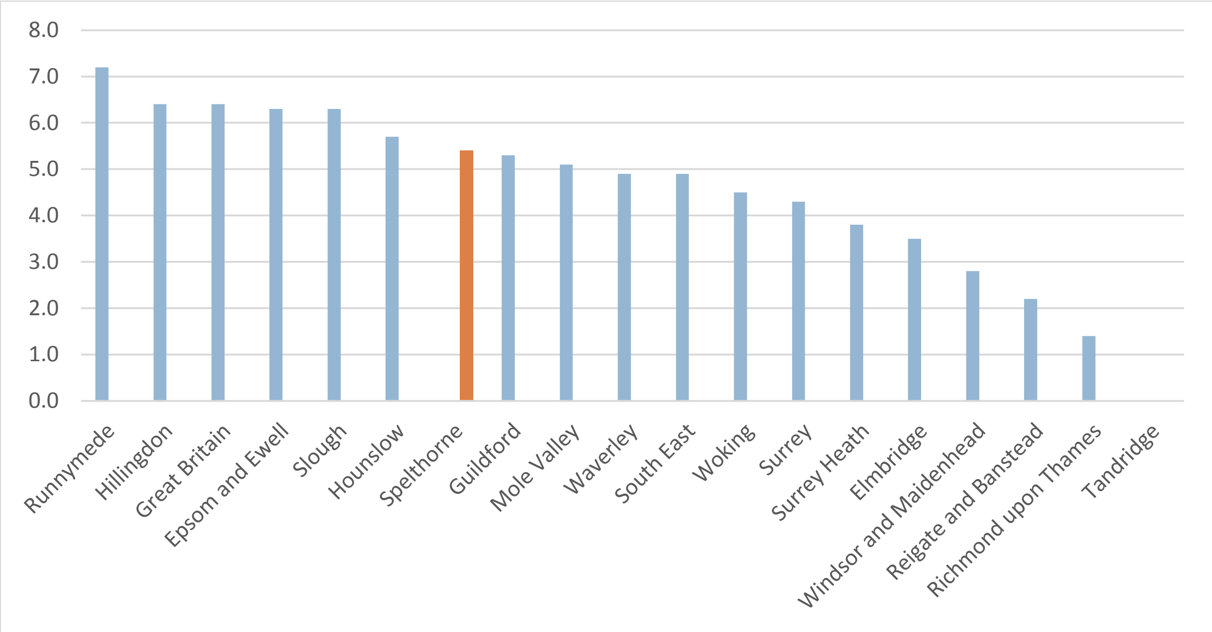
Appendix ‘A’

Local Economic Assessment (LEA) – Summary of some key findings from the draft LEA

Education:

People without any qualifications: Figure 1 compares the number of people aged 16 - 64 without any qualifications in Spelthorne with the other Surrey authorities, adjoining boroughs, Surrey, the Southeast and Great Britain. This shows that Spelthorne has made significant steps in addressing the need for a qualified workforce which will allow access to better quality jobs and opportunities. One factor that may have contributed to this improvement may be linked to a poorly performing secondary school that was put in ‘special measures’ and as a result, performance improved significantly.

When the last Local Economic Assessment (LEA) was published in 2016 7.4% of residents were without any qualifications, in 2021 the number had decreased to 5.4% of residents. Similar advances have been made elsewhere, for instance Great Britain 6.4% (8.6% in 2016) the Southeast 4.9% (6.3% in 2016) and Surrey 4.3% (5.8% in 2016). Fig 1: Comparison of 16–64-year-olds with no qualifications

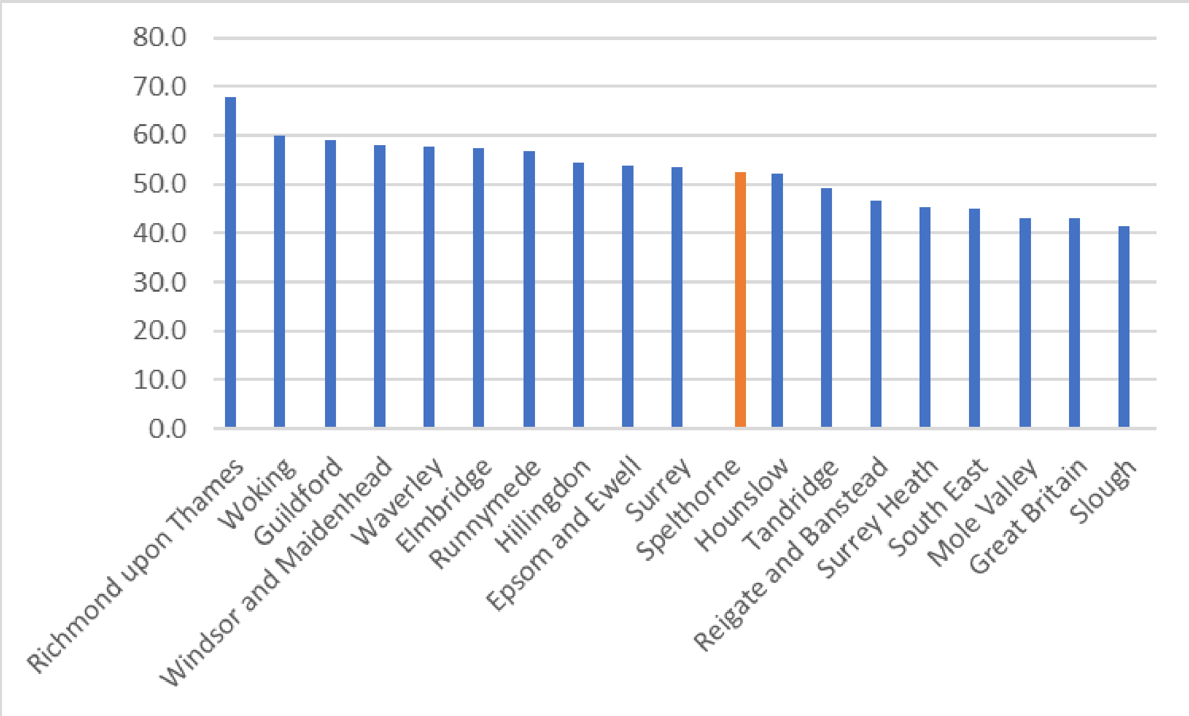


Nomis to December 2020

People with higher qualifications: When the last LEA was published, Spelthorne was last in terms of residents in possession of NVQ level 4 and above when compared to 19 neighbouring authorities as well as Great Britain. At this time there were just 37.8% of the Boroughs population who fell into the above category; in 2020 (these are the latest figures available) the amount of Spelthorne residents with higher qualifications had leapt up to 52.5% and moved to 11th position within our comparator areas. The average percentage of people with higher qualifications across Surrey was 53.3% (47.7% in 2016).

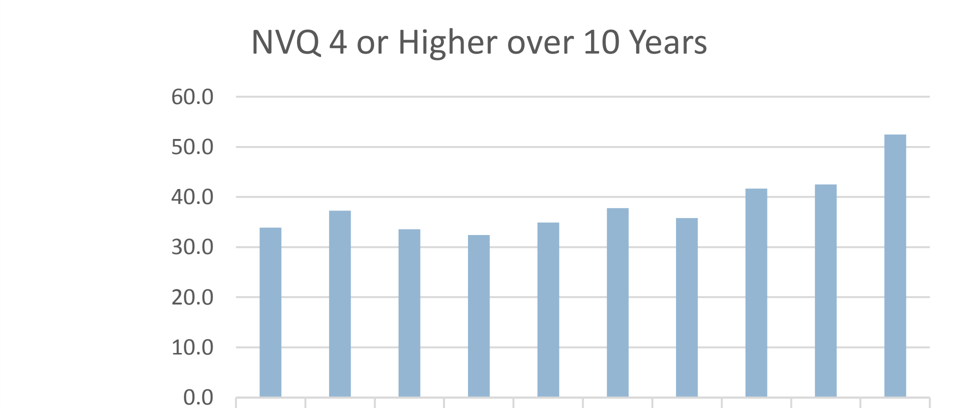
This is without doubt a **significant improvement** on both fronts, less people with no qualifications and more people with higher qualifications. This is important as it can be directly linked to access to better jobs, more pay, more money circulating in the local economy and in most cases a better quality of life. The reason for this improvement is unclear, as Spelthorne does not have an academic college, but could relate to a combination of factors which may include people leaving school more motivated as well as people moving into the borough with higher qualifications; potentially the governments apprenticeship levy scheme has successfully provided many people in work opportunities to take higher level qualifications.

Figure 2: Comparison of those with an NVQ level 4 and above



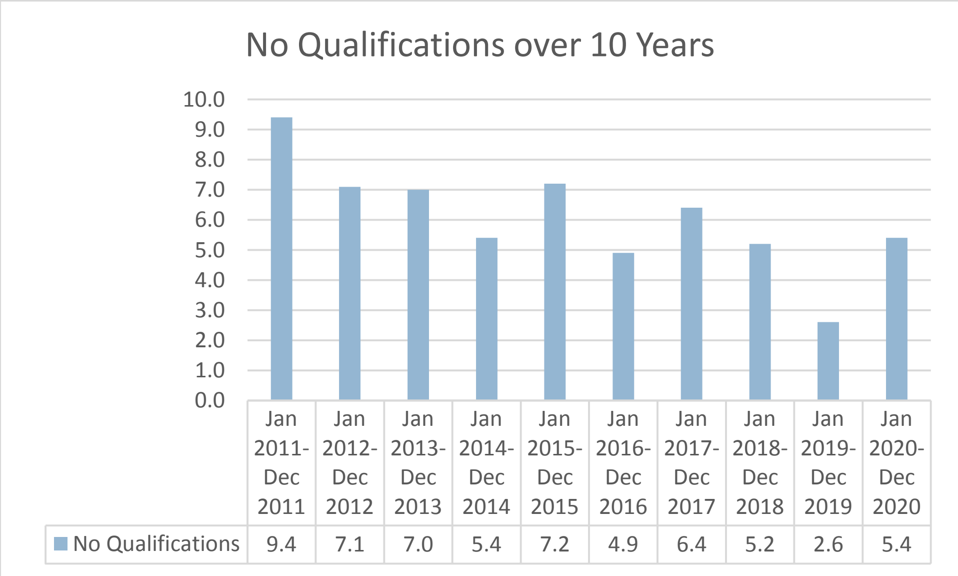
Nomis to December 2020

Fig 3: Residents with NVQ or higher over 10 years



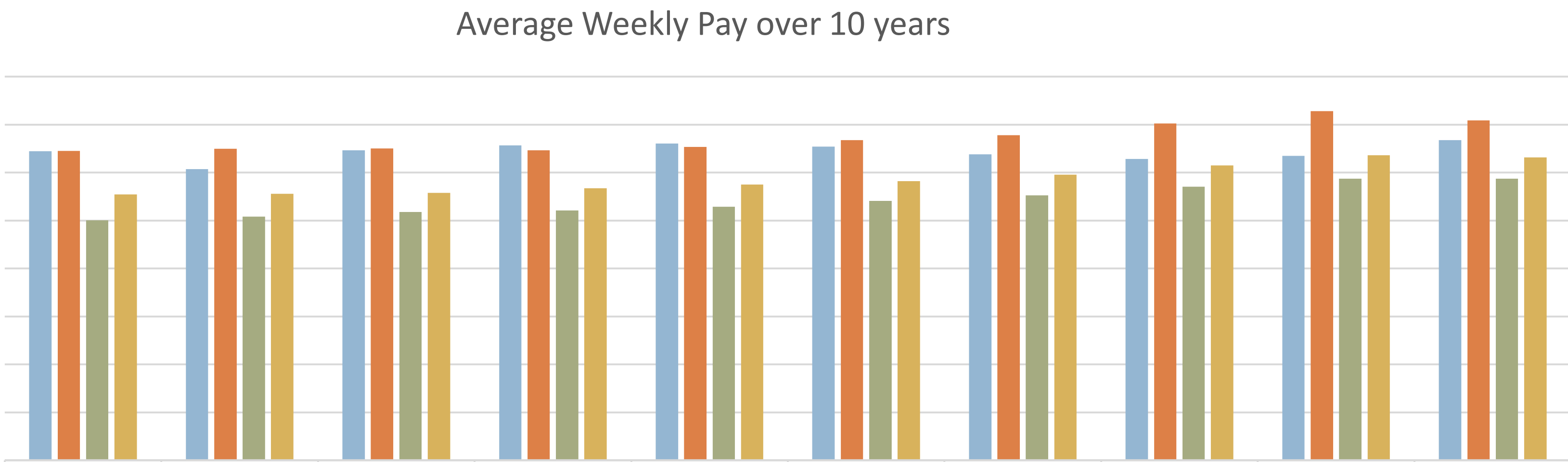
	Jan 2011-Dec 2011	Jan 2012-Dec 2012	Jan 2013-Dec 2013	Jan 2014-Dec 2014	Jan 2015-Dec 2015	Jan 2016-Dec 2016	Jan 2017-Dec 2017	Jan 2018-Dec 2018	Jan 2019-Dec 2019	Jan 2020-Dec 2020
NVQ 4 or higher	33.9	37.3	33.6	32.4	34.9	37.8	35.8	41.7	42.5	52.5

Fig 4: No qualifications over 10-year period



Employment

Fig 5: Average weekly pay over 10 years



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spelthorne	644.5	607.3	646.4	656.7	660.6	654.1	638.2	628.5	634.7	667.3
Surrey	644.9	649.8	650.3	646.4	653.4	667.8	677.9	702.5	728.3	708.6
Great Britain	500.2	508.3	517.9	521.1	529.0	540.9	552.3	570.5	587.5	587.1
South East	554.6	555.8	557.6	567.2	574.9	581.8	595.9	614.9	636.3	631.8

Given the significant rise in people with qualifications and higher-level qualifications living in the Borough, the obvious hypothesis is that average incomes should rise. **Whilst wages have indeed risen, over 10 years they have dropped behind the rate of increases by as much as 70% compared to other areas**. As can be seen above when looking at salaries in 2011 and 2020.

- Spelthorne was £644.50 and in 2020 £667.30 a rise of £22.80 a week
- Surrey was £644.90 and in 2020 £708.60 a rise of £63.70
- Great Britain was £500.20 and in 2020 £587.10 a rise of £86.90
- Southeast was £554.60 and in 2020 £631.80 a rise of £77.20

Fig 6: Unemployment

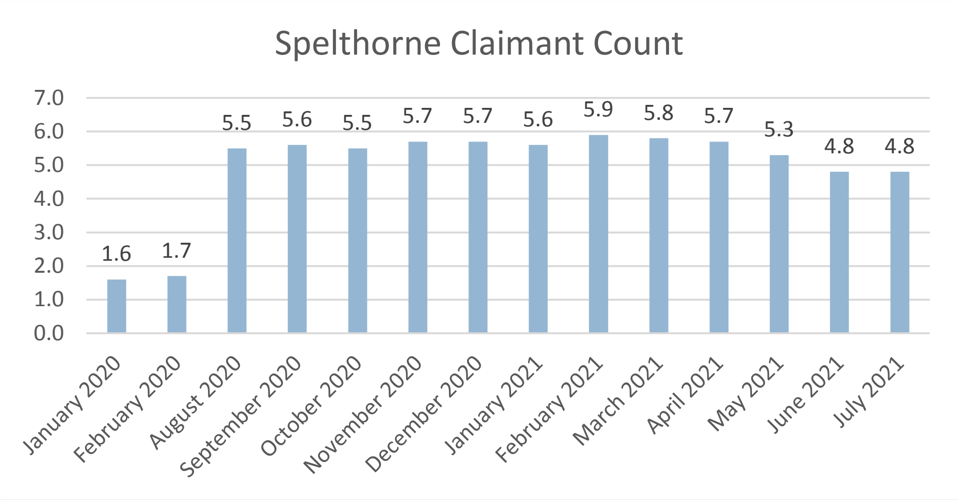


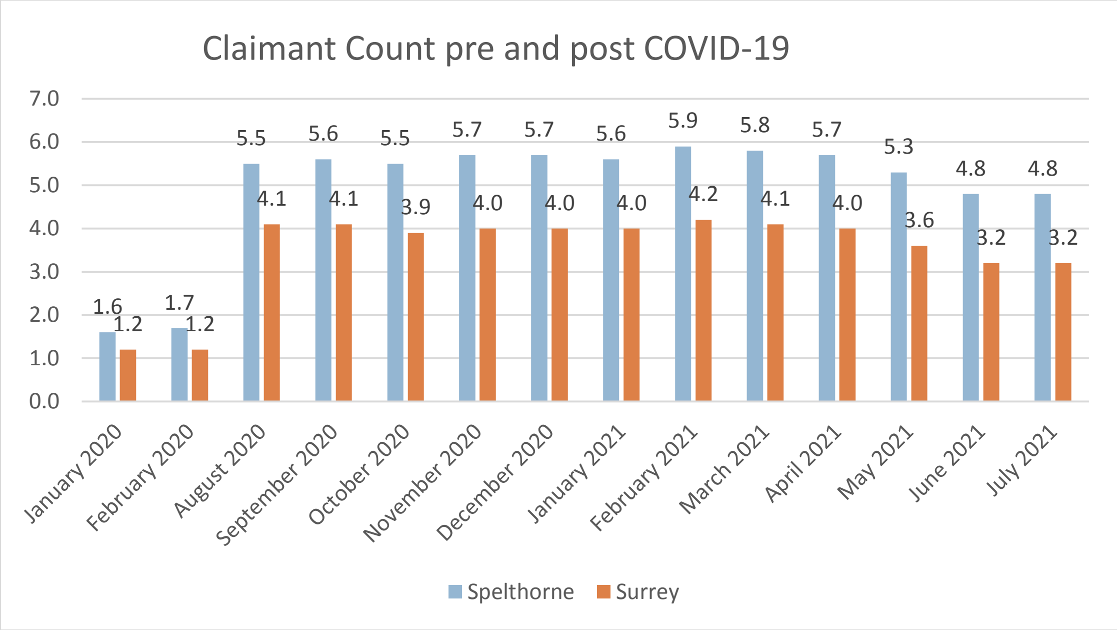
Fig 7: Claimant count in context with other areas:

Date	Spelthorne	Surrey	Great Britain	Southeast
February 2020	1.7	1.2	3.0	2.1
March 2020	1.7	1.2	3.1	2.2
April 2020	3.2	2.4	5.1	3.9
May 2020	5.3	4.0	6.4	5.3
June 2020	5.1	3.8	6.2	5.1
July 2020	5.2	3.9	6.4	5.2
August 2020	5.5	4.1	6.5	5.4
September 2020	5.6	4.1	6.4	5.3
October 2020	5.5	3.9	6.2	5.1
November 2020	5.7	4.0	6.3	5.2

Fig 8: Ward unemployment percentages in Spelthorne

Area	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Spelthorne	1.7	1.7	3.2	5.3	5.1	5.2	5.5	5.6	5.5	5.7	5.7	5.6
Ashford Common	1.4	1.3	2.8	4.5	4.1	4.6	4.8	5.1	5	5.3	5.5	5.5
Ashford East	1.6	1.6	3.1	5.1	4.9	5.2	5.1	5	4.7	4.5	4.5	4.6
Ashford North & Stanwell South	2.1	1.9	3.4	5.3	5.2	5.3	5.9	6	5.9	6.2	6.1	6.2
Ashford Town	1.5	1.8	2.7	4.7	4.6	4.9	5	5.5	5.6	5.9	6	5.8
Halliford & Sunbury West	1.6	1.5	3.4	5.6	4.9	4.9	5.4	5.4	5.1	5.6	5.3	5.4
Laleham & Shepperton Green	1.6	1.6	3.3	5.2	5.3	5.4	5.2	5.4	5.3	5.5	5.6	5.4
Riverside & Laleham	1.4	1.3	2.4	3.7	3.3	3.6	3.9	4	3.9	3.8	3.8	3.7
Shepperton Town	0.8	0.8	2.2	4.2	4	4.1	4.4	4.3	3.9	4.3	4.3	4.1
Staines	1.6	1.6	2.8	4.6	4.8	4.6	5	5.3	5.4	5.4	5.6	5.9
Staines South	1.8	1.6	3.1	5.6	5.5	5.4	5.6	5.5	5.5	5.4	5.6	5.5
Stanwell North	2.9	2.8	5.1	7.4	7.3	7.6	7.8	7.7	7.7	8.1	8.1	7.9

Fig 9



Source: Nomis January 2021

As can be clearly seen from the above charts, in every case Spelthorne has faired worse than our comparators; even where Great Britain doubled the number of people unemployed, as a result of the impacts of the COVID-19 pandemic, Spelthorne nearly tripled the number from 1.7% to 4.8%. Fig 8 shows the breakdown by ward by percentage of population and this re-enforces the impact of Heathrow on unemployment levels and the reliance upon the airport to provide jobs airside as well as within the supply chain, with Stanwell and Ashford who have the largest numbers within the population working on airport activities with the highest figures. Given the challenge some of the sectors associated with Heathrow it remains a concern as to what the local impact of the ending of furlough will be at the end of September.

Fig 10: Percent estimated to be furloughed

Spelthorne	27%
Woking	26%
Elmbridge	26%
Tandridge	26%
Surrey Heath	25%
Waverley	24%
Runnymede	23%
Guildford	23%
Epsom and Ewell	23%
Mole Valley	23%
Reigate and Banstead	21%

Research carried out by Arup using data from the Wave 4 of the Office of National Statistics (ONS) Business Impact of Coronavirus Survey (20th April 3rd May 2020) which included sector-by-sector breakdown of the proportion of the workforce that has been furloughed. This does not include data from the businesses that have stopped trading. This has then been multiplied by the % of jobs in each sector within each Borough to estimate the overall proportion of the workforce which has been furloughed. It is worth noting that our near neighbours in Feltham have an estimated furlough rate of almost 38% with 23,500 residents. The total for Hounslow is estimated at 42,500, these figures are important as they will also be competing for jobs that would be attractive to Spelthorne residents.

The working population of the borough is 57,700 according to NOMIS and with predicted 27% furloughing means that 15,500 residents were not working and on a reduced income.

Businesses

Fig 11: Elmsleigh Centre Visitor Numbers Week Commencing 16th August Compared to the same period in 2020

`	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total
Last Week 2021 (33)	11,912	12,304	12,973	12,609	13,595	15,792	10,202	89,387
Last Week 2020 (33)	12,493	12,024	12,430	12,537	13,817	17,651	10,887	91,839
Percentage	**-4.7%**	**2.3%**	**4.4%**	**0.6%**	**-1.6%**	**-10.5%**	**-6.3%**	**-2.7%**

Fig 12: Visitor Numbers Week Commencing 16th August Compared to 2019

`	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total
Last Week 2021 (33)	11,912	12,304	12,973	12,609	13,595	15,792	10,202	89,387
Last Week 2019 (33)	18,989	18,888	18,574	19,720	20,848	26,825	16,024	139,868
Percentage	**-37.3%**	**-34.9%**	**-30.2%**	**-36.1%**	**-34.8%**	**-41.1%**	**-36.3%**	**-36.1%**

Retail: Visitor numbers for the week commencing 16th August to the Elmsleigh Centre in Staines-upon-Thames were 89,387 which was up 3.6% on the previous week but down 2.7% compared to the same week in 2020 and down 36.1% compared to 2019.

Year-to-Date there have been 1,883,589 visitors compared to 2,169,910 in 2020, down 13.2% (286,321).

However, the Elmsleigh Centre is still in line with other shopping centres in the area, so whilst numbers are down, the same situation is mirrored in neighbouring areas.

Within the two shopping malls in Staines-upon-Thames, a number of retail outlets have closed, most of which are nationals and therefore closed in many other locations as well, so not a reflection on the vitality of the town centre. This is re-enforced by the volume of new stores that have opened since the pandemic.

Fig 13: Elmsleigh Centre

Unit No.	Store Closing	Date Closed	Store Opening	Date Opened	Comments
105 -111 High Street	M&S Relocation	02.12.2020	Exchanged Contracts with SD		Fit out will commence shortly with target opening date of February 2022
91 High Street	William Hill	30.09.19	Talking Tree	28.10.20	Their closing was not Covid related.
Unit 15-16	Topshop	20.12.20	Blue Inc	19.05.21	Their closing was not Covid related.
Unit 19	Duvet Co (Ponden Home)	19.12.20	Toy Barnhaus	15.03.21	Toys Barnhaus upsized from unit 20.
Unit 20	Toy Barnhaus	15.03.21	Kiddies Heaven	23.08.21	
Unit 35-36	Toys R Us	19.04.18			Unit is too large for some retailers and too small for others, difficult configuration to split.
Unit 37	Cygnet Group (Ernest Jones)	23.03.20	M Bitz	01.12.20	Retained the mall kiosk.
Unit 46	Menkind	03.02.20	Ximi Vouge Life	26.01.21	
Unit 57 - 48	Monsoon	23.03.20	Tesco Express	25.06.21	
MSU 2	Decathlon	23.05.21			Traded poorly pre Covid - in store issues and Brexit.

Fig 14: Two Rivers

Store Closing	**Date Closed**	**Store Opening**	**Date Opened**
Pandora	January 2020	Lidl	June 2020
Carphone Warehouse	March 2020	M&S	December 2020
Limeyard	March 2020	Iceland	February 2019
M & S	December 2020	Pandora	April 2021
Burrells	January 2021	Savers	September 2021
Shoezone	August 2021	Co-op	July 2021

In terms of shops, leisure and hospitality, the town centre is home principally to the larger chains rather than independents. That being said, a handful of closures in the Elmsleigh Shopping Centre both during and pre-pandemic (such as Thomas Cook, Ernest Jones, Topshop, Monsoon, Ponden Home) have created openings for emerging independent retailers such as Ximiso, MBitz and Blue Inc., with other lettings including Tesco Metro which opened in August 2021. Larger store closures in the town centre generally, such as Debenhams and Decathlon, may be regarded as opportunities to reimagine and reinvigorate those two ends of the town centre; whilst the relocation of Marks & Spencer from the High Street to its new premises in Two Rivers facilitated a state of the art fit-out to launch the new M&S Food hall.

The past year, the pandemic era has seen some changes in trends: It is clear that people still have an appetite for shopping as a pastime, and this has been borne out since the release of lockdown. In Elmsleigh, although actual shopper numbers are down compared with 2019, basket-spend over the past month has been on a par with pre-pandemic levels overall, showing that whilst people may be going out less frequently, they are still keen to go out shopping. In the High Street a notable trend is being seen towards increased pavement seating around our hospitality outlets: whilst this clearly arises from the need for social distancing and more space, the positive side impact is that the pavement café trend creating a more vibrant shopping experience for the visitor.

Reference to the impact of on-line trading and the impact upon bricks & mortar locations will be included using data available at a national perspective

Fig 15: Businesses that closed (deaths) and newly formed businesses (births)

	Business Births	Business Deaths	Net New Businesses
Elmbridge	2524	1492	1032
Runnymeade	1652	885	767
Reigate and Banstead	2013	1378	635
Spelthorne	**1461**	**929**	**532**
Waverley	1693	1237	456
Mole Valley	1153	741	412
Woking	1460	1050	410
Tandridge	1322	923	399
Guildford	1748	1372	376
Surrey Heath	1194	878	316
Epsom and Ewell	1025	918	107
Surrey	17245	11803	5442

Source: Fame June 2021

Fig 16: New businesses by town

Business Births	**2019**	**2020**	**2021 up to 27th May**
Shepperton	87	127	60
Ashford	253	369	147
Sunbury	112	156	87
Staines	133	198	81
Total	**585**	**850**	**375**

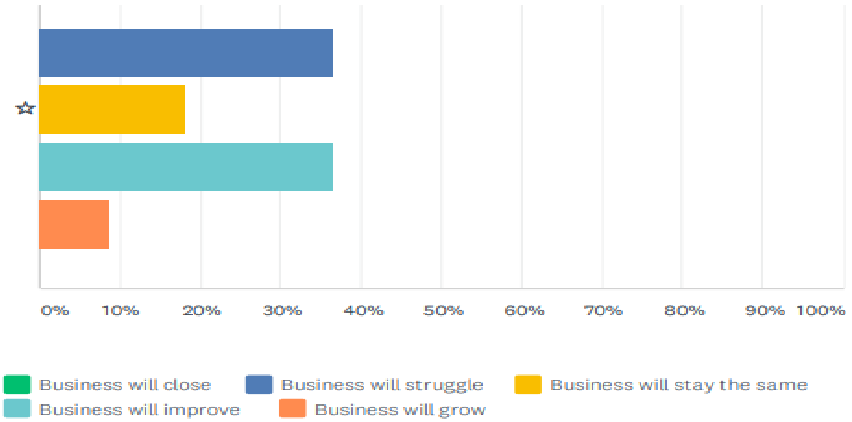
It is hypothesised that due to the increased rate of unemployment due to Covid a large number of people have decided to start their own business. From January 1st to May 27th 2021 1461 businesses started (births) and 929 closed (deaths) resulting in a net increase of 532 businesses. In our four main towns from January 2020 there have been 404 more business births than deaths compared to 63 more deaths than births in 2019.

Fig 17: Businesses that closed by town

Business Deaths	**2019**	**2020**	**2021 up to 27th May**
Shepperton	154	116	61
Ashford	240	221	108
Sunbury	125	104	68
Staines	129	98	45
Total	**648**	**539**	**282**

Fig 18: This tests business owners confidence in the near future by asking “On the basis that all Covid-19 restrictions will have been lifted, what is your level of confidence for your business succeeding over the next 12 months?”

- None said their business will close
- 37% said their business would struggle
- 18% said business would stay the same
- 37% said business would improve
- 9% thought their business would grow

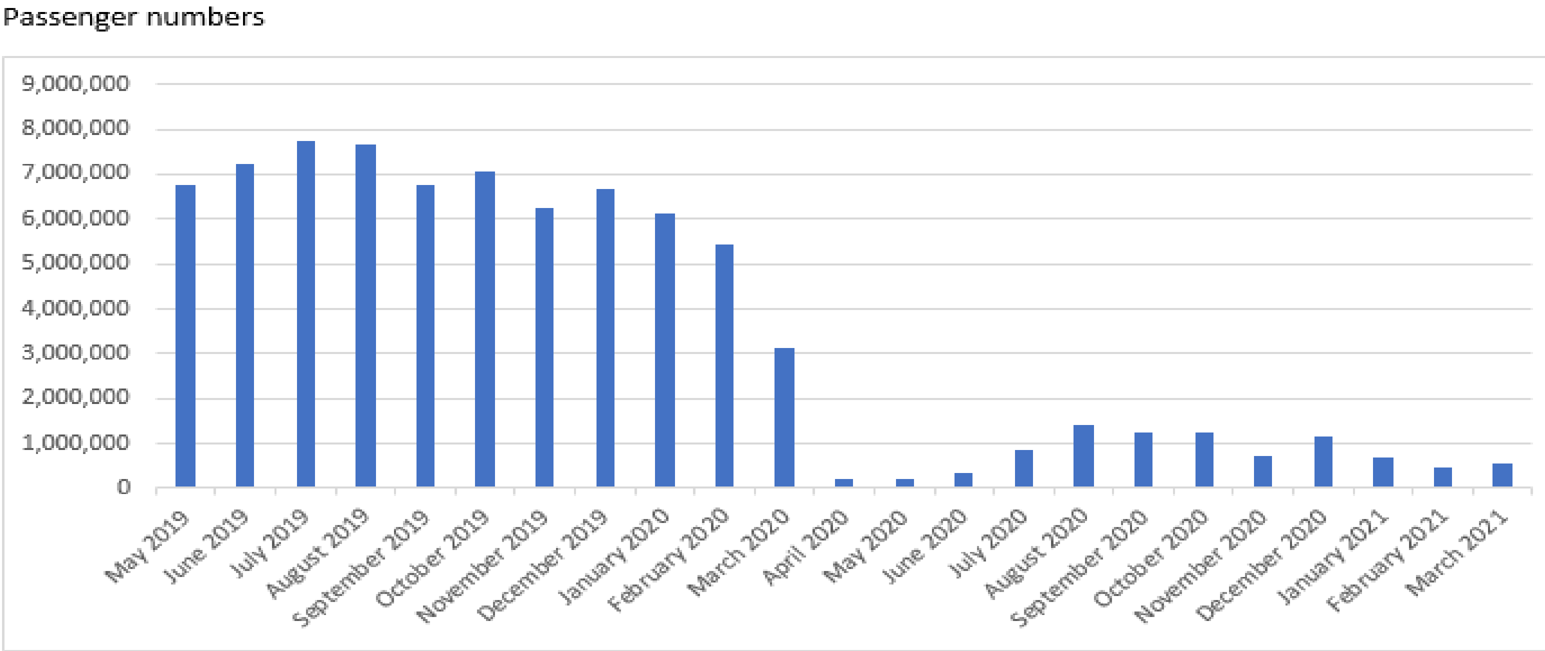


BUSINESS WILL CLOSE	BUSINESS WILL STRUGGLE	BUSINESS WILL STAY THE SAME	BUSINESS WILL IMPROVE	BUSINESS WILL GROW	TOTAL
0.00% 0	36.59% 30	18.29% 15	36.59% 30	8.54% 7	82

Fig 18: Survey with Spelthorne businesses

Given the positive number of additional businesses in the borough compared to before the pandemic and the positive perception in the survey from businesses, this indicates that our strength as a location for businesses has not weakened and there is optimism from the business community for the future. Fig 16 shows new businesses from January 1st 2020 to May 27th 2021. Spelthorne has continued to be a good location to start a business with a net increase of 532 new businesses, the 4th largest net increase in Surrey.

Fig 19: Heathrow:



Source: Heathrow.com traffic statistics April 2021

Heathrow passenger numbers from the first lockdown in March 2020 to December 2020 compared to the same period in 2019 were down 84.9% from 69,547,441 to 10,568,494[1]. Pre pandemic, 5,800 of our residents were in Heathrow related employment 10.6% of the Spelthorne workforce, and the airport as a whole is not expected to return to 2019 levels until 2023 at the earliest. It is estimated that about 45% of our residents working at Heathrow live in Stanwell and Ashford, leaving them more exposed to the volatilities around the aviation industry. This strongly suggests that there should be a focus on recovery activities to support residents in the north of the borough. Any recovery in this sector is likely to take years rather than months unless there is a significant change in circumstances, as the prevalence of new variants is a major threat.

[1] Heathrow January 2021

The desire and posited need for a 3rd runway has not gone away and purely from an economic perspective, if work on the runway does start, this will inevitably bring with it up to 77,000 new jobs[2] and opportunities for local businesses who can be part of that supply chain. If high levels of infections / deaths elsewhere in the world continue**,** this will negatively impact further on passenger travel. Tourism Economics and IATA forecasts for the British air passenger market suggest the volume of passenger flows will return to 2019 levels by 2023[3]

Fig 20: Relative Competitiveness[16]

[2] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/562567/heathrow-north-west-runway-economic-benefits.pdf

[3] file://sbcfr/userfolders$/kmcgro/Documents/Downloads/Impact_of_reduced_activity_at_Heathrow_10th_July_2020.pdf

Authority	2011 UK rank of 379	2020 UK rank of 379	2021 UK rank of 379
Spelthorne	68	60	51
Adjoining authorities:			
Elmbridge	2	7	3
Runnymede	42	32	17
Slough	102	127	127
Windsor & Maidenhead	19	8	18
Hillingdon	144	166	115
Hounslow	163	124	86
Richmond	40	12	7
Surrey authorities:			
Epsom & Ewell	21	4	4
Guildford	16	17	10
Mole Valley	1	9	11
Reigate & Banstead	12	25	19
Surrey Heath	30	18	9
Tandridge	8	22	23
Waverley	4	4	2
Woking	7	6	5

[16] UK Competitiveness Index 2013 & 2019

Fig 20 shows that Spelthorne has continued to become a better place to set up a business since 2011; it also illustrates the strength of Surrey with 5 of the Boroughs in the top 10 most competitive boroughs in the country (compared with 379 others).

<u>Other areas that will be included with the Local Economic Assessment</u>

- A section of the LEA will be dedicated to the examination of the impact of COVID-19 on the local economy, in context with neighbouring authorities as well as on a national scale.
- A new section will provide information in respect of the 'Green Economy', where we are and the opportunities it presents
- business floorspace
- Types and size of businesses in Spelthorne
- New business development with planning permission
- Secondary Town Centres
- Index of Competitiveness
- Population / demographics
- Availability of Employment Space