

# Surrey Connects

**To:** Surrey Economic Development Partners

**From:** Mark Pearson  
Chief Executive  
Surrey Connects

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Dear Colleagues

## **ECONOMIC PROSPECTS: A Surrey Snapshot – January 2012**

On behalf of Surrey Connects, I am pleased to provide the Surrey Economic Prospects report for January 2012. Surrey Connects will monitor the economic and business climate of Surrey on a monthly basis, drawing on the views and experience of a wide range of partners, stakeholders and businesses.

### **SUMMARY OF ECONOMIC CONDITIONS**

**LEA key indicators** – The [Surrey Local Economic Assessment](#) selected a series of key economic indicators, which would be tracked over time to measure the competitiveness of the Surrey economy. The latest data for these indicators, relative to previous data, has been highlighted below.

<b>LEA key indicator</b>	<b>Latest data</b>	<b>Previous data</b>
<b>GVA</b> (Gross value added) (growth)	£28,023 million (2008) 3.9% (2007-2008)	£26,971 million (2007) 7.5% (2006-2007)
<b>GVA:</b> - £ per head	£25,459 (2008)	£24,721 (2007)
<b>Economic activity rate</b> (actively seeking work) <sup>1</sup> : for persons aged 16-64	80.4% (July 2010-June 2011)	79% (July 2009-June 2010)
<b>High-level skills:</b> Pop. of working age with an NVQ 4+	40.1% (2010)	39.3 (2009)
<b>Gross weekly pay:</b> (full time workers)	£644.80 (2011)	£630.10 (2010)
<b>Growth in gross weekly pay</b>	2.3% (2010-2011)	1.1% (2009-2010)
<b>Unemployment:</b> JSA claimants as % of population aged 16-64	1.7% (December 2011)	1.7% (December 2010)
<b>Employment rate</b> <sup>2</sup> : % of pop. aged 16-64 in employment	77.9% (July 2010-June 2011)	75.6% (July 2009-June 2010)
<b>Business start up rates:</b> Births of new enterprises as % of existing businesses	New enterprises: 6,075 as a % of existing businesses 10% (2009)	6695 (11.3%) (2008)
<b>Business density:</b> Active enterprises per 10,000 pop.	543.07 (2009)	540.19 (2008)
<b>Growth in business stock:</b> % change in number of active enterprises since previous year.	1.7% (2009)	2.9% (2008)

Source: [Surrey I/](#) [Nomis](#)

<sup>1</sup> Includes the employed and unemployed (i.e. those actively seeking work)

<sup>2</sup> People who did some paid work in the reference week; those who had a job that they were temporarily away from (e.g. on holiday); those on government-supported training and employment programmes; and those doing unpaid family work (as defined by Nomis).

## Unemployment

The most up-to-date way of measuring unemployment is by using Jobseeker's Allowance (JSA) claimant data. In December 2011, the JSA claimant count totalled 11,952 (1.7%) of the working age population. This is a marginal increase on the previous month, and is higher than a year ago, when the number of JSA claimants totalled 11,814 (1.6%). Surrey's claimant count rate (1.7%) continues to be lower than that of the South East (2.6%), England (3.8%) and the UK (3.9%) as a whole. It also remains low relative to economic comparators; Oxfordshire (1.8%), Buckinghamshire (1.9%), Cambridgeshire (2.1%) and Berkshire (2.4%)<sup>3</sup>. For a borough and district breakdown, see Table 4 below.

There was a decrease in notified vacancies (down to 5,964) compared with November 2011 (6,361), but an increase on the rate in December 2010 (4,843).

**Table 1 – Surrey Jobseeker's Allowance Summary**

Date	JSA Claimants (% resident working age)	Off-Flow	On-Flow	Notified Vacancies
December 2010	11,814 (1.6)	2,755	2,685	4,843
September 2011	12,347 (1.7)	2,924	2,943	6,180
October 2011	12,251 (1.7)	3,915	3,869	8,050
November 2011	11,899 (1.7)	3,074	2,815	6,361
<b>December 2011</b>	<b>11,952 (1.7)</b>	<b>Data not available</b>	<b>Data not available</b>	<b>5,964</b>

Source: Nomis

The total number of people claiming JSA for six months or more in December 2011 (4,090) increased relative to the previous month and is higher than a year ago - Table 2 (below). The total number of claimants claiming for more than 12 months (1,870) increased relative to the previous month; 15.7% of all claimants were claiming JSA for more than 12 months in December 2011 relative to 15.3% in December 2010.

**Table 2 – Duration of claims for Jobseeker's Allowance**

Date	Claiming for over 6 months		Claiming for over 12 months	
	Number	% of total claimants	Number	% of total claimants
December 2010	3,410	28.9	1,800	15.3
September 2011	4,055	33.0	1,720	14.0
October 2011	4,105	33.6	1,775	14.6
November 2011	4,015	33.9	1,800	15.2
<b>December 2011</b>	<b>4,090</b>	<b>34.3</b>	<b>1,870</b>	<b>15.7</b>

Source: Nomis

## Youth unemployment

The total number of people aged 24 and under claiming JSA decreased in December to 2,960 (Table 3). Young people account for 24.8% of all JSA claimants. There was an increase in the number of young people claiming for over 6 months (up to 610), a rate above the rate of a year before (14.5% relative to 20.6%). The number of young people claiming for over 12 months increased over the previous month, to 180.

<sup>3</sup> An average of the JSA claimant rates in Bracknell Forest, Reading, Slough, West Berkshire, Windsor & Maidenhead and Wokingham

**Table 3 – JSA claimants aged 24 and under**

Date	No of JSA claimants aged 24 and under <sup>4</sup>	% of all JSA claimants aged 24 and under	Claiming for 6+ months (% of total claimants aged 24 and under)	Claiming for 12+ months (% of total claimants aged 24 and under)
December 2010	2,890	24.5	420 (14.5)	160 (5.5)
September 2011	3,410	27.6	595 (17.4)	140 (4.1)
October 2011	3,225	26.4	615 (19.0)	155 (4.8)
November 2011	3,030	25.4	595 (19.6)	170 (5.6)
<b>December 2011</b>	<b>2,960</b>	<b>24.8</b>	<b>610 (20.6)</b>	<b>180 (6.1)</b>

Source: Nomis

Table 4 (below) highlights the number of JSA claimants and the number of JSA claimants aged 24 and under by district and borough. Spelthorne has the highest proportion of the working age population claiming JSA (2.3%). Surrey Heath has the highest proportion of JSA claimants aged 24 and under (31.9%). In Elmbridge and Mole Valley 1.4% of the resident working age population were claiming JSA in December 2011, the lowest rates in Surrey. In terms of the percentage of JSA claimants aged 24 and under, Epsom & Ewell had the lowest rate, 21.5%.

**Table 4 – JSA by district and borough**

District/ Borough	JSA Claimants (% resident working age)	% of all JSA claimants aged 24 and under
Elmbridge	1.4	22.6
Epsom & Ewell	1.7	21.5
Guildford	1.7	24.5
Mole Valley	1.4	22.6
Reigate and Banstead	1.8	26.6
Runnymede	1.5	23.3
Spelthorne	2.3	25.1
Surrey Heath	1.8	31.9
Tandridge	1.7	25.9
Waverley	1.5	22.8
Woking	1.8	25.0

Source: Nomis

### Sector specific data

The number of jobs available and sought through Jobcentre Plus specific to each sector varies across Surrey. As of 13 January 2012, sales and retail assistants are the most sought occupations in every area office in Surrey, except Epsom. However, only in Staines and Guildford are sales and retail assistants in the top ten notified vacancies.

Likewise, general office assistants/ clerks are in the top three most sought occupations in every area office across Surrey, but jobs in this sector do not appear in the top ten jobs notified in any area office. This discrepancy is most stark in Staines where 170 customers were seeking general office assistant/ clerk roles but no jobs were notified. There is also a continuing discrepancy between the number of vacancies notified and occupations sought for care assistants and home carers.

<sup>4</sup> Data rounded to nearest 5

## **BUSINESS SPECIFIC INTELLIGENCE**

*Sources include; Insider Media Ltd. (South East Insider News), S&B Media (Get Surrey), Surrey County Council Issues Monitor; Surrey Chambers of Commerce.*

The district of Hart in Hampshire has replaced Elmbridge in Surrey as the 'best' place to live in Britain. Elmbridge has held the top spot for the last three years. The accolade is awarded by the Halifax, whose researchers compare every aspect of life in the country's 405 local authority districts, including crime and earnings. **Epsom & Ewell** was the tenth best place to live in Britain.

Italian restaurant chain **Prezzo** has acquired two leasehold properties in the South East, from Caffè Uno Brasseries, which is in administration. The company bought restaurants in **Cobham** in Surrey and Sevenoaks in Kent, along with another in Wiltshire, for £1.1 million.

**Staines-based** developer **Dalkia** has received the go-ahead from government for a waste wood power plant at the former RAF airfield at Pollington in Yorkshire.

The Office of Fair Trading (OFT) has opened a consultation on a merger plan between two dental chains. The OFT is considering whether a joint buyout of Bolton-based Integrated Dental Holdings and **Surrey-based Associated Dental Practices** will create a "substantial lessening of competition".

**Nestle** will move its UK headquarters from Croydon to **Gatwick**. The company has been seeking a new head office in Croydon but said it proved "very difficult" to redevelop its current offices, or to find an alternative location that could meet its needs. Its 840 office-based employees will move to 1 City Place Gatwick by the end of 2012.

Legal & General Property has let its entire Friary House building at Station Road, **Godalming**, to **Hotelplan**, the parent company of specialist tour operators Inghams, Intravel, Esprit Holidays and Ski Total.

A new **Woking Travelodge** will open in November 2012 and create 27 new jobs, some of them for the locally unemployed. The new hotel, in the vacant White Rose Court, could boost the town's economy by £1.7 million.

More **airport runways** should be built in the South East to increase capacity in the region the **Civil Aviation Authority (CAA)** claim. The CAA added that the national economy would be badly affected unless action is taken. The Government has ruled out plans for a third runway at Heathrow airport and expansion at Gatwick or Stansted airports during the current parliament.

**Epsom-based Atkins** has won two Network Rail contracts with potential revenue of £400 million. The design and engineering consultancy is the preferred supplier for two signaling renewal framework contracts. The agreement will run for seven years as part of Network Rail's programme to maintain and modernise its signaling systems.

Formula 1 racing team **McLaren** says 900 jobs could be created when it builds a new technology centre. Woking Borough Council has approved plans to build new offices, a wind tunnel and car parks on the site between **Woking and Ottershaw**. McLaren said the new centre would allow its Formula 1 and supercar operations to be on one site. The Secretary of State will make the final decision on the planning application.

Engineering services company **Plexus Holdings** has issued a new share placing with a total value of more than £6 million. The **Esher**-based company said it arranged a placing of 7,950,628 new and existing ordinary shares at a price of 78p per share, with an aggregate value of approximately £6.2 million before expenses.

**Surrey County Council** joined seven other local authorities in signing a new plan to work together to [promote economic growth](#) in the Gatwick area. Deputy Leader Peter Martin signed the Memorandum of Understanding that signaled the council's commitment to stimulate economic development in the interests of people in the Gatwick area, including many in Surrey.

### **Superfast Broadband Project**

Surrey County Council is following an EU procurement process to identify a private sector partner to deliver superfast broadband capability across Surrey. This work is well underway and Surrey County Council is in dialogue with three strong bidders to develop the best technological solution to deliver Surrey's ambition. This solution could incorporate a mix of different technologies including fibre, satellite and wireless.

For more information please visit the project website: [www.superfastsurrey.org.uk](http://www.superfastsurrey.org.uk)

## **NATIONAL NEWS**

**UK economic activity** shrank by 0.2% in the last three months of 2011 according to official figures. It marks a drop in economic activity from the third quarter of 2011, when gross domestic product (GDP) expanded by 0.6%. The figures, from [the Office for National Statistics](#) (ONS), are a preliminary estimate, which could be revised either up or down by 0.2%. The ONS figures also show that the economy grew by 0.9% during 2011.

The **British Chambers of Commerce's** new **Quarterly Economic Survey (QES)** points to a period of stagnation in early 2012. The new survey, comprising some 7,850 responses from businesses across the UK, shows declines in most indicators across both manufacturing and services in the last quarter of 2011. While measures for the previous three months indicate minimal growth, expectations for the coming three months have significantly weakened.

According to the Chambers, "The results do not indicate a recession, and are still better than those seen in the worst phase of the last downturn. However, they are a cause for concern, and show that the improvements in 2010 and early 2011 have largely been cancelled out. The worsening international situation, and the growing risks facing the Eurozone, present challenges for UK exporters and business confidence as a whole". For more information please see the Surrey Chambers of Commerce [website](#)

The Transport Secretary has announced that Britain will have a national **high-speed rail** network providing new capacity and faster journeys across the country from 2026. HS2 will be a Y-shaped rail network with stations in London, Birmingham, Leeds, Manchester, Sheffield and the East Midlands linked by high-speed trains conveying up to 26,000 people each hour at speeds of up to 250mph. The first phase of HS2 will include a connection to Europe via the Channel Tunnel. On completion of HS2 the network will include a direct link to Heathrow Airport.

A new national programme, which will focus on helping small and medium manufacturing businesses to grow, has been launched. The new **Manufacturing Advisory Service (MAS)** is now available to all manufacturing businesses across

England. It will be delivered by the Manufacturing Advisory Consortium. It has been estimated that the new MAS will help to generate £1.5 billion in economic growth, 23,000 jobs and safeguard 50,000 jobs. Businesses interested in finding out more about the programme can visit [www.mymas.org](http://www.mymas.org) or call an advisor on 0845 658 9600.

A major campaign has been launched to encourage businesses to get off the ground. As part of this the Prime Minister has also announced plans to make empty government offices available to small businesses to start up and grow. **'Business in You'** is aimed at inspiring people to start or grow their own businesses and helping small businesses and entrepreneurs understand the array of information and help available from the Government and private sector.

A new interactive calendar of key enterprise events throughout 2012 has been unveiled. The ***StartUp 2012: Enterprise Calendar*** highlights over 600 enterprise opportunities across the UK throughout the year. They include competitions, conferences, workshops and networking events that could be the kick-start needed to help a new or growing business venture. The calendar can be found at <http://www.startupbritain.org/calendar/>

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