



ANNEXE 1

Waverley Economic Strategy 2015 – 2020 -DRAFT-





Introduction

Waverley is a fantastic place to live and work. The borough has a diverse rural landscape, characterful towns, high quality housing and schools, and access to employment - all within easy reach of London. Whilst our local economy has shown itself to be relatively resilient through the recent economic difficulties, it has not been immune from the challenges affecting many parts of the UK.

This Economic Strategy for 2015-2020 - which Atkins has prepared on our behalf - is based on the latest economic profile data and is designed to be aligned with our Local Plan.

Our Strategy sets out six strategic economic objectives which we feel will help us achieve sustained prosperity for our residents and businesses. Our objectives fit with the local and sub-regional policy context, with the key challenge remaining the achievement of a balanced approach to housing and employment that does not adversely affect the Borough's character and attractiveness.

The Council's six key objectives therefore are to:

- safeguard and enhance the Borough's attractive character and high quality of life;
- maintain and enhance the attractiveness and vitality of main settlements;
- provide high quality infrastructure;
- manage employment growth and continue to encourage skilled and well paid jobs;
- support businesses; and
- provide affordable housing for key workers.

Over previous years, the Council has successfully pursued policies which have helped Waverley retain its attractive character, unique environment and high quality of life while supporting businesses and the vitality of the Borough's high streets. We hope that continued managed growth will ensure that the special things that attract people and businesses to Waverley, will be around for future generations to enjoy,

Cllr Adam Taylor-Smith

Portfolio Holder, Economic Development & Major Projects

February 2015

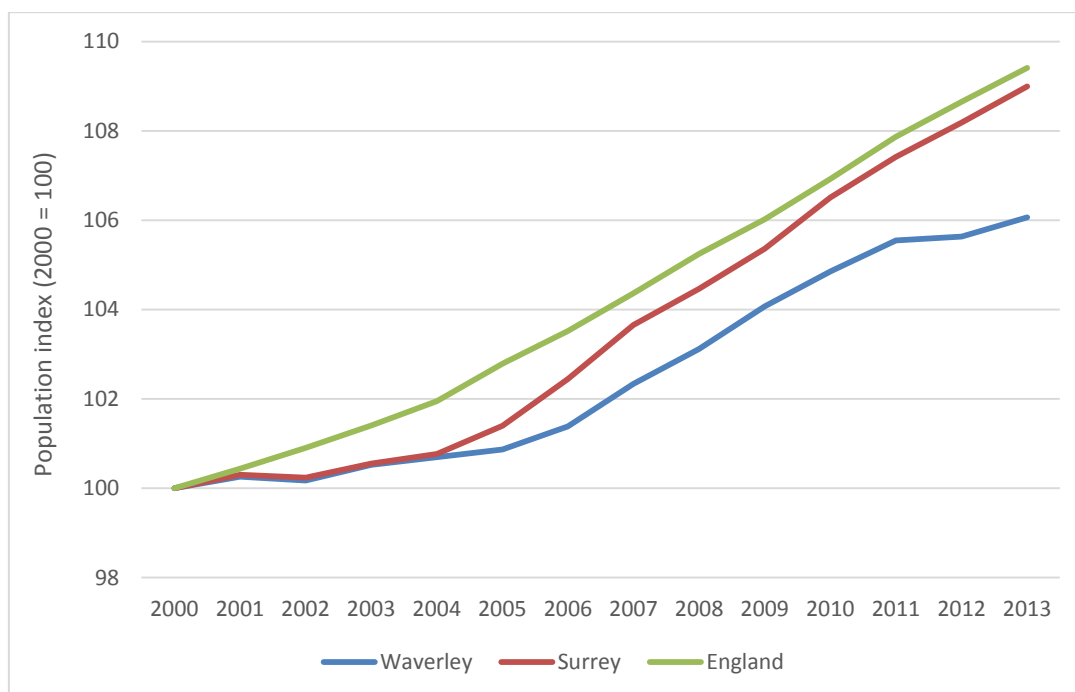
1. Waverley's economy

Current socio-economic characteristics

Waverley's economic characteristics reflect the Borough's unique demographic, heritage and landscape character. The Borough has a population of approximately 122,400 people and is primarily rural in nature, although the majority of the population lives in the main urban settlements of Farnham, Godalming, Haslemere and Cranleigh. Some 80% of the countryside is designated as an Area of Outstanding Natural Beauty (AONB) and the Borough has a rich historic heritage with 45 Conservation Areas and over 1,600 listed buildings.

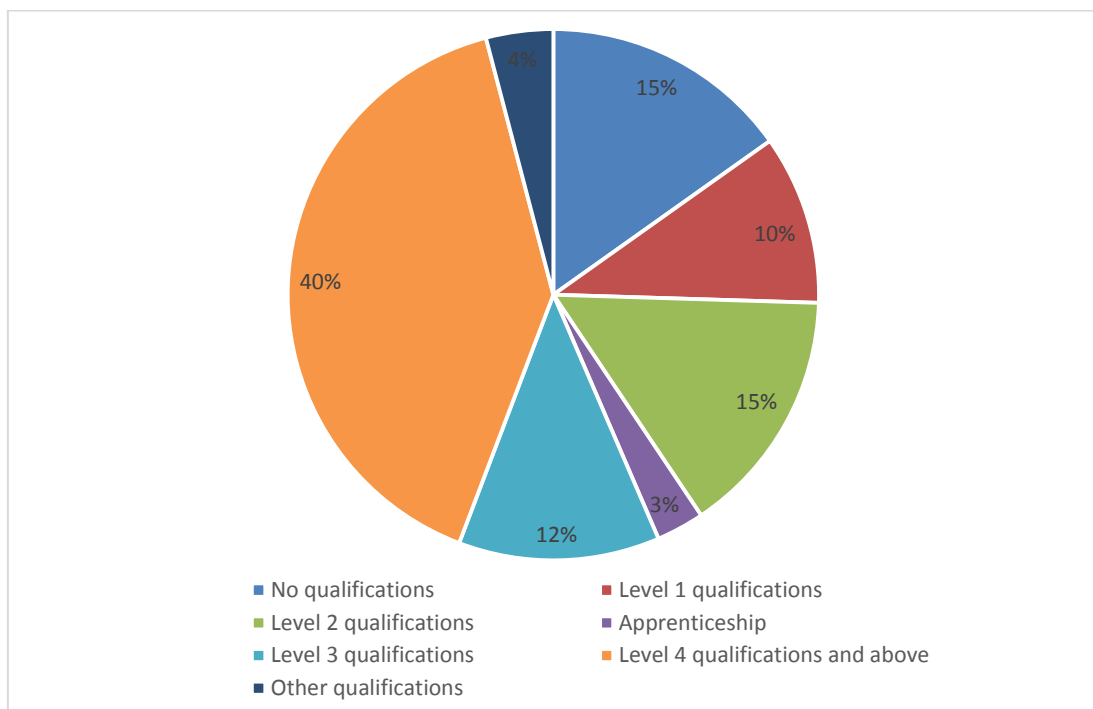
Waverley's population is growing at a slower rate than the county and national averages, having grown by 6.1% over the period 2000 – 2013 compared to growth rates of 9% across Surrey and 9.4% across England (**Figure 1**). This level of growth equates to approximately 315 new residents per year. Waverley's population has an older than average age profile, with residents aged 65 and over accounting for 21% of the Borough's population (compared to 17% across England).

Figure 1: Index of mid-year population estimates 2000-2013 (2000 = 100)



Source: ONS

Waverley has a highly qualified resident population with 40% of residents aged 16 and over holding Level 4 qualifications and above. This is higher than both the England (27%) and Surrey (36%) averages (**Figure 2**). Waverley also has a lower than average proportion of residents with no qualifications (15% compared to 22% and 16% across England and Surrey respectively).

Figure 2: Highest level of qualification of Waverley residents aged 16 and over, Census 2011

Source: ONS

The Borough has a higher than average economic activity rate, with 75% of the population aged 16-64 being economically active. The Borough also has higher than average levels of self-employment (12% compared to 10% across England) and a higher than average number of part-time jobs. Approximately 30% of all people aged 16 – 64 working in Waverley work part-time (compared to an average of 25% across Surrey and across England). Waverley also has the largest number of homeworkers in Surrey with nearly 10,000 people homeworking.

Waverley has a small proportion of people claiming unemployment-related benefits. Approximately 0.6% of the population aged 16-64 claims unemployment-related benefits which is three times lower than the national average.

The Borough is one of the least deprived in England, ranking 320th out of 326 local authorities in terms of deprivation. It is an affluent Borough with the median gross annual pay of Waverley residents being significantly higher than the national average (£38,200 compared to £27,500).

Reflecting the low levels of deprivation, good quality housing, good transport connections, first class schools, active communities, good health facilities, and diverse range of leisure and recreational opportunities, Waverley is often named in national surveys as one of the best places to live in Great Britain¹. The attractiveness of the Borough is reflected in its average house prices which are significantly higher than the national average and among the highest in Surrey.

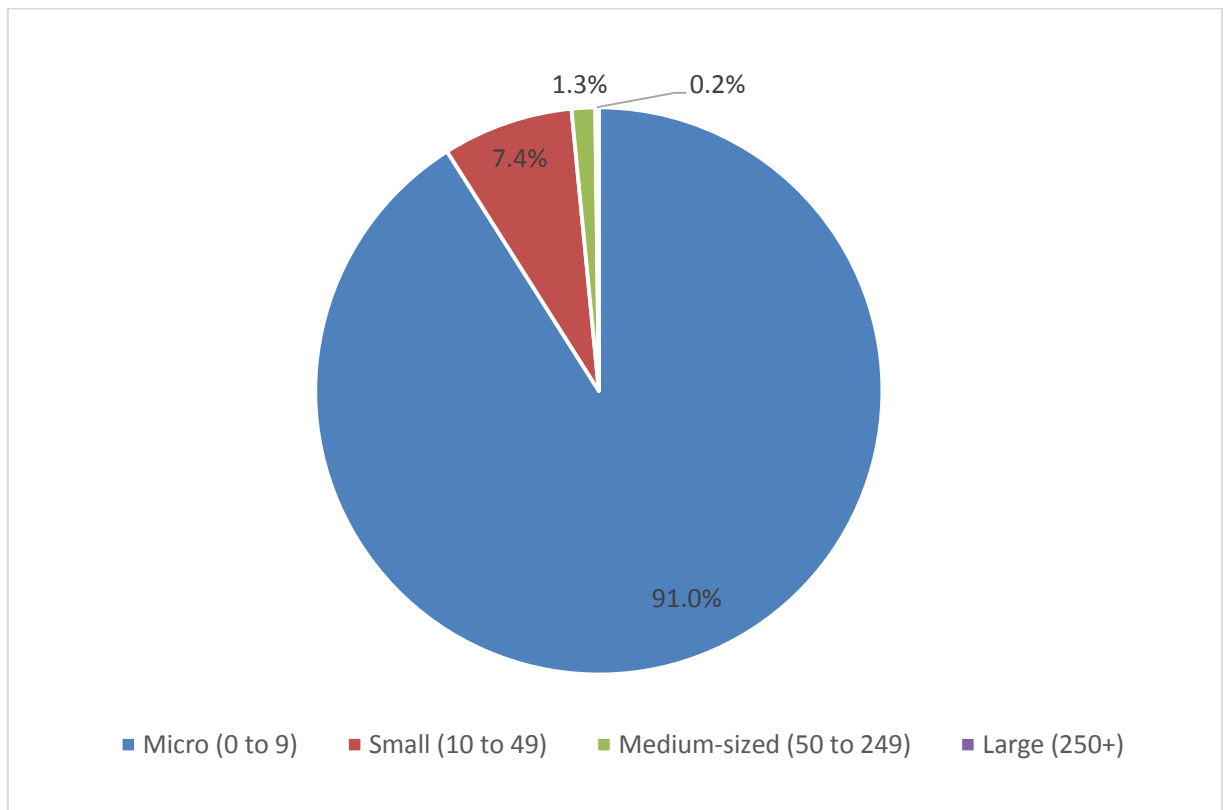
Businesses and employment

Waverley has one of the highest business densities in Surrey with over 7,000 VAT registered businesses in the Borough. There are 3,949 businesses currently paying NNDR (business rates) within premises in the Borough, of which 421 are currently empty.

Waverley's business base is dominated by small and medium sized enterprises. Approximately 91% of Waverley's businesses are micro businesses employing fewer than 10 people (**Figure 3**). This is higher than the national average of 88%. At the same time, the Borough has only 15 large enterprises employing 250 or more people.

¹ As an example, Waverley came first in the 2013 Halifax Rural Areas Quality of Life Survey.

Figure 3: Waverley enterprises by number of employees

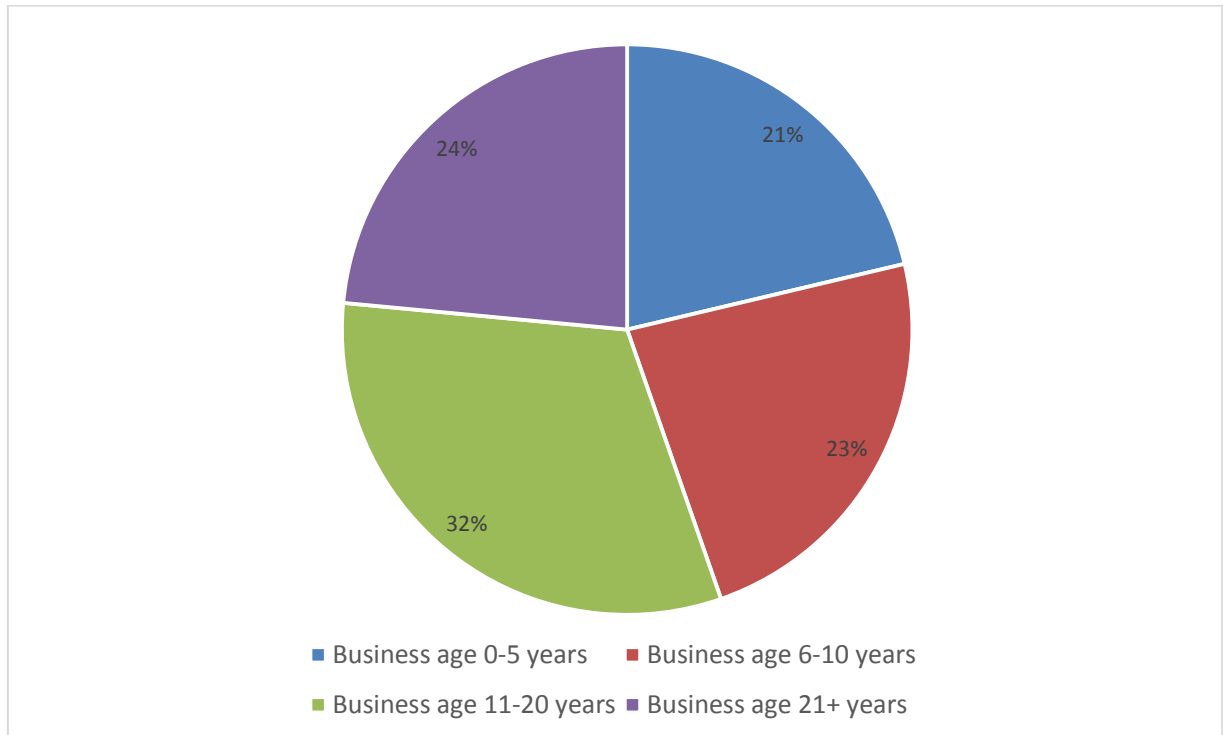


Source: ONS / IDBR

Analysis of a sample of 2,000 businesses in the Borough shows that the average business size is 3 employees. That average however is skewed by a small number of large employers. The typical (median) business size is only 2 employees.

The median business turnover is £82,000 which further confirms that small businesses are the lifeblood of Waverley's economy. The Borough has a higher than average proportion of younger businesses, with 45% of businesses in Waverley being up to 10 years old (compared to the national average of 35%) and 76% being up to 20 years old (compared to the national average of 58%) (**Figure 3**).

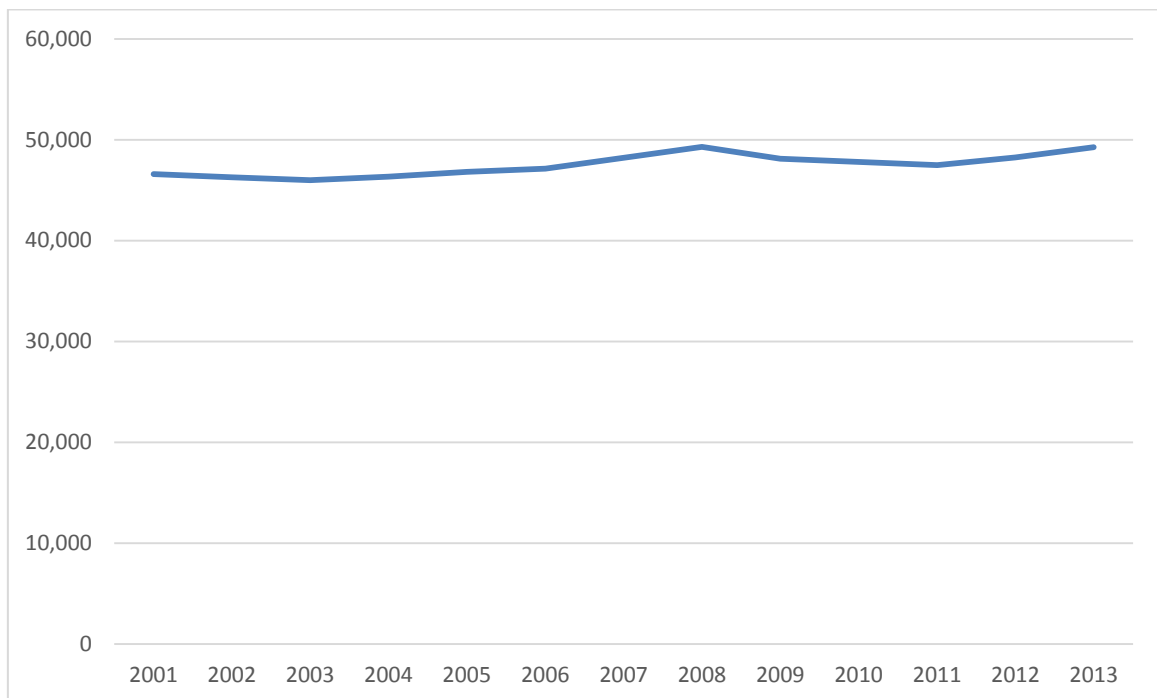
Figure 3: Waverley business age based on a sample of 2,000 businesses



Source: Experian

As of 2013, Waverley had some 49,250 full time equivalent (FTE) jobs. As **Figure 4** illustrates, the Borough has experienced modest levels of employment growth since 2001 and that trend of slow growth is likely to continue in the future.

Figure 4: Waverley FTE employment 2001-2013



Source: ONS, Experian

Waverley has a jobs density of approximately 0.8 which means there are approximately 0.8 jobs for every resident aged 16-64. The Borough has high levels of out-commuting with approximately 43% of residents in employment working outside the Borough. The most popular commuting destinations are

Guildford, Central London and East Hampshire. At the same time, over 26,000 people commute into Waverley.

Income levels and housing affordability

The median gross annual pay of people **working** in Waverley (£26,300) is approximately one third lower than the median gross annual pay of people **living** in Waverley (£38,200) which suggests that many residents commute out of the Borough to access higher paying jobs.

The gap between residence-based and workplace-based income levels, in combination with the high average property prices in Waverley, has implications on the affordability of housing for lower-paid workers, including key workers. Research undertaken by Waverley Borough Council in 2014 showed that the minimum income level required to purchase an entry-level property on the open market in Waverley was £47,000, with properties in most parts of the Borough requiring an income of at least £60,000 (**Table 1**).

Table 1: Income levels required to purchase an entry-level property on the open market

Area	Lower quartile purchase price
Cranleigh	£47,000
Farnham	£60,000
Haslemere	£63,000
Godalming	£61,000
Smaller rural settlements	£74,000

Source: Waverley Borough Council, figures are rounded

However, less than 29% of Waverley households have an income over £60,000. Furthermore, the median gross annual pay of people working in Waverley is less than half this amount. This not only creates affordability issues but also affects employers' ability to recruit locally.

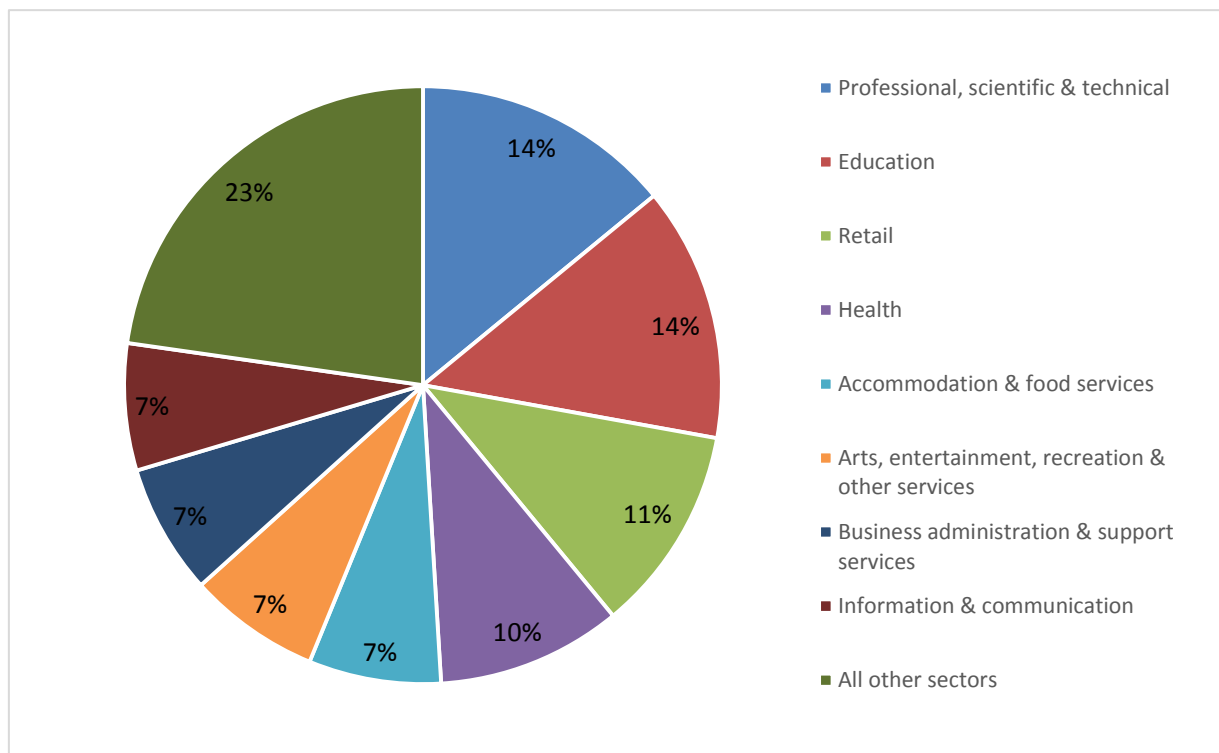
In September 2014, the Council's Housing Strategy and Enabling Team surveyed local public and private sector employers to establish the extent to which housing costs affect the recruitment and retention of their staff. The key findings of this survey showed that:

- More than 80% of companies based in Waverley surveyed viewed a lack of housing that people can afford in the local area as having had a great deal of impact on the local economy.
- 88% of respondents viewed a lack of affordable housing in the local area as having 'some or a great deal of impact' on their ability to recruit or retain staff.
- 68% of respondents reported that employees commute into work because they cannot afford to live in the area, with 32% of respondents believing this factor has had the greatest impact on their organisation's efficiency.
- 42% of respondents reported that employees have relocated away from the local area as the cost of buying a home in the local area is too high.
- 83% of respondents reported some or great difficulties in recruiting new staff, as opposed to 58% of respondents who reported some or great difficulties in retaining staff.
- Responses from public and private sector employers based in Waverley were similar suggesting that income levels for workers across sectors are commonly below the level required to access housing on the open market.

Main employment sectors

The main business sectors in Waverley are Professional, scientific & technical; Education; Retail; and Health. These four sectors account for approximately half of all jobs in the Borough (**Figure 4**).

Figure 4: Waverley employment by sector



Source: ONS

Waverley Borough Council is one of the largest employers in the Borough, with a direct and significant supply chain that benefits the local economy. However, the overall proportion of jobs in the Public administration & defence sector is low (1% compared to 5% in Guildford and 3% across Surrey) and employment levels in the sector were almost halved (-48%) between 2009 and 2013.

Employment in manufacturing has seen steady decline since the year 2000 with the number of FTE jobs in the sector shrinking by over 40%. However, other sectors have shown good levels of growth in recent years including accommodation, food services and recreation; information and communication, public services; and retail (including wholesale).

Social enterprises are also an important part of the community life in Waverley. There is a growing and vibrant social enterprise sector in the Borough with social enterprises providing services that are delivered locally, are tailored to local need and provide additional social value. There are currently over 120 social enterprises in Waverley covering a wide range of areas including Arts, crafts and museums; Business support; Conservation; Disabled services; Education and training; Furniture; Gardening; Halls; Housing and accommodation; Housing associations; Leisure; Music and media; Personal support; Retail; Charity shops; and Voluntary services.

Town centres

The retail sector is of particular importance to Waverley as it plays a major role in the vitality and attractiveness of the Borough's town centres. The 2013 Waverley Town Centres Retail Study Update confirmed that all four of the Borough's town centres are healthy, vital and viable. Waverley's town centres offer a good mix of shops; services; and bars and restaurants, with many small, independent shops but also good representation from national retailers and charity shops.

The health and vitality of Waverley's town centres is reflected in their low High Street vacancy rates which range from 4% in Haslemere to 7% in Farnham (**Table 2**). The overall vacancy rate across the four High Streets is approximately 6% which is significantly lower than the UK High Street average of

14%. While the above vacancy rates represent a snapshot of the time they were collected (November 2014) and are subject to frequent change, they indicate healthy High Streets and town centres.

Table 2: High Street vacancy rates²

Town	Retail premises	Vacant	Vacancy rate
Farnham	270	20	7%
Godalming	195	9	5%
Haslemere (not including Weyhill)	116	5	4%
Cranleigh	109	7	6%
Total	690	41	6%

Source: Waverley Borough Council

Employment land

Waverley offers a range of employment premises including 45 business parks and industrial estates, which provide flexible and secure accommodation for both start-up firms and more established, smaller businesses.

According to Valuation Office Agency data, Waverley has approximately 264,000 square metres of employment floorspace including office, industrial, and warehousing and distribution floorspace. Reflecting the Borough's business base, most of the demand for business premises originates from smaller businesses and consists mainly of demand for small-medium sized units.

While the Borough is constrained in its ability to provide significant levels of new employment land, the 2014 Employment Land Update Study identified a number of potential sources that could bring forward new employment floorspace including currently vacant floorspace of approximately 28,000 square metres, short to medium term undeveloped opportunity land totalling approximately 6 hectares, and land with scope for intensification over the medium to long term totalling approximately 4 hectares.

Local and sub-regional policy context

Waverley Borough Local Plan (2002)

The Council is currently in the process of preparing its new Local Plan which will replace the existing Local Plan adopted in 2002. Over time, the policies of the Local Plan will be replaced by those in the new Local Plan but until that point, the "saved policies" (as of September 2007) of the 2002 Local Plan will continue to be part of the development plan.

The vision of the Local Plan is to help maintain and improve the quality of life in Waverley, providing for homes, jobs, infrastructure and services without undermining the Borough's environmental quality.

Town centres are of particular importance and the Plan seeks to maintain and enhance their role as the focus of shopping, commercial and social life in the Borough. The Plan recognises that all four of Waverley's town centres are historic and relatively small in scale and that they have scope to accommodate only limited development. It emphasises the importance of safeguarding the character and quality of each town centre and identifies retail, leisure and commercial uses as the most appropriate for town centre locations.

In terms of industry and commerce, the Plan adopts an approach that ensures that new economic development takes place in a manner which complements and enhances the environment. The Plan seeks to safeguard existing suitably located industrial and commercial land, promote appropriate redevelopment and more intensive use of existing sites, and encourage opportunities for suitable new development. A key consideration for any proposed new development should be whether it will adversely affect the character or function of the locality.

² These figures are for the four High Streets only and do not include less prominent or smaller shopping streets and parades in places such as Farncombe and Weyhill. The Council is aiming to do a wider survey or retail vacancy rates in the future.

Waverley Economic & Community Development Framework 2007-2012

Waverley's Economic & Community Development Framework 2007-2012 was adopted in 2007 as the basis for Waverley's economic and community development activities. While the Framework only covered the period to 2012, it outlined the Council's commitment to building prosperous and cohesive communities where people want to live and work and where businesses want to invest.

The Framework reflected the Council's top priorities of:

- Protecting and enhancing Waverley's unique mix of rural and urban communities;
- Improving the quality of life for all residents;
- Improving and supporting opportunities for all to take part in sport, recreation and culture; and
- Ensuring all of the Council's activities are customer focused and provide good value for money.

Key objectives included ensuring businesses engagement and support; promoting tourism within Waverley; supporting local training and skill providers to match skills with business needs; addressing rural economy issues; and ensuring wider access to Broadband particularly in rural parts of the Borough.

Waverley Employment Land Review Update 2014

The 2014 Employment Land Review Update (ELR) highlighted the fact that Waverley has historically recorded low levels of employment growth, as the Council's policies have mainly focused on preserving the character of Waverley's market towns. It considered that this is likely to continue to be the case over the coming years resulting in relatively modest levels of employment growth and therefore additional employment land requirements.

According to data from Estates Gazette's EGi database, Waverley has approximately 28,200 square metres of B-class floorspace that is being actively marketed. The majority of that floorspace falls under the B1a/b use class (offices, and research and development). By using EGi and VOA data, the ELR estimated a vacancy rate of 11% across all B-class floorspace in the Borough. This is considered to be at the higher end of the acceptable level of vacancy which allows for churn and choice in the market.

According to the ELR, employment growth is mainly expected to come from B1 sectors and primarily from small and medium sized enterprises. The projection of past employment growth trends suggests that Waverley will have no net additional employment land requirements over the period to 2031, with the projected increase in B1 demand balanced out by the forecast decline in B2 and B8 land requirements.

A key challenge for Waverley therefore, will be to safeguard its good quality employment sites in order to be able to meet the needs of local businesses while releasing surplus industrial and warehousing land that is not fit for purpose in order to help relieve the Borough's strong housing pressures.

Draft West Surrey Strategic Housing Market Assessment (December 2014)

The Draft West Surrey Strategic Housing Market Assessment (SHMA) provides an assessment of the need for housing across Guildford, Waverley and Woking. It makes no judgements regarding future policy decisions as these are the responsibility of the three Borough Councils.

The SHMA notes the strong relationship between Waverley and Guildford with over 7,700 people per day travelling from Waverley to Guildford for work and 3,720 in the other direction. It also notes that Waverley has the highest median house prices in the Housing Market Area (HMA) with a high proportion of detached homes and a high proportion of larger homes with four or more bedrooms.

The SHMA highlights the fact that Waverley has a low proportion of people aged between 20-35, and higher proportions of people in all age groups over 45. The Borough also has low levels of ethnic diversity.

The SHMA considers that the 2012-based Sub-National Population Projections (SNPP) that project a 13.1% growth in Waverley's population over the period 2011-2031 are sound. It notes that levels of

net internal migration are expected to increase in Waverley over time as a result of the strong growth in older age groups and therefore a likely decline in out-migration relative to in-migration.

Based on the SNPP projections, the SHMA estimates a need for 477 homes per year in Waverley between 2011-2031. In terms of affordable housing need, it identifies that 337 additional households per year will require support in meeting their housing need and concludes that given current mechanisms for funding affordable housing provision, it is unlikely that it would be feasible to deliver sufficient overall housing provision to fully meet this need.

Adjusting the above housing need projections to account for growth in the student population and younger households, the SHMA concludes that Waverley's overall need for housing over the 2011-2031 period is likely to be between 512 – 649 homes per year. The SHMA notes that these conclusions are draft and will be reviewed when the Government publishes the 2012-based Household Projections.

The 512 dwellings per year need projection is based on demographic projections while the 649 dwellings per year projection is based on the Experian employment forecasts presented in the 2014 Employment Land Update Study. As the Employment Land Study noted, the Experian forecasts project employment growth levels significantly higher than the extrapolation of historic employment growth trends. Therefore, the higher end of the SHMA's housing need range assumes a level of economic growth that is above that experienced in the past and may not be realistic.

Enterprise M3 Strategy for Growth (Strategy and Action Plan) 2013

The Strategy outlines the Local Enterprise Partnership's vision for the sub-region. The vision is to be *"the premier location in the country for enterprise and economic growth balanced with an excellent environment and quality of life"*.

The Strategy sets key targets around increasing productivity, jobs and business start-ups as well as business growth and development. It also recognises the important role of transport and broadband infrastructure for enabling economic growth. The LEP's key economic targets include:

- Creating 25,000 jobs by 2020;
- Increasing GVA per head from 8% to 10% above the national average; and
- Adding an additional 1,400 businesses per annum.

However, the Strategy does not identify Waverley as a strategic location for employment growth. The LEP's Commercial Property Market Study (April 2013) identifies the sub-region's key market ready sites and key investment potential sites in locations such as Farnborough, Staines, Andover, Basingstoke and the Blackwater Valley.

Socio-economic baseline and policy context implications

The analysis of Waverley's socio-economic profile shows the Borough to be a prosperous, attractive and well-performing place to live and work. The Borough performs well across most socio-economic indicators, with a small but thriving economy and highly successful town centres.

The Council has successfully pursued a policy of managed growth which has helped Waverley retain its unique character, excellent environmental quality and high quality of life while supporting businesses and the vitality of the Borough's town centres.

The continuation of these policies is aligned to the local and sub-regional policy context with the key challenge remaining the achievement of a balanced approach to housing and employment that does not adversely affect the Borough's character and attractiveness.



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2. Economic strengths, weaknesses, opportunities and threats

SWOT analysis of Waverley's economy

The development of Waverley's economic strategy needs to be grounded on a thorough understanding of the Borough's strengths, weaknesses, opportunities and threats (SWOT). This section presents a SWOT analysis of the Borough's economy.

Strengths	Weaknesses
<p>Waverley has a diverse economy, a strong SME business base, a highly skilled and qualified population, and low levels of unemployment.</p> <p>Waverley has vibrant and attractive town centres which form the heart of the Borough's economy.</p> <p>Retail and education are key sectors. The Borough is home to a number of large independent schools such as Charterhouse and Cranleigh School.</p> <p>Waverley's attractive rural nature is an important feature. Waverley benefits from areas of outstanding natural beauty and associated rural attractions. These include the Rural Life Centre (Farnham), Winkworth Arboretum (Godalming), Sculpture Park (Farnham), Open Air Museum (Farnham) and Devil's Punchbowl.</p> <p>The University for the Creative Arts (UCA) is located in the Borough. The University has over 2,000 students studying a wide range of creative arts subjects including Fine Art, Photography, Textiles, Crafts, Film, Graphics, Journalism, and Advertising.</p> <p>The historic revival of the arts and crafts movement in Waverley Borough. There are a variety of businesses across the Borough engaging in activities such as pottery, art textiles and glass making. The Maltings is a successful key location for some of these types of arts and crafts activities.</p> <p>Waverley's towns offer a number of tourism attractions that attract visitors from within and outside the Borough. These include Farnham Maltings, New Ashgate Gallery, Farnham Castle, and museums in Haslemere, Farnham and Godalming.</p>	<p>Waverley has several large centres. This includes the three large towns of Farnham, Haslemere and Godalming and the large village of Cranleigh. As a result, other neighbouring Boroughs can concentrate their resources into once location, whilst Waverley Borough has to coordinate its resources across several locations that are under different town council management. This has the benefit of town councils having in-depth knowledge of local needs that reflect each settlement's unique role and characteristics. But it can also create increased bureaucracy and result in competing/different priorities.</p> <p>Furthermore, Waverley Borough has four different chambers of commerce. While this enables each chamber to have its fingers of the pulse of the local economy and fully understand the needs of local businesses, it also makes economic logistics more difficult in comparison to other neighbouring boroughs that typically have one chamber of commerce.</p> <p>Broadband infrastructure is weak in some parts of the Borough, particularly rural areas (although the issue is being addressed by the Superfast Broadband project that is being rolled out by the Surrey Economic Partnership).</p> <p>In parts of the Borough, transport infrastructure is either lacking or stretched in terms of capacity, necessitating further investment and improvements.</p> <p>Existing industrial areas are under pressure from housing development as residential development attracts higher returns for developers compared to commercial uses.</p>

Opportunities	Threats
<p>Ensuring the vitality and viability of Waverley's town centres is important. The Borough's town centres already benefit from a range of retail businesses and tourism attractions that should be protected and enhanced. The Council should continue to look at ways to maintain the vibrancy of the town centres and develop initiatives that will encourage more people to visit them (e.g. lower car parking charges).</p> <p>Strengthening business links with the University for the Creative Arts could lead to secondment/industry placements and future employment opportunities for local students.</p> <p>Waverley has a high proportion of business start-ups and supports a large concentration of small businesses and home-working. Whilst Enterprise First does provide some support (across the Surrey region) there is opportunity for the Council to better engage with small businesses.</p> <p>There is opportunity to diversify hotel activities. The larger hotels could expand their offering, e.g. hosting an evening restaurant and enhancing reputation as a wedding location. This could provide local employment opportunities and also serve local tourism needs. There is also an identified need for more budget accommodation options such as B&B's and low cost hostels.</p> <p>There is a need and an opportunity to enhance the well-being of rural communities by protecting community and social facilities, such as pubs and post offices in rural areas.</p>	<p>The demographic profile of Waverley's population is changing with a decline in the proportion of residents of working age.</p> <p>High property prices in Waverley are pricing out key workers such as nurses, teachers and care workers. As a result, some employers are finding it difficult to recruit. In addition to affordable housing options for key workers, it is important (like elsewhere in the country) that there is affordable workspace for smaller businesses in Waverley.</p> <p>Future population and employment growth (even relatively small levels of growth) will place further pressure on the Borough's existing transport infrastructure. This necessitates the delivery of transport infrastructure improvements, particularly in areas that are currently lacking or near capacity.</p> <p>Retail is a key sector of Waverley's economy and a key prerequisite to the continued vibrancy of its town centres. Waverley's High Streets (much like High Streets across the country) face a number of challenges including the continued growth of internet shopping, high rents etc.</p> <p>Furthermore, the image and attractiveness of town centres is threatened by perceptions about a declining mix of independent retailers and the proliferation of certain retailers (e.g. coffee shops, charity shops etc.).</p>

3. Waverley's economic vision and objectives

Waverley is a highly attractive place to live, work and recreate. This is a result of the high quality of its environment, the unique character of its towns and rural areas and the Borough's balanced levels of housing and employment growth. The Council's vision is that:

Waverley will enjoy continued economic prosperity and diversity while safeguarding and enhancing its attractive character and high quality of life.

The Council's top priority is therefore to **safeguard and enhance the Borough's attractive character and high quality of life**. High levels of housing or employment growth would threaten Waverley's character and unique characteristics and would ultimately damage its economy.

The Council's focus will continue to be **maintaining and enhancing the attractiveness and vitality of the Borough's town centres**.

The above do not mean that the Council is negative towards any proposals for employment growth. It will continue its successful approach of **supporting modest levels of employment growth** at the appropriate locations and without compromising what makes Waverley special. The Council will **make best use of its existing supply of employment land to accommodate small levels of employment growth in key growth sectors** so that there is a balance between population and employment growth.

At the same time it will fully explore opportunities for higher levels of mixed use development and growth in appropriate locations that would not adversely affect the character and vitality of its towns or rural areas.

The Council has an excellent record of **engaging with local businesses and offering business support**. It will continue to do so, helping business start-ups and supporting existing businesses.

A key factor for any successful, modern economy is the provision of **high quality infrastructure**. The Council will continue working with its partners (including the Local Enterprise Partnership and the private sector) to maintain and improve the Borough's infrastructure, especially in terms of **transport and broadband**.

Waverley has high levels of commuting, both outwards and inwards. In general, many Waverley residents commute out of the Borough to access higher paying jobs while many people commute into the Borough to fill lower paying but vitally important jobs such as nurses, teachers, police officers and firefighters. Given the high average cost of housing in the Borough, it is important that Waverley is able to **provide affordable housing to key workers**, as they are vital to the continued prosperity of the Borough and its economy.

Objective 1 - Safeguard and enhance the Borough's attractive character and high quality of life

The Council has a successful track record of safeguarding and enhancing Waverley's attractive character and high quality of life and this should continue to be its focus. The Council will continue to plan for appropriate levels of development in the Borough's towns and rural areas so that they can continue to be attractive and successful places to live, work and recreate.

Safeguarding Waverley's character and environmental quality goes beyond maintaining the Borough's heritage and quality of life. These are key factors for the success of the Borough's economy and failure to safeguard them is likely have an adverse economic as well as environmental effect.

Promoting the rural economy (through supporting arts and crafts fairs, farmers markets and protecting community and social facilities such as pubs and post offices in rural areas) will benefit local people and domestic tourism in the Borough.

The SHMA identifies a significant level of additional housing need in the Borough over the period to 2031 but it will ultimately be up to the Council to decide what level of housing is appropriate for the Borough.

Objective 2 – Maintain and enhance the attractiveness and vitality of main settlements

Waverley's town centres are not only vital to the Borough's economy, they are the heart of the local communities. They accommodate a wide range of businesses, with many small independent businesses, a range of national multiple retailers, a number of charity shops and a variety of services.

The review of High Street vacancy rates indicates the Borough's town centres are performing well but, as is the case across the country, town centres are facing increased competition from online retailers and there can be a perception that they are in decline. The Government's recent announcements regarding the reform of business rates is likely to give a boost to town centres but the Council should continue to focus on maintaining and enhancing the attractiveness and vitality of the Borough's town centres.

While a mix of uses (including residential) is important for successful town centres, the vitality and viability of town centres could be threatened by an over-concentration of non-retail uses. The Council will continue to support retail as the main town centre use and work with the Chambers of Commerce and town centre businesses to develop and implement events and initiatives that will increase footfall numbers. Such activities include town days, Small Business Saturday days and free parking events. An example is the new free parking scheme that the Council, in consultation with the Chambers of Commerce, is preparing to trial (on an initial pilot basis for three months). This will provide free parking on one afternoon a week in selected car parks in each town.

Compete on the Street is a programme to improve customer service amongst high street retailers, and was run successfully in Godalming in 2014 through a joint partnership between Godalming Town Council, Waverley Borough Council and Godalming Chamber of Commerce. A team of mystery shoppers visited over 40 retailers who wanted to be part of the scheme. Experts gave them constructive feedback and advice on improving customer care. Waverley is offering the programme to the other towns in 2015

The Borough's High Streets are of good quality but there is always scope for further investment and improvement. The Council is supporting Town Team partners with finance won from DCLG Portas bids in Godalming, Farnham and Cranleigh to improve High Streets and it is important that town centres receive regular investment to maintain their attractiveness and competitiveness.

The Council would also look favourably on the prospect of any towns considering forming a Business Improvement District³, and would run the ballot that would decide whether eligible businesses support such a scheme.

Objective 3 – Provide high quality infrastructure

Broadband is a key part of the modern economy, and is particularly important for people that work from home or remotely from their offices. Broadband internet access is important to most of today's businesses but is especially important to small businesses and business start-ups as it can open up significant new markets, reduce costs and enable entrepreneurial activity. Given Waverley's high proportion of small businesses and its higher than average proportion of younger businesses, broadband access is a key economic priority.

The Council appreciates the critical importance of good broadband access and is currently working closely with the Surrey Economic Partnership, Surrey County Council and the Local Enterprise Partnership to complete the roll out the Superfast Broadband project which is bringing broadband to rural parts of the Borough.

Transport infrastructure is also of critical importance to Waverley's economy. Parts of the Borough benefit from excellent transport links to London and the major airports but there is scope for further improvement to transport infrastructure.

The Council recognises that while good progress has been made in rolling out superfast broadband, the delivery of transport infrastructure improvements is a more complicated and strategic issue. Because of the strategic, cross-border nature of transport infrastructure, the Council alone cannot deliver significant transport improvements. It will continue to work with M3 LEP partners to maximise

³ A BID is a business-led and business funded body with the aim of investing collectively to improve a defined commercial area.

the benefits of membership of the M3 LEP and secure a share of the Government's planned investment in transport infrastructure, where the opportunity arises. However, the Council recognises the LEP has prioritised other parts of the sub-region for transport investment. It will therefore continue to explore other ways of funding infrastructure improvements, including developers' contributions where appropriate.

In conclusion, the Council will continue to engage with local businesses to fully understand their needs and will work closely with its partners and the private sector to deliver high quality, modern infrastructure.

Objective 4 – Manage employment growth and continue to encourage higher skilled and well paid jobs

Waverley has historically recorded relatively low levels of population and employment growth. This reflects a number of factors such as the character and rural nature of the Borough, the demographic profile of its population, the high average house prices, the constraints on the land available for development and the low demand from businesses to relocate to Waverley⁴.

While other districts face pressing challenges to diversify their economies, Waverley already has a diverse business base, which includes many small and medium sized enterprises operating across a range of industry sectors. This, in combination with the Borough's high levels of economic prosperity, means there is no strategic need to pursue high levels of growth.

While the Council is keen to manage employment growth levels so that they do not adversely affect the Borough's character and environmental quality, it will maintain a positive outlook towards exploring opportunities for employment growth in appropriate locations with an emphasis on higher skilled well paid jobs.

The Borough will aim to make full use of its existing supply of employment land to accommodate levels of employment growth in line with past trends. The 2014 Employment Land Review Update concluded that Waverley has sufficient land supply to meet trend-based needs over the period to 2031. The former Dunsfold Aerodrome (Dunsfold Park) may present an opportunity for potentially significant levels of mixed use development that the Council would consider.

Key employment sectors over the coming years are likely to include the service industry (including retail, food and drink, and leisure) and office-based sectors such as information and communication, and public services. There are also mutual opportunities to be gained from strengthening links between local businesses and the University for the Creative Arts (e.g. greater sharing of knowledge between local businesses and students, secondments and industry placements, and potential employment opportunities).

The Borough has the potential to further explore the benefits of the visitor economy, including forging stronger links with Visit Surrey to take advantage of additional publicity for Waverley's large scale events and activities. The main focus will be on attracting day visits and providing events and attractions that can be enjoyed by local residents.

The Borough enjoys high levels of home working and this trend is likely to grow further in future years. This reduces the need for physical employment space, reduces demand on Waverley's transport infrastructure, and encourages more day to day spend from these workers in local shops and the wider economy. However, it places a greater emphasis on the need for high quality broadband and telecommunications infrastructure and locally delivered business support services.

Objective 5 – Support businesses

The Council has a good track record of supporting local businesses and it is important that it continues to engage with them, understand their needs and offer high quality business support.

As part of its business support plan, the Council has had a Service Level Agreement with Enterprise First for several years. Enterprise First is a not for profit organisation that provides free business

⁴ An example of this is that the World Wildlife Fund (WWF) left Waverley to move to a more attractive environment for their business but there has been no interest from other businesses to move into the vacated premises.

advice to local start-ups on behalf of the Council. Its offer includes a variety of free programmes and support for businesses, including practical workshops on marketing and finance and annual “Ask the Expert” events where people thinking of starting a business can put questions to a panel of experts on various subjects such as accountancy, law, social media, and many council services such as business rates and planning.

The business support provided by Enterprise First has been well received by local businesses (a case study is presented in Appendix 1). The current agreement runs until the end of March 2017 and it is important that the Council continues to offer local business first class support beyond that date.

Communication with businesses is essential and the Council will continue to communicate with businesses, including sending regular e-bulletins with details of events and news, maintaining and updating its economic development webpages, and publishing regular press releases and articles in Waverley’s Making Waves magazine.

Support for social enterprises is also important both from an economic and a social perspective. Social enterprises are an important part of the community life in Waverley, providing high quality products and services and generating a profit for community benefit rather than private gain. While social enterprises cannot be ‘planted’ in a community, the Council and other bodies (e.g. Surrey Network for Social Enterprise) can create the conditions to encourage them to start up and grow. This can be achieved by providing the information volunteers need to set up a social enterprise, providing training for volunteers and promoting the services of social enterprises.

The Council will also support initiatives to further develop the skills and qualifications of the local workforce. This will benefit both the local workforce and local businesses, as it will make it easier to recruit locally.

The Council will continue to support its successful job clubs initiative, which supports job seekers to find work or training. There are currently two job clubs in Waverley, providing tailored support and advice to those seeking employment. Cranfold Job Seekers’ Club in Cranleigh has been running for over 20 years, open two days a week, assisted by a team of volunteers and supported by a grant from the Council. Over a year ago, the Council also established a job club at Sandy Hill in Farnham, staffed by Waverley Training Services, in partnership with First Wessex. It offers advice in areas such as CV preparation, interview techniques and job search.

Objective 6 – Provide affordable housing for key workers

It is vital to Waverley’s prosperity that it continues to deliver high quality health, educational, care and security services. However, the high cost of living in Waverley is not matched by the typical pay offered by these types of local jobs, particularly those in key service sectors.

The median gross annual pay of people working in Waverley is £26,300 while the median house price is £350,000 and the mean house price is £452,750. This means that the typical house in Waverley costs more than 13 times the typical salary of people working in the Borough.

This creates the crucial challenge of ensuring that key workers are able to find affordable accommodation within the Borough. At present, Waverley has a high proportion of residents commuting out of the Borough to access higher paying jobs while a significant number of workers from outside the Borough commute into Waverley.

The Council will explore ways of ensuring that key workers are able to live and work in Waverley. This is vital not only for ensuring the continued provision of key services but also to enable key workers to set roots in the Borough, become an integrated part of the communities they serve and reduce the staff turnover levels in key service sectors and reduce pressure on local transport infrastructure. .

4. Delivering the strategy

A partnership for success

The Council has a key role to play in the delivery of this economic strategy but its ultimate success will depend on the development of strong partnerships with the private sector and other key stakeholders including the Local Enterprise Partnership, Surrey County Council, national public sector bodies, educational institutions, and training and business support providers.

Key employers (including businesses and schools) and the private sector (e.g. developers) have a key role to play in investing in the local economy, safeguarding existing jobs, creating new employment opportunities and delivering jobs and prosperity in the Borough. The Council has a crucial role to play in supporting and developing business partnerships, engaging with local businesses, understanding their problems and working with them to find efficient solutions. It will use its planning policies to support the continued prosperity of the Borough and maximise its network of partnerships to influence strategic decisions (such as securing investment in local infrastructure improvements).

With local authority budgets likely to continue to shrink in real terms over the coming years, the Council will need to prioritise and manage its resources in a way that maximises the impact of any interventions. The Council is unlikely to be able to achieve the objectives of this Strategy by itself and therefore engaging with, supporting and enabling partners (including the private sector) will be vital to the success of this Strategy.

For the Economic Strategy to remain relevant over time, it must remain organic and evolving. This document does not seek to give all the answers or detail the specific initiatives and actions that need to be delivered over the period to 2020. Rather, it sets the starting point for an ongoing process of honest dialogue and open exchange of ideas between all parties interested in the continued prosperity of the Borough.

The next step will be for the Council to engage with local residents, businesses and key partners to further develop its strategic economic priorities and the delivery approach. The Strategy will be updated on a regular basis (every 1-2 years) to reflect the key messages emerging from the consultation process and the changing economic circumstances.

Measuring progress

The success of the Strategy will be measured through a range of Key Performance Indicators (KPIs), both quantitative and qualitative. These will include:

- Town centre vacancy rates;
- Town centre footfall numbers;
- Town centre perception surveys;
- Business surveys;
- Business start-up and survival rates;
- Employment numbers;
- Economic activity levels;
- Residence and workplace based earnings levels;
- Broadband coverage; and
- Transport network improvements (including traffic and congestion levels).

It should be noted that the success of the Strategy could be affected by a range of external factors including the state of the national and international economy. Therefore the evaluation of the success of the Strategy will need to be undertaken within that context.

The Council will prepare annual economic reports providing updates of the Borough's economy, including analysis of key socio-economic indicators. The Council will undertake an interim evaluation of its Economic Strategy in 2-3 years' time, and a final evaluation upon the end of the Strategy period. The findings of the evaluations will be used to learn lessons about what has worked well and what could be improved, make adjustments to the Strategy and inform the future economic plans of the Council.



Appendix 1

Enterprise First business support case study:

The Lavender Hill Company



Sue Pritchard - Lavender Hill Company

Sue Pritchard worked as a manager in a number of florists for many years, her dream one day to own her own shop.

In 2002 Sue set up her own business preparing and selling wedding flowers from her garage as a Sole Trader and the business 'grew and grew'! After 8 years, Sue and her husband, who worked alongside her with his own furniture restoration business, found they had outgrown their workshop and mainly through personal recommendations, Sue realised there was an opportunity to fulfil her dream.

A unit on a popular parade of shops on the outskirts of Farnham town centre was spotted and the business plan was prepared. During Sue's communication with Waverley Borough Council, she was referred to Enterprise First for FREE business advice.

Sue first met with Henry Green, one of Enterprise First's Business Advisors in January 2011 to discuss how to go about starting up, renting premises and possible funding. Her initial meeting led to a follow up appointment to cover the Business Plan, in particular income and expenditure.

A month down the line Sue returned to Enterprise First once more to finalise her next steps forward and armed with new confidence, contacts and a bucket load of enthusiasm, took on the shop lease which officially opened to the public on the 22nd March 2011. Sue still regularly meets with Henry for advice and support for her business.

"Thanks to Enterprise First for the sound and wise information ... and for your friendly and professional help".

<http://www.lavenderhillcompany.co.uk>

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Post
Office

What's On

Notices &
Classified

Midnight
Mystery
Richard Stigbee
Sunday 10th July 1998
Priced from 40p

Midsummer Ball
in the grounds of Fountains
Hawthorn
BROWNS
July 18th 1998

THE
LIFE
OF
CHRIST