

Economic Strategy Refresh

Ensuring Surrey's residents are able
to support the workforce and skills
demands of Surrey businesses



Introduction

Metro Dynamics was commissioned to support Surrey County Council (SCC) with the refresh of their economic strategy evidence base. The previous strategy had four strategic priorities, which have been reframed to three, to be supported by the Surrey Growth and Innovation Fund and future funding received by the Council to support growth. These are:

- Creating the right conditions for Surrey businesses to start, grow and thrive
- Ensuring Surrey's residents are able to support the workforce and skills demands of Surrey businesses
- Enabling economic infrastructure to unlock growth through place-based approaches

Work was completed to review and update the logic chains for each priority, which were initially developed in 2021 and were edited by the SCC team at the start of the strategy refresh. The evidence review has involved detailed data collection and analysis, updating the current position on evidence points underpinning the strategy, and undertaking new analyses to fill gaps.

Three evidence packs have been produced, one for each priority, including an update to the logic chains.

This document includes the full findings for the second priority: **Ensuring Surrey's residents are able to support the workforce and skills demands of Surrey businesses**. The following pages present the evidence collected for this priority, collating the strengths, weaknesses and implications summarised in the revised logic chain.

Key findings

Workforce: Surrey's employment and inactivity rates are strong and above comparators. However, Surrey has a higher dependency ratio than the national average, which continues to worsen due to the stagnant growth of younger working age populations, especially in Surrey's workplaces, and significant climbs in the population over 65. However, inequality remains an acute issue, as certain populations have a high chance of being economically inactive, such as Surrey's population with no qualifications. **Focus should be on attracting working age populations and ensuring employment opportunities are available for all.**

Skills: Qualification attainment in Surrey is strong, with a particularly high proportion of working age residents qualified to a degree level or above. Job training is also common for residents and universities offering diverse subject strengths. However, pockets of deprivation are more prevalent in the education, skills and training domain, with some neighbourhoods falling amongst the worst 10% nationally. Surrey also has a higher share of knowledge workers than comparators, but growth has been stagnant. **Work should be done to ensure that education and training are available to all to address skills gaps.**

Earnings: Productivity indicators perform better in Surrey than comparators. However, productivity growth in Surrey has been mixed, with West Surrey seeing strong growth and East Surrey experiencing significant declines. Earnings in Surrey are higher than comparators, but the gap between resident earnings and workplace-based earnings is large. Earning inequalities are also larger in Surrey than comparators, particularly between different genders and the top and the highest and lowest earners. **Focus should be on addressing income inequality and boosting productivity across the county.**

Occupations: Surrey has a high proportion of residents in high-skilled occupations, which have also grown across recent years. However, workplace jobs are generally lower-skilled occupations than resident occupations in Surrey, suggesting that residents often commute out of the county for top roles. When looking at workplace jobs in Surrey, there is a higher share of secretarial, leisure and sales occupations considered intermediate in skill level, but a lower share of managers and directors or business service professionals, both considered high-skilled occupations. **Focus should be on ensuring that Surrey is a good place to live and work, offering high skilled roles for residents.**

Industries: Surrey's residents are more likely to work in banking, finance and insurance, transport and communications, and other services such as sports and recreation. However, the workplace industry offer in Surrey does not perfectly match resident jobs, with fewer workers in Surrey within banking, finance and insurance or transport and communications. **Focus should be on ensuring that Surrey is a good place to live and work, offering industries worked by residents.**

Revised Logic Chain

Evidence

- Employment and economic activity continue to be strong, and economic inactivity is lower than comparators across most demographics, such as ethnic minorities.
- Surrey has a higher dependency rate (0.62) than England (0.59). The dependency ratio is also increasing as Surrey’s dependent populations have seen significant growth, whilst working-age populations, particularly those aged 25-49, have stagnated.
- Research in 2021 found that 53.4% of residents were qualified to a degree level or higher. This has since increased to 54.4% of residents, with very few residents having no qualifications at all. However, residents without any qualifications are more likely to be economically inactive than comparators.
- Research in 2021 found that 1 in 4 jobs were in a knowledge-based industry in Surrey. This proportionately remains similar, but it has been declining since 2021 after seeing initial growth. In addition, employment in high-tech industries is also on a downward trend, though it makes up a much higher percentage of employment than comparators.
- There are micro-clusters of deprivation across the county, with some neighbourhoods falling amongst the worst 10% nationally for education and skills. There are also geographical inequalities in labour productivity, where West Surrey has seen growth, but East Surrey has declined.
- Productivity and earnings are higher in Surrey. New analysis shows that residents and workers in Surrey are often in highly skilled occupations such as managers, directors, and professionals. Job training is also much more frequent.
- Research in 2021 found that there was low diversity in senior roles, with inequality increasing. Whilst employment rates for ethnic minorities have recovered post-pandemic, the gender earnings gap is wider in Surrey. Earning inequalities also persist between high and low earners and workers in the county versus residents commuting out.
- A new analysis also underlines disparities between Surrey’s residents’ occupations and the workplace jobs available in the County. Residents have a higher skilled occupational profile and earn more than Surrey’s workplace population, highlighting that top-earning residents likely commute out of the county.

Implications

Data suggest that residents can support demands but commute out or are post-working age. The high cost of housing and housing availability are constraints. This is likely to call for targeted training solutions – perhaps particularly at entry and progression points.

High levels of economic activity and wealth creation, but inequalities may risk people being left behind and limit competitiveness.

Historically competitive location and highly skilled workforce (with cluster-based agglomeration of skilled people as well as commuters) leading to highly competitive labour market

Businesses reporting recruitment challenges, in both foundation and higher skilled sectors. Need to further understand the types of roles/skills businesses create and struggle to recruit to inform the focus of skills programmes and greater understanding of Surrey’s jobs market.

Consideration needs to be placed on how this strategy aligns with the Skills Plan and wider employability strategy, particularly with new ASF funding.

Objectives*

Upskill residents to help address workforce needs across Surrey employers

All residents can navigate and take advantage of employment support and skills/professional development provision.

Careers provision is aligned to emerging and future workforce needs of Surrey businesses to ensure an appropriate talent pipeline.

Address inequality in skills and employment and tackle micro clusters of deprivation

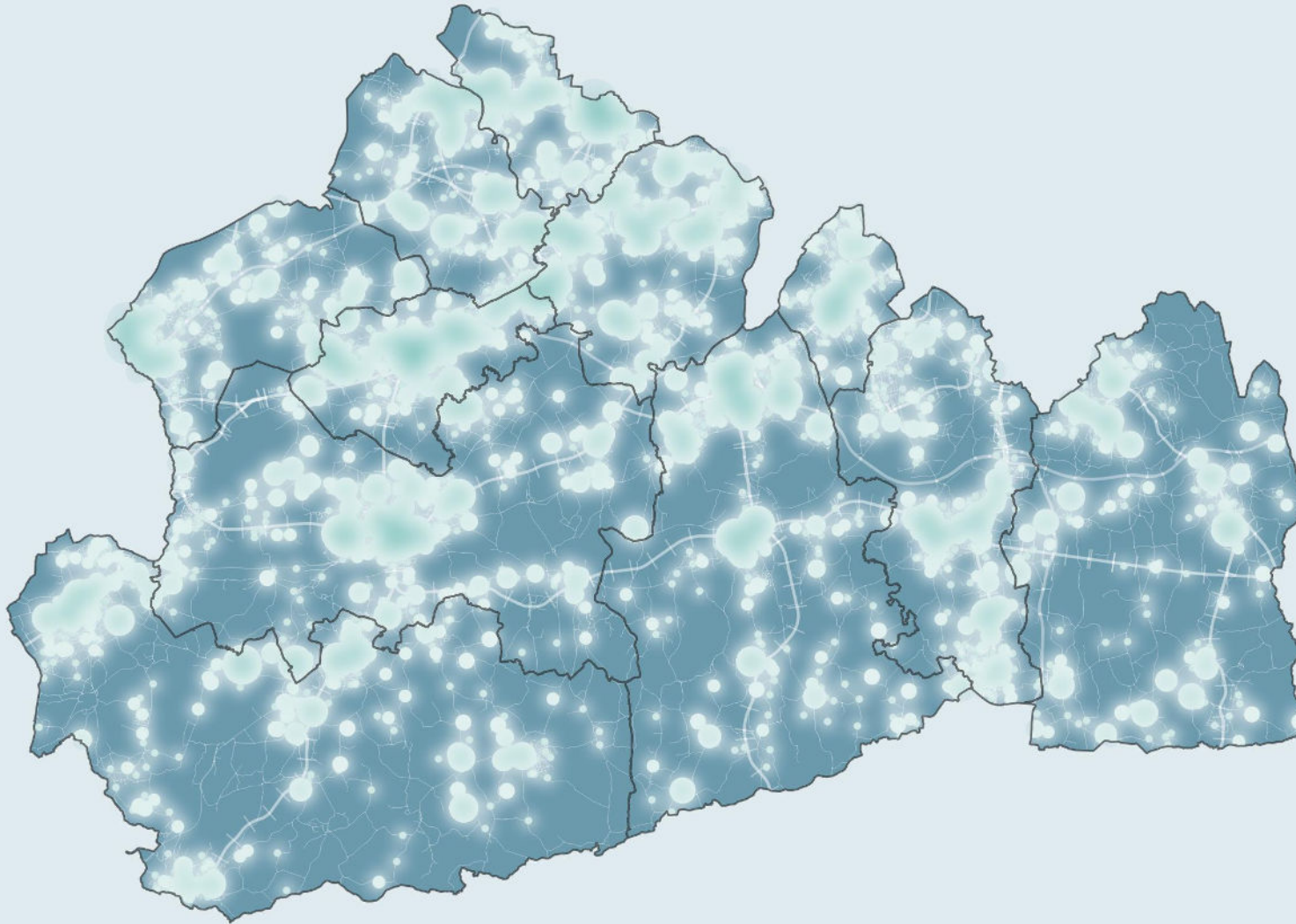
Improve skills to enable better diversity in the workforce to boost innovation and growth

Help lower skilled residents into high-demand sectors

Local skills provision is reflective and responsive to current and future needs of Surrey businesses.

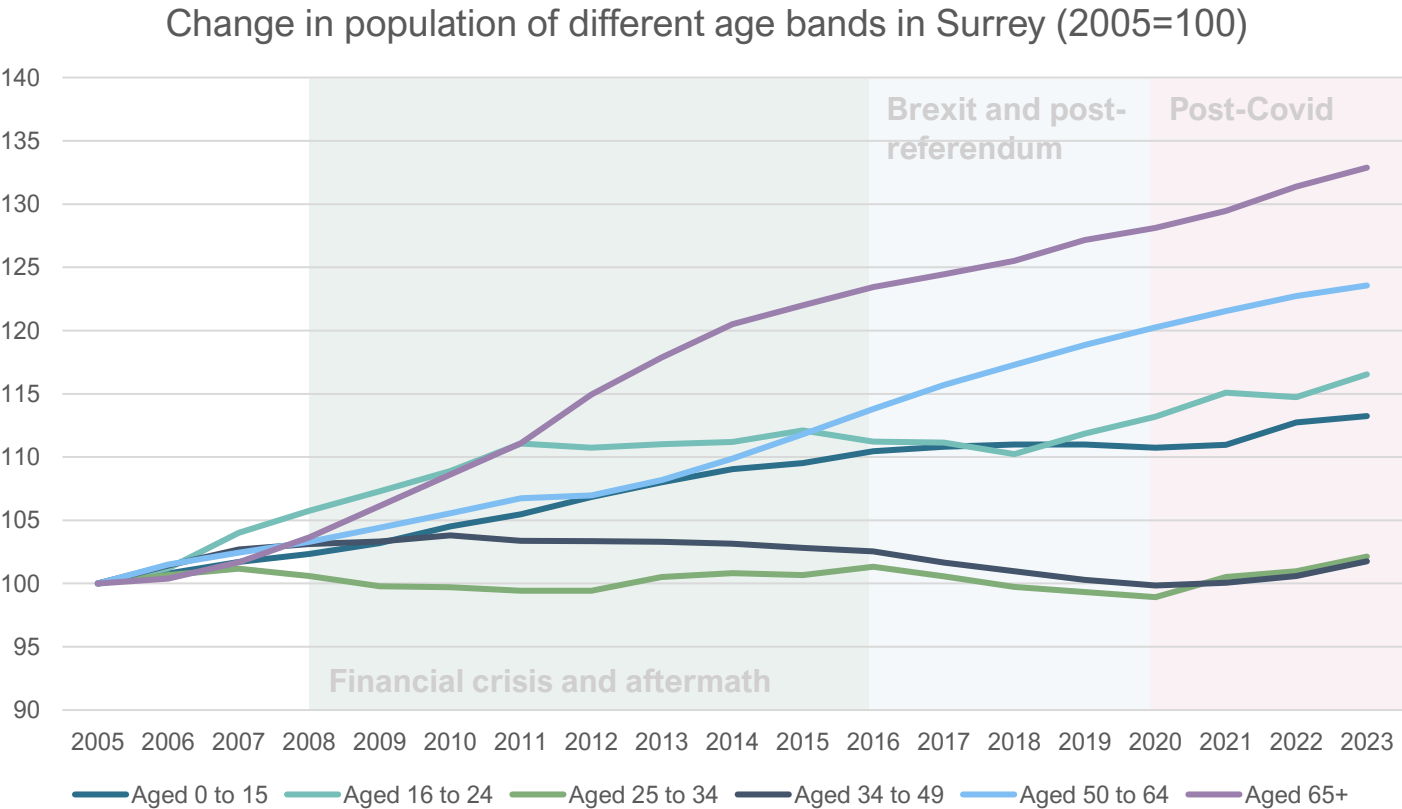
*Objectives reflect the objectives set out by Surrey at the time this evidence work was conducted; these may not be the same as the objectives in the final strategy as the evidence work was an input to strategy development.

Workforce



Working age groups have seen minimal population growth

Surrey's young and middle working-age populations have seen limited population growth despite significant rises in older generations, which has negatively impacted the county's dependency ratio.



This chart shows the change in Surrey's population within each age band since 2005. It shows that older age groups, aged 50 and above, have seen the largest growth since 2005, which has been consistent across the period. The 65+ population has increased by 33% since 2005, and the 50-64 population has grown by 24%.

In contrast, the population between 25 and 49 have seen minimal growth across the period, as both the 25-34 and 35-49 age bands populations are just 2% higher than in 2005. This suggests that Surrey is less attractive for younger working populations, potentially related to high unaffordability.

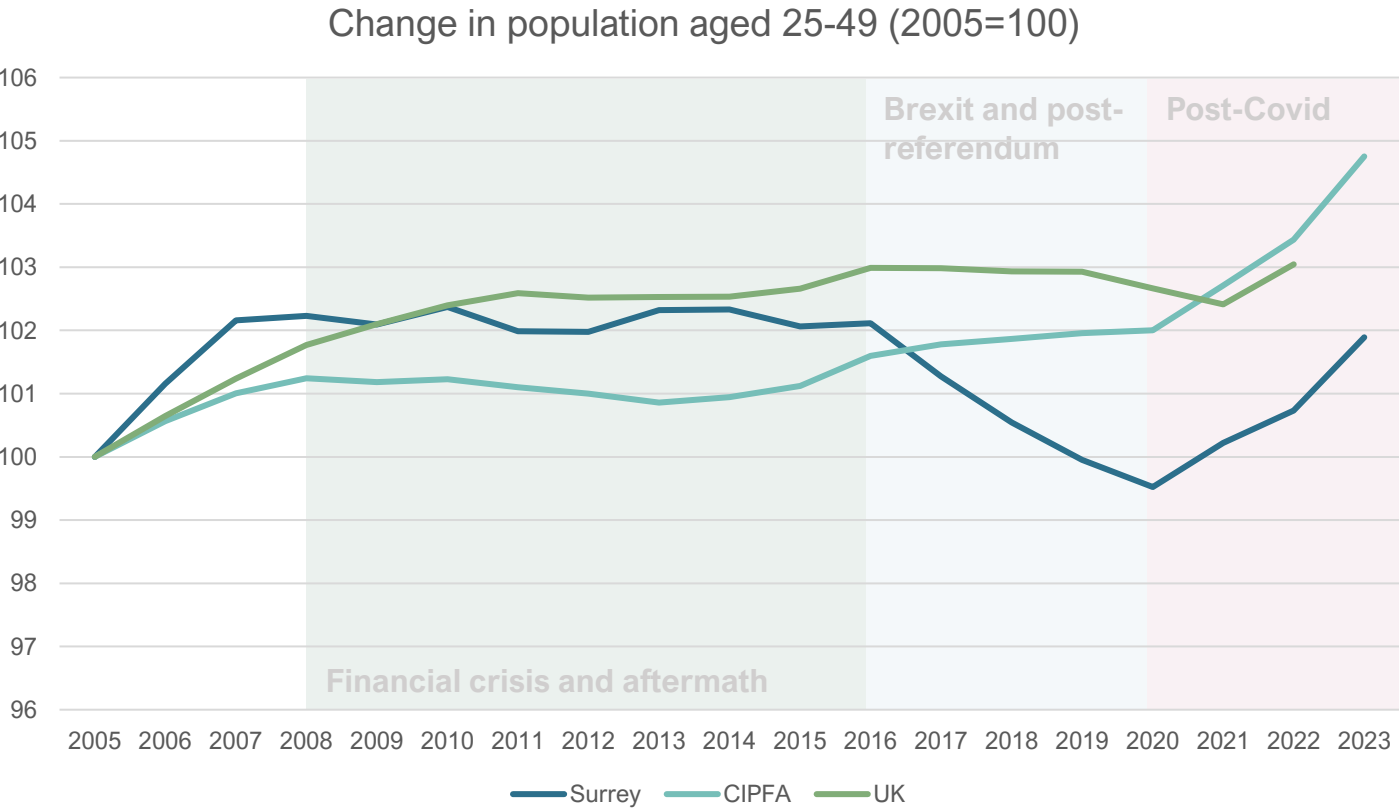
Both the 0-15 and 16-24 age groups have seen growth stagnate within the last decade, the former since Brexit and the latter since 2011.

A growing 65+ population combined with a stagnating working age population means that Surrey has seen a higher share of dependents in the county, worsening the dependency ratio.

Source: ONS, Population estimates – local authority based by single year of age.

Decline of Surrey’s working age population following the Brexit referendum

Weak growth in the population of the age group 25-49 is not unique to Surrey, but it is worse for Surrey, with a more significant decline in this age group as a share of the total population. Surrey saw a large decline in ages 25-49 but has since recovered post-2020.



This chart shows the change in the population aged 15-49 in Surrey, the CIPFA average, and the UK. It shows that, similar to Surrey, both the UK and the CIPFA average have seen weak growth in this age group. However, since 2005, this age group has seen stronger growth in comparators than in Surrey.

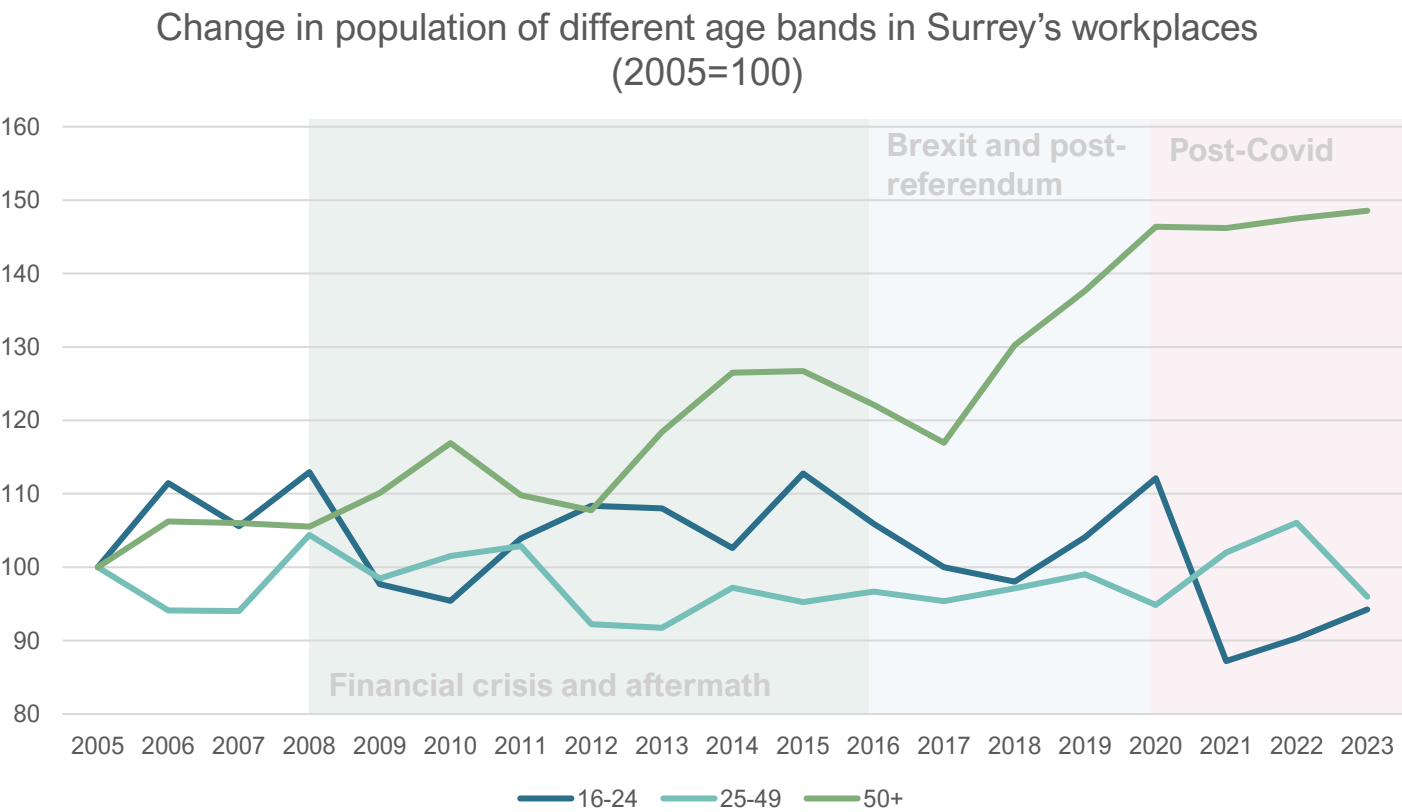
Following the Brexit referendum, Surrey saw a significant decline in the population aged 25-49, as the population declined by 2.5% or 10,000 from 2016-2020. However, the population grew post-Covid back to 2016 levels in 2023.

In 2022, this age group represented 31.8% of Surrey’s population, a smaller proportion than the UK average of 32.5% but higher than the CIPFA average of 30.8%. However, since 2005, Surrey has seen the greatest decline of this age group as a share of the total population, seeing a decrease of 4.0 percentage points between 2005 and 2022, compared to 3.2 ppt and 2.8 ppt in CIPFA and the UK average, respectively. The greatest declines were in Elmbridge, Mole Valley, and Surrey Heath.

Source: ONS, Population estimates – local authority based by single year of age. *Mid-2023 estimates for United Kingdom are not yet available.

Surrey’s workplaces are only seeing growth in the 50+ age group

Surrey’s workplaces have seen a large increase in the population aged 50 and above. However, younger working populations from 16 to 49 have seen a slight decline since 2005, meaning that workplaces are getting older at a fast rate.



This chart shows the change in Surrey’s workplace population for those aged 16-24, 25-49, and 50+ since 2005.

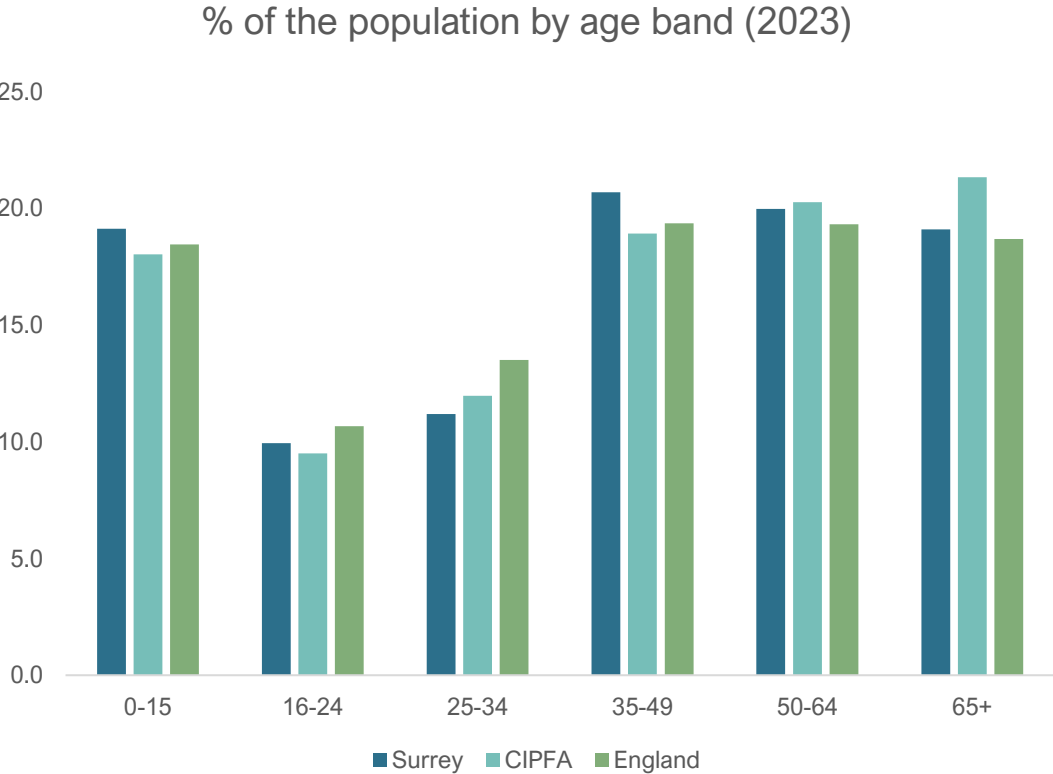
The chart shows that the age group amongst Surrey’s workplaces that have seen the strongest growth is the population above 50, increasing by nearly 50% since 2005.

However, like Surrey’s resident population, Surrey’s workplaces have seen little to no growth in younger working-age populations from 16 to 49 since 2005. Despite fluctuations, the population of Surrey’s workplaces aged 16-24 has decreased by 6% since 2005. The population of Surrey’s workplaces aged 25-49 decreased by 4%. The previous slide highlights that the same age group, aged 25-49, saw the resident population increase by 2%, suggesting that some are commuting out of the county.

Source: ONS, annual population survey: workplace analysis.

Surrey has a greater dependency ratio than the national average

Surrey has a similar population makeup to England, but there are specific differences within the 35-49 and 25-34 groups. A lower proportion of younger workers results in a higher dependency ratio than nationally.



This chart shows Surrey's and comparators' age composition. The largest proportion of Surrey's population is within the 35-49 band (20.7%), which is 1.3 ppt higher than the share of this age for England (19.4%). The 25-34 age band also has a 1.3 ppt difference between the share for Surrey (11.2%) and the share for England (13.5%), although Surrey has a lower share in this group.

Within Surrey, Woking has the highest share of its population in the 35-49 group (22.8%), and Mole Valley the lowest (18.3%). Mole Valley has the oldest population, with 22.7% of its population 50-64 and 24.3% 65+.

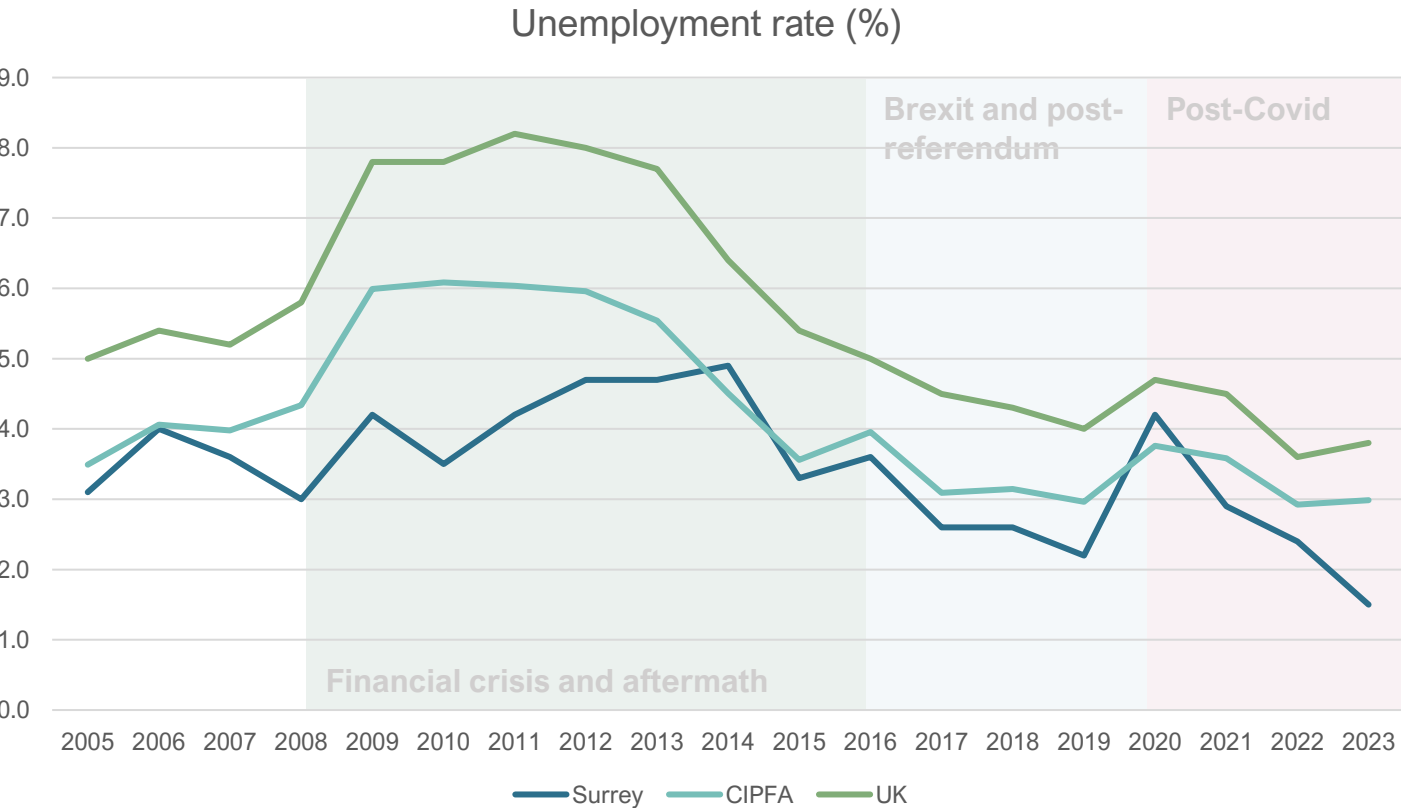
The dependency rate shows the ratio of dependents to the working-age population, i.e., the number of those aged 0-15 and 65+ divided by the number of people aged 16-64.

The dependency rates for 2023 are below:

- Surrey – 0.62
- CIPFA – 0.65
- England – 0.59

Surrey’s unemployment rate is consistently below comparators

Surrey’s unemployment rate in 2023 was 1.5%, significantly lower than its comparators. Since 2005, Surrey has generally had lower unemployment rates, but the county was more heavily impacted by the COVID-19 pandemic than its comparators.



This chart shows the change in the unemployment rate in Surrey, the CIPFA average and the UK since 2005.

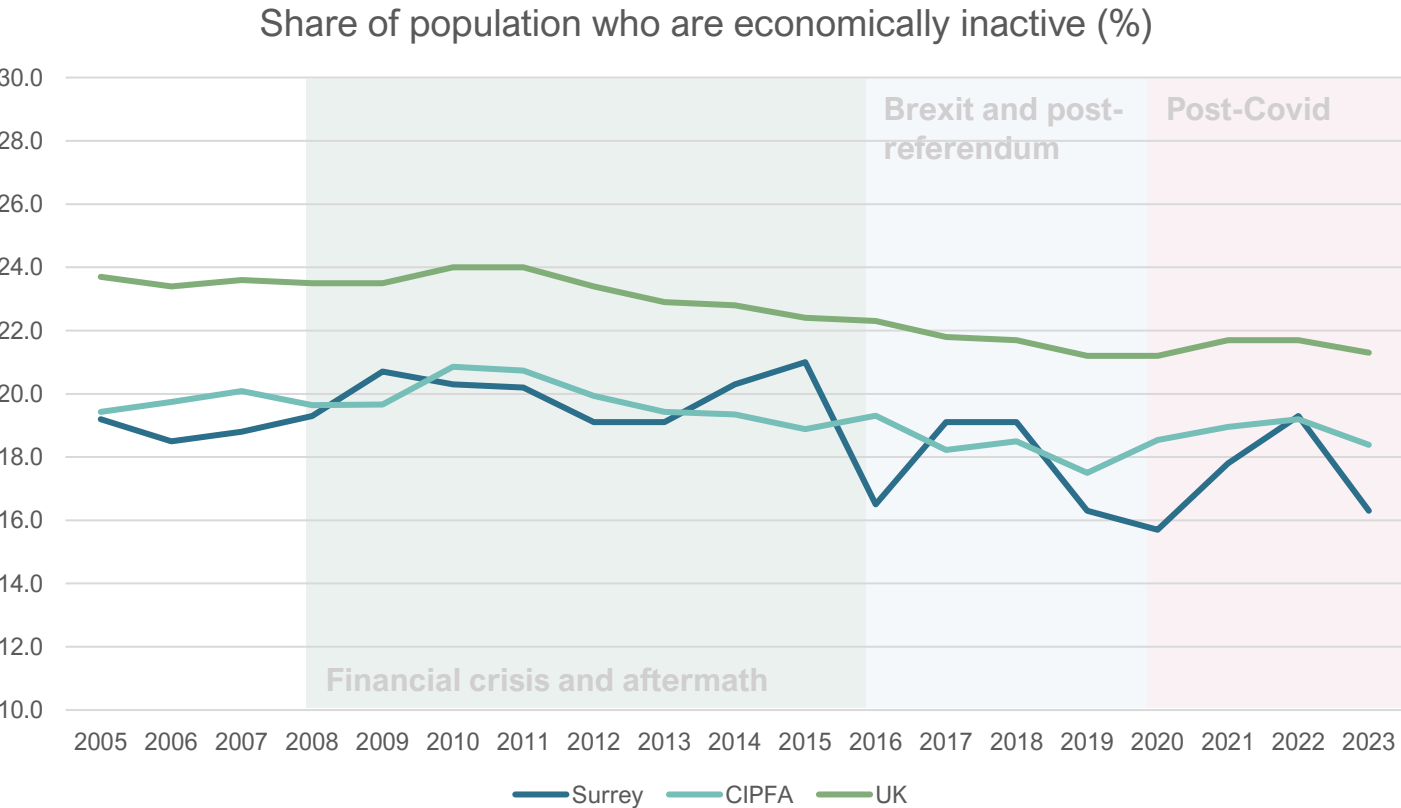
The chart shows that Surrey’s unemployment rate was at an all-time low of 1.5% in 2023. This is around half the rate of the CIPFA average, at 3.0%, and significantly lower than nationally, at 3.8%. Both of these areas had especially low unemployment rates in 2023.

Since 2005, Surrey’s unemployment rate has been significantly below comparators, with only two years when it was higher than the CIPFA average: 2014 and 2020. The rise in unemployment in 2020 suggests that the impact of the COVID-19 pandemic was greater in Surrey than elsewhere, as the unemployment rate has nearly doubled in 2020, whereas the CIPFA and UK average saw a much smaller rise.

Source: ONS, annual population survey.

Economic inactivity has fluctuated, but remains low

In 2023, Surrey had a lower share of its working age population that is economically inactive than nationally.



This chart shows the percentage of people aged 16-64 who are economically inactive in Surrey, the CIPFA average and nationally from 2005 to 2023.

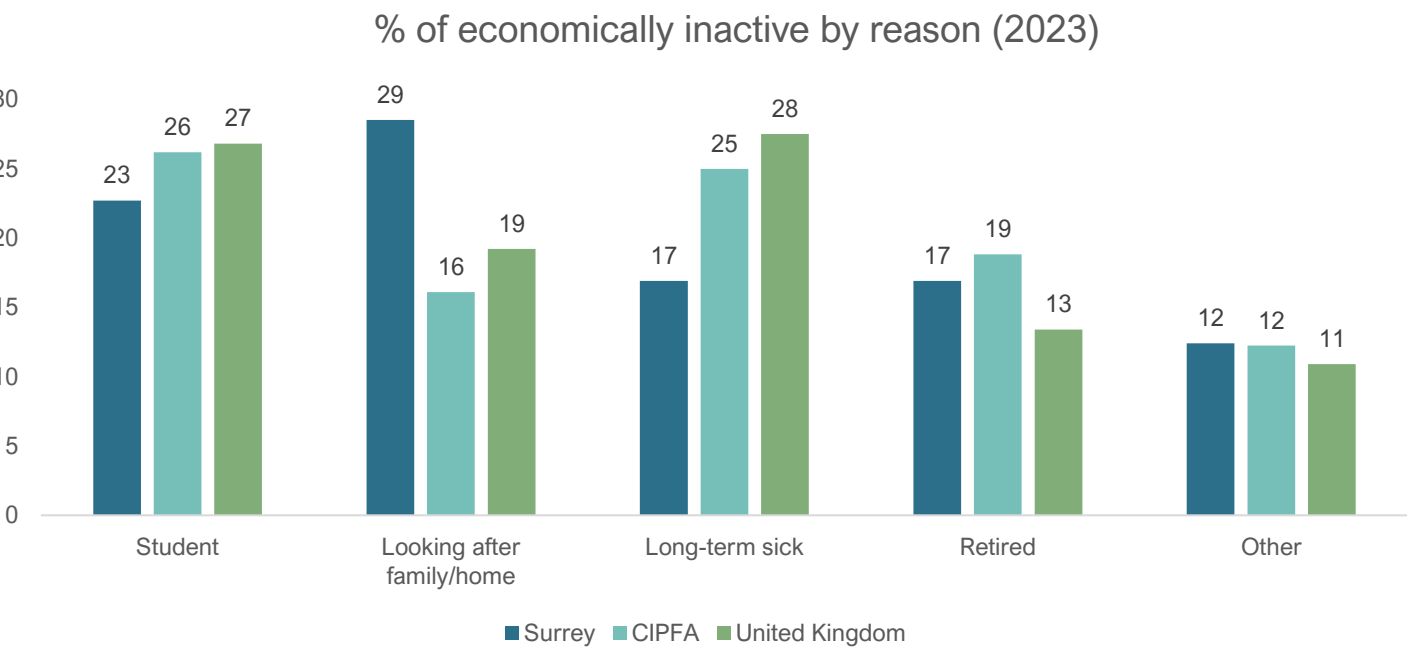
In 2023, Surrey's economic inactivity rate was 16.3%, lower than both the CIPFA average (18.4%) and the UK average (21.3%).

Surrey and the CIPFA average have consistently placed below the national average but have fluctuated between the two throughout the period.

Surrey's economic inactivity rate increased significantly more post-2020, suggesting that the COVID-19 pandemic had a larger impact on economic inactivity in Surrey than elsewhere. However, economic inactivity rates fell between 2022 and 2023 to one of the lowest rates in Surrey across the period.

Looking after family or a home is notably more common in Surrey

Individuals own health is less likely to be a cause of economic inactivity in Surrey than nationally, where this is the most common reason. In Surrey, it is the need to look after another individual that dominates the economic inactivity reasons.



Excluding “discouraged” and “temporary sick” due to base sizes.

This chart explains the reasoning behind economic inactivity in Surrey, the CIPFA average, and the UK in 2023.

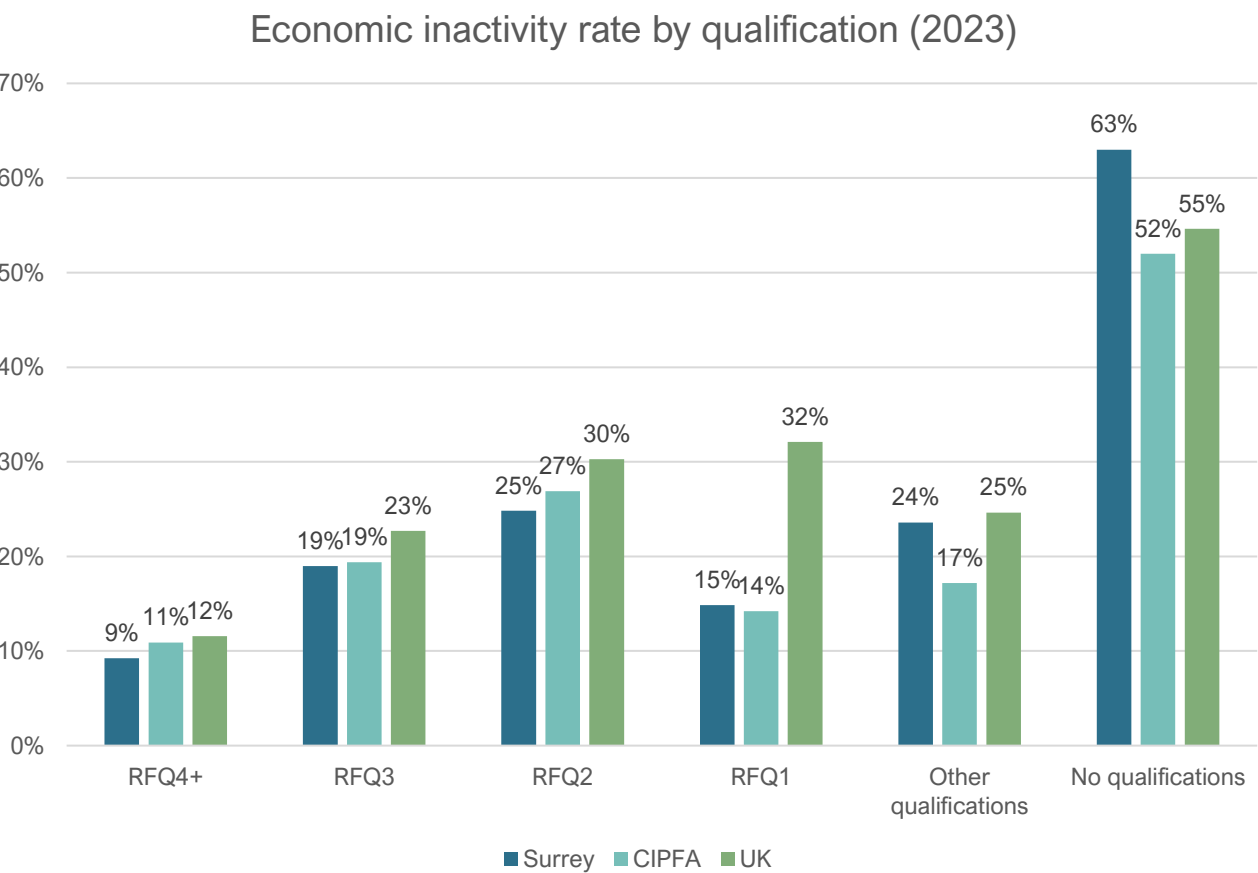
There is a significantly larger portion of the economically inactive in Surrey who are looking after family/home (29%) compared to CIPFA (16%) and the UK (19%)

In the UK, being a student or long-term sick are the top two reasons for economic inactivity, 8 percentage points above the third most common reason. For CIPFA, the top two are the same, although there is less of a gap to the third most common reason (being retired) of 6 percentage points.

For Surrey, being long-term sick is the joint third most common reason, 12 percentage points behind looking after family and home.

Residents with no qualifications are more economically inactive

Surrey residents who are qualified to a degree level are less likely to be economically inactive than comparators. However, residents with no qualifications are more likely to be economically inactive than comparators.



This chart shows the proportion of economically inactive residents within each level of highest qualification achieved, demonstrated by the Regulated Qualifications Framework (RFQ). RQF1 is equivalent to fewer than 5 GCSEs at grades A to C. RQF2 is equivalent to 5 or more GCSEs at grades A to C. RQF3 is equivalent to 2 or more A levels. RQF4+ is equivalent to a degree-level qualification and above.

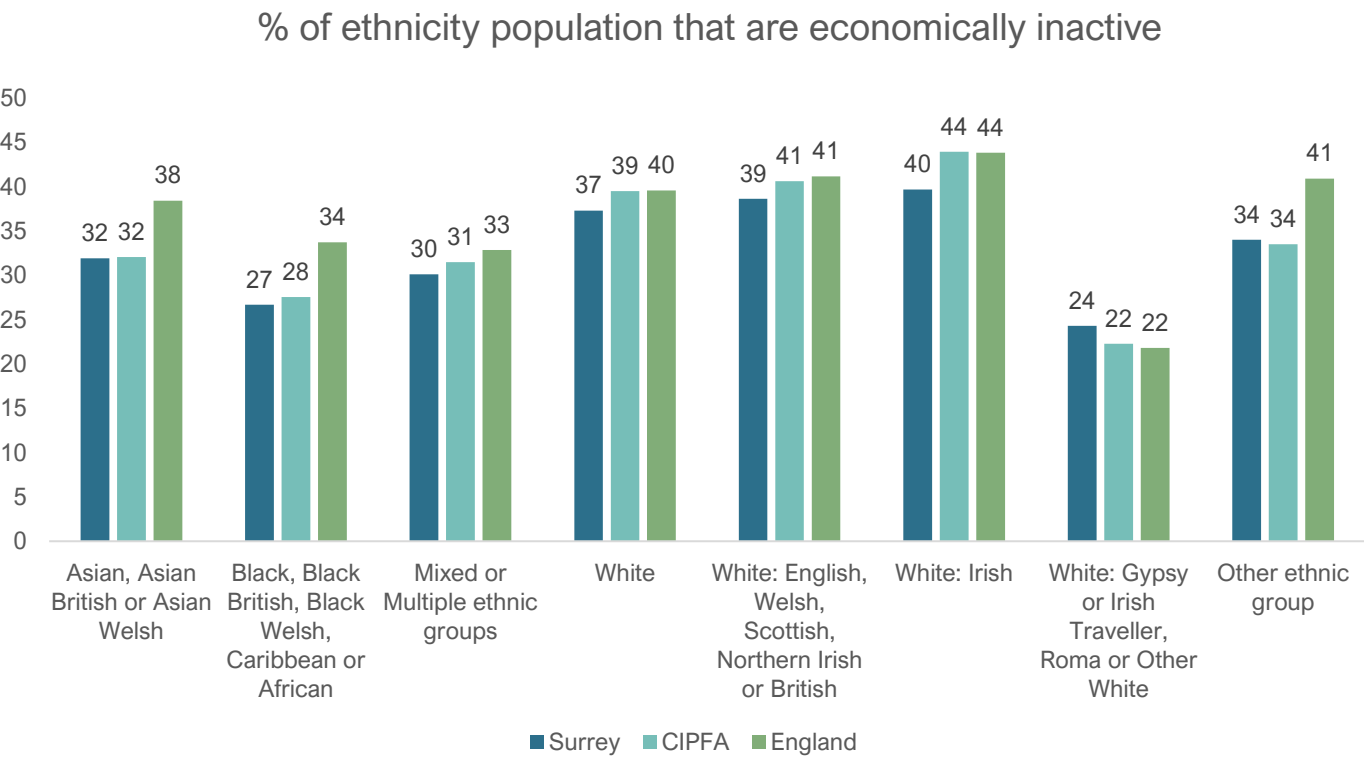
Surrey follows a similar pattern to both the CIPFA and national average in that, generally, higher-qualified residents are less likely to be economically inactive. Residents qualified to a degree level or above (RFQ4+) have the lowest levels of economic inactivity, whilst residents with no qualifications have the highest levels.

Across most qualification levels, Surrey has a lower economic inactivity rate than comparators, consistent to the overall rate. The only exception to this trend is the population with no qualifications, in which individuals with no qualifications in Surrey are more likely to be economically inactive than comparators at a rate of 63% suggesting that there is greater difficulty to find a job in Surrey with no qualification than elsewhere.

Source: ONS, annual population survey

Travellers have a higher economic inactivity rate in Surrey than elsewhere

Compared to CIPFA and the UK, Surrey’s economically inactive populations as a portion of each ethnic group population are almost always lower.



This chart shows the portion of each ethnic group's population that is economically inactive in Surrey, CIPFA, and England.

We see that in Surrey, the ethnicity with the highest percentage of economically inactive people is White: Irish (40%), followed by White: English, Welsh, Scottish, Northern Irish or British (39%) and White (37%). However, the percentages of inactive people for these ethnicities for CIPFA and England are higher.

The ethnicities in Surrey with the lowest portion of their population economically inactive are White: Gypsy or Irish Traveller, Roma or Other White (24%) and Black, Black British, Black Welsh, Caribbean or African (27%).

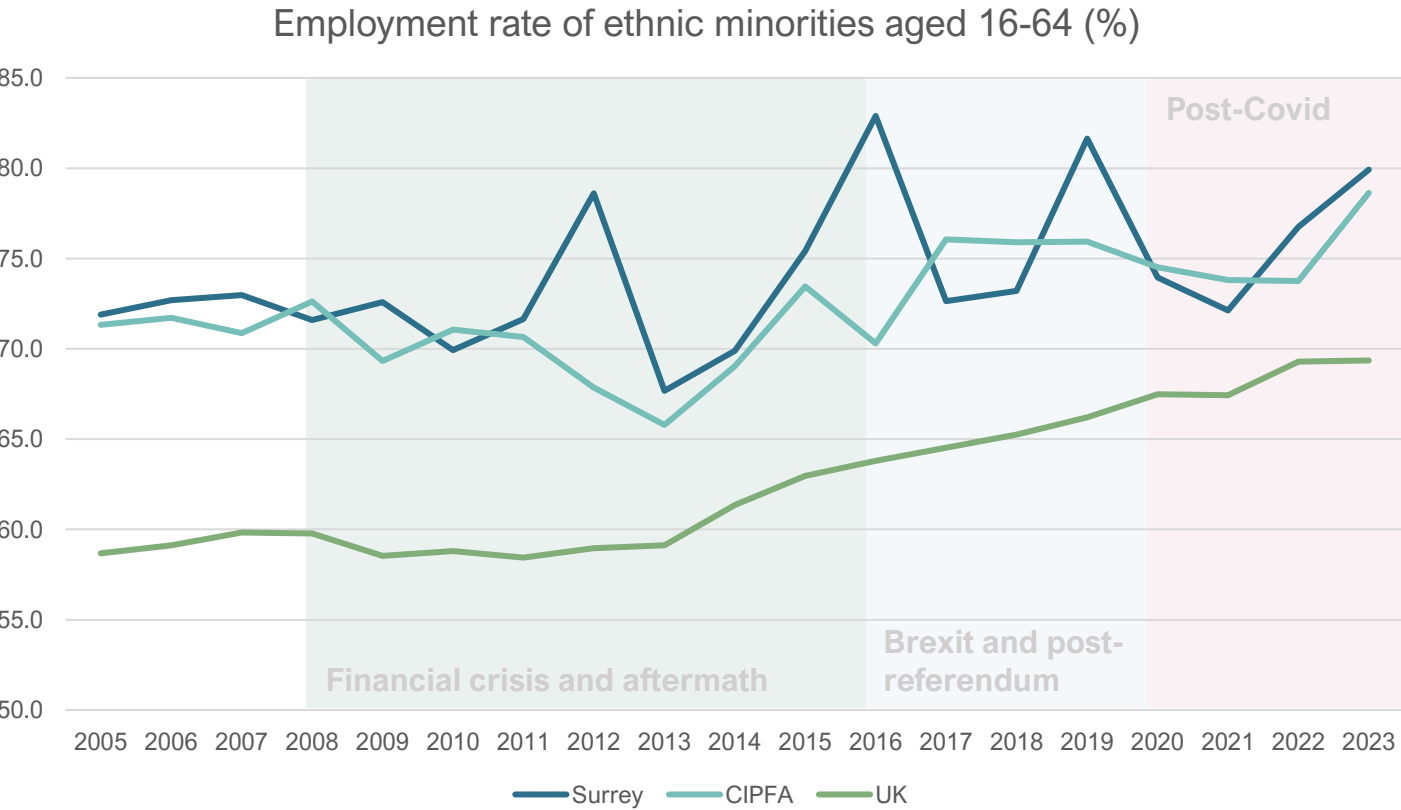
Where Surrey has a larger share of its ethnic group population inactive than CIPFA or England is for White: Gypsy or Irish Traveller, Roma or Other White (24%).

**Due to suppression from the annual population survey, this data derives from the census, completed in March 2021, so the Covid-19 pandemic impacts figures.*

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Employment rates for ethnic minorities is above comparators

The employment rate for ethnic minorities was 80% in 2023, only slightly below the Surrey total. Surrey's employment rates for ethnic minorities are consistently above comparators, but they have seen periods of high volatility in the last decade.



This chart shows the employment rate of working-age (16-64) ethnic minorities in Surrey, other CIPFA counties, and the national average.

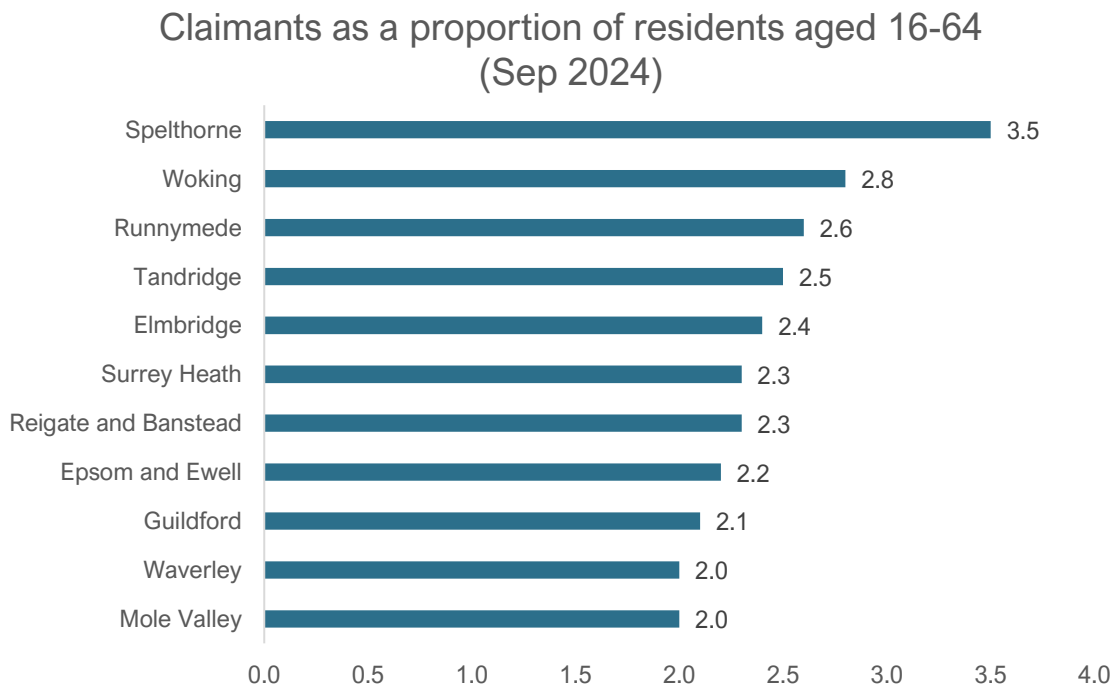
The chart highlights that, like other employment and activity metrics, Surrey performs better than comparators. The employment rate of ethnic minorities is 79.9%, slightly above the CIPFA average of 78.6% and significantly higher than the national average of 69.4%.

In 2023, the total employment rate in Surrey was 82.4%, 2.5 percentage points above the ethnic minority employment rate. However, in 2022, the ethnic minority employment rate was above the national average. Across the full period, the ethnic minority employment rate does not differ from the Surrey total by more than 5 percentage points for more than two years. However, the ethnic minority employment rate in Surrey has been volatile, with changes of up to 10 percentage points between years.

Source: ONS, annual population survey.

All districts in Surrey have a lower claimant rate than the UK average

Surrey’s claimant rate is significantly below the national level, and this is true of all districts. However, Spelthorne has a notably worse rate than any other district in Surrey.



Area	Claimants as a portion of residents aged 16-64 (Sep 2024)
Surrey	2.4
CIPFA	2.9
UK	4.3

Surrey has a lower proportion of claimants as a portion of residents aged 16-64 than CIPFA and the UK.

The rate in Surrey has been consistently lower than the UK and CIPFA since 2010.

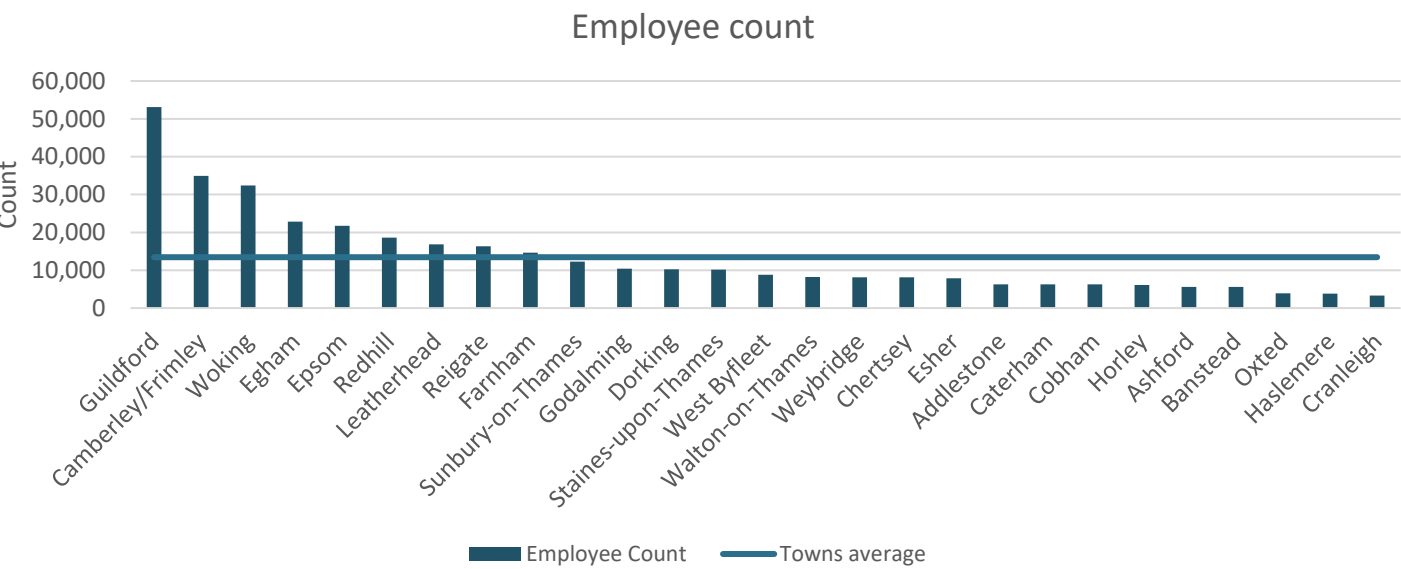
Within Surrey, Spelthorne has a notably higher proportion of claimants than the rest of the county and is the only district with a proportion higher than the CIPFA average of 2.9.

Guilford has a notably higher employee count than the rest of Surrey

This indicator shows employee count, a sum of total employees across all industries based on workplace counts.

In Surrey, the average employee count across the 27 towns is 13,438. Guildford, Camberley/Frimley, Woking, Egham, Epsom, Redhill, Leatherhead, Reigate and Farnham have employee bases larger than the County average.

The town with the highest employee count is Guildford, with 53,080 employees. The town with the lowest number of employees is Cranleigh, with 3,325 employees across all industries.



Rank	Town	Employee Count
1	Guildford	53,080
2	Camberley/Frimley	34,950
3	Woking	32,420
4	Egham	22,875
5	Epsom	21,750
6	Redhill	18,625
7	Leatherhead	16,850
8	Reigate	16,325
9	Farnham	14,650
10	Sunbury-on-Thames	12,225
11	Godalming	10,425
12	Dorking	10,275
13	Staines-upon-Thames	10,125
14	West Byfleet	8,825
15	Walton-on-Thames	8,175
16	Weybridge	8,150
17	Chertsey	8,125
18	Esher	7,850
19	Addlestone	6,275
20	Cobham	6,250
21	Caterham	6,250
22	Horley	6,125
23	Ashford	5,625
24	Banstead	5,550
25	Oxted	3,925
26	Haslemere	3,800
27	Cranleigh	3,325

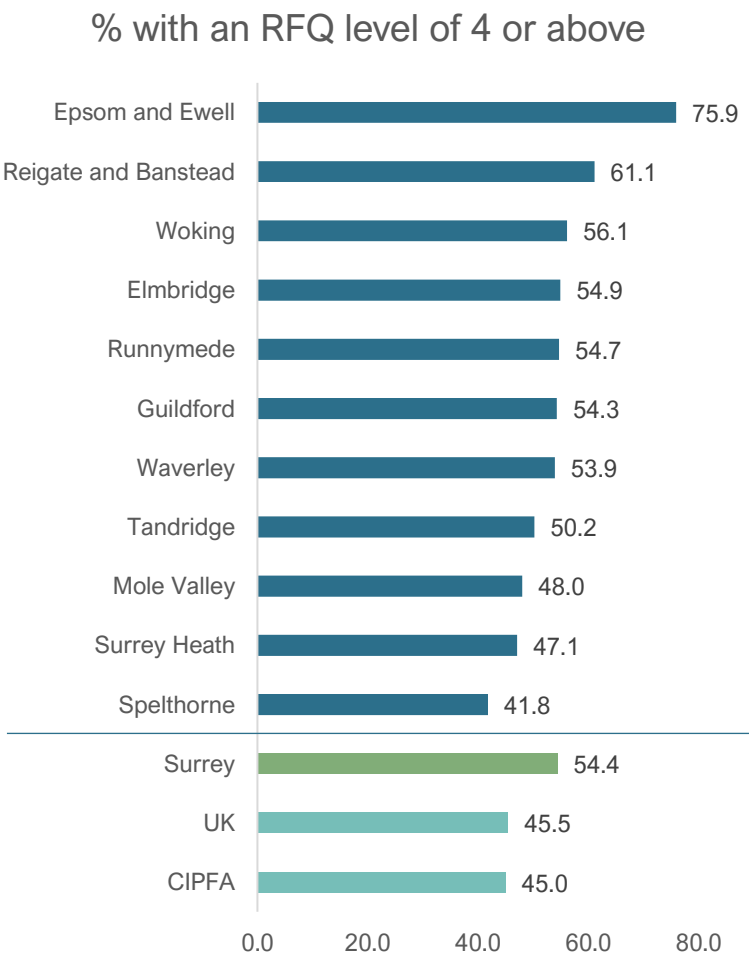
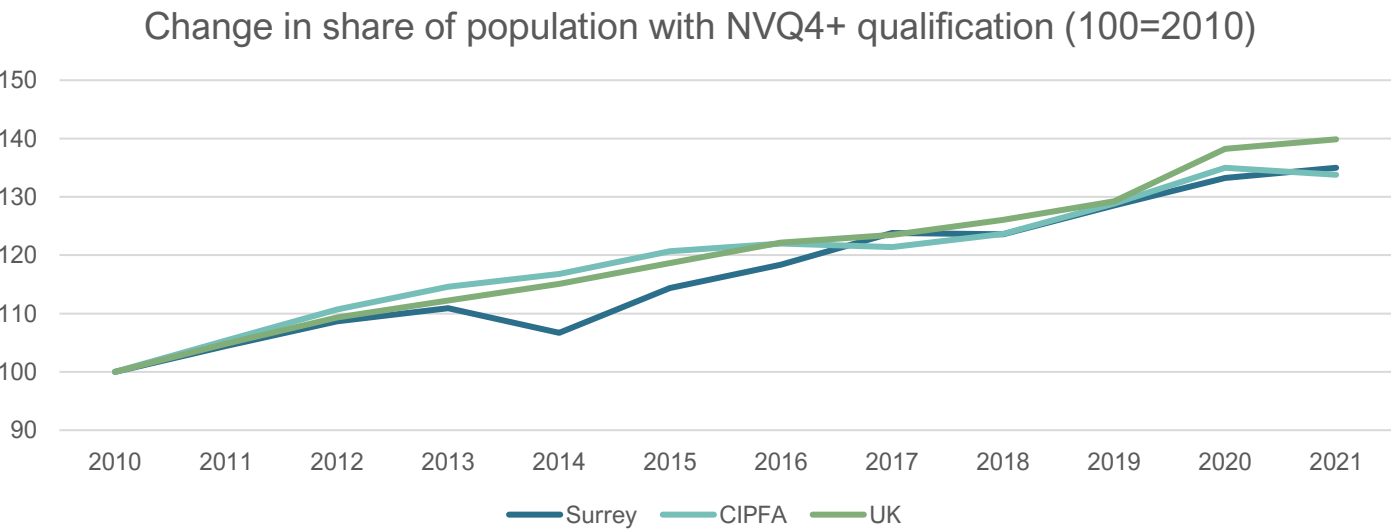
Skills

Surrey has a high share of residents qualified to a degree-level

Surrey’s resident population is highly skilled, with a significantly higher share of its population qualified to a degree level or above than comparators.

The line chart shows the change in the share of residents qualified to a degree level or above in Surrey, other CIPFA counties, and the UK since 2010. Despite a dip in 2014, the change in the share of residents qualified to a degree level or above is equivalent to comparators, only slightly below the national average.

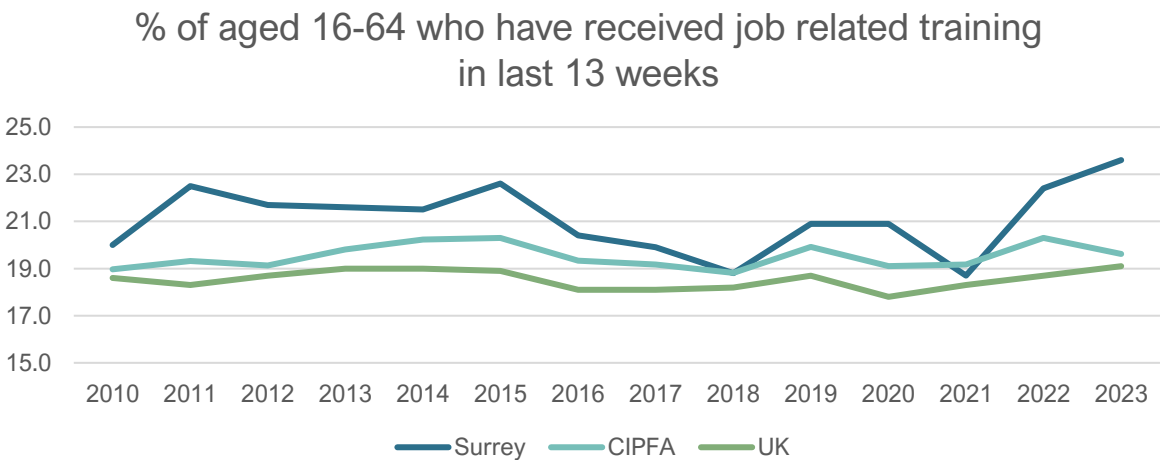
The bar chart shows that Surrey has a higher proportion of its population qualified to a degree level or above, at 54.4%, than the CIPFA (45.0%) and UK (45.5%) averages. All districts in Surrey, apart from Spelthorne, which has a slightly lower proportion (41.8%), exceed comparators in this metric. Additionally, Surrey has a lower share of residents with no qualifications, at 3.3%, than the CIPFA (5.0%) and UK (6.6%) averages.



Source: ONS, annual population survey. *RFQ4+ and NVQ4+ both are equivalent to degree levels or above. NVQs were discontinued post-2021 and replaced by RFQs.

A higher share of Surrey’s residents have received job training in recent months than comparators

Job-related training is more common in Surrey than comparators, which has remained consistent across different industry types and age groups.

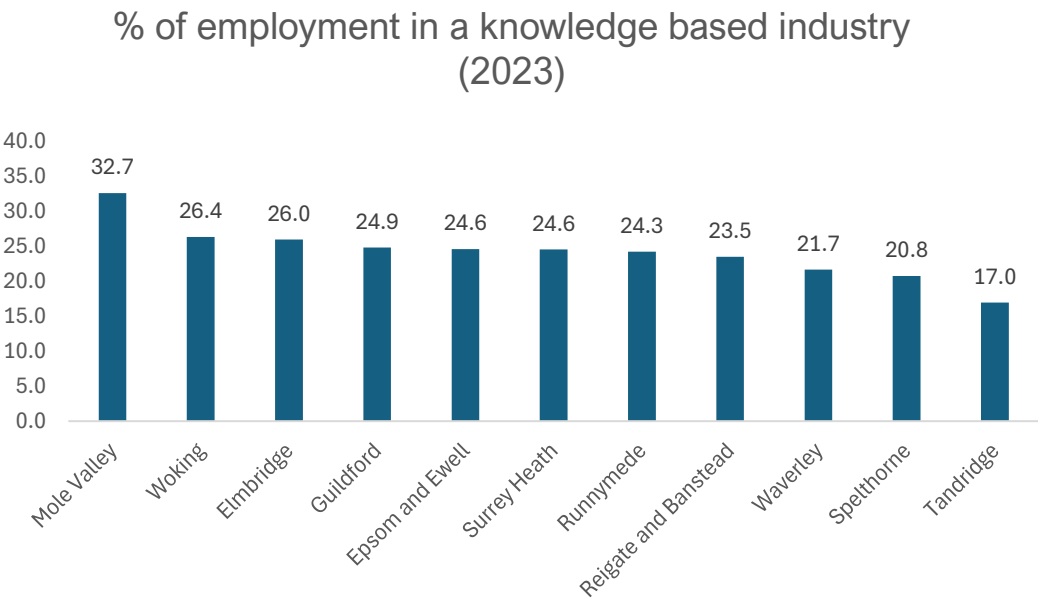
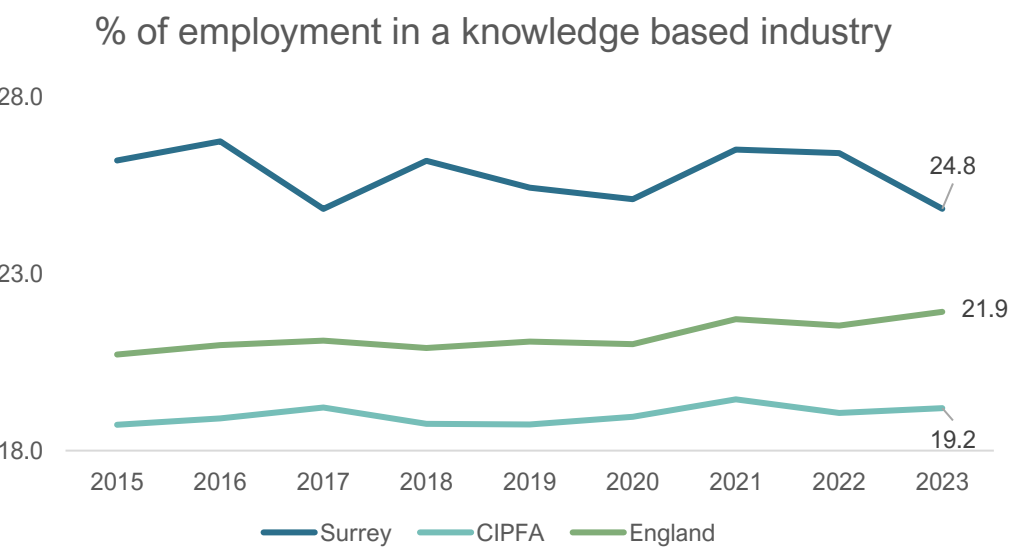


The column chart shows the share of residents who say they have received job training in the last 13 weeks by industry type in Surrey, other CIPFA counties and the UK. The line chart highlights change over time for all industries.

23.6% of Surrey’s working age population received job training in the last 13 weeks, significantly higher than both the CIPFA (19.6%) and UK (19.1%) average. Across industry types, Surrey has a higher proportion of residents that have received job training than comparators. However, in private services, this difference is only marginal at 0.1 percentage points above the CIPFA average and 0.7 above the UK.

However, Surrey has seen a declining share of knowledge workers

Surrey has a larger share of its employment base in knowledge intensive industries than comparators and has done since 2015. There are differences between districts, with a sizeable gap between Mole Valley and Tandridge



These charts show the portion of total employment in Surrey, Surrey’s districts, CIPFA, and England that is in a knowledge-based industry (defined via SIC codes).

The chart on the left shows that since 2015, Surrey has consistently had a larger share of its employment in knowledge-based industries than CIPFA or England. Since 2021, Surrey’s share has declined by 1.7 ppt, whereas for CIPFA, this has declined by 0.2 ppt, and for England, the share has grown by 0.2 ppt.

Within Surrey, Mole Valley has the largest share of its employment in a knowledge-intensive industry (32.7%), almost double the share in Tandridge (17.0%). In Mole Valley, the industry with the largest share of total employment is construction of buildings (7.3%).

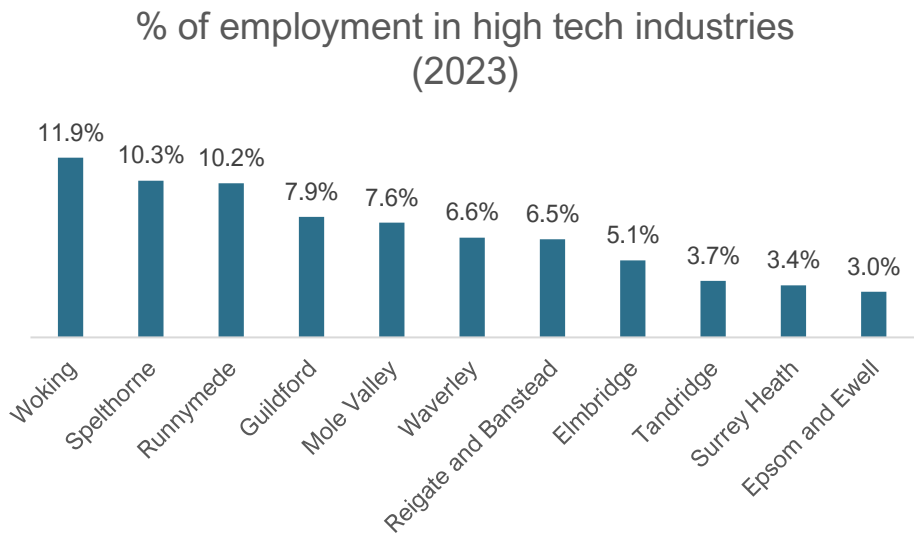
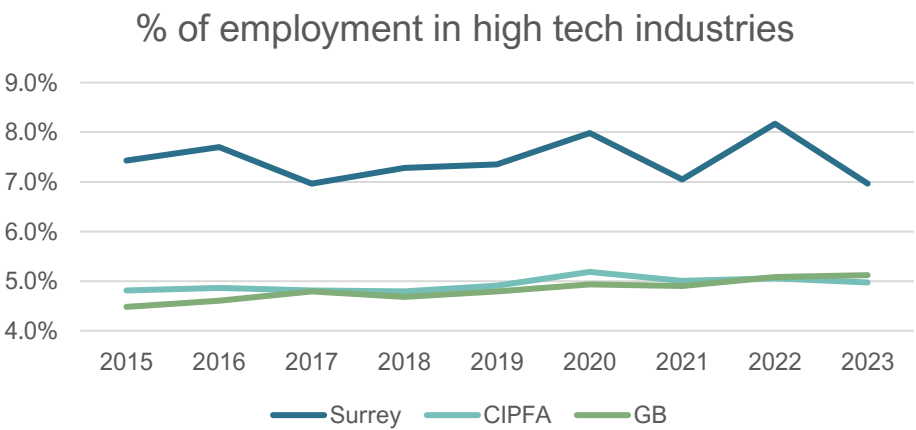
Employment in high tech industries fell between 2022 and 2023

Surrey has a large number of employees in high-tech industries. However, growth has been weak recently, falling by 15% between 2022 and 2023.

The line chart shows that Surrey's share of employment in high-tech industries is higher at 7% than that of comparators (both ~5%). Within Surrey, high-tech employment is particularly strong in Woking, Spelthorne, and Runnymede, employing more than 10% of the workforce in each. Since 2015, the share of employment in high-tech industries has slightly declined in Surrey, with fluctuating growth rates across the period.

Between 2015 and 2023, employment in high-tech industries declined by 7,375, or 15%. The table below breaks down the one-year change by industry. The largest fall in employment was seen in creative production industries, while the only sector seeing growth was the manufacture of computer, electronic, and optical products. The districts that felt the largest decline were Elmbridge and Runnymede, by 33% and 37%, respectively.

High Tech Industry	Employment (2023)	YoY change
Manufacture of basic pharmaceutical products and pharmaceutical preparations	275	-15.4%
Manufacture of computer, electronic and optical products	2,500	42.9%
Motion picture, video and television programme production, sound recording and music publishing activities	2,500	-28.6%
Programming and broadcasting activities	150	-16.7%
Telecommunications	2,750	-8.3%
Computer programming, consultancy and related activities	27,000	-16.9%
Information service activities	1,750	-17.6%
Scientific research and development	3,750	-21.1%

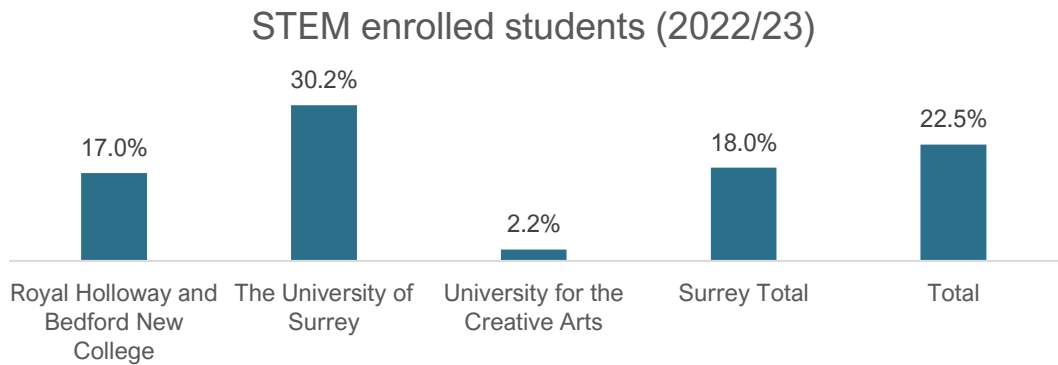


University of Surrey has high STEM enrolment

Surrey’s universities have diverse strengths, differing from one another. However, the county total has a lower share of STEM students than nationally.

The table shows the relative concentration of students by Subject in each of Surrey’s universities using location quotients (LQs). An LQ score of 1.25 or above suggests that the university is specialised in that subject, as there is a 25% higher concentration of students than nationally. The table shows that each university in Surrey has different specialisms: Royal Holloway in humanities and social sciences, the University of Surrey in science and engineering, and the University for the Creative Arts in creative arts and business. Psychology is the only subject with a specialism in two of Surrey’s universities.

The chart below highlights the share of students enrolled in STEM subjects. Surrey has a lower share of students enrolled in STEM subjects (18%) than the national average. Only the University of Surrey has a higher share than the UK.



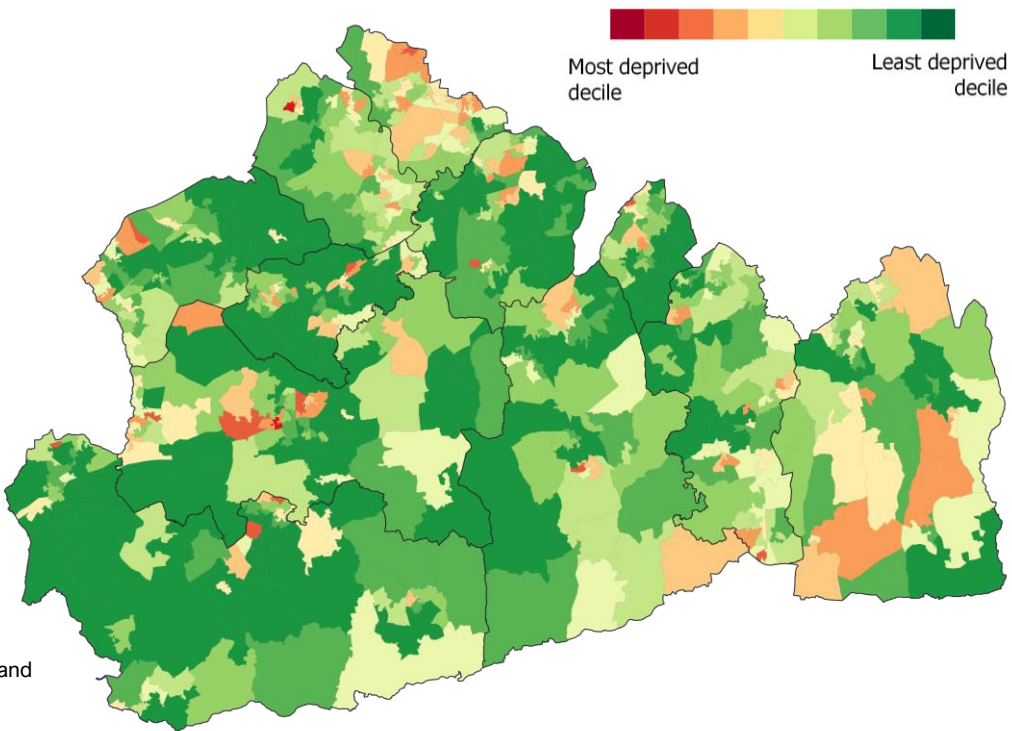
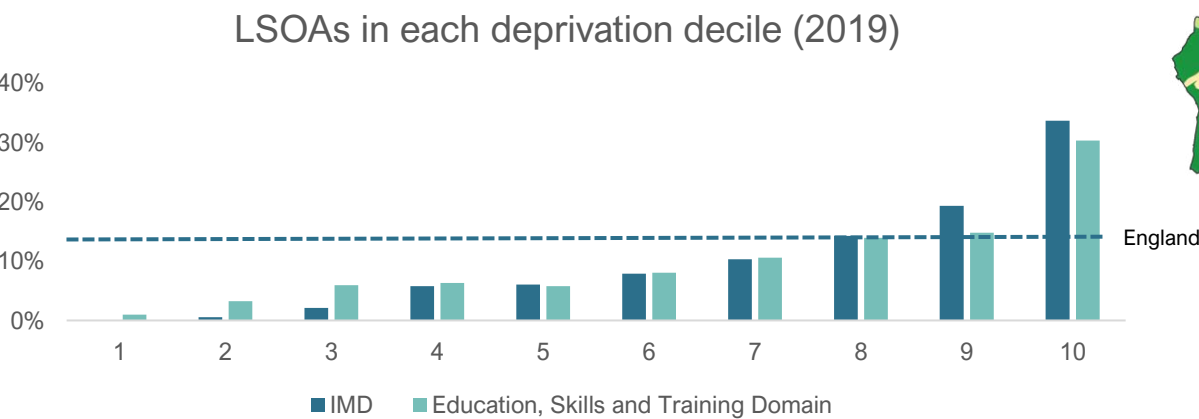
Subject	Surrey Total	Royal Holloway	University of Surrey	Creative Arts
Veterinary sciences	5.08	0.00	12.92	0.00
Design, and creative and performing arts	2.87	0.79	0.71	8.31
Business and management	1.30	1.05	0.97	2.04
Psychology	1.26	2.00	1.54	0.00
Computing	1.07	1.80	0.99	0.34
Language and area studies	1.02	2.00	0.69	0.36
Geography, earth and environmental studies (natural sciences)	0.98	2.00	0.82	0.00
Physical sciences	0.96	0.97	1.64	0.00
Geography, earth and environmental studies (social sciences)	0.84	2.57	0.00	0.00
Engineering and technology	0.82	0.17	1.93	0.00
Social sciences	0.81	1.48	0.83	0.00
Historical, philosophical and religious studies	0.80	2.43	0.01	0.00
Law	0.79	1.60	0.69	0.00
Biological and sport sciences	0.76	1.09	1.04	0.00
Mathematical sciences	0.73	0.91	1.10	0.00
Media, journalism and communications	0.64	1.28	0.39	0.24
Subjects allied to medicine	0.61	0.16	1.41	0.00
Agriculture, food and related studies	0.35	0.06	0.85	0.00
Architecture, building and planning	0.29	0.00	0.00	1.02
Education and teaching	0.22	0.27	0.34	0.00
Combined and general studies	0.18	0.47	0.07	0.00
Medicine and dentistry	0.05	0.00	0.13	0.00

Deprivation in the education, skills and training domain is worse in Surrey

Deprivation in education, skills, and training is worse in Surrey than in other domains, with seven urban neighbourhoods in six districts amongst the worst 10% in England.

The education deprivation domain measures the local population's lack of attainment and skills. The Adult skills subdomain looks at adults with no or low qualifications and those who cannot speak English well/at all. The Children/Young people subdomain looks at pupil attainment at Key Stage 2 and 4, school absence, and the proportion of young people entering higher education

In Surrey, there is a higher share of LSOAs in the top 30% of the most deprived neighbourhoods in this domain than the IMD total. Seven neighbourhoods in Surrey are amongst the worst 10% of England, spread across the county in six districts: two in Guildford and one in Elmbridge, Mole Valley, Reigate and Banstead, Runnymede, and Surrey Heath.

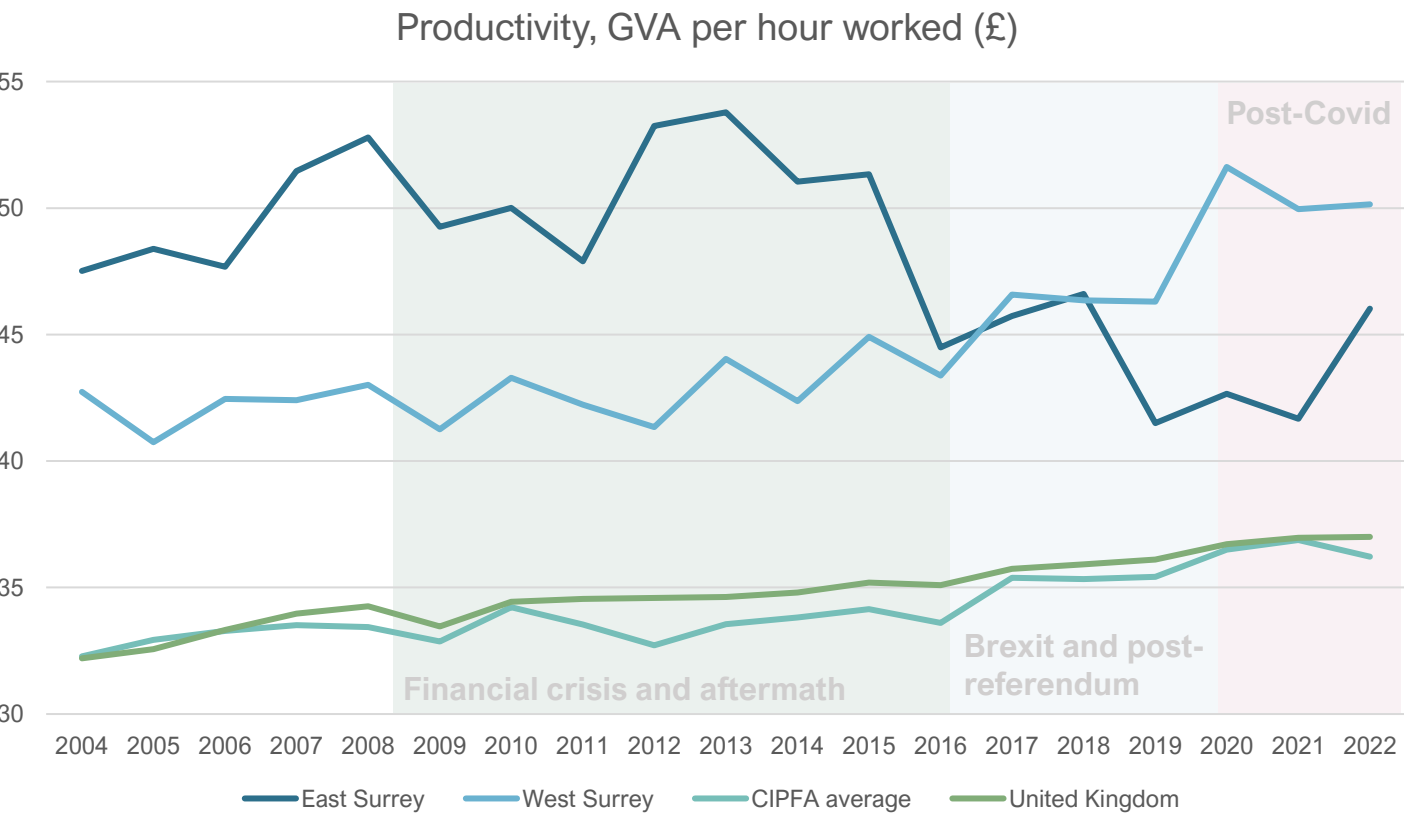


Earnings



Labour productivity has seen significant declines in East Surrey

Surrey has greater labour productivity than its comparators. However, labour productivity has been volatile and inconsistent across Surrey, with strong growth in West Surrey and significant declines in East Surrey in the last decade.








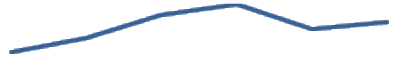





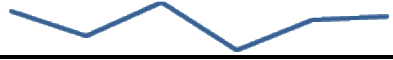
This chart looks at the labour productivity in East and West Surrey, the CIPFA average and the UK over time, measured by GVA per hour worked.

Both East and West Surrey have higher labour productivity than the national average, at £50.1 and £46.0 GVA per hour worked, respectively. This is significantly higher than the CIPFA (£36.2) and UK (£37.0) averages.

However, the chart shows that labour productivity growth in East and West Surrey has not been the same. East Surrey saw a large decline in labour productivity post-2013, from £53.8 to £41.5 GVA per hour worked. In the same period, labour productivity in West Surrey grew by £6 per hour. The UK and CIPFA average have seen labour productivity grow gradually since 2004.

Productivity is unbalanced across the county

Productivity calculated by GVA per hour worked is high in Surrey, but not equal across districts. Growth has also been stagnant in the county in total, but Reigate and Banstead has seen a large decline in recent years.

District	2022	CAGR	Trendline
Elmbridge	£94,534	-1.6%	
Epsom and Ewell	£54,762	-0.8%	
Guildford	£66,936	0.9%	
Mole Valley	£92,646	1.1%	
Reigate and Banstead	£83,248	-4.9%	
Runnymede	£110,860	1.4%	
Spelthorne	£91,531	1.9%	
Surrey Heath	£74,379	4.6%	
Tandridge	£57,382	0.5%	
Waverley	£62,764	0.6%	
Woking	£62,234	-2.1%	
Surrey	£79,056	-0.1%	

This chart looks at productivity in Surrey by calculating GVA per job in each district*. It also explores the 5-year compound annual growth rate (CAGR) and the trend line in those years.

Surrey’s GVA per job was £79,056 in 2022, greater than the Great Britain average of £61,711. However, GVA per job in Surrey has declined slightly, at -0.1 % per year since 2017, while in Great Britain, this was +0.1%.

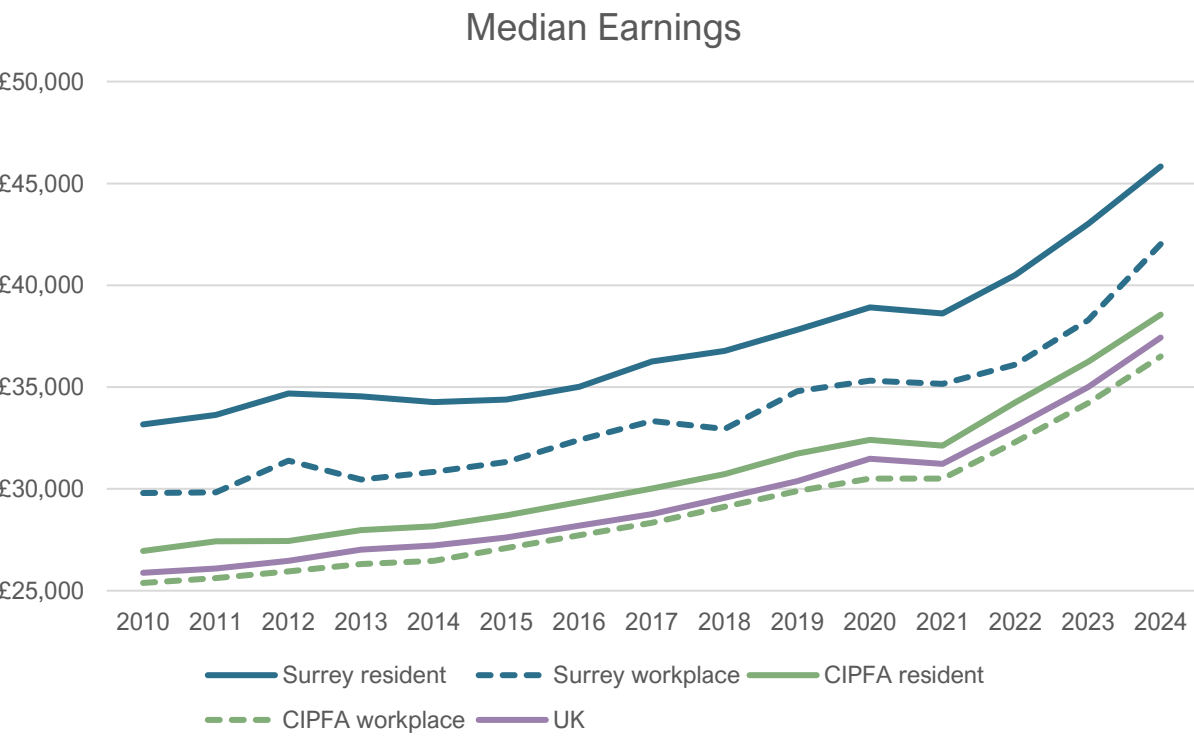
The most productive district was Runnymede, at £110,860 GVA per job, more than double the lowest in Epsom and Ewell at £54,762.

The change in five years is also not equal across the district. Surrey Heath saw strong growth in GVA per job, averaging 4.6% per year in five years, whilst Reigate and Banstead saw a large decline of -4.9% CAGR, likely bringing the East Surrey average down.

**GVA per hour worked, the labour productivity metric used in the previous slide is unavailable at the district level.*

Earnings comparisons point to higher levels of commuting out of Surrey

A comparison between residents' and workplace earnings in Surrey suggests more significant levels of commuting to CIPFA and the UK, and residents' wages are significantly higher than comparators'.



**CIPFA calculated as an average of the medians across the group*

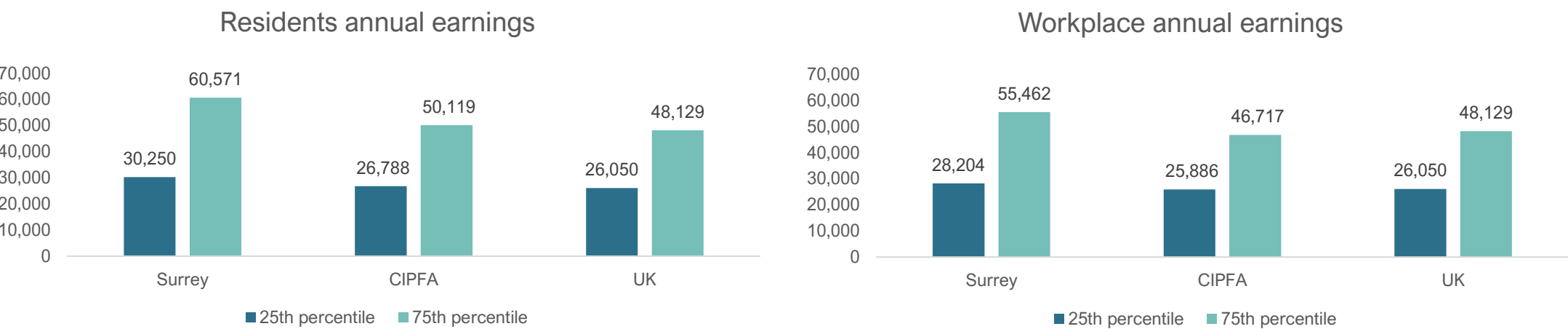
This chart shows the median earnings since 2010 in Surrey, the CPFA average and the UK. Median resident earnings and median workplace earnings were split between Surrey and the CIPFA average.

This chart shows that average annual earnings in Surrey are higher than that of CIPFA and the UK for Workplace and Residents' earnings. Resident median earnings in Surrey are £45,831, more than £7,000 more than the CIPFA average and £8,000 more than nationally. Workplace median earnings in Surrey are £42,017, more than £4,500 more than nationally and more than £5,500 over the CIPFA average.

Resident earnings in Surrey are 9.1% higher than workplace earnings, whereas this gap in CIPFA is 5.6%. Higher resident earnings than workplace earnings suggest the prevalence of commuting to other areas and accessing higher earnings. Across the period, the gap between resident and workplace earnings in Surrey has varied from 12.8% in 2011 to 8.1% in 2016. In 2024, the gap closed slightly from 12.4% in 2023.

Earnings inequality is more pronounced within Surrey than comparators

Earnings inequality, both residents and workplace, is more pronounced in Surrey than for CIPFA or in the UK. The 25th percentile earnings are relatively similar for all areas, but at the 75th percentile we see much larger disparity.



The charts above show the annual resident and workplace earnings for the 25th and 75th percentile in Surrey and comparators. The table on the right shows the % difference between the 25th and 75th percentile earnings in Surrey and comparators.

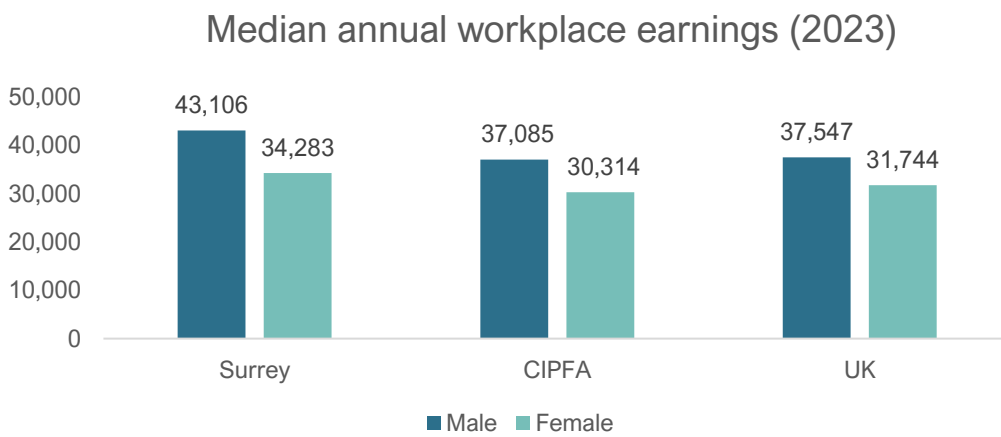
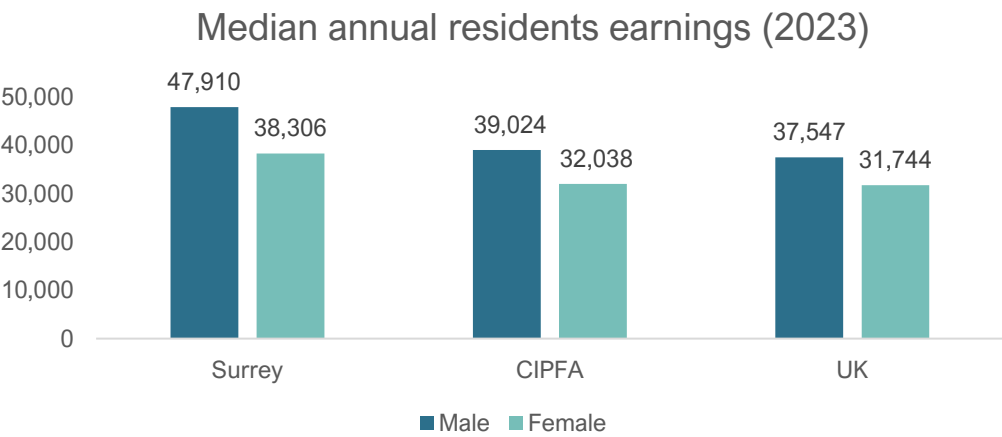
Surrey has a notably higher 75th percentile earnings level than CIPFA and the UK for both residents and workplace earnings. The gap between the percentiles is larger within Surrey for resident earnings, but only marginally. Surrey’s percent gaps between the percentiles are larger than for CIPFA and the UK for both residents and workplace earnings.

**CIPFA calculated as an average of the percentile earnings from the region*

Area	Resident's earnings % difference (25 th & 75 th percentile)	Workplace earnings % difference (25 th & 75 th percentile)
Surrey	50.1%	49.1%
CIPFA	45.9%	44.6%
UK	46.6%	45.9%

The gender wage gap is larger in Surrey than comparators

The gender wage gap is larger in Surrey than it is for CIPFA or the UK, and median annual earnings are generally highest in Surrey for both residents and workplace earnings.



The charts above show the median annual earnings of males and females in Surrey and their comparators. The table on the right shows the percentage difference between males' and females' median annual earnings in Surrey and their comparators.

Male median annual earnings are higher in Surrey, CIPFA, and the UK. The percentage difference between male and female median annual workplace and resident earnings is larger than the national difference. This is especially true for workplace earnings, where the percentage difference is 0.6ppt larger.

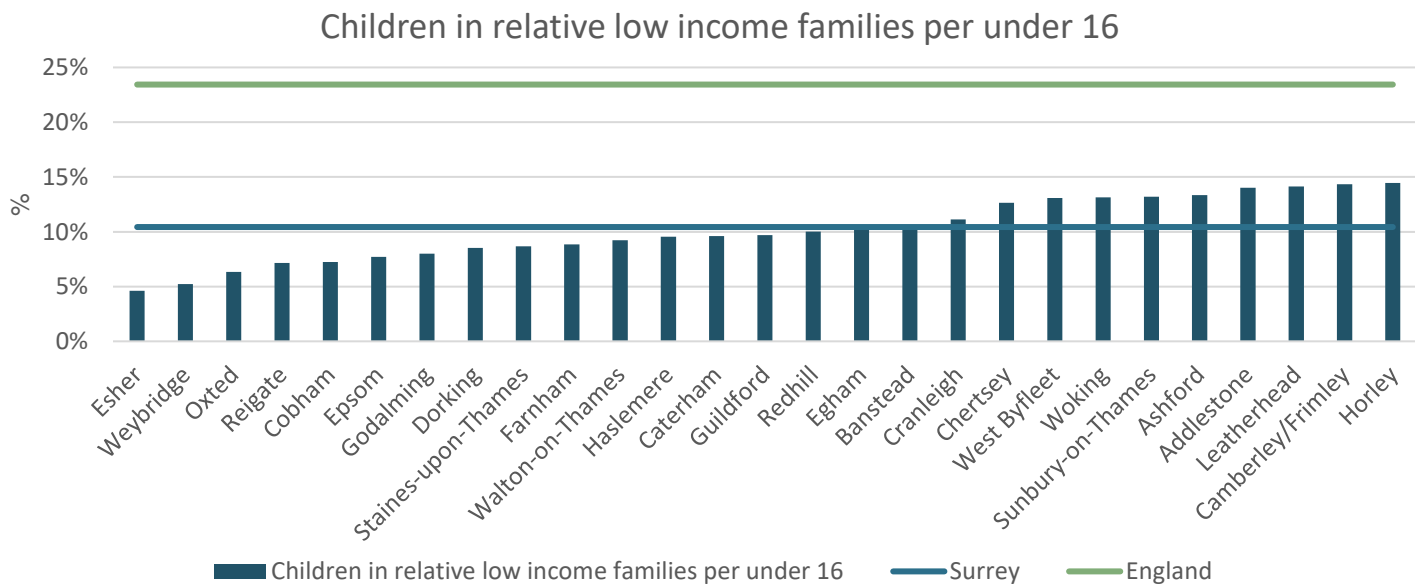
Male residents of Surrey are more likely to be in high-skilled occupations like managers and directors, while female residents are more likely to be in lower-skilled occupations like caring, leisure, and other service occupations.

Area	Resident's earnings % difference (male & female)	Workplace earnings % difference (male & female)
Surrey	25.1%	25.7%
CIPFA	21.8%	22.3%
UK	18.3%	18.3%

All of Surrey performs well for % of children in relative low-income families

This indicator shows the proportion of children in relatively low-income families. A relatively low-income family is defined as one whose equivalised income is below 60 percent of contemporary median income, and this includes children aged 16 or under.

Surrey towns consistently perform better than the national average of 23%, with a County average of 10% of children living in relatively low-income families. The lowest proportion of children living in relative low-income families is found in Esher, at 5%. The highest percentage of children living in relative low-income families is recorded in Horley, at 14%.



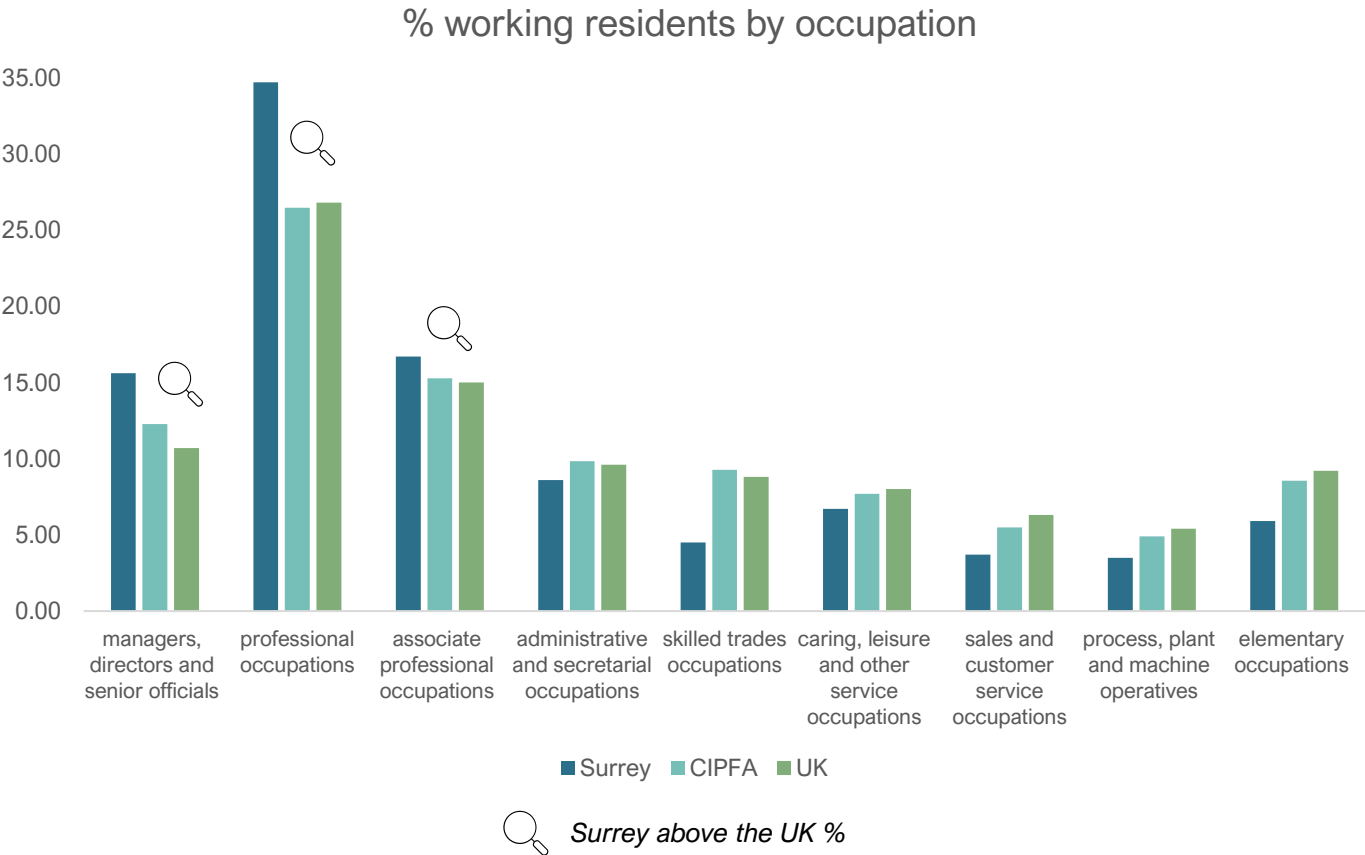
Rank	Town	Children in relative low income families per under 16
1	Esher	4.6%
2	Weybridge	5.2%
3	Oxted	6.3%
4	Reigate	7.1%
5	Cobham	7.3%
6	Epsom	7.7%
7	Godalming	8.0%
8	Dorking	8.5%
9	Staines-upon-Thames	8.7%
10	Farnham	8.9%
11	Walton-on-Thames	9.2%
12	Haslemere	9.5%
13	Caterham	9.6%
14	Guildford	9.7%
15	Redhill	10.0%
16	Egham	10.3%
17	Banstead	10.5%
18	Cranleigh	11.1%
19	Chertsey	12.6%
20	West Byfleet	13.1%
21	Woking	13.1%
22	Sunbury-on-Thames	13.2%
23	Ashford	13.4%
24	Addlestone	14.0%
25	Leatherhead	14.1%
26	Camberley/Frimley	14.3%
27	Horley	14.5%

Occupations



Highly skilled occupations are more common amongst Surrey residents

Surrey’s employment base is largely comprised of highly skilled roles, compared with the UK and CIPFA. The two comparator areas perform similarly.



	Surrey	CIPFA	UK
Highly skilled	67%	54%	53%
Intermediate	20%	27%	26%
Low skilled	13%	19%	21%

Surrey has a higher percentage of its residents in highly skilled roles compared to CIPFA and the UK. The share of low-skilled workers is almost 10 percentage points lower than for the UK.

The biggest gulf between Surrey and the UK is for professional occupations, where Surrey has a share of 7 percentage points more in this group.

High-skilled	1: managers, directors and senior officials
	2: professional occupations
	3: associate prof & tech occupations
Intermediate	4: administrative and secretarial occupations
	5: skilled trades occupations
	6: caring, leisure and other service occupations
Low-skilled	7: sales and customer service occupations
	8: process, plant and machine operatives
	9: elementary occupations

The shift between intermediate and highly skilled is most notable for Surrey residents

Surrey’s share of residents in highly skilled occupations is increasing more than comparators. The difference is driven by a transition from intermediate workers to highly skilled workers in the county, rather than any notable shift away from low-skilled when looking at comparators.

Surrey	2021	2022	2023	3-year change
Highly skilled	61.8%	62.9%	67.0%	+5.2ppt
Intermediate	24.0%	22.2%	19.8%	-4.2ppt
Low skilled	14.0%	14.5%	13.1%	-0.9ppt

CIPFA	2021	2022	2023	3-year change
Highly skilled	51.2%	52.9%	54.0%	+2.8ppt
Intermediate	28.8%	28.1%	26.8%	-2.0ppt
Low skilled	19.8%	18.6%	19.0%	-0.8ppt

UK	2021	2022	2023	3-year change
Highly skilled	49.9%	50.7%	52.5%	+2.6ppt
Intermediate	27.7%	27.1%	26.4%	-1.3ppt
Low skilled	22.0%	21.7%	20.9%	-1.1ppt

Surrey, CIPFA, and the UK have seen the share of residents employed in highly skilled occupations grow since 2021.

Surrey’s share of residents in highly skilled occupations has grown by around 2x the number of percentage points compared to its comparators.

Surrey’s share of residents in low-skilled occupations has decreased by a similar amount of points as the UK and CIPFA, but its share of those in intermediate-skilled occupations has fallen by significantly more points.

Workplace occupations are less skilled than resident occupations

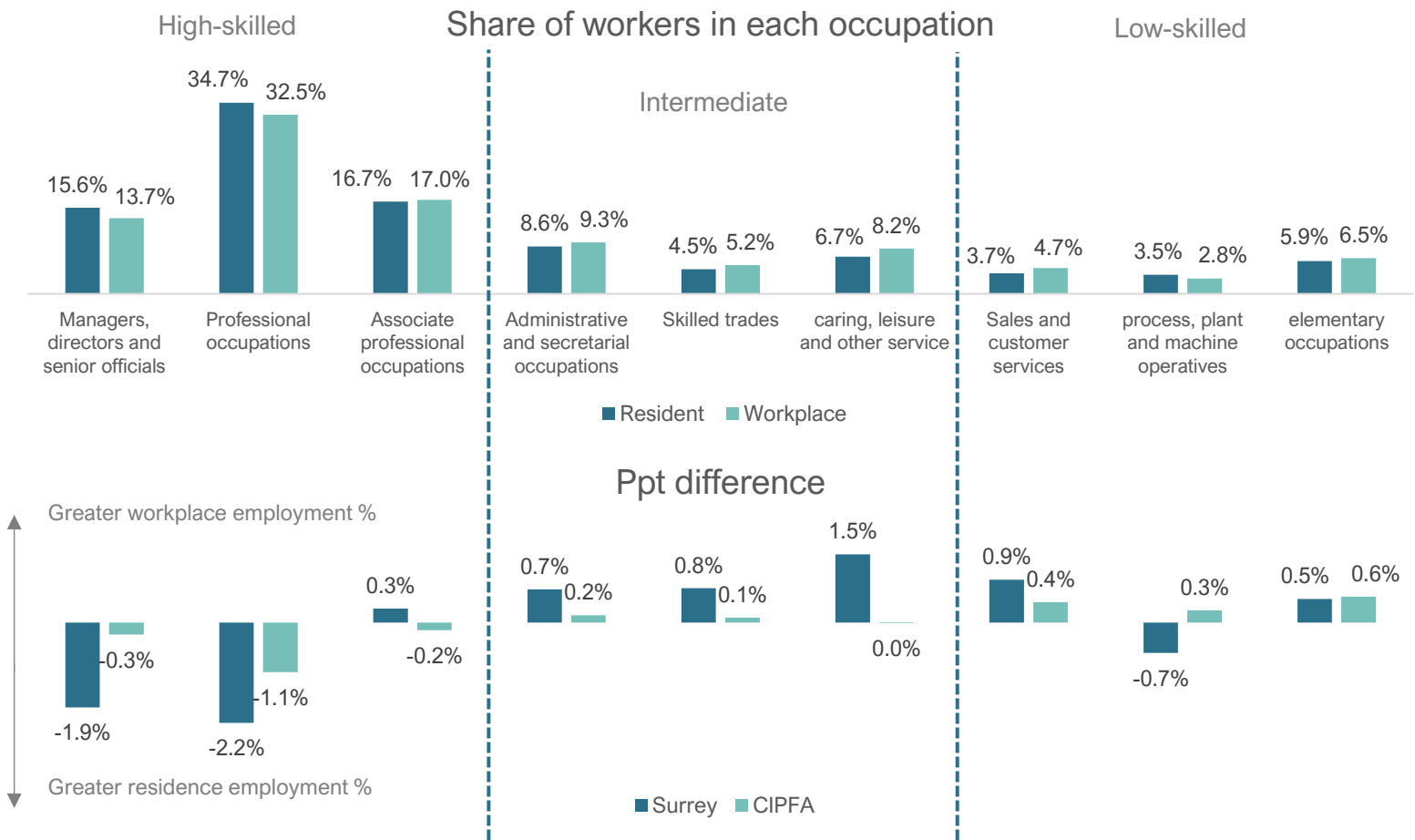
High-skilled occupations are much more common amongst Surrey’s residents than in Surrey’s workplaces. When looking at Surrey’s occupational breakdown by workplace, there is a higher share of intermediate-skilled occupations.

This chart shows the difference between the broad occupational shares between Surrey’s residents and Surrey’s workplaces.

This chart shows that the occupational breakdown of Surrey’s residents has a higher share of high-skilled occupations than that of Surrey’s workplaces. The concentration of managers, directors, and senior officials amongst Surrey’s residents is 1.9 ppt, greater than in Surrey’s workplaces; for professional occupations, this is 2.2 ppt. The difference of the CIPFA average is 0.3 ppt and 1.1 ppt, respectively.

Additionally, Surrey’s workplaces have a higher proportion of intermediate-skill occupations than Surrey’s residents.

This suggests that some residents in high-skilled occupations commute out of the county for work.



Source: ONS, annual population survey: workplace analysis

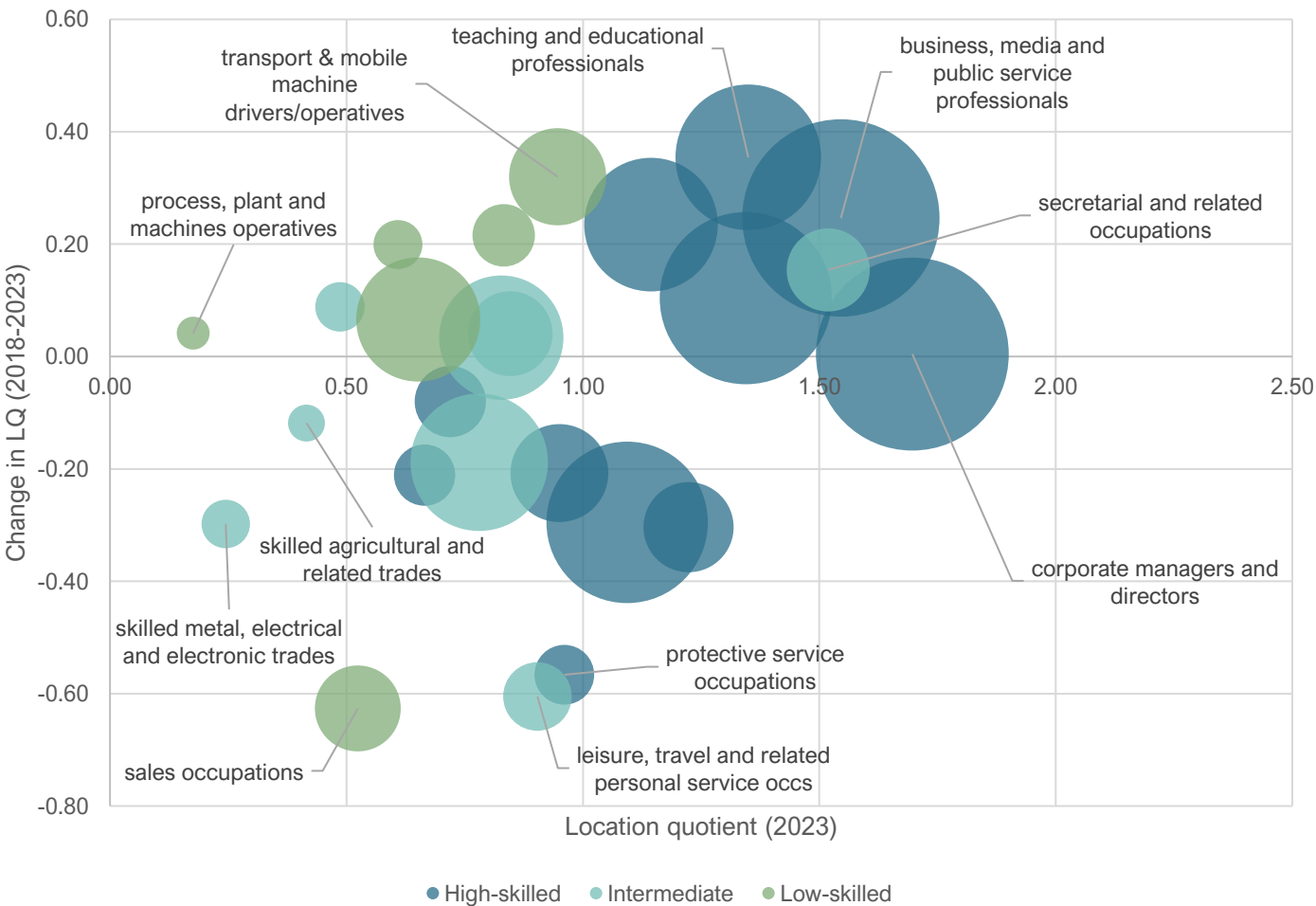
Surrey’s residents have a greater proportion of high-skilled occupations

Surrey residents specialise in more skilled roles, and specialism continues to grow.

Using a resident-based approach, this bubble chart shows the relative concentration of all 2-digit SOC in Surrey. The x-axis is the LQ in 2023, the y-axis is the five-year LQ change from 2018-2023, and the bubble size is the number of residents in that occupation. An LQ score above 1.25 suggests that Surrey’s residents are specialised in that occupation.

The chart shows that Surrey residents specialise in most highly-skilled occupations, such as corporate managers and directors, with an LQ score of 1.7. The only exception is secretarial and related occupations, which are intermediate.

Many of Surrey’s top occupations for residents have seen relative concentration increases, particularly high-skilled professionals in teaching and education or business, media, and public service. However, high-skilled occupations with a relative decline in concentration are science, research, engineering, and technology professionals or culture, media, and sports occupations.



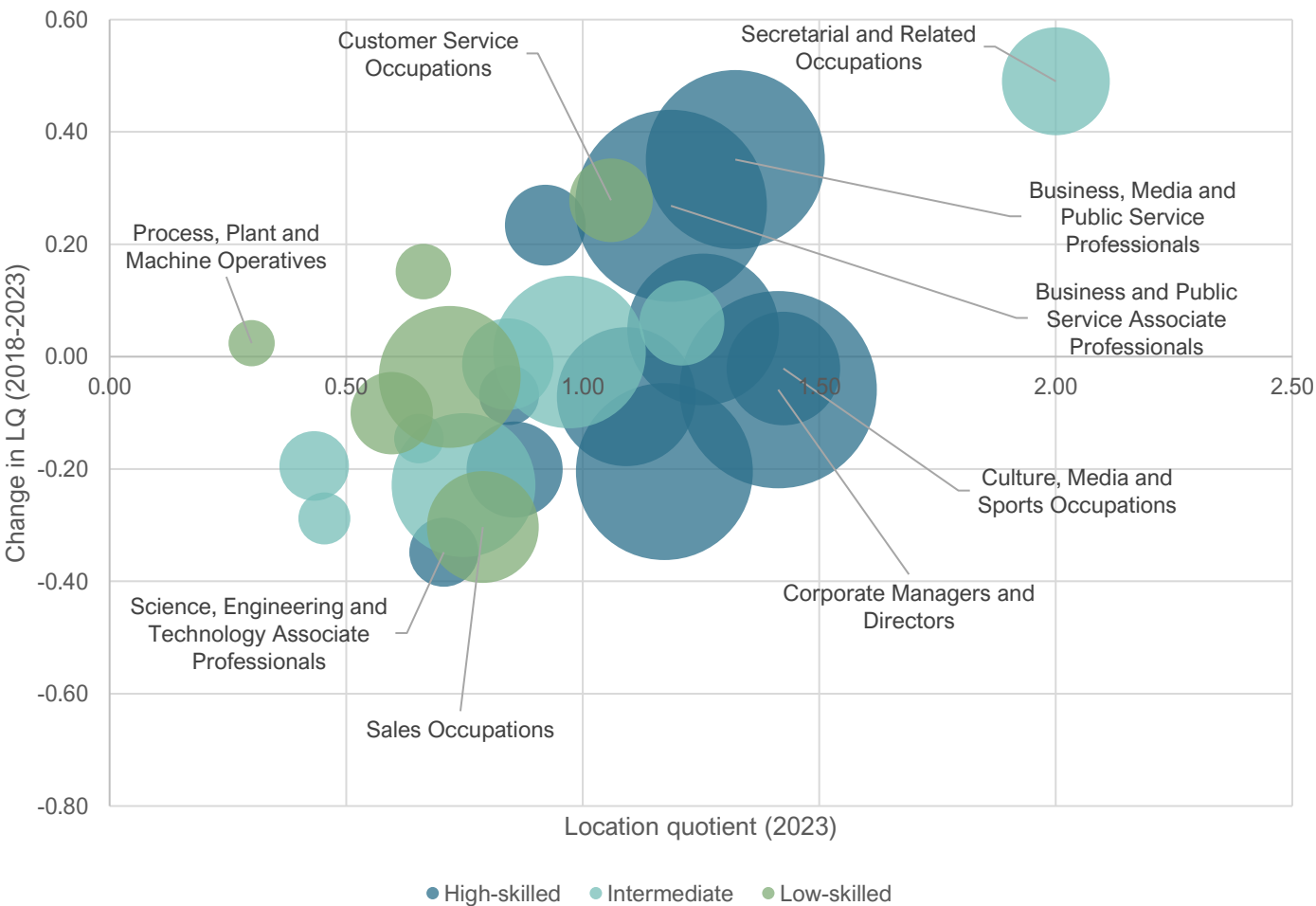
Secretarial is large and growing of workplace jobs in Surrey, whilst others are declining

High-skilled occupations are a weaker specialism when using a workplace approach.

This bubble chart uses a workplace-based approach to show the relative concentration of all 2-digit SOC in Surrey. The x-axis shows the LQ in 2023, the y-axis shows the five-year change from 2018 to 2023, and the bubble size is employment in that occupation. An LQ score above 1.25 suggests that Surrey’s workplaces are specialised in that occupation.

The chart shows that when looking at occupations within Surrey’s workplaces, high-skilled occupations are still more likely to be specialised in Surrey. However, specialism in high-skilled occupations is weaker, with the highest LQ being in culture, media, and sports occupations at 1.42. Instead, the highest LQ in Surrey is in intermediate-skilled occupations (secretarial and related occupations) at 2.0.

Unlike using a resident-based method, no occupations have seen their LQ fall by more than 0.4 percentage points. Therefore, occupations cluster more together in the bubble chart. The only standout is secretarial and related occupations, which saw their LQ increase by 0.49 percentage points.



Most low-skilled occupations are growing in concentration

These tables categorise the placements of bubbles on the previous slide. A high LQ is above 1 (a greater concentration of occupations amongst Surrey residents than nationally).

Low LQ and growing		
Occupation	Skill level	Employees
Caring personal service occupations	Intermediate	32,900
Elementary administration & service occs	Low-skilled	32,800
Transport & mobile machine drivers/operatives	Low-skilled	20,100
Skilled construction and building trades	Intermediate	15,300
Customer service occupations	Low-skilled	8,300
Textiles, printing and other skilled trades	Intermediate	5,200
Elementary trades and related occupations	Low-skilled	5,100
Process, plant and machines operatives	Low-skilled	2,300

Low LQ and falling		
Occupation	Skill level	Employees
Administrative occupations	Intermediate	40,200
Other managers and proprietors	High-skilled	20,400
Sales occupations	Low-skilled	15,700
Health & social care assoc. professionals	High-skilled	10,800
Leisure, travel and related personal service occs	Intermediate	10,000
Science, engineering and technology associate profs	High-skilled	8,000
Protective service occupations	High-skilled	7,600
Skilled metal, electrical and electronic trades	Intermediate	5,000
Skilled agricultural and related trades	Intermediate	2,900

High LQ and growing		
Occupation	Skill level	Employees
Business, media and public service professionals	High-skilled	82,900
Corporate managers and directors	High-skilled	79,200
Business & public service assoc. professionals	High-skilled	63,100
Teaching and educational professionals	High-skilled	45,100
Health professionals	High-skilled	38,000
Secretarial and related occupations	Intermediate	14,700

High LQ and falling		
Occupation	Skill level	Employees
Science, research, engineering and technology profs	High-skilled	55,500
Culture, media and sports occupations	High-skilled	17,300

Occupations growing in specialism are likely to be in occupations already more concentrated in Surrey's workplaces

These tables categorise the placements of bubbles on the previous slide. A high LQ is above 1 (a greater concentration of occupations at Surrey's workplaces than nationally).

Low LQ and growing		
Occupation	Skill level	Employees
Caring Personal Service Occupations	Intermediate	37,000
Health and Social Care Associate Professionals	High-skilled	10,400
Elementary Trades and Related Occupations	Low-skilled	4,900
Process, Plant and Machine Operatives	Low-skilled	3,400

Low LQ and falling		
Occupation	Skill level	Employees
Administrative Occupations	Intermediate	32,900
Elementary Administration and Service Occupations	Low-skilled	32,000
Sales Occupations	Low-skilled	19,900
Other Managers and Proprietors	High-skilled	14,700
Skilled Construction and Building Trades	Intermediate	13,300
Transport and Mobile Machine Drivers and Operatives	Low-skilled	10,800
Skilled Metal, Electrical and Electronic Trades	Intermediate	7,700
Science, Engineering and Technology Associate Professionals	High-skilled	7,600
Protective Service Occupations	High-skilled	5,700
Textiles, Printing and Other Skilled Trades	Intermediate	4,300
Skilled Agricultural and Related Trades	Intermediate	3,900

High LQ and growing		
Occupation	Skill level	Employees
Business and Public Service Associate Professionals	High-skilled	58,600
Business, Media and Public Service Professionals	High-skilled	51,000
Teaching and Educational Professionals	High-skilled	36,600
Secretarial and Related Occupations	Intermediate	18,500
Leisure, Travel and Related Personal Service Occupations	Intermediate	11,500
Customer Service Occupations	Low-skilled	11,100

High LQ and falling		
Occupation	Skill level	Employees
Corporate Managers and Directors	High-skilled	61,900
Science, Research, Engineering and Technology Professionals	High-skilled	49,800
Health Professionals	High-skilled	30,700
Culture, Media and Sports Occupations	High-skilled	20,500

Surrey's workplaces have a lower proportion of high-skilled occupations than residents

Skill level	Occupation	Workplace LQ	Residence LQ	LQ difference
Intermediate	Secretarial and Related Occupations	2.00	1.52	0.48
Intermediate	Leisure, Travel and Related Personal Service Occupations	1.21	0.90	0.31
Low-skilled	Sales Occupations	0.79	0.52	0.26
Intermediate	Skilled Agricultural and Related Trades	0.65	0.42	0.24
Low-skilled	Customer Service Occupations	1.06	0.83	0.23
High-skilled	Health and Social Care Associate Professionals	0.92	0.72	0.20
High-skilled	Culture, Media and Sports Occupations	1.42	1.22	0.20
Intermediate	Skilled Metal, Electrical and Electronic Trades	0.43	0.24	0.19
Intermediate	Caring Personal Service Occupations	0.97	0.83	0.14
Low-skilled	Process, Plant and Machine Operatives	0.30	0.18	0.12
High-skilled	Science, Research, Engineering and Technology Professionals	1.17	1.09	0.08
Low-skilled	Elementary Administration and Service Occupations	0.72	0.65	0.07
Low-skilled	Elementary Trades and Related Occupations	0.66	0.61	0.05
High-skilled	Science, Engineering and Technology Associate Professionals	0.71	0.67	0.04
Intermediate	Skilled Construction and Building Trades	0.84	0.85	0.00
Intermediate	Textiles, Printing and Other Skilled Trades	0.45	0.49	-0.03
Intermediate	Administrative Occupations	0.75	0.78	-0.03
High-skilled	Health Professionals	1.09	1.14	-0.05
High-skilled	Other Managers and Proprietors	0.86	0.95	-0.09
High-skilled	Teaching and Educational Professionals	1.25	1.35	-0.10
High-skilled	Protective Service Occupations	0.84	0.96	-0.12
High-skilled	Business and Public Service Associate Professionals	1.19	1.34	-0.16
High-skilled	Business, Media and Public Service Professionals	1.32	1.55	-0.22
High-skilled	Corporate Managers and Directors	1.41	1.70	-0.28
Low-skilled	Transport and Mobile Machine Drivers and Operatives	0.60	0.95	-0.35

Workplaces have a higher LQ of lower-skilled occupations than residents, suggesting that residents in high-skilled occupations commute out of the county.

This table highlights the change in 2-digit SOC LQs when switching from resident-based to workplace-based occupations. It is ordered from the highest positive change to the least. Occupations above the specialism threshold (1.25) are highlighted.

The table shows that when taking a resident-based approach, all specialised high-skilled occupations have a lower LQ than when taking a workplace-based approach. In contrast, Surrey's workplaces have a greater concentration of intermediate and low-skilled occupations, such as leisure, secretarial, skilled trades, or sales occupations.

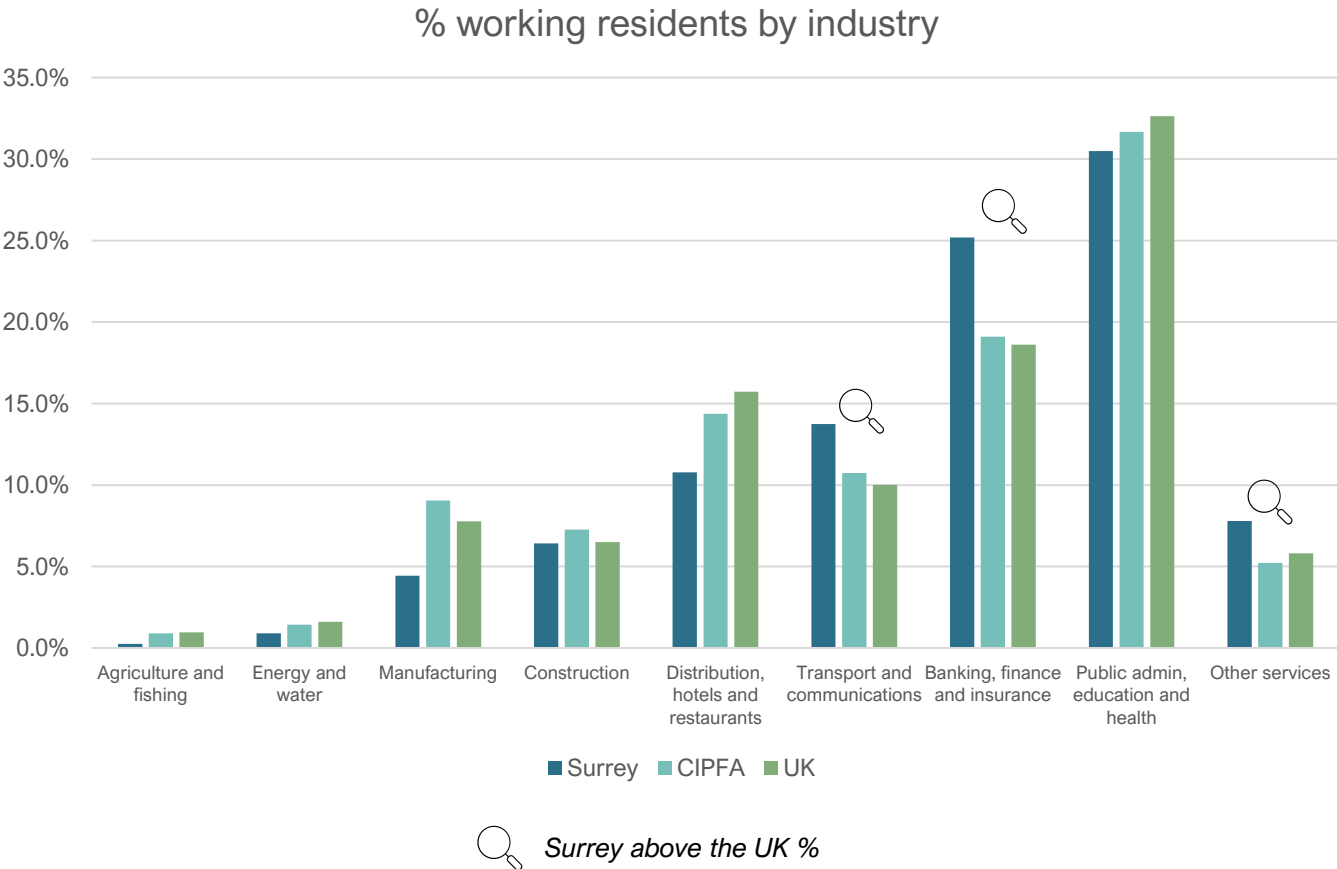
However, some high-skilled occupations, such as professional occupations in culture, health, and science and technology, do have a higher LQ in Surrey's workplaces.

Industries



Surrey has a high share of residents working in banking, finance and insurance

Surrey’s top employing industries for residents are like comparators, however, residents are more likely to work in transport and communications, banking, finance and insurance, and other services.



This chart shows the breakdown of industries that Surrey’s residents work in. Of the nine broad industrial groups listed, Surrey has a higher proportion of residents working in transport and communications, banking, finance and insurance, and other services than comparators. Surrey also has significantly fewer residents employed in manufacturing and distribution, hotels and restaurants than comparators.

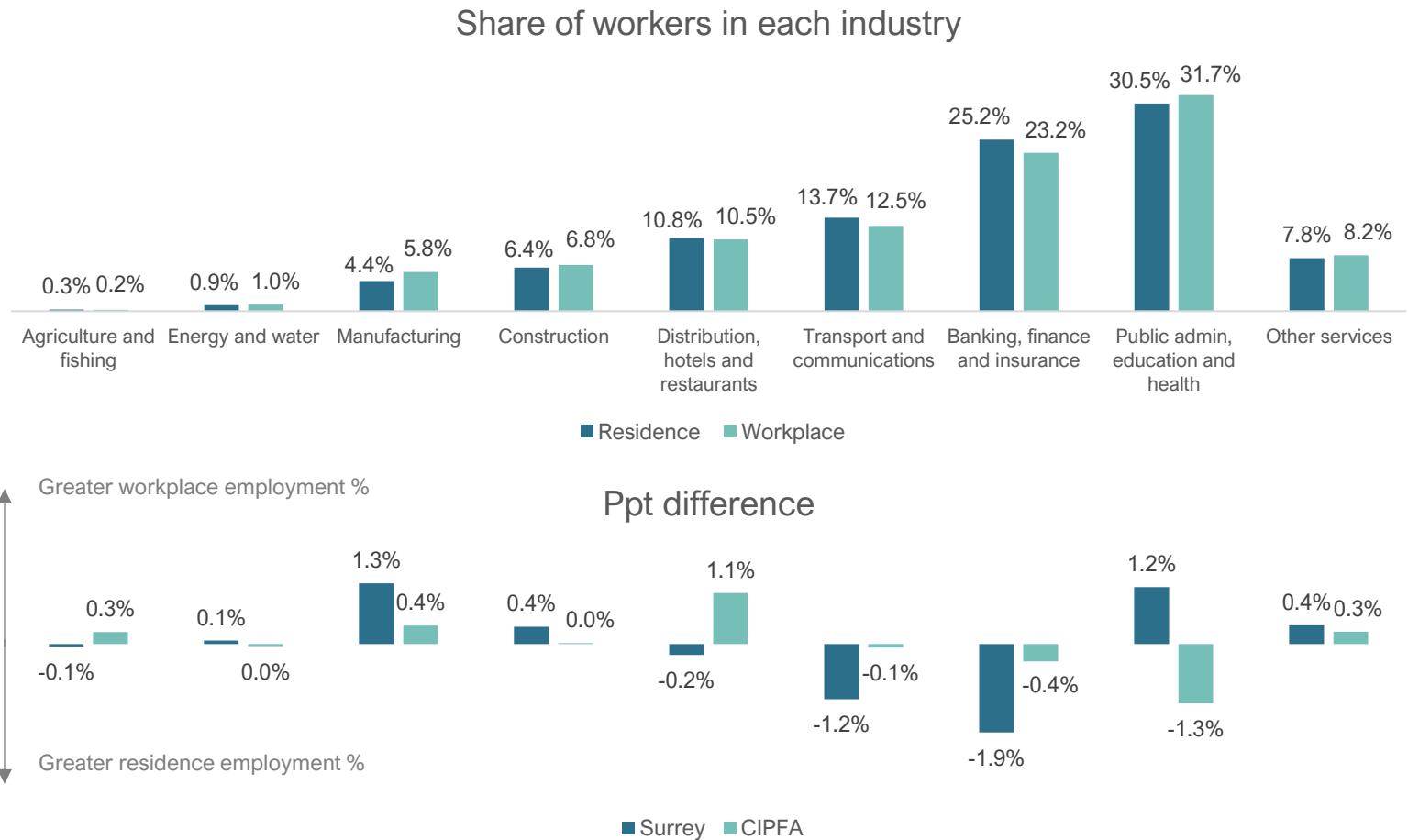
The table below shows the number of residents employed in each industry in Surrey and the employment change since 2018. Most industries, besides agriculture and fishing, manufacturing and distribution, hotels and restaurants are seeing growth.

Industry	Employment	5-year change
Agriculture and fishing	1,600	-65%
Energy and water	5,700	8%
Manufacturing	28,300	-21%
Construction	41,000	8%
Distribution, hotels and restaurants	68,800	-17%
Transport and communications	87,700	10%
Banking, finance and insurance	160,800	16%
Public admin, education and health	194,700	19%
Other services	49,800	6%

Source: ONS, annual population survey.

Workplace industrial breakdown is similar to residence-based

Industrial breakdowns between workplaces and residents in Surrey do not differ greatly, however, residents are more likely to work in banking, finance and insurance or transport and communications than people who work in Surrey.



This chart shows the difference between the broad industrial shares between Surrey’s residents and Surrey’s workplaces.

This chart shows that the industrial breakdown of Surrey’s residents is similar to the industrial breakdown of employment in Surrey’s workplaces, as top sectors stay the same. However, some disparities exist between residents and workplaces.

For example, Surrey residents are more likely to have a higher proportion of workers in banking, finance and insurance or transport and communications than people working in Surrey. Additionally, there is a higher proportion of workers in Surrey in manufacturing and public administration, education, and health than Surrey residents.

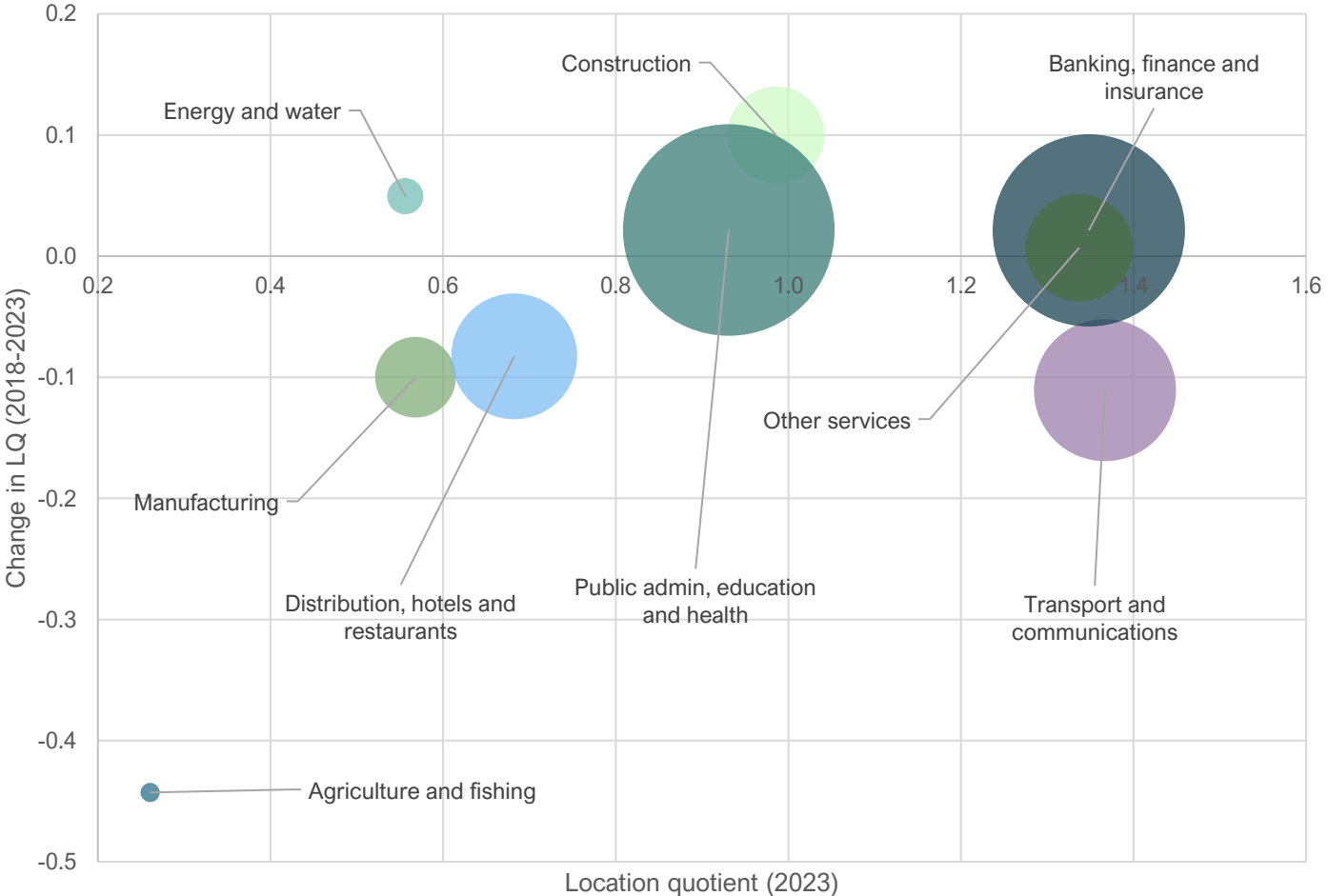
Surrey’s residents are most specialised in transport and communications, but specialism is declining

Specialism amongst Surrey’s residents is concentrated to three broad industries.

Using a resident-based approach, this bubble chart shows the relative concentration of each broad industrial group in Surrey. The x-axis is the LQ in 2023, the y-axis is the five-year LQ change from 2018 to 2023, and the bubble size is the number of residents in that industry. An LQ score above 1.25 suggests that Surrey’s residents are specialised in that industry.

The chart shows that Surrey’s residents are specialised in banking, finance and insurance, other services, and transport and communications. As the proportion of residents working in all other industries is below the UK average, the LQs for all other industries fall below 1.

Of the three specialised industries for residents, banking, finance and insurance, and other services have seen a slight increase in relative concentration, whilst transport and communications have seen an LQ drop of 0.1 since 2018. Of the non-specialised industries, construction, energy and water, public administration, education, and health are growing in relative concentration.



Each industry with an LQ above 1 is growing in relative concentration of workplace-based employment

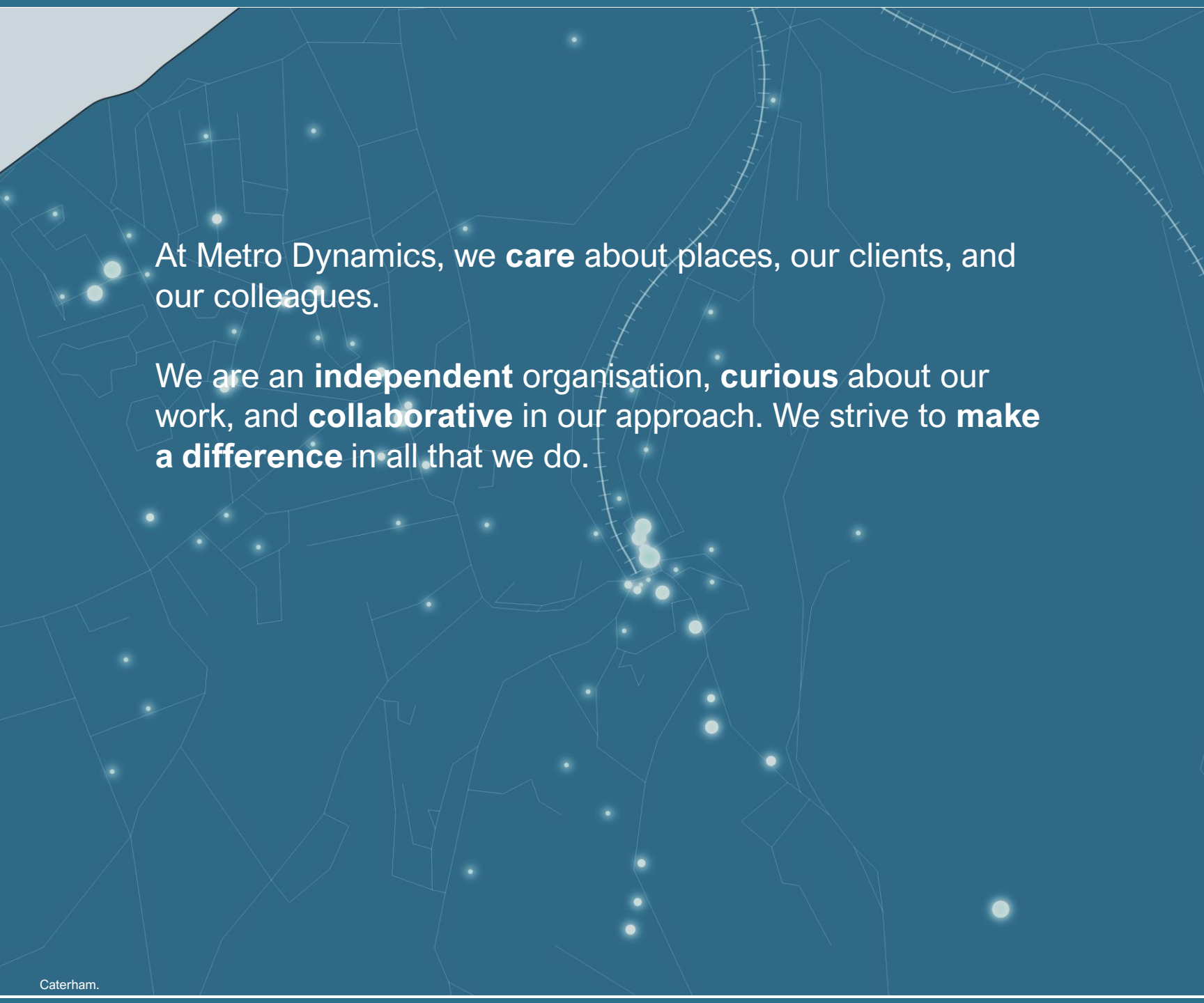
The only specialised industry when taking a workplace-based approach is other services.

This bubble chart uses a workplace-based approach to show the relative concentration of each broad industrial group in Surrey. The x-axis shows the LQ in 2023, the y-axis shows the five-year LQ change from 2018 to 2023, and the bubble size is employment in that industry. An LQ score above 1.25 suggests that Surrey’s workplaces are specialised in that industry.

The chart shows that when looking at industries within Surrey’s workplaces, other services are the only industry above the specialism threshold. However, the other industries that are specialised amongst residents are only just below the threshold. Additionally, most unspecialised industries have a greater relative concentration when looking at workplace-based employment.

All industries with a higher concentration of employment than the UK (LQ above 1) are seeing growth in relative concentration. In contrast, most industries with an LQ below 1 (except for manufacturing) have seen a decline in relative concentration. The most being energy and water.





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