

One Surrey Growth Board

December 2024



Agenda

No.	Timings	Item	Speaker(s)
1.	15:00- 15:10	Welcome and introductions	Chris Hurren (OSGB Vice-Chair)
2.	15:10- 15:25	Reactions to the Autumn Statement	Group discussion
3.	15:25- 15:40	Update on Level 2 Devolution	Rhiannon Mort (Head of Economy & Growth: Place Delivery, Surrey County Council)
4.	15:40- 16:30	Economic Strategy Update and Surrey Growth & Innovation Fund	Patricia Huertas (Assistant Director – Economy & Growth, Surrey County Council)
5.	16:30- 16:50	Delivery Programme Update	Rhiannon Mort
6.	16:50- 17:00	Reflections and Close	Chris Hurren

Welcome

- **Chris Hurren – One Surrey Growth Board Vice-Chair**
- *Declarations of Interest*

Reactions to the Autumn Statement

Item 2

SMEs

- Lower business rates multipliers for retail, hospitality and leisure properties and £1.9b of support to small businesses and the high street
- Increase rate of employer NICs to 15% and per-employee threshold reduced
- Commit to funding for 2 key growth-driving programmes in 2025-26: Growth Hubs in England and Help to Grow
- Extend the Made Smarter Innovation programme with up to £37m funding in 2025-26

Workforce and skills

- Forthcoming publication of the Get Britain Working White Paper and establishment of Skills England
- Government investment of £115m in 2025-26 to deliver a new *Connect to Work* supported employment programme (3-year programme, possibly increasing to 5 years)
- Providing an additional £300m for FE to support skills development of young people
- Transform the Apprenticeship Levy into a Growth and Skills Levy
- NLW will increase by 6.7% (to £12.21 per hour) from April 2025

Industrial Strategy and growth-driving sectors

- Commitment to target interventions to drive growth where the UK has, or could develop, a comparative advantage
- Launch of the National Wealth Fund to mobilise investment into the UK's world leading clean energy and growth industries
- 8 key sectors identified and align with Surrey's specialisms*, along with long-term funding for growth-driving sectors
- Tax reliefs for world-leading creative industries and providing £3m to expand the Creative Careers Programme
- Supporting commercialisation of our world-class university research by providing at least £40m for proof-of-concept funding and improvements

Infrastructure and planning

- Investing over £500m to deliver Project Gigabit and Shared Rural Network
- Responding to the National Planning Policy Framework consultation to confirm pro-growth reforms to the planning system

Business insights / impacts

Positive:

- Likely positive impacts on construction sector due investments such as prisons and schools
- Catalyst to drive innovation
- Sharp increase in R&D grants for automotive sector which has energised activity and created jobs

Neutral:

- Will require diversification of products and services, product innovation, maximising marketing, and digital & AI adoption

Negative:

- Likely to reduce recruitment and result in hospitality / retail closures
- Inheritance tax implications for family-owned businesses
- Pressure on supply chains and business ability to invest in people and innovation
- Businesses looking for value for money – impacting opportunities for new / younger talent



Reactions...

What are your insights and reactions to the Autumn Statement?



Update on Devolution

To provide an update on SCC's
existing level 2 Devolution Deal

Item 3

Devolved Funding and Powers

- In March 2024, Surrey County Council (SCC) agreed a Level 2 Devolution Framework Agreement with the government at the time. It was agreed that Surrey CC would pursue a Level 2 deal as this did not require the authority to bring in a directly elected leader/mayor. As such the deal included only the Level 2 powers set out in the devolution framework from the Levelling Up White Paper.
- The level 2 Devolution Deals includes the devolution of funding, including Connect to Work, Adult Skills Fund, Shared Prosperity Fund and Homes England Compulsory Purchase Order (CPO) powers to support land assembly for housing and regeneration purposes.
- SCC is also expected to become the lead authority for the development of Local Environmental Improvement Plans (LEIPs), which are intended to help tackle the currently fragmented policy and funding environment. The LEIPs will set out a clear evidence base on local issues, to support the prioritisation of investment and establish a plan for action across Surrey.

Devolved Funding and Powers

- **Adult Skills Fund**

- SCC has been notified by Department for Education of the Adult Skills Fund (ASF) Implementation Funding
- Will prepare for devolution of the Adult Education Budget (AEB) to SCC by May 2026 – total expected to be in the region of £11m, TBC
- This is in line with SCC's intention to get a Level 2 County Deal from Government
- Will enable innovate approaches and to respond to priorities as set out in Surrey's Skills Plan and Economic Strategy

- **Homes England CPO powers**

- Surrey County Council will have access to additional land assembly and compulsory purchase powers for housing and regeneration purposes, subject to the agreement of the relevant local planning authority and the consent of the Secretary of State for Housing, Communities and Local Government”.
- We are currently considering the situations where Homes England CPO powers could prove useful and how we can work together with partners to make sure these powers support local delivery priorities, thereby strengthening the position of the whole Surrey system.

Economic Strategy Update and Surrey Growth & Innovation Fund

Item 4

Reframing the strategic priorities

- Strategic Economic Planning is crucial for fostering sustainable growth and productivity growth
- Alignment of key priorities for government and SCC
- Gross Value Added sluggish and slowing in Surrey for a number of years
- Focus on local economic opportunities, addressing challenges, and developing strategic connections across regions
- The context in which we operate in has fundamentally changed over the last 4-5 years
- The priorities of the current strategy, being reframed as follows

1. Ensuring that Surrey businesses have the workforce they need to grow

2. Creating the right conditions for Surrey businesses to start, grow and thrive

3. Enabling economic infrastructure to unlock growth through place-based approaches

Today we will present to you...

- The progress of the evidence review
 - Details on the future fund framework
 - The identified outcomes that funded projects should look to achieve
 - Types of projects that could be funded
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- We have received input from the Surrey Business Leaders Forum which we will feed back during the presentation.
 - Following the presentation, we'll be seeking your views to help shape the funding framework.

Evidence review so far...

It is important that we have a clear logic chain that links our investment and funding interventions back to our strategic objectives and addresses specific opportunities and challenges highlighted by the evidence-base.

Key opportunities/challenges identified:

- Scale up issue
- Start-up acceleration, access to finance, access to workforce
- Tradeable jobs opportunity and international trade
- Internal R&D
- High industrial space vacancy rate
- Declining provision of multi-tenancy facilities, particularly impacting SMEs
- Stagnating growth in Surrey's working age population
- Earning inequalities are larger than comparators – particularly between genders and highest / lowest earners
- Highly skilled population not necessarily meeting job demands of local businesses (manufacturing / high-tech industry)

Surrey Growth & Innovation Funding Framework

- **SCC has secured a portion of legacy growth funds** (up to £24m over 8-10 years) to support local economic growth in Surrey.
- Setting up the “Surrey Growth and Innovation Fund” (GIF).
- The ambition is for **funding decisions to align with the refreshed strategy and priorities identified.**
- Currently developing **a funding framework before formally launching in Feb/March 2025 (subject to Cabinet approval).**
- The framework will also be used to direct any growth-related funds the council may receive in the future.
- We need to **use the funding in a sustainable way that delivers the maximum strategic impact** from every £ spent.
- The funding could be deployed through various methods such as competitive funding rounds, direct grant awards, strategically important projects, or SCC-led projects.
- This is a framework and not a rigid plan, so will respond in a flexible and agile way to changes and opportunities that arise.

What are the outcomes we should look to achieve?

- Number of jobs* created/protected
- New businesses created
- New to market products/services
- Increase in business profitability
- Number of businesses supported that are new to exporting
- Assisted businesses reporting significant business benefit
- Commercial floor space created
- Entrepreneurs supported to be business ready
- Match-funding attracted
- Businesses with improved productivity

What are the types of projects we could fund?

- Feasibility studies for infrastructure projects that will unlock economic growth.
- Start-up, incubator, and accelerator programmes.
- Seed funding to pilot new ideas and projects.
- Match-funding to support larger capital projects.
- Knowledge-sharing and networking initiatives.
- Co-funded skills programmes to meet local business needs.
- Investments in innovation –SCC-led projects – We will have a pipeline of projects identified that (subject to approval) that can be supported by the GIF.

Surrey Business Leaders Forum feedback

- **Scale-ups (long-term – creating value and jobs)**
 - Advice and support (utilising existing resources in Surrey) for scale-ups
 - Multiplier effect – match-funding and investment
 - Expanding international trade through more targeted support
- **Local opportunities (encouraging SME growth)**
 - Investing into those that have existing projects that support the key measures
 - Co-working space / Council owned property as part of scale facilities to enable business growth
 - Focus on growing the number of micro-businesses to increase productivity across a larger number of businesses
- **Skills / workforce to meet demand (AI / innovation focus)**
 - Balance jobs vs automation – collaborate with universities and support accelerator programmes
 - Broadening / attracting the 25-49 working age population
 - Encouraging new business into the county
 - Start-ups – focus on changes to automation and businesses of the future to create a start-up culture

Group discussion

- **We are seeking your views to help shape the funding framework for future investment...**
- Consider the feedback from the Business Leaders Forum and secure further input from OSGB
- Is there anything key missing from the outcomes and evidence discussed so far?
- What are your thoughts on the examples of different funding initiatives and outcomes? What type of initiative should we prioritise through the first round of funding?

Next steps

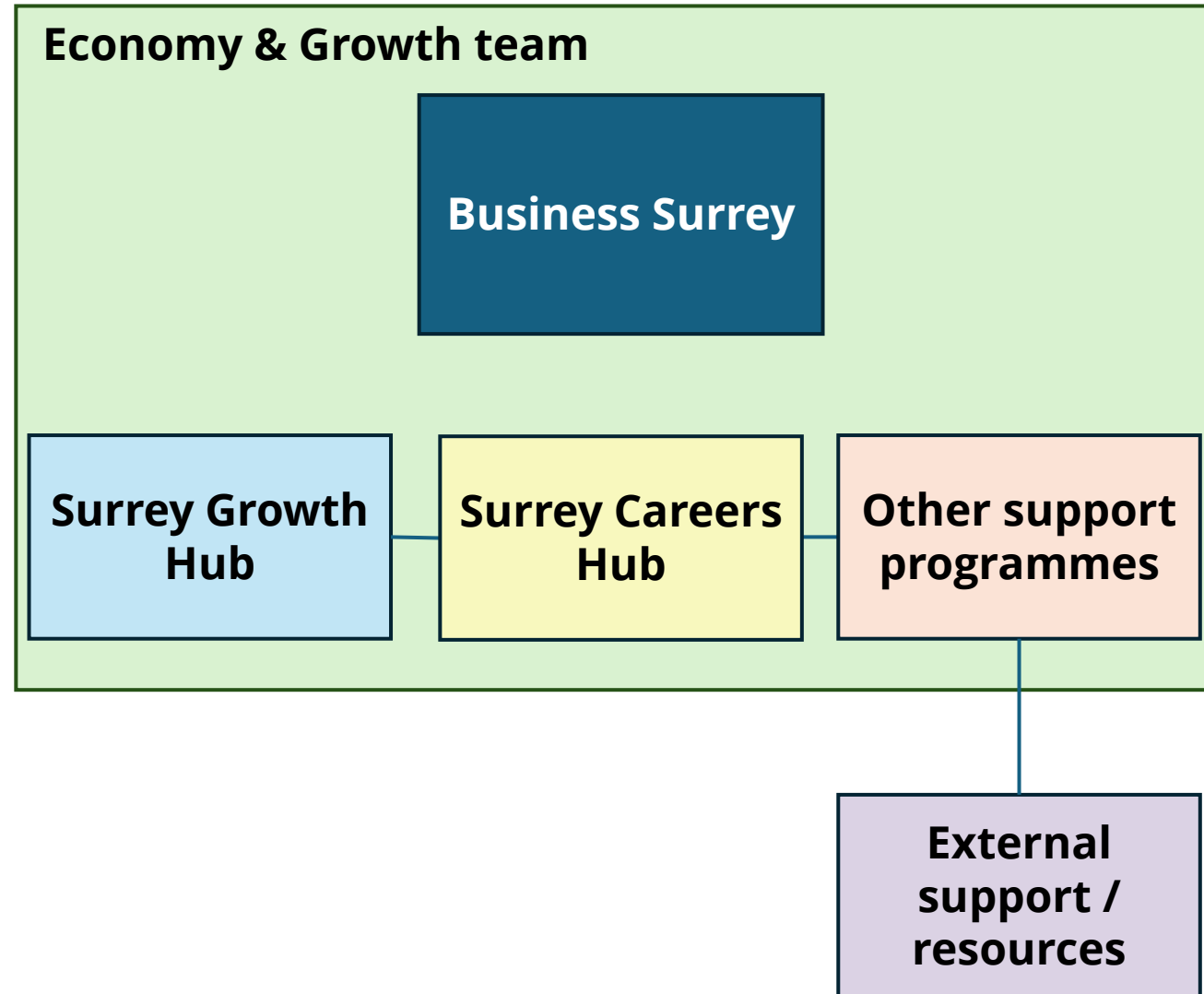
- Develop formal governance arrangements and bid approval processes (i.e. role of OSGB, Cabinet, etc).
- Continue to develop the draft Surrey Growth and Innovation Funding Framework.
- 25 February 2025 – Formal Cabinet endorsement for refreshed strategy, sign-off the Funding Framework and approval to launch first funding round(s).
- **Ambition to launch first funding round(s) in March 2025 (competitive funding AND/OR direct grant awards).**

Delivery Programme Update

Item 5

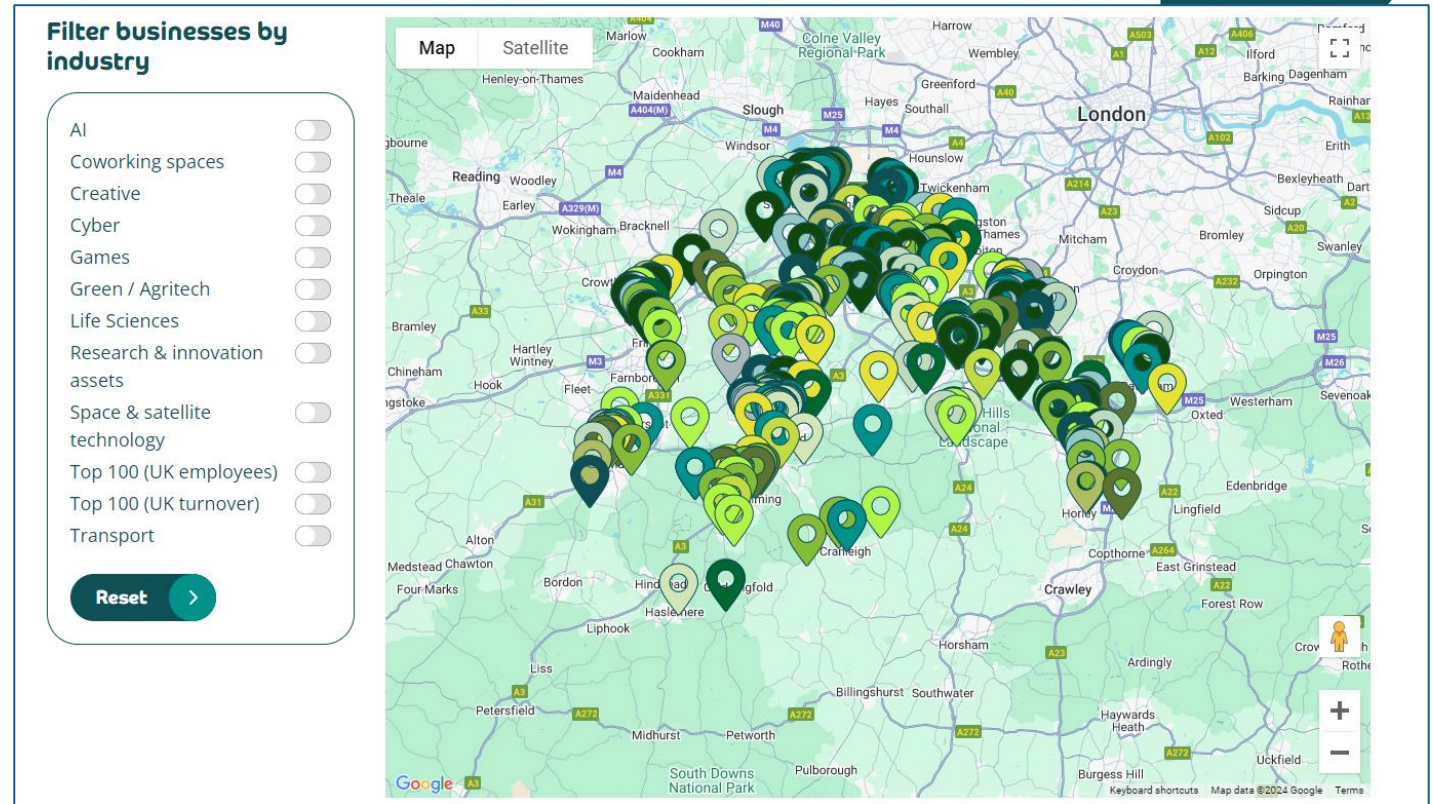
Delivery Services

- Surrey County Council's (SCC) key delivery services, Surrey Growth Hub and Surrey Careers Hub, sit within the **Economy & Growth team**.
- In practice, all three service delivery areas **work together as a singular operational unit** to support businesses
- **Business Surrey** is SCC's business-facing brand – it is the single entry-point for local businesses and is the gateway to other services and resources.
- **Surrey Growth Hub** is the Surrey-wide business support service that offers free and accessible targeted support and advice to high-growth SMEs across the county.
- **Surrey Careers Hub** supports Surrey schools, special schools, and colleges with their provision of careers education, connecting education and the world of work. Engages with employers to align education to skills gaps and industry needs.



Support to Surrey Businesses

- SCC's business support service, [Business Surrey](#), continues to grow its reach with 15,490 unique website users (39,742 total website views) and 747 enquiry forms completed by the end of October (achieving a conversion rate of 4.8%, more than double the industry standard of 2%).
- The new [interactive map](#) on Business Surrey was launched in October, showcasing key businesses and sectors – this was the most viewed page on the website this month (1,819 views) with users able to view the location of key businesses in Surrey and filter by industry.



Delivery Programme Update

Support to Surrey Businesses

- The **Surrey Growth Hub** team is well established and building momentum in delivering targeted business support and advice to high-growth Surrey SMEs. To date (end of October 2024) our Growth Hub has provided support to 886 businesses, with:
 - 757 of those receiving light touch interventions (up to 1 hour) – annual target of 2000
 - 127 receiving medium intensity support (1 to 12 hours) – annual target of 250
 - 2 receiving high intensity support (exceeding 12 hours) – annual target of 50.
- The Growth Hub team has also organised and hosted various business support events, including the *Navigating the Business Lifecycle* series which covers specifics such as ‘From Idea to MVP’, ‘Finance and Funding Strategies’, and ‘Mastering Marketing and Communication’. Planning is ongoing for the 2025 event programme.

Surrey Workforce and Skills Delivery

- In its first year of operation, the **Surrey Careers Hub** supported an increase in performance across all Gatsby Benchmarks (government recognised framework of good careers education) and achieved its target of 90% of schools achieving at least 3 Gatsby benchmarks
- The second **Surrey Festival of Skills** took place on 15th October at Surrey Sports Park—over 2,000 students and teachers from 40 schools and colleges attended and engaged with more than 80 exhibitors on the day, consisting of both employers and further and higher education opportunities.
- The team have received 554 applications to **Multiply courses** since the launch in September (vs annual target of 1,800) along with more than 1,200 leads generated for **Skills Bootcamps** since July (including 402 website forms and 826 digital social channel leads), which is double the number of available courses.



<https://youtu.be/fixKpZXH1q4>

Reflections and close



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