

Meeting Notes – Surrey Business Leaders Forum

(26.11.24, 14:00-16:00)

Welcome: Chris Hurren (Chair)

Welcome to all members – noted that this was the third meeting as the refreshed group. Pre-reading was shared in advance of the meeting.

This meeting reviewed the Autumn Statement and the impact on businesses, the Economic Strategy update and the Growth & Innovation Fund, and a delivery programme update.

No declarations of interest raised

A recap from the last meeting was shared, key points included:

- Intel provided on how to shape the strategic priorities and delivery of economic functions moving forwards
- Key discussion points from the workshop session were the key drivers of change identified, emphasis for a delivery focus, and connection between economic infrastructure priority and place-making priority
- Input and insight from SBLF members required to support the funding framework

The Chair noted that the group need to ensure there is a focus on where a difference can be made – there are some aspects that are important but that the SBLF as a group do not have the power to change such as transport, housing and energy infrastructure. Important to identify what the SBLF can achieve to make a difference to the Surrey economy.

Autumn Statement Review and Devolved Funding: Patricia Huertas (Head of Economic Programmes & Localities, Surrey County Council)

This item noted some key highlights from the Autumn Statement and the Devolution framework (details in slide).

Discussion

The National Insurance contributions are likely to impact a number of business sectors including hospitality and retail, and result in a reduction in recruitment, pressure on supply chains and businesses' ability to invest in people and innovation. The inheritance tax impact on family-owned businesses was also noted.

It was highlighted that there are some positive impacts for the construction sector due to the increased funding in prisons and schools. There is a requirement for businesses to be more innovative with the schemes and initiatives that they run to continue growth and invest in serving the community in different ways to attract a wider workforce.

There is an overall lack of productivity within the Surrey economy and the changes could be more of a catalyst to drive innovation and free resource within business to develop other work areas and increase productivity. This was particularly noted from a technical sector perspective and the appetite for SMEs to adopt more digital transformation.

To cope with the impacts of the Budget businesses will need to consider: diversification of products and services, product innovation, maximising marketing, smarter hiring and people development, optimising business processes, automation and AI adoption, and collaboration.

For the automotive sector there has been a sharp increase in R&D grants in October which has energised activity and allowed for the creation of new jobs.

It was noted that the Budget will impact heavily on new / younger talent as companies look for value for money – particularly within the creative industries where roles for more inexperienced people often lead to a production trade. Important to consider investment in the next generation, which will hopefully be supported by the changes to the apprenticeship levy.

There were some larger / global businesses that acknowledged this Statement had fewer / less severe impacts compared to previous events such as the pandemic and introduction of the apprenticeship levy.

Actions

SCC: share response to Industrial Strategy.

Economic Strategy Update and Surrey Growth & Innovation Fund: Patricia Huertas (Surrey County Council)

This item provided a progress update regarding the Economic Strategy refresh and the future Growth & Innovation Fund, particularly noting that:

- Intel from the Strategy Workshop in September has been used to support the drafting of the strategy refresh.
- The core focus of the strategy is productivity and growth.

- An independent evidence review that will accompany the strategy has been conducted – this has highlighted work that needs to continue and additional challenges that they current delivery plan does not directly address.
- The strategy will be drafted and shared with SBLF members ahead of the next meeting.
- The development of the strategy is also taking into consideration the future Surrey Growth & Innovation Fund (mostly capital funds in the first year) – developing a funding framework aligned with the strategy and priorities identified as it is key to reinvest these funds into the economic growth of the county.
- Highlighted some of the draft objectives, outcomes, and principles that the framework will include such as strategic alignment, partnership and collaboration, and long-term impact (details in slides).

Discussion

There were some key points raised following this presentation, including:

- Query regarding the commercial space evidence as there has been recent high demand for industrial units and rent increases.
- Consider inward investment / multiplier effect and other sources of income to increase future funds and allow for larger investment to drive economic growth (such as CSR funding from larger organisations that could be channelled through a collective initiative).
- Important to identify how to effectively impact growth – understanding the data around business survival rates and initiatives that could be feasibly established to support births of businesses and start-ups. Recognition that it will be beneficial to generate more rapid and real return on the initial investment, and prioritise skills development / export for next round of funding as a longer-term investment.
- Absence of strategic spatial planning / development strategies – site development requires transport investment which means support and buy-in from authorities is crucial to ensure future growth and sustainability.
- Consideration of the political lens and devolution – outcome of devolution paper will provide clarity on future decisions.
- Important to identify targets and a focus – for example, underrepresented groups and people on median salaries to ensure job creation / protection supports those that may otherwise not have had those opportunities. Job creation / protection will positively impact other key measures such as business growth.

- Potential disincentive to be hiring currently – need to consider those wanting to start their own businesses too, which will create employment and support the wider ecosystem.
- Infrastructure recognised as not being a wise investment choice for smaller amounts of funding due to higher costs associated with these projects – consider as a longer-term ambition to attract an anchor employer and targeted sector to help create more roles.

Forum members then had a discussion in breakout groups to identify their priorities for the future funding initiatives.

Breakout group feedback

Scale-ups (long-term to create value and jobs)

- Noted that some of the funds should be directly invested in the Surrey County Council scale-up agenda and some allocated to a separate pot that others can access to support the key measures of success.
- Consideration of multiplier agenda to support start-ups / scale-ups with advice, utilising existing resources in Surrey. Match-funding will help to draw in external contributions. Attracting private equity and funding being an instigator / catalyst for further development.
- Need to increase ratio of business creation over business closure by focusing on growth rather than start-ups in the shorter-term – quicker and more effective.
- Need to consider scale-up of larger businesses as only 240 (out of over 65,000) businesses in Surrey with a turnover of more than £10m – focus on how we put an accelerator provision into Surrey and be more proactive in outreach to support businesses through their first year to increase survival rates.
- Increase business involvement in international trade by providing more targeted and hands-on support rather than supplying mass resources.

Local opportunities (including encouraging SME growth)

- Opportunity to invest into local opportunities for those that have projects that support the key indicators (e.g. co-working spaces and access to work).
- Growing the number of micro-businesses to increase productivity across a larger number of businesses within the county.
- Consider scale facility / provision into Surrey to support business growth (such as co-working space).

Skills / workforce to meet demand (AI / innovation focus)

- Creating value and jobs – R&D scheme and gathering learning to deliver a few specific programmes which maximise value. Broadening the 25-49 age group.
- Jobs vs automation and ensuring this is balanced to increase the benefits – requires collaboration with universities and the establishment of accelerator programmes.
- Heavy service-based economy in Surrey and likely large increase in automation which will bring future change – opportunity to utilise university funding to proactively build a start-up culture around businesses of the future that don't currently exist.

Delivery Programme Update: Rhiannon Mort (Head of Economic Programmes & Localities, Surrey County Council)

Brief overview of SCC's current delivery services, including:

- Business Surrey – gateway for business support and business facing brand (sets out the framework about how we establish our activities to support business growth in the county)
- Growth Hub – targeted business support service for high-growth SMEs in Surrey
- Surrey Careers Hub – inspiring next generation with business champions to understand the career opportunities within the county.

Recent progress and achievements noted – see details on slide.

Highlighted how SBLF members can get involved with the delivery programme services – see details on slide.

Discussion

Interest in hearing about business events ahead of time and being more involved with this aspect of the delivery programme – members indicated their interest in being signed up to the Business Surrey newsletter to receive updates and event information.

It was proposed that a communal list of SBLF members and their networks that are interested in speaking / subject matter experts is created to be used as a collective resource to share experience and learnings.

Actions

SCC: Subscribe all SBLF members to Business Surrey newsletter

SCC: Distribute updated side deck for SBLF members to review Delivery Programme involvement

Reflections and Close: Chris Hurren (Chair)

Date of next One Surrey Growth Board – Tuesday 3rd December 2024.

Date of next Surrey Business Leaders Forum – Tuesday 25th February 2025.

The Chair thanked all members for their contributions and insights.

Appendix: Attendees and Apologies

Attendees

Chris Hurren (Chair)	RSM UK
Andrew Cawthorne	Surrey Satellite Technology Limited
Andrew Hudson	Bettertrack Ltd
Andrew Todd	KONE
Bruce Penson	Prodrive IT
Charlie Nicholson	Vail Williams
Chris Mallin	Vistage Company
Jarmila Yu	Institute of Directors
Jean Launberg	Gordon Murray Design
Laura Freeman	Fidelity International
Louise Punter	Surrey Chambers of Commerce
Margaret Ochieng	The Inclusive Village LTD
Mark Craig	Wates Group
Matthew Norris	Croudace
Mike Brennan	KTB Technologies
Mike McNicholas	AtkinsRéalis
Simon Bland (deputising)	Gatwick Diamond Business
Tracey Palmer	Walton-on-Thames BID
Tristram Slater	Shepperton Studios

Apologies

Alex Vinall: Air Social

Ben Jenkins: Asahi

Charlies Collins: Savills

Helen Foord: McLaren

Kristina Pereckaite: South East Angels

Maggie Howell: Surrey Hills Enterprises

Matt Webster: Fuse Games

Nastasi Karaiskos: Rakuten

Nick Jefferies: DiscoverIE Group

Piers Leigh: Curchod and Co

Richard Lennard: Gatwick Airport

Sally Brown: Gatwick Diamond Business (deputy sent)

Sharon Dorrington: SGN

Tracey Carter; Federation of Small Business

Yvonne Spencer: APHA

Zoe McCaig: TP Legal Ltd