

SURREY BUSINESS LEADERS' FORUM

Thursday 7th September 2023

Asahi House, Woking

AGENDA

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Welcome and Introductions
Chair

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Asahi Introduction
Ben Jenkins

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Prof. Amelia Hadfield

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Chair

ECONOMIC POSITION UPDATE

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

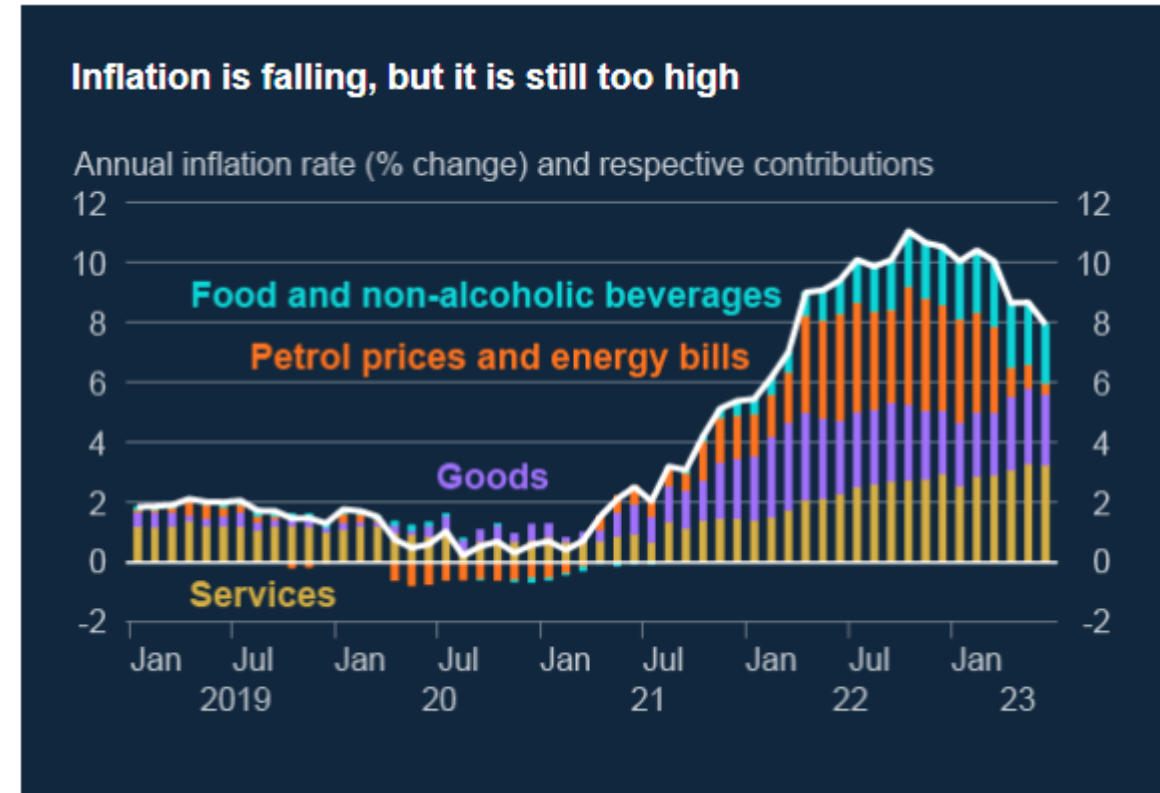
UK Economic Outlook

- 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 \(ons.gov.uk\)](#)

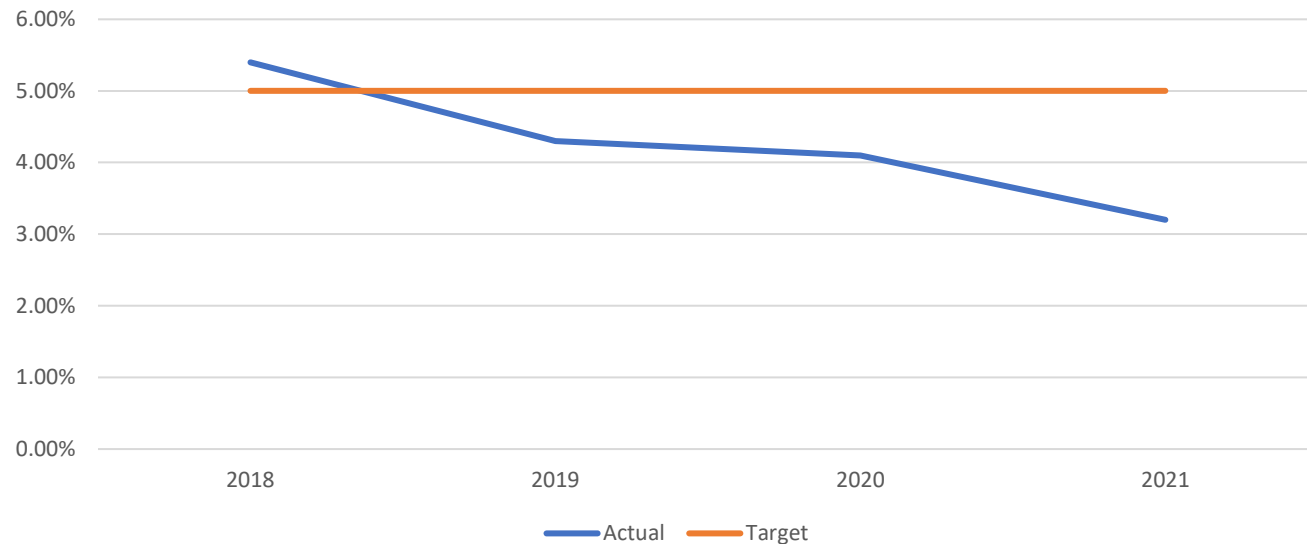
- The unemployment rate for April to June 2023 increased by 0.3% to 4.2% - driven by people unemployed for up to 6 months
- The decrease in economic inactivity during the latest quarter was largely driven by those inactive because they are looking after family or home. Those inactive because of long-term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

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



Surrey Economic Outlook

High Growth Businesses

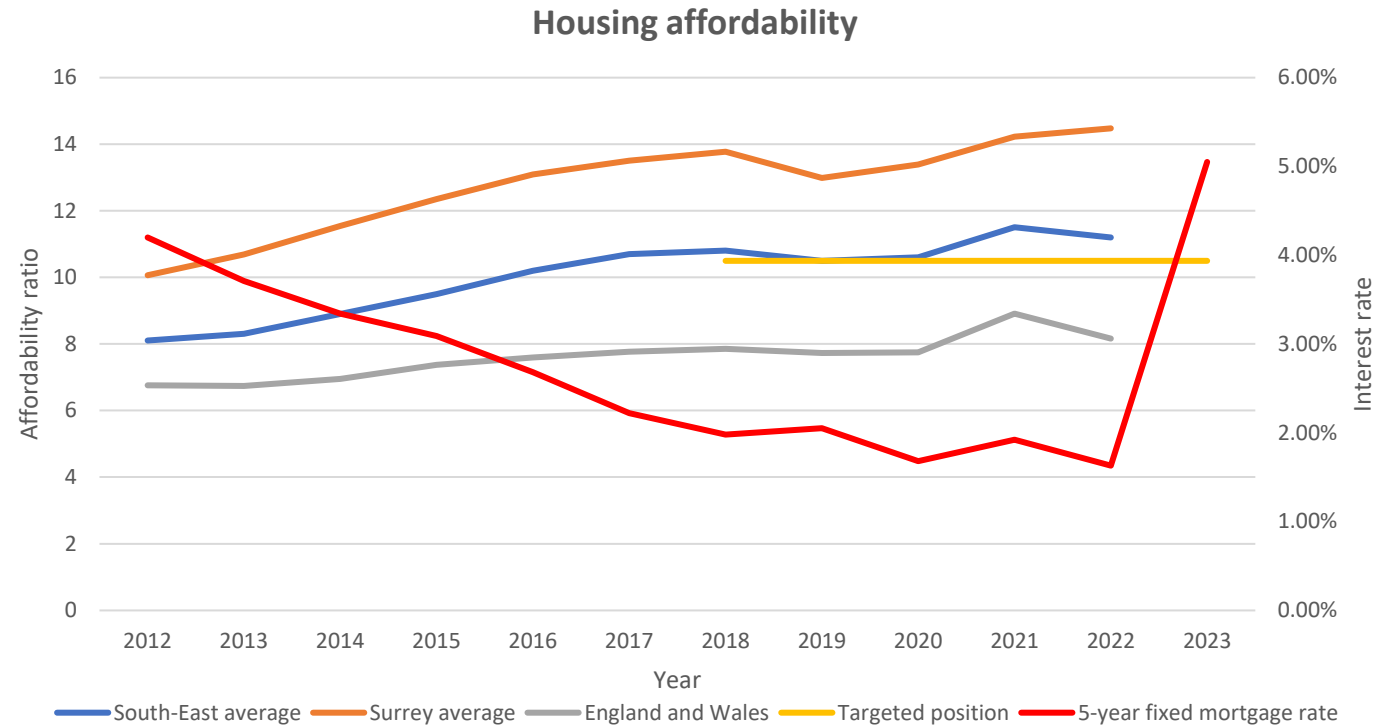


Target: Maintain 5% of active businesses to be High Growth businesses to 2030

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.

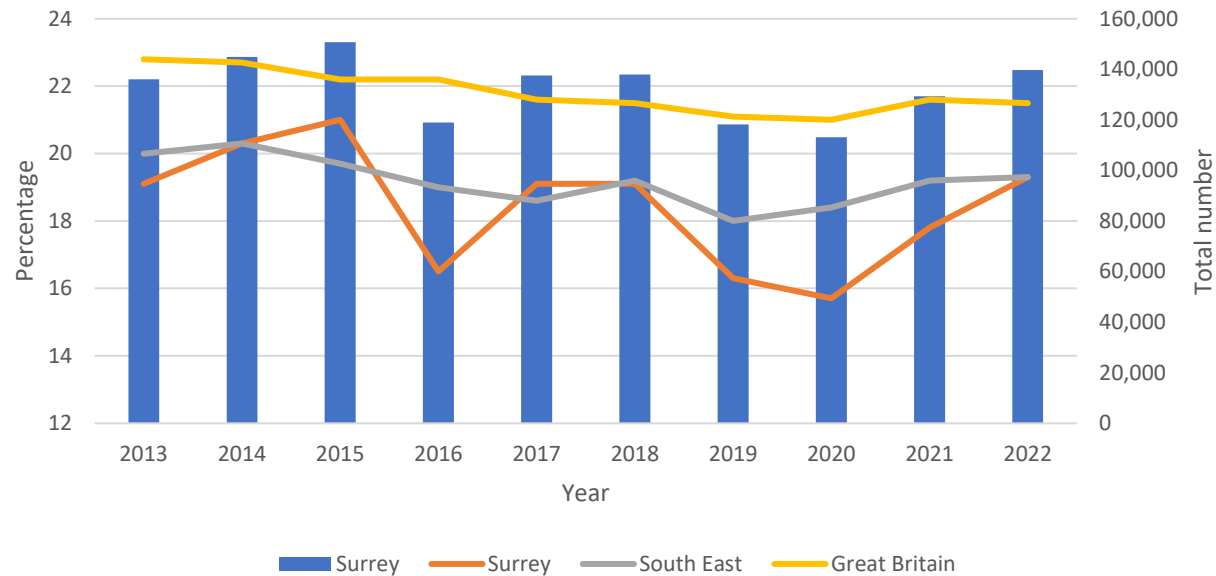
Current: 14.5

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

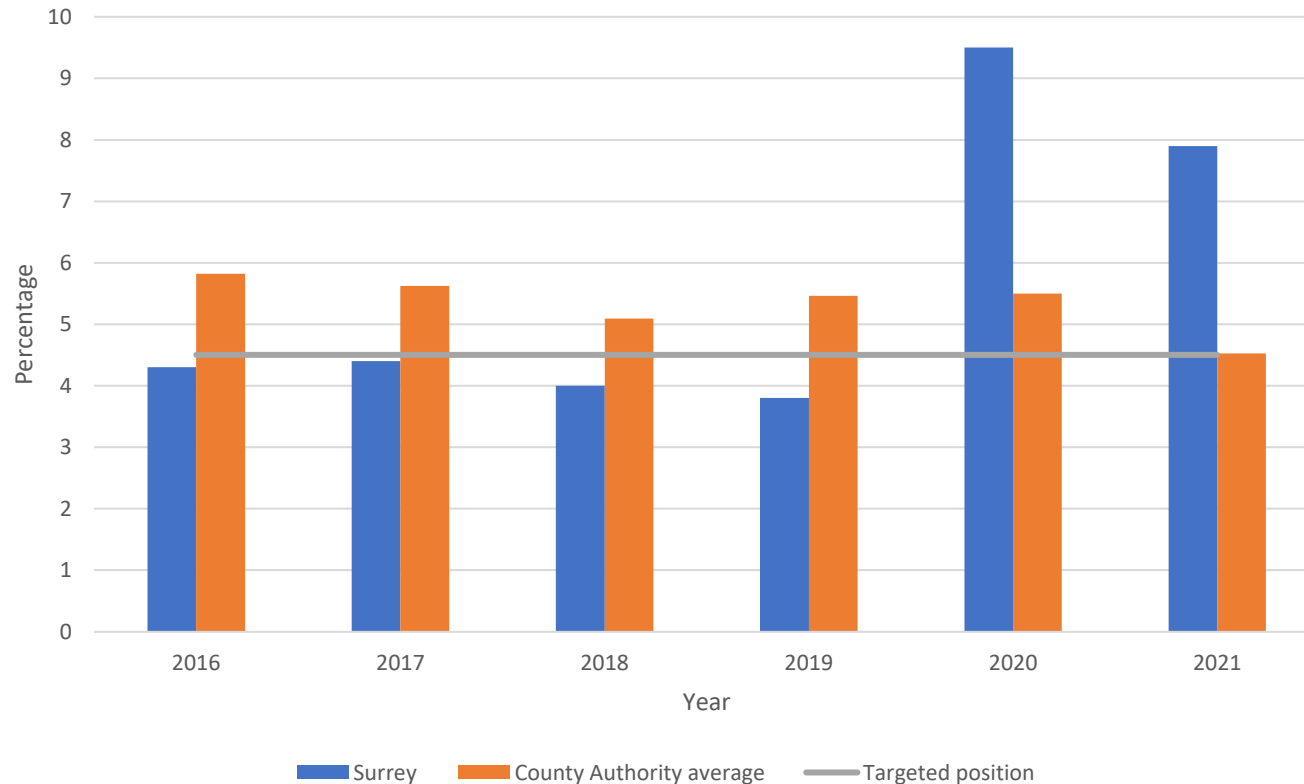


Targeted position: 121,800 (return to pre-pandemic levels)
Current: 139,700 YoY change: ▲ +8%

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.

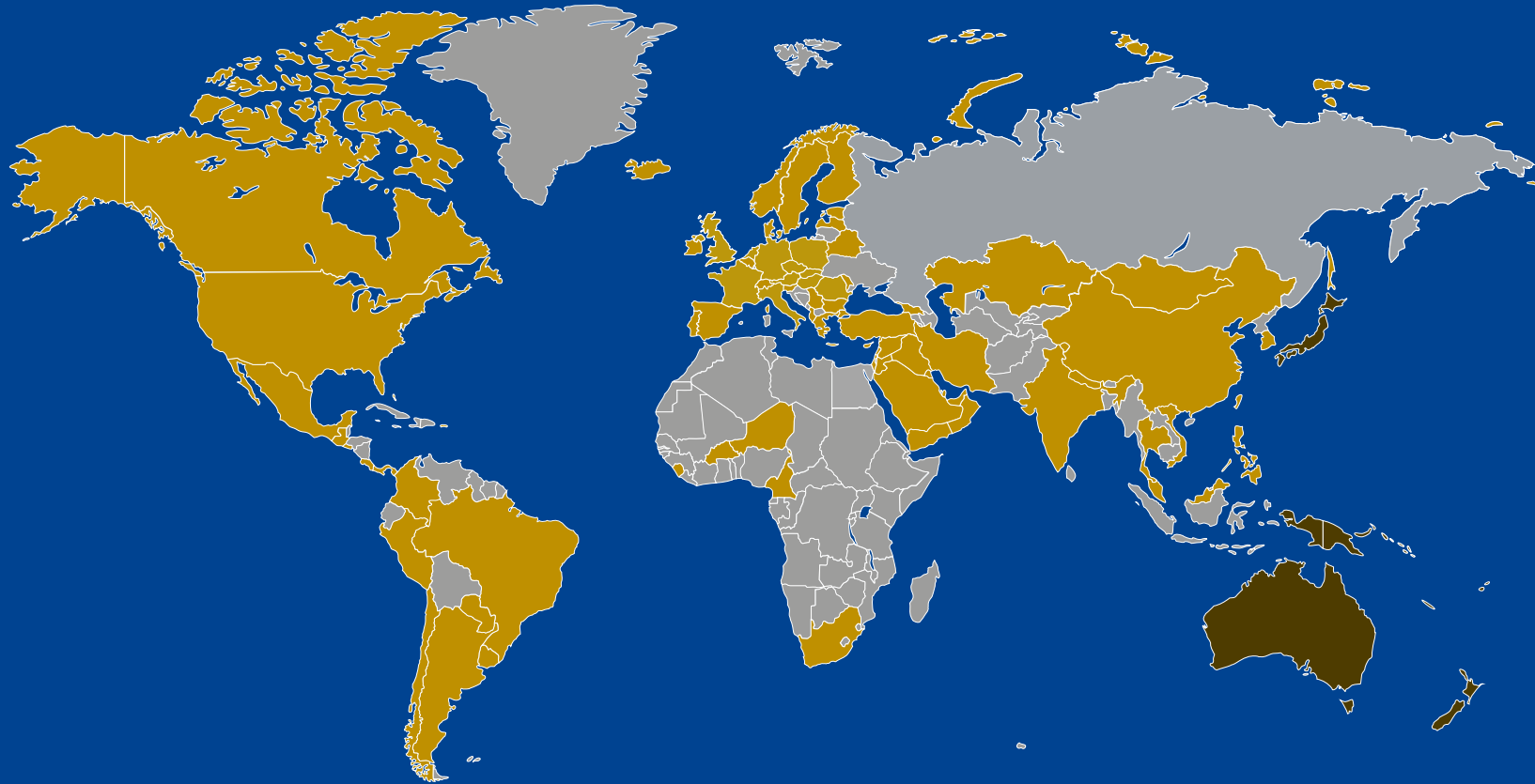


Asahi

Building on centuries of brewing heritage, we bring the best quality of beer to life for people.

Asahi UK (AUK) is a subsidiary of Asahi Europe & International (AEI).

Our parent company is Asahi Group Holdings (AGH), which is headquartered in Japan and is a global beer, spirit, soft drinks and food business that is listed on the Japanese Stock Exchange.



90 markets
5 continents



10 000 people



19 production facilities
in 8 countries

We Have An Impressive History

Asahi Group Holdings

1889

Osaka Beer Brewing Company established by Komakichi Torii, with the goal of producing an authentic Japanese beer.



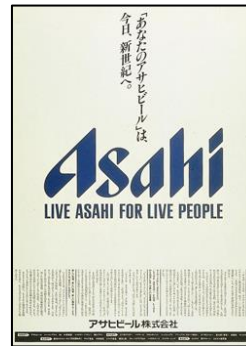
1971

Japan's first **aluminium canned beer**.



1986

Corporate Identity launched and corporate mark redesigned.



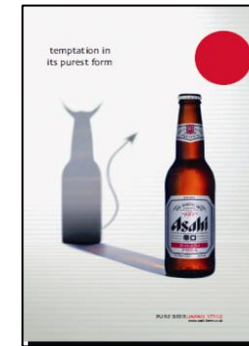
1987

Asahi Super Dry launched.
Japan's first dry draft beer with a crisp and refreshing taste.
Revolutionises the beer industry in Japan.



1997

Asahi Super Dry launched in **12 European countries**.



2017

Asahi acquired **SABMiller's beer businesses in Europe**.
Asahi Breweries Europe Group created.



Asahi Europe International

1615

Grolsch Brewery founded by Willem Neerfeldt in Groenlo.



1842

The brewer Josef Groll brewed the first batch of the new **Pilsner** beer that soon conquered the world.



1845

The partnership papers of **Fuller, Smith & Turner** were officially signed.



1846

Birra Peroni
Company established by Francesco Peroni in the North of Italy.



1999

Meantime Brewing
Co founded by Alastair Hook.



2019

Asahi purchases **Fuller's Beer & Operations Business**





Asahi UK Business Structure



Finance

Budgets
Profitability
Pricing
Procurement
Legal Projects
Commercial Analysis
Profitable Growth



Sales

Negotiating
Promotions
Customer account Management
Winning New Business
DTS



Manufacturing

Brewing
Packaging
Quality
Health & Safety
Innovation



Supply Chain

Distribution
Logistics
Wholesale
Demand Planning
Customer Services



Marketing

Consumer Marketing
Branding
Category/Insights
Trade Marketing
Innovation
Consumer Retail



HR

Benefits
Recruitment
HR Operations
Wellbeing
Talent Management



Corporate Affairs

Internal Communications
External Relations
Public Affairs
ESG/Sustainable Development



Full Network: Operations In The UK



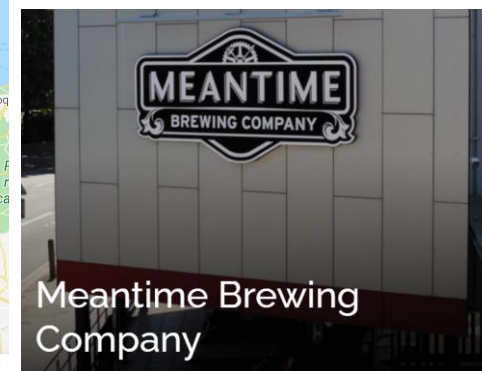
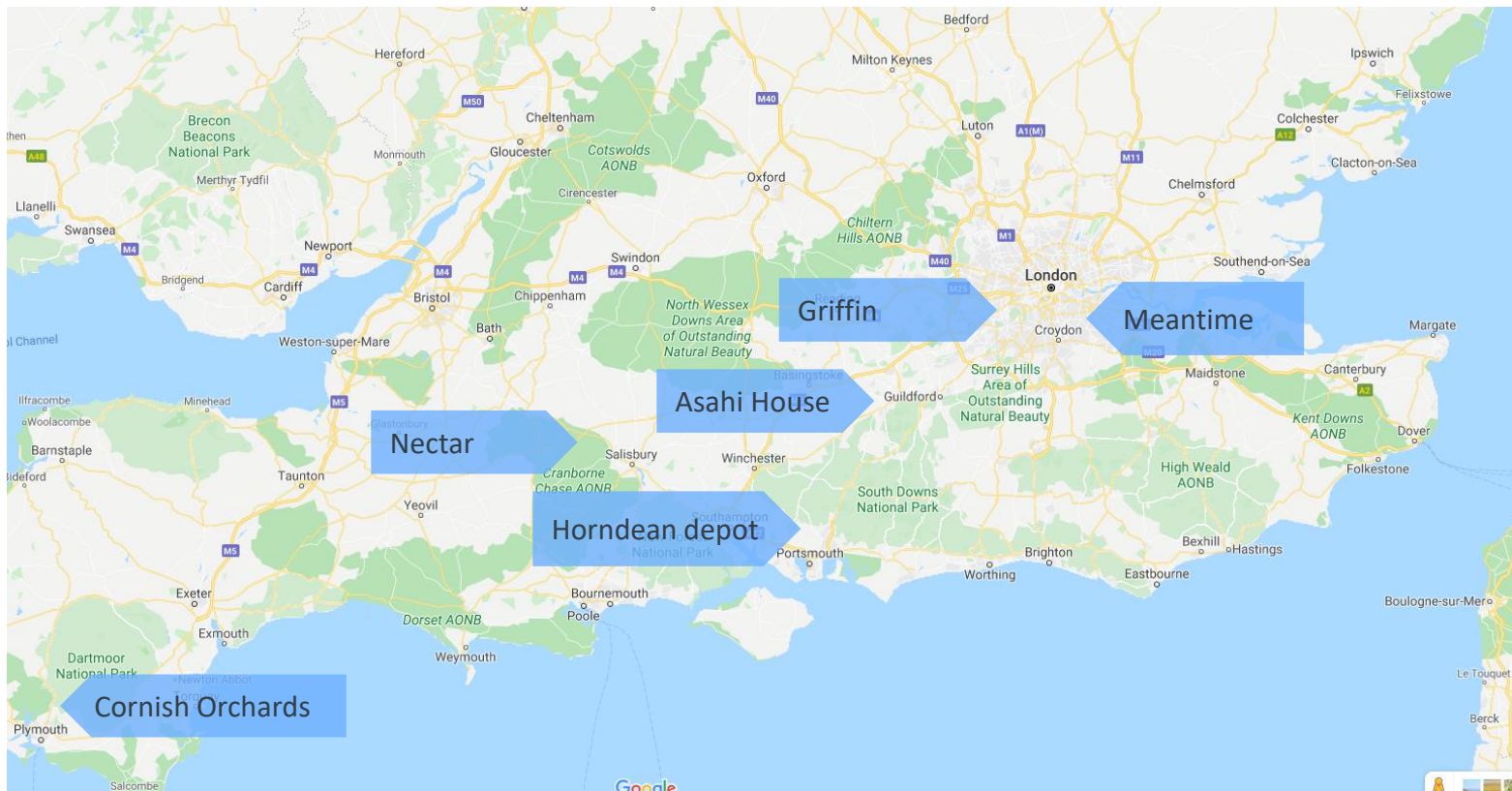
Asahi House, UK
Headquarters



Nectar Imports



Cornish Orchards



Meantime Brewing
Company

PURPOSE

CREATING MEANINGFUL CONNECTIONS

GOAL 1

**BE A FORCE
FOR PLANET
POSITIVITY**



GOAL 2

**SERVE UP A POSITIVE
AND INCLUSIVE EXPERIENCE
FOR PEOPLE AND SOCIETY**



VALUES



**CHALLENGE
AND INNOVATION**



**EXCELLENCE
IN QUALITY**



**SHARED
INSPIRATION**

MISSION

**DELIVER ON OUR
GREAT TASTE
PROMISE AND
BRING FUN
TO LIFE**



SKILLS PORTAL UPDATE

Verbal update

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

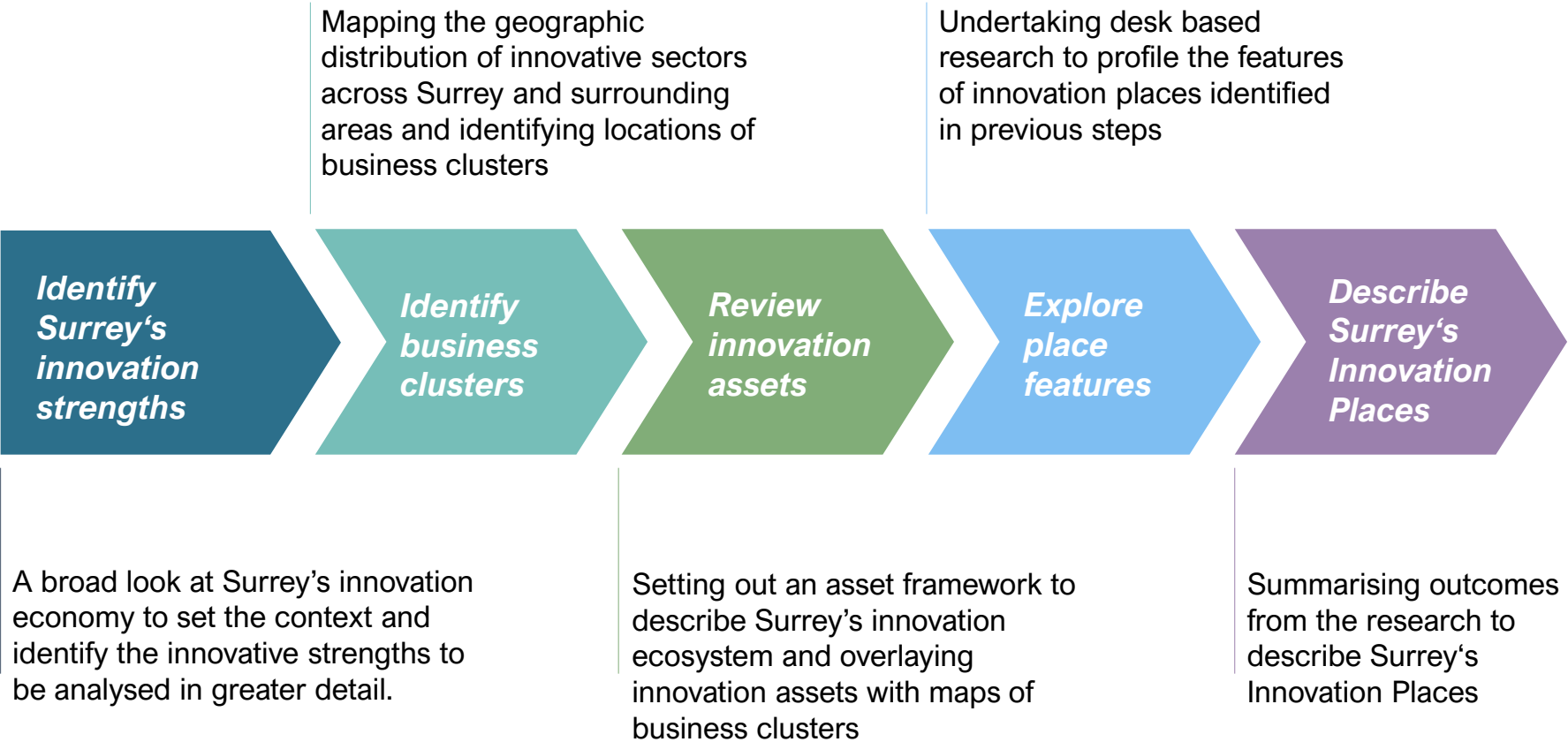
- We remain focused on delivering improved economic outcomes for Surrey in partnership.
- We welcome the recognition of the Surrey geography as the basis for cohesive and co-ordinated Surrey-wide delivery of economic development functions.
- The One Surrey Growth Board, Surrey Business Leadership Forum 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

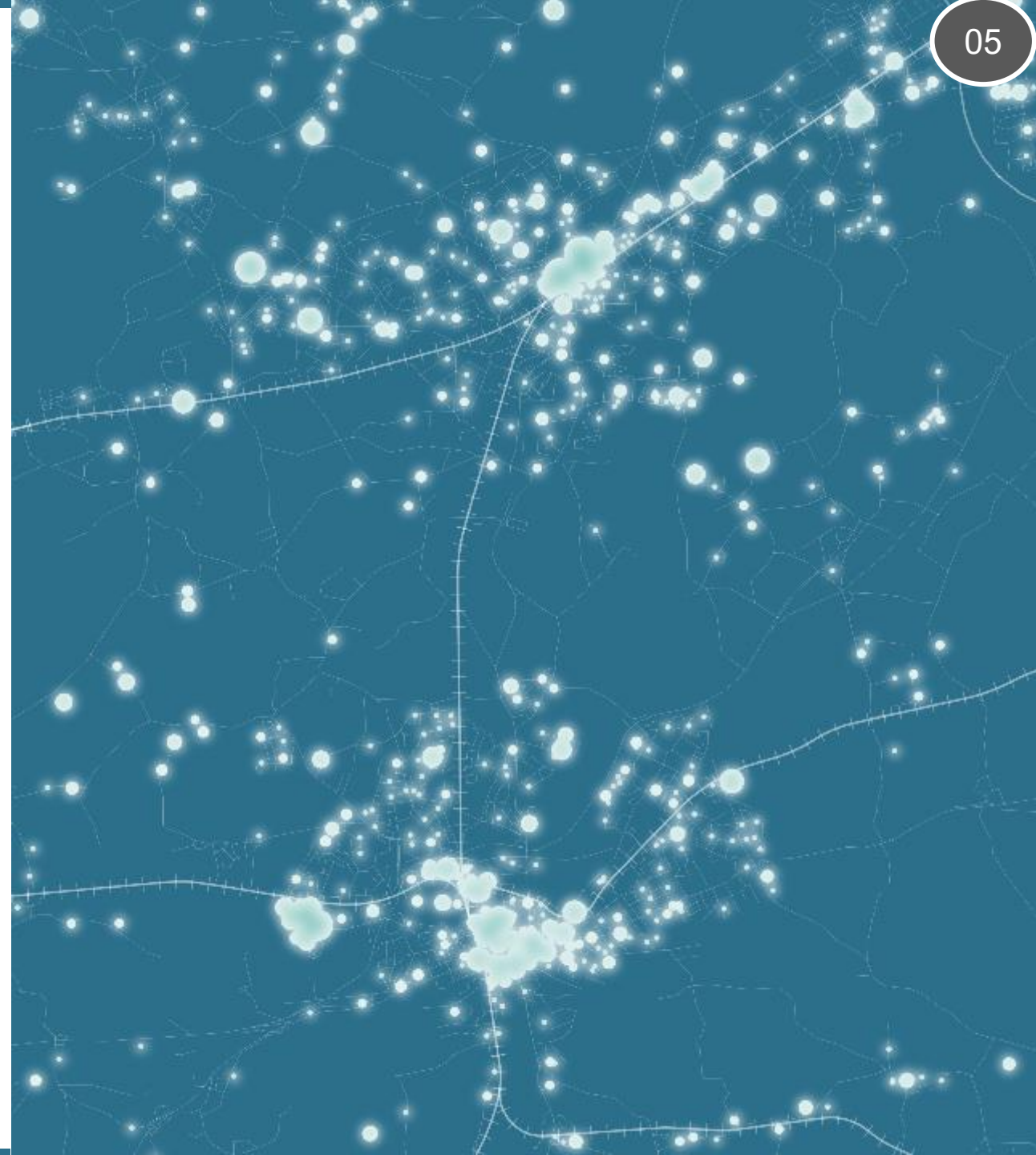
- Regular engagement between Enterprise M3, Coast to Capital, and Upper Tier local authorities to produce a transition plan that produces a Surrey entity.
- January 2024 – Further government guidance on “business representation and local economic planning” expected.
- Instigating a governance review 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

Approach

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



Mapping the Innovation Economy in Surrey



Identifying Innovation Places

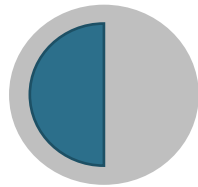
Spatial data layered in 6 steps to identify Surrey's innovation places:



1. Map all emerging economy firms



2. Layer on innovation assets



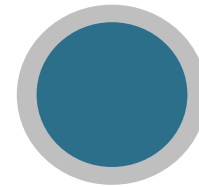
3. Spotlight investment active firms within emerging economy



4. Identify density-based clusters across emerging economy



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

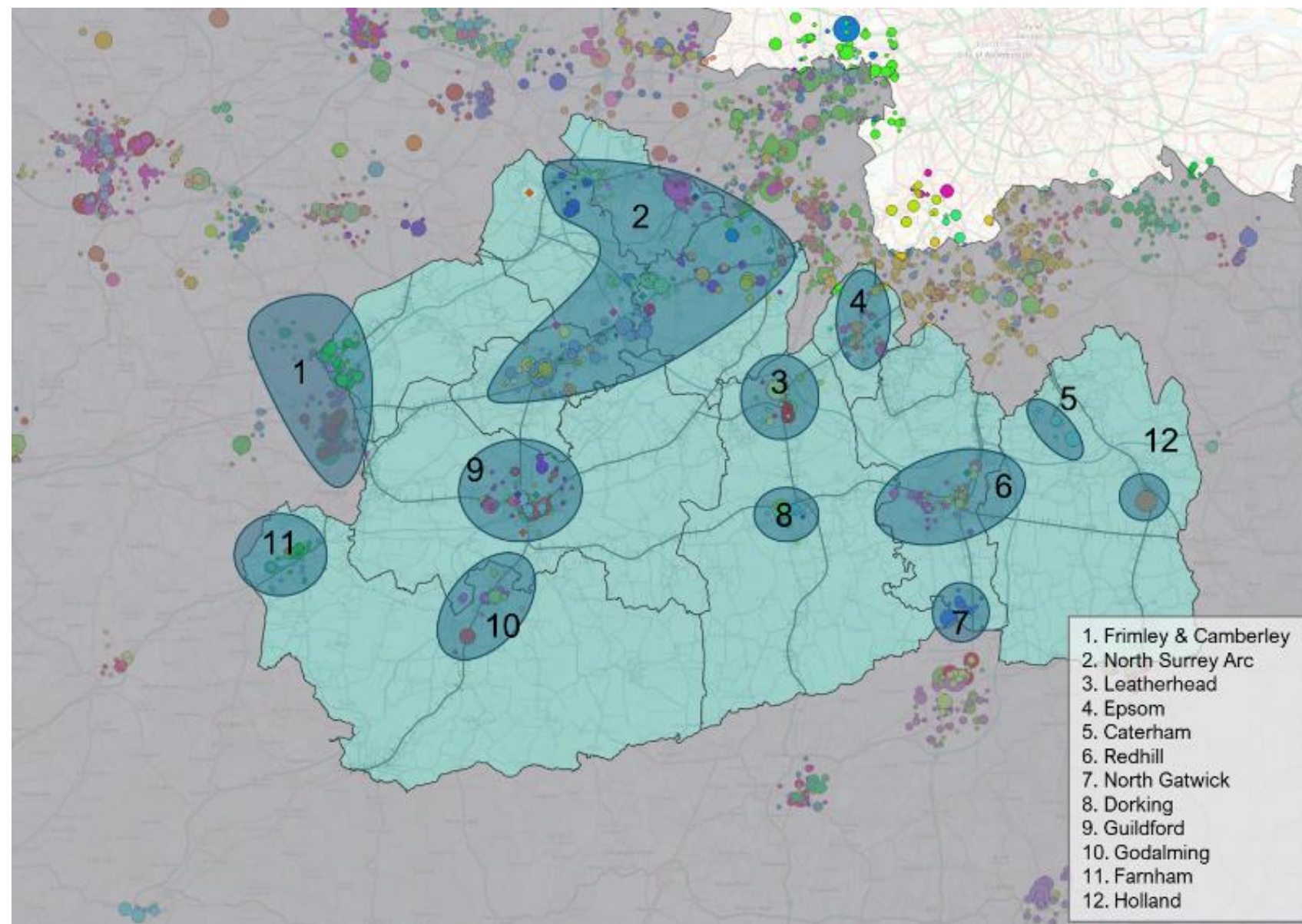


6. Map presence of Surrey's innovation economy firms within density-based clusters

Across Surrey there are twelve clear innovation economy business clusters.

Most of these places involve more than one of Surrey's innovation economy sectors or activities. Not all in innovation enabling sectors.

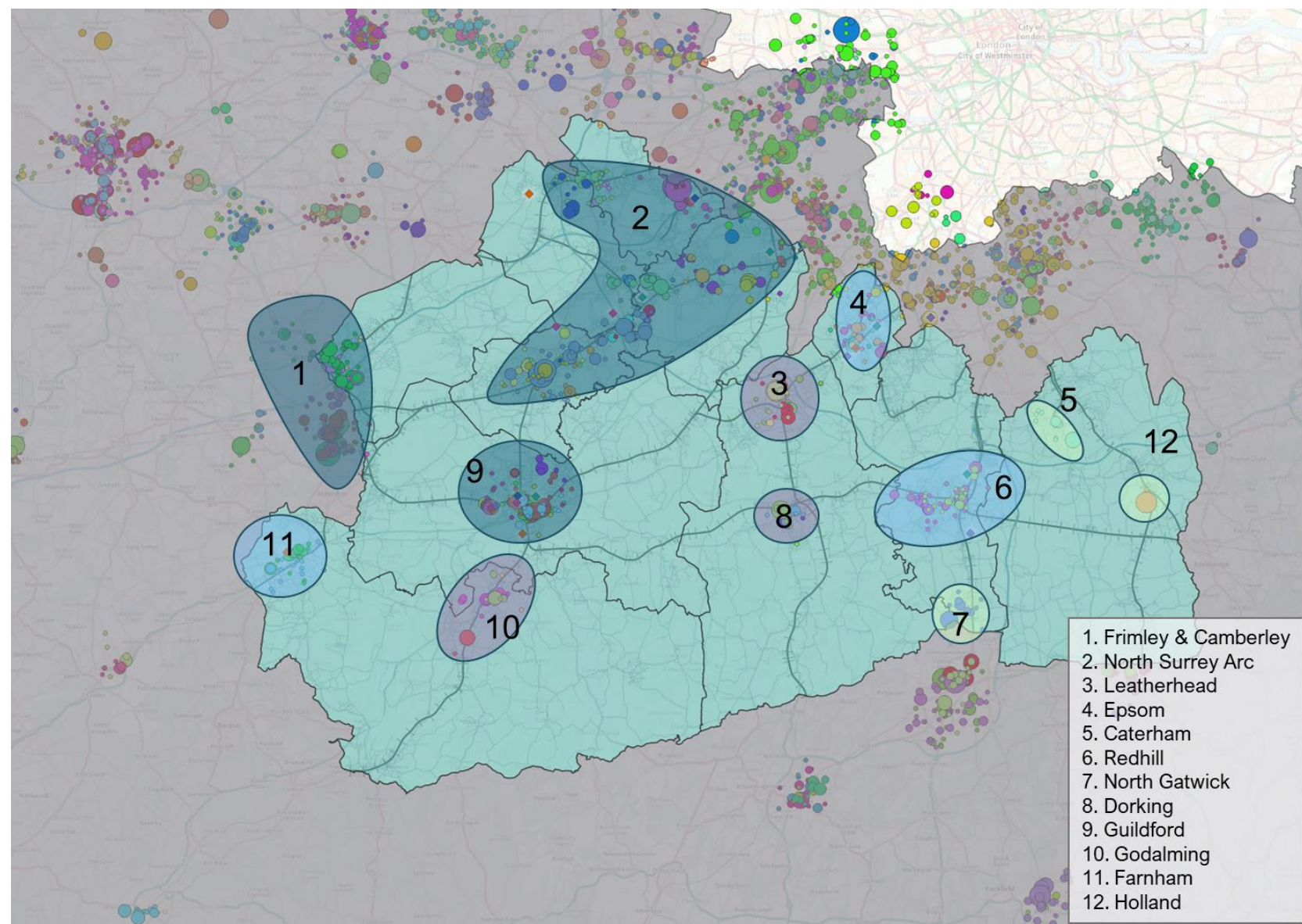
Most are within the County boundary, but a number are part of wider clusters which overlap administrative borders.



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.



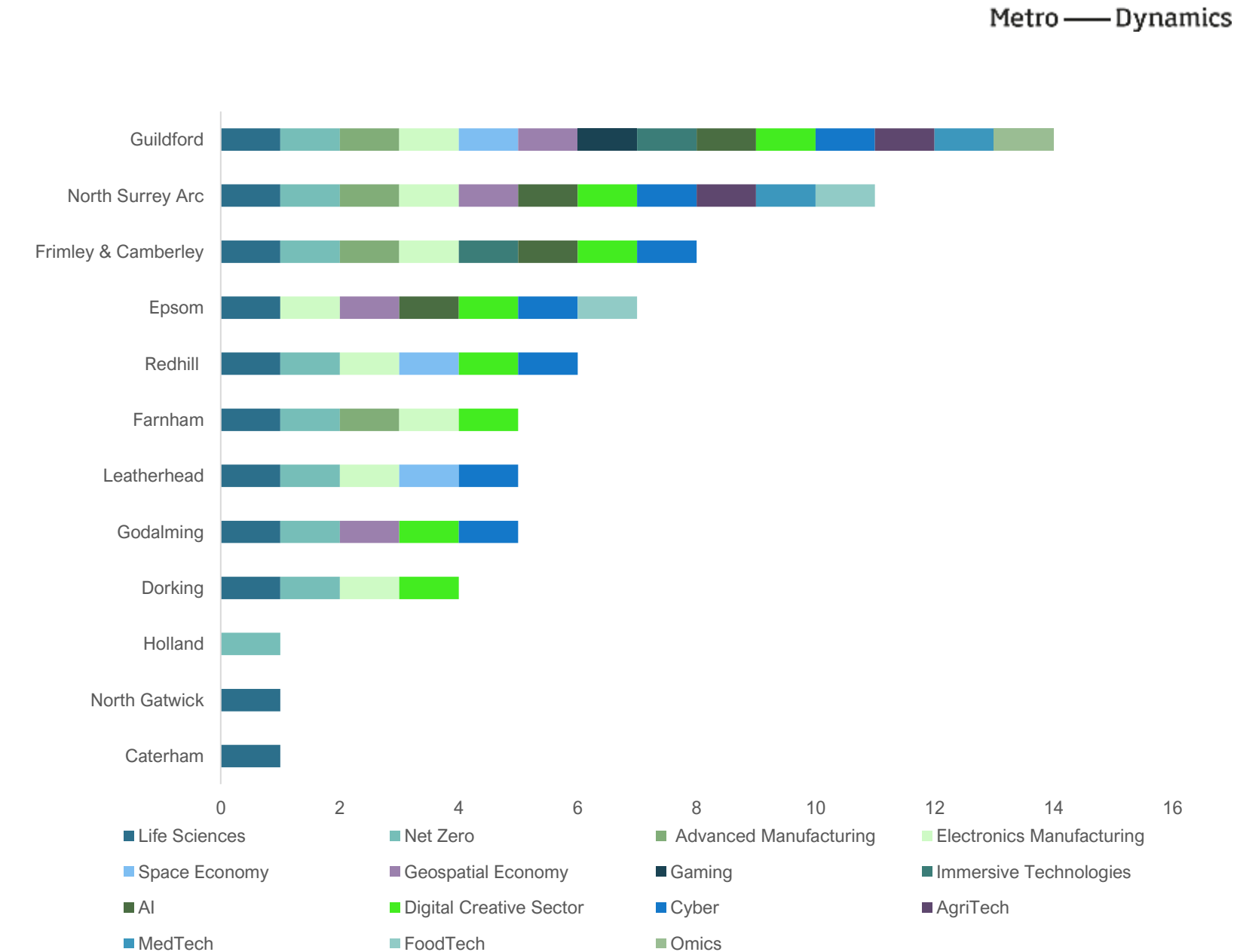
Group 1. Strong innovation ecosystem – numerous, sectors, actors & assets

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?

At Metro Dynamics, we **care** about places, our clients, and our colleagues.

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.

3 Waterhouse Square
138 Holborn
London
EC1N 2SW

020 3865 3082

Orega
1 Balloon Street
Manchester
M4 4BE

0161 413 6440

An aerial photograph of a city, likely Surrey, is shown in a monochromatic blue tone. A vibrant, multi-colored sunburst graphic originates from the top left corner, with rays extending across the sky and over the city. The city 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



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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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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AOB AND FUTURE MEETING DATES

- 2024 Forum meeting dates and venues

Next Growth Board Meeting: Monday 11th September, Surrey Technology Centre (Guildford)

The next Growth Board meeting – agenda items:

- Local Enterprise Partnership (LEP) Integration
- MetroDynamics – Mapping the Innovation Economy in Surrey
- Introduction to UKRI CCP-RED Games and Innovation Nexus
- University of Surrey Research Findings on Investment in Surrey
- Our Surrey Story – place promotion

December Surrey Business Leaders' Forum: Monday 11th December, McLaren Technology Centre (Woking)

- The December meeting will have a dedicated 'place focus'
- The meeting will be held from 16:00-17:30 with networking / refreshments from 17:30-18:30 for those who are available