterplan*.
3. **Strengthen links within the town centre and to the borough's rural locations:** Pedestrian and active travel routes around our town centre and borough need to be improved to facilitate movement between visitor economy attractions, and to encourage linked trips and extended stays. We will explore opportunities to improve connections, in particular active travel links between our historic town centre and train station to the Surrey Hills AONB and Newlands Corner.
4. **Protect and support our cultural and heritage assets where economically viable:** Some of our tourism assets are not typical standalone attractions such as our iconic setts on the high street and the historic buildings throughout our town and villages. We will explore innovative ideas and commercial concepts to secure the long-term maintenance and management of these assets that support our visitor economy and enhance the attractiveness of the borough's landscape.
5. **Create a Visitor Economy Sub-Group:** We will convene a new group to support the delivery of initiatives related to the enhancement and improvement of our borough's visitor economy. While the role and function of this group will change over time, it will initially have three main responsibilities:
 - a. **Insight** – conduct research to support visitor economy providers to tailor and target their offer.
 - b. **Programming** – work collectively to curate a coherent programme of events, and agree the best platform to collect and disseminate information about it. This should ensure that other local businesses are aware of what is coming forward, and can plan how to add value or benefit from any local activation.
 - c. **Collaboration** – disseminate knowledge collected through insight and programming to relevant stakeholders including GBC, tourism providers and visitor economy businesses. And work together to agree how best to use any funding (e.g. our Shared Prosperity Fund allocation) to support our sector.

³⁸ Tourism South East. The Economic Impact of Tourism in Guildford Borough (2019).

4. Guildford's Delivery Strategy: Realising a Step Change

Delivery Principles

- 4.1 This *Economic Development Strategy and Action Plan* marks a step change for our borough and its delivery will require us to work closely together to secure tangible change. It provides a clear roadmap that we can get behind and progress at pace, and offers a holistic response to local, regional and national economic challenges.
- 4.2 It does, however, come at a difficult time. The public sector has fewer resources than ever before and COVID-19, Brexit, the cost-of-living crisis and other macro-economic factors are having fundamental impacts on local businesses and residents. We therefore need to be innovative in our approach to delivery, where possible drawing on the principles below:
- **Collaboration and Partnership:** Making the most of opportunities to work together to share resources and accelerate, shape and drive delivery;
 - **Positivity and Problem Solving:** Approaching delivery positively and having a 'can do attitude' to solving problems and overcoming barriers;
 - **Commitment and Focus:** Having a shared long-term commitment to responding to the challenges and opportunities identified and focusing on realising positive economic, social and environmental outcomes for our borough;
 - **Innovation and Creativity:** Experimenting with innovative project ideas and exploring innovative approaches to leverage funding; and,
 - **Agility and Pace:** Working rapidly together to deliver change and continuously reviewing projects to ensure they respond to ever-changing needs.

Delivery Groups

- 4.3 Our current delivery structure incorporates several formal and informal forums - examples include:
- **Guildford Rural Economy Forum:** Aims to provide a voice for the borough's rural sector and to support a strong and sustainable rural economy through collaboration with partners.
 - **Guildford Town Centre Forum:** Aims to provide a voice for all businesses in Guildford's town centre and a place to discuss how we can adapt and remain competitive in the face of changing consumer, social and economic trends.
 - **Guildford-Surrey Board:** Provides a forum for anchor institutions to discuss local items pertaining to the local economy. Representatives include GBC, Surrey County Council, Royal Surrey County Hospital, Guildford College, Enterprise M3 and the Diocese of Guildford.
- 4.4 While these groups are positive, and underline how proactive our partners are, they are disparate – they vary in terms of their focus, objectives, and regularity; they do not represent the breadth and depth of our local economy; and, they are separate and disjointed. We want to work sensitively with these forums to define clear and consistent objectives, broaden representation across our priority sectors, and better stitch them together. We believe that this will increase collaboration and partnership working, in line with our principles, and improve outcomes for our local economy.
- 4.5 Our emerging plan to do this, which is still open for discussion, is to convene a single overarching Guildford Economic Partnership (GEP) to sit above a series of thematic sub-groups that reflect our business base and economic specialisms (see Figure 4.1). Our view is that the board should include a nominated representative from each sub-group, alongside anchor institutions that are responsible for promoting economic growth locally (i.e. GBC, Enterprise M3, Surrey County Council and the University of Surrey).

4.6 We think the role of the board should be to work as a multi-sector partnership that engages with and provides a more consistent voice for our business community, and to collaborate to re-establish Guildford as the beating heart of Surrey's economy. It will be important to agree a clear set of 'functions' for this group to ensure that it is more than just a 'talking shop' - while these need to be agreed by representatives, we think that these should include:

1. Engaging widely with the business community and ensuring their needs and concerns are understood by anchor institutions;
2. Reviewing public sector funding opportunities and agreeing which projects should be put forward for bids;
3. Identifying new opportunities or major concerns, and agreeing positive and collaborative ways forward;
4. Reviewing and inputting into businesses cases for economic development projects coming forward locally;
5. Regularly reviewing and monitoring Guildford's economic position and competitiveness;
6. Monitoring and discussing the progress of this *Economic Development Strategy and Action Plan*, and agreeing priority actions to focus on at the start of each financial year;
7. Agreeing tweaks and updates that need to be made to this *Economic Development Strategy and Action Plan* every two years; and,
8. Developing new ideas and actions to consider in response to a changing macro-economic context.



Figure 4.1 Proposed Delivery Groups

4.7 The existing forums will become sub-groups to the board alongside a small number of other newly created groups that reflect requests made by stakeholders when putting this document together. We hope that these will be places where organisations in similar fields come together to share updates, knowledge, and intelligence. This is important because knowledge transfer can boost productivity if it helps participants to develop new ideas or learn about how to do things more efficiently or cost effectively.

4.8 We also hope that the sub-groups will become action-oriented and offer support to partners taking forward projects relating to their sector. Members can act as critical friends and boost projects by:

- Identifying solutions to overcome barriers and blockers;
- Scoping opportunities to maximise economic and social impact;
- Identifying partners to involve in delivery;
- Championing and lobbying relevant stakeholders; and,
- Guiding and directing delivery where appropriate.

4.9 The first step for all groups, including the GEP, will be to create or revise their Terms of Reference to reflect this *Economic Development Strategy and Action Plan* and, if members agree, the objectives set out in this chapter.

4.10 While GBC and other anchor institutions will support these groups to convene, for example by organising dates, venues and agendas, it is our strong belief that they should be business-led to maximise buy-in and engagement from participants. Our view is that all groups, including the GEP, should nominate a business-led chair who will be responsible for shaping, leading and driving forward meetings. They will also sit on the GEP, unless they nominate another representative, to provide sector representation on the board.

The Role of Guildford Borough Council

4.11 Alongside playing a convening role for these delivery groups, GBC will continue to play a pivotal role in shaping Guildford's economy by coordinating change and using all the levers set out earlier in this report to achieve this. We will be ultimately accountable for ensuring that as many as possible of the commitments set out in this document are delivered, where resource for delivery can be identified.

4.12 At the strategic level, we will use our planning powers to create innovative and progressive policies that are responsive to the ambitions of this strategy and the borough's economic, social and environmental context.

4.13 At the project level, we will directly deliver many of the interventions set out in this document. Project managers will work with collaborators to scope out and define projects, generate wider interest, leverage funding and bring them to fruition. We will use our influence and convening power to bring key decision makers and influencers to the table to help unlock opportunities, overcome barriers and help meet the needs of the borough.

4.14 Land and property assets will also be used as part of this to deliver positive change. This is particularly the case in our town centre, on our industrial land and for our office assets which are distributed across the borough. We recognise the potential and power this gives us to deliver significant economic growth.

4.15 We will also use our resources to support our partners to deliver their initiatives, particularly where they focus on providing place-based solutions that meet the needs of the borough as it recovers from the cost-of-living crisis and associated recession. Where appropriate, this may be through project management support, external funding, political support or advice. Officers will also help stakeholders understand the different funding pots available to deliver projects.

Delivery Funding

4.16 Where possible GBC will use its resources to bring actions identified in this document forward, but this is not realistic for many given the scale, breadth, and complexity of interventions identified. We will therefore work collectively to bring forward initiatives, while also seeking to secure funding from private sector developers, via S106 agreements and CIL monies, and from other public sector bodies.

4.17 The current public sector funding landscape for economic development is ever-changing, and generally oriented towards less prosperous parts of the country, but examples of recent funding sources that could be considered include:

- The UK Shared Prosperity Fund (prioritises investment in community, place, businesses and skills);
- The UK Rural Prosperity Fund (dedicated funding for businesses and community initiatives in rural areas);
- Brownfield Land Release Fund (targeted at Council-owned brownfield sites where viability issues have previously prevented development);
- Community Ownership Fund (focuses on supporting community groups to take ownership of assets and amenities at risk of being lost); and,

- Affordable Homes Programme (grant funding to support the capital costs of developing affordable housing for rent or sale).

4.18 We will continuously review the funding sources available to support the delivery of this strategy as the options available will invariably change over the short-, medium- and long-term. GBC, in particular, will ensure that Economic Development Officers monitor and oversee funding opportunities which may be an option for our borough.

4.19 Beyond this we will use this document, and our other strategic documents, to engage with and lobby Central Government departments to secure funding over the medium- and longer-term for our most important interventions. We will collectively develop an engagement and awareness raising programme to ensure the borough is in the best place possible to secure future funding. Important Government departments we will engage with include, but are not limited to:

- Department for Levelling Up Housing and Communities – Focus on development sites, public realm, movement, non-physical interventions and high street diversification interventions.
- Department for Transport – Focus on movement.
- Department for Business Energy Industrial and Strategy – Focus on movement.
- Department for Education – Focus on education and skills.
- Homes England – Focus on development sites, public realm, movement, non-physical interventions and high street diversification interventions, plus affordable homes delivery.
- Historic England – Focus on development sites and protection of town centre heritage.
- Natural England – Focus on public space.
- Environment Agency – Focus on flooding.
- National Lottery – Focus on non-physical interventions and high street diversification interventions.

4.20 We will also explore innovative funding mechanisms that could be used to bring forward schemes in our area. For example, we will research and consider the opportunities that Place Based Impact Investment could provide our borough over the medium- and long-term. As set out in the Government's *Scaling Up Institutional Investment for Place Based Impact: White Paper* (2021), this refers to:

"Investments made with the intention to yield appropriate risk-adjusted financial returns as well as positive local impact, with a focus on addressing the needs of specific places to enhance local economic resilience, prosperity and sustainable development".

4.21 For us, this would essentially involve working with our pension fund provider (i.e. Surrey Pension Fund and Border to Coast), as well as institutional impact investors, to direct patient capital to local projects that could deliver a long-term return. Projects identified in this document that could benefit from this approach include: the Weyside Urban Village, Guilford Road scheme and different aspects of the *Shaping Guildford's Future* masterplan.

4.22 We believe that our pension funds could work much harder for our area, and provide significant opportunities, because as set out in the *White Paper* (2021):

- Only six Local Government Pension Scheme (LGPS) scheme currently make placed-based investments. Greater Manchester has taken a lead on this and has committed to spending 5% of its capital locally;
- Only 1% of Local Government pension funds are invested in place-based impact investment sectors (i.e. housing, SME finance, clean energy, infrastructure and regeneration) in the UK; and,
- The average sector allocation by LGPS funds is £10m which means investments could be of a proportionate size.

4.23 We also know that Surrey Pension Fund and Border to Coast are committed to responsible investing, as set out in their respective *Responsible Investment Policies*, so they should be open to a discussion about how our investments could be better used to deliver local impact.

Delivery Metrics

4.24 A robust and focused approach to tracking impact and performance will be a crucial part of delivering this strategy. This is because what is measured dictates what is done - if the wrong thing is measured, we will do the wrong thing, if something is not measured it may be ignored or neglected. Getting our approach right will allow us to:

- Understand the evolution of our economy at an uncertain time;
- Assess the collective impact of delivery;
- Learn lessons for future intervention;
- Celebrate achievements and success;
- Tailor delivery to maximise impact and value; and,
- Support case making to leverage funding.

4.25 Given this strategy focuses on six thematic areas, we will focus on a range of key indicators that help us track how well we are addressing the 'blockers' or 'barriers' to our economic success. If we can move this dial on these, in line with the targets identified earlier in this report, we are confident that our economy will start moving again given our strong foundations and locational advantages.

4.26 Some of these indicators will be factored into our collective business plans, project plans and Key Performance Indicators and will be considered on an annual basis in conjunction with the GEP. One of the first tasks for the board will be to set out an approach to monitoring change against some of these key indicators and the development of a simple dashboard.

4.27 It is important to note, however, that given the long-term nature of many aspirations and interventions identified in this strategy, it will be important to take a long-term view to measuring 'success'. Over the next ten years the indicators identified will be therefore used to shape decisions around future projects and interventions that emerge over time. Those that contribute most significantly to the economic, social and environmental ambitions identified will be prioritised and taken forward.

Table 4.1: Our Indicators of Success

Indicator	Baseline Position	Five Year Target	Ten Year Target	Data Source
GVA	£5.3bn (2020)	£6bn	£7bn	ONS
GVA Per Worker	£58k (2020)	£65k	£70k	ONS
Business Start Up Rate	9% (2020)	15%	85%	ONS
Patents per 1,000 Residents	9% (2020)	13%	15%	Intellectual Property Office
Successful Inward Investments	Not currently recorded	30	70	Surrey County Council
Quantum of office floorspace	3.7m sq ft (2022)	3.9m sq ft ³⁹	4.5m sq ft	Co-Star
Quantum of industrial floors	3.4m sq ft (2022)	3.5m sq ft ⁴⁰	3.6m sq ft	Co-Star

³⁹ These targets align with Guildford's current *Employment Land Needs Assessment* (2017) but will need updating following a refresh of the evidence base, including the ten year target which at present is based on bringing Guildford's stock closer to its competitor locations.

⁴⁰ Ibid.

Proportion of 'high quality' office floorspace	5% (2022)	20%	35%	Co-Star
Proportion of 'high quality' of industrial floorspace	4% (2022)	10%	20%	Co-Star
Number of flexible and start-up workspaces in town centre	4 (2022)	5	7	GBC
Average annual housing delivery	382 (2015-2021)	1,000 ⁴¹	1,000	GBC
Proportion of residents with middle skills (including caring and leisure, skilled trades and administrative)	25%	27%	30%	ONS
Proportion of businesses in Surrey reporting that staff have a skills gap	6%	4%	2%	DfE
Number of neighbourhoods facing deprivation in the education, skills and training deprivation domain (top 30% most deprived)	14	10	7	DLUHC
Number of foundational economy projects supported	0	5	10	GBC
Premises connected to gigabit connectivity	65%	75%	100%	Ofcom
Junctions improved along A3	N/A	1	4	GBC
Amount of new dedicated cycleways provided	N/A	20km	50km	GBC
Vacancy rate	18%	12%	8%	Experian GOAD
Proportion of comparison retailers	43%	40%	35%	Experian GOAD
Proportion of service uses	33%	35%	40%	Experian GOAD
Weekly town centre footfall	N/A	+5%	+10%	Springboard
Number of new independent businesses	N/A	20	40	GBC
Number of local businesses supported by the Decarbonisation Loan Scheme or similar	N/A	15	30	SCC
Number of local businesses accessing Surrey Chamber of Commerce's Climate Change Hub or similar	N/A	25	50	Surrey Chamber of Commerce

⁴¹ These targets reflect Guilford Borough Council's Local Plan target to deliver 10,678 units between 2015 and 2034, taking into account completions since 2015 (2,292).

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