

BRIEFING NOTE – EAB 23 September 2019

Subject: Guildford Economic Report 2018

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Background

The Economic Development Team produces an annual Economic Report to highlight growth and productivity in the economy, employment levels, sector development and business news. The Report is essentially internal, for information only, but has been shared with one or two key partners in the past.

The Report utilises national data such as NOMIS, UK Business Counts, The Cambridge Data Model and Experience Guildford retail footfall. The Report also highlights place-based indicators such as the Lambert Smith Hampton and Grant Thornton Indexes that cover a range of economic and non-economic measures.

The Report also includes comparative figures for other key economic centres – Woking, Basingstoke, Rushmoor and Winchester. This is useful for comparing trends and seeing if there needs to be any changes in strategy.

Main Findings at a glance

- £5.5bn GVA – largest economy in Surrey and in EM3 area (p2)
- GVA per head marginally ahead of Woking but behind Winchester (p11)
- 8th in **LSH Economic Vitality Index 2019**:
 - 6th most highly educated
 - 8th fastest growing affluence
 - 10th most productive
 - 6th fastest growing
 - Much lower on green measures (Bournemouth top)
- 10th out of 324 LAs in **Grant Thornton Vibrant Economy Index**:

20th for prosperity

13th for dynamism and opportunity

15th for community, trust and belonging

- **BDO Best in Business Top 100** (in southern Home Counties) puts Guildford's Darton Commodities at No 1 spot with compound annual growth rate of 988% over the last three years. Seven of the top ten most profitable companies are in Surrey, of which three are in Guildford (p18)
- Corporate departures: Ericsson (moving nearer to Thames Valley customer base) (p2, p15)
 - Sanofi Pasteur due to relocate, also to Thames Valley (p2)
- Reduction in job numbers -2750 (-3.4%) (p2)
- However 19 new company arrivals, among best in Surrey (p2)
- Strong start-ups with typically high growth; poorer survival rates thought to reflect entrepreneurial environment, however 5-yr ONS figures show approximately average performance against local peers (p6)
- Micro businesses a regionally typical 90% (p3)
- Markedly strong number (1945) of Professional, Scientific & Technical companies... (p5)
-which operate with small average staff numbers (9000 in all) (p7)
- Qualifications: NVQ4 and above 42.2 (peer group average: 44%) (p10)
- Average earnings equal highest among peer group at £723 pw
- Office rents just ahead of Woking and 36% higher than Basingstoke: illustrates demand but also cost challenge for

existing businesses weighing up their commitment to Guildford (p12)

- Tourism: Guildford continues to outperform the region despite actual drop in figures (p14)
- Retail: under pressure but relatively strong, with rising footfall trend. Vacancy rates outperform nationally and regionally but a slight deterioration has been observed since last published figures of 5.8% However headline figures can mask underlying activity on lease negotiations(p14)
- University: Innovation continues to be key, with published Research & Innovation Strategy underpinning the importance of the institution's contribution to the economy through knowledge transfer, research, innovation and entrepreneurship – aligning perfectly with GBC's Innovation agenda and desire to support start-up and growth businesses

Discussion Points

- Discuss a Proposal to refresh our Economic Strategy to meet the challenges of climate change (and improve our 'Green Scores' in economic appraisals), but also to recognise the strategic context being driven by the emerging Local Industrial Strategy.
- The importance of future cross-border working and the recommendations of the Surrey Futures Group to attract Government funds and investment through joint bids and collaboration right across Surrey.
- How to capitalise on the 'Clean Growth' agenda and secure LEP funds.
- How do we ensure Guildford continues to be an attractive location for businesses to locate.

- We need to look at relatively poor initial survival rates for start-up businesses (what is behind this?)
- High cost of doing business and office rents - how this is impacting the economy (significant - retail)