

# Meeting Notes – One Surrey Growth Board (03.12.24, 15:00-17:00)

## Executive Summary

Item overview	Key discussion points	Resolutions / actions
Reactions to the Autumn Statement: Key highlights from the Autumn Statement, business impacts and reactions from Board members	<ul style="list-style-type: none"> <li>• Longer-term planning of Government</li> <li>• The difference between impacts on small or larger businesses</li> <li>• Impact on high-street businesses and spending</li> <li>• Lack of clarity with many of the announcements means challenges with future planning</li> <li>• Key to identify areas of growth and priorities for the county</li> </ul>	
Update on Level 2 Devolution Deal: Overview of the ongoing Level 2 Devolution Deal in Surrey and what this means in terms of devolved powers and funding	<ul style="list-style-type: none"> <li>• Preparations for the devolution of the Adult Education Budget</li> <li>• Understanding more about the future of the UK Shared Prosperity Fund</li> <li>• Utilising devolved funds to be more creative and the opportunity to integrate this with the future Surrey Growth &amp; Innovation Fund to align investment</li> </ul>	SCC to provide details on the UK Shared Prosperity Fund following future announcements
Economic Strategy Update and Surrey Growth & Innovation Fund: Recap from the previous Economic Strategy Refresh Workshop and progress	<ul style="list-style-type: none"> <li>• Feedback from Surrey Business Leaders Forum included the importance of the multiplier effect, supporting business start-ups and scale-ups, focus required based on the outcomes identified, and investing initially in shorter-term projects to generate rapid and real return on investment</li> <li>• Board member discussion noted the need to review ongoing initiatives, utilising multi-tenancy space for incubation opportunities, combining funding streams to be more creative in our approach, supporting start-ups, and to identify what we want to achieve and align that with strategic priorities</li> </ul>	Growth Board members endorsed the priorities identified by the Business Leaders Forum and provided agreement with the direction of travel for the Economic Strategy refresh and future Surrey Growth & Innovation Fund
Delivery Programme Update: Overview of key delivery services that have been established as part of the transferred economic functions, and their progress to date	<ul style="list-style-type: none"> <li>• Interest in the new interactive map and providing feedback for further development</li> <li>• Ability to monitor growth trajectory of businesses supported by the Surrey Growth Hub</li> <li>• The positive impact of the Surrey Careers Hub on local businesses by linking education and employers</li> </ul>	

## Welcome and Introductions

### **Chris Hurren: Vice-Chair**

The Vice-Chair welcomed all members and thanked Gary Headland for hosting the meeting. The Chair's and other Growth Board members' apologies were noted (see appendix for full list) and no declarations of interest were raised.

## Reactions to the Autumn Statement

### **Chris Hurren: Vice-Chair**

Board members were provided with a slide of key highlights from the recent Autumn Statement ahead of the meeting. The Vice-Chair provided an overview of the impacts of the Statement on local businesses (see slide for details), as discussed at the recent Surrey Business Leaders Forum.

### **Group discussion: Board members were asked to share their insights and reactions to the Autumn Statement**

The longer-term planning of Government was noted – this may impact the short-term slightly but supports longer-term investment decisions and stability.

Economic disparity and difference between the effects on small or larger businesses:

- Smaller organisations may be unable to mitigate the National Insurance Contribution (NIC) increase immediately unless able to increase market costs, it will affect their ability to recruit or offer pay increases, and family-owned businesses will face additional challenges particularly with passing on assets. Underrepresented groups / smaller companies are less able to take chances and often do not have the capital to innovate.
- Larger businesses often work with a wider economy and is a heavily service based economy, so can continue providing services / exports, innovate, and absorb additional costs.

High-street businesses have already fed back that they are considering changing their opening hours, impacting the environment of the high-street. The Budget may also impact people's ability to spend on the high-street due to wage reduction / price increases.

The abstract nature of the announcements was acknowledged meaning it is challenging to make sense of the impacts at this stage. For example, the investment in further education is often absorbed by demographic growth and there is limited definition around the policies, so it is difficult to understand what this means for Surrey.

The space sector was recognised as an area of growth. Key for Surrey to identify a few priorities and how to build those areas into our growth plans. We need to assess the bigger picture to look across to where we can link up ongoing vs establish new initiatives.

## Update on Level 2 Devolution

### **Rhiannon Mort: Head of Economy and Growth – Pace Delivery, Surrey County Council**

An overview of the Level 2 Devolution Deal was provided (see slides for details). Key points raised include:

- The Devolution White Paper has been delayed – expecting further information within the next couple of weeks.
- A Level 2 deal was agreed with Government in March which secures the maximum level of powers and funding without a directly elected mayor.
- Early consideration required around various initiatives / funding to ensure effective planning.
- It was noted that Government is keen to understand how the Compulsory Purchase Orders can be used as part of the Council's growth agenda – recognised previously by Growth Board members that housing is a barrier to growth for the county so it is important to consider how this initiative can support local businesses and growth.

### **Discussion**

Query raised regarding the preparations for the devolution of the education budget – the response noted that with the implementation funding it is key for the Council to consider resourcing in the new year and be steered by the data-based plan for how to invest funding.

It would be helpful to understand more about the future of the UK Shared Prosperity Fund (UKSPF) as it has previously worked well with localised initiatives impacting place, civic pride and greening.

Noted the importance of utilising devolved funds to be more creative rather than maintaining the status quo. It was clarified that the intention would be, should the Council become the recipient of the UKSPF, to integrate this with the Surrey Growth & Innovation Fund to align investment with the economic strategic priorities.

### **Actions**

SCC: provide feedback on further UKSPF details and where funding will be allocated once confirmed.

## Economic Strategy Update and Surrey Growth & Innovation Fund

**Patricia Huertas: Assistant Director – Economy & Growth, Surrey County Council**

This item provided a recap from the previous Economy Strategy Refresh Workshop on 2<sup>nd</sup> September, and the progress of the strategy and associated future Growth & Innovation Fund (see slides for further details). The plan for publication of the refreshed Economic Strategy is February 2025, subject to Cabinet approval.

To summarise, the economic outlook broadly remains similar, recognising that the environment that we are working within has changed, which required a review of the evidence and to test the assumptions. Evidence has shown that there is some current delivery to be continued that is positively impacting economic growth in the county, whilst there are some challenges that remain, on which the refresh of the strategy needs to focus.

The available funding will be invested into local economic growth with £8m confirmed for the first year (mostly capital funding) – these, and future funding decisions, need to be aligned with the refreshed economic strategy and driven by the evidence.

Reflections from local business representatives, at the recent Surrey Business Leaders Forum (SBLF) were noted – see slide deck. The highlighted bullet points on the slide deck indicate Business Leaders Forum feedback for priority areas. Key SBLF feedback included:

- The need to identify a few themes / initiatives that will effectively impact growth.
- Invest in establishing support for business births and start-ups to enable an increase in number of businesses and jobs created.
- Clear focus required – jobs created needs to specify types of jobs at certain paygrades within specific sectors to support and drive business growth.
- Targeted support to enable Business exports and improve productivity (noted this as a longer-term focus due to current environment and international relations).
- Recognition that with the new Government there is an emphasis on generating rapid and real return on investment – investing in local skills or trade / export may be worth considering as part of future funding and a longer-term investment.
- Acknowledged the high cost of infrastructure projects so may not be a wise investment choice for smaller amounts of funding – consider as a longer-term ambition to attract anchor employers and targeted sectors to create more roles.

### **Discussion**

- Review ongoing initiatives (e.g. Surrey Chambers of Commerce focus on international trade) to utilise revenue funding to promote / broaden existing resource.

- Multi-tenancy space decline could be due to conversion to residential units and whether this space is commercially viable. There are opportunities to convert these into incubation spaces and Further / Higher Education collaboration with key sectors to provide further provision / support.
- Opportunity to combine multiple future funding streams (Adult Education Budget, Growth & Innovation Fund, and apprenticeship levy) to co-design a more creative approach to education and training as a sector. For example, collaboratively incubating a workforce between Further and Higher Education to promote a more direct pathway from which local businesses can recruit. It was noted there is an ongoing creative corridor project which mirrors this example.
- The support for start-ups was highlighted, and that this needs to be balanced with developing the workforce. Consideration of scale-ups vs start-ups and the benefits of incubator space which allows businesses to share equipment and costs, providing them with the right environment for growth. Link to leading activity from universities to connect hubs for specific start-ups and enable supply chains to larger companies.
- Mention of the health sector, and Government focus on the NHS – potential to align investment with the national health mission, however, while health is a barrier to employment and economic prosperity for some, this may be outside of our ability to influence at this level.
- Decarbonisation and the consideration of sustainability opportunities, with the large amount of potential investment in that space. It was also noted there is potential to focus on initiatives outside of our geography (including foreign direct investment) to enable new capability regionally.
- Consider what we are trying to achieve and align with the strategic priorities – with a smaller amount of funding initially it is important to understand what can make the quickest and most effective difference.

The discussion resolution was that the Growth Board members endorsed the priorities identified by the Business Leaders Forum and provided agreement with the direction of travel for the Economic Strategy refresh and future Surrey Growth & Innovation Fund.

## Delivery Programme Update

The key economic functions that were previously delivered by Local Enterprise Partnerships were transferred to the Council in April – this item highlighted key delivery services that have been established as part of these functions, and their progress to date (see slides).

## **Discussion**

Board members noted the new interactive map on Business Surrey and how this can be further populated – the map is a new capability, so feedback is welcomed to enable further development according to requirements.

There was a query regarding the ability to monitor growth as a result of businesses receiving support from the Growth Hub. Funding for the Growth Hub is on a 12-month basis, so the initial focus was on establishing the service and receiving qualitative feedback. With funding confirmed for 2025/26, the programme extension will allow for more time to understand the growth trajectories, shape targets, and offer more targeted support according to the demands of Surrey businesses to enable growth to be tracked.

Involvement with the Surrey Careers Hub was raised as an important initiative to facilitate the link between business and education, with this programme of work enabling collaboration and having a positive impact on Surrey businesses.

## **Reflections and Close**

### **Chris Hurren: Vice-Chair**

The Vice-Chair thanked Board members for their engagement and noted the importance of these conversations to provide the Council with a clear steer to utilise any future funds to ensure the best returns for Surrey through investment, skills and workforce development, and aspirational growth.

The next One Surrey Growth Board meeting will be held on Tuesday 4<sup>th</sup> March 2025.

## Appendix: Attendees and Apologies

### Attendees

Chris Hurren (Vice-Chair)	RSM UK	
Cllr Ann-Marie Barker	Woking Borough Council	
Ashley Smith	Runnymede Borough Council	Deputising for Andrew Pritchard
Will Davies	University of Surrey	
Gary Headland	Activate Learning	
Bruce Penson	Prodrive IT	
Andrew Cawthorne	Surrey Satellite Technology	
Mike McNicholas	AtkinsRéalis	
Tracey Palmer	Business Improvement District	
Louise Punter	Surrey Chambers of Commerce	

### Apologies

Matt Furniss (Chair): Surrey County Council

Andrew Pritchard: Runnymede Borough Council

Helen Foord: McLaren