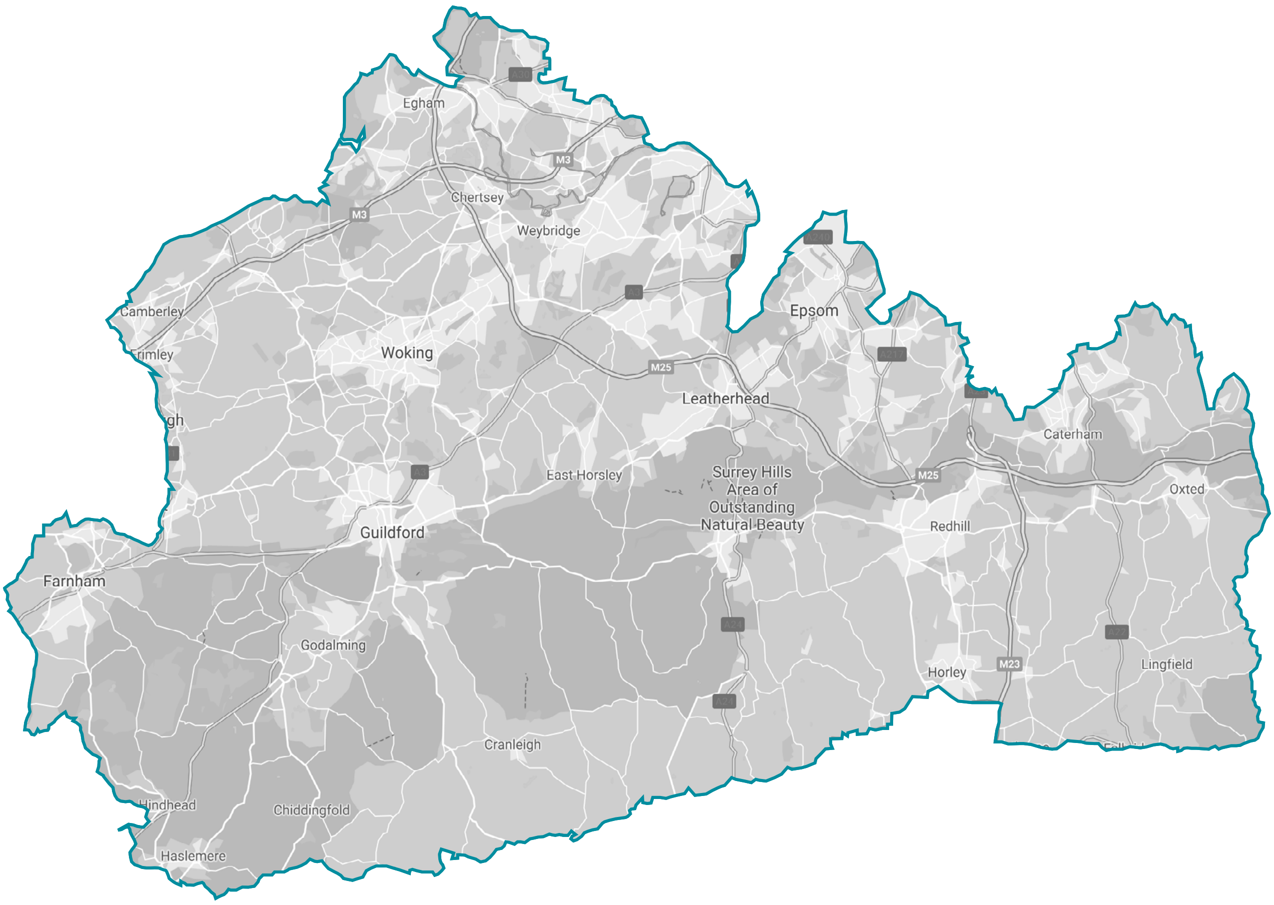
UNIVERSITY OF SURREY

CHARTING SURREY'S POST-COVID RESCUE, RECOVERY AND GROWTH


Egham
Chertsey
Weybridge
Camberley
Woking
Epsom
Leatherhead
Caterham
East Horsley
Surrey Hills
Area of
Outstanding
Natural Beauty
Oxted
Guildford
Redhill
Farnham
Godalming
Horley
Lingfield
Cranleigh
Chiddingfold
Haslemere
M3
M25
M23

SURREY

Team Leader Overview

Place matters. Places are separate, special and unique. Their uniqueness is derived from their economic characteristics, social attributes and political preferences as well as their geographic location. In this introduction, I want to reflect on the key issues unique to Surrey – including the goals that preceded Covid, as well as the many challenges that now face the county, and its sectors as a whole. In doing so, I want to explain to readers what the point of the report is, its chosen 'look' and the structure and tools we used to assemble it, as well as highlighting its recommendations.

These messages include the parallel goals of living and working with equal quality of life, in a county with top-quality business opportunities, based on a local economy marked out by key areas of excellence, dedicated to sustaining historical areas of growth while developing new ones, deepening more forms of inter-sectoral innovation, and working to build a wider inter-generational skillset. Surrey's unique location featured heavily in these goals, but also served to undercut some of its ambition: proximity to London, the highly skilled workforce of Heathrow and Gatwick, a diverse digital business base all sufficiently underwrote the county economy. Equally, key sectors seemed unambitious, even complacent, while the growing east-west divide as well as various social indicators suggested that the county needed to quickly reappraise its overall strategic priorities to sufficiently deliver services and opportunities locally.

Covid-19 has been the ultimate wake-up call. Surrey's valuable assets - from its world class business, healthcare and education facilities to its high quality standard of living – have suffered serious setbacks in terms of GVA, supply-demand and supply chain upheavals, rising unemployment, investment declines, and wholesale behavioural changes. As this report explores, some sectors have been blighted to the point that recovery may now be impossible – including aviation and its related industries. Others have spotted opportunities based on swift transformation, and are surviving, or even thriving. Between these two opposites rest the majority of SMES, some MNCs, Local Economic Partnerships (LEPs), Local Authorities and the citizens of Surrey themselves, all using a variety of coping mechanisms to get through the next few months, and years.

It is important that the both the detailed analysis that comprises this report, as well as the 'strategic asks' we painstakingly amassed from all those we spoke to, are not only carefully considered but converted rapidly and efficiently into **high-impact recommendations** for local and national government alike. Key decision-makers in business, aviation, health and knowledge/R&D have spent considerable time talking with us, reflecting on the emerging national and local trends, and outlining precisely what they need to ensure Surrey recovers swiftly and sustainably. As can be seen, we feel that each of the four clusters we explored have a range of 'strategic asks' but also material recommendations boiled down into a single, overarching 'must-do' message. Putting that message into rapid action however, is the next, most vital step.

Surrey-Specific Economic Overview

Surrey Trends

As the Surrey-specific SWOT analysis demonstrates, the county possesses both areas of real resistance, and challenging disparities. Both were in evidence pre-Covid, and both are likely to complicate the ability to chart a sustainable recovery plan for the short and long term. Much of the preceding national data illustrate patterns that represent Surrey's current economic reality. Equally, as research undertaken by a number of key Surrey-based entities, as well as our own research indicates, Surrey's economy, workforce, sectors and residents reveal shifting trends in their response to Covid that need to be considered. While an extension of the Job Retention Scheme and other government assistance programmes have helped Surrey firms gain a more secure footing, regional disparities, sectoral limitations, the ongoing decline in high street shopping and wholesale transformations to the entire definition of 'work' and 'home' represent very real challenges to Surrey's economy.

Surrey SWOT Analysis

STRENGTHS

- Firms within Surrey have a large GVA contribution to economy (over GBP 44bn, 2018) with annual GVA growth of 2.5% over the last 10 years (ONS, 2019)
- Generating a steady above national average income – Guildford (£42,400) and Surrey Heath (£45,500) compare favourably to the national average of £37,400 (ONS, 2019)
- Residents in Surrey county are 24% more productive than UK averages, with a GVA of £35,693 per capita in 2018 (ONS, 2019)
- Large proportion of UK MNCs and knowledge-based businesses based in Surrey across a large number of industries (e.g. Whirlpool, Canon, Pfizer, Kia Motors, Toyota, Unilever, Proctor & Gamble, Nestle, Colgate-Palmolive)
- High-skilled, mature workforce concentrated in highly productive sectors including financial services, sciences, professional and scientific areas of work (c.23% of population) (Source: Google Covid Community Mobility Survey, 2020; ONS, 2018)
- Lower crime rate than the national average (except bicycle theft and public order) (ONS, 2019).
- Consistent above average population growth (ONS, 2018)
- Strong international and business connections, with easy access to two major international airports (Heathrow and Gatwick)
- A large number of self-employed and specialist workers who are very mobile: 12.5% within Surrey versus 9.8% nationally
- Good research Universities with the University of Surrey and Royal Holloway, University of London
- Continued expansion of new housing within the county, including 7,440 new homes per year (1.8% growth) of which 9% is affordable housing (ONS, 2019)
- Good availability of grade-A office space (Surrey County Council, 2018)
- Low county-wide deprivation, low county-wide unemployment (5.8% in April 2020, ONS)
- High standards of living, including significantly above average home size, particularly in the 90-meter squared and above categories (ONS, 2019)
- Higher levels of home ownership in Surrey (74.1%) above the rest of the country (66.3%) (ONS, 2019)
- Reputation: known throughout the UK as safe with good public services

WEAKNESSES

- Mature economic position with relative weakness in preceding 5 years: GVA growth rate since 2014 has been slower than the overall UK and England growth (ONS, 2019)
- GVA per head has declined in relative terms to the rest of the UK (from 140 in 1998 to 125 in 2018) (ONS, 2019)
- Higher than norm dependency ratio: 38.6% are 0-16 or 65+ in Surrey versus 37.5% in England (ONS, 2019)
- Surrey residents are more likely to be working in excess of 49 hours a week. They are almost more likely to have longer commutes. These factors are associated with health risks (Surrey County Council, 2016)
- Low rate of business creation and below average sustainability than the rest of the UK: this might hold back local long-term GVA growth (ONS, 2019)
- High numbers of self-employed workers and aviation workers who are particularly sensitive to economic downturns (ONS, 2019)
- Surrey is very well connected, but existing roads are heavily used, with motorways carrying 80% more traffic than average for the South East and Surrey's A-Roads having 66% more traffic (Surrey Place Ambition, 2019)
- A large number of employees involved in global commerce (aviation, MNCs) which are sensitive to costs, which are affected by both Covid and Brexit
- Low housing affordability: Surrey is the second most expensive County in England, with an average house price of £537,000 versus a national average of £298,000.

OPPORTUNITIES

- A shift out of London together with improved infrastructure investment which favours suburban towns, enables the county to attract further MNCs businesses. Currently 19% of Surrey residents (131,000) commute to every day (Surrey Place Ambition, 2019). If these residents work from home, this will provide additional economic activity
- Further investment in digital connectivity and the expansion of fibre optic services to homes and businesses within the county to enhance remote working capabilities. Existing full fibre optic coverage in Surrey is 6%, below the England average of 7.5% (Surrey Place Ambition, 2019)
- Improving the business environment and innovation by attracting high technology businesses – traditionally a Surrey strength. Furthering a small technology cluster which already exists at Surrey Business Park (University of Surrey, 2020).
- Encouraging businesses to invest in employee skills development and to sponsor placement or training students.
- Attracting and retaining young people within the County through new training, placement and housing schemes. Surrey has a below average number of young people (20.7% of population in 2018) and current projections indicate this worsening to 19.1% of population by 2040. (Surrey County Council, 2018).

THREATS

- MNCs may choose to reduce office space and increase work from home, reducing the need to live near to towns and within the London commuter belt. Currently 19% of Surrey residents (131,000) commute to every day (Surrey Place Ambition, 2019). But potentially these residents could move to cheaper places
- Increasing average age within the County, young people are leaving for cheaper areas: 37.3% of Surrey population is age 20-49 versus 39.2% in England (ONS, 2019)
- Housing affordability – Surrey housing costs have been outpacing salary increases in all age groups (Nationwide, June 2020; ONS, May 2020)
- Traffic and infrastructure problems cost the Surrey economy £550 million a year: car dependency is high, and congestion are regular, Guildford area is the 7th most congested in the country, with very uncertain journey times. (Guildford Borough, 2019; Surrey Congestion Programme, 2014; Google Covid Mobility Report, 2020)
- Public transportation service quality and timeliness could be improved. For trains, the current service provider, SWR has some of the highest dissatisfaction and delay ratings for continuing franchises in UK (National Rail Passenger Survey, 2020)
- There is a dependency on in and out commuting workers low-value-add sectors in Surrey, particular food service, hotels and catering (Google Covid Mobility Report, 2020)
- Declining town centres, with significant loss of shops in Guildford (-10.9%), Epsom and Ewell (-10.3%), and Woking (-9.3%) since 2000. Vacancy rates exceed 12.6% in Surrey, but near national average (VOA, 2019; BRC-LDC, 2020)
- A lack of county growth initiatives and future economic development plans

Business, Employment and Infrastructure Summary

Uniquely Surrey: Productivity, Place, People and Connectivity

Surrey's business cluster is a diverse array of sectors and businesses that compete on both a national and international level. Although Surrey does not have a single industry that cuts above the rest nationally, it does have high-value growing sectors in world-class specialisms such as advanced automotive and space and aerospace that are conducting cutting-edge innovation and research, while raising the county's profile as a hub for business growth. To unlock future growth potential in Surrey, investing and innovating in the business cluster is vital. Surrey has a strong and productive economy.

However, there are regional disparities between West Surrey and East Surrey, with the former contributing twice as much GVA as East Surrey. Surrey has a relatively high number of businesses per 10,000 people, which is 23% higher than the South East average (ARUP, 2020). Yet, Surrey records lower business birth rate compared to both the regional and national average, with indications that there is a declining desire for businesses to be based in Surrey. Although the county is the base for many large multinationals and medium-sized businesses, there is a higher proportion of micro-sized businesses than the national average. With the changing international and national business environment, Surrey shows it can adapt readily and bring businesses alongside.

Surrey outperforms other areas in the region on many business and employment indicators, with a comparative advantage over others due to the distinctiveness of its high-value and high-worth business cluster. The high rate of economic activity in the area is almost double that of the South East and higher than comparator economies in the region. With a high degree of international competitiveness, Surrey currently has many multinationals that are based in the county, which are enhanced by the high connectivity to two international hub airports. Surrey's location between Heathrow and Gatwick give it a comparative advantage over any other county by having access to two majors gateways that in turn attract investment and innovation. The presence of these gateways supports and create supply chain opportunities that are essential to many businesses in Surrey. Real estate is a growing a significant sector in Surrey's local economy, however, commercial space continues to be a barrier to further business growth.

The shift of remote working caused by Covid may reduce the need for commercial space in Surrey. Remote working has increased in Surrey in the last decade, the amount of floor space allocated per job has fallen consistently since 2008 (ARUP, 2020). Digital Connectivity has become a key part of SMEs operations and productivity levels and is vital to the self-employed, which make up a significant proportion of the employment cluster in Surrey. With the presence of the world-leading 5G Innovation Centre, county-wide digital connectivity can be achieved through the support of digital knowledge and local investment from within Surrey. The county has good coverage of fixed broadband connectivity in high-density population areas and ultrafast broadband coverage is higher than the national and regional averages (ARUP, 2020). However, full fibre availability is low across Surrey and digital connectivity is much lower in rural areas in boroughs such as Mole Valley which has a significant proportion of self-employed.

High Value/High Worth

Surrey's business ecosystem is both a high value and high worth contributor that sets itself apart from other counties in the region. Surrey is a high-value economy contributing £40 billion GVA per annum (2018), which is the highest county GVA in the South East of England. The UK's service industries account for 80 percent of UK GVA (Library, 2020), and the service sector represents a significant proportion of the Surrey economy. Another significant proportion of employment in Surrey is in knowledge-based businesses. Although no singly dominant industry in Surrey exists, there are clear clusters of sectoral strengths that are both high value and high worth due to their world-class specialisms and innovative growth:

- **Computer gaming industry**
- **AI, digital and data**
- **Pharmaceutical and Life sciences**
- **Advanced manufacturing**
- **Financial and legal services / professional**

Covid Issues

Covid has introduced significant pressures and challenges to the business and employment cluster that have had impacts on all parts of the business ecosystem.

Cash Flow, Debt & Job Retention Scheme

A key theme that has emerged from businesses facing challenges from Covid is issues with cash flow through the business. Many businesses have seen their revenues drop significantly this year due to reduced confidence and spending, which has, in turn, caused many to look at internal costs and structures as a way of dealing with financial pressures. Many businesses took advantage of the government's Job Retention Scheme (JRS), which has given them the flexibility to alleviate financial pressures while they are not operating at full capacity. Some have avoided making immediate redundancies because of the JRS, however, when the scheme comes to an end, some are likely to make redundancies due to macro pressures. Other financial schemes and initiatives from the national government have proved inaccessible to many businesses and this has caused frustration among them. There was a reluctance to take on additional debt, thereby minimising financial risk at a time many were already in a poor financial position. The unprecedented government intervention to support business was widely well-received by businesses that were interviewed for this report. Many thought it was necessary for business survival, however, for some businesses the government schemes 'didn't go far enough' in addressing the challenges that they faced due to Covid.

Socially Distanced Business Structures

The introduction of social distancing measures in March 2020 resulted in many companies implementing more remote working and flexible staffing policies. Businesses have reported that remote working has resulted in greater staff productivity and staff engagement is high. Feedback from one business suggested that "remote working" has been an "overall success" and that productivity and staff welfare has increased significantly. Some businesses have used this opportunity to restructure their management team to work more efficiently and cost-effectively, suggesting that Covid has sped up much-needed reform within the businesses as they become more concerned with internal costs. However, there is a sense that the current situation will not represent a permanent shift, while the role of the office remains important for businesses and staff. In-person working allows for personal development and increased creativity that cannot be replicated virtually.

Innovative Office Options &. Flexible Working Practices

With this in mind, the future presents an opportunity for more collaborative and innovative shared office space that is complemented with flexible working practices. This has already been championed in Surrey, for example, there is shared office space on the Surrey Research Park. Covid has forced many businesses to conduct a year's worth of innovation in the space of two months. However, this innovation has been concentrated more heavily in larger firms, while SMEs may not have the resources to innovate at the same pace. The shift to remote working and a new way of living has severely impacted the workforce's mental health. One large business said that the 'mental health crisis' that many businesses will face post-Covid is going to be significant and needs a supported response by business and local authorities.

Covid has provided opportunities for some sectors to emerge as 'winners'. Sectors such as health, life sciences and IT support have not seen a reduction in revenue or business with some reporting a significant increase. These knowledge-based sectors may play an important part in Surrey's post-Covid recovery and resilience. Health-related businesses, in particular, have seen increased pressure to deliver their products and services, whilst innovating parts of their operation to offer Covid-related support. Covid is also likely to leave a community-oriented legacy that is likely to make business more cooperative in the future and increase support in the wider environment it operates in. This may appear in many different forms, such as localising the supply chain that supports local business and thereby minimising the chance of disruption.

The Future High Street

The future of the high street is a continuing problem for many retail centres and Covid has only highlighted the need for change. As more and more people continue to buy online and neglect the high street for more accessible shopping outlets such as retail parks, the need for a high street is becoming redundant. This has been a significant problem across the county and has been exacerbated by the effects of Covid. Thus arises an opportunity to rethink the purpose of a high street and to develop it to suit the 'new normal', which could include using empty retail space as commercial office space or a pop-up collaboration space for small businesses and start-ups. Our research suggests that the differential economic and social impacts of the virus require addressing it through stages, and in particular targeted, possibly sequential policies. Recovery is essential to business, but realisation and resilience must come combined when addressing the impacts, alongside a realisation that business practices and operations cannot continue as they were before, with a need to change and improve them to support the resilience of the business ecosystem. Covid has brought 'advanced change' that has been much needed in Surrey's business cluster.

Brexit Issues

Whereas Covid prompted a tactical response from business, Brexit requires a strategic approach. Brexit remains a significant challenge for business in Surrey and from the research conducted for this report, there is an ever-increasing concern from businesses over Brexit preparedness. Many firms had planned to use the beginning of 2020 to ramp up Brexit preparations to mitigate the potential impacts. Instead, businesses have spent the past few months overcoming the Covid challenge and many have not had the time or resources to sufficiently prepare for the end of the transition period on 31st December, 2020.

Exports & Skills

Surrey is home to many export-led companies that rely on global supply chains, with some expressing concern over customs delays at the border and the knock-effect that this has on business operations. There is an increased likelihood of a convergence of Brexit and Covid which will intensify the impacts on the business and employment ecosystem. Firms of all sizes have expressed their need and desire "to have continued access to international talent post-Brexit" (Online interview, July 2020). International talent is an essential part of many Surrey-based businesses and tends to be employed in key areas of specialism and world-class innovation. Many businesses in Surrey have to recruit outside the UK to have the ability and resources to innovate. A national immigration policy that values access to international talent is vital to support business growth, particularly for Surrey.

Brexit Uncertainties

The uncertainty over Brexit has meant many businesses have seen applications for vacancies by EU and non-EU nationals reduce significantly. This could place additional pressure on the skills shortage that already exists in sectors within Surrey. However, our research suggests there is optimism among many businesses about the opportunities that Brexit may bring. One of these could be a change in immigration policy that opens up opportunities for more non-EU nationals to move to the county. A number of stakeholders discussed the need for a simple, useful toolkit provided by either national or local government for businesses to help them address the challenges and changes that Brexit will bring. "Assistance is essential for local business ecosystems, Surrey's businesses can't afford to be unprepared for any Brexit scenario in 2021" (Online interview, August 2020). Brexit poses an issue for many in the financial services sector as clients need to be registered in Europe for customer access to European regulations. Some businesses within this sector have found that there hasn't been a clear output of information by the government or civil service to combat the difficulties over changes to regulations over the transition.

Knowledge Economy Summary

Uniquely Surrey: Productivity, Place, People and Connectivity

Surrey's place-based distinctiveness also enhance the Knowledge Cluster. Surrey's affluence, attractiveness, typically high quality of life and proximity to London together make it is a desirable place to live. About 85% of the county is countryside and around 70% is designated as Metropolitan Green Belt (SCC, 2017:9). A total of 44,800 hectares of the county is covered by national landscape designations including the Surrey Hills Area of Outstanding Natural Beauty (AONB) and the High Weald AONB (SCC, 2017:9). However, situated between Greater London to the north, the South Downs National Park to the south west and Gatwick Airport to the south, Surrey is also the most urbanised shire county in England.

Surrey's reputation historically is a top-performing local economy, with high productivity output, strong growth rate and a diverse business base that represents key growth sectors such as advanced manufacturing/ engineering, business and professional services, pharmaceuticals, life sciences and healthcare and other niche and emerging sectors (SCC, 2017:9). The county workforce and residents also benefit from its strategic location relative to London, in conjunction with the proximity to Heathrow and Gatwick Airports and the network of road, rail and air links. Because of this place-based competitive advantage, Surrey is generally well-placed in creating and retaining skilled workers.

High Value/ High Worth Areas

Surrey is a key contributor to the UK's overall international competitive advantage. Within the UK, London, the South East and parts of the East of England are among the most productive regions in Northern Europe (NESTA, 2020:9). The most R&D-intensive regions of the UK – in the East of England and the South East – feature high levels of spending from both public and private sectors. In these prosperous regional economies, public and private sector spending reinforce each other, leading to vibrant innovation systems and high productivity. Surrey is a key part of the UK's competitive advantage, with specialisms including AI, space and satellites, geospatial technology, information security, human and animal health, and gaming acting as regional and even national drivers for both the economy and innovation. Clearly universities in particular are critical drivers for R&D. In addition cross-cluster initiatives in which R&D and business conjoin, such as the Surrey Research Park (Guildford) operate as critical anchors to grow new business and expand established ones. Research parks essentially operate "as unique incubators of research and innovation and represent a serious incentive to prospective companies and investors" (Malcolm Parry, Surrey Resarch Park Managing Director and CEO).

Higher education institutions contribute to economic growth in many ways. In particular, university-enterprise collaborations can provide a wide range of benefits to both sides of the partnership. In terms of research, academics can apply their research and see tangible impacts, along with enabling access to new skills, data or equipment. Businesses can improve performance through deployment and application of new techniques and technologies developed by researchers, reduce the risk of investment in research and extend the resources available to the business.

Investment in collaborative R&D also delivers real benefits to the UK, driving growth and productivity improvements for firms and high-quality research outputs (WECD, 2018). Although universities have substantial interation with industry, there is a 'frustrated desire' to further widen and strengthen collaboraton (Innovation South, 2017:6). Businesses look to higher education for the next generation of people to meet future skills needs, as well as incorporating academic research and expertise (WECD, 2018:2). Universities also need businesses links to ensure both the relevance of course offerings and to provide real-world applications, through new products and services, for academic research (WECD, 2018:2).

Covid Issues

Covid has had an uneven impact on Surrey's knowledge economy. To some extent, the full sense of the potential drop-off in terms of students, student fees, as well as corollary areas of income (e.g. accommodation) will not be fully known until the autum 2020 semester is fully underway. The change from standard in-classroom teaching to 'hybrid' models combining online learning with bespoke web-based exercises and in-classroom teaching is likely to affect both income numbers, retention numbers, as well as differentials between home, EU and international students due to ongoing quarantine restrictions and a general lack of confidence in travelling. These trends will therefore apply at some stage, and to some degree, to all three of the HEIs explored in this cluster. Equally however, on the basis of the survey undertaken for this report, Covid appears to have left some education providers largely untouched, with 80% of respondents reporting operating at full capacity (end of August). What is interesting about this trend is that the other proportion have utilised the government furlough (20%) and business schemes (25%) respectively.

60% reported Covid having no outright negative impacts on their business. Indeed to some extent, some knowledge-based enterprises see Covid-19 as an opportunity for further innovation in the year ahead. 40% see a positive way forward, possibly resulting in both wholesale pedagogic overhauls and/or increased funding in Covid or related research. As an example, some of the University of Surrey's spin-outs have won up to £50k Innovate UK funding recently (such as SAMMI-Select Ltd) since the outset of the pandemic. The University of Surrey has also distributed £250k of UKRI Industrial Strategy Challenge funds into about 70 SMEs on the University's research park to help financially support them via a mixture of grants and equity investments. 60% of the knowledge-based businesses surveyed valued being located in Surrey due to ease of access to their customer base. 80% said that they benefitted from reliable connections to London; with a further 87% believed that they employed graduates from HEIs within Surrey.

Brexit Issues

Regarding Brexit, knowledge-based businesses remain sanguine about the outlook after the transition period is over. 2 respondents felt that Brexit would have a negative impact on their business; 6 felt it would have a positive impact, while 7 felt it would have neither positive nor negative effect. 40% forecast positive opportunities over the next 12 months, 13% foresaw difficulties however, namely that of survival.

Aviation Summary

Uniquely Surrey: Productivity, Place, People and Connectivity

Surrey, and the United Kingdom more broadly, faces an uphill climb to return to its pre-Covid growth levels. As of autumn 2020, the UK continues to battle with the economic fallout of national lockdown combined with a variety of restrictive measures to address the very real public health concerns. Yet, as the Government's Job Retention Scheme (CJRS) begins to wind down, and job redundancies start to mount, there is no single sector within the British economy as exposed as aviation. Aviation has in recent decades dealt with acute short- and long-term stress points, from the disruptive 2010 eruption of the Icelandic Eyjafjallajökull volcano through to the seismic shifts caused by the September 11th terrorist attacks in New York, to longer-term concerns over climate change and achieving net zero climate emission targets in the coming years.

Yet, no forecast model, no expert or analyst, no civil servant or government minister, nor even a medical official would have been able to predict the sheer scale of the impact that the Covid-19 pandemic could have caused to aviation across the globe. For arguably the first time in the post-war world, nations have imposed stringent border controls, including the shutting down of immigration from non-nationals in some instances. As a result, it has been harder to travel in 2020 than at any stage in the last century, with the demand for aviation plummeting.

During the month of April 2020 for instance, UK passenger numbers were down 97% compared to April 2019. For the month of July, Heathrow Airport operated at 20% capacity compared to the previous year. As of September, UK arrivals UK from 67 separate countries are now considered exempt from a mandatory 14 day quarantine, ensuring that arrivals from 140+ nations and territories are subjected to it on arrival. As the data indicates, this drop-in demand has been catastrophic, and the scale of job losses announced in aviation have been more pronounced than any other sector in the British economy. Virgin Atlantic has reduced their pre-Covid staff by approximately 40%, while Gatwick Airport has announced consultations on job losses that are likely to total 1,350 through a combination of voluntary and involuntary redundancies from a pre-Covid level of 3,200. Heathrow Airport has announced intentions to change the terms of up to 4,700 employees contracts with pay cuts in the region of 15-20%.

High Value/ High Worth Areas

The aviation sector is a key economic catalyst of the British economy that underpins a key strategic role owing to the geographical constraints of the island. Unlike rail, aviation has a key dependency on international travel, with the facilitation of passenger movement a notable area of challenge over the last two decades. In the initial outbreak of Covid-19, it is evident that the spread of the illness was accelerated globally by the ease of travel offered by aviation and evidenced in the measures undertaken by nations in either reducing travel from areas deemed "high risk" or in some case, outright shutdowns of their national borders.

The aviation industry is an intrinsically broad-based sector of the economy that draws on the activity of the airlines, airports, the manufacturing industry that underpins these innovations and the respective supply chains that feeds all three outputs. In respect to the first two, namely airlines and airports, the successes of the duo can be interlinked, although airlines are more prone to failure as opposed to the infrastructure-based airports in times of normality. Manufacturing is rather more complex to track as a result of an integrated, globalised economy. There are an estimated 230,000 employees in the sector, operating at over 40 commercial airports (Transport Select Committee, 2020a, p.11). It has been estimated that in Europe, every person employed in aviation supports a further 4.7 jobs, demonstrating the significance of the trickle-down effect of aviation (Ibid, p. 11).

Covid Issues

The county of Surrey finds itself strategically linked to Britain's two largest airports, Heathrow and Gatwick Airports respectively. Combined, the two airports accounted for 127 million passengers in 2019, accounting for 42% of the total airport passenger haul in the UK. Heathrow Airport alone is responsible for approximately 80 million passengers, a total that makes it the seventh busiest airport in the world and the busiest in Europe. Yet, in the month of April and May 2020, during the height of the Covid-19 pandemic, both airports were operating at approximately 3% of their ordinary capacity when compared to the previous year. This cost is estimated to be worth approximately £20 billion in 2020, making aviation one of the most vulnerable sectors of the UK Economy (Transport Select Committee, 2020a, p.1).

[1]Whilst not analysed in this report, it is also worth noting that Blachbusche Airport, Lasham Airfield and Redhill Aerodrome form notable aviation hubs for Surrey.

Brexit Issues

Surrey has always considered it a comparative advantage to have the two largest airports in the UK, within the outer boundaries of the county. In Heathrow, it has Europe's largest airport and a notable base for global travel. In Gatwick, it has diverse point to point services across Europe and, pre-Covid, a fast growing long haul network, particularly in the low cost market that plays a significant role in the positive quality of life for residents.

Throughout the research of this cluster, opportunities have arisen to speak to key representatives and decision-makers from both airports as well as the wider aerospace industry across Surrey and the South East. The conversations have been blunt and the messages have been stark. Aviation, a key strategic sector for Britain that accounts for 40% of non-EU trade in value, with the ability to achieve post-Brexit trading ambitions, is on the verge of irreversible decline and potential collapse, unless significant and swift shifts are made in the coming weeks and months. The work laid out throughout this cluster underlines its significance to Surrey and the region more broadly.

Healthcare and Epidemiology Summary

Uniquely Surrey: Productivity, Place, People and Connectivity

Surrey possesses a comparative advantage in healthcare and epidemiology as it is home to an extremely specialised and coordinated healthcare network that includes NHS trusts, government health agencies, private clinics, research institutes and universities. This healthcare research network is facilitated by Surrey's access to specialised inputs, such as the county's highly skilled workforce offering a specialist knowledgebase. Surrey has an outstanding research base within the world-class universities of the University of Surrey and Royal Holloway University of London, both internationally recognised for their research and innovation. Their pioneering health departments promote research and development and provide a foundation of research and teaching excellence for the health cluster in Surrey.

Additionally, the University of Surrey's enterprise, Surrey Research Park, offers cutting-edge facilities, bridging the gap between academia and industry in Guildford to promote cross-sector connectivity. Likewise, there are a range of pioneering research institutions that contribute towards the specialist knowledge base of the county through the provision of specialised training, education, information and knowledge exchange, and technical support. Surrey also boasts strong capabilities in emerging fields, such as digital health and artificial intelligence which is pioneering within the University of Surrey's Veterinary Health Innovation Engine (vHive).

Furthermore, Surrey is a hub for animal health with the university's School of Veterinary Science, the Pirbright Institute and the Animal and Plant Health Agency (APHA) all situated within close proximity to each other and therefore strongly interconnected through various research partnerships and collaborations. This again enforces the significant "role of location in competitive advantage" (Porter, 2000, p.15). The geographic concentration of knowledge-intensive research institutes, industry and NHS networks in Surrey promotes internal competition and innovation and provides it with a comparative advantage nationally in terms of regional connectivity.

NHS trusts and organisations in Surrey also offer a vital platform for clinical research and development, forming the healthcare infrastructure of the county. For example, the Surrey Heartlands (2020a) Health and Care Partnership was one of the first fourteen integrated care systems in the UK which provided a new model for health collaboration. These trusts also ensure the maintenance of high standards of health and social care within the local community. Surrey has a higher life expectancy than the national average and the proportion of residents who experience a long-term limiting health problem or disability is lower in all eleven of Surrey's local authority areas than both the regional and national averages (ARUP, 2020, p.19), which in turn reduces pressures on the local health infrastructure.

High Value/ High Worth Areas

The healthcare and epidemiology cluster represents a highly specialised sector that plays a key role in stimulating research and development, contributing to the economy, and ultimately promoting and sustaining a healthy national population. The high value components of the health cluster lie mainly within the employment opportunities it creates and its role in maintaining a healthy population. In March 2020, there were 452,000 people employed in professional scientific and technical activities as well as 596,000 in human health and social work activities in the South East of England (ONS, 2020), highlighting the highly-productive and skilled workforce in the region.

The life sciences industry is an important pillar of the national economy "contributing over £70 billion a year and 240,000 jobs across the country" (HM Government, 2018, p.3). In the South East of England, the life sciences industry is thriving with the highest regional proportion of people employed in life sciences jobs at 58,400, comprising 24% of the industry nationally, highlighting a key regional distinctiveness in this sector. The NHS (2020b) is one of the largest employers in the world, and the largest employer in Europe, with a total workforce of 1.3 million people. Due to its national and regional influence, as well as its sheer scale and size, the NHS represents a significant economic force in local communities, spending billions on goods and services each year and controlling significant land and physical assets which provide it with significant economic power in local communities (Reed et al., 2019, p.2).

The health and epidemiology cluster also represents a significantly high-worth sector. This is evident in the knowledgebase it stimulates within a diversity of areas including physical and mental health, epidemiology, therapeutics, clinical practice, diagnostics, and nutrition. Gee and Cooke (2018, p.1) assert that such research is considered "a 'core function' in UK health service organisations" and can "promote cost effectiveness and knowledge creation". The NHS is a key force in the diffusion of knowledge through the delivery of post-graduate education and training, with Health Education England (HEE) (2020) South East supporting over 38,000 learners across a broad range of health and care learning environments.

The NHS Long Term Plan (2019, p.75) enforces that health research "enables prevention of ill-health, earlier diagnosis, more effective treatments, better outcomes and faster recovery" whilst 'research-active' hospitals are shown to have lower mortality rates, with the benefits of research extending beyond study participants to all patients within the hospital. The cohesive and innovative health research base in the UK has a key role in the fight against Covid-19; for example, the NHS Health Research Authority (HRA) (2020) asserts that "research is helping us to develop diagnostic tests, treatments and vaccines and to prevent and manage the spread of the virus". The NHS HRA (2020) is focusing on Covid-19 specific research studies and has implemented a fast-track approval process to ensure that research can be conducted as quickly as possible.

Covid Issues

Covid-19 has created huge detriments to the health cluster in Surrey, with far-reaching implications for not only the general population, but also the workforce, healthcare infrastructure, third sector, industry, education and research community. The healthcare infrastructure and the third sector within the county have experienced the most significant impact, creating immense pressures in terms of demand for services and an overwhelming strain on both resources and the workforce. Furthermore, Covid-19 has exacerbated health inequalities that already existed in the county, having a disproportionate impact on disadvantaged groups such as BAME communities.

Despite these challenges, Covid-19 has also created a wealth of opportunity for many agencies in the healthcare cluster. Health research has pioneered with hundreds of Covid-19 specific research projects emanating from the local universities and research institutes. Likewise, industries in the health and life sciences sector have experienced huge growth, offering their services towards the national Covid-19 response and benefitting from increased public awareness of health.

Brexit Issues

Brexit is likely to have far-reaching consequences for the healthcare workforce as it may impact prospects for future recruitment of healthcare professionals from Europe. It may also create challenges for supply chains, increasing the need for stockpiling if shipping delays are prevalent. In terms of the research community, EU research funding grants will be threatened and research collaborations with European partners may be undermined. However, from a positive perspective, it will likely encourage researchers in the UK to look beyond Europe for partnerships, enabling opportunities for more international collaborations to be fostered.

Policy Recommendations

Business Cluster Recommendations

Surrey's business sector is at a strategic crossroads. The ensuing decisions will determine not just its direction, but its entire future. The Commission's recommendations present a key opportunity to both support innovative growth in the county, but also to address obstacles and complacency stifling progress, and in some areas, causing decline. Changes need to be undertaken via pragmatic and programatic approaches addressing both the 'cluster' and 'driver' winners identified in the previous pages, but also the uncomfortable realities highlighted by stakeholders, and present circumstances. Growth, and support for growth, is key. **Investment and innovation** will follow. All four aspect need to be sewn into Surrey's business ecosystem, on the basis of an **inclusive economic recovery**, that genuinely supports levelling up within the county, including prevailing disparities.

People and Employment

- Use enhanced LEP / Chambers/ Surrey County Council network to boost key cluster and hotspots focusing on investment, training and skills (including reskilling).
- Follow C2C's Growth Hubs, accelerators and escalators structure to sustainably and meaningfully connect SMEs with potential employees, investors and education institutions.
- The Seed Enterprise Investment Scheme and the Enterprise Investment Scheme are both essential components of Surrey's innovation ecosystem. New initiatives should be developed that de-risk investment in SME's and Microbusinesses further.

Apprenticeships

- Promote a 'Covid-compliant' Kickstart scheme run by Surrey County Council, with the support of the Chambers of Commerce with the goal of providing employers with financial assistance to take on unemployed young people on a placement scheme.
- Establish a Surrey-wide 'Apprenticeships, Placements and Skills Hub' that would act as information and advice centre for both businesses and potential apprentices. It is vital that there should be a central organisation that engages with businesses on one side, and HE institutions offering undergraduate and graduate placements on the other.
- Empower SCC to oversee a more streamlined, lite-style Apprenticeship Levy to greatly strengthen the uptake by local businesses, with an inhouse Apprenticeship Manager to oversee and troubleshoot. The current confusion of the levy transfer between businesses needs to be permanently solved.
- Challenge Surrey's HE and FE institutions to better support Surrey-specific skills on the basis of education, skills and training. E.g. developing 'Game Engine' skills at undergraduate level, and advanced coding at postgraduate level will produce a hugely unique and adaptable workforce ready to maximise the potential of Surrey's, and the UK's own digital economy.
- Create a joint initiative between Surrey County Council and LEPs to provide matched funding for the creation and enhancement of apprenticeships, in particular targeting those who are from lower socio-economic backgrounds and therefore more likely to feel the acute economic disparities of Covid-19.
- Overall, it is vital to continue the work of the Employment and Skills Board in Surrey and receive the resources needed to fulfil its aims and continue to support the growth of employment and closing the skills gap in the county.

Connectivity, Office Space & Public Transport

- Proactive attention to 'Biz connector routes' between business-to-business and residence-to-business by SCC: e.g. business parks, research parks, industrial parks, the High Street, and the universities. Ensure these routes are entirely climate friendly: line up connectivity with investing in sustainable local transport.
- "Greater connectivity and affordability in public transport reduces the reliance of transportation by private means, diminishing the challenges to Surrey's existing road infrastructure and achieving climate neutral objectives."
- Support Covid-compliant working transformations: a concerted effort to ensure east-west broadband connectivity to facilitate home working.
- Transform empty retail or office space into temporary, pop-up, rotational or semi-permanent collaborative, multi-purpose spaces (starting with Surrey's High Streets) used by multiple businesses, self-employed and sessional workers.
- Surrey County Council, LEP and Chambers of Commerce pop-ups rotating seasonally across High Streets, retail, industrial, research and business parks and universities.

Boosting Business

- Make Guildford the UK gaming hub, and the UK the global gaming hub. There is renewed public focus and investment in UK gaming; the sector has impressively weathered Covid's economic impacts demonstrating serious resilience in growth, innovation and investment.
- Videogame Tax Relief must continue. The program should be extended to provide additional unique benefits for SME's and microbusinesses.
- Gaming, AI and 5G and digitisation enterprises are all key to a resurgent UK and Surrey economy but SCC and local business need to inject investment now particularly to its SME's and microbusinesses.
- Ensure the Surrey Growth Board has the clear responsibility of attracting inward investment that collaborates with all stakeholders in the county to achieve a clear 'Invest in Surrey' message. This can sit alongside a county-wide business hub that provides advice and support to businesses whilst enhancing collaboration with LEPs and key stakeholders, such as the universities.
- County-level support for collaborative partnerships between SMEs and MNCs, allowing for the transfer of skills and knowledge to uplift the county.
- A clearer, joined-up strategy for enhanced LEP-to-LEP collaboration, as well as LEP-Surrey County Council cooperation to ensure rescue, recovery and growth goals are achieved on the basis of regional specialisms but also streamlined decision-making.
- Raising the concerns of business to Westminster on post-Brexit immigrations plans and helping to ensure that any changes allow for the recruitment of talented individuals to bring their skills to Surrey, boosting the cutting-edge R&D in the area.
- National funding is secured to allow for the creation of localised supply chains in areas of strategic national importance that sit alongside globalised, cost-efficient models. This ensures than in times of acute crises, the UK can 'upscale' the necessary manufacturing processes and ensure consistent supply and demand.

Knowledge Economy Recommendations

- Surrey's strengths need more support: cyber security, AI, 5G, and GIS require more investment and funding.
- Expanding on the already impressive AI/5G/Cyber 'hub' that is University of Surrey, Royal Holloway and University of Southampton is key – there is real capacity to produce a 'Silicon Valley' of Britain with the right strategic facilitation.
- LEP & CoC support to for Employability and Careers offices in all 3 HEIs to reverse the decline in placement partners, and students, revealed as Covid- vulnerable.
- More hubs, facilitators and networks: development of a county-level strategy that allows for a "joined up approach" in areas where there is a need for greater interconnectivity yet little facilitation at regional and national level.
- Enhance Surrey-specific support to SMEs: allow for the facilitation of support from local government to valuable research business assets to ensure that Surrey prevents a "brain drain" to more affordable areas, as some businesses have already done.
- As Further Education (FE) providers and Sixth Form Colleges are likely to be short-term victims of Covid contractions, speedy "Edu-collaborative" partnerships should be formed between FEs, Colleges on the one side and universities and businesses on the other, to support the 'schooling' and 'skilling' of students, and the financial future of FEs and Colleges.

AI/CVSSP

- Map out the creation of a 5G town/city in Surrey with support from LEPs.
- Work with national government to facilitate the creation of Infrastructure to support high band-width communication.
- Local government must make it more attractive for companies to locate here. Currently, Basingstoke or Aldershot offer cheaper alternatives.
- Replicate the joined-up approach of Bath, Bristol and Media City (Salford), who have very strong local authority intervention and investment to put in infrastructure to support high tech industry.
- Stronger vision from SCC regarding how to support the creative industries. Some investment is taking place behind the scenes but not as part of a visible, high-level strategy.

Cyber Security

- County-level support for outreach on cyber security, with a particular focus on the most vulnerable groups; unemployed/underemployed, young people and disadvantaged groups.
- Enhance more collaboration on cyber security between the education sector and local businesses to support businesses with cyber security needs and to foster partnerships.

Space

- A more appropriate export policy for dual-use space systems (currently decisions appear uninformed of the realistic international state of play and default to the most conservative level, seriously impeding export growth and UK soft-power).
- A coherent cross-department government approach to space, possibly drawing on the Space Council.
- Draw focus to the need on intertwining space with other sectors, e.g. medical institutes could use space data to monitor spread of viruses.

Geospatial

- Clarity on mechanisms to export expertise internationally. Currently there is no clear mechanism that would help companies such as Alcis to work with British Embassies and Consulates around the world to enable host nation governments in fragile and developing countries to deliver their activities more effectively.

- Developing Surrey as a Geospatial and technology fusion hub. Surrey could develop an identity as a leading Geospatial hub in the UK and internationally, and there are already some efforts to achieve this, but these could be more formalised.

Employability & Careers

- Funding for 'Recovery internships' at either a local or national level to enable universities to set up internships for graduates of 2020 and 2021, who were not able to benefit from PTY because of Covid. This policy ask is also endorsed by Universities UK (UUK, 2020:5).
- Focus on the most vulnerable groups; unemployed/underemployed, young people and disadvantaged groups, with tailored support into skills training and job roles.

Regional Research Network : SETsquared and SEPnet

- Continue to make fast access grants available to innovative SMEs.
- Boost SEIS tax relief levels to encourage first time investments in early stage companies.
- A sponsorship programme working with LEPs, and/or local government to promote both SEPnet and wider skills/training programmes.

University: Attainment Outreach

- A task force to tackle Surrey's GCSE attainment gap should be developed.
- More weighting should be given to the disadvantage attainment gap when making judgements on school performance by Ofsted.
- Pupil premium should have more rigorous criteria and reporting measures to ensure it is being used effectively, specifically on activity/resource to reduce the education gap.

Aviation Recommendations

- Utilising the post-Covid economic recovery and future growth of Heathrow as a key catalytic source of growth for the county and the nation; tying in strategic goals for the next decade and beyond.
- Enhance the future prosperity of the region by supporting the enhancement of Gatwick Airport, thereby underwriting sustainable regional dynamism.
- Alter the mandatory 14-day quarantine from all red "threat" nations, subject to a negative Covid-19 test. Given uncertainty over the reliability of testing on arrival, a shorter quarantine period (e.g. 5 days) may be sufficient to alleviate public health concerns. The cost of this should be picked up by the UK Government as a means of support to the aviation industry.
- The UK Government must establish a bailout package for the vulnerable aviation sector, providing medium- and long-term financing to airlines, airports and aviation supply chains to allow for the expected drop in demand and accelerate the recovery to pre-Covid levels.
- Establish a separate representative body to represent the aviation industry working explicitly with national (e.g. Department for Transport's *Aviation Restart, Recovery and Engagement unit; COVID Recovery Commission*) and local government to inform to swiftly assist the sector's recovery.
- Ensuring post-Brexit that the UK Government continues to play a world-leading role in developing internationally-agreed global aviation standards, both generic and Covid-compliant to facilitate short-term rescue and long-term growth of aviation.

- Look in detail at the long-term implications of the expiration of airport slot exemptions in October 2020, particularly the need to balance airlines' short-term liquidity and airports long-term recovery in air traffic.
- Establishing a 'triangular skills structure' to prevent the haemorrhaging of skills and talent within the aviation sector. This would be comprised of:
    - Aviation Skills Retention Scheme – a version of the CJRS, whereby the UK Government pays a portion of wages for those in the aviation industry, offset by voluntary reduction in working hours.
    - Aviation Skills School – the offering of a variety of training opportunities, including short-term courses and further education, that allows aviation workers to prepare for entering the job market with a wide range of abilities.
    - Aviation Skills Bank – a central repository system, likely divided into East and West Surrey, that encourages the rehiring of aviation workers that are made redundant as a direct result of the economic impact of Covid-19 and retains high-level skills within the sector.
- Work with local authorities and national government to ensure England falls into line with the rest of the United Kingdom by not applying business rates to airports for the next 12 months.
- That full consideration is given to the temporary suspension of Air Passenger Duty for an initial period of six months to a year to assist with the recovery of the sector and help prevent unnecessary job redundancies.
- Independent research is carried out to understand the economic activity generated by aviation supply chains within Surrey, in relation to airports and manufacturing, in conjunction with the LEPs and the Farnborough Aerospace Consortium.

Healthcare Recommendations

Public Health

- Public Health England must ensure that NHS staff have better access to support services and these services need to be publicised more widely to ensure engagement. Additional funding is required for staff who need access to services to manage established trauma-related mental health problems such as PTSD post-Covid.
- Local and national government alike must provide concrete measures to address the under-funding, under-resourcing, and under-valuing of the health and social care workforce, such as removing student nurse, midwife and paramedic debt.
- Public Health England must ensure that NHS trusts have better control over PPE supply chains so that they can regulate the quantity and quality and do not have to turn to external markets with inflated costs.
- Surrey Heartlands' Workforce Transformation team needs to be sustained through continued funding to be able to continue to implement the NHS People Plan, which highlights the importance of workforce development, education, training, and retention.

- Public health messaging and warnings are made more accessible to non-English speakers and people with disabilities.
- SCC retains its Covid taskforce in place for all potentialities and work directly with contact tracing to identify hot spots to avoid another large-scale resurgence.

The National Institute for Health Research (NIHR)

- Better mental health services need to be available to students. Local higher education institutions should play a key role in facilitating education and career support for CYP to tackle concerns surrounding academic performance.
- Public Health England should promote integrated data sets to enable greater system-wide access to patient data. This will enable targeted interventions to those most at risk, focusing more effectively on preventative strategies.
- With demand for social care rising and changes in family care availability, there is an urgent need to tackle the issue of under-funding, under-resourcing, and under-valuing of the social care workforce.

Health Digitalisation

- Residents in care homes need to have digital access to primary and secondary care. Therefore the NHS, Care Quality Commission and local authorities need to play a key role as commissioners and regulators by mandating and paying for the use of technology in care homes and ensuring sustained funding for secure email, access to networks and secure collaboration platforms in care homes.
- Themes emerging from Covid-19 include using technology to support physical and cognitive maintenance and rehabilitation; recognition and management of delirium; and remote ways of diagnosing memory problems. This has become increasingly pertinent for patients isolated from their usual sources of support.

Research

- Public Health England should take this opportunity to emphasise the importance of clinical trials, inviting people to learn about them and inspiring them to take part.
- The development of a regional funding pot for research would be beneficial to tackle competition between institutions and research fields and promote collaboration. SCC should work alongside NIHR and the AHSN network to facilitate this.

Health Inequalities

- SCC need to encourage businesses to provide work opportunities and apprenticeships to disadvantaged groups within the local community to help unlock their potential and enable them to participate more fully in their local community. This can be done by showcasing the benefits of securing a future workforce and building a more prosperous local community.
- SCC should invest in targeted third sector support for vulnerable groups in Surrey, focusing on key issues of child poverty, mental ill-health, domestic abuse, social isolation. The CPF provides a key vehicle for such interventions.

Surrey Cross-Cluster Policy Recommendations

Stakeholders were also asked for their recommendations regarding both the current county setup, and ideas about future transformations. Here, the key responses incorporated the themes of enhanced governance (both form and content) and enhanced economic development.

Enhanced Governance

- Local government must work collaboratively to ensure efficient leadership dedicated to driving both sustainable growth and innovation in the county.
- There is an urgent need for a practical and impactful model of local government able to deliver courageous rescue packages where needed, sustainable growth in high-value areas, more robust business networks, creative innovation, and capacity-building including skills development.
- Local government should consider establishing a task force to act as an exponent for genuine and sustainable growth throughout the county.
- Stronger cross-system leadership is required to remedy current east-west divisions in key socio-economic areas.
- Local government needs representation on the Parliamentary Covid Recovery Commission.
- Local government should improve economic and demographic data mobilisation at both county and district/ borough level.
- SCC should explore multiple avenues for a radical review of planning laws, as recently published by the UK government, considering various possibilities including a more centralised approach for the county and a more devolved approach to local boroughs and districts.
- A PR campaign should be launched alongside ongoing communications to inform the general public and businesses on the role of councils, their current activities and what they can offer.

Economic Development

- A single, clear economic development strategy is required from local government.
- There is a need to align infrastructure investment with strategic business growth and housing development.
- SCC should serve as both a permanent hub and responsive ‘broker’ in facilitating business-to-business, and business-to-sector links.
- SCC needs to increase business engagement to enhance awareness of council activities and capabilities, uphold a unified approach to support businesses in Surrey and incentivise more people and businesses to the area.
- SCC should commit to further developing cluster-led excellence across the county and ensuring high-value, high-worth Surrey drivers are boosted nationally and globally.
- Cluster-specific support is essential in areas of need such as health and social care, education, housing, and transportation.
- Radical new approaches need to be adopted to seize the potential for Covid- generated changes in behaviour to enhance a greener component to public service transformation alongside support for flexible working strategies.
- Agile working procedures should be utilised when appropriate. However, this should not come at the expense of creativity and collaboration, which is more difficult to engender remotely.
- A stronger partnership needs to be developed between LEPs, SCC and the borough councils to capitalise on their respective capabilities and reduce contract duplications. The growth board should be a key force driving this partnership strategy.

Final Recommendations

Surrey's overarching challenge is a head-on clash between the need for genuine, sustainable economic growth, and an increased spatial development and infrastructure pressures. Ideally, a reciprocal and sustainable solution should be sought, based on a 'growth first' strategy. What follows are recommendations that emerged in common from stakeholders across all four clusters, as well as the broader socio-economic analysis of the report:

Intra-County disparities: Addressing the deepening economic disparity between East and West Surrey's economies and sectoral performance to avoid widening inequalities and to increase the County's overall GVA per capita growth rates.

- **Improve key digital infrastructures in the county: Transport and communications infrastructures need to be improved dramatically to unlock cluster potential. While there are excellent transport links for London commuters, greater attention needs to be paid to connecting (and de-congesting) east and west Surrey. Failure to address infrastructure pressures, particularly intra-county connections, need particular attention.**

Governance: Public authorities at all levels need to work more effectively with a host of key stakeholders, including LEPs, to design "local-growth, local-jobs" programmes, tailored to the different local economic realities, but promoting the same key message that "Surrey's in Business". Strategic task forces focusing on growth, skills, and sustainability could arguably support and direct county-wide recovery and growth.

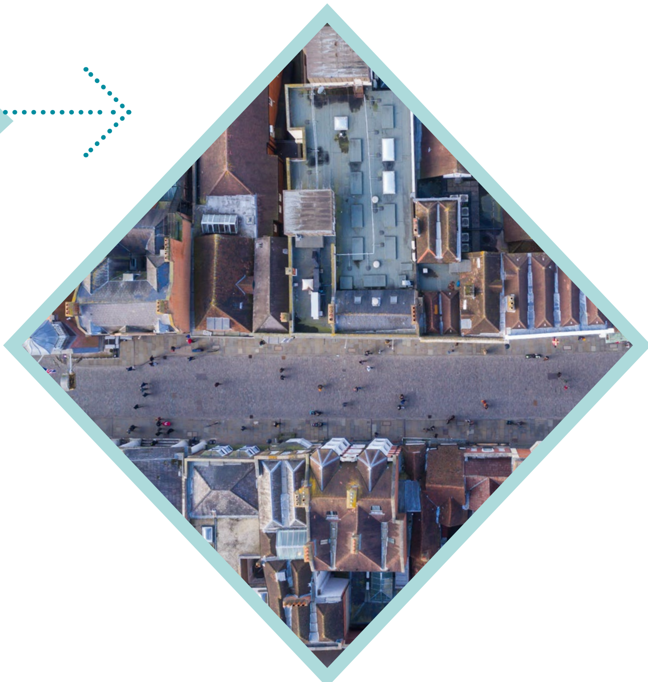
- **Innovate the High Street:** **With the requirements of high streets shifting radically in a post-Covid age, a more imaginative approach is needed to manage the space that would benefit shifts in business, healthcare, the knowledge economy and aviation. Offering multi-purpose, collaborative business spaces, hubs for inclusive career support, NHS-related areas, as well as much-needed skills/training areas, all supported by high-quality communications infrastructure would help transform unused or surplus retail/office space.**

Surrey Specialisms: Building the County's claim to be England's Silicon Valley by consolidating existing high-tech hubs, connected by 'business corridors', while kick-starting rescue packages for those aviation-related industries whose current challenges will negatively affect Surrey's overall GVA.

- **Embracing the modern workplace:** **Covid has brought about both threats and opportunities to contemporary working patterns, including new forms of flexibility and challenges to traditional modes (e.g. commuting in/out of the county). Both need to be seriously considered when mapping Surrey's future economic growth.**

Healthy and Inclusive Surrey: Launching packages to promote an uplift in Surrey's demography; retaining high-skilled students, attracting highly-qualified younger workers and their families by providing enhanced and sustainable infrastructure, accessible housing and an attractive lifestyle.

- **Demographic challenges:** **Surrey faces a serious challenge in attracting and retaining highly-skilled young people for both the knowledge economy and business. Failure to make Surrey attractive, both commercially and residentially, risks ongoing shrinkage of growth, both in terms of demography and the overall economy.**



Research Team

Professor Amelia Hadfield

Amelia joined the University of Surrey in January 2019 as Head of the Department of Politics, Chair in European and International Affairs and co-Director of the Centre for Britain and Europe (awarded prestigious Centre of Excellence funding in August 2020). Previously, Amelia worked as Director of the Centre for European Studies (CEFEUS), a Jean Monnet Centre of Excellence at Canterbury Christ Church Uni (2013-2018), where she worked in conjunction with Kent County Council and Kent-based stakeholders to produce a series of county-wide Brexit impact assessments on business and rural economy, health and social care, and the UK border. Prior to CCCU, she held positions in Brussels at the Vrije Universiteit Brussels and the Institute for European Studies. Amelia is regularly called upon as a guest speaker, external supervisor, research partner, and consultant as well as contributing regularly to national and international media on areas of EU foreign affairs, and of late, EU-UK relations. From January 2021, Amelia will be taking up the position of Dean International at the University of Surrey.

Dr Alia Middleton

Dr Alia Middleton is a Lecturer in Politics and co-Director of the Centre for Britain and Europe. After competing her PhD at the University of Edinburgh, she worked as a Research Associate at Newcastle University before joining the University of Surrey in 2015. She is a specialist in British politics, with particular expertise in political leadership, voter behaviour, the impact of leaders during election campaigns, national and local campaigning and party electoral strategy. Alia has published widely on local, regional and national elections and is regularly called upon by national and international media.

Marta Alvaro-Taus
Economist

Ellen Hughes
Surrey Voices

Dr Eric Golson
SWOT Analysis

Christian Turner
Aviation Cluster

James Penny
Business Cluster

Megan Isherwood
Healthcare Cluster

Victoria Denton
Knowledge Cluster

DEPARTMENT OF POLITICS
University of Surrey
Guildford,
GU2 7XH, UK
Tel: 01483 689740

surrey.ac.uk/politics