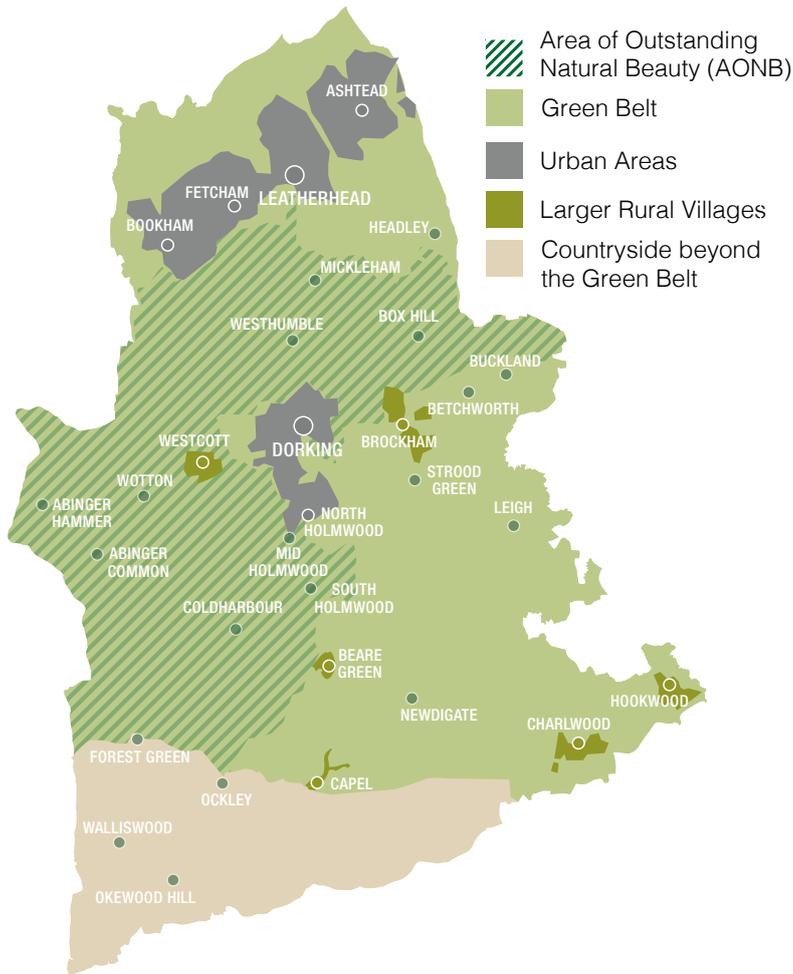




Draft: Mole Valley - Summary Economic Prosperity Strategy 2018-2028



Mole Valley - Well Connected, Attractive and Productive



Mole Valley is a highly attractive District set amongst the rolling Surrey Hills in South East England. It offers convenient access to central London via excellent road and rail links and is situated close to Gatwick and Heathrow airports.

Mole Valley's principal towns are Dorking and Leatherhead. Dorking is currently home to a number of major companies, including Aviva, Unum and Kuoni Travel. Leatherhead boasts international organisations such as Unilever, KBR, and CGI (collectively employing over 4,000 people). Exxon Mobil has its European and Middle Eastern headquarters in Ashtead.

Of Mole Valley's 258 square kilometres, 90% are considered rural with a substantial proportion of this being within the Metropolitan Green Belt¹ and/or within an Area of Outstanding Natural Beauty².

Local Economy – Where Are We Now?

The table below shows how Mole Valley is ranked as a location for business in relation to the 324 other English Local Authority areas. It includes people, skills, environment and infrastructure measures.

Table One: Summary of Mole Valley’s Business Location Index (Grant Thornton, 2017)

Business Location Indicator	Mole Valley ranking vs English LAs (out of 324)	Mole Valley score (quintile ³ A = good, E poor)	Comments from stakeholder workshops
Economic performance			
Productivity	7th	A	Mighty!
Knowledge driven businesses	32nd	A	Key strength – build upon this...
Business and enterprise	104th	B	Stimulate enterprise?
Economic scale	160th	C	Relatively small
Economic performance score	22nd	A	Small but mighty!
People and Skills			
Skills and qualifications	78th	B	Good but could be better?
Knowledge workers	28th	A	Key strength – could improve?
Labour market	101st	B	Could be a significant inhibitor of economic growth?
Economically active workforce	283rd	E	Clear evidence of an ageing population
Human Resources score	71st	B	High volume of knowledge balances the relatively ageing population score.
Environment & infrastructure			
Transport connectivity	135th	C	This bears out what workshops were reporting
Broadband	88th	B	This is encouraging but may suggest variability?
Innovation	159th	C	Work to be done
Quality of Life	15th	A	Excellent
Environment & infrastructure score	30th	A	The quality of life balances the other scores
OVERALL BUSINESS LOCATION INDEX	54TH	A	Mole Valley: a great place to do business!

Mole Valley is highlighted as one of the best performers in the country in terms of productivity⁴. It is ranked seventh out of the 324 other English local authorities. This measure shows how efficiently an economy can transform resources into goods or services. Strengths to build on have been identified as high quality of life⁵, environment, infrastructure and volume of knowledge workers.⁶

Recent research by Grant Thornton showed that economic growth in the District has been very slow in comparison to other Surrey authorities.

There are highly positive aspects of the economic landscape to be celebrated. For economic success to be sustained businesses must be valued and supported.

Areas for improvement include requirements for faster broadband speeds, increasing economically active workers (due to an ageing population), skills gaps, qualifications and nurturing innovation.

Mole Valley’s economy is “small but mighty” yet also potentially fragile. While small compared to national competitors, positive aspects such as a high level of productivity and relatively high volume of knowledge workers emphasise the strength of its economy.

Mole Valley’s businesses continue to compete for both recruitment and retention of highly skilled workers and consider their business location decisions with a global outlook.

Mole Valley’s Economic Prosperity Strategy must balance maintaining the District’s highly attractive environment with growing a prosperous and thriving local economy.

Mole Valley – A Key Economic Contributor

Mole Valley plays a valuable part of the Gatwick Diamond⁷ functional economic area. The recent Centre for Cities report⁸ shows the area as generating a total Gross Value Added (GVA⁹) of £24 billion in 2015; accounting for c10% of the GVA of the South East region. Mole Valley was identified as a key contributor to this overall economic success.

The report highlighted some key issues for the Gatwick Diamond area, including Mole Valley as follows:

- Urban areas do not seem to be making as large a contribution to the economy as they could. While competitor areas such as Milton Keynes and Reading have a large number of skilled jobs at their core, in Mole Valley these tend to be in business parks (especially in Leatherhead). While this is not an either/or situation, **economic performance could be enhanced by attracting high skilled workers to both the business parks outside of town centres and the urban areas**
- To maintain its strong economic performance, it is important to continue attracting investment in higher skilled jobs. In order to help achieve this it is important to **ensure that there is a good supply of high quality office space in the areas where it is needed**
- Permitted Development Rights appear to be incentivising landlords and property owners to convert commercial space and land to residential. The report states that: ***“If (economic) growth is not to be constrained, it is essential that the area maintains an adequate supply of employment land”***
- The **rising cost of housing** may make the area less attractive to workers in the future, impeding the ability to attract further business investment and create more high skilled jobs
- There is a need to ensure that there is an **adequate supply of workers with the skills required to maintain economic prosperity**. While Leatherhead, in particular, fared well in this aspect there is more that could be done

Mole Valley – Currently Successful, Potential To Grow

During 2017/18 Mole Valley District Council held a series of task-focussed workshops and telephone interviews with local businesses and a wide range of other relevant stakeholders. The information gathered at these events, together with the findings of the evidence-based studies, confirm that Mole Valley already has a number of economic strengths, weaknesses, opportunities and threats.

Mole Valley's Economic Strengths

- It is highly productive (7th in the country, out of 324 other English local authority areas)¹⁰ and has a high degree of knowledge based workers with some amazingly creative and entrepreneurial talent
- There are a significant number of employers of scale, headquarter buildings and world class companies based in the District
- There is a high correlation between the characteristics of Mole Valley's economy (dynamic economy, knowledge workers and high productivity) and the kind of economy the UK Government's Industrial Strategy envisages. The Industrial Strategy includes artificial intelligence, automation, big data, clean and sustainable growth, future of mobility and meeting the needs of an ageing population, this correlation should be exploited
- There is very low unemployment and a high number of "value-added" jobs
- The countryside is beautiful – an attractor for business, potential employees and something to preserve
- It is excellently located with good links to London, close proximity to Gatwick and Heathrow airports, major motorway networks and the coast

Mole Valley's Economic Weaknesses

- A highly constrained built environment for business space and employment land
- Relatively low economic growth over past ten years
- An ageing population and lack of technically skilled local workforce
- A shortage of appropriate local commercial and industrial premises
- A lack of appropriate and adequate support and coaching for start-up and growing businesses, locally
- A lack of tertiary or higher education provision within the District
- A lack of "start-up" and "grow-on" space
- A lack of affordable housing/accommodation
- A number of infrastructure inadequacies

Mole Valley's Economic Threats

- Real (and potential) loss of “business habitat” and business space in an already tightly constrained environment. The going rate per acre in Mole Valley for housing land is many multiples greater than that for industrial and commercial land
- A risk of becoming a “Dormitory District” by failing to put in place effective mitigations for the loss of business habitat
- A loss of business habitat through national policies that incentivise landowners to convert offices to residential such as Permitted Development Rights and an overwhelming demand and pressure for housing. Permitted Development Rights constrain economic growth by reducing the number of commercial properties available for local businesses to utilise; furthermore, there is evidence that it also constrains the ability to provide additional housing¹¹
- The need to strike a balance between protecting the natural environment, supporting employment and meeting housing need
- Failure to address the provision of a supply of suitably trained and motivated young people to work in our businesses, attracting and retaining talent with skills in science, technology, engineering, arts and mathematics
- Inability to provide suitable affordable accommodation for trained and motivated young people to work in our businesses
- Failure to prepare for the opportunities afforded by the changing needs of the modern and emerging economy (e.g. automation, artificial intelligence etc.)
- Failure to ensure that a business-friendly mind-set is maintained and widely supported
- Uncertainties that arise which are associated with the UK exiting the European Union
- Other uncertainty provoked by external/international socio-economic factors (such as energy related crisis, terrorism, stock market fluctuations, war etc.)

Mole Valley's Economic Opportunities

- Develop a long-term plan, the Economic Prosperity Strategy
- Ensure that local planning policies effectively safeguard employment sites, to protect against loss of “business habitat”
- Generate an open, prosperous, enterprising and entrepreneurial environment
- Support businesses in a well-networked environment where they can access sources of funds, talent and overcome barriers to success
- Create an environment that is conducive towards encouraging the brightest and most creative talent to nest within the District to grow and thrive
- Explore whether there is a need for tertiary/higher education provision within the District
- Improve engagement with businesses of all sizes working towards achieving common aims and aspirations
- Encourage future economic growth in sectors that are space efficient
- Develop innovative and imaginative ways to engender prosperity without adversely affecting or damaging the environment
- Develop a set of progressive planning policies (via the new Local Plan) to effectively balance the needs of housing and business (employment) whilst protecting the natural environment
- Cultivate the business-friendly environment where businesses feel welcomed and valued
- Establish systems, procedures and networks for helping business move within the District
- Create new systems, procedures and networks helping young people and talent of all ages fulfil their potential within the District
- Bring together the various agencies to become more co-ordinated, reduce duplication, and be more effective and efficient at supporting the business community
- Seizing opportunities associated with the UK exiting the European Union

Mole Valley - The Long Term Economic Vision

“By 2028, Mole Valley will be widely recognised as a prime business location which attracts the most creative and innovative talent. An environment that is vibrant, optimistic, enterprising and productive; enabling businesses to thrive and achieve their aspirations together with offering a great quality of life and beautiful countryside.”

Analysis of all of the information collected during the strategy development process helped shape a vision for the emerging Economic Prosperity Strategy.

In addition, a number of themes emerged as requiring prioritisation, focus and action if Mole Valley District Council is to achieve its vision -

- 1 It is evident that Mole Valley’s economy is small but mighty. It is home to some major companies and thriving smaller businesses. It is one of the most productive places in the country. It is critical to safeguard and build upon this success and to achieve better engagement and significant efforts must be made to **retain existing businesses**.
- 2 Whilst new businesses are created in Mole Valley, it is evident that a gap exists in support for those growing businesses to expand. The Economic Prosperity Strategy should help focus attention upon creating the right environment for **enterprise and entrepreneurs to thrive**.
- 3 Attracting and retaining a supply of **suitably skilled people** within Mole Valley to ensure that the District prospers emerged as a consistent theme. This included providing sufficient affordable housing.
- 4 For prosperity to thrive, it is crucial that the right conditions exist (or be created) where **investment and re-investment** can take place – the strategy will assist in reinforcing and augmenting these desirable circumstances.
- 5 There was a strong desire to focus upon Mole Valley’s **rural economy** linking to Mole Valley’s Rural Community Strategy. In addition, the **visitor economy** and **tourism economy** emerged as areas that needs better co-ordination and focus. The Economic Prosperity Strategy could contribute towards these work streams
- 6 Underpinning and linked to all of these priority areas, it was consistently identified that suitable **infrastructure to enable businesses to thrive** should be included within the strategy.

The Projects - Deliverability vs Impact

The projects set out in this document will significantly contribute towards achieving the long term economic vision. Projects selected have been assessed considering their deliverability versus impact.

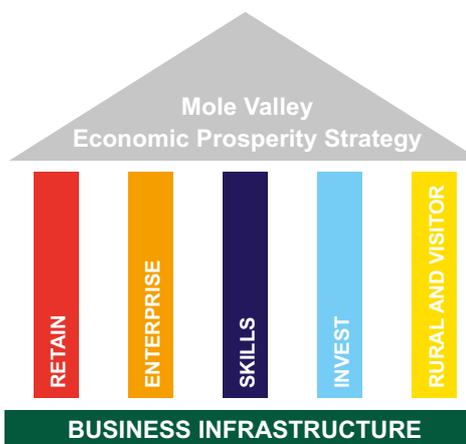
Some of these projects will be delivered over a period of years, others may be amalgamated, expanded or contracted in response to local and global economic factors.

Mole Valley's Economic Prosperity Strategy 2018 - 2028

Long Term Economic Vision

“By 2028, Mole Valley will be widely recognised as a prime business location which attracts the most creative and innovative talent. An environment that is vibrant, optimistic, enterprising and productive; enabling businesses to thrive and achieve their aspirations together with offering a great quality of life and beautiful countryside.”

Long Term Strategic Economic Priorities



Medium Term Bank of Projects 2018 - 2023

RETAIN	ENTERPRISE	SKILLS	INVEST	RURAL AND VISITOR	BUSINESS INFRASTRUCTURE
Business Contact Programme	Business Support Programme	Local Schools Engagement	Business Enquiries Service	Visit Dorking / Leatherhead Websites	Safeguarding Employment Land
Business Reference Group	Town Markets Strategy	Positive Action for Local Apprentices	Mole Valley Ambassadors	Visitor Economy Summary	North Downs Line Study
Business-Friendly Protocols	Creative Hub	Business Education Forum	Business Centric Website	Annual Rural Community Summit (ARCS)	Rent a Room Campaign
Engagement using Technology	Cycling Track and Hub (links to Rural & Visitor Economy)	Work Experience Drive	Invest in Mole Valley	Rural Business Road Show	Commercial Agents Forum
Business Directory / Database	Business Growth Hub	Social Enterprises and Upskilling (links to Enterprise)	Video Business Library		Science and Research Park
Economic Monitoring Report	West Street Antiques (links to Rural & Visitor Economy)		Accessing and promoting sources of funding		Discretionary business rates relief
Exit Interviews					Enterprise Zone
Business Needs Survey (links to Infrastructure and Skills)					

First Year's Projects 2018 – 2019

These projects will be the essential elements which subsequent plans and projects can be built upon. They may expand in to following years. The next year's projects will be selected and considered annually based on ongoing deliverability versus impact studies.

- Business Contact Programme
- Business Reference Group
- Business-Friendly Protocols
- Business Directory / Database
- Economic Monitoring Report
- Exit Interviews
- Business Needs Survey
- Business Support Programme
- Town Markets Strategy
- Local Schools Engagement
- Business Enquiries Service
- Visit Dorking / Leatherhead Websites
- Annual Rural Community Summit (ARCS)
- Safeguarding Employment Land
- North Downs Line Study
- Rent a Room Campaign

Project Explanations

RETAIN: Retaining and growing existing businesses.

- a) **Business Contact Programme:** Establish a business contact programme and account management system to improve engagement with decision makers from business – this will increase dialogue, engagement and mutual understanding and provide an early warning of any issues arising for that business
- b) **Business Reference Group:** Establish a Business Reference Group – this will promote closer engagement and more open policy formulation
- c) **Business-Friendly Protocols:** Introduce new internal business-friendly protocols and introducing new ways of working with the business community – this will ensure that business issues and the local economy are systematically fully considered when developing programmes, projects and policies
- d) **Engagement using technology:** Establish more effective and better engagement with the local business community utilising new technology and new ways of working – this will enable businesses of all sizes to engage with MVDC as well as well as accessing useful sources of information and knowledge sharing best practice and unleashing other, as yet unknown, benefits;
- e) **Business Directory:** Create a Mole Valley Business Directory and General Data Protection Regulation compliant business database – this will help to promote inter-trading and can assist in generating business growth within Mole Valley
- f) **Economic Monitoring Report:** Produce a regular Economic Monitoring Report – this will have internal and external benefits promoting and disseminating key information about the local economy and its progress
- g) **Exit interviews:** Initiate a programme of “exit interviews”^[1] where companies have left – this will help officers to understand what factors influenced these companies to leave and to learn valuable lessons
- h) **Business Needs Survey:** Undertake a district-wide comprehensive business needs survey to include skills and infrastructure – this will help officers, members and other policy makers and influencers to understand and quantify what are the specific needs of small, medium and larger employers are in the district.

ENTERPRISE: Encouraging a more entrepreneurial and enterprising business culture

- a) **Business Support Programme:** Initiate a business support programme for start-up, small and medium sized businesses through “quality certified” providers – this will assist those looking to start their business by being able to access experts before and in the early stages of establishing their businesses; it may help to reduce early stage business mortality
- b) **Town Markets Strategy:** Develop a comprehensive markets strategy for both Dorking and Leatherhead to include teenage and farmers markets and the possibility of creating a Sunday “flea market” in West Street (Dorking) – this will help to provide business opportunities and create a new, exciting, experience for shoppers coming to Mole Valley
- c) **Creative Hub:** Explore the possibilities of establishing a “creative hub” in Mole Valley – this may encourage and engender more creative businesses this may also help engender a Creative Mentor Network in Mole Valley
- d) **Cycling Hub and Track:** Explore the possibilities of establishing a “cycling hub and track” in Mole Valley – this will provide a potentially exciting development creating a “destination” experience and building upon Mole Valley’s cycling expertise built up over the previous ten years
- e) **Business Growth Hub:** Create a Mole Valley growth hub bringing together key agencies such as funders and other enablers to assist small and medium sized enterprises in Mole Valley – this will help to augment and generate a more enterprising culture within Mole Valley especially for those who may otherwise have to leave the District
- f) **West Street Antiques:** Explore revitalisation strategies with West Street (Dorking) with a special emphasis upon stimulating the antiques trade – this will help to address some of the issues facing this sector and important identity of Dorking

^[1] Structured “exit interviews” will be held with businesses who have left Mole Valley in the past number of years to more completely explore and understand the reasons for their departure.

SKILLS: Improving the skills and education of the current and future workforce

- a) **Local Schools Engagement:** Initiate closer working with schools – this will help to promote enterprise education
- b) **Positive Action For Local Apprentices:** Develop a programme that encourages local businesses and trades (including future large construction projects such as Transform Leatherhead) to promote young people from Mole Valley for apprenticeships, traineeships and work experience
- c) **Business Education Forum:** Establish a properly resourced and supported forum, partnership or organisation to bring the worlds of business and education together – this will ensure that there is a pro-active match between what business require and the people looking for jobs possess, including appropriate skills, experience and attitude.
- d) **Work Experience Drive:** Establish a large scale work experience drive within local schools – this will ensure that young people and the business community gain positive benefits and make a positive investment in the future to the benefit of all
- e) **Social Enterprises and Upskilling:** Work with various business support organisations and housing providers to explore opportunities to address employability issues in areas of deprivation. Options could include providing support to create social enterprises

INVEST: Improving the re- and inward-investment opportunities for business

- a) **Business Enquiries Service:** Establish a Business Enquiries Service, including an up-to-date vacant property register – this will enable positive response and engagement with internal and external business investment enquiries and help maximise the opportunities to reduce vacant commercial, industrial and retail properties within Mole Valley
- b) **Mole Valley Ambassadors:** Establish a Mole Valley Ambassadors scheme – this will help to disseminate, in a cost effective manner, the “Mole Valley” message that it is open for business – it also creates a feeling of momentum and positivity amongst influential decision makers and influencers
- c) **Business Centric Website:** Explore the possibility of creating a dedicated business-centric web site for Mole Valley – this will support and underpin many of the investment priority projects and indeed the wider EPS objectives
- d) **Invest in Mole Valley:** Initiate a programme to produce a suite of appropriate promotional materials and assets – this will help to build the business case for investing within the District and for use in multiple platforms and purposes (including resources for the Mole Valley Ambassadors to utilise).
- e) **Video Business Library:** Initiate a programme of “video business library” mainly using business leaders from critically important businesses explaining why they chose to base their business in Mole Valley – this will, over time, create a powerful and compelling story involving some of the most influential people in the district about Mole Valley as the ideal business location;
- f) **Attracting and Promoting Sources of Funding:** Build capacity and capability to access relevant sources of funding either for direct delivery of projects linked to the EPS or linking up with other partners including local businesses to pursue appropriate projects and programmes to improve the overall prosperity of the district

RURAL AND VISITOR: Improving the rural and visitor economy

- a) **Visit Dorking / Leatherhead Websites:** Overhaul and redevelop all of the visitor economy web sites such as Visit Dorking and Visit Leatherhead – this will assist in promoting Mole Valley as an attractive visitor destination
- b) **Visitor Economy Survey:** Undertake a regular survey of visitors (as MVDC had commissioned Visit Surrey to undertake) – this will ensure that the visitor economy offer provided by Mole Valley generally is in tune with what people are looking for
- c) **Annual Rural Community Summit (ARCS):** Support the organisation of an Annual Rural Community Summit each year bringing together key members of the rural community and crucial delivery agencies and organisations – this will help keep the rural and visitor economy at the top of the agenda
- d) **Rural Business Road Shows:** Organise rural business roadshows, when appropriate, to ensure that information on funding and other opportunities are disseminated and communicated to rural businesses and communities

BUSINESS INFRASTRUCTURE: Improving the business infrastructure within Mole Valley

- a) **Safeguarding Employment Land:** Work closely with Planning Policy colleagues to ensure that as much employment land as possible is retained and safeguarded in the next Local Plan – this will ensure that colleagues are fully engaged with the local business community and aware of their needs whenever developing any plans or policies which will affect business and the local economy
- b) **North Downs Line:** Part fund a study to establish a third hourly train service on the North Downs Line
- c) **Rent-a-Room campaign:** Initiate a rent-a-room campaign – this may stimulate the market to encourage people with spare rooms to rent them to key workers such as teachers and nurses and this is a good way of increasing the capacity of affordable accommodation in Mole Valley
- d) **Commercial Agents Forum:** Establish a Commercial Agents Forum – this will build closer links and improve mutual knowledge and understanding between MVDC, the agents and the local business community
- e) **Science and Research Park:** Explore the possibility of creating a science and research park near to the Junction 9 of the M25 motorway – this would be a speculative programme that would signal Mole Valley's ambition and appetite for economic growth
- f) **Discretionary business rates relief:** Explore the provision of a discretionary business rates relief scheme for specific kinds of businesses within Mole Valley - this will help to address an issue raised regularly by the business community
- g) **Enterprise Zone:** Evaluate the feasibility of creating an Enterprise Zone within Mole Valley – this may assist in stimulating economic growth within Mole Valley

Notes

¹ The Metropolitan Green Belt policy aims to prevent urban sprawl through openness and permanence.

² An Area of Outstanding Natural Beauty (AONB) aims to conserve, enhance and protect the landscape for current and future generations

³ A = Top 20%. B = 20% to 40%, C = 40% to 60%, D = 60% to 80%, E = 80% to 100%

⁴ Productivity: measuring the relative performance of the economy of an area, by combining GVA (Gross Value Added) per head with average earnings.

⁵ Assessing the quality of life of an area is based upon assessments related to the health of the population, the amount of crime, school performance, access to local amenities and access to an attractive natural environment.

⁶ Knowledge workers: assessing the proportion of the resident workforce that are professional, managerial or technical workers.

⁷ The Gatwick Diamond is a business-led partnership in the Coast to capital Local Enterprise Partnership area and includes the districts of Crawley, Epsom and Ewell, Horsham, Mid Sussex, Mole Valley, Reigate and Banstead and Tandridge.

⁸ The Economic Geography of the Gatwick Diamond, Centre for Cities, October 2017.

⁹ The Office for National Statistics (ONS) definition of GVA is the value generated by any unit engaged in the production of goods and services. It is an indicator of wealth creation in an economy. In national accounts GVA is output minus intermediate consumption. It is one of the most commonly applied indicators of economic impact and provides a measure of the wealth generated within the economy, over time, resulting from direct investment in economic activity.

¹⁰ Productivity is defined as dividing average output per period by the total costs incurred or resources consumed in the same period – simply, the output generated from a given input – typically, on average, it takes the UK five days to produce what it takes Germany four days.

¹¹ The LGA have produced a study (January 2018) showing that some 7,500 affordable homes are lost in England due to conversions of offices that do not go through the conventional planning system due to PDR.