

Coast to Capital Annual Report

2016 - 2017



Chairman's review

Introducing this report gives me an opportunity to reflect on our achievements over the past year. To take us through the next stage of our development, we recruited a new Chief Executive, Jonathan Sharrock, who came to us with an impressive track record of achievement in major projects. Jonathan has led a complete restructure of the organisation, including the board and its committees, refreshed our arrangements for engaging with partners, and established a new senior management team. We now have a streamlined, outward-facing structure which I am confident is ready for the challenges we face in the coming year.

During 2016-17, we have focused on fewer, clearer priorities:

Projects: success in bidding for Local Growth Fund has resulted in a large portfolio of major infrastructure improvements for us to manage, as well as projects supported by our Growing Places revolving loan fund. Effective delivery of these projects, through the public funds for which we are responsible, continues to be of crucial importance.

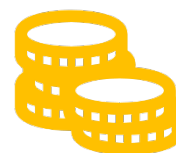
Services: our Growth Hub continues to provide free support to all stages of business. This year, we have brought the Growth Hub in-house to increase the range of services offered and provide better value-for-money. We also increased the Enterprise Coordinators team to roll the Enterprise Adviser Network across the area.

Strategy and policy: a large part of our impact is due to the influence we bring through acting as the bridge between Government, businesses and local partners. It is vital for our economy that we can house a growing workforce and a thriving business base so housing and employment space has been a key priority.

I am particularly proud that, in 2016-17, we put in place a new rigorous assurance framework to make sure that we operate in a professional, transparent and accountable way. In the coming year, we will be building on our achievements while holding ourselves to the highest ethical standards in all that we do.

Tim Wates

Coast to Capital at a glance



Our businesses

87,320 businessesⁱ
Over 260 large corporates including world class companies such as GSK, Rolls Royce, Ricardo and American Express
79,100 micro businessesⁱⁱ
12% growth in numbers of businesses (2010 to 2015)ⁱⁱⁱ



Our place

Home to Gatwick, the UK's second airport
M23 growth corridor, one of 11 in England, runs from Croydon in the north to Brighton in the south^{iv}
The coastal area is a visitor attraction but also has important industries e.g. Shoreham Port
Large rural area, including many leisure attractions



Our people

Nearly 2 million residents^v
Over 22% of the south-east region's population^{vi}
Working age population of 1,245,700, 79% of whom are in employment^{vii}
Highly skilled overall – 45% qualified to at least degree level^{viii}
Entrepreneurial – high rates of self-employment (14%)^{ix}



Our economy

Strengths in advanced manufacturing, business services, professional, scientific and technical, creative digital and IT, viticulture & horticulture and the visitor economy^x
6th largest LEP in terms of overall output^{xi} - GVA of nearly £50 billion in 2015, a growth of 17% from 2010^{xii}

Our businesses

Our success depends on our businesses and their ability to create wealth and jobs. We are fortunate in having a high rate of business growth, world-class companies in high value sectors such as pharmaceuticals, advanced manufacturing and financial services, as well as business start-up rates that exceed both those of the south-east region and the country.^{xiii} Businesses continue to be attracted to our area by our strategic location close to London, our international transport links, our quality of life and, above all, our skilled and qualified workforce. We must maintain these advantages in the face of tough competition from elsewhere for business investment and talented people.

We also face a productivity challenge; productivity per head continues to lag behind the south-east level^{xiv}. Some of this is due to the sectoral balance of our economy but factors such as innovation, research and development, management skills, ambition, international outlook and the take-up and use of technology all play a role. We intend to help close the productivity gap between us and the best-performing areas through intensive, targeted, expert business support.

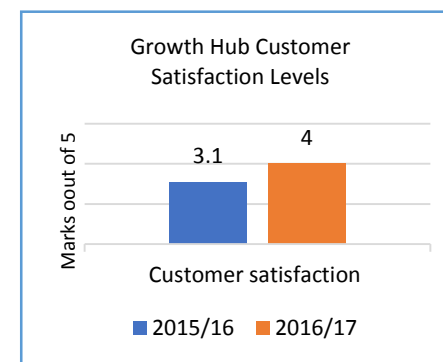
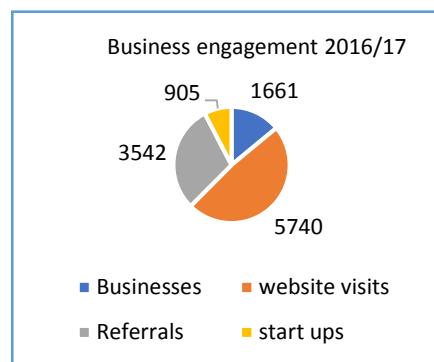
In 2016/17 we have:

- Developed our Business Growth Hub to deliver more effective, hands-on support to a growing number of businesses and getting more value for money by bringing the Growth Hub in-house
- Introducing a new role of business advisers who actively help growth companies, through providing more in depth support. Our Business Navigators continue to provide help to new and established businesses
- Improved our Growth Hub website's functionality so that companies can more easily find the help they need
- Supported more businesses to trade internationally, building on our links with DIT, Gatwick airport and other key partners providing expert support
- Working with DIT, encouraged 32 new businesses to invest in our area and create 326 new jobs and 1,280 safeguarded jobs.
- Allocated £1.5 million of European Regional Development Fund investment in our area to support international trade.



Our progress in numbers

During 2016/17, our £369,000 budget has been used to fund our engagement with over 2,000 businesses including nearly 970 start-ups and people thinking of starting a business, while visits to our new website were up to 7,300. We delivered 1,486 diagnostic sessions, directly supported over 600 businesses and made over 6,700 referrals to other services. Customer satisfaction rose by nearly 30% compared to the compared to the previous year^{xv}.



Our Place

Our locational advantages, natural environments, cultural assets and quality of life continue to draw people and businesses to our region. As a result, our population has grown by over 12% in the last 15 years^{xvi} and the number of businesses increased by a similar amount in just 5 years up to 2016^{xvii}. To meet the needs of our growing communities, our infrastructure and connectivity need to be of the best and Coast to Capital must continue to provide an attractive environment, vibrant cities and towns, and excellent visitor attractions.









We invest in projects that:

- **Deliver** substantial new employment space, housing and regeneration
- **Improve** our infrastructure to unlock growth, relieve congestion, reduce journey times or encourage the switch to sustainable transport
- **Build** our region's resilience to environmental events such as flooding
- **Increase** digital connectivity and capitalise on new technologies such as 5G
- **Define** our regional identity through landmark projects such as i360

In 2016/17 we have:

- Managed our 65 Growth Deal Rounds 1 & 2 projects worth £127m to fund a range of improvements covering urban regeneration, transport, employment space, environmental resilience, digital connectivity and skills provision
- Successfully bid for and launched Growth Deal 3 and allocated the £66 million of additional funding to 10 new projects
- Overhauled and streamlined our applications process and introduced a more rigorous fair and transparent system for allocating Local Growth Fund
- Set up a new Transport and Resilience Review Group, bringing together board members, local authorities and national stakeholders such as Highways England and National Rail
- Taken forward our plans for the Enterprise Zone in Newhaven to spearhead regeneration including £3.1 million of Local Growth Fund
- Used our revolving Growing Places loan fund of £23.7 million to support 10 high growth projects.

Our progress in numbers

	Target (2015/16 to 2020/21)	Achieved up to 2016/17
	5,081 jobs created	267
	118,381 metres of new commercial floor space	17,722
	3,576 residential units	209
	29 km of road resurfaced	13.3
	17 km new cycleways	0.42
	5,910 jobs arising from enhanced flood protection	140
	134,841 sq.m. commercial floorspace arising from enhanced flood protection	140
	137 businesses benefiting from financial support	59

Our people

A skilled, flexible and productive workforce is vital to future growth and prosperity and is a key factor in attracting and retaining businesses. Many of our people are highly skilled and qualified, employment rates in most areas are high and, conversely, unemployment is low.

Nevertheless, there are areas in Coast to Capital where residents' qualification levels are significantly below average, wages are low and unemployment is higher.

We also know that employers can find it difficult to recruit people with the right skills, particularly specialist skills for some of our growth sectors such as advanced engineering where strategic management as well as technical skills are in short supply.

In 2016/17 we have:

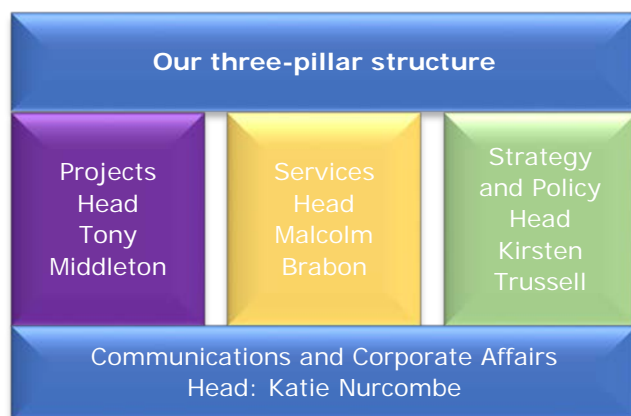
- Grown our Enterprise Adviser Network to ensure that more pupils can benefit from employer interaction and improved careers information advice and guidance and enterprise advice.
- Recruited a team of volunteer Enterprise Advisers from local businesses to work with 68 schools to make sure there is an appropriate careers and enterprise strategy in place.
- Supported the area-based reviews of further education in our region and helped to fund improvements in 17 further and higher education institutions including a new Engineering and Digital Technology Centre at Bognor Regis and the Advanced Engineering Centre at Brighton.
- Facilitated the investment of £5.23 million of European Social Fund out of our allocation of £24 million to support projects aimed at raising workforce skills levels to meet the needs of our employers and projects to increase employability and access to employment for those furthest from the labour market.

Our progress in numbers

Business-led support for schools and colleges	68 schools and colleges now have an Enterprise Adviser from business supporting the development of careers and enterprise strategies
Skills provision	17 local institutions have been allocated over £30 million of Local Growth Fund for new and improved facilities 1,185 learners are now benefiting from these improved facilities (target 4,105 over the lifetime of the projects)
Workforce skills	3 projects to support basic, intermediate and higher-level skills with £1.55 million of ESF
Employability	1 project to support access to employment through innovative interventions with £1.34 million of ESF
Supporting employability and progression for those furthest from the labour market	9 projects in our area supported with £2.34 million of ESF to fund support for NEETs, long term unemployed, health inequalities and housing related employment issues as well as support for social enterprises

Our organisation

This year, we have simplified our organisation, moving to a three-pillar structure, underpinned by communications and corporate services. A new senior management team is in place so that team members know what their role is and external partners can easily find the right person to talk to. A new simplified method of reporting using dashboards to show progress helps us to stay focused on results.



The Projects Pillar includes responsibility for the Local Growth Fund and Growing Places projects.

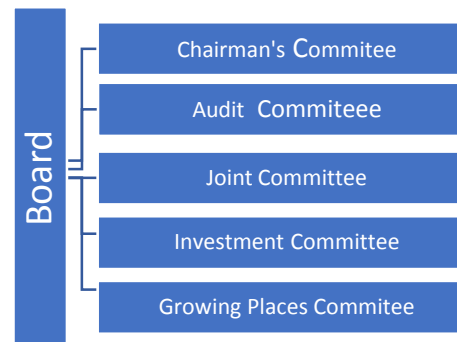
The Services Pillar includes business support delivered through the Growth Hub as well as the Enterprise Adviser Network

The Strategy & Policy Pillar includes responsibility for the Strategic Economic Plan, economic research, European Funding and new developmental projects such as the Newhaven Enterprise Zone.

Effective investment of the public funds for which we are responsible continues to be a top priority but we also have a role in influencing what happens in our region. 2016/17 has seen a new focus on strategy and policy, working with national and local stakeholders to achieve maximum impact on growth in our area. A key focus this year has been the commissioning of the Housing & Regeneration Task Force which reported to the Board in November. Its main recommendation, the setting up of an in-house housing function is being taken forward.

Our Governance

In 2016/17, we simplified our corporate governance structures. The Board determines the overall strategic direction and agrees the Strategic Economic Plan. The Board delegates responsibility for certain things to a small number of sub-committees.



The Chairman's Committee is responsible for commercial strategy & risk management

The Audit Committee is responsible for general scrutiny

The Joint Committee reviews strategy

The Investment Committee has delegated powers to approve decisions up to £2 million (not the Growing Places Fund)

The Growing Places Committee has delegated powers for the Growing Places Fund decisions up to £2 million

In 2016/17 we set out a new Assurance Framework to govern how we operate. The purpose of the Assurance Framework is so that Government, our partners and members of the public can have confidence that we operate ethically and professionally. The Assurance Framework sets out:

- How we develop an economic strategy for the region
- The public funds for which we are responsible
- The role of the Board and the process for selection and appointment of members
- The operation of the board and its sub-committees
- The operation of the executive
- The standards to which we operate and how we ensure value for money for public funds.

References

ⁱ [ONS Nomis UK Business Counts](#)

ⁱⁱ [ONS Nomis UK Business Counts](#)

ⁱⁱⁱ [ONS UK Business Demography](#)

^{iv} Source: "Where growth happens, The high growth index of places" Grant Thornton, Place Analytics insight, Autumn 2014

^v [ONS Population estimates](#)

^{vi} [ONS Population estimates](#)

^{vii} [ONS Annual Population Survey](#)

^{viii} [ONS Annual Population Survey](#)

^{ix} [ONS Annual Population Survey](#)

^x [ONS: Business Register and Employment Survey](#)

^{xi} [ONS GVA Statistics for LEPs](#)

^{xii} [ONS GVA Statistics](#)

^{xiii} Measured as a percentage of business stock, Coast to Capital had a new business creation rate of 13.52% compared to 13.23% in the south east and 13.12% in England (2015). Source [ONS UK Business Demography](#)

^{xiv} [ONS GVA Statistics](#)

^{xv} Source: "Evaluation of the Coast to Capital Business Navigator Growth Hub" 2017 EBS Consulting

^{xvi} [ONS Annual Population Survey](#)

^{xvii} [ONS UK Business Demography](#)

List of Directors (as at March 31st 2017)

T A Wates – Chairman, S B Allen – Deputy Chairman, J O Sharrock – Chief Executive, N A Dallen, D Gayler, L M Goldsmith, M J Heffer, D Hodge, Professor D Humphris, P E Jones, N Juba, J J Kapsalis, M La Rooy, A Menahem, W Morgan, A J Newman, J A Peel OBE, R Shankar