

Partnerships, Prosperity & Growth Update

Communities, Environment, and Highways Select Committee – 4 December 2023



SURREY
COUNTY COUNCIL



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Purpose of the item: *To provide the committee with:*

- *An update on progress to deliver on the economic opportunities set out within Surrey's Economic Strategy.*
- *Discuss how this will evolve as a result of the "LEP integration" process.*
- *Deep dive into housing as one of the main barriers to growth.*

The committee are asked to:

- Consider the implications of the LEP transition of functions due to be implemented April 2024 and provide input/ recommendations to shape the approach.
- Comment on and contribute to shaping the development of SCC's Programme for Housing

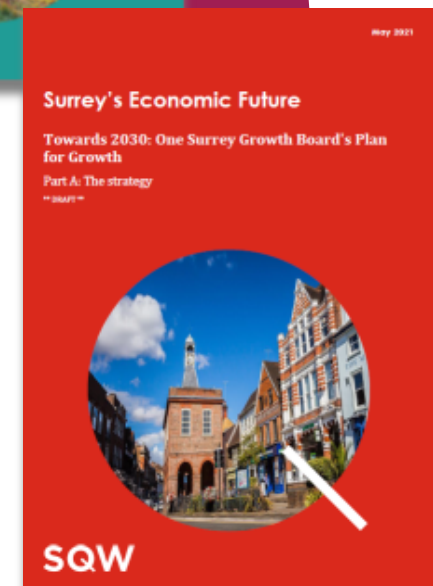
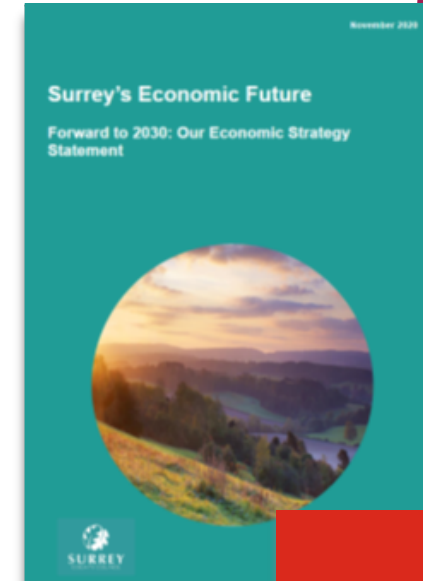
Our strategic context

Surrey's Economic Future (Strategy and Delivery Plan) sets the context for Surrey's economy and identifies four key priorities to support Surrey's growth:

1. **Growing the leading edge:** supporting the growth of Surrey's innovation economy
2. **A 'whole place' approach** to growing and sustaining quality places
3. **Maximising opportunities for all** within a balanced, inclusive economy

*** *Capturing the potential of a greener economy (cross-cutting and embedded across the other priorities)***– including, support for low carbon and environmental goods and services sector and the wider adoption of lower carbon technologies.

An ambitious delivery programme has been established to move the focus from strategy development towards the tangible delivery of outcomes to support growth. The following slides provide progress updates on the key elements of the delivery plan based on the priorities above.



Our operating context

Government recognising the important role Upper Tier Local Authorities (UTLAs) play in understanding their local economies and **providing leadership on the priorities that will help support sustainable economic growth.**

The council is **well placed to take on these new responsibilities and functions** and respond effectively to deliver improved outcomes for our local residents and businesses.

- A **clear set of priorities and work programme to support economic growth** in Surrey – *Surrey’s Economic Future*
- Developed the council’s **strategic position through strengthening partnership arrangements** – One Surrey Growth Board, Surrey Business Leadership Forum and Surrey Skills Forum
- **Invested in, developed and supported capacity and expertise** within the Economy & Growth team
- **Working with others across the SE region**, to promote wider interests in a co-ordinated manner

However, the operating context remains uncertain and challenging:



Local government finances – particularly relevant for some of Surrey’s District and Boroughs, which will impact their capacity to support this agenda and potentially prioritising resources into “statutory services”.



“Health of Surrey economy” – as we return to some level of “normality” following the pandemic, but now faced with historically high inflation, interest rates, and increased cost of living challenges for residents – see data slides in Annex



General election – Uncertainty that a potential change in government and / or policy direction will bring to the local economic growth agenda.

LEP Integration

The future integration of LEP functions, assets and responsibilities (from April 2024) represents a significant change and opportunity for the council and will be a catalyst for shaping how the Economy & Growth team continues to deliver against *Surrey's Economic Future*.

This will include:

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- **Strategic economic planning** – The council will become the recognised lead for setting the economic priorities and agenda for partners at a county-wide strategic level.
- **Growth Hub** – Develop and enhance the council's wider business-facing presence and support offers, which will include refreshed branding and online platform.
- **Careers Hub** – already integrated and further details included later in these slides.
- **Business voice and representation** – “Embed a strong, independent, and diverse local business voice into local democratic institutions.”

Business engagement

Key activity and progress

- Regular engagement takes place with the region's major employers and high growth SMEs to understand challenges and opportunities for their businesses. To date 437 businesses have been met.
- **SCSC Inspire Surrey** – engagement with cyber businesses to participate in Inspire Surrey programme to raise awareness of cyber roles in communities.
- Held a roundtable for **the heads of 10 major video game studios** in the region, to discuss opportunities to overcome barriers to growth.
- A Skills workshop held to bring together games company representatives and FE/HE institutions to **share ideas on how we can collaborate on addressing the industry's skills and recruitment challenges.**
- **Strategic review of business support** – research with local businesses, delivery providers and stakeholders to understand Surrey's business support existing supply and future demand and how SCC can help fill the provision gaps in the future.

Looking ahead

A Surrey Growth Hub **will launch in April 2024** as part of the government's LEP transition to upper tier authorities.

The strategic review of business support in Surrey **will inform the delivery model and service specification design** for the new Growth Hub. This is likely to involve a mixture of provision.

In addition, the Review will enable consideration of the **region's business support gaps and support needs** which could be implemented if / when additional business support funding is secured.

Inward investment

Key activity and progress

- **Surrey Commercial Prospectus** – in draft design stage **with 18 investment opportunities (target of 15) initially identified, 8 from East Surrey**. Further work being undertaken to identify sites within district and borough Local Plans, which may increase number of opportunities.

Held a **venture capitalist / angel investor roundtable** bringing together senior London-based investors who live in Surrey, to discuss **opportunities to better enable business access to finance**. The meeting generated ideas for addressing identified finance gaps around later rounds of seed funding.
- Providing **operational insights and data assistance to support University of Surrey** with their commissioned inward investment research.

Looking ahead

- Publication (and launch) of **Surrey Commercial Prospectus** and associated marketing plan including a Surrey presence at UKREiif 2024.
- **Progression of key actions to emerge from ARUP commercial sites report**, including:
 - Establish Live register of Local plan sites
 - Convene commercial agents network
 - Develop pipeline of supply-side investment opportunities to promote via Invest in Surrey

Supporting key clusters

Key activity and progress

- **Joint Innovation Delivery Programme (JIDP)** with regional innovation partners and national innovation agencies.
- Cluster development programme continues:
 - Surrey Cyber Security:
 - **9 events** held with **246 attendees**
 - **300+ cluster members** and **275 LinkedIn followers**
 - **70 students** engaged in cluster events
 - **1 Cyber Cup** awarded to the region’s top university
 - Games:
 - Successful **£1.5m GAIN funding bid** (with Uni of Surrey and UCA) to establish a Games Innovation Hub on University of Surrey campus.
 - Joint study commissioned with UCA to explore **how to grow the Surrey Games Sector** can be supported beyond Guildford.
 - Creative Industries:
 - Industry Working Group formed to take forward **‘Creative Surrey’ cluster initiative** agreed at initial roundtable of creative businesses
- **£3m CoSTAR funding approved** at October Cabinet to part fund a new CoSTAR satellite studio and incubator space on RHUL’s campus.

Looking ahead

- Establish CoSTAR legal, governance and project management arrangements to **enable pre-construction work to commence before the end of the financial year**
- Launch Games GAIN project and **progress development of Games Innovation Hub** on University of Surrey campus.
- Launch **Cyber Security business support programme – Cyber Runway** from January (2024)
- **Progression of key actions to emerge from ARUP commercial sites report**, including:
 - Map existing commercial space provision (co-working; incubator space; Start up / Move on space; Accelerator space; Science Innovation Park space + others etc)
 - Identify gaps in existing provision
 - Test the market for potential solutions.

Skills and employment

Key activity and progress

Looking ahead

- Development of **Surrey Skills Plan**, launched in Nov 2022, setting out strategic vision of skills system in Surrey and how employers, training providers and other partners can work together to deliver a future pipeline of talent.
- **Surrey Careers Hub established**, taking on responsibility from LEPs on 1st September 2023, contracted to work with 95 schools and colleges (more detail on next slide)
- **Festival of Skills** delivered on 23rd November, with 80 exhibitors and over 1500 students engaged. This followed previous skills events – Horley jobs fair, Green Skills summit, Camberley careers fair
- Worked with partners to develop **Local Skills Improvement Plan (LSIP)**, with a £6m Improvement Fund bid submitted to support delivery.
- £1.8m funding for **joint Hampshire and Surrey Skills Bootcamps secured** with focus on retrofit and construction, cyber and digital / marketing sectors.
- SCC and DWP **Partnership Agreement** to align activity supporting those who are at risk of being left behind.
- **Heat pump training pilot** delivered with East Surrey College.
- Facilitated new **Level 6 Lab Technician degree apprenticeship** to support talent delivery in Life Sciences.
- Supported work to deliver c£1.5m of **apprenticeship levy transfer** to help provide 148 apprenticeship starts.
- Green careers material developed and distributed and successful delivery of **Teacher Encounters** programme.
- Successful Carrington School Insight day – two more projects with care leavers and Surrey Choices.

- Bid for £2.3m for Skills Bootcamps, with a focus on digital, green, engineering, and health and social care sectors. If successful, delivery starts in April 2024.
- More skills and careers events, including focus on adult learners and re-skillers.
- Work with Communities Partnerships and Prevention's team on successful rollout of £6m Individual Placement Support in Primary Care (IPSPC) programme.
- Continue delivery of Multiply funding to support increase in adult numeracy skills, including use of Rebel Business School business start-up courses.

Surrey Careers Hub

The Careers & Enterprise Company (CEC) have set five national priorities to inform the local objectives and areas of focus for each Careers Hub. We have submitted a Strategic Hub and Delivery Plan for 23/24 to CEC for review.

CEC Priorities

Examples of planned SCH activity

Improve careers provision

- In-person learning & development for Careers Leaders, Link Governors and Enterprise Advisors.
- Commission the build and launch of a Hub website

Drive more high-quality employer experiences

- Cornerstone Employer group mobilised to support Hub Delivery Plan
- Teacher Encounters workplace visits (SCC priority and growth sectors)

Amplify vocational routes

- Student and employer case studies/impact stories
- Promotion of Provider offer and support in partnership with ALPS ALPHI

Focus on disadvantage

- Strategic place-based focus and engagement on key disadvantaged wards
- Collaboration & consultation with Surrey Youth Voice on co-design of projects

Connect careers provision to local economies

- LSIP partnership working, supporting LSIF projects
- Future skills CEAIG linked to LSIP and SCC Skills Plan priority sector work

Towns partnerships

Key activity and progress

- Town Partnership approach approved by Cabinet and conversations with partners ongoing to agree roll-out.
- Horley – **£6m of collective funding secured and initiated delivery of shared priorities** including high street public realm scheme, local jobs fair, local communications, and integration of Horley Crew in local Horley Town Management Group.
- Chertsey – initial engagement with Runnymede, delivery of **community engagement reaching over 200 residents** to initiate local vision work, growing and supporting a local partners network of key stakeholders.
- Leatherhead – initial engagement with Mole Valley to agree scope and membership of local taskforce. Building **strong local network** of stakeholders and **identifying shared priorities** for the town.

Looking ahead

- Continue **ongoing internal strategic support to inform the future SCC towns approach** through the newly established Place and Communities Transformation Board.
- Further partnership development with D&Bs to **launch local taskforce in Chertsey and Leatherhead** and identify shared priorities and joint delivery plans with local partners for both town centres.

Economic infrastructure

Key activity and progress	Looking ahead
<ul style="list-style-type: none"> • Strategic support to Surrey Infrastructure Steering Group, bringing together Place Directors from all authorities in Surrey. • Strategic input across Joint Infrastructure Groups with D&Bs to broaden remit to include socio-economic infrastructure. • Strategic support to Environment Agency and multi-partner workshops to shape socio-economic benefits of River Thames Scheme. • Strategic economic response to inform consultations of key infrastructure developments, such as Gatwick and Heathrow. • Commercial sites supply-demand analysis completed with an action plan now reflected across our work plan for inward investment, innovation and cluster development. • Seeking collaboration with partners to pursue a collective call to government to collectively convene around Surrey’s housing crisis. 	<ul style="list-style-type: none"> • Agree shared economic infrastructure priorities with D&Bs. • Embed socio-economic infrastructure considerations in partnership discussions with D&Bs. • Develop metrics for socio-economic benefit analysis as part of future River Thames DCO submission in 2024. • Strategic development of partnership with NHS to explore potential integration of health provision across key towns. • Agree and design an investment plan for Longcross in the M3 Enterprise Zone through the relevant business rate return to realise the creation of a high- performance cluster. • Deliver a Housing, Accommodation and Homes Strategy for Surrey which will enable greater collaboration across the organisation to strengthen the Council’s impact – see Deep Dive slides for further details.

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Deep dive:

Delivering a Housing, Accommodation and Homes (HAH) Strategy for Surrey – SCC’s Programme for Housing



Context

- The HAH Strategy provides an evidenced-based picture of the severe housing crisis in Surrey and included a Call to Govt and Call to Action for all partners to respond to and enact.
- These slides set out the SCC response to the HAH Strategy and action being taken in respect of the housing challenges.

The HAH strategy identified affordability, especially for essential workers, as a key priority, for businesses and public services. A policy decision is required from Cabinet to enable a new area of activity to progress, for the provisions of essential worker accommodation.

- Various SCC services are already engaged in HAH activity and are delivering ambitious programmes of work, but there is potential for greater collaboration across the organisation to strengthen SCC's impact. The SCC Programme for Housing intends to provide a strategic oversight, identify synergies and facilitate the improved co-ordination of workstreams in different directorates, to exploit cross-service opportunities and maximise SCC's impact in tackling the issues set out in the HAH Strategy.

Latest Position and Next Steps



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Strategy development

Delivery

**Housing,
Accommodation
and Homes
Strategy**
Developed by
Inner Circle
Consulting

**Cabinet
approval for
Strategy**
March 2023

**Call to
Government**
Developed in
partnership with
borough and
district authorities

Call to Government
Due to be sent in
October/November
2023

Continued work to
influence national
policy

Call to Action
Development of
SCC's own
response and
action plan

Call to Action
Seek Cabinet
approval for the
SCC's Housing,
Accommodation
and Homes
Programme for
Housing
December 2023

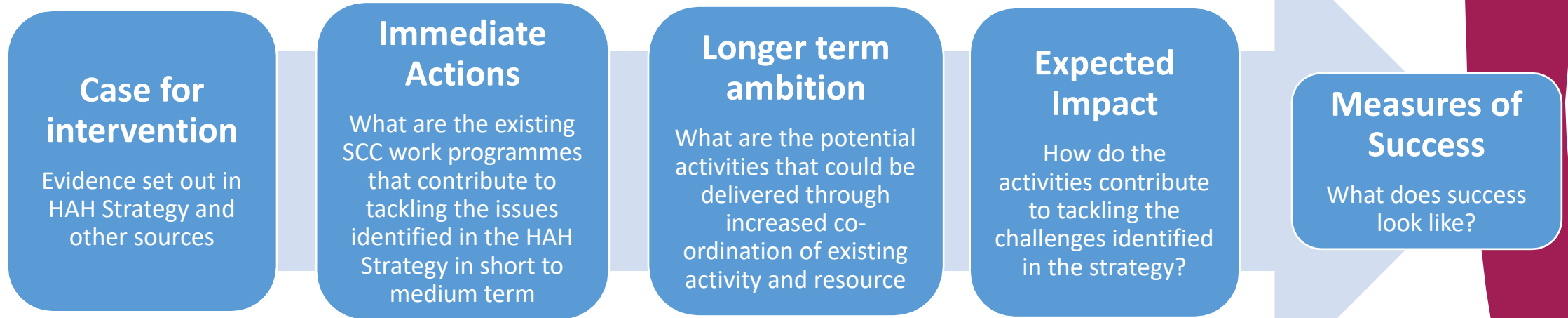
**Taking
forward the
delivery of the
SCC
Programme
for Housing**

Continued engagement and partnership working

SCC's Programme for Housing: SCC's response to the Call to Action

The Call to Action has been refined to establish a SCC Programme for Housing in response to the recommendations set out within the HAH Strategy. It focuses on SCC led activity and/or SCC direct delivery, as separate from the responsibilities of borough and district authorities, as the local planning authority.

Each of the actions set out in the Programme for Housing will be considered through the following lens:



A majority of the workstreams included in the Programme for Housing are existing work programmes with prior approval from Cabinet/ relevant approvals in place, except for the **Essential Worker Accommodation Programme** which is a new workstream that requires Cabinet approval.

A policy decision is required from Cabinet for SCC to support the provision of Essential Worker Accommodation through its residential company, Halsey Garton Residential

SCC Programme for Housing



The table below sets out the key workstreams which have been identified and the lead directorate for this work

Theme	Partnership working together across boundaries and sharing of best practice	Realising the potential of Local Authority Assets	Providing suitable accommodation to meet a diverse range of needs	Planning for Place	Achieving Net Zero Carbon
Work Programme	<ul style="list-style-type: none"> Surrey Place Ambition (EIG) Joint Strategic Needs Assessment (Public Service Reform and Public Health) Forums for the sharing of best practice (cross organisation) 	<ul style="list-style-type: none"> Surrey Strategic Estates Network, One Public Estate partnership (EIG) Mapping of local authority assets (EIG) Disposal of SCC assets to support the delivery of the Housing Strategy (EIG) 	<ul style="list-style-type: none"> Surrey Homes for Surrey Children (Children, Families and Lifelong learning) Accommodation with Care and Support Programme (Adult Social Care) Developing an approach to Essential Worker Accommodation (EIG) 	<ul style="list-style-type: none"> Surrey Infrastructure Delivery Plan programme (EIG) Surrey Local Transport Plan and Local Streets Improvement Programme (EIG) Surrey Place Ambition (EIG) 	<ul style="list-style-type: none"> Household Decarbonation Loan Schemes (EIG) One Stop Shop for Domestic Retrofit (EIG)

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In addition to SCC's Programme for Housing, there is an ongoing role for SCC in facilitating work between organisations and lobbying for the key points identified within the Call to Government

Annex



High-level Economy Indicators Being Tracked

The council's economic growth agenda is strongly linked to responding to external socio-economic factors – there is a need to track these wider and high-level trends to understand the state of the Surrey economy and potential areas of focus for improvement and intervention.

Strategic Priority	Metric	Targeted Position set by One Surrey Growth Board in 2021	2020	2021	2022
Growth	Surrey GVA	18% increase to £52.2 by 2030, from 2019 baseline	£42.7bn	£45.6bn	Future data sets release dates TBC
Growing our leading edge	Employment in Knowledge Intensive Industries	1 percentage point increase in number of jobs held by employees in knowledge intensive industries across Surrey, to 131,000 by 2030	123,000	125,000	Future data sets release dates TBC
Page 266 Business landscape	High Growth Businesses	Maintain 5% of active businesses to be High Growth businesses to 2030	4.1%	3.2%	Future data sets release dates TBC
	New businesses formed	Return business birth rates to pre-pandemic levels of 7,465 by 2030	6,630	6,940	Future data sets release dates TBC
	Survival Rate of Newly Born Enterprises over a 2-year Period	Based on pre-pandemic (2019) new business and survival rates, 2-year period - 1st year - 95.4% - 2nd year - 74.6%	1 st year – 95.4% (2019 enterprises)	2 nd year – 74.6% (2019 enterprises)	N/A
			N/A	1 st year – 93.1% (2020 enterprises)	2 nd year – 67.9% (2020 enterprises)
Sustainable placemaking	Gigabit Capability	Gigabit Capability Coverage to be 40% coverage by 2030	16.9%	70.7%	76%
	Housing Affordability	Improve housing affordability ratio from 11.4 to 10.5, bringing Surrey closer to the South East, by 2030.	11.57	12.56	12.36
Inclusion	Claimant Count	Claimant count to return to 1.1% within 3 years.	4%	2.4%	2%
	Inactivity rate	Return numbers of those economically inactive to pre-pandemic rate of 121,800 (Apr 2019-Mar 2020)	(113,200 Jan-Dec 2020)	(129,300 Jan-Dec 2021)	139,700
	NEET/activity not known	Return to previous trend level pre-pandemic between 2016/17 and 2019/20 of 4.5%, within 5 years, also bringing Surrey in line with other English county authorities	3.80%	9.50%	7.90%