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Guildford's Economic Strategy

Evidence Base



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1. Introduction



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Guildford's Economic Strategy Evidence Base

This document examines Guildford Borough's economic strengths, weaknesses, opportunities and threats. It is intended to inform the evidence-led priorities to be developed in the Guildford Economic Strategy.

The document has nine chapters:

1. Policy Context: What are Guildford's priorities and what policy supports these?
2. Productivity: What are Guildford's main economic strengths and how are these projected to change?
3. People: What are the characteristics of Guildford's residents, skills landscape and labour market and what challenges do they face?
4. Property: What are the characteristics of Guildford's commercial property market and how does it support key local industries?
5. Place: What is Guildford like as a place to live and how do its assets and infrastructure support the local economy?
6. Play: How is Guildford's town centre performing as a culture, leisure and retail destination?;
7. Perspectives: What do stakeholders perceived to be Guildford's greatest economic strengths, weaknesses, opportunities and threats?
8. Precedents: How do other borough councils approach Economic Development?
9. Pandemic: How has Guildford's economy, population and property been impacted by the COVID-19 pandemic over the last two years?

Study Comparators

Guildford's economic, social and commercial performance has been contextualised against the South East Region and England. The borough has also been benchmarked against areas around the M25 that Guildford competes with for investment, including cities, and towns that have recently applied to become cities.

It is important for Guildford to think beyond its neighbours to support its economic development and set its ambitions, and it is therefore valuable to understand how well it competes with other boroughs of similar scales and in similar locations. Guildford's comparators are summarised in the panel to the right.

Guildford's Comparator Locations

Cambridge

Reading

Milton Keynes

Crawley

Colchester

Oxford

St Albans

Canterbury

Chelmsford

Southend-on-Sea

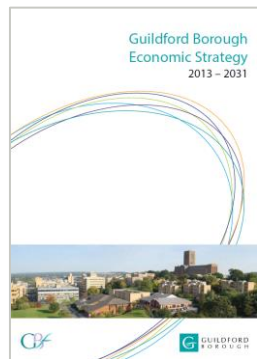
2. Policy Context



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Focus On: The Role of Local Authorities in Economic Development

The main policies and strategies that guide Guildford Borough Council's activity in economic development are summarised below to contextualise the rest of this document.



Guildford Borough Economic Strategy (2013-2031)

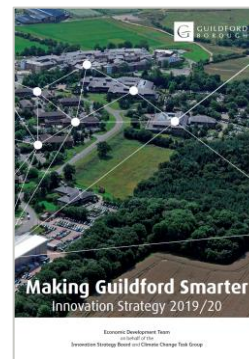
Aims to ensure that *“Guildford continues to be a top-performing economy in Surrey in the years up to 2031 and beyond – with an economy that is innovative, smart, balanced and socially, environmentally and commercially sustainable.”*

Main Challenges Identified: Employment land site availability is a vital factor in attracting new firms into the area and retaining existing firms that have the opportunity to scale-up; there are pockets of disadvantage across the borough with some residents on low incomes, in receipt of benefits and with no or low qualifications with some areas being the most deprived in Surrey; housing affordability in the borough is low and is directly linked to challenges in the recruitment and retention of key workers, young people and lower paid employment.

Main Opportunities Identified: Guildford has strong transport connectivity and is only 30 miles from London; the borough has a diverse rural economy with specialisms across farming, food and tourism; Guildford has industry clusters in finance, IT and professional services; gaming; advanced manufacturing; healthcare; learning; and tourism.

Main Ambitions Set Out: (1) Leaders of Guildford's public and private sectors working together for the prosperity of the borough (2) the need to address difficulties of traffic congestion, lack of high-speed broadband and a shortage of houses for local workers (3) to support existing businesses and help them to address problems that are preventing them realising their growth potential (4) to help businesses increase their research and development spend and to support existing clusters in product development and through business support (5) to develop the skills that will be needed in the future and find supportive ways of providing skills and employment opportunities to those who are finding it difficult to get jobs.

Example Actions: GBC to develop a Local Plan that supports and builds economic growth across the borough; working with partners to support the rural economy; work with local transport bodies to resolve Guildford's congestion issues; bring forward a mixed-use retail led development of land in North Street; actively pursuing other major developments on key sites such as Guildford Park and Bedford Road car parks; progressing the Slyfield Area Regeneration project over the next 7-15 years.



Guildford Innovation Strategy (2019-2020)

Establishes a vision for Guildford that aims to *“enable technological change and innovation to support local economic competitiveness, quality of life and public service delivery with a view to creating a vibrant, prosperous, resilient and sustainable borough for the digital age.”*

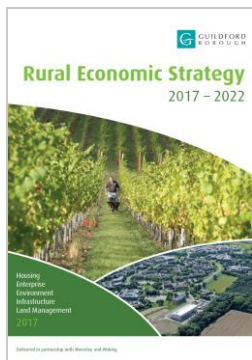
Main Challenges Identified: Digital connectivity across Guildford is variable with some residents and businesses unable to access the higher broadband speeds required to work effectively; the retail sector is vulnerable to market dynamics and needs to be supported as digital technology plays an increasing role in physical retail environments; transport infrastructure is shifting to greener and safer modes of transport and existing stock (e.g. those with internal combustion engines) will soon be outlawed.

Main Opportunities Identified: Digital technologies offer the opportunity to adopt safer and greener ways of living, including across digital connectivity, transport infrastructure, construction, businesses and healthcare. Guildford's industrial clusters in space, digital gaming, 5G communications and digital health would all benefit from improved digital infrastructure and business support. Innovation can be used to make the Council and its services more efficient and improved value for money.

Main Ambitions Set Out: (1) Facilitating smart places infrastructure across Guildford (2) Guildford as the innovator's location of choice (3) working to improve value for money and efficiency in Council services.

Example Actions: Council to support the installation of a 1Gbps symmetrical broadband network that can support future technologies and communication; promote and work with the University of Surrey to develop a 5G Communications Network in the town; electrification of Guildford's bus stock; adoption of smart and sustainable methods of construction; GBC advocating for innovation that helps to tackle climate change; promotion of innovation clusters across space, digital gaming, 5G communications and digital health sectors; business support for SMEs including the Guildford Business Growth Programme; GBC to make its data publicly available where possible; and Future Guildford activities including investment in technologies that improve efficiency within the Council and its services.

Focus On: The Role of Local Authorities in Economic Development



Guildford Rural Economic Strategy (2017-2022)

The purpose of the 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.”*

Main Challenges Identified: Impact of Brexit on the rural farming and land-based sectors; increased traffic accessing the public countryside; the impact of climate change on nature; poor digital skills in sectors such as farming; limited agriculture-specific tech transfer; limited broadband connectivity in some areas; A3-M25 congestion and local roads impact.

Main Opportunities Identified: Approximately 25% of local jobs are located in Guildford’s rural wards; Guildford has an outstanding and diverse natural landscape with Surrey being the UK’s most densely-wooded County; a rich natural and agricultural heritage; Guildford’s attractive rural area is a popular place to live and visit.

Main Ambitions Set Out: (1) Affordable housing and sustainable communities (2) infrastructure for enterprise (3) farming, landscape management and countryside vision (4) green space health and wellbeing for better quality of life (5) energy policy, generation, storage and supply.

Example Actions: Strengthening of communications between the GBC Rural Economy Officer and Parish Councils in the borough; work with Parish Councils, external partners and planners to support Neighbourhood Plans as appropriate if these involve allocating sites; use Government funding and support for community groups to identify interest in community housing projects; identify and allocate commercial sites in rural areas; support the SETsquared Digital Accelerator Programme and work with the University of Surrey to pilot a 5G project for rural parts of the borough; work with partners to attract and/or influence the EU or UK funding mechanisms to support the rural economy; work 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; work with farmers, landowners and other partners to identify five possible wood fuel supply/heat/power plant opportunities and options for energy storage in line with the GBC Local Plan.



Guildford Local Plan (2015-2034)

Addresses the need to deliver *“more housing, employment space and supporting infrastructure whilst preserving the borough’s special landscapes and environmental qualities.”*

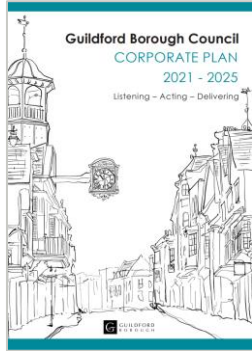
Main Economic Challenges Identified: There are several pockets of deprivation across the borough; housing affordability is low and means that many workers are unable to afford homes close to work; some sectors have a skills shortage; pressure on existing infrastructure; traffic congestion particularly at peak hours impacts residents, workers and businesses; and Guildford’s town centre is at risk of fluvial and surface water flooding.

Main Economic Opportunities Identified: Guildford is an important regional centre with key employment sectors including public administration, education and health, finance, distribution, hotels and restaurants; Guildford’s retail offer is strong; the borough has a growing cluster of high tech industries focused around Surrey Research Park and cluster of gaming companies in Guildford town centre; good road and rail connectivity to London and the wider South East; the borough is an attractive place to live with a rich and varied architectural heritage; and scenic natural environment that includes the River Wey and Surrey AONB.

Main Ambitions Set Out: An overarching spatial vision that meets the identified growth needs of the borough in terms of housing, employment and retail and leisure.

Example Economic Actions: Provision for at least 10,678 additional homes by 2034; approximately 40% affordable housing for new developments; brownfield site redevelopment in urban areas; greenfield site development as two urban extensions at Gosden Hill Farm (north east of the Guildford) and Blackwell Farm (south west of Guildford); new settlement development at Wisley airfield; provision of 240 ha of accessible public open space across the borough; delivery of strategic employment sites including an extension to Surrey Research Park; the redevelopment of North Street in Guildford town centre for retail, leisure and housing uses; and improvements to transport infrastructure including new rail stations at Guildford West and Guildford East, road network improvements, a park and ride scheme at Gosden Hill Farm and a Sustainable Movement Corridor.

Focus On: The Role of Local Authorities in Economic Development



Guildford Corporate Plan (2021-2025)

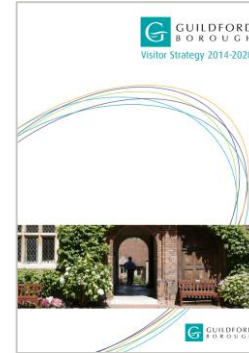
A vision for “a green, thriving town and villages where people have the homes they need, access to quality employment, with strong and safe communities that come together to support those needing help.”

Main Economic Challenges Identified: Guildford town centre in need of revival; need for affordable housing; environmental sustainability in waste, travel and energy choices; traffic congestion; inequality in communities; economic activity challenges; and homelessness.

Main Economic Opportunities Identified: Guildford contributes £5.5bn to the UK economy; a highly educated workforce; a world leader in the gaming industry; home to a world class university and excellent schools; more than three million visitors each year; 270 km² of land of which 83.5% is green belt.

Main Ambitions Set Out: (1) Residents having access to the homes and jobs they need (2) protecting the environment (3) empowering communities and supporting people who need help.

Example Economic Actions: Guildford Economic Regeneration Programme to revitalise the town centre with affordable, sustainable living and high-quality public spaces; Weyside Urban Village riverside community of 1,500 homes on brownfield land at Slyfield; programme for housing led regeneration of sites in GBC ownership for high quality homes for residents at an affordable price; and climate change programme to deliver a pathway to carbon neutral by 2030.



Guildford Visitor Strategy (2014-2020)

A strategy to “to ensure that the town and surrounding area grows and flourishes as a visitor destination.”

Main Challenges Identified: Traffic congestion; confusing signage especially for long-term parking and brown signs on the A3; lack of strong branding; poor image as a commuter town; perceived as an expensive borough; lack of budget accommodation bed space; poor perception of the visitor economy by residents; lack of understanding/support of the visitor economy in planning policies.

Main Opportunities Identified: A more joined up/professional branding project; better information about countryside offer; work with Travel Smart on a better signage project; open up opportunities on the river; more/improve festivals and arts offer; more strategic approach to monitoring research/stats for Guildford's visitor economy; better use of the university and Sports Park for sporting events.

Main Ambitions Set Out: (1) Improve the visitor experience to Guildford (2) Develop a Guildford visitor economy that is cost effective, long-lasting, potentially self financing and beneficial to the borough (3) Raise the profile of Guildford to local, domestic and international visitors to attract a larger share of the tourism market (4) Celebrate a Guildford Festival Culture by developing a coordinated programme of events that strengthen the visitor economy (5) Ensure Guildford's visitor businesses are influencing other organisations' plans to attract investment and enhance the borough's visitor economy and identify and work with funding providers to secure capital and revenue for on-going projects (6) Develop the Council and town's heritage offer including development of the castle and museum site and creation of a heritage quarter.

Example Actions: Work with SCC Highways and EM3 LEP on allocation of LEP Growth Deal funding and Woking; Guildford Connectivity Project on identifying the economic impact of government investment into the A3 and key M25 junctions; continue to improve 'way finding' signs in the town centre and seek initial funding for public realm improvements that will benefit the visitor experience; be a key player in Visit Surrey to benefit the visitor economy sector in Surrey; implement the castle and museum development project; progress establishment of a town centre heritage quarter.

3. Productivity

What are Guildford's main economic strengths and how are these projected to change?

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Productivity: Summary

The size of Guildford's economy is similar to comparator areas ...



Guildford generated £5.3bn in Gross Value Added (GVA) in 2020. This is similar to Chelmsford and Crawley, but is smaller than comparators such as Cambridge, Reading and Milton Keynes.

Guildford's economy has grown more slowly than competitors in recent years...



Guildford's economy has experienced +9% growth since 2015 which is lower than growth seen nationally, and lower than all comparator areas except from Crawley (-7%) and Reading (+3%).

Guildford's employment and business growth has been slower than elsewhere...



Employment has experienced +1% growth and business +1% growth over the past five years. This is a lower rate than nearly all competitor locations.

Guildford's economy is less entrepreneurial than elsewhere...



Business start up rates have been lower than its competitors and the South East average over the last five years of available date.

Guildford has a range of sector specialisms including technical services...



Guildford has sector specialisms in Professional, Scientific & Technical, Information & Communication activities, as well as niche sectors such as Gaming and Space & Satellite Technology.

Professional services are expected to drive Guildford's economic growth in the coming years...



Professional Services, Public Services and Accommodation are expected to drive employment growth across the borough. Green jobs will also become increasingly important.

Guildford is good place for long-term business establishment...



Despite lower levels of entrepreneurship, businesses that get beyond their first year have a higher chance of surviving in Guildford than in a number of comparator areas.

Why is this important?

- Economic productivity (GVA) is an important driver of employment, business and wages within a local economy.
- Higher value sectors such as Professional Services will likely bring in higher wage jobs to the borough.
- The ability of Guildford to support its business base will influence where businesses choose to locate in the future.
- Guildford's specialisms provide an opportunity to develop a niche within the region and nationally.

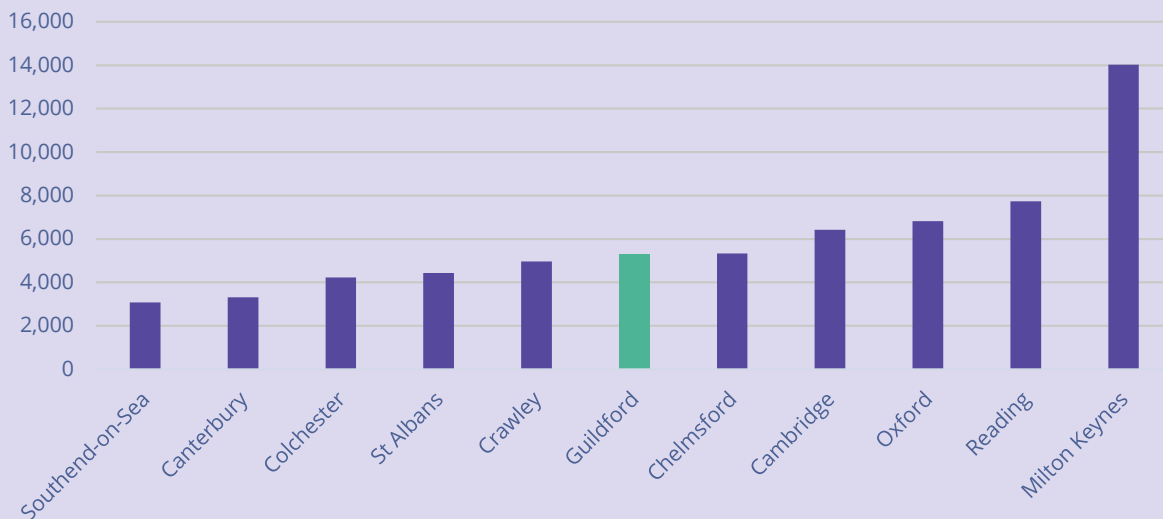
Guildford's economic output is reasonably strong but growth has been slow in recent years...

Guildford's Gross Value Added (GVA) is higher than a number of comparator areas: Guildford generated £5.3bn in GVA in 2020. Ranking sixth of all comparator areas this is higher than Crawley and St Albans but lower than Milton Keynes, Reading, Oxford, Cambridge and Chelmsford.

Once commuting effects are considered, Guildford performs better per capita: When GVA is considered on a per filled job basis, which takes into account net commuting effects, it is £57,858, which places Guildford at fourth highest against all comparator areas. This reflects Guildford's sector mix which includes several high value sectors.

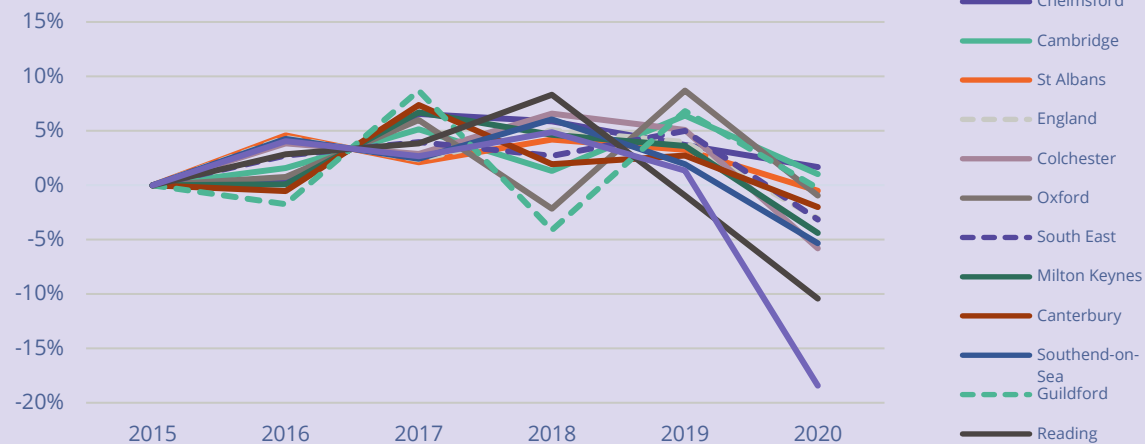
GVA growth in Guildford has, however, been slow in recent years: Guildford's economy has experienced +9% growth over the last five years. This is lower than all comparators except from Crawley (-7%) and Reading (+3%).

GVA, 2020

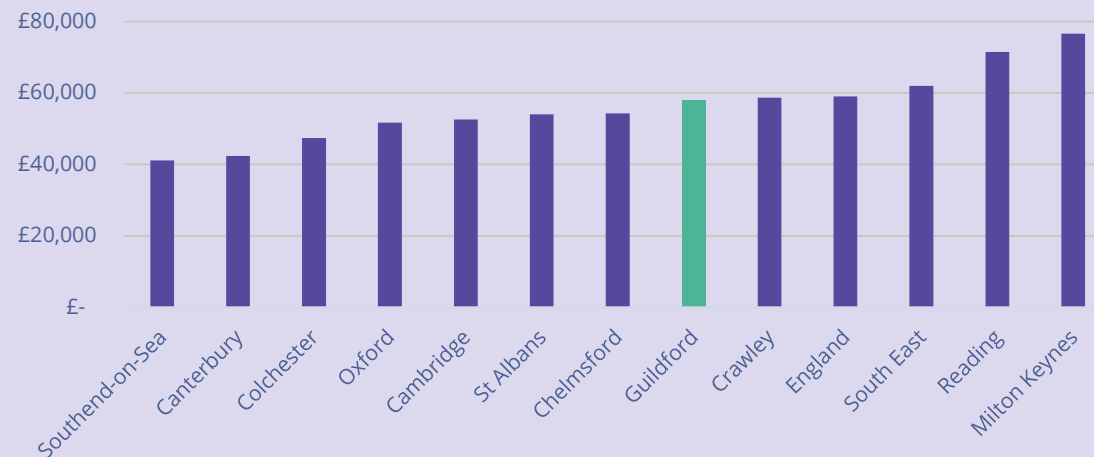


Source: ONS. Regional gross value added (balanced) by industry (2020)

GVA Change, 2015-2020



GVA per Filled Job, 2020



Source: ONS. Regional gross value added (balanced) by industry (2020)

Economic output is underpinned by employment in professional sectors, which have seen slow growth in recent years...

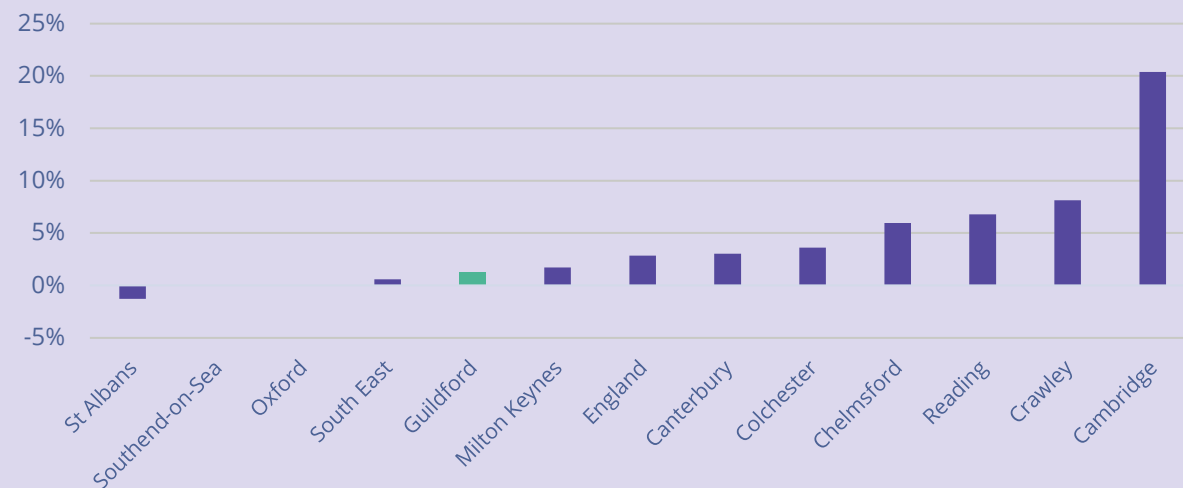
Guildford is home to 80,000 jobs across a range of sectors.

The employment base is underpinned by important foundational sectors: Health is Guildford's largest employment sector with 11,000 jobs (equivalent to 14% of total employment) with further employment in education (9,000 jobs) and accommodation & food services (6,000 jobs). These sectors are important as they support local people to fulfil their day-to-day needs, but they contribute less to Gross Value Added per employee than other sectors.

The borough is also home to significant high value employment: Professional, scientific and technical is Guildford's second largest employment sector with 10,000 jobs. The borough also hosts a higher than average proportion of employment in information and communication (5,000 jobs). This is reflected in Guildford's above average performance in productivity per worker.

Guildford's employment growth has been slower than elsewhere in recent years: Guildford has experienced only +1% employment growth since 2015, which is far lower than Cambridge (+20%), Crawley (+8%), Reading (+7%) and several comparators yet is in line with the South East.

Employment Change, 2015-2020



Source: ONS. Business Register and Employment Survey, 2020

Employment by Sector, 2015-2020



Source: ONS. Business Register and Employment Survey, 2020

Employment has grown in some areas but not others...

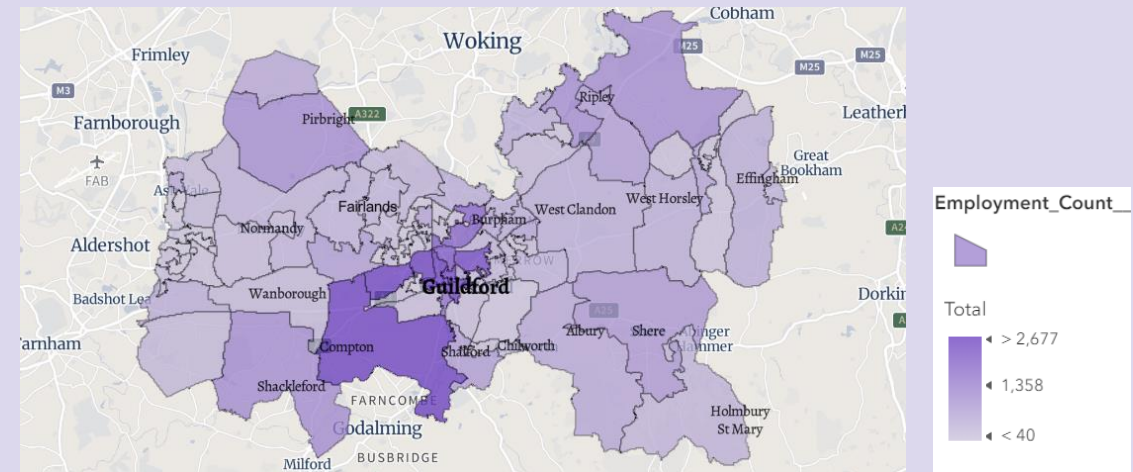
There are several significant employment clusters across the town centre and wider Guildford: Employment is concentrated in the town centre and surrounding areas on Surrey Research Park and Guildford Business Park. Key town centre clusters include retail (Marks and Spencer, Zara and Primark), gaming (EA Games, Supermassive Games), science (Surrey Research Park, University of Surrey, Pirbright Institute) and health (Royal Surrey Hospital).

Employment growth has been strongest in existing employment locations such as Surrey Research Park: Employment growth has been strongest in Surrey Research Park (+2,000 jobs), Pirbright (+250 jobs) and Peasmarsh (+500 jobs). Employment growth at Peasmarsh is likely connected to Weyvern Park and Riverway Industrial Estates which are home to several car dealerships (Tesla, Lookers, Harley-Davidson), iGuzzini illuminazione UK Ltd lighting manufacturers and several wholesalers.

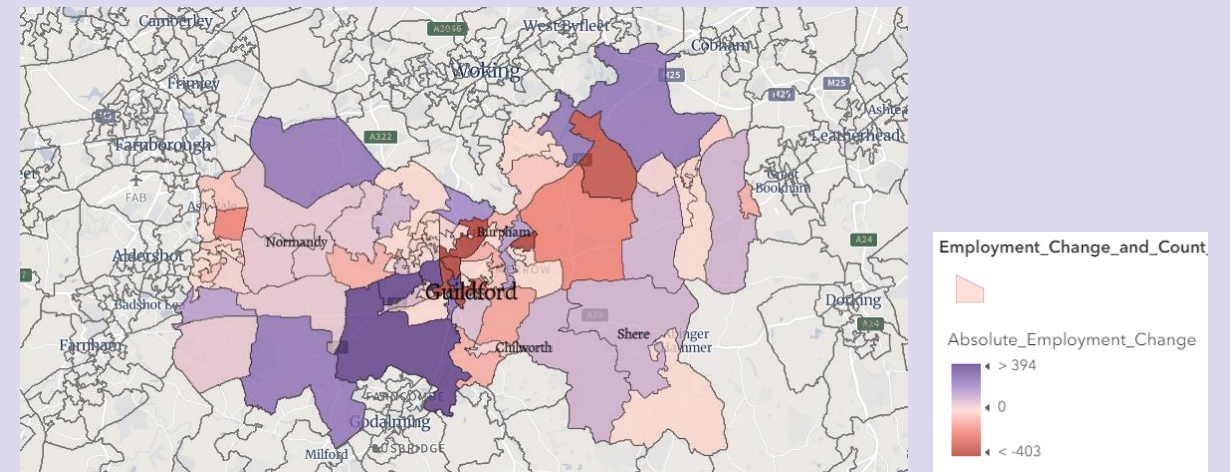
Guildford's town centre has experienced some of the largest employment decline in recent years: The town centre has lost several chain retailers (-2,000 jobs) in recent years including Debenhams in 2020. Some employment loss has occurred around Ripley (-350 jobs) which may be linked to the several construction and building supplies businesses located here.

Industrial estates have also experienced employment loss: There has also been some employment losses on industrial estates such as Lysons Avenue in Ash (-200 jobs) and Slyfield in Guildford (-1,000 jobs). Employment loss at Slyfield Industrial Estate is in part related to the loss of the bus and coach builder Alexander Dennis and ongoing redevelopment of the estate.

Employment Count, 2020



Employment Change, 2015-2020



Source: ONS. Business Register and Employment Survey, 2020

Guildford's business base has also experienced slow growth in recent years...

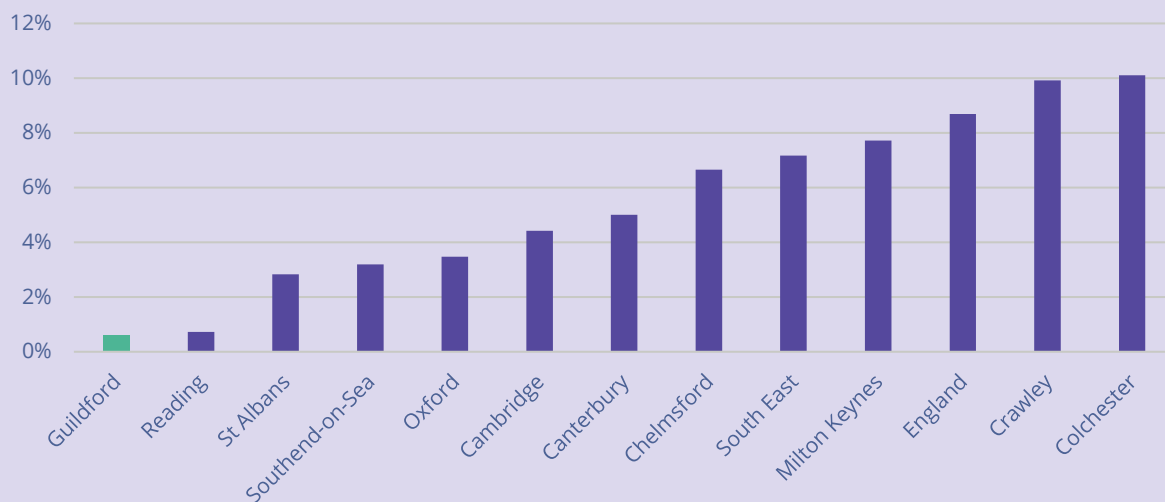
Guildford is home to 7,260 businesses.

High value sectors are important to Guildford's business base: Professional, scientific and technical is Guildford's largest business sector with 1,860 businesses (equivalent to 25% of the total business base) followed by information & communication (965 businesses)

Other sectors play an important supporting role: Construction (890 businesses), business administration & support services (700 businesses) and arts, entertainment, recreation & other services (480 businesses).

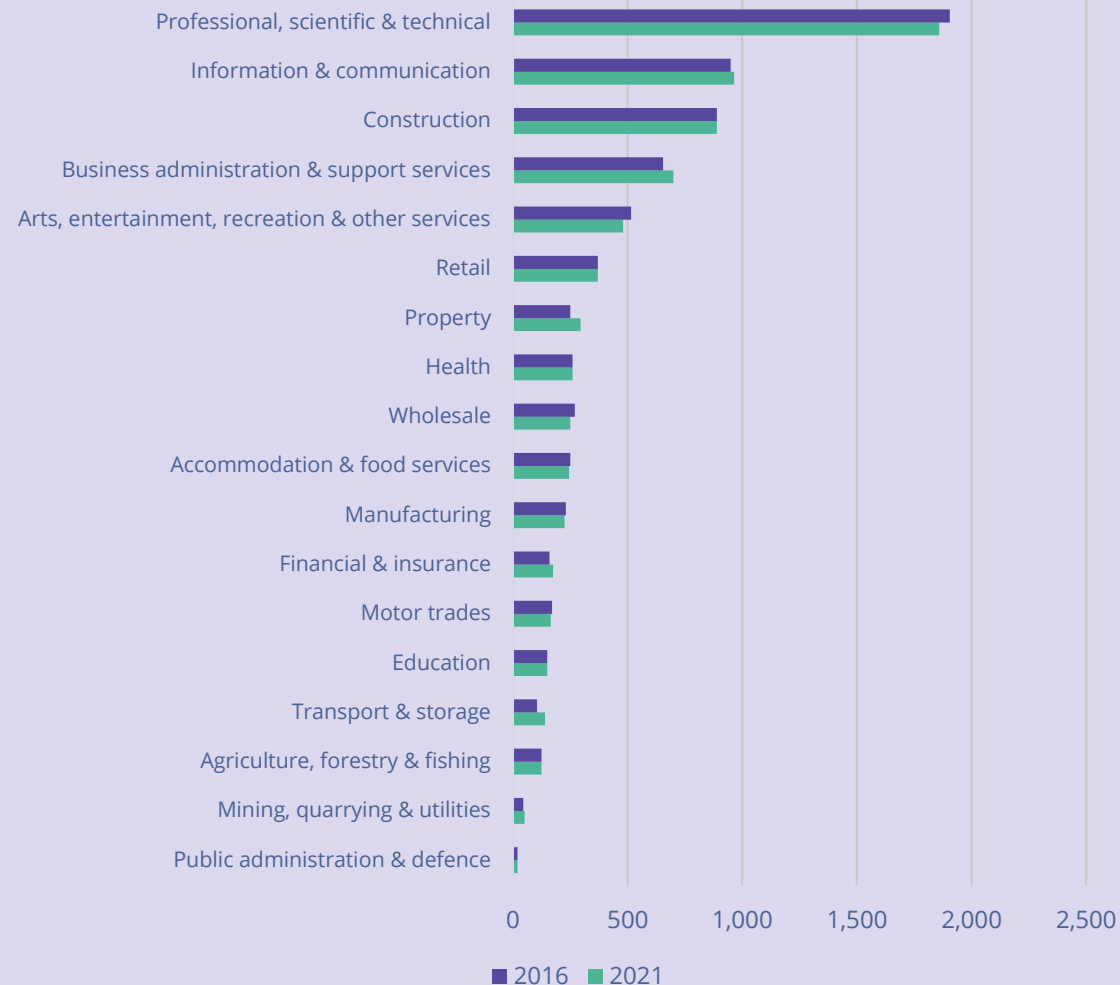
Business growth has been slow: The borough has experienced only +1% business growth since 2016, which is far lower than all comparator areas including most notably Colchester (+10%), Crawley (+10%), Milton Keynes (+8%) and Chelmsford (+7%). Guildford's business growth also lags behind the averages for the South East (+7%) and England (+9%). This is reflected in Guildford's low GVA growth over the past five years (+9%).

Business Change, 2016-2021



Source: ONS. UK Business Count, 2021

Businesses by Sector, 2021



Source: ONS. UK Business Count, 2021

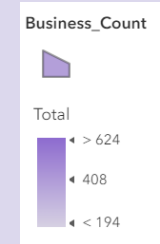
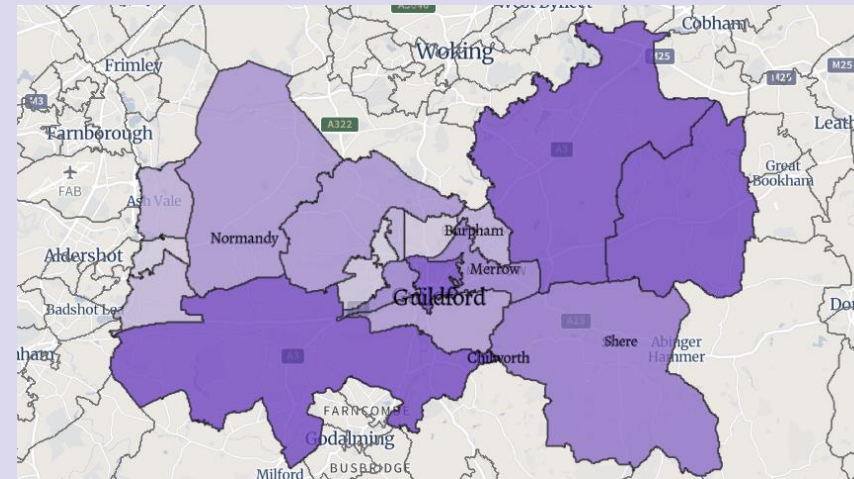
Business numbers have increased in some places but decreased in others...

Businesses are concentrated in Guildford and in locations with easy access to the A3 road network: The largest numbers of businesses are located in Guildford town and along the A3 road network in Compton through to Send and West Clandon.

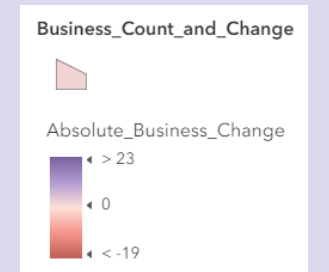
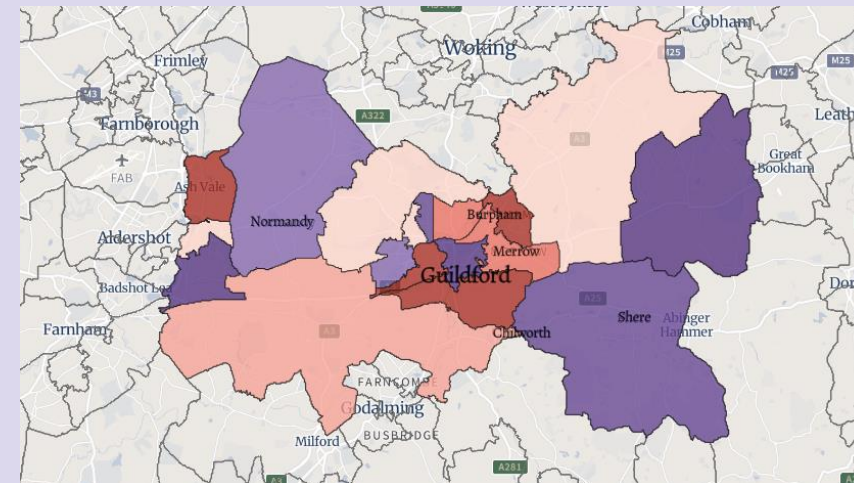
Business growth has been strongest in the Ash, Guildford and Leatherhead: These locations have seen the largest absolute growth in business numbers over the past five years. Some of the larger businesses include Canna Enterprise Park and Ldl Business Centre in Ash and smaller businesses in Leatherhead,

Peripheral locations around Guildford and Ash have lost the largest numbers of business in recent years: These businesses have seen the largest absolute decline in business numbers over the past five years. This is likely tied to changes in activity on Guildford's industrial estates and business parks which tend to be located out of town.

Business Count, 2021



Business Change, 2016-2021



Source: ONS. UK Business Count, 2021

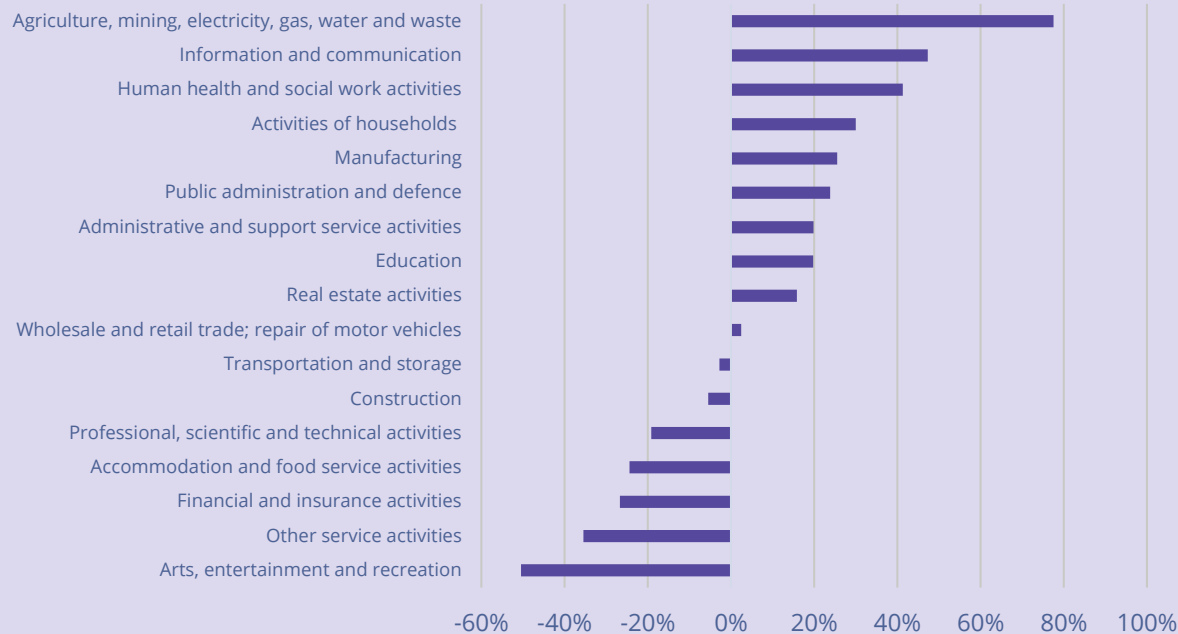
Guildford's economic output has some key drivers...

The main drivers of economic output are real estate activities, wholesale and retail trade, information & communication and human health and social work activities.

Some of Guildford's largest contributors have also experienced strong GVA growth in recent years: For example, information & communication is Guildford's third largest contributor to economic output and has seen a +47% increase over the past five years.

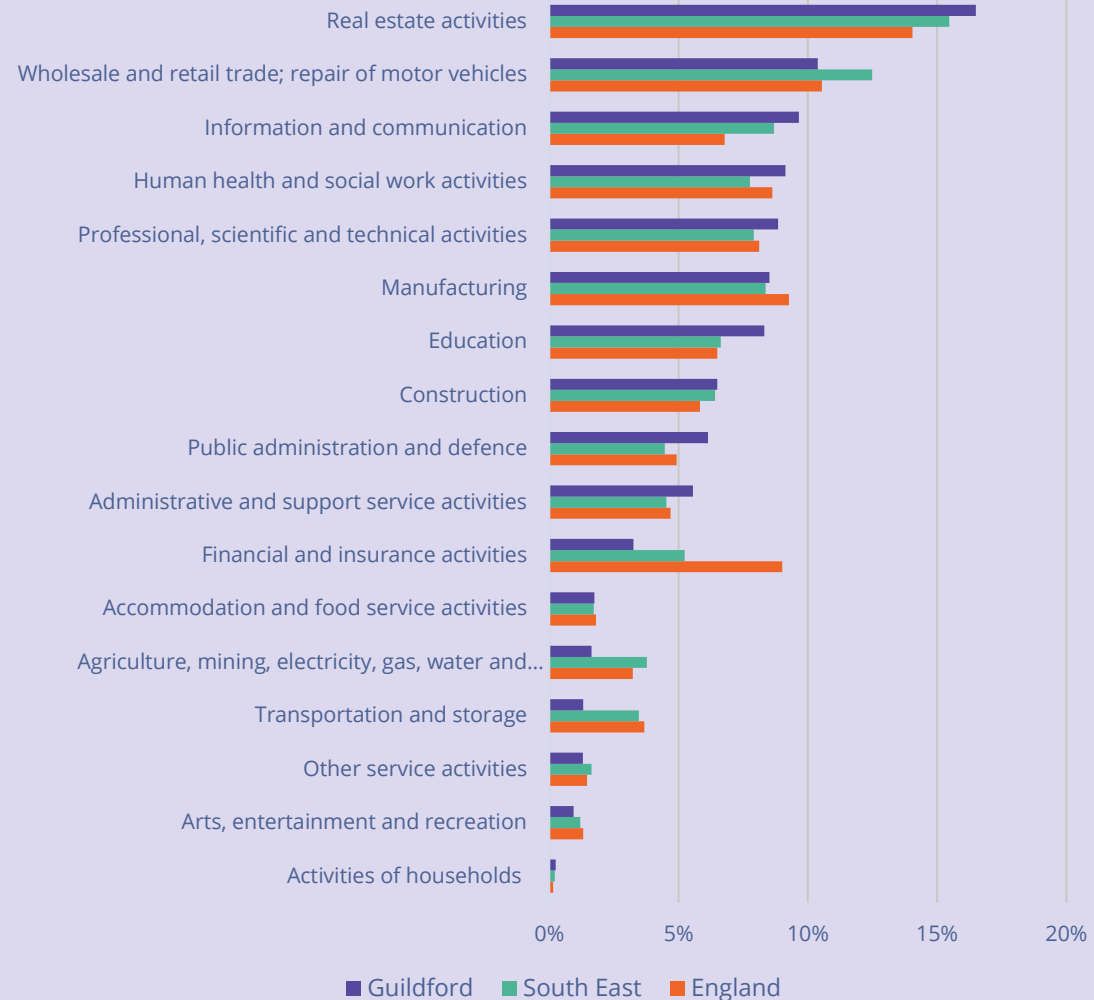
Some higher value sectors are underrepresented in Guildford's economic make-up: Finance and insurance contributes significantly less to Guildford's output than at the South East and England level.

GVA Change by Sector, 2015-2020



Source: ONS. Regional gross value added (balanced) by industry (2020)

Economic Output by Sector, 2015 vs 2020



Source: ONS. Regional gross value added (balanced) by industry (2020)

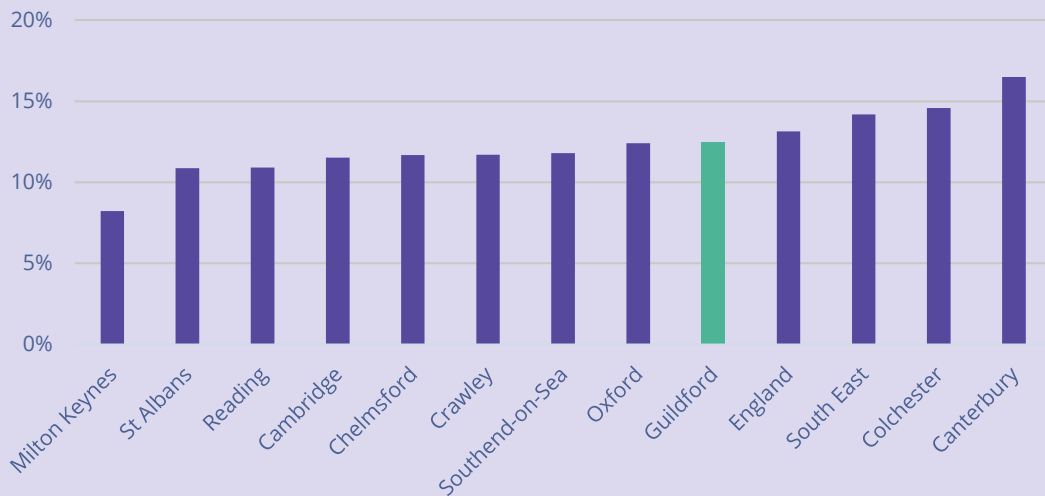
Microbusinesses are important to Guildford's economy...

In common with most of Guildford's comparators, Guildford's business base is dominated by microbusinesses: Defined as businesses that have fewer than 10 employees, microbusinesses account for 90% of total businesses in Guildford, which is in line with the proportions seen in the South East (90%) and England (90%).

Guildford has a higher proportion of sole proprietor businesses than several comparators: Sole proprietor businesses are those who are sole traders or company owner-managers. Guildford is home to 920 sole proprietor businesses, equivalent to 13% of the borough's total business base. This is lower than the average for the South East (14%) and England (13%) and both Colchester (15%) and Canterbury (16%), but higher than all other comparator areas.

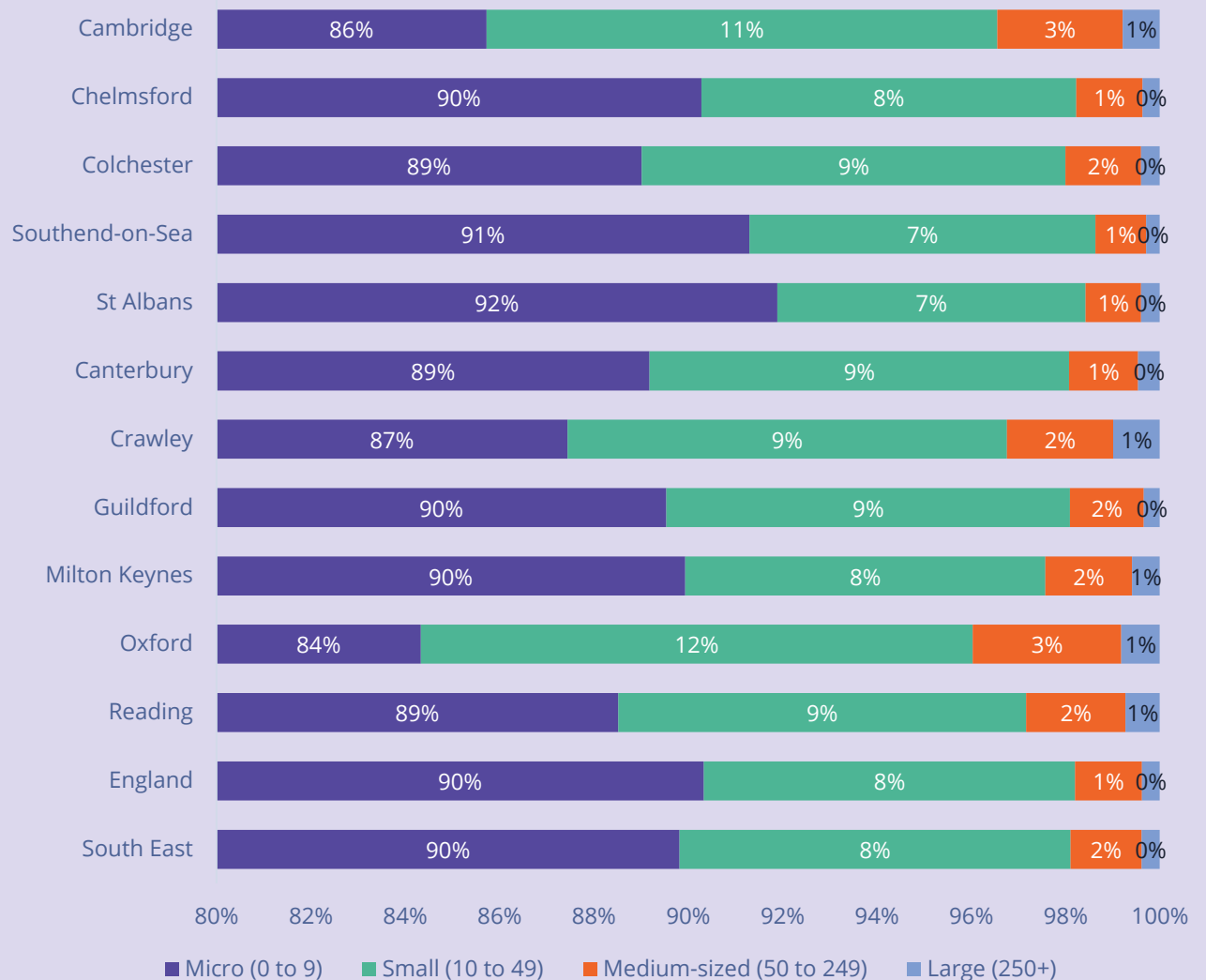
Recent literature suggests that this form of employment is increasingly attractive, with this category accounting for a very large proportion of recent growth in overall employment¹. It encompasses a variety of non-standard arrangements, such as independent contractors and 'gig-economy' workers.

Sole Proprietor Businesses as a % of the total business base, 2021



Source: ONS. UK Business Count, 2021.

Business Size Profile, 2021



Source: ONS. UK Business Count, 2021.

¹ IFS. What does the rise of self-employment tell us about the UK labour market? (2020)

IN FOCUS: Guildford's Priority Sectors

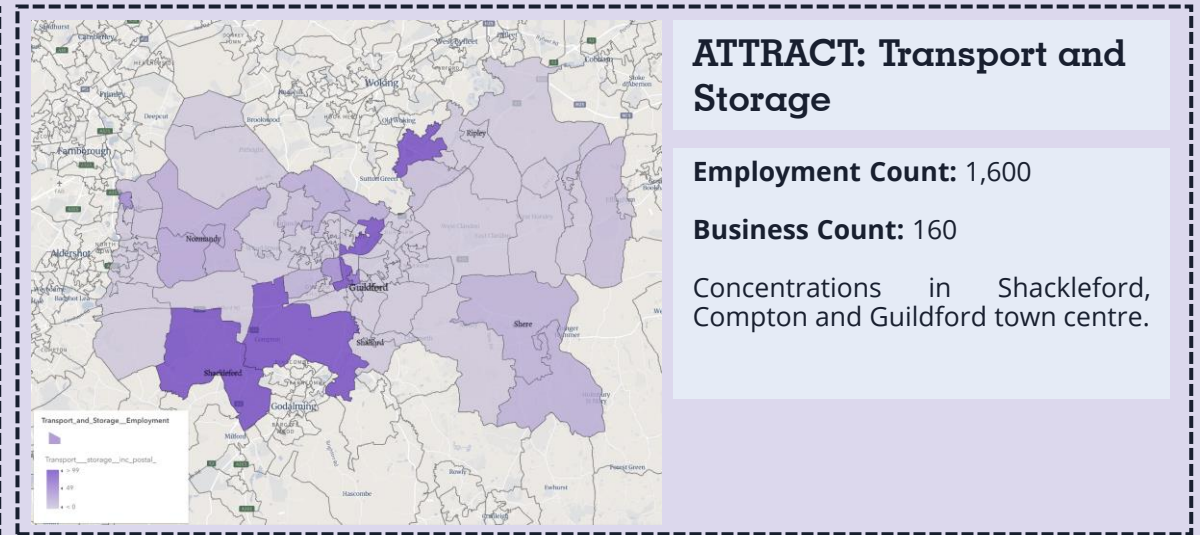
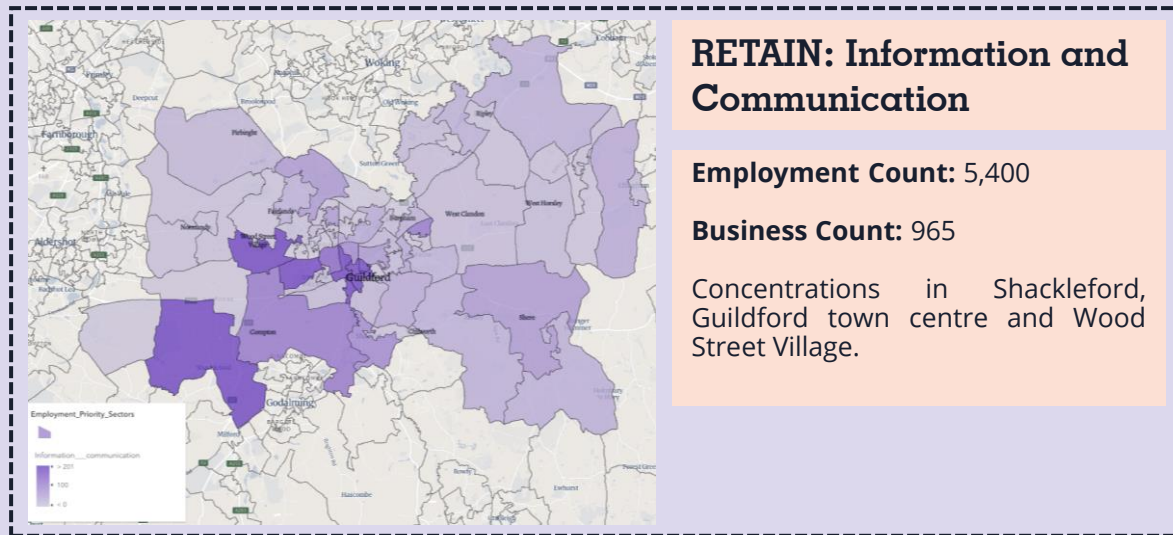
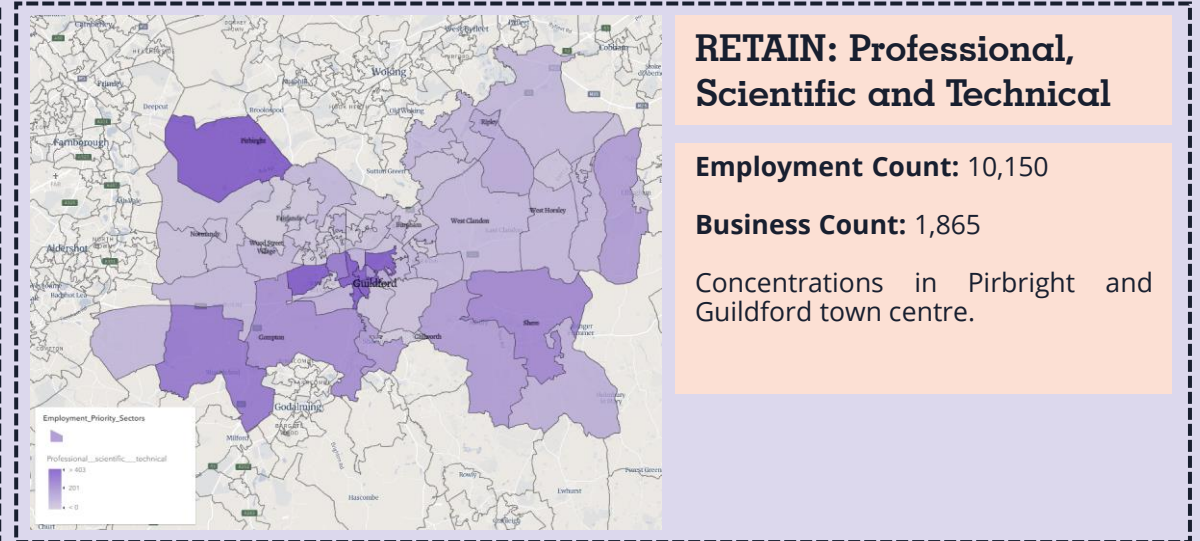
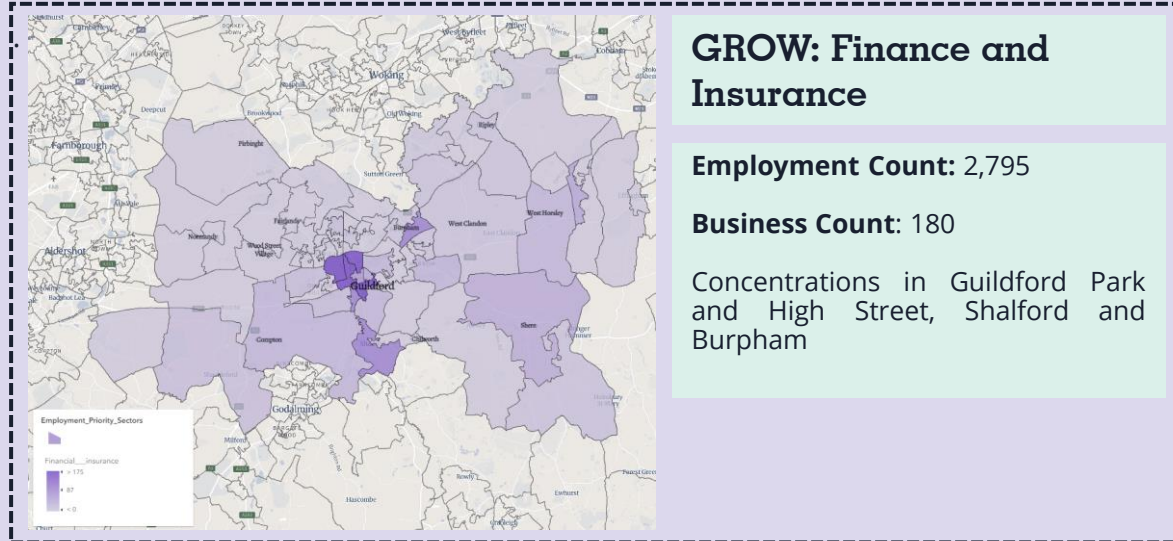
The table below summarises sectors in Guildford's that are priorities in terms of economic evidence and their policy alignment.

Category	Sector	Justification	Policy Alignment
GROW <i>Fast growing sectors that have some presence but could become more prominent and drive future economic growth</i>	Finance & Insurance	This sector represents only 3% of Guildford's economic output, 2% of businesses and 4% of employment, but it has experienced the second strongest rate of employment growth in recent years (+20%) and some business growth (+9%) yet the sector has experienced one of the largest declines in economic output of all of Guildford's sectors (-27%).	<ul style="list-style-type: none"> Finance is identified as an industry cluster in the Economic Strategy (2013).
	Health	As Guildford's largest employment sector, health supports 14% of total employment in the borough, but is not yet a significant specialism with only 1.1x as many jobs locally compared to the national level. Health ranks third in terms of GVA growth (+41%) and fourth in terms of employment growth (+10%). Guildford's specialisms in digital health form an important part of this sector.	<ul style="list-style-type: none"> Health and specifically digital health is identified as an industrial cluster in the Innovation Strategy (2019-2020).
RETAIN <i>Sectors that are embedded in the borough, generally with larger employment bases, that should be retained due to their local importance</i>	Professional, Scientific & Technical	A specialised employment and business sector, professional, scientific and technical is Guildford's largest business sector and second largest employment sector. Despite this, professional, scientific and technical accounts for a smaller than expected proportion of Guildford's economic output. This sector has also experienced GVA, employment and business decline in recent years.	<ul style="list-style-type: none"> Professional services is identified as an industry cluster in the Economic Strategy (2013).
	Information & Communication	Specialised for economic output, employment and business, IT is the third largest contributor to Guildford's economic output (10%), is the second largest business sector and supports 6% of total employment in the borough. IT has experienced the second strongest level of GVA growth of all of Guildford's sectors (+47%) but little employment (+0%) and business growth (+2%). Guildford's specialism in video gaming forms an important part of this sector.	<ul style="list-style-type: none"> IT is identified as an industry cluster in the Economic Strategy (2013). Promotion of Guildford as the location of choice for innovation businesses is an ambition in the Innovation Strategy (2019-2020). Digital gaming is identified as an industry cluster in the Innovation Strategy (2019-2020) and high tech industries more generally in the Local Plan (2015).
	Retail	Retail accounts for 8% of total employment in Guildford and combined with wholesale represents the second largest contributor to Guildford's economic output. The sector has experienced the largest employment decline (-25%) with little growth in economic output (+2%) and no business growth (+0%).	<ul style="list-style-type: none"> Guildford's existing retail offer is identified as a strength in the Local Plan (2015) and Innovation Strategy (2019-2020).
	Arts, entertainment, recreation and other services	This sector is more concentrated in Guildford than at the national level, representing 7% of total employment and 6% of all businesses. The sector is, however, at present one of the lowest contributors to Guildford's GVA and has experienced decline in GVA, employment and businesses in recent years.	<ul style="list-style-type: none"> Guildford as an important visitor destination and attractive natural environment is identified in the Economic Strategy (2013), Local Plan (2015) and Rural Economic Strategy (2017).
ATTRACT <i>Sectors that are small but could play an important role in the Borough's future economy</i>	Transport & Storage	This is Guildford's is least specialised across economic output, employment and business. The sector has experienced the strongest business growth (+33%) of all sectors in Guildford but has been accompanied by decline in employment (-14%) and economic output (-3%) over the same period. It has seen significant growth as a sector at the national level.	<ul style="list-style-type: none"> One ambition of the Economic Strategy (2013) is to support businesses and help them address problems that are preventing them from realising their growth potential - Guildford has seen a large growth in transport & storage businesses that is not reflected in employment or economic output contributions.

IN FOCUS: Guildford's Priority Sectors – Employment

The following pages demonstrate the spatial distribution of Guildford's Priority Sectors across the borough.

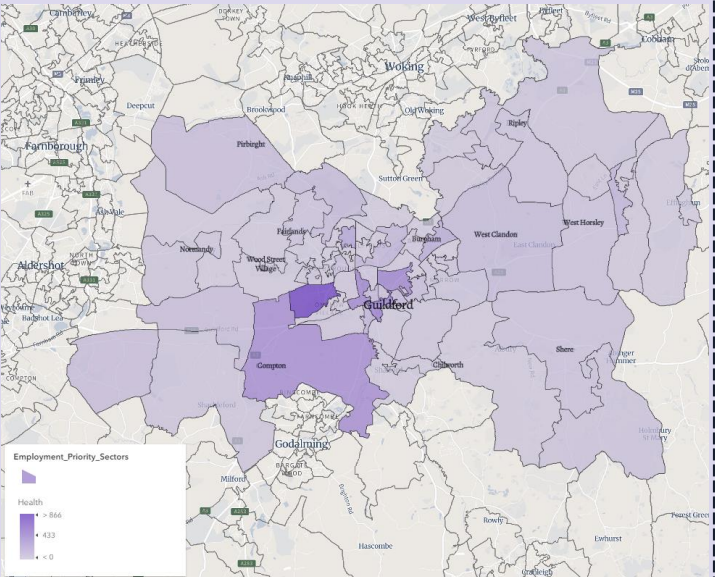
GROW: Fast growing sectors that have some presence but could become more prominent. **RETAIN:** Sectors that are embedded in the borough that should be retained due to their local importance. **ATTRACT:** sectors that are small but could play an important role in the Borough's future economy.



IN FOCUS: Guildford's Priority Sectors – Employment

GROW: Fast growing sectors that have some presence but could become more prominent. **RETAIN:** Sectors that are embedded in the borough that should be retained due to their local importance. **ATTRACT:** sectors that are small but could play an important role in the Borough's future economy.

GROW: Health

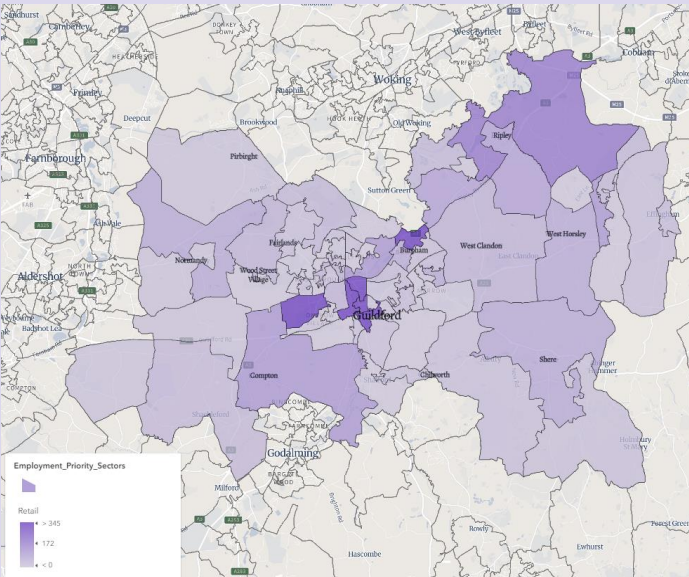


Employment Count: 10,695

Business Count: 255

Concentrations in Onslow Village and Compton

RETAIN: Retail

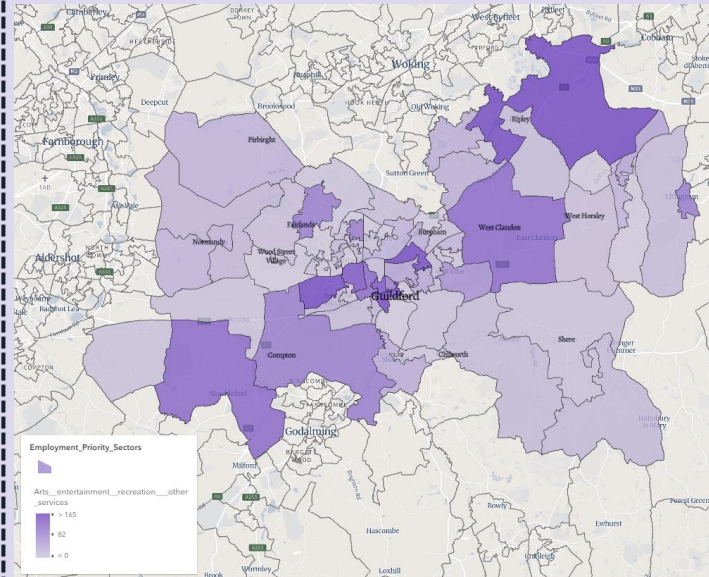


Employment Count: 6,480

Business Count: 370

Concentrations in Guildford town centre and Onslow Village.

RETAIN: Arts, entertainment, recreation and other services



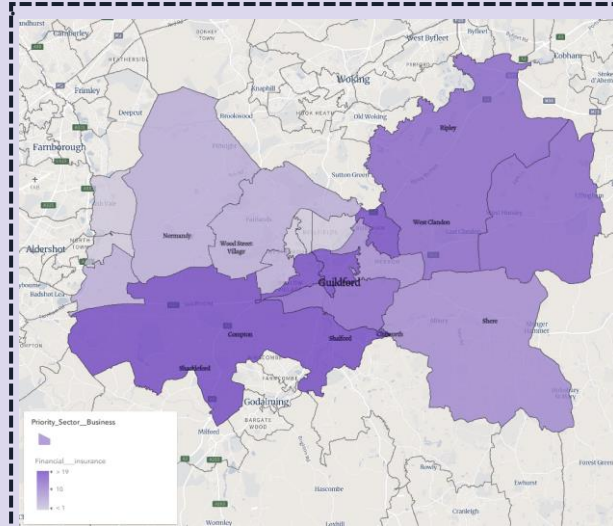
Employment Count: 4,325

Business Count: 485

Concentrations in Ockham, West Clandon, Guildford town centre and Shackleford

IN FOCUS: Guildford's Priority Sectors – Business

GROW: Fast growing sectors that have some presence but could become more prominent. **RETAIN:** Sectors that are embedded in the borough that should be retained due to their local importance. **ATTRACT:** sectors that are small but could play an important role in the Borough's future economy.

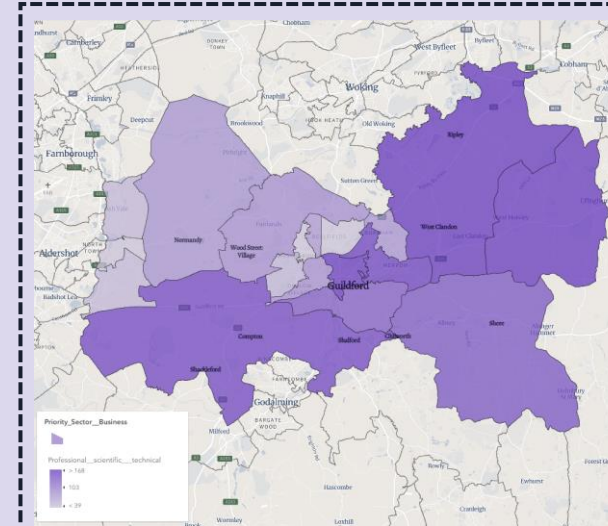


GROW: Finance and Insurance

Employment Count: 2,795

Business Count: 180

Concentrations in Shackleford, Compton, Guildford town centre and West Clandon.

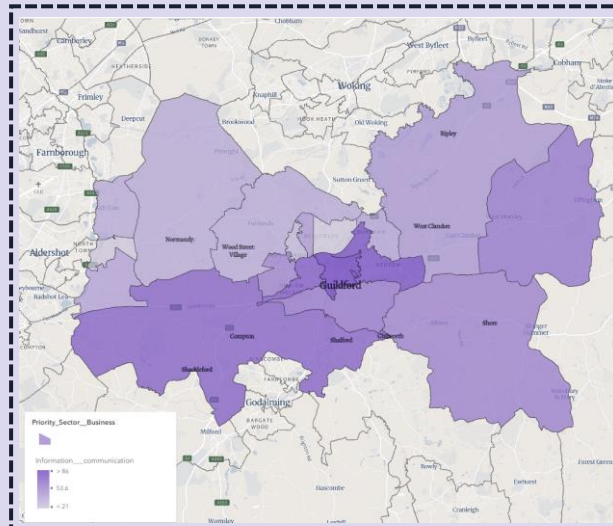


RETAIN: Professional, Scientific and Technical

Employment Count: 10,150

Business Count: 1,865

Concentrations in Shackleford, Compton, Guildford town centre and West Clandon

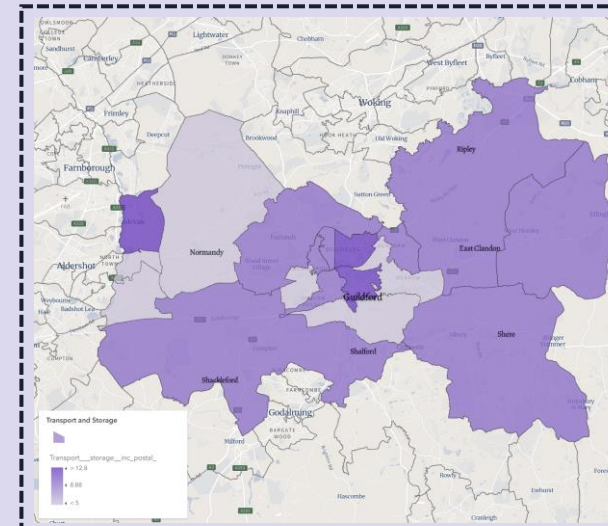


RETAIN: Information and Communication

Employment Count: 5,400

Business Count: 965

Concentrations in Shackleford, Compton and Guildford town centre.



ATTRACT: Transport & Storage

Employment Count: 1,600

Business Count: 160

Concentrations in Guildford town centre, Ash Vale and the wider Guildford area.

IN FOCUS: Guildford's Priority Sectors – Business

GROW: Fast growing sectors that have some presence but could become more prominent. **RETAIN:** Sectors that are embedded in the borough that should be retained due to their local importance. **ATTRACT:** sectors that are small but could play an important role in the Borough's future economy.

GROW: Health

Employment Count: 10,695

Business Count: 255

Concentrations in Guildford town centre and West Horsley

RETAIN: Retail

Employment Count: 6,480

Business Count: 370

Concentrations in Shackleford, Compton, Guildford town centre and West Clandon

RETAIN: Arts, entertainment, recreation and other services

Employment Count: 4,325

Business Count: 485

Concentrations in Shackleford, Compton, Guildford town centre and West Clandon

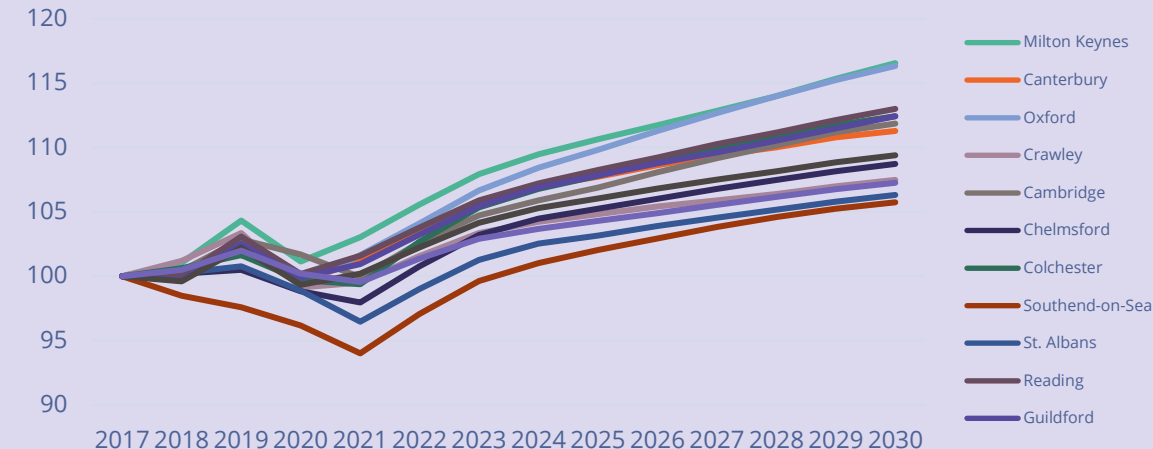
Guildford's economy is expected to grow at a slower rate than some comparators...

Guildford's economic output growth is forecast to outperform regional averages: Guildford's economic output (GVA) is forecast¹ to increase by +32% to £6.4bn by 2030. This is a stronger rate of growth than projected for both the South East (+25%) and the UK (+21%), but lower than several comparators such as Reading (+38%), Oxford (+40%) and Cambridge (+36%). These projections are based on historic trends and the existing sector mix of the borough.

Employment is also forecast to outperform regional averages: Employment is forecast to increase by +12% to 107,700 jobs by 2030, which is equivalent to an additional 11,900 jobs in Guildford. This is higher than the projected employment growth for the South East (+9%) and the UK (+7%), but lower than several comparators including Milton Keynes (+17%), Oxford (+16%) and Reading (+13%).

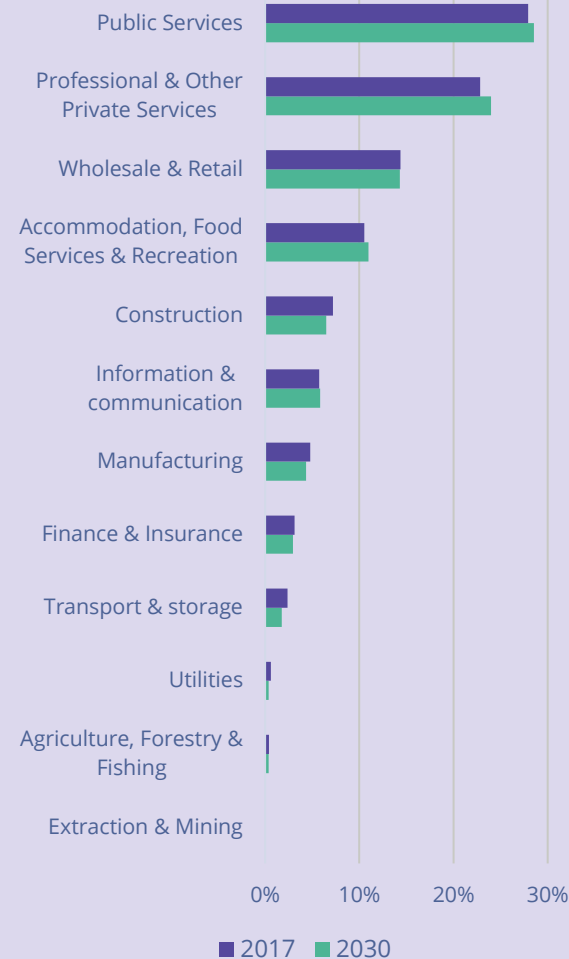
Professional services, public services and accommodation will drive employment growth: Employment growth is forecast to be strongest in professional and other private services (+3,900 jobs) followed by public services (+3,900 jobs) and accommodation and food services (+1,700 jobs). Despite overall growth, some employment decline is forecast for Guildford's transport and storage (-400 jobs) and utilities sectors (-200 jobs).

Forecast GVA Change, 2017-2030



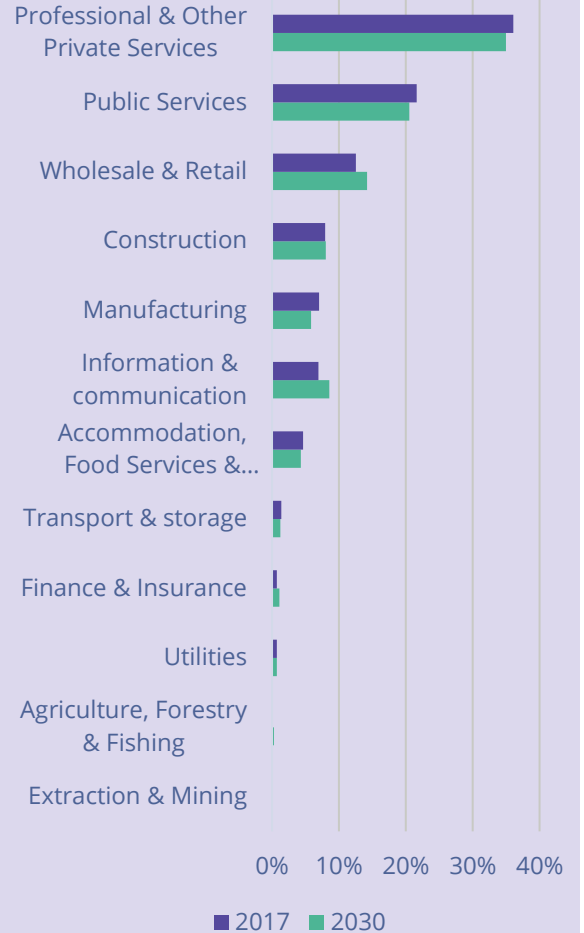
Source: Experian. Regional Planning Service (2021)

Forecast Employment Change by Sector



Source: Experian. Regional Planning Service (2021)

Forecast GVA Change by Sector



Source: Experian. Regional Planning Service (2021)

¹ Experian forecasts provide an indication of Guildford's economy in 2041. These projections are based on Guildford's economy as of 2017 and include both economic output (GVA) and employment forecasts.

IN FOCUS: Guildford's Green Economy

The Green Economy

The UK government published the *Ten Point Plan for a Green Industrial Revolution* in November 2020 to set out the plan for capturing the opportunity to capture growth through the UK's transition to net zero by 2050. As part of this, the government pledged to creating 2 million new green jobs by 2030. Yet defining what counts as a green job is not straightforward.

Defining the Green Economy

The Green Economy captures all activities that contribute and enable growth in environmental, renewable and low carbon activities in the UK. The Green Jobs Taskforce Report¹ focuses on the following sectors:

Sector	Sub-Sectors
Power	Renewables (such as wind, solar and hydropower), nuclear power, grid infrastructure, energy storage and smart systems technology
Business and Industry	Hydrogen production and industrial use, carbon capture, utilisation & storage (CCUS) and industrial decarbonisation
Homes and buildings	Retrofit, building new energy-efficient homes, heat pumps, smart devices and controls, heat networks and hydrogen boilers
Transport	Low or zero emission vehicles, aviation and maritime, rail, public transport and walking or cycling
Natural resources	Nature restoration, tree planting and decarbonising agriculture, waste management and recycling
Enabling decarbonisation	Science and innovation for climate change, green finance, circular economy and energy networks
Climate adaptation	Flood defences, retrofitting of buildings to be resilient to extreme weather/climate events, nature-based solutions to reduce climate impacts and civil and mechanical engineering for infrastructure adaptation

Green Economy at Present

Across the UK there are already over 410,000 jobs in low carbon businesses and their supply chains, with turnover estimated as £42.6bn in 2019 and value of goods and services exported by the UK low carbon businesses exceeding £7bn².

The Future of the Green Economy

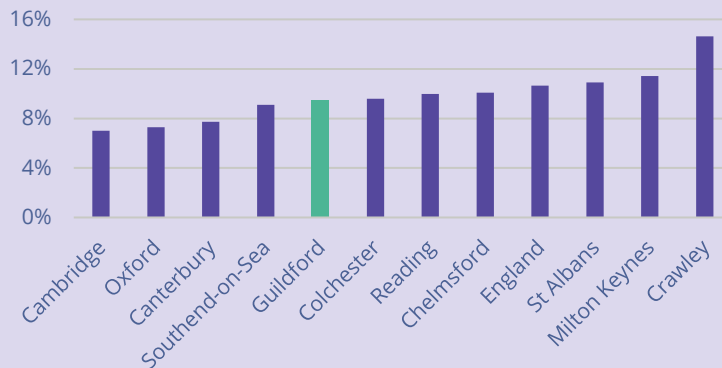
One in five jobs in the UK (approximately 6.3 million workers) will require skills which may experience demand growth or reduction as a result of the transition to net zero³. For the latter, they will likely need reskilling, upskilling, or to use their current skills differently.

The construction industry, followed by manufacturing and transport, are sectors where most focus is needed to both take advantage of the demand for the green economy and also provide skills and retraining for those jobs that require it.

Jobs Requiring Upskilling

7,631 jobs in Guildford are considered in need of upskilling, equivalent to 10% of the total employment base⁴. These are existing jobs that require significant changes in skills and knowledge to adapt to the net zero economy.

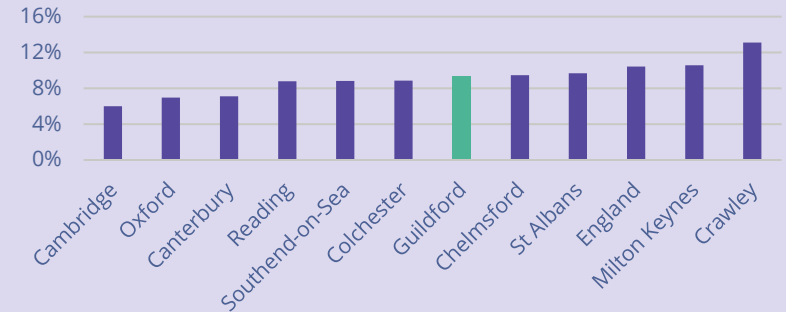
Proportion of employment requiring upskilling, 2019



Jobs in Demand

7,460 jobs in Guildford are expected to be in high demand, equivalent to 9% of the total employment base⁵. Due to their important role in the net zero economy in providing the skills and expertise for the transition to net zero.

Proportion of employment expected to be in high demand, 2019



The Potential of the Green Economy

Looking beyond the jobs with the clearest relevance in supporting the green transition, a variety of roles are expected to be relevant to the green economy of the future. For example, in London most jobs within green sectors are within high level managerial, professional or technical jobs, or skilled craft jobs⁶. Further to this, many green jobs of the future will replace existing jobs rather than create additional roles.

Given the sectoral importance of higher value professional, scientific & technical and information & communication sectors to Guildford's economy, Guildford is well-placed to capture a larger share of this green growth. This will require understanding the current and future skills needs of Guildford's employers, and support for the businesses to take the necessary steps to achieve net zero. A recent survey of Guildford's businesses⁷ highlighted desire to receive decarbonisation advice (44% of all respondents) and to be part of a local green business network (41%) as important support required for reducing their carbon footprint.

¹ Department for Business, Energy & Industrial Strategy. Green Jobs Taskforce report (2021).

² Department for Business, Energy & Industrial Strategy. Green Jobs Taskforce report (2021).

³ Place-based Climate Action Network. Just Transition Jobs Tracker (2021). <https://www.uk100.org/greenjobs>

⁴ Place-based Climate Action Network. Just Transition Jobs Tracker (2021). <https://www.uk100.org/greenjobs>

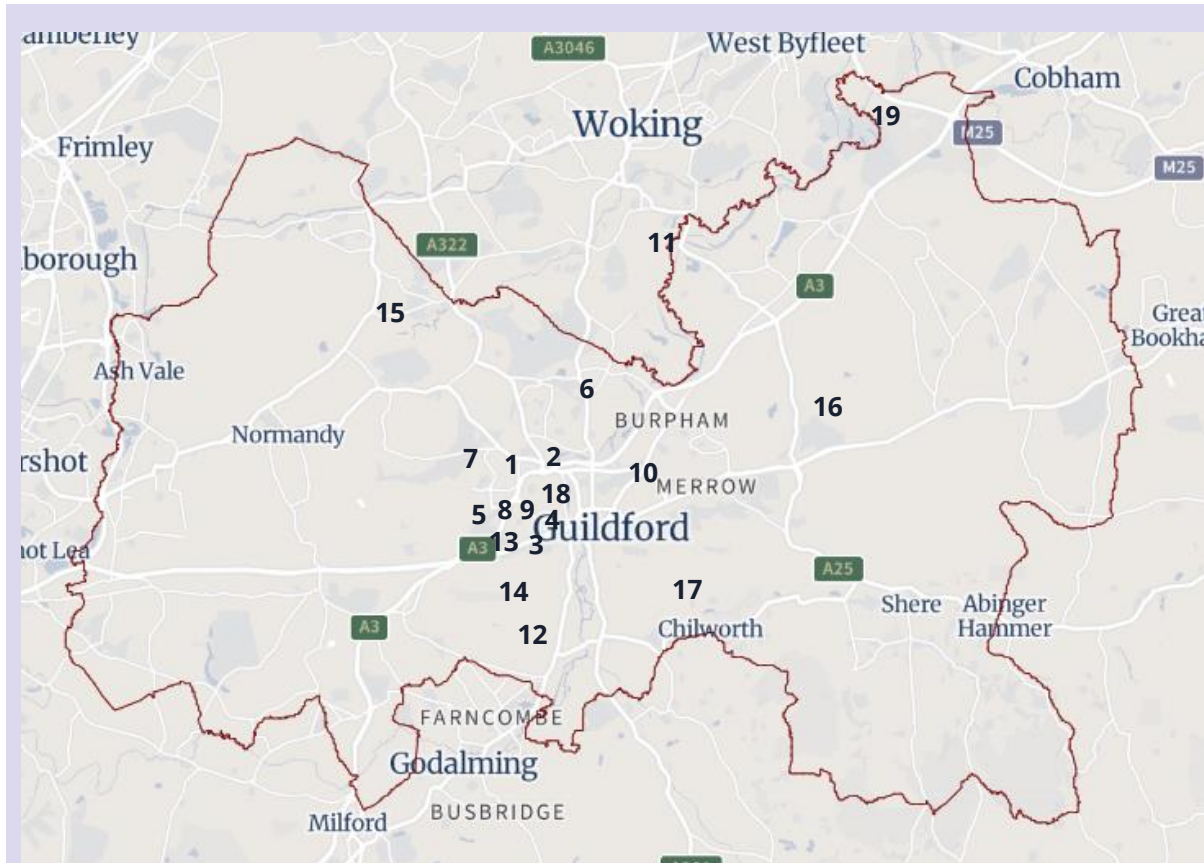
⁵ Place-based Climate Action Network. Just Transition Jobs Tracker (2021). <https://www.uk100.org/greenjobs>

⁶ Institute for Employment Studies. Green Jobs and Skills in London: cross-London report (2021).

⁷ Guildford Borough Council. Strategy and Communications Business Survey 2020 (2021)

Guildford's Economic Assets and Anchors

Some of Guildford's largest employers and key anchor institutions, which drive the borough's economic performance, are outlined below.



Key: 1: University of Surrey; 2: Activate Learning; 3: The University of Law; 4: Guildford Station Office Quarter; 5: Surrey Research Park; 6: Slyfield Industrial Estate; 7: NHS Royal Surrey Foundation Trust; 8: Guildford Business Park; 9: Middleton Industrial Estate; 10: Merrow Lane Industrial Estate; 11: Send Business Studios; 12: Quadrum Industrial Park; 13: Astolat Business Park; 14: The Guildway; 15: The Pirbright Institute; 16: Hatchlands Park; 18: Spectrum; 19: RHS Wisley.

Guildford is good place for long-term business establishment...

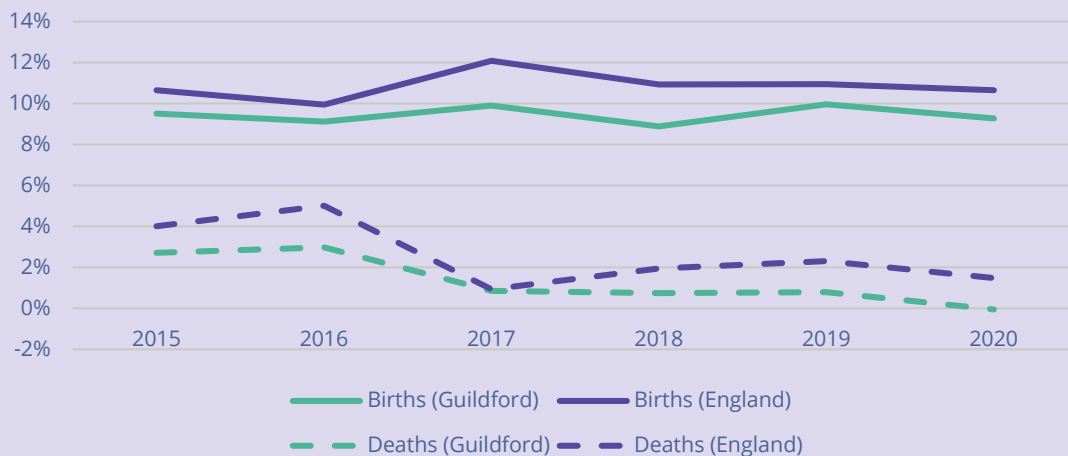
Business births in Guildford have been consistently above business deaths in recent years: Business births are, however, lower than average at 9% versus 11% nationally and lower than other areas such as Milton Keynes (13%), Reading (12%) and St Albans (11%).

A lower proportion of new businesses survive their first year in Guildford compared to other locations: Of the new businesses that are set up, around 88% survive to one year which is in line with England but lower than in several comparator areas. This may link to the level of support and infrastructure available for start-up businesses in these locations, as well as the nature of supply chains and local business clusters.

Over the long-term, businesses that get beyond their first year have a higher chance of remaining operational in Guildford than in a number of comparator areas: 43% of businesses established in Guildford in 2015 were still operational by 2020 which is higher than the South East (40%) and England (41%) averages.

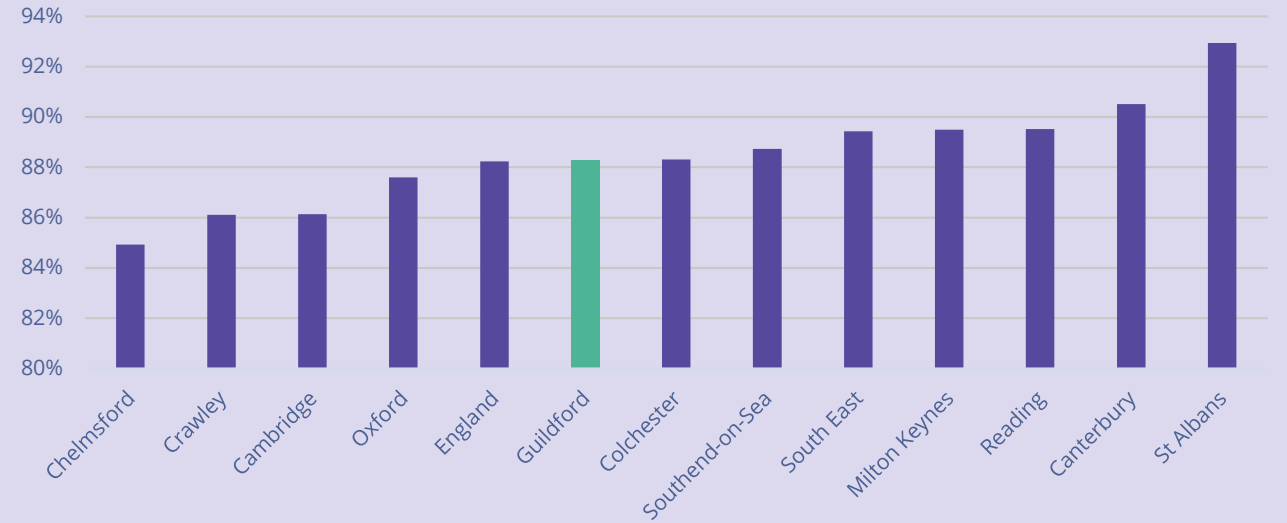
Relatively low short-term survival rates combined with stronger long-term survival rates suggests that Guildford is a good place to do business, but that new businesses starting up within Guildford may be in need of further support.

Business Births and Deaths as a Proportion of the Active Business Base, 2015-2020

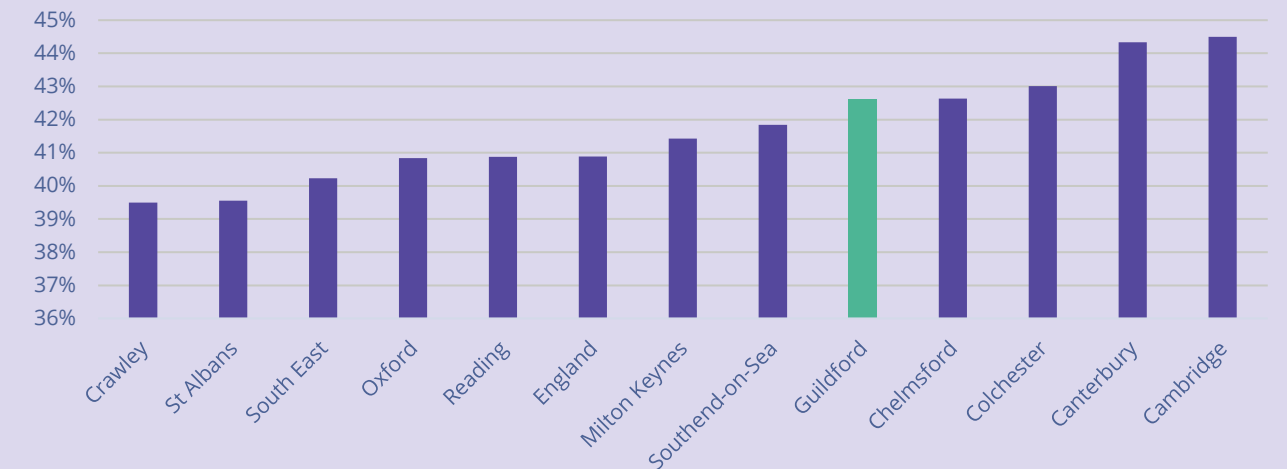


Source: ONS. Business Demography, 2021

Short-Term Business Survival Rates – First Year of Operation (Established in 2019)



Long-Term Business Survival Rates – First Five Years of Operation (Established in 2015)



Source: ONS. Business Demography, 2021

Information, communication, professional and scientific industries attract the most inward investment...

Foreign direct investment (FDI) inward investment data provides an indication of the patterns of investment across the UK. Surrey, East and West Sussex has received around £2 billion in net inward investment each year between 2015 and 2019.

In 2019, Surrey, East and West Sussex received £2.01 billion in net inward FDI equivalent to 21% of the total net FDI received by the South East. This is a smaller proportion than Berkshire, Buckinghamshire and Oxfordshire (43%) but higher than Kent (3%) with the remaining FDI for the South East accounted for by Hampshire and the Isle of Wight (32%).

Inward FDI in Surrey, East and West Sussex reflects Guildford and the wider region's strengths across information, communication, professional and technical industries.

Between 2015 and 2019, Surrey, East and West Sussex received net:

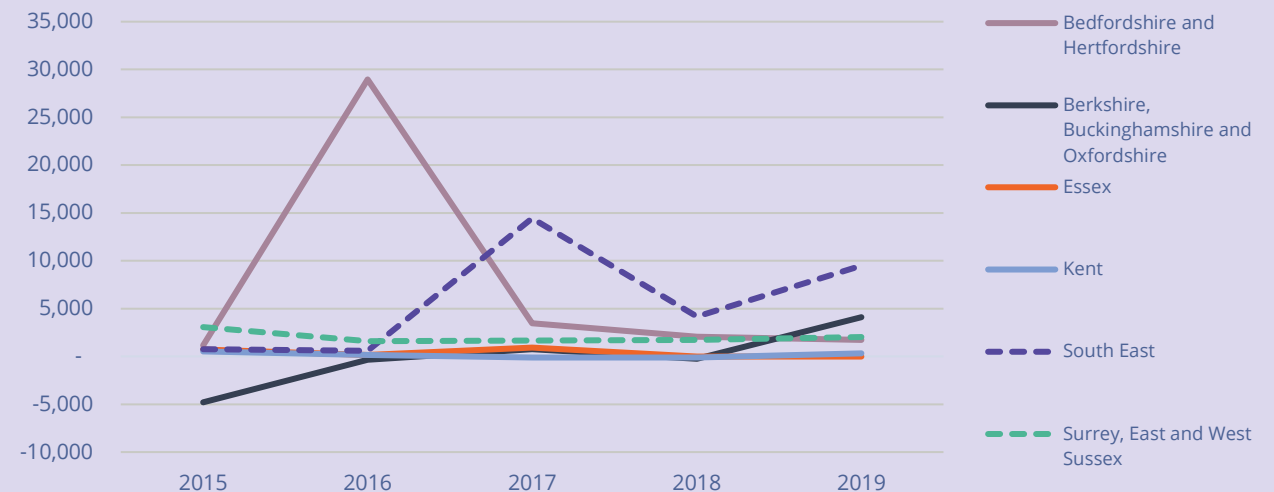
- £4 bn for information, communications, professional, scientific, technical and administrative activities (39% of total net investment);
- £2 bn for manufacturing (20%);
- £1.2 bn for financial activities (12%);
- £1.2 bn for transport and other activities (6%); and
- £160 m for agriculture, forestry, fishing, mining, quarrying, electricity, gas, water, waste, and construction (2%).

Foreign Direct Investment

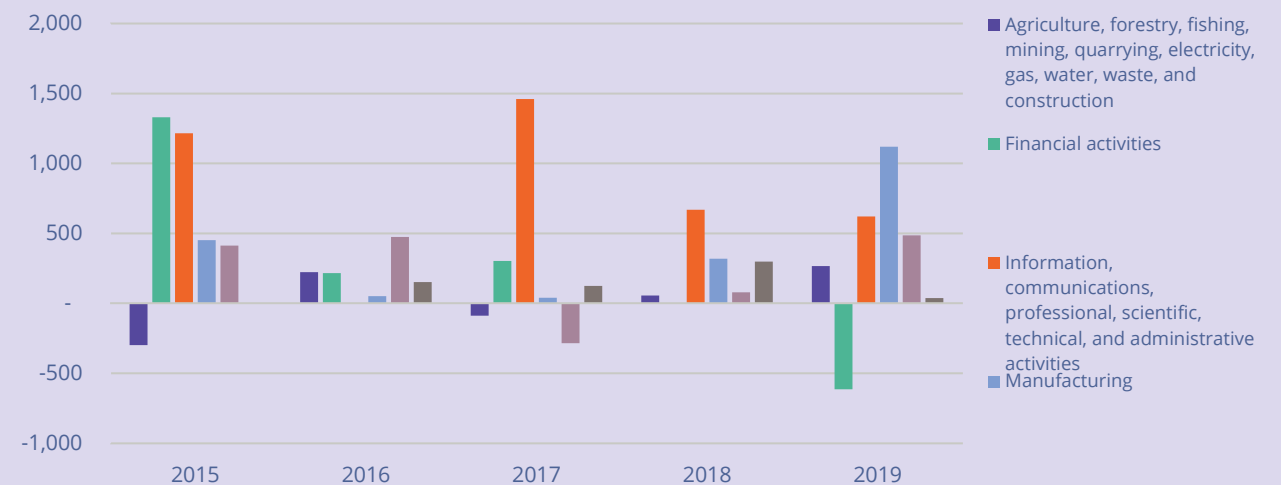
Foreign direct investment (FDI) inward investment data provides an indication of the patterns of investment across the UK. Inward flows measure the cross-border movement of funds within multi-national enterprises. FDI flows include changes in shareholdings (equity), debt and reinvested earnings associated with the stock of FDI. These are net values showing investments minus disinvestments.

FDI data is available at the International Territorial Level 2 (ITL2) geography in which Guildford is classified within the Surrey, East and West Sussex ITL2 region.

FDI Flows by ITL2 Region, 2015-2019 (£m)



FDI Flows by Industrial Activity in Surrey, East and West Sussex, 2015-2019 (£m)



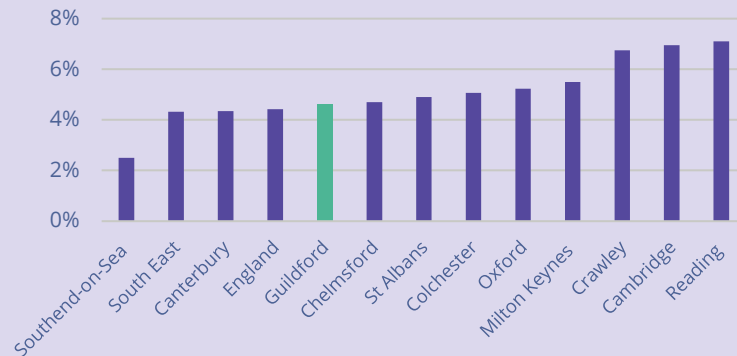
Source: ONS. Foreign direct investment involving UK companies by UK economy and region, experimental statistics (directional): inward, 2021

IN FOCUS: Innovation

Innovation in Guildford

Guildford is home to a number of innovative clusters, which benefit from the borough's proximity to London, its talent pool and quality of life. As a result, 5% of Guildford's businesses are considered to be high-growth enterprises¹.

Proportion of the business base considered high-growth, 2020



Key research institutions and assets provide ideal locations for innovation to take place:

- Surrey Research Park is home to over 170 companies who employ around 4,500 employees mainly in technical jobs².
- Surrey Technology Centre based at the Research Park specializes in incubating technology businesses, supporting 148 businesses with a collective turnover of £16.6m and 444 employees³.
- University of Surrey 5G Innovation Centre provides facilities and research opportunities for academics and industry partners to define and develop 5G/6G infrastructure.

Guildford has particular strengths in the following innovative sectors:

- Space;
- Gaming; and,
- Digital Health.

Space

As a strong knowledge-based economy, Guildford's space cluster forms part of a wider network of space, aerospace and satellite clusters across Basingstoke, Guildford, Farnborough and Bordon. Within Enterprise M3 there are 180 space organisations that support 3,245 jobs and generate £1.5bnn in turnover⁴.

Games Sector

Guildford is home to the third largest cluster of video games industry outside of London and Manchester. As one of the oldest development hubs in the UK, Guildford's games industry is home to over 60 games companies employing around 1,000 people.

The G3 Working Group Games Sector report⁵, highlights three areas of concern related to the future of the games sector:

1. Talent Pool – training local talent by strengthening links between education, work experience and careers; retaining existing talent particularly in the wake of Brexit and as a sector with high numbers of employees who are EU citizens; and attracting talent from other UK hubs and also overseas clusters, creating an environment that attracts start-ups and spin-offs.
2. Infrastructure – limited digital connectivity particularly outside of the town centre hinders games development and a lack of suitable, affordable premises in Guildford both contribute to companies moving further afield.

3. Finance and business development – games companies need financial and professional advice as well as investor showcasing to secure future funding and grow their businesses.

Digital Health

Digital technology in healthcare is a growing sector. Encompassing a broad range of sub-sectors including health technology, digital, media and mobile communications, digital health has applications across assisted living, efficiency in clinical practice, information processing and clinical resource efficiency.

The Enterprise M3 sub-region has major Med Tech (medical technology) capabilities, comprising around 200 companies and spanning across a range of applications. Enterprise M3 also has a supporting role in animal health initiatives, particularly due to the sensitivity of the region's food and tourism sectors to disease outbreaks.

An audit of health and medical business activities across Guildford, Waverley and Woking⁶ demonstrates Guildford's strength of activity. Of around 95 businesses connected to health and medical activities, 45 are located in Guildford (with 35 in Waverley and 15 in Woking).

Key local centres of innovation in digital health include: the Faculty of Health & Medical Science, University of Surrey; Department of Chemistry, University of Surrey; Cockpit Initiative, Royal Surrey County Hospital; and the Pirbright Institute Veterinary School.

In the qualitative engagements undertaken for this commission (see later chapters) respondents identified some challenges influencing development and demand for products:

- Brexit – anticipated regulatory changes; anticipated difficulties with trading and tariffs and decreased EU funding.
- Funding – grants and investments are noted as being less available than previously. This is particularly affecting start-ups and research organisations.

¹ A high growth business is defined as a business with ten or more employees that has experienced an average growth in employment of greater than 20%, per annum, over a three-year period (between 2017 to 2020). ONS. Business Demography (2022).

² Guildford Borough Council. Making Guildford Smarter Innovation Strategy 2019/20 (2020).

³ Guildford Borough Council. Making Guildford Smarter Innovation Strategy 2019/20 (2020).

⁴ Enterprise M3. EM3 Space Hub (2022) <https://enterprisem3.org.uk/hub/em3-space-hub>

⁵ G3. G3 Response: Building out Industrial Strategy – Cultivating world-leading sectors: The Guildford and surrounds Games Cluster (2016).

⁶ Economic Growth Management. Review of Digital and Other Advanced Health Technologies within Guildford, Waverley and Woking (2017).

Guildford's Visitor Economy

Well-connected to London, nationally and internationally, Guildford is home to a number of significant assets and events that attract local, domestic and overseas visitors alike:

- **Museums, galleries and cultural venues** such as RHS Wisley, Guildford Castle, Watts House, Loseley House, Hatchlands Park, Guildford Museum and Guildford Cathedral;
- **Theatre, arts and events** including Electric Theatre, G Live and Guildford Summer Festival; and
- **Outdoor spaces** including the Surrey Hills AONB.

The Economic Impact of Tourism on Guildford Borough 2019 study commissioned by Guildford Borough Council found that there were 5.52 million visitor trips to Guildford 2019, of which day trips accounted for 94% of total trips. This tourism generated £340.9 million in spending across the local area, and supported 6,262 jobs in tourism. Equivalent to 7.6% of total employment in the borough, tourism supports employment across a range of sectors including retail, catering, attractions, accommodation and travel. Key messages include:

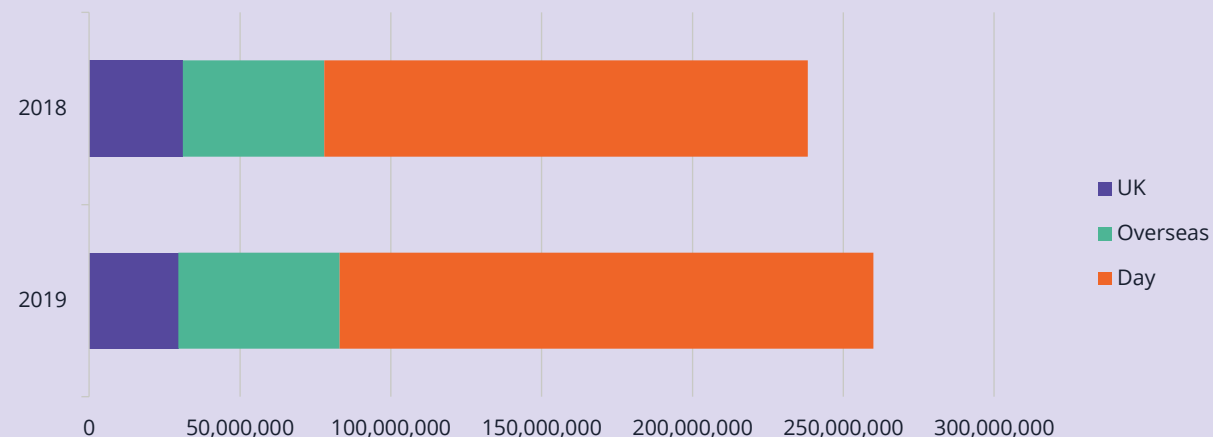
Guildford is a popular day trip destination: The largest proportion of visits to Guildford are day trips, accounting for 27% of all day trips to Surrey in 2019.

A large proportion of visitor spend is captured in Guildford: Guildford captured 41% of all visitor spend in Surrey in 2019. Similarly, Guildford saw a +11% uplift in visitor spend in 2019 compared to 2018, compared to +6% in the South East and +7% in England.

Guildford's attractiveness as a day trip destination could be driving its continued success: Year-on-year data demonstrates that day trips to Guildford have continued to increase (+7%), breaking away from the regional (-3%) and national (-3%) trend of decline.

Guildford's accommodation offer may be limiting overnight stays and the economic potential of tourism: Whilst overseas trips to Guildford also increased between 2018 and 2019 (+14%), the number of domestic overnight stays fell (-5%). Despite accounting for only 6% of visitor trips to Guildford, overnight stays accounted for 32% of total direct spend are therefore highly valuable to the local economy. Surrey Hotel Futures Study (2015) found that there is an undersupply of visitor and visitor accommodation in Guildford, which could in turn limit the borough's ability to host future events and reduce appeal as a business and visitor destination.

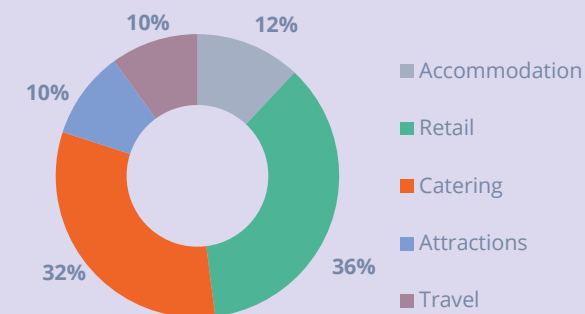
Trip Expenditure in Guildford, 2018 v 2019



Tourism Spending and Jobs in Guildford, 2019

	Direct	Indirect	Total
Spend	£260m	£80.9m	£340.9m
Jobs	4,617	1,645	6,262

Trip Expenditure by Type in Guildford, 2019



Source: Guildford Borough Council. The Economic Impact of Tourism in Guildford Borough 2019. Tourism South East.

4. People

What are the characteristics of Guildford's residents, skills landscape and labour market and what challenges do they face?

[<<< Return to Contents](#)

People: Summary

Guildford's population is supported by a large working-age and student population...



Home to 150,000 residents, working-age residents (aged 16-64) account for 67% of the population. The borough also has a larger share of residents aged 20-29 than seen nationally.

Future population growth is forecast to be in Guildford's older age groups...



The proportion of residents aged 65+ is forecast to increase from 17% in 2018 to 22% in 2043, representing an additional 7,900 residents. This will impact Guildford's labour market.

Guildford's residents are highly qualified with high levels of economic activity...



40% of residents hold NVQ4+ qualifications (degree level or above) and unemployment in the borough is only 3.1%.

The largest skills gaps are in occupations less likely to be filled by Guildford's residents...



Occupations with the largest skills gaps are associate professionals and caring, leisure and other service Staff with 9.8% and 6.4% of skills gaps respectively.

There are some groups in Guildford likely to need more support than others...



Guildford has a relatively affluent resident population, but there are some groups who face deprivation challenges and are more likely to be impacted by the cost of living crisis.

Resident earnings are significantly higher than workplace earnings...



Resident earnings are 9% higher than workplace earnings. Residents in Guildford earn £40,400 per annum on average versus £36,800 per annum for workers.

Residents seeking financial assistance are lower than average...



Guildford's claimant count is one of the lowest of all comparator areas at 1.7% of working-age residents, but levels are higher in Guildford town centre and the north of the town.

Why is this important?

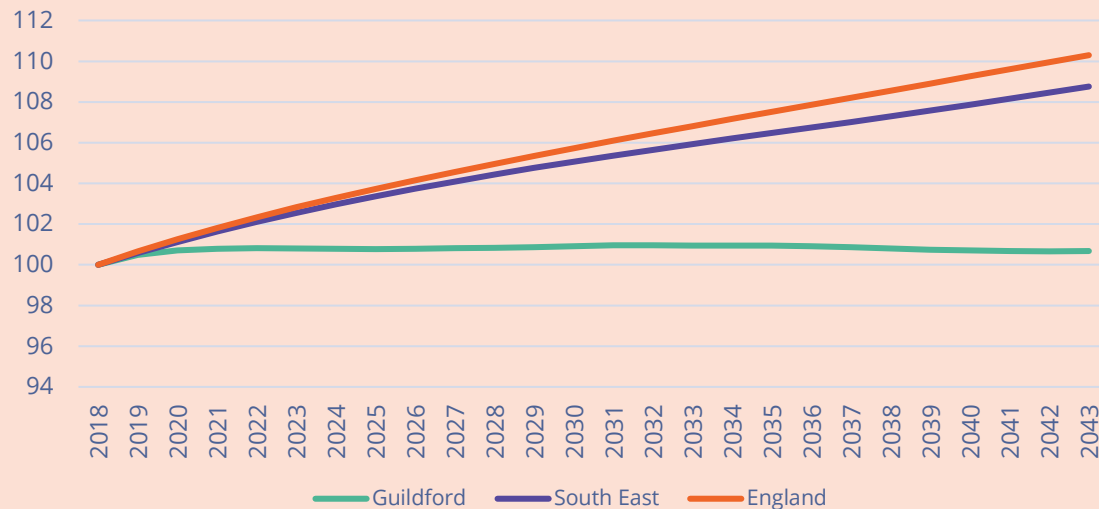
- A larger working age population means that there are more people available for work.
- Population growth that indicates an ageing population will have impacts for health and social care, and the size of the labour market.
- The qualifications and occupations of Guildford's residents influence which types of jobs and in what sectors they may be able to support now and in the future.

Guildford's population is supported by a large working-age and student population, though future growth is forecast to be in older groups...

Guildford is home to 150,000 residents, which is around 3% more than in 2015. Guildford's recent population growth is similar to several comparator areas, but lower than Chelmsford, Colchester and Canterbury. Guildford has:

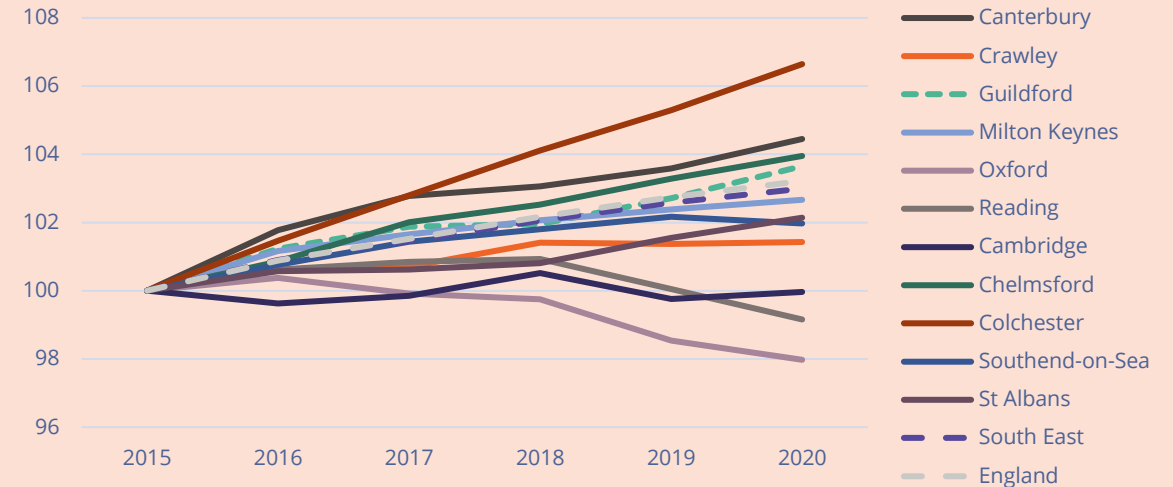
- **A large working age population:** Residents aged 16-64 represent 67% of the total population compared to 63% nationally.
- **A large student population:** Residents aged 20-24 represent the largest share of Guildford's population and are likely students living in the borough (equivalent to 10% of the total population). Residents aged 25-29 are also higher than the national average.
- **Low projected population growth:** Guildford's population is expected to grow by a further 1,000 residents (1%) by 2043 which is much lower than the 9% and 10% growth projected across the South East and England respectively.
- **An ageing population:** The proportion of residents aged 65+ is forecast to increase from 17% in 2018 to 22% in 2043, representing an additional 7,900 residents.

Population Projections, 2018-2043

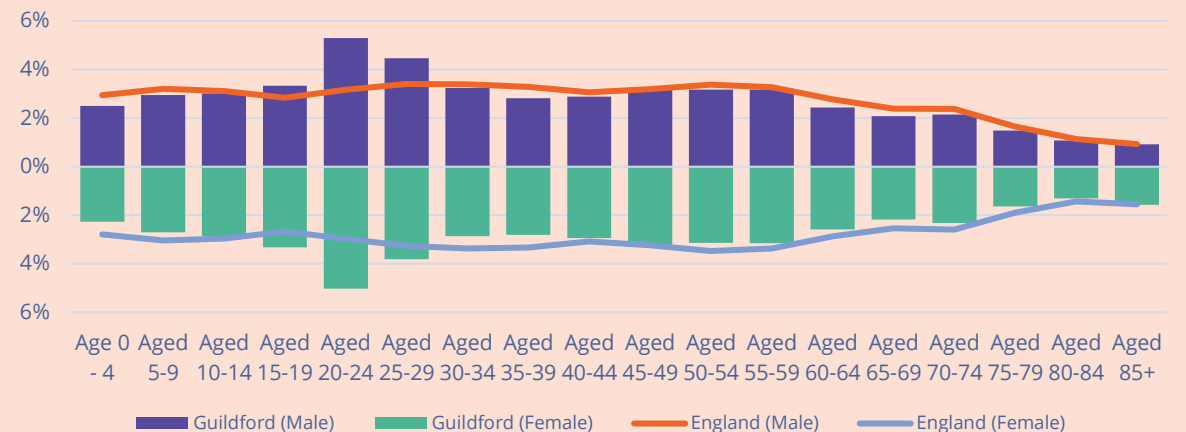


Source: ONS. Population Projections, 2018

Population Change, 2015-2020 (Index 100=2015)



Population by Age Group, 2020

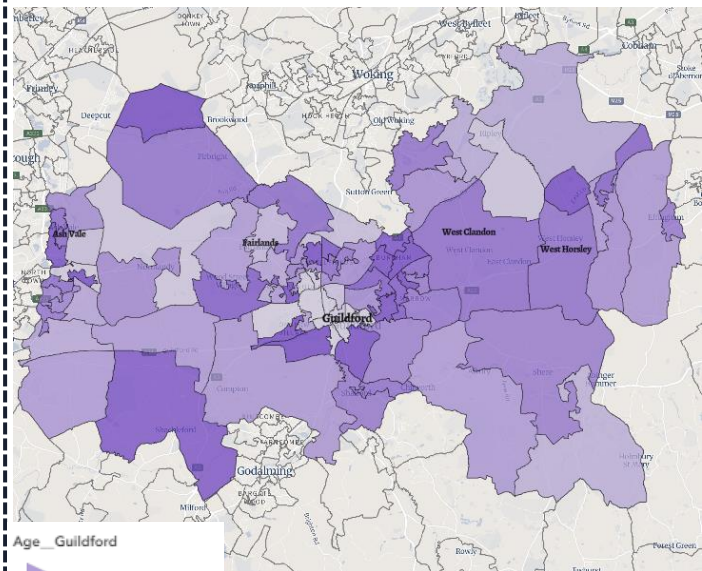


Source: ONS. Population Estimates, 2020

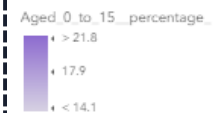
Guildford's working age population is concentrated in the town whilst older residents live in the borough's more rural areas...

The maps below indicate where in the borough specific age groups tend to live. On the whole, these maps indicate that Guildford's urban area is home to a large working age population, with families and older people living in the borough's more rural locations.

Aged 0 to 15



Age_Guildford

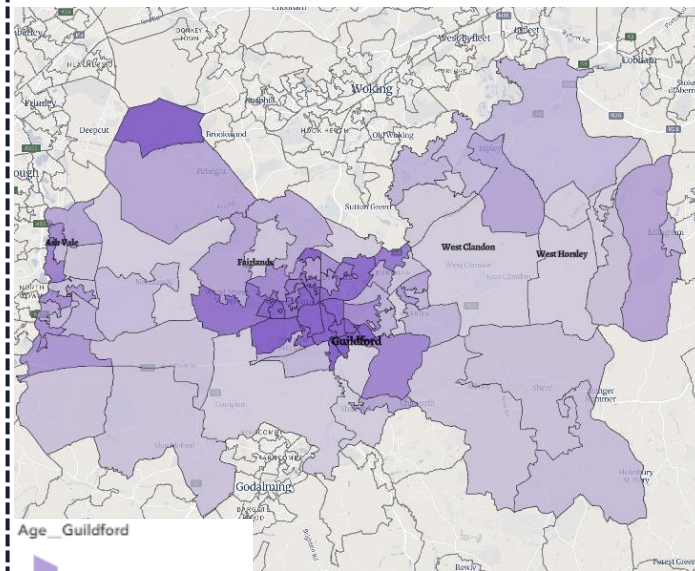


Population (2020): 24,534

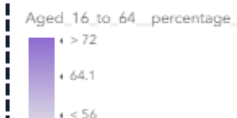
Population Change (2015-2020): +4%

Younger age groups account for a larger share of the population in Onslow Village, the periphery of the town centre, West Clandon, West Horsley and Ash Vale.

Aged 16 to 64



Age_Guildford

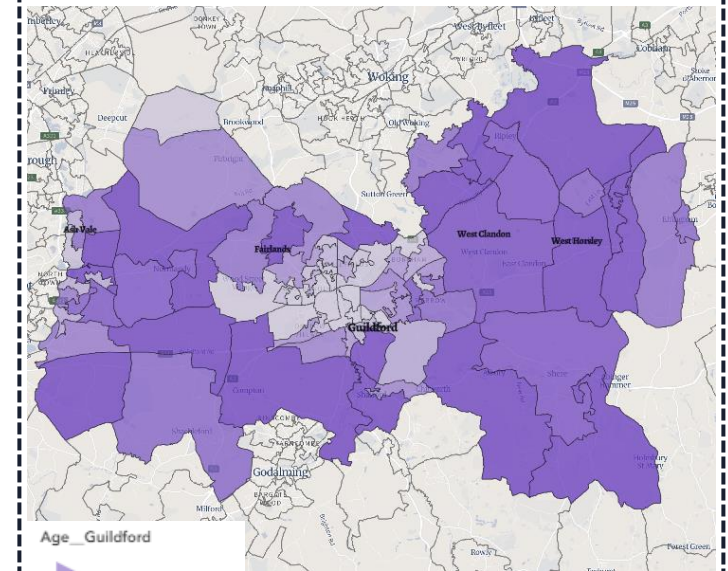


Population (2020): 100,649

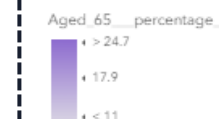
Population Change (2015-2020): +4%

The working age population (aged 16 to 64) accounts for a higher proportion of the population in Guildford town and urban area, Westborough and Brunswick.

Aged 65+



Age_Guildford



Population (2020): 25,169

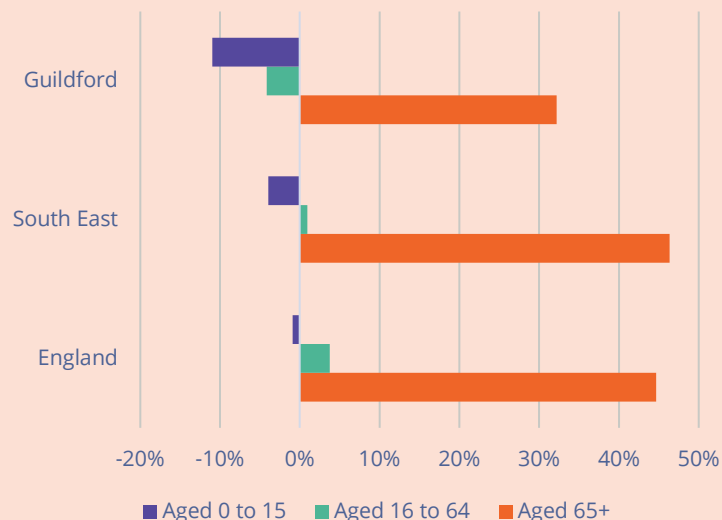
Population Change (2015-2020): +6%

Older age groups account for a larger proportion of the population in the borough's more rural locations such as Wanborough, West Clandon, West Horsley and The Sands.

IN FOCUS: Guildford's Ageing Population

An increasingly ageing population is a national challenge. The population aged 65 and over is growing and is projected to be 14.7 million by 2043 (expected to increase by 31%). The population aged 65+ in Guildford is 17% of the total population which is projected to increase to 22% by 2043¹.

Population Projections by Age Group, 2018-2043



Source: ONS. Population Projections, 2018

At a local authority level, an ageing workforce has implications across economic development, provision of health and social care services and the provision of suitable and in some cases specialist housing.

An Ageing Workforce

An ageing population means that more people will be in work for longer periods of time. The proportion of the working age population aged between 50 and the state pension age is expected to increase from 26% in 2012 to 34% in 2050 – an increase of over 5.5 million people nationally². Ensuring that the workforce has the training and skills required to up-skill and re-skill to adjust to technological and societal changes in the way we live and work are increasingly important.

A report by the Government Office for Science³ recommends priority areas for an ageing workforce including:

- Supporting an ageing population to lead fuller and longer working lives
- Adaptations to the workplace including negative attitudes to older workers and health needs, improving workplace design and adapting working practices
- Ensuring individuals re-skill throughout their lifetime
- Addressing falling participation in lifelong education and training
- Addressing barriers to later life learning
- Specific focus on technological and financial skills through life

Health and Social Care

Increased demand for services across health, housing, care and related sectors will likely spark growth in the care economy as people live for longer. As a result, demand for occupations such as managers, technology specialists and health professionals 'could rise nearly 20% by 2030', while demand for administrative and manual roles could decline just as steeply according to a report by McKinsey⁴. This is particularly important given Guildford's specialisms in Health and its growing Digital Health cluster.

Housing

In the UK, the majority of those aged 65 and over live in the mainstream housing market. Only 0.6% live in housing with care, which is 10 times less than in more mature retirement housing markets such as the USA and Australia, where over 5% of those aged 65+ live in housing with care⁵.

A report by the Local Government Association finds that there is a chronic undersupply of high quality, affordable or desirable accommodation in the right locations. The suitability of the housing stock is of critical importance to the health of individuals and also impacts public spending, particularly social care and the NHS. For example, the Extra Care Charitable Trust by Aston University estimates that housing with care reduces the costs of social care for Local Authorities and over a 12-month resulted in reduced NHS costs by 38%.

In Guildford, the SHMA 2017 Addendum finds need for 1,061 units to be built between 2015 and 2034 (equivalent to 56 units per annum) of specialist housing including sheltered and extra care housing.

Case Study: Birmingham City Council

To address the undersupply of housing in the city, both for older people and other groups, Birmingham City Council has intervened directly and established its own housing trust. The Birmingham Municipal Housing Trust (BMHT) builds homes across Birmingham, by working in partnership with private developers. Over 2,500 homes have already been delivered or under construction and has led the way in building council owned homes for affordable rent through BHMT.

¹ ONS. Population Projections by Local Authority (2018).

² Government Office for Science. Future of an Ageing Population (2016).

³ Government Office for Science. Future of an Ageing Population (2016).

⁴ McKinsey & Company. The Future of Work (2019).

⁵ Local Government Association. Housing Our Ageing Population (2017).

Guildford's resident profile is dominated by more affluent groups, but there are some groups that may face challenges...

Experian MOSAIC data shows that the largest population 'groupings' in Guildford are more affluent and prosperous:

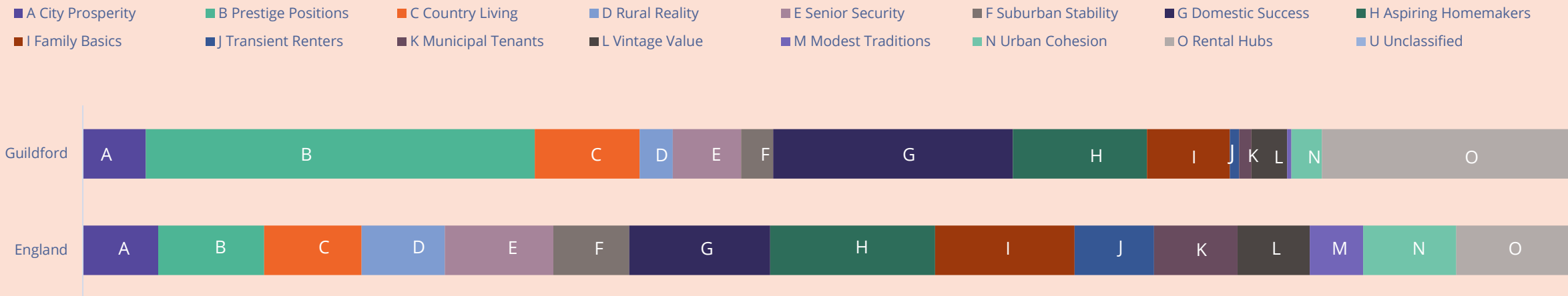
- 26% of households are classified as 'Prestige Positions' - these are families with financial security living upmarket lifestyles;
- 17% are classified as 'Rental Hubs' - these are educated young people privately renting in urban neighbourhoods;
- 16% of residents are classified as 'Domestic Success' - these are high earning families bringing up children and following careers in sought after residential areas; and
- 9% are classified as 'Aspiring Homemakers' - these are younger households who have recently set up home within a budget.

There are also some groups in Guildford who are likely to face more financial challenges. These include 'Family Basics' - families with children with limited budgets trying to make ends meet (6% of households) and 'Rural Reality'- householders living in rural communities in relatively low cost homes (2%).

MOSAIC Categorisation Definitions

- A. City Prosperity - High status individuals with substantial salaries and expensive urban homes.
- B. Prestige Positions - Established families with financial security living upmarket lifestyles.
- C. Country Living - Well off homeowners in rural areas benefiting from country life.
- D. Rural Reality - householders living in rural communities in relatively low cost homes.
- E. Senior Security - elderly people living independently in their owned homes.
- F. Suburban Stability - Mature couples or families living settled lives in mid-range housing.
- G. Domestic Success - High earning families bringing up children and following careers in sought after residential areas.
- H. Aspiring Homemakers - Younger households who have recently set up home within a budget.
- I. Family Basics - Families with children with limited budgets trying to make ends meet.
- J. Transient Renters - Young, single people who privately rent low costs homes for the short term.
- K. Municipal Tenants - long term social renters living in challenging areas.
- L. Vintage Value - Elderly people living in purpose built homes who may required increasing amount of financial or practical support
- M. Modest Traditions - Mature homeowners living in private modest homes enjoying a stable lifestyle.
- N. Urban Cohesion - Residents of settled multi-cultural urban communities.
- O. Rental Hubs - Educated young people privately renting in urban neighbourhoods.

MOSAIC Categorisation, 2021



Source: Experian. MOSAIC, 2021

Guildford is a popular location for international immigrants, while domestic residents are moving to locations outside the borough...

Long-term international migration to Guildford is strong: Since 2015/16, around 17,000 people have immigrated to Guildford from abroad, while around 9,000 people have left the borough for international destinations. This is a net inflow of around 8,000 people over this period.

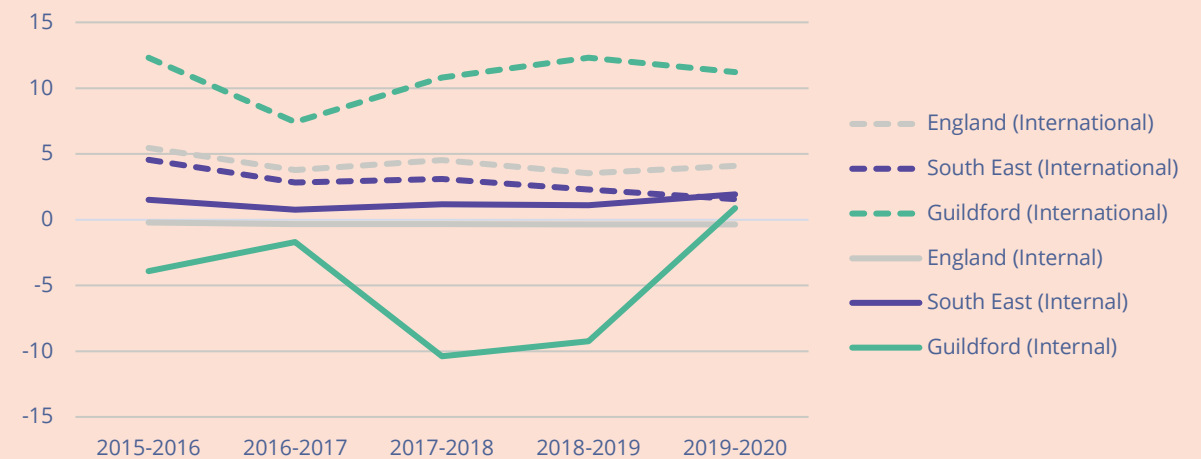
Domestic residents are moving to locations outside of Guildford: Since 2015/16, around 58,000 have immigrated to Guildford from other domestic locations, while around 62,000 people have left the borough for other parts of the UK. This represents a net outflow of around 3,600 people over this period.

National Insurance Number Registrations (NINo) provide an indication of international immigration to Guildford for the purpose of work.

NINo registrations are higher than several comparators: Around 9,700 people have registered for work in Guildford between 2015 and 2020, which is higher than Canterbury, Colchester, Chelmsford, Southend-on-Sea and St Albans.

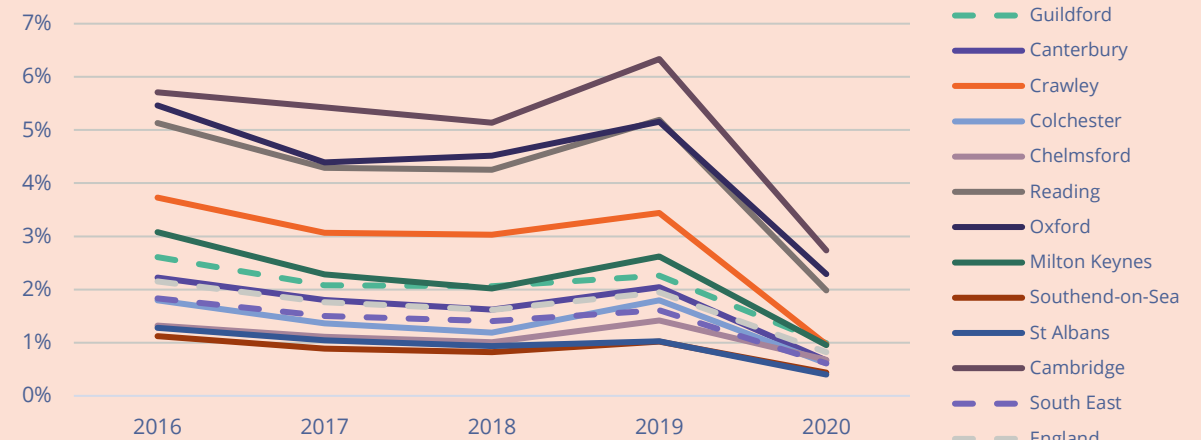
Fewer NINo registrations have taken place in recent years: A combination of COVID-19 and Brexit are likely to have impacted the decline in NINo registrations in 2020 versus previous years. Between 2015 and 2020 NINo registrations in Guildford declined by 61% which is lower than the decline across the South East (67%) but in line with national trends (61%).

Net Migration Flows per 1,000 Residents, 2015-2020



Source: ONS. Local Area Migration Indicators, 2021

National Insurance Number Registrations, 2016-2020



Source: ONS. Local Area Migration Indicators, 2020

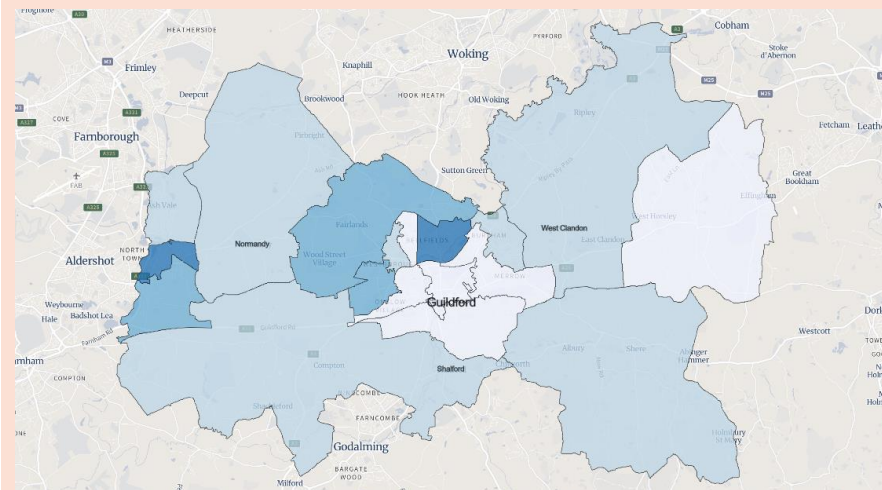
Guildford's residents are highly qualified...

Guildford's residents are highly qualified: 40% of residents hold National Vocational Qualification (NVQ) Level 4 (equivalent to degree level) or above compared to 30% of residents in the South East and 27% nationally.

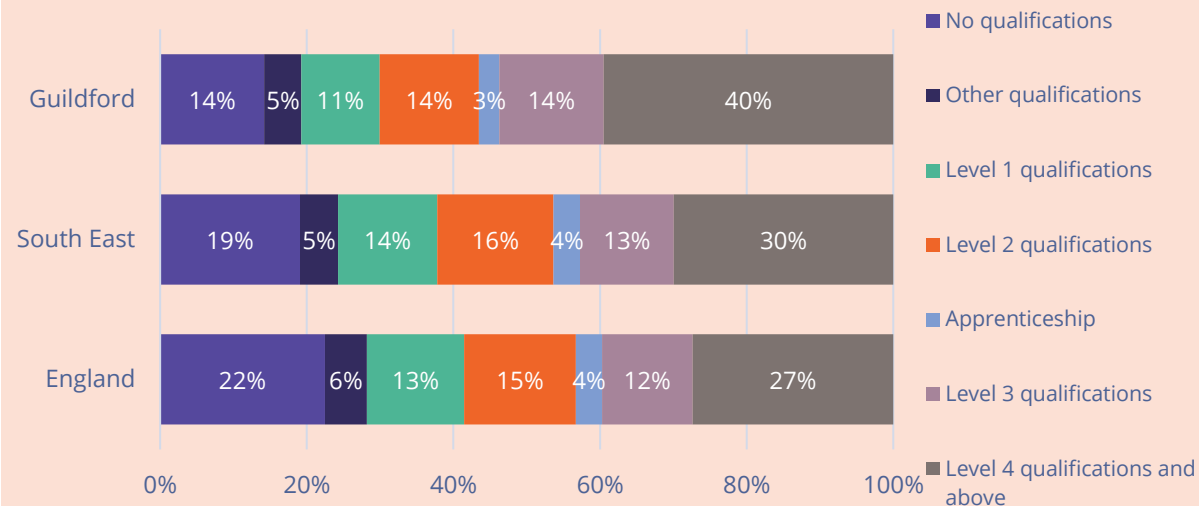
A lower proportion of residents have no formal qualifications: Only 14% of Guildford's residents have no formal qualifications which is lower than the South East (19%) and England (22%).

Lack of qualifications is concentrated in Guildford's towns: A higher proportion of residents (more than 20%) in the north of Guildford town and in Ash have no qualifications.

Proportion of the Population with No Qualifications, 2021



Qualifications Level, 2021



Source: ONS. Annual Population Survey, 2021

Professional occupations dominate Guildford's workforce profile...

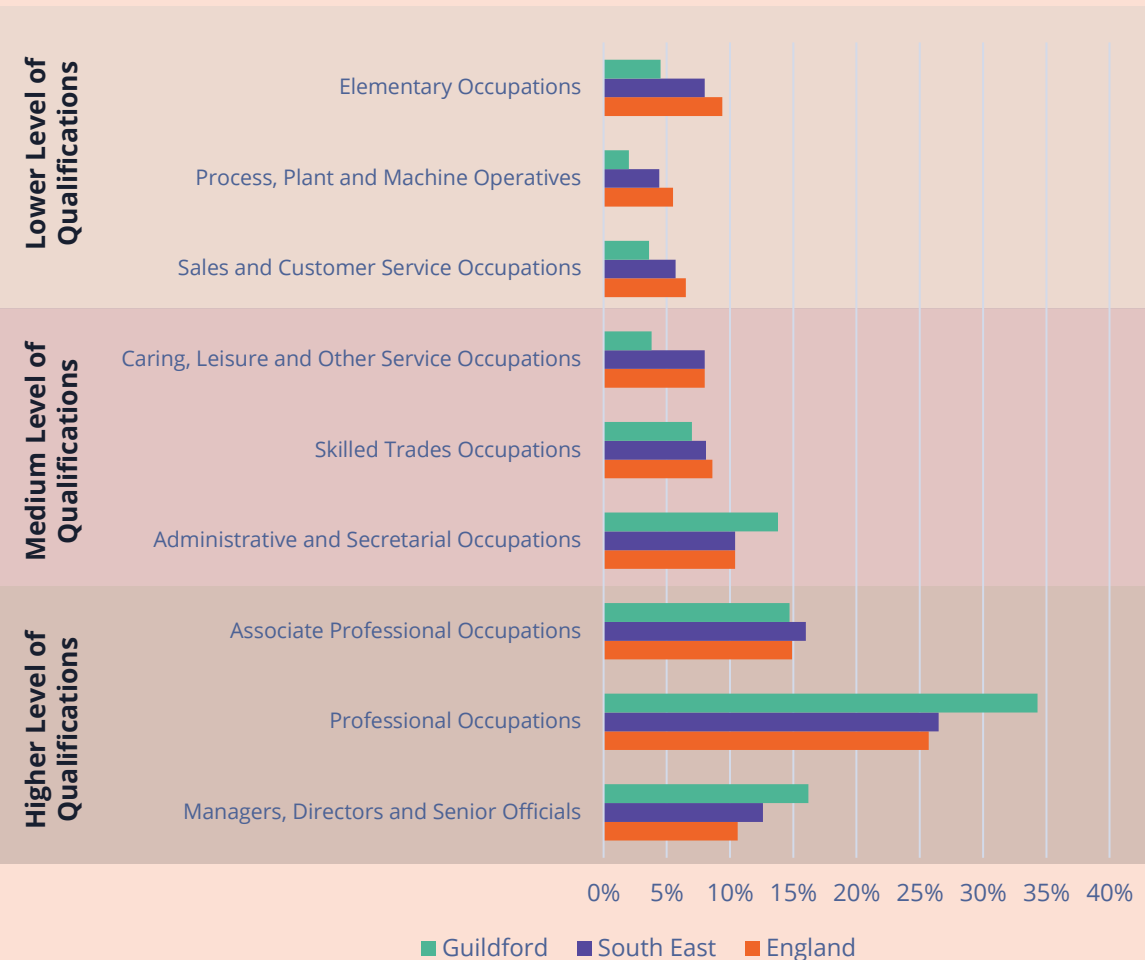
A large proportion of Guildford's residents work in professional occupations: Professional occupations account for 34% of total occupations in Guildford which is higher than the South East (27%) and England (26%) averages.

Occupations that typically require higher level qualifications are higher than average in Guildford: 65% of Guildford's residents are employed in managerial, professional and associate professional occupations which is higher than the South East (55%) and England (51%).

Occupations that typically require a lower level of qualifications are underrepresented: 10% of Guildford's residents are employed in elementary, operative and sales and customer service roles which is lower than the proportion in the South East (18%) and England (21%).

This has implications for the composition of Guildford's local workforce: A lower proportion of residents working in roles that require fewer formal qualifications likely means that everyday service roles in retail, care, utilities and similar are fulfilled by people that live outside of the borough.

Guildford Occupational Profile, 2021



Source: ONS, Annual Population Survey, 2021

Note: Level of Qualifications refers to the formal educational attainment generally required to access certain occupations. This does not reflect the level of skill or experience required to perform a given role.

The largest skills gaps are in occupations less likely to be filled by Guildford's residents...

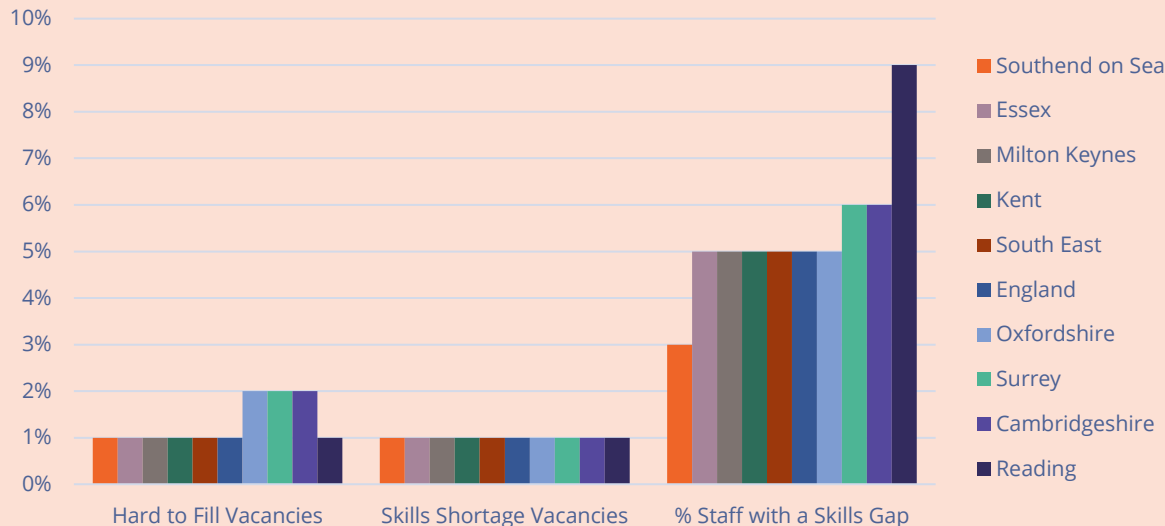
Some businesses in Guildford struggle to fill their vacancies: Hard-to-fill vacancies in Surrey are 2% which is in line with Oxfordshire and Cambridgeshire but higher than several comparator areas.

Vacancies that exist because of the need for applicants to have appropriate skills, qualifications or experience are in line with comparator areas: 1% of businesses reported skills-shortage vacancies across all areas.

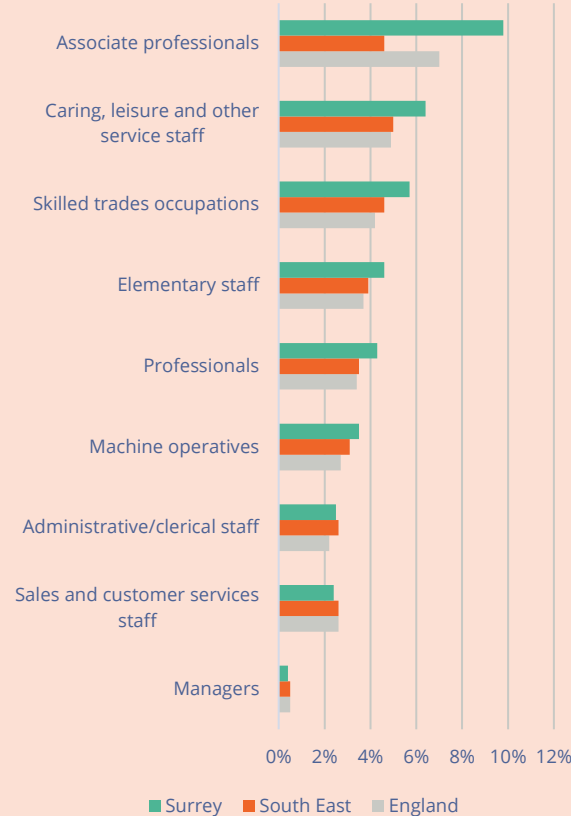
Skills gaps are most common in the business and other services sector: Whilst 6% of all of Surrey's businesses report at least one member of staff having a skills gap, 7% of businesses within the business and other services sector report a skills gap.

Occupations with the largest skills gaps are associate professionals and caring, leisure and other service staff: 10% of Surrey's businesses report skills gaps in associate professional roles and 6% in caring, leisure and other service roles. As demonstrated on the previous page the smaller share of Guildford's residents work in these roles which may indicate businesses facing challenges recruiting those with the appropriate skills locally.

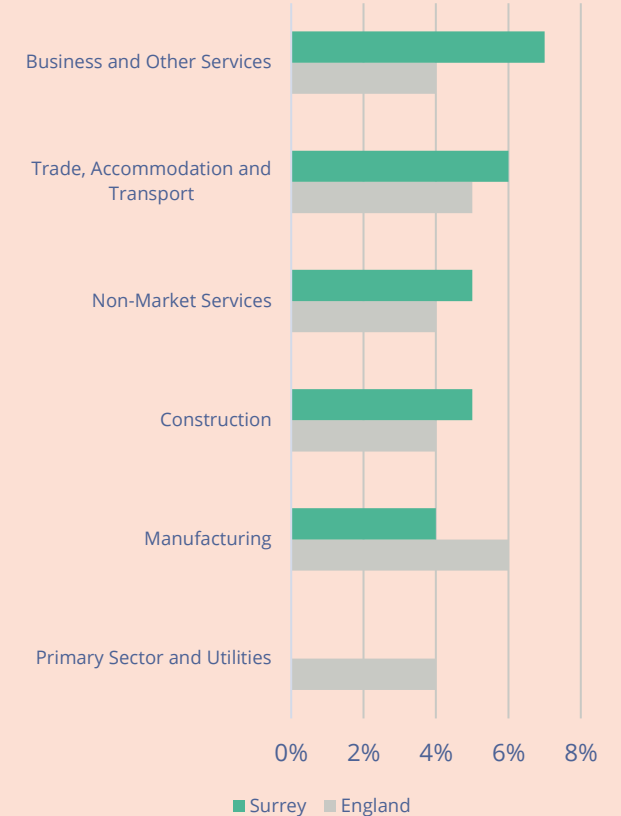
Skills Need, 2019



Skills Gaps by Occupation, 2019



Skills Gaps by Sector, 2019



Source: Department for Education. Employer Skills Survey, 2021

Note: Employer Skills Survey data is only available at the Local Education Authority (LEA) level in which Guildford is part of Surrey. Information concerning the Primary Sector and Utilities for Surrey is unknown.

Skills Need Definitions

Hard-to-fill vacancies: Vacancies which are proving difficult to fill as defined by businesses.

Skill-shortage vacancies (SSVs): Vacancies which are proving difficult to fill due businesses not being able to find applicants with the appropriate skills, qualifications, or experience.

Skills gaps: A "skills gap" exists where an employee is deemed by their employer to be not fully proficient, i.e., is not able to do their job to the required level.

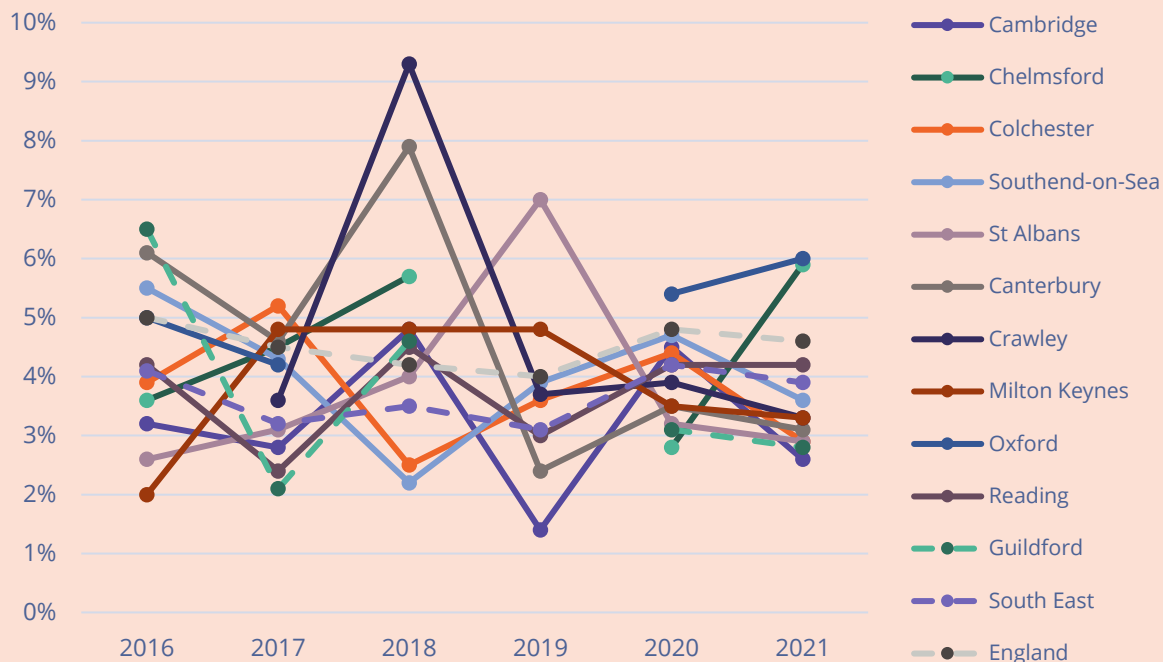
Economic activity in Guildford is strong, with low levels of unemployment...

Guildford has low levels of unemployment: Only 3.1% of Guildford's population are unemployed which is lower than the South East (3.5%) and England (4.2%). This means that 75,100 of Guildford's 95,700 working-age residents (aged 16-64) are in employment.

A higher proportion of Guildford's residents are self-employed: 12.7% of Guildford's population are self-employed compared to 10.5% in the South East and 9.5% in England.

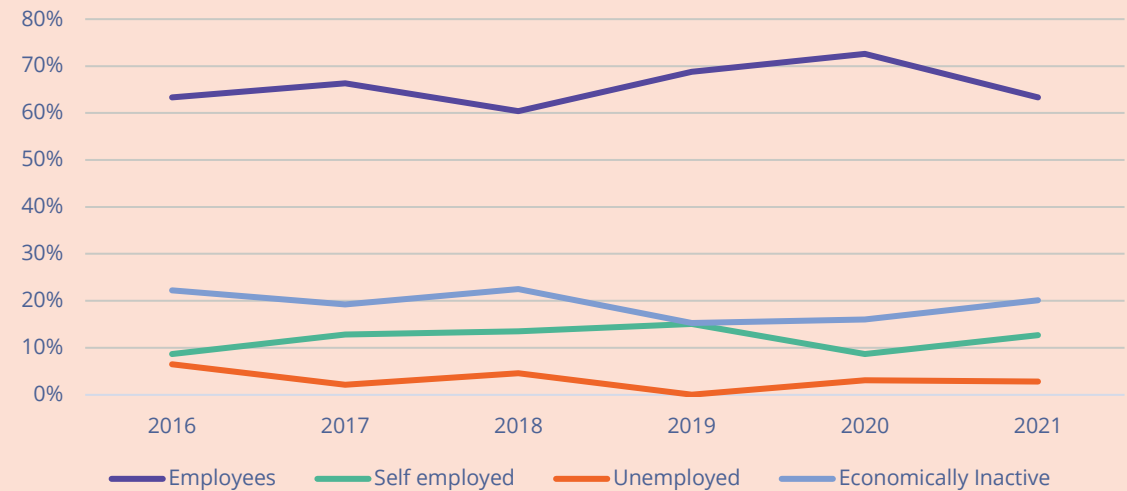
Economic inactivity in Guildford is lower than the national average: 18.9% are economically inactive (aged 16-64) which is in line with the South East (19.0%) and lower than England (21.2%).

Unemployment Rate, 2016-2021

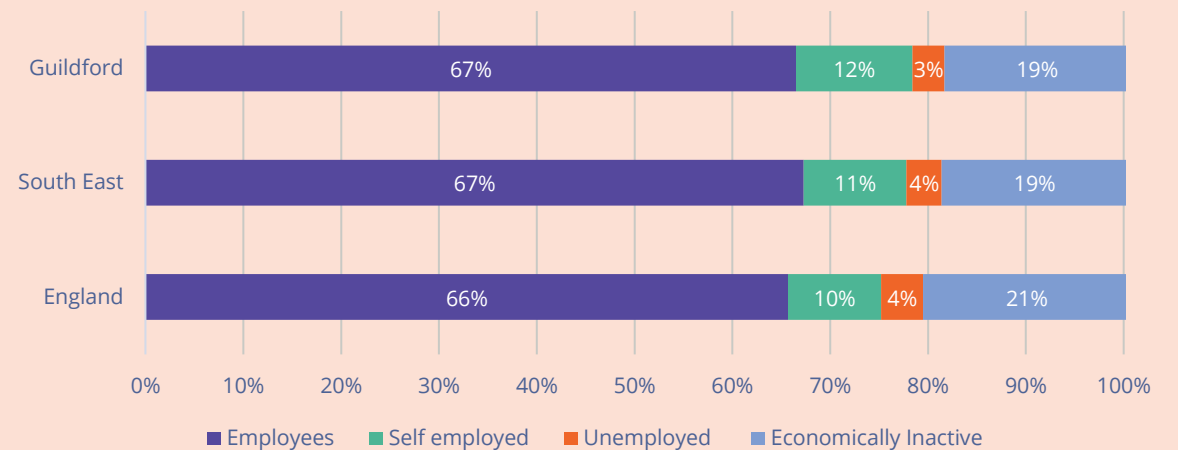


Source: ONS. Annual Population Survey, 2021

Economic Activity and Employment Over Time, 2016-2021



Economic Activity, 2021



Source: ONS. Annual Population Survey, 2022

Guildford has higher levels of self-employment than elsewhere...

A higher proportion of Guildford's residents are self-employed than in other places: Equivalent to 12.6% of the working age (aged 16-64) population, there are 12,200 self-employed residents in Guildford. This proportion is higher than the average for the South East (10.5%) and England (9.5%) and all comparator areas except from Reading and Southend-on-Sea. Higher levels likely reflect the dominance of professional occupations in Guildford's resident profile.

Self-employment in the UK has been increasing over the past two decades: In Guildford, self-employment has increased from 8.7% in 2016 to 12.6% in 2021. This increase is greater than that seen in all comparator areas and has occurred at a time when levels of self-employment have fallen regionally (-2%) and nationally (-1%). Higher levels of self-employment in urban areas is associated with business creation and innovation whereas in rural areas this is more likely to be linked to a lack of employment opportunities.

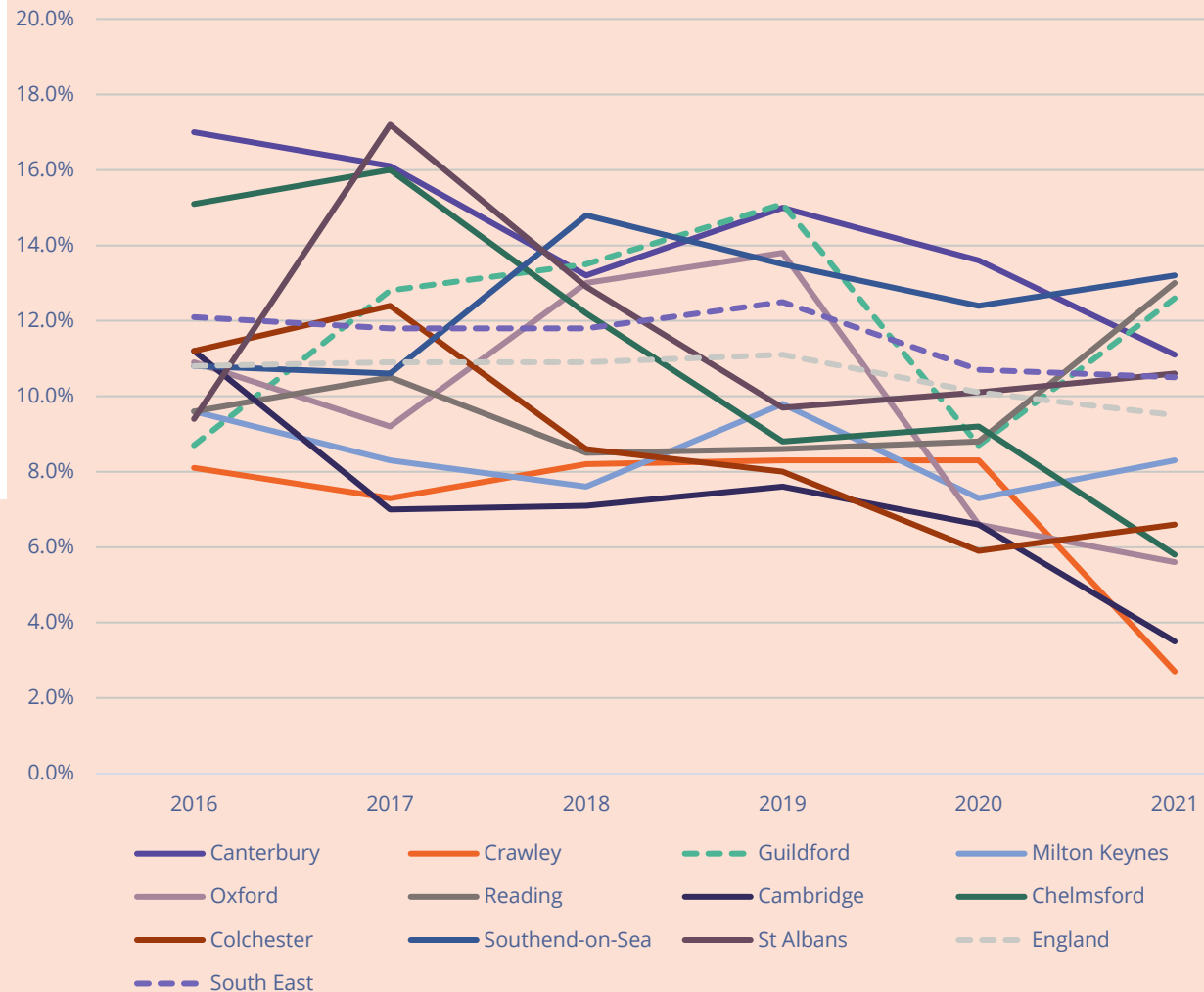
Despite this longer term growth, Guildford's self-employment rate did temporarily fall in 2020 at the onset of the COVID-19 pandemic: In 2020, Guildford's self-employment rate fell to 8.7%, ranking below that for the South East (10.7%) and England (10.1%). This is further explored on page 89.

Self Employment as a % of those aged 16-64, 2021



Source: ONS. Annual Population Survey, 2021

Self Employment as a % of those aged 16-64, 2016-2021



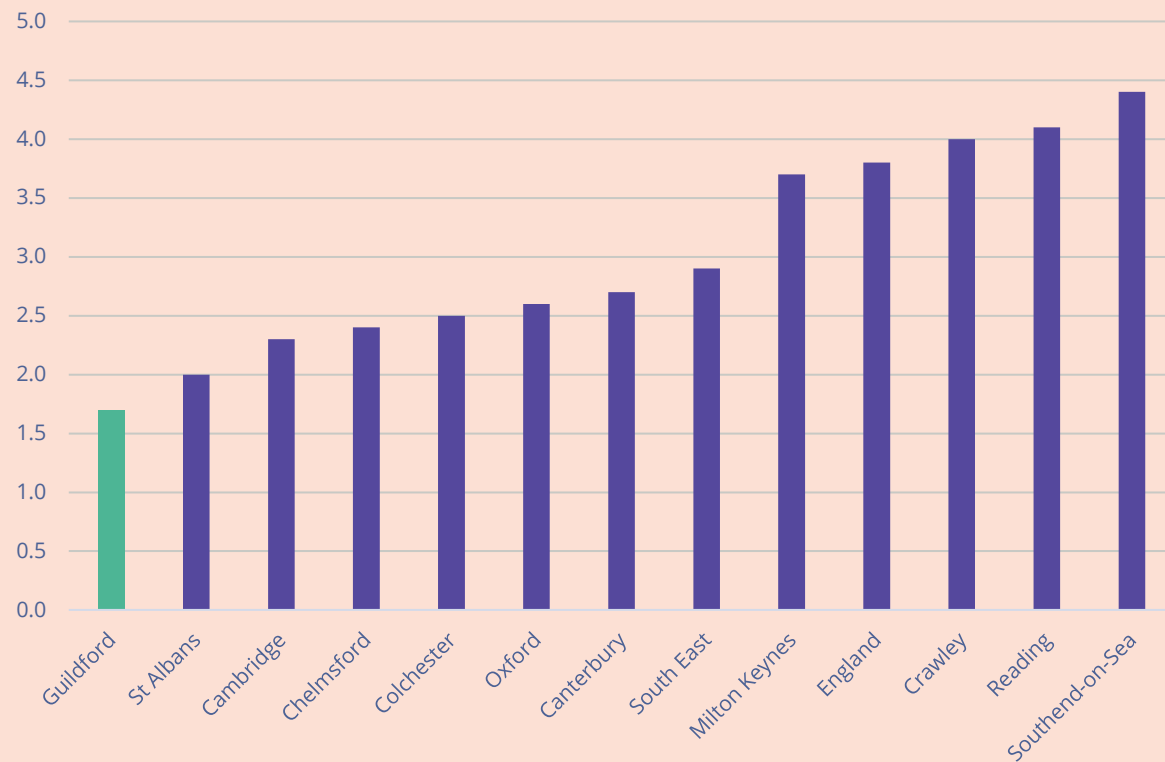
Source: ONS. Annual Population Survey, 2021

The claimant rate in Guildford is low, and residents were less reliant on support than elsewhere during COVID-19...

Guildford's claimant rate is the lowest of all comparators: Guildford's claimant count as a proportion of working-age residents (aged 16-64) is 1.7% in July 2022 which is lower than all comparators, the South East (2.9%) and England (3.8%).

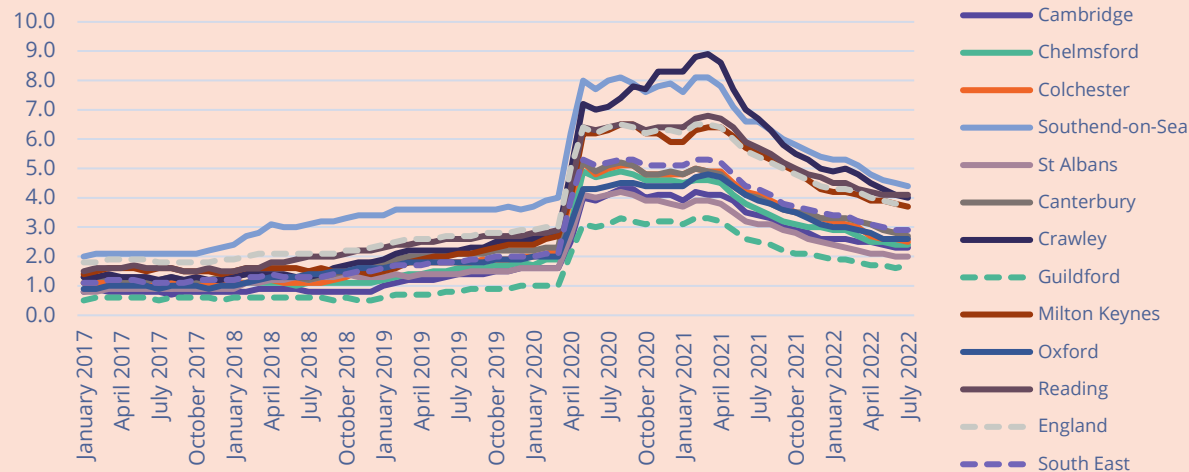
Claimant count is highest in Guildford and the north of the town: Claimant count is highest in Guildford town at 220 claimants in July 2022.

Claimant Count as a Proportion of Residents Aged 16-64, July 2022

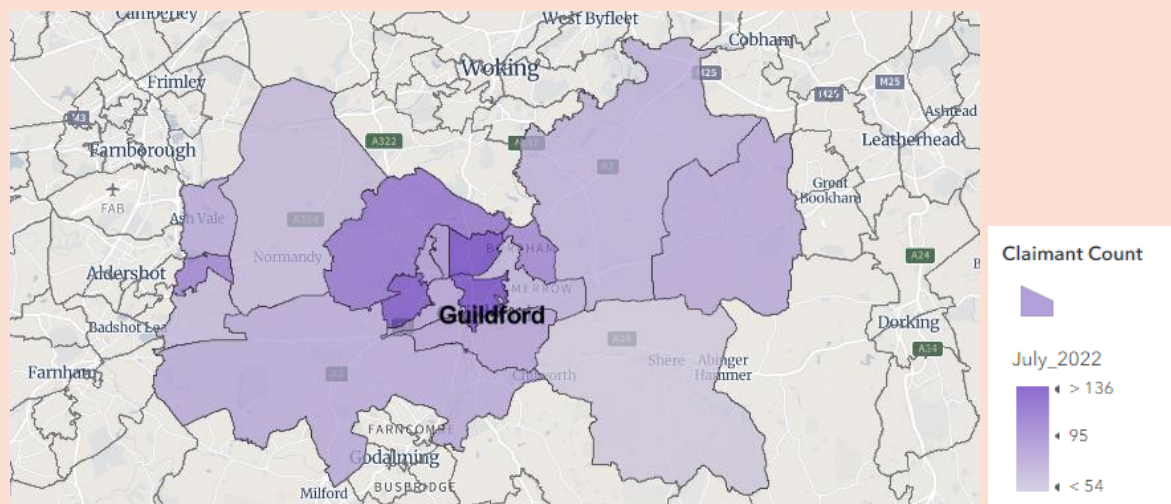


Source: ONS. Claimant Count, 2021

Claimant Count as a Proportion of Residents Aged 16-64, 2017 – 2022



Claimant Count Mapped, 2022



Source: ONS. Claimant Count, 2021

Workplace wages in Guildford are relatively high, though resident earnings are higher than workplace earnings...

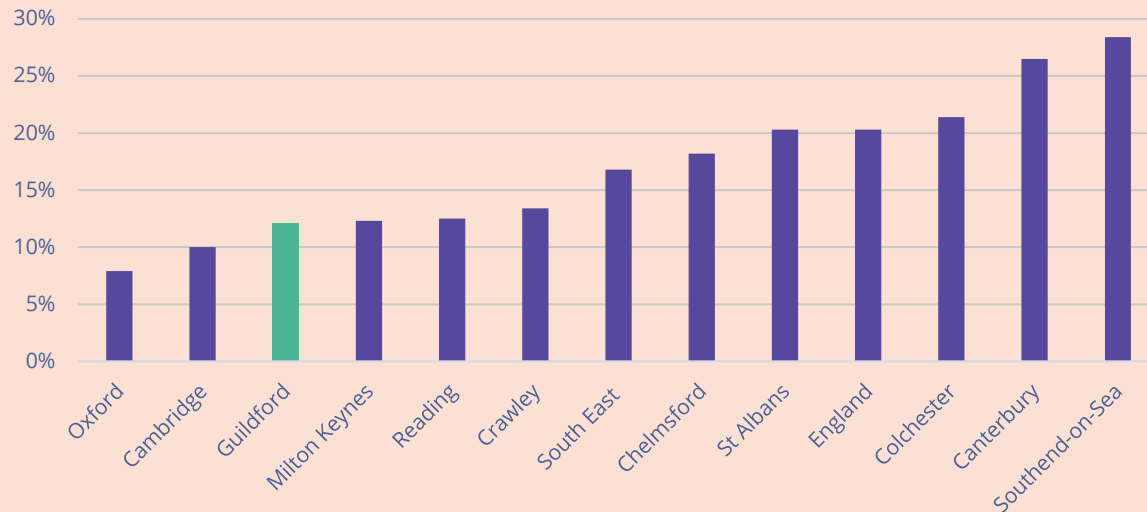
Resident earnings are higher than almost all comparators: Annual resident earnings in Guildford are £40,400 per annum in 2021 which is higher than all comparators except from St Albans (£45,700), and is higher than the South East (£34,000) and England (£31,500).

Workplace earnings are also higher than all comparators: Annual workplace earnings in Guildford are £36,800 in 2021 which is higher than all comparators, the South East (£32,800) and England (£31,500).

Resident earnings are 9% higher than workplace earnings: Residents in Guildford earn £40,400 per annum versus £36,800 per annum. This suggests a large proportion of residents are commuting to higher paid positions outside the borough.

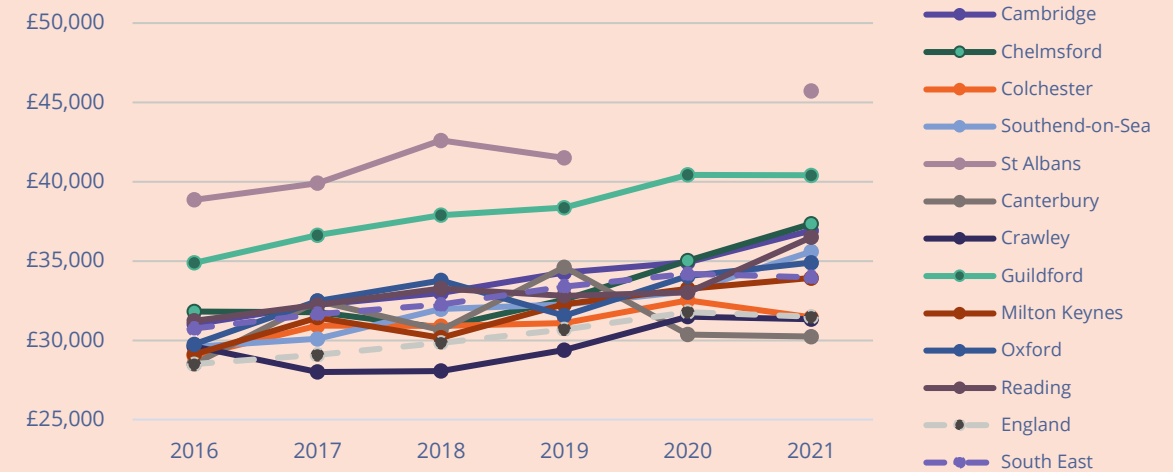
Workers earning below the Living Wage Foundation Rate are relatively low: 9,000 jobs or 12% of total jobs earn below the Living Wage Foundation rate of £9.30. This is lower than most comparators except from Oxford and Cambridge – though it is not an insignificant figure.

% of Workers Earning Below Living Wage Foundation Rates, 2020

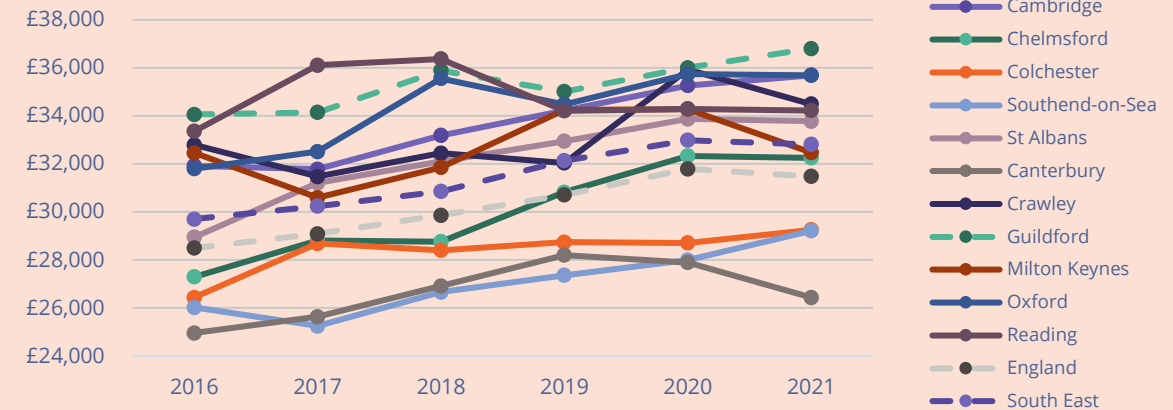


Source: ONS. Annual Survey of Hours and Earnings (ASHE), 2020

Annual Resident Earnings, 2016-2021



Annual Workplace Earnings, 2016-2021



Source: ONS. Annual Survey of Hours and Earnings, 2021

Note: Annual resident and workplace earnings refer to full-time workers only. Full-time workers are defined as those who work more than 30 paid hours per week or those in teaching professions working 25 paid hours or more per week. In ONS published reports, the standard practise for presenting earnings estimates is to use the figure for full-time workers rather than the total workers figure.

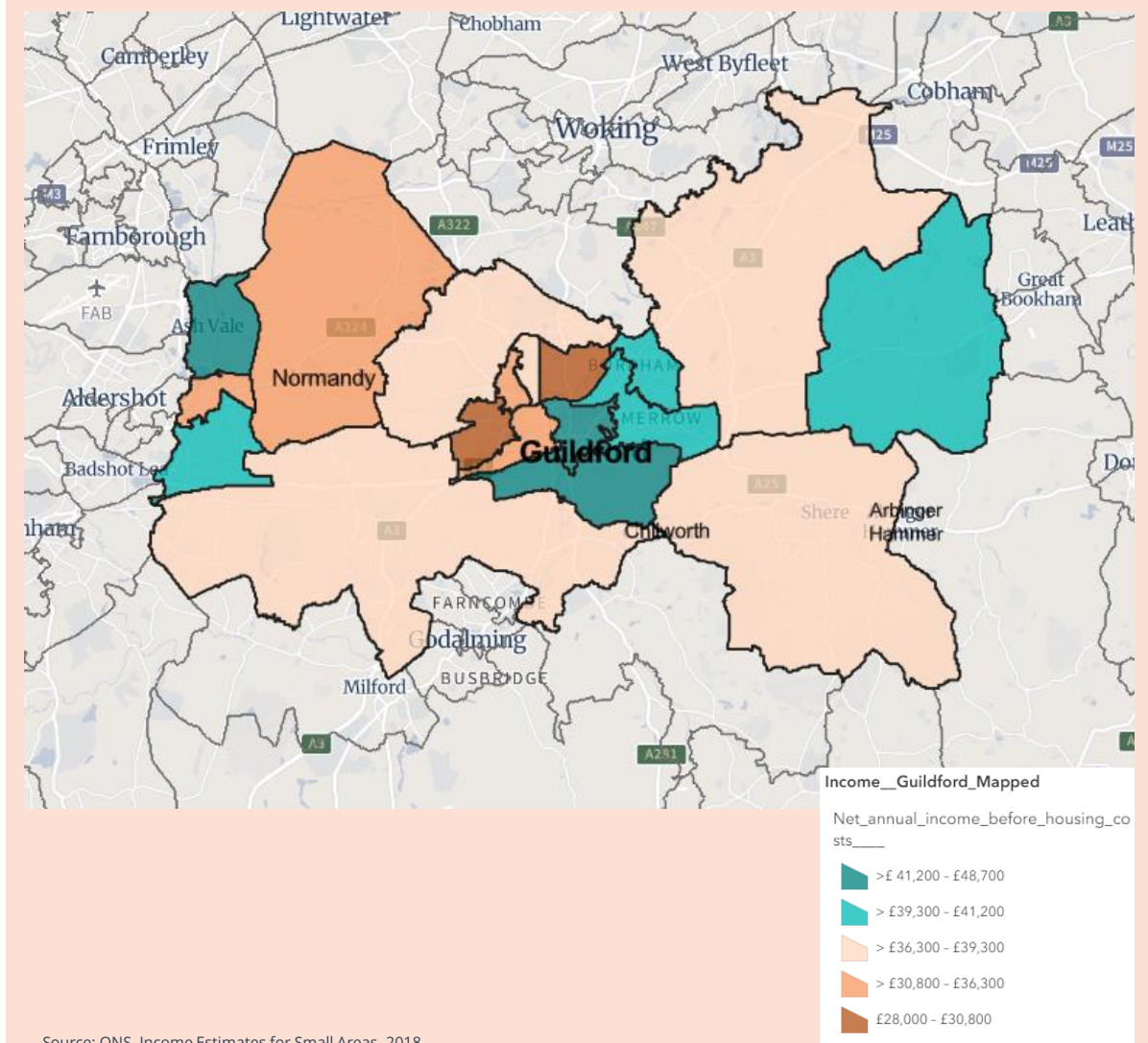
Household income is lowest in the periphery of Guildford's urban areas...

Household income is highest in Guildford's urban areas: Median household income ranges from £41,200 to £48,700 per annum in Guildford town and Ash Vale.

The north and west of Guildford town have the lowest average household income levels: Household income in these areas ranges from £28,000 to £30,800 per annum.

Household income is lower in some of Guildford's more rural locations: Some of the lowest household incomes are in Normandy at around £30,800 and £36,300 per annum.

Net Annual Household Income Before Housing Costs for Guildford, 2018



IN FOCUS: Talent

Guildford is home to a number of anchor institutions that educate a large population in a diverse and highly skilled range of careers and vocations. Beyond the borough, Guildford's proximity to London and the wider South East region provides a large pool of talent to support its key economic sectors.

Pairing skills need with skills and training provision locally is an important component of attracting and retaining talent to support Guildford's priority sectors. Several of Guildford's key anchor institutions for training and skills are explored in more detail below.

University of Surrey

Retaining students who have completed their studies is an important component of ensuring graduates work in local businesses and drive further economic growth. Top sectors for University of Surrey graduates include healthcare, education, finance, computing and engineering. These specialisms support Guildford's specialisms in information & communication, professional, scientific & technical, health and finance & insurance.

University of Surrey, 2022



Activate Learning: Guildford College

Guildford' College's newly redeveloped campus supports training in over 100 courses across Art, Design and Digital Creative; Beauty Therapy; Business and Enterprise; Construction Early Years; Engineering; Esports; Hairdressing; Health and Social Care; Hospitality; IT and Computing; Media; Media Makeup; Performing and Production Arts; Teaching and Education and Tourism. The College also works closely with local employers to provide relevant and tailored training.

Enterprise M3 Skills Action Plan & Local Skills Report 2020/21

As one of the most highly skilled areas in the UK, Enterprise M3 LEP identify priority projects that accelerate and expand education and training in:

- High level digital skills for workers in an increasingly digital economy and specialist roles – EM3's business innovators and knowledge and design-based economy create high demand for a strong supply of people with digital skills;
- The sustainable buildings construction industry – EM3 has large construction and housing developments that mean demand for construction skills is high; and
- Technical jobs in low carbon sectors – EM3 has strategic priorities to drive clean growth, to decarbonise transport and buildings, to pursue a green energy strategy and to protect natural capital.

The report also identifies that the appeal of semi-rural, less densely populated areas such as Surrey have grown during the pandemic, and that the creation of good jobs is among a combination of factors that will maintain the appeal of the area to the young and highly skilled needed to sustain a high growth economy.

Partnerships between Talent and the Economic Strategy

Providing an attractive environment to live and work is a key component of attracting and retaining talent within the borough. Part of this is ensuring that there is appropriate housing tenure mix in the right locations for learners, young professionals and other individuals looking to live and work within the borough. This is explored in more detail in housing need on page 56.

A second component is strengthening links between employers, educational institutions and individual learners. Guildford is home to some of the best performing schools in the country. From primary and secondary education through to university and vocational training, links between employers, educational institutions and individuals entering the workforce can be lifelong. Opportunities to strengthen these links can include work placements and internships, educational training sessions, insight days and graduate opportunities.

Skills Need

Based on Guildford's priority sectors and the skills gaps identified on page 40 it is therefore important to consider how the following sectors and occupations can be supported through talent attraction and retention. Two examples are outlined below:

- Health – a priority sector for retention with a local specialism in Digital Health, yet there is a larger than average skills gap in caring, leisure and other service staff within Surrey; and
- Information & Communication – a sector priority for growth, the University of Surrey offers a range of computing courses and Guildford is home to world-class gaming companies.

5. Property

What are the characteristics of Guildford's property market and how does it support key local industries?

[<<< Return to Contents](#)



Property: Summary

Guildford is a desirable office location but has less space than elsewhere...



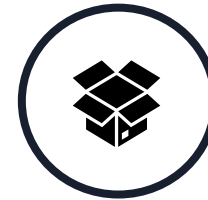
Guildford has a lower quantum office space than several of its comparators. This restricts the amount of professional office-based economic activity that can take place.

Office quality and location are limitations and are influencing vacancy...



Take-up of new office space in Guildford indicates that occupiers favour town centre locations, and some persistent vacancies may link to a lack of high quality and flexible space near public transport nodes.

Small and flexible office space is in demand...



Since 2020 there has been an increase in the number of leases signed for smaller office spaces (less than 10,000 sq ft). This reflects wider macro-economic trends following the COVID-19 pandemic.

Guildford has a lower quantum of industrial space, and particularly smaller spaces...



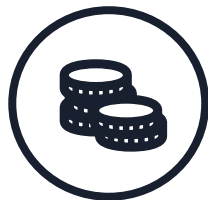
Guildford has less industrial space than several comparator areas. This is restricting industrial economic activity. High rental values also indicate that this space is in demand locally.

Smaller industrial spaces are increasingly in demand...



Smaller industrial units (less than 10,000 sq ft) are increasingly in demand whilst several larger industrial sites remain unoccupied. This reflects the Council's recent investment in Middleton Industrial Estate.

Housing affordability is low, with some areas less affordable than others...



House prices are 10.8x higher than average resident earnings and 13.2x higher than workplace earnings. House prices are highest in Guildford's rural areas.

Several large-scale housing developments are in the pipeline...



Guildford has high housing need, and developments in Guildford town centre such as the station redevelopment, Weyside Urban Village and North Street will meet some of this need.

Why is this important?

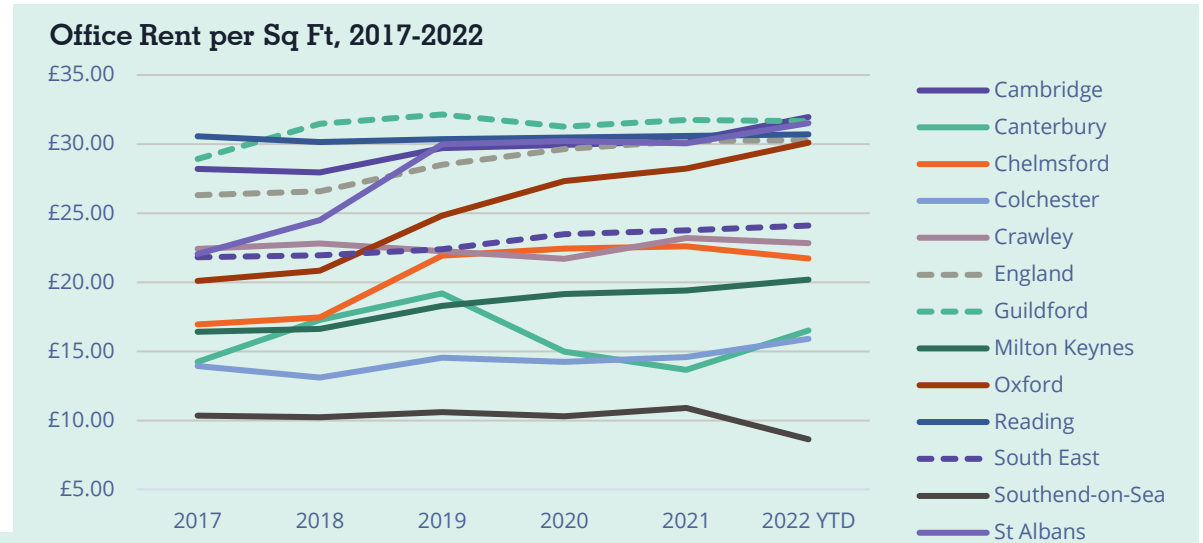
- Ensuring that commercial space meets the needs of existing and potential businesses and employers in the borough is important for supporting economic growth.
- Understanding which locations are more attractive for commercial occupiers can indicate where infrastructure investments should be focused.
- Housing affordability is important for retaining graduates and attracting.

Guildford is a desirable office location but high rents and lack of quality premises may be limiting growth...

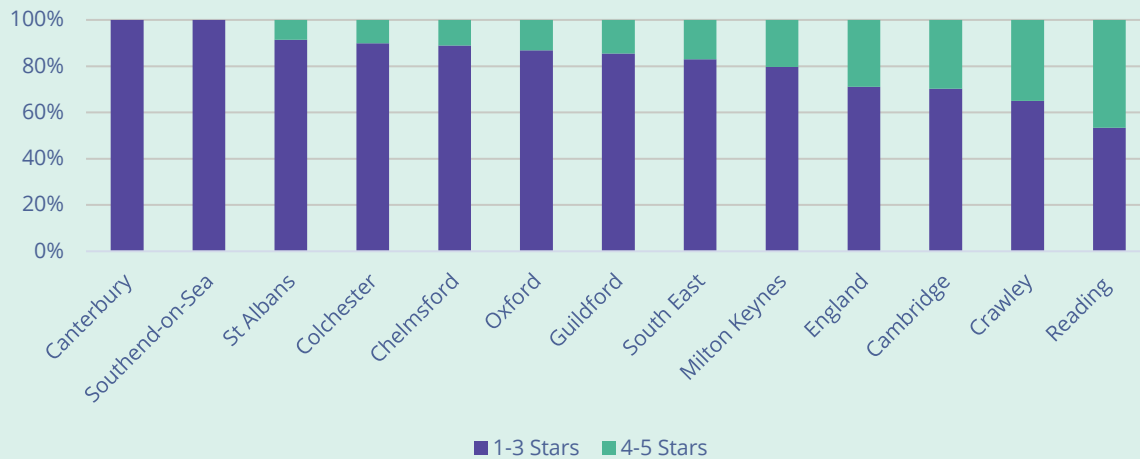
High rental values: Office space in Guildford is on average £31.70 per sq ft, which is second highest of all comparator areas (except from Cambridge) including several more productive cities and towns such as Oxford (£30.10), Reading (£30.70) and Milton Keynes (£20.20). Rents are also well above the average for the South East (£24.10) and England (£30.30). The overall price gap between Guildford and other place has, however, narrowed in recent years but this rate will be prohibitive to some smaller, start up businesses that require lower rates on flexible terms.

Comparatively low supply of office space: Guildford's mixture of town centre and out-of-town business parks provide 3.7 million sq ft of office floorspace for businesses across the borough. This quantum of floorspace is comparatively low, out-performing only St Albans, Colchester, Southend-on-Sea and Canterbury. This is likely to be impacting absolute economic output.

Comparatively lower quality: Only 15% of Guildford's office stock is considered to be rated 4-5 stars (equivalent to Grade A-B) which is lower than several comparator areas including Crawley (35%) which is Guildford's next closest comparator in terms of the quantity of office stock. The new space that is being delivered in Guildford is Grade A-B and take up of this space has been relatively rapid.

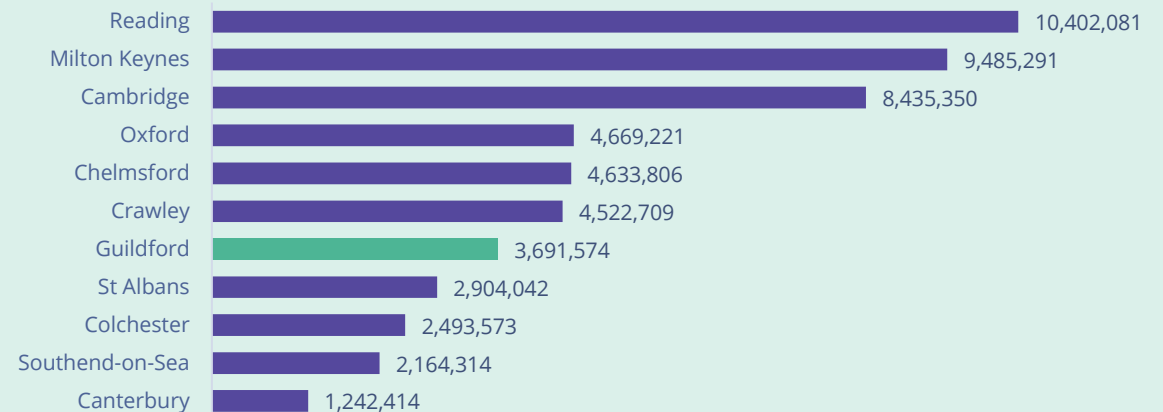


Office Quality By Floorspace, 2022



Source: Costar. Costar Analytics, 2022

Total Office Floorspace, Sq Ft (2022)



Source: Costar. Costar Analytics, 2022

Demand is increasing for smaller, high quality and well-located office space...

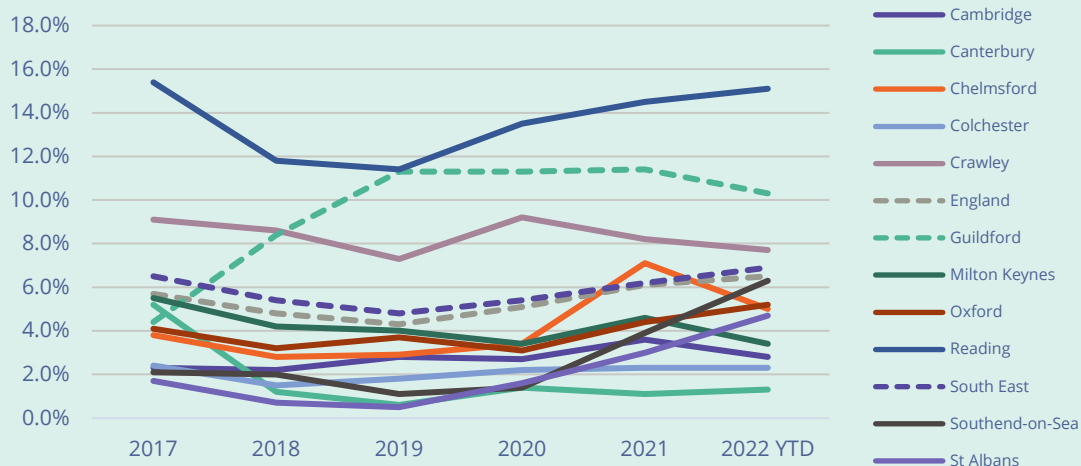
Guildford's leasing activity has picked up since the onset of the COVID-19 pandemic, with over 180,000 sq ft leased in 2021 and 75,000 sq ft leased in 2022 to date (August 2022). Key deals include:

- Several signed leases for larger office space (10,000 sq ft or more) by single occupiers across law, gaming and consumer goods – the majority of which are for periods of 10 years or more; and,
- There has been an increase in the number of leases for smaller sizes (sub-10,000 sq ft).

The number has remained steady, although there was a spike in 2020. The largest sale in recent years is Onslow House in Guildford town centre. As a majority let to EA Games, the property was sold to an investor for £38 million in 2020.

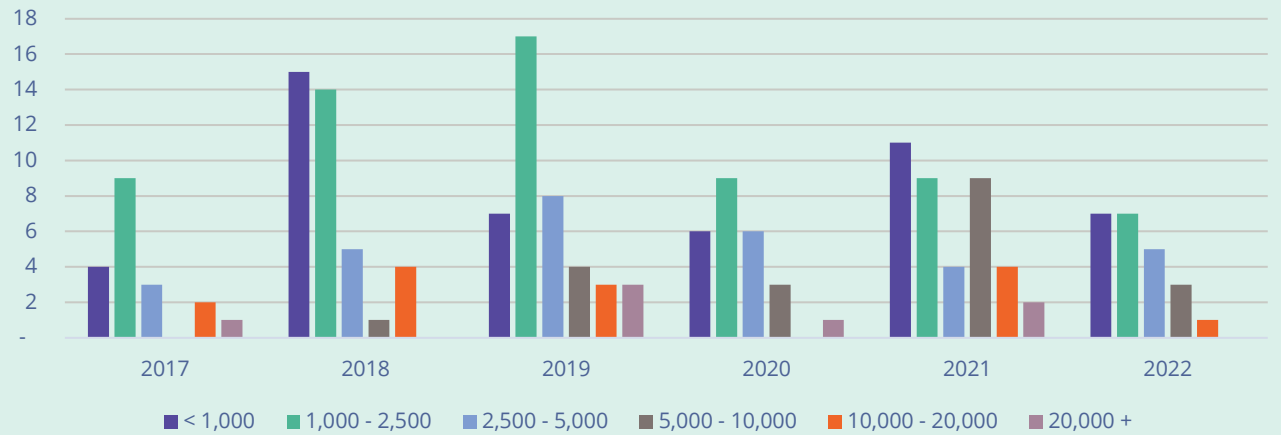
High vacancy rates: Vacancy rates in Guildford increased significantly between 2017 and 2019, with vacancy rates being second only to Reading in 2022 at 10.3%. Discussions with agents suggest that this is driven by vacancies in large, low quality spaces that are located outside of the town centre and further away from public transport connections. In a post-pandemic world occupiers are increasingly demanding flexible high quality space in town centre locations.

Vacancy Rates, 2017-2022



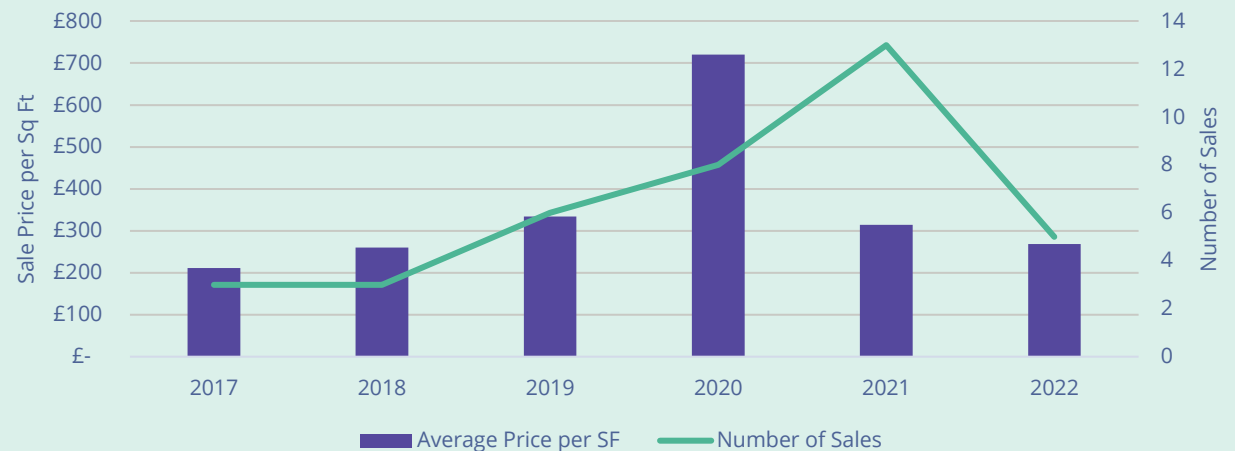
Source: Costar. Costar Analytics, 2022

Lease Transactions by Size, 2017-2022



Source: Costar. Lease Comps, 2022

Key Sales Transactions, 2020-2022



Source: Costar. Sales Comps, 2022

Guildford's Office Clusters

Guildford Town Centre Employment Core

- Floorspace: Unknown
- Vacancy: 9,555 sqm
- Quality of Environment: Very good
- Rental Value: £20-30/SF

Guildford Business Park

- Floorspace: 29,000 sqm
- Vacancy: 1,670 sqm
- Quality of Environment: Very good
- Rental Value: £30-37/SF

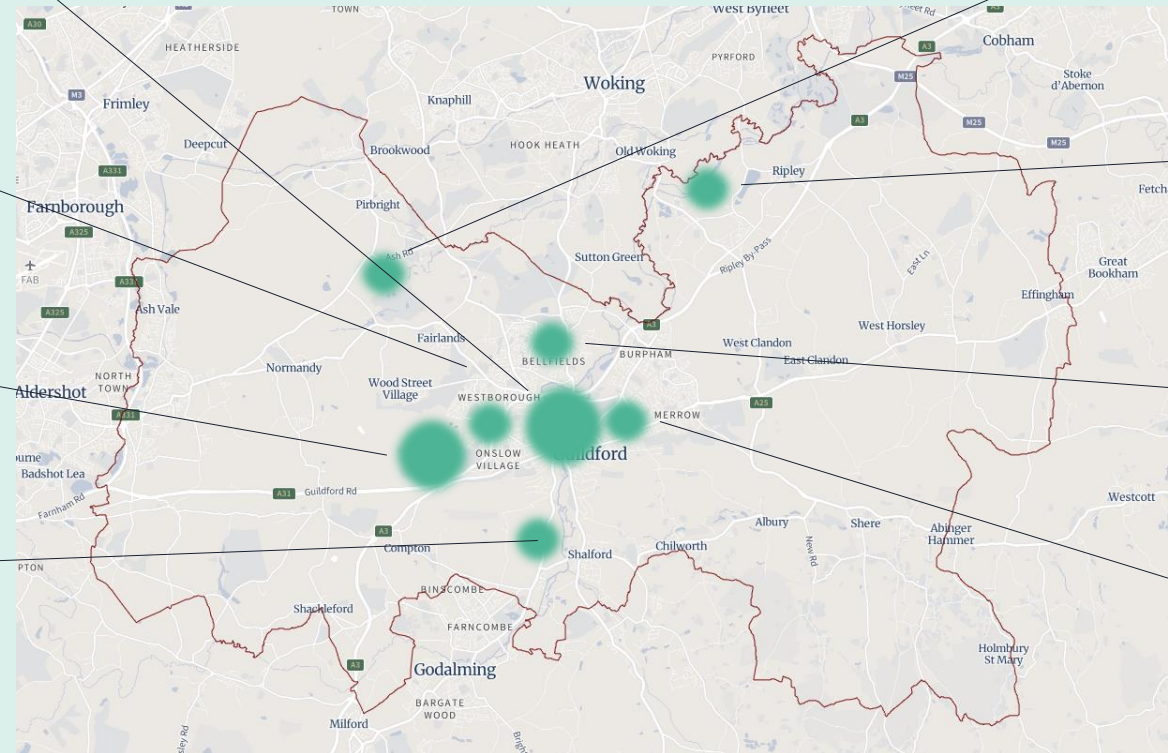
Surrey Research Park

- Floorspace: 65,000 sqm
- Vacancy: 307 sqm
- Quality of Environment: Very good
- Rental Value: £22-26/SF

The Guildway

- Floorspace: 12,500 sqm
- Vacancy: 488 sqm
- Quality of Environment: Very good
- Rental Value: ~£25

Office clusters map



The Pirbright Institute

- Floorspace: 41,800 sqm (+8,100 under construction)
- Vacancy: 0 sqm
- Quality of Environment: Very good
- Rental Value: N/A

Send Business Centre and Tanner Studios

- Floorspace: 7,800 sqm
- Vacancy: 0 sqm
- Quality of Environment: Very good
- Rental Value: ~£22.50

57 and Liongate Ladymead

- Floorspace: 15,665 sqm
- Vacancy: 0 sqm
- Quality of Environment: Good
- Rental Value: ~ £23

London Square, Cross Lanes

- Floorspace: 11,260 sqm
- Vacancy: 655 sqm
- Quality of Environment: Good
- Rental Value: ~£34

Guildford's industrial space is in demand and there is comparatively low levels of stock...

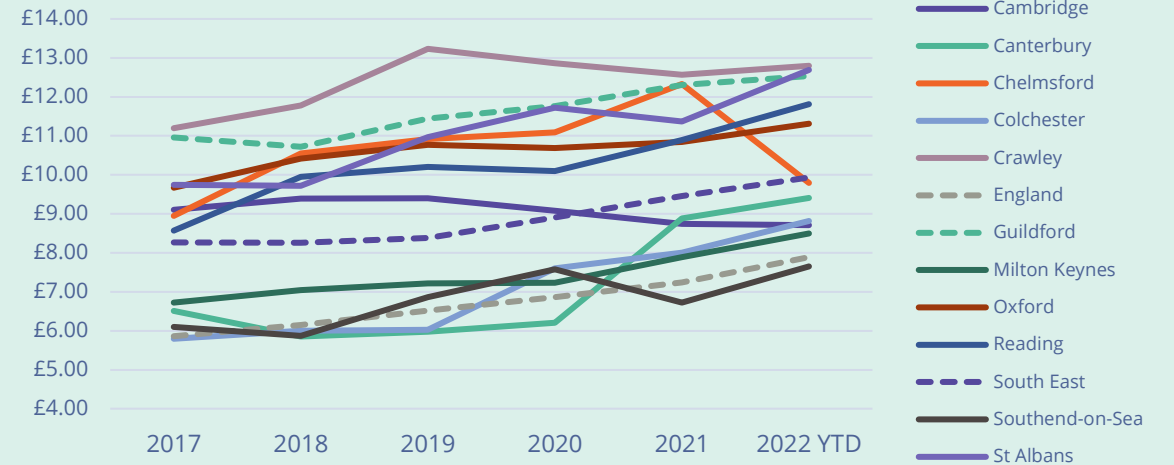
Comparatively low supply of industrial space: Guildford's 3.4 million sq ft of industrial stock is one of the lowest of all comparator areas with the exception of Cambridge, Canterbury and Southend-on-Sea. Of over 200 industrial properties in Guildford the largest proportion are 10,000 – 25,000 sq ft (29%) followed by 5,000 – 10,000 sq ft (19%) and less than 2,500 sq ft (18%).

Relatively low delivery of new industrial space: Guildford has seen +5% growth in industrial floorspace since 2017 which is lower than comparators such as Cambridge (+21%) and Crawley (+12%) but exceeds Reading, Oxford, St Albans and Southend-on-Sea.

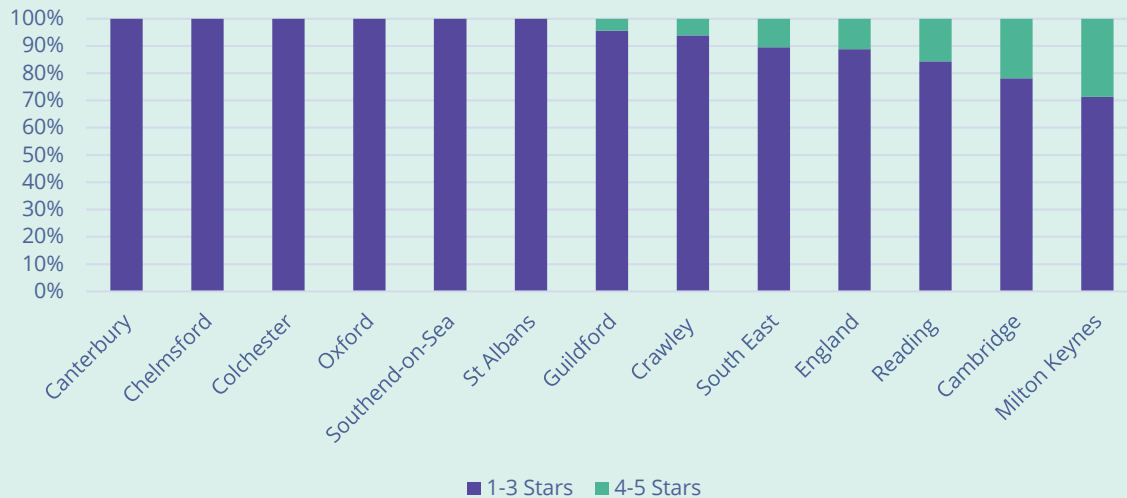
High rental values: Rental values are £12.53 per sq ft in 2022 which is above all comparator areas (except from Crawley and St Albans) including Reading (£11.81) and Milton Keynes (£8.50). This is despite a lack of high quality stock.

Lack of quality industrial stock: Only 4% of Guildford's industrial stock is rated 4-5 star (equivalent to Grade A-B) which is comparatively lower than several comparators including Milton Keynes and Cambridge. This may have changed following investment on Millmead Estate.

Rent per Sq Ft, 2017-2022

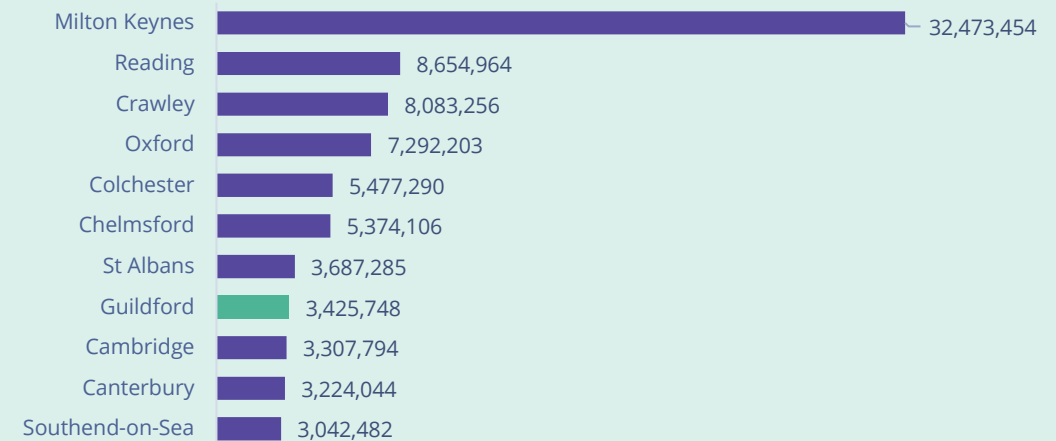


Quality by Floorspace, 2022



Source: Costar. Costar Analytics, 2022

Total Industrial Floorspace, Sq Ft (2022)



Source: Costar. Costar Analytics, 2022

Guildford's small and medium-sized industrial premises are popular...

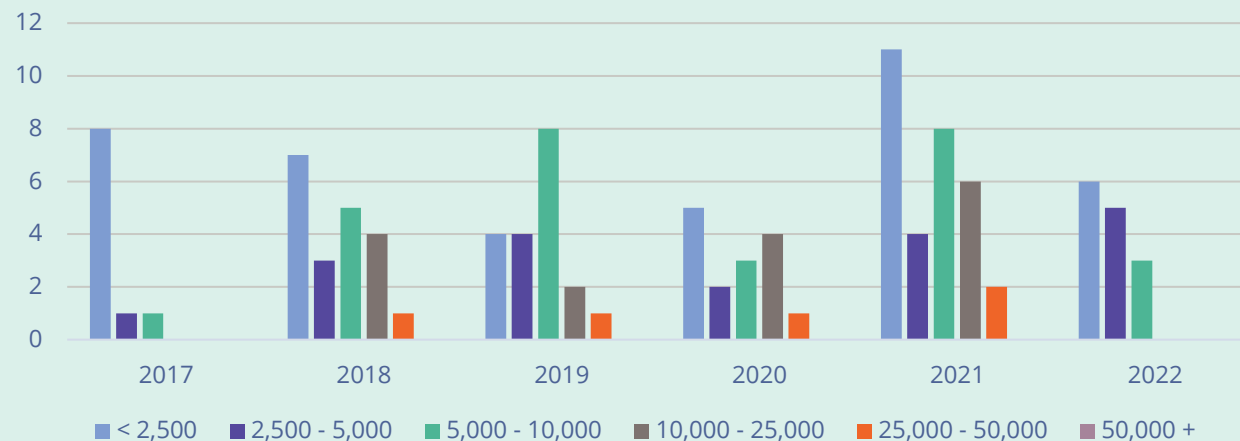
Guildford's key leasing deals:

- Smaller premises (sub 2,500 SF) continue to be in very high demand;
- Medium-sized units (2,000 – 10,000 SF) are expected to continue to bounce back from the COVID-19 disruption.

Recent sales have taken place as part of portfolio purchases by investors on Wyvern Park and Henley Business Park in 2021, with a further multi-property sale on Riverside Business Centre and Riverway Industrial Estate in 2020.

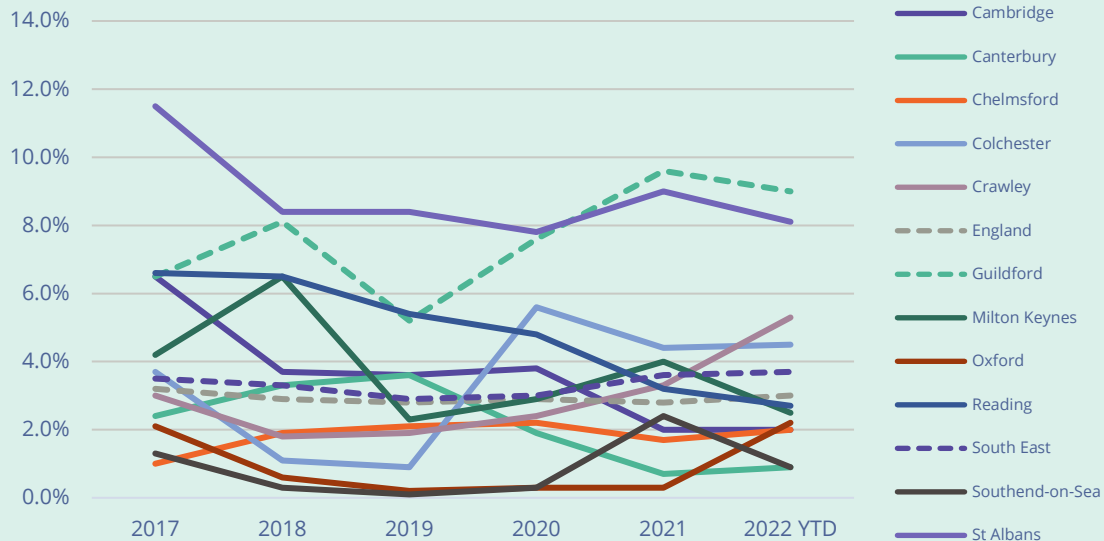
High vacancy rates: Guildford's industrial vacancy rates are higher than all comparator areas at 9.0% in 2022. However, these vacancy rates are driven by unoccupied older and larger vacant units such as 2-3 Dennis Way (previously Alexander Dennis) and other vacant properties associated with redevelopment on Guildford and Midleton Industrial Estates.

Lease Transactions by Size, 2017-2022



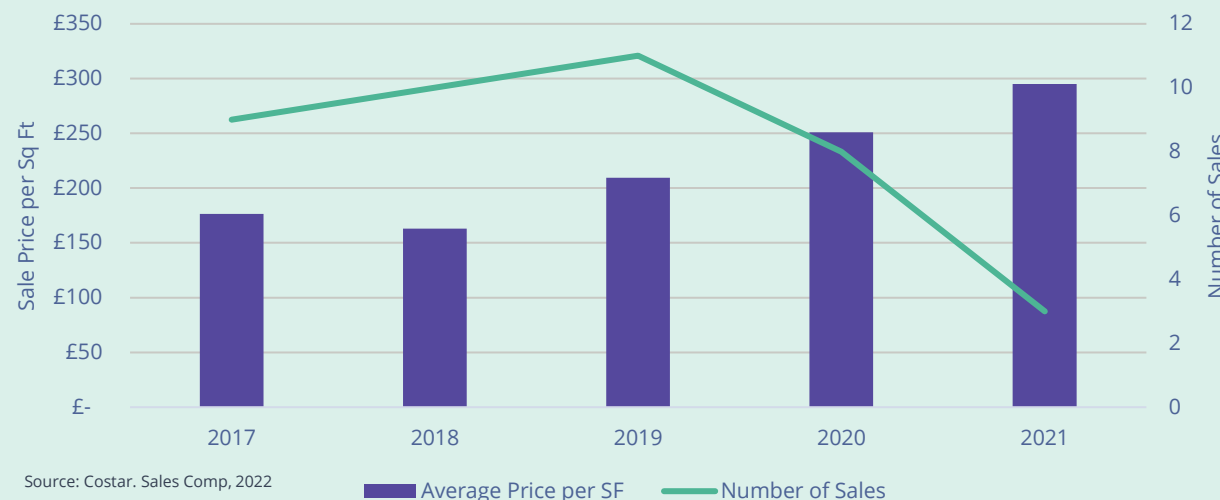
Source: Costar. Lease Comp, 2022

Vacancy Rates, 2017-2022



Source: Costar. Costar Analytics, 2022

Sales Transactions, 2017-2022



Source: Costar. Sales Comp, 2022

Guildford's Industrial Clusters

Henley Business Park

- Floorspace: 19,627 sqm
- Vacancy: 3,175 sqm
- Quality of Environment: Very good
- Rental Value: £11-13/SF

Lysons Avenue, Ash Vale

- Floorspace: 32,000 sqm
- Vacancy: 478 sqm
- Quality of Environment: Poor
- Rental Value: £10-13/SF

Middleton Industrial Estate

- Floorspace: 13,870 sqm
- Vacancy: 858 sqm (B1)
- Quality of Environment: Very good
- Rental Value: £7-10/SF

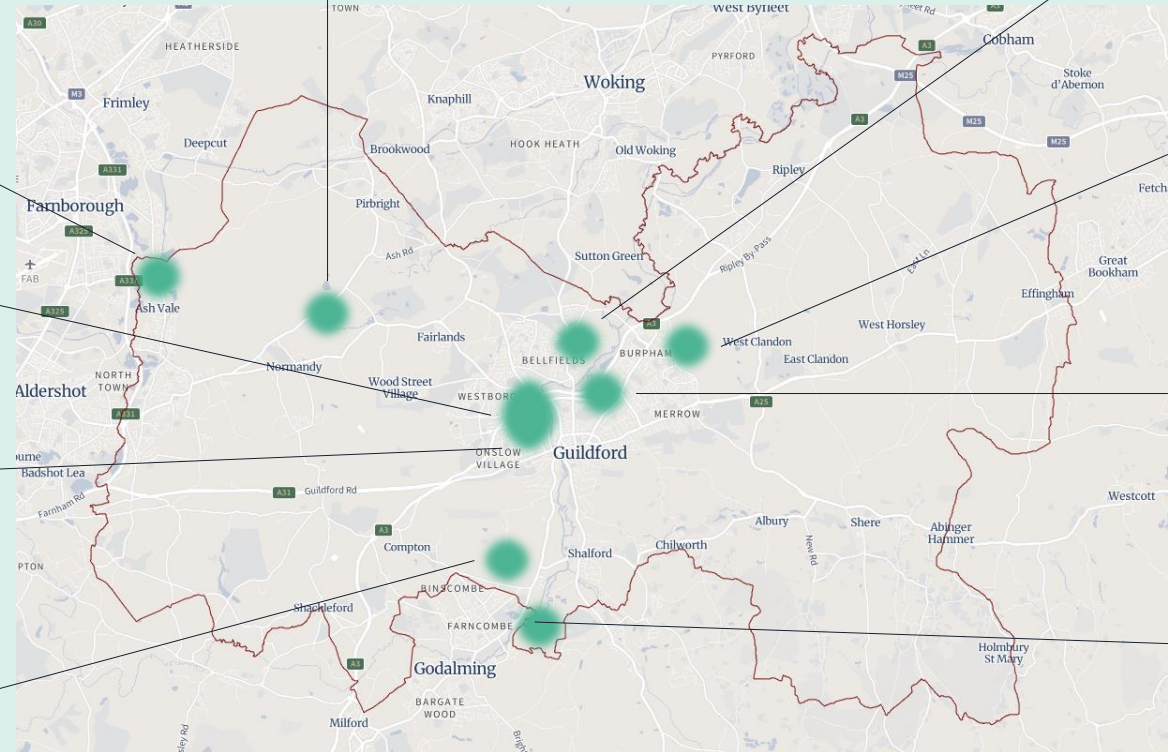
Cathedral Hill and Guildford Industrial Estate

- Floorspace: 45,300 sqm
- Vacancy: 956 sqm (B2) 2,333 sqm (B8)
- Quality of Environment: Very good
- Rental Value: £14-16/SF

Quandrum Park

- Floorspace: 9,800 sqm
- Vacancy: 466 sqm
- Quality of Environment: Very good
- Rental Value: £10-12/SF

Industrial clusters map



Source: Costar. Analytics, 2022

Slyfield Industrial Estate

- Floorspace: 180,000 sqm
- Vacancy: 7,415 sqm
- Quality of Environment: Very good
- Rental Value: £6-12

Merrow Lane

- Floorspace: 31,960 sqm
- Vacancy: 1,024 sqm (B2)
- Quality of Environment: Very good
- Rental Value: £9.91-12/SF

Woodbridge Meadows Industrial Estate

- Floorspace: 31,000 sqm
- Vacancy: 0 sqm
- Quality of Environment: Very good
- Rental Value: N/A

Astolat, Peasmarsh and Riverway Industrial Estates

- Floorspace: 18,730 sqm
- Vacancy: 3,270 sqm
- Quality of Environment: Very good
- Rental Value: £10-16

House prices in Guildford are higher than average...

House prices in Guildford are relatively high: Median house prices in Guildford are around £485,000 which is higher than all comparator areas except from St Albans. This is 30% higher than the average house price in the South East (£374,000) and 63% higher than the England average (£297,000).

House price growth has been lower than other areas: Given house prices were already relatively high, house price growth over the past five years has been slower than other comparators. Guildford has seen +19% growth in the median house price between 2016 and 2021, which is lower than most comparators except from Reading, Oxford and Cambridge.

Median House Price, 2021

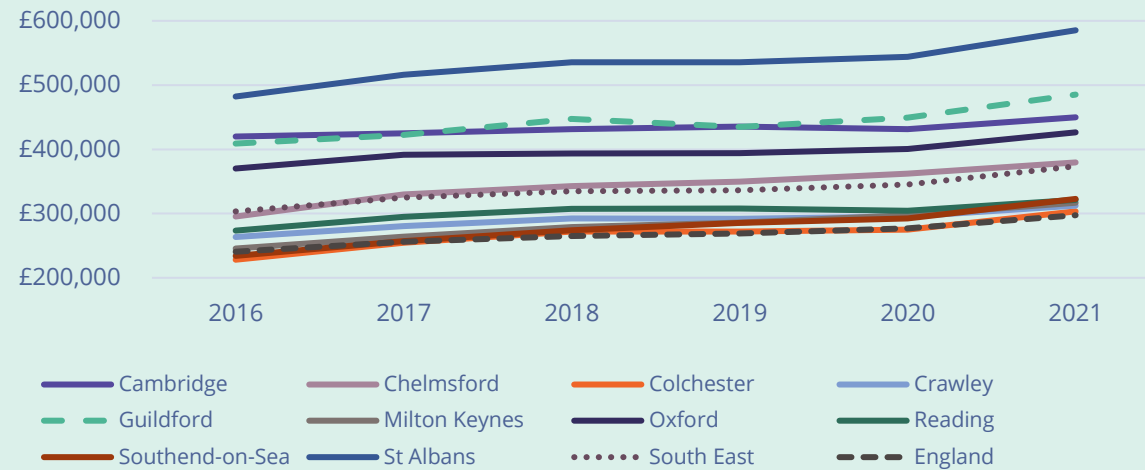


Source: House Price Statistics for Small Areas. Median Price Paid for Administrative Geographies, 2021

Median House Price Change, 2016-2021



Median House Price Change by Comparator, 2017-2021



Source: House Price Statistics for Small Areas. Median Price Paid for Administrative Geographies, 2021

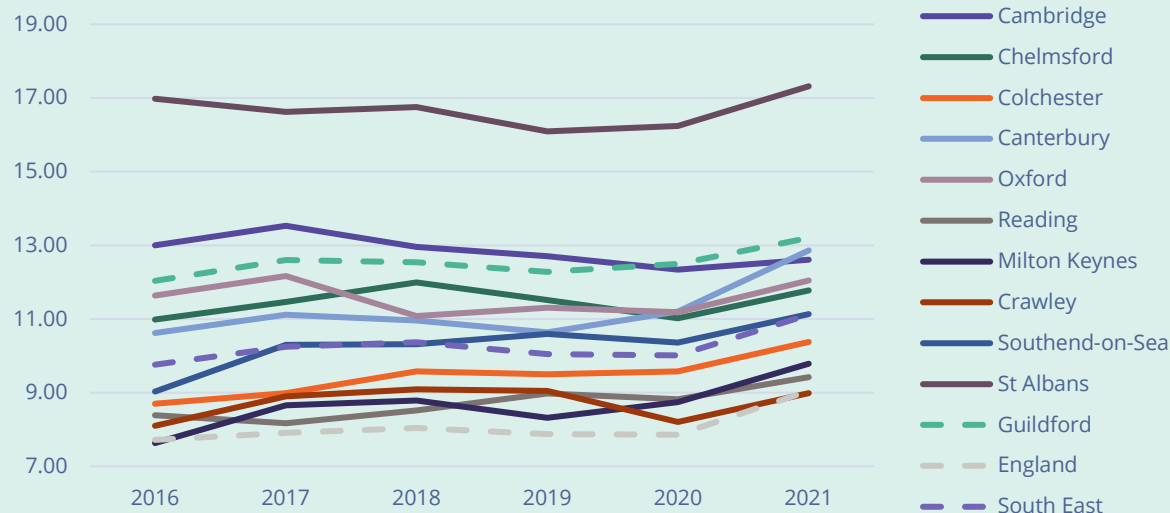
Housing affordability is a major issue, with some areas less affordable than others...

House price affordability is low: House prices in Guildford are 10.8x higher than average resident earnings. This is higher than most comparators except from St Albans, Cambridge and Oxford.

House prices are even more unaffordable for those that work in the borough: House prices are 13.2x higher than average workplace earnings which is higher than all comparators except from St Albans and suggests that house prices are therefore even more unaffordable for those who work in the borough.

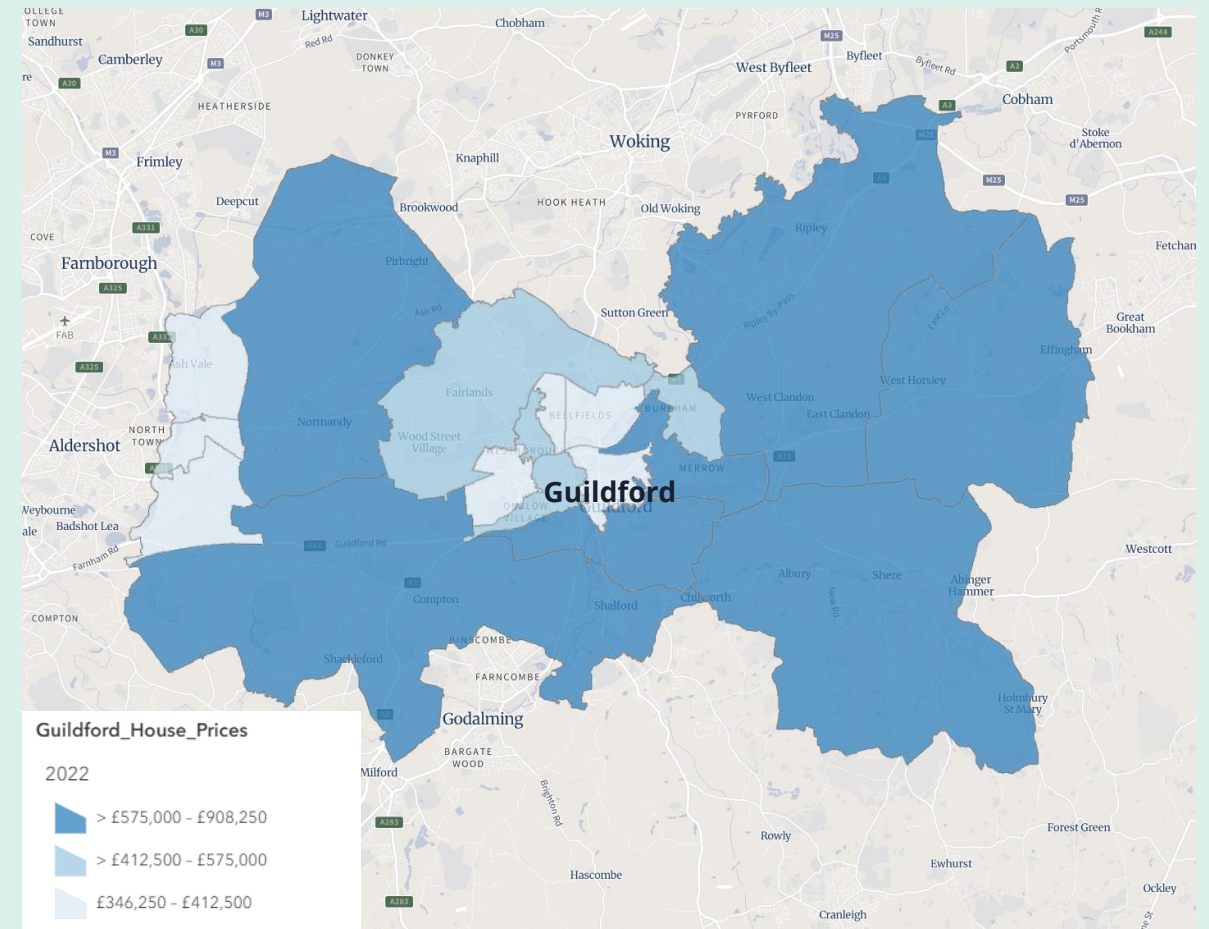
House prices are highest in Guildford's rural areas: House prices are highest in Tillingbourne, Clandon and Horsley (approx. £908,000) and lowest in Guildford's urban areas (approx. £354,000). Even the lowest median house prices are above the England average (£297,000).

House Price Affordability (House Price to Workplace Earnings Ratio), 2015-2020



Source: ONS, House Price to Workplace-Based Earnings Ratio (2021)

Median House Price by MSOA, March 2022



Guildford_House_Prices

2022

- > £575,000 - £908,250
- > £412,500 - £575,000
- £346,250 - £412,500

Source: ONS, House Price Statistics for Small Areas, 2022

IN FOCUS: Housing Need

10,678 homes are to be delivered over the Guildford Local Plan period (2015-2034). This is equivalent to an annual housing delivery target of 562 units.

Larger dwelling sizes are required for market housing provision: Three bedrooms (40.4%) and two bedrooms (28.6%) are most in need.

Smaller dwelling sizes are required for affordable homes: One bedroom (40.9%) and two bedrooms (31.7%) are most in need.

Housing Need, 2015-2034

Types of homes	Market Housing	Affordable Housing
One bedroom	9.1%	40.9%
Two bedrooms	28.6%	31.7%
Three bedrooms	40.4%	23.9%
Four bedrooms or more	21.9%	3.5%

Source: Guildford Borough Council. Strategic Housing Market Assessment, 2013

Guildford is falling behind its housing delivery target: Between 2015/16 and 2020/21, the annual housing delivery target has only been exceeded in 2020/21 (609 units). Affordable housing delivery has accounted for 22% of all homes delivered over the same period, though the proportion of affordable homes has fallen in recent years.

Housing mix that is delivered may not be appropriate: The latest Annual Monitoring Report (2021) identifies that a historic lack of identification of a suitable range of both smaller and larger sites has contributed to the insufficient delivery of an appropriate mix in the types and tenures of homes (including affordable homes) that have been delivered.

There is an undersupply of medium-sized market homes: Provision of dwellings of four bedrooms or more exceeded need (31% vs 22% required) as did one bedroom properties (16% vs 9%).

Market Housing Delivered, 2014-2021



Source: Guildford Borough Council. Annual Monitoring Report, 2021

There is an undersupply of smaller affordable homes: One bedroom properties only accounted for 20% of homes delivered (vs 41% required). At the other end of the spectrum, no affordable housing was provided for properties with four bedrooms or more despite a need for 3.5% across Guildford.

Affordable Housing Delivered, 2014-2021



Source: Guildford Borough Council. Annual Monitoring Report, 2021

Larger sites in the pipeline are driving undelivered housing: The increasing significance of larger planning permissions within the borough has led to the outstanding capacity (i.e. sites with planning permission for new homes that have not been built) remaining reasonably high in 2019/20 at 3,169 (3,038 homes in 2018/19 and 2,522 in 2017/18).

Proportion of New Homes Approved by Site Size, 2014-2021

Year	Site Size (Net Number of Homes)				
	Fewer than 5	5-15	16-50	51-200	200+
2014/15	16%	18%	8%	8%	-
2015/16	34%	26%	40%	-	50%
2016/17	83%	11%	3%	3%	-
2017/18	12%	11%	6%	-	-
2018/19	11%	12%	-	23%	54%
2019/20	9%	7%	15%	69%	-
2020/21	27%	4%	27%	42%	-

Source: Guildford Borough Council. Housing Delivery Action Plan, 2021

IN FOCUS: Housing Pipeline

A number of residential developments are in the pipeline for delivery across Guildford to support the sustainable development of the borough over the coming years. Several of the largest schemes are summarised below.

Guildford Station Development

A £150m regeneration of the land surrounding Guildford Station secured planning permission in February 2018. This plan includes the transformation of Guildford's station car park into a new Station Quarter which will include:

- A new station plaza;
- 438 new homes;
- 3,427 sqm shops and eateries;
- 1,877 sqm of new offices; and,
- Enhancement of the station environment and gateway to the town centre.

Weyside Urban Village (formerly Slyfield Area Regeneration Project)

The redevelopment of part of the western bank of the River Wey in Guildford will deliver:

- Up to 1,550 homes (of which 40% affordable);
- A local centre comprising up to 1,800 sqm of retail, healthcare, community, nursery and flexible employment uses;
- Up to 500 sqm of flexible community facilities;
- Up to 6,600 sqm of flexible employment space;
- Up to 30,000 sqm of a new Council Depot Site;

- 6 Gypsy and Traveller pitches; and,
- Associated road infrastructure, landscape (including Sustainable Drainage Systems) and amenity space.

Other Developments

The Guildford Local Plan has identified a range of opportunities to be realised over the plan period (2015-2034). These include:

- North Street, Guildford (approx. 400 homes);
- Gosden Hill Farm, Guildford urban area (approx. 1,700 homes);
- Blackwell Farm, Guildford urban area (approx. 1,500 homes);
- Land to the south and east of Ash and Tongham (approx. 1,750 homes);
- Former Wisley Airfield, Ockham (approx. 2,000 homes); and,
- Land at Garlick's Arch, Send (approx. 550 homes).

Weyside Urban Village Illustrative Masterplan, 2020



6. Place

What is Guildford like as a place to live and how do its assets and infrastructure support the local economy?



[<<< Return to Contents](#)

Place: Summary

Guildford has important road and rail connections...



The A3 and proximity to the M25 provides important road connections to London, Portsmouth and the rest of the country. Rail provides direct routes into central London in under 40 mins and to major airports.

Public transport connections could be strengthened...



Some parts of Guildford are unreachable within a 45-minute journey of Guildford town centre by public transport. New rail stations in East and West Guildford are proposed to alleviate some accessibility issues.

Guildford faces significant traffic congestion issues that impact residents and business...



Guildford is the 7th most congested borough in the country. Traffic congestion is particularly a problem around Guildford town centre and the A3/M25 junction.

Guildford's businesses have relatively low access to the fastest broadband...



Only 65.3% of Guildford's premises have access to the fastest broadband speeds known as Gigabit broadband. The fastest speeds are particularly important for high value businesses.

Barriers to housing and services and education and skills drive pockets of deprivation...



There are some pockets of deprivation in the north of Guildford and north of Ash. Deprivation is driven by barriers to housing and services and education and skills.

Some rural areas lack access to retail and outdoor space...



Guildford has an attractive living environment but rural areas face challenges in access to suitable retail and outdoor space.

Energy demand and flood risk are key considerations for future development...



Potential development will need to be supported with additional energy generation and mitigation of flood risk in Guildford town centre.

Why is this important?

- Transport connectivity that is efficient and reliable to key economic centres is an important attractor of businesses and workers.
- Digital connectivity is increasingly important for businesses, with the fastest broadband speeds crucial to businesses within IT and related industries.
- Understanding which areas face greater challenges can indicate potential locations for investment in training and employment opportunities.

Guildford has important road and rail connections, but public transport connections could be strengthened...

Guildford has important road connections: The A3 provides direct road links into central London and out towards Portsmouth and the coast. At only 20 minutes from the M25, residents and businesses in Guildford have easy access to the rest of the UK's road network.

The borough has strong links to major airports: The UK's two largest international airports, Heathrow and Gatwick, are only 40 minutes by road and Gatwick is only 40 minutes by rail from Guildford mainline station. The proximity of these airports creates access to global markets. However, there are growing problems with increased congestion and journey times on some routes.

Rail connections support regional commuter activity: The direct rail service to London Waterloo takes under 40 minutes. There is also good rail access to Reading, Portsmouth and Southampton. Some areas are less well-connected by rail, although new train stations are proposed at Guildford West (Park Barn) and Guildford East (Merrow).

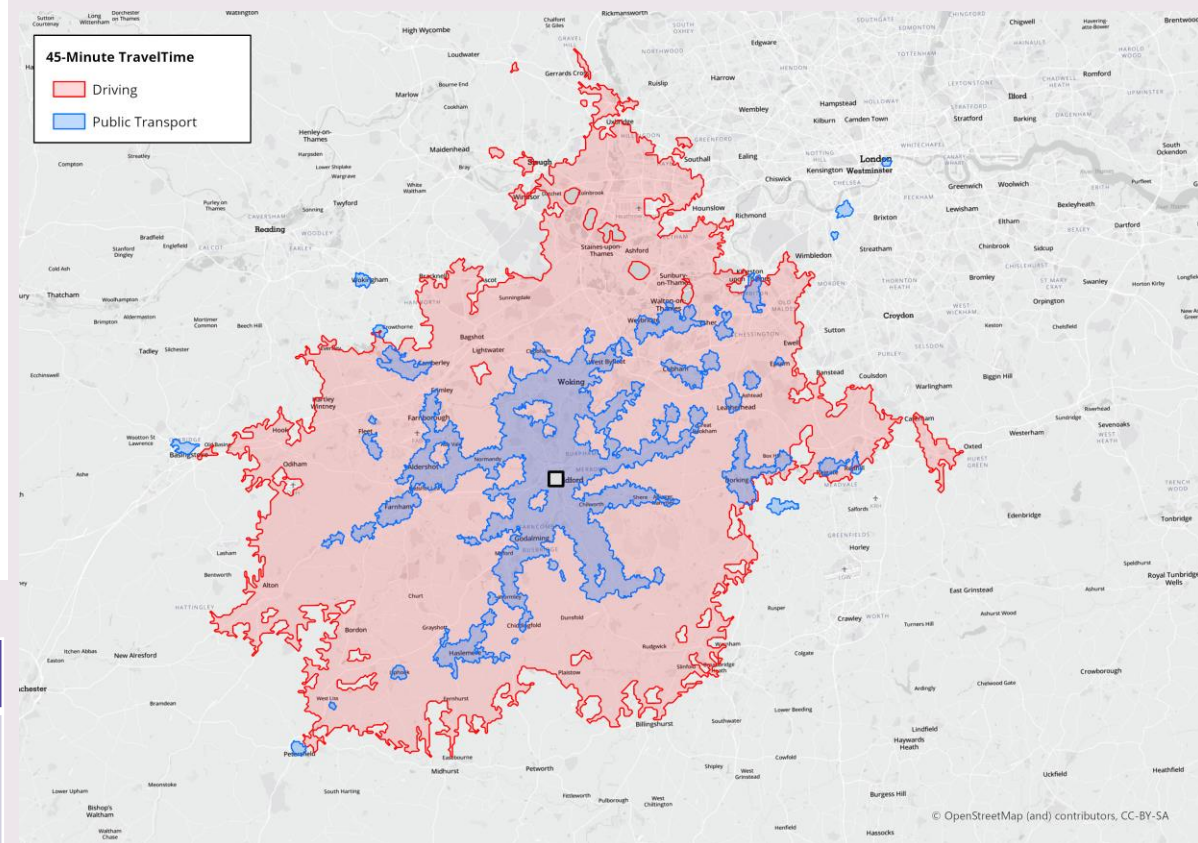
Intraborough connectivity is weak in rural areas: Some parts of Guildford are unreachable within a 45-minute journey of Guildford town centre by public transport. Bus services are a particular challenge Guildford's rural areas.

Population Catchments within a 45-Minute Journey of Guildford Railway Station

	Key Locations Accessible within 45 minutes	Total Population	Working Age Population (Aged 16-64)
Public Transport	London Waterloo, Clapham Junction, Woking, Weybridge, Dorking, Leatherhead, Wokingham, Basingstoke, Farnham, Farnborough, Godalming, Haslemere	601,469	382,324
Driving	Windsor, Slough, Heathrow Airport, Basingstoke, Woking, Weybridge, Dorking, Leatherhead, Basingstoke, Farnham, Farnborough, Godalming, Haslemere	1,821,010	1,129,725

Source: TravelTime Isochrone Analysis and ONS Population Estimates for Small Areas (2020).

Guildford's 45-Minute Catchment by Mode of Transport



This map demonstrates Guildford's connectivity by public transport and car-based travel on a departure time from Guildford Railway Station at 9am on a Wednesday morning.

Source: TravelTime Isochrone Analysis. 09:00 departure from Guildford Railway Station on 14-09-2022 (60 minute range).

IN FOCUS: Congestion

Guildford's Traffic Congestion

Guildford is the 7th most congested borough in the country¹. It is a particular challenge around Guildford town centre and impacts town centre experience, journey times around the borough and the attractiveness of the borough for businesses that depend on the road network for their workforce or business.

Guildford's Road Network

Car dependency is particularly high in Guildford and Surrey: Surrey's existing road network is heavily used, with motorways carrying 80% more traffic than the average for the South East, and A-Roads carrying 66% more traffic than the national average². There is serious congestion on the A3 trunk road between the Ripley Junction and the A3/M25 Junction 10 Wisley interchange junction and in Guildford town centre.

Guildford's congestion challenges are directly related to infrastructure challenges in the town centre. These include:

- Limited number and capacity of crossings over the railway and River Wey;
- Higher pollution levels, traffic accidents, disjointed cycle routes and unpredictable bus service;
- Housing issues;
- Lower-wage service roles are located in the town centre (such as retail and hospitality) which require commuting due to unaffordability of housing in the area; and
- High levels of car ownership.

Impacts of Guildford's Traffic Congestion

Guildford's previous Economic Strategy (2013) identifies congestion as a key issue affecting Guildford's future economic development. Cars put pressure on key points of the road network in peak hours, leading to delays and unreliability for visitors and businesses in the area. There are also consequences for non-car users including pedestrians and cyclists. The map below demonstrates road traffic incidents across Guildford town centre.

Existing Road Traffic Incident Data, Guildford Town Centre



Source: Guildford Borough Council. Stage 1 Strategic Spatial Masterplan (2021).

Adapting Guildford's Road Network

The Gyratory system in Guildford town centre is a key congestion point that constrains growth, limits pedestrian and cycle links to the riverside. Modifications to the road network are in development as part of the Guildford Strategic Spatial Masterplan³.

Alternative Modes of Transport

Congestion in Guildford Town Centre increases pressure on the whole road network, impacting public transport and active travel modes. Several initiatives are being developed to promote active travel in Guildford including:

- Guildford Sustainable Movement Corridor linking key sites around the town centre such as the rail station; Royal Surrey County Hospital, Surrey Research Park, University of Surrey, Slyfield Industrial Estate and existing urban communities;
- Four Park and Ride sites at Spectrum, Merrow, Artington and Onslow linking to Guildford town centre; and
- Cycle parking and Brompton Bike Hire at Guildford Rail Station.

Cycle Hire and Parking Provision at Guildford Station, 2022



¹ University of Surrey. Regrowing Guildford (2021).

² University of Surrey. Regrowing Guildford (2021).

³ Guildford Borough Council. Stage 1 Strategic Spatial Masterplan (2021).

Guildford's digital connectivity trails behind most comparators, with connectivity lower in rural areas...

Digital speeds are a priority for Guildford's residents and businesses. With specialisms across gaming, AI, space and cybersecurity, digital infrastructure is important for unlocking Guildford's potential across digital industries.

The majority of Guildford's premises have broadband speeds capable of working from home: 96.3% of Guildford's premises have Superfast broadband compared to 96.0% nationally.

A lower proportion of Guildford's premises have the faster broadband speeds that meet business requirements compared to the England average: 71.8% of Guildford's premises have Ultrafast broadband compared to 86.0% nationally.

A lower proportion of Guildford's premises have access to the fastest broadband speeds: Only 65.3% of Guildford's premises have Gigabit availability which is higher than 46.0% nationally but lower than most comparators except from Canterbury, Chelmsford and Colchester. The ability to access the fastest broadband speeds are particularly important for the productivity of Guildford's high value businesses, and the attractiveness of the area to modern occupiers.

A lower proportion of Guildford's premises do not have access to minimum broadband speeds: 2.0% of Guildford's premises have broadband speeds below the Universal Service Obligation (USO) compared to 0.2% nationally. This is equivalent to 102 premises across the borough.

*Gigabit-capable broadband means download speeds of at least 1 gigabit-per-second (1 Gbps or 1000 megabits per second, Mbps)

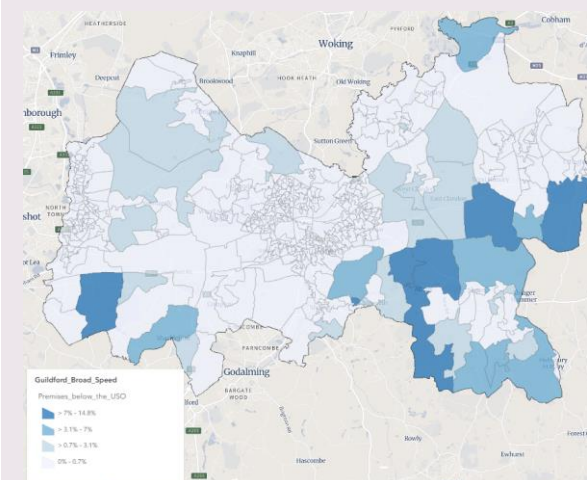
% of Premises with Gigabit Availability



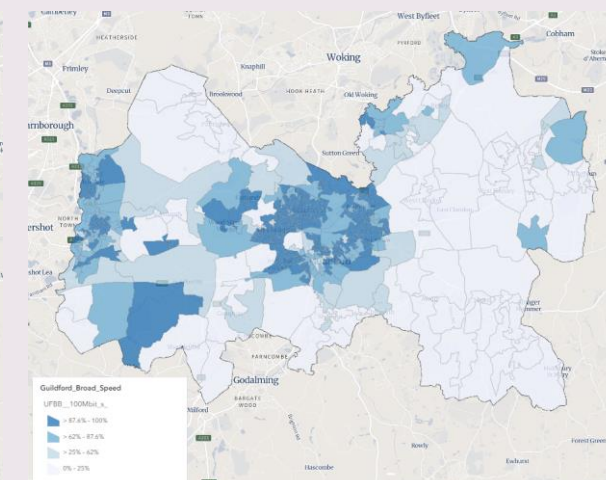
Source: Ofcom. Connected Nations, 2021

Digital Connectivity in Guildford, 2021

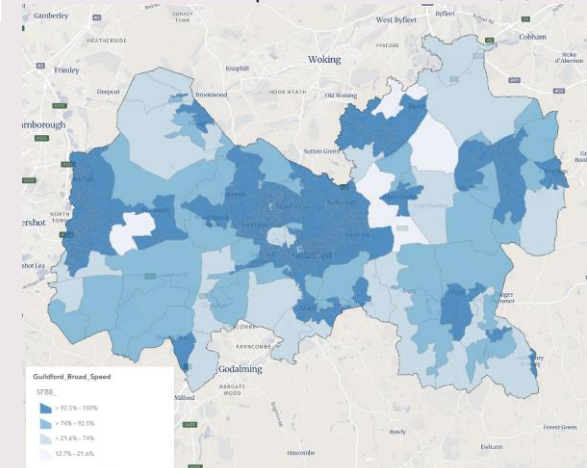
Premises Below the USO (%)



Premises with Ultrafast Broadband (%)



Premises with Superfast Broadband (%)



Definitions: Broadband Connectivity

% of premises below the USO: Percentage of premises that do not have access to download speeds at or above 10Mbit/s and upload speeds at or above 1Mbit/s.

Ultrafast availability % premises: Percentage of premises that have Ultrafast Broadband (300Mbits/s or greater) coverage from fixed broadband.

Superfast availability % premises: Percentage of premises that have Superfast Broadband (30Mbit/s or greater) coverage from fixed broadband.

Guildford has some pockets of deprivation with particular challenges around housing/services and education/skills...

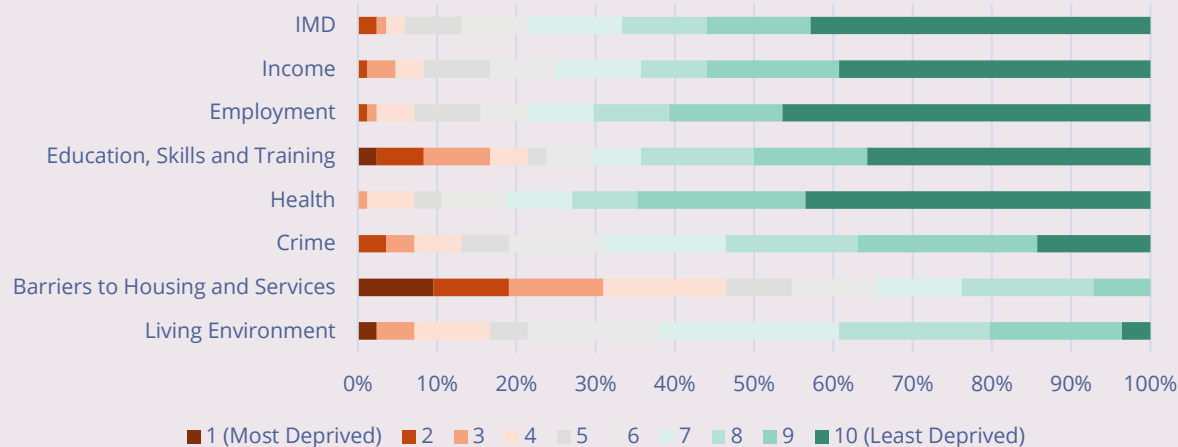
Guildford performs relatively well in terms of levels of deprivation: Only three out of eighty four neighbourhoods (LSOAs) within Guildford rank within the top 30% most deprived nationally.

There are however some pockets of deprivation north of Guildford town and north of Ash: The most deprived neighbourhoods in Guildford are located in Guildford town centre, Wood Street Village and Ash.

Barriers to housing and services drives deprivation in Guildford: 26 out of 84 neighbourhoods rank within the top 30% most deprived neighbourhoods nationally for this domain. This is likely to link to the cost of housing relative to wages, and the accessibility of local services to people living in areas without strong public transport connectivity. Earlier analysis shows that average house prices are 13.2x higher than annual wages for workers and 10.8x higher for residents demonstrating the scale of the challenge.

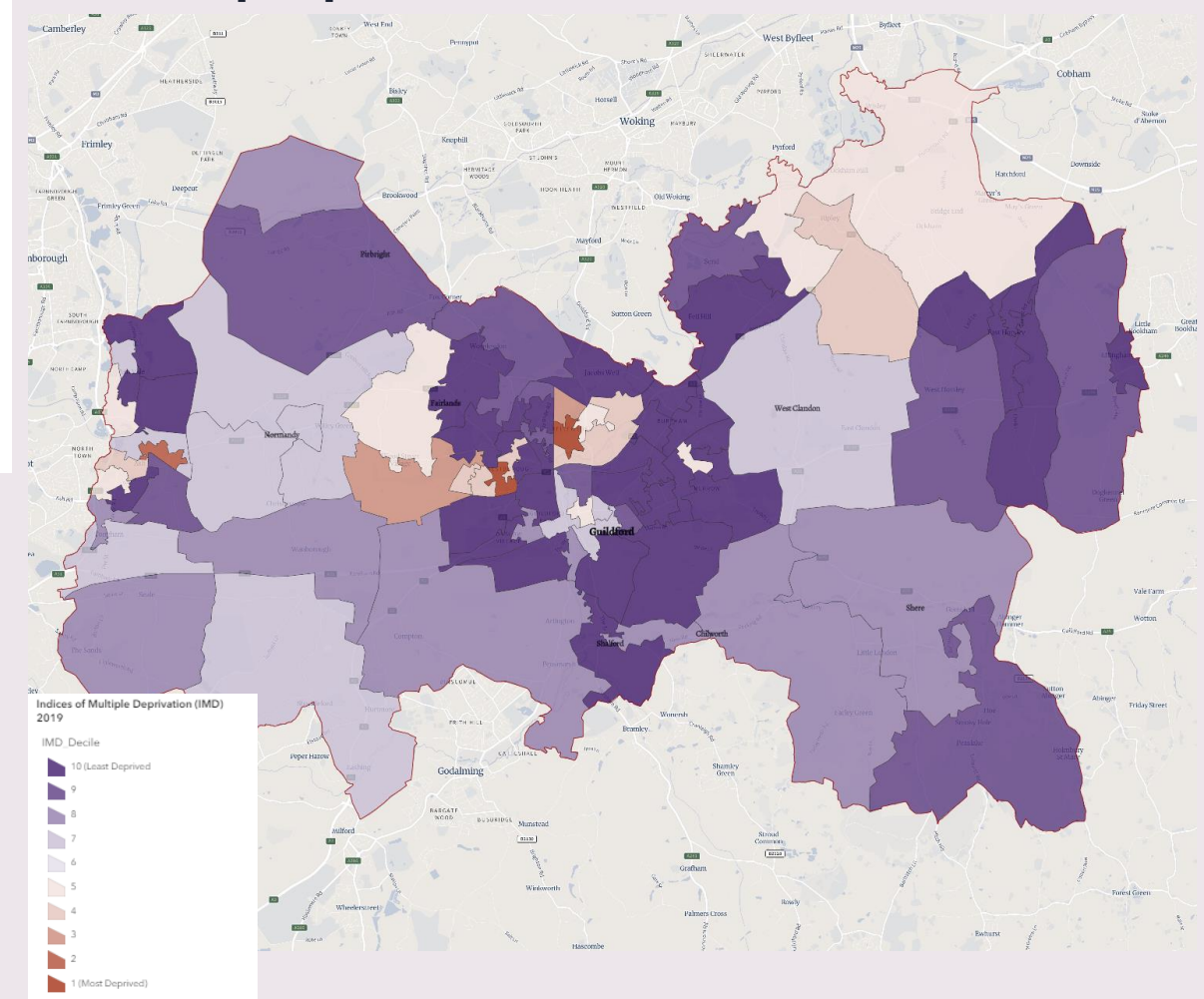
Education, skills and training is the second highest driver of deprivation in the borough: 14 out of 84 neighbourhoods rank within the top 30% most deprived neighbourhoods nationally for the education domain. This measure reflects attainment and skills of the local population, and suggests that some neighbourhoods have lower levels of skills and training to access quality employment.

Drivers of Deprivation, 2019



Source: Ministry of Housing, Communities and Local Government, Index of Multiple Deprivation (2019)

Index of Multiple Deprivation in Guildford, 2019



Source: Ministry of Housing, Communities and Local Government, Index of Multiple Deprivation (2019)

Guildford's living environment is attractive but rural areas face challenges accessing suitable retail and outdoor space...

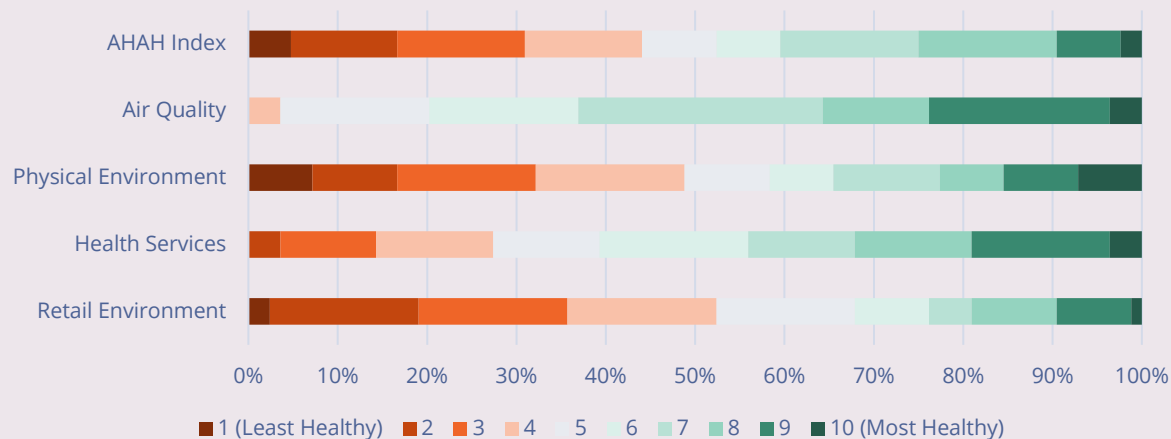
The map and chart display data from the national Access to Healthy Assets and Hazards (AHAH) index, which is a multi-dimensional index for Great Britain measuring how "healthy" neighbourhoods are derived from data on access to retail outlets, health services, good air quality and the natural environment.

Guildford has a high quality living environment but some areas perform better than others: 26 of Guildford's 84 neighbourhoods rank within the top 30% least healthy in the AHAH Index. Neighbourhoods that are lower scoring include Guildford town centre, Pirbright, Puttenham, West Clandon and East Clandon. This is primarily driven by the quality of retail and the physical environment.

Quality of the retail environment is driving 'unhealthy' score in the AHAH Index: 30 out of 84 neighbourhoods rank within the top 30% least healthy in the retail environment domain. This domain measures the level of access to fast food outlets, pubs, off-licenses, tobacconists and gambling outlets.

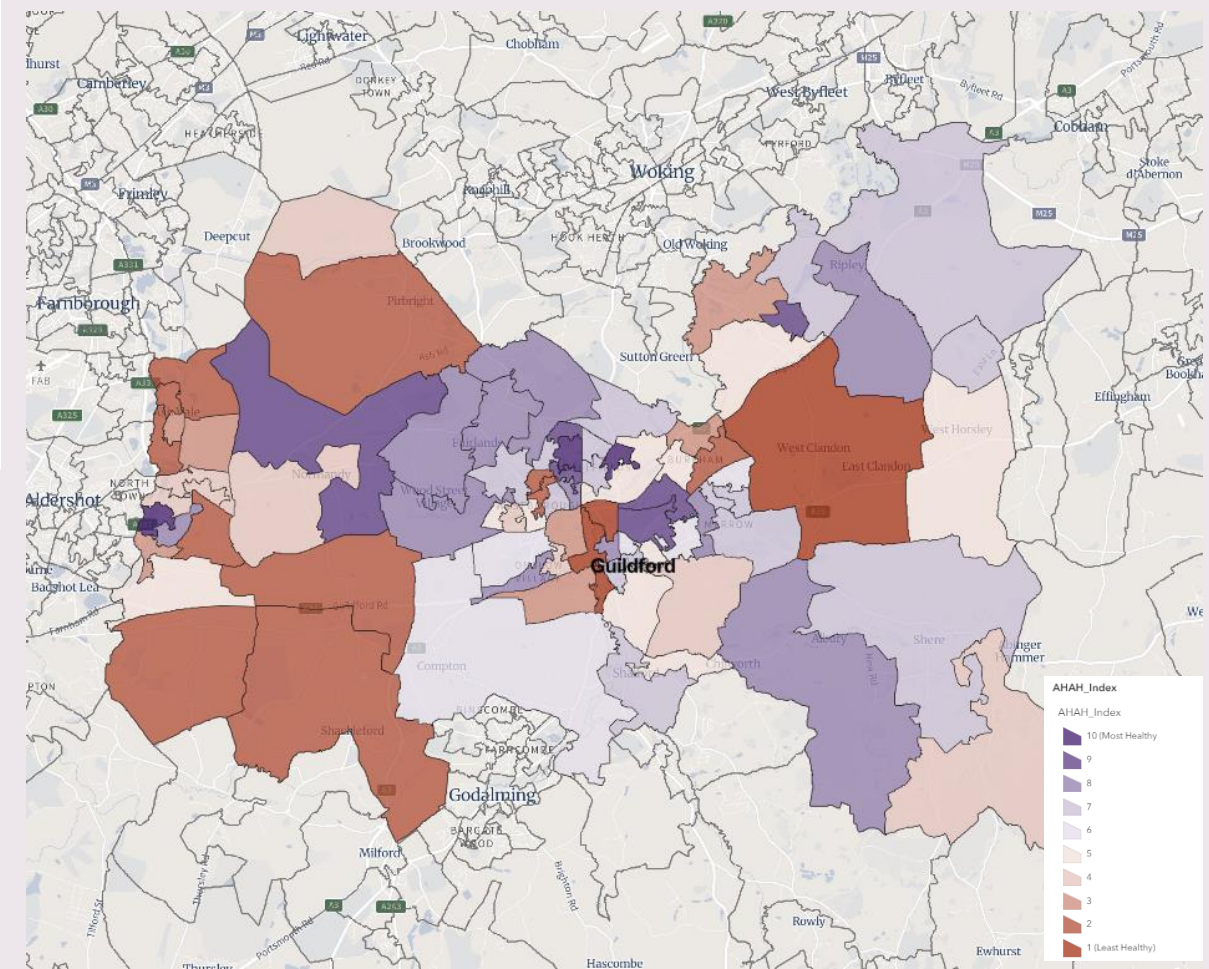
Physical environment is the secondary driver: 27 out of 84 neighbourhoods rank within the top 30% least healthy in terms of access to green/blue space. Whilst many parts of Guildford are rural, this measure considers the level of community access to usable blue and green space.

Drivers of Guildford's Living Environment Quality, 2019



Source: Consumer Data Research Centre. Access to Healthy Assets and Hazards Index (2019)

Access to Healthy Assets and Hazards Index in Guildford, 2019



Source: Consumer Data Research Centre. Access to Healthy Assets and Hazards Index (2019)

IN FOCUS: Guildford's Key Infrastructure

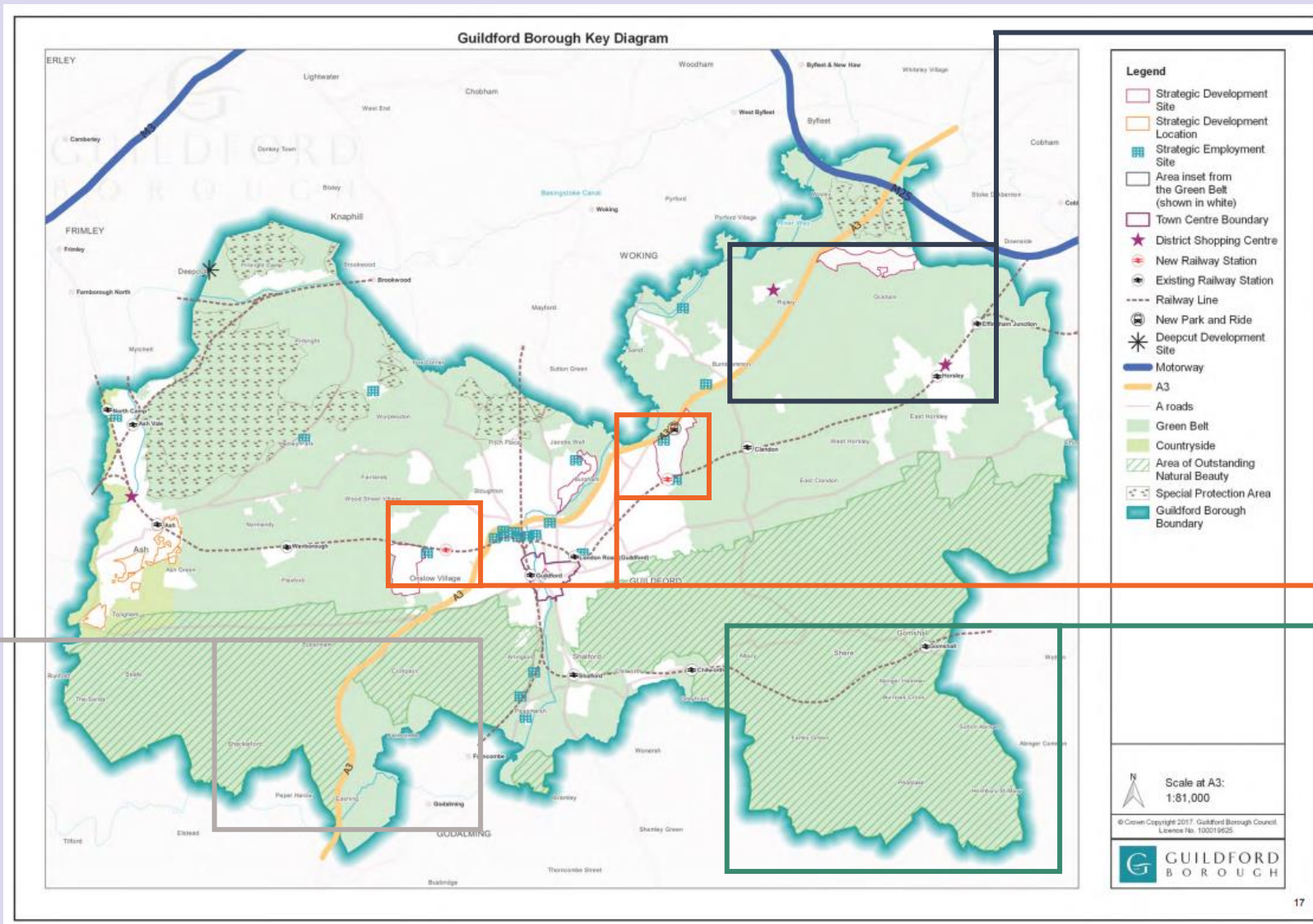
The Guildford Local Plan (2015) provides a comprehensive overview of Guildford's key infrastructure across:

- Strategic Development Sites;
- Strategic Employment Sites;
- District Shopping and Town Centres;
- Road Network;
- New Public Transport; and
- Special land designations.

Guildford's infrastructure provides a critical role in enabling and supporting the development and growth of the local economy and population. Some of the non-residential developments are further explored on this page.

Road Network

- The A3 provides direct road links into central London and out towards Portsmouth and the coast.



District Centres

- District Centres at Ripley, Horsley and Ash provide important local centres for community facilities, education and retail services.

Shopping Centres

- Shopping Centres at Ripley, Horsley and Ash provide important local centres for community facilities, education and retail services.

Public Transport

- New train stations are proposed at Guildford West (Park Barn) and Guildford East (Merrow).
- A new Park and Ride is in operation at Merrow.

Green Infrastructure

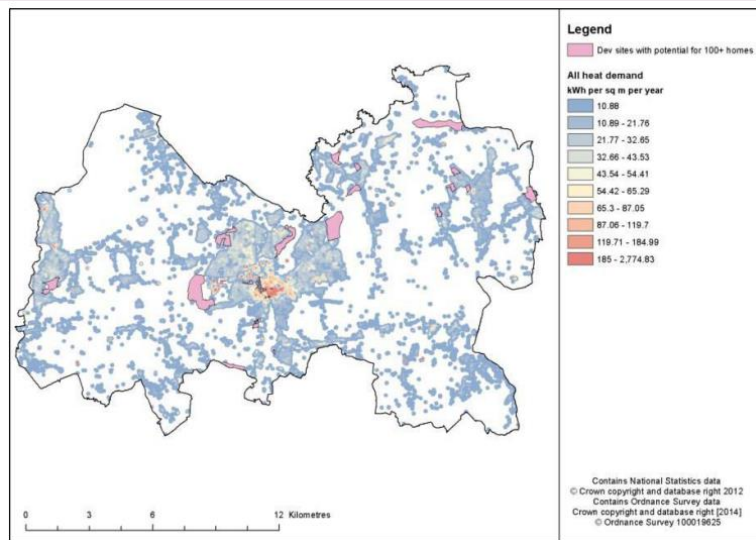
- Surrey Hills Area of Outstanding Natural Beauty and other green space provide opportunities for leisure, sports and recreation across the borough.

IN FOCUS: Power

Energy Demand in Guildford

The Guildford Renewable Energy Mapping Study (2015) estimated that energy demands in Guildford were estimated to be 3,416 GWh in 2012. The heatmap below shows areas and buildings with the highest heat demands (energy consumption for heating) across the borough – including both residential and non-residential buildings.

Large Development Areas With Existing Heat Demand



Potential future development sites as identified in what was at the time the draft Local Plan (2014) are overlaid to assess their proximity to existing heat demands and therefore potential for district heating. The study finds that the following sites are considered as heat ‘priority areas’ likely to have the most potential for viable district heating networks:

- Central Guildford
- Royal Surrey County Hospital and surrounding area
- University of Surrey Stag Hill Campus and adjacent industrial sites

The study considers the potential for low and zero carbon energy generation across Guildford in terms of large and medium scale wind, solar photovoltaics (PV), hydro power and water source heat pumps. Designations such as Areas of Outstanding Natural Beauty (AONB) and the Green Belt are identified as potential planning constraints on the delivery of renewable energy across the borough, though the study recommends that the deployment of renewable technology in a given location should be considered on a case-by-case basis.

Surrey’s Climate Change Strategy 2020

In terms of energy generation, Surrey’s Climate Change Strategy identifies an ambition *“to support the national decarbonisation ambition by leading renewable energy generation expansion and bringing low carbon heating into Surrey homes through smart, decentralised systems.”*

The South East region is identified as having the potential to expand its energy generation capacity to generate 36% more electricity from PV schemes than other areas of the UK due to greater sunlight hours amongst other factors. The region also ranks third in the country for wind energy generation potential, and the level of development seen across the county presents opportunity for the potential integration of new decentralized energy system models. As a result, the Strategy identifies a target of 15% of energy to be generated from solar PV by 2032 which will save 69,000 tonnes of CO2 per annum by 2050 on public and commercial buildings.

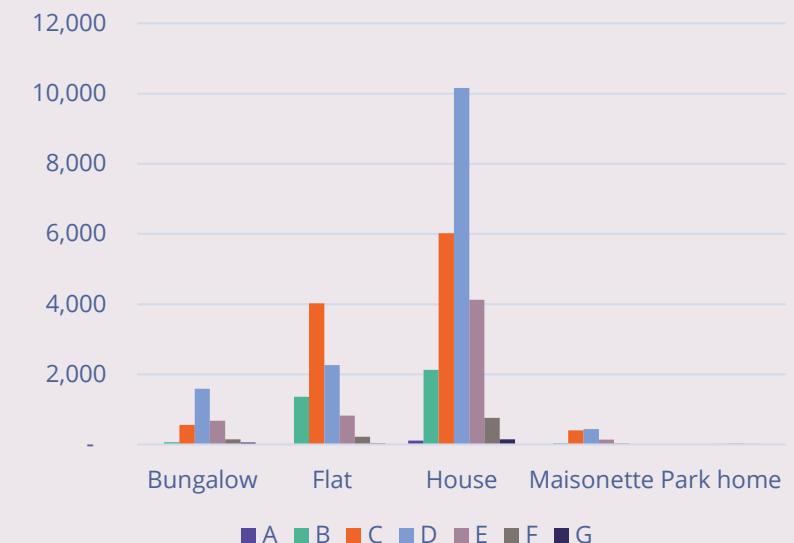
Energy Performance

Energy Performance Certificates (EPCs) indicate the potential energy efficiency of domestic and non-domestic buildings across England and Wales. As a result of the UK government’s 2050 net zero goals, changes in government policy and building regulations will put significant pressure on owners of real estate to improve the sustainability of their buildings. Additionally, the embodied carbon held in existing properties is considerable, and retrofitting often presents a considerable carbon saving relative to demolishing and rebuilding.

Legislation introduced in 2018 set a minimum energy efficiency standard (MEES) for non-domestic buildings to achieve a set level of energy efficiency. Benchmarked through EPCs (energy performance certificates), properties must hold an EPC grade of E or above in order to be let or sold. By 2030, all non-domestic properties will need an EPC grade B or above unless holding an exemption. Based on properties with EPC lodgements since 2012, this will require in excess of 1,835 properties or 83% of industrial properties in Guildford to improve their energy performance.

A similar bill for the letting of residential buildings is currently in progress as the Minimum Energy Performance of Buildings Bill, in which all residential buildings to let will need to be grade C or above to be let by 2028. Based on properties with EPC lodgements since 2012, 60% of domestic dwellings are rated as EPC band D or below, which is equivalent to 21,701 properties. Guildford’s flats are most efficient with 62% rated C or above, followed by maisonettes (42%), houses (35%), bungalows (20%) and park homes (2%).

Number of Domestic EPC Lodgements by Performance Band



Source: DLUHC. Energy Performance of Buildings Data: England and Wales, 2022.

IN FOCUS: Flood Risk

Flooding is a major issue for Guildford Town Centre. The map below shows that much of the river corridor is in Flood Zone 3B which means that the area is at higher risk of fluvial flooding, the primary cause of flooding in Guildford.

As a result, flood risk management is a key element of Guildford's plans and strategies. A partnership between Guildford Borough Council, Surrey County Council, the Environment Agency, Thames Water and M3 Local Enterprise Partnership has been developed to consider strategies towards flood management.

The strategies outlined in the Strategic Spatial Masterplan Report (2021) for the flood zone are summarised below:

- A green linear park with flood storage and water detention ponds;
- Multiple drainage channels running back to the green linear park and river;
- New flood defences to enable development plots to come forwards;
- Buildings raised above the floodplain;
- Greening throughout the public realm and roofscapes;
- All hard landscaping and street furniture within flood zones resilient to inundation;
- A combination of hard and soft landscaping used in the town centre specifically Bedford Wharf, train station and Town Wharf for flood storage, attenuation and prevention; and
- The rebuilt Town Bridge will be slightly raised to clear the flood risk zone and connect riverside walks on both banks.

Vulnerable Areas

According to the Guildford Infrastructure Delivery Plan (2017), approximately 720 properties in the borough's hotspot areas are at risk of flooding.

The Guildford Infrastructure Delivery Plan Baseline (2013) provides detailed information on the impacts and opportunities of flood risk management. It notes that further development in the more urbanised areas could potentially increase surface water.

Whilst flooding is limited to open spaces and rural and semi rural areas, Guildford town centre on both banks of the River Wey, parts of Ash within the Blackwater Valley and some properties in villages along the River Tillingbourne especially are at high risk. Approximately 1,000 properties within the borough are at a 1% risk of flooding from rivers.

Major infrastructure within Guildford is also at risk during a flood event such as routes between Ladymead and Parkway (the A25), Guildford Fire Station and the Royal Surrey County Hospital potentially being blocked.

Requirements for Developments

Developers will be required to fund suitable measures to minimise surface water run-off produced from their development proposals which should also include the development of Sustainable Drainage Systems (SuDS).

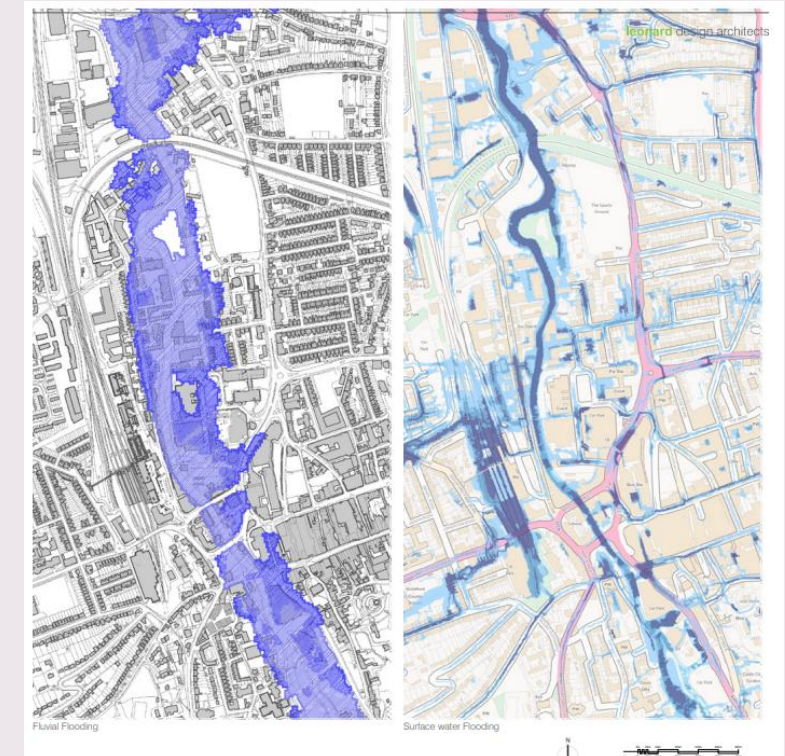
National Planning Policy Guidance:

Zone 2- Medium risk (Parts of the Friary and Woodbridge Meadows is in Zone 2).

Flood Zone 3a- Land having a 1 in 100 or greater annual probability of river flooding or land having a 1 in 200 or greater annual probability of sea flooding. (The outer river corridor is in Flood Zone 3a).

Flood Zone 3b- Highest risk. The functional flood plain. This is where water has to flow or be stored in times of flood and has a 5% probability of flooding or a 1:20 chance. (Much of the river corridor is in Flood Zone 3B).

Flood Risk in Guildford Town Centre



7. Play

How is Guildford's town centre performing as a culture, leisure and retail destination?

Play: Summary

Guildford has important town centre anchors...



The Friary, Guildford Castle, G Live, Stoke Park, Electric Theatre, Tunsgate Quarter and Guildford Station are all important anchors in the town centre.

Guildford's town centre is a important retail destination for the region...



43% of shops sell comparison goods which is second highest of all comparators. Major anchors include Marks and Spencer, Primark and House of Fraser.

Rental values are high in Guildford and there is a high proportion of national chains...



National chains dominate Guildford's retail offer. Some are important anchors but it leaves the town centre highly vulnerable to macro-economic shifts in the retail market.

Guildford's town centre is in need of diversification to increase resilience and meet consumer needs...



Only 6% of Guildford's retail units are convenience stores such as corner shops, supermarkets and other essential goods store such as pharmacies.

Retail vacancy in the town centre is relatively high...



Retail vacancy rates of 18% are higher than several comparator areas. High rental values or inadequate space may be deterring other retailers from take on space.

Leisure uses account for a smaller share of town centre uses...



A lower proportion of Guildford's retail space is used for leisure activities such as restaurants, cafes and bars. These uses are important for extending time spent in the town centre and increasing vibrancy.

Regeneration provides the opportunity for addressing some of Guildford's key challenges...



Regeneration in Guildford town centre provides the opportunity for the delivery of leisure, F&B and employment space as well as addressing key issues around placemaking and flood risk.

Why is this important?

- Guildford's retail position is an important attractor of visitors to the town centre who may also spend in other leisure venues.
- JLL's recent report identifies the need to diversify the high street to meet changing consumer needs. This may have implications for the demand for retail employment.
- The availability and variety of leisure uses are increasingly important for town centre vitality.

Town Centre Anchors

University of Surrey

A public research university with three main faculties: Faculty of Arts and Social Sciences, Engineering and Physical Sciences and Health and Medical Sciences. Surrey Sports Park is situated close to the main University campus, on its Manor Park site.

Guildford County Court

Guildford County Court is a judicial court for civil cases.

Guildford Station

Guildford Railway Station is the main station that serves the town and is roughly an hour away from London Waterloo via Woking. The other station serving the town centre is London Road station on the New Guildford Line.

Electric Theatre

The community arts venue for Guildford which promotes musical arts at all levels from community workshops to concerts by internationally well-known artists.

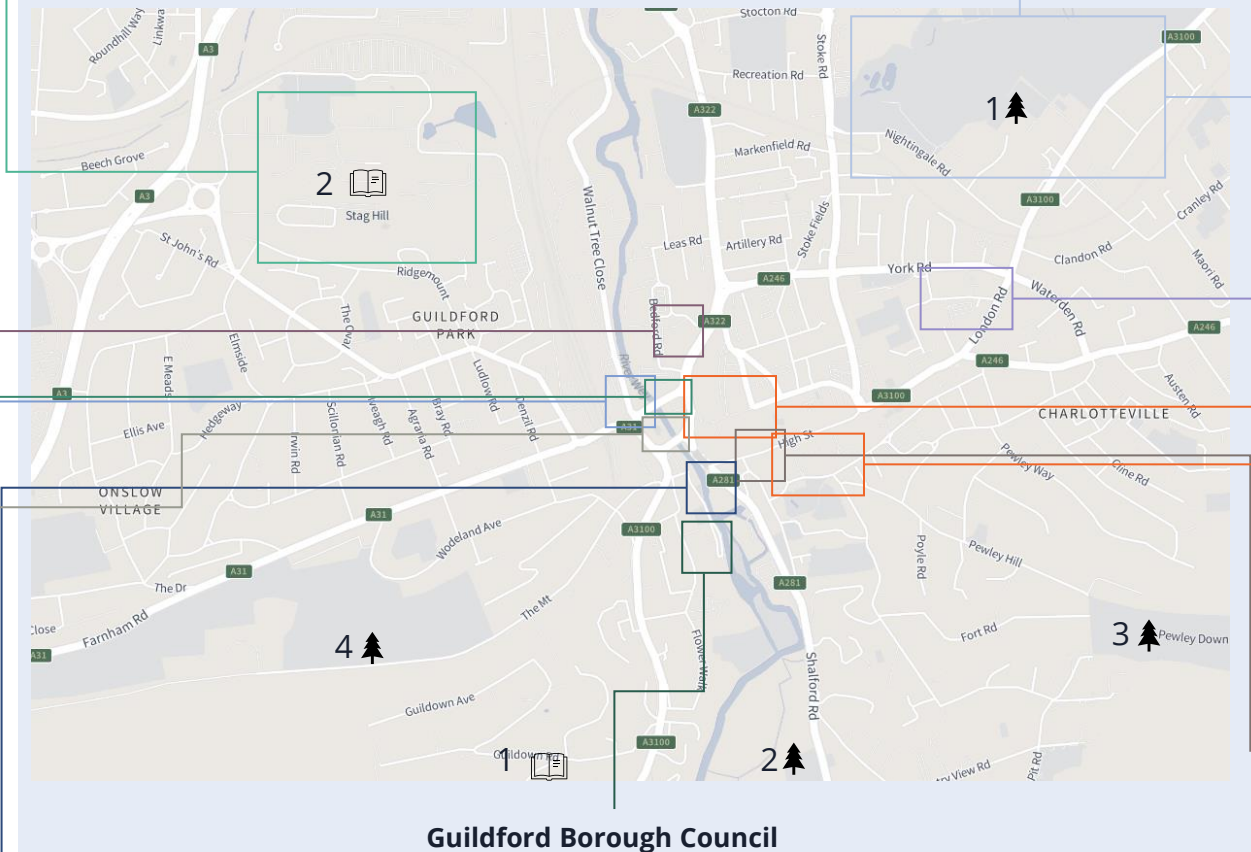
Academy of Contemporary Music

Offers specialist programmes in Music Performance, Song writing, Production, Business, Games Development and more.

Guildford Museum

A local history and archaeology museum with a specialist needlework collection.

Key Anchors in the town centre



Libraries:

1. Guildford Library and 2. University of Surrey Library



Parks:

1. Stoke Park 2. Shalford Park, 3. Chantry Wood and 4. Loseley Park

Guildford Spectrum

Guildford Spectrum is a leisure Complex offering ice skating, ten pin bowling, swimming and a whole range of sporting activities.

Stoke Park

Stoke Park is a 52-hectare park on the edge of the town centre and is the largest and most popular park in Guildford. It is described as the 'lung of the town'.

The Friary Guildford

The Friary Guildford is the towns largest shopping centre and is located in the heart of Guildford alongside the High Street. The shopping mall contains over 50 stores, including contemporary fashion shops and high-street brands.

Guildford also has the Tunsgate Quarter, a modern upscale mall with designer label fashions alongside home and lifestyle stores.

Guildford Live

G Live is Guildford's premier entertainment venue 1,700 standing or 1,031 seated auditorium that hosts a range of brilliant nights out

Guildford Castle

The castle dates back to 1066. The gardens are very popular and features a statue of Alice Through the Looking Glass. The keep now contains a visitor centre, open between April and September. The castle's old gatehouse now houses part of Guildford Museum.

Guildford's town centre is an important retail destination within the region...

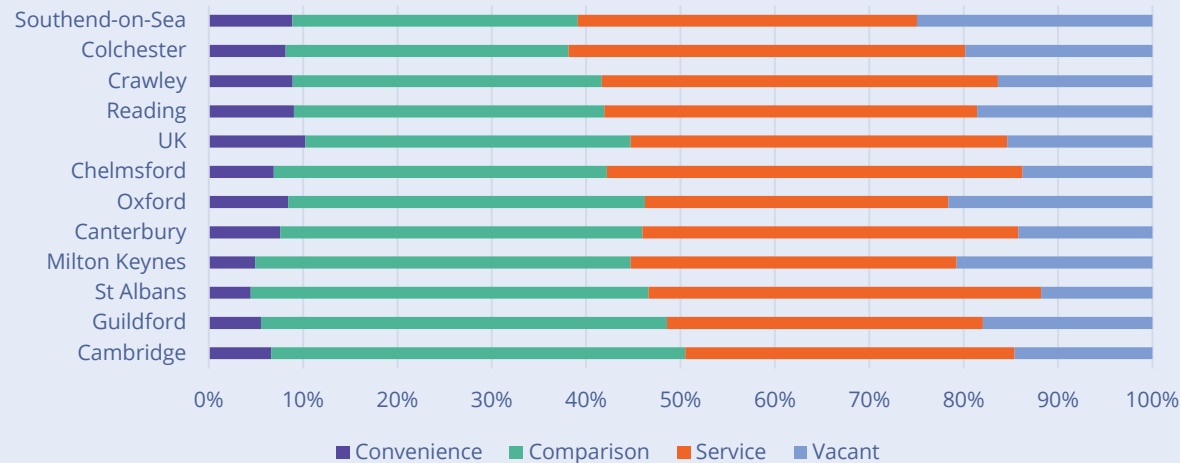
There has been a national decline in chain-led comparison retail in town centres in recent years. At the same time, consumer demand for services, entertainment, leisure, culture and independent retail has increased.

Guildford has the second highest proportion of comparison retail: 43% of shops in Guildford are comparison retail which is second only to Cambridge. This leaves it highly vulnerable to macro-economic shifts in the retail sector.

Guildford has a smaller proportion of in-demand services, leisure and experiential activities compared to comparator locations: 33% of Guildford's retail outlets provide services which include leisure and recreational uses such as cafes, bars and restaurants. These uses are high in demand from consumers.

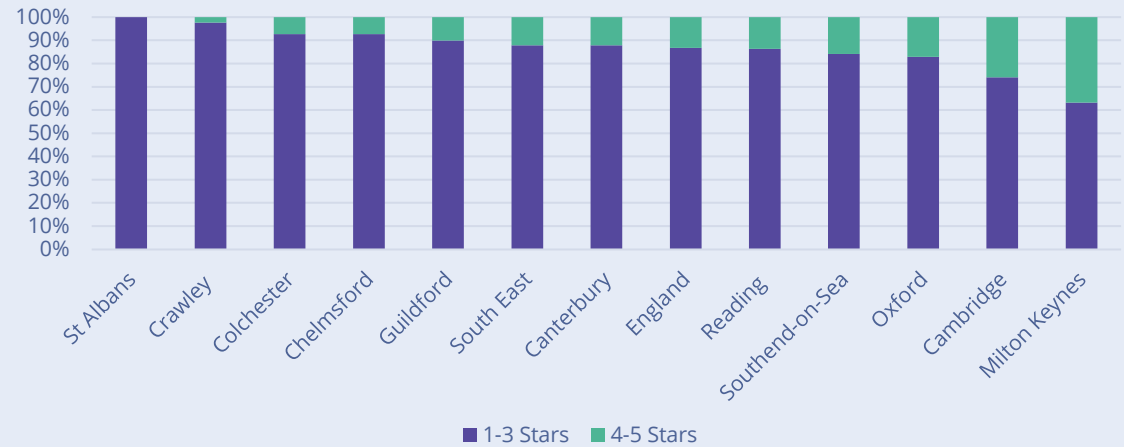
Retail vacancy in Guildford is relatively high: 18% of retail space in Guildford is vacant which is higher than several comparators including St Albans, Chelmsford, Canterbury, Cambridge and Crawley.

Retail Units by Type, 2022

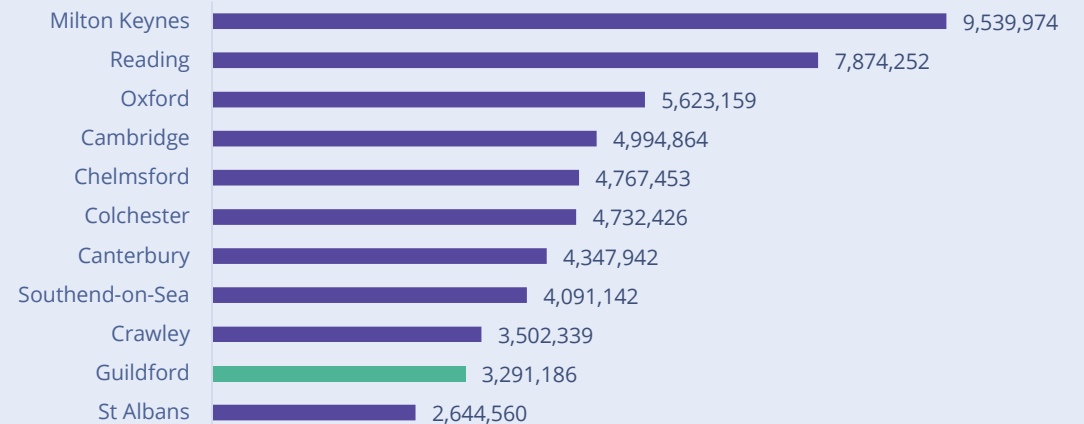


Source: Goad Experian. Retail Composition, 2022

Quality, 2022



Retail Floorspace, 2022



Source: Costar. Data Analytics, 2022

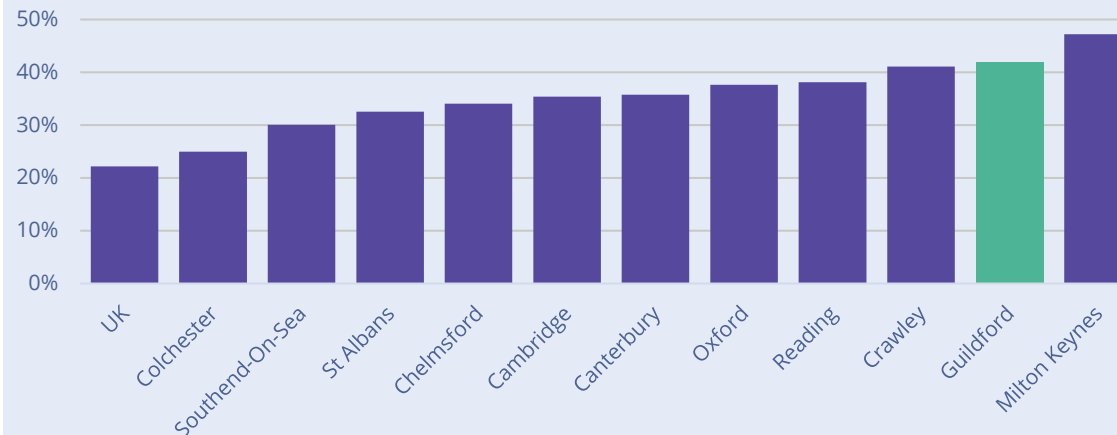
Guildford's town centre is a popular location but is at risk of decline...

Retail space in Guildford is more expensive than all comparator areas: Rent reached £55.45 per sq ft in Guildford in 2021 which is higher than all comparator areas, the South East (£23.09) and England (£22.30).

Guildford has the second highest proportion of retail units occupied by national chains: 42% of Guildford's retail offer is provided by chain stores which is second highest of all comparator areas after Milton Keynes, and is almost double the UK average (22%). Major retailers are attractive anchors in town centres, though their often large store requirement presents a risk of large empty units as has been seen with the closure of Debenhams, House of Fraser and British Home Stores in recent years. Chain retailers are also highly vulnerable from collapse, and demand is now higher for independent than national retailers.

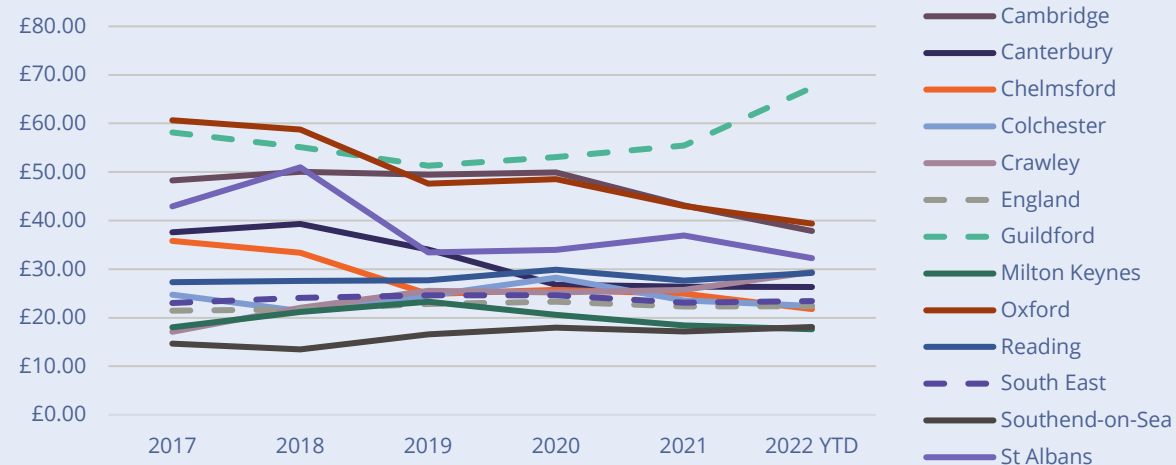
Use of retail and leisure destinations in Guildford remains below the UK average: Compared to a February 2020 baseline (just before the onset of the COVID-19 pandemic) the level of activity in Guildford's retail and recreational spaces - including restaurants, cafes, shopping centres, theme parks, museums, libraries and cinemas - is below the UK average. Lower usage combined with a high proportion of chains leaves the town centre at risk.

Proportion of National Chain Stores Occupying Units in Guildford Town Centre, 2022



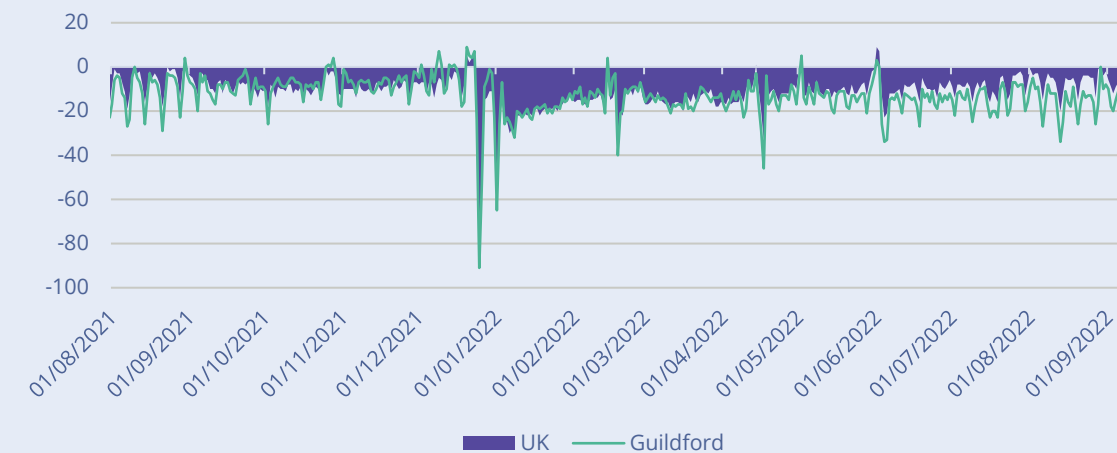
Source: Goad Experian. Retail Composition, 2022

Rent per Sq Ft, 2017-2022



Source: Costar. Data Analytics, 2022

Activity in Retail & Leisure Destinations, August 2021-September 2022



Source: Google. Google Mobility, 2022

Note: Activity measurement is relative to the February 2020 baseline as developed at the onset of the COVID-19 pandemic. Values above 0 indicate increased activity relative to February 2020, whilst values below 0 indicate reduced activity in these spaces relative to February 2020.

Competitive Position: Guildford (JLL, 2022)

An updated *Competitive Positioning* report (2022) produced as part of the development of the *Stage 2 Guildford Town Centre Masterplan* provides analysis of Guildford's 'competitive position' identifying strengths, weaknesses and opportunities for the town and borough. The report is to help inform future placemaking and regeneration opportunities in Guildford.

National Trends

- Independent and local businesses are increasing in popularity.
- Independent restaurants are also increasingly entering the food sector and seeking smaller premises for restaurants.
- Demand for smaller restaurant space has also led to the emergence of food market halls, collections of small food stalls in a large market arrangement.
- The COVID-19 pandemic has increased the shift to online retail at the expense of physical stores, with major retailers such as Topshop and Debenhams now unavailable on the high street.

Guildford Market Review

- The High Street is the main shopping area in Guildford and is characterised as a strong traditional high street with upper/mid market fashion retailers to support its affluent population. There are three other shopping centres in Guildford, equating to 294,000 sq ft of retail space.
- Vacancy increased have increased by 17.8% since the end of 2021, reflecting national trends.
- The shift to online retail is reflected in the closure of Guildford's Debenhams store. This property is now proposed as a mixed-use development named St Mary's Wharf.

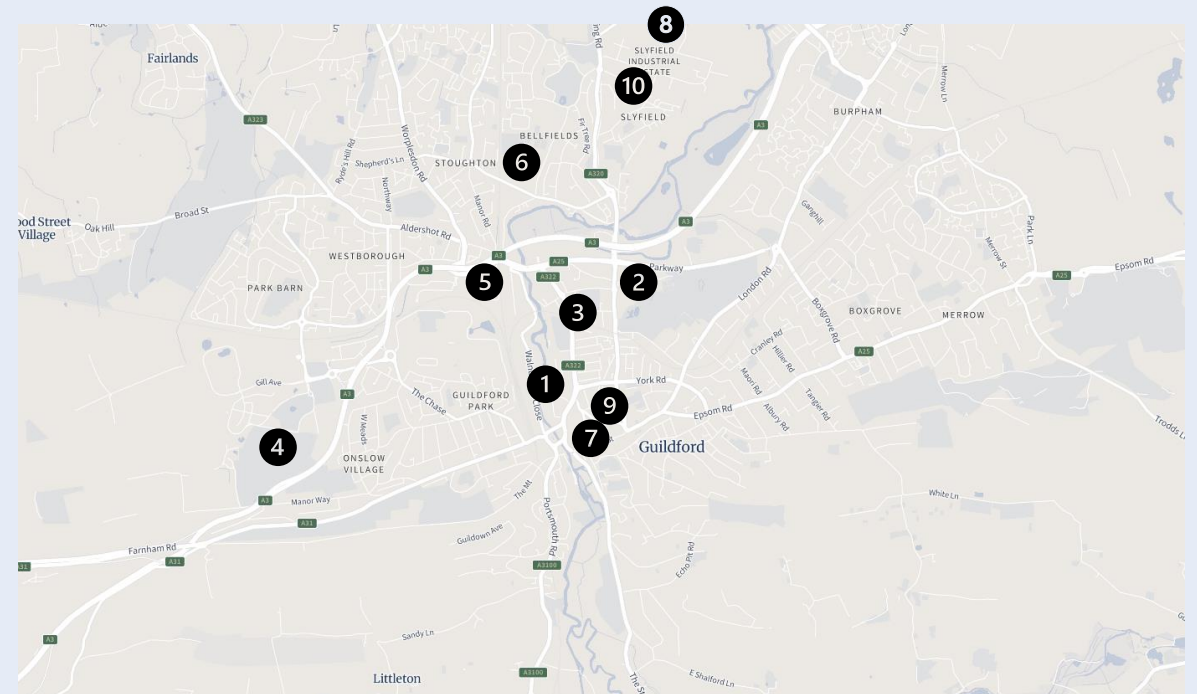
Retail and F&B

- The majority of F&B in Guildford is located in the town centre with clusters around the High Street and North Street. Friary Street is also F&B focused and boasts a range of chain restaurants. However, independent F&B tends to be located on the outskirts of the town centre.
- Overall, there is a good provision of F&B that includes a range of both chain operators and independent establishments.

Future Assessment

The report finds that the future of Guildford's street relies on its ability to bring physical retail and leisure closer together to increase the number of daytime occupiers and address the undersupply of F&B and the threat of changing retail habits.

Therefore, when considering the provision of new spaces in the town centre, there is a need to move away from the traditional standard high street which Guildford has a reputation for, to spaces that can be transformed into multiples spaces. By diversifying the high street, the changing needs of consumers can be met and the vitality of the high street restored. Otherwise, it is likely that Guildford would be left behind in comparison to surrounding competitors.



1. Odeon Cinema Guildford
2. Guildford Lido
3. Woodbridge Road Sports Ground
4. Surrey Sports Park
5. Air Hop
6. Guildford Ski Slope
7. Unplug and Play (board games café)
8. Madhatter's Soft Play
9. Castle Green Bowling Club
10. Blue Spider Climbing (formerly Craggy Island)

IN FOCUS: Town Centre Masterplan

Delivering Change

Guildford Borough Council is currently developing a new vision for Guildford town centre. As part of this process, two Strategic Masterplan studies have been published to inform the direction on how the future Guildford Masterplan will be developed. Published in September 2022, *Guildford Town Centre Masterplan Stage 2* informs the range and extent of uses within the Concept Masterplan which, along with consideration of movement routes, greening, community space and placemaking principles. A Concept Masterplan outlines what will be delivered as part of this redevelopment.

Creating a Sustainable Guildford

The vision for the masterplan is to create a new heart of Guildford along its waterfront, and provide new homes, jobs and community facilities to support the sustainable development of Guildford. Strategies the report aims to address are:

- Flooding;
- Transportation; and
- Infrastructure.

The Development Zones

The masterplan has led to the creation of linked Development Zones along the Greenway to allow for flexibility in the phasing and the timetable of delivery. The key proposals for each are set out on the remainder of the page.

1. Millbrook / Millmead

- Enhancement South of Town Bridge to provide improved pedestrian and cycling routes into the town centre.
- Redevelopment of Millbrook Car Park to provide key flood defences, new green space along the water's edge as well as an increased number of public parking spaces and waterfront homes.
- Conversion of concrete into green space at Millmead Car Park with flood defences to protect existing homes and businesses.
- Conversion of Millmead House into new homes.

2. Town Wharf

- Regeneration of the existing Legal & General managed scheme on Friary street, and, the creation of two brand new Town Squares on Town Wharf East and West.
- Creation of links between Friary Street, High Street and North Street to the waterfront.
- Mixed use development including experiential retail, leisure, culture, arts, commercial and residential, with events in the squares and on the waterfront.

3. Bedford Wharf

- Relocation of both courts into a new multi level facility and better site utilisation for a cinema.
- Creation of new employment space, leisure, hotel, community uses and homes to create a vibrant mixed use district as an example of a modern 15 minute neighbourhood.

4. Woodbridge Meadows

- Re-provision of the existing employment space on the site.
- Creation of residential uses above employment spaces.
- Creation of a mixed use urban village at Woodbridge Meadows.
- Develop a self-sufficient village for the local community, providing the necessary amenities.

Town Centre Development Zones



8. Perspectives

What do stakeholders perceive to be Guildford's greatest economic strengths, weaknesses, opportunities and threats?

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The Engagement Process

Qualitative consultations and roundtables were held with over 50 stakeholders and businesses across Guildford between September and November 2022 to explore their perceptions of the borough, understand their challenges, and discuss their plans.

Groups consulted, among others, include: Guildford Borough Council; Enterprise M3 LEP; Surrey County Council; University of Surrey; Aspire College; Experience Guildford; Royal Surrey Hospital; Allianz; Surrey Satellite Technology; DiscoverIE; Naturemetrics; Supermassive Games; Watts Gallery; Harbour Hotel; Surrey Hill Enterprises; Bigmouth Group; Hampton Estate; Broadband for Surrey Hills; Clutton; Surrey Research Park; Hogs Back Brewery; LC Energy; and, Surrey Community Action.

These roundtables and consultations were structured around six key questions:

1. **ASSETS:** What are Guildford's main economic assets (e.g. its population, the research park, university, college, hospital, sports centre etc)? What value to they bring to the local economy?
2. **EMPLOYERS:** Who are Guildford's most important employers? Do you know if they are committed to remaining in Guildford over the long-term?
3. **CONSTRAINTS:** What factors do you think are constraining Guildford's economy (e.g. skills, energy, house prices, digital infrastructure)? Do you expect any to become more acute over time?
4. **COMPETITORS:** Which towns and cities do you consider to be competitors for inward investment? How do you think your economy performs against these?
5. **AMBITIONS:** What is your ambition for Guildford's future economy? Are there any themes you think the economic strategy should consider?

6. **GAMECHANGERS:** Are there any planned on in-train proposals that you think could make a significant difference to the local economy? Do you have any other policy or project ideas that you think could also make a positive impact?

A summary of the key messages arising from these discussions are set out below, structured around the borough's strengths, weaknesses, opportunities and threats.

Strengths

- Guildford has enviable green and blue assets which are highly attractive to businesses and workers alike.
- The borough is well-located and well-connected to other towns and cities, and major international airports.
- Guildford has a large number of important economic anchor that drive both the borough and regional economy. Examples include Surrey Research Park, Surrey University, Royal Surrey Hospital, The Surrey Hills Area of Outstanding Natural Beauty, Surrey Business Park, London Square and Tannery Studios.
- The borough's residents are highly-skilled, well-educated and largely of working age.
- Guildford Town Centre has traditionally attracted visitors from a wide catchment due to its character and offer.
- Guildford Borough Council and its partners are pursuing a large number of projects that will support the borough's economic growth (e.g. Weyside Urban Village, Friary Quarter, Guildford Park Road, Guildford Sustainable Movement Corridor, and Wisley Interchange Highways Upgrades).

- The borough has a strong and valuable visitor economy which supports a significant number and types of roles.

Weaknesses

- Guildford is becoming less attractive to businesses than neighbouring locations as it lacks modern office stock on flexible terms in the right locations.
- Guildford is not perceived as a dynamic and innovative place by businesses and workers, partly due to a recent lack of development. This is impacting the borough's ability to attract businesses and workers in modern, highly-productive sectors.
- Traffic and congestion are very high impacting business productivity and the attractiveness of the borough for inward investment.
- The borough has infrastructure constraints limiting development and economic growth (e.g broadband, active travel connectivity, and mobile connectivity) – notably in rural areas.
- Exceptionally high house prices make it difficult for those with lower skills and wage levels to live locally, which makes it hard for businesses to attract and retain employees working in foundational roles that are essential to the day-to-day functioning of the economy.
- High housing costs are also a barrier to attracting and retaining the highly skilled staff high value businesses require – this is particularly the case for skilled graduates who often prefer to live in London for a similar cost.
- The borough currently lacks a clear brand and identity meaning investors and visitors struggle to understand what Guildford is and stands for. There are a wide range of views, and former campaigns, which focus on very different aspects of the borough from its heritage and green space offer to its industrial and cutting-edge research strengths.

Strengths and Opportunities

- Guildford's town centre offer is no longer as attractive as it could be for visitors and workers – in particular due to its lack of independents and Food & Beverage outlets.
- The town is highly zoned, with most high-value economic activity taking place outside the town centre. This leaves the town as a whole disjointed, it encourages car usage, and it means there is lack of interaction between businesses, workers and town centre activities.
- There are pockets of poverty and deprivation across the borough which need to be addressed.
- There is a lack of visitor accommodation across the borough, particularly in rural areas. This is restricting the potential of the visitor economy as overnight trips contribute more to the local economy than daytrips.
- Poor wayfinding and a lack of joined-up place marketing means many of the borough's attractions remain hidden. There is also no co-ordinated events calendar meaning businesses, visitors, and residents are not aware of what is happening across the borough.

Opportunities

- The borough has a number of high-growth, knowledge intensive and productive sectors that present an opportunity for future economic growth. These include Professional Services, Information Technology and Health, as well as niche sub-sectors such as Space & Satellite Technology, Video Gaming, Digital, Pharmaceuticals, and Medical Technology.
- Guildford Borough Council own a lot of industrial land which provides opportunities for the intensification and expansion of industrial premises and associated economic sectors.

- Guildford is part of two High Potential Opportunities (HPOs) related to Satellite Technology and Video Games. The borough can leverage these to attract more inward investment and Foreign Direct Investment.
- Surrey University is considering expanding outside of its existing campus which presents opportunities to diversify the town centre if partners can work collaboratively to find suitable opportunities.
- Residents, visitors and investors are often not aware of the borough's economic specialisms, influencing perceptions and inward investment. There is an opportunity to better communicate and celebrate local economic strengths.
- The Shaping Guildford's Future Masterplan presents a major opportunity to strengthen and diversify Guildford Town Centre.
- Guildford Town Centre has opportunity sites that can be used to support economic development and housing growth.
- The borough has a number of opportunity sites that present opportunities for commercial expansion, not least Burnt Common, Blackwell Farm and Wisely Air Field.
- Proposals for a new train station to the west of the town would unlock opportunities for new homes and commercial space, and should help reduce traffic.
- Surrey County Council, Enterprise M3 and Surrey University offer a wide range of initiatives and programmes that the borough and its businesses can better leverage to support economic growth.
- Partners believe that match funding from Guildford Borough Council for a range of economic development initiatives could increase the depth and breadth of their impact locally.
- Guildford has a valuable and diverse rural economy linked, in part, to its productive landscape. This should be supported given its contribution to the visitor economy, local employment, and local supply chains.

Threats

- Guildford has lost a significant number of valuable businesses to competitor towns (e.g. Reading and Woking) and this is likely to continue without investment in business accommodation and the town centre.
- Higher-level skills are essential to support high-growth and knowledge intensive industries, but Brexit has made it harder to attract people with these skills impacting some of the borough's most important sectors.
- There has been a loss of office space to student accommodation around the station via Permitted Development Rights. This may continue without tighter planning controls.
- The borough's housing challenges may see the private sector put more pressure on our public bodies to convert productive employment space or green field sites to residential uses.
- Planning constraints, entrenched by local opposition, are holding back local development – including for commercial property which is essential for economic development.
- Guildford Town Centre is slowly adapting to macro-economic retail trends, but the high number of chain retailers versus independent chains and services leaves it highly vulnerable to future fluctuations. The number of vacant units in prominent locations is also rising.
- Issues relating to housing costs are likely to be exacerbated over time if supply-side issues are not addressed across the borough, including in rural areas.

Asks

During the consultations and roundtables we discussed stakeholders' main asks from Guildford Borough Council and other organisations involved in economic development. Those that were mentioned most frequently are set out below.

- Stronger **relationships** between the Council and business community;
- Better **marketing** and communication of local economic strengths;
- Improved **digital connectivity** across both rural and urban areas;
- Provision of more flexible, high-quality and accessible **business space**;
- Introduction of new commercial uses into the **town centre** and around the **station**;
- Funding to support **business growth and expansion** (like LEADER);
- Focus on tackling **deprivation** and supporting less prosperous communities;
- More '**pro-business**' approach to planning policy decision making;
- A more **diverse, experiential, modern** and **independent** town centre experience;
- Provision of a more diverse **housing mix**, including for young professionals and those with lower incomes;
- Improved **physical connectivity** between different 'nodes' across the borough (inc rural areas);
- Improved **active travel** connectivity;
- Reduced **congestion** in and around the town of Guildford;
- Development of a clear **place brand** and **identity** that is marketed to attract tourists and visitors;
- Increased overnight **visitor accommodation** across the borough, particularly in rural areas;
- Better **wayfinding** and promotion of **heritage, cultural and natural** assets within the borough; and,
- Closer working with **Visit Surrey** platform to 'get the basics right' r.e. the visitor economy (promotion, events calendar, signage, directory, tourist information etc).



9. Precedents

How do other borough councils approach Economic Development?



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Breckland Council

Breckland is located in Norfolk, to the west of Norwich. The area comes under the jurisdiction of Norfolk County Council (Conservative) and Breckland Council (Conservative). Its most well-known towns include Thetford, Swaffham and Dereham.

The Leader of Breckland Council is Cllr Sam Chapman Allen (Conservative) who is also the chair of the District Councils Network. He has a clear view that district and borough councils are best placed to bring positive change to their areas given they are closest to their residents and places.

Reflecting this, Breckland Council has a prominent Economy and Growth directorate. Led by an Assistant Director, the directorate is broken down into three teams:

1. **Strategic Growth:** This team has a strategic regeneration remit, focused on bringing forward employment and housing development. They are involved in direct delivery, as well as supporting development through unlocking sites, assembling land, and delivering enabling infrastructure.
2. **Business Development:** This team has an economic development remit, focused on supporting businesses and attracting investment into the area. They also provide relationship management function and an interface between the Council and its business base.
3. **Place Making:** This team is focused on improving the area's five market towns to make them better places to live, work and visit. This involves a lot of partnership working with town councils, the County Council and Local Enterprise Partnership.

Each team is led by a service manager, accompanied by at least two permanent supporting officers. The teams expand via temporary staff on a project-by-project basis when funding is secured.

The view of the Assistant Director is that having a permanent core team is essential to ensure that funding and project opportunities are pursued as and when they arise. The team has specific resource focused on tracking and monitoring funding and partnering opportunities to support this.

Over the last five years the team has been highly successful in delivering economic development and regeneration projects that have led to a range of positive outcomes for the area's residents and places. Examples include:

- Securing grant funding for a new electricity sub-station near the Snetterton Business Park to support its expansion;
- Re-development of a former community centre into a homeless shelter in Thetford; and,
- Securing of Heritage Acton Zone status for Swaffham and implementing a wide range of conservation and restoration projects using associated funding.

The team has drawn on a wide range of sources to fund its staff and projects, all of which have been secured by the permanent core team. These include Heritage Action Zone Funding, Housing Delivery Funding, Pooled Business Rates Income and significant income via S106 and CIL for economic development. They have also been highly successful in working with other organisations (such as town councils and the County Council) to part-fund temporary posts and projects.

For example, the team are currently developing action-oriented delivery plans for each of the district's five market towns. These will set the direction for regeneration and economic development projects in each for the next decade. These were co-funded by Breckland Council and the area's respective town councils.

To ensure that the team delivers tangible and concrete outcomes for its residents and taxpayers, they keep a set of stringent and stretching Key Performance Indicators (KPIs) which are reviewed on a bi-annual basis with Members. These focus on a wide range of areas, such as jobs created, jobs safeguarded, houses delivered, employment space created and income generated.

Maidstone Borough Council

Maidstone is the County Town of Kent and brands itself as the 'Business Capital of Kent'. It comes under the jurisdiction of Kent County Council (Conservative) and Maidstone Borough Council (Liberal Democrat).

Economic development is Maidstone Borough Council's number one priority, and is identified as the *first* priority in the organisation's Strategic Plan (2019-2045):

"Embracing Growth and Infrastructure: We want Maidstone Borough to work for the people who live, visit and work; now and in the future. We want a Borough where there is a variety of jobs, housing need is met and infrastructure is in place to meet the growing needs of our residents and economy. We also want to ensure we lead and shape our place as it grows, including leading master planning and investing to bring about high quality housing and jobs in the Borough".

Work in this area is delivered by the Council's Economic Development and Regeneration team. Led by a Head of Regeneration and Economic Development, the team consists of a Regeneration and Economic Development Manager, Economic Development Officer, Assistant Economic Development Officer and a Business Centre Co-Ordinator. The team is funded by a combination of European Funding, Business Rates Pool Funding and core funding.

The team's role is to deliver the [Maidstone Economic Strategy](#) which was recently produced and published. The remit of the team includes: increasing business start-up, enterprise and entrepreneurship; supporting business expansion, access to finance and exports; supporting innovation and enterprise; encouraging businesses to reduce their carbon footprint; skills development; supporting town centre diversification; inward investment; and, placemaking initiatives.

Most notably the Council has recently directly delivered two important workspace projects:

1. **Maidstone Business Terrace:** This is a high-quality 7,000 sq ft flexible workspace in a former Council office in Maidstone town centre that provides space to support the acceleration of start-ups and small businesses. Tenants have access to office space, meeting space and a range of amenities alongside intense business support to enable them to grow and prosper. The space is oversubscribed and primarily used by small businesses in professional sectors.
2. **Maidstone Innovation Centre:** This is a brand-new hub for med-tech, life science and health care businesses adjacent to the Kent Institute of Medicine and Surgery. It focuses on helping start-ups and small businesses in these fields through support programmes and flexible accommodation that allows businesses to grow and scale. This was funded by European Funding and Government.

These projects not only support the objectives of the team around start-ups, enterprise and innovation, but they also generate an income stream for the Council to fund the team and their wider activities.

The team also plays an important role in supporting Maidstone Town Centre to adapt and diversify to changing macro-economic conditions in the retail market. This involves tactical placemaking investments but also larger scale regeneration initiatives that make a tangible impact on residents and the town centre. Two key projects include:

1. **Bus Station:** This is a £1m investment project to improve the town centre's ageing bus station. It will focus on improving the look, feel and function of the station to make the area feel more welcoming.
2. **Skills Centre:** The Council are working with a local college to open a Community Skills Centre. This will fulfil dual ambitions of enhancing skills provision and increasing footfall in the town centre.

Like Breckland Council, the team have a series of KPIs in place to measure and monitor performance and ensure they are delivering value for money.

Westminster City Council

Westminster City Council is one of the most high-profile local authorities in the country given its links to politics, business and royalty. It has been Conservative-led since its creation in 1964, but is now Labour-led following the recent local elections.

The Council has a very prominent Economic Development Team that has evolved significantly over the last decade. The team originally had four team members, funded by the Council, that primarily focused on delivering affordable workspace to support micro and small enterprises. This is because (a) these businesses were being pushed out of the city by rising commercial property prices, (b) start-up rates were falling and (c) the market was not delivering suitable affordable space to meet their needs.

The team has successfully catalysed over 12 affordable workspaces. High profile examples include:

- **Great Western Studios**
81,000 sq. ft. studio space for creative industry businesses in Westbourne. The current site opened in 2010 and supports over 150 businesses. The council was an investment partner in this highly successful project.
- **Paddington Works**
16,250 sq. ft. affordable business space and enterprise training centre for 160 start-up businesses, particularly those run by local residents. Opportunity arose via section 106 obligations for a new housing development. The council is a co-founder and investment partner in this project which launched in October 2018.

- **Somerset House Studios**
44,000 sq. ft. affordable studio space in Somerset House for 100 businesses in the creative industries (primarily artists and designers). The project turned unused former Government offices into space for start-up businesses. The council provided financial support for this and it opened in 2016.

Since then the team, which is now a full directorate, has expanded to over 75 officers with plans to reach 80 in the coming year. There are six key activities that are now undertaken by the team:

1. **Street Markets:** running six high-profile markets in the borough.
2. **Employment and Skills:** involves coaches, brokerage and employer engagement (30 officers).
3. **Responsible Economy:** six officers focused on providing business and sectoral support.
4. **High Streets:** support for high streets not within strategic regeneration areas.
5. **Business and Enterprise:** provision of workspaces targeted at small businesses to support the local economy and provide a commercial income stream to the Council.
6. **Investment Service:** three officers focused on attracting businesses and investment into the borough.

Following a forthcoming restructure, the directorate will be led by a Director of Economy, Head of Economic Development and Head of Employment and Skills.

Outside the four core members of staff, the entire directorate is funded from section 106 funds, CIL income, corporate social responsibility funds from anchor businesses (responsible economy/markets/high streets), and/or from external funding (employment and skills programmes). Some of the workspace projects also provide an income stream to support the activities of the team.

When pursuing a new project the team have agreed with Members that they should focus on:

1. Addressing a market failure; and,
2. Delivering a positive economic and/or financial return on investment.

The team has full cross-party support and expects to continue operating in a similar way despite the recent administration changes.

Ashford Borough Council

Ashford is a large town in East Kent which brands itself as 'the' place for business and 'London without the cost, the congestion, the hassle'. It comes under the jurisdiction of Kent County Council (Conservative) and Ashford Borough Council (Conservative).

Economic Development is one of the borough's number one priorities and is identified as a priority in their Corporate Plan (2022-2024). The overarching ambition of the Council is for Ashford to be *"a thriving, productive and inclusive borough in 2030 and beyond; a vital part of Kent and the South East where local business, social enterprises, communities and the public sector provide collective leadership to promote shared prosperity, happiness and wellbeing"*.

One of the three main pillars of the Corporate Plan is Targeted Growth. The long-term aim of this pillar is to curate a *"thriving, productive local economy supporting a range of businesses and industry offering good work to local people and is recognised as a high quality visitor destination"*. The other pillars are Green Pioneer and Caring Ashford.

Work in this area is led by the Council's Economic Development team, which is broken down into three sub-teams: Business and Inward Investment (3x officers), Town Centre Regeneration (3x officers) and Culture & Tourism (2x officers). The team is funded centrally by the Council with staff costs of c.£300k p/a.

The Economic Development team has a very broad remit ranging from traditional economic development activities through to physical regeneration. Example activities undertaken by

The team include:

- Attracting and supporting inward investment (e.g. via the [Ashford For Website and Campaign](#)).
- Providing bespoke and dedicated business support services (e.g. via [Kent Invicta Chamber of Commerce](#)).
- Attracting people to visit Ashford and providing visitor support services (e.g. via [Love Ashford](#) or [Visit Ashford and Tenderden](#)).
- Using planning policy mechanisms to help deliver new employment opportunities across the borough (e.g. via [Local Plan policies](#)).
- Co-ordinating and facilitating the roll out of faster broadband across the district.

Over the last few years the team has delivered and enabled several high-profile projects that have significantly changed the reputation of Ashford as a place to do businesses. The most prominent examples include:

- **Ashford International Film Studios:** Ashford Borough Council recently granted planning permission to Quinn Estates, U+I and The Creative District Improvement Company to deliver [Newton Works](#), a £250m mixed-use regeneration project on the site of Ashford's former Victorian railway works. Centred around state-of-the-art [TV and film production space](#), the development is set to support 2,000 new jobs and will create a new hub for the creative industries, which will benefit from Ashford's connectivity to London and Europe. The

Council's Economic Development team has played a key role in the project by helping secure £14.7m from the Levelling Up Fund to fill the viability gap faced by the TV and film production aspect of the scheme.

- **Brompton Factory:** Brompton, the UK's largest bicycle manufacturer, has recently announced its intention to submit a planning application to develop a new [global headquarters](#) in Ashford. Once fully operational, the proposed development will result in around 4,000 jobs being supported locally, including direct, indirect and induced employment. Ashford Borough Council also plans to transform 60 acres of the site into a rewilded public nature reserve with a community cycle path and a network of trails. The Economic Development played a crucial role in this through its inward investment campaigning and beat the likes of Birmingham, Manchester and Nottingham to the investment.
- **Elwick Place Regeneration:** [Elwick Place](#) is a 100,000 square foot leisure and restaurant development in the heart of Ashford Town Centre which opened in December 2018. It includes the first ever newly built Picturehouse cinema, nine retail and restaurant units and a Travelodge hotel. It is located on a former Brownfield site and the project was led by Ashford Borough Council who funded the £75m project through its capital programme and financed from the Public Works Loan Board. The scheme was delivered by Stanhope and Lendlease and opened in December 2018. Despite the pandemic the units are now fully occupied and the development has transformed the town centre.

London Borough of Bexley

The London Borough of Bexley (LBB) is one of Bromley's closest neighbours. It is a conservative-led authority with the party holding a strong majority.

The Council has had a prominent Economic Development team for over a decade. It is currently overseen by a Head of Economic Development who reports into an Assistant Director for Housing and Strategic Planning.

The team undertakes three broad functions as set out below: Employment and Skills; Town Centre Management; and, Engine House. There is a core group of employees paid for by the Council (totaling c.£250k) with the rest funded by external grants, contracts and income.

The activities of the team are valued by the Council given the positive press they generate and the practical outcomes they deliver. Progress and success is measured against a series of metrics such as jobs created, business supported, positive feedback received and positive PR generated.

Employment and Skills

Bexley's Employment and Skills function has around 30 staff, overseen by two managers. They are based in a standalone unit in Erith to be closer to residents and businesses in the borough's most deprived wards.

The function currently runs nine programmes, only one of which is part funded by the Council. All others are externally funded including devolved programmes.

The team is predominantly client based and provides specialist advice to individuals and businesses. Their work predominantly involves training, recruitment and addressing skills gaps. Six staff work on supporting employers, including SMEs and sole traders.

Town Centre Management

The Town Centre Management function has one town centre manager and two officers. They collectively offer a business account management function and operate as the front door to the Council. They also oversee two business improvement districts (BIDs) in Bexley and Sidcup.

The Engine House

The Engine House is a Council-owned innovation centre and flexible workspace between Abbey Wood and Belvedere. It offers over 50,000 sq ft of flexible studio and office space for creative businesses and has more than 50 modern studios and fixed desk spaces. Specialist 3D printing, laser cutting, and engraving is also available for production-based businesses.

The centre benefits from an in-house business development team to support entrepreneurs set up, scale and grow their businesses. Support packages are also available to give local businesses and entrepreneurs free co-working space for up to six months.

The centre operates as a standalone limited company, but the build was funded by the Council and was a conversion of the previous Thames Innovation Centre. It makes a modest surplus and it is anticipated that this will rise as the business model evolves and is refined.

The space is run by four staff covering people, finance, facilities, reception and outreach. Staff wages are paid for by the asset income and there is no dependency on the Council.

10. Pandemic

How has Guildford's economy, population and property been impacted by the COVID-19 pandemic over the last two years?

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Pandemic: Summary

Guildford's commercial property market is rebounding from the impacts of COVID-19...



Leasing and sales activity across office, industrial and retail has increased since disruption in 2020.

Guildford's office stock may be less attractive than pre-2020...



Rental values have declined and several larger occupiers have not renewed leases in the town.

Guildford's residents received support from the Coronavirus Job Retention Scheme...



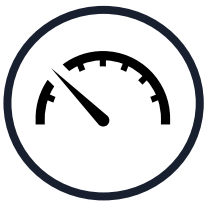
At its peak in July 2020, 10,800 employees or 16% of Guildford's eligible workforce received financial support via Coronavirus Job Retention Scheme (also known as furlough).

Guildford's residents were less likely to require financial support than elsewhere...



Guildford's claimant count remained below regional and national averages throughout the pandemic – likely due to the occupational and industrial profile of the borough's residents.

Economic inactivity remains above pre-COVID levels...



Lockdown restrictions reduced levels of commuting as more residents worked from home, and activity in retail and leisure destinations suffered heavily.

Guildford's urban areas were most likely to seek financial assistance...



Claimant counts increased by the largest amounts in Guildford and Ash, with Ash Vale, Albury, Shere and Wood Street Village also experiencing increases.

Commuting in and around Guildford significantly reduced during the pandemic...



Passenger levels at Guildford Railway Station fell from 6.9 million in 2019-20 to 1.5 million in 2020-21. Decline in rail usage was sharpest in some of Guildford's commuter towns and villages such as Horsley, Clandon and Shalford.

Why is this important?

- Understanding ongoing demand for commercial premises can help inform property investment decisions.
- Impact on residents can highlight areas and residents more vulnerable to future economic shocks.
- Commuting patterns indicate the scale of the opportunity for Guildford to better provide amenities and workspace that support residents that choose to work remotely.

Guildford's commercial property market is rebounding from the impacts of COVID-19, with industrial property increasingly in demand...

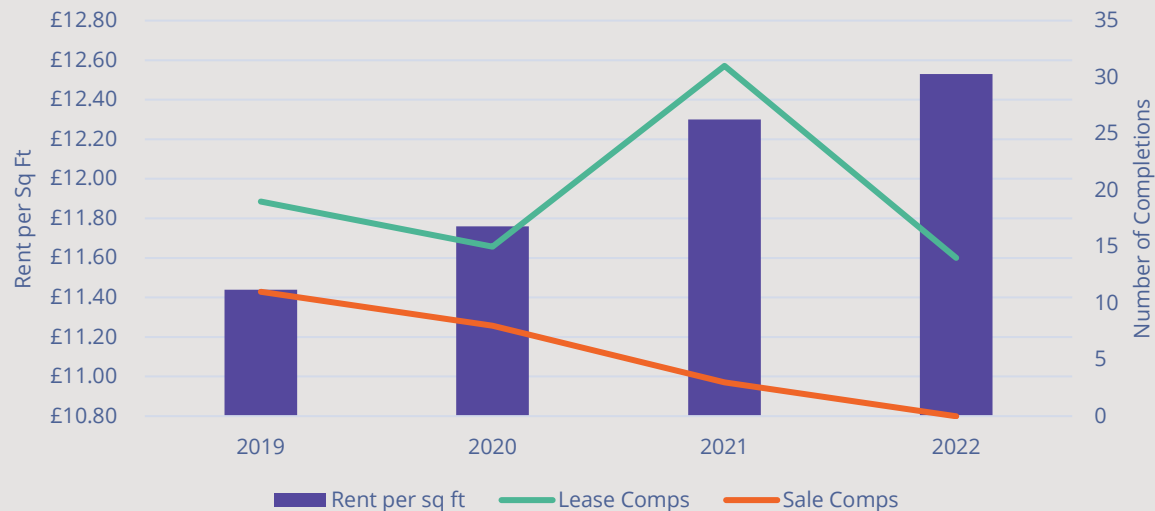
While it is too early to draw full conclusions from the commercial property in 2022, Guildford's property market seems to reflect national trends in increasing demand for industrial space and in some cases the consolidation or re-thinking of corporate office space. Guildford's reputation as an important retail destination continues to be reflected in its commercial property position.

Industrial property is in demand: Industrial rental values have increased since the onset of COVID-19.

Retail property is remains attractive: Rental values in Guildford have increased from £51.29 per sq ft in 2019 to £67.34 per sq ft in 2022.

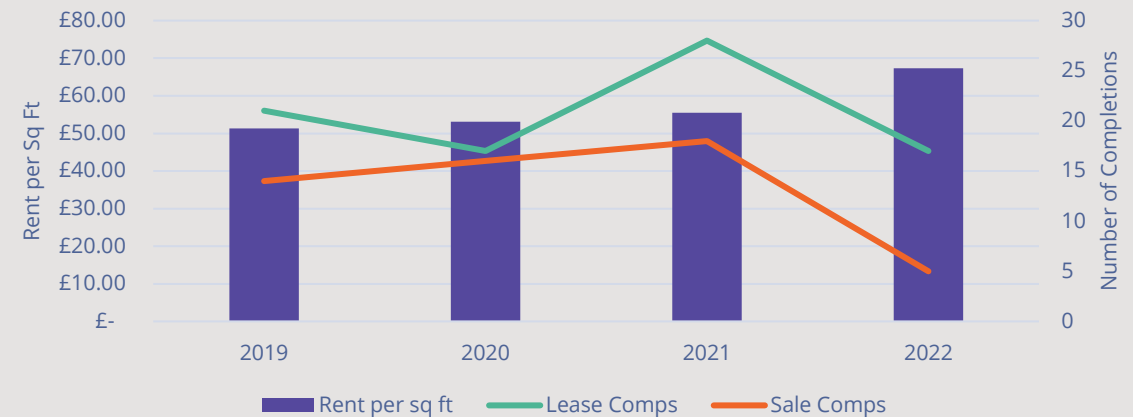
Guildford's office stock may be less attractive than pre-2020: Office leasing and rental values have declined from £35.15 per sq ft in 2019 to £31.66 in 2022.

Industrial Activity in Guildford, 2019-2022

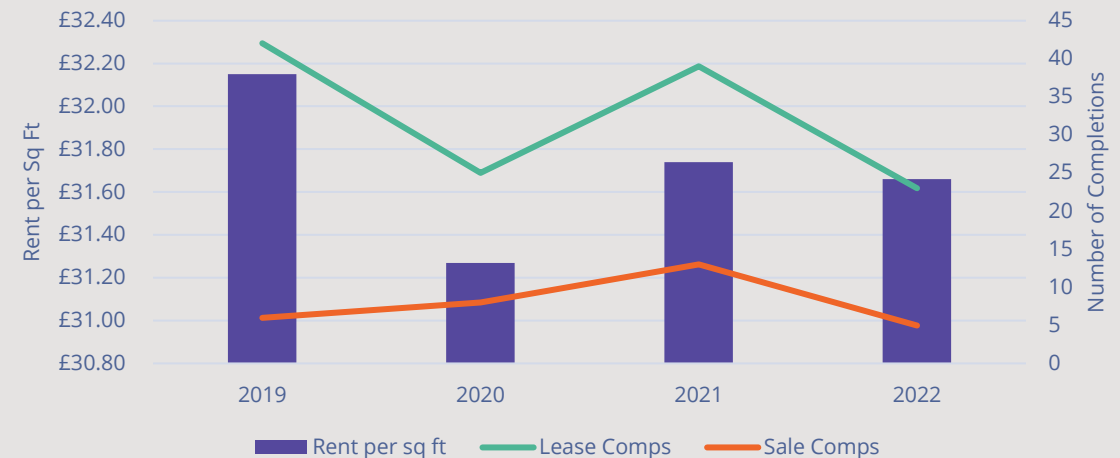


Source: CoStar, 2022

Retail Activity in Guildford, 2019-2022



Office Activity in Guildford, 2019-2022



Source: CoStar, 2022

Guildford's labour market shows signs of recovery post-COVID, but economic inactivity remains above pre-COVID levels...

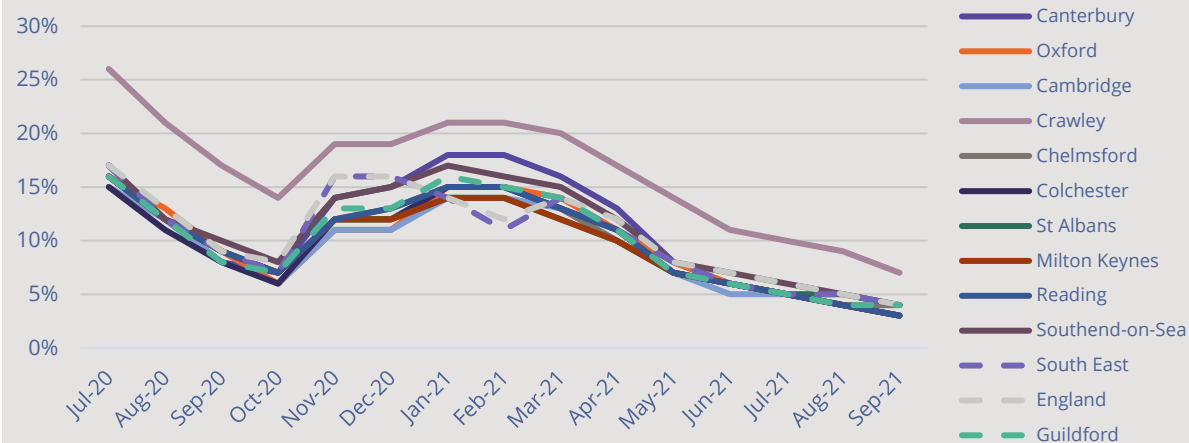
Guildford's workforce benefitted from the Government's furlough scheme: At its peak in July 2020, 10,800 employees or 16% of Guildford's eligible workforce received financial support via Coronavirus Job Retention Scheme (also known as furlough).

Unemployment reached its highest levels during COVID-19: In 2021, Guildford's unemployment rate reached 4.6% in September 2020.

Guildford's self-employment rate temporarily fell in 2020 at the onset of the COVID-19 pandemic: In 2020, Guildford's self-employment rate fell to 8.7%, ranking below that for the South East (10.7%) and England (10.1%). Nationally this trend is likely due to a large increase in workers moving from self-employment to employee status (but remaining in the same job) between April and September 2020. This is particularly true for those in the most highly skilled occupations - and partly explains Guildford's fast recovery to a rate of 12.7% self-employment in 2021¹.

Guildford's economic inactivity rate remains slightly higher than pre-COVID: Guildford's economic inactivity rate has increased from 17.4% in March 2020 to 18.9% in March 2022. This represents an additional 800 residents not involved in the labour market.

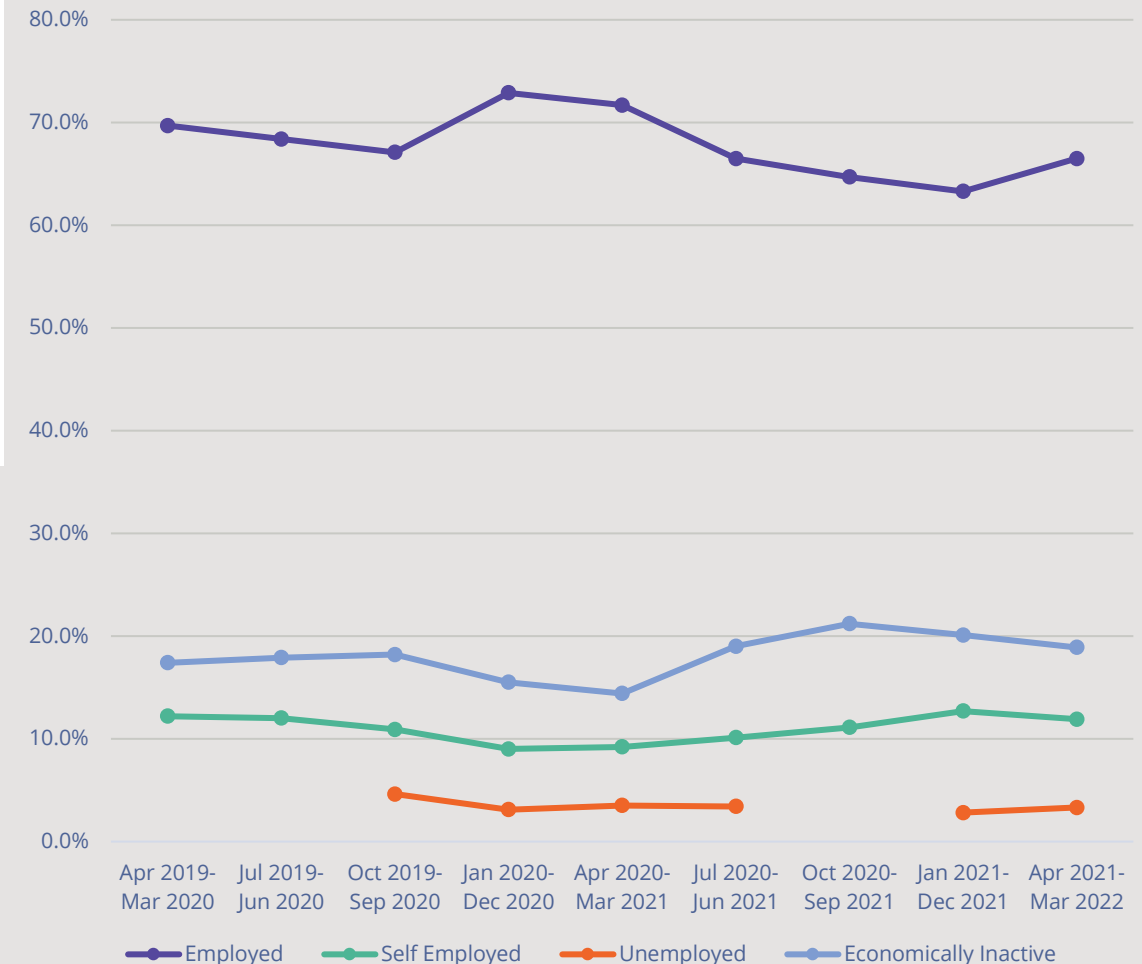
Coronavirus Job Retention Scheme Take-Up as a % of Eligible Employment, July 2020 – Sept 2021



Source: ONS. Annual Population Survey, 2022

¹ ONS. Understanding changes in self-employment in the UK: January 2019 to March 2022 (2022).

Guildford's Economic Activity, 2019-2022



Source: ONS. Coronavirus Job Retention Statistics, 2021

Note: Due to a small sample size the unemployment rate at the Guildford level is unavailable for March 2020, June 2020 and Sept 2021.

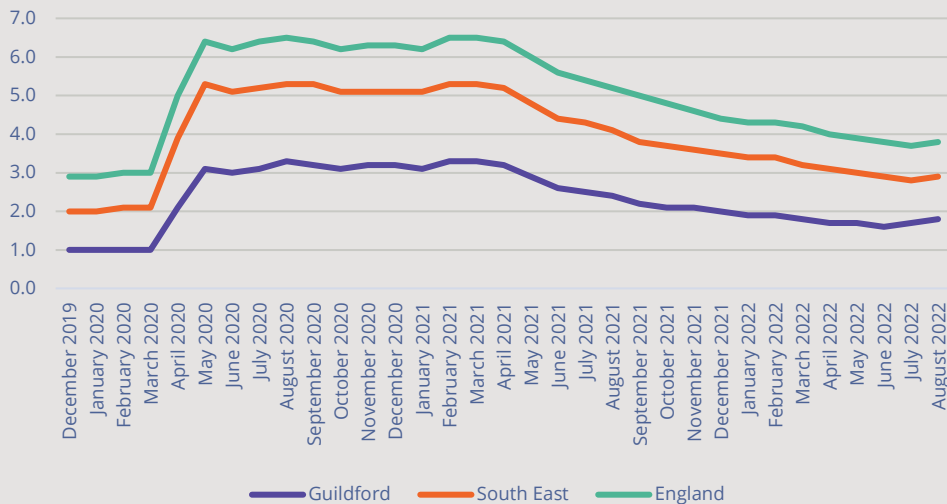
Guildford's residents were less likely to require financial support, but some residents were more in need than others...

Guildford's claimant count increased at the onset of the COVID-19 pandemic: The number of claimants in Guildford increased from 1,015 people in February 2020 to 3,110 people in July 2020. This represented an additional 2,095 claimants at the height of the COVID-19 pandemic.

Guildford's claimant count remained lower than regional and national averages throughout the pandemic: Guildford's claimant count as a proportion of working-age residents (aged 16-64) peaked at 3.3% in August 2020 which was lower than the South East (5.3%) and England (6.4%).

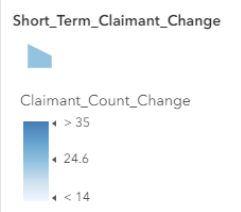
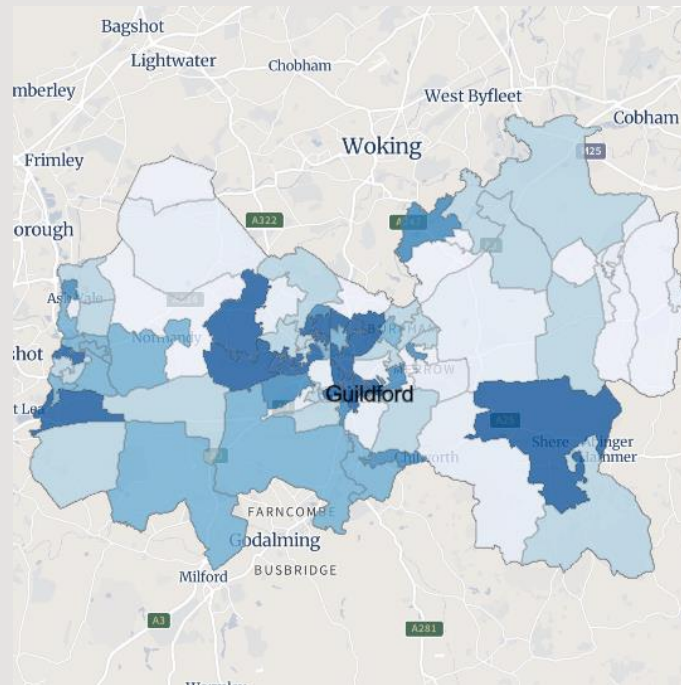
Guildford's urban areas were most likely to seek financial assistance: Claimant counts increased by the largest amounts in Guildford and Ash, with Ash Vale, Albury, Shere and Wood Street Village also experiencing increases.

Claimants as a % of Residents aged 16-64, 2019-2022



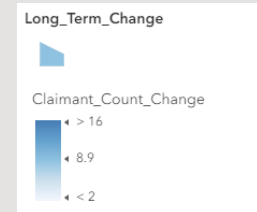
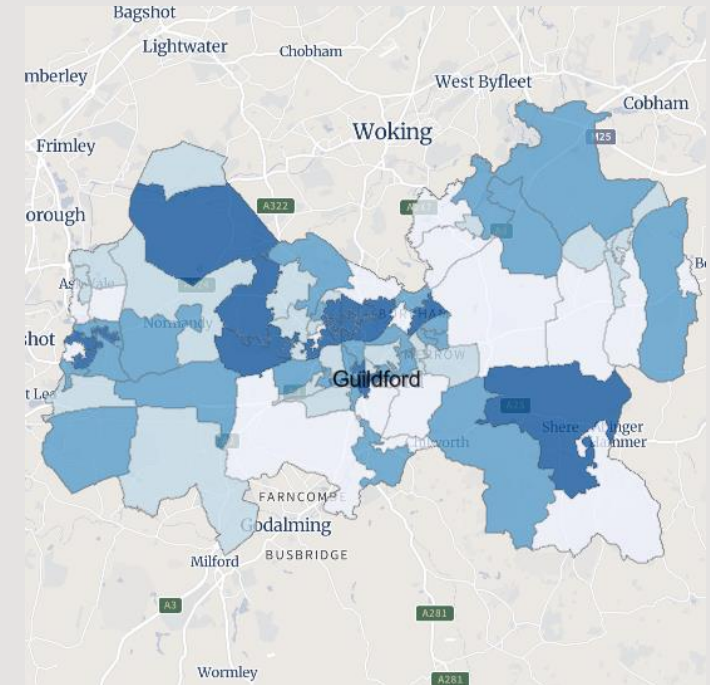
Source: ONS. Claimant Count, 2022

Claimant Count Short-Term Impact (Feb 2020 – July 2020)



Source: ONS. Claimant Count, 2022

Claimant Count Long-Term Impact (Feb 2020 – June 2022)



Source: ONS. Claimant Count, 2022

Retail, leisure and commuting were all impacted by the COVID-19 pandemic...

Retail and leisure destinations were heavily impacted by COVID-19: Activity in Guildford's retail and leisure destinations fell by 87% in April 2020 compared to February 2020 levels. Lockdown restrictions during 2020 and into 2021 are reflected in reduced usage of restaurants, cafes, shops and other leisure destinations over this period.

Usage of retail and leisure destinations remains below pre-pandemic levels: Mobility in Guildford's retail and leisure destinations remained 16% below February 2020 levels in the week ending Wednesday 7th September 2022 which is lower than the level seen nationally (9%).

Activity in transit hubs remained low throughout 2020 and 2021: Lockdown restrictions, increased working from home and increased use of private methods of travel all contributed to lower usage of public transport during the 2020 and 2021.

Transit hubs are increasingly being used but remain below pre-pandemic levels: Mobility in Guildford's transit hubs remained 32% below February 2020 levels in the week ending Wednesday 7th September 2022 which is lower than the level seen nationally (21%).

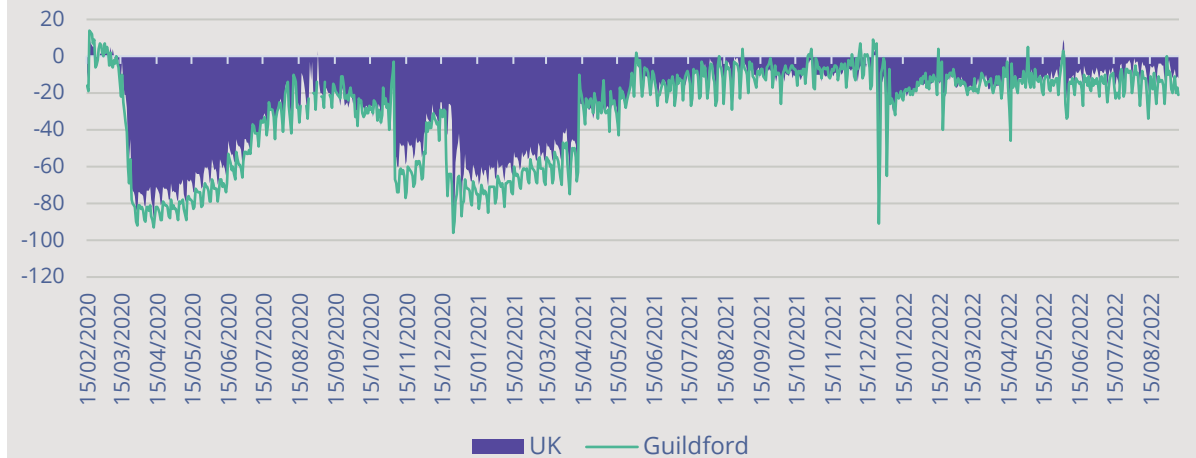
Definitions: Place Categories

Retail and Recreation: Mobility trends for places like restaurants, cafes, shopping centres, theme parks, museums, libraries, and cinemas.

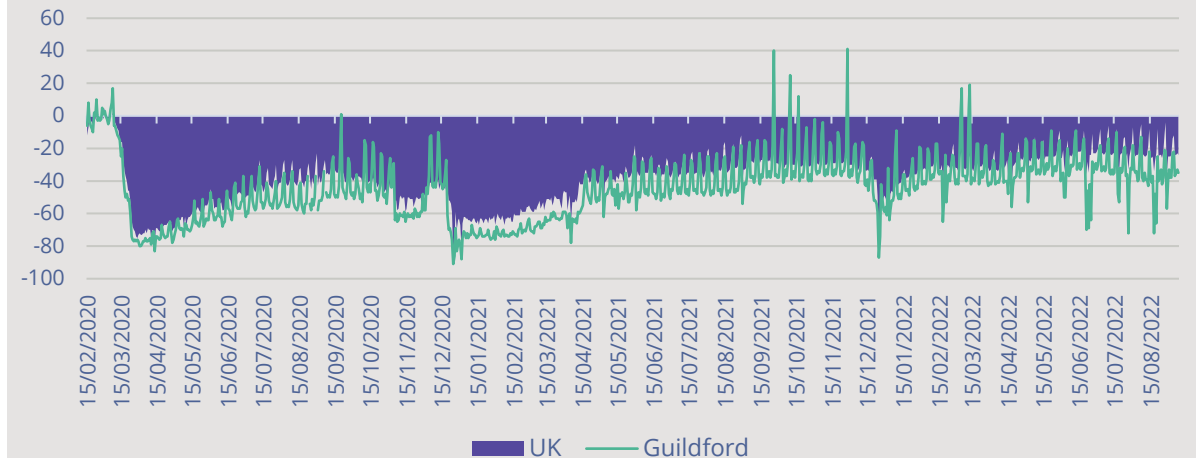
Transit Hubs: Mobility trends for places like public transport hubs such as subway, bus, and train stations.

all impacted by the COVID-19

Activity in Retail and Recreation Destinations, 2020-2022 (Baseline 0 = February 2020)



Activity in Transit Hubs, 2020-2022 (Baseline 0 = February 2020)



Source: Google. Google Mobility, 2022

Note: Activity measurement is relative to the February 2020 baseline as developed at the onset of the COVID-19 pandemic. Values above 0 indicate increased activity relative to February 2020, whilst values below 0 indicate reduced activity in these spaces relative to February 2020.

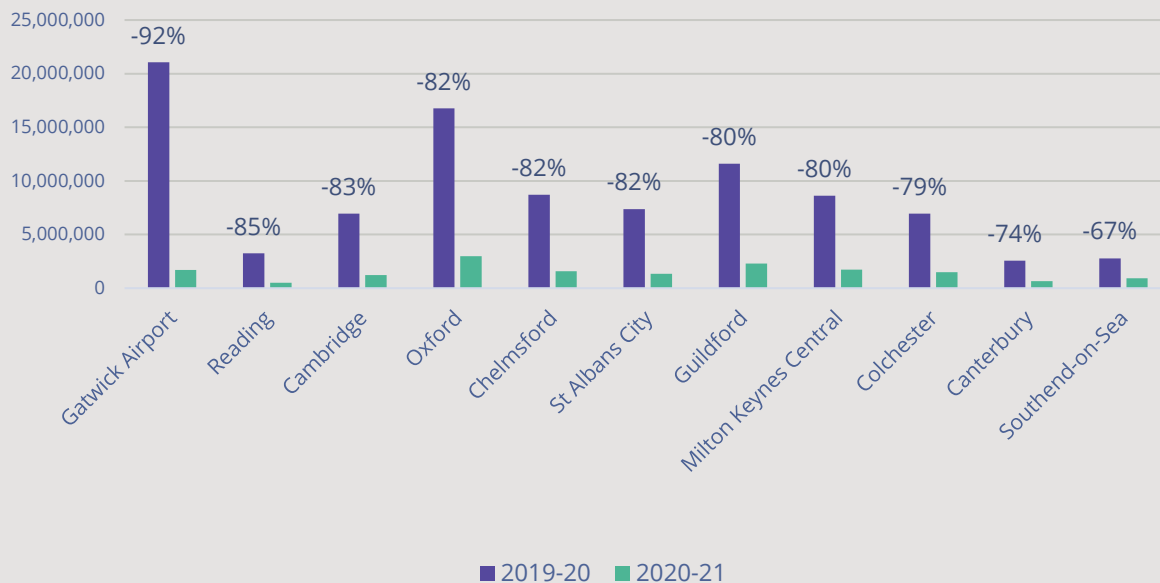
COVID-19 significantly impacted commuting in and around Guildford...

Guildford's main railway station was significantly impacted by COVID-19: The station saw over 6.9 million passenger entries, exits and interchanges in the year 2019-20 which fell by 79% to around 1.5 million in 2020-21.

Railway usage was less impacted in Guildford than in a number of comparator areas: While 79% is a significant reduction in rail usage, major railway stations in comparator areas such as Gatwick Airport (Crawley) and other commuter towns such as St Albans, Milton Keynes and Reading saw larger reductions in rail usage.

Decline was sharpest in some of Guildford's commuter towns and villages: Horsley saw the largest drop in passenger numbers (-86%), followed by Clandon (-83%), Shalford (-83%), Effingham Junction (-82%) and North Camp (-82%).

Major Station Rail Usage, 2019-20 vs 2020-21



Source: Office for Rail and Road. Passenger entries and exits and interchanges by station, 2021

Passenger Entries and Exits by Station

Station name	2019-20	2020-21	Change 2019-2020
Guildford	6,936,796	1,488,672	-79%
London Road (Guildford)	945,828	202,980	-79%
Ash Vale	421,022	88,390	-79%
Horsley	382,510	54,926	-86%
North Camp	332,730	59,002	-82%
Effingham Junction	267,442	47,852	-82%
Ash	245,978	67,150	-73%
Clandon	185,012	31,444	-83%
Shalford (Surrey)	114,284	19,330	-83%
Wanborough	88,364	17,994	-80%
Gomshall	54,150	17,294	-68%
Chilworth	21,704	5,904	-73%

Source: Office for Rail and Road. Passenger entries and exits and interchanges by station, 2021

Appendix

Additional data

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Some of Guildford's higher value sectors have experienced growth in recent years...

Over the past five years Guildford has seen growth in the economic output of most productive sectors: Since 2015, information & communication has seen a 47% increase and human health and social work activities has increased by 41%.

Despite this, some higher value industries in Guildford have seen a decline in economic output: Most notably, financial and insurance activities have declined by 27%, and professional, scientific and technical activities have declined in output by 19%.

Employment growth has been strongest amongst some of Guildford's smaller sectors: Manufacturing has increased by +43% (or 1,500 jobs), financial and insurance has increased +20% (or 500 jobs) and construction by +14% (or 500 jobs).

Conversely, some of Guildford's important employment sectors have experienced employment decline over this same period: Retail has declined by -25% (or 2,000 jobs), followed by property (-17% or -250 jobs) and transport and storage (-14% or -250 jobs).

Business growth has been concentrated in some of Guildford's foundational services. The number of transport and storage businesses has increased +33%, followed by property (+18%), mining, quarrying & utilities (+11%) and business administration & support services (+7%).

There has been some business decline in industries with trading conditions likely to have been impacted by the COVID-19 pandemic: Wholesale (-7%), arts, entertainment, recreation and other services (-7%) and motor trades (-3%) have all experienced decline.



Guildford has a variety of specialisms including technical services...

The charts to the right indicate Guildford's sector specialisms for GVA, employment and businesses. **Green** is used to highlight where sector activity is >1.2x more concentrated in Guildford's economy relative to the national economy.

Specialised economic output: Information & communication contributes 1.4x as much to Guildford's total economic output than at the England level. Other specialised sectors include education, public administration and defence, administrative and support service activities and real estate activities.

Specialised employment sectors: Information & communication, professional, scientific & technical, arts, entertainment, recreation & other services, education, public administration & defence and motor trades.

Notably, there are 1.4 times as many jobs in both information & communication and professional, scientific & technical in Guildford than at the England level, and there are 1.3x as many jobs in arts, entertainment, recreation & other services.

Specialised business sectors: Information & communication, professional, scientific & technical, mining & quarrying activities and education are all specialised business sectors in Guildford. Most significantly, there are 1.6x as many information & communication businesses in Guildford than seen at the national level.

These are all unique specialisms that present opportunities that can be built upon to accelerate economic growth in the borough. Some of these are, however, at risk given the employment declines seen over the past five years (i.e. in professional, scientific & technical and arts, entertainment, recreation & other services).



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