

FULL DECK AS PRE-READING

ONE SURREY GROWTH BOARD

Monday 11th September 2023

Surrey Technology Centre, Guildford

AGENDA

No.	Item	Speaker
01	Welcome and Introductions	<i>Cllr Matt Furniss (Chair)</i>
02	Local Enterprise Partnership (LEP) Integration	<i>Dawn Redpath</i>
03	Mapping the Innovation Economy in Surrey	<i>Fiona Tuck</i>
04	Introduction to UKRI CCP-RED Gain	<i>Dr Will Lovegrove</i>
05	University of Surrey Research Findings: Charting our Investment and Growth Potential	<i>Prof. Amelia Hadfield</i>
06	Our Surrey Story	<i>David Stedman</i>
07	AOB and Future Meeting Dates	<i>Chair</i>

ECONOMIC POSITION UPDATE

The following 5 slides are included here as background information to the Board agenda

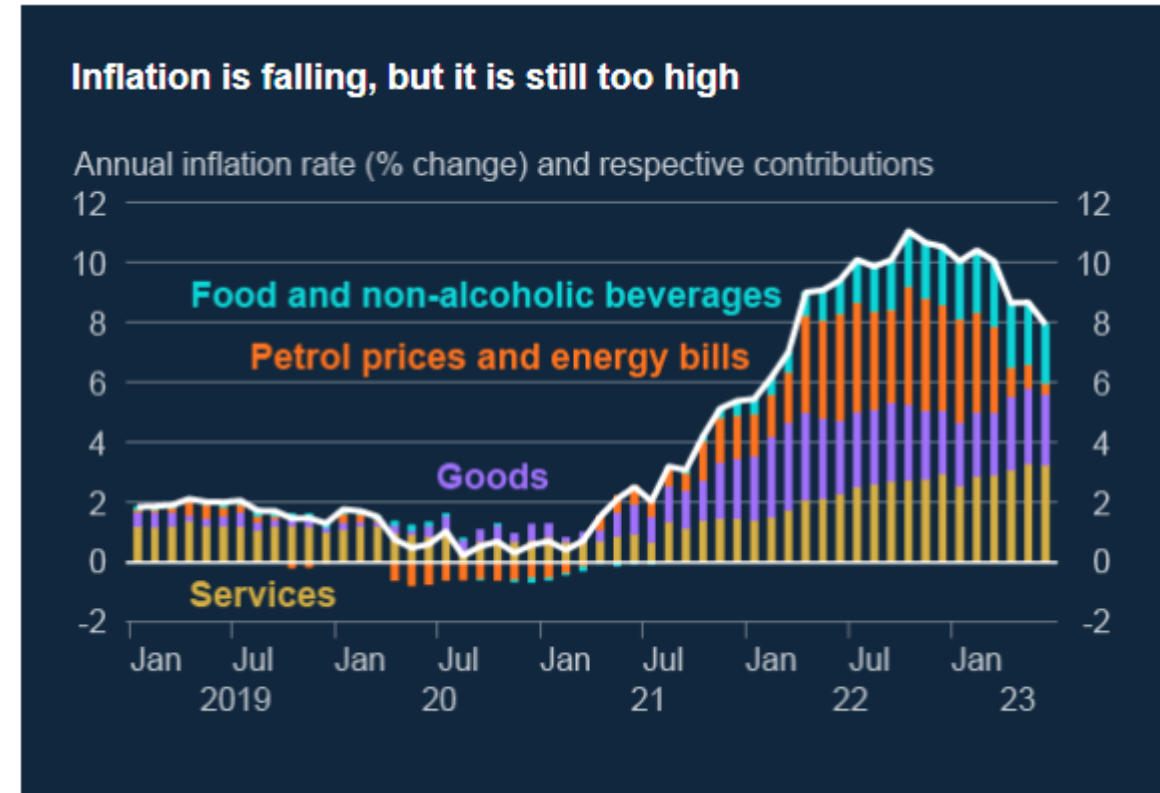
UK Economic Outlook

- Despite expectations the UK would fall into a recession in 2023, [GDP is projected to grow by 0.4% this year and by 0.3% in 2024.](#)
- Inflation is expected to fall to around 5% this year, and meet the 2% target by early 2025. In June, prices were 7.9% higher than a year ago.
- Interest rates have been raised to 5.25% in August
[Monetary Policy Report - August 2023 | Bank of England](#)
- 75% of UK businesses in the latest business insights survey said they had not assessed the risks of certain climate change effects (effects include increased flooding and temperatures, and water scarcity)

[UK economy latest - Office for National Statistics \(ons.gov.uk\)](#)

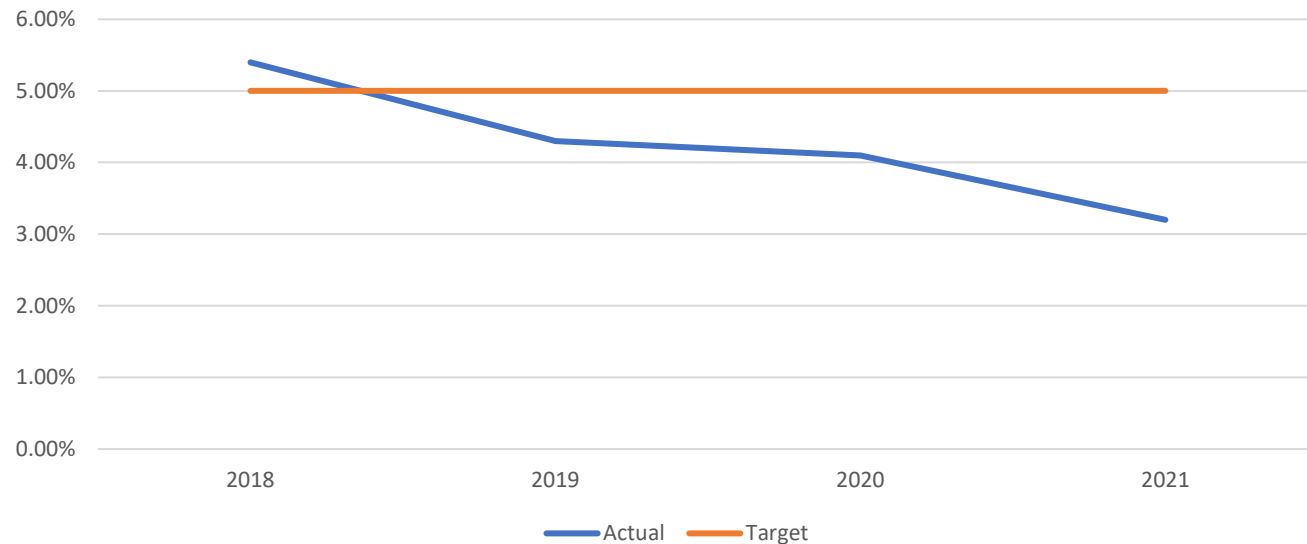
- The unemployment rate for April to June 2023 increased by 0.3% to 4.2% - driven by people unemployed for up to 6 months
- The decrease in economic inactivity during the latest quarter was largely driven by those inactive because they are looking after family or home. Those inactive because of long-term sickness increased to a record high

[Labour market overview, UK - Office for National Statistics \(ons.gov.uk\)](#)



Surrey Economic Outlook

High Growth Businesses

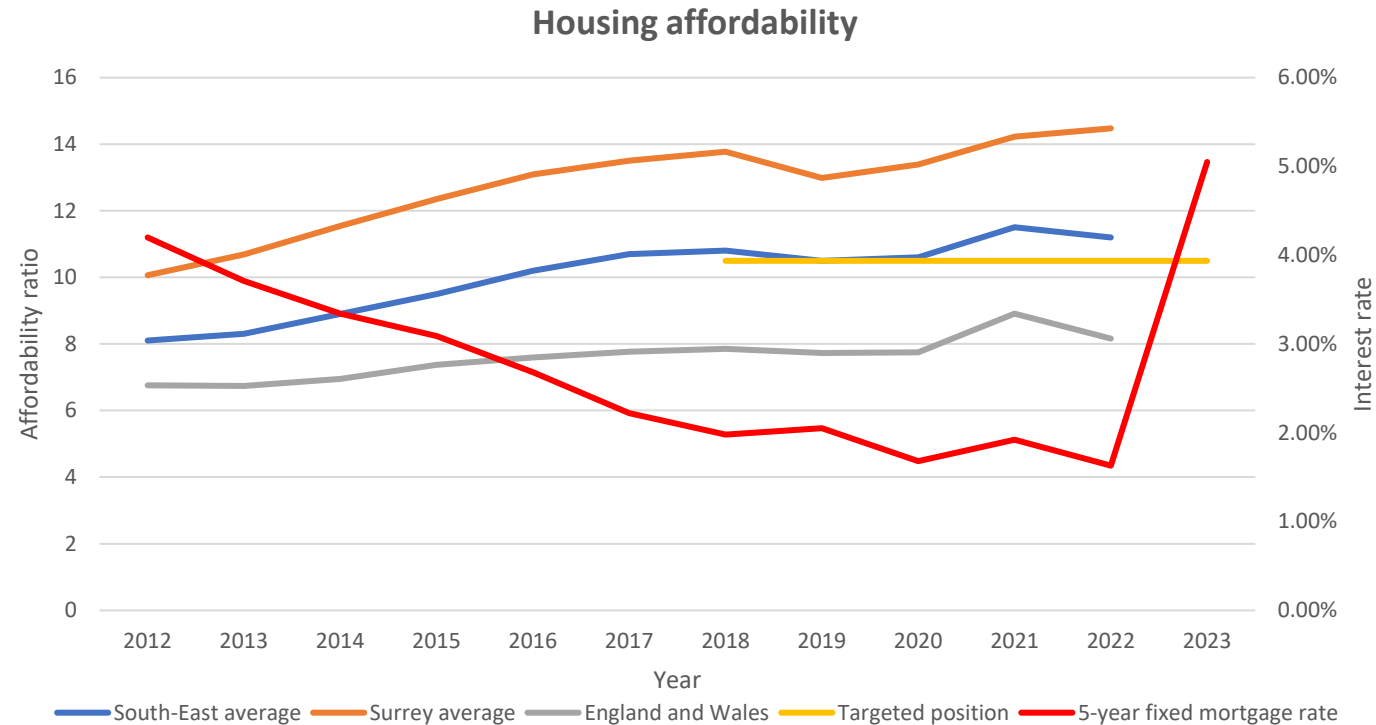


Target: Maintain 5% of active businesses to be High Growth businesses to 2030

Current: 3.2% YoY change: ▼ **-0.9%**

Commentary:

- Downward trend in % of high growth businesses. Need to provide a more supportive environment for these types of businesses.
- It will be important to analyse post-Covid figures for 2022 when released.



Target: Improve housing affordability ratio from 11.5 to 10.5, bringing Surrey closer to the South East, by 2030.

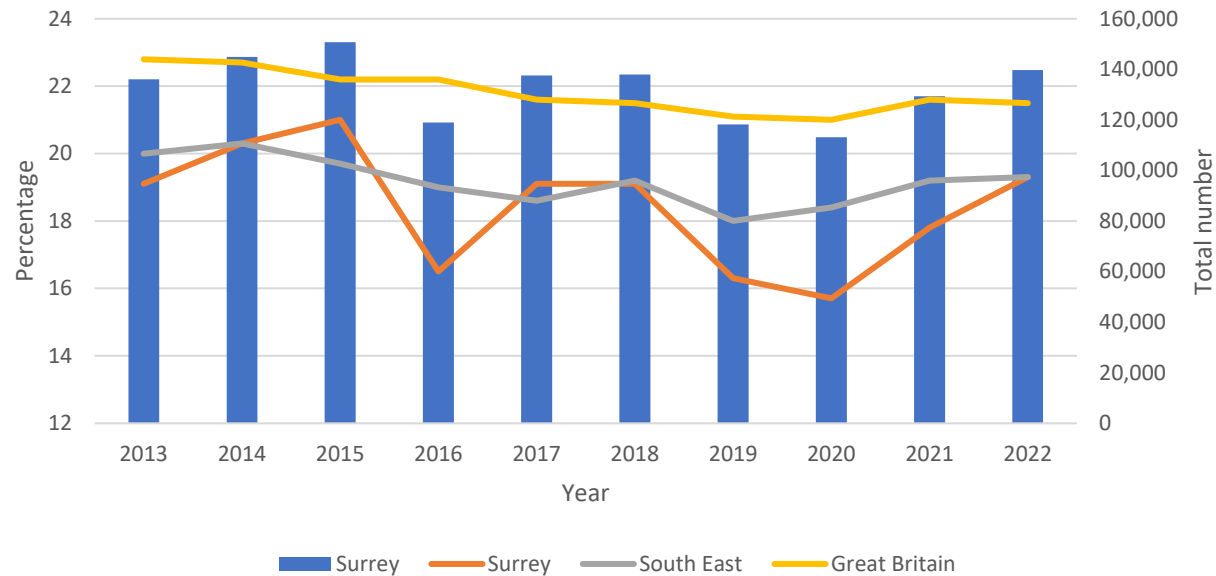
Current: 14.5

YoY change: ▲ +0.3

Commentary:

- Impact of increasing interest rates ([over 6% for 5-year fix](#)), which likely to cause house prices to fall ([signs of this already](#)). Although some rates on fixed mortgage deals have been reduced, [reflecting market expectations that inflation is falling](#).

Economically inactive



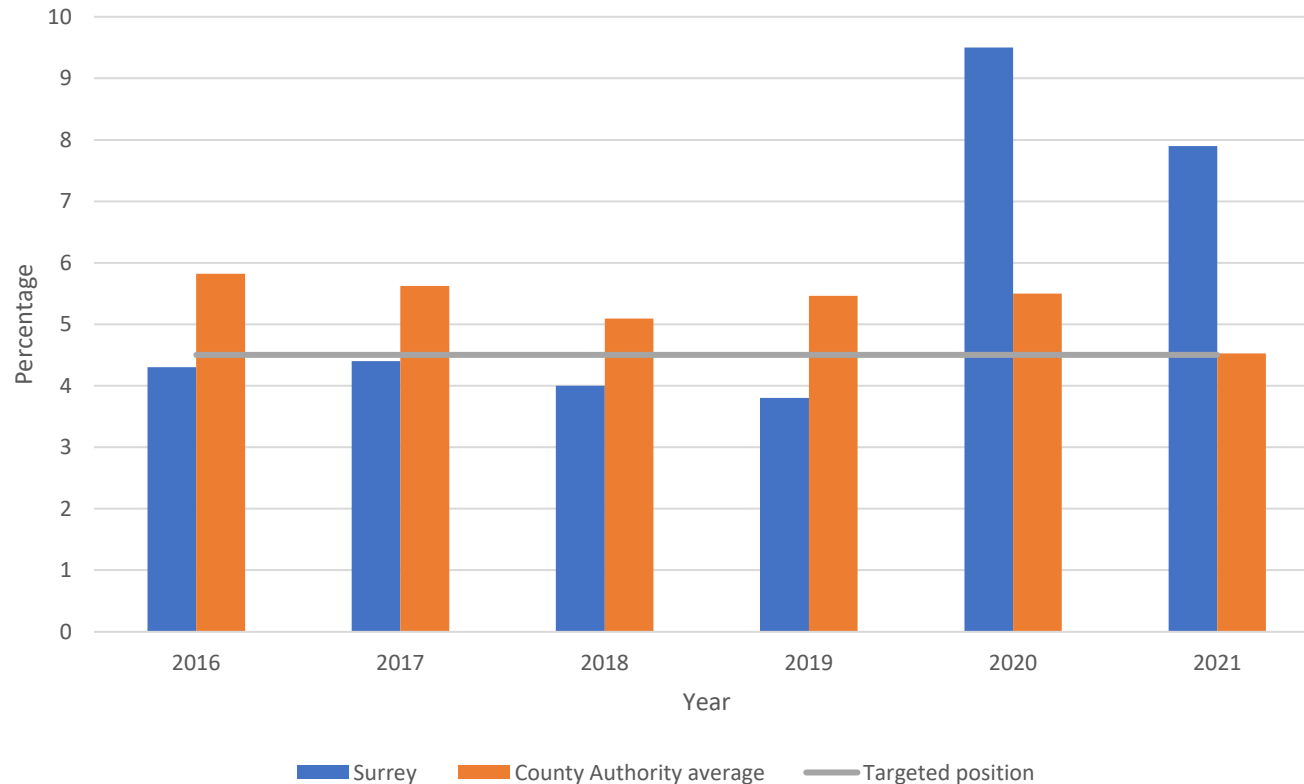
Targeted position: 121,800 (return to pre-pandemic levels)

Current: 139,700 YoY change: ▲ +8%

Commentary:

- Significant recent uptick in Surrey % compared to regional and national averages.
- The majority are students and long-term sick. Growth appears to be driven by other categories: "looking after family/home" and "other".
- Exacerbating challenges of an already tight labour market.

Proportion of 16 and 17 year olds who are NEET



Target: Return to previous trend level pre-pandemic of 4.5%, also bringing Surrey in line with other English county authorities

Current: 7.9% YoY change: ▼ -1.5%

Commentary:

- Significant increase in last couple of years, making Surrey an outlier compared to other county authorities. YoY change is positive development.
- Responsibility for a ***Surrey Careers Hub & Pathways to Employment*** are new levers SCC can use to help tackle this issue.

LOCAL ENTERPRISE PARTNERSHIP (LEP) INTEGRATION

- A national consultation on the role of LEPs ([LEP consultation](#)) identified overlap between some of the functions being discharged by LEPs, local authorities and combined authorities.
- Government's view is that there is likely to be scope for greater join-up, efficiencies, and clarity for the private sector by these functions being discharged within upper tier local authorities/Mayoral Combined Authorities.
- From April 2024, Government sponsorship and funding of LEPs will cease and upper tier local authorities (and Combined Authorities) will take on the functions (the funding that will be made available is unknown).

What is being proposed?

1. Embed a **strong, independent, and diverse local business voice** into local democratic institutions.
2. Carry out **strategic economic planning in partnership** with local leaders that clearly articulates their area's economic priorities and sectoral strengths.
3. Continue to deliver a number of functions on behalf of government departments. This includes;
 - **Growth Hub** on behalf of the Department for Business and Trade
 - **Careers Hub** on behalf of the Department for Education

Note: Technical and integration guidance has been issued in respect of reserves, finances, assets, staff, etc. which is being worked through by all concerned parties. Further detailed guidance on specific matters is promised.

Our Guiding principles for integration

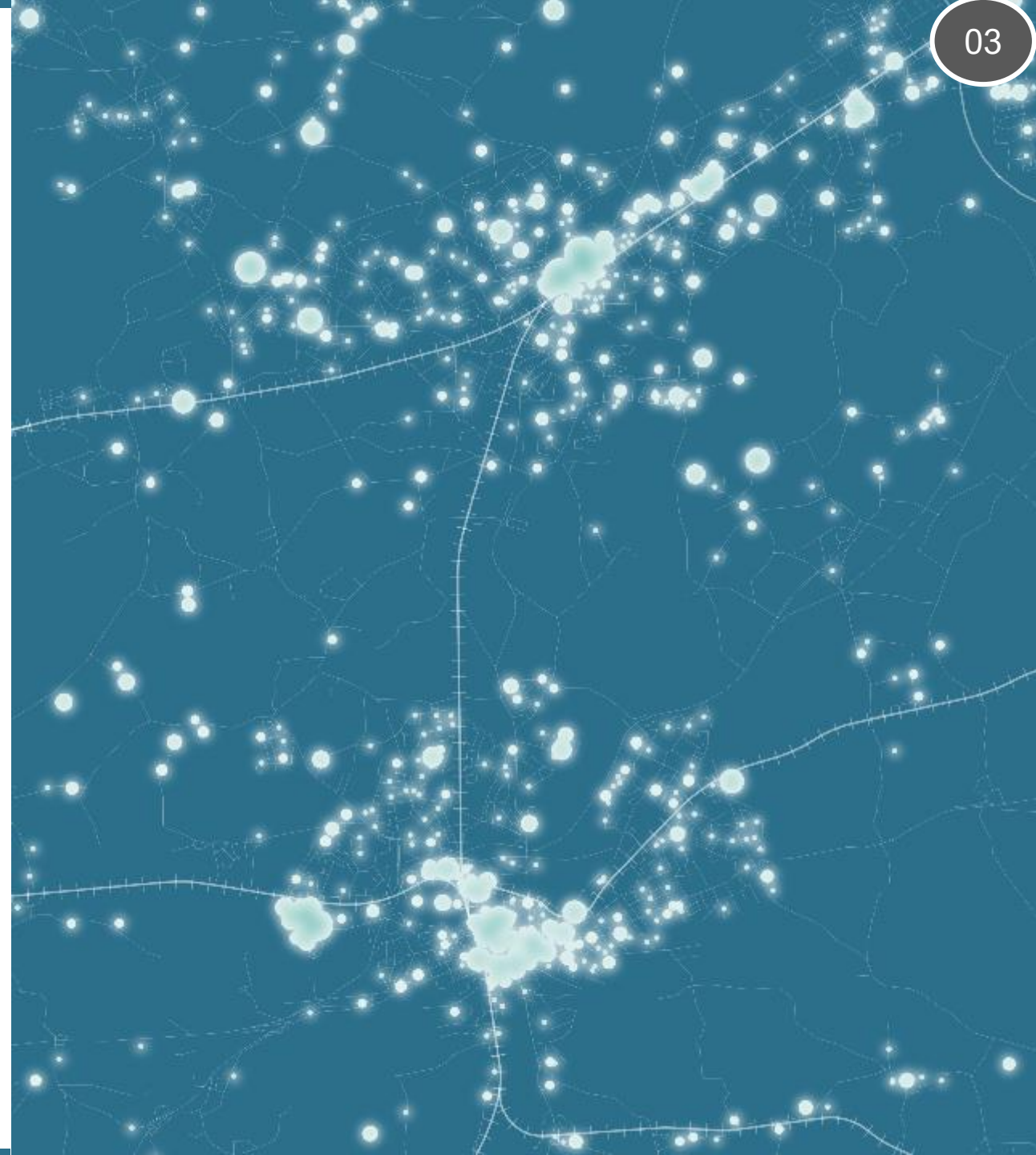
- We remain focused on delivering improved economic outcomes for Surrey in partnership.
- We welcome the recognition of the Surrey geography as the basis for cohesive and co-ordinated Surrey-wide delivery of economic development functions.
- The One Surrey Growth Board, Surrey Business Leadership Forum and Surrey Skills Leadership Forum provide a strong governance framework, placing business at the heart of decision making.
- Any transfer of LEP assets (including funding, staff, data and Intellectual Property) will be focused on Surrey's sustainable economic growth.
- 1st April 2024 will be our “go-live” date, giving certainty to businesses and local stakeholders.
- We will continue to drive improvements in our approach , reviewing and adapting to ensure maximum economic benefits for Surrey.
- We are aware of the potential personal impacts of the changes and are committed to acting with sensitivity.

Next steps

- Regular engagement between Enterprise M3, Coast to Capital, and Upper Tier local authorities to produce a transition plan that produces a Surrey entity.
- January 2024 – Further government guidance on “business representation and local economic planning” expected.
- Instigating a governance review of One Surrey Growth Board Terms of Reference / membership (& alignment with associated working groups).
- March 2024 – Final, binding agreement on transfer of assets
- March 2024 revised Growth Board established
- From April 2024 – Transfer of LEP functions

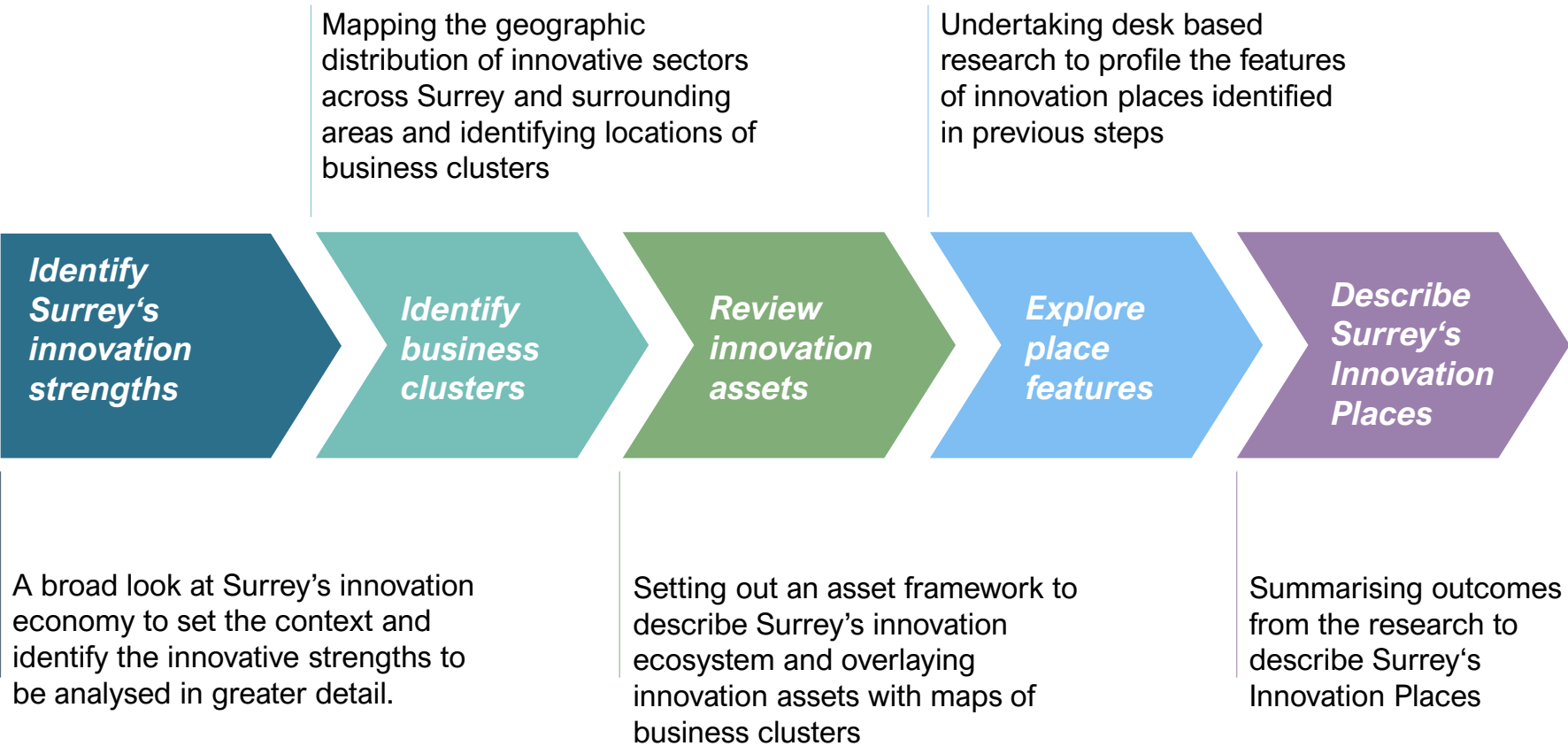
Mapping the Innovation Economy in Surrey

Presentation to the One Surrey Growth Board



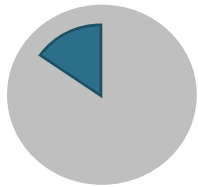
Approach

The work was undertaken over January – May 2023 and involved the following steps:



Identifying Innovation Places

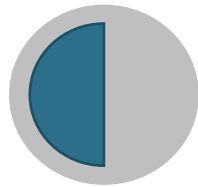
Spatial data layered in 6 steps to identify Surrey's innovation places:



1. Map all emerging economy firms



2. Layer on innovation assets



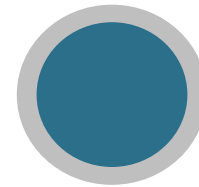
3. Spotlight investment active firms within emerging economy



4. Identify density-based clusters across emerging economy



5. Explore Surrey's clusters in the context of the wider region

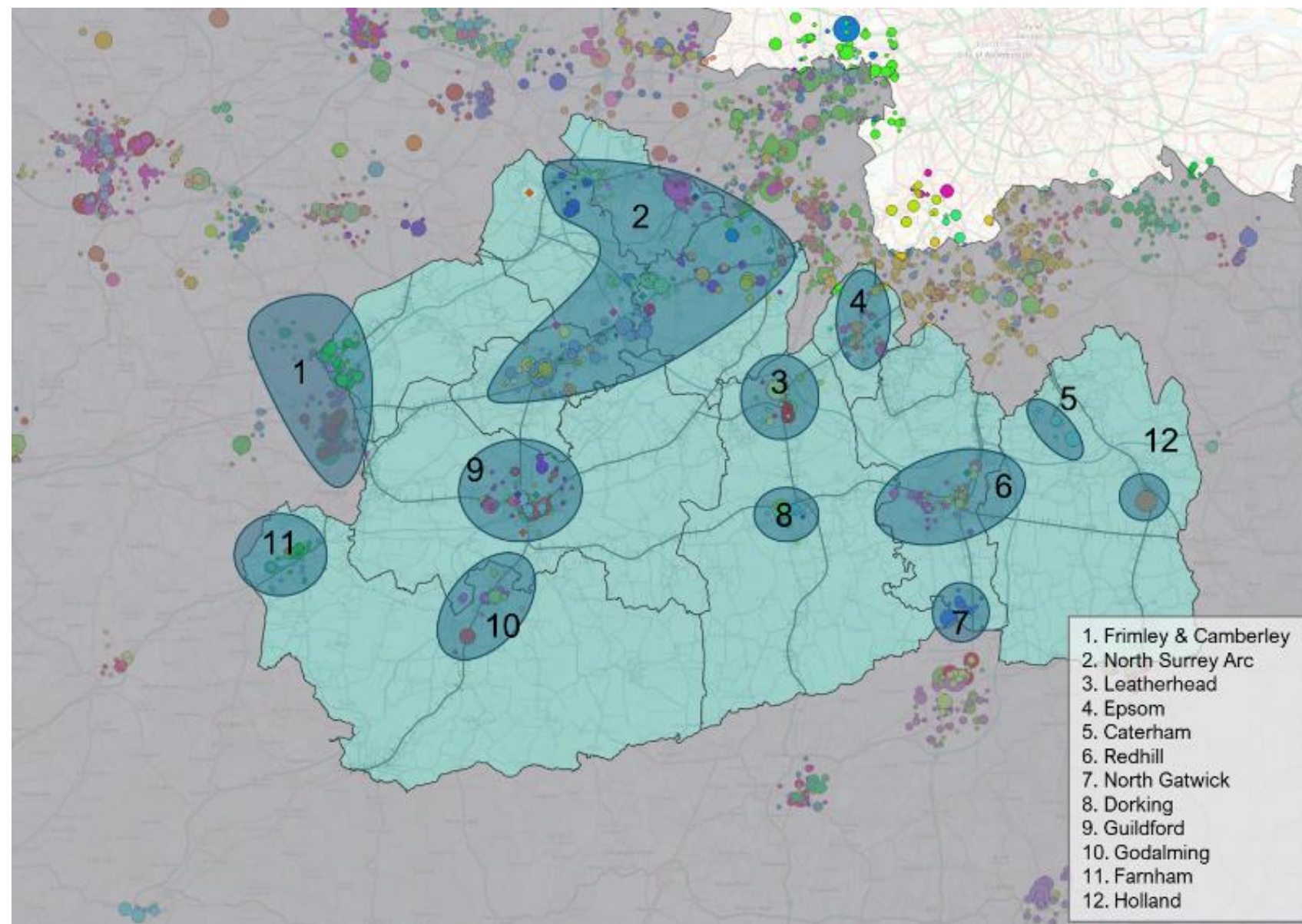


6. Map presence of Surrey's innovation economy firms within density-based clusters

Across Surrey there are twelve clear innovation economy business clusters.

Most of these places involve more than one of Surrey's innovation economy sector activities. Not all include innovation enabling assets.

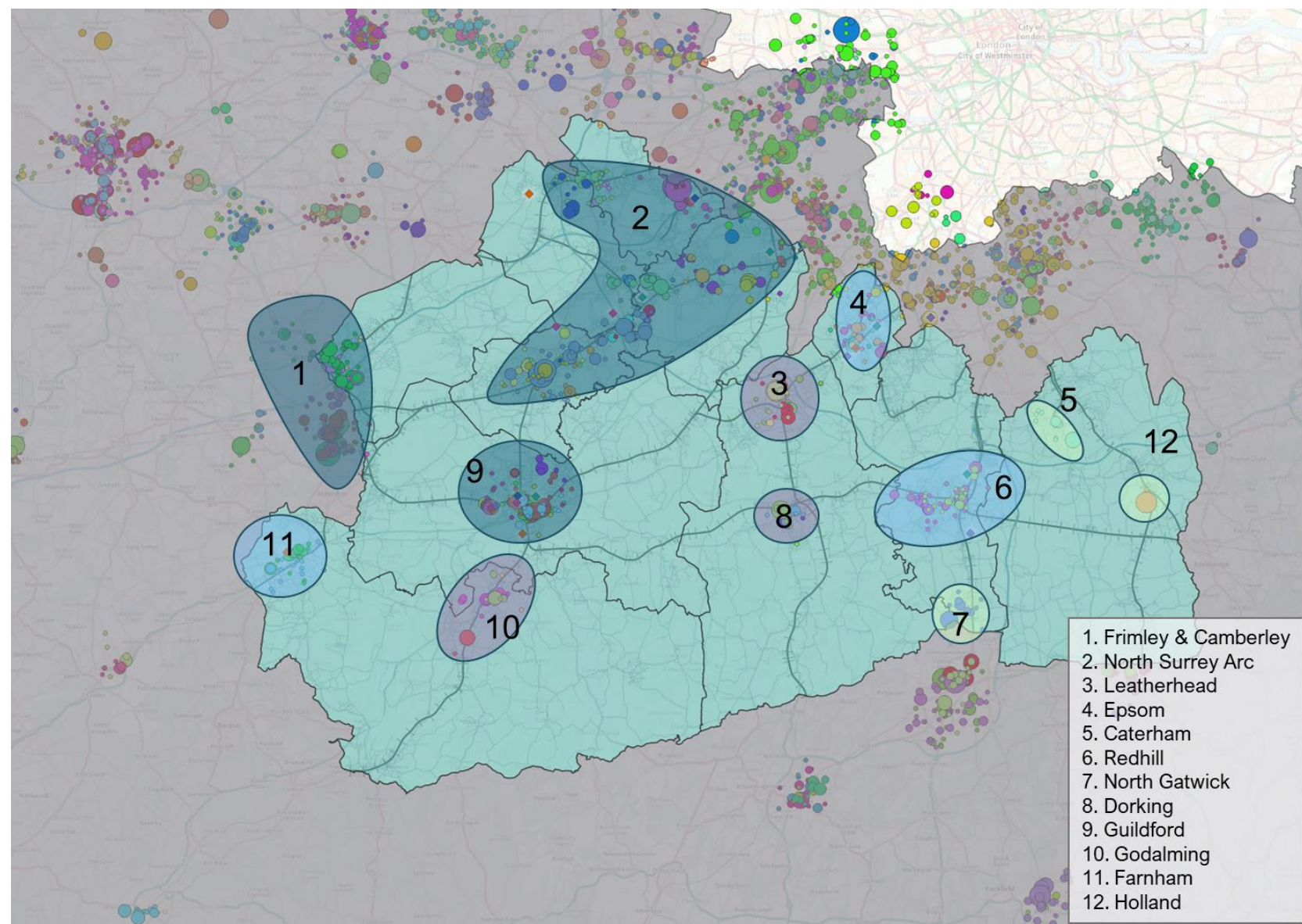
Most are within the County boundary, but a number are part of wider clusters which overlap administrative borders.



Metro Dynamics Analysis of Data City data. Showing concentrations of businesses

The twelve clusters can be placed into four broad groups. Group 1 contains the largest areas in terms of scale and number of sectors, all of which have innovation assets present within and these areas are all located in the North West of the County.

Group 4 areas are all small and contain a cluster in only one sector, all are also located in the East of the County.



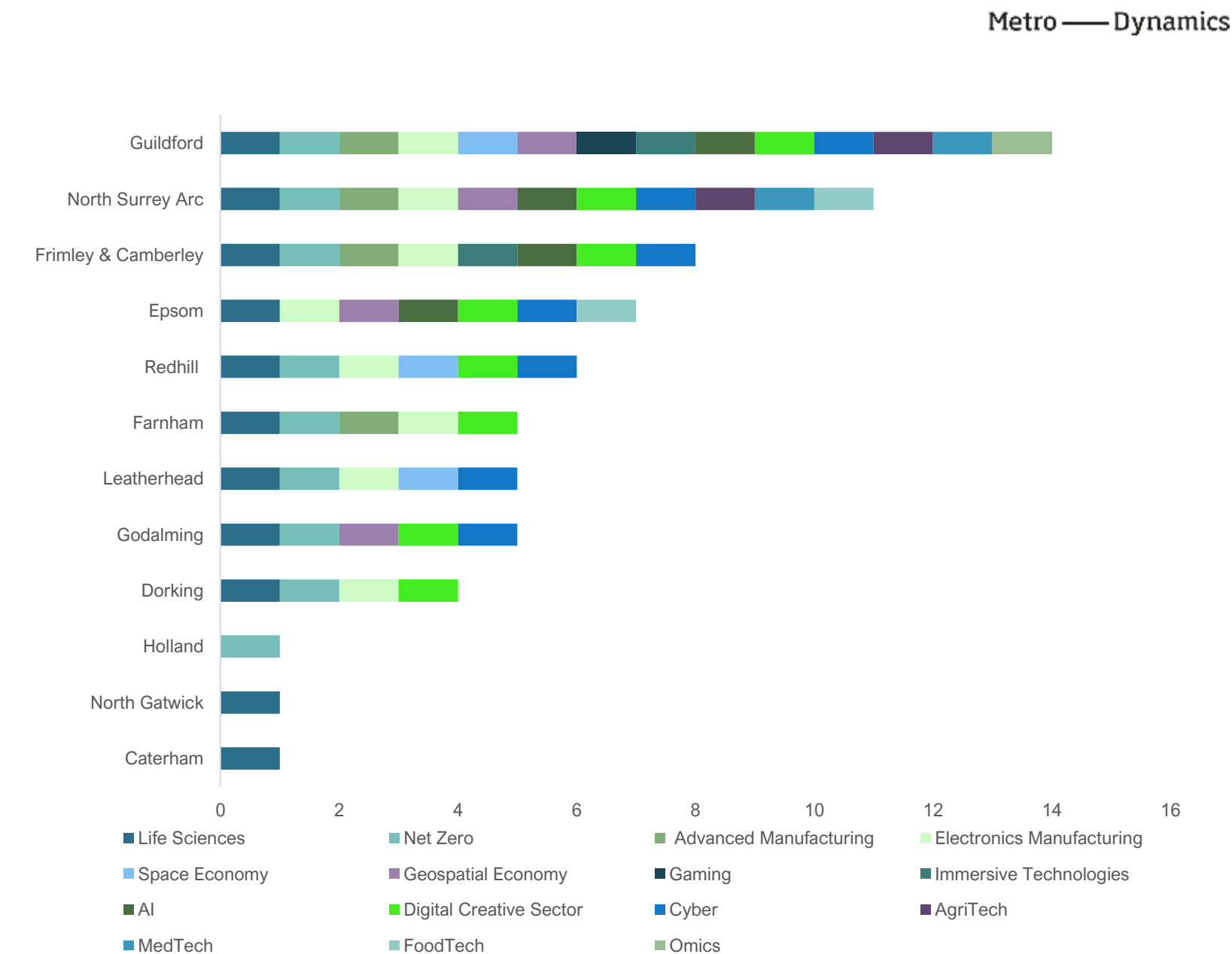
Group 1. Strong innovation ecosystem – numerous, sectors, actors & assets

G2. Strong ecosystem similar to G1, but smaller in scale

G3. Business cluster similar in scale to G2, but few innovation assets

G4. Single sector clusters and few innovation assets

The presence of multiple sector concentrations suggests a more complex and well-developed ecosystem, with a wider range of emerging economy activities taking place in close proximity presenting more opportunities for cross-pollination of ideas.



Metro Dynamics Analysis of Data City data.

Key points for consideration

1. Guildford is wider than Gaming - standing out as a major centre of the innovation economy in Surrey with many emerging economy businesses and other key assets present.
2. The distribution of emerging economy businesses and assets across Surrey is not even. Considering how to network access to innovation assets for businesses in the South-East of the County will be important moving forward.
3. Looking at the geography of emerging economy businesses across the wider region emphasises the opportunity presented to Surrey as a result of its location, not only in connection to London, but across all surrounding borders and corridors along the south coast.
4. The presence of so many multi-sector clusters highlights the importance of a mixed place-sector approach, where many can share common assets.
5. Much of the focus in this exercise was on identifying and enabling the existing innovation economy. Clarity on steps to encourage innovation in new places and sectors should come next: how can these strengths be leveraged to diffuse technologies, products and practices through the wider economy?

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We are an **independent** organisation, **curious** about our work, and **collaborative** in our approach. We strive to **make a difference** in all that we do.

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GAIN

GAMES AND INNOVATION NEXUS

1.0 | SEPT 23 | DR WILL LOVEGROVE



A BID FOR £1.5M TO RESEARCH ENGLAND

UNIVERSITIES OF SURREY,
CREATIVE ARTS AND WARWICK
£728K MATCH

INC £240K CASH FROM SURREY COUNTY COUNCIL,
SUBJECT TO FORMAL APPROVAL

SUBMITTED, NOTIFIED IN SEPT
2 YEARS: OCT 2023 – OCT 2025



THE PROBLEM WE'RE TRYING TO SOLVE



HEI: OPEN INNOVATION

GAMES INDUSTRY: CLOSED INNOVATION

**Innovation model incompatibility,
leads to weak 'innovation' links**

Recent advances in AI, Blockchain, NFTs and augmented reality in particular mean that there is a new emphasis and focus on how University created knowledge in these fields can be applied to Games

*July Games/commercialisation workshop
held at the University of Surrey*

4 OBJECTIVES

(1) TO ESTABLISH A NEW DIVERSIFICATION ON EXISTING MODELS FOR INNOVATION
THAT DIRECTLY SUPPORT CREATIVE TECHNOLOGY TRANSFER,
APPLIED AND RELEVANT R&D AND COMMERCIALISATION.

(2) TO MOBILISE OUR RESEARCH COMMUNITIES
AND THE LOCAL CREATIVE CLUSTERS
AS DRIVERS FOR INNOVATION IN CREATECH/GAMES, FOCUSED
ON THE NEEDS AND REQUIREMENTS OF INDUSTRY

(3) TO BE A CATALYST FOR GREATER REGIONAL ECONOMIC COHESION
WITHIN CREATECH WITH A SPECIFIC FOCUS ON GAMES, ESPORTS, IMMERSIVE TECH (VR/AR).

(4) TO PROMOTE GROWTH, INNOVATION, AND SUSTAINABILITY
WITHIN THE GAMING INDUSTRY.



4 KEY ACTIVITIES

(1) GAMES INNOVATION ZONE

“GAMES INNOVATION ZONE”. ESTABLISH PHYSICAL GAMES-INNOVATION PRESENCE ON THE UNIVERSITY OF SURREY CAMPUS. SIMULTANEOUSLY EXPAND CAPACITY OF UCA GAMES INCUBATOR FACILITIES AND WARWICK’S ESPORTS CENTRE.

(2) INNOVATION FUNDING

BUILD ON EXISTING CONVENTIONAL INNOVATION FUNDING PROGRAMMES TO DEPLOY RING-FENCED PROOF-OF-CONCEPT AND PUMP-PRIMING COLLABORATION FUNDING CUSTOMISED TO STIMULATE GAMES INDUSTRY ACTIVITY WITHIN EACH UNIVERSITY

(3) ECOSYSTEM

STRENGTHEN AND DEVELOP OUR GAMES ECOSYSTEM

(4) INDUSTRY CHALLENGES

FACILITATE A CHALLENGE-BASED PROGRAMME TO UNLOCK INTERDISCIPLINARITY, KNOWLEDGE EXCHANGE AND BENEFITS FOR CREATECH CLUSTER AND CREATIVE ECONOMY



SUPPORT FROM SURREY COUNTY COUNCIL



£240K CASH MATCH, SUBJECT
TO FORMAL APPROVAL

**To rapidly pilot a 'games innovation space'
that will strengthen the business case for a
larger future installation in Guildford**

The Council envisions a financially sustainable games-innovation facility, generating its own revenue to cover operational costs and reduce reliance on public funding (similar in ethos to 1 Millstreet – a creative arts flexible workspace within the Warwick Innovation District).



UNIVERSITY OF
SURREY



An aerial photograph of a city, likely Guildford, Surrey, is shown in a blue-tinted, semi-transparent style. A vibrant, multi-colored sunburst graphic originates from the top left corner, with rays in shades of red, orange, yellow, and blue extending across the top of the image. The city below features a mix of modern and older buildings, green spaces, and a prominent church spire in the distance.

CHARTING THE ROLE OF INWARD INVESTMENT AND GROWTH IN SURREY

AN ANALYSIS BY THE DEPARTMENT OF POLITICS, CENTRE
FOR BRITAIN AND EUROPE, UNIVERSITY OF SURREY

PROJECT GOAL



The production of two high-quality, evidence-based, mixed-methods reports to determine the role of inward investment as catalytic, static, or challenged within Surrey's overall growth patterns.

Research Question(s) (RQ) and Methodology

The RQ and accompanying methodology of both reports will be focused on determining:

- I. Whether and to what extent inward investment has promoted growth across the county in the following 6 key categories:
 - Commercial space, property
 - Clusters: specialized innovation districts
 - Business incubators and catapults
 - Green spaces, green tech: aligning planning, climate change goals and green innovation
 - Town partnerships and high street redevelopment
 - Integrated healthcare opportunities: identifying opportunities to increase the 'business of healthcare'
- II. The degree to which inward investment is streamlined, transparent and supported, or faces arrange of planning, administrative and budgetary challenges.

SCOPING REPORT



This first, largely quantitative document aims to provide the fullest possible data-driven picture of Surrey-based inward investment activities, set against the county's overall growth trends

Part 1

- Review of the data gathering exercise currently being undertaken by external partners for SCC's Inward Investment Team (MetroDynamics, Arup, 2023 Joint Innovation Delivery Plan)
- Identify the role of county-based inward investment as catalytic, unimpactful, or challenging to overall growth in Surrey based on the six key categories

Part 2

- Map out remaining areas in which inward investment spurs or inhibits growth in Surrey via a bespoke data analysis of county-based regional data and data points, obtained and purchased from selected providers (ONS, Department for Business and Trade, Costar, BRC)
- Include comparative growth and inward investment benchmarks at county, regional and national levels

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1. Introduction
2. Economic Background
3. Clusters
4. Commercial Property
5. High Streets
6. Econometric Framework

SCOPING REPORT



Initial Observations

- Surrey has a strong base for attracting investment in manufacturing, information & communication, and Finance and Insurance. Businesses are productive, there is a highly educated workforce (63% employed in professional occupations), innovative industries, and collaborations with universities. In a lot of respects, this makes it an ideal location for investment.
- The challenge is maintaining this in the wake of Brexit, changing working patterns, economic uncertainty, the rising cost of living, and an aging population.
- Surrey's current investment is not geared towards its strengths - the development of clusters operating in Surrey, specifically Gaming, Immersive Technology, Medical Technology, Food Technology, should help to address this if flexible investment strategies can be put in place
- There is a need to prioritise location dependent clusters and to repurpose commercial space through a collaborative approach with districts and boroughs. The dissolution of the LEPs and the transitional phase that is to follow comes at a good time to achieve this

Next steps

Application submitted for the Annual business Survey micro data from the ONS. A panel data analysis will be conducted to assess how investment has impacted growth and employment.

STRATEGY REPORT



This second, more in-depth, largely qualitative report builds on the economic, financial, and data-driven analysis of the Scoping Report. It aims to provide further insight into the role of current inward investment trends within the overall growth patterns in Surrey.

Qualitative Components

- **Literature Review** of data, research and ~ 12 strategy reports produced by SCC, regional partners (Universities, LEPs, District & Boroughs), and others (Consultants, Think Tanks, Property Agents)
- ✓ Analysis of information on inward investment policies and procedures from key local, regional and national intermediaries' websites, and production of a **Guide to Publicly Available Resources** directly relating to II and FDI
- ✓ ~ 50 SWOT structured **interviews** regarding county-wide business, growth and inward investment trends, policies and options
- Focus group with key representatives from the District & Boroughs and the LEPs
- Mixed methods **survey** of Surrey-based businesses and decision-makers
- Evidence-driven, **Red Amber Green indication spectrum**, designed to highlight the range of ways in which II interacts with overall growth in Surrey.

Policy Recommendations

The Report will conclude with policy recommendations, presented in **short, medium and long-term benchmarks** for consideration for local government and other intermediary organisations.

NEXT STEPS



Focus Group

- An in-depth focus Group will be held early November at the University of Surrey. Members from the District and Boroughs and the LEPs will be invited to participate.
- The aim of the action is to shed further light on the dynamics of Surrey's growth patterns and inward investment activities, as well as ensure the stakeholder reflections, subsequent analysis and policy suggestions are reflective of the viewpoints that shape the county's trajectory.

Mixed Methods Survey

- A bespoke Surrey-specific mixed-methods survey will be conducted by an External Provider, targeting businesses across the county.
- The aim of the action is to explore what businesses themselves think in Surrey, enquiring on what needs to be done to help local government work with/support/influence businesses in Surrey.

ONS Business Data

- An application has been submitted for the Annual business Survey micro data from the ONS.
- Following approval, a panel data analysis will be conducted to assess how investment has impacted growth and employment.
- The data will be tied into the initial findings produced in the Scoping Report.

Merging of the Quantitative and Qualitative Components

- The updated Scoping Report will be integrated into the final Strategy Report and presented as one Project Output at the December 2023 Growth Board Meeting.

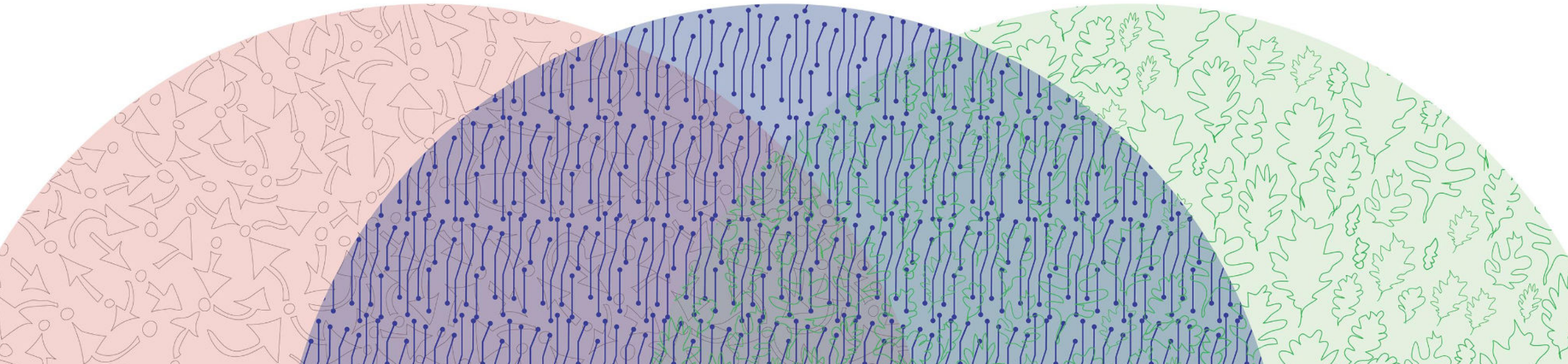


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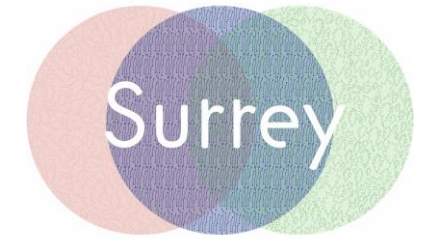


OUR SURREY STORY

Developing a brand for Surrey:
Context, activity and discussion points for OSGB

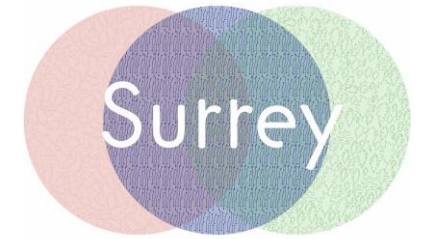


OUR SURREY STORY CONTEXT



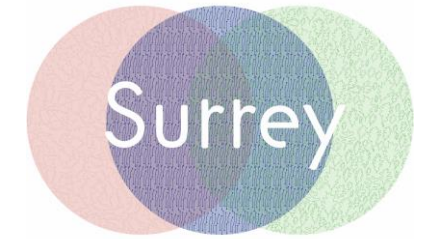
- Purpose is to promote a positive image of Surrey (the county) by aligning insight, skills, activity and networks, to benefit our economy, environment and community.
- Developed by specialist brand place agency Thinking Place.
- Consists of a fully developed visual identity, and a powerful narrative built around three themes: Innovating our future economy; Natural landscape and lifestyle; Connecting people and places.
- Tone is celebratory; forward looking; warm; human; collaborative; ambitious.
- The story will make a positive contribution to *No one left behind*.

GROWTH BOARD CONTEXT



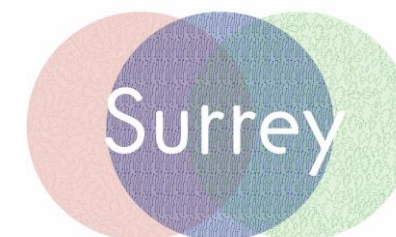
- May 2022 workshop – the lack of a strong brand for Surrey recognised as one of the six key barriers to achieving Growth Priorities.
- 2023 Delivery Plan – sets out two activities to overcome this challenge:
 - Recruit Senior Brand and Marketing Manager.
 - Establish Our Surrey Story Board.

ACTIVITY TO DATE



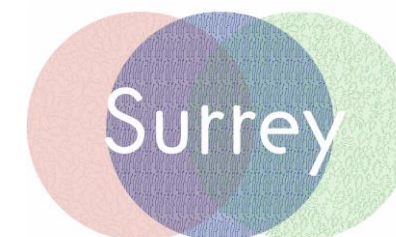
- Recruited an expanded Board, first meeting 14 September.
- New website – oursurreystory.uk – and social media channels launched.
- Advertising campaign run on digital radio and bus shelters.
- Primary campaign outcome was to surprise the audience with unknown aspects of Surrey life, ideally to pass on to friends ('did you know...').
- Secondary campaign outcome was to build a profile for Our Surrey Story ahead of launching an Ambassador programme.

FUTURE ACTIVITY SUMMARY 1



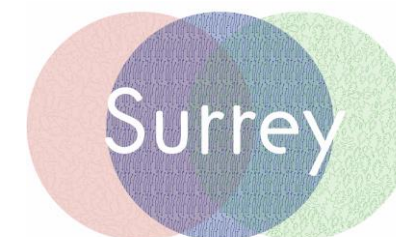
Activity	Insight	Aim
1) Strengthen residents' attachment to Surrey	Surrey is not a visible or meaningful entity for most residents; it is hidden behind their immediate location (eg town / city / district / borough / geographical feature)	Increase Surrey's visibility as the 'container' that holds each location, and make a positive emotional link between them
2) Evolve Surrey's current image	Surrey the county's current image includes a focus on wealth and complacency. While this can be aspirational, it can also get in the way of people identifying with, and feeling positive about, it. In a levelling up context, it makes it easy for investment to go elsewhere.	Focus on projecting an image of creativity and compassion through all OSS activity. This innately highlights relevant themes such as innovation, culture and no-one left behind.
3) Increase promotion of positive news	There is a huge amount of positive activity going on across Surrey that has the potential to increase civic pride and evolve the image of the county, that currently receives little coverage	<p>Create new opportunities to connect OSS-related content with audiences and establish Surrey as a vibrant online presence. Use influencers, celebs and events to raise profile</p> <p>Maximise traditional media opportunities</p>
4) Engage influential residents and businesses	Surrey is home to many wealthy individuals and companies who are not engaged in their local community, within which exists pockets of deprivation and need.	Establish a programme to make businesses and individuals feel valued by the county. Utilise corporate, philanthropist and trust fundraising techniques to present opportunities for them to make a positive local impact.

FUTURE ACTIVITY DETAIL 2



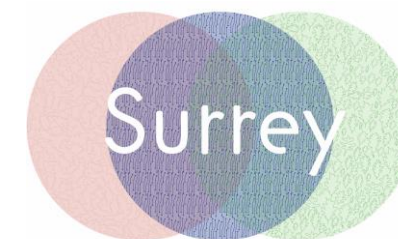
Activity	Insight	Aim
5) Promote innovation	Surrey has a strong focus on innovative research and business. The Innovation Working Group (IWG) is a powerful cross-sector vehicle to develop this further. Many of the IWG's ambitions and themes correlate to those of OSS	Elevate the role and importance of innovation in Surrey to residents and target audiences, esp for inward investment. Emphasise clusters that are by definition innovative (eg green tech, cyber, gaming, createch, life sciences, space, AI) and also highlight examples of innovation more broadly
6) Role of visitor economy	There is a significant confluence of interests between a healthy visitor economy and OSS, and there are opportunities to progress these joint interests under a broader 'place promotion' banner.	Produce a widely owned place promotion strategy (inc culture, see next section) that delivers on our ambitions and ensures current place-making activities add up to more than the sum of their parts
7) Role of culture	Cultural activity can play a key role in place making, community building, and catalysing economic diversification and growth. Surrey is rich in cultural activity and venues of all types. However the sector has suffered from a lack of county-wide leadership, shared vision, collaborative approach and SCC support.	Use Surrey's cultural richness to demonstrate its creativity and compassion, and to bring other OSS activities to life. Engage residents through this activity so that they feel proud of belonging to the county. Position OSS as the 'strong voice and identity for Surrey' required by Surrey Cultural Partnership
8) Ambassador programme	This is a tried and tested approach to engage key stakeholders as place leaders in OSS. It will be a pivotal step in achieving all other aims	Establish an Ambassador programme to spread awareness of and interest in OSS. Use the programme to: promote the themes; align objectives, activities and networks; cross fertilise between different sectors; implement OSS activity

2023 ACTIONS TIMETABLE



Activity	Implementing short term activity	Sep	Oct	Nov	Dec
	Prepare and launch Ambassador programme	✓	✓		
	Develop compassionate creator narrative	✓	✓		
	Create social marketing and content strategy	✓	✓		
Activity	Planning for long term activity	Sep	Oct	Nov	Dec
	Plan expanded Surrey Day 2024	✓	✓	✓	✓
	Plan pilot to engage influential residents and businesses	✓	✓	✓	✓
	Plan pilot to place Surrey signage in prominent locations	✓	✓	✓	✓
	Develop innovation narrative with the Innovation Working Group and use it on investment applications	✓	✓	✓	✓
	Explore opportunities to collaborate with Surrey Cultural Partnership and leading venues / organisations	✓	✓	✓	✓

DISCUSSION POINTS



1. Louise Punter, Chief Executive of Surrey Chambers of Commerce, represents OSGB on the Our Surrey Story Board. We would like suggestions for two additional business members for the expanded Board to cover two specific areas of business in Surrey:
 - One from an innovative sector (eg createch, green economy, space, cyber, life sciences etc).
 - One from a global brand headquartered in Surrey.

DISCUSSION POINTS



2. There are lots of potential activities you could get involved with to elevate a positive image of Surrey, and bring benefits to all businesses, employees and residents in the county. Contributing more now will bring more benefits, more quickly. Which activities are the most attractive?:
- Become an Ambassador – promote Our Surrey Story within own organisation, and externally via social media and through networks.
 - Integrate visual identity on own materials.
 - Support Our Surrey Story public marketing campaigns.

(cont...)

DISCUSSION POINTS



- Help to develop, and then implement, the innovation narrative through own channels / networks.
- Support an expanded Surrey Day.
- Share insight about Surrey residents and businesses to support positive news promotion and engagement in the brand.
- Support visitor economy and cultural activity under a place promotion banner.

Plus, do you have any other suggestions?

AOB AND FUTURE MEETING DATES

Next Growth Board Meeting: Wednesday 13th December, Location TBC

The December meeting will have a dedicated 'place focus'