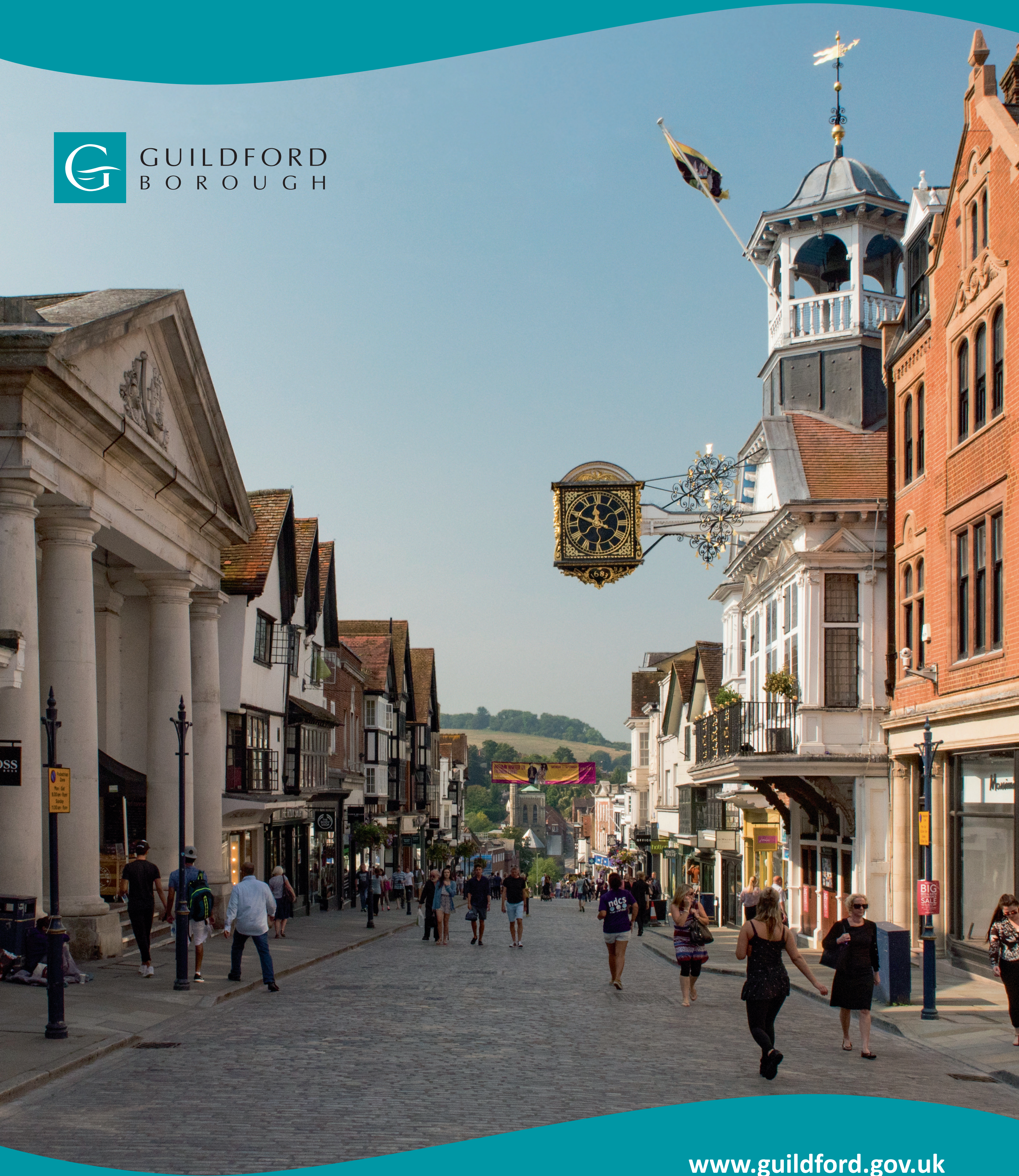
Guildford Economic Report

2018



GUILDFORD
BOROUGH

www.guildford.gov.uk

Executive Summary

Guildford's economy continues to grow at a steady rate and for the latest figures available in 2016 had a total GVA* per head of over £5.5bn making it one of the largest economies in the Enterprise M3 area. The total GVA per head* was £36,165 which is slightly higher than the Surrey average (Winchester was higher in the peer group). Overall there are signs of a slowing in economic growth in Surrey, particularly in the East of the county.

Guildford was number 9 (having been No 6) in the UK in the influential **Lambert Smith Hampton Economic Vitality Index** that examines 20 datasets based on six key themes:

- Most educated
- Most entrepreneurial
- Growing Affluence
- Most Productive
- Fastest growing
- Greenest
  (Measures are CO2 emissions per capita, recycling rates and energy per capita consumption. Bournemouth has the number one slot)

Grant Thornton Vitality Index:

This is a similar index, but includes a wider set of indices including community trust and belonging and health & wellbeing. Guildford has been identified as No 20 in England.

Some of the key highlights of the economic performance in 2018 are highlighted below, and we have included figures for the other key economic centres in the wider economic area:

- **Ericsson** who have had a presence in Guildford for over 30 years relocated to Reading in December 2018. **Sanofi Pasteur** have also indicated their intention to relocate to the Thames Valley in late 2019.

- GBC has enjoyed good relationships with both businesses and their reasons for moving were not linked to Guildford as an operating environment, but the sectors they are in are changing with the need to be nearer to their clients, although supply of adequate future talent pool was an important consideration in their decision. A number of other boroughs have experienced either relocations (such as Canon UK's recent decision to move to Uxbridge from Reigate) or significant downsizing in office space.

- Despite those losses, there was an overall growth in businesses with over 250 employees, (see page 4) and in particular was the welcome news that WSP, the Canadian engineering company re-located to Cross Lanes at London Road bringing together legacy offices from Woking and Godalming.

- Guildford has seen a rise in the number of self-employed, but overall the number of jobs declined in the Borough by -3.4% or 2, 750 jobs (although the drop was not as high as that in Woking). Research done by Surrey County Council identified the loss of 18,000 (often highly skilled jobs) between 2016-2017. However, Guildford has recorded a total of 19 new company arrivals in the same period which is one of the best in Surrey.

*GUA or Gross Value Added is a measure of the value of goods and services produced in the economy.

- Guildford continues to produce a good steady flow of new start-up companies, and the businesses tend to be higher growth than the peer group. However, it is noted that Winchester performed very well in the period with strong growth in microbusinesses. It is worth seeing what factors are at play here. One trend of concern is a worsening survival rates than previous years. This might be a reflection of the entrepreneurial environment in the Borough where failure might be more frequent, but the causes of this trend need to be investigated. They could be Brexit related.
- **Tourism performance** - Although there has been a drop in the value of the tourist economy and the number of jobs supported by the sector, Guildford actually performed better than other centres in the South East.
- Retail although still under pressure is still performing relatively well compared to other centres in the South East with a rising trend in footfall. However, the overall number of retail enterprises by volume decreased in the period.

Strategic Context and the Economy

Our Existing Economic Strategy 2013-2031 has as its principle priorities: Leadership, Infrastructure, Enterprise, Innovation and Skills and was established to mirror that of the Strategic Economic Plan of the Enterprise M3 LEP. Our focus in Economic Development to support the economy has been through:

- Corporate Engagement and inward investment
- Business support programmes such as our free business advice service 'Guildford Business Growth', the Set Squared Digital economy programme and GBC business grants
- Developing economic business cases for LEP growth deals
- Town Centre Management and supporting the retail sector with partners Experience Guildford
- Developing our Rural economy
- Publishing our Innovation Strategy with a focus on SMART Infrastructure

The Government also recently published the National Industrial Strategy with a particular focus on productivity and inclusive growth (shared prosperity) and has identified five key pillars to drive up productivity in the UK economy namely:

1 Increasing operational efficiency
2 Reducing costs
3 Enhancing the effectiveness of the workforce
4 Support innovation
5 Developing new business models

The LEP are now in the process of developing their own Local Industrial Strategy which currently has the following priorities areas:

- 5G Region
- Connectivity and Mobility
- Heathrow Gateway Region
- Clean Growth/energy
- People
- Housing
- Towns
- Smart sectors
- Exporting

The Council will look closely at these areas some of which are already being adopted as priorities. A key feature of future economic development will be working at "scale" and through cross border working. Surrey through the Surrey Futures Group, has produced a Surrey Place Narrative that can be used as a strategic tool to attract investment and supporting funding bids to Government. It also helps, to identity sustainable growth opportunities, longer term.

1.1 Enterprises by Employment Size Band Guildford, 2018

Employment Size Band	No.	% Total	Change 2017-18	% Change
Guildford				
Micro (0 To 9)	6,680	89.8%	-10	0.1%
Small (10 To 49)	605	8.1%	0	0.0%
Medium (50 To 249)	120	1.6%	0	0.0%
Large (250+)	30	0.4%	5	20.0%
Total	**7,435**	**100%**	**-5**	**-0.1%**
Basingstoke & Deane				
Micro (0 To 9)	7,010	90.9%	15	0.2%
Small (10 To 49)	555	7.2%	-5	-0.9%
Medium (50 To 249)	105	1.4%	0	0.0%
Large (250+)	40	0.5%	0	0.0%
Total	**7,710**	**100.0%**	**10**	**0.1%**
Rushmoor				
Micro (0 To 9)	2880	86.0%	-60	-2%
Small (10 To 49)	365	11%	25	7%
Medium (50 To 249)	75	2%	5	7%
Large (250+)	20	1%	0	0%
Total	**3,340**	**100.0%**	**-30**	**-1%**
Winchester				
Micro (0 To 9)	6,585	85.0%	120	1.9%
Small (10 To 49)	1,020	13.2%	90	9.7%
Medium (50 To 249)	120	1.5%	10	9.1%
Large (250+)	25	0.3%	-5	-16.7%
Total	**7,745**	**100.0%**	**210**	**2.8%**
Woking				
Micro (0 To 9)	4,575	90.4%	-15	-0.3%
Small (10 To 49)	380	7.5%	-10	-2.6%
Medium (50 To 249)	85	1.7%	-5	5.6%
Large (250+)	25	0.5%	0	0.0%
Total	**5,060**	**100%**	**-30**	**-0.6%**

Source: UK Business Counts - Enterprises

Note: All figures are rounded ONS to avoid disclosure. Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.

1.2 Businesses Units by Sector 2017

Sector	Guildford		Basingstoke & Deane		Rushmoor		Winchester		Woking	
	No. Enterprises 2018	Changes 2017-18	No. Enterprises 2018	Changes 2017-18	No. Enterprises 2018	Changes 2017-18	No. Enterprises 2018	Changes 2017-18	No. Enterprises 2018	Changes 2017-18
1: Agriculture, forestry & fishing (A)	135	-5	290	-10	10	0	435	0	30	-5
2: Mining, quarrying & utilities (B,D and E)	40	5	20	5	20	0	25	10	5	0
3: Manufacturing (C)	230	5	345	20	195	10	310	-5	205	-5
4: Construction (F)	875	25	950	-45	505	15	775	-15	465	0
5: Motor trades (Part G)	160	10	205	0	120	5	160	-10	120	5
6: Wholesale (Part G)	260	5	280	10	105	-10	225	10	180	-5
7: Retail (Part G)	360	-15	325	-10	220	-5	1,185	-175	245	5
8: Transport & storage (inc postal) (H)	105	10	245	15	120	-5	130	5	110	5
9: Accomodation & food services (I)	240	0	245	-10	160	0	265	-10	205	-5
10: Information & communication (J)	995	-40	1,205	-10	455	0	680	5	880	20
11: Financial & insurance (K)	165	5	150	0	60	0	145	-15	105	5
12: Property (L)	300	-30	205	-5	85	0	290	-10	140	0
13: Professional, scientific & technical (M)	1,945	-5	1,695	25	625	-10	1,690	20	1,315	5
14: Business administration & support services (N)	675	0	670	-5	310	-30	595	-20	560	-15
15: Public administration & defence (O)	20	0	40	-5	5	0	30	-5	0	0
16: Education (P)	155	-5	135	0	60	0	145	0	80	5
17: Health (Q)	270	15	265	15	110	-10	255	-5	190	10
18: Arts, entertainment, recreation & other services (R,S, T and U)	530	0	445	-5	185	5	410	5	330	-5
Column total	7,435	-5	7,710	10	3340	30	7,745	210	5,060	-30

Source: Uk Business Counts - Enterprises

Note: All figures are rounded ONS to avoid disclosure. Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.

1.3 Births and Deaths of Guildford Enterprises 2015 to 2017

	2015	2016	2017
Guildford			
Births of New Enterprises	970	995	895
Deaths of Enterprises	755	780	850
Births less Deaths	**215**	**215**	**45**
Basingstoke & Deane			
Births of New Enterprises	1,055	1,030	915
Deaths of Enterprises	755	815	810
Births less Deaths	**300**	**215**	**105**
Rushmoor			
Births of New Enterprises	500	515	420
Deaths of Enterprises	325	345	415
Births less Deaths	**175**	**170**	**5**
Winchester			
Births of New Enterprises	900	920	830
Deaths of Enterprises	665	765	755
Births less Deaths	**235**	**155**	**75**
Woking			
Births of New Enterprises	760	830	695
Deaths of Enterprises	600	585	650
Births less Deaths	**160**	**245**	**45**

Source: ONS Business Demography

1.4 Business Survival Rates

	Births in 2012	1-year per cent	2-year per cent	3-year per cent	4-year per cent	5-year per cent
Guildford	785	90.4	74.5	62.4	53.5	45.2
Basingstoke and Deane	775	94.2	76.8	63.9	56.1	48.4
Rushmoor	325	92.3	72.3	56.9	47.7	43.1
Winchester	650	91.5	76.9	64.6	56.2	47.7
Woking	565	90.3	72.6	57.5	47.8	42.5

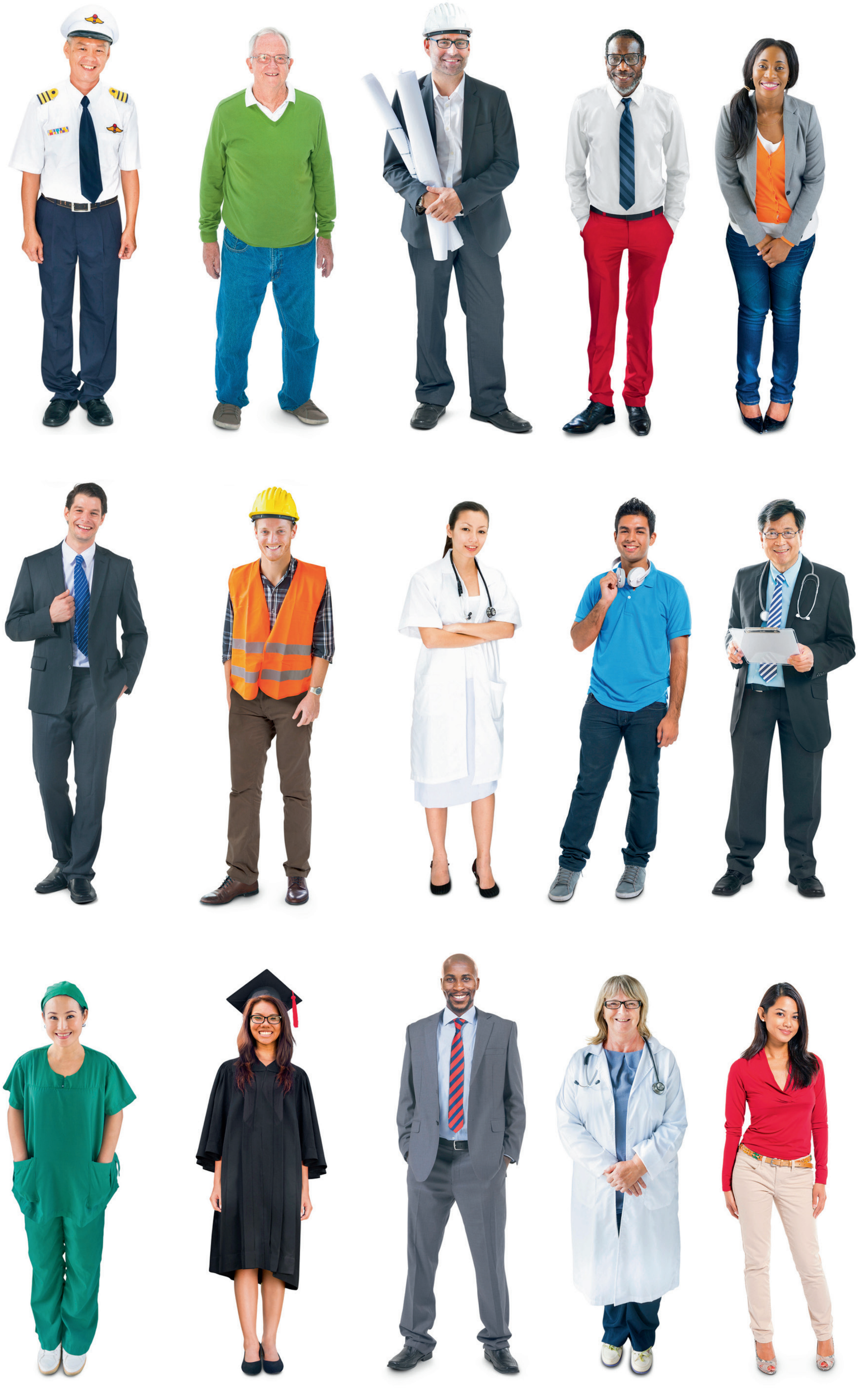
Source: ONS Business Demography

2. Employment

Employment by Industry Sector, 2017

	Guildford			Basingstoke & Deane			Rushmoor			Winchester			Woking		
Industry	2017	Change 2016-17	% Change	2017	Change 2016-17	% Change	2017	Change 2016-17	% Change	2017	Change 2016-17	% Change	2017	Change 2016-17	% Change
Agriculture, forestry & fishing	300	100	50.0%	700	200	40.0%	35	35	0	800	200	33.3%	75	60	400.0%
Mining, quarrying &utilities	600	-100	-14.3%	1,750	500	40.0%	800	350	77.8%	400	-100	-20.0%	20	-30	-60.0%
Manufacturing	3,500	-1,000	-22.2%	6,000	0	0.0%	3,000	0	0.0%	40,000	0	0.0%	4,000	0	0.0%
Construction	3,500	0	0.0%	6,000	1,000	20.0%	2,250	500	28.6%	4,500	500	12.5%	2,500	250	11.1%
Motor trades	2,000	250	14.3%	1,500	0	0.0%	1,500	250	20.0%	1,250	0	0.0%	700	0	0.0%
Wholesale	4,000	0	0.0%	6,000	-2,000	-25.0%	1,500	-250	-14.3%	2,500	-500	-16.7%	1,500	-250	-14.3%
Retail	7,000	0	0.0%	8,000	0	0.0%	4,000	0	0.0%	9,000	1,000	12.5%	4,000	-500	-11.1%
Transport & storage (inc postal)	1,500	-1,000	-40.0%	3,000	0	0.0%	1,500	-250	-14.3%	3,000	0	0.0%	1,500	-250	-14.3%
Accomodation & food services	6,000	1,000	20.0%	4,500	500	12.5%	3,000	0	0.0%	6,000	0	0.0%	3,500	500	16.7%
Information & communication	4,500	0	0.0%	5,000	0	0.0%	7,000	0	0.0%	6,000	0	0.0%	4,500	-500	-10.0%
Financial & insurance	2,500	0	0.0%	2,250	250	12.5%	1,000	-1,000	-40.0%	3,000	0	0.0%	700	100	16.7%
Property	1,000	-500	-33.3%	1,000	-500	-33.3%	900	-100	-10.0%	1,250	-250	-16.7%	700	-100	-12.5%
Professional, scientific & technical	9,000	-2,000	-18.2%	6,000	-1,000	-14.3%	5,000	-1,000	-16.7%	5,000	-3,000	-37.5%	6,000	-1,000	-14.3%
Business administration & support services	4,000	-500	-11.1%	7,000	-1,000	-12.5%	6,000	0	0.0%	7,000	1,000	16.7%	3,500	-500	-12.5%
Public administration & defence	4,000	0	0.0%	1,750	0	0.0%	1,250	0	0.0%	3,000	-500	-14.3%	1,000	0	0.0%
Education	9,000	0	0.0%	7,000	0	0.0%	3,500	0	0.0%	7,000	0	0.0%	3,000	-500	-14.3%
Health	10,000	1,000	11.1%	10,000	0	0.0%	3,500	0	0.0%	14,000	0	0.0%	4,500	0	0.0%
Arts, entertainment, recreation & other services	5,000	0	0.0%	4.500	-500	-10.0%	2,000	250	14.3%	4,000	1,000	33.3%	4,000	0	0.0%
Column total	78,000	-2,750	-3.4%	82,000	-2,550	-3.1%	49,000	-1,215	-2.5%	82,000	-650	-0.8%	46,000	-2,720	-5.7%

Source: Business Register and Employment Survey



3.1 Population 2017

	Guildford	Basingstoke & Deane	Rushmoor	Winchester	Woking
All People	147,800	175,300	95,800	123,900	101,000
People Aged 16-64 %	65.8	62.9	65.9	60.7	62.0

Source: ONS Population Estimates

3.2 Economic Activity, Jan 2018 - Dec 2018

	Guildford	Guildford	Basingstoke & Deane	Rushmoor	Winchester	Woking
	No.	%	%	%	%	%
Economically Active †	78,700	77.5	87.5	87.1	85.3	87.0
In Employment †	75,300	73.9	87.5	84.2	82.1	86.2
Employees †	59,400	60.4	80.7	75.5	69.1	72.1
Self Employed †	15,900	13.5	6.3	8.7	12.1	13.0
Unemployed (Model Based)	2,100	2.8	2.4	2.7	2.6	2.4

Source: ONS Annual Population Survey

Numbers are for those aged 16 and over, % are for those aged 16-64

3.3 Economic Inactivity, Jan 2018 - Dec 2018

	Guildford (No.)	Guildford (%)	Basingstoke & Deane (%)	Rushmoor (%)	Winchester (%)	Woking (%)
All People						
Total	21,000	22.5	12.5	12.9	14.7	13.0
Wants A Job	#	#	#	#	#	#
Does Not Want A Job	16,400	75.2	74.8	76.1	77.9	87.8

Source: ONS Annual Population Survey

Numbers and % are for those of 16+: % is a proportion of all persons in employment

3.4 Occupational Structure, Residents, Jan 2018 - Dec 2018

	Guildford	Guildford	Basingstoke & Deane	Winchester	Rushmoor	Woking
	(No.)	(%)	(%)	(%)	(%)	(%)
Soc 2010 Major Group 1-3	35,300	46.9	56.6	50.7	52.0	50.7
1 Managers, Directors and Senior Officials	8,900	11.9	10.0	15.1	15.3	14.7
2 Professional Occupations	18,700	24.8	27.4	21.8	19.8	24.0
3 Associated Professional & Technical	7,700	10.2	19.2	13.7	16.9	12.0
Soc 2010 Major Group 4-5	15,400	20.4	20.4	22.9	25.4	18.3
4 Administrative & Secretarial	7,700	10.3	11.0	11.7	13.4	#
5 Skilled Trades Occupations	7,600	10.1	9.4	11.1	12.0	#
Soc 2010 Major Group 6-7	15,000	19.9	11.6	15.9	10.5	25..0
6 Caring, Leisure and Other Services	9,300	12.3	4.9	7.7	#	12.6
7 Sales and Customer Service Occs	#	#	6.7	#	#	12.4
Soc 2010 Major Group 8-9	9,600	12.7	11.4	10.6	12.0	#
8 Process Plant & Machine Operatives	#	#	#	#	#	#
9 Elementary Occupations	#	#	6.7	#	9.7	#

Source: ONS Annual Population Survey

Sample size too small for reliable estimate (see definitions)
Numbers and % are for those of 16+: % is a proportion of all persons in employment.

3.5 Qualification Levels, Guildford Residents, Jan 2018 - Dec 2018

Qualifications (January 2016 - December 2016)	Guildford	Guildford	Basingstoke & Deane	Winchester	Rushmoor	Woking
	(Level)	(%)	(%)	(%)	(%)	(%)
NVQ4 and Above	40,400	42.2	37.5	37.7	47.6	55.6
NVQ3 and Above	61,600	64.3	61.7	59.6	71.0	69.5
NVQ2 and Above	76,700	80.1	80.7	79.3	85.1	84.6
NVQ1 and Above	87,600	91.5	91.7	86.6	94.1	91.9
Other Qualifications	#	#	5.7	#	#	#
No Qualifications	#	#	#	10.0	#	#

Source: ONS Annual Population Survey

Sample size too small for reliable estimate (see definitions)
Numbers and % are for those of aged 16-64; % is a proportion of resident population of area aged 16-64

4.1 Average Earnings, Guildford 2018

Average Gross Pay, Full Time Workers	Guildford	Basingstoke & Deane	Rushmoor	Winchester	Woking
Residents Analysis	**£**	**£**	**£**	**£**	**£**
Weekly Pay - Gross	723.3	682.9	609.1	723.6	684.3

Source: ONS Annual Survey of Hours and Earnings - Workplace Analysis

4.2 Gross Value Added (GVA)

	2012	2013	2014	2015	2016
GVA Total £m	**£m**	**£m**	**£m**	**£m**	**£m**
Guildford	4,798	4,964	5,303	5,243	5,505
Basingstoke & Deane	4,668	5,198	5,208	5,123	5,155
Rushmoor	2,682	2,679	2,971	3,101	3,097
Winchester	4,049	4,267	4,453	4,706	4,844
Woking	3,021	3,063	3,419	3,149	3,247
GVA £ per head	£s	£s	£s	£s	£s
Guildford	34,340	35,206	37,098	35,890	37,193
Basingstoke & Deane	27,377	30,206	30,543	29,469	29,525
Rushmoor	28,265	28,208	31,180	35,528	32,147
Winchester	34,398	36,081	37,355	38,989	39,714
Woking	30,400	30,765	34,388	31,669	32,564

Source: Regional Gross Value Added (Balanced) by Local Authority in the UK, Regional Accounts, Office for National Statistics

5.1 Vacant Office Floorspace, Guildford

	Guildford
	Sq ft
Take up 2018	56,000
Take up Q1 2019	21,000
Office availability Q1 2019	390,000
Of which:	
Grade A Stock	316,000
Office space under construction Q1 2019	74,000
Years supply Q2 2018	3.7

Source: Lambert Smith Hampton

5.2 Prime Office Rents

	Guildford	Basingstoke	Woking
Headline office rents per sqft Q1 2019	£34.00	£25.00	£33.50

Source: Lambert Smith Hampton - Thames Valley Report

5.3 Comparative Office Costs

	Guildford	Basingstoke & Deane	Woking
New	**£s**	**£s**	**£s**
Net Effective Rent	**29.31**	**21.88**	**27.63**
Total Cost per Workstation (100sqft)	**7745**	**6377**	**7328**
Old (20 years)			
Net Effective Rent	**21.45**	**12.38**	**20.83**
Total Cost per Workstation (100sqft)	**6753**	**5525**	**6684**

Source: Lambert Smith Hampton - Total Office Cost Survey 2017

5.4 Employment floorspace

Table 1: Net* employment (Class B) floorspace granted planning permission, under construction and completed, 1 April 2018 to 31 March 2019 (Borough-wide)

Use Class	Net completed	Net under construction	Net unimplemented
Offices (B1a)	-1,413	4,778	11,847
Research and development (B1b)	0	7,792	27,084
Light industrial (B1c)	0	217	-2,175
General industrial (B2)	-575	11,855	-2,139
Storage or distribution (B8)	2	-6,593	-1,785
Total	-1,986	18,049	32,832

* Please note these figures are overall net sums for each use class. Within each total, there are gains and losses of floor space from individual sites.

5.4 Retail floorspace

Table 2: Net* retail (Class A) floorspace granted planning persmission, under construction and completed 1 April 2018 to 31 March 2019 (Borough-wide)

Use Class	Net completed (sq m)	Net under construction (sq m)	Net unimplemented (sq m)
Shops (A1)	18	465	-432
Financial and professional services (A2)	-135	0	-549
Restaurants and cafes (A3)	0	461	98
Drinking establishments (A4)	0	-172	-1,398
Hot food takeaways (A5)	105	0	383
Total	-12	754	-1,898

* Please note these figures are overall net sums for each use class. Within each total, there are gains and losses of floor space from individual sites.

Guildford Business News - Economic Dashboard - July 2018

Tourism Sector

The results of the Cambridge Study 2017 show that whilst there has been a dip in the performance of the sector (which is affecting the whole of the South East), Guildford has been less affected than other parts of the south east with a notable increase in UK inbound visitors. Key highlights include:

- 350,000 overnight tourism trips in 2017
  - 70% domestic/30% UK inbound
  - Trip length of overseas visitor rose by 11%
  - £93.2 million spent by all overnight visitors on their trip
- 4.8 million day trips were made to Guildford in 2016 (spend down 10%)
- £232.5m spent overnight and day visitors to the town

The total value of the sector is £307.5 million, which was a 9% drop compared to 2016. The SE as a whole saw a drop of 13%. The sector in Guildford supports 4158 full time jobs and if indirect jobs are included this equates to 5679 jobs in total.

Retail Sector

The last detailed survey of the retail sector was conducted in April 2019. **The National Town Centre Vacancy Rate was 10.4% (9.2%)** this time last year. The result for **Guildford was 5.8%** against a South East rate of **8.5%.** Although only anecdotal, the position does seem to have worsened, although empty units may be in the process of going through negotiated deals

Guildford also enjoys a better than average independents **vacancy rate at 26.6%** versus a South East average of **35.9%**

Footfall in the early part of 2019 increased by 6% with a year on year overall increase.

General Business News

Corporate arrivals and departures

Multi-sector management and services company **WSP** moved a major consolidated office to 2, London Square, Guildford after acquiring Godalming-based Parsons Brinkerhoff.

Gaming company **Wargaming** announced the opening of a new office in Guildford, Surrey. The studio will be working on an unannounced free-to-play multiplatform MMO title built in the Unreal Engine. The office will be led by Sean Decker, a gaming industry veteran, who has worked for Electronic Arts, DICE and CCP over the past 17 years. "With the expansion of Wargaming throughout many continents and countries, I'm excited to be opening up this studio in the UK and leading the development of a new title, "We're looking forward to building a fantastic team in Guildford." Wargaming UK is looking to build a core development team of 25 people, but with plans to recruit further.

Communigator, currently based in Waverley have agreed outline terms to occupy No 3 The Billings. The company specialises in automated marketing and digital services.

Telecoms company **Ericsson** left Guildford in late 2018 for Reading, closer to its customer base. Head of Ericsson UK Marielle Lindgren said: "We are sad to say farewell to Guildford and its strong and supportive community and we would like to extend our warmest thanks to everyone who has helped to make the city our home for the last 30 years".

Polystream the specialist cloudgaming specialists based in Walnut Tree Close, have secured significant funding over the last 12 months and were recently named as the 4th most valuable tech start up in the Greater London region.

Following a period of growth, financial leasing services provider **GRENKE** has agreed a deal to take 14,572 sq ft of space at M&G Real Estate's 2 London Square office in Guildford, almost tripling its current office accommodation. The company has signed a ten-year lease at a rent of £34 per sq ft, equalling Guildford's record headline rent.

Robin Spurr, managing director at GRENKE Leasing Ltd, said: "GRENKE is delighted to have taken a lease on these high quality premises which will serve as our UK headquarters and suit our long terms needs ideally. We were impressed with the flexibility shown by M&G Real Estate in agreeing a package which enabled us to relinquish our current liability as well providing an allowance to enable us to fit out our new premises to meet our occupational requirements."

GRENKE joins existing tenants including natural and built environment management and services consultancy WSP, while 1 London Square is now fully-let to the likes of **HSBC, Charles Russell Speechly and RSM.**

Allianz expands portfolio

Liverpool Victoria Friendly Society (LV=) has agreed to sell its residual 30.1 per cent stake in LV= General Insurance (LV=GI) to Allianz Group. Allianz has also agreed to acquire Legal & General Insurance. The sale marks LV='s withdrawal from its GI partnership with Allianz. On completion Allianz will own 100% of LV=GI for a total consideration of up to £1.078bn.

In a separate announcement, Legal & General has agreed to sell its general insurance business Allianz Holdings for £242m. The deal is expected to complete in the second half of 2019, subject to customary regulatory approvals.

"With these two transactions, we are pleased to demonstrate our further commitment to the UK market. I look forward to our business continuing to build on a strong reputation for technical excellence and customer centricity," said Allianz's Niran Peiris.

The University of Surrey has published a new Research and Innovation Strategy (2019-2022).

The university has risen in the international rankings in research. Climbing from 472 to 372 (Academic Ranking of World Universities) in 4 years.

The strategy aims to boost

- Research scale and excellence through national and international partnerships
- Cutting edge facillities and infrastructure
- Increase post graduate, post doctoral and early career research scale.
- innovation Ecosystem - to contribute greater economic, environmental, health and social benefits in society through enhancing our impact and innovation.

The university has set a goal that in ten years to reach a top 15 position in appropriate national league tables and 100 in global league tables.

General news: recruitment

Permanent staff appointments in the South East have declined at the quickest rate since May 2009, according to new research. Data from the KPMG and Recruitment & Employment Confederation UK Report on Jobs: South of England, compiled by IHS Markit, pointed to subdued hiring trends across the South of England as lingering political and economic uncertainty weighed on recruitment plans.

Temp billings growth has eased to a three-month low. Demand for staff also softened, with permanent and temporary vacancies rising at the slowest rates since 2012. An uncertain outlook contributed to a further decline in staff availability, while greater competition for candidates was said to be continuing to drive up rates of pay.

"The continuing political uncertainty is delaying business decisions, with many opting for short-term hires or putting a hold on hiring altogether, as evidenced by the sharpest decline in permanent appointments for a decade," said Andrew Morgan, senior partner at KPMG in the Thames Valley. "Greater competition for the few roles available isn't good news for job-seekers, however those who have been successful in securing a role have commanded higher pay."

Wider News

Streaming giant **Netflix** is creating a dedicated production hub at Shepperton Studios which is owned by the Pinewood Group. Shepperton Studios has been a key destination for the makers of film, television and commercials since opening its doors as a film studio in 1932. Netflix and its partners will produce new and existing TV series and feature films at the hub which will feature 14 sound stages, workshops and office space.

"Shepperton has been synonymous with world class film for nearly a century and it's an important production hub for the UK creative community today," said Ted Sarandos, chief content officer at Netflix. "This investment will ensure that British creators and producers have first rate production facilities and a world stage for their work."

In the last year, more than 25,000 cast, crew and extras have worked on almost 40 Netflix originals and co-productions across Britain. Pinewood Group chairman Paul Golding added: "Netflix's decision to base their production hub at Shepperton is a strong vote of support for the Pinewood Group and gives us great confidence as we expand our UK studios. Our plans, which represent the single biggest expansion of stage space across the UK, will see Pinewood Group open 22 new sound stages, enabling us to host even more productions. This growth will help secure the ongoing success of the UK film and TV industry."

Other Business News

The fastest growing businesses in Surrey, Sussex and Kent contributed in excess of £3.7bn of sales and more than 18,000 jobs to the UK economy last year, according to new research.

BDO's Best in Business Top 100 league table and Profit Growth report, compiled in association with mid-market private equity firm LDC, ranks companies in the southern Home Counties with the fastest growth in profits over the last three years.

Profits at the Top 100 companies, which includes restaurant chain Giggling Squid, car insurer Marker-study, developer Thakeham Homes and lone worker protection provider Send for Help, grew by 76 per cent on average each year over the last three years, bringing total profits to £623m. Collectively the Top 100 companies created an additional 1,598 jobs in the past 12 month. The majority (68 per cent) of the businesses operate in services, construction, and technology and media, and 62 per cent are either family owned or owned by the original founders.

Across the region the geographical distribution of the top businesses is fairly even with 35 in Sussex, 33 in Surrey and 32 in Kent.

Taking the top spot within the Top 100 league table is **Guildford-based Darton Commodities,** a specialist in the finance and distribution of cobalt metal, with a compound annual growth rate (CAGR) of 988 per cent over the last three years.

Surrey companies dominate the head of the league table with seven of the top ten located in the area; three of which have head offices in **Guildford.**

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