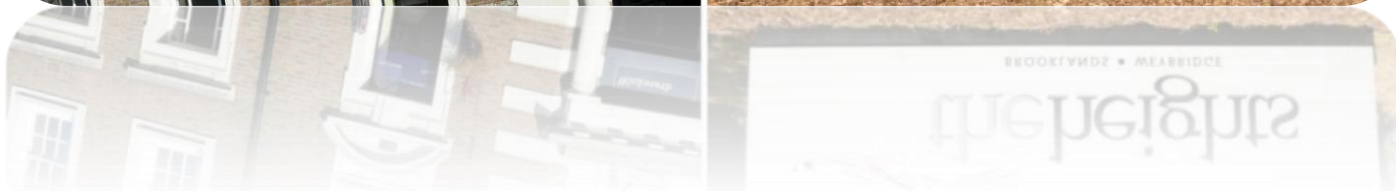

Economic strategy

Elmbridge 2019 - 2023



Elmbridge
Borough Council

... bridging the communities ...



Foreword and introduction

Linking the best of the Enterprise M3 sci-tech corridor with the capital, our economic success has been driven by high value, knowledge firms and locational and transport advantages, which have helped facilitate the largest business base across the Local Economic Partnership (LEP) and attract international investment from the likes of Sony, Proctor & Gamble, GlaxoSmithKline and LG Electronics.

The foundations for improving economic performance are strong. Leading high growth sectors, such as professional & business services and ICT & digital media, are supporting the planned growth in London and helping deliver against LEP targets to achieve 4% economic growth per annum.

Our aim is to enable a new wave of knowledge-based sector growth with targeted investments that will create a sustainable high performing economy to support existing and new businesses to achieve their full potential.

In partnership with our private sector business leaders we have developed a clear understanding and evidence of the role Elmbridge plays in the LEP economy. It recognises the linkages and drivers that support high growth knowledge firms and our highly productive economy to continue to deliver for UK PLC.

Our economy is successful, but we cannot be complacent and need to continue to plan and invest to maintain our competitive edge and realise our growth potential.

In addition to an increasingly uncertain national picture, businesses' investment is being affected by significant transport congestion on key routes, perceived infrastructure deficits and housing affordability.

The range of projects to support our businesses, towns and business growth hubs will help to keep Elmbridge and the Enterprise M3 area globally competitive with world class businesses and skills.

Our message to businesses and partners is we have talented people, we are connected locally and globally and have a powerful knowledge-led economy.

Elmbridge can not only lead growth across our region, but will generate exports, international investment and prosperity while respecting the importance of our natural environment.

Where are we today?

Nationally the UK economy has been going through a period of uncertainty caused by Brexit and national macro factors as potential threats from international protectionism and instability cause business and consumer confidence to fall.

The economy has seen a sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure hitting retailers in our town and village centres.

The Government is trying to plan positively for the future with its [Industrial Strategy](#) setting out a long-term plan to boost the productivity and earning power of people throughout the UK.



Our five foundations align to our vision for a transformed economy



The Industrial Strategy sets out Government plans to build a Britain fit for the future – how they will help businesses create better, higher-paying jobs in every part of the UK with investment in the skills, industries and infrastructure of the future.

At a local level the Enterprise M3 Local Enterprise Partnership (LEP) has just refreshed its [Strategic Economic Plan](#). The Local Enterprise Partnership will use the updated economic plan to meet the Government's challenge to produce a new Local Industrial Strategy to drive economic growth across the region.

Our economic strategy should work with the sub-regional and national priorities to ensure our businesses and local economy can benefit from any future funding or partnership opportunities to support our ongoing success.

The Elmbridge offer

Elmbridge sits at the centre of the Upper M3 gateway into London, drawing talent and businesses into the Enterprise M3 LEP area from across the globe with the likes of Amazon, Samsung, Cargill, Air Products and JTI all located within the borough.



Source: Enterprise M3, Commercial Property Market Study, April 2013

Our knowledge-led businesses and key economic growth hubs help us outperform the LEP's Growth Towns of Guildford, Woking, Farnborough and Basingstoke across both jobs and business growth.

	Business growth 2010 - 15	Jobs growth 2010 - 15
Elmbridge	1,340	5,500
Guildford	800	4,000
Woking	765	1,500
Basingstoke & Deane	1,100	-2,500
Rushmoor	260	3,500



£3.6bn
total GVA



The LEP's most
competitive economy
16th ranked in the UK
competitiveness
index

Outstanding
local
environment



Entrepreneurial and
innovative with
1,295 business
births – the highest
across Surrey

59% educated
to NVQ level 4 +

The LEP's most
skilled resident
base



135,400
residents



60,500
jobs



8,275
businesses

8% of the Enterprise
M3 LEP area
residents

7.5% of the
Enterprise M3 LEP
area jobs

9.9% of the
Enterprise M3 LEP
area businesses

Resident growth
2010-15

Elmbridge: 3.4%

LEP: 3.8%

GB: 3.8%

Jobs growth
2010-15

Elmbridge: 10%

LEP: 5.8%

GB: 6.8%

Business growth
2010-15

Elmbridge: 19.3%

LEP: 15.2%

GB: 17.3%

High value - knowledge firms

The main strength of the Elmbridge economy is in professional services with the second largest cluster of professional services firms across the Local Enterprise Partnership area. The sector accounts for over 15% of all jobs in the Borough.

The area also has a growing cluster of digital, computing and information services with a higher proportion of jobs in these sectors when compared to the Enterprise M3 Local Enterprise Partnership, Surrey and the wider South East as a whole.

Across the wider Enterprise M3 Local Enterprise Partnership area transaction data shows the Upper M3 area (Elmbridge, Spelthorne, Runnymede) as having the largest take up of Grade-A office space between 2013 – 2015 (55,000 sqm) with strong rates of growth in the business base and a strong concentration of ICT and digital industries.

Exports and international investment

Elmbridge has an internationally facing business base. Driven by the Brooklands Business Park there are 139 internationally owned companies (with 36 firms on the Department of International Trade Ministerial One List) identified by the Invest in Surrey team in the Borough that support an estimated 14,500 jobs totaling 24% of jobs across the area.

The area is located at the heart of a regional, national and international transportation hub connecting UK businesses to the rest of the world via key airports, ports and markets such as London, M25, A3, M3, Heathrow, Gatwick and St Pancras International.

Opportunities such as Crossrail 2, with a proposed route including south west branches

extending to Shepperton, Hampton Court, Chessington South and Epsom (with the local Elmbridge stations at Hampton Court and Thames Ditton), will deliver significant accessibility improvements when operational from 2030.

The efficient functioning of this strategic transport network is a priority for businesses, communities and visitors to our area, as well as the wider Surrey and LEP economy.

With clear strengths in business services (the second highest number of business services sector firms across the LEP) and digital sectors Elmbridge is a leader across Surrey in knowledge-based sectors.

Highly skilled resident base

Elmbridge has a highly educated population, with many working in managerial positions and top professional occupations. 59% of our residents have NVQ 4 + skills (beyond A levels) far higher than the national average of 38.6%.

The proportion of residents employed in more managerial and technical positions also beats the national average (65.5% compared to 45.8%). Brooklands College in Weybridge supports up to 5,000 students per annum providing businesses with a rich source of new talent and access to learning and development opportunities and apprenticeships.



A great place to live and work

The Borough is ideally placed to benefit from the proximity to London and its people and business expansion. Elmbridge has a very mobile population with considerable out-commuting to London and a resulting inflow of workers from the surrounding Boroughs and Districts.

reduce pressure on the area's road and transport infrastructure.

A former winner of the Halifax Quality of Life Survey, Elmbridge offers a mix of town and village centres, thriving communities and access to outstanding local green spaces.



Taking into account in-commuting and out-commuting there is a net commuter outflow from Elmbridge of 13,714 people with 37% of residents commuting to London boroughs.

Our amenity rich towns offer a great social and community space with high levels of volunteering and engagement in the local area providing an attractive offer to draw talent from London and beyond.

Reducing the net commuter outflow and working with neighbouring areas that provide the majority of inflow commuters would help to

Working in partnership

Working in partnership with our local businesses, business groups, neighbouring authorities and the Local Enterprise Partnership is key to future identification of barriers to growth and the actions and investments to support the future success of our town centres and economy.

We have fantastic engagement from the bottom up with a strong business network, business groups across our towns and the Elmbridge Business Leaders Board.



Feedback from our businesses

The Elmbridge Business Leaders Board brings together 12 of our large and strategic employers to meet with the Chief Executive and Leader of the Council to highlight barriers to growth and work together to ensure Elmbridge remains a great place to do business.

The business board has highlighted a range of issues and opportunities including:

- The opportunity to deepen our partnership with the Enterprise M3 LEP
- Congestion and rail capacity
- Proposed expansion of Heathrow
- Access to local skills
- Affordability of housing
- Risk from Permitted Development Rights on the future of commercial premises

In addition, our latest business survey set out a series of strengths and challenges for the local economy.

- The quality of life in the Borough provides for highly skilled employees
- The area is attractive to businesses for inward investment and those seeking to relocate out of London, given the local workforce and transport network connections
- Strong performance in the knowledge / technology sectors
- Potential for the distribution sector given the location
- Positive outlook on business growth potential from local businesses
- Additional Heathrow runway would benefit business



Strengths



Challenges

- Lack of stock available in town centre locations, due mainly to the impact of permitted development rights
- Lack of car parking
- General lack of development sites for offices
- Congestion both at a local and wider level – notably the M25 / M3 / A3
- Existing employment areas are largely at capacity
- An undersupply of both office and industrial space
- Housing prices a disincentive and barrier to attracting young professionals
- Concerns over Brexit

The feedback from our businesses is clear – infrastructure, skills, affordable housing and improvements to transport corridors and connectivity are vital to their futures. Investment in sustainable transport, road, rail and air is vital to the continued success of the Borough and wider economic prosperity and competitiveness.

Our vision

‘To be the premier location to start, invest and grow a knowledge business across the Enterprise M3 Local Enterprise Partnership area.

Enabling the most productive use of space, place and technology to balance enterprise, environment and quality of life.’

We will aim to get the maximum return on investment by focusing on the key strategic objectives below.

To facilitate the economic conditions to create, retain and attract knowledge-based businesses



To attract and retain more skilled people by maintaining a good quality of life, thriving centres, housing which is affordable and quality amenities

To improve connectivity and networks between our employment hubs, stations, towns and businesses



To target investment at the needs of the Elmbridge economy

We will facilitate the economic conditions to create, retain and attract knowledge-based businesses

The Elmbridge economy is characterised by high value businesses with approximately 30% of firms classified as knowledge businesses, the highest level across Surrey.

Studies have shown that high growth small businesses create 20% of new jobs and 22% of gross value-added driving increased productivity and economic growth.

High growth knowledge firms are significantly more productive than the average business, creating an additional two months of economic output every year compared to the average UK business.

With over 12,000 sqm of commercial space converted to residential development since 2010 via permitted development rights and the natural constraints placed on the Borough by the green belt, ensuring an adequate supply of employment space is key to attracting and retaining businesses in the Borough. The creative use of existing sites and buildings is vital to ensure our continuing economic success.

We will support our knowledge businesses by:

- Developing the Borough's strategic employment sites and commercial property offer to ensure businesses can start, grow and succeed
- Assisting start-ups and SMEs with grants, access to funding and specialist business advice
- Encouraging school career services to partner with knowledge-based businesses locally
- Working with partners to explore opportunities to broaden digital initiatives and connections

The Elmbridge Commercial Property Study forecasts a need for 58,150 sqm of new commercial space (including 35,650 sqm of office space) from 2015-2035.



We need to ensure that our businesses are given every opportunity to flourish and grow with the right access to funding, specialist advice and employment space to attract and retain knowledge-based businesses.

We will attract and retain more skilled people by maintaining a good quality of life, thriving town centres, housing which is affordable and quality amenities

Housing is central to attracting and retaining talent.

Housing costs are high, and affordability is a challenge. London overflows and the attractiveness and economic success of Elmbridge makes buying a house in the area very expensive.

Average house prices across the Borough are £759,635 with a median house price of £565,000 compared to £230,000 in England (2017 figures). The average monthly market rent is £1,810, the highest of any local authority area outside of London.



The affordability index (the ratio of mean house prices to mean income) for the Borough is 18.8 compared to 9.79 in the South East and 7.91 for England making it hard for businesses to recruit new staff to live and work in the Borough.

Increasing the supply of new housing, including affordable family homes, will be key to continuing growth without increasing the strain of affordability.

An important role for the Borough and its partners is to help increase public support and confidence by identifying and bringing forward enabling infrastructure, including roads and health/education facilities; and community engagement work with residents to communicate housing and growth benefits for them and the next generations.

This partnership work is supported with local funding by the Elmbridge Community Infrastructure Levy that provides capital investment to help deliver infrastructure projects in the Borough.

[Find out more about the Elmbridge Local Plan](#)

Our towns can play a role in attracting and retaining talent.

Attracting and keeping talent means having access to the right local amenities, green spaces, housing that is affordable and thriving town and village centres.

According to the Enterprise M3 Local Enterprise Partnership (LEP) skills survey, 12% of businesses across the EM3 reported having at least one vacancy that was hard to fill in 2015. This represents a 4% increase from the previous survey (2013). It is also the highest amongst all 38 LEPs (together with Coventry and Warwickshire LEP), and clearly above the English average (8%).

Enterprise M3 also has the highest proportion of any LEP of businesses reporting skills shortage vacancies (9%, against 6% average in England); and a high proportion of staff considered not fully proficient: 15%, 1% percentage point above the national average.

Nearly 70% of businesses in the Enterprise M3 Local Enterprise Partnership area said that skills gaps impacted on how their establishment performed, but only around half of businesses had a training plan or budget for training.

We will work to attract talent and retain talent in Elmbridge by:

- Leading new ideas and ways of responding to the future skills challenges our businesses face
- Supporting appropriate community hubs to deliver quality amenities in our town and village centres
- Enhancing and adapting our town and village centres to build on success and ensure future sustainability
- Working to deliver new community infrastructure and amenities to support current and future demographics

59% of our residents have NVQ 4 + skills (beyond A levels) far higher than the national average of 38.6%. The proportion of residents employed in more managerial and technical positions also beats the national average (65.5% compared to 45.8%).



The number of highly skilled residents in managerial and technical positions shows how successful the Borough has been in attracting talent. Central to this is the strength of our community, green spaces and our town and village centres which act as a focal point for residents, services and cultural/social amenities.

We will work with partners to improve connectivity and networks between our employment hubs, stations, towns and businesses

Transport is a necessary ingredient to securing productivity benefits. An effective and efficient transport system enhances economic interactions between markets and businesses, which are also able to reach wider markets, enabling them to expand, gain economies of scale and develop specialist skills.

We need to address congestion to help increase productivity and enable growth. Currently congestion acts as a major barrier to growth in key centres, such as the impact it has on Brooklands Business Park and the A245 corridor.

Transport is essential to ensuring that a skilled workforce can access appropriate jobs and is connected to our key services and town and village centres.

Encouraging sustainable means of transport can help to better connect our key employment sites, town centres and stations by providing transport solutions that respect the Borough's local environment.

37% of residents commute from Elmbridge to London boroughs, while businesses locate in Elmbridge because of our strategic location and transport links to London, Gatwick, Heathrow and St Pancras. Improving the connectivity to our stations and beyond is vital to maintain our competitive advantage as a leading EM3 economy.



The Borough has a strong network of business partnerships and connections between our businesses. Maintaining and enhancing local connections can ensure a more successful local economy that encourages more local spending, adding to our economic sustainability.

We will work in partnership to improve connectivity across the Borough by:

- **Creating an environment for sustainable connectivity**
- **Developing new connections between our businesses, employment sites and town centres**
- **Identifying, sharing and piloting best practice to maximise the value of our business partnerships**
- **Connecting start-ups and businesses across the Borough**

We will target investments to the needs of the Elmbridge economy

Working with our leading businesses through our business leaders board we have developed a clear understanding of the barriers to growth and linkages in to our wider functional economic area and the Enterprise M3 Local Enterprise Partnership area.



Alongside our engagement with our key strategic businesses we have broad representation from our start up and micro businesses within the Elmbridge Business Network. Elmbridge benefits from strong representation across our towns with localised

business networks that provide on-going feedback and a two-way flow of information.

Targeting investment to lower barriers to growth can help our businesses to succeed. Our business leaders board has highlighted the threats locally from congestion, infrastructure deficits, skills and affordability.

The UK currently has only 4% of full fibre networks compared with 89% in Portugal and 71% in Spain. A full fibre network is capable of delivering download speeds of 1 gigabit per second, more than 20 times faster than the current UK average speed of 46.2 megabits per second.

As a leading County for 5G technology the University of Surrey 5G innovation centre offers Surrey the opportunity for regional growth and new digital infrastructure to enable a new wave of digital growth.

We will work with partners to target investment to the needs of the Elmbridge economy by:

- Supporting the Enterprise M3 Local Enterprise Partnership ambition for the area to become a leader in 5G technology and digital infrastructure
- Developing projects with our leading businesses to identify and tackle barriers and opportunities for growth
- Working with partners to address infrastructure constraints and invest in sustainable transport connections
- Balancing economic development and sustainability to maintain respect and protection for our environment and town and village centres

Our strategic employment sites

The Elmbridge economy boasts the largest business base across Surrey with a mixture of small, medium and large firms.

With 8,275 businesses across the Borough, Elmbridge makes up an important part of the Surrey and Enterprise M3 Local Enterprise Partnership economy.

To support businesses, it is important to offer a range of commercial properties and sites to ensure a robust mix of sectors, businesses and uses to ensure that the local economy is not overly reliant on a single sector or employer that could leave the Borough.

Our five strategic employment sites (The Heights, Brooklands Industrial Estate, Hersham Place Technology Park, Hersham Trading Estate and the Molesey Industrial Estate – Please see Appendix B) provide a mixture of Grade A offices, distribution and flexible modern industrial units helping to maintain a healthy balance of sectors and businesses across Elmbridge.



In addition to providing a sustainable business base, offering residents employment and providing a vital local service offer, the Government's move to allow Local Authorities to retain business rate receipts from 2020-21 will provide stronger financial incentives to support property development and boost the economy in the local area.

Retaining and growing the current business base will be vital to ensure the Council benefits from the real term change in business rates retention.

Our growth ambition

The evidence of our high performing economy underpins our confident belief that Elmbridge can continue to deliver for our residents, businesses and visitors.

We believe that our targets represent the evidence that we are building a strong, vibrant local economy at the forefront of the Enterprise M3 Local Enterprise Partnership area. This strategy is the first step in delivering short, medium and long-term change that will deliver:

- 370 additional knowledge-based employees per annum
- 1,200 additional businesses by 2024
- 20 new foreign direct investments by 2024
- 400 apprenticeship starts per annum
- 16,000 sqm of new a-grade office space by 2026
- 11,500 sqm of refurbished commercial floorspace by 2026
- 150 additional hotel bedrooms by 2026
- Accelerate future delivery of housing and housing which is affordable over the Local Plan period by 2035

Our action plan

To help us achieve our ambitions we will develop and implement a rolling two-year action plan. The action plan will help to roll out the strategy and respond to any new threats or opportunities that our businesses and local partnerships highlight in our ongoing business engagement work.

Appendix A: Enterprise Elmbridge Action Plan 2019-2021

Appendix B: Elmbridge Borough Council Strategic Employment Sites

The Heights – Brooklands Business Park

The Heights Brooklands is one of the areas premium business locations, offering unrivalled office space for growing and established high value businesses within a connected business community and picturesque environment.

The Heights is Elmbridge's most prestigious and established office destination and a working environment that is home to an array of blue-chip businesses from across the world.

On-site amenities such as the buzzing café, excellent car parking and bus service are designed to ensure that every day for the 1500 employees working across the Heights is as productive, efficient and enjoyable as possible.



Example companies include: Proctor & Gamble, Experian, Sony, Alliance Boots, Daikin

Brooklands Industrial Estate

The Brooklands Industrial Estate is a modern, flexible, sustainable mixed-use employment space. A positive business friendly outlook can help make best use of adaptable spaces and units to meet high value sectors and cutting-edge logistics needs.

Brooklands Industrial Estate is a leading sub-regional employment area that offers a mixture of traditional and high quality modern floorspace set within the historic Brooklands race circuit and the Wintersells Road industrial estate.

Home to major companies such as Amazon, BAE Systems, Cargill and LG Electronics the estate mixes



high value leading international names with cutting edge industrial, warehouse and logistics.

Recent speculative development at Velocity has attracted new foreign direct investment to the park and the redevelopment of the Dakota Building in De Haviland Drive has showcased the potential for future regeneration with 38,000 sq ft of Grade A office space.

Example companies include: BAE systems, Amazon, Cargill, LG Electronics, John Lewis

Hersham Place Technology Park

A leading start up and scale up tech cluster across the Enterprise M3 LEP. A real start up and growth community with flexible, connected space to support high growth, tech and digital businesses develop and spin out in to the Surrey economy.

Hersham Place Technology Park is more than just a totally managed, fully serviced office space. Home to 50 leading start up and tech companies the Technology Park provides scale up opportunities with flexible space options from 1 person to 6,000 sq ft.

With a dedicated onsite team and a great working environment the park offers restaurant/café facilities, Nuffield Health Gym, meeting rooms and manned reception offering a comprehensive serviced office package to start up, small and growing businesses.

Home to a number of digital and tech forms the building offers the opportunity to build and grow the large businesses of the future.

Example companies include: Air Products, Moblicity, Secon Cyber, Bolero, ETS



Hersham Trading Estate

The Hersham Trading Estate offers a connected modern, flexible approach to employment uses that builds on its strategic location adjacent to Hersham station. The site offers opportunities for redevelopment that supports a quality employment offer and small and growing firms

The Hersham Trading Estate provides a good mix of industrial and office spaces with a range of small and mid-sized units providing a flexible affordable space for small and growing businesses.

With a strategic location just 500 yards from Hersham station the area has the potential for redevelopment to provide a modern flexible employment area that can cater to a mix of



employment uses around the station hub connecting businesses in to London Waterloo in 33 minutes.

The site offers a mix of employment spaces with approximately 200 employees across the various businesses.

Hersham Trading Estate provides an opportunity for potential relocation for any companies displaced by permitted development rights or the redevelopment of struggling employment sites for housing

Example companies include: Logopolis, Impress Print Services, Screwfix, Graham Plumbers Merchant, Pet Mate, Videotree

Molesey Industrial Estate

The Molesey Industrial Estate provides an opportunity to re-imagine and transform the area in to a mixed use, modern flexible employment zone. This would help to revitalise and update older buildings and combine a range of complementary use classes across the park.

The Molesey Industrial Estate offers the complete mix of office, industrial, storage and distribution. This mixed-use flexibility has allowed a range of businesses and sectors to co-exist on the estate with approximately 350 employees working across the site.

With a location just around 2 miles from Hersham and Hampton Court stations, and close access to the A3 the estate can develop and adapt to meet the needs of modern businesses.

Recent redevelopments have set the standard of potential revitalisation of the older stock to meet contemporary demands for space.

Example companies include: Creative Nature, Ashleigh & Burwood, Elite Pharma, Deens of Hampton Court



For more information about the Elmbridge Economic Strategy please Email: business@elmbridge.gov.uk or Telephone: 01372 474176