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Roundtable

Sparking Surrey Big Debate

Putting together what is believed to be the largest business study of its kind on developing commerce has been a rewarding challenge for Surrey Connects.

Building on the early signs of recovery is hugely important to enterprise group Surrey Connects. Neil Darston chairs a round table event with the organisation as it furthers its strategy to drive growth for the county's business community.

Since forming just over two years ago, it has set its ambitions high in seeking to double the county's economic output to around £26 billion over the next decade.

It is with this in mind that it has undertaken the Big Debate with around 1,200 firms to establish exactly the kinds of measures that will prove vital to future prosperity.

As its chairman Mark Pearson explains, its brand is keenly aware of the large scale of the task at hand, which it is continuing with the full backing of Surrey County Council since setting up two years ago.

The enterprise group's central message of smart economic growth centres around sustainable principles of balancing development taking into consideration the human, financial and environmental resources available.

Chairing the round table event at Surrey Research Park, South East Business was joined by a range of organisations and firms in offering a broad cross-section of views.

This included representation from the county's chairman of the EOG, David Seall, Henry Unwin, of Bioregional environmental sustainability group, Penny Power, chair of Digital Business Britain, Jeanette Rodgers of Power Communications, Becky Bowden from education-based social enterprise group SATRO, Paul Wickham, chair of Surrey Nature, Brian Farrugia, chairman of Surrey Connects and its CEO Mark Pearson.

Establishing what support businesses need to expand is at the heart of the Surrey Big Debate - what does the panel believe are the barriers to business growth?

Becky Bowden, of Satro, said: "At every meeting, I have had lately with businesses, they say they are struggling to recruit people with the right skills – particularly those that need high tech skills, social media, software development and engineering.

"There are in fact lots of vacancies, but I had a meeting with 10 different SMEs none of whom could get people to fill their recent posts - those looking for graduates said that they needed to go overseas.

"Even if they advertise posts, young people don't know about them. So it is about getting the message to them that these jobs are there."

> "I think the biggest thing is confidence, which is slowly starting to come back."

EOG chairman David Seall responded that there had been a problem with some larger companies in terms of developing a supply of junior positions. But he believed the economy was showing strong signs of confidence.

He said: "There are lots of contributing factors to this – it's about skills, it's about infrastructure, but I think the biggest thing is confidence, which is slowly starting to come back. That's what is holding back growth. It's not money – that is around in various areas."

Penny Power explained that through setting up the Digital Youth Academy and a subsequent Surrey Connects Digital Surrey initiative, she had discovered a "massive appetite" from smaller businesses to gain more internet-based skills for their workforce.

While she welcomed Surrey Connects' Digital Surrey strategy, she expressed concern that firms felt there was not the funding available to allocate to web training, which had resulted in inertia within the county.

She said: "I think outside the digital sector, SMEs need to evolve and look at how IT impacts on their businesses – delivery of services is going to be based more on low cost and global delivery so they have to be able to compete.

"We created the academy and spent half a million building an e-learning apprenticeship system that was fully funded. We have been very successful in and the country – apart from in Surrey, so it has been painful to see the lack of ability to provide the training provision here."

Paul Wickham, of Surrey Nature, felt that business needed to engage more directly with the education sector at all levels within the county to address skills issues.

He said: "For me there's a frightening disconnect between the education sector and the business community. We should be providing training based on businesses' needs. There should be a place that signposts opportunities for young people."

Henry Unwin felt that considering using more flexible working arrangements could be key to unlocking further business growth in the county.

He said: "The biggest barrier to business growth here is also the county's biggest opportunity – its proximity to London. There are a lot of big employers with people in the county and that creates tax and revenue for Surrey, but that employment is not in Surrey, so it would be brilliant to focus on how to keep more people living themselves in the county."

At last month's Labour conference, Ed Miliband raised a prospect of potential business rates cuts – is this something business leaders would welcome?

Penny Power said: "Start-ups are being taxed too much to get going. Too much is going to the treasury – they need to feed themselves and their staff before feeding the economy. I am in favour of business rates being reduced for them. Having started four businesses in two years, I would love to be able to employ a young person.

"There are 1.5 million young people unemployed and 4.8 million SMEs, imagine if start-ups could take these on."

Mark Pearson, CEO of Surrey Connects, believed the issue of SMEs' tax burden was a significant issue – as was that of larger organisations, especially given the fact a number of larger firms have their UK operation headquarters in Surrey.

He felt the enterprise group could play a valuable role in galvanising the views of around 50,000 businesses within the county.

Brian Farrugia, chair of Surrey Connects, added: "Cutting taxes is just one kind of support which businesses need. We need to look at incubation hubs and enterprise zones – if you come into a hub, you get support of internet and wi-fi, but you should also get support on loans and taxes as part of an investment package."

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Kieran Jones, of investment firm, The FSE Group, highlighted perceived problems over access to finance.

He felt there had been a serious level of frustration with banks, but he believed they were not in a position to respond without significant structural change being implemented.

He said: "When you look at the companies that are struggling, they are less than two years old and don't have tangible security – the high risk nature of these aspects means it's not a commercial investment for banks to lend.

"In Surrey there's been a shortfall in expansion funding. There's a clear need for some sort of structure that can put some other support together as part of a package.

"There is a lot of office space in Surrey that's empty – those offices need 50-100 people in them and won't get there unless you foster the excitement of working in this part of the world.

"I have been encouraged by Surrey Connects in releasing its draft report on this issue to the Local Enterprise Partnerships."

Exploring greater provision of affordable housing is another core target area of smart economic growth, which delegates clearly felt remained a pressing matter.

Mark Pearson said: "There's a huge range of issues with local companies who say on a regular basis that if we can find the staff with right skills, we can't pay them enough to live in the county. That's pretty fundamental – if we cannot house them or they are travelling huge distances, we are not necessarily getting the best out of them; the pressure of where they are living, becomes the focus for them, not perhaps their skills they can bring to the firm?

"If there are local jobs available then there needs to be provision for housing. For someone to live and work in an area is important – it's not about exponential building, but finding the best solutions."

Paul Wickham responded: "There are plenty of examples of housing development that are the appropriate right type of sustainable builds that can be pursued in areas where if there's environmental damage, that through off-setting schemes discussed at the outset, you can come up with a balanced solution."

Jeanette Rogers, of Power, added: "In every town centre there are lots of empty premises that might have been accommodation – they are poor quality and sit there for years. We should look at regenerating old stock and turning it into housing – it's about looking at what we have rather than demolishing new structures of land."

Aviation strategy has also been hugely important to the area's economy – yet has remained a contentious issue for its environmental impact.

Mark Pearson explained that Surrey Connects had identified there was a significant appetite for both Gatwick and Heathrow to expand, with both fitting within its overall smart economic growth focus.

He said: "When you look at the success of air-centricity like Surrey it is because of three factors – firstly proximity to London, the second is Heathrow and Gatwick.

"In terms of Heathrow, it's a major airport and the evidence we have is that a vast number of businesses are located in Surrey because of the connectivity those airports bring. The Mayor of London's Thames Estuary airport could have a serious negative impact on the business community."

However, Henry Unwin believed that from an environmental perspective, increasing airport capacity was unsound and urged firms to evaluate their transport policies to examine cheaper means of transport.

David Seall confirmed the EOG had backed expansion of airport capacity. He said: "It's massively important that we have hub capacity – Heathrow is probably the best place in the infrastructure is there.

"Boris Island is a waste of time that is 20 years away – everyone has gone and moved on by then, so it would be an environmental catastrophe and a wasted project."

Jeanette Rogers added: "The business community should not be complacent and needs to say to us that we want expansion in this area. It happens somewhere else there are a lot of jobs at risk – we need to support extra capacity at Heathrow or Gatwick."

With around half a billion pounds lost to overcrowded road networks in Surrey, what are the most pressing travel priorities?

According to David Seall, addressing smaller schemes, such as pinch points like Hickley's corner in Farnham and tackling junction upgrades at locations including Surrey Research Park, could make a huge difference to travel times.

Mark Pearson added: "We have had money such as the £171-million at Guildford and £49-million at Waterloo bridge, with such funding, ending with £375 in future. There's also been some pinch point money at Reigate and Banstead, plus £4million has been spent on roads accessing the Surrey Research Park, which has had a huge benefit to businesses there."

SURREY CONNECTS

Top left from left to right: Brian Farrugia, Henry Unwin, David Seall, Kieran Jones and Becky Bowden. **Bottom far left:** David Seall, Kieran Jones and Becky Bowden discuss key issues. **Bottom left:** Caroline Thomas, Joanne Rogers, Penny Power. **Above:** The panel assemble at the Surrey Technology Centre, Surrey Research Park

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