

Surrey's Economic Future

Forward to 2030: Our Economic Strategy Statement



SURREY
COUNTY COUNCIL

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1. Introduction

Welcome to Surrey County Council’s Economic Strategy Statement: ‘Surrey’s Economic Future’. Looking ahead to 2030, it highlights the influence that Surrey has on the wider sub-regional and UK economy and sets out our priorities to build on these economic strengths, supporting a resilient, productive and high-value economy that contributes to growth across the UK. It also invites partners in business, education and local government to continue to work with us to drive a long-term economic strategy for Surrey.

A world class economy – and a global economic challenge

- 1.1 Generating annual output of over £43 billion, Surrey is one of England’s most productive county economies. Home to world-leading academic and corporate Research & Development (R&D) and some of the UK’s leading businesses, we offer excellent connectivity to London and the rest of the world, a highly skilled workforce and a superb quality of life.
- 1.2 These are strong assets on which to build. Over the next decade, we need to sustain and grow them, in the light of technology, environmental and demographic changes and the implications that these will have for jobs and businesses. But in the shorter term, the Covid-19 pandemic has presented an unprecedented challenge, with significant (and potentially permanent) impact on the economy. At the time of writing, there are signs of optimism, as new vaccines (some developed by firms with a key presence in Surrey) are likely to be rolled out in the coming months. So it is important that we plan now for the county’s recovery.

Building on the evidence...

- 1.3 To support this, we have developed a strong base of economic intelligence over the past year. This includes a detailed economic baseline analysis, research by the University of Surrey identifying opportunities for the county’s post-Covid resilience and growth, and an early review of the potential economic trends that might result from the current crisis. We have also been informed by analysis prepared by our local authorities, our two local enterprise partnerships and business organisations.
- 1.4 Alongside the development of the evidence base, an independent Future Economy Surrey Commission (FESC) was established in 2020, under the chairmanship of the former Chancellor of the Exchequer, Rt Hon Philip Hammond . Reflecting on the evidence, the Hammond



“There is a need for swift, impactful and sustainable action to ensure a quick return to short-term growth, as well as underpinning the medium-term prospects which will guarantee Surrey’s recovery”



Commission called for a “**relentless focus on sustaining current activity and supporting future growth**”, striking a balance between measures that deliver growth and jobs retention in the short-to-medium term and enhance Surrey’s key strengths and assets in the longer run. To support this, the Commission recommended a “clear strategy” to promote the county’s economic growth.

...to develop an economic strategy for the future

- 1.5** Responding to this recommendation, **Surrey’s Economic Future** sets out the actions that the County Council will take to drive sustainable growth and deliver against its Corporate Priority to ‘**Grow a sustainable economy so everyone can benefit**’. Not only will this Statement deliver against Surrey County Council’s Corporate priorities but it is also an invitation to partners in business, higher and further education and the county’s Districts and Boroughs to continue to work with us to develop a coordinated and ambitious plan for the future of the economy.
- 1.6** Focused on supporting economic recovery in the short term and enhancing Surrey’s net contribution to the UK economy over the longer term, it identifies a series of ‘big priorities’ to 2030 and a number of propositions for growth that we will seek to develop with partners over the coming months.
- 1.7** We are keen to hear partners’ views. In particular, we welcome considerations on the growth propositions that we have outlined, including opportunities to secure private investment to help achieve wider economic outcomes.
- 1.8** Building on partners’ views and in the light of further evidence and business case development, we will further develop this Statement in 2021. Setting out a shared statement of partners’ intent, this work will inform the **One Surrey Plan for Growth** and the development of potential agreements with Government for investment and flexibilities.

Structure

- 1.9** The remainder of **Surrey’s Economic Future** is structured in three sections:
- **Chapter 2** outlines Surrey’s key economic opportunities and assets – and the challenges that we will need to address to retain and develop them further.
 - **Chapter 3** introduces four priority themes on which we envisage future activity will be focused, and sets out how these will be supported through investment in workforce skills, connectivity and the acceleration of planned housing growth.
 - **Chapter 4** explains *how* we will work together to turn the priorities we have set out into action, outlining the next steps in developing *Surrey’s Economic Future* and how success will be measured.

2. Surrey's economic landscape

Surrey has an innovative and productive economy, underpinned by excellent connectivity and workforce skills. Building on these strengths will be essential to our future prosperity – and to the wider contribution that the county makes to the UK as a whole. This chapter sets out our key strengths and assets – and the challenges that we will need to address in the coming years.

High value, well-connected: Key assets and strengths

Significant innovation assets...

- 2.1 Surrey contains nationally significant innovation and R&D assets**, which have been developed over many years. Academic assets include the University of Surrey and Royal Holloway University of London, both of which are research-intensive institutions, with a strong focus on digital technology. These strengths have been developed in recent years, for example with the establishment and expansion of the **5G Innovation Centre** at the University of Surrey in Guildford: a national institution making an important contribution to the UK's exploitation of future digital communications and with links to institutions across the country from its base in Surrey. Other globally-important centres of science and technology include the **Pirbright Institute** at Woking, one of the world's leading centres of research into animal viruses (and in the current pandemic, playing a key role in the development of a coronavirus vaccine).
- 2.2 Linked with this research base, there is a strong presence in industrial research and development.** Examples of 'indigenous' firms which have been 'built' in Surrey include the leading satellite engineering company SSTL (originally a spin-out from the University of Surrey, and still based at Surrey Research Park in Guildford), and McLaren at Woking, best known for its role in high-performance motorsports, but at the 'leading edge' of research and development in medical devices and other engineering applications. These are supplemented by an extensive stock of international corporates, which have chosen Surrey as a location for R&D and headquarters facilities: examples include BAE Systems and Siemens in engineering and Pfizer and Novartis in life sciences. In the service sector, the county is also home to a range of leading businesses in the consultancy and financial services sector.
- 2.3** Two points are worth making on Surrey's impressive stock of R&D and corporate activity:
- First, **some assets have built over time and are embedded in existing and complex 'ecosystems'**: as the case study of Surrey Research Park below demonstrates, innovation capabilities have expanded through links between firms,

universities, support services and key individuals, in a way that is hard to replicate elsewhere.

- Second, **innovation activity in Surrey helps to drive growth elsewhere in the UK economy**. For example, McLaren’s high-value engineering activities in Surrey work as part of a network of manufacturing facilities across the UK, including the firm’s major investment at the Advanced Manufacturing Research Centre in Sheffield. The point is that innovation in Surrey is a *national* asset, as well as a local one – and efforts to sustain and build on it ought to recognise that national contribution.

Case Study – Surrey Research Park

Surrey Research Park is one of the county’s key innovation assets, and demonstrates the value of consistent growth over time. In the 1970s, the University of Surrey extended its ability to work with industry by developing a new science park, along the lines of those already being developed in the United States. The first tenants were located on the Park in 1985; today, the Park is home to around 500 businesses, with around 4,000 people on site.

From the start, Surrey Research Park aimed to facilitate the commercialisation of research, and has maintained this objective over time. The University continues to play an active role, and the Park has been able to develop wider ‘network assets’, including through the SETsquared university innovation support offer.

... and a large and active business base

- 2.4** Within the wider economy, **Surrey has a relatively large number of active businesses** –some 600 active businesses per 10,000 population (about 23% higher than the equivalent figure for the South East of England as a whole). The overall business stock grew in the decade to 2018, and survival rates are slightly higher than the national average.

... supported by workforce talent and connectivity

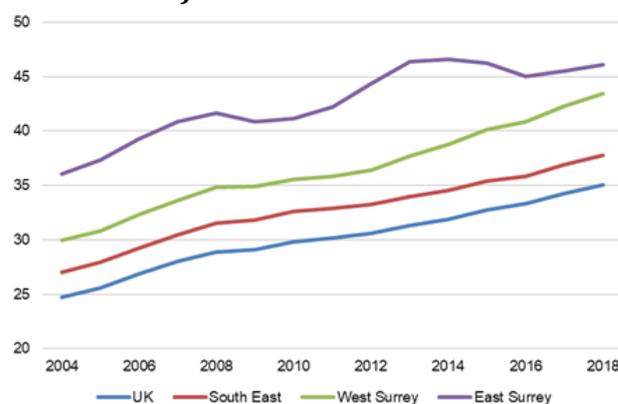
- 2.5** **These business assets are underpinned by a workforce which is relatively well qualified.** Almost half of the working age population is qualified to NVQ4 (i.e. degree level) or above, a much higher rate than in England as a whole, with above average qualification levels visible in every district across the county. High qualification levels are reflected in relatively high wages (both workplace and resident earnings are higher than national and regional levels) and a labour market that has (at least until the recent employment shock driven by the Covid-19 pandemic) been generally tight.

2.6 The county also benefits from excellent transport connectivity. Proximity to London is an important asset (as is Surrey's position at the heart of the South East, with easy access to jobs and markets in similarly well-performing areas, such as the Thames Valley and the M3 Corridor). This national connectivity is supplemented by access to London's two main airports at Heathrow and Gatwick, both of which are just outside the county boundaries, but which have been important drivers of business location decisions.

... driving high productivity overall

2.7 Following on from a recent change¹ to the ONS calculation of productivity² (the previously seen differential in levels of productivity between East and West Surrey have been adjusted. Through this new analysis it is apparent that East Surrey's productivity remains strong, despite a dip in 2016. Both areas of Surrey perform above the national average, reflecting the concentration of 'higher value' activities and more productive sectors in the county. This relatively high productivity has been

Figure 2-1: Productivity, 2004-18 (GVA, £ per hour worked)



consistent over time: East Surrey has the fifth highest GVA per hour worked of any 'NUTS3' area in the UK outside London, while West Surrey has the seventh highest. In order to maximise longer-term productivity benefits to Surrey, the wider sub-region and the UK as a whole, we will ensure that priorities within our delivery plan are informed by a detailed assessment of where best to intervene to drive improvements in productivity and GVA.

2.8 We are a relatively unbalanced economy with much of the higher value, knowledge intensive, research and development and innovative business activity focused in the West around the University of Surrey in Guildford. In addition to this, areas of East Surrey have an over reliance on the Financial and Insurance services sector which is strongly connected to the London economy and whilst it is still unclear what long-term structural changes COVID-19 has had on the London economy and what the impact on East Surrey might be, it is clear that an over reliance on one sector makes any area less resilient to economic impacts.

2.9 Looking to the future, the Hammond Commission highlighted the opportunity to build on significant economic strengths, developing Surrey's capabilities in advanced digital

¹<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/february2020>

² Gross value added per hour worked as a conventional measurement of productivity

technologies (artificial intelligence, 5G, cybersecurity) and its stock of commercial and academic R&D activity to make the county a key part of a UK ‘silicon valley’, linked with opportunities across the wider South East.

Economic diversity

Surrey is a coherent economic geography with widely-recognised assets: recent work on the county’s brand found that ‘innovation for our future economy’ and ‘natural landscape and lifestyle’ were widely seen as synonymous with Surrey’s identity.

However, we are a diverse county, with relatively high population density in the west and in the north along the border with Greater London, and a substantial rural area in the south. There is also diversity at local level in Surrey’s concentrations of economic activity, with (for example) a very high representation in insurance and financial services in Reigate and Banstead, and high concentrations in information and communications across much of the west of the county.

Challenges ahead

2.10 The picture described above is broadly positive: there are substantial strengths on which we can build. However, the Future Economy Surrey Commission has highlighted the risk of “*complacency and relative decline*”: in a dynamic economy, past achievements are no guarantee of future success, and there are risks to Surrey’s ‘virtuous circle’ of innovation, productivity and prosperity.

In the long run...

2.11 Looking ahead to 2030, there are five big challenges that will impact on Surrey’s economy and which, if we do not plan for them now, could impede our ability to generate continued growth and sustain our national contribution:

- **Consequences of innovation:** There are significant gains to be made from the exploitation of new technology, and as Surrey’s innovation strengths suggest, the county is well placed to take advantage of them. However, technology change could potentially have far-reaching implications for employment: while the risks of automation are generally greatest in relatively low-skilled occupations, service industry occupations (for example in financial services and insurance) are likely to be increasingly vulnerable to advanced digital technology. It will be important to future growth that both firms and employees are resilient and adaptable to change: able to adopt new technology and able to transfer skills as the economy evolves.

- **Demographic change:** Like much of the country, Surrey has a population that is ageing, and an overall rate of population growth that is somewhat below the national average, despite the county's (normally) buoyant jobs market. To some extent, this is a consequence of significant and inevitable constraints on development: much of the county is part of an Area of Outstanding Natural Beauty or is Metropolitan Green Belt. But it highlights the importance of maintaining productivity growth if we are to maintain and improve living standards and support a rising dependency ratio. The Hammond Commission highlighted the county's 'demographic imbalance' as a key challenge for the future, noting the need to retain young people and ensure the productivity gains that will be needed to sustain competitiveness and quality of life.
- **Improving connectivity for the next generation:** Transport connectivity is one of Surrey's strengths though road congestion is often cited as a negative factor by businesses. East-west travel (other than via the M25) is much more limited than travel along the main linear routes into London, although we host some of the world's leading research into advanced digital technology, digital connectivity to homes and businesses is often limited – presenting a significant constraint in the context of rising demand for increasingly complex applications
- **Economic disparities and supporting opportunities for everyone:** Even if we are successful in driving forward long-term productivity, quality of life depends on jobs that are less 'productive' (in a formal economic sense), but which deliver vital services, both in the public and commercial sectors. In a *relatively* expensive county, we need to ensure that everyone who works within Surrey's economic system can afford to live here, making sure that we are attractive and viable for a younger and diverse population.
- **Environmental resilience:** We are committed to net zero carbon emissions by 2050. Surrey's presence in carbon-intensive industry is relatively low (though acknowledging that the two airports bordering the county provide employment for Surrey residents), but it will be important to the county's resilience and future prosperity that businesses are at the 'leading edge' of carbon reduction and are able to develop and take advantage of measures to reduce their environmental footprint over time.

... and in the shorter term

2.12 More immediately, **Surrey's economy faces a significant challenge from the economic consequences of the public health measures put in place to control the spread of Covid-19.** Between February and September 2020, unemployment (measured by the claimant count) rose by 243% to 31,000 - double the national rate of increase, albeit from a very low base. In a county where unemployment has historically been very low, this presents a significant medium-term challenge, and it is likely that the dislocation caused by the crisis will take time to rebalance, even after the economy returns to growth. Impacts

on business, especially those in the retail, hospitality and cultural sectors, have also been sharp.

2.13 Beyond the immediate employment shock, driven by the forced closures of some areas of activity and more general weak demand, there are likely to be longer term impacts to which the economy will need to adjust. Of particular relevance to the Surrey economy, the **impact on the aviation sector** has been severe and may lead to structural change. However, changes in working practices may also lead to **longer term adjustments in commuting patterns and the use of local centres**. There are opportunities for Surrey in these changes, as well as challenges: in particular, reduced commuting could yield increase productive time and environmental benefits, as well as helping to secure additional activity in the county and retain expenditure. But as the current crisis is evolving rapidly, we will need to monitor change closely and adapt quickly.

3. Towards 2030: Big priorities for the next decade

3.1 Building on the evidence base outlined in Chapter 2, we have identified **four key priorities** to support Surrey's growth through the current crisis and into the next decade, focused on:

- I. Growing the leading edge: supporting the growth of Surrey's innovation economy
- II. A 'whole place' approach to growing and sustaining quality places
- III. Maximising opportunities within a balanced, inclusive economy
- IV. Capturing the potential of a greener economy

3.2 These are big priorities – but engaging with them will be crucial to Surrey's future prosperity and competitiveness. This chapter outlines how these could be addressed, setting out a series of bold, emerging **growth propositions** that we will explore with local partners and with Government over the coming year.

Priority 1: Growing the leading edge

3.3 We are proud of our innovation assets and the success of our leading-edge businesses. As the analysis in the previous chapter demonstrates, they represent assets to the UK as well as to the county. In the long run, productivity growth will depend on making sure the conditions are there to enable existing firms to expand and ensuring that there is capacity for new innovative firms to emerge and grow.

3.4 Key areas for action include:

- **Ensuring capacity for expansion:** While Surrey is an attractive business location, land supply is constrained and it is often challenging for businesses to secure the space they need to expand. This potentially acts as a brake on overall growth, especially where a decision to leave the county will lead to a net economic cost (for example, if relationships with the knowledge base or supply chain businesses are disrupted as a result of a relocation decision).

Working with the Surrey Districts and Boroughs, business and key stakeholders such as the universities, we will seek to develop a coordinated strategy for expansion space for innovative and high-growth businesses, with the aim of increasing net national GVA. As a first step, we will seek to develop a better understanding of the supply and demand for additional space and the benefits that a more strategic approach could yield.

- **Identifying and strengthening key economic clusters:** Across Surrey, we have key strengths in digital technology, advanced engineering, animal, plant and human health and financial and business services – and we are seeing growth in low carbon and environmental goods and services. We want to embed these firmly within the local economy, strengthening supply chain links, improving access to physical space (through the action above and through the work of Invest Surrey); enabling the adoption of technology; and ensuring access to support through Innovate UK and other sources where it will help to accelerate growth. We will develop a cluster development programme, identifying where collective action can make the greatest difference.
- **Building business and knowledge base relationships:** Across all our actions in developing the 'leading edge', we will seek to strengthen relationships between 'anchor' and emerging businesses, universities and support institutions and with economic development organisations including our two local enterprise partnerships in EM3 and Coast to Capital.

Emerging Growth Proposition 1: Surrey Innovation Programme

To drive forward our innovation and business growth potential, we will establish a **Surrey Innovation Programme**. Working alongside support already offered by central Government and the LEPs, we envisage that this will involve:

- Establishing a revolving innovation fund to support new and expanding businesses in key sectors and technology areas
- Linked with this, building an innovation programme alongside University of Surrey and other partners – building on our knowledge base to drive future growth across the county
- Setting up a new inward investment service focused on retaining and growing Surrey's unique business offer – especially in relation to the retention of activities that are 'net additional' to the UK.

Indicatively, the Innovation Programme might seek £50 million from Government, matched by private and local public sources and with the aim of achieving a sustainable fund that will be reinvested in future growth.

Priority 2: A ‘whole place’ approach to creating and sustaining quality places

- 3.5** Surrey’s quality of life is both a contributor to, and a consequence of, our economic success. We benefit from an outstanding natural environment (including the Surrey Hills AONB), as well as a diverse and widely distributed towns and villages. While each place is distinct and has its own assets and opportunities, we want to develop a coordinated approach to supporting their economic growth, building on recent consultation which has highlighted the key aspects of the ‘Surrey story’ with which residents, businesses and other partners most identify.
- 3.6** In recent years, the role of our towns has evolved. Changes in the retail market have impacted on town centre uses, while the ability to ‘work anywhere’ has driven demand for new types of workspace. While these trends have been visible for several years, the Covid-19 pandemic has accelerated them, with (enforced) falling demand for bricks and mortar retail on the one hand, and a substantial net increase in the local working population on the other.
- 3.7** In the light of these trends, we will support the development of **‘hyper-local’, connected centres (utilising the existing property estate of SCC wherever appropriate)**, helping our town centres respond to changing demand. At the same time, we will seek to:
- **Understand changed demand from our increasingly local workforce:** At the moment, we do not know how ‘permanent’ some of the changes we have seen will be. But it is likely that more people will want to work closer to home, and this presents us with local opportunities. Linked with our approach to expansion capacity outlined above, we will seek to better understand the need for different types of workspace and we will support efforts to bring forward new initiatives in response to this.
 - **Provide the infrastructure to support a balanced economy.** As a core part of our economic strategy, we will work with our district and boroughs as the planning authorities to **ensure a diversity of housing supply to meet demand**, especially from younger workers – contributing to a balanced and sustainable population and ensuring that there are wide opportunities to contribute to Surrey’s economy
 - **Use technology to support the retail and hospitality sector:** The crisis has accelerated the shift towards online trading - and we want to make sure that local firms can take advantage of this. We will explore the potential for a **new e-commerce platform for local firms** and access to resources to enable them to expand their multi-channel presence.
 - **Improve digital connectivity**, ensuring that people are better able to work remotely and making sure that Surrey’s ‘everyday’ connectivity matches our wider digital

ambition. Surrey's Digital Strategy notes the need to develop a 'county-wide digital infrastructure', including those rural communities that face the greatest connectivity challenges. We will work with commercial and public sector partners to develop a 'masterplan' for future digital infrastructure, setting out a clear understanding of gaps and opportunities and the economic case for investment.

- **Support continued investment in our transport infrastructure.** High levels of economic activity within the county and the wider region mean that we often face congestion challenges, which can themselves threaten future growth. In the context of our green economy objectives in Priority 4, we will invest in transport connectivity, invest in electric charging points as well as increasing the resilience of the existing network and promoting sustainable travel options

Emerging Growth Proposition 2: Housing and Infrastructure

We recognise the need for a greater diversity of housing supply to support the needs of a balanced population, in the context of our ageing population and significant environmental constraints on growth.

We will seek to work with Homes England and with District and Borough Councils to deliver accelerated volumes of affordable homes across the county, especially to support young people and key worker retention, and we will work with planning authorities and with developers to identify where constraints on bringing forward planned growth can be sustainably addressed.

Alongside this, we need to invest to overcome infrastructure constraints. We will:

- Work with Government to secure freedoms and flexibilities that will support new local sustainable transport systems.
- Through our emerging Digital Strategy, work with Government to jointly bring forward a strategic digital infrastructure programme.
- Complete a fundamental review of our current highways infrastructure.

Emerging Growth Proposition 3: Reinvigorating town centres

The economics of our town centres are changing. We will embrace that change, ensuring that we have vibrant centres that meet the needs of future communities and businesses. We will investigate investing in a new live-commerce platform for Surrey and explore the 'hyper-local' towns concept, working with partners

Priority 3: Maximising opportunities

- 3.8** Although Surrey's future should be driven by an increasingly high-value, increasingly digitised economy, our economic 'system' will need to remain diverse: direct personal services, for example, are vitally important, and will become more so in the context of our ageing population and growing health and social care demand.
- 3.9** Through our emerging **Strategic Skills and Inclusion Framework** we will work with the further education sector, other education providers and employers to enable the skills system to more effectively respond to employer demand at all levels, so that everyone can benefit from growth.
- 3.10** In the shorter term, it is clear that **some people and businesses will be significantly impacted by the consequences of the Covid-19 pandemic**, and it is highly likely that unemployment will rise over the coming months. Through the Employment and Skills Board, we will work to mitigate the consequences of the crisis on the labour market, working closely with DWP to promote take-up of the suite of employment schemes that the Government has launched, and we will seek to learn from the response to inform our future actions.

Emerging Growth Proposition 4: Supporting skills and employment

Building on the Strategic Skills and Inclusion Framework and the work of the Surrey Employment and Skills Board, we will develop a better co-ordinated approach to the skills and employment landscape, especially focused on meeting *future* employment need.

In the medium term, we will develop a business case for a **whole Surrey Employment Programme**, working with DWP, DfE and employers to identify and pilot new approaches.

Ultimately, this may lead to devolution of the Adult Education Budget to support a better targeted focus on skills for the industries and technologies of the future, and further flexibilities in the design and delivery of Apprenticeships.

Priority 4: Green economy

- 3.11** In Surrey, we have declared a climate emergency, and through **Surrey's Greener Future**, we have set out a strategy to achieve net zero carbon by 2050, focused on transport, waste and consumer habits, building resilience and housing and development. To achieve the overall 2050 target, Surrey's Greener Future sets out a series of ambitious intermediate milestones
- 3.12** Achieving these milestones presents an economic opportunity: firms that are in the vanguard of carbon reduction are likely to reduce costs and develop future-proofed solutions. As part of our approach to innovation and economic clusters (Priorities 1 and 2), we will support the development of the low carbon and environmental goods and services sector and the wider adoption of lower carbon technologies.

Emerging Growth Proposition 5: Achieving Surrey's Greener Future

We will achieve the ambitions of Surrey's Greener Future

To achieve this, all of the initiatives set out in the preceding Growth Propositions will drive our carbon reduction goals and support the development of a greener economy as a core part of their business cases. For example:

- Surrey County Council's £1bn capital and infrastructure programme will be focused on supporting greener growth as central to its 'business as usual' mandate
- Business support, advice and innovation activities (as described in Growth Proposition 1) will align to lower carbon activity, support for greener innovation and transition to more sustainable products and processes
- Support for employment and skills will support Surrey residents to take up the 4,000 jobs in the low emission vehicles and infrastructure opportunities projected for 2030, as well as the changing skills required to support transition and adaption across the economy.'

4. Moving forward

Developing key actions

- 4.1** As the previous chapter set out, we have identified a range of action areas – and some bold propositions – that will help us to address the challenges and opportunities that the Hammond Commission and the wider evidence base set out. Much of what we will deliver will be driven and resourced by us directly but there are other areas of ambition which will require strong partnerships and aligned resources. We look forward to developing these additional programmes over the coming months.
- 4.2** At this stage, our actions are at relatively high level. However, there are already many plans in place and more in development: building on these, we propose a three-stage process to take forward the ambitions that we have set out:
- **Stage 1: Inviting ideas, collaboration and challenge.** First, we welcome partners' views on the actions and approach that we have set out. In particular:
 - Are there any additional areas of focus that are important to the future of Surrey's economy, but which we have not yet identified?
 - Where are there opportunities for partners to work together to explore the action areas and emerging Growth Propositions that we have set out?
 - Where are there opportunities for commercial approaches to meeting our ambitions, securing greater leverage and/ or establishing solutions that can capture a financial return on investment, as well as a social and economic return?
 - Are there other innovative ideas that could contribute to our ambitions?
 - **Stage 2: Developing actions and propositions.** We recognise that any investment proposition, or proposal for devolution or flexibilities, will require a clear business case, with the aim of securing private investment where possible. To support this, we will, in parallel with partner discussions, commission specific work to understand in detail market opportunities, challenges and the case and options for intervention.
 - **Stage 3: Developing the longer-term partnership strategy:** As business cases are developed and as we move out of the current pandemic, we will prepare a longer-term economic strategy for Surrey, supporting the case for further discussions with Government and other partners, and providing a 'blueprint' for our activities over the coming decade.

Indicative targets

4.3 In parallel, we will develop a series of indicative measures of success, building on the baseline work commissioned in 2019 and sources such as the Grant Thornton Sustainable Growth Index. These need to be tested to ensure that they are robust and achievable, and we also need to consider the potential contribution that local action can make, given the range of other variables impacting on the economy. However, indicative measurements of success include:

- Increased productivity (i.e. gross value added per filled job/ hour worked) (e.g. an ambition for a 2% annual increase to 2030)
- Business survival (e.g. ensuring that Surrey's survival rates are in the top 10% nationally)
- Employment (e.g. reducing unemployment to pre-Covid levels by 2025)
- Town centre occupancy (e.g. ensuring that occupancy levels remain above 85% in all key town centres)
- Resident and workplace earnings (e.g. median earnings rising in line with or above inflation)
- Digital connectivity (e.g. % of businesses and households able to access ultrafast connectivity)
- Business and Higher Education expenditure on R&D
- Housing delivery relative to planned growth
- Reduced GHG emissions in line with 2025 target

We would welcome stakeholder views on indicative targets and measures of success.

Oversight and governance

4.4 Surrey County Council's leader, Tim Oliver holds the portfolio for Economy and Growth within the Council and will oversee the delivery of the SCC led element of the Strategy Statement including the preparation of an annual progress report to Cabinet.

4.5 Delivery of the bolder ambitions will require collaboration across a range of partners, including Surrey County Council, Surrey Future Board, the 11 Surrey Districts, the Employment and Skills Board, the private sector and our educational institutions. Bringing these stakeholders together, the **One Surrey Growth Board** will provide ongoing oversight and ownership of the additional action areas that we have set out.

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