

Notice of Meeting

Deputy Leader Decisions

**Date & time**

Wednesday, 11
September 2013 at
10.00 am

Place

Room 107, County
Hall, Kingston upon
Thames, Surrey KT1
2DN

Contact

Anne Gowing
Room 122, County Hall
Tel. 020 8541 9938

Chief Executive

David McNulty

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Anne Gowing on 020 8541 9938.

Deputy Leader
Mr Peter Martin

AGENDA

1 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

2 PROCEDURAL MATTERS

2a Members' Questions

The deadline for Members questions is 12pm four working days before the meeting (5 September 2013).

2b Public Questions

The deadline for public questions is seven days before the meeting (4 September 2013).

2c Petitions

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

3 ALLOCATION OF THE SURREY GROWTH FUND 2013/2014

(Pages 1
- 10)

The Deputy Leader is asked to approve the outline allocation of funding for projects to develop priority economic development activity in financial year 2013/14 through the Surrey Growth Fund.

David McNulty
Chief Executive

Published: Friday 30 August 2013

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SURREY COUNTY COUNCIL

DEPUTY LEADER

DATE: 11 SEPTEMBER 2013

LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR, ENVIRONMENT AND INFRASTRUCTURE

SUBJECT: ALLOCATION OF SURREY GROWTH FUND 2013/14



SUMMARY OF ISSUE:

The Deputy Leader is asked to approve the outline allocation of funding for projects to develop priority economic development activity in Financial Year 2013/14 through the Surrey Growth Fund.

RECOMMENDATIONS:

That the Deputy Leader agrees the recommended programme of economic development activity in **Annex A** for funding through the Surrey Growth Fund in FY 2013-14.

REASON FOR RECOMMENDATIONS:

The activities outlined correspond with the aims and objectives of the Surrey Growth Fund. The proposed programme of activity will enable the County Council to improve its capacity for bidding for external funding to support local sustainable economic growth.

The approach will assist the council in achieving the One County, One Team Corporate Strategy 2012-17 (as endorsed by Cabinet on 31 January 2012 and by full Council on 7 February 2012), which includes a specific priority to make Surrey's economy strong and competitive. It will support the council in its efforts to secure investment in Surrey, which would, in turn, help maintain the quality of life in the county.

DETAILS:

Business Case

1. The Surrey Growth Fund (SGF) was created to support activities that contribute to the council's corporate priority of making Surrey's economy strong and competitive. Through the use of the SGF, the council will be able to play a greater leadership role, both in the success of the Surrey economy and in securing additional investment in local sustainable economic growth.
2. The objectives for the use of the SGF, drawn from the Corporate Strategy priority to make Surrey's economy strong and competitive, are to:
 - increase the Gross Value Added (GVA) of Surrey through smart economic growth
 - support activities that cause a net gain of money flow into Surrey

- demonstrate visible leadership around economic development in Surrey and enhance the county council's reputation with the business community
 - seek out new economic opportunities and retain Surrey's existing business wealth.
3. A number of projects of priority economic development activity have been developed with outline funding requirements, attached at **Annex A**. The list is prioritised based on impact and deliverability. A programme of projects of this kind would support the delivery of the objectives for the use of the SGF. The projects proposed for FY 2013/14 include continued support for apprenticeships, capacity building to help shape and deliver the growth strategies and plans of the Enterprise M3 and Coast to Capital Local Enterprise Partnerships, developing our economic evidence base, work to maximize additional funding for Surrey and showcasing Surrey as a tourist destination.

CONSULTATION:

4. The Deputy Leader, Strategic Director Environment and Infrastructure, Assistant Director, Economy, Transport and Planning, Strategy Group Manager, Environment and Infrastructure, Programme Lead for Legacy and Magna Carta and the Chief Executive of Surrey Connects have been consulted on the proposed programme of priority economic development activity.

RISK MANAGEMENT AND IMPLICATIONS:

5. Failure to deliver infrastructure to support economic growth, such as schemes designed to improve surface access to airports, will reduce residents' quality of life and would harm Surrey's reputation. Unless the council is able to successfully identify the priorities for the county through studies and research, it will find itself unable to bid and lobby for infrastructure schemes.
6. Whilst the proposed programme includes activities such as improving our evidence base to demonstrate the need for more government investment in Surrey and work to attract more foreign direct investment in Surrey, there is no guarantee that external funding will be secured. However, without this work, there is a greater possibility that Surrey will be overlooked and the council will be hampered in its ability to bid for and secure external funding for economic development.

Financial and Value for Money Implications

7. The use of the Surrey Growth Fund (SGF) has been delegated to the Deputy Leader. In 2013-14 this revenue fund totals £1,380,000, of which £750,000 is ring fenced for supporting 500 apprenticeships.
8. The total cost of potential activities is estimated at £1,402,700. Expenditure will therefore need to be managed to ensure available funding is not exceeded.
9. Once the Deputy Leader has agreed a spending programme for the SGF, the monies should be delegated to the Strategy Group in the Environment and Infrastructure Directorate to spend in accordance with the approved programme. Progress on the use of the fund will be reported to the Deputy Leader by the Strategic Director, Environment and Infrastructure at their monthly Cabinet Member briefings.

Section 151 Officer Commentary

10. The Section 151 officer confirms that all material financial and business issues and risks have been considered in this report. Financial implications are summarised in paragraphs 7-9, and in annex A. The proposed list of activities in Annex A exceeds available budget and spend will therefore need to be carefully managed and monitored to avoid overspending.

Legal Implications – Monitoring Officer

11. There are no legal implications or legislative requirements associated with the report.

Equalities and Diversity

12. There are no identified negative equalities impacts. Where additional funding for infrastructure and transport schemes is secured, there will be positive impacts. Where applicable, equality impact assessments will be undertaken as a part of the delivery of individual projects.

WHAT HAPPENS NEXT:

14. Subject to the agreement, the programme, as set out in Annex A, will commence in September. Ongoing areas of work will continue.

Contact Officer:

Judith Jenkins, Economy Manager, 419364

Consulted:

Deputy Leader,
Strategic Director Environment and Infrastructure
Assistant Director, Economy, Transport and Planning
Strategy Group Manager, Environment and Infrastructure
Programme Lead for Legacy and Magna Carta
Chief Executive, Surrey Connects.

Annexes:

Annex A – Surrey Growth Fund Spending proposals 13/14

Sources/background papers:

- Surrey County Council, 'One county, one team corporate strategy 2012 to 2017'

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Recommended programme of priority economic development activity for funding through the Surrey Growth Fund 13/14

Headline Priority	Resource	Outcome	Deliverables	Est'd spend FY 2013-14
Support for delivering the council's specific priority on support for economic growth and for LEPs and to take forward work to secure more inward investment.	Economy Manager (initially 1 year fixed term/ secondment) Approved 2012, officer in post since the start of the financial year.	<ul style="list-style-type: none"> ▪ more foreign direct investment in Surrey ▪ more government investment in Surrey ▪ more funding for Surrey secured through the EM3 and C2C LEP Strategies for Growth ▪ stronger county council relationship with significant local companies ▪ businesses of key local significance continue to be located in Surrey 	<ul style="list-style-type: none"> ▪ participation in relevant LEP action groups and project delivery to secure investment in Surrey ▪ support for development and delivery of the LEP Strategies for Growth ▪ supporting inward investment activity, including research, development both of a Surrey and key sector propositions, monitoring the UKTI pipeline of enquiries and managing investment enquiries passed by UKTI ▪ business engagement activity for the council 	£60,000 - (including on-costs)
Support for small businesses in Surrey that take on a young person (under 19) as an apprentice.	Matching of the Government's Apprenticeship Grant for Employers (£1500)	<ul style="list-style-type: none"> ▪ An increase in the number of young people aged under 19 entering employment 	<ul style="list-style-type: none"> ▪ 500 apprentices taken on within Surrey 	£750,000

Headline Priority	Resource	Outcome	Deliverables	Est'd spend FY 2013-14
Inward investment	Web design consultancy	<ul style="list-style-type: none"> ▪ a fit for purpose inward investment website for Surrey ▪ potential overseas investors use the website to focus their location search for starting up/ expanding a business 	<ul style="list-style-type: none"> ▪ an impactful website to attract potential (foreign) investors as well as existing UK business not currently located in Surrey ▪ a microsite that sits on the same platform as the SCC corporate website to enable internal control over/ maintenance of the site 	£1,800
Investment to support local economic growth	Independent investment expert Approved 2012. £5000 already incurred for the first stage of work	<ul style="list-style-type: none"> ▪ more investment in local economic growth that benefits Surrey businesses ▪ The development of a proposition for consideration by the Surrey Pension Fund, which delivers an acceptable overall rate of return, and which could potentially leverage other investment from partners 	<ul style="list-style-type: none"> ▪ to investigate/ understand the current levels of demand for and supply of finance to SME's within Surrey in order to understand in more detail the issues around access to finance for Surrey-based SMEs in order to guide its future policy in this area 	£24,000
Aviation capacity to support economic growth	Specialist consultancy Approved 2012. £5000 already incurred for the first stage of work.	<ul style="list-style-type: none"> ▪ a lasting benefit from investment to date is captured and legacy established ▪ legacy events in Surrey are secured ▪ council priorities to achieve economic development, to promote health and wellbeing and to protect and enhance Surrey's natural assets are met 	<ul style="list-style-type: none"> ▪ to provide an outline of the changing role of Heathrow Airport and implications for the county under a number of different capacity scenarios ▪ to assess the economic and employment impact for the county associated with the various scenarios ▪ to provide a total employment and economic impact of Heathrow/ and Gatwick Airports on Surrey, which could 	£13,500

Headline Priority	Resource	Outcome	Deliverables	Est'd spend FY 2013-14
			inform any county council submission to the Airports Commission on aviation capacity options.	
Olympic legacy	SCC, D&B colleagues and event organiser	<ul style="list-style-type: none"> ▪ it is estimated that the return will be Net Expenditure Impact for the County of £5 million, and the FTE employment impact will be 68 ▪ enhanced relationships with key businesses through attendance at the event by senior business leaders ▪ further showcase Surrey as a tourist destination, building on its successful track record of hosting events in the county ▪ higher visitor numbers and spend in Surrey 	<ul style="list-style-type: none"> ▪ Rights for the hosting of a further stage of the Tour of Britain on 21 Sept 2013 (Legacy team expected to find c. £20,000 in sponsorship) 	£150,000
Tour of Britain	<u>Event Planning</u> Manager x1 Officers x3 <u>Event Delivery</u> As above, plus Phone operators x2 CCTV operator x1 Sector leads x2	<ul style="list-style-type: none"> ▪ Successful planning and delivery of the Tour of Britain traffic management plan, contributing to the delivery of the event on the day 	<ul style="list-style-type: none"> ▪ Traffic management plan, including temporary highway works to accommodate the event ▪ SCC staff delivering the traffic management plan on event day, working at Guildford and Epsom ▪ SCC staff supporting the event delivery team on the day, working at the NMIC 	£50,000
Evidence to underpin strategic policy to support economic growth	Specialist consultancy Approved 2012. £5000 already incurred for first	<ul style="list-style-type: none"> ▪ better understanding of the impact of the recession on Surrey's growth prospects ▪ interventions better targeted on support for key growth sectors ▪ Surrey councils coordinate 	<ul style="list-style-type: none"> ▪ a refreshed set of baseline projections and two alternative economic scenarios, written into a report of 12-15 pages ▪ the updated analysis will take account of any observed shifts in the data in the 	£12,000

Headline Priority	Resource	Outcome	Deliverables	Est'd spend FY 2013-14
	stage of work.	activity aligned to achieving economic growth	intervening period, and compare findings with those reported in 2010. The analysis will include sectors where the data is relevant and as before look at an East/ West split in terms of performance. It will also include headline findings on projections with Berkshire as our closest comparator in terms of structural economy.	
Business support and engagement	Specialist consultancy	<ul style="list-style-type: none"> Improved evidence base in order to steer interventions by the Council and partners to support economic growth 	<ul style="list-style-type: none"> A business support survey covering 10% of all Surrey businesses to provide a representative evidence base of what support businesses most need to help them grow. 	£70,000
Infrastructure to support economic growth	External consultancy	<ul style="list-style-type: none"> Identification of the optimal short, medium and long term surface access solutions and transport infrastructure improvements needed to meet existing and potential future airport capacity scenarios. 	<ul style="list-style-type: none"> A surface access strategy for Heathrow and Gatwick airports. This is an extension to the rail strategy produced under Surrey Future. 	£35,000
Business support	External delivery partner and SCC officers Approved earlier this year	<ul style="list-style-type: none"> Providing business opportunities for Surrey companies 	<ul style="list-style-type: none"> A Meet the Buyer event for the Enterprise M3 LEP being held on 10 October 2013. 	£3,000 contribution to the event
Support for delivering the council's specific priority on support for economic growth	External facilitator and SCC officer	<ul style="list-style-type: none"> Broad endorsement from key local authority partners for the council's economic growth programme and commitment to supporting its delivery 	<ul style="list-style-type: none"> An economic growth workshop for local authority partners 	£5,000
Support for delivering key transport schemes	Specialist consultancy	<ul style="list-style-type: none"> Evidence to support the development of the business 	<ul style="list-style-type: none"> Economic study 	£30,000

Headline Priority	Resource	Outcome	Deliverables	Est'd spend FY 2013-14
		case for Kiln Lane scheme in Epsom		
Expand Surrey Car Club with low emission vehicles and electric bikes	Electric bikes, plug-in Hybrid Vehicles, underwriting of minimum revenue at new test locations	<ul style="list-style-type: none"> ▪ Expansion of car club network across businesses and communities ▪ Increased use of plug in vehicles to further reduce emissions 	<ul style="list-style-type: none"> ▪ Work with identified partner organisations to trial electric bikes ▪ Introduce 3 plug-in hybrid cars to enhance environmental profile of Surrey car club ▪ Marketing of car club to business community to help relieve parking pressure ▪ Underwrite market testing of car clubs to trial new locations 	£101,000
Business engagement: mapping the geographical spread and concentration of business rate payers in Surrey to help target business growth and investment in business critical infrastructure	<p>Specialist consultancy</p> <p>Approved Dec 2012. To be completed 13/14 upon receipt of data from districts and boroughs.</p>	<ul style="list-style-type: none"> ▪ an increase in business rates receipts across Surrey ▪ better targeted business engagement activities across Surrey ▪ retention of strategically important local businesses ▪ More focused investment in infrastructure to support the local economy 	<ul style="list-style-type: none"> ▪ a GIS layer showing the geographical spread and concentration of business rate units within Surrey ▪ a 'think piece' on business rate income and where the potential exists to increase business rate income and achieve economic growth. ▪ the sectors covered by the largest business rate payers and where these are located ▪ concentrations/ distribution (even/ uneven) of business rate payers and presence in Travel To Work Areas 	£17,000
Supporting economic growth through an improved understanding of the supply chains of Surrey's key growth sectors	Specialist consultancy	<ul style="list-style-type: none"> ▪ more targeted support towards supply chain development in Surrey's key growth sectors ▪ support for Surrey based SMEs supplying the key growth sectors ▪ more resilient Surrey economy ▪ more Surrey businesses growing their value and employee 	<ul style="list-style-type: none"> ▪ mapping the supply chains for Surrey's key growth sectors ▪ a think piece on where the potential exists to develop local supply chains and grow the Surrey element of the supply chains in key growth sectors 	£50,000

Headline Priority	Resource	Outcome	Deliverables	Est'd spend FY 2013-14
		numbers <ul style="list-style-type: none"> ▪ an uplift in the financial value of SCC contracts placed with Surrey based SMEs 		
Infrastructure for the visitor economy	External consultancy	<ul style="list-style-type: none"> ▪ Growth of a vibrant visitor economy and securing a tourism legacy from the 2012 Olympics 	<ul style="list-style-type: none"> ▪ Research to improve understanding of Surrey's current visitor offer, including marketing practices, sector strengths and opportunities and the scale of tourism infrastructure 	£30,000

TOTAL £1,402,300