

Rural Economic Strategy

2017 to 2022



Business, Employment, Environment, Housing and Infrastructure

Spring 2017

in partnership with



Guildford Borough Council - Rural Economic Strategy 2017 to 2022

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“Unless the rural voice is strong it won’t be heard”.

**Professor Tony Travers –
London School of Economics
(Speaking at the Rural Services Network
Conference 2016)**

Foreword by Councillor Paul Spooner – Leader, Guildford Borough Council

I am delighted to introduce the Council’s first strategic plan focused directly on our Rural Economy.

It is easy to take our rural landscape for granted – or to see it as a community resource that has not changed and never should. In fact, the Surrey countryside has evolved constantly thanks to human intervention and this new rural strategy shows not only how we have already shaped, worked and changed the local landscape but that we are – and will remain – part of its story.

In the next five years the UK faces major economic challenges following the decision to leave the European Union. There will be a General Election by 2020 and as the UK redefines its global identity, particularly in terms of trade and investment, we have an opportunity to lay foundations for a new community-based rural economy in which place is less important than connectivity.

Recent advances in communications technology – many originating from the University of Surrey or Surrey Research Park here in Guildford – are already inspiring businesses, entrepreneurs and inventors to re-define the workplace. Increasingly, companies are opting to relocate to countryside locations where the quality of life offers many benefits – as a result, hi-tech companies now use former farm milking parlours, small water turbines generate power and micro-breweries can start up on an out-of-town business park.

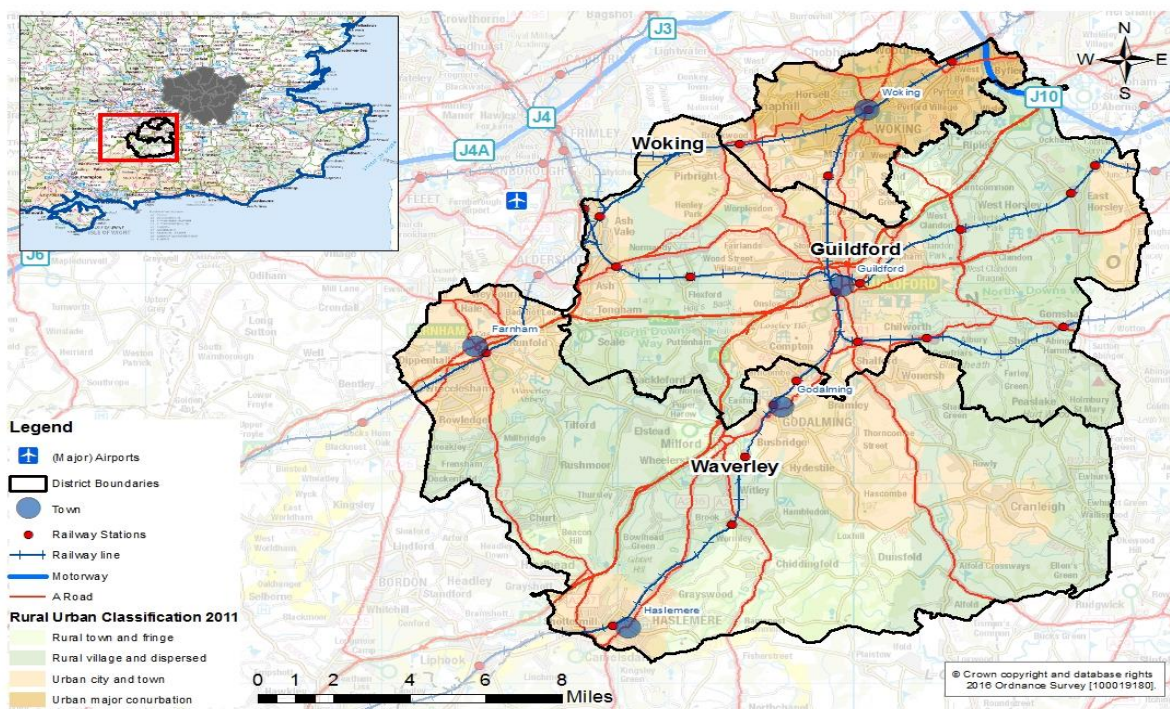
Such change enables the regeneration of traditional village communities and we will work with individuals and organisations across rural Guildford to ensure that priority issues like affordable housing, business growth, infrastructure, land use, tourism and green space health and wellbeing are sensitively addressed. A shared understanding of the landscape around us will help people of all ages to become more actively engaged in shaping a longer-term rural economic strategy to fit with the 20-year timespan of the new Local Plan. We must work especially with young people to involve them in ensuring that Guildford’s countryside remains the adaptable working landscape it has always been.

The purpose of this Rural Economic Strategy is to support delivery of more affordable housing, employment, superfast broadband and other necessary infrastructure whilst preserving Guildford’s special landscapes and environmental qualities. Complementing Guildford’s new Local Plan, the Strategy will grow and be managed in partnership with the local rural communities it serves.

Paul Spooner - Leader, Guildford Borough Council

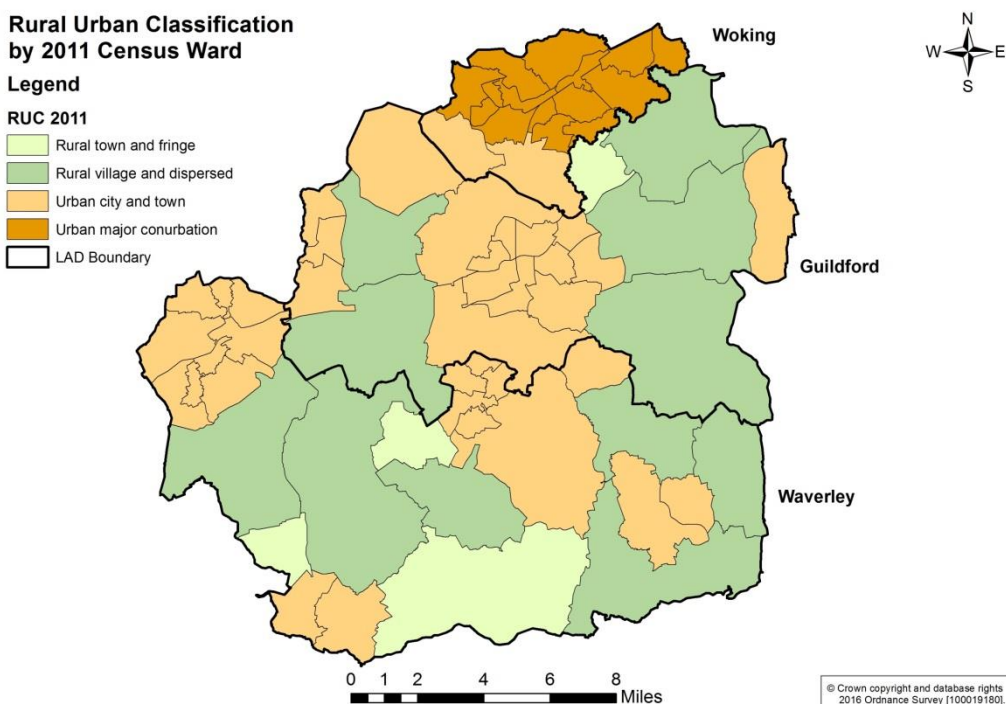
2. INTRODUCTION

This new rural economic strategy - shaped by events and policies since the 2016 EU Brexit vote - follows analysis and review of available statistics, research and sample surveys of companies to identify the predominant business sectors represented in the rural west Surrey Wards of Guildford, Waverley and Woking Boroughs:



Together these Boroughs cover most of the River Wey catchment, a geographical area that is mainly rural, but with a number of commuter belt towns and villages that have grown because of their proximity to London.

Rural classification by Ward – Guildford, Waverley and Woking Boroughs



3. GUILDFORD'S RURAL ECONOMY: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Outstanding and diverse natural landscapes - UK's most densely-wooded County - Rich natural, agricultural and built heritage - Active community of landowners and agents - Artisan food and farming producers - Track record of farm business diversification - Active local environmental groups - Long-established protection of Green Belt - Wide choice of tourist and leisure destinations - Adaptable and entrepreneurial businesses - Highly skilled and innovative population - Leading local University research capability - Local land-based college and school courses - Outstanding local schools - Proactive County, Borough and Parish Councils - Experienced planning authorities - Strategic Local Enterprise Partnerships - Business-led Rural Economy steering group - Excellent road/rail access to M25 and London - Proximity to Gatwick and Heathrow Airports 	<ul style="list-style-type: none"> - Increasing traffic accessing public countryside - Inadequate and poorly-maintained local roads - Impact of climate change on nature - Engagement with local residents - Business production costs, sales/ marketing - Broadband/Mobile signal "not-spots" - Funding for quality landscape management - Public understanding of Green Belt issues - Increased car ownership and travel - Inability of some businesses to adapt - Poor digital skills in some sectors e.g. farming - Limited agriculture-specific tech transfer - Travel to study/work-placement costs - Academic focus over vocational pathways - Limited Officer resource capacity and funding - Negative public perception of "planners" - Surrey split between EM3 and C2C LEPs - Perceived "talking shop"? - Traffic congestion and commuting disruption - M23-M25 congestion and local roads impact
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - Brexit: In EU for 2 years from Article 50 trigger - Strong future outside EU Single Market - UK replaces EU Common Agricultural Policy - UK Industrial Strategy supports farm sector - Community regeneration through . . . - Local Neighbourhood Plans - More affordable housing for local people - New local business start-ups/relocations - Improved local roads infrastructure - Improved Broadband/Mobile Communications - Improved partnership working to improve . . . - Skills development and apprenticeships - Business commitment to environment - Raised public awareness about rural economy - Involve public in landscape management - Further farm diversification schemes in . . . - Energy generation, storage and supply - Improved river catchment management - Improve quality of life through Natural Capital - Pilot rural Project Aspire programme(s) 	<ul style="list-style-type: none"> - Brexit: UK-EU Single Market protections fail - EU markets lost and/or at risk of new tariffs - UK does not replace CAP - Farm and land-based sector sidelined by Gov't - Community disintegration through . . . - Lack of engagement or poor communication - Opposition to proposed local developments - Resistance to business development - More congestion on local roads - Connectivity "not-spots" not removed - Lack of partner collaboration leads to . . . - Failure to address skills needs/raise awareness - Environmental protections removed/eroded - Fail to stimulate public interest in rural issues - Opposition to land management proposals - Failure to adapt to changing market conditions - Financial investment not forthcoming - Poor management maintains risks of flooding - Natural Capital benefits not realised - Social benefits of Project Aspire unmet

4. EXECUTIVE SUMMARY, ECONOMIC PRIORITIES, ACTIONS AND DELIVERY

The rural economy in Surrey is multi-faceted, shaped by and supporting many businesses, enterprises and leisure activities and venues. This new rural economic strategy reflects events and policies since the 2016 EU Referendum vote and, in the context of the emerging Brexit negotiation timetable, its purpose is to focus support on core policy priorities and to deliver specific outcomes. The policy priorities and objectives identified from a rural mapping and business needs survey (Appendix A) are carried forward into detailed actions within the Delivery Plan (Appendix B). The monitoring arrangements are summarised at Appendix C.

Hampshire County Council's Research and Intelligence Unit was commissioned to conduct the rural mapping exercise and identify the predominant business sectors across the three Boroughs of Guildford, Waverley and Woking. Together with an online survey of local business needs the findings from the research are summarised in Appendices D and E.

This new strategy will build on the economic strengths now evident in our local rural areas by supporting existing businesses and encouraging new enterprises. Supported by Guildford Business Forum's Rural Group, the Rural Economy Officer will lead the delivery of the strategic objectives in partnership with the many local community organisations, companies, environmentalists, farmers, landowners, owner-managers of visitor attractions and members of the public who have helped to shape this strategy. Complemented by the Council's new *Countryside Vision* document, the Strategy will align with DEFRA's 25-year environment plan that uses (river) "*catchments as the building blocks for all our planning*" and will "*take forward work on natural capital approaches to properly valuing natural assets*". Such building blocks aid integrated decision-making where whole catchments and landscapes are planned for, rather than single species or features.

Under the Government's Localism Act 2011, there are eight designated Local Neighbourhood Plans in the Borough of Guildford and proposals for one other currently in consultation. These local plans dovetail with the main Local Plan and this strategy will provide appropriate support to aid their delivery, in line with national and local policy.

This economic strategy has another purpose – to help a wider audience understand the true nature of our local countryside and its constantly-changing nature as part of a working landscape. Development and conservation – or economics and the environment – do not sit easily together but both are necessary and require balance and sensitivity in their delivery. By engaging local communities directly to address the social challenges of our time – for instance, the provision of affordable housing – this strategy seeks to reassure all concerned that they will be contributing to a sustainable future for the present and future generations.

What the past has taught us about the Rural Economy:

- Enterprising Surrey farmers and landowners have been able to diversify and seek new uses for their farmland. This has ranged from the sale of farmland for housing or recreational development (e.g. golf courses) to the kind of "natural capitalisation" that resulted in Denbies Vineyard at Dorking. Innovation to support sustainability will create completely new farming models and very different business opportunities e.g. battery technology, energy generation/storage and grid technology.
- The June 2016 Referendum vote to exit from the European Union (Brexit) has major implications for parts of the rural economy that have relied heavily on European subsidy and other kinds of regenerative support through grant funding.
- On top of this economic upheaval, issues such as affordable housing, climate change, increased risk of seasonal flooding, energy needs, food production, land use and transport are all potentially disruptive drivers of political and economic change at the national or international level in future.

What we know now and why we need a Rural Economic Strategy:

- Rapid changes in technology – in particular around 5G mobile communications pioneered here in Guildford at the University of Surrey – will continue to transform daily life and the way we work, learn, travel or spend time online for recreation, shopping or healthcare.
- Approximately 25% of local jobs are located in Guildford’s rural wards.
- The rural mapping exercise that was conducted across the three boroughs of Guildford, Waverley and Woking (*summarised at Appendix D*) identified:
 - 4,330 micro-businesses in rural areas, some 88.5% of all rural businesses in these boroughs.
 - More than 96% of premises in Surrey can now access fast broadband of 15mbps or above.
 - The rural areas of Guildford and Waverley account for about 27.5% of the increase in business growth since 2010 – at 2.0% per annum only marginally lower than in urban areas.
 - Close to one in four of all manufacturing businesses are now found in rural areas
 - The majority of respondents to the survey would plan to stay in the Borough with 16% of those having grown sufficiently to consider moving to larger premises locally.
- The rural mapping exercise included an online survey of business needs (*summarised at Appendix E*) which highlighted the following:
 - Almost half (48%) of businesses in the Guildford, Woking and Waverley Boroughs who were surveyed have access to Superfast broadband with a further 45% using Standard Speed ADSL, Fibre or Cable broadband (93% of businesses overall) indicating some level of broadband access. However, only 57% of businesses are satisfied with their current internet provision with a further 27% stated being dissatisfied to some level, some very dissatisfied.
 - Only a quarter of businesses reported awareness of the Surrey County Council/BT Superfast Surrey programme, with 75% not having seen the programme.
 - The local road network is pivotal to many local businesses for goods and services, staff commuting and travel to meetings or site visits. The local trunk road network followed as the second most important factor across all business operations.
 - Looking forward 12 months, 25% of businesses plan to maintain their current position; 60% plan to expand the scale of their activity. However, beyond 24 months 45% of business wish to reduce the scale of their activities or are uncertain about their future plans.
 - Quality of the local environment was a key advantage for businesses in their current locations. There were mixed views on the quality of the local transport infrastructure, access to markets, quality of premises and communications infrastructure.
 - On Brexit, businesses regarded a Tariff-free EU Customs Union and access to the single market for free movement of goods, services, capital and workers as important to future growth.
- In 2012 Guildford’s visitor economy generated about 4.5 million day trips annually, with staying visitors spending in total £84.6 million on their trip.

What the future looks like and what we plan to do:

- This Strategy will support measures to meet the demand for affordable housing – for young people, people on low incomes or key workers such as teachers and nurses – as the most important driver of the local economy. The proximity to London and access to international destinations through south-east ports and airports places major demands and challenges on the local transport infrastructure.
- The big technological event on the horizon is the rollout of 5G – the fifth generation of mobile networks – planned for 2020. The first smart houses, smart offices and smart utilities are already with us – smart roads and smart railways are on their way. The enabling technology for all of them is being pioneered

here in Guildford and our Action Plan includes opportunities to pilot innovative projects in our rural communities.

- As England's most densely wooded County, Surrey is able to develop and manage a strong wood-based economy, large parts of which are located in the Borough of Guildford. This Strategy will support effective woodland management and stimulate the recruitment of well-skilled and qualified entrants to the industry, either as adults with career experience or as newly-qualified young people (*e.g. Apprentices graduating from land-based college courses*).
- Investing in and improving broadband infrastructure is a key priority in the Guildford Borough Council's Economic Strategy (2013-2031), particularly in the rural areas. Self-funded community broadband projects may lead to faster achievement of connectivity targets and this Strategy will maximise the opportunities through community engagement.

How we are going to do it:

- The Council's Rural Economy Officer is now a member of the Enterprise M3 Local Enterprise Partnership Rural Action Group whose aim is to: *"promote viable and vibrant sustainable rural communities . . . to secure long-term growth of the economy and the labour force in the rural areas, whilst also promoting sustainable management of the countryside and protecting landscapes of national importance."* This Rural Economic Strategy will feed into the 2017 refresh of Enterprise M3 Strategic Action Plan.
- Guildford Business Forum's Rural Group brings together private- and public sector representatives to focus on a variety of local countryside issues such as affordable housing development and planning policy, farming and woodland management best practice, roads infrastructure, rural crime, retail provision, services, transport and utilities. The Rural Group will monitor and review this Rural Economic Strategy in its local context as a new contribution to the Government's localism agenda.
- This Strategy has already received input from the Council's Countryside Manager and complements the Countryside Vision 2017-2017 published by the Parks & Leisure Services Department. Because of the prominent part played by the European Union in terms of funding, regulation and environmental protection, there will be regular and close liaison between the Rural Economy Officer and the Countryside Manager in all rural matters. This will help to optimise the collaborative opportunities with our respective community partners and ameliorate the impact of withdrawal from the EU on the Surrey countryside and all who depend on it for a living.

This Rural Economic Strategy focuses on five policy priorities for the period 2017 to 2022:

- **Affordable Housing and Sustainable Communities**
- **Infrastructure for Enterprise**
- **Landscape Management and Countryside Vision**
- **Green Space, Health and Wellbeing for Better Quality of Life**
- **Energy Policy, Generation and Supply**

Each of these Policy Priorities includes a number of specific Actions as summarised at Appendix A.

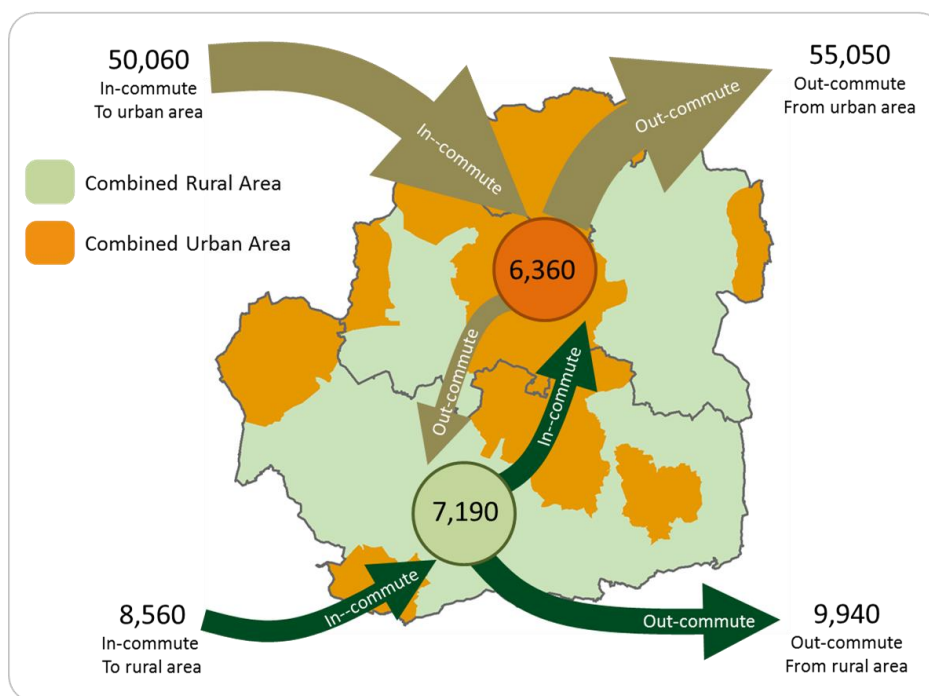
To aid the measurement of progress each of these is broken down into short- and medium-term activities that will lead to achievement of the desired outputs and outcomes (See Appendix B – Delivery Plan).

NB: The table at Appendix B has been adapted as an interactive spreadsheet to support the day-to-day monitoring and review of actions against a timeline (*to December 2018 in first instance*).

5. WHAT THE PAST HAS TAUGHT US ABOUT THE RURAL ECONOMY

Guildford takes its name from the “golden ford” where, throughout history, people have crossed the River Wey as farmers, merchants, pilgrims, soldiers or international traders. The River and its tributaries have sustained the town and the surrounding countryside as a living, working landscape. The energy of the river has been harnessed to generate power, serve mills, farms, homes and businesses with water, carry goods and provide recreational space for humans and wildlife alike. Many journeys begin or end in Guildford’s countryside, part of the Surrey Hills Area of Outstanding Natural Beauty (AONB).

2011 Commuter Flows between the Rural and Urban Areas:



Source: ONS Census 2011, MSOA 2011 RUC. Data rounded to nearest 10 employed persons.

Six railway routes converge on the town, including a direct rail link to Gatwick Airport. Guildford’s geography as a gap town has shaped its history – and continues to present new challenges for both the urban and rural landscape in the Borough as climate change and increased risk of seasonal flooding combine with growing demand for energy, food production and land to become potentially disruptive drivers of economic or political change. Demand for local – and more affordable – housing continues to grow, adding to the congestion on Guildford’s local road networks as well as the major roads into and around London, including the A3, A31 and M25.

Saving Surrey’s countryside

Protection of the Surrey countryside has been central to the County’s development as an attractive place to live and work since the early 1920s when the suburban expansion of London led to initiatives by Surrey County Council to limit the threat of development as land prices soared with the demand for new housing. This pioneering leadership continues in Surrey today, with pressures on housing and infrastructure development as great as ever. Parts of the local countryside have special additional protection because they fall within the Surrey Hills AONB while other categories include Areas of Great Landscape Value and Sites of Special Scientific Value. Formal definition of the “Green Belt” brought wider land protection across Surrey.

But this is no museum of rural life – it is a working landscape that has seen real industry throughout the centuries. From the production of Roman glass in the “fold” country to the south of Guildford, through the first industrial revolution that produced iron in the local hammer forges, to the construction of the River Wey Navigation – Britain’s second-oldest canal – the rural economy has always adapted. Guildford’s wealth in the Middle Ages was created on the wool trade and cloth manufacture.

ACTION 1: Rural Economy Officer to contact all Parish Councils in the Borough of Guildford through Chairs, Clerks and/or public meetings to shape and support sustainable, mixed communities as part of a longer-term community strategy

In this new industrial age of the Internet Surrey’s countryside continues to evolve through human intervention – a process that will continue well into the future.

Structural change and economic growth

The June 2016 Referendum vote to exit from the European Union (Brexit) has major implications for parts of the rural economy that have relied heavily on European subsidy or other grant funding. Economically, Guildford has benefited from its links with the University of Surrey as well as its easy access to London and the motorway network. As shown in the following map, Guildford has grown strongly in relation to other Surrey Boroughs; Guildford’s rural Wards have also shown growth, albeit not quite as strongly as in the rural parts of neighbouring Waverley.

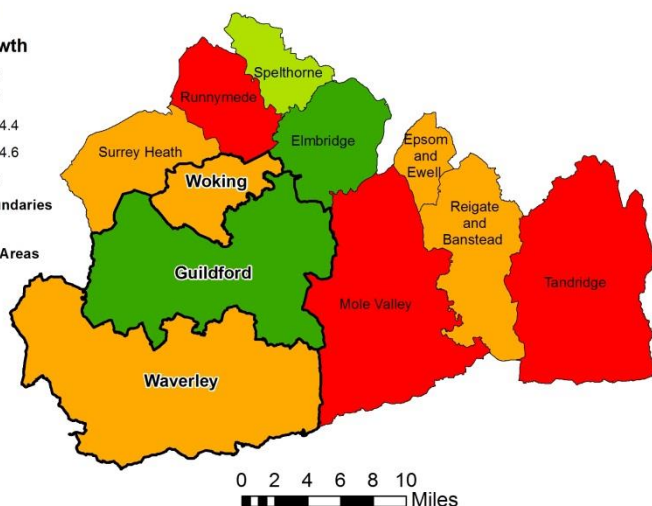
Economic Growth since 2010, % p.a.
(Surrey districts and for rural areas in Guildford and Waverley)

GVA Growth (%) 2010 - 2014

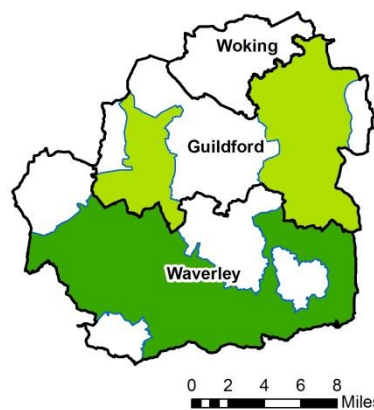
Surrey Districts

Legend

- GVA Growth**
- Percentage
- < 4.0
- 4.0 - 4.4
- 4.4 - 4.6
- > 4.6
- District Boundaries
-
- Rural Ward Areas
-



Rural Wards Only



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2016 Ordnance Survey [100019180]

Source: ONS 2016 and HCC 2016

The purpose of this Rural Economic Strategy is partly to educate and partly to re-assure. It will inform all who know and love this part of Surrey that the landscape is resilient to change – it always has been and will continue to be so, provided we manage it well. The pressures of modern life call on Guildford’s countryside to be a place where people can live, work and take their leisure. The competing and, at times, conflicting, needs of walkers, cyclists, horse riders, dog-walkers, motorists, residents, businesses and commuters are the reason for this strategy.

ACTION 2: in line with the emerging Local Plan (Housing Policy H2 and Economy Policies E3 and E5), to work with Parish Councils, external partners and planners to support Neighbourhood Plans as appropriate if these involve allocating sites; also Housing Policy H3 to support Rural Exception Homes where local need can be shown

Every one of us becomes a part of – and a contributor to – the rural economy whenever we visit our local countryside. It is important to remember that we are also part of Nature and have a responsibility to be good stewards of Guildford’s working rural landscape for the current and future generations.

This Rural Economic Strategy should also re-assure local communities that they will have the most important role in shaping the future of their towns and villages as sustainable places offering affordable housing, new employment and enterprise opportunities and better local infrastructure.

The Strategy opens a new dialogue with Parish Councils, community organisations, landowners, heritage organisations and all our rural residents in the spirit of the Government’s aim to encourage local participation in making what its 2011 White Paper called “The Natural Choice”.

6. WHAT WE KNOW NOW AND WHY WE NEED A RURAL ECONOMIC STRATEGY

Overview

The Council created a new economic development role focused on Guildford's rural communities and businesses because increasing numbers of local jobs are located in Guildford's rural wards.

2015 Rural Urban Workplace Employee Number and Share (%)



Source: ONS BRES Open Data. ONS 2011 Ward Rural-Urban Classification 2011.

Some rural businesses are in traditional land-based industries such as farming and woodland management; others are retail or service-based and provide the necessities of daily village life or are visitor attractions. Today many businesses are non-traditional, creative and knowledge-based so a conventional office location is no longer essential. However, good infrastructure – broadband connectivity in particular – is vital to support businesses of all kinds.

Rapid changes in technology – in particular around 5G mobile communications pioneered here in Guildford at the University of Surrey – will continue to transform daily life and the way we work, learn, travel or spend time online for recreation, shopping or healthcare.

ACTION 3: make use of Government funding and support for community groups to identify local interest in community housing projects, or help new groups to set up, also assist with the development of community housing projects, including liaison between landowners and community groups

The June 2016 Referendum vote to exit from the European Union (Brexit) may impact the rural economy in particular because of its past reliance on European subsidy and other kinds of regenerative support through grant funding. Following Theresa May's appointment as Prime Minister a new Department for Exiting the European Union was created to oversee the exit process, linked to the Foreign & Commonwealth Office and Department for International Development. While these Departments will be at the heart of Brexit negotiations with the remaining 27 EU

States, from a rural perspective the Department for Environment, Food and Rural Affairs (DEFRA) will remain responsible for national countryside strategic policy and planning. DEFRA's Secretary of State is Andrea Leadsom.

There are already some signs that the rural economic business model will have to adjust to significantly reduced grant funding streams as well as related changes in the UK's relationship with international markets. This Strategy will take account of the Brexit timetable and – through local monitoring of progress in delivery of the Action Plan – support local communities at the Borough and Parish Council levels to re-shape their local economies in a fast-changing and less certain world. Since the UK first joined the EU, many farmers and other rural businesses have been supported by subsidies through the EU Common Agricultural Policy (CAP). These past beneficiaries are likely to remain heavily reliant on such subsidies well into the future but it is not yet clear if a new UK Common Agricultural Policy may replace the EU CAP.

On top of this economic and political upheaval, climate change, increased risk of seasonal flooding, food production, transport, waste disposal and energy needs are all potentially disruptive drivers of political and economic change at the national or international level. Some of them, such as winter flooding or transport delays, often produce serious disruption in and around Guildford.

ACTION 4: informed by the Employment Land Needs Assessment 2017, to support GBC Planners, Surrey County Council and Openreach in identifying and allocating commercial sites in rural areas; also, in line with the emerging Local Plan, to support planning applications that will help to meet the needs of the local economy

In a major policy speech, the Environment Secretary told the annual Oxford Farming Conference that Brexit was a once-in-a-generation opportunity to look at new ideas and also at how other great farming nations operate. She said that key questions to address are:

- How do we manage risk, and make the industry more resilient to extreme weather and price volatility?
- How can we prioritise capital investment and boost productivity?
- How can we increase food production at the same time as enhancing our natural environment?

The Secretary of State also announced £120 million of funding to support farmers, grow businesses, and generate thousands of jobs in rural communities. She also announced two Green Papers – one for food and farming, the other for the environment, as part of a major public consultation to gather views and ambitions for the future.

UK Industrial Strategy

In January 2017 the Government launched *Building our Industrial Strategy*, in which the Prime Minister stated that the EU referendum “*was not simply a vote to leave the European Union; it was an instruction to the Government to change the way our country works – and the people for whom it works – forever.*”

Building our Industrial Strategy set out ways in which the government might support businesses e.g. by addressing regulatory barriers, agreeing trade deals and helping to establish institutions that encourage innovation and skills development. The Prime Minister said that the Government would be ‘stepping up to a new, active role’, with broadband, transport and energy highlighted in a bid to ‘align central government infrastructure investment with local growth priorities’.

The “10 pillars” of *Building our Industrial Strategy*:

The White Paper included a public consultation focused on the following themes:

- Investing in science, research and innovation
- Developing skills
- Upgrading infrastructure
- Supporting business to start and grow
- Improving government procurement
- Encouraging trade and inward investment
- Delivering affordable energy and clean growth
- Cultivating world-leading sectors
- Driving growth across the whole country
- Creating the right institutions to bring together sectors and places

This Rural Economic Strategy will identify and support opportunities for changing the rural economy, for example through the development of battery technology, energy storage and grid technology – step changes in innovation will likely involve all of them. In the same way that farmers have in the past installed water turbine generators, wind pumps and solar arrays, it is now possible to develop smart grids that respond to the demands of consumers through new battery technologies that deliver power efficiently and at lower cost.

Reflecting the scale of change and innovation around technologies like these, skills development is another vital component of the rural economy that needs to be addressed urgently through our future Strategy. It is suggested that if rural businesses in England had the right conditions to grow and the productivity gap lessened, an extra £28 billion per year could be added to the rural economy (*Calculations by DEFRA based on GVA and productivity statistics published in “Statistical Digest of Rural England – December 2016”*).

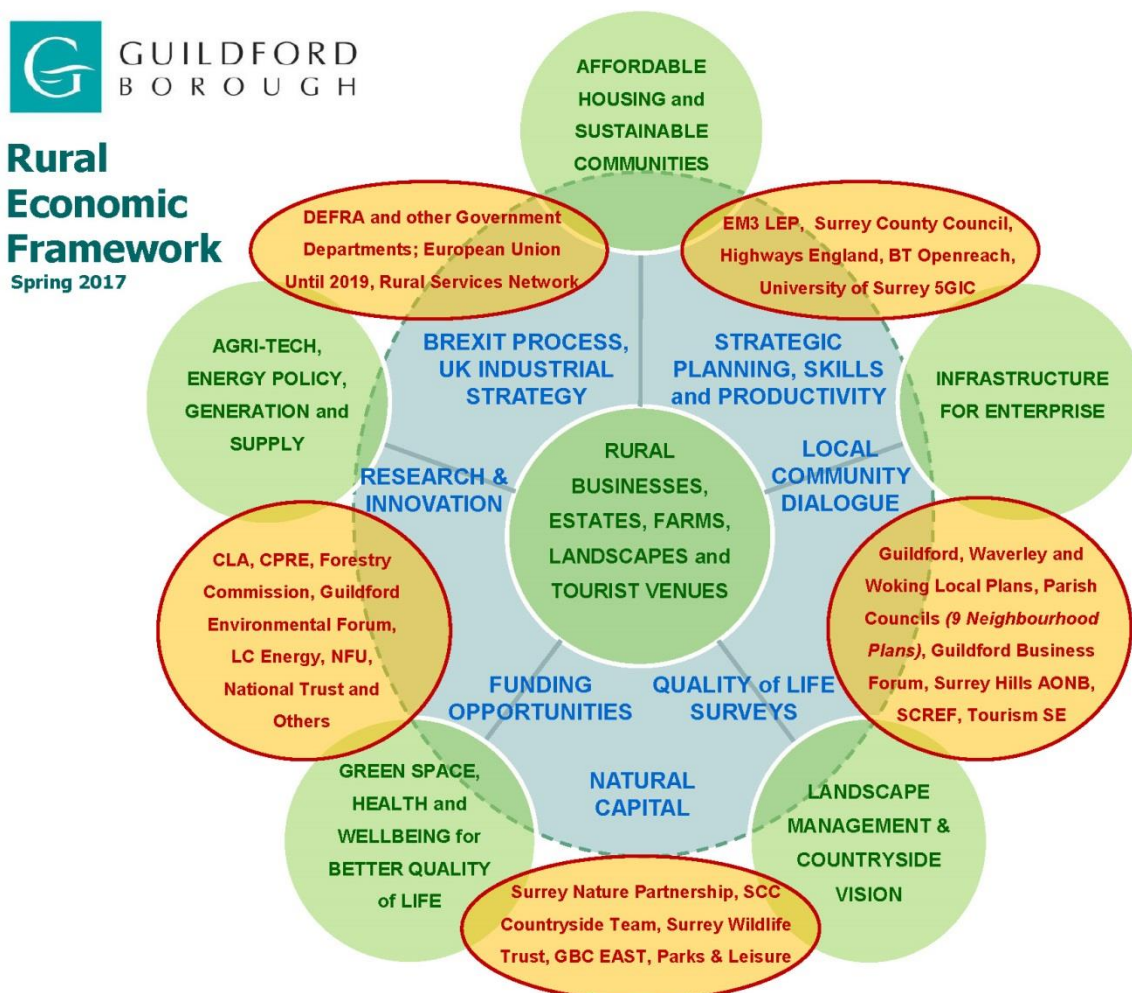
ACTION 5: support the SETsquared Digital Accelerator Programme and, with the University of Surrey, pilot a 5G project for rural parts of the Borough to improve signal connectivity in mobile network and hard-to-reach broadband “not-spot” locations

Rural businesses face particular challenges and barriers to close this gap, including a shortage of work premises, slow internet connections and a lack of knowledge transfer between business communities spread thinly over wide areas. Some of these challenges are evident in parts of our local rural economy, especially in the Surrey Hills.

The context for this Rural Economic Strategy

At the national level, DEFRA's 25-year environment plan is based on river catchments that will aid integrated decision-making where whole catchments and landscapes are planned for, rather than single species or features. While DEFRA is the main Department of State affecting rural affairs policy, the Departments of Business, Energy and Industrial Strategy, Communities and Local Government, Education, the Home Office, the Treasury – and Agencies such as Highways England – all have remits that are very relevant to the rural economy.

The diagram below shows the broad context for this Rural Economic Strategy. Focused on the rural businesses that are the bedrock of our rural economy, the Strategy's five policy priorities are shown in green, linked by yellow lozenges showing partner organisations that are especially relevant to the successful delivery of those priorities. The large blue oval beneath shows the scope of the Strategy and its strategic and operational links with both the demand and supply sides of our rural economy. Implementation of the Strategy will be monitored by Guildford Business Forum's Rural Group against the Action Plan (Appendix A) and Delivery Plan (Appendix B):



KEY: 5GIC-5G Innovation Centre; AONB-Area of Outstanding Natural Beauty; CLA-Country Land and Business Association; CPRE-Campaign to Protect Rural England; DEFRA-Department for Environment, Food and Rural Affairs; GBC EAST-Guildford Borough Council Energy And Sustainability Team; NFU-National Farmers Union; SCC-Surrey County Council; SCREF-Surrey Countryside and Rural Enterprise Forum

Rural Services Network

The Rural Services Network (RSN) represents the interests of rural service providers and their rural communities in England by making representations on issues affecting rural services and areas of common interest such as rural broadband provision, housing, health and crime.

Overall, the RSN consists of around 150 Local Authorities and over 100 non Local Authority service providers in both the public and private sector. It fosters constructive debate and encourages best practice and active engagement by all who work on or with English rural services issues. The Network is unique in Europe.

Enterprise M3 Local Enterprise Partnership (LEP)

Enterprise M3 is one of Guildford's strongest economic network partners. In 2014 the LEP set up the Enterprise M3 Rural Action Group, which has identified a number of areas of focus where it envisages clear impact:

- Ensuring Local Plans adequately consider rural issues by involvement in the consultation process
- Encouraging Boroughs and Counties to have specific Rural planning and Growth policies / strategies
- Identifying specific actions and policies that the LEP and partner organisations can promote to increase and support rural business activity
- Investigating areas where rural infrastructure is inadequate and needs improvement including broadband and mobile communications
- Encouraging use of renewable energy (e.g. through Biomass Heating, District Heating Schemes and Anaerobic Digestion plants) and encouraging their inclusion in Local Plans
- Working with the appropriate Government Departments (*since modified by the Brexit Referendum vote to leave the EU*) and rural partners to identify rural funding streams and ensure they are appropriately publicised and utilised.
- Encouraging the development of the enterprise and skills agenda in the rural business landscape.

ACTION 6: with local partners and in line with Enterprise M3 Local Enterprise Partnership policy, to attract and/or influence the EU or UK funding mechanisms to develop and support an innovative and sustainable land-based project to create new jobs and apprenticeships, supported by skills training, mentoring and business events

This Rural Economic Strategy will support and develop these areas of focus identified by Enterprise M3 and Guildford Borough Council will continue to be an active participant in the Rural Action Group itself, representing Surrey County Council and other Surrey Boroughs and Districts as well as its own rural interests.

Surrey Countryside and Rural Enterprise Forum (SCREF)

The Government introduced Local Nature Partnerships as a way of strengthening communities, supporting the green economy and complementing Local Enterprise Partnerships. In 2015 Surrey Nature Partnership produced a Natural Capital Investment Strategy for Surrey, focusing on healthy environment, healthy people and healthy economy. This led to the creation of SCREF and, following consultation with experts, individuals and organisations across Surrey, the publication of *“A Rural Statement for Surrey – Collaboration for Rural Communities, Economy and Environment.”* The consultation process identified 27 separate topics that are included in the Rural Statement with a brief overview, visionary goal and the key issues for each one. This Strategy has already fed into the updated SCREF Rural Statement.

Guildford Business Forum – Rural Group

This partnership brings together private- and public sector representatives to focus on a variety of local countryside issues such as affordable housing development and planning policy, farming and woodland management best practice, roads infrastructure, rural crime, retail provision, services, transport and utilities. The Rural Group is best-placed to monitor, review and steer this Rural Economic Strategy in its local context, at the same time enabling its linkage to sub-regional rural development strategy through the Forum’s Economy and Skills Board, LEPs and, potentially, new devolved powers under the Government’s localism agenda.

Rural Profile of the River Wey Catchment

This Rural Economic Strategy focuses on the three boroughs that form the main catchment of the River Wey: Guildford, Waverley and Woking. The northernmost Borough of Woking, near the Wey’s junction with the River Thames, is almost entirely urban and located on the edge of Greater London, forming part of the wider London commuter belt. The Borough of Guildford has strong connections with the capital through good rail links and the A3 providing a direct road artery to the M25 and into central London. To the south is the more rural Borough of Waverley. The boroughs are home to many regional, national and international head offices whose locations are further enhanced by good access to international airport hubs at Heathrow and Gatwick.

In terms of the overall resident population, Woking is commonly classified as being entirely urban, while Guildford and Waverley both have considerable rural populations although most residents live in urban areas. The rural population of Guildford stood at 27,200 in 2015, growing by around 3% since 2010 and accounting for a fifth of the Borough’s total population. Waverley has a higher number of rural residents than Guildford and in 2015 the rural population in Waverley stood at 30,600 – approximately one quarter of the Borough’s total population. Across the three boroughs, industry profiles in rural and urban areas are broadly similar, with certain sectors dominating employment.

CASE STUDY:

The Loseley Park estate offers a good example of such adaptability and diversification. Owned by the More-Molyneux family for over 400 years, Loseley House and Estate has moved with the times to provide business units, products, services, events and visitor attractions as well as the historic staples of farming and woodland management. Two of the best-known business spin-outs were Guildway Homes and Loseley Farm, original home of the Ice Cream range and other dairy products.

Today, the House and Gardens are a popular attraction for visitors to a range of events, conferences, weddings, etc., with additional income generated from film and TV productions.

Detailed economic information and business feedback from the three Boroughs was obtained from the 2016 rural mapping exercise and online survey of business needs, which are summarised in Appendices D and E respectively. As shown in the following tables, business services, including professional and technical, is the largest employer in rural areas, followed by distribution, transport, accommodation and food and then public administration, defence, health and education. As home to the University of Surrey and the Surrey Research Park, Guildford is an international centre of excellence for clusters such as digital media, pharmaceuticals, space technologies and ICT. Woking has a high proportion of regional, national and international headquarters including McLaren’s HQ – but a minimal presence of agricultural use in its open spaces. In Waverley the retail sector is particularly important, playing a major role in the borough’s economy.

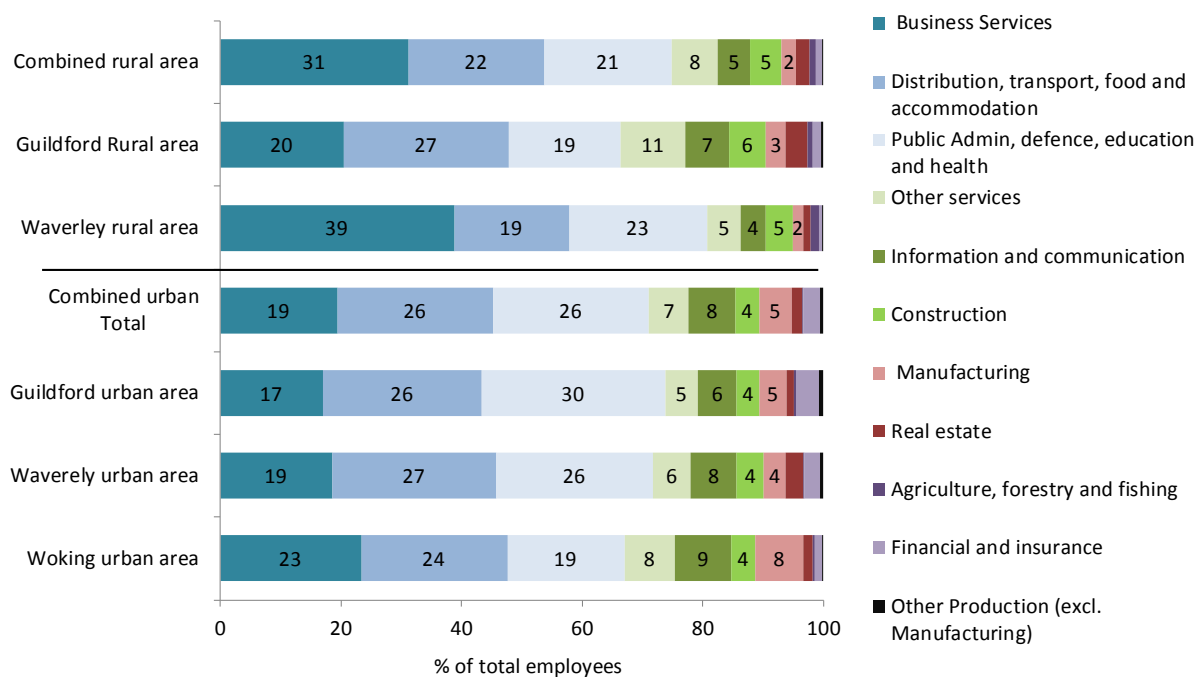
ACTION 7: use public launch of the Rural Economic Strategy (at the Surrey County Show) to develop a dialogue with local business and community leaders about the Borough’s Natural Capital assets and how to realise their value for the benefit of communities, companies, conservationists, country landowners and developers

Number of Businesses Units in Guildford, Waverley and Woking, 2016

	number (2016)	%	% rural total
Rural Guildford	2,520	29.5	51.7
Urban Guildford	6,025	70.5	
Guildford	8,545	100.0	
Rural Waverley	2,350	26.3	48.3
Urban Waverley	6,595	73.7	
Waverley	8,945	100.0	
Urban Woking	5,635	100.0	
Woking	5,635	100.0	
Rural Total	4,870	21.1	100.0
Urban Total	18,255	78.9	
Total	23,125	100.0	

Source: UK Counts ONS (2016). ONS 2011 MSOA & RUC 2011

2015 Employee Sector Share (%)



Source: ONS BRES Open Data. ONS 2011 Ward Rural-Urban Classification 2011.

Distribution of Businesses in Rural areas (highlighted where %age greater than urban)

	Rural	%	Urban	%	Total	%
Business services	1,685	34.6	5,715	31.3	7,400	32.0
Distribution, food, transport and accommodation	825	16.9	3,785	20.7	4,610	19.9
Construction	550	11.3	1,695	9.3	2,245	9.7
Information and communication	445	9.1	2,330	12.8	2,775	12.0
Other services	365	7.5	1,265	6.9	1,630	7.0
Public admin, defence, education and health	310	6.4	1,320	7.2	1,630	7.0
Agriculture, forestry and fishing	215	4.4	115	0.6	330	1.4
Real estate	205	4.2	665	3.6	870	3.8
Manufacturing	175	3.6	565	3.1	740	3.2
Financial and insurance activities	85	1.7	745	4.1	830	3.6
Other production	10	0.2	55	0.3	65	0.3
Total	4,870	100.0	18,255	100.0	23,125	100.0

Source: UK Counts ONS (2016). ONS 2011 MSOA & RUC 2011.

Farming in Surrey

Addressing the 2017 Oxford Farming Conference, the DEFRA Secretary re-stated her two long-term ambitions of creating a world-leading food and farming industry by producing more, selling more, and exporting more Great British food and, secondly, to become the first generation to leave the environment in a better state than we found it.

Surrey's relatively poor soil and limited geographical area means that traditional farming is confined mainly to grazing for livestock and some arable crops but otherwise many of the County's farmers

have been able to diversify into new farming models such as solar farms (some mixed with livestock grazing) or to create completely new and very different business opportunities. Some, for example, have attracted business tenants for whom the working urban environment is either too costly or simply less appealing than the rural alternative, provided the supporting infrastructure – especially Broadband and mobile phone coverage – is fit for purpose.

Woodland

Building on past local initiatives that have raised the profile of wood-based industries, the West Surrey Woodlands Project aims to bring local authority and privately owned woodlands in the west Surrey area back into productive management, producing a wide range of environmental, social and economic benefits. Initially the project covers a cross-boundary area in the north of Waverley Borough and the south of Guildford Borough. Other woodland areas form part of the Council's estate and are the responsibility of the Parks & Leisure Service's Countryside Manager.

Tourism

In August 2016 the Prime Minister launched a Tourism Action Plan entitled *Welcome to GREAT Britain*, in which she pointed out that the UK tourism industry provides 1.6 million jobs and in 2015 the sector generated £22.1 billion for the economy. Mrs May emphasised the post-Brexit opportunities for growth, such as cutting red tape and forging partnerships in new and developing markets: *"Our stunning scenery hasn't changed, nor our centuries-old monuments and cultural traditions. Together with industry, the Government will work to ensure that tourism continues to thrive as negotiations on the UK's exit progress. The end goal is a Britain that is even more attractive, accessible and welcoming to visitors."*

ACTION 8: in partnership with Surrey Hills AONB, to conduct a survey of rural stakeholders, community groups and members of the public to gather views around quality of life indicators, based on the Eurostat model

The Government's Tourism Action Plan focuses on 5 key themes: the Tourism Landscape, Skills, Regulation, Transport and Visa requirements. Noting those new priorities for UK tourism, Guildford's Rural Economic Strategy is already closely linked with the Council's own Visitor Strategy 2014-2020, a product of partnership working between Guildford Business Forum, the University of Surrey, Experience Guildford BID, Visit Surrey, Surrey County Council and Enterprise M3 LEP.

In 2012, Guildford's visitor economy generated about 4.5 million day trips annually, with staying visitors spending in total £84.6 million on their trip. Guildford's Visitor Strategy has the following Priorities:

- Improve the visitor experience to Guildford
- Develop a Guildford visitor economy that is cost-effective, long-lasting, potentially self-financing and beneficial to the Borough
- Raise the profile of Guildford to local, domestic and international visitors to attract a larger share of the tourism market

- Celebrate a Guildford festival culture by developing a coordinated programme of events that strengthens the visitor economy
- Ensure Guildford's visitor businesses are influencing other organisations' plans to attract investment and enhance the Borough visitor economy
- Develop the Council and town's heritage offer including development of the castle and museum site and creation of a heritage quarter

Through the implementation of this Rural Economic Strategy, Guildford's rural businesses, communities and venues will offer much potential to the pro-active support of these priorities. Balancing this business contribution will be continuing protection of Surrey's natural heritage, in particular the Surrey Hills Area of Outstanding Natural Beauty (emerging Local Plan Policy P1) and the Thames Basin Heaths Special Protection Areas (emerging Local Plan Policy P5), as well as other specific Areas of Great Landscape Value and Sites of Special Scientific Interest. As indicated earlier, this Strategy complements the Council's Countryside Vision, recognising the growing public interest in countryside sites that provide opportunities for recreation, physical activity and access to nature. For example, visitor counters installed at Chantry Wood and Riverside Nature Reserve show that visitor numbers almost doubled between 2012 and 2014. The education sector recognises the importance of outdoor education, for example in the growing trend of Forest Schools, so Guildford's countryside sites can provide opportunities for education events.

Housing and Infrastructure

Because of its proximity to London and the relative accessibility of road, rail, air and sea transport in the south east of England to international destinations, the demand for housing – but especially affordable housing for young people, people on low incomes and key workers such as teachers and nurses – is the most important driver of the local economy. Demand far outstrips supply and has been compounded in recent years by the attraction of UK property to overseas investors, especially in and around the Capital. This has led to even more suburban and rural competition for housing as urban dwellers seek cheaper properties, which in turn leads to spiralling prices and pressure on local services and the roads infrastructure in particular. In many rural Green Belt areas of Guildford borough high house prices and a limited supply of new affordable homes restrict the potential for resident and newly-forming households and those working in the parish to live in homes that they can afford. To address this Councillors recommended in November 2016 that affordable housing should be made the top priority for delivery of this Rural Economic Strategy, reinforcing their earlier decision to set up North Downs Housing Ltd – a wholly owned housing company limited by shares that enables the Council to provide homes across a range of tenures other than social rent.

CASE STUDY:

An interesting community development has received overwhelming approval from the residents of Lavenham in Suffolk in a local referendum. Now part of the Local Neighbourhood Plan, their principal objective was to provide for the sustainable development of Lavenham through the achievement of a better balanced community. Over the years the trend towards an increasing ageing population has accelerated and continues to do so. Recognising the need to increase the

proportion of young people living within the village the Plan will seek to do this by ensuring that any future developments put the emphasis on affordable, smaller homes capable of meeting well established local needs. This should also enable older residents, who wish to downsize, to stay in the village. Lavenham's commitment to future generations in the village offers a refreshing vision and model of community development.

Guildford's Local Plan follows the National Planning Policy Framework presumption in favour of sustainable development (emerging Policy S1) coupled with a Borough-wide spatial development strategy to deliver approximately 650 new homes annually. The Local Plan details a number of major housing developments to meet needs identified in the Strategic Housing Market Assessment, supported by various infrastructure improvements to build capacity on the strategic and local road and rail networks in particular. Emerging Policy H2 of the Local Plan specifies the Council's commitment to the provision of affordable homes, requiring at least 40% of houses built on sites providing 5 or more homes, or sites of 0.17 ha or more, to be affordable homes. The Council's Rural Exception Policy enables affordable housing to be built on sites that would not normally allow residential development, provided there is a proven need for affordable home for people with a strong connection to the area.

ACTION 9: with GBC Public Health, Housing and other colleagues, to pilot a rural programme under Project Aspire to assist social regeneration through skills and training support

Broadband and Mobile Infrastructure to boost productivity

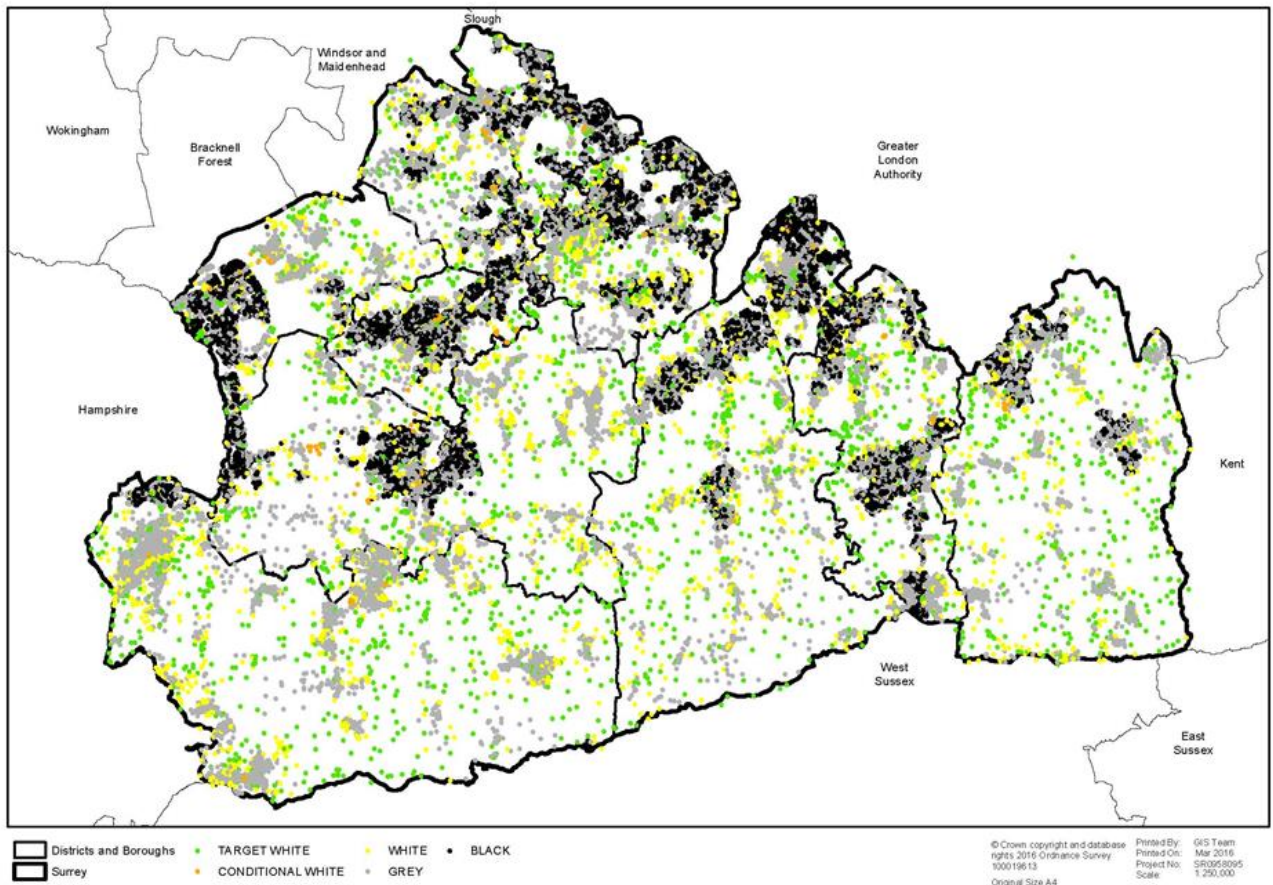
The January 2017 Green Paper *Building our Industrial Strategy* acknowledged that good digital infrastructure opens up opportunities for growth and productivity, for example through better-connected business and consumers. Research suggests that increased broadband speeds alone could add £17 billion to UK output by 2024 (*UK Broadband Impact Study Impact Report, SQW (November 2013)*).

In Surrey, the County Council is partnering with Openreach to deliver the Superfast Surrey Programme which, combined with the commercial rollouts, has enabled approximately 96% of all Surrey residents to access fibre download speeds of 15Mbps or above. Homes and businesses that are still unable to obtain a Next Generation Access (NGA) download speed of 15Mbps or more are either not connected to fibre infrastructure or are connected but are on long telephone wire lines.

The following map shows the progress made in extending Superfast Broadband in Surrey. Surrey County Council changed its mapping approach to identify NGA "white areas" as those with speeds below 30 Mbps, whereas previously they had only been identified as NGA white areas where they had speeds below 24 Mbps. This had the impact of increasing the NGA white areas on the map.

Surrey County Council then decided to identify and prioritise NGA white areas in those postcodes with the greatest need for improvement, i.e. either where no NGA infrastructure is available or where NGA infrastructure is available but only at speeds below 15 Mbps. These "Target White" area postcodes are coloured green on the map – the remaining NGA "white area" postcodes are coloured yellow on the map:

Surrey County Council Superfast Broadband NGA (Next Generation Access) Map



Source: Surrey County Council

A few postcodes are coloured orange on the map. These are designated “Conditional White”, indicating that they are currently included within planned commercial coverage by providers but have been reported as being “at risk” of not being completed commercially. If commercial plans fail these areas may be eligible for public sector intervention under European Commission guidelines. This rural economic strategy will support communities towards the most effective broadband solutions, whether through the planned Superfast Surrey rollout or through a self-funded project.

CASE STUDY:

Send Business Centre occupies a former post-industrial Tannery and chemical works located alongside the National Trust’s River Wey Navigation where the Borough boundaries of Guildford and Woking meet. Offering low-cost serviced office space and long or short-term hire of offices with high-speed broadband access, many companies have been supported from a great range of industries, with occupiers including Queens Award winners in health-tech, finance, property, insurance companies and start-ups to name a few. There is a strongly supportive and sustainable rural business and community atmosphere among current tenants and, with funding support from the Enterprise M3 Local Enterprise Partnership, the family owners are bringing to fruition ambitious plans to develop a creative hub hosting hi-tech film and video studio and post-production facilities. Collaboration with the National Trust has resulted in canal-side improvements that are being further enhanced by the building of a marina to provide moorings away from the main waterway.

International Airports on Surrey's doorstep

As well as a review of major road, rail and infrastructure projects the Government is committed to building airport capacity, probably by the addition of a third runway at London's Heathrow Airport, although the alternative option of a second runway at Gatwick has not yet been ruled out.

A final decision is likely during 2017 but whichever airport is expanded the impact will be felt across Surrey, so this Strategy needs to take account of that reality over the medium- to long-term. The next section considers some of the wider implications of being located close to London, currently Europe's first "Megacity", based on the size of its rapidly growing population. London also drives the demand for creativity, innovation, knowledge transfer, and research and development, which attracts high calibre, tech-savvy and well-skilled people from all over the world.

7. WHAT THE FUTURE LOOKS LIKE AND WHAT WE PLAN TO DO

Affordable living in Surrey

In February 2017 the Government published its Housing White Paper. Entitled *Fixing our broken housing market*, it addressed four main objectives:

- Planning for the right homes in the right places
- Building homes faster
- Diversifying the market
- Helping people now.

The White Paper emphasised the importance of local leadership and commitment from a wide range of stakeholders, including local authorities, private developers, housing associations, lenders and local communities. The Government has indicated that community groups, with the backing of the local community, will be able to access funding to assist in bringing forward housing and other community schemes. This implies that community groups could put forward developments in a similar way to rural exception developments. The Council has been awarded funding to promote community-led housing and intends to support a County-wide resource in the form of specialists who can help form community groups, identify sites and bring forward housing. This could link with other Government proposals concerning self-build and a brownfield register.

This Rural Economic Strategy commits the Council to helping Guildford's rural communities be fully involved in shaping affordable housing development plans for their areas. This will include work on existing and future local Neighbourhood Plans – because of the sensitivities generated by most discussion of matters relating to the Green Belt there will be regular policy reviews to agree priorities that will deliver infrastructure and development where necessary.

People with connections to rural parishes through family, recent past residence, or current employment may be eligible for rural exception housing. This is affordable housing provided on small sites in rural areas on Green Belt land, as an exception to other Council planning policies. Working with the Council and Parish Councils, local Rural Housing Needs Surveys are generally carried out by the Surrey Rural Housing Enabler, a role that sits within Surrey Community Action. Rural exception housing is delivered by Registered Providers and by private developers.

Community Land Trusts (CLTs) offer an alternative way of ensuring that social housing continues to meet social needs and remains affordable. However, whilst CLTs can deliver intermediate housing (such as shared ownership), social rented homes are specifically defined in National Planning Policy Framework as being owned by local authorities and private registered providers. Therefore CLTs would need to register with the Homes and Communities Agency in order to own social housing.

The changing workplace and connectivity

This Rural Economic Strategy must take account of rapid advances in technology and so consider the effect such advances will have on all aspects of rural working life in the next few decades.

It is not possible in 2017 to look much further than the next 2–5 years in preparing rural communities for the potential challenges and real opportunities that information and communications technology might bring. The rollout in 2020 of 5G – the fifth generation of mobile

networks – will dramatically increase the speed at which data is transferred, improve response times and provide enough capacity for the billions of devices that will be connected in the Internet of Things (IoT), paving the way for a host of innovative new technologies and services:



All of the technologies shown in this diagram of an urban environment will become part of the countryside – so it is important that they are designed in sympathy with their environment. Connecting agricultural tools to the Internet of Things will link the supply chain electronically and automate agricultural processes to a new level, introducing unmanned vehicles, drones, satellite imagery, biotechnology changes, mobile phone apps and the Internet of Things to a sector that has to reinvent its traditional farming methods through innovation.

In her speech to the 2017 National Farmers' Union Conference, the Environment Secretary identified the following as DEFRA priorities in the period of Brexit negotiation and transition:

- Trade
- Productivity and Innovation
- Environment
- Promotion of animal and plant health and welfare
- Resilience

As well as confirming the broad thrust of this Rural Economic Strategy, these strategic themes hint at the rapid and wide-ranging changes that lie ahead for farmers and other land-based producers. Seeking new post-Brexit trading partners beyond the EU will require entrepreneurial flair, business acumen, digital ability, technological awareness and skills, as well as the farming basics of animal husbandry, crop science and – of course – financial ability.

Although many farmers are hoping for replacement of the EU Common Agricultural Policy with some form of UK subsidy, the reality – as indicated in the paragraphs above – is that the drive for increased productivity will only be achieved through a combination of technological innovation, change management and the ability to compete.

However, as the competition could be with “mega-farms” using thousands of acres to produce cheap, genetically-modified beef in Argentina or grain in the USA, farmers in the UK could be disadvantaged if food quality here is compromised. They are keen not to repeat the experience of Australia and New Zealand in 1973, when Britain joined the Common Market and closed off the subsidies and privileged market access that had existed for these Commonwealth partners. Although initially disastrous for New Zealand lamb producers in particular, the replacement of previously lucrative trade with the UK was achieved through greater efficiency and productivity.

To enable our local farmers and producers to maximise the opportunities from the post-Brexit trading environment, skills development is likely to play an increasingly prominent role in the delivery and expansion of this Rural Economic Strategy.

Surrey’s wood-based economy

With its particular advantage as England’s most wooded County – including the relative carbon-neutrality of wood as a natural resource – Surrey has a great opportunity to develop and manage a strong wood-based economy, able to attract well-skilled and qualified entrants to the industry, either as adults with career experience or as newly-qualified young people e.g. apprentices. There is already a growing market for wood fuel products – locally-based LC Energy is a leading biomass energy supply company whose corporate clients include Guildford Borough Council and Heathrow Airport.

ACTION 10: with farmers, landowners and other partners, identify 5 possible wood fuel supply/heat/power plant opportunities and options for hydro generation, energy barn storage schemes, carbon storage, etc. in line with Government power and climate change policy and capable of delivering strategic energy and power benefits in line with GBC Local Plan

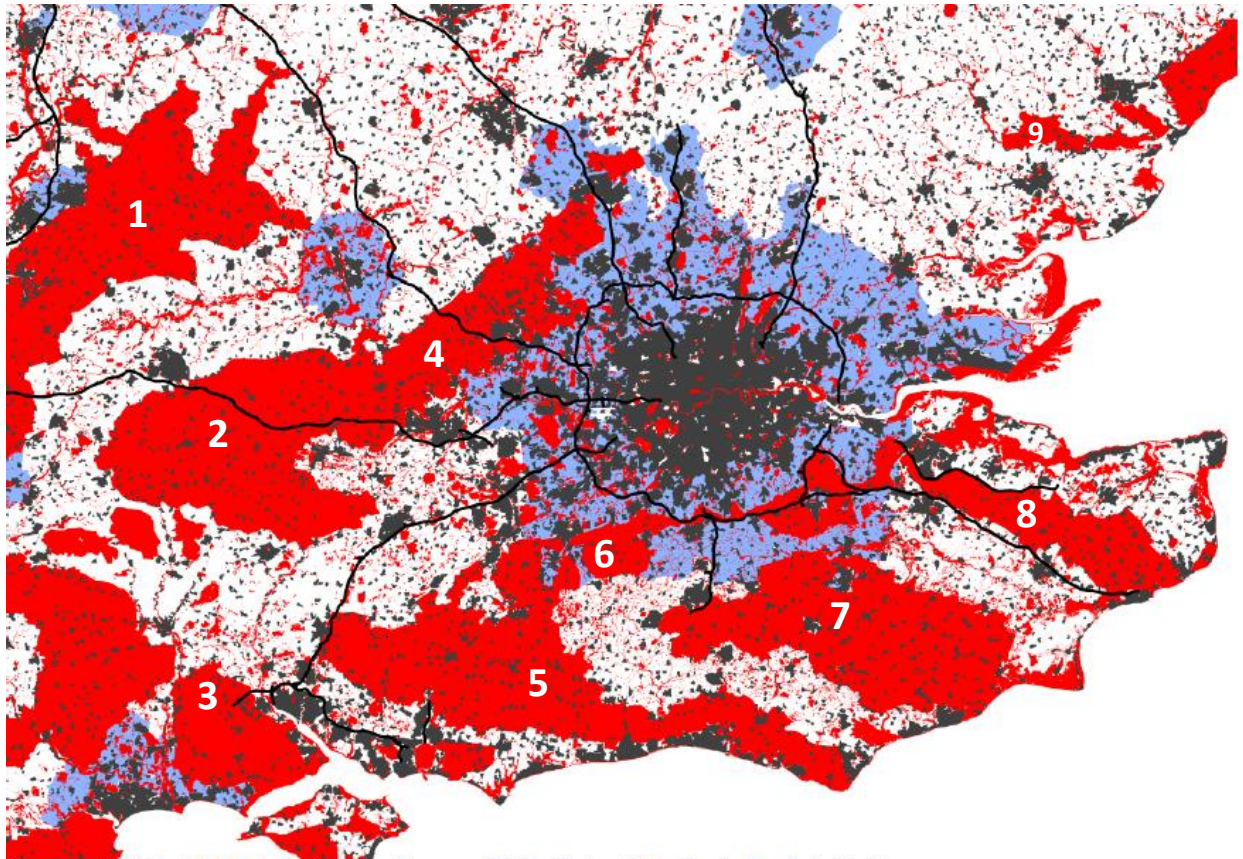
Wood production for housing – perhaps linked to affordable housing or Community Land Trust projects – offers additional potential. EU grant programmes such as LEADER (Links Between Activities Developing the Rural Economy) and EAFRD (European Agricultural Fund for Rural Development) have provided important funding support to the local rural economy – in the wake of the Brexit Referendum vote there is now uncertainty about what new funding programmes might replace them.

This Strategy will support the aims of the CLA’s *Rural Business 2030* strategy in helping land-based rural businesses to establish natural capital as a marketable service. Woodlands store carbon as well as slowing and cleaning water and there is a significant opportunity to develop markets for the important benefits that targeted planting can deliver for local areas and for businesses located downstream.

Surrey’s record as a county of innovation and diversification provides a strong cultural base from which to pilot the new ideas that will lead to better connectivity, improving and harnessing our natural capital, and making the most of the opportunities for renewable energy. In addition to their economic and entrepreneurial contributions, rural businesses have a prime role as stewards of the environment, helping to protect wildlife and playing a crucial role in preserving our rural heritage.

The Surrey Hills as a part of the London City Region

Surrey's proximity to London is a mixed blessing. As a collection of dormitory towns and villages, outstanding landscapes, views and tourist destinations, Surrey is also home to a diverse range of businesses and hi-tech industries. The Surrey Hills AONB is one of nine Protected Landscapes (red areas on the map below) around the capital, in total amounting to nearly 10,000km² – or more than five times the Greater London built up area (1,740km²). The blue shading shows “green belt” areas that lack the additional specialist protection given to AONBs and National Parks. (*The nine Protected Landscapes shown are: 1 Cotswolds, 2 North Wessex Downs, 3 New Forest National Park, 4 Chilterns, 5 South Downs, 6 Surrey Hills, 7 High Weald, 8 Kent Downs and 9 Dedham Vale*).



Source: DCLG, DEFRA, Ordnance Survey, ONS, Natural England, English Heritage

However, many people – especially within the London City Region – are becoming increasingly disconnected from nature. A key part of the South East Protected Landscapes vision is to ensure that more people have the opportunity and ability to enjoy these areas and to re-connect with nature in a meaningful and important way. Working locally or collectively with other Protected Landscapes, the Surrey Hills AONB is committed to promoting the Surrey Hills' accessibility, beauty and inspiration and encouraging citizens to re-connect with nature – or to connect for the first time. These connections, and education, can help to support better management of natural heritage in urban environments. As the Protected Landscapes vision for the London City Region evolves so, too, will Guildford's Rural Economic Strategy. As has been recognised in the Surrey Hills AONB Management Plan 2014-2019, local communities are central to its delivery. From volunteers on nature conservation projects to businesses working to promote sustainable tourism, it is the enthusiasm and commitment of local residents that will enable the right balance to be struck between conservation and development.

Improving Biodiversity

As indicated above, the Surrey Hills attract people who wish to live and work in the area – others may be day-trippers taking advantage of the County’s many and varied visitor destinations. All of them will expect to find a landscape of natural, unspoilt beauty, including a rich diversity of wildlife.

Guildford Environmental Forum (GEF) is an important local partner that is a member of Guildford Business Forum and represented on its Economy and Skills Board and its Rural Group. GEF ensures that both groups – and the Council itself – are aware of the importance of sustainable development and care of the environment by providing information about species in Surrey that show evidence of severe decline. There are many different reasons for species decline, ranging from loss of habitat and damage from fertilisers or pesticides on farms to poor woodland management or the growing effects of climate change and global warming.

In its white paper *BIODIVERSITY NET GAIN – A new role for infrastructure and development in improving Britain’s wildlife*, the engineering consultancy firm WSP Parsons Brinckerhoff (WSP-PB) said:

“Britain needs new ways to protect nature while also delivering economic growth, new infrastructure and resilience for the future. Adopting a principle of ‘biodiversity net gain’ is a key opportunity which focuses initially on avoiding any impact, then following through a hierarchy of minimising, restoring and, as a last option, creating new habitat elsewhere.”

The concept of biodiversity net gain has already been adopted by major UK infrastructure companies such as Network Rail and Highways England and by private developers such as Berkeley Group – with the UK government having done much of the groundwork. Other countries such as Germany, USA and Australia have followed net gain principles for up to 40 years.

This Rural Economic Strategy supports the concept of biodiversity net gain and we will work closely with planners and our colleagues in the Council’s Energy and Sustainability Team and Parks and Leisure Services – who have already contributed to the shaping of this strategy – to maintain the right balance between economic and environmental demands.

As it has done throughout human history, Surrey will continue to evolve to meet the demand for more housing, employment and supporting infrastructure. As a leading Borough in the county, Guildford is committed to working with other local authorities and our many local partners to deliver an innovative and vibrant rural economy whilst preserving the borough’s special landscapes and environmental qualities.

SUPPLEMENTARY OBJECTIVES OF THE RURAL ECONOMIC STRATEGY:

- ***PUBLIC AWARENESS, EDUCATION AND INFORMATION ABOUT THE COUNTRYSIDE***
- ***APPRENTICESHIPS, SKILLS DEVELOPMENT AND TRAINING INITIATIVES IN THE COUNTRYSIDE***
- ***MARKETING PUBLICITY AND MEDIA NEWS COVERAGE OF THE COUNTRYSIDE***
- ***IMPROVED COMMUNITIES AND INFRASTRUCTURE FOR THE COUNTRYSIDE***

8. HOW WE WILL DO IT – ACTION PLAN AND DELIVERY

The Brexit-related changes facing the rural economy over the next few years will be affected by other factors. In late 2016 an Institute for Public Policy Research (IPPR) report – *Britain in the 2020s* – warned that Government finances may buckle under the strain of NHS/adult social care and pension spending as the UK population ages and Brexit reduces the tax base. People aged 65 and over will number 15.4 million by 2030, from 11.6 million today, while the working-age population will rise by just 3%.

In February 2017 another IPPR report – *Forgotten opportunities: the dynamic role of the rural economy in post-Brexit Britain* – drew attention to the economic contribution made by rural areas. ‘Traditional’ rural sectors such as agriculture and tourism operate alongside a growing presence of agri-tech, energy generation, and manufacturing. Although these sectors represent 16.6 per cent of GVA, the IPPR report has identified rural challenges that arise from remoteness, lack of investment, mistaken or outdated assumptions about rurality, and the application of policies designed primarily for urban areas. Against this backdrop of economic, political and social change the General Election is due by May 2020.

At the local level resource issues may affect the future staffing requirement and related governance arrangements. Initially funded by Guildford Borough Council, this strategy became broader in its scope as the rural mapping exercise covered Waverley and Woking too. More recent and regular involvement with colleagues in the Enterprise M3 Local Enterprise Partnership Rural Action Group, Surrey County Council and the Surrey Hills AONB has extended further the geographical reach of this Strategy.

Therefore the Strategy’s 5-year span enables an interim period of Brexit-related transition in which to review progress and create a longer-term Strategy that looks ahead to 2030, in line with Guildford’s Local Plan and the CLA’s *Rural Business 2030* vision. As well as taking account of the emerging Local Plan and the guidance of Housing and Planning colleagues in particular, the Strategy has already received input from the Council’s Countryside Manager and complements the 10-Year *Countryside Vision* produced by the Parks & Leisure Services Department.

Involving young people in future planning and policy-making is something all organisations should be doing as a clear demonstration of commitment to investment in a healthy local and national economy. In delivering the Action Plan, every effort will be made to include young people when addressing this Strategy’s core policy priorities and the 10 specific Actions.

The following Appendices A, B and C set out the interim Action Plan, provide details of how each Action will be delivered and explain the monitoring arrangements through the business-led Rural Group within Guildford Business Forum.

RURAL ECONOMIC STRATEGY – APPENDIX A:

ACTION PLAN:

The following strategic priorities and related actions develop the findings of a rural mapping exercise and survey of business needs. Progress against each Action will be measured by following the Delivery Plan at Appendix B:

STRATEGIC PRIORITY 1: AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES

Many good links exist already between the Council, Parish Councils, local farmers, landowners and others and there are opportunities to build on these relationships to shape the local economy in a way that benefits rural communities, including infrastructure to support new housing schemes.

ACTIONS:

1. Rural Economy Officer to contact all Parish Councils in the Borough of Guildford through Chairs, Clerks and/or public meetings to shape and support sustainable, mixed communities as part of a longer-term community strategy;
2. in line with the emerging Local Plan (Housing Policy H2 and Economy Policies E3 and E5), to work with Parish Councils, external partners and planners to support Neighbourhood Plans as appropriate if these involve allocating sites; also Housing Policy H3 to support Rural Exception Homes where local need can be shown;
3. make use of Government funding and support for community groups to identify local interest in community housing projects, or help new groups to set up, also assist with the development of community housing projects, including liaison between landowners and community groups;

STRATEGIC PRIORITY 2: INFRASTRUCTURE FOR ENTERPRISE

Recent and planned trunk road improvements such as the A3 Hindhead Tunnel, M3 and M25 motorway upgrade projects, new housing developments (current and planned) and Government plans for Heathrow's Third Runway are likely to feed congestion in all parts of the County, including local roads. As for the Digital Economy, new 5G technologies will support rurally-based businesses (including home-working) so first-class Broadband infrastructure and good mobile phone reception will be as vital to the rural economy as upgraded road and rail connections.

ACTIONS:

4. informed by the Employment Land Needs Assessment 2017, to support GBC Planners, Surrey County Council and Openreach in identifying and allocating commercial sites in rural areas; also, in line with the emerging Local Plan, to support planning applications that will help to meet the needs of the local economy;
5. support the SETSquared Digital Accelerator Programme and, with the University of Surrey, pilot a 5G project for rural parts of the Borough to improve signal connectivity in mobile network and hard-to-reach broadband "not-spot" locations;

STRATEGIC PRIORITY 3: FARMING, LANDSCAPE MANAGEMENT AND COUNTRYSIDE VISION

Surrey's rural communities have been built on traditional farming, food production and woodland industries. There is a balance to be struck between preserving natural and built landscapes, conserving craft and heritage skills and adapting to the hi-tech needs of 21st Century businesses. This Strategy supports the Surrey Hills AONB Management Plan 2014-2019 and Surrey Countryside and Rural Enterprise Forum (SCREF) policy.

ACTION:

6. with local partners and in line with Enterprise M3 Local Enterprise Partnership policy, to attract and/or influence the EU or UK funding mechanisms to develop an innovative and sustainable land-based project to create new jobs and apprenticeships, supported by skills training, mentoring and business events;

STRATEGIC PRIORITY 4: GREEN SPACE HEALTH AND WELLBEING FOR BETTER QUALITY OF LIFE

The Vision of the Surrey Nature Partnership is “**a thriving, resilient and attractive county providing natural benefits to all who live and work here.**” Quality of life is a recognised factor in bringing people to Guildford, with the rural landscape enhancing both physical and mental health as well as general wellbeing.

ACTIONS:

7. use public launch of the Rural Economic Strategy (at the Surrey County Show) to develop a dialogue with local business and community leaders about the Borough’s Natural Capital assets and how to realise their value for the benefit of communities, companies, conservationists, country landowners and developers;
8. in partnership with Surrey Hills AONB, to conduct a survey of rural stakeholders, community groups and members of the public to gather views around quality of life indicators, based on the Eurostat model;
9. with GBC Public Health, Housing and other colleagues, to pilot a rural programme under Project Aspire to assist social regeneration through skills and training support;

STRATEGIC PRIORITY 5: ENERGY POLICY, GENERATION, STORAGE AND SUPPLY

Surrey’s status as the UK’s most wooded county provides opportunities for sustainable energy generation through biomass production, with farms adding potential as local power stations through anaerobic digester technologies.

ACTION:

10. with farmers, landowners and other partners, identify 5 possible wood fuel supply/heat/power plant opportunities and options for hydro generation, energy barn storage schemes, carbon storage, etc. in line with Government power and climate change policy and capable of delivering strategic energy and power benefits in line with GBC Local Plan.

SUPPLEMENTARY OBJECTIVES (to be delivered in partnership with Surrey County Agricultural Society, Country Land and Business Association, National Farmers Union, Surrey Hills AONB and other local rural organisations):

- Public awareness, education and information about the countryside
- Apprenticeships, skills development and training initiatives in the countryside
- Marketing publicity and media news coverage of the countryside
- Improved communities and infrastructure for the countryside

COUNTRY LAND AND BUSINESS ASSOCIATION (CLA) REPORT – RURAL BUSINESS 2030

The CLA’s Rural Business 2030 Project published its report at the inaugural Rural Business Conference in December 2016. Gathering research and insights from CLA members and other experts, the yearlong study called on the Government to ensure that the needs of rural areas are factored into long term planning, whether it be the Brexit Plan, the Prime Minister’s Industrial Strategy or the 25 year plan for Food and Farming.

Acknowledging the role of technology in breaking down barriers that have previously prevented businesses from choosing to set up in the countryside, the CLA sees the potential for landowners to facilitate demand for workspace, homes and other facilities that attract new businesses and their workers out of towns and cities. This requires land-based businesses to adapt to a changing world, with adjustment to a new regulatory framework and trade policy outside the EU being only the immediate issue. Set against a background of a long term shift in the UK’s climate as well as changing public and consumer expectations, it is the businesses that embrace this change that will prosper.

The CLA’s *Rural Business 2030* report neatly summarises the main strategic issues facing land-based businesses. Because the CLA timeframe matches that of the Guildford Local Plan, *Rural Business 2030* will offer a good template for shaping the longer term rural economy of Guildford and West Surrey by building on the Five Policy Priorities defined in this Action Plan. (See www.cla.org.uk for more information about *Rural Business 2030*)

RURAL ECONOMIC STRATEGY – APPENDIX B:

DELIVERY PLAN

Actions	Strategic Activity	Short Term Project (2016-17)	Medium Term Project (2017-18)	Output and Target	Lead and Partners	Cost £
STRATEGIC PRIORITY 1: AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES						
ACTION 1: Engage with 23 Parish Councils (PCs) to build sustainable, mixed communities in partnership with GBC colleagues and others	PCs to be channels to help raise awareness and support public consultation on key issues,	Rural Economy Officer to be in regular contact with PC Chairs, Clerks and/or attend PC local or joint meetings	Develop existing GBC dialogue with PCs through local joint working, network meetings and other media (e.g. online surveys)	Identification and agreement of key issues, any related costs through Precept/GBC charges in line with Local Plan and national planning framework	GBC Rural Economy Officer with PC Chairs and Clerks; also liaise with neighbouring Boroughs, SCC, LEP and others	Initially, internal resource only
ACTION 2: Support housing site allocations, including Rural Exception Homes where justified	In line with Local Plan (and any Neighbourhood Plans), liaise with PCs on site allocation or delivery	Encourage PCs to identify new and/or preferred local development and offset site(s)	Develop and extend community input through dialogue with planners and others	All-party agreement in writing and project plan and timeline within Local Plan	Rural Economy Officer with GBC Housing, Planning and all external stakeholders	Internal resource
ACTION 3: Implement Govt funding and support for community-led housing projects, through PCs and others (e.g. landowners)	Support communities to identify and initiate suitable community-led projects, including access to funding	With GBC Housing, agree suitability of local proposals and support community groups with project start-up	With GBC Housing, provide ongoing support for project and achievement of new Government funding for new developments	Successful funding bids leading to community-led housing projects, with ongoing support from GBC as required	Rural Economy Officer with GBC Housing, Planning and all external stakeholders	Internal resource to secure available funding
STRATEGIC PRIORITY 2: INFRASTRUCTURE FOR ENTERPRISE						
ACTION 4: In line with Local Plan, identify and support allocation of new commercial sites in rural areas, facilitating planning applications as necessary	Create and develop rural enterprise opportunities and inward business investment including collaboration with FE/HE, SETSquared and others	Review rural mapping findings identifying 41 new commercial sites across Wey Catchment (Boroughs of Guildford, Waverley and Woking)	Assess review with Economic Development and Planning colleagues in Waverley and Woking to agree future strategy	Commercial site reviews lead to new enterprises and business relocations; new sites identified with input from Parish Councils and local community groups	Rural Economy Officer with Economic Development, Housing and Planning colleagues from 3 Boroughs, with relevant external stakeholders	Initially, internal resource, then EAFRD grant funding to support Business Development, Food Processing or Tourist Infrastructure
ACTION 5: support the SETSquared Digital Accelerator and pilot a 5G rural project to improve “not-spot” connectivity	With University of Surrey and PC(s), to identify suitable local pilot site(s) and support project development	Identify sites with poor broadband/mobile signal connectivity and consult Planners on pilot project development proposals	Identify other sites with poor coverage and lobby for SCC and Openreach to achieve workable Superfast Surrey solutions	All viable commercial sites identified and followed up to achieve signal coverage closer to 100% target	Rural Economy Officer to liaise with relevant local stakeholders (incl SCC, Openreach, Surrey University et al)	Initially, internal resource with new funding for existing commitments incl. Innovate Guildford
STRATEGIC PRIORITY 3: LANDSCAPE MANAGEMENT AND COUNTRYSIDE VISION						
ACTION 6: With local partners and in line with EM3 policy, to develop and deliver a land-based project (with EU or UK funding for skills training, events, etc.) to create new jobs and apprenticeships	Build on existing W. Surrey Woodlands Project, with input from EM3 Rural Action Group, GBF Rural Group, Surrey Hills Enterprises and others	Set up project steering group with nominees of EM3 Rural Action Group, local Rural Group contacts and Surrey Hills Enterprises	With FE/HE, showcase land-based sector careers and hi-tech nature of farming through local Festivals, County Show, Innovate Guildford, etc. to build new apprenticeships and work placement opportunities	Agreement on future strategy, project plan and sustainable business model, with associated grant funding bids either secured, awaiting decision and/or in preparation	Rural Economy Officer and project steering group (Chair TBA)	Initially, internal resource with new UK grant funding (or EU funding if permissible through post-Brexit period of transition)

KPIs	Strategic Action	Short Term Project (2016-17)	Medium Term Project (2017-18)	Output and Target	Lead and Partners	Cost £
STRATEGIC PRIORITY 4: GREEN SPACE HEALTH AND WELLBEING						
ACTION 7: Organise formal launch of Rural Economic Strategy at Surrey County Show with promotion of Natural Capital assets to demonstrate community benefits for partners and stakeholders	Informed by emerging UK Natural Capital policy, seek opportunities to set up workable systems that enable payment for specific farming measures with measurable benefits	Develop close links with CLA (Country Land and Business Association) to build on ideas and strategic policy (e.g. through pilot schemes) as set out in <i>Rural Business 2030</i> discussion paper	Arrange workshops to shape post-Brexit Natural Capital strategy locally through further events in tandem with CLA and other partners	Raised awareness of natural capital as a means of achieving good environmental outcomes through sustainable business opportunities in line with Government policy	Rural Economy Officer with Surrey County Agricultural Society, CLA and other stakeholders such as NFU and CPRE	Initially, internal resource, with future option to charge for bigger events such as workshops and/or conferences
ACTION 8: With Surrey Hills AONB, conduct a survey of rural stakeholders, community groups and the wider public to gather views on Quality of Life indicators	Produce survey with input from – and publicity through – Surrey Hills AONB “Family” members, especially Surrey Hills Enterprises and Surrey Hills Society	Liaise with Director of AONB, Chair of Surrey Hills Enterprises and Chair of Surrey Hills Society on details of survey and means of engagement (e.g. paper-based/online)	Seek suggestions from respondents on basis for ongoing dialogue with public and partner organisations in shaping future rural strategy	Full engagement and participation with all rural stakeholders; evaluation against Eurostat Quality of Life indicators (* Eurostat <i>weblink below table</i>)	Rural Economy Officer with Surrey Hills AONB colleagues	Depending on chosen survey method and format, internal resource only initially
ACTION 9: With GBC Public Health, Housing and others, pilot a GBC Project Aspire rural skills/training programme of social regeneration	Design and deliver a suitable project for delivery across rural Wards in Guildford	With GBC colleagues and PCs, identify rural areas for priority project support	Review outcomes and assess potential for future project rollout and sustainability	Up to 20 individuals supported by pilot(s)	Rural Economy Officer with Policy and Partnerships team and partner/providers	TBC – internal resource from Project Aspire
STRATEGIC PRIORITY 5: ENERGY POLICY, GENERATION AND SUPPLY						
ACTION 10: With partners, identify 5 possible wood fuel supply/heat/power plant opportunities and options for hydro generation, energy barn storage schemes, carbon storage, etc. in line with Gov’t power and climate policy	Engage landowners through EM3 Rural Action Group, GBF Rural Group and PCs to identify 5 projects capable of delivering strategic energy and power benefits, in line with draft Local Plan	Link with CLA’s <i>Rural Business 2030</i> report and identify “long-list” of possible schemes for consideration by landowners and other partner organisations, leading to shortlist and consultation with Planners and other GBC colleagues	Review assessment and project planning liaison and delivery model, making recommendations for future growth strategy from 2018	Rural energy policy and planning development template/checklist to facilitate process, followed by possible project funding bid(s) in line with local planning guidance	Rural Economy Officer with CLA initially then with strategic and local landowners and other stakeholders	Internal resource initially

*http://ec.europa.eu/eurostat/statistics-explained/index.php/Quality_of_life_indicators

RURAL ECONOMIC STRATEGY – APPENDIX C:

Delivery Plan Monitoring Arrangements

The previous section of the Rural Economic Strategy outlines the delivery plan, showing what is required of all the relevant players to meet the needs of the rural economy over the life of the Strategy. It is likely that many of the actions will be achieved within existing resources; however, this will depend on help and co-operation from many agencies and partners. The principal local and sub-regional bodies that will be involved in planning, delivery and scrutiny of this Rural Economic Strategy are the Guildford Business Forum's Rural Group, Surrey Countryside and Rural Economic Forum and the Enterprise M3 Local Enterprise Partnership (Rural Group).

Where additional resources are required they will need to be prioritised alongside other strategic aims of Guildford Borough Council and other partners.

It is likely, when applying for funding from outside bodies, that due to the pressures on the particular funds and the criteria set, not all the schemes will be successful during the early years of this strategy, especially around the uncertainty of the Brexit timetable. Every effort will be made to support and maximise the success of every application.

Monitoring and review will be continuous throughout the life of the Strategy. At the end of each year an update report will be produced and considered by an informal body drawn from key local partners and the Council's Scrutiny Committees to see how far the targets set for the previous twelve months have been achieved. This report will be a public document, available to partners, stakeholders, businesses and the general public.

RURAL ECONOMIC STRATEGY – APPENDIX D:

Rural Economic Strategy Mapping Report – Summary of key points:

- The rural population of Guildford stood at 27,200 in 2015, growing by around 3% since 2010 and accounting for a fifth of the Borough’s total population. Waverley has a higher number of rural residents than Guildford and in 2015 the rural population in Waverley stood at 30,600; having remained stable since 2010 and growing by less than 0.5%. Approximately a quarter of Waverley’s population is classified as rural.

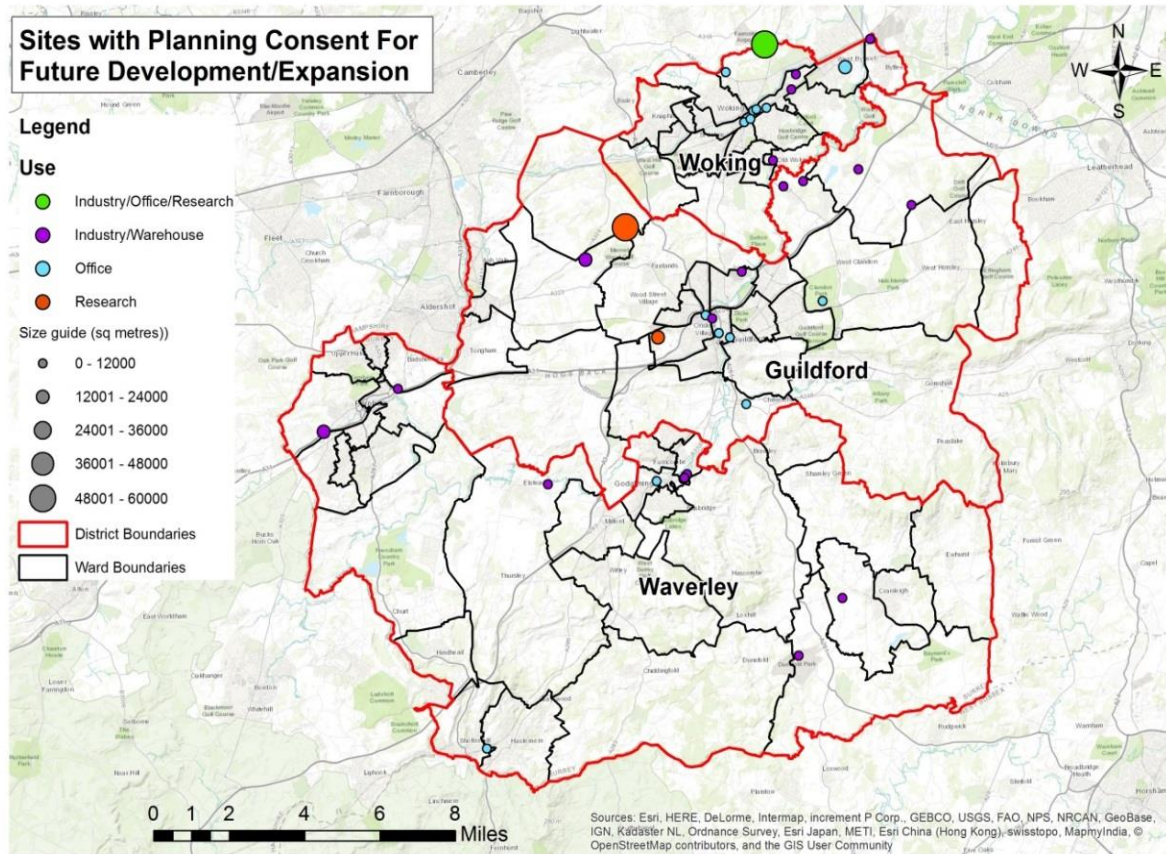
Distribution of Businesses in Rural areas (highlighted where greater %age than urban)

	Rural	%	Urban	%	Total	%
Business services	1,685	34.6	5,715	31.3	7,400	32.0
Distribution, food, transport and accommodation	825	16.9	3,785	20.7	4,610	19.9
Construction	550	11.3	1,695	9.3	2,245	9.7
Information and communication	445	9.1	2,330	12.8	2,775	12.0
Other services	365	7.5	1,265	6.9	1,630	7.0
Public admin, defence, education and health	310	6.4	1,320	7.2	1,630	7.0
Agriculture, forestry and fishing	215	4.4	115	0.6	330	1.4
Real estate	205	4.2	665	3.6	870	3.8
Manufacturing	175	3.6	565	3.1	740	3.2
Financial and insurance activities	85	1.7	745	4.1	830	3.6
Other production	10	0.2	55	0.3	65	0.3
Total	4,870	100.0	18,255	100.0	23,125	100.0

Source: UK Counts ONS (2016). ONS 2011 MSOA & RUC 2011.

- There are over 23,000 local business units across the three boroughs. There are 4,330 micro-businesses in rural areas, some 88.5% of all rural businesses.
- Business services, including professional and technical, is the largest employer in rural areas, followed by distribution, transport, accommodation and food and then public admin, defence, health and education.
- Overall the three boroughs collectively export more workers than commute in, although at the borough level Guildford is a net importer while Waverley and Woking are net exporters.
- More than 96% of premises in Surrey are now able to access fast broadband of 15mbps or above.
- The mapping exercise identified 41 prominent future office, commercial or industrial estates and parks across the three boroughs offering a potential 287,000m² of permitted floor space. As shown in the following map and table, the distribution of potential commercial sites is broadly the same across the three boroughs:

Future Commercial Sites



Future Commercial Sites and Permitted Floorspace by Rural-Urban Classification

	Sites		Permitted Floorspace (M ²)	
	Number	%	M ²	%
Guildford Rural	7	50	82,458	77
Guildford Urban	7	50	24,286	23
Guildford Total	14	34	106,744	37
Waverley Rural	3	25	33,409	60
Waverley Urban	9	75	22,623	40
Waverley Total	12	29	56,032	20
Woking Urban	15	100	124,218	100
Woking Total	15	37	124,218	43
Combined Rural Total	10	24	115,867	40
Combined Urban Total	31	76	171,127	60
Overall Total	41	100	286,993	100

Source: PMA (2016), HCC (2016)

- Guildford and Pirbright when combined potentially offer approximately 60% of future commercial floor space in the borough. Likewise, existing sites in Waverley such as Coxbridge (Farnham), Dunsfold and Langham (Godalming) are the primary sites for future development.
- The total number of businesses in Guildford has increased by over 1,000 since 2010, with rural areas accounting for about 27.5% of the increase (285 rural businesses). Business growth in the rural areas averaged 2.0% per annum, which is only marginally lower than 2.1% per annum in the urban areas. Business growth in rural Waverley was similar to Guildford's.
- There are almost 450 ICT businesses in the rural economy – some 16% of all ICT businesses in the two boroughs of Guildford and Waverley.
- Onslow Ward (Guildford) saw the largest fall in numbers with an annual decrease of over 2,300 employees (-14.2%).
- Close to one in four of all manufacturing businesses are found in rural areas and this sector is over represented in rural areas.
- The rural economy in Waverley accounts for a greater share of its economy (about a fifth compared to approximately 14% in Guildford).
- The available evidence suggests that local availability of broadband and mobile communications is closely associated with rural economic performance but rural areas face greater constraints in increasing their connectivity than their urban counterparts.
- With total economic output (GVA) of around £37.5bn Surrey was the largest sub-regional economy in the South East in 2014 according to the latest official preliminary estimate of sub-national economic output from ONS. The economy of West Surrey accounted for about £25.6bn or about 68% of the Surrey total. The Guildford share of the West Surrey economy has increased from 19.8% to 20.3%. Its share in the economic output of Surrey has increased from 13.4% to 13.8%.

Output (GVA) share by broad industrial sector (pre-recession peak and 2014)

	2008 share of total GVA			2014 share of total GVA (%)		
	Guildford	Waverley	Woking	Guildford	Waverley	Woking
Agriculture, forestry and fishing	0.2	0.3	0.2	0.3	0.3	0.4
Production other than manufacturing	5.8	5.4	9.7	10.8	6.7	13.4
Manufacturing	5.3	3.4	6.2	9.6	4.4	9.2
Construction	6.1	7.3	5.6	6.3	6.9	6.4
Distribution; transport; accommodation and food	21.9	17.8	17.5	19.3	16.9	15.2
Information and communication	7.4	10.3	14.1	6.3	9.4	11.2
Financial and insurance activities	6.0	5.5	4.2	6.4	4.4	5.8
Real estate activities	11.4	14.6	12.1	12.6	17.3	13.6
Business service activities	16.8	15.9	20.5	16.5	17.4	18.2
Public administration; education; health	20.1	18.2	12.0	15.9	15.3	10.1
Other services and household activities	4.1	4.6	4.1	5.5	5.5	5.7
Total GVA	100.0	100.0	100.0	100.0	100.0	100.0

Legend: red (decline in output); green (faster growth than the West Surrey average)

Average Growth in Economic Prosperity (GVA per head) since 2010, % p.a.

GVA per head growth 2010 - 2014

Surrey Districts

Legend

GVA per head growth

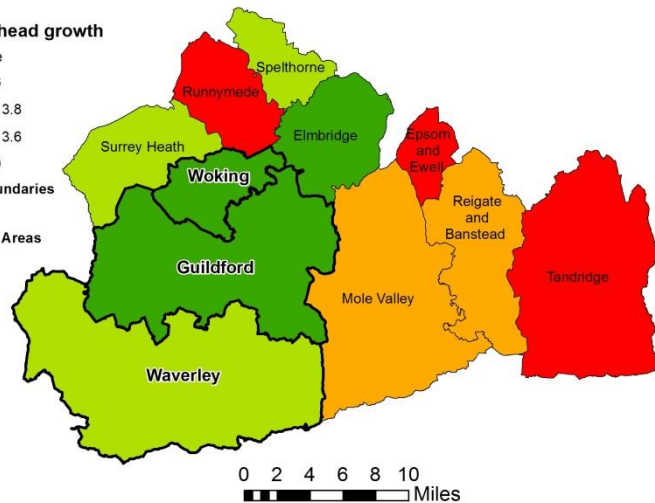
Percentage

- > 3.6
- 3.6 - 3.8
- 3.0 - 3.6
- < 3.0

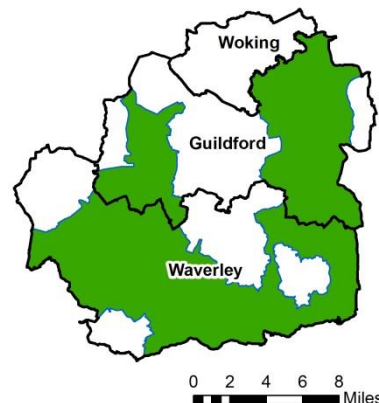
District Boundaries



Rural Ward Areas



Rural Wards Only



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2016 Ordnance Survey [100019180].

Source: ONS 2016 and HCC 2016

- The share of rural GVA in total GVA in the area is similar to the national average. In the three borough economies, about one in every eight pounds of GVA is generated in the rural areas.
- Population in rural areas is ageing faster than in urban areas which could limit the supply of labour and increase congestion in the area. Nevertheless, older people are increasingly remaining economically active after the retirement age.
- According to the Local Business Needs Survey (LBNS) quality of the local environment in Guildford, Waverley and Woking represents a foremost advantage in their current location.
- Around a third of the respondents to the LBNS survey said that they may consider moving out of the area and 16% of those would move to larger premises locally.
- Frontier Economics and Defra research suggests that local availability of broadband and mobile communications is closely associated with rural economic performance.
- Investing and improving broadband infrastructure is cited as a key priority in the Guildford Borough Council's Economic Strategy (2013-2031), with a need for higher internet speeds across the borough and particularly in the rural areas. Guildford identified a number of rural exchanges back in 2013 representing around seven per cent of Surrey County's residential and commercial premises that were not likely to be upgraded by the market or receive superfast broadband from commercial infrastructure providers.
- New housing developments are frequently constructed without the infrastructure in place to support superfast broadband services, despite a decent broadband connection being considered as

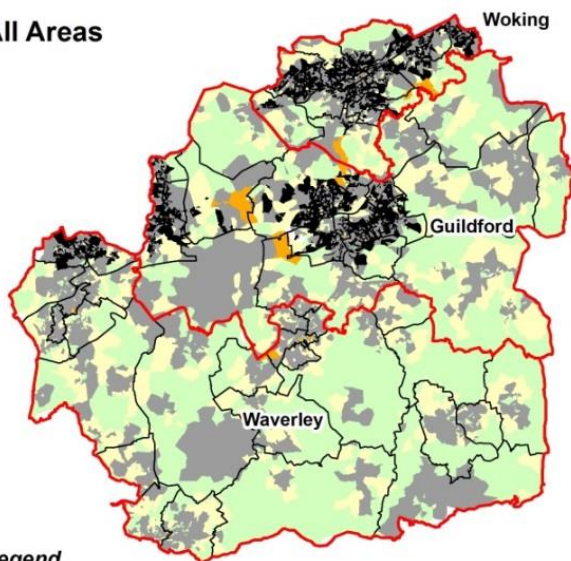
the fifth utility. Surrey County Council has listed a number of possible solutions including: investigating satellite, wireless or mobile services; installing a dedicated fibre service (leased line); registering interest in a Virgin Media fibre connection if there is sufficient demand to justify private investment, or co-ordinating and helping to self-fund a community initiative with a service provider such as BT through their Community Fibre Partnership Scheme.

- Almost half of businesses surveyed in the Guildford, Woking and Waverley Boroughs have access to Superfast broadband, with the rest using Standard Speed ADSL, Fibre or Cable broadband. When asked if they were aware of the Surrey Superfast programme delivered by the county council and BT only a fifth of businesses reported a level of awareness, while four fifths had not seen the programme.
- The overwhelming majority of businesses felt the speed of their internet connection was adequate for current business needs.

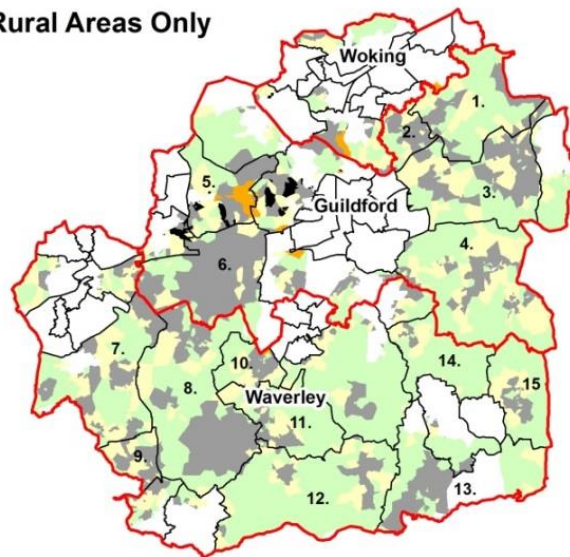
Next Generation Access Broadband Coverage in the Boroughs of Guildford, Waverley and Woking

Next Generation Access (NGA) Broadband Coverage Classification by Postcode Area

All Areas



Rural Areas Only



Legend

NGA Broadband Classification

- BLACK
- GREY
- CONDITIONAL WHITE
- TARGET WHITE
- WHITE
- District Boundaries
- Ward Boundaries



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Source: Surrey County Council Superfast Surrey Broadband Programme. Maps produced by Hampshire County Council. Rural wards: 1. Lovelace, 2. Send, 3. Clandon & Horsley, 4. Tillingbourne, 5. Normandy, 6. Pilgrims, 7. Frensham, Dockenfield & Tilford, 8. Elstead & Thursley, 9. Hindhead, 10. Milford, 11. Witley and Hambledon, 12. Chiddingfold and Dunsfold, 13. Alfold, Cranleigh and Ellens Green, 14. Shamley Green and Cranleigh North, and 15. Ewhurst.

- Around one in ten of businesses in the area have internet speeds that they deem to be only occasionally adequate for some of their functions. However, over a fifth expressed that current

internet speeds would not be adequate. When asked what would help their experiences online, almost nine out of ten businesses mentioned higher, more reliable internet speeds that will be delivered more cheaply than at present.

- According to the Business Survey, which was conducted as part of the Rural Economic Strategy mapping exercise, two thirds of businesses that responded to the survey wish to remain in their current location in the next 12 months. The remaining third of respondents have considered moving, with moving to a larger premise locally cited as one reason. A small number would consider relocating outside of the local area.

RURAL ECONOMIC STRATEGY – APPENDIX E:

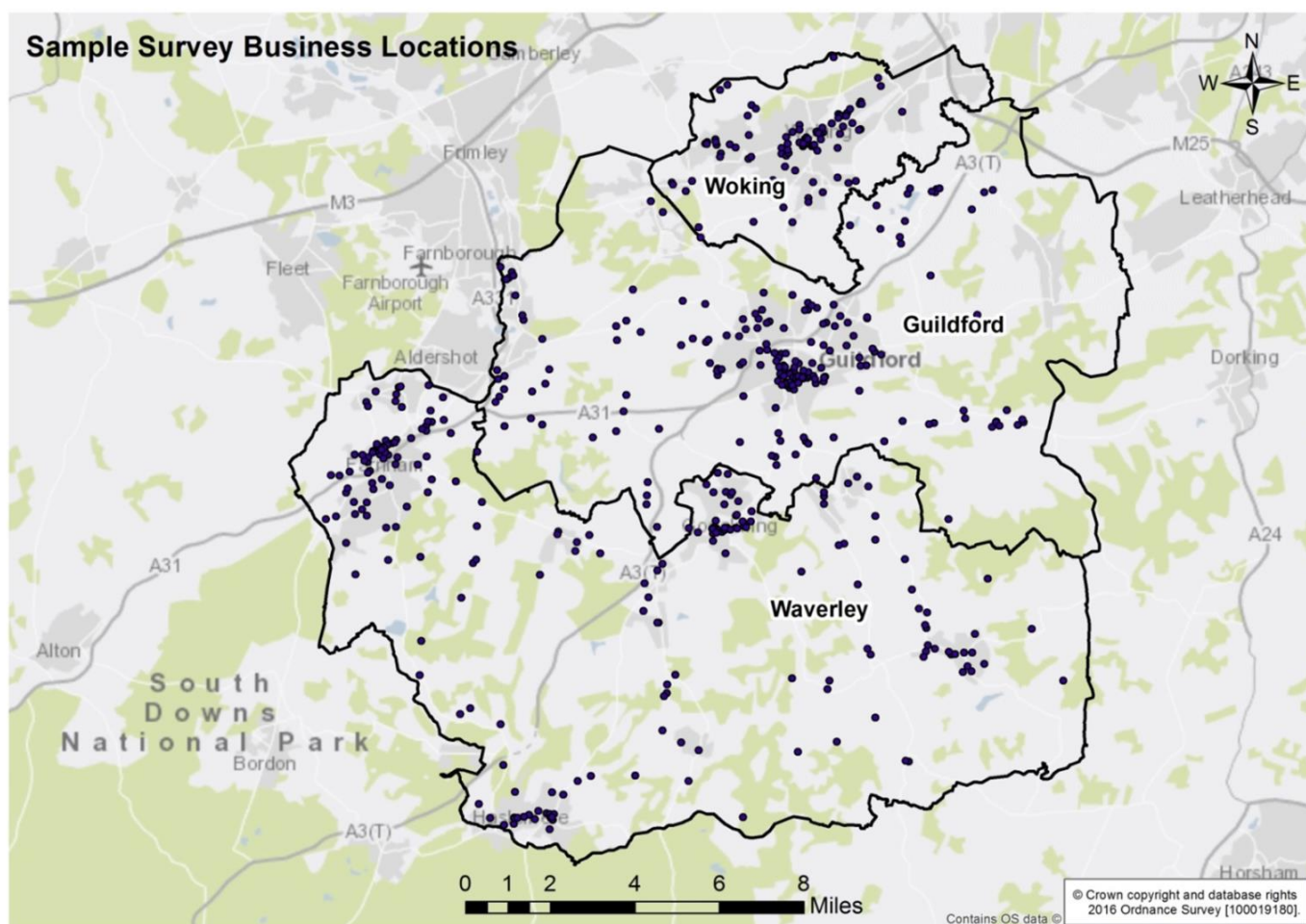
Local Business Needs Survey

The Local Business Needs Survey was administered to a random sample of 900 businesses across the three boroughs of Guildford, Woking and Waverley in October and November 2016. The sample was delivered electronically and covered a wide range of businesses with varying characteristics.

The sample covered a wide range of business sizes, from only 2 employees up to 7,500 for the largest company in the sample. The sample covered businesses who fell within 209 individual Primary UK 5-digit SIC codes.

One quarter of the business in the sample were located in rural areas with the remaining 75% being urban, this reflects the underlying profile of businesses in the three boroughs.

Businesses were contacted through a covering email and invited to respond to the consultation via an individualised HTML link. Individual business responses were stored securely online and on average businesses took 11 minutes to complete the survey.



Local Business Needs Survey: Summary of Responses

Business Overview - The majority of businesses who responded have been trading for more than 5 years (89%) with 11% identified as having been trading for between 1 and 5 years. No businesses who responded have been active for less than 12 months. Approximately 45% of businesses are located in purpose built business units, with 17% reporting their premises as being in a high street or town/village location. Only 6% of businesses identified themselves as being located in a former agricultural building or similar rural conversion.

For the businesses who responded to the survey, quality of the local environment was a primary advantage to them in their current location. They also stated that the local transport infrastructure, quality of premises and communications infrastructure were key advantages. These businesses also highlighted that the communications and transport infrastructure were key disadvantages. Size of premises and access to markets were considered negatively also.

Levels of satisfaction with current business property were measured against a number of factors. Access to public transport, geographical location and parking facilities all scored highly as being positive influencing factors in the area. Local road access and value for money both showed as factors that had low levels of satisfaction amongst businesses who responded.

When thinking about their current operating locations, 66% of businesses stated that they would wish to remain in their current location in the next 12 months. The remaining 34% stated that they may consider moving, 16% of whom would move to a larger premises locally, 16% who would relocate outside of the local area and/or Surrey, and one business who would move to a smaller premises locally.

A strong majority (96%) of businesses stated that High Speed Broadband access was of importance to their business with three quarters stating that it was “very important”. Three quarters of businesses identified the availability of appropriate skills in the local area and the transport infrastructure as being of particular importance to them.

Internet/Broadband Access - Almost half (48%) of businesses in the Guildford, Woking and Waverley Boroughs who were surveyed have access to Superfast broadband with a further 45% using Standard Speed ADSL, Fibre or Cable broadband. Overall 93% of businesses indicated that they had some level of broadband access. Although coverage seems to be high as stated above, only 57% of businesses expressed being satisfied with their current internet provision. A further 27% stated being dissatisfied to some level, of which 10% felt the need to express that they were “very dissatisfied”. When asked if they were aware of the Surrey Superfast programme delivered by the county council and BT, a quarter of businesses reported a level of awareness, with 75% having not seen the programme.

The internet is used in various ways across all businesses in the area however it is clear that advertisement of products and services and the establishment of business contacts were the main reasons stated by most businesses. These were followed closely by market research activities and retail of goods and services. No businesses reported that they “do not use the internet” inferring it is an important factor for businesses in the area.

The vast majority of businesses (84%) expressed that the speed of their internet connection was adequate for their current business needs. Of this, 28% stated that speed of connection was adequate all of the time with 56% stating adequacy only some of the time. Around 12% of businesses in the area have internet speeds that they deem to be adequate only occasionally for some of their functions. Looking forward, 72% of businesses believe that the speed of their current connection would be adequate for their future needs. However, over a fifth expressed that current internet speeds would not be adequate.

Taking all of the above into account, 77% of local businesses believe that the internet/broadband is “vital” in the day to day running of their business (in other words their businesses cannot/would not survive without access to the

internet). A further 19% of surveyed business expressed that the internet is of “significant” importance and that losing access will be problematic to their operation.

When asked what would help their experiences online, 86% of businesses stated that they want higher, more reliable internet speeds that are delivered more cheaply than they currently are.

Transport Infrastructure - Three quarters of businesses surveyed expressed satisfaction with the trunk road network in the area stating that it was good or very good, with 23% of businesses sharing the opinion that they were poor. The views of businesses in relation to the local road network were more polarised with 59% of businesses expressing a positive opinion with 37% who responded negatively. This split opinion was also shared for the local public transport network with 42% of business expressing a positive rating but a further 34% who stated that the network was poor or very poor. The rail and air networks in the area were both perceived positively with 81% and 69% of businesses respectively stating a good or very good rating.

Upon being asked which of the main transport networks are most important to business operation it is clear that the local road network is pivotal to many local businesses. When asked about how customers access goods and services, how they distribute/receive goods and services, how staff commute and how they travel to meetings or site visits the local road network was overwhelmingly perceived as being most important. The local trunk road network followed as the second most important factor across all of the business operations.

Perceptions - In the next 6 months, 56% of responses showed that businesses are planning to maintain their current level of operation with 23% expressing plans to expand the scale of their business activities. Just 12% of business would be looking to reduce the scale of their current activities with a further 4% being uncertain of their situation. Over the next year, 25% of responses show businesses are going to maintain their current position, with 60% looking to expand the scale of their activity. Although businesses’ desire to expand the scale of operation increases between 6 months and one year, when we look 24 months or more ahead only 24% of businesses state that they will be looking to expand the scale of their activities, with 31% wishing to maintain and, most poignantly, 45% of business wishing to reduce the scale of their activities or having uncertainty around their future plans.

Local businesses placed importance across a range of factors that they thought may constrain the growth of their business in the future. The most important constraining factors reported were seen to be business regulation and red tape, business rates and local taxation, lack of suitable premises and lack of skilled staff locally. These were followed closely by lack of space on current business site, rural crime prevention and policing and flood prevention and management.

Around three quarters of businesses agree that having better access to new IT technology will help their business grow, with almost half of businesses in agreement that working in collaboration with other local businesses will be beneficial to future growth. Agreement that better access to private capital would help future growth was strong (39%) and better access to skills and training (44%) also came out highly in the views of businesses. Businesses were asked for their perceptions on Brexit, with most placing high importance on a Tariff-free EU Customs Union and access to the single market for free movement of goods, services, capital and workers for their future growth.

RURAL ECONOMIC STRATEGY – APPENDIX F:

Strategic information and other rural mapping data sources:

Ward-level data about economic indicators affecting business and enterprise, including: Type of business and numbers of staff employed; Annual number of start-ups (VAT registrations) since 2011; Annual number of business closures since 2011 and Sectoral/business trends affecting rural enterprises

Latest official data from the Office for National Statistics (ONS) at detailed sectoral and geographical level (where possible at detailed SIC level and rural ward)

Online business surveys and a sample of 300 rural businesses to identify key issues and challenges facing rural enterprises and enterprises located in the rural area.

Recently released Ofcom data to map broadband speeds and the proportion of properties with the Next Generation Broadband, as defined by Ofcom, in the three Boroughs

Data to map infrastructure and identify rural area development sites

Links to Council and other partner strategies:

The Strategy is informed by and builds on a number of other studies and strategies including:

- The evidence base supporting the Local Plan
- The Guildford Economic Strategy (2013)
- Guildford Borough Transport Strategy (2016)
- Guildford Borough Council's Corporate Plan 2013-2016
- Guildford Borough Council – A Vision for Guildford's Countryside 2016-2026
- Visitor Strategy 2014-2020
- Naturally Richer: Surrey Nature Partnership's Natural Capital Investment Strategy (2015) – this sets out initial priorities and mechanisms to develop an Investment Plan for Surrey's natural capital
- The Surrey Countryside and Rural Enterprise Forum's Rural Statement for Surrey (2015)
- Enterprise M3 LEP's Strategic Economic Plan (2014) and Rural Planning Policy Statement (2015)
- Biodiversity Opportunity Areas (BOAs): The Surrey Nature Partnership developed the BOA documents to aid the creation and restoration of 200,000ha of priority habitat.
- Surrey Wildlife Trust's Living Landscapes Strategy
- Surrey Hills Area of Outstanding Natural Beauty Management Plan: Local authorities have a duty of regard to the AONB designation.
- Blackwater Valley Countryside Strategy
- River Wey Catchment Implementation Plan (CIP) presents a prioritised programme of actions to achieve Good Ecological Status (GES) for the Wey catchment to meet the requirements of the EU Water Framework Directive
- *On Solid Ground* – Campaign to Protect Rural England (2016)

- *Rural Business 2030 – Unlocking Investment, Unlocking Potential*: This report by the Country Land and Business Association (CLA) provides unprecedented insight into landowning rural businesses – 96% of which are family-owned – and their potential to invest and grow
- *Health and wellbeing in rural areas* (2017) – published jointly by Local Government Association and Public Health England
- *Forgotten Opportunities: The dynamic role of the Rural Economy in post-Brexit Britain* (2017) – Institute for Public Policy Research

Summary of Government policy papers relevant to this Strategy:

The 2016 decision to leave the EU will impact pre-Referendum legislation or policy and has since led to a number of new policy proposals linked to the UK's new industrial strategy and its future negotiations with other EU partners in the two-year period following the triggering of Article 50 of the Lisbon Treaty.

- *The Natural Choice: securing the value of nature* (DEFRA – June 2011)
- *The Pathway to Driverless Cars: Summary report and action plan* (DfT – February 2015)
- *Fixing the Foundations – creating a more prosperous nation* (DBIS – July 2015)
- *Welcome to GREAT Britain – Tourism Action Plan* (DCMS and Visit Britain – August 2016)
- *State of the Nation 2016* (Social Mobility Commission – November 2016)
- *Building our Industrial Strategy* Green Paper (Prime Minister and DBEIS – January 2017)
- *Fixing our broken housing market* White Paper (DCLG – February 2017)

In addition to these publications, two Green Papers (one for food and farming; the other for the environment) were announced by the DEFRA Secretary at the Oxford Farming Conference in January 2017. At the same conference a report entitled *Entrepreneurship – a Kiss of Life for the UK Farming Sector?* was published, setting out the challenges ahead in encouraging farmers to innovate.

There is to be a review of the Common Agricultural Policy while the UK is still an EU member state, albeit with Brexit negotiations well under way. In late 2016/early 2017 the farming media – including *Farmers Weekly* and BBC Radio 4's *Farming Today* and *Against the Grain* – were anticipating a future with reduced subsidies, both as a result of EU withdrawal and because of a likely cut in the Basic Payment Scheme.

A further challenge will affect some rural businesses with the business rates increase effective from 1 April 2017 – although land and buildings used for agriculture are exempt from business rates, many diversified farm businesses are included in the revaluation. Businesses can appeal a VOA decision but must make due payments until that is overturned and reimbursement made.