Tandridge Economic Proposition 2017-2022
Tandridge combines a superb quality of life with a great business location. As part of the East Surrey M25/M23 economic growth corridor, the district has clear locational advantages. This includes access to Gatwick and Heathrow Airports in under 30 minutes, access in minutes to the M25 and national motorway network and fast trains to London in just over half an hour.

Companies such as Croudace Homes, Linden Homes, Waterman Aspen, the Gold Group, Mark Roberts Motion Control (part of Nikon) and Bristow Helicopters recognise the advantages of being in Tandridge and a growing number of businesses are choosing to start-up or locate here.

Despite these advantages, the district faces a number of barriers to growth including road congestion, rail disruption, availability of commercial space and a lack of high-value employment opportunities. We know to tackle these challenges we need the right investment, support and infrastructure.
The East Surrey “M25 Growth Corridor” as identified in the Coast to Capital Strategic Economic Plan
OUR ECONOMIC PROPOSITION

Our Economic Proposition sets out our ambitious plans for how we will strengthen and grow our economy so that we can stay competitive and ensure our future prosperity.

It will underpin other strategies, plans and policies covering such areas as spatial designations and allocations, commercial development and regeneration. It will also set the framework for prioritising funding opportunities.

The Proposition is underpinned by a detailed economic analysis of the district which considers:

- **Our economy, businesses and sectors** including business creation and growth, productivity and resilience to major economic events such as Brexit.
- **Our people** including demographic trends, workforce, skills and education, entrepreneurialism.
- **Our place and infrastructure** including our road and rail networks, broadband, housing and employment space and quality of life.

In developing the Proposition, we have consulted widely with the business community to understand the issues and challenges they face. This includes a survey with 300 businesses about a range of issues including type of business, size, turnover, staff, skills, international trade, premises, anticipated growth and barriers to growth.

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1. The full, detailed analysis is contained in the 2017 Economic Profile attached as an Appendix to this document. The Profile draws data from a range of sources including the 2017 Economic Needs Assessment which forms part of the Local Plan evidence-base and considers commercial land requirements for the district.

2. Represents 10% of the total number of businesses in the district and a cross section of the business community.
OUR ECONOMY

Where Growth Happens

In our region, fast growth tends to occur along the M25\(^1\) and down the A23/M23 corridor to Brighton and these areas have shown strong economic performance in the period of recovery following the economic recession of 2008/2009.

Not surprisingly, Tandridge is growing. We have more new businesses starting up than any other district in Surrey or the Gatwick Diamond area and our stock of businesses has grown by over 10% in five years. It is a similar story with people; our population has grown by 12% in last 20 years, since 2007 and is forecast to grow by 18% by 2037.

Our Economic Performance

Tandridge’s economy has also grown during this period but its performance is not as competitive as other areas in the fast growth M25 corridor and Gatwick Diamond areas. GVA per head in Tandridge was over 23% lower than the Surrey average in 2016\(^2\).

Tandridge also scores significantly below other Surrey districts and boroughs on the UK Competitiveness Index\(^3\). In 2016, Tandridge was ranked 61st in terms of national competitiveness of 379 local authority districts, while Elmbridge is the highest and the 16th most competitive district in the country.

We know we are relatively dependent on lower value sectors and, although our people are highly entrepreneurial and good at starting businesses, not enough of our new firms grow to provide the medium and larger businesses which provide well paid jobs and healthy supply chains that a balanced and productive local economy needs.

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\(^1\) Where growth happens: the high growth index of places. Grant Thornton
\(^2\) ONS Regional Productivity Statistics in Tandridge Economic Profile
\(^3\) Considers a wide range of economic indicators including economic activity rates, business start-ups, skills levels, knowledge-based businesses, GVA, productivity, employment rates, pay etc.
OUR BUSINESSES

Key sectors

The composition of our economy follows a similar pattern as that of comparator areas however Tandridge has a significantly higher percentage of Construction businesses and comparatively fewer Information and Communication businesses. A strong representation of businesses in this sector is important as it underpins and drives growth across the wider economy. Although this sector is growing in Tandridge, it is not at a fast enough rate to catch up with the best performers in Surrey.

Knowledge Economy

Our different sectoral make-up, including the smaller tech sector, is a factor in the overall lower presence of the ‘Knowledge Economy’ in Tandridge. Knowledge Economy businesses are those industries that generate wealth by utilising a knowledge specialism. Innovation and knowledge have always been important to the economy but in the past few decades the economy has become more knowledge-based. This is reflected through the rise in high-tech industries, the growth of the knowledge service sector and within that, knowledge-intensive services such as ‘Professional, Scientific and Technical’.

Knowledge Economy employees make up a significantly lower percentage of employment in Tandridge at 22% in 2015, compared to 33.8% in East Surrey. Mole Valley leads the East Surrey districts with 43.1% of jobs in the Knowledge Economy, almost double that of Tandridge. As the growth in the Knowledge Economy has a strong relationship to growth in productivity and prosperity this is a cause for concern.

Source: ONS Business Register and Employment Survey / Tandridge Economic Profile

1. See Tandridge Economic Profile for full ‘Knowledge Economy’ definition.
Local skills

Skills are a particular challenge for us; although 46.4% of our residents are skilled to the highest level (NVQ4+ or degree level and above), we have significantly fewer people qualified at intermediate skills levels than Surrey, the Gatwick Diamond or the South East region as a whole. As the economy increasingly needs more highly skilled people to grow, this lack of intermediate level skills is a cause for concern. As more low skilled jobs move abroad, NVQ3+ or above is usually the minimum required by employers for many occupations.

Resident versus workplace wages

There are signs of a two speed labour market within the District, where the highly skilled are able to benefit from high wages elsewhere whilst those without the right skills are getting left behind and many are in low-paid, low-value employment. This accounts for the comparatively large difference between resident (£525 per week) and workplace wages (£447 per week) in Tandridge.

The lack of higher-value ‘Knowledge Economy’ employment on offer in the district is a likely factor in the high net outflow of commuters, as our more highly qualified workers go to high-wage, high-knowledge economy areas such as Reigate & Banstead, Croydon and the City of London. These areas account for 44% of all out-commuting in Tandridge. Too high a degree of out-commuting can lead to the dormitory effect with congested travel for commuters and town centres which struggle to remain viable.

1. Which is roughly equivalent to 2+ A levels
OUR PLACE

Need for employment space
Taking into account recently revised forecasts, even moderate growth, will require an increase in the provision of high quality employment space in Tandridge in the near future. Our analysis shows that we will need 15.3 hectares of additional employment land at a conservative (Baseline) estimate to support economic growth over the next 15 years. However, if we wish to create a high-skilled, high value economy with significantly increased local job opportunities we will need substantially more employment space that is of the right type and quality.

Housing affordability
Tandridge is one of the more expensive district in Surrey and is increasingly unaffordable for those on middle incomes and those who are younger and wish to buy their first home. This presents a challenge for employers wishing to recruit staff who cannot afford to live locally and has been cited by businesses as a factor which inhibits their ability to grow.

Road, rail and IT
Whilst Tandridge is well-served by road and rail access, congestion and issues associated with major ongoing problems caused by the RMT /Southern Rail industrial dispute make the district a less-attractive business location. Similarly, a growing factor in business locational decisions as well as satisfaction with existing locations is access to superfast broadband. Although Tandridge has median download speeds of 22.00 Mbits/s this is below average for the Gatwick Diamond area and significantly below the speed of 40.00 Mbits/s in neighbouring Crawley.

Employment Land Requirement 2013-2033
Source: Tandridge Economic Needs Assessment Update September 2017 GL Hearn

1. Tandridge Economic Needs Assessment Update September 2017 GL Hearn
OUR ECONOMIC VISION

At the heart of our vision for Tandridge is the aim to improve productivity, competitiveness and growth. This vision is characterised by:

- A confident, high-profile area delivering sustainable economic growth and a high quality of life for residents with a reduced need for out-commuting.

- A great business location, with plenty of high-quality employment space and good infrastructure, attracting, supporting and retaining successful, high-value, outward-facing businesses of all sizes.

- A skilled and productive local workforce, able to access a range of high-quality local employment opportunities.

- An area which celebrates our natural capital and makes the most of leisure and visitor opportunities.
OUR PLANS

Our five strategic aims for Tandridge:

1. Improve and increase employment space

2. Invest in strategic infrastructure

3. Regenerate town centres

4. Encourage high-value, high-skilled employment

5. Provide support for our businesses to grow and prosper
IMPROVE AND INCREASE EMPLOYMENT SPACE

We know that we need more high-quality employment space. Current projections have highlighted a need of between 15.3 and 22.5 hectares of additional B-class employment land by 2033.

We aim to go further and provide additional high-quality employment space to help our higher-value businesses to grow, to increase inward investment, to meet unmet demand from other areas such as the Gatwick Diamond and to reverse the trend towards us becoming a dormitory area.

We know there a need for more housing in Tandridge due to population growth and demographic change. But balancing the need for more housing with that for employment space is crucial. In our towns, office space is being continuously lost to housing under Permitted Development Rights (PDR).

We have to be bold and consider new ideas for expanding employment space and this may include prioritising sites in more rural areas for intensification and possible redevelopment/regeneration where appropriate.

Our focus will be on creating the right environment so that digital and other high-value ‘Knowledge Economy’ businesses will want to locate in Tandridge. This will require high-quality space with very good digital connectivity including access to superfast and ultrafast broadband. We will also continue to work with partners for improved transport and road and rail connections (See Strategic Aim 2: Invest in Strategic Infrastructure).

Low value, low density sites, many of which are in rural areas, will need support to upgrade and improve. This is a win-win for businesses and rural residents with businesses being able to locate in an attractive environment in high-quality premises, and rural residents benefiting from higher-value employment which has a lower impact on the surrounding area than the type of low tech businesses which are often located in rural areas and create more disruption, for example through HGV movements.

We will also deliver innovative solutions for new developments, including a Garden Village which can provide a sustainable mix of housing, commercial and employment space.

### Objective

Support the development of higher value employment space in Tandridge

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<thead>
<tr>
<th>Ref:</th>
<th>Strategic priorities</th>
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</thead>
<tbody>
<tr>
<td>ES1</td>
<td>Actively encourage and support the regeneration and development of strategic employment sites including Hobbs Industrial Estate and Lambs Business Park to support high value business growth.</td>
</tr>
<tr>
<td>ES2</td>
<td>Support inward investment of new higher-value digital and other knowledge-intensive businesses such as data centres and their supply chains (see also 5. business support).</td>
</tr>
<tr>
<td>ES3</td>
<td>Support the regeneration of rural employment sites with high-quality infrastructure to meet existing unmet demand for office space and other high-value employment e.g. from neighbouring areas and our town centres.</td>
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<tr>
<td>ES4</td>
<td>Look at innovative approaches for new developments (such as the Garden Village) that provide a sustainable mix of housing, commercial and employment space.</td>
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<tr>
<td>ES5</td>
<td>Investigate the use of Article 4 designation and other protections for employment space to reduce risk from Permitted Development Rights in town centres.</td>
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Our location is both our greatest asset and challenge. As highlighted in our local transport plan, our roads are congested, our trains are overcrowded and our businesses are telling us that unless it is sorted they'll consider relocating outside the District and region.

There is no denying either that housing in East Surrey is increasingly unaffordable. In 2016, median house prices in Tandridge were over 14 times median salaries in our area and our population is growing. By 2037 we will have to accommodate a 13% increase in our resident population.

Although access to our motorway network is excellent, overspill from the M25 and M23, particularly when there are problems, result in traffic congestion on our local roads. Road network shortcomings outside our district such as at the Hooley interchange can also have a serious knock-on effect. 16% of businesses in a recent survey cited local and regional road congestion as an issue.

As well as access to the motorway network, we also need to take a strategic view of our rural road network in relation to our potential high-growth employment sites and make sure it is fit for purpose, bringing forward schemes for funding when opportunities arise.

Our many miles of rural roads are unsuitable for heavy traffic and the high volume of HGVs is recognised as being a problem in the district. Facilitating the move to higher-value employment will have the added benefit of reducing HGV movements and maintenance requirements.

Rail improvements such as Crossrail and Network Rail’s infrastructure improvements as well as to the Brighton Main Line and new services to Gatwick on the Redhill-Tonbridge line will all benefit Tandridge but are likely to lead to increased pressure on limited car parking at stations if action is not taken to address this. Sustainable transport including cycling and walking must also be part of the solution.

A growing factor in business locational decisions and satisfaction with current premises is access to broadband and mobile communications. Tandridge’s broadband speeds are below average for the Gatwick Diamond and we also lag behind on connectivity to all premises, a frequent issue in rural areas.

1. Source: ONS House price to workforce-based earnings statistics
2. Source: ONS population projections
4. Tandridge Local Transport Strategy and Forward Programme
## 2. INVEST IN **STRATEGIC INFRASTRUCTURE**

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<tr>
<td>Ensure our infrastructure: road, rail, housing and digital – supports our vision for economic growth.</td>
<td>SI1</td>
<td>Influence strategic partners including Surrey County Council, Highways England, Network Rail, the emerging regional transport body, Coast to Capital and Gatwick Airport for continued investment to ensure our roads and railways support sustainable economic growth.</td>
</tr>
<tr>
<td></td>
<td>SI2</td>
<td>Ensure the Local Transport Strategy aligns with our economic vision and prioritises transport improvements that support high-value growth at our strategic employment sites such as Lambs Business Park and Hobbs Industrial Estate and those sites with development potential in rural areas.</td>
</tr>
<tr>
<td></td>
<td>SI3</td>
<td>Work with strategic partners and identify local interventions needed to upgrade broadband connectivity to superfast and ultrafast with connectivity to all premises.</td>
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<td></td>
<td>SI4</td>
<td>Ensure our planning policies give due weight to employment growth priorities whilst balancing housing need, and encourage local employment for new housing development.</td>
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<tr>
<td></td>
<td>SI5</td>
<td>Support sustainable transport solutions such as cycling and walking.</td>
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3. REGENERATE TOWN CENTRES…

Our future economic success will be built not only upon our connectivity and the availability of high-quality employment space but also, equally, upon the quality of life we offer to attract and retain the skilled workforce that businesses require.

As well as our beautiful countryside and charming villages, attractive, vibrant town centres are an important part of that offer. Successful, vibrant town centres provide important services to residents, businesses and visitors. Whether for retail, food & beverages, leisure, to access transportation or as a hub for commerce, having viable, vibrant town centres is a priority for the District.

Town centres are at risk as never before from a multitude of factors including online shopping with year-on-year growth of 10% in 2017[^1], a projected fall in consumer expenditure and rising inflation as well as demographic trends such as the ageing population. Many of our high streets are now characterised by falling retail sales, reduced footfall, increased business failures and rising vacancies.

To grow our economy, we need to invest in our town centres to meet the needs of our residents, businesses, their employees and also visitors to the District. Our town centres are an important part of our economic structure in their own right.

In Tandridge we are actively supporting the regeneration of key town centres such as Oxted and Caterham as well as understanding demand and how we can encourage town centres to provide a more attractive offer to local people and businesses. We are also prepared to look at innovative ways of counteracting these trends including rationalising retail space and repurposing high streets, considering replacement uses and alternative occupiers.

We have supported the creation of two business-led, Business Improvement Districts (BIDs) one in Oxted and one in Caterham and continue to work in tandem with them to achieve our town centre regeneration aims.

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[^1]: ONS Retail sales bulletin, Great Britain: January 2017
### 3. REGENERATE TOWN CENTRES…

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<tr>
<td>Support the vitality of our town centres by helping them to adapt to market forces, embrace new opportunities and meet residents’ and businesses’ needs. Adopt good design to improve public realm to create a strong and unique sense of place.</td>
<td></td>
<td>TC1: Develop and implement the Masterplan to regenerate Caterham Town Centre and provide residential, commercial and transport improvements to promote economic growth, working closely in tandem with the Caterham Business Improvement District.</td>
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<td></td>
<td></td>
<td>TC2: Revitalise Oxted town-centre through the RegenOxted Programme which will deliver redevelopment of the Gasholder, urban redesign of key areas, additional parking and creation of a business hub.</td>
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<td></td>
<td></td>
<td>TC3: Support the Business Improvement Districts in Oxted and Caterham to understand changing demand and support town centre businesses to adapt and grow e.g. through niche offers, local food and drink, leisure offer and visitor economy etc.</td>
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<td></td>
<td></td>
<td>TC4: Work with parish councils in other areas to develop plans for adaptation and enhancement of local service centres, for example through markets and festivals, leisure and visitor opportunities.</td>
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</tbody>
</table>
We know that although 46% of our resident workers are qualified at the highest level, for the rest skills are an issue with too few people qualified at intermediate level and too many who have only a very basic level of qualification.

Businesses think this is a major problem with nearly 1 in 5 companies saying that they cannot get the skills they need to grow.

Our ambition is to develop a thriving knowledge economy with high-value, high-tech, knowledge-intensive businesses. We want to attract, retain and grow as many of these businesses as possible in our area. This depends on the availability of a local suitably skilled workforce, excellent physical infrastructure and sufficient high-quality space for businesses to grow and locate within the District.

Some of the future workforce demand could be met from reduced out-commuting of our highly-skilled residents which will improve their quality of life and be more sustainable. But we want all our local residents to be able to benefit from access to higher-skilled, better-paid employment.

A major push on workforce skills will be needed, building on increased Government support for apprenticeships and other opportunities for supporting skills development. However, this will only take us so far.

Knowledge economy businesses have particular needs which are often best met by universities offering tailored provision and one of our challenges is the lack of Further Education and particularly Higher Education provision within the District itself. Therefore developing links to our neighbouring Further and Higher Education establishments should be a priority.

1. Tandridge Economic Needs Assessment Update 2017 GL Hearn / TDC
## Objective

Encourage and support high-value, high-skilled and high-growth businesses.

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<tr>
<td>SK1</td>
<td>Encourage and support high-tech, high-growth businesses e.g. knowledge and digital, to develop within and to locate into the District.</td>
</tr>
<tr>
<td>SK2</td>
<td>Support the development of meaningful work experience in schools that encourages students to aim high and work with our schools to make sure students complete their education with the skills businesses need.</td>
</tr>
<tr>
<td>SK3</td>
<td>Work with partners in East Surrey and the Gatwick Diamond to address the shortfall in HE provision in the area and maximise the provision of high quality local FE provision.</td>
</tr>
<tr>
<td>SK4</td>
<td>Work with schools and employers to promote STEM(^1) careers and to support STEM outreach activities across Surrey and wider Gatwick Diamond sub-region.</td>
</tr>
<tr>
<td>SK5</td>
<td>Identify funding to provide help and advice to SMEs to access Apprenticeships using the new Government financial support of 90% subsidy. Liaise with large employers to understand how they are planning to use the Apprenticeship Levy funds effectively.</td>
</tr>
</tbody>
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\(^1\) STEM: Science Technology Engineering Mathematics
5. PROVIDE BUSINESS SUPPORT FOR BUSINESSES TO GROW AND PROSPER

We are good at starting new businesses, but not enough of them grow beyond the micro stage and our failure rates are higher than average.

Although our business base grew by 10% between 2010 and 2016, the knowledge economy is weak in Tandridge and makes up under 12% of businesses\(^1\) we are over dependent on lower value sectors, too few of our businesses export, too many operate in mainly local markets and local Tandridge pay rates are below average as a result.

All these factors tend to impact on our productivity: GVA per head in Tandridge was over 23% lower than the Surrey average in 2016\(^2\).

We have a major opportunity to build on our strong enterprise culture and develop more high-tech, high-skills sectors which are the key to future prosperity and growth. This will come about if we create the right environment for businesses to grow and flourish.

This will require excellent, consistent business support, and business friendly policies, strategies and plans aimed at helping our new start ups to develop and grow and attracting and retaining the sort of businesses we want to see operating here through promoting our outstanding locational offer.

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1. See Economic Profile for definition of knowledge economy
2. ONS Productivity Statistics
## 5. PROVIDE BUSINESS SUPPORT FOR BUSINESSES TO GROW AND PROSPER

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<tbody>
<tr>
<td>To provide appropriate support to our businesses to help them develop and grow. To support higher value, technology and knowledge based businesses and encourage them to locate into the District.</td>
<td>BS1</td>
<td>Ensure all Council plans, strategies and policies are cognisant of, and reflect the growth needs of business.</td>
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<tr>
<td></td>
<td>BS2</td>
<td>Consult and listen to businesses and maintain and develop further proactive engagement and communications with businesses and business representative organisations within the District.</td>
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<tr>
<td></td>
<td>BS3</td>
<td>Actively promote externally provided business support and funding opportunities to our business community.</td>
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<td></td>
<td>BS4</td>
<td>Support the creation of affordable start-up and grow-on space to help our micro and SME businesses grow and prosper.</td>
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HOW WE WILL DELIVER

Working with partners is vital for us to deliver our plans.

We have a strong track record of working with the other East Surrey local authorities (Reigate & Banstead, Epsom & Ewell, Mole Valley) and Surrey County Council to deliver economic growth and infrastructure projects.

To deliver change and keep growing our economy, we will work together to secure the right public sector investment from Coast to Capital Local Enterprise Partnership, Highways England, the emerging regional transport bodies, Network Rail, the Environment Agency, and Government.

We will also work with our businesses, Business Improvement Districts and developers to secure private sector investment and to investigate opportunities for specialised business support in our area.

To ensure we are on track, each year, we will produce a Delivery Plan, which will set out the projects we will deliver to achieve the aims of the Proposition. This Action Plan will be agreed and monitored by the Council’s Resources Committee.