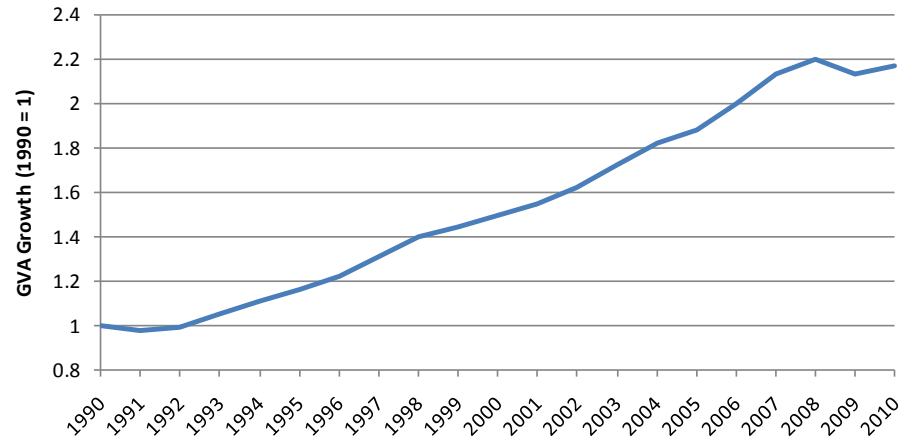


Reigate & Banstead Economic & Business Profile 2011

Output & Productivity

- Levels of output in 2010 as measured by Gross Value Added (GVA) in Reigate & Banstead stand at £3,458 million (Experian, 2010).
- Since 1990, the borough's GVA has shown steady growth, increasing by 117% over the period to 2010.

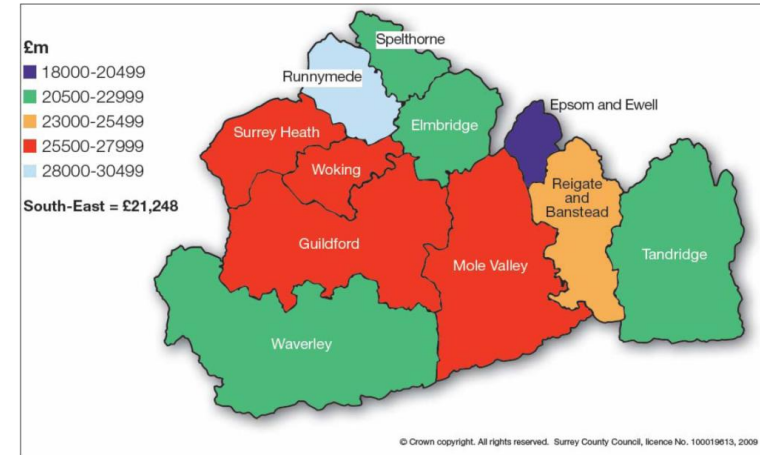
Figure 1: GVA Growth (1990-2010)



Source: Experian, 2010

- Reigate & Banstead has similar levels of productivity to Surrey and the South East region: GVA per employee for Reigate & Banstead was £42,257 compared to £41,293 in Surrey and £43,675 in the South East (Economic Market Assessment, 2006).
- Of the 11 Surrey districts, Reigate & Banstead is 6th in terms of GVA per capita (Surrey LEA, 2010).

Figure 2: Surrey GVA per Capita



Source: Surrey Local Economic Assessment, 2010

Sector Contributions

Table 1: Sectoral GVA

Sector	GVA (£m)	GVA split
Financial & Business Services	1,551.5	48.8%
Other (mainly public) Services	604.7	19.0%
Distribution, Hotels & Catering	485.4	15.3%
Construction	198.2	6.2%
Transport & Communications	119.0	3.7%
Engineering	83.0	2.6%
Other Manufacturing	77.6	2.4%
Mining & Utilities	51.1	1.6%
Metals, Minerals & Chemicals	9.1	0.3%
Agriculture, Forestry & Fishing	2.8	0.1%

Source: Experian, 2010 ©

- Financial & Business Services contributes almost half of the borough's total GVA, significantly more than any other sector.
- The two other key sectors in terms of output are public services and distribution, hotels & catering.

Economic Competitiveness

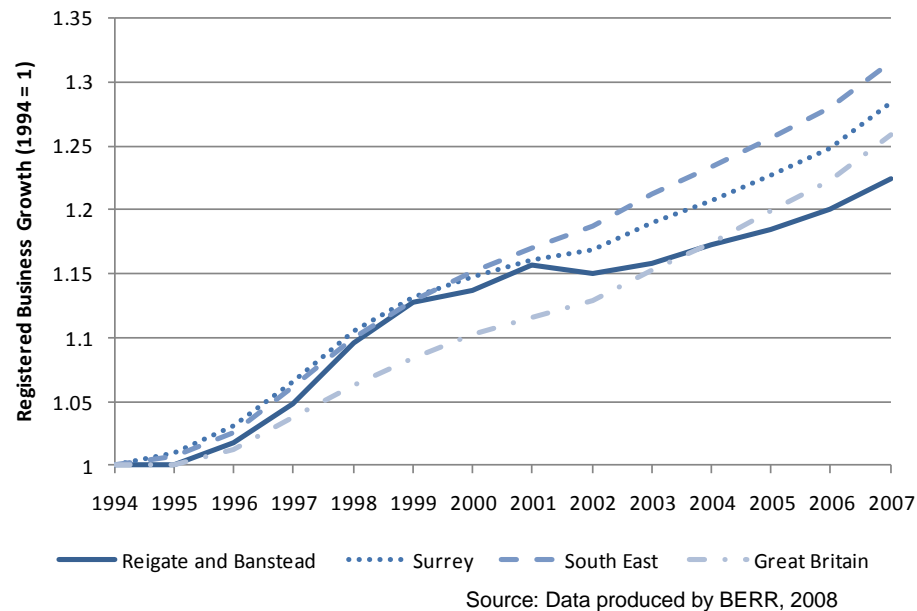
- Reigate & Banstead ranks 37th out of the 379 UK districts and boroughs in the UK Competitiveness Index, up from 38th in 2008: Of the 11 Surrey districts, Reigate & Banstead ranks 8th.

Business Profile

Total Stock Growth

- In 2009, there were 5,695 VAT registered businesses in Reigate & Banstead and 6,670 business units.
- Growth in the number of registered businesses since 1994 is below comparator areas. The number of businesses in the borough grew by 22.5% compared to 28.4% in Surrey and 31.6% across the South East.
- Stock growth in the borough was on a par with comparator areas until 2000/01 but has steadily fallen behind since then.

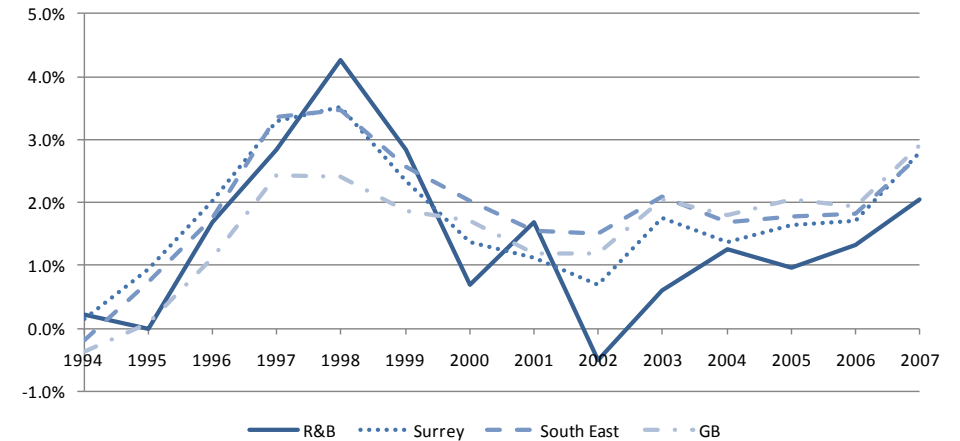
Figure 3: Growth in VAT Registered Businesses (1994-2007)



Annual Change in Stock

- Since 1994, the average annual number of VAT registrations within the borough stands at 486, whilst the corresponding average for de-registrations is 416.
- The borough is performing below comparator areas in terms of start-up rates. The start-up rate in the borough was 2.05% in 2007, compared to 2.80% in Surrey and the South East and 2.90% across Great Britain.

Figure 4: Net Annual Start-Up Rate (1994-2007)



Business Survival Rates

- The borough has relatively strong businesses survival rates, broadly in line with Surrey and the South East and stronger than the Great Britain average.
- Based on business births in 2004, 94.4% were still in existence after one year. The five year survival rate in the borough is 50% compared with 47% across Great Britain.

Table 2: New Business Survival Rate (2004 Births)

	1 Year %	2 Year %	3 Year %	4 Year %	5 Year %
Reigate and Banstead	94.4	81.0	68.3	57.0	49.3
Surrey	94.5	81.2	68.1	58.0	50.8
South East	94.5	80.2	66.9	56.4	48.7
Great Britain	94.2	78.7	65.2	54.6	46.7

Source: ONS, 2009

Small Business Growth

- Between 2007 and 2008, small businesses in Reigate & Banstead grew at a slower rate than most comparator districts within Surrey.
- Of the total number of businesses with less than 50 employees, 12.2% showed an increase in employment during the period, whilst the Surrey average was 13.3% and the Great Britain average was 14.4%.

Table 3: Small Business Employment Growth

Area	Businesses with <50 employees (2007)	Number showing employment increase (2008)	% showing employment increase
Great Britain	1,937,410	278,020	14.4
South East	322,375	43,870	13.6
Surrey	51,145	6,820	13.3
Reigate & Banstead	5,465	665	12.2

Source: ONS, 2009

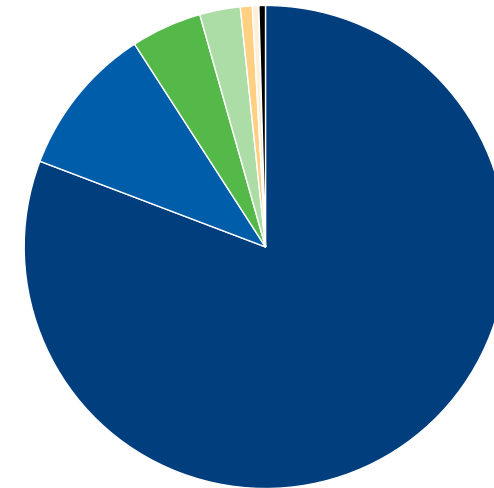
Stock Composition

Business Size

- Micro businesses (1-9 employees) make up 91% of the total number of VAT registered businesses within the borough, slightly higher than the corresponding figure for Surrey (88.2%).
- Only 1.2% of the borough's businesses are classed as medium sized (50-249 employees) compared to 2.3% in Surrey.
- The key major employers within the borough include:

- Toyota
- AXA Insurance
- Esure
- Pfizer
- Legal & General
- Kimberley Clark
- Watson Wyatt
- Balfour Beatty
- Canon
- Osborne

Figure 5: Stock Breakdown by Employee Numbers



■ 0-4 ■ 5-9 ■ 10-19 ■ 20-49 ■ 50-99 ■ 100-249 ■ 250+

	0-4	5-9	10-19	20-49	50-99	100-249	250+
Number	4600	575	270	155	45	25	25
%	80.8	10.1	4.7	2.7	0.8	0.4	0.4

Source: ABI, 2009

Business Turnover & Age

- 72% of businesses in the borough have an annual turnover of less than £250,000, slightly higher than Surrey average (70.5%), reflecting the high proportion of small businesses in the borough.
- More than 40% of businesses in the borough have been in existence for more than 10 years.

Table 4: Stock Breakdown by Annual Turnover

(£ thou)	0-49	50-99	100-249	250-499	500-999	1,000-4,999	5,000+
Number	955	1465	1685	665	425	370	130
%	16.8%	25.7%	29.6%	11.7%	7.5%	6.5%	2.3%

Source: ABI, 2009

Table 5: Stock Breakdown by Age

	< 2 years	2-3 years	4-9 years	10+ years
Number	970	915	1510	2300
%	17.0%	16.1%	26.5%	40.4%

Source: ABI, 2009

Sectoral Breakdown

- The Financial & Business Services sector is the largest employer within Reigate & Banstead, accounting for 33% of full time equivalent (FTE) employment.
- Public services provides 29% of FTE employment within the borough whilst Distribution, Hotel & Catering accounts for 20%.
- Of the three key sectors, the Financial & Business Services sector exhibits the highest levels of productivity, contributing more output compared to number of jobs.

Table 6: Employment Breakdown by Sector

Sector	Employment split (FTE)
Financial & Business Services	33.4%
Other (mainly public) Services	28.8%
Distribution, Hotels & Catering	19.8%
Construction	9.0%
Transport & Communications	3.4%
Engineering	2.3%
Other Manufacturing	2.0%
Mining & Utilities	0.8%
Agriculture, Forestry & Fishing	0.4%
Metals, Minerals & Chemicals	0.3%

Source: Experian, 2010 ©

- In terms of number of registered businesses, the three largest sectors (UKSIC 2007) are:
 - Professional, scientific & technical: 1,120
 - Construction: 880
 - Business administration and support services: 540

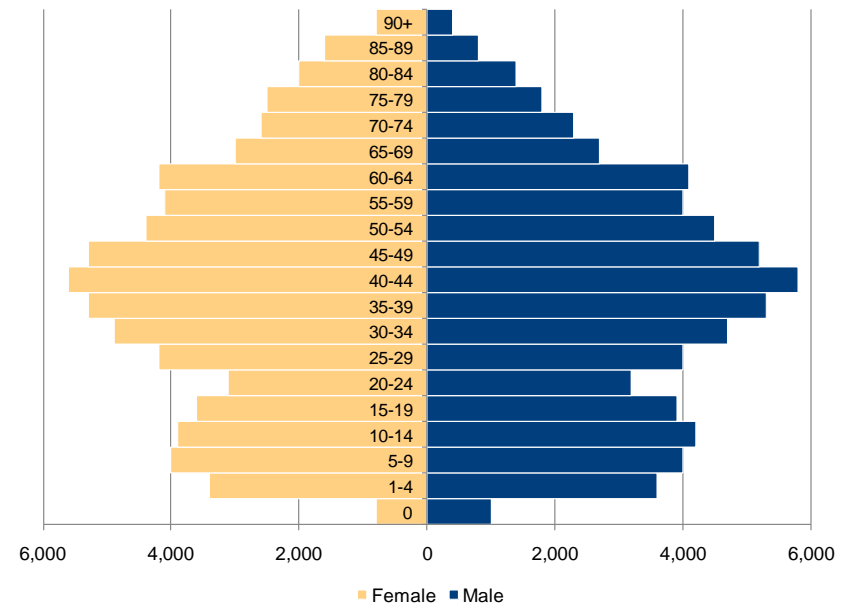
- Comparing this to sectoral employment, it becomes evident that the borough's construction sector is dominated by smaller businesses as whilst only 9% of FTE employment is within this sector, it accounts for 15% of businesses.

Labour Market

Population & Projected Growth

- The population of Reigate & Banstead is 136,100 (ONS mid year estimate, 2009)
- The borough has seen a high rate of population growth of 7.4% between 2001 and 2009 compared to the Surrey average of 5.0%.

Figure 6: Borough Population Structure



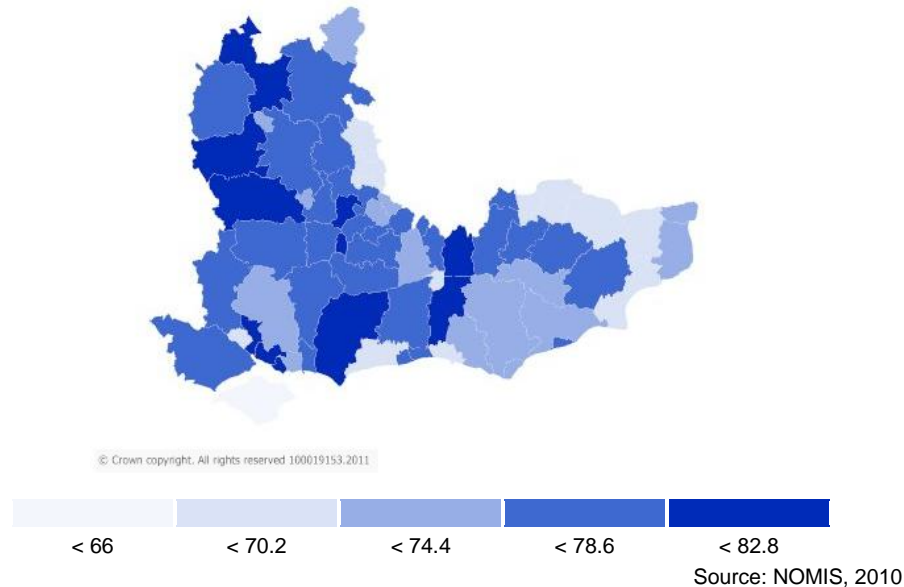
Source: ONS, 2010

- The population of Reigate & Banstead is projected to grow by more than 25% between 2010 and 2033 with significant growth in the older population.

Economic Activity & Employment Rates

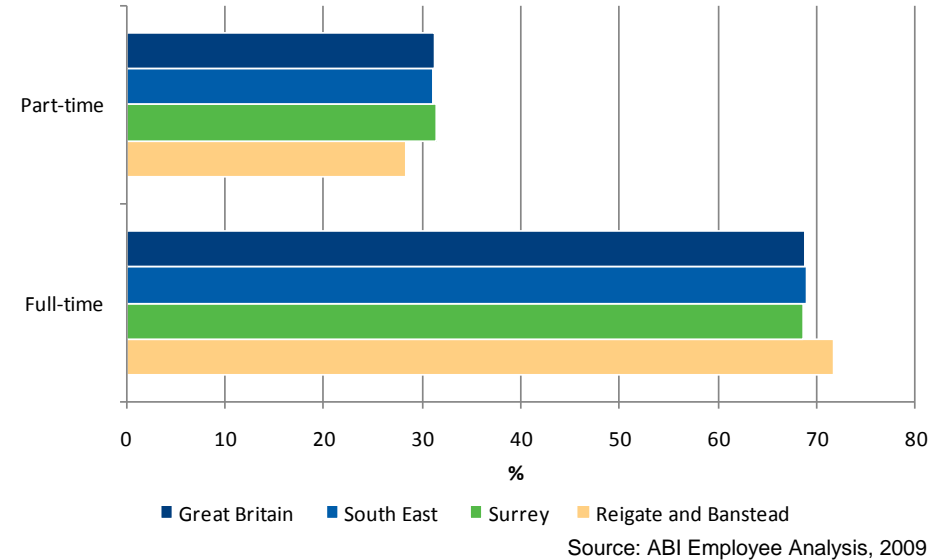
- 79% of the working age population in Reigate & Banstead are economically active, similar to both the county and regional picture.
- The employment rate in the borough, at 74.9% is slightly lower than Surrey (75.6%) but significantly exceeds the national average of 70.4%.

Figure 7: South East Region Employment Rates



- The borough has higher levels of full time employment than comparator areas with 71.7% of residents in full time employment.

Figure 8: Full-time and Part-time Employment

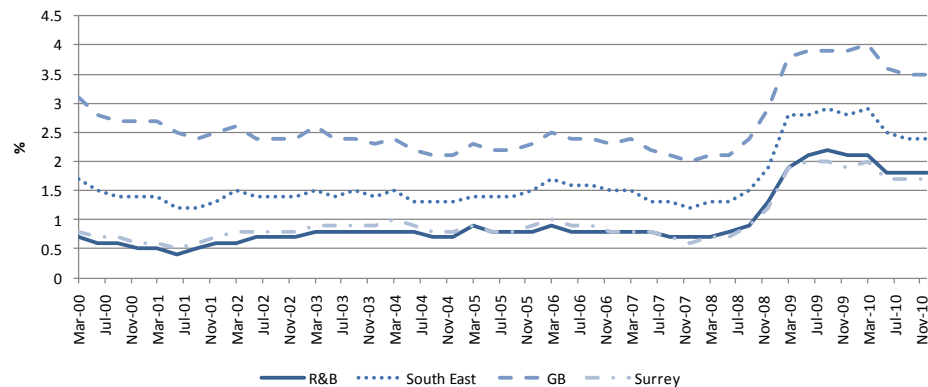


- Reigate & Banstead also has high levels of self-employment – 12.3% of residents are self-employed; largely in line with the Surrey average but significantly above that across the South East (10.3%).
- The proportion of self employed residents has shown a large increase since 2008-09, rising from 7.7% to the current level of 12.3% in mid 2010.

Job Seekers Allowance (JSA) Claimant Rate

- In December 2010, the number of people claiming JSA stood at 1,571, of which 64% were male.
- The claimant rate, at 1.8%, was similar to that of Surrey but significantly lower than both the South East and Great Britain averages.
- Reigate & Banstead saw a steep rise in JSA claimant rate in 2008, largely corresponding with the impact of the recession. However, by and large, the borough has not experienced a disproportionate rise compared to the rest of the county.

Figure 8: JSA Claimant Rate (Mar 2000 – Aug 2010)

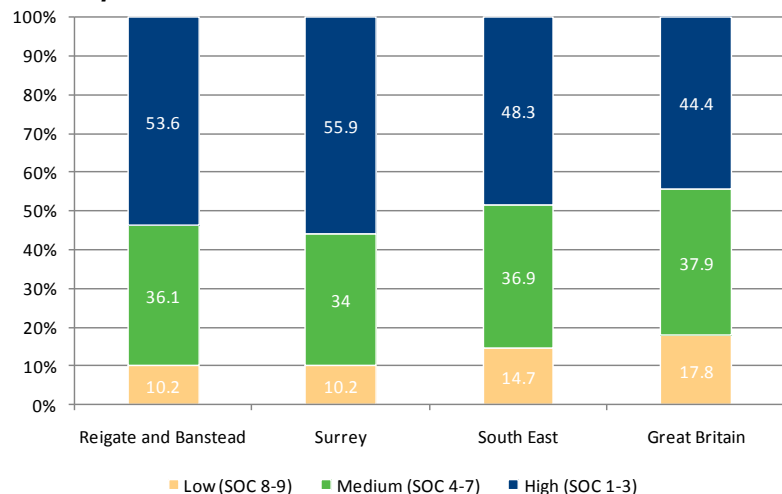


Source: DWP, 2010

Occupation & Skills Level

- The borough has a high proportion of residents employed in high level occupations, with more than 53% employed in management and professional occupations (SOC 2000 groups 1-3) compared to 48% across the South East and 44% across Great Britain.
- Levels of residents engaged in low skilled occupations are in line with the average across Surrey.

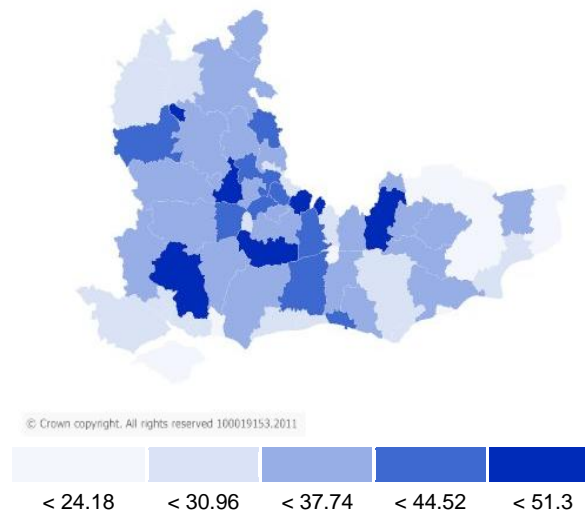
Figure 9: Occupational Level



Source: ONS Annual Population Survey, 2009

- Reigate & Banstead residents have typically lower skills than surrounding districts.
- Whilst 30.4% of the borough's working age population have qualifications at NVQ Level 4 or above, compared to 39.3% across Surrey, 9.4% of the borough's residents have no qualifications, with the corresponding figure for Surrey being significantly lower at 7.8%.

Figure 10: Percentage of Residents Qualified to NVQ 4+



Earnings

- The average weekly workplace earnings per person in Reigate & Banstead are £562.
- Workplace earnings in the borough are similar to those observed throughout Surrey but 7% and 12% higher than the South East and Great Britain averages respectively.
- At £650, residence earnings in Reigate & Banstead are far greater than workplace earnings and are higher than the Surrey average, reflecting the high levels of out commuting, particularly to Central London.

Table 7: Median Weekly Earnings

Area	Workplace based weekly earnings	Residence based weekly earnings
Reigate & Banstead	£561.6	£649.4
Surrey	£564.8	£630.1
South East	£523.7	£547.8
Great Britain	£500.4	£501.8

Source: ASHE, 2010

Travel to Work Flows & Containment

- Reigate & Banstead is a net exporter of labour with 27,228 people commuting into the borough and 33,220 residents commuting out.
- In terms of employment self-containment, 30,653 people live and work in the borough, equating to a self-containment rate of 48%.
- The key destinations for out-commuting residents are London (Inner & Outer – 10,600) and Crawley (5,200). 54% of out-commuters work within one of the neighbouring six boroughs.
- The largest net losses via out-commuting are of Manager & Senior Official grade (-2,384), followed by those in Professional Occupations (-1,162).
- In 2008, 2.9% of the borough's economically active residents worked at Gatwick airport, down from 4.6% in 1997 (West Sussex County Council, 2010)
- Horley is the second biggest contributor of employment at Gatwick airport behind Crawley (Gatwick Airport Employment Survey, 2008).

Table 8: Travel to Work Flows (To/From Reigate & Banstead)

	In	Out	Net
Tandridge	3466	1833	1633
Epsom & Ewell	1141	2374	-1233
Mole Valley	2220	3174	-954
Rest of Surrey	1396	1764	-368
Crawley	2750	5214	-2464
Sutton	2906	2760	146
Croydon	2580	2590	-10
Other Outer London	2102	3493	-1391
Inner London	1026	7111	-6085
Other Areas	7641	2908	4733

Source: Census, 2001

Commercial Property Market

Commercial Stock

- Office provision in the borough is concentrated predominantly in the towns of Redhill & Reigate.
- The majority of industrial floorspace is located in Redhill and Salfords.

Table 9: RBBC Commercial Property Stock

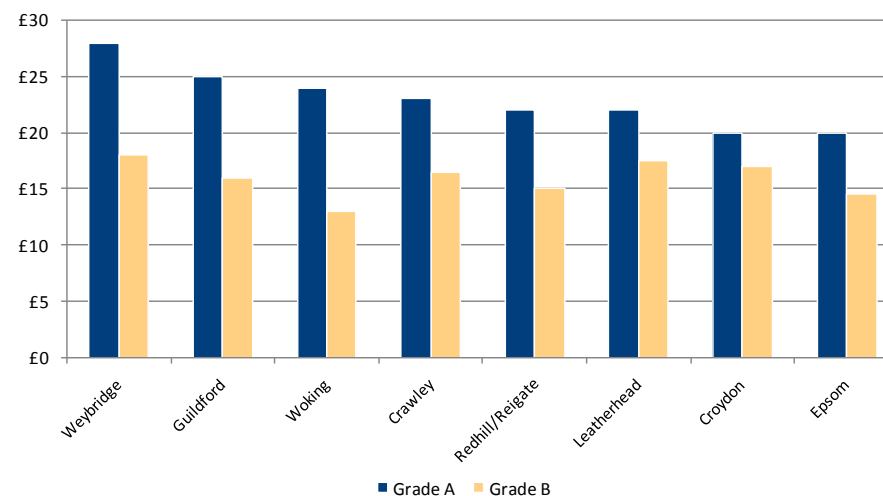
	Premises (DCLG)	Premises (R & B NDR)	Floorspace (sqm)
Retail	1,141	1,242	176,000
Office	877	845	336,000
Industrial	339	327	135,000
Warehouse	366	344	209,000

Source: DCLG, 2009/RBBC, 2010

Rental Market

- Office rent in Redhill & Reigate is more affordable than competing centres.
- Grade A office accommodation currently achieves £22.00 per sqft, a 4.3% decrease over the past year. Grade B space achieves in the region of £15.00 per sqft.
- Prime industrial rents in the borough stand at £8.00 per sqft.

Figure 12: Office Rent – Competing Centre Comparison



Source: Colliers CRE, 2010