

Public Document Pack



Council Meeting

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Economic Development Strategy

Page

Economic Development Strategy

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Economic Development Strategy 2022 to 2026

Runnymede Borough Council

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Executive Summary

Introduction

Runnymede is ranked as the most economically competitive borough in the UK outside of London ([UK Competitiveness Index 2021](#)). The Runnymede Economic Development Strategy 2022 to 2026 aims to ensure that the Borough continues to be a leading economy in Surrey and the wider sub-region. The Borough's officers and members are keen to ensure that economic growth continues and strengthens, and that the local community can benefit from opportunities wherever possible. **Cllr Nick Prescott Leader, Runnymede Borough Council.**

The strategy comes at a critical time for the economy. The impact of the economic shock of 2020/21, and of leaving the European Union is still yet to be fully felt by businesses and residents. At the same time the Government's commitment to economic recovery (set out in [Build Back Better: our plan for growth](#)), to levelling up and devolution is set to change the opportunities for local government to work with businesses and public sector partners to support economic development. This strategy together with the Council's Empowering Communities Strategy, Climate Change Strategy, Health and Wellbeing Strategy and Organisational Development Strategy, underpin the Council's Corporate Plan and set out the authority's priorities over the next four years. **Paul Turrell, Chief Executive Officer, Runnymede borough Council.**

Runnymede's economic performance

The council undertook an assessment of the local economy in 2021 which underlined that Runnymede has a highly competitive economy and is a dynamic location for business. Chapter 2 outlines the key findings of this assessment and shows that the Borough is:

- Ranked as the most competitive borough in the UK outside of London (UK Competitive Index 2021).
- The largest economy in the Enterprise M3 Local Enterprise Partnership (5.8bn GVA).
- Home to a significant number of national and international companies.
- 20% of all companies in Surrey which employ over 1,000 people are based in Runnymede.
- Out of all 363 UK local authorities Runnymede has the 15th highest share of employment in Information and Communication, the 10th highest in Cyber Security and seventh highest of Arts, Entertainment and Recreation employment.
- Ranked 2nd in the UK in the Grant Thornton Sustainable Growth Index 2019 for 'Dynamism and Opportunity' (behind Cambridge).
- Attracts a significant amount of Foreign Direct Investment (FDI) including Netflix's investment in a major new film production facility at Longcross.

Vision

The vision of the 2022 to 2026 Runnymede Economic Development Strategy is that the Borough continues to be a leading economy in Surrey and the wider sub-region. Runnymede

will be a place where businesses succeed, and residents prosper. An attractive place for investors and visitors.

Objectives

The following six objectives have been identified:

- **Objective 1:** Business relocation, expansion, and investment in the Borough
- **Objective 2:** Maintaining competitive advantage through business engagement, strengthening business networking and local supply chains.
- **Objective 3:** Developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy
- **Objective 4:** A dynamic workforce for a high-tech, creative economy
- **Objective 5:** Better infrastructure for sustainable growth
- **Objective 6:** Developing the low carbon circular economy

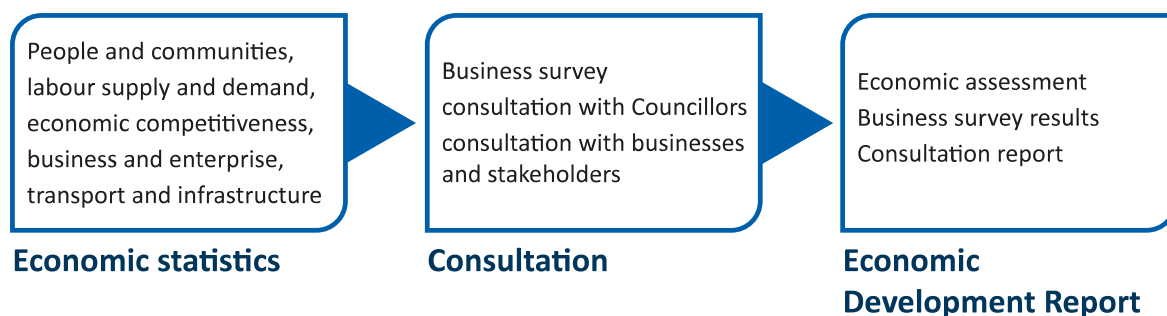
Chapter one: Introduction

Purpose of the Economic Development Strategy

The aim of the Economic Development Strategy is to build on the Borough's economic strengths to support a resilient, productive, low carbon and high-value economy. The Council wants to ensure that Runnymede continues to be a leading economy, in Surrey, the wider sub-region and the UK. The strategy will do this by:

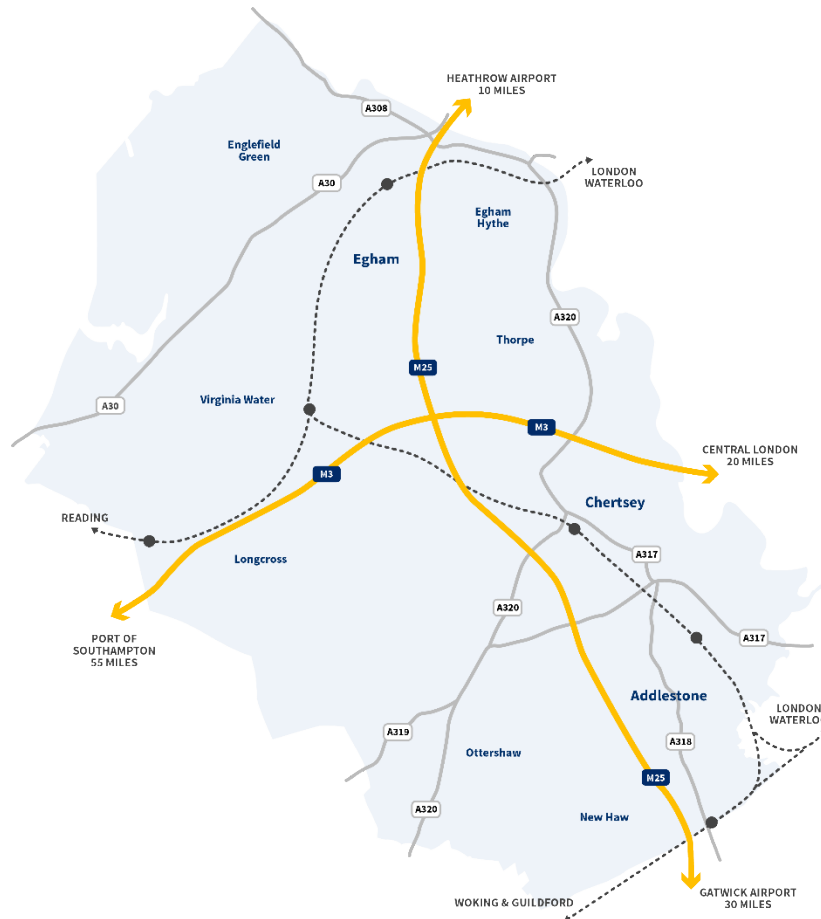
- articulating a clear economic narrative for the Borough based on a review of economic performance and business and stakeholder priorities.
- ensuring the support and continued endorsement of business and stakeholders.
- setting the strategic direction for economic development for the next four years, with a focus on low carbon sustainable business and economic growth.
- making clear links with internal and external strategies including those of the Enterprise M3 LEP, Surrey County Council and neighbouring authorities; and
- setting out key priorities and clear deliverables, which define how economic development will be delivered.

The following steps were undertaken to develop the strategy:



Geographical Context

Runnymede Borough is in north-west Surrey, only 20 miles from central London. The Borough is strategically located at the junction of the M25 and M3 motorways. It has good rail and excellent road connections to the capital and wider Southeast, and excellent road connections to Heathrow and Gatwick. Approximately 79% of its area lies within the metropolitan Green Belt which makes it an attractive area to live, work and visit.



There are three main town centres in the Borough – Addlestone, Chertsey and Egham, and a range of local village centres. These include Englefield Green, Ottershaw, Thorpe, Virginia Water and Woodham and New Haw.

In addition to the town centres, major employment areas in the borough include:

- Weybridge Business Park and Bourne Business Park, to the south of Addlestone.
- Hillswood Business Park, to the south-west of Chertsey.
- Thorpe Industrial Estate, to the north of Thorpe Village.
- Longcross Park, on the western edge of the Borough.
- The Causeway, located on the northern edge of the Borough between Egham and Staines-upon-Thames.

There are also several individual business premises employing significant numbers of workers including: St Peters Hospital, Royal Holloway, University of London (RHUL) campus; the Animal and Plant Health Agency (APHA) laboratories; and headquarters buildings for Samsung, Gartner, and Compass foods.

Chapter two: Economic Assessment

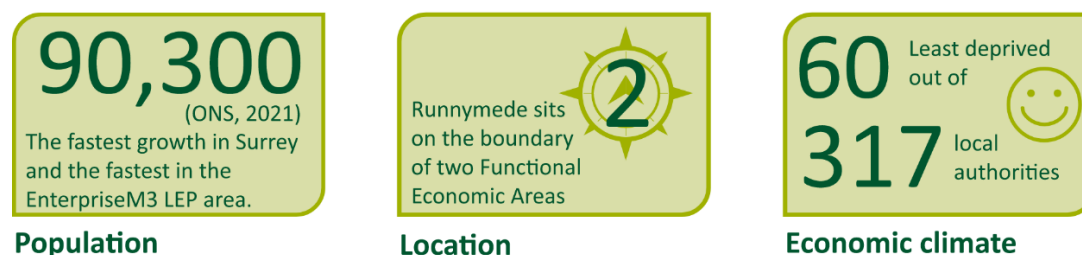
An Economic Assessment was undertaken in 2021 to inform the development of this strategy and should be read in conjunction with it. The assessment details the sources for the data used in this chapter. Overall, the assessment found that:

Runnymede is home to many national and international companies and is an important centre for business within the Southeast of England. The Borough's locational advantages and excellent connectivity combined with its skills base and high-quality environment, make it an attractive location for business. The economy was growing prior to the pandemic, and it is encouraging that those parts of the economy which were growing the fastest were in the knowledge economy, particularly the IT Communication sector and Arts, Entertainment and Recreation sectors where 'the jobs of the future' are being created.

A summary of the key findings of the assessment are set out below.

People and communities of Runnymede

Key facts



Key findings

- Runnymede has a relatively small population of 90,300, the 4th smallest in the county.
- Between 2011 and 2018, the population grew by 9.3% - the fastest growth in Surrey and the fastest in the Enterprise M3 LEP.
- The population is expected to reach 94,236 in 2028, an increase of 4.5% from 2021.
- Runnymede ranks the 60th least deprived out of 317 local authorities but has fallen 19 places in the English rankings since 2015.
- There are small pockets of relative deprivation where residents struggle to access housing and services.
- Runnymede is a relatively healthy borough. Life expectancy at birth for both men and women is higher than the average for the rest of England.

Implications for the Strategy

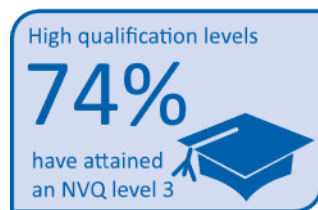
The projected growth in population will require comprehensive planning to ensure adequate infrastructure, jobs and training, and public services are provided to meet the needs of a growing and ageing population. Issues of relative deprivation in particular the lack of

affordable housing and poor access to public services for some communities must be addressed to ensure improved life chances for these residents.

An increasing population will also strain the road network, leading to an increase in congestion and pressure on the capacity of public transportation systems, as well as health and other facilities.

Workforce dynamics

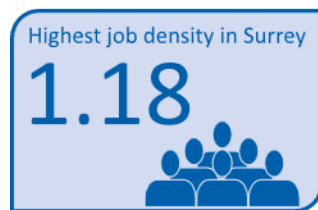
Key facts



Qualification



Earnings



Job density



Workers

Key findings

- In 2020 the working age population (16-64 years) was 59,200 (65.6%) higher than Surrey (61.1%), Southeast (61.1%) and England (62.4%).
- Qualification levels amongst the resident population are high. Nearly three out of every four adults (74%) have achieved NVQ level 3 (equivalent to 2 A levels) an increase from 60% in 2015 and a higher percentage compared with Surrey (67%), the Southeast (64%) and England (61%). 57% of residents have achieved an NVQ4 compared with Surrey (53%), the Southeast (45%) and England (43%).
- In 2020, there were 4,200 people in Runnymede with no skills. 7.2% of 16–64-year-olds, higher than the rate for Surrey (4.3%) and for the United Kingdom (6.6%).
- Runnymede records high earnings in the workplace with the median gross weekly pay recorded as approximately £700 per week for full-time employees, compared to £608 in the Southeast and £586 in the United Kingdom.
- Workplace earnings are higher than resident earnings. This suggests that more of the most well-paid jobs in the borough are held by in-commuters rather than the resident workforce.
- In 2020, there were 67,000 workforce jobs in Runnymede. The borough has the highest job density in Surrey. There are 114 jobs for every 100 residents in the Borough. This is 20% higher than the Surrey average and the second highest job density in the EM3 LEP area.

The impact of the Covid 19 pandemic

Although unemployment increased significantly in 2020 because of the pandemic the situation has recovered and in December 2021 only 1,570 residents were claiming unemployment benefit (2.6%) slightly lower compared with Surrey (3%), and significantly lower than the Southeast (4.2%) and England ((5.3%) (Source Nomis 2021)).

The number of jobs furloughed in Runnymede peaked in March 2021 at 15,500 (14% of all jobs) slightly below Surrey and England (15%). This fell to 2,500 (7%) in August 2021 towards the end of the Job Retention Scheme, slightly above the rate for Surrey and England (6%).

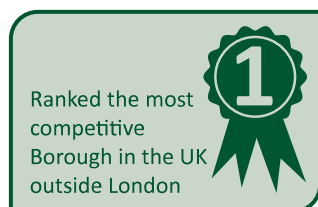
Implications for the Strategy

Runnymede has a relatively skilled workforce with high levels of participation. To develop the economy sustainably for the future, access to quality employment for young people should be improved, including access to affordable accommodation. Employers should be encouraged to increase their investment in skills. Schools, colleges, and training providers should focus on providing the skills needed by employers and continue to raise the number of people with qualifications at NVQ 3 and 4, to cement Runnymede's position as a highly skilled economy.

There should be targeted intervention on improving skill levels for those with no, or very few qualifications. Digital skills are vital for the modern economy, especially given the growth in homeworking during the COVID-19 pandemic.

A competitive Business Location

Key facts



Rank



Economy



Employment



Arts sector

Key findings

- Ranked as the most competitive borough in the UK outside of London (UK Competitive Index 2021).

- The largest economy in the M3 LEP (5.8bn GVA¹).
- Home to a high number of large companies including national and international companies who have their headquarters in the borough.
- 20% of all companies in Surrey which employ over 1,000 people are based in Runnymede.
- 15 companies employ over 1,000 people and 40 businesses employ more than 250 people.
- Businesses in Runnymede are more likely to survive after 3 years (64%) compared with Surrey and the Southeast (63%) and England (61%).
- Out of 363 local authorities Runnymede has the 15th highest share of employment in Information and Communication and the seventh highest share of Arts, Entertainment and Recreation employment. And a particularly high number of jobs in Cyber Security.
- Ranked 2nd in the UK in the [Grant Thornton Sustainable Growth Index 2019](#) for 'Dynamism and Opportunity' (behind Cambridge). The borough benefits from being a centre of research and innovation being the home of Royal Holloway, University of London and research establishments such as the Animal and Plant Health Agency headquarters in New Haw, CABI and a large base of international, leading-edge technology-based businesses.
- The borough attracts a significant amount of foreign direct investment (FDI) including Netflix's investment in a major new film production facility at Longcross.

Implications for the Strategy

Runnymede has a resilient economy and will be in a good position to recover from the effects of the Covid 19 pandemic. However, the longer-term impact on businesses and residents of the economic shock of 2020/21, including changing working practices, remains uncertain.

Runnymede's strategic location, supply of high-quality offices and highly skilled workforce make it a highly attractive location for foreign companies wanting to set up UK and EMEA headquarters. Knowing and understanding the issues, barriers and opportunities for the growth and retention of large companies is a priority. The Council will need to work closely with DIT, Surrey Council and the Enterprise M3 LEP to support inward investment.

Runnymede has some strong sector concentrations including employment in Information and Communications and in Arts, Entertainment and Recreation. The addition of Netflix in Longcross a large global brand and pioneer in digital entertainment provides significant opportunities to accelerate growth in createch – one of the fastest growing parts of the UK economy where creativity interacts with emerging technologies such as immersive techs and artificial intelligence.

Runnymede has a very high share of employment in cyber security, with 7,000 people working in the sector - the 10th highest density of employment in the sector in the UK and is home to Royal Holloway University of London a U.K Academic Centre of Excellence in Cyber Security Research as well as one of the largest and best-established security groups in the world - the ICT4D group.

The Council will work with Royal Holloway University of London, Neighbouring boroughs, the County Council and Enterprise M3 LEP to establish createch and Cyber Security as key sectors and drivers for economic growth for the region and lobby for support to maximise the benefits for Runnymede and wider region.

¹ The GVA figure is based on ONS data from 2017.

A connected borough with a vibrant commercial property market

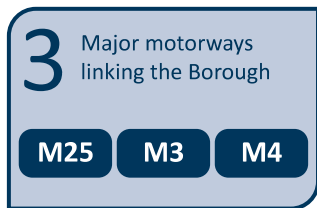
Key facts



Sub-markets



Access



Links



Geographical location

Key findings for commuting

- 24% of working residents in Runnymede commute to work in Greater London.
- The self-containment rate of Runnymede (i.e., the proportion of working age residents working within it) is 39%. This is a similar level to neighbouring boroughs and reflects the influence of London as a place of employment and the importance of the transport network.
- There is an overall net inflow of workers into the Borough (approximately 9,000, with the largest numbers coming from other Surrey districts and boroughs (approximately 3,100).
- The car remains the most popular method of travel to work for those commuting from and into Runnymede (65%).

Key findings for the commercial property market

- Runnymede is an important office location, especially for large corporates due to good accessibility to Heathrow, the strategic road network and rail connections to London, alongside quality-of-life factors and a skilled local workforce.
- There are two distinct submarket areas operating in the Borough. The northern parts of the Borough in and around Egham and The Causeway are generally more popular for larger office occupiers. Grade A rents in this location are like Maidenhead, Uxbridge and Heathrow. Chertsey and Addlestone to the south of the Borough tend to compete with Weybridge and to a lesser but increasing extent Woking.
- Runnymede is not recognised as a particularly significant industrial location, despite its proximity to the M25 and Heathrow, as land costs and environmental constraints mean there are few suitable sites for large scale logistics or major manufacturing businesses in the borough.

- However, the borough's location within the typical 'Heathrow area of search' generates a certain amount of interest from occupiers requiring global connectivity, especially for freight. Runnymede's industrial market witnessed increased rental levels prior to the pandemic which precipitated several investments in new space. Following the pandemic demand slowed but has picked up over the second half of 2021 reducing vacancy rates to a relatively low level. Key findings relating to commercial floorspace
- In 2021 the Valuation Office Agency (VOA) reported 561,000sq.m of rated office and industrial floorspace in Runnymede. The amount of space has declined from 584,000sq.m in 2015/16 as a number of office premises have been converted to residential, especially within the town centres.
- In September 2021 the Council's employment land use database identified 17% of office, manufacturing and logistics floorspace within the Borough's main employment areas as vacant. It should be noted however, that some of the vacant premises are likely to be converted to residential or are awaiting redevelopment/refurbishment for employment use.
- The amount of office floorspace recorded by the VOA peaked in 2017/18 at 304,000sq.m before falling to 267,000sq.m in 2020/21, its lowest level in five years.
- The amount of industrial space declined slightly from 2015 to 2018 before recovering in 2020/21. There is currently 294,000m² of industrial space compared with 300,000m² in 2015/16
- Between 2012 and 2018/19 the amount of office space in the borough grew with Runnymede recording the second highest percentage increase in office space in Surrey over this period and the third highest in the EM3 LEP area.
- Between 2012 and 2018/19 there was also a considerable growth in industrial floorspace of 26%, the highest percentage increase in the EM3 LEP area and Surrey.
- The recently adopted Runnymede 2030 Local Plan identifies five strategic employment areas in the Borough at Weybridge/Bourne Business Park, Hillswood Business Park, Thorpe Industrial Estate, Longcross and The Causeway.
- Longcross was designated an Enterprise Zone in 2017. Most of the site which has been used as a temporary film studio was leased last year to Netflix who plan major investment in the site, with the remaining part of the site owned by Ark datacentres who plan to open a large datacentre on the site by 2023.
- Runnymede strong economy has enabled the Borough to attract considerable investment in its commercial property offering over the last decade, resulting in good provision of Grade A spec office premises and modern industrial units with Breeam Very Good and Excellent ratings. The quality and sustainability of commercial stock is likely to have an increasing influence on prospective tenants' decisions to let in the future.

Implications for the Strategy

Runnymede's commercial property market within the south-west M25 quadrant is characterised by its strong links with nearby Heathrow Airport to the east of the M25 and Thames Valley to the west. This 'South-Western Wedge' is a very dynamic economy offering the ingredients – accessibility, quality of life factors and a skilled local workforce - of an attractive business location for high-value, knowledge intensive activities.

It is important the Strategy can ensure the Borough's new and existing businesses are able to thrive, innovate and continue to be productive within the context of the 'South-Western Wedge'. This will require investment in infrastructure, skills, transport, as well as continuing regeneration of the main town centres of Addlestone, Chertsey and Egham, and key suburban office parks and industrial estates.

Chapter three: Results from the Business Survey

An online survey was completed in July 2021 by 56 respondents. The survey focused on two areas. Firstly 'Business Growth and Prospects' covering issues relating to export, research and development, procurement, and turnover patterns. Secondly 'Runnymede as a Business Location'. This section explored what businesses felt about premises, skills and recruitment requirements, and business support.

The survey was completed between 5 and 23 July 2021. This coincided with the final stages of the easing of Covid restrictions by the Government and it should be noted that the survey took place at a period when there was a feeling of optimism amongst businesses who felt that they were able to finally return to doing business as usual.

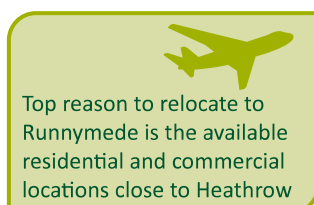
Key findings:



Performance



Invested



Relocate



Staff

Business growth

Businesses are generally optimistic about their overall business performance prospects over the next 12 months. Nearly 60% of respondents believed that business would improve. The top priorities for growing businesses were to attract more customers, improve staff skills, recruitment of new staff and improve businesses processes and products. Businesses also referred to the need to improve their use of digital technology.

The main barriers to growth were concerns about Covid and ongoing restrictions placed on businesses due to the pandemic, financial costs, difficulties with recruiting skilled staff and lack of customers in the high streets. Concerns about importing and exporting, parking, and premises were also mentioned as barriers.

It is encouraging that a significant number of businesses are exporting. 37% believe that the volume /sales value of their exports will increase over the next financial year. Over 30% of firms who responded did business outside of the UK. There are several businesses which do

export but are not particularly active overseas. These businesses may require assistance to re-engage in international markets.

A high number of businesses invest in research and development (39%). Indicating that firms are proactively responding to the challenges they face in the current economic climate.

Over 80% of businesses supply or procure goods or business services to people or businesses in Runnymede. The significance of local expenditure and revenue generation should not be overlooked.

The council will ensure businesses seeking assistance have access to appropriate support to achieve their growth ambitions. Businesses seeking support are likely to require referral for assistance in the areas of new market development, including support with importing and exporting skills, recruitment, and support with going online and digital marketing. For town centre businesses indirect support in the form of public investment in the urban realm and development of events to increase footfall are also important. The council will consider how best to promote the benefits of its procurement activities and opportunities to local firms, as well as considering the wider contribution that procurement can make to the local economy and how it can support the achievement of wider social and environmental outcomes.

Locational considerations

The primary reason cited by businesses when asked why they chose to locate in Runnymede is the availability of suitable properties (38%) a reduction on the 58% of businesses in the 2015 Survey. Other important reasons were historical (16%) proximity to London and Heathrow (11%) and proximity to the strategic road network (8%).

Access to a good customer base with spending power was another key advantage for businesses in the area. Some businesses felt access to skills and the university was important.

As was the case in 2015 businesses in 2021 were generally very happy with the condition, location, and size of their premises although it is worth noting that 21% did not think the size of their premises was suitable. Parking remains a key issue of concern for 38% of respondents.

Most businesses intend to remain within the borough. However, 16% of businesses surveyed were considering moving site in the next three years. Most businesses were looking for more space, to expand or merge offices or to downsize.

The main disadvantages of Runnymede as a business location were cost of property, congestion, empty units in the town centres, and poor footfall in the town centres.

The Council will prioritise work with Surrey County Council and the Enterprise M3 LEP to support the retention of businesses in the borough by maintaining relationships with businesses (particularly the larger businesses and those with growth potential) and ensuring that there is a range of good quality commercial premises available to help businesses to grow and stay in the Borough.

Skills and recruitment

Four out of every ten employers said they were experiencing difficulties with recruiting staff (an increase from three in ten in 2015). Most cited difficulties in finding staff with specific

skills and experience. There are shortages of staff in the catering, hospitality, and care sectors. Several mentioned the effects of leaving the EU in creating shortages in these sectors.

It is encouraging that one in four employers would consider taking on an apprentice. The council will work with colleges and skills providers to encourage uptake of apprenticeships with local employers.

Business Support

Nearly one in every two businesses will be seeking external support for their business over the next 12 months. This underlies the fact that businesses are proactively responding to the challenges of the current economic climate brought on by the Covid pandemic and to a lesser extent the impact of leaving the EU. Most businesses wanted support with marketing (73%) and the development of business plans and strategy (63%), help with staffing (53%) and financial support (33%).

The Council will work with the LEP's Growth Hub to ensure that businesses are able to access the support they need to grow, while Business Runnymede will continue to expand its membership and provide additional opportunities for businesses to network.

Chapter four: Runnymede Borough SWOT Analysis

The key strengths, weaknesses, opportunities, and threats for the Runnymede economy are summarised in the SWOT analysis below.

<p>Strengths</p> <ul style="list-style-type: none"> • The most competitive area in the UK outside of London • Location and connectivity • Large tech sector • Good commercial property • A centre for research and development. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • High cost of living • Poor access to affordable housing and services for some communities • A significant number of residents with no qualifications • Congestion and reliance on the car
<p>Opportunities</p> <ul style="list-style-type: none"> • Attract further inward investment • Increase engagement and support for businesses • Growth in innovation, immersive technologies, and cyber security • Growth in tourism and hospitality • Growth in cleantech / low carbon • Equip residents with the skills to access high quality jobs 	<p>Threats</p> <ul style="list-style-type: none"> • Skill shortages • Lack of investment in infrastructure • High costs • Failure to adapt to automation and low carbon • Congestion

Chapter five: Policy context

Central Government policy

The impact of Covid resulted in intervention by the Government in the economy at a scale unseen since the middle of the last century. The Government stepped in to provide financial assistance to protect businesses and jobs during the period of Covid lockdown in 2020 and 2021.

The approach to supporting the economic recovery and growth post-pandemic is set out in the Government's paper '[Build Back Better: our plan for growth](#), March 2021'. The policy is to support growth through significant investment in infrastructure, skills, and innovation. An underlying theme for this strategy is to address regional economic disparities across the UK.

Levelling Up

The Government's [Levelling up white paper](#) February 2022 lays out a long-term economic and social plan to make opportunity more equal across the UK. The Government will redirect a larger share of public resources for transport, housing, and infrastructure to localities outside London and the Southeast.

There will be a renewed commitment to devolution to unitary authorities and counties and other areas which constitute a functional economic area. LEPs will be encouraged to be integrated with proposals for devolution.

The UK Shared Prosperity Fund will support the UK Government's commitment to level up all parts of the UK. The fund will target those places which are economically deprived. The priorities for the funding are to support communities and place; local businesses; and people and skills. The fund will provide £2.6 billion of new funding for local investment by March 2025. It will primarily target poor areas. But a proportion of this funding will be allocated to all areas of the UK via a funding formula rather than a competition. This recognises that even the more affluent parts of the UK such as Runnymede, contain pockets of deprivation and need support.

Skills

Government policy is to invest in skills to support productivity growth and reduce economic disparities. National programmes such as Kick Start and Restart support people who are unemployed with paid work experience and information, advice, and guidance. Further public investment in apprenticeships and work-based academies is aimed at aligning the post 16 technical education system with employer demand. At the same time reforms to the apprenticeship scheme are making it easier for employers to take on and train young people and older workers. The Government is setting up a new Future Skills Unit to identify where skills gaps exist and in what industries and is encouraging life-long learning and reskilling with the new Lifetime Skills Guarantee enabling learners to access free fully funded Level 3 courses.

Innovation

The UK Innovation Strategy: Leading the future by creating it, July 2021 sets out how the Government will increase its investment in research and development (R&D) and will use it to boost R&D strengths across the UK. Its primary objective is to boost private sector investment across the whole of the UK, creating the right conditions for all businesses to innovate and giving them the confidence to do so. Prosperity Partnerships will establish business-led research projects to develop transformational new technologies, with £59 million of industry, university, and Government investment.

Green Industrial Revolution

In 2020 the Government published the Ten Point Plan for a Green Industrial Revolution, setting out how the UK can make the most of the opportunities presented by the shift to net zero.

Runnymede Borough Council has adopted the Net Zero 2030 target for its own operations while working towards the national Net Zero 2050 set by Government. The Climate Strategy identifies the actions which the Council will be taking to achieve this.

Regional Policy

Local Enterprise Partnership

Since their inception in 2010, LEPs have been the main drivers of economic development at the sub-national level, bringing together the public and private sectors to create the conditions for growth in their communities.

Runnymede Borough is part of the Enterprise M3 LEP which stretches 75 miles from the outskirts of London along the wider M3 corridor to the New Forest in the south, including parts of both Surrey and Hampshire.

The [Enterprise M3 LEP's Recovery and Renewal Action Plan](#) drew on the evidence gathered for the Local Industrial Strategy, published earlier in 2020 and on fresh analysis considering the impact of Covid. The action plan calls for a step change in digital connectivity, and a focus on skills to get people into good jobs and long-term employment.

The Levelling Up White Paper makes clear that it is important to retain the key strengths of local business orientated LEPs in supporting private sector partnerships and economic clusters but emphasises that LEPs must be better integrated into the Government's new devolution plans

Surrey County Council

Surrey's Economic Future Looking ahead to 2030' sets out Surrey County Council's priorities to build on the County's economic strengths to support a resilient, productive, and high-value economy. The strategy invites partners in business, higher and further education and the County's Districts and Boroughs to continue to work with the County Council to develop a coordinated and ambitious plan for the future of the economy.

The County's ambition is to develop agreements with Government for investment and flexibilities to deliver its plan for growth.

The strategy identifies four key priorities:

- I. Growing the leading edge: supporting the growth of Surrey’s innovation economy
- II. A ‘whole place’ approach to growing and sustaining quality places
- III. Maximising opportunities within a balanced, inclusive economy
- IV. Capturing the potential of a greener economy

Surrey Futures 2050 Place Ambition identifies the Longcross – Staines – Heathrow corridor as a strategic opportunity area for the county. It recognises that the area has a highly productive economy, with both Egham and Staines having high concentrations of employment in the information and communications sector and a creative cluster which supported by the work of Royal Holloway University of London (RHUL) continues to grow providing significant employment especially amongst creative industry SMEs.

One Surrey Growth Board

The One Surrey Growth Board was set up in 2020 to focus on economic growth with the main aim to respond to key economic challenges and opportunities within the County. It provides a Surrey perspective across the range of interests which underpin growth and includes representation from key stakeholders, including business. The Growth Board will ensure alignment of spatial, economic and infrastructure plans for Surrey to safeguard and maintain Surrey’s quality of life and economic prosperity.

The Heathrow Strategic Planning Group

Residents and businesses in Runnymede benefit from employment and business opportunities associated with Heathrow. The council is part of the Heathrow Strategic Planning Group (HSPG), a partnership of many of the local authorities and Local Enterprise Partnerships (LEPS) responsible for planning the land use, transport, environment, economic and sustainable development of the sub-region surrounding Heathrow Airport.

In February 2020 HSPG, produced an Economic Development Vision and Action Plan to maximise economic productivity, skills, jobs, and business development in the sub region.

‘Heathrow 2:0 Connecting People and Planet’ was published in February 2022. This strategy sets out the airport’s plans to achieve net zero carbon emissions; and the steps it will take to work with partners to ensure that Heathrow is a great place to live and work.

Local Policy

Runnymede Borough Council

In 2022 the Council will be publishing an Empowering Communities Strategy, Climate Change Strategy, Health and Wellbeing Strategy and Organisational Development Strategy. These strategies will underpin the Council’s Corporate Plan and set out the authority’s priorities over the next four years.

Business Runnymede

Established in 1998, Business Runnymede (formerly Runnymede Business Partnership) brings together the local business community, Chambers of Commerce, Surrey Police, schools, colleges, and the Borough Council to tackle issues affecting business across Runnymede. Business Runnymede signposts businesses to support available via its monthly newsletter, organises networking events and operates a business directory.

Chapter six: Priorities

As a result of the findings of the Economic Assessment of the Borough and the business survey, the following six priorities were identified:

Priority 1: Business relocation, expansion, and investment in the Borough

Ensure continued growth in the Borough's business base and economic activity by promoting the Borough as a premier business location for companies and individuals.

Priority 2: Maintaining competitive advantage through business engagement, strengthening business networking.

Deliver a business engagement and support approach that enables firms to achieve their growth ambitions. The approach includes a focus on supporting collaboration and innovation to accelerate growth in tech clusters.

Priority 3: Developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy

Supporting Runnymede's town centres which are important for the local economy and for providing goods and services to residents. It will support the development of the tourism and leisure sector, which has the potential to grow and to benefit the wider leisure and retail offers in the town centres.

Priority 4: A dynamic workforce for a high-tech, creative economy

Maintain the Borough's position as a UK tech jobs cluster by helping ensure (a) local employers have access to the skills required to grow their businesses, (b) residents have the appropriate qualifications and skills to access local employment opportunities.

Priority 5: Better infrastructure for sustainable growth

Improve the Borough's competitive performance through provision of improved infrastructure to support mobility, communications, health and well-being.

Priority 6: Developing a low carbon economy

Support and encourage businesses to be more sustainable. This could mean aiding businesses to become more energy efficient or to develop more sustainable business practices within their own operations and those of their supply chains. The council will share good practice in sustainability and will encourage and support businesses to develop green products and services.

Appendix 1: Priorities, objectives and deliverables

As a result of the findings of the Economic Assessment of the Borough and the business survey, the following six priorities were identified:

- **Priority 1: Business relocation, expansion, and investment in the Borough**
- **Priority 2: Maintaining competitive advantage through business engagement, strengthening business networking and local supply chains.**
- **Priority 3: Developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy**
- **Priority 4: A dynamic workforce for a high-tech, creative economy**
- **Priority 5: Better infrastructure for sustainable growth**
- **Priority 6: Developing a low carbon economy**

Priority 1: Business relocation, expansion, and investment in the Borough

Ensure continued growth in the Borough's business base and economic activity by promoting the Borough as a premier business location for companies and individuals. A number of deliverables have been identified to achieve this aim including:

Promoting the economic importance of the 'Upper EM3 area':

The 'Upper EM3 area' comprises the boroughs of Elmbridge, Runnymede and Spelthorne. This area is one of the most competitive parts of the UK economy outside of London. It is well connected, has a large business base and has delivered significant growth for the economy of Surrey, the Enterprise M3 area and wider South East. The Council will work with the other authorities to promote the economic importance of this area to Surrey Futures and the EM3 LEP.

Promoting the Borough as a business location:

The Council will work with commercial agents, Surrey's Economy and Growth team, DIT and the commercial property press to promote the Borough as a business location.

Support will also be provided to promote strategic employment sites and major commercial premises, working with landlords including RBC Investments (Surrey) Limited and RBC Services (Addlestone One) Limited.

Runnymede Business Awards will promote Runnymede as a place where businesses succeed.

Continued support will be provided to the Enterprise Zone to maximise economic benefit to the area.

The Council will account manage the largest businesses in the borough to build relationships and support business retention and engage with new businesses to welcome them to Runnymede.

Ensuring an adequate stock of employment land

To cater for projected need for employment space to 2030, the Local Plan allocates land at Byfleet Road for additional industrial/logistics floorspace. To inform the Local Plan review, a Housing and Employment Needs Assessment and Employment Land Review is being carried out in 2022 to assess the need for any further land to be allocated for employment use for the period to 2040.

Priority 1 Impact Measures

Increase business engagement
Promote strategic employment sites
Establish Runnymede business awards
Establish the need for additional employment land (through the Local Plan review process)

Priority 2: Maintaining competitive advantage through business engagement, strengthening business networking.

Deliver a business engagement and support approach that enables firms to achieve their growth ambitions. The approach includes a focus on supporting collaboration and innovation to accelerate growth in tech clusters. The following deliverables have been identified to achieve this aim:

Develop Business Runnymede

Promote Business Runnymede, grow its membership and programme of networking, seminars, business support and information signposting.

Improve access to business support

Work with Business Growth Advisors to ensure businesses are making the most of business services available through the EM3's Growth Hub, Royal Holloway Enterprise Hub and other business support

Runnymede Business Awards

We will develop Runnymede Business Awards to celebrate and raise awareness of the best of business

Development of clusters in tech

Createch is one of the fastest growing parts of the UK economy where creativity interacts with emerging technologies such as immersive technologies and artificial intelligence. The council will develop joint work with Surrey County Council, the M3 LEP, Royal Holloway University of London and local employers such as Netflix to support growth in these clusters. The borough has a strong, growing Cyber security cluster and is home to world leading Cyber security companies. The council will develop joint work with Surrey County Council, the EM3 LEP, Royal Holloway University of London and local employers to develop collaboration and innovation to enable growth in this cluster.

Priority 2 Impact Measures

Increase the membership of Business Runnymede
Increase referrals to the Business Growth Hub
Develop a growth framework for Createch

Priority 3: Developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy

Supporting Runnymede's town centres which are important for the local economy and for providing goods and services to local residents. It will support the development of the tourism and leisure sector, which has the potential to grow and to benefit the wider leisure and retail offers in the town centres.

Growing the tourism and leisure sector

Undertake research to understand the tourism and leisure offer as well as barriers and opportunities to grow the sector. Investigate the appetite for establishing a stakeholder group including key business champions for the sector to support coordination and growth.

Development of the town centres

Strengthen engagement by businesses in the town teams in Addlestone, Chertsey and Egham and encourage partnership working with residents' representatives and other key stakeholders to develop and deliver small scale projects and events to enhance the vitality and viability of the town centres.

Priority 3 Impact Measures

Production of an audit and analysis of the tourism and leisure sector and action plan identifying next steps to support its development.
Increase engagement with town centre businesses to support projects and programmes to increase footfall and spend within the town centres.

Priority 4: A dynamic workforce for a high-tech, creative economy

Maintain the Borough's position as a UK tech jobs cluster by helping ensure (a) local employers have access to the skills required to grow their businesses, (b) residents have the appropriate qualifications and skills to access local employment opportunities.

Increase employer investment in skills and employment

Promote apprenticeship and employer-based skills and employment programmes to local employers, focusing on the creative and tech industries.

Ensure education and training provision is preparing young people for future employment

Develop the Elmbridge and Runnymede Youth Hub to support young people into skills and employment

Host an annual careers fair delivered in partnership with neighbouring boroughs, M3 LEP, Surrey County Council, local schools, and colleges.

Provide work experience placements for RHUL students within the Planning Policy and Economic Development Business Unit and encourage service heads to provide work experience for local residents across the council

Priority 4 Impact Measures

Increase business take up of apprenticeships and employer-based skills

Develop the Youth Hub

Establish a Careers Fair

Offer work experience placements within the Business Unit

Priority 5: Better infrastructure for sustainable growth

The fifth priority aims to improve the Borough's competitive performance through:

Improving sustainable transport

The Council will work with national transport bodies, private transport providers, the EM3 LEP, Surrey County Council Highways and Economy Departments, neighbouring boroughs and Business Runnymede to identify, lobby and deliver necessary improvements to the Borough's transport infrastructure. The Council will:

- Work with stakeholders to deliver improvements to active travel planning and infrastructure delivery.
- Lobby bus and rail companies for improved infrastructure and services
- Support the delivery of improvements to the A320

Investment in employment areas and town centres

Several strategic employment areas within the Borough fall under multiple ownership and management. To optimise the attractiveness of these areas for businesses to locate, the Council will engage with landowners, managing agents and stakeholders to encourage environmental improvements to be made and address any problems.

The Council will continue to explore regeneration opportunities within the Borough's town centres to improve facilities for residents and opportunities for businesses.

Investing in sustainable infrastructure

The government has approved the business case submitted by the Environment Agency for a major flood alleviation scheme along part of the Thames. The River Thames scheme will reduce flood risk to businesses and residents in the borough through the construction of two new flood relief channels, one of which is within Runnymede, and improvements to various weirs. The project will provide new walking and cycle paths, parks and wildlife habitats.

The Council maintains an active involvement with Heathrow Strategic Planning Group to address issues arising from Heathrow, including a future southern access proposal.

Improved digital connectivity and the roll out of the 5G can improve productivity and growth across the borough. The council will develop opportunities to work with Surrey County Council, the EM3 LEP and commercial partners and stakeholders to improve the borough's digital infrastructure to benefit businesses and residents.

Priority 5 Impact Measures

Support the delivery of improvements to the A320
Explore further opportunities for town centre regeneration
Support delivery of the River Thames Scheme
Work with partners to seek improvements to digital infrastructure

Priority 6: Developing a low carbon economy

Encourage businesses to be more sustainable and develop the low carbon circular economy

The Council has adopted a target of Net Zero by 2030 for those operations which it carries out or controls directly.

Approximately 95% of the Net Zero Carbon 2030 target relies on all of us making an active change to how we live, work and play.

The Council will establish a Citizens Panel to provide a conduit for information and to request input from residents and businesses on the Council's journey toward Net Zero 2030. We will signpost community and business groups to sources of funding to support community Climate Change projects.

As far as possible, the Council will adopt and promote the principles of the Circular Economy (take, make, use, reuse, reuse) and decouple from the Linear Economy (take, make, use, throw) to minimise Carbon Emissions and waste, reduce environmental damage and increase biodiversity and health.

The Council will work with Surrey, the Enterprise M3 LEP and Royal Holloway University of London to increase take up from local businesses of grants, business support and access to knowledge transfer programmes to encourage businesses to be more sustainable.

We will develop a Sustainable Business award to celebrate and raise awareness of good practice.

Priority 6 Impact Measures

The actions which the Council is taking on Climate Change are laid out in the accompanying Climate Change Strategy. The Council will adopt a balanced approach between environmental and financial sustainability.

The preparatory stages of the Climate Change Action Plan will establish the Carbon Baseline for the Council's operations against which Actions will be prioritised.

Appendix 2 Strengths, weaknesses, opportunities, and threats

Borough Strengths

The assessment of the local economy and business survey shows that Runnymede has a large, strong, and growing economy. The Borough is ranked by the UK Competitiveness Index 2021 as the most competitive place in the UK outside of London. Covid has had a significant impact on residents and businesses, but the evidence indicates that the economy is resilient and will recover from the challenges of the Covid pandemic and return to growth within a couple of years. The borough remains a great place to live, work and do business.

Runnymede has the largest economy of the 13 boroughs in the Enterprise 3 LEP, with a GVA of £5.8bn. The Borough has the highest density of jobs in Surrey, with 118 jobs for every 100 people who live in the Borough. The economy is growing. Those sectors which are growing fastest include the knowledge economy, where future jobs will be created. Runnymede has the 15th highest share of Information and Communication employment and the seventh highest share of Arts, Entertainment and Recreation employment nationally. The Borough is home to many medium and large businesses and local businesses are more resilient. 64% of businesses survive after three years compared with 61% for the UK.

The Borough is an attractive place for businesses. It's location provides good access to customers and suppliers in London, and it is well connected via rail and road to the capital and Heathrow. It has a good supply of Grade A offices and a supply of highly skilled labour. Nearly 60% of 16–64-year-olds have NVQ Level 4 compared with 40% for the UK. The Borough is home to the Royal Holloway University of London the birthplace of information security as an academic discipline. The University is a U.K Academic Centre of Excellence in Cyber Security Research and is home to one of the largest and most established security groups in the world – ICT4D group. Runnymede is ranked 2nd highest of all UK boroughs for 'Dynamism and Opportunity' in UK by the Grant Thornton Sustainable Growth Index 2019.

Runnymede is an attractive place to live, with good housing, schools, amenities, and green spaces. It is an affluent borough with a growing population providing a rising demand for goods and services. Runnymede has ecologically and historically important sites including Chertsey Meads and Runnymede Meadows - the location of the sealing of Magna Carta - and the home to several key visitor attractions. There is a good hotel and accommodation offering including a good range of hotels catering for both tourist and business visitors.

Borough Weaknesses

The Covid pandemic has had a significant impact on the local economy. Unemployment rose by 400 per cent in 2020, and 14 percent of the workforce (5800 employees) were on furlough in March 2021. Although the situation has significantly recovered the long-term impact of the economic shock of 2020 and 2021 is not yet known. Businesses have reported concerns with financial costs, difficulties with recruiting staff and a fall in customers. The retail, leisure and hospitality sectors have been particularly hard hit and the vitality and viability of our town centres has suffered as a result, with an increase in shop vacancies. Some town centre businesses remain closed and owners fear that customers may not return at the pre pandemic levels.

Young people have been particularly badly affected by the Pandemic, suffering from a double whammy of unemployment and a disrupted education. The pandemic has impacted more widely on the health and wellbeing of all residents with an increase in poor mental health.

Runnymede is an expensive place to start and run a business. High costs may partly explain why there are fewer businesses starting up in the Borough compared with the remainder of the UK.

There is a lack of affordable housing and pockets of deprivation where residents suffer from lack of access to housing and local services. The predicted rise in population will increase pressure on housing supply and affordability.

Although workplace earning in Runnymede is high, average resident earnings are lower, suggesting that there are many well-paid jobs in Runnymede, but a significant percentage of these are held by in-commuters rather than the resident workforce.

The number of unqualified residents has remained at around 8% of the working population for the past decade. Many of these residents lack basic skills, literacy, numeracy, and digital skills and are at risk of being excluded from accessing employment, local services and participating fully in civil society.

Several large corporates have relocated out of the borough such as Unither, who closed their office in Chertsey and Astellas, who moved activities to Elmbridge and Woking.

Borough Opportunities

Runnymede's strongly performing economy brings many economic opportunities which remain under exploited. There are opportunities for the Borough to accelerate growth by promoting sites, advising on property availability for inward investment and through joint work with the UKTI, the M3 LEP and Surrey.

Runnymede has some strong sector concentrations including Information and Communications, Cyber Security and employment in Arts, Entertainment and Recreation. Royal Holloway is a U.K Academic Centre of Excellence in Cyber Security Research and there are opportunities to develop joint work with the University to grow businesses, through knowledge transfer, innovation support and through the university's new enterprise hub.

The investment by Netflix in the Longcross Enterprise Zone in Egham, will create a 330-acre film and TV production site. This will be Netflix's second site in the UK complimenting nearby Shepperton Studios. The presence of a global brand and pioneer in digital entertainment provides significant opportunities to accelerate growth in 'createch' in the Borough. Surrey's 2050 Place Ambition identifies the corridor running from Longcross to Staines and Heathrow as a strategic opportunity area for the county with a growing concentration of tech and creative companies. The area also benefits from the presence of Royal Holloway University of London as a centre for research creating innovative spin outs from the university.

Createch is a fast-growing part of the UK economy where creativity interacts with emerging technologies such as immersive technologies and artificial intelligence. The borough should develop joint work with Netflix, the film and TV sector and supply chains to maximise the opportunities for local employment and business growth from this major investment. The Council will work jointly with the LEP, Surrey County Council and surrounding boroughs to support a strategic approach to support createch.

The Borough should look at opportunities to promote the tourism and hospitality and visitor economy through joint work with Visit Surrey and the local business sector. It should also continue to promote the town centres and encourage town centre businesses and stakeholders to work together with the local community to work to develop town centre events and activities.

The Council will focus on growing the membership and activity of Business Runnymede to increase networking and to link more companies to business support, information, and advice. We will focus support on specific sectors and clusters of businesses which are already growing or have growth potential which will help to accelerate growth in employment and stimulate new business.

This Council will develop opportunities to engage with leaders in large businesses to support business retention and develop CSR activity. We will celebrate and raise awareness of business success such as high growth enterprises, cutting edge innovation, and the contribution which businesses bring to the health and wellbeing of our communities.

We will support companies and circular economy.

Stronger links between schools, colleges, and businesses are vital to improve career advice for young people and develop their employability skills through the development of projects such as the Youth Hub. WE will take steps to increase the numbers of businesses investing in skills by promoting apprenticeships and other employer-based skills and employment support. Thereby improving the competitiveness of businesses and raising the skills and employment of local people.

Borough Threats

The full impact of the Covid pandemic on the local economy has still not yet been fully understood. There is a risk that the economy has been weakened longer term, that businesses will not fully recover, investment will reduce, businesses move out of the Borough to more affordable locations, skills shortages will persist and unemployment increases.

Higher unemployment amongst young people may persist and older workers who have become redundant due to the impact of the Pandemic may not be able to return to the labour market and will become long term unemployed.

The increase in automation will change the way we work and do business. If businesses are unable to adapt to these new ways of working and to exploit the opportunities which new technology brings to increase productively, they risk losing their competitiveness.

Business` s must adapt to the challenges of the climate emergency and make changes to adopt greener ways of working.

There is a need to improve the affordability of housing, as well as access to public services for disadvantaged and hard to reach groups The increase in the Borough's population will put a strain on housing, infrastructure, and public services. If the continued reliance on cars persists, there will be an impact on air quality, increased congestion and pressure on the existing public transport systems. To encourage a greater modal shift to sustainable transport options, significant improvements to the rail, bus and cycle facilities and services will be required.

A significant amount of land adjacent to the Thames in Runnymede forms part of the largest and most at risk developed but undefended floodplain in England.

We must raise the skills levels of residents so that they can compete for the jobs of the future. If skill levels fall then resident's earnings will fall, as residents are forced to take on lower value jobs. Residents with low or no skills risk becoming long term unemployed while those who lack digital skills become digitally excluded.

The Borough has a significant number of large companies who provide high levels of employment. The economic challenges resulting from the Pandemic and the UK leaving the EU has increased the risk that these companies will move out of the Borough. Many of these large companies are foreign owned and their local investment decisions are often controlled overseas.

There is a risk that our town centres will decline. The lack of diverse town centre economies may result in our high streets being dominated by low value convenience retailing, meaning that the centres are unable to compete with the larger more diverse centres in Guildford and Woking.

The leisure and tourism industry may not fully recover from the impact of Covid. There may be a long-term reduction in business tourism and the local leisure and tourism sectors may not adapt to new opportunities to grow the local visitor economy and new trends in home and business tourism.

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