



European Structural and Investment Funds (ESIF) Strategy

2014 - 2020

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Introduction

1. This European Structural and Investment Funds (ESIF) Strategy 2014-2020 forms part of our overarching Strategic Economic Plan (SEP). It sets out how we wish to use our allocation of €67.0 million or £47.6 million¹ worth of European Regional Development Fund and European Social Fund, with an additional £3.8m of European Agricultural Fund for Rural Development, during the European programming period 2014 to 2020 in support of the wider aims for driving growth in Coast to Capital. Of the six strategic priorities set out in the SEP, it chiefly supports three set out in Figure 1 below: *Successful Businesses*; *Competitive Advantage*; and *Skills and Workforce*.



Figure 1: Coast to Capital Strategic Priorities in the Strategic Economic Plan

2. Coast to Capital spans the UK's two most successful and important economic regions; it extends from South London to the coast, from Chichester in the west along to the city of Brighton and Hove and on to Lewes in the east. The LEP comprises the whole of West Sussex, the London Borough of Croydon, the City of Brighton and Hove, a major part of Surrey and the local authority district of Lewes which is part of East Sussex. It has a

¹ Using the October 2015 exchange rate of 0.71 euros to the GBP

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resident population of nearly two million, a working age population of 1.24 million and over 77,600 businesses with an estimated further 37,000² small and micro businesses

3. At the heart of the area is Gatwick, the UK's second airport, surrounded by the Gatwick Diamond, a large and successful hub for businesses. Coast to Capital also contains an extensive rural area; nearly two thirds of the South Downs National Park is within our boundaries and out of fourteen districts and boroughs in the LEP³, five are classified as rural or with significantly rural areas. Where agriculture and tourism once predominated, the rural area has an increasingly diversified economy and manufacturing is now the second largest sector in employment terms. The coastal area in the south includes the vibrant, creative city of Brighton and Hove which is of international standing, both as a visitor destination and as a business location for the Creative, Digital and Information Technology (CDIT) industries. The coast also includes important urban centres such as Worthing and the East Sussex county town of Lewes, the ports of Shoreham and Newhaven and a deceptively large and sectorally diverse business population.
4. The Coast to Capital LEP area is a new economic geography in the sense that it does not reflect recent administrative boundaries but, in fact our area's economic history dates back at least 2,000 years when the Roman roads of Stane Street and the London to Brighton Way connected our coastal ports to London, providing, then as now, major communications and trading routes between the capital and the continent. A network of east-west Roman and, possibly earlier, roads linked to the rich iron fields in the weald and enabled efficient distribution of iron ore and traded goods. These routes are still major roads in use today, demonstrating the unique locational advantages of the Coast to Capital LEP region as the bridge between London and the global economy
5. Reflecting the economic sub regions in our area, are five local Area Partnerships represented graphically in Figure 2 below:

² Not registered for VAT and PAYE but on the Experian Market IQ database.

³ According to Defra's urban/rural classification system

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Coast to Capital Area Local Partnerships



Figure 3: Coast to Capital Area Partnerships

6. Each Area Partnership is based on one of five distinctive sub-areas:
 - **Croydon** – the gateway to London, the largest metropolitan office centre outside Central London and Canary Wharf, with excellent transport links underpinning very significant potential for commercial and residential development;
 - **Gatwick Diamond** – centred on Gatwick Airport, a key economic driver and international hub already driving economic growth, and a hinterland of towns with potential for substantial business and residential growth;
 - **Brighton and Hove** - an internationally recognised university city, with clusters of creative and digital businesses, financial services and a significant visitor economy. Brighton lies at the heart of a new City Region comprising port and market towns, including Lewes, Newhaven and Shoreham;
 - **Coastal West Sussex** – a mix of high quality coastal towns, including Worthing and Bognor Regis with substantial potential for employment growth, for example in the creative and tourism sectors;
 - **Rural West Sussex** – a distinctive rural area, that includes most of the South Downs National Park, with high quality landscapes and popular towns and villages as well as strong growth potential due to a highly skilled workforce and attractive business locations.

7. We are a growing region– the population increased by 8% from the 2001 to 2011 Census, and increasingly young – the population aged under 24 grew faster than the

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over 64 years old population. It is increasingly diverse; the proportion of residents from ethnic minorities grew from 8% to 15% between 2001 to 2011.

8. The European Structural and Investment Funds (ESIF) Strategy sets out the case for how we will develop our people and businesses to support our wider Strategic Economic Plan. The priority axes and objectives for the ESIF are completely congruent with our approach to developing the skilled and productive workforce and competitive international businesses that we require. Our Strategic Economic Plan includes the wider interventions that we intend to deliver, including important transport and infrastructure priorities.
-

Our vision, goal and rationale

Vision

9. **Our vision is that Coast to Capital will deliver exceptional growth and productivity gains.**
10. We will continue to be one of the most prosperous areas in the UK and we will ensure that all communities share in this prosperity. To do this we will step up our performance to compete with the most successful regions in Europe and in the rest of the world.
11. **Our goal is to create an additional 100,000 jobs in the private sector over the 25 years to 2035.**
12. We aim to do this in a sustainable and inclusive way by developing our people and businesses, strengthening the links and integrating the economic and social interactions between: the London economy; Gatwick airport and the Gatwick Diamond international employment hub; the vibrant Surrey business base; the M/A23 growth corridor leading to the unique creative city of Brighton; the exciting rural area and the opportunities it presents; and the coastal towns and ports of West Sussex.

Rationale

13. Coast to Capital has the fourth highest productivity of all the English LEP areas. This is good, but not good enough, since we are part of the UK's two most successful economic regions. We need to make a better contribution to the UK's economy given our business, locational and human competitive advantages, some of which are among the best in the country. We will realise the potential of our strategic location, being part of London - one of the world's leading cities - and the South East - one of the most successful regions in Europe - with access to national and global markets by road, air and sea. Together with the strengths of our business population, skilled citizens and our natural and cultural assets, we can become an internationally recognised, outward-facing business location and generator of growth and jobs which benefit all sections of society.
14. Gatwick, the UK's second airport, drives a significant part of our economy, and is a symbol of our international intentions which are to link to the world, to compete through trade and to be one of the world's leading regions. Our extensive business base has strengths in a number of sectors, notably Creative, Digital and Information Technology (CDIT) - which is not only a cultural and social asset but also a source of innovation and economic development - in Health and Life Sciences, Advanced Manufacturing and Engineering, Financial Services and Environmental Technologies. Our area benefits from some excellent transport links; as well as Gatwick which has recently opening new routes to South East Asia, there is access to the national motorway network via the M25 and to the continent through nearby major ferry ports.
15. All of these factors make Coast to Capital a highly desirable place to do business, creating a virtuous circle where a highly skilled resident population acts as draw to businesses and creates employment. With nearly two million residents we are the

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seventh largest LEP in population terms and have the sixth highest output measured in total GVA.

16. By building on existing success and these strong competitive advantages, investment in Coast to Capital will deliver higher growth returns in a sustainable and inclusive way. In order to deliver the step change in growth to which we aspire we need to address, substantial disparities at sub area and local levels. Evidence for this is included in the SWOT analyses in the following chapters and in our supporting Economic Assessment, available separately, but the main indicators of underperformance include:
- Geographical areas of lower productivity, weak knowledge economy and low skills equilibrium;
 - Significant areas where there are below average earnings;
 - Large numbers of people in the workforce without the relevant skills to participate and progress;
 - Significant numbers of underperforming businesses with low demand for higher level skills, and low levels of innovation;
 - High value sectors which do not reach their potential. Although there is some evidence of clustering with our five sectors and their supply chains, these are not particularly strongly embedded and networking, including linkages with universities and centres of expertise, is not extensive;
 - Variable rates of entrepreneurship in the population and at area level;
 - Some areas of rural exclusion;
 - A growing shortage of housing which people can afford to rent or buy and which is leading to social exclusion, outward migration and acting as a brake on growth;
 - Weak interconnectivity in economic and labour market terms between our five economic areas of Brighton and Hove with Lewes, Croydon, the Gatwick Diamond, Coastal West Sussex and Rural West Sussex.

Building synergy through intensive connectivity

17. The rationale for our ESIF strategy and our wider Strategic Economic Plan is to overcome these barriers and market failures to unlock and drive growth. By capitalising on our assets and building synergy through connectivity across our five economic areas we will create an internationalised, growth-orientated, sustainable and inclusive economy.
18. We will develop ***intensive connectivity*** across and within our five economic areas, building on their assets and unique identities to create strong collaborative economic and social interactions on four key dimensions:
- Our priority sectors, their supply chains and supporting institutions to create internationally orientated networks of innovation and growth,
 - Our businesses and the business support infrastructure to create a network of employment growth hubs,
 - Our people and the opportunities in our area for skills, employment and progression,
 - Our infrastructure, transport and ICT to develop strong interconnectivity between our businesses, employment hubs and people internally and externally to markets at home and abroad.

The model for our analysis

19. The drivers of growth are numerous and interrelationships are complex but some factors appear to show a positive correlation⁴; the LEP Network's⁵ comparison of LEPs' economic performance indicates that the highest performing LEP areas have growing workforces, high employment rates, more skilled workforces and higher levels of employment in high growth sectors and the knowledge economy. They have higher rates of innovation and are entrepreneurial. This and other research⁶ including that underpinning the Government's industrial strategy⁷ and our own research into the links between skills, productivity, innovation and growth⁸ implies that a competitive local economy is likely to have:
- A strong skills base and inclusive and efficient labour market - an increasingly important determinant of economic competitiveness in today's knowledge economy as well as a vital underpinning factor in social cohesion;
 - An innovative, growth-orientated, entrepreneurial business base serving both national and international markets – not just trading locally;
 - Strengths in employment-generating, knowledge-based sectors and clusters which are embedded in the region and networked with centres of expertise e.g. HEIs;
 - High connectivity including efficient, sustainable transport infrastructure and ICT;
 - A physical and social environment that combine a sustainable, high quality of life with a strong sense of place and identity;
 - A supportive business regime including effective public and commercial institutions, education, skills, financial and business support organisations.
20. Our analysis indicates that there are market failures in all these areas in Coast to Capital. Market failures result when the operation of free markets alone does not result in the efficient use of resources for the economy and society as a whole. There can be market failures due to:
- Markets where the private sector cannot make a profit on the public goods that are required to meet people's needs and wants. Examples in Coast to Capital might include the need for more basic skills provision and other training which it is uneconomic for employers to provide;
 - Negative externalities, e.g. pollution, where costs are born by society rather than the polluter. In Coast to Capital, flooding and other environmental challenges might fall into this category;
 - Imperfect information where markets may not function efficiently because the right information is not available on which consumers can base decisions e.g. the learning market in Coast to Capital where the provision of education and training does not match forecast skills needs;
 - Factor immobility either occupational (e.g. lack of the right skills) or geographic (e.g. housing supply/prices) which can cause unemployment /skills shortages. There is evidence of both these types of market failure in Coast to Capital;

⁴ Source: *'The Five Drivers: an empirical review'* Fawcett, N. & Cameron, G., School of Economics, University of Oxford, December 2005/ HM Treasury

⁵ Source: *'Creating Successful Local Economies: Review of Local Enterprise Partnership area economies in 2012'* the LEP network

⁶ Source: *'Understanding Local Growth'* October 2010 BIS, *'Economic growth'* November 2010 BIS

⁷ Source: *'Industrial Strategy: UK Sector Analysis'* September 2012 BIS

⁸ Source: *'The relationship between skills and innovation, productivity and growth- a literature review'* Coast to Capital August 2013

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- Equity issues where free markets generate unfair distribution of resources and lead to social exclusion. For example, in certain areas of Coast to Capital there are pockets of high unemployment alongside relative affluence.
21. Based on this analysis, we have applied the model in Figure 3 below in carrying out our SWOT analysis and identified a focused number of key indicators for each component in our assessment. In this European Structural and Investment Funds Strategy we are primarily interested in components 1 to 3 whilst the analysis and interventions for the underpinning components are contained in our Strategic Economic Plan.

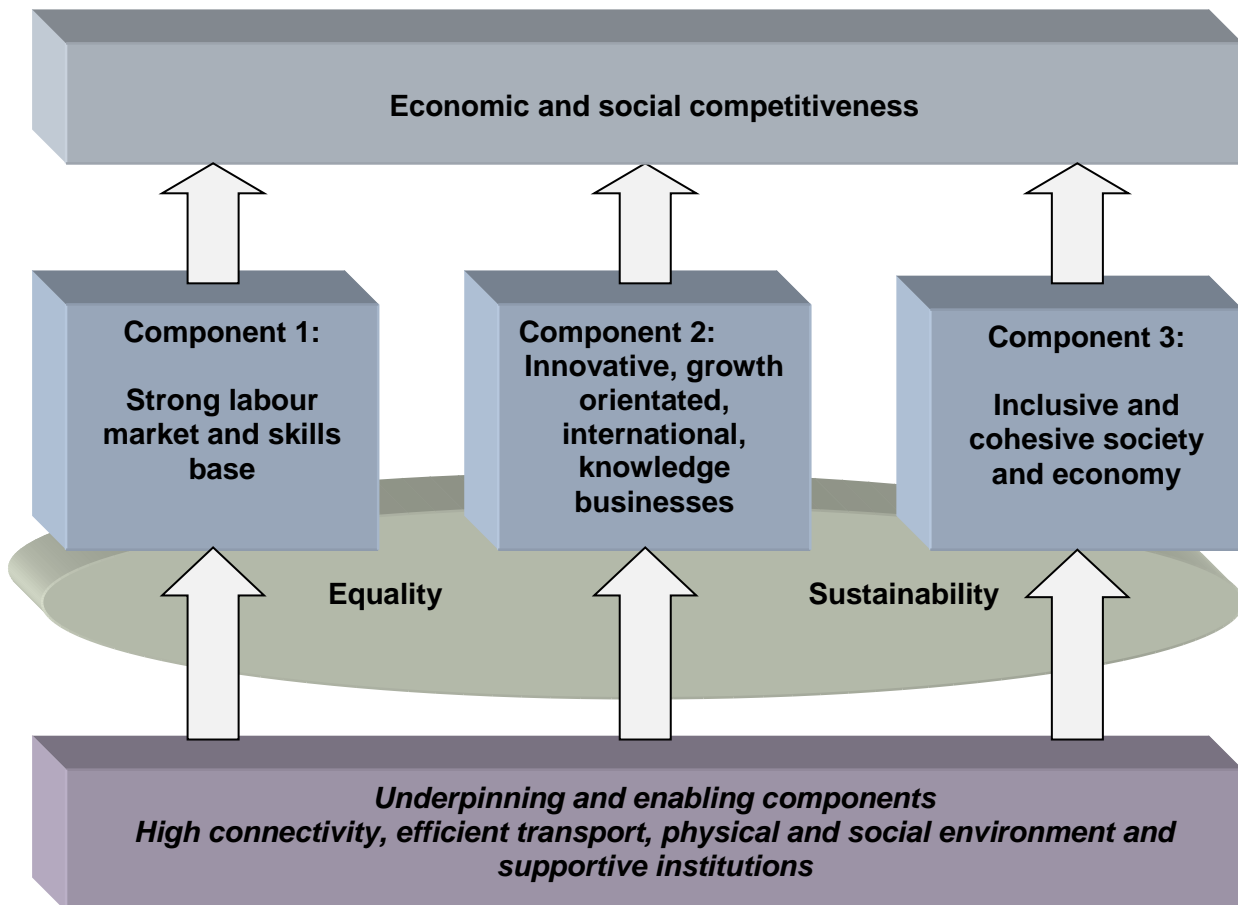


Figure 4: Our model for the SWOT analysis

The results from our SWOT analysis for Components 1, 2 and 3 have informed the development of our priorities for action in the next section which include details of market failure under the rationale for intervention.

Our priorities for action

How we arrived at our priorities

22. Using the results of our desk research and SWOT analysis we have developed the main areas for intervention through:
 - Work with our Area Partnerships, who have been fully involved with the development of the strategy, our upper tier local authorities and Greater Brighton City Deal Partnership;
 - The work of the ESIF Task and Finish Group which oversaw the development of the ESIF Strategy and since December 2104, the work of the Coast to Capital Area ESIF Committee which has advised on further development and implementation;
 - Consultation events attended by more than two hundred stakeholders and partners from the business community as well as business support organisations, HE and FE, training providers and the community and voluntary sector;
 - A survey using detailed questionnaires distributed to a wide range of partners and stakeholders including businesses, local authorities, business support organisations, HEIs, learning providers and the community and voluntary sector;
 - A web-based consultation and further meetings with key stakeholders from October 2013 to the present.

23. The initial results of this work were drawn together and were originally contained in a set of twenty priorities contained in the consultation draft of this strategy. In developing the priorities, we recognised that we could not do everything and that therefore selected those areas which partners agreed would have most impact. As a result of continuing consultation during autumn 2013, we reduced our initial list of twenty priorities to the ten priorities which are contained in this Strategy. The percentage distribution of funding under each Priority Axis, (originally termed Thematic Objective) has not changed as our initial proposals for financial distribution were endorsed during the consultation exercise.

24. The engagement of businesses has underpinned the development of our ESIF strategy and has been effected through our business engagement strategy set out in the section on business engagement later in this document.

25. In keeping with EU and Government guidance, we are focusing on the Priority Axes (formerly Thematic Objectives (T.O.s)) that are most closely aligned with our priorities and, under these, on key areas of activity. Aligned to our three components for delivering sustainable and inclusive growth, the Priority Axes linked to the T.O.s are as follows:

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| Our component for sustainable and inclusive growth | Priority Axes | Thematic Objectives |
|--|---|---|
| Component 1: Our people skills and employment | ESF PA 2: Skills for Growth | Thematic Objective 10: Investing in Education, Skills and Lifelong Learning Thematic |
| Component 2: Innovative, growth-orientated, international businesses | ERDF PA 1: Promoting Research and Innovation | Thematic Objective 1: Promoting Research, Technological Development and Innovation |
| | ERDF PA 3: Enhancing the Competitiveness of SMEs | Thematic Objective 3: Enhancing the Competitiveness of Small and Medium Enterprises |
| | ERDF PA 4: Supporting the shift towards a low carbon economy in all sectors | Thematic Objective 4: Supporting the Shift to a Low Carbon Economy in All Sectors |
| Component 3: Inclusive and cohesive society | ESF PA 1: Inclusive Labour Markets | Thematic Objective 8: Promoting Sustainable Employment and Supporting Social Mobility |
| | | Thematic Objective 9: Promoting Social Inclusion and Combatting Poverty |

Our priority sectors

26. Sir Andrew Witty’s Review of Universities and Growth (Oct 2013) states that *“The strongest basis for regional economic growth is activity rooted in a sound understanding of a locality’s comparative economic advantage. This means that the task of Local Enterprise Partnerships (LEPs) and other bodies seeking local growth is to understand where comparative economic advantage lies and to focus on how best to land the benefits of associated economic activity for their locality.”*
27. We intend to concentrate support for high growth businesses in those sectors where we have a clear competitive advantage. Coast to Capital has identified the following five regional sector strengths:
 - Advanced Engineering;
 - Creative Digital and IT (CDIT);
 - Environmental Technologies and Low Carbon & Environmental Goods and Services
 - Financial and Business Services;
 - Healthcare, medical technology and life sciences.
28. In addition we have also identified four important local sectors which will generate growth and jobs:
 - Tourism – particularly the South Downs National Park, the Coast, Brighton and fully exploiting the advantage conferred by Gatwick Airport;
 - Food manufacturing/Horticulture – the horticulture industry is a growing sector, particularly in the fertile coastal plain and food & drink is significant in the rural areas;
 - Construction – a major employer and vital to our future growth supported by infrastructure and housing;
 - Care – the care sector continues to grow and to provide employment for many.

ERDF Headline allocations and performance framework targets

29. Our headline allocations and performance framework targets are set out in the tables overleaf, followed by more detailed explanation of our interventions under each ERDF Priority Axis, along with the Investment Priority targets for each of our intervention areas under their respective priority axes.

Performance framework targets

30. There are three types of performance framework targets in the England Operational Programme: output, implementation steps (milestones); and spend targets for 2018 and 2023:

Output targets and milestones:

31. These are measured for each category of region at Priority Axis level in 2018 and 2023 and are set out in the performance framework.

Spend targets:

32. These are based on total eligible expenditure for each category of region and will be measured for each Priority Axis in 2018 and 2023. If the national performance framework targets are not met for 2018, the performance reserve that had been set aside for the failing Priority Axis may potentially be moved to another Priority Axis in the same category of region. This may result in either a revision of a LEP area's PA targets or notional allocations.

Priority Axis Investment Priority targets

33. There are two targets at this level, output and results targets. These are provided in the Operational Programme at Investment Priority level under each Priority Axis. Although there is no direct reward or sanction for achieving these or not, the Commission may consider failure to meet these targets as symptomatic of failure in the general management and control of the programme and may act as appropriate in response.
34. As these targets have been allocated to each LEP area based on a pro rata share of national targets, some of them at Investment Priority level do not accord with what we have set out that we want to do at the local level. We have indicated where this is the case in tables containing the detailed explanation of our intended interventions.

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ERDF Headline Financial Allocations

| Fund | TO/PA | REGION | Milestone 2018 Euros Including match | Milestone 2018 £s Including match | Milestone 2018 excluding match | Target 2023 Euros including match | Target 2023 £s including match | Target 2023 excluding match |
|--------------|-------|----------------|--------------------------------------|-----------------------------------|--------------------------------|-----------------------------------|--------------------------------|-----------------------------|
| ERDF | 1 | More Developed | €4,289,043 | £3,045,221 | £1,522,611 | €16,793,328 | £11,923,263 | £5,961,632 |
| ERDF | 3 | More Developed | €9,396,592 | £6,671,580 | £3,335,790 | €36,791,434 | £26,121,918 | £13,060,959 |
| ERDF | 4 | More Developed | €4,056,092 | £2,879,825 | £1,439,913 | €15,881,229 | £11,275,673 | £5,637,837 |
| Total | | | €17,743,745 | £12,598,644 | £6,299,322 | €69,468,014 | £49,322,877 | £24,660,428 |

ERDF Performance Framework Targets

| Priority axis | Indicator or key implementation step | Measurement unit, | Milestone for 2018 | Final target (2023) |
|--|--|-------------------|--------------------|---------------------|
| 1 - Promoting Research and Innovation | Productive investment: Number of enterprises receiving support | Enterprises | 0 | 248 |
| 1 - Promoting Research and Innovation | Expenditure | Euros inc. match | €4,289,043 | €16,793,328 |
| 1 - Promoting Research and Innovation | No. of enterprises receiving support that has been achieved by partially or fully completed operations | Number | 80 | 0 |
| 3 - Enhancing the Competitiveness of SMEs | Productive investment: Number of enterprises receiving support | Enterprises | 0 | 1,172 |
| 3 - Enhancing the Competitiveness of SMEs | Expenditure | Euros inc. match | €9,396,592 | €36,791,434 |
| 3 - Enhancing the Competitiveness of SMEs | No. of enterprises receiving support that has been achieved by partially or fully completed operations | Number | 304 | 0 |
| 4 - Supporting the Shift Towards a Low Carbon Economy in all Sectors | GHG reduction: Estimated annual decrease of GHG | Tonnes of CO2eq | 0 | 3,884 |
| 4 - Supporting the Shift Towards a Low Carbon Economy in all Sectors | Expenditure | Euros inc. match | €4,056,092 | €15,881,229 |
| 4 - Supporting the Shift Towards a Low Carbon Economy in all Sectors | No. of enterprises receiving support that has been achieved by partially or fully completed operations | Number | 42 | 0 |

ERDF Priority Axis 1: Promoting Research and Innovation

ERDF Operational Programme Investment Priority 1b: Promoting business investment in R&I.

Developing links and synergies between enterprises, research and development centres and the Higher Education sector, in particular:

- promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation;

and

- supporting technological and applied research, pilot lines, early product validation actions, advance manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.

ERDF Operational Programme⁹ Specific Objectives

1.2: Increase investment in research and innovation by small and medium enterprises in sectors and technologies identified through smart specialisation.

1.3: Increase the number of small and medium sized enterprises engaged in knowledge exchange, collaborative and contract research and innovation with research institutions, public institutions or large enterprises in order to help them bring new products and processes to market.

ESIF ERDF Investment Total 2014- 2020 £5,961,631 excluding match. Target 2023 Euros including match €16,793,328

⁹ Refers to the European Regional Development Fund England Operational Programme (OP) 2014 to 2020 [ERDF OP](#)

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Coast to Capital's intervention areas and activities under ERDF Priority Axis 1

35. To maintain our competitive edge we need to focus on the knowledge-based businesses which will create growth in the future. Through research-led innovation to bring new products and service to market, we will help to stimulate the growth of business sectors and clusters within the region, with a focus on a small number of key sectors and technologies. The opportunity is to generate sustainable, knowledge-led employment in deeply embedded clusters, driven by effective triple helix engagement between the private sector, the public sector and higher education.
36. As well as our current sectoral strengths we must also consider the future competitive advantages of the area. By exploiting our research strengths, as well as trends in future technologies we will drive innovation and growth. Our approach is based on research carried out to support our Strategic Economic Plan¹⁰ and the concept of Smart Growth which is aimed at developing the innovation potential of regions, recognising that the capacity to innovate is dependent on local factors including business culture, skills, education, research capacity, investment and finance and creative potential. It is underpinned by two core components: Smart Specialisation, and the creation of innovation-friendly business environments for SMEs. Smart Specialisation strategies build on existing strengths and capabilities in a thematic way, concentrating resources on a few key priorities rather than spreading investments thinly across areas and business sectors. Smart Specialisation has the potential to stimulate private investment, ensure that research and innovation resources reach a critical mass, promote local business cluster activity and supply chains and provide a focus for inward investment and exporting. It is about identifying those areas that our area can be known for, which is currently not clear for Coast to Capital.
37. The following research and technology futures have been identified in the Coast to Capital Regional Innovation Strategy (RIS) strategy:¹¹
- Connected Digital Economy including, creative digital IT, software development, Big Data;
 - Bioscience including Medical Technologies (Life Sciences);
 - Electronics potentially further focused on vehicle electronics and sensors;
 - Environmental/Renewable Technologies.

¹⁰ Source: “*Developing Networks of Innovation – Space to be Creative*”, Cooper, D., October 2013, University of Chichester

¹¹ See SEP for more information on the RIS

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Coast to Capital's Intervention Areas under ERDF Priority Axis 1

Coast to Capital ERDF Intervention Area 1. Promote SME/HEI/public sector collaborative research and innovation and commercialisation, including collaboration with HEIs and local business research and innovation institutes within and across our five priority sectors and our specialised technology futures.

Rationale for intervention/ market failure

Low levels of innovation in Coast to Capital act as a barrier to growth. Although on some areas of innovation such as process and service innovation we perform relatively well, on high technology, knowledge intensive research and investment our performance is lagging. Our research shows our priority sectors have strengths but are not currently world class and nor are our HEIs, (Witty Report). There is limited linkage between our priority sectors and HEI research facilities. There has been little in the way of funding awards for research centres aligned for new technologies in the area. There is limited current engagement by local SMEs with HEIs and local private sector centres of expertise although we have several in our area.

There appears to be a market failure in terms of the required levels of technology intensive innovation and R&D being achieved by the market alone. Brief evidence is contained in our SWOT analysis paras 188-9 and more evidence is contained in our economic assessment and our separate report on innovation in our area. However, there are sectors, technologies and research specialisms which could be exploited. Both SMEs and HEIs will benefit from R&D and innovation interactions and long term relationships. Cross sector technology and knowledge transfer opportunities are limited.

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| Coast to Capital's interventions under ERDF Priority Axis 1. | ERDF Investment Priority (IP) and Specific Objective | Indicative activities from the ERDF Operational Programme |
|---|---|---|
| <p>CtoC Intervention Area 1 (ERDF). Promote SME/HEI/public sector collaborative research and innovation and commercialisation, including collaboration with HEIs and local business research and innovation institutes within and across our five priority sectors and our specialised technology futures.</p> | <p>ERDF Investment Priority 1b: Promoting business investment in R&I. Developing links and synergies between enterprises, research and development centres and the Higher Education sector, in particular:</p> <ul style="list-style-type: none"> • promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation; • supporting technological and applied research, pilot lines, early product validation actions, advance manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies. <p>ERDF Specific Objective 1.2. Increase investment in research and innovation by SMEs in sectors and technologies identified through Smart specialisation.</p> <p>ERDF Specific Objective 1.3. Increase the no. of SMEs engaged in knowledge exchange, collaborative and contract research and innovation with research institutions, public institutions or large enterprises in order to help them bring new products and processes to market.</p> | <ul style="list-style-type: none"> • Support for smart specialisation collaborative and contract research and development including initiatives stimulating and facilitating productive innovation partnerships; • Support for the commercialisation of new products and business processes and initiatives, particularly targeted to aid innovation in the Eight Great technologies as set out in “Smart Specialisation in England”; • Collaborative and contract research and development programmes; • Applied research programmes, particularly targeted at sectors and technologies set out in smart specialisation in England; • Innovation support programmes for product design and development and systems integration; • Schemes stimulating and enabling graduate start-ups and spin offs from universities, colleges and research institutions; • Technology support programmes and demonstrator projects and programmes for current and future technologies; • Knowledge transfer programmes, particularly linked to priority growth sectors and the technologies set out in Smart Specialisation in England; • Support to engage more businesses in knowledge transfer and innovation, develop links to wider Higher Education institutions and research institutions and demonstrate the benefits of working with knowledge base partners; • Activities promoting a smart specialisation approach and initiatives that develop the supportive environment for innovation in SMEs including the promotion of networks and industry groups in key sectors; |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital Intervention Area 1 (ERDF): This is what we are going to do | | |
|---|--|---------------|
| <p>We will draw up a detailed innovation strategy for our area, based on our priority sectors and technologies and drawing on best practice in smart specialisation;</p> <p>We will provide an Innovation portal to help to overcome information failures among SMEs who are not aware of the benefits and have had little or no links to HEIs and research institutes;</p> <p>We will work with our five HEIs and appropriate sector organisations to identify lead institutions for each of our priority sectors and ask them to establish innovation partnerships, including links to Catapults and other relevant institutions. The innovation partnerships will establish links with SMEs and provide them with innovation support, for example through innovation voucher schemes. They will work with them to develop new, commercially applicable research; Technology based research can be very costly and our total budget of circa £6m ex match for 2014-20 could easily be used on one or two key projects. We will therefore give priority to research projects that can demonstrate added value in terms of using ESIF to access additional funding;</p> <p>We will also support graduate spin-outs from our HEIs for start-ups in our priority sectors.</p> | | |
| ESIF ERDF Investment Total 2014- 2020 £5,961,631 excluding match. Target 2023 Euros including match €16,793,328 | | |
| Strategic Impact | | |
| <ul style="list-style-type: none"> • Increased commercialisation of innovation/bringing innovations to market/help to SMEs to monetise innovations • Increased knowledge transfer between HEIs, centres of expertise and SMEs | | |
| Code | Targets ERDF Priority Axis 1 Investment Priority 1b | 2023 |
| CO01 | No. of enterprises receiving support | 321 |
| CO02 | No. of enterprises receiving grants | 225 |
| CO03 | No. of enterprises receiving financial support other than grants (loans) | 6 |
| CO04 | No. of enterprises receiving non-financial support | 78 |
| CO05 | No. of new enterprises supported | 27 |
| CO06 | Private investment matching public support to enterprises (grants) | 272,392 euros |
| CO07 | Private investment matching public support to enterprises (non-grants) | 381,063 euros |
| CO08 | Employment increase in supported enterprise | 26 |
| CO26 | No of enterprises co-operating with research institutions | 174 |
| CO28 | No. of enterprises supported to introduce new to the market products | 26 |
| CO29 | No. of enterprises supported to introduce new to the firm products | 51 |
| P2 | Public or commercial buildings built or renovated sq. metres | 139 |

ERDF Priority Axis 3: Enhancing the Competiveness of SMEs

ERDF Operational Programme Investment Priority 3a:

Promoting entrepreneurship

Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.

ERDF Operational Programme¹² Specific Objectives

3.1 Increase entrepreneurship, particularly in areas with low levels of enterprise activity and amongst under-represented groups.

ERDF Operational Programme Investment Priority 3c:

Supporting the creation and the extension of advanced capacities for products, services and development

ERDF Operational Programme Specific Objectives

3.2 Increase growth capacity of SMEs

ERDF Operational Programme Investment Priority 3d:

Supporting the capacity of small and medium enterprises to grow in regional, national and international markets and to engage in innovation processes.

ERDF Operational Programme Specific Objectives

3.3. Increase growth capability of SMEs

ESIF ERDF Investment Total 2014- 2020 £13,060,959 excluding match. Target 2023 Euros including match €36,791,434

¹² Refers to the European Regional Development Fund England Operational Programme (OP) 2014 to 2020 [ERDF OP](#)

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

Coast to Capital's Intervention Areas and Activities under ERDF Priority Axis 3:

38. There are significant variations in business performance, internationalisation and levels of entrepreneurship across our area and our priority sectors include industries where the business base is small and fragile. We aim to develop longer term sector, cluster and supply chain development programmes which have proved to have a significant impact on regional and sub-regional economic growth elsewhere.
39. More widely, we know that the coverage of business support services in our area is variable and, whilst in some areas such as export there are a wide variety of services, there is a lack of coherence and SMEs can find it difficult to access the right help. A major thrust for our activities will be improving the connectivity and accessibility of business support services for businesses at all stages of development to encourage growth and internationalisation.
40. A key part of our strategy is to target enterprise in underperforming areas, focusing on those areas where business start-up rates and entrepreneurship are significantly lower and overcoming barriers e.g. access to markets.
41. We also have a priority to increase the numbers of businesses who trade internationally. Our research has shown that one in six businesses in the Coast to Capital area trades internationally but that this is lower than the UKTI national figure of a quarter of all businesses exporting abroad. We will actively target companies with a high propensity to export and aim to increase international activity in our priority sectors, among those companies exploiting our technology futures and in our priority areas.

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

Coast to Capital's Intervention Areas under ERDF Priority Axis 3

Coast to Capital Intervention Area 2 (ERDF): Develop growth capacity and ambition for SMEs and strengthen their supply chains in our priority sectors and clusters, among businesses exploiting our Technology Futures and in priority areas.

Provide intensive support for potential high growth businesses in sectors of economic significance e.g. in the clean, green and marine industries, land-based businesses, tourism, food and drink through promoting innovation and other high performance practices and enabling investment readiness and much greater internationalisation.

***Rationale for intervention/ market failure:** Our priority sectors have growth potential and there are some signs of clustering. However, they are not currently world class (Witty report) many businesses are small or micro, networking and interactions e.g. with HEIs and knowledge centres at home and abroad are weak and the clusters are not embedded in the local area with the possible exception of CDIT in Brighton. Their local supply chains are fragmented and goods and expertise are often imported from outside the area.*

There are businesses in our area that have achieved recent high growth in spite of the adverse economic conditions, which are not in our priority sectors but are in sectors of economic importance e.g. land-based, food and drink and tourism which are a vital feature of our local economy and provide local employment, particularly for rural communities. Without strong local connections, they may move elsewhere. There is currently an information/ connectivity market failure. Without intervention it is unlikely that cluster connectivity will develop and companies may relocate. The evidence for the market failure is contained in the SWOT analysis Component 2 and in our economic assessment

Coast to Capital Intervention Area 3 (ERDF): Improve business support for all stages of SME development and growth including support for business start-up, leadership and management, innovation and internationalisation, using private and public sector providers and provide business start-up support focussed on the needs of underperforming areas and sections of the community.

***Rationale for intervention/ market failure**¹³ Levels of entrepreneurship vary widely across our area and between sections of our community. There is a need to target business support in underperforming areas and sections of the community which currently miss out and have lower levels of entrepreneurship. There is a wide range of business support both public and private sector e.g. over 80 export services alone. It is not coherent or joined up and SMEs find it difficult to navigate. In spite of our strategic location, the presence of businesses in sectors with high export propensity and our international transport connections, levels of internationalisation remain low. There is an information market failure.*

¹³ See SWOT in Part 2 and our separate Economic Assessment for supporting evidence

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital's interventions under ERDF Priority Axis 3 | ERDF Investment Priorities and Specific Objectives | Indicative activities from the ERDF OP |
|---|--|--|
| <p>C to C Intervention Area 2 (ERDF): Develop growth capacity and ambition for SMEs and strengthen their supply chains in our priority sectors and clusters, among businesses exploiting our Technology Futures and in priority areas.</p> <p>Provide intensive support for potential high growth businesses in sectors of economic significance e.g. in the clean, green and marine industries, land-based businesses, tourism, food and drink through promoting innovation and other high performance practices and enabling investment readiness and much greater internationalisation.</p> | <p>ERDF Investment Priority 3c Supporting the creation and extension of advanced capacities for products services and developments</p> <p>ERDF Specific Objective 3.2 Increase growth capacity of SMEs</p> | <ul style="list-style-type: none"> • Provision of advice to develop new business models or higher quality products, processes or services; • Advice and support for businesses to implement productivity improvements including through the provision of resource efficiency advice; • Advice to improve business processes and workforce development; • Advice and support for supply chain interventions to strengthen and grow the domestic supplier base; • Provision of advice, consultancy support, mentoring, peer to peer support, and support for collaborative projects; • Provision of independent access to finance advice; • Provision of land and premises for employment sites, including incubation space, managed workspace, or grow-on space. |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital Investment Area 2: This is what we are going to do | | |
|--|--|--------------------|
| <p>We will establish sector/cluster networks for each of our priority sectors and sectors of significance. Where they already exist and are successful, e.g. Wired Sussex, we will build on what is already there to ensure that it is available as widely as possible. The sector/cluster networks will bring together SMEs, large companies with supply chains in the area, industry expertise and business support organisations to develop a plan for each sector/ cluster, drawing on expertise from the EC Cluster initiatives This plan will set out the business support needs, a gap analysis for specialist, sectoral, business support which does not currently exist or is insufficient and the steps to address the gaps. We will target firms with growth capacity. The business support that will be provided will, for each sector/cluster include:</p> <ul style="list-style-type: none"> • Supply chain development • Growth strategy development, networking and peer-to-peer support and Internationalisation support • Support for increased productivity, quality and lean manufacturing, reduced waste, environmental support etc. | | |
| ESIF ERDF Investment 2014 – 2020 £5,877,432 excluding match Target 2023 Euros including match €16,556,146 | | |
| Strategic Impact | | |
| <ul style="list-style-type: none"> • Embedded sector and clusters in our area • Local supply chain development and broader value chain development • Improved image for Coast to Capital as a centre of high value added business sectors and clusters and as a centre of sectoral expertise | | |
| | Targets ERDF Priority Axis 1 Investment Priority 3c | 2023 Target |
| CO01 | No. of enterprises receiving support | 603 |
| CO02 | No. of enterprises receiving grants | 403 |
| CO03 | No. of enterprises receiving financial support other than grants (loans) | 55 |
| CO04 | No. of enterprises receiving non-financial support | 157 |
| CO05 | No. of new enterprises supported | 189 |
| CO06 | Private investment matching public support to enterprises (grants) | 2,554,113 euros |
| CO07 | Private investment matching public support to enterprises (non-grants) | 823,525 euros |
| CO08 | Employment increase in supported enterprises | 248 |
| CO29 | No. of enterprises supported to introduce new to the firm | 95 |
| P13 | No. of enterprises receiving information, diagnostic and | 61 |
| P2 | Public or commercial buildings built or renovated sq. metres | 75 |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital high level priorities: ERDF Priority Axis 3 | ERDF OP Investment Priority and Specific Objective | Indicative activities from the ERDF OP |
|---|--|---|
| <p>C to C Intervention Area 3 (ERDF). Improve business support for all stages of SME development and growth including support for business start-up, leadership and management, innovation and internationalisation, using private and public sector providers and provide business start-up support focussed on the needs of underperforming areas and sections of the community.</p> | <p>ERDF Investment Priority 3a Promoting entrepreneurship in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms</p> <p>ERDF Specific Objective 3.1 Promoting entrepreneurship, particularly in areas with low levels of enterprise activity and amongst under-represented groups</p> <p>ERDF Investment Priority 3d Supporting the capacity of small and medium enterprises to grow in regional, national and international markets and to engage in innovation processes.</p> <p>ERDF Specific Objective 3.3. Increase the growth capability of SMEs</p> | <ul style="list-style-type: none"> • Provision of advice and support for entrepreneurship and self-employment in particular amongst under-represented groups by developing entrepreneurial skills and attitudes • Provision of advice and support for new business start-ups to survive and grow; • Outreach, coaching, mentoring, networking and consultancy support to promote business start-up, survival and growth;. • Provision of efficient local referral routes to ensure that SMEs are able to identify and access the most appropriate and tailored support for their specific growth needs; • Support for SMEs to develop focused growth strategies and update or introduce new business models which will drive business performance; • Advice and support for SMEs to enter, establish and expand in new domestic and international markets; • Advice and support for businesses to become investment ready; • Provision of advice, consultancy, mentoring and peer-to-peer support to indigenous businesses and inward investors (SMEs from outside the EU who will move to England); • Leadership and management coaching where connected to the development and implementation of a business growth plan; • Support events, trade fairs and missions to enable SMEs to enter, establish and expand in new domestic and international markets; • Provision of advice and consultancy on access to finance. |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital Intervention Area 3: This is what we are going to do | | |
|---|--|--------------------|
| <p>We will build on the Coast To Capital Business Navigator Growth Hub to ensure that services are promoted coherently and the business advice information failure is overcome, including support for SMEs and start-ups to become investment ready and gain access to finance. Working with existing providers in the public, private and third sectors, we will establish a consistent and coherent offer for start-ups in our area, including pre start which will be accessed via the Business Navigator portal. For those with particular needs, under-represented groups and those using self-employment as a route out of unemployment or under-employment, additional support will be made available, based on need, for example, targeted support for specific groups e.g. women, BAME;</p> <p>We will develop additional measures to boost exports and develop the pipeline of exporters in our area so that we can increase demand for UKTI services for exporters e.g. International Trade Advisers. We will support the ASEAN Business Hub to stimulate international trade between Coast to Capital's businesses and the growing ASEAN markets;</p> | | |
| ESIF ERDF Investment 2014-2020 £7,183,527 excluding match. Target 2023 Euros including match €202,235,286 | | |
| Strategic Impact | | |
| <ul style="list-style-type: none"> • Increased numbers of new businesses and better survival rates • Greater capacity on the part of businesses to plan, succeed and grow • Greater ability for businesses to access European/international markets and increased exports | | |
| | Targets ERDF Priority Axis 3: Investment Priority 3a (entrepreneurship) | 2023 Target |
| CO01 | No. of enterprises receiving support | 236 |
| CO02 | No. of enterprises receiving grants | 156 |
| CO03 | No. of enterprises receiving financial support other than grants | 21T |
| CO04 | No. of enterprises receiving non-financial support | 61 |
| CO05 | No. of new enterprises supported | 183 |
| CO06 | Private investment matching public support to enterprises (grants) | 821,006 euros |
| CO07 | Private investment matching public support to enterprises (non-grants) | 26,508 euros |
| CO08 | Employment increase in supported enterprises | 96 |
| CO28 | No. of enterprises supported to introduce new to the market products | 18 |
| P11 | No. of potential entrepreneurs assisted to be enterprise ready | 747 |
| P2 | Public or commercial buildings built or renovated sq. metres | 29 |

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| | Targets ERDF Priority Axis 3: Investment Priority 3d (growth) | 2023 Target |
|------|--|--------------------|
| CO01 | No. of enterprises receiving support | 337 |
| CO02 | No. of enterprises receiving grants | 225 |
| CO03 | No. of enterprises receiving financial support other than grants (loans) | 32 |
| CO04 | No. of enterprises receiving non-financial support | 88 |
| CO05 | No. of new enterprises supported | 107 |
| CO06 | Private investment matching public support to enterprises (grants) | 1,565,520 euros |
| CO07 | Private investment matching public support to enterprises (non-grants) | 525,186 euros |
| CO08 | Employment increase in supported enterprises | 140 |
| CO29 | No. of enterprises support to introduce new to the firm products | 54 |
| P13 | No. of enterprises receiving information, diagnostic and brokerage | 34 |
| P2 | Public or commercial buildings built or renovated sq. metres | 42 |

ERDF Priority Axis 4: Supporting the Shift Towards a Low Carbon Economy in All Sectors

ERDF Operational Programme Investment Priority 4a:

Promoting the production and distribution of energy derived from renewable sources

ERDF Operational Programme¹⁴ Specific Objectives 4.1:

Increase the number of small scale renewable energy schemes in England

ERDF Operational Programme Investment Priority 4b: Promoting energy efficiency and renewable energy use in enterprises

ERDF Operational Programme Specific Objectives 4.2:

Increase energy efficiency, in particular, in SMEs including through the implementation of low carbon technologies

ERDF Operational Programme Investment Priority 4c:

Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings and in the housing sector.

ERDF Operational Programme Specific Objectives 4.3:

Increase energy efficiency in homes and public building, including through the implementation of low carbon technologies

ERDF Operational Programme Investment Priority 4e: Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures

ERDF Operational Programme Specific Objectives 4.4:

Increase implementation of whole place low carbon solutions and decentralised energy measures.

ERDF Operational Programme Investment Priority 4f:

Promoting research and innovation in, and adoption of, low-carbon technologies

ERDF Operational Programme Specific Objectives 4.5:

Increase innovation in, and adoption of, low-carbon technologies

ESIF ERDF Investment Total 2014- 2020 £ excluding match. Target 2023 Euros including match €11,275,673

¹⁴ Refers to the European Regional Development Fund England Operational Programme (OP) 2014 to 2020 [ERDF OP](#)

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

Coast to Capital's strategic priorities and activities under ERDF Priority Axis 4:

42. Decarbonising the economy is a major part of achieving sustainable and balanced growth and complements the Europe 2020 strategy for smart, sustainable and inclusive growth. In the area of low carbon, relevant EU goals are:
- reducing Green House Gas (GHG) emissions by 20% compared to 1990 levels;
 - increasing the share of renewables in final energy consumption to 20%; and
 - moving towards a 20% increase in energy efficiency.
43. The UK has targets in each of these three areas and aims to achieve the following by 2020:
- reducing GHG emissions by 34% compared to 1990 levels;
 - increasing the share of renewable energy to 15%; and
 - enhancing the energy efficiency of homes, business and transport.
44. The UK GHG emissions are currently 11% below the target and only 3.8% of all energy is currently produced from renewables. Progress on energy efficiency of homes, businesses and transport is being made but there is still more to do. The Government view is that ESI funding should be focused on activities to improve energy efficiency and to create jobs and growth in low carbon technologies, rather than major infrastructure projects. Government guidance places particular emphasis on building the market in low carbon environmental goods and services, non-domestic sector deployment of low carbon technologies, whole place low carbon solutions and low carbon innovation.
45. We have a growing Low Carbon, Environmental Goods and Services (LCEGS) sector well as leading companies with strengths in energy efficient technologies. There is also high level expertise among our local institutions, e.g. the Sussex-based Green Growth Platform supports HEI/FEI innovation in the LCEGS sectors. Brighton & Hove City Council actively promotes sustainable growth, e.g. sustainable construction, though its planning and other policies whilst the South Downs National Park Authority has identified the low carbon energy sector as a key priority for the development of the rural economy. Two colleges, Brinsbury and Plumpton, are National Academy Hubs for the renewable energy sector. The Brighton & Hove and Lewes Downs Biosphere project promotes a world-class environment by supporting sustainable socioeconomic development that is integrated with the area's natural environment and sustains the ecosystem services on which its prosperity depends. We aim to capitalise on our strengths in this area to support the shift to a low carbon economy through activities that accelerate the development, innovation, adoption and deployment of low carbon technologies and related supply chains.

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

Coast to Capital Intervention Area 4 Support our LCEGS sector and develop its supply chains. Provide support for SMEs across the local economy to innovate, develop and deploy low carbon solutions. Promote the transfer of low carbon technologies between sectors. Support SMEs to engage in knowledge transfer with HEIs and FEIs to commercialise low carbon solutions. Support the development and take up of low carbon and renewable energy in homes and businesses.

Rationale for intervention/market failure Sustainable growth requires ever increasing efficiency and reduction in emissions. Our sectoral, institutional and other advantages mean we have a major opportunity to take a strategic approach to environmental sustainability in our area and support the move to low carbon through for example, the development and take up of renewables, adoption of alternative fuels (e.g. biomass) and promotion of energy efficiency in enterprises and homes. There is also scope for innovation and technology transfer / spill over of energy saving benefits across sectors. The LCEGS sector is a key part of our Environmental Technologies industry and we want to develop the sector and its supply chains further, as well promoting the interactions between it and wider economy, working with partners such as the Sussex Energy Saving Partnership.

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital interventions under ERDF Priority Axis 4 | ERDF Investment Priorities and Specific Objectives | Indicative activities from the ERDF OP, relevant to our Strategy |
|---|---|---|
| <p>C to C Intervention Area 4: Support our LCEGS sector and develop its supply chains.</p> | <p>ERDF Investment Priority 4a: Promoting the production and distribution of energy derived from renewable sources ERDF Specific Objective 4.1 Increase the number of small scale renewable energy schemes in England</p> | <ul style="list-style-type: none"> Measures to support increased production of renewable fuels and energy, in particular, wind energy solar and biomass Support to build capacity for supply chains in renewable energy. |
| <p>C to C Intervention Area 4 continued: Provide support for SMEs to innovate, develop and deploy low carbon solutions.</p> | <p>ERDF Investment Priority 4b: Promoting energy efficiency and renewable energy use in enterprises ERDF Specific Objective 4.2 Increase energy efficiency in particular in SMEs, including through the implementation of low carbon technologies</p> | <ul style="list-style-type: none"> Enhanced advice, support, information and action to promote innovation in businesses and how they operate, in order to deliver best practice in energy management. This will include innovation in energy efficiency and energy cost reduction to improve businesses' competitiveness and resilience; Support for businesses to undertake 'green' diagnostics or audits of energy efficiency and potential for renewable generation and energy use, which will be followed by provision of energy efficiency information and guidance, tailored energy action plans and of support to implement them; Investing in energy efficiency measures, processes and renewable generation capacity to improve a business' or building's environmental performance or its resilience to the impacts of climate change; Supporting an increase in energy efficiency in enterprises including an emphasis on "whole place" especially through improving industrial processes, designing out waste, recovery of "waste" heat energy and CHP; |
| <p>C to C Intervention Area 4 continued: Support the development and take up of low carbon and renewable energy in homes and businesses.</p> | <p>ERDF Investment Priority 4c: Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector ERDF Specific Objective 4.3: Increase energy efficiency in homes and public buildings, including through the implementation of low carbon technologies</p> | <ul style="list-style-type: none"> Provision of advice and support to increase the use and take up of low carbon technologies, energy efficiency measures, renewable energy technologies and smart energy systems in housing stock and public buildings; Investing in building retrofit, energy efficiency measures, renewable and smart energy systems deployment, especially whole building or place solutions exemplifying next phase technologies which are near to market; Investing in domestic energy efficiency, renewable energy and smart construction techniques |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital interventions under ERDF Priority Axis 4 | ERDF Investment Priorities and Specific Objectives | Indicative activities from the ERDF OP, relevant to our Strategy |
|---|--|--|
| <p>C to C Intervention Area 4 continued: Promote the transfer of low carbon technologies between sectors</p> | <p>ERDF Investment Priority 4e: Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures ERDF Specific Objective 4.4: Increase implementation of whole place low carbon solutions and decentralised energy measures.</p> | <ul style="list-style-type: none"> • Investments to encourage the adoption of renewable technologies |
| <p>C to C Intervention Area 4 continued: Support SMEs to engage in knowledge transfer with HEIs and FEIs to commercialise low carbon solutions</p> | <p>ERDF Investment Priority 4f: Promoting research and innovation in, and adoption of, low-carbon technologies ERDF Specific Objective 4.5: Increase innovation in, and adoption of, low carbon technologies</p> | <ul style="list-style-type: none"> • Technology centres of excellence and test facilities, • Knowledge transfer with HE/FE institutions and businesses; • Supporting low carbon tech start-ups and greater commercialisation of low carbon products and processes; • Research, development and innovation and supply chain development for low carbon and resource efficient technologies and materials including small scale pilot programmes that test the market. |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital Intervention Area 4 (ERDF): This is what we are going to do | | | | | | |
|---|---|--------------|--------------|--------------|--------------|--------------|
| Develop the Low Carbon Environmental Goods and Services sector through the provision of specialist business support, skills development and support for commercialising innovation with a focus on sub sectors where Coast to Capital has an existing strength. Stimulate demand for low carbon solutions and technologies in the wider economy through targeting sectors where solutions will provide efficiency gains, significant carbon reduction impacts and/or wider environmental benefits e.g. construction, public sector, etc. | | | | | | |
| ESIF ERDF investment total 2014-2020: £5,637,836 Target 2023 Euros including match €15,881,228 excluding match | | | | | | |
| Strategic Impact | | | | | | |
| <ul style="list-style-type: none"> • A thriving and growing LCEGS sector • Increased take up of low carbon solutions and technologies by businesses in all sectors • Reduced emissions • Increased marketisation of low carbon solutions | | | | | | |
| Code | ERDF Priority Axis 4 Investment Priorities 4a;4b;4c;4e and 4f.Targets 2023 | IP 4a | IP 4b | IP 4c | IP 4e | IP 4f |
| CO01 | No. of enterprises receiving support | 10 | 130 | | 164 | 19 |
| CO05 | No. of enterprises receiving non-financial support | 2 | | | | 3 |
| CO26 | No. of enterprises co-operating with research institutions | | | | | 2 |
| CO29 | No. of enterprises supported to introduce new to the firm products | | | | | 3 |
| CO30 | Additional capacity of renewable energy production MW | 1 | | | | |
| CO31 | No. of households with improved energy consumption classification | | | 58 | | |
| CO32 | Decrease of annual primary energy consumption of public buildings kwh/year | | | 55,517 | | |
| CO34 | GHG reduction Estimated annual decrease of GHG Tonnes of CO2 equivalent | 769 | 635 | 918 | 1,416 | 248 |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

ESF Headline Allocations and Performance Framework Targets

ESF Performance Framework Targets

| Priority axis | ID | Fund | Category of region | Key implementation step or indicator | Measurement unit | Milestone total for 2018 Euros inc. match | Milestone men for 2018 | Milestone women for 2018 | Final men target (2023) | Final women target (2023) | Final target (2023) Euros inc. match | ESF £s net |
|--|----|------|--------------------|--------------------------------------|------------------|---|------------------------|--------------------------|-------------------------|---------------------------|--------------------------------------|------------|
| 1 | 1 | ESF | More Developed | Amount of spend | Euros | 5,705,552 | | | | | 30,429,612 | 10,802,512 |
| 1 | O1 | ESF | More Developed | Participants | Number | 2,096 | 1,139 | 957 | 6,060 | 5,090 | 11,150 | |
| 2 | 1 | ESF | More Developed | Amount of spend | Euros | 6,519,314 | | | | | 34,769,676 | 12,343,235 |
| 2 | O1 | ESF | More Developed | Participants | Number | 2,468 | 1,209 | 1,260 | 6,430 | 6,700 | 13,130 | |
| NB Financial figures include match funding in this table, to make it consistent with the OP equivalent table. | | | | | | | | | | | | |

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| ESF Investment Priority | Euros | £s | |
|-------------------------|-------------------|-------------------|--|
| IP 8i (1.1) | 6,621,269 | 4,701,101 | Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility |
| IP 8ii ESF (1.2) | 1,684,237 | 1,195,808 | Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee |
| TO8 Total | 8,305,506 | 5,896,909 | |
| IP 9i (1.4) | 6,909,300 | 4,905,603 | Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability |
| TO9 total | 6,909,300 | 4,905,603 | |
| PA1 Total | 15,214,806 | 10,802,512 | |

These figures do not include match

| ESF Investment Priority | Euros | £s | |
|-------------------------|-------------------|-------------------|--|
| IP 10iii (2.1) | 14,372,704 | 10,204,620 | Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences |
| IP 10iv (2.2) | 3,012,134 | 2,138,615 | Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes |
| TO10 / PA2 Total | 17,384,838 | 12,343,235 | |
| TOTAL | 32,599,644 | 23,145,747 | |

ESF Priority Axis 1: Inclusive Labour Markets

ESF Operational Programme Investment Priority 1.1: Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

ESF Operational Programme¹⁵ Specific Objectives

1.1.1 To improve the employability of long-term unemployed people so that they can compete effectively in the labour market.

1.1.2. To provide individuals from groups which face particular labour market disadvantage with additional support so that they can compete effectively in the labour market.

1.1.3 To encourage inactive people to participate in the labour market and improve their employability.

1.1.4 To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.

1.1.5 To provide support for women at a disadvantage in the labour market and particularly those who are currently inactive to contribute to reducing the gender employment gap

ESF Operational Programme Investment Priority 1.2: Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

ESF Operational Programme Specific Objectives

1.2.1.To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities.

ESF Specific Objective

1.2.2.To engage marginalised 15-18 year olds and support them to re-engage with education or training.

1.2.3.To address the basic skills needs of young NEETS so that they can compete effectively in the labour market.

¹⁵ Refers to the European Social Fund Operational Programme (OP) 2014 to 2020 [ESF OP](#)

1.2.4. To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds

1.2.5. To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).

ESF Operational Programme Investment Priority 1.4 Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

ESF Operational Programme Specific Objectives:

1.4.1. To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to, or into, the labour market

1.4.3 To engage marginalised individuals and support them to re-engage with education, training or in employment

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Coast to Capital's Intervention Areas and Activities under ESF Priority Axis 1

46. Although employment rates are, on the whole, relatively high in Coast to Capital, nevertheless there are geographic areas and sections of the community that are not benefiting equally from the economic and social opportunities our area has to offer. There are significant numbers of unemployed individuals, including young unemployed people and those who are long-term unemployed (LTU) or who have never worked. There also areas where there are high numbers of young people who are not in employment, education or training (NEET). Young males are particularly disadvantaged in the labour market.
47. Although Coast to Capital is perceived to be an affluent area, there are areas of relative deprivation, significant levels of worklessness and numbers of households which are deprived on all four dimensions. Sections of the community such as lone parents and the disabled face additional challenges. In certain areas, wage levels are low, the employment on offer is often unattractive and some seaside towns require regeneration if they are not to decline further economically and socially. Individuals often face multiple barriers: as well as low and outdated skills, digital exclusion, health issues, lack of affordable childcare or affordable transport.
48. At the same time, employers often report difficulties attracting and retaining staff to unattractive work in low status sectors. We are fortunate in having a strong community and voluntary sector with an in-depth understanding of the issues. We will build on this to develop multi-strand, wrap around and longer term solutions with an effective reach into the community and to develop community capacity and leadership.
49. We intend to address these challenges in areas where we can provide additionality by focussing on the extra actions that need to be taken in the local context where there is clear evidence that the problem will not right itself and where there is a case for additional intervention. We have not specified the precise geographies where these actions will be targeted as local circumstances can change rapidly, for example if a large employer closes down and, in any case, pockets of deprivation can exist side by side with relative affluence, particularly in rural areas and along the coast. We will be expecting potential delivery partners to make the case for intervention in their areas.
50. It is particularly important that we do not duplicate other publicly funded services on offer for example through Jobcentre Plus or through local authority provision. The activities supported will need to demonstrate close liaison with local agencies and the community and voluntary sectors. Our analysis of current provision is set out in the section on links to national programmes.
51. Our target groups for activities funded under PA1 are those at a significant disadvantage in the labour market including:
 - Long-term unemployed, particularly women and young people under 25 and disabled people or members of BAME groups;
 - Those who lack basic skills.

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- Those with low level or outdated skills;
- Economically inactive people
- Young people who are NEET or at risk of becoming so;
- Lone parents;
- People suffering from mental health issues.
- Those with complex barriers to overcome

Coast to Capital Intervention Areas under ESF Priority Axis 1

C to C Intervention Area 5 (ESF): Develop innovative longer-term interventions from pre-work support through to sustained employment for those in target groups and local communities, including rural communities, with high rates of disadvantage or unemployment. Solutions will include working with employers to understand and help them meet the needs of LTU, NEETs, NEETs 18+ younger and older workers and others.

Rationale for intervention/market failure: *Although our employment rates are higher than average and above the EU 2020 target of 75%, there are still significant numbers of unemployed in our area and high youth unemployment is a particular issue. There are groups who find it difficult to access and maintain secure employment. Supporting those in target groups to access employment and helping employers to support them can pay dividends in terms of individual progression and staff retention and motivation. Employers are often willing to take on people from target groups if additional support is available especially for small and micro businesses who can miss out on the national support available e.g. from the National Apprenticeship service (NAS). Poverty and social exclusion are often hidden in rural areas, yet rural residents face increased costs e.g. fuel and transport and reduced access to employment and learning opportunities as can those in other priority areas e.g. coastal communities*

C to C Intervention Area 6 (ESF): Assisting and supporting employment and self-employment and new employment models e.g. social enterprises and cooperatives for those in target groups including the long term unemployed young people and the disabled with few or no qualifications in rural, coastal and other areas with higher than average unemployment and deprivation

Rationale for intervention/market failure: *New business models and practices such as remote working, home-working and social enterprise do not always benefit those in greatest need of employment. There is an information market failure and start-up support is lacking for this area of the labour market. Some groups e.g. disabled, disadvantaged, families with complex needs require additional support. Female self-employment rates are significantly lower than those of males. Young people are particularly disadvantaged in the labour market in the current*

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economic climate and require additional support into employment and understanding what is available. Self-employment can sometimes provide a viable option, if additional support is available.

C to C Intervention Area 7 (ESF): Develop wrap-around, multi-agency support for the LTU, NEETs, NEETs 18+, younger and older workers, lone parents, disabled, families with complex needs and other target groups e.g. travel to work, in-work support, finance and debt management, alcohol harm reduction, basic skills training etc.

Rationale for intervention/market failure: *Multiple barriers to accessing and sustaining work often prevent those in target groups from moving into and on through employment. If they are tackled in an holistic and integrated way and through early intervention, outcomes can be improved. Working with young people to increase their resilience in workless households and facing other barriers can break the cycle. In Coast to Capital, there are pockets of deprivation, substantial numbers of workless households and youth unemployment is a particular area of concern. Although there is national provision and local provision aimed at these target groups and designed to provide flexible, multi-agency support, our analysis shows that there is still more to do and further interventions are needed to address the market failure in services.*

C to C Intervention Area 8 (ESF): Increase social inclusion through developing innovative solutions including asset based community development, developing community leadership and capacity, supporting innovative business models e.g. social enterprises and promoting informal and community learning

Rationale for intervention/market failure: *Creating capacity at local level to offer innovative solutions to service groups and address issues not adequately catered for by the public and private sector can increase social inclusion, improve outcomes and reduce costs. There is a need to equip those who are most disadvantaged with skills for inclusion and employment through organisations that are best placed to deliver which often means local organisations which tend to operate outside mainstream provision.*

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| Coast to Capital Interventions under ESF Priority Axis 1. | ERDF Investment Priorities and Specific Objectives | Indicative activities from the ESF OP, relevant to our Strategy |
|---|--|---|
| <p>C to C Intervention Area 5 (ESF): Develop innovative longer-term interventions from pre-work support through to sustained employment for those in target groups and local communities, including rural communities, with high rates of disadvantage or unemployment. Solutions will include working with employers to understand and help them meet the needs of LTU, NEETs, NEETs 18+ younger and older workers and others.</p> <p>C to C Intervention Area 6 (ESF): Assisting and supporting employment and self-employment and new employment models e.g. social enterprises and cooperatives for those in target groups including the long term unemployed young people and the disabled with few or no qualifications in rural, coastal and other areas with higher than average unemployment and deprivation</p> | <p>ESF Investment Priority 1.1: Access to employment for job seekers and inactive people, including the long term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility</p> <p>ESF Specific Objective 1.1.1 To improve the employability of long-term unemployed people so that they can compete effectively in the labour market.</p> <p>ESF Specific Objective 1.1.2. To provide individuals from groups which face particular labour market disadvantage with additional support so that they can compete effectively in the labour market.</p> <p>ESF Specific Objective 1.1.3 To encourage inactive people to participate in the labour market and improve their employability.</p> <p>ESF Specific Objective 1.1.4 To address the basic skills needs of unemployed and inactive people so that they can compete effectively in the labour market.</p> <p>ESF Specific Objective 1.1.5 To provide support for women at a disadvantage in the labour market and particularly those who are currently inactive to contribute to reducing the gender employment gap</p> <p>SEE ALSO INVESTMENT PRIORITY 1.2 YOUNG PEOPLE, BELOW</p> | <ul style="list-style-type: none"> • Help to identify the barriers individuals face in moving into work (e.g: confidence, lack of recent work experience, or other barriers like debt or transport difficulties) • Additional locally designed support, which builds on national programmes e.g. support for those who need pre-traineeship and pre Work Programme assistance, to prepare them for the next step. • Help people with disabilities and health conditions tackle the barriers they face and provide them with the support and advice they need • Help unemployed people acquire the skills they need to compete for new jobs created by economic growth. • Support additional activities alongside mainstream provision. E.g. additional early interventions for people who are newly unemployed, very long-term unemployed or inactive people • Additional and innovative approaches to pre-employment training, to ensure individuals have the core work-related skills that employers require, including preparation for apprenticeships. • Extra support for long-term unemployed people, including those who have completed the Work Programme. E.g. new approaches to work experience and training, intermediate labour market activity and volunteering opportunities. • Extra support for specific target groups, whose circumstances mean they face particular challenges in getting back to work. activities targeted at women to increase their participation, particularly in occupations or sectors where women are under-represented. • Support people into work in SMEs that are experiencing recruitment difficulties in sectors where market failure can be demonstrated. For example, ESF could support them through skills training and engaging with disadvantaged individuals, to help them access traineeships and apprenticeships • Help to overcome the challenges brought about by the limited range of employment in some rural areas, complementing actions supported by EAFRD |

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| Coast to Capital Interventions under ESF Priority Axis 1. | ERDF Investment Priorities and Specific Objectives | Indicative activities from the ESF OP, relevant to our Strategy |
|---|---|---|
| <p>C to C Intervention Area 5 (ESF) continued: Develop innovative longer-term interventions from pre-work support through to sustained employment for those in target groups e.g. young people and local communities, including rural communities, with high rates of disadvantage or unemployment. Solutions will include working with employers to understand and help them meet the needs of LTU, NEETs, NEETs 18+ younger and older workers and others.</p> <p>C to C Intervention Area 6 (ESF) continued: Assisting and supporting employment and self-employment and new employment models e.g. social enterprises and cooperatives for those in target groups including the long term unemployed, unemployed young people and the disabled with few or no qualifications in rural, coastal and other areas.</p> | <p>ESF Investment Priority 1.2: Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.</p> <p>ESF Specific Objective 1.2.1.To support the rise in the participation age by providing additional traineeship and apprenticeship opportunities.</p> <p>ESF Specific Objective 1.2.2.To engage marginalised 15-18 year olds and support them to re-engage with education or training.</p> <p>ESF Specific Objective 1.2.3.To address the basic skills needs of young NEETS so that they can compete effectively in the labour market.</p> <p>ESF Specific Objective 1.2.4.To provide additional work experience and pre-employment training opportunities to unemployed 18-24 year olds</p> <p>ESF Specific Objective 1.2.5.To support young lone parents to overcome the barriers they face in participating in the labour market (including childcare).</p> | <ul style="list-style-type: none"> • Support additional and complementary measures to increase the number of young people who are in education, employment and training, and to reduce the number who are NEET or at risk of being NEET. • Find and engage NEETS who are marginalised (e.g. through outreach work) so they can benefit from the support on offer E.g.. Innovative approaches, customised training and support and volunteering activities • Support activities to address the needs of target groups such as: young lone parents; looked after children and care leavers; carers; ex-offenders; those involved in gangs; and young people with learning difficulties and disabilities. • Complement traineeships by enhancing or building on existing and planned traineeship provision through wrap-around activity. Provide additional support for disadvantaged young people beyond the core elements of training (work preparation, English and maths) and work experience. • Provide additional support for traineeships and apprenticeships, including increasing uptake through dedicated marketing or outreach work and supporting individuals to remain on the programme (e.g. mentoring and paying trainees' costs such as transport). • Enhance local careers guidance services for young people, including, where appropriate, providing education, training and careers guidance professionals with information on local job options, business developments and local skills shortages. • Broker opportunities with local employers to take on young people who are NEET (including those with complex barriers) e.g. through traineeships, apprenticeships, work experience, supported internships for young people with learning difficulties, and support for employers to take on young people NEET. • Help those aged 15 to 24 on starting provision, including providing more advice to young women to enable them to make important career choices. <p><i>N.B. Any interventions targeting young people still at school must not substitute for provision that schools or local authorities would be expected to provide and must be targeted at those who are at risk of being NEET.</i></p> |

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| Coast to Capital Intervention Area 5: This is what we are going to do | | | | | |
|--|---|------------|------------|-------|-------|
| We will work with local partners as with the DWP and SFA through our opt-in arrangements, to develop a plan to for innovative longer term solutions to help people in target groups to move towards, gain and sustain work, complementing national provision such as the Work Programme, based on our analysis of what is available in our area and where the gaps are to provide: | | | | | |
| <ul style="list-style-type: none"> • Continuous (joined-up) flexible, support from pre-work to work experience and up-skilling once in employment (supported employment) including working with employers to help them take on and support workers from target groups; • Better use and take up of new recruitment means/technologies as well as information provision through a new brokerage service to overcome information failures, linking target groups to local employers and employment opportunities; • Reshaping of current provision where necessary for our target groups and areas e.g. Croydon, rural and coastal areas; • Support for young people to enter sustainable employment, particularly those who are NEET or from marginalised groups. | | | | | |
| Coast to Capital Intervention Area 6: This is what we are going to do | | | | | |
| We will work with local partners as well as with DWP and SFA through our opt-in arrangements, to develop a plan to for innovative longer term solutions to support employment and self-employment among our target groups, complementing national provision, based on our analysis of where the gaps are to provide: | | | | | |
| <ul style="list-style-type: none"> • Support for individuals in target groups to access new employment models including self-employment and remote and flexible working, e.g. support for female enterprise and support for young people's enterprise, particularly unemployed young people; | | | | | |
| ESF investment total 2014-2020: £5,896,909 Target 2023 Euros including match €16,611,011 | | | | | |
| Strategic Impact | | | | | |
| Sustainable, flexible provision and capacity among providers to support sustainable employment | | | | | |
| Reduction in unemployment in target groups due to occupational and geographic factor immobility-related market failure | | | | | |
| Reduction in unemployment in target groups due to information failures about employment and progression opportunities | | | | | |
| Targets ESF Investment Priority 1.1. and 1.2 2023 | | | | | |
| ID | Indicator | Target 1.1 | Target 1.2 | Men | Women |
| O1 | Participants | 6,510 | | 3,570 | 2,940 |
| O2 | Participants (below 25 years of age who are unemployed or inactive) | | 1,680 | 920 | 760 |
| ESF - CO01 | Unemployed, including long-term unemployed | 4,560 | 1,180 | | |
| ESF - CO03 | Inactive | 1,630 | 420 | | |
| O4 | Participants over 50 years of age | 1,390 | | | |
| O5 | Participants from ethnic minorities | 1,050 | 220 | | |
| ESF - CO16 | Participants with disabilities | 1,430 | 170 | | |
| O6 | Participants without basic skills | 1,150 | 300 | | |
| ESF - CO14 | Participants who live in a single adult household with dependent children | 760 | 70 | | |

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| C to C interventions under ESF Priority Axis 1 | ESF Investment Priorities and Specific Objectives | Indicative activities from the ESF OP relevant to our Strategy |
|--|--|---|
| <p>C to C Intervention Area 7 (ESF). Develop wrap-around, multi-agency support for the LTU, NEETs, NEETs 18+, younger and older workers, lone parents, disabled, families with complex needs and other target groups e.g. travel to work, in-work support, finance and debt management, alcohol harm reduction, basic skills training etc.</p> <p>C to C Intervention Area 8 (ESF). Increase social inclusion through developing innovative solutions including asset based community development, developing community leadership and capacity, supporting innovative business models e.g. social enterprises and promoting informal and community learning</p> | <p>ESF Investment Priority 1.4 Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability</p> <p>ESF Specific Objectives:</p> <p>1.4.1. To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to, or into, the labour market</p> <p>1.4.3 To engage marginalised individuals and support them to re-engage with education, training or in employment</p> | <ul style="list-style-type: none"> • Integrated packages of support that address gaps in provision to disadvantaged groups and reach those who are not currently receiving support. • Tackling inactivity by helping disadvantaged groups overcome barriers, improve their employability and move towards employment. • Support activities focusing on workless households, including partnerships delivering the extended Troubled Families programme • Additional intensive flexible support to help Universal Credit claimants progress into the labour market, Support for economically inactive women from ethnic minorities, including those with child or elder care responsibilities, and who often face multiple disadvantages. • Work with employers to help integrate people with disabilities and ethnic minorities, and other disadvantaged groups, into the workplace. • Tackle specific barriers faced by refugees and migrants and to integrate them into the labour market. • Support the development and growth of social enterprises. • Examples of activities that may be supported include: <ul style="list-style-type: none"> • Basic skills and ESOL training, • support for those who need pre-traineeship and pre Work Programme assistance, • support complementing other skills provision, such as crosscutting and 21st century skills, including team working, effective communication, problem solving, critical thinking and self-direction; • Money management support and advice and financial literacy programmes • digital and internet literacy courses to aid job searching, access to benefits and progress in work; • local networks and groups to support people to get a job or access learning (for example, Jobs Club or Learning Champion type activity) to provide people with a safe environment and peer support; • softer skills development (for example, assertiveness, anger management and motivation |

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| | | | | | |
|--|--|-------------------|------------|--------------|--|
| Coast to Capital Intervention Area 7: This is what we are going to do | | | | | |
| <p>We will work with partners including: local authorities and the CVS, as well as with DWP and BIG Lottery through our opt-in arrangements, to develop wrap-around, multi-agency support for those in target groups with multiple barriers to employment and progression, building on existing provision such as the Work Programme and Troubled Families. This provision will include:</p> <ul style="list-style-type: none"> • Work with frontline agencies and staff to build capacity and training and to provide and share best practice • Measures to support consortia/networking of agencies – including peer professional events • Support for work done at family level in overcoming barriers to employment • Early interventions for those young people in danger of becoming NEETs • Work with a focus on helping long term unemployed people who face multiple barriers into employment <p>This provision will be as flexible as possible, providing it is compliant and will include scope for delivery agencies to respond quickly and flexibly to the needs of the target groups e.g. through help with travel to employment, childcare, debt management etc.</p> | | | | | |
| Coast to Capital Intervention Area 8: This is what we are going to do | | | | | |
| <p>We will work with partners including: local authorities and the CVS, as well as with BIG Lottery through our opt-in arrangements to develop and fund schemes and measures to improve community capacity including:</p> <ul style="list-style-type: none"> • Bottom up solutions in communities in target areas to support social inclusion among target groups; • Support for social entrepreneurs to address community needs through tailored leadership and management provision; • Business development and tendering support for community groups and organisations to enable them to bid for and deliver local services, particularly to those in target groups; • Support for social enterprises and community organisations to take on employees from target groups and help grow the social economy; | | | | | |
| ESF investment total 2014-2020: £4,905,603 Target 2023 Euros including match €13,818,600 | | | | | |
| Strategic Impact | | | | | |
| <ul style="list-style-type: none"> • Strengthening of the capacity of agencies active in the field • Increased employment and social mobility | | | | | |
| Targets ESF Investment Priority 1.4 | | | | 2023 | |
| ID | Indicator | Target 1.4 | Men | Women | |
| O1 | Participants | 3,110 | 1,710 | 1,400 | |
| ESF - CO01 | Unemployed, including long-term unemployed | 1,640 | | | |
| ESF - CO03 | Inactive | 1,250 | | | |
| O4 | Participants over 50 years of age | 600 | | | |
| O5 | Participants from ethnic minorities | 500 | | | |
| ESF - CO16 | Participants with disabilities | 680 | | | |

ESF Priority Axis 2: Skills for Growth

ESF Operational Programme Investment Priority 2.1 Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences

ESF Operational Programme Specific Objectives:

2.1.1 - To address the basic skills needs of employed people, particularly in SMEs and Micro businesses.

2.1.2 - To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment.

2.1.3 - To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business growth.

2.1.4 - To increase the skills levels of employed women to encourage progression in employment help address the gender employment and wage gap

ESF Operational Programme Investment Priority 2.2 Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes

ESF Operational Programme Specific Objectives:

2.2.1 - To promote improvements in the labour market relevance of skills provision through active engagement with relevant institutions and employers, particularly SMEs and Micro businesses

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Coast to Capital's Intervention Areas and Activities under ESF Priority Axis 2

52. Our workforce is relatively highly skilled and employment rates are improving. However, the UK Commission for Employment and Skills' Working Futures forecasts for our area show a rapid rise in demand for higher level skills and a steep increase in employment in higher level occupations over the period 2014 to 2020. It will be hard to meet this demand unless there is a substantial increase in workforce skills. The forecasts for our priority sectors support this analysis and demonstrate not only rising demand for skilled and qualified workers, but also increased specialisation of skills and the need for both business management and advanced technical skills. In addition, there are both geographical areas and sectors where there are too many low value added businesses and skill levels and productivity are also low.
53. There are four key principles that we have identified in our skills strategy, which is part of our SEP and is supported by Thematic Objectives 8,9 and 10 in the ESIF:
- Since the education and skills market, particularly the 'supply side', is very wide ranging, we will need a clear focus on areas where we will have the greatest impact and there is a clear rationale for intervention i.e. not where the market is already working effectively;
 - The purpose of the strategy is to highlight those issues which inhibit sustainable economic growth and make recommendations to address these;
 - As our main focus will be on interventions to support sustainable economic growth, the involvement of businesses throughout the development of our strategy and its delivery will be crucial;
 - We fully support the need for an equal and inclusive society and will also include actions to overcome barriers to achieving this, where we can have a real impact.
54. Our skills strategy has three main priorities and a cross-cutting propositions that will improve the effectiveness of our labour market:

Skills Priority 1: Young People

55. Increasingly young people will need to be flexible, adaptable and enterprising in order to succeed in work and to deliver the skills that employers need or to run their own business. In the consultations with the business sector organisations, individual businesses, public sector bodies and the third sector have all identified giving young people the right start in their working lives and ensuring they have the skills required for work and business as the highest priority.

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Skills Priority 2: Skills for Productivity and Growth

56. This includes management and leadership; intermediate and higher level skills; and technical and specialist skills, focusing on our priority sectors. In addition this priority will focus on our technology futures identified in the Regional Innovation Systems (RIS) Strategy, namely: The Connected Digital Economy, Bioscience, Electronics (particularly vehicle electronics and sensors) and environmental and renewable technologies. We will focus particularly on upgrading skills in SMEs to support innovation.
57. We will work with a small number of employer groupings or Skills Clusters, based around our priority sectors to collaboratively address the skills they need to generate increased productivity and create new jobs. This will enable us to take a bespoke approach to skills for individual businesses or groups of businesses within these sectors. This is likely to involve working closely with existing networks and supporting closer university-businesses collaboration and better links between our employers and other learning providers.

Skills Priority 3: Skills for Employment and Progression

58. This includes providing access to high quality provision and progression opportunities, particularly for those in low or intermediate skills jobs and those outside the labour market; engaging employers to improve employability skills; developing the enterprise and digital skills that are needed for tomorrow's labour market; and ensuring that public sector partners adapt their own recruitment and training policies to promote employability and skills and to improve labour market transitions.
59. Poor qualifications and low employability skills can lead quickly to a cycle of economic and social exclusion. Working with local providers and specialist services, particularly from the community and voluntary sector, we will put in place services to break the cycle of short term jobs and poor employment records.

Cross Cutting Proposition – making the market work better

60. We aim to establish better mechanisms for gathering information and providing useful intelligence that will provide an evolving picture of local employers' skills needs. The service will inform better careers advice, the development of relevant vocational training packages; and overall improvements in curriculum planning. It will be informed by "businesses in our "skills clusters" so that qualitative and quantitative information is combined into useful and accessible intelligence.

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Coast to Capital Intervention Areas under ESF Priority Axis 2

C to C Intervention Area 9 (ESF): Develop higher level skills in our five priority sectors and other sectors of importance or potential growth in our economy, working with businesses, HE, FE, Sector Skills Councils and specialist providers as appropriate including remote and virtual learning.

Rational for intervention/ market failure Our skills forecasts show that the demand for higher level skills and qualifications in Coast to Capital is going to increase substantially between now and 2020. Skills shortages and gaps will act as a barrier to growth and prevent us from achieving our growth and employment objectives.

Our analysis of both the skills demand side and of skills and learning provision undertaken for our skills strategy, as well as for our economic assessment, demonstrates that there is a market failure and that the skills and qualification needs will not be met by the learning market without intervention. The skills that will be required change rapidly and are difficult to deliver and are often not commercially viable for private sector providers. Our analysis of publicly funded provision in our area shows that it is often at too low a level or not in the right disciplines for our priority sectors and technologies.

Our research undertaken for our skills strategy shows that there is a further market failure in that many SMEs in our area have a level of ambition and product/ market strategy which result in a lower demand for skills which in turn leads to lower productivity and growth.

C to C Intervention Area 10 (ESF): Develop intermediate skills and technical skills including STEM skills for industries driving growth and in targeted development areas or other priority areas and encouraging those from target groups e.g. women, BAME to enter sectors where they are currently underrepresented.

Rational for intervention/ market failure: Intermediate and technical skills in our priority sectors and potential growth sectors e.g. Professional Services are also forecast to increase. Skills shortages and gaps will act as a barrier to growth and prevent us from achieving our objectives.

Our analysis of both the skills demand side and of skills and learning provision undertaken for our skills strategy, as well as for our economic assessment, demonstrates that there is a market failure and that intermediate skills and qualification needs will not be met by the learning market without intervention. Our analysis of publicly funded provision in our area shows that it is often at too low a level or not in the right disciplines for our priority sectors and technologies.

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital interventions under ESF Priority Axis 2. | ESF Investment Priorities and Specific Objectives | Indicative activities from the ESF OP, relevant to our Strategy |
|---|--|--|
| <p>C to C Intervention Area 9 (ESF). Develop higher level skills in our five priority sectors and other sectors of importance or potential growth in our economy, working with businesses, HE, FE, Sector Skills Councils and specialist providers as appropriate including remote and virtual learning.</p> <p>C to C Intervention Area 10 (ESF). Develop intermediate skills and technical skills including STEM skills for industries driving growth and in targeted development areas or other priority areas and encouraging those from target groups e.g. women, BAME to enter sectors where they are currently underrepresented.</p> | <p>ESF Investment Priority 2.1 Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings; upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences</p> <p>ESF Specific Objective 2.1.1 To address the basic skills needs of employed people, particularly in SMEs and Micro businesses.</p> <p>ESF Specific Objective 2.1.2 To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment.</p> <p>ESF Specific Objective 2.1.3 To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business growth.</p> <p>ESF Specific Objective. 2.1.4 To increase the skills levels of employed women to encourage progression in employment help address the gender employment and wage gap</p> | <p>Additional to publicly funded provision, including that funded by loans and grants, support for:</p> <ul style="list-style-type: none"> • skills shortages or needs in particular sectors or local areas which are not currently being addressed by employers or individuals; • leadership and management training in SMEs • training and support for people at all levels, • access to learning • brokerage of opportunities between learners and employers. <p>Support for progression in work</p> <ul style="list-style-type: none"> • e.g. support for intermediate, technical and advanced vocational provision for career progression; • funding development costs and contributing to delivery costs of vocational short courses designed to help low skilled employees to progress to higher value employment <p>Tackling disadvantage</p> <ul style="list-style-type: none"> • e.g. funding outreach activity, including taster courses to disadvantaged individuals to help improve take up and retention. <p>Basic and low level skills</p> <ul style="list-style-type: none"> • Basic skills interventions for the existing workforce to support progression and generate opportunity; <p>Intermediate and advanced (higher level) skills</p> <ul style="list-style-type: none"> • support for intermediate, technical and advanced skills for specific industries and sectors identified as driving growth in local economies in support of other relevant thematic objectives |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast to Capital's interventions under ESF Priority Axis 2. | ESF Investment Priorities and Specific Objectives | Indicative activities from the ESF OP, relevant to our Strategy |
|--|---|---|
| <p>C to C Intervention Area 9 (ESF). Continued Develop higher level skills in our five priority sectors and other sectors of importance or potential growth in our economy, working with businesses, HE, FE, Sector Skills Councils and specialist providers as appropriate including remote and virtual learning.</p> <p>C to C Intervention Area 10 (ESF) Continued Develop intermediate skills and technical skills including STEM skills for industries driving growth and in targeted development areas or other priority areas and encouraging those from target groups e.g. women, BAME to enter sectors where they are currently underrepresented.</p> | <p>ESF Investment Priority 2.2 Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes</p> <p>ESF Specific Objective 2.2.1. To promote improvements in the labour market relevance of skills provision through active engagement with relevant institutions and employers, particularly SMEs and Micro businesses.</p> | <p>Support for projects that make education and training provision more responsive to the needs of the economy, e.g.</p> <ul style="list-style-type: none"> • support for collaborative projects, placements, internships or other activities with SMEs that enable students and graduates to gain industry relevant experience and skills; • building capacity in SMEs to provide project/placement/internship opportunities and enhance the contribution of advanced skills to SME growth, • brokering opportunities to encourage and increase work experience, work placements, traineeships, apprenticeships, and graduate placements particularly through wider employer engagement and involving supply chains; • promoting apprenticeships (especially at advanced levels in manufacturing and other priority sectors) • developing better links with business to equip students with the skills to start and grow a business to meet local business needs. |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| | |
|---|--|
| <p>Coast to Capital Intervention Area 9 (ESF) : This is what we are going to do</p> | |
| <p>We will work with HEI, FE and private sector learning providers, including management schools, to develop high quality learning provision to address proven market failures in higher level skills for our priority sectors including:</p> <ul style="list-style-type: none"> • Leadership and management skills capable of driving ambition in SMEs in our sectors; • Skills for our priority technologies e.g. 3d printing; • Measures to support post graduates in disciplines relevant to our key sectors and where there are forecast skills gaps into successfully making bridge into paid employment/self-employment; • Additional measures around higher level apprenticeship provision – and its take-up, particularly through the Trail Blazers linked to our key sectors; • Measures to help companies shape and develop progression pathways to lead to higher level skills, particularly using blended private and public provision; • Develop support for individuals in target groups which are underrepresented in priority sectors, e.g. women, BAME, to acquire higher level skills • Adaptation of existing learning provision to more closely fit with priority sectors/market needs – informed in part by constant evaluation of provision and horizon scanning for technology developments • Provision that takes account of the need to develop languages skills as well as broader competences related to operating in a global market | |
| <p>Coast to Capital Intervention Area 10 (ESF): This is what we are going to do</p> | |
| <p>We will work with our key partners including HE, FE and private learning providers as well as trade bodies and sector organisations, and working with the SFA through our opt-in arrangement, to develop more and better provision to meet proven market failures in intermediate skills needs in our priority sectors.</p> <ul style="list-style-type: none"> • This will involve interventions and measures to: • Help employers understand future technological developments and the skills needs that these will give rise to • Support skills action planning in SMEs in priority sectors and areas • Develop support for individuals in target groups which are underrepresented in priority sectors, e.g. women, BAME, to acquire intermediate skills and basic skills required for progression • Develop brokerage and provision for individuals in underrepresented groups to obtain employment with skills progression to basic and intermediate level in priority sectors and areas • Develop additional support for higher apprenticeships in subjects which are germane to our priority sectors and particularly the Trail Blazer apprenticeships | |
| <p>ESF investment total 2014-2020: £12,343,235 Target 2023 Euros including match €34,769,676</p> | |
| <p>Strategic Impact</p> <p>Raised ambition leading to stronger demand for higher level skills in SMEs Provision which meets forecast growth in need for higher level skills in our priority sectors Reduction in market failure and increased productivity and growth Provision which meets forecast growth in need for intermediate level skills in our priority sectors</p> | |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Targets ESF Investment Priority 2.1. and 2.2 | | 2023 | | | |
|--|---|------------|------------|-------|-------|
| ID | Indicator | Target 2.1 | Target 2.2 | Men | Women |
| O1 | Participants | 13,130 | | 6,430 | 6,700 |
| O4 | Participants over 50 years of age | 2,770 | | | |
| O5 | Participants from ethnic minorities | 2,080 | | | |
| ESF - CO16 | Participants with disabilities | 840 | | | |
| O6 | Participants without basic skills | 2,310 | | | |
| ESF - CO14 | Participants who live in a single adult household with dependent children | 610 | | | |
| CO23 | No. of supported SMEs, including co-ops and social enterprises | | 230 | | |

Our priorities for European Agriculture Fund for Rural Development (EAFRD)

61. A large part of the Coast to Capital area is rural. The majority of the South Downs National Park (62%¹⁶) is within our boundaries, along with Chichester Harbour Area of Outstanding Natural Beauty (AONB) and significant parts of the Surrey Hills and High Weald AONBs. Approximately 20% of the land mass of Coast to Capital has AONB designation¹⁷. There are already two Local Nature Partnerships established which cover the whole of the counties of Surrey and Sussex. Across the LEP as a whole, nearly 27% of the population lives in rural areas. Out of the 15 local authority districts and boroughs and the city of Brighton and Hove in the LEP¹⁸, 6 are classified as rural according to Defra's urban/rural classification system:
- West Sussex is classified as significantly rural;
 - Chichester and Mid Sussex are in the Rural 80 i.e. at least 80 per cent of the population lives in rural settlements and larger market towns;
 - Horsham, Lewes and Tandridge are in the Rural 50 i.e. at least 50 per cent but less than 80 per cent of the population lives in rural settlements and larger market towns;
 - Mole Valley is classified as Significantly Rural i.e. more than 26 per cent of the population lives in rural settlements and larger market towns.
62. The countryside is an important economic as well as a social asset and, although the quality of the natural landscape is very high, it would be wrong to assume that the rural business population is small or that it mainly consists of agricultural enterprises. Across Coast to Capital as a whole, 21% of businesses are based in rural areas but in the six rural districts, this ranges from 28% in Mole Valley to over two thirds (69%) in Horsham. The rural business population is much more sectorally diverse than is often assumed. Although the six rural districts contain a higher percentage of Agriculture, Forestry and Fishing enterprises at 4.74% compared to 2.54% for Coast to Capital as a whole the rural sectoral make up is broadly similar to that of the urban business population although there is a higher percentage of production businesses in the rural districts than in the predominantly urban ones (5.83% compared to 5.15% in the LEP as a whole)¹⁹ and the manufacturing sector is the second largest sector in terms of employment in the rural districts. The rural economy also contains important

¹⁶ Source: 'Consultation on the membership of the future South Downs National Park Authority' SDNP 2009

¹⁷ Source: Joint AONB response to the ESIF consultation draft, November 2013

¹⁸ The County Councils of Surrey and West Sussex have not been included as the Defra's urban rural classification applies only to districts, boroughs and unitary authorities

¹⁹ Source: IDBR 2012

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

specialist industries such as horticulture and viticulture, supported by specialist land-based colleges such as Brinsbury and Plumpton and organisations such as West Sussex Growers Association. The rural area contains major employers such as Rolls Royce Motors in Goodwood and Tesla in Storrington but also large numbers of self-employed and home based businesses. The diversity of the rural economy demonstrates the need for a rural development strategy that reflects and supports this diversity.

63. The visitor economy is very important to Coast to Capital, which is well placed to take advantage of this sector; as well as its extensive natural assets, the LEP area has a mix of leisure and cultural activities, is close to London and has good transport connections. A key element of rural tourism is the leisure day visitor market; converting these day visits to overnight stays or short-breaks would provide a significant boost to the area. Although the visitor economy is an important sector in economic terms, its growth is not without impact on the environment. There is a balance to be struck between promoting the area as a visitor destination to stimulate growth in the visitor economy and preserving the assets that attract visitors in the first place.
64. Woodlands are a major and currently underutilised asset in Coast to Capital. The South Downs National Park is the most wooded national park in England and Surrey is England's most wooded county, yet the potential commercial volume of wood is underutilised. There is scope to support the rural economy through woodland enterprise development which can, if managed correctly, protect forests and encourage biodiversity.
65. In summary, the rural economy is growing, is sectorally diverse and is increasingly knowledge-based. There is scope for further development through supporting business growth through for example, rural manufacturing woodland enterprise and the visitor economy without damaging precious natural assets. Rural businesses require additional support and supply chain development to realise this potential as they can miss out on the benefits that urban businesses enjoy such as the presence of networks and clusters, proximity to customers, markets and transport hubs. Many services, including business support and training, tend to be concentrated in urban areas, as are the larger pools of skilled labour, and rural businesses can find it more difficult to access the employees with the skills they require for growth. Generally, there is a shortage of premises for expansion, rural broadband connections are often much slower than urban ones and can be unreliable and peer-to-peer networking opportunities are limited. There are also socio-economic issues in rural areas; for example, isolation among some resident communities which can be hard to identify and the dispersed rural population is harder to reach with services. Those who rely on public transport can be disadvantaged in accessing employment and learning opportunities. We are very much aware of environmental and ecological dimensions and the particular value of natural capital. With particular awareness of the need to balance potentially competing economic, social and environmental drivers, we will be working in particular with the relevant Local Nature Partnerships. We value their role as shapers of policy implementation at the local level as well as hoping to benefit from the value they bring as co-ordinators of local activities.

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast To Capital's Interventions funded by EAFRD | Rationale for intervention | Indicative activities |
|--|---|---|
| <p>C to C EAFRD Intervention Area 1. Building knowledge and skills in rural areas</p> | <p>The rural economy is growing, is sectorally diverse and is increasingly knowledge-based. However, rural businesses tend to miss out on the benefits of agglomeration and proximity to services, markets and networks that urban businesses enjoy. Additional support for general business skills, knowledge transfer and innovation will help to overcome the market failures and grow the rural economy.</p> <p>Rural businesses find it more difficult to access skilled employees with the skills for growth and also many support services, learning and training providers are concentrated in urban centres. Additional work based skills training in rural areas will help to overcome these issues.</p> <p>There is a need to balance growth and socio economic considerations with environmental and ecological concerns.</p> | <ul style="list-style-type: none"> • Information and advice for businesses in rural areas; • Leadership and management skills for businesses in rural areas; • Management and technical skills for businesses in priority sectors in the rural economy e.g. horticulture and viticulture; • Innovation and R&D skills for businesses in rural areas to develop new markets, products and services; • Skills development for people in rural areas to access employment opportunities; • Skills brokerage services for rural businesses to access the skills they need; • Skills provision to fill identified skills gaps and shortages in priority sectors and sectors of importance in the rural areas. |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy 2014-2020

| Coast To Capital's Interventions funded by EAFRD | Rationale for intervention | Indicative activities |
|--|--|--|
| <p>C to C EAFRD Intervention 2. Funding new and developing non-agricultural, micro, small and medium sized rural businesses</p> | <p>The rural economy is diverse and there are opportunities to support and develop the wider business base and sectors such as rural manufacturing.</p> <p>Many new businesses in rural areas are isolated and have fewer opportunities for networking and access to business support. Rural female self-employment rates tend to be significantly lower than those of males. Supporting new business starts in rural areas could increase self-employment, create jobs and build supply chains in non-agricultural sectors, including renewables and the low carbon economy.</p> <p>Woodland is an underutilised resource in our area and the forestry industry supply chain has significant growth and job creation potential. A woodland enterprise programme could promote forestry supply chain development and as well as creating jobs, support the move to low carbon economy, protect forests and encourage biodiversity.</p> | <ul style="list-style-type: none"> • Specialist sector support for rural businesses in our priority sectors and sectors of importance e.g. rural manufacturing, horticulture and viticulture to support growth and create jobs; • Promoting networking and co-operation among businesses in rural areas, including home-based businesses; • Support for new and micro businesses, including female-owned businesses and home-based businesses, to increase self-employment, create jobs and build supply chains; • Support for woodland enterprises and businesses in their supply chains. |
| <p>C to C EAFRD Intervention 3. Supporting tourism activities in rural areas</p> | <p>Tourism is a major industry in Coast to Capital and one with further potential for growth, given the area's assets including the quality of the countryside, coast, heritage, culture and leisure opportunities. However, this needs to be balanced with the needs of the environment and local populations.</p> | <ul style="list-style-type: none"> • Encouragement of sustainable tourism activities; • Support for organisations to develop and implement sustainable tourism plans. |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy

ERDF Allocations and Outputs Summary 2014-2020

| Priority Axis (PA) & Investment Priority (IP) | | | | Outputs to 2023 | | | | | | | | | | | | | | | | | | | |
|---|----|--|---|---|----------------------------|-----------------------------------|---------------------------------|---------------------------------------|--------------------------------|-------------------------------------|---|--------------------------|--|--|------------------------------|--------------------------------|---|--------------------|--|--------------------------------|-----|---|---|
| PA | IP | ERDF £s per Investment Priority 2014-2020 Ex match | ERDF €s per Investment Priority 2014 -2020 Ex match | Coast to Capital Intervention Areas | No. of ents supported CO01 | CO02 no. of ents receiving grants | CO03 No of ents receiving loans | CO04 No of ents non financial support | CO05 No. of new ents supported | CO06 Private invest matching grants | CO07 Private investment matching non grants | CO08 Employment increase | CO26 No of ents coop with research insts | CO28 No of ents new to market products | CO29 No of ents new products | P2 Public or commerc bldgs. Sq | CO 30 additional capacity of renewable energy Annual decrease | CO34 GHG reduction | P11 no of potential entrepreneurs assisted | P13 No of ents receiving info. | | | |
| 1 | 1b | 5,961,632 | 8,396,665 | 1. Promote SME/HEI/public sector collaborative research and innovation and commercialisation. | 321 | 225 | 6 | 78 | 27 | 272 K | 381 K | 26 | 174 | 26 | 51 | 139 | 0 | 0 | 0 | 0 | | | |
| 3 | 3c | 5,877,432 | 8,278,073 | 2. Develop growth capacity and ambition for SMEs and strengthen their supply chains in our priority sectors and clusters, and in the clean green and marine industries in priority areas. | 603 | 403 | 55 | 157 | 189 | 255 k | 824 k | 248 | 0 | 0 | 95 | 75 | 0 | 0 | 0 | 61 | | | |
| | 3a | 7,183,527 | 10,117,643 | 3. Improve business support for all stages of SME development and growth. | 236 | 156 | 21 | 61 | 183 | 821 k | 26k | 96 | 0 | 18 | 0 | 29 | 0 | 0 | 747 | 0 | | | |
| | 3d | | | | 337 | 225 | 32 | 88 | 107 | 1,566k | 525 k | 140 | 0 | 19 | 54 | 42 | 0 | 0 | 0 | 34 | | | |
| 4 | 4a | 5,637,837 | 7,940,615 | 4. Provide support for SMEs to deploy low carbon solutions and technology transfer and promote adoption of low carbon technologies | 10 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 769 | 0 | 0 | | |
| | 4b | | | | 130 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 635 | 0 | 0 | |
| | 4c | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 918 | 0 | 0 |
| | 4e | | | | 164 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,416 | 0 | 0 | |
| | 4f | | | | 19 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 3 | 0 | 0 | 248 | 0 | 0 | |
| | | 24,660,428 | 34,732,996 | | 1767 | 1009 | 114 | 384 | 551 | 1093 | 1756 | 510 | 174 | 63 | 200 | 285 | 1 | 3,986 | 747 | 95 | | | |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy

ESF Allocation and Outputs Summary 2014 -2020

| PA | IP | ESF £s per Investment Priority 2014-2020 Ex match | | Coast to Capital Intervention Area | O1 Participants | O2 Participants <25 | ESFCO 01 Unemp. Inc LTU | ESF CO03 Inactive | O4 Participants >50 | O5 Participants ethnic minority | Participants with disabilities | Participants without basic skills | Participants in single parent households |
|----|-----|---|-------------------|---|-----------------|---------------------|-------------------------|-------------------|---------------------|---------------------------------|--------------------------------|-----------------------------------|--|
| 1 | 1.1 | 4,701,101 | 6,621,269 | 5. Develop innovative, longer interventions that move from pre-work support for those in target groups and communities. | 6,510 | 0 | 4,560 | 1,630 | 1,390 | 1,050 | 1,430 | 1,150 | 760 |
| | | | | 6. Assisting and supporting employment and self-employment and new employment models. | | | | | | | | | |
| | 1.2 | 1,195,808 | 1,684,236 | 5. Develop innovative, longer interventions that move from pre-work support for those in target groups and communities. | 0 | 1,680 | 1,180 | 420 | 0 | 220 | 170 | 300 | 70 |
| | | | | 6. Assisting and supporting employment and self-employment and new employment models. | | | | | | | | | |
| | 1.4 | 4,905,603 | 6,909,301 | 7. Develop wrap-around, multi-agency support for the LTU, NEETs, NEETs 18+, younger and older workers, lone parents, disabled, families with complex needs and other target groups. | 3,110 | 0 | 1,640 | 1,250 | 600 | 500 | 680 | 0 | 0 |
| | | | | 8. Increase social inclusion through developing innovative solutions including asset based community development, developing community leadership and capacity, innovative business models. | | | | | | | | | |
| | | 10,802,512 | 15,214,805 | | 9,620 | 1,680 | 7,380 | 3,300 | 1,990 | 1,770 | 2,280 | 1,450 | 830 |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy

| PA | IP | ESF €s per Investment Priority 2014-2020 | ESF €s per Investment Priority 2014-2020 Ex match | Coast to Capital Intervention Areas | O1 Participants | O2 Participants <25 | ESFC O01U nemp . Inc LTU | ESF CO03 Inactive | O4 Participants >50 | O5 Participants ethnic minority | Participants with disabilities | Participants without basic skills | Participants in single parent households | No of SMEs supported |
|----|-----|--|---|---|-----------------|---------------------|--------------------------|-------------------|---------------------|---------------------------------|--------------------------------|-----------------------------------|--|----------------------|
| | | 10,802,512 | 15,214,805 | PA 1 Sub Total B/F | 9,620 | 1,680 | 7,380 | 3,300 | 1,990 | 1,770 | 2,280 | 1,450 | 830 | N/A |
| 2 | 2.1 | 10,204,620 | 14,372,704 | 9. Develop higher level skills, including Leadership and Management, in our five priority sectors and other sectors of importance or potential growth in our economy. | 13,130 | 0 | 0 | 0 | 2,770 | 2,080 | 840 | 2,310 | 610 | 0 |
| | | | | 10. Develop intermediate skills and technical skills for industries driving growth and in targeted development areas or other priority areas and encouraging those from target groups e.g. women. | | | | | | | | | | |
| | 2.2 | 2,138,615 | 3,012,135 | 9. Develop higher level skills, including Leadership and Management, in our five priority sectors and other sectors of importance or potential growth in our economy. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 230 |
| | | | | 10. Develop intermediate skills and technical skills for industries driving growth and in targeted development areas or other priority areas and encouraging those from target groups e.g. women. | | | | | | | | | | |
| | | 23,145,747 | 32,599,644 | Total PA 1 and PA 2 | 22,750 | 1,680 | 7,380 | 3,300 | 4,760 | 3,850 | 3,120 | 3,760 | 1440 | 230 |

Coast to Capital European Structural and Investment Funds (ESIF) Strategy

EAFRD Allocation and outputs 2015-2020

| TO | per TO | | €s Net | Priorities | Number of: | |
|----|--------|------------------|------------------|---|----------------|--------------|
| | % | £s net | | | People Trained | Jobs Created |
| P1 | 35 | 1,341,326 | 1,889,191 | Intervention 1. Building knowledge and skills in rural areas | 483 | 50 |
| P2 | 40 | 1,532,944 | 2,159,076 | Intervention 2. Funding new and developing non-agricultural, micro, small and medium sized rural businesses | 552 | 57 |
| P3 | 25 | 958,090 | 1,349,422 | Intervention 3. Supporting tourism activities in rural areas | 345 | 36 |
| | 100 | 3,832,359 | 5,397,690 | | 1,379 | 143 |

Governance and partnership

Partnership working: governance and roles of ESI Funds Growth Programme Board, its national and local sub-committees, Managing Authorities and local partners

66. A national ESI Funds Programme Monitoring Committee (PMC) has been established in England. It is the PMC for the Operational Programmes for the ERDF and the ESF in England and is known as the ESI Funds Growth Programme Board (GPB).
67. The EAFRD PMC will be the PMC for EAFRD funds within the European Growth Programme.
68. The GPB is chaired by a representative of the Managing Authorities, who also provide the Secretariat. The membership of the GPB is drawn from representatives of a wide range of partners across the public, private, business, social, voluntary and environmental sectors.
69. The GPB is supported by a number of sub-committees advising it on relevant policy and operational matters. These sub-committees, which will provide supporting advice in specific policy areas such as innovation, skills and aspects of implementation, will bring in leading experts from their fields and provide an important resource for the GPB and ESI Funds Growth Programme.
70. All sub-committees will report to the GPB, to ensure transparency of proceedings. The GPB will not delegate decisions to these national sub-committees though their advice will be important in informing the GPB's perspective, advice and decisions.
71. The Managing Authorities will work in partnership with economic, environmental, equality, social and civil society partners at national, regional and local levels throughout the programme cycle, consisting of preparation, implementation, monitoring and evaluation.
72. At the local level, ESI Funds sub-committees have been set up in each Local Enterprise Partnership area. These local sub-committees in each Local Enterprise Partnership area will operate as sub-committees of the GPB, to whom they will report. Local promotion of ESI Funds projects and their impact will be a priority, as will local leadership of this amongst partners. This will complement the functions of the Managing Authority but not substitute for them.
73. Each Local ESI Funds sub-committee is therefore chaired by a local partner who, along with other members drawn from business, public, environmental, voluntary and civil society sectors, are advocates for the opportunities and impact of the ESI Funds. Membership of these sub-committees is inclusive and in line with EU regulations and the wide scope of ESI Funds priorities. The Managing Authority is the Deputy Chair of the local ESI Funds sub-committee, except in London.
74. The role and purpose of these Local ESI Funds sub-committees is clearly defined in Terms of Reference published on GOV.UK . They are not responsible for any tasks set out in EU regulations for which Managing Authorities are responsible in relation to management of the ESI Funds.

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75. The local sub-committees :

- Provide advice to the Managing Authorities on local development needs and opportunities to inform Operational Programmes and ESI Funds Strategies;
- Work with sectors and organisations they represent so that they engage with and understand the opportunities provided by the ESI Funds to support Operational Programme objectives and local economic growth;
- Promote active participation amongst local economic, environmental and social partners to help bring forward activities which meets local needs in line with the Operational Programmes and local ESI Funds strategies and Implementation plans;
- Provide practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets. Similarly, provide local intelligence to the Managing Authorities in the development of project calls decided by the Managing Authorities that reflect Operational Programme and local development needs as well as match funding opportunities;
- Provide advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local ESI Funds Strategy to aid the managing authority's assessment at outline and full application stage;
- Contribute advice, local knowledge and understanding to the Managing Authority to aid good delivery against spend, milestones, cross-cutting themes, outputs and results set out in the Operational Programme and local ESI Funds strategies.

76. In this way partners at local level will play the important role foreseen in the Common Provisions Regulation and the main principles and good practices set out in the European Code of Conduct on Partnership. Managing Authorities will ensure that partner roles and responsibilities are clearly set out at all levels and that conflicts of interest are avoided.

77. Where specific Managing Authority functions are designated to an Intermediate Body, that body will seek advice from the relevant LEP area ESI Funds sub-committee in the same way as the Managing Authority would. The LEP area ESI Funds sub-committee will therefore provide advice to the Intermediate Body and/or the Managing Authorities as appropriate and as set out in the written agreement with the Intermediate Body.

78. The local ESIF sub-committee for the Coast to Capital LEP are has been formally constituted. It is chaired by one of the partners; in this case, a Coast to Capital board member, John Peel.

79. The local subcommittee includes the full range of partners to be compliant with the EC's Code of Conduct on Partnership which, in brief, specifies that these should include competent regional, local, urban and other public authorities, including:

- Local authorities;
- Higher educational institutions, education, training and advisory services providers and research centres;
- Economic partners including chambers of commerce and business associations together with representatives of the social economy;
- Bodies representing civil society.

80. In Coast to Capital, our local subcommittee comprises members from:

- The Coast to Capital LEP Board;

Coast to Capital European Structural and Investment Funds (ESIF) Strategy

- Our Area Partnerships: the Greater Brighton Economic Board, the Gatwick Diamond Initiative, Coastal West Sussex Partnership, Rural West Sussex Partnership and Croydon;
 - Our Upper Tier local authorities: London Borough of Croydon, West Sussex County Council, Surrey County Council and Brighton and Hove City Council;
 - The Community and Voluntary Sector;
 - Trades Unions;
 - Business representative organisations
 - HE and FE partners;
 - Training provider representatives;
 - Civil society, including voluntary and community organisations;
 - Rural and environment representative bodies including the South Downs National Park as well as Surrey and Sussex Local Nature Partnerships;
 - The Managing Authorities.
81. We will continue to develop our arrangements at local level with our key partners and taking into account the outcome of national discussions. It is essential that governance arrangements are simple, transparent and direct as well as being able to:
- Provide whole LEP area decision-making, combined with local engagement and locally tailored provision;
 - Provide accountability for the use of EU funds;
 - Provide clarity on respective roles and responsibilities;
 - Offer representation and inclusion for all partners;
 - Deal effectively with any conflicts of interest arising.
82. Sustainable development is key to the successful achievement of both the ESIF and the SEP. The local Subcommittee will have responsibility for ensuring that the sustainable development theme of the ESIF is implemented appropriately as part of its overall monitoring and evaluation role. We are working with Natural England and our partners on a sustainable Local Environment and Economic Development (LEED) strategy using Defra's LEED toolkit which we plan to have in place by Spring 2016 and will ensure that this has the appropriate measures in place.
83. The Coast to Capital area is significantly rural; large parts of it are protected through National Park or AONB status and balancing environmental considerations with economic development and growth is a major challenge. We have begun work on a Coast to Capital Rural Statement, bringing together a Rural Task Group which will have responsibility for the Rural Statement and ensuring that it takes into account the analysis and interventions set out in the ESIF. The Rural Task Group will elect a member to the Subcommittee to provide a direct link to the governance of the ESIF.
84. Coast to Capital LEP has in place a robust accountability code and procedure to identify and eliminate potential conflicts of interest among board members. This procedure has been adopted by the ESIF Subcommittee. Members must declare if they have a direct or indirect interest in either a strategic decision or at project-level and, if their interest is direct, they may not take part in any decision-making process. We believe these procedures are in keeping with European Guidelines provide assurance of impartiality in the decision-making process.
85. Investment decisions will be published on the Coast to Capital website.

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86. In summary, we will be responsible for strategy development, priority setting, high level programme design and achievement of strategic aims and impact. We will also be jointly responsible for programme and project specification and selection and procurement. We will not be responsible for contract management, day-to-day project management, performance against profiled expenditure, project performance or achievement of outcomes and results or detailed regulatory compliance all of which we expect to be the responsibility of the MA and Local Growth Team, and/or organisations with whom we have agreed opt-in arrangements.

Mitigation of risk

87. Our experience in designing and commissioning and ESF and ERDF programmes and projects indicates that the main risks for ESIF are likely to be in the following areas:
- Delays in starting the programme lead to delays in contracting so that targets are not achieved and underspend ensues;
 - Delays lead to loss of capacity in the delivery network of providers;
 - Pressure to achieve outputs and expenditure lead to compromises being made on quality and strategic fit of provision. Ultimately the required impact may not be achieved;
 - Restrictions relating to match funding leads to that which can be matched being delivered rather than that which is indicated by the strategy;
 - Regulatory compliance can be burdensome and restrictive in terms of delivery;
 - Local provision tends to be through smaller organisations that can be higher risk in terms of compliance and financial viability.
88. As the LEP and its partners will not be responsible for procurement and contracting which will be the responsibility of the relevant MA, then there are no direct financial or contract related risks to the LEP itself or its partners on the Subcommittee. There are, however, substantial strategic and reputational risks for the LEP and its partners. These risks are that the strategy does not get delivered successfully and the required economic and social impact is not achieved, due to one or more of the failures outlined above, the management of which is outside the control of the LEP and its partners on the subcommittee. Under the governance arrangements, the LEP and its partners have no direct control over the contracted provision and contract management and so will rely on an effective working arrangement with the appropriate MA and, if relevant, the opt-in organisation as well as robust monitoring and evaluation processes to highlight any risks as they arise. This will require appropriate resources.

Partnership and consultation

89. In developing the ESIF strategy we have undertaken substantial consultation including:
- Work with our Area Partnerships and upper tier local authorities who have been fully involved with the development of the ESIF strategy in tandem with the Strategic Economic Plan, through regular one to one meetings and through their representation on the Strategic Economic Plan Task and Finish Group;
 - Providing regular bulletins and briefings to the local authority Chief Executives' Group;
 - The work of the ESIF Task and Finish Group which oversaw the development of the ESIF Strategy, chaired by Steve Allen, a Coast to Capital board member and with European policy representatives from West Sussex County Council, Brighton and

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- Hove City Council, Coastal West Sussex, Rural West Sussex Partnership, Surrey County Council, the London Borough of Croydon and the University of Brighton;
- A series of consultation events and workshops attended by more than two hundred stakeholders and partners in business support organisations, HE and FE, training providers, businesses, the community and voluntary sector and by representatives from BIS, DWP and Defra;
 - A survey using detailed questionnaires on the priorities for action distributed to a wide range of partners and stakeholders including local authorities, business support organisations, HEIs, learning providers and the community and voluntary sector;
 - A web-based consultation during October and November 2013 which resulted in 20 responses;
 - Further meetings with key stakeholders from October 2013 which are ongoing.
90. We will continue to work with and through our Area Partnerships: London Borough of Croydon, Brighton and Hove Economic Partnership, Coastal West Sussex Partnership, Rural West Sussex Partnership, the Gatwick Diamond Initiative as well as with the upper tier local authorities and the districts and boroughs.
91. As well as public sector stakeholders, we are strongly committed to working with business and civil society in the delivery of our Strategy. To date we have consulted with business through our 6-monthly Forum, and gained the commitment of business to the strategy. We have built a database of civil society organisations in our area, and will use this as the basis of engaging with them in the implementation planning.
92. We intend to hold further consultation events during spring 2015 to develop the implementation arrangements for the ESIF strategy and thereafter we will continue to consult widely and regularly on our strategy and its implementation and will review – and revise as necessary - our socio-economic priorities. To do this we will:
- Hold periodic open consultation events;
 - Publish open and transparent information on our website and make available in hard copy format;
 - Use other appropriate LEP events such as the twice yearly Forum to gather views and feedback;
 - Commit to continuous improvement through public response to the results of our evaluation activities.

Business Engagement

93. We recognise that business engagement is very important in developing and delivering our ESIF strategy, especially since our aim is to deliver smart and sustainable growth, productivity and jobs. Only businesses are the primary creators of wealth and jobs and their role is therefore fundamental to achieving our aim. However, many businesses, particularly SMEs, do not have the resources or motivation to engage directly in strategy development when there is not a direct and immediate business benefit. Conversely, it is unrealistic for us to expect to engage directly with the estimated 150,000 businesses in Coast to Capital. Our business engagement strategy therefore recognises this complexity and ensures that we engage businesses at the right level, based on the following analysis.
94. There are a number of ways of engaging businesses including:

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- **Direct engagement in strategy development:** where businesses bring their expertise to bear to make sure strategy meets business needs. This could be through working groups, focus groups or consultations via web or other methods. We have engaged businesses in leading our ESIF T&F Working Groups and through our Board and its relevant subgroups e.g. the Finance Committee, all of which are business led. We have also engaged businesses through consultation events such as our Forum.
- **Business engagement in the design of initiatives:** this covers activities where employers are engaged in developing services or programmes or initiatives through bringing their expertise to bear and articulating their needs to ensure services, programmes and initiatives are employer-demand led e.g. developing new learning provision. We will be actively engaging businesses in the development of our implementation plan for example, through our area partnerships which are all business led
- **Business engagement in delivery** e.g. of initiatives programmes and services where businesses will be active partners in delivery of our ESIF strategy, for example. TO1, Priority Area 1: *SME/HEI/public sector collaborative research and innovation*.
- **Businesses as recipients** of initiatives, programmes and services. Businesses will be engaged through being in receipt of the new business support we will deliver under TO3, *Enhancing the Competitiveness of SMEs* where businesses take up business support services.
- **Business engagement through research and intelligence activities.** Understanding business competitiveness and skills issues including recruitment, employees' (paid and unpaid) skills gaps, skills shortages, learning and business support needs and behaviours is a very important mode of business engagement and includes primary and secondary research and intelligence activities such as our extensive research into business internationalisation, business support and the research underpinning our skills strategy.
- **Mass communications to businesses:** this includes marketing and communications activities promoting key messages or to stimulate take-up of services through web-sites, newsletters, PR campaigns where we have an ongoing strategy for two way communication with our business population.

95. These levels are represented diagrammatically below in the business engagement pyramid in Figure 4. The higher the level the more intensive the engagement

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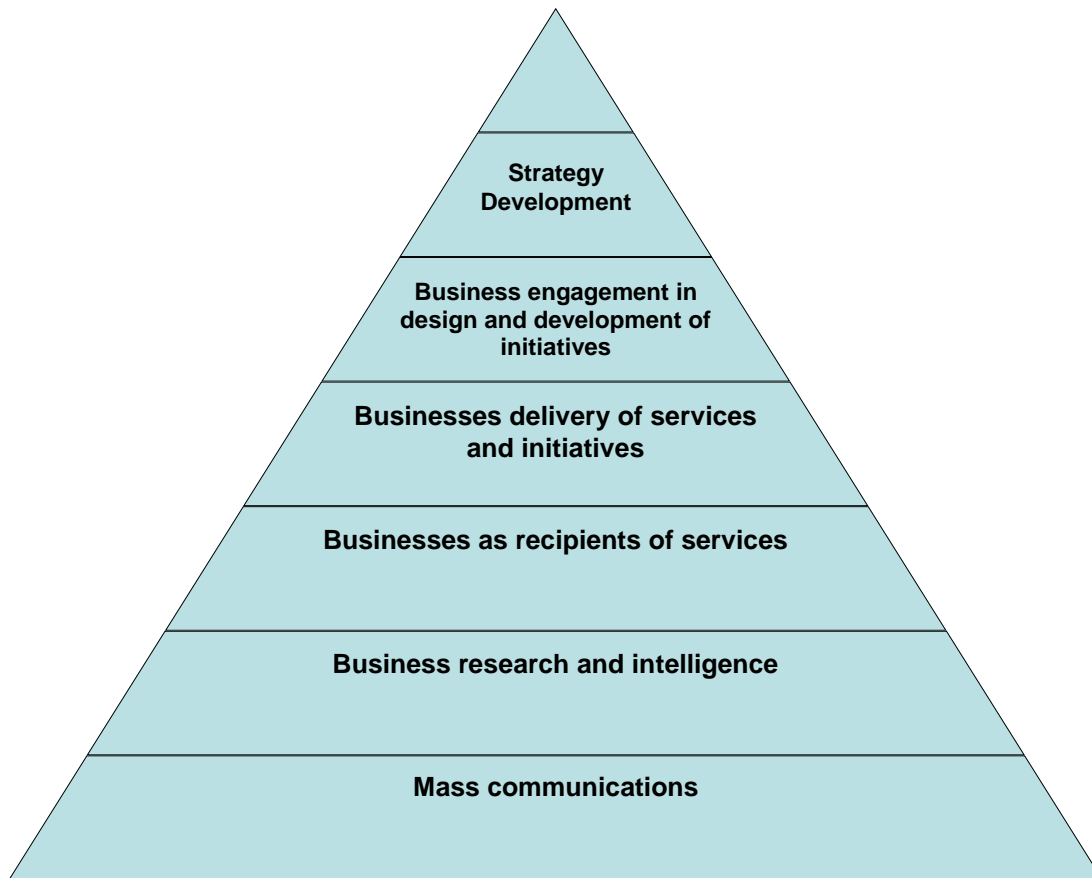


Figure 5: Business Engagement Pyramid

Delivery

97. We are committed to funding a manageable number of priorities under our ESIF strategy to ensure the maximum impact. We have already managed to reduce the initial list of 20 priorities identified through the SWOT analysis and consultation to 10. We will continue to work with our partners and the Local Growth Team to develop suitable arrangements to enable difficult decisions on priorities to be made. In undertaking this prioritisation, we apply the key principles of open decision-making with clear and transparent processes and selection criteria for projects including:

- Strong rationale based on evidence of market failure;
- Demonstrable additionality and minimisation of deadweight and displacement,
- Value for money;
- Local responsiveness.

98. The delivery of the ESIF programme will be achieved through a mixture of locally tailored interventions through national opt-in programmes and locally procured delivery projects and programmes. Whilst we have actively engaged with the national opt-in offers, a significant percentage of our strategy implementation will be subject to

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commissioning and open calls for proposals and programmes. The scale, timing and scope of these calls will be agreed with the Managing Authority and other appropriate partners and organisations.

99. It is expected that local procurement and delivery will play a significant role in the delivery of our Strategy. This will relate both to procurement through the opt-in organisations and proposals in response to open calls, where delivery will be tailored to address local issues and delivered by organisations such as voluntary and community organisations; social enterprises; the business sector; public sector agencies and educational organisations. We would like to see the principles of Community Led Local Development applied in terms of locally designed and delivered programmes and projects wherever appropriate.
100. Working with our partners, the Managing Authorities and other members of Local Growth Teams, and, if supported by ESIF Technical Assistance (TA) funding, we will have a suitable resourced ESIF executive team in place to support the Strategy Board and provide management of implementation activities designed to realise the Strategy. Capitalising on the existing expertise and knowledge in our partner organisations, the activities of this team will encompass:
- Identifying and bringing together organisations to develop funding submissions;
 - Designing and drafting project specifications, in compliance with the national regulations;
 - Establishing appropriate local partnership arrangements to ensure support for, and commitment to, projects and programmes delivering the strategy;
 - Working with local delivery organisations to develop projects and providing advice to them as required;
 - Liaising with the Managing Authority regarding appropriate calls/commissions;
 - Liaising with appointed delivery organisations regarding ongoing performance and project management;
 - Ensuring the LEP expenditure profile is achieved;
 - Monitoring, reviewing and evaluating the ESIF strategy as appropriate;
 - Negotiation and monitoring of opt-in programmes ensuring they are being delivered appropriately to address this Strategy;
 - Proactively maintain and further develop engagement and linkages between Strategy stakeholders.

Match funding and opt-ins

101. During the initial development of the Strategy in 2013/14 a separate piece of work was undertaken to identify possible sources of match funding and we continue to develop this area. In the case of locally procured projects, we will expect the successful bidding or commissioned organisations to have identified their own match funding.

102. Issues we have identified are:

- Where opt-ins are not taken up, individual projects will need to secure clean non-EU match funding. They may do this from internal sources or from third parties;
- A proportion of the Single Local Growth Fund can be used as match and the Adult Skills element must be used in this way. However, most match funding will need to

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come from alternative sources. Part of Government’s challenge to LEP and Local Authorities is to identify how this might be made to happen;

- Following public sector cuts, public sector match funding is more limited than previously;
- The availability of private sector match funding is an issue. State Aid, procurement and Intellectual Property rules can mean it is very difficult to involve private sector partners directly in projects and source match funding from them in ways that meet EU audit requirements;
- We continue to develop our thinking about possible mechanisms for amassing money that can be accessed by projects as match. Such mechanisms are likely to be quite complex and will have to meet EU audit requirements. They might include the development of different vehicles capable of bringing together and aligning money from different sources that can then be used to lever in European SIF money. It is impossible to provide definitive detail at this stage.

103. We are adopting a trilateral approach to identifying and securing match funding. Firstly through the national opt-in proposals, secondly through supporting applicants to find project level match, and thirdly through exploring other third party sources which may include any of the following:

| Public National excluding Opt-ins |
|--|
| Academic Health Science Network (NHS) |
| Adult Skills Budget |
| Advanced Manufacturing Supply Chain initiative |
| Arts Council for England |
| Business Coaching for Growth |
| Coastal Communities Fund |
| Creative England |
| DCLG Troubled Families |
| DECC Low Carbon Innovation funding |
| Department of Health initiatives |
| DWP contracted employment programmes |
| DWP Job Centre Plus |
| Green Deal (e.g. Sussex Energy Savers starts late 2013) |
| Growing Places |
| HCA programmes (e.g. Affordable Homes Programme) |
| HEFCE programmes (including Higher Education Innovation Fund (HEIF)) |
| Local Authorities – Business Rate uplift |
| Local Sustainable Transport Fund / LTB funding |
| Other Lottery programmes outside Opt-in |
| Princes Trust |
| Regional Growth Fund – aligned to enable it to be used as match |
| Research Councils |
| Single Local Growth Fund |
| Tax Increment Funding (TIF) |
| Technology Strategy Board programmes |
| The Coastal Communities Fund |
| UK Green Investment Bank |
| Waste and Resources Action Programme loans |
| Wave 2 Business Growth Fund |
| WRAP funding |
| Local Public Sector |
| Community Infrastructure Levy (CIL) – where available / workable |

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| |
|---|
| Public National excluding Opt-ins |
| Local Authorities |
| Local Authorities Section 106 (Developers contributions) |
| Local Authorities Community Infrastructure Levy (CIL) – where introduced. |
| FE Colleges |
| Universities |
| Civil Society |
| NB includes CICs/social enterprises, cooperatives & mutuals |
| Volunteer time |
| To be determined at project level |
| Private |
| Energy companies e.g. E.ON re windfarm development |
| Energy Companies Obligation (ECO) |
| Renewables obligation |
| Micro-feed-in tariffs |
| Contracts for Difference and transitional arrangements under EMR |
| Housing Associations |

Financial allocations and outputs

104. The financial allocations and outputs in this version of the ESIF Strategy have been given to us by the Managing Authority for each Fund and have not been negotiated.

Value for money and additionality

105. The targets we have been set are derived from national negotiations between the Managing Authorities and the European Commission and are stretching, thus ensuring value for money. .

106. In terms of additionality, we will undertake baselining work to ascertain how the national averages apply in our local economy and labour market and will seek to exceed historical achievement through a process of evaluation and continuous improvement, subject to funding being available for this exercise.

107. The LEP will provide additionality through its knowledge of local labour market issues and inform the development of calls for projects that tailor outputs to the delivery context, reflecting the different circumstances in localities. For example, the cost of starting a new business in a rural area with high levels of entrepreneurship is likely to be lower than the cost in areas of relative deprivation.

108. We will also provide additionality through encouraging linkages between our geographic sub areas and labour markets and through stimulating cross fertilisation of ideas, knowledge sharing and good practice, including the achievement of value for money across our ESIF programme. Our strategy will be to use the increased European funding capacity and knowledge to lever in as much non-structural funding as possible. The benefits of this will lie, not only increased investment in our area, but also in greater interaction with Europe and internationalisation for our businesses and residents.

109. We are also aware that we need to add value to and complement existing provision in our area including initiatives that are already provided by education and learning providers and business support organisations. We have undertaken extensive research into existing local provision including:

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- Mapping of business support services including innovation, sector support organisations and trade bodies, export and internationalisation services as well as general business support. This underpins our interventions to promote business competitiveness set out under ERDF
- Research and analysis of education and learning provision, including private sector training provision to underpin our skills including intermediate and higher level skills interventions under ESF and our wider skills strategy, currently out for consultation.
- Mapping and analysis of the community and voluntary sector which is currently ongoing to ensure that our social inclusion and employability interventions complement and add value to this.

110. As well as adding value to local provision we are aware that new provision must complement and not duplicate national provision. Our approach to this is set out in the section below.

Links to national programmes

111. A fundamental part of providing value for money and additionality lies in making sure that new provision does not duplicate what is already in existence. We have developed a Coast to Capital skills strategy to support the delivery of both the SEP and the ESIF strategy. The skills strategy has been consulted on extensively and is based on a thorough assessment of publicly funded and private sector education and learning provision available in our area, as well as forecast likely demand for skills and qualifications. The detailed analysis of forecast demand for skills by sector and qualification can be found in our economic assessment which was undertaken prior to the development of the ESIF strategy. As part of this analysis of the skills and labour market in Coast to Capital we have taken full account of the national provision in our area where data is available, for example through the SFA cube and DWP published data, and through our engagement with local providers. For example, we have recently met with Central Sussex College to discuss how ESIF funded provision can build on the national Work Place Learning programme already delivered through them and ensure there is a smooth transition to the provision under the next programming period. We are actively supporting Chichester College on their ESF funded programmes.

112. SFA provision contracted in our area until July 2015 includes:

- Provision for 14-19 NEET through Sussex Downs College;
- Skills Support for Redundancy through Chichester College;
- Skills for the Unemployed (SSU) through Chichester College;
- Work Place Learning through Central Sussex College and Chichester College which enables progression through to higher level skills in the workplace, particularly for those at risk of redundancy;
- Skills Support for the Workforce/Local Responsiveness Fund, through Chichester College which is based on priorities already identified by the LEP and supports progress to higher level skills.

113. We will continue to work with SFA and local providers on the programmes that are about to be contracted for June 2014 until July 2015 including Flexible Fund for the Unemployed, English and Maths for the unemployed (a key priority for our colleges) and Skills Support for Work Programme Participants.

114. We are also very supportive of the new approach for focused Apprenticeships set out in the Richards Review and particularly the Trailblazers, nearly all of which closely reflect

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our key sectors e.g. Aerospace, Digital Industries, Electro technical, Financial Services and Food and Drink Manufacturing and Life Sciences . We will be looking at ways in which we can use ESIF to help to stimulate demand among individuals and SMEs for the revised Apprenticeships and the Trailblazers and develop the pipeline of entries into Apprenticeships.

115. We are aware that in 2012/13 the highest number of known Apprenticeship achievements²⁰ at all levels in Coast to Capital were in Health and Social Care (856), Children and Young People's Workforce (515) and Business Administration (474). Whilst these are important sectors for Coast to Capital in employment terms, we would hope to see increased take up in our priority sectors including IT (112 completions) and Engineering (82) and will be working with providers to see what additional support ESIF can provide to enable this to happen.

²⁰ Source: SFA Data cube

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| Apprenticeship subject area | Completions 2012/13 |
|-------------------------------------|---------------------|
| Health and Social Care | 856 |
| Children & Young People’s Workforce | 515 |
| Business Administration | 474 |
| Customer Service | 464 |
| Management | 462 |
| Hospitality and Catering | 434 |

Table 1: Apprenticeship completions (all levels) in Coast to Capital 2012/13

Source: SFA Data Cube

116. Through our discussions with the SFA regarding the opt-in arrangements we will ensure that the specifications that are drawn up for ESF funded projects under ESIF are targeted in areas where the current provision is not sufficient to meet forecast demand for employment and skills progression, for example, sectoral skills and additional support for Apprenticeships.
117. In terms of DWP programmes, we are particularly aware of the need to complement national provision including the Work Programme and the Youth Contract. The Work Programme gives local providers greater freedom to support unemployed people for up to two years to help them into sustainable work which is in accordance with our aim of providing additional flexible support to the unemployed. We know from the evaluation of the Work Programme²¹ that the volume of referrals has been higher than anticipated and it has been difficult for some smaller Tier 2 providers to manage their cash flow due to the outcome-based payment regime, whilst others have been deterred from joining the supply chain. We will work with DWP and Jobcentre Plus staff in our area to ensure that our ESIF provision helps to extend and complement the Work Programme by offering increased flexibilities in terms of provision and payments as well as additional support for particularly hard-to-reach groups.
118. Similarly, we will support the national Youth Contract provision in our area. The Youth Contract was launched in 2012 and provides flexible support for young people aged 18 to 24 including specialist advisers, sector-based work academy, work experience and employer cash incentives. As youth unemployment is a key issue in Coast to Capital we are very keen to work closely with Jobcentre Plus staff and local providers to make sure the ESIF provision adds value to what is already being delivered. Evaluation of the Youth Contract ²² shows that there were barriers that the programme could not address such as certain training courses or qualifications for certain industries and that there was a greater difficulty in finding suitable work placements and setting up sector based work academies in rural areas and small towns.
119. We also wish to work particularly closely with the providers of the New Enterprise Allowance scheme in Coast to Capital as it has a direct bearing on our aim of increasing

²¹ \ *Work Programme Evaluation: Procurement, supply chains and implementation of the commissioning model.* Research Report 382, March 2013, DWP

²² \ *The Youth Contract: Findings from research with Jobcentre Plus staff in five case study districts.* Research Report 833, 2013, DWP

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the number of business start-ups and levels of entrepreneurship in underperforming areas and among target groups. DWP statistics indicate that there have been 1,630 mentoring starts in Coast to Capital between April 2011 and August 2013 and 720 NEA weekly allowance starts over the same period. It is not clear how many businesses have started up as a result.

Opt-in proposals

120. During the development of this Strategy, we considered the opt-in proposals made to LEPs from SFA, DWP, UKTI, MAS, Growth Accelerator, SFA, Big Lottery and Princes Trust and actively engaged in discussions with these organisations. Since then we have managed to reach agreement with the Big Lottery Fund, DWP, SFA and UKTI on opt-in arrangements and have been working with them to ensure that calls issued under these arrangements are consistent with our Strategy and our principle of ensuring that delivery is locally-responsive. The current arrangements are set out below..

| Organisation | Opt-in | Period of opt-in | Agreement |
|-------------------------|---|-----------------------------|--|
| SFA | Yes | First half of the programme | Delivery under ESF Investment Priorities 2.1. and 2.2 plus a small amount under 1.2 (young people) |
| DWP | Yes | First half of the programme | Delivery under ESF Investment Priority 1.1. |
| Big Lottery Fund | Yes | First half of the programme | Delivery under ESF Investment Priority 1.4 |
| UKTI | *Not an opt-in but a national arrangement | First half of the programme | A small amount under ERDF Investment Priority 3. |

121. We welcome the idea of the opt-in proposals and hope that such offers will be available on an annual basis, enabling us to revisit our decisions throughout the lifetime of ESIF.

122. Where we have indicated a positive response to an opt-in proposal, we are limiting the time of the opt-in to the first half of the programme, to enable us to evaluate the delivery, recipient and beneficiary experience, with a view to tailoring future delivery..

Alignment of EU funds

123. We are committed to accessing the non-structural funds wherever possible as we see ESIF as part of our overall strategy to develop much stronger links between our area and Europe and to maximise investment in our area from whichever sources are appropriate. We see the ESIF strategy as providing the platform for us to build capacity that we can then use to implement our wider strategy for European funding.

124. Before ESIF responsibilities were given to LEPs, we had already developed a European funding strategy. The Board considered whether to adopt one of two approaches which were either to use European funding simply as an additional source

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of project income to help fund the LEP's key priorities, for example supporting new businesses or increasing levels of female entrepreneurship. The second potential approach and the one that Coast to Capital's Board adopted in principle was to adopt a wider and more strategic role whereby the LEP would use its influence on behalf of the Coast to Capital area as a whole, in support of its broader aim of creating the right conditions for growth. This would mean funding and other benefits of European engagement would be increased for partners and the wider community and not limited to activities that had a direct impact on the activities in the LEP's business plan.

125. Other potential benefits of adopting the wider strategic role that were identified included the opportunity to influence the Commission, form partnerships with European regions, exchange knowledge and expertise, make relationships to support sector and cluster development initiatives, build contacts with European HEIs and research institutes, stimulate relationships between individual SMEs, learning providers and citizens in the Coast to Capital area and those in other regions of Europe and, perhaps, deliver financial benefits as well.
126. To this end, a mapping exercise was carried out to identify potential sources of funding under the 2014-2020 EU financial perspective that would align with this broader role. The funding streams identified were too numerous to include here. However, of particular relevance to our priorities for ESIF strategy and the priorities we have set out are:
- **Horizon 2020** Running from 2014 to 2020 with a budget of just over €70 billion, the EU's new programme for research and innovation is part of the drive to create new growth and jobs in Europe. Of particular interest to Coast to Capital is the Competitive Industries objective which aims at making Europe a more attractive location to invest in research and innovation, by promoting activities where businesses set the agenda. It will provide major investment in key industrial technologies, maximise the growth potential of European companies by providing them with adequate levels of finance and help innovative SMEs to grow into world-leading companies. Our HE partners are heavily engaged in the current FP7 programme.
 - **European Territorial Co-operation (Interreg)** Organisations across the LEP area have been involved in the Interreg IV A, B & C strands with particular success under the two cross-border programmes from which we are geographically eligible to seek funding (i.e. the France-Channel – England programme and the 2 Seas programme). These have already brought direct benefits in supporting various key initiatives within the Coast to Capital area. We look forward to being involved in the development of 2014-2020 programmes for each and will be looking for practical level synergies and complementarities with our own ESIF provision. We are actively working with Government and the Interreg IVa Managing Authorities to develop Operational Programmes under Interreg V which will complement and enhance the strategic priorities of our ESIF strategy.
 - **Erasmus +** The successor to the current Life Long learning Programme will fund "Knowledge Alliances" and "Sector Skills Alliances" following pilots in 2011 and 2012. These partnerships between higher education institutions and businesses will promote creativity, innovation and entrepreneurship by offering new learning opportunities and qualifications and developing new sector-specific curricula and innovative forms of vocational teaching and training.

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- **Creative Europe** this programme aims to strengthen the competitiveness of the cultural and creative sectors. And, given our strong focus on the CDIT sector in our area, this funding programme is of great potential benefit.
- **Programme for the Competitiveness of enterprises and SMEs (COSME)** We will work with our partners to maximise the potential benefits from the new COSME programme as more details become available. We are particularly interested in actions to: increase the sustainable competitiveness of SMEs; help small businesses operate outside their home countries and improving their access to markets as well as to encourage female entrepreneurs.

127. These and other relevant initiatives will be investigated fully once our ESIF strategy is agreed.

Financial Instruments

128. In principle, we support the idea of developing revolving funds rather than relying totally on grant funding. However, we did not think that we wish to use ESIF for that purpose at the time of developing the Strategy. We investigated the opportunity for collaborative development of FEIs with other LEPs in the GTV6 group using the EIB as a source of match funding for ERDF and concluded that the amount of contribution required from each LEP to obtain EIB match would be too great and would not leave us sufficient funds to achieve our other priorities for innovation and SME competitiveness. We are not therefore pursuing the development of FEIs using ESIF at this stage. We have investigated finance issues for SMEs in our area as part of our wider Strategic Economic Plan for the Single Local Growth Fund and included an Access to Finance project as a result..

Collaboration with other LEPs

129. We are continuing to explore collaboration with other LEPs and will continue to investigate the potential benefits which must be greater than those which we can achieve on our own to justify engaging in any collaborative activity. The benefits of collaboration might include, for example, significantly increased impact in addressing market failures in collaborating LEPs, greater coherence for the beneficiaries of our ESIF activities, i.e. the businesses and individuals, increased value for money for the public purse through economies of scale and reduction in the administrative burden for delivery partners.

130. With this criterion of clearly identifiable collaborative gain in mind, we are engaged in discussions with the Greater Thames Valley group of LEPs (GTV6), i.e. Buckinghamshire Thames Valley LEP; Coast to Capital LEP; Enterprise M3 LEP; Hertfordshire LEP; Oxfordshire LEP; and Thames Valley Berkshire LEP and have investigated potential opportunities to collaborate for example on higher level skills and access to finance. Now that we have more clarity about our key priorities and strategic goals, the broad areas to explore for potential collaboration amongst the GTV6 seem to include:

- Innovation;
- SME Competitiveness;
- Low Carbon;
- Employment & Social Inclusion;
- Skills.

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131. Within these areas, it would seem that the provision of advice to businesses might be an area where potential collaboration could pay off and result in collaborative gains as well as reducing confusion for businesses. The simplest areas to collaborate across the GTV6 area will be in specific areas of business advice such as start up support or environmental advice where a joint specification could be agreed. This is less likely to apply in other more complex areas such as innovation where we are likely to adopt a commissioning approach with local HEIs and/or other specialist partners.
132. We have also engaged in discussions with Solent LEP on the rural agenda since we share a LEADER area with them (Three Harbours and Coastal Plain). We have agreed that we should harmonise our programmes as far as possible for the SME customer so that they can access the same support regardless of location.
133. We are also in joint discussions with Enterprise M3 in relation to the woodland enterprise and the rural agenda.
134. We are in discussion with the Greater London Authority concerning our shared responsibility for the London Borough of Croydon and with SELEP on our shared responsibilities for Lewes. We are hoping to reach agreement on the division of responsibilities in relation to ESIF delivery so that we do not duplicate. Clearly, there are complex contractual issues to be worked through and resolved but we hope to reach an in principle agreement soon.

Rural development

135. A major part of the Coast to Capital land area is classified as rural. The majority of the South Downs National Park (62%) is within our boundaries, along with Chichester Harbour Area of Outstanding Natural Beauty (AONB) and significant parts of the Surrey Hills and High Weald AONBs. Approximately 20% of the land mass of Coast to Capital has AONB designation. The rural areas also contain very significant resident and business populations, large urban settlements and a sizeable economy.
136. As a Local Enterprise Partnership, Coast to Capital's interest is primarily in economic development; our main aim is to unlock growth potential and particularly to increase jobs. We recognise that this has to be achieved sustainably - without unduly harming the environment or adversely affecting the quality of life of our citizens. Our rural area - including its rich and varied landscape and biodiversity, cultural heritage and its economic and social capital - is one of our key assets as well as being a defining feature of Coast to Capital. Drivers of change have the potential to both enhance and challenge this asset; the growing and increasingly diverse resident and business populations provide the basis for future economic growth and prosperity whilst the effects of climate change, increased demand for housing and airport expansion bring significant challenges.
137. To achieve the necessary balance between these competing pressures we have established a Rural Strategy Group which has produced a Coast to Capital Rural Statement. This will take forward our work in this area, building on the sustainable rural development aims outlined in the SEP and the ESIF. We will continue to work with other rural groupings and partners in our area including the Rural West Sussex Partnership, the newly established Surrey Countryside and Rural Enterprise Group, the South

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Downs National Park, the AONBs, the Sussex and Surrey Local Nature Partnerships and the three LEADER LAGs. Each of these groupings and organisations has developed or is developing its own strategy; most recently the Surrey Local Nature Partnership launched its Natural Capital Investment Strategy supporting the nationally recognised need to reverse damage done to our natural capital. We will ensure that the aims and objectives of the relevant strategies are reflected in our Rural Statement and, by extension, in our ESI funded activities.

138. The area has benefited from the presence of three very successful LEADER programmes under the 2007-13 programming period: Three Harbours and Coastal Plain, Sussex Downs and Low Weald and Rural Surrey that have been delivering projects in various parts of the Coast to Capital rural area. During the last programming period, these programmes have invested more than £4m of Defra and EU funds to support the rural economy and communities, facilitating additional investment of over £10m. More than 250 projects have been funded, helping to create more than 200 new jobs and sustain over 560 jobs as well as supporting 190 businesses and 18 start-ups. Each of the LEADER programmes referred to have strong Local Action Groups in place, ensuring that the use of funds and programme delivery is genuinely rooted in local priorities and delivers local impact. This complex type of governance has been a key factor in ensuring real success and we wish to learn from and further develop the approach, replicating it more widely across the Coast to Capital area.

139. In view of the success of the LEADER in our area we have asked the three LAGs to work together, and with other rural interest groups, to help us ensure that there is a coherent approach in Coast to Capital. This has resulted in a very constructive planning process for LEADER in our area and we continue to work closely with the LAGs and other rural interests to ensure that the needs of the rural area are met through our combined resources.

140. We will continue to ensure that the rural development agenda remains one of our main priorities and that the rural area benefits appropriately from all three ESI Funds and not just from EAFRD. We will use the evidence and aims of the Coast to Capital Rural Statement to inform the development of ESI funded activities in the rural areas.

Community Led Local Development

141. Aware of the success of the local LEADER LAG activities, we have considered how we might best make use of CLLD mechanisms in the new programme. We wanted to see if LAG type structures might be used in other or less rural areas. However, we did not find any convincing evidence that the same results and beneficial impact could not be achieved using ESI funds in the usual way, particularly since it appears from Government guidance that the minimum funding for a CLLD to be successful is likely to be in the region of £1m over the lifetime of the programme.

Sustainable Development

142. Underpinning this strategy are the key cross-cutting themes of sustainable development, and equality and anti-discrimination. We have established baseline data which is collated and analysed in the economic assessment, and will collate additional baseline data should this be required to inform the project commissioning process. We have also drawn on the wide range of knowledge and expertise existing within our

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partner organisations. The contribution from our local authority partners via the Task and Finish group in the areas of environment, employment and social inclusion has been, and will continue to be, of significant value.

143. Sustainable development requires us to achieve economic growth without compromising the environment and our quality of life, including that of future generations. This is particularly important to Coast to Capital and its partners given the quality of our natural environment and the extensive nature of our countryside which need to be balanced with our ambitious targets for growth. We are committed to ensuring that the ESIF and the wider Strategic Economic Plan (SEP) both promote economically, socially, physically and environmentally sustainable forms of development and growth.

144. Working with Natural England, in early 2015 we brought together our partners with expertise in sustainable development with the intention of drawing up a Local Environment and Economic Development strategy using Defra’s LEED toolkit. We will continue to work on this area in 2016 and ensure that the Local Environment and Economic Development Strategy is fully aligned with both the ESIF and the SEP.

145. Our SEP contains a large amount of detailed information on what we will do to address environmental challenges and increase the resilience of our area. Our proposed programme set out in the SEP includes schemes which would:

- Repair and maintain critical transport structures giving due consideration to sustainable solutions
- Prevent or mitigate the risk of flooding, a major constraint in delivering housing and employment growth e.g. flood defences for Shoreham Adur Tidal Walls, Shoreham Western Harbour Arm and Newhaven.
- Reduce the number of traffic incidents and help the network to recover quickly after such incidents.
- Provide resilience from adverse weather conditions, such as heavy snow fall.

146. Our intention is to set aside a proportion of the Local Growth Fund to be allocated to such schemes for promoting environmental resilience and sustainability.

147. The Government’s indicators for sustainable development (SDIs) measure progress on economic, social and environmental issues. We have used the headline indicators to provide a frame of reference for our ESIF strategy which will enable us to assess the impact of all activities delivered through ESIF is assessed against the relevant SDI wherever possible. The SDI links to the relevant ESIF priorities as set out in the table below.

| Headline SDIs | | Our contributing ESIF priorities for action | C to C KPI and /or ESIF indicator |
|------------------------|-----|--|-----------------------------------|
| Economy | | | |
| 1. Economic Prosperity | GDP | 1. Promote SME/HEI/public sector collaborative research and innovation | KPI & ESIF indicator |

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| Headline SDIs | | Our contributing ESIF priorities for action | C to C KPI and /or ESIF indicator |
|----------------------------|---|--|---|
| | GDP per head | 2. Develop growth capacity and ambition for SMEs and strengthen their supply chains in our priority sectors and clusters. 3. Improve business support for all stages of SME development and growth EAFRD 2. Funding new and developing non-agricultural, micro, small and medium sized rural businesses EAFRD 3. Supporting tourism activities in rural areas | KPI & ESIF indicator |
| | Median Income | | Under consideration |
| 2. Long term unemployment | Proportion of adults unemployed over 12 months | 5. Develop innovative, longer interventions that move from pre-work support for those in target groups and communities. 6. Assisting and supporting employment and self-employment and new employment models e.g. social enterprises | KPI and ESIF indicator |
| 3. Poverty | Proportion of children in low income housing (before housing costs) | 7. Develop wrap-around, multi-agency support for those in target groups | Under consideration |
| | Proportion of children in absolute low income households | | Under consideration |
| 4. Knowledge and Skills | Human capital (£) stock | 9. Develop higher level skills in our five priority sectors and other sectors of importance or potential growth in our economy 10. Develop intermediate skills and technical skills for industries driving growth and in targeted development areas or other priority areas and encouraging those from target groups e.g. women, BAME to enter sectors where they are currently underrepresented EAFRD 1. Building knowledge and skills in rural areas | N/A at local level. Skills = ESIF indicator |
| | Human capital per head | | As above |
| Society | | | |
| 5. Healthy life expectancy | Healthy life expectancy at birth: males | 7. Develop wrap-around, multi-agency support for those in target groups | |
| | Healthy life expectancy at birth: females | | |

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| Headline SDIs | | Our contributing ESIF priorities for action | C to C KPI and /or ESIF indicator |
|---------------------------------------|--|---|-----------------------------------|
| 6. Social Capital | Proportion of people engaging in actions addressing issues of public concern | 8. Increase social inclusion through developing innovative solutions including asset based community development, developing community leadership and capacity, innovative business models e.g. social enterprises and promoting informal and community learning | N/A national survey data |
| | Proportion of people who have a spouse, family member or friend to rely on | | As above |
| | Proportion of people engaging in volunteering | | As above |
| | Proportion of people agreeing that people in their neighbourhood can be trusted | | As above |
| Social mobility in adulthood | Proportion of adults from less advantaged groups in managerial or professional positions | 10. Develop intermediate skills and technical skills for industries driving growth and in targeted development areas or other priority areas and encouraging those from target groups e.g. women, BAME to enter sectors where they are currently underrepresented 8. Increase social inclusion through developing innovative solutions including asset based community development, developing community leadership and capacity, innovative business models | As above |
| 8. Housing provision | Net additional dwellings | | SEP measure |
| Environment | | | |
| 9. Greenhouse gas emissions | UK greenhouse gas emissions | 4. Provide support for SMEs to deploy low carbon solutions and technology transfer and promote adoption of low carbon technologies | SEP measure |
| | Greenhouse gas emissions associated with UK consumption | | |
| 10. Natural resource use | Raw material consumption of non-construction materials | EAFRD 2. Funding new and developing non-agricultural, micro, small and medium sized rural businesses | SEP measure |
| | Raw material consumption of construction materials | | |
| 11. Wildlife: bird population indices | Farmland birds | N/A | |
| | Woodland birds | | |
| | Seabirds | | |
| | Water and Wetland birds | | |
| 12. Water use | Abstractions from non-tidal surface waters and ground waters | N/A | |

148. Our ERDF Priority Axis tables give more detail on proposed priorities activity areas, particularly in relation to ERDF Priority Axis 4: Supporting the Shift to a Low Carbon Economy in all Sectors, which supports the Government's aim of achieving sustainable and balanced growth through reducing greenhouse gas emissions, increasing the share

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of renewables and moving towards a 20% increase in energy efficiency by 2020. The priorities we have set out for the use of EAFRD, through promoting forestry and woodland enterprise, will also support the move to a low carbon economy as wood products and fuels are intrinsically low carbon, protect forests and encourage biodiversity. Specifically, this strand of activity will help to increase the share of renewables in final energy consumption. By supporting the rural economy and rural small businesses, we will reduce commuting and help towards the reduction of greenhouse gases.

149. Projects recommended for funding through ESIF will aim to deliver positive environmental impacts and minimise negative effects and all successful bids will be required to set out how they will do so, and will be assessed using a process that relates to the relevant SDIs. The collection of relevant and appropriate data will also be a fundamental part of commissioning/project approval and ultimately contractual conditions so that the impact of interventions in relation to their contribution to sustainable development can be properly identified, monitored and evaluated.

Equality and Anti-Discrimination

150. Our ESIF strategy, based on the results of the SWOT analysis, has three main pillars and equality issues run across of all these not just social inclusion and cohesion, in recognition of the fact that if we achieve economic growth without benefiting all our citizens and addressing inequalities we will have failed.
151. All our priorities are expected to achieve an equality impact, for example, by targeting priority groups, communities and areas. Four out of our ten priorities directly relate to increasing inclusion and addressing inequalities and all successful bids for these and all six other priorities will be required to show how they address these and the impact they will have.
152. More broadly, Coast to Capital recognises its legal duty to comply with UK equality and anti-discrimination legislation, EU regulation and its ethical duty to support the principles enshrined in the legislation in delivering all its activities, including the development and implementation of this Strategy.
153. In addition to meeting our statutory duties, Coast to Capital will actively work with our equality groups to ensure that all our service provision is accessible to all constituencies in the area.
154. We will work with our partners, the Managing Authorities and the Local Growth team to ensure that all project development, commissioning and tendering procedures support the following principles:
- Advancing equality of opportunity between people in our target groups
 - Ensuring the elimination of unlawful discrimination, harassment and victimisation
155. We will incorporate equality and anti-discrimination requirements in project specification and commissioning and will ensure any contractual arrangements include appropriate arrangements for identification of issues, baselines, monitoring and evaluation. We will work with our identified opt-in organisations and other partners to ensure barriers to equality are being proactively tackled at delivery level.

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156. In order to ensure that all our services, procurement and commissioning methods take into account equality considerations particularly for those in protected groups, Coast to Capital will undertake an Equality Impact Assessment(s) across the strategy / or the thematic objectives within the European Structural and Investment Fund (ESIF) strategy and programme. This will take into account whether, for example, the service has equality objectives that have regional or national indicators; whether the strategy and subsequent service will affect protected groups differently and whether the service proposed will positively or negatively impact on protected groups such as any transport interventions to ensure they do not overtly or covertly reinforce protected groups disadvantage.

State Aid

157. We are aware of the need to comply with State Aid legislation, specifically in those cases where organisations are engaged in economic activity and note that State Aid legislation applies to those organisations which do not make a profit as well as those that do. We are also aware that State Aid legislation applies when a benefit distorts or has the potential to distort competition. A benefit can include free or on favourable terms including grants and soft loans, and also indirect assistance, e.g. relief from charges that an enterprise normally has to bear, such as a tax exemption, or the provision of services, loans, etc. at a favourable rate. Support that targets particular businesses, locations, types of firm e.g. SMEs or sectors could also be considered selective and to contravene State Aid rules.

158. However, we consider that the activities supported through ESIF will generally be covered by the General Block Exemption rule as they fall within the categories of:

- SME Aid
- Aid to Disadvantaged and Disabled Workers
- Training and Employment Aid
- Aid for Research, Development and Innovation

159. We also expect the de minimis rule of €200,000 in any three year period will apply in many cases.

160. However, as it is the Applicant who has to show that they have complied with State Aid requirements, it is outside the scope of this Strategy for us to make definitive decisions or recommendations in this area. Ultimately it is for the project partners in receipt of ESIF to take steps to ensure that each organisation in receipt of support meets the criteria.

Part 2: SWOT Analysis

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Component 1: Our people, skills and employment

SWOT summary

| Strengths | Weaknesses |
|---|--|
| <p>Educational attainment levels are good and appear to be rising.</p> <p>We have four universities, producing 50,000 graduates between 2007 to 2012</p> <p>The resident working age population is well qualified at all levels compared to the South East region.</p> <p>Economic activity rates in Coast to Capital are above average, as is the employment rate, indicating that skills demand is relatively buoyant and gaps and shortages are not critical issues.</p> <p>Self-employment rates are above those of the South East and significantly above those of GB as a whole.</p> <p>Coast to Capital performs particularly well on employment in higher level occupations on both residence and workplace measures and is ranked 4th out of 39 LEPs when measured by share of employees in high level occupations</p> <p>Coast to Capital knowledge economy employment is broadly on a par with the SE as a whole. It is above average in Brighton and Hove. However, there are once again significant variations at the local level.</p> | <p>There are variations at area level and Brighton & Hove is under performing.</p> <p>Only 43% were retained in our area. London is a major draw for graduates from Coast to Capital universities.</p> <p>There are variations in qualification levels at local authority and area partnership level. Coastal West Sussex has the least well qualified workforce. There are nearly 70,000 people of working age without qualifications.</p> <p>There are significant variations at area and district level indicating mismatches in local labour markets, particularly in Croydon and Brighton and Hove</p> <p>Although male self-employment rates are higher than average (though not in all areas) female self-employment rates in Coast to Capital are significantly lower.</p> <p>Croydon and Coastal West Sussex have lower shares of residents employed in the top three occupational groups. Croydon, Tandridge in Surrey and some coastal districts have below average proportions of jobs in the top three occupational groups, indicating lower value employment</p> <p>Overall KE performance is held back by a low level of knowledge economy in Coastal West Sussex. The fact that employment rates are generally above average in Coastal West Sussex and unemployment is lower indicate that there is weak demand for higher level skills and areas of possible low skills equilibrium along the coast.</p> |

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| Opportunities | Threats |
|---|---|
| <p>The presence of a highly skilled workforce is a benefit in attracting inward investment and increased no.s of knowledge based businesses</p> | <p>Poor labour mobility in rural areas and along the coast can result in labour market mismatches and employers not being able to get the skills they need</p> |
| <p>Increasing self-employment rates to above average across all areas, particularly for females, would create a significant rise in employment</p> | <p>There is currently a lack of a coherent business support offer</p> |
| <p>The strong knowledge economy presence in Gatwick Diamond and Brighton and Hove could be built on to create more jobs.</p> | <p>Areas of lower value employment and possible low skills equilibrium threaten the growth of the knowledge economy</p> |
| <p>Our strengths in key sectors such as Creative, Digital and IT, Advanced Manufacturing and Engineering, Health and Life Sciences, Financial Services and Environmental Technologies could support future knowledge economy growth</p> | <p>The forecast rise in demand for higher level skills and specialised skills for our key sectors and their supply chains in our area is significant and may not be able to be met.</p> |
| | <p>Many of the forecast skills needs are complex and specialised</p> |
| | <p>Employment in IT, which underpins these sectors and supports innovation, is well below that of the SE.</p> |
| | <p>Women are under-represented at senior levels in a number of these sectors as are BAME groups</p> |

Our people, skills and employment indicators

- ***Educational attainment levels***
- ***Graduate attainment and retention***
- ***Working age population qualifications***
- ***Employment rates***
- ***Employment in higher occupational groups***
- ***Knowledge economy employment***
- ***Future skills demand***

Educational attainment

161. Attainment Levels have been rising steadily in recent years in Coast to Capital as in the South East region as a whole. For Level 2 (i.e. 5 GCSEs Grades A to C or equivalent qualification) at age 19, most areas in Coast to Capital are on a par with the SE region although Brighton and Hove and East Sussex attainment rates are slightly below the regional average at 84.3% and 85% of 19 year olds achieving Level 2 at the end of

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2014 respectively, compared to just over 86% for the South East as whole according to the Department for Education. Surrey rates are slightly above with 87.4% of young people achieving this level by age 19, although this refers to the whole of Surrey, not just the Coast to Capital part, as these statistics are not available below the NUTS 3 geography.

Graduate attainment and retention

162.Coast to Capital has four universities in the area, the Universities of Brighton, Chichester, Sussex and the University for the Creative Arts with close links to a fifth, the University of Surrey. Brighton and Sussex are the largest in terms of graduates, accounting for over 50% of Coast to Capital graduates. Between them, the four Coast to Capital universities produced nearly 50,700 graduates between 2007 and 2013. However, only 43% or just over 19,600 of these graduates were retained in the area.

163.Of the graduates who found employment in Coast to Capital, Brighton and Hove was the most popular location in Coast to Capital for graduates with 14.5% of leavers in the 2007- 2013 cohort finding employment there. However, 22% of graduates leaving a Coast to Capital university found work in London. This highlights the challenges of retaining graduates with such a hub of economic activity so close by.

Qualifications

164.At LEP level the Coast to Capital, resident population is well qualified and has fewer residents in percentage terms with no qualifications compared to the region as a whole. Nevertheless, there were approximately 59,700 people of working age in Coast to Capital with no qualifications in 2014.

165.There are also significant variations at area level. For example:

- Brighton and Hove with Lewes has the highest percentage of its working age population qualified to degree level and above,
- Coastal West Sussex has the least well qualified resident workforce at all levels (although not available in 2014 it has consistently had the highest rate of people with no qualifications).

| | % with NVQ4+ | % with NVQ3+ | % with NVQ2+ | % with NVQ1+ | % with other qualifications | % no qualifications |
|---------------------------|--------------|--------------|--------------|--------------|-----------------------------|---------------------|
| South East | 39.1 | 60.5 | 77.1 | 89.2 | 5.2 | 5.6 |
| Coast to Capital | 39.6 | 61.2 | 77.2 | 89.3 | 5.8 | 4.9 |
| Croydon | 40.7 | 63.5 | 77.6 | 86.0 | 7.1 | 7.0 |
| Brighton & Hove and Lewes | 47.6 | 67.0 | 81.5 | 91.6 | 4.2 | 4.2 |
| Gatwick Diamond | 38.3 | 59.9 | 76.7 | 89.1 | 6.3 | 4.7 |
| Rural West Sussex | 37.7 | 59.6 | 77.4 | 92.0 | 4.2 | 3.8 |
| Coastal West Sussex | 33.0 | 55.6 | 73.3 | 90.6 | 5.3 | N/A |

Table 2: Qualifications as a %age of the working age population in Coast to Capital in 2014

Source: Nomis/Annual Population Survey

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166. This underlying problem with qualification levels in Coastal West Sussex is even more marked at local authority district level; no district has a higher percentage of residents qualified to Level 4 and above and Worthing and Arun (and historically Adur but data is missing for 2014) have higher percentages of residents with no qualifications than the LEP area as a whole.

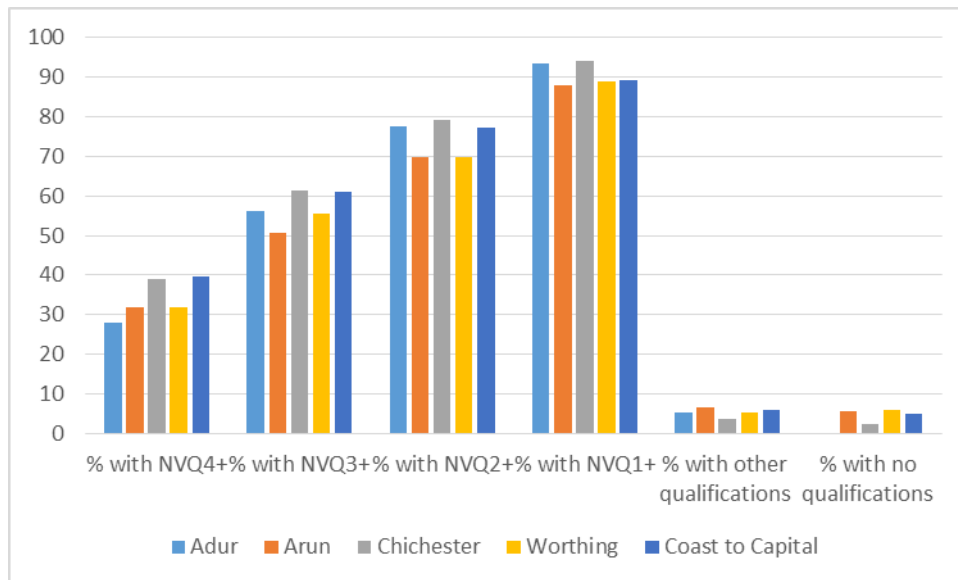


Figure 6: Qualifications as a %age of the working age population in the coastal local authority districts in 2014

Source: Nomis/Annual Population Survey

Economic activity and employment rates

167. Economic activity rates are relatively high (81.4%²³ of the working age population) as is the employment rate in Coast to Capital (76.5% of the working age population) and the LEP is ranked 10th highest among the LEP areas on this measure. However, once again there are significant variations in the employment rate at local authority district level from 67.8% in Worthing to 82.6% in Mid Sussex.

²³ Source: Nomis/ONS Annual Population Survey September 2014

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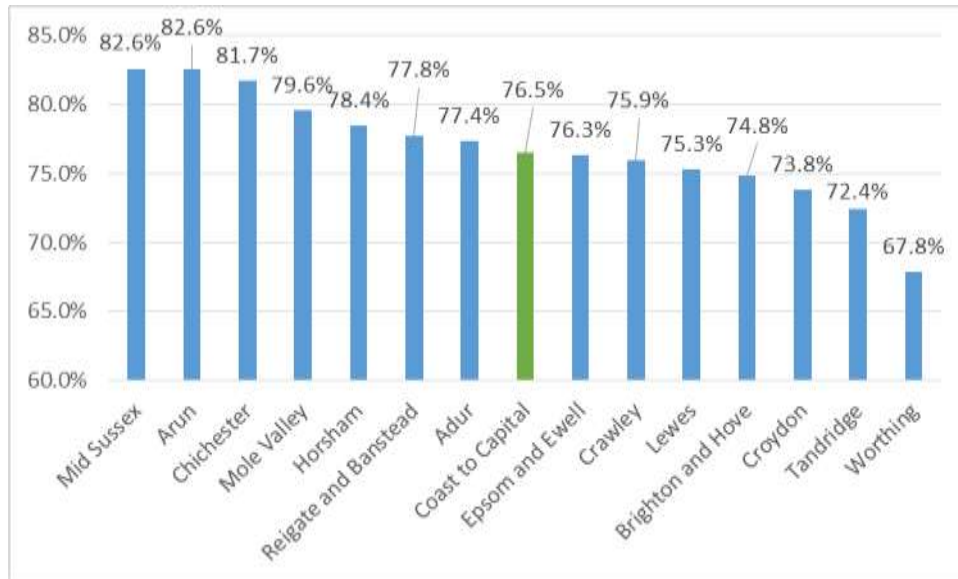


Figure 7: Employment rates in Coast to Capital LA Districts September 2014 as a %age of working age population
Source: ONS/APS

Self-employment

168. Self-employment rates are one of the measures of the entrepreneurialism of an economy. Higher rates can increase resilience to industrial restructuring and other economic shocks. Coast to Capital has above average rates of self-employment but once again there is a wide range at local authority district level. In the districts with above average rates, this tends to be driven by male self-employment; female self-employment is significantly lower than that of males.

Employment structure

169. The LEP Network’s report²⁴ notes that the higher performing LEP economies have a higher proportion of employment in the higher occupational groups as well as highly skilled workforces and ranks Coast to Capital 8th of 39 LEPs when measured by share of employees in high level occupations. Coast to Capital’s resident population performs reasonably well overall on employment in the higher occupational groups compared to the South East as a whole. However, there are significant variations at area and local level indicating different labour market dynamics in operation. For example, Croydon and Coastal West Sussex have lower shares of residents employed in the top three occupational groups and higher shares in the middle and lowest three groups. In spite of the Gatwick Diamond’s overall high performance on this metric, at local level, just 8.6% of Crawley residents are employed as managers and directors.

²⁴ Source: *Creating Successful Local Economies: Review of Local Enterprise Partnership area economies in 2012* the LEP network

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Workplace jobs

170. In terms of the type of jobs in Coast to Capital (as distinct from residents' occupations where they may be working outside the area), on the surface, there would not seem to be much to be concerned about; there are high percentages of jobs in the top three occupational groups indicating a knowledge and skills intensive employment structure in Coast to Capital

171. However, at local authority district level, it is clear that the higher value jobs are not evenly distributed and the range of employment in the top 3 groups is extensive from 40% in Arun to 55% in the Mole Valley, a difference of 15 percentage points. Tandridge, Crawley, Adur and Arun all have conspicuously lower proportions of higher value jobs.

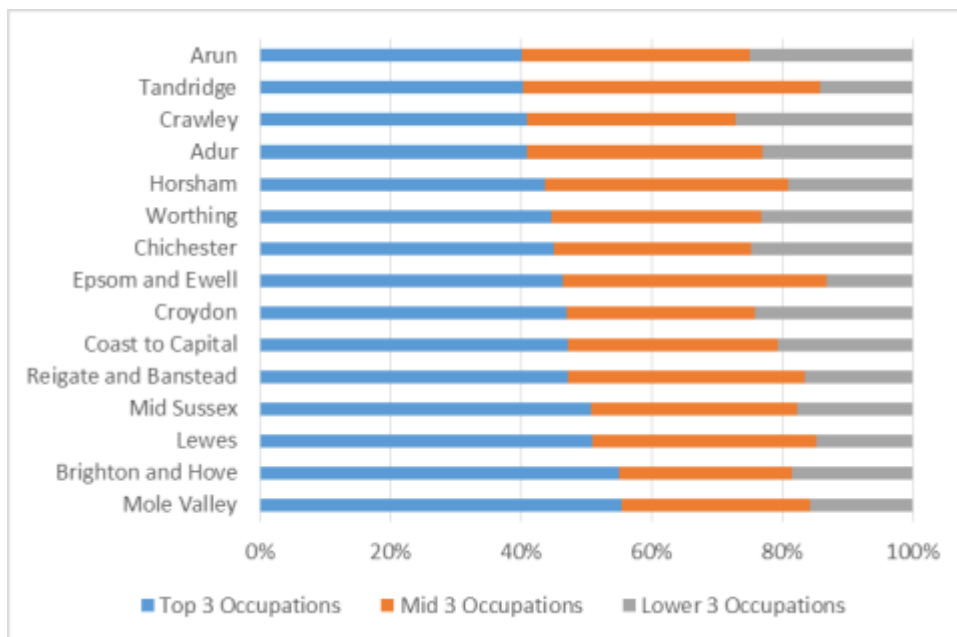


Figure 8: %age share of jobs in Coast to Capital by top, middle and lower occupational groups and by local authority district

Source: Nomis/ APS 2015 (workplace based)

Knowledge economy employment

172. In Coast to Capital, knowledge economy employment is below that of the region as a whole. It is above average in Brighton and Hove and the Gatwick Diamond but overall performance is held back by a lower level of knowledge economy in Coastal West Sussex. The fact that along the coast, employment rates are generally above average and unemployment is lower indicate that there may be demand for higher level skills and possible low skills equilibrium.

173. As in the South East as whole, the percentage of knowledge economy employment in Coast to Capital has declined slightly since the economic downturn and significantly so in Coastal West Sussex and the Gatwick Diamond which has seen a decline of 1% in the period 2009-2013. In Coastal West Sussex this is from a significantly lower base than the other areas of just 15% in 2009, this is a matter for concern

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| | 2009 | 2013 |
|---------------------------|-------|-------|
| South East | 21.3% | 21.5% |
| Coast to Capital | 20.1% | 19.9% |
| Croydon | 19.8% | 20.5% |
| Brighton & Hove and Lewes | 21.9% | 22.7% |
| Gatwick Diamond | 21.8% | 21.1% |
| Rural West Sussex | 21.5% | 21.2% |
| Coastal West Sussex | 15.0% | 14.1% |

Table 3: Change in percentage of knowledge economy employment in Coast to Capital 2009-2013

Source: ONS/ BRES

174. The leading sector in both Coast to Capital and the region as a whole is *620 Computer Programming, Consultancy and Related Activities*. However, this is underrepresented in Coast to Capital with a 13% share of KE jobs compared to 18% in the South East. This is concerning as IT employment underpins Coast to Capital's priority CDIT sector and is also important in driving wider technology-led productivity growth.

Skills shortages

175. Vacancies which remain unfilled for long periods are often used as a proxy measure for skills shortages in the labour market, although there are often other factors such as wage rates or the type of work on offer. There is little evidence that many vacancies are hard-to-fill in Coast to Capital but of those that do, the majority appear to be in Gatwick Diamond and Rural West Sussex.

Future demand for skills and qualifications

176. According to Working Futures' projections for Coast to Capital, over the period 2012 to 2022, the proportion of jobs in the higher occupational groups is forecast to increase whilst the middle and lower three groups are forecast to decline, apart from caring, leisure and other service occupations. Similarly, the sector that is expected to grow most significantly in terms of employment creation in percentage terms is Information Technology, but the largest number of jobs is expected to be in Professional Services.

177. Working Futures is projecting a 54% increase in demand for qualifications at the highest levels (7-8 e.g. PhDs), above first degree level over the period 2012 to 2022. At Levels 4-6, the demand will also increase by a significant factor of nearly 25%.

Skills needs in our priority sectors

178. Based on an analysis of UKCES' Skills Insights and the relevant Sector Skills Councils' reports as well as local intelligence, the following future skills needs for our priority sectors have been highlighted.

Creative, Digital and IT skills

179. In the short term, the projected skills required are:

- IT security skills (the ability to develop solutions and manage risk),

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- Cloud computing abilities (including project management and integrated solutions management skills, as well as technical architecture, infrastructure and networking skills),
- IT convergence skills (to move from hardware to software intensive platforms,
- Multi-platform content management.

180. In the medium term, CDIT skills in demand will include green-IT skills (e.g. a range of technical skills focused around power management and environmental impact assessment) and information and analytics knowledge.

Advanced manufacturing and engineering skills

181. Increasingly important specific, high-level skills requirements include:

- Digital techniques,
- Computing,
- Analytical thinking,
- Man-machine ergonomics and interface development,
- Risk analysis and understanding methodologies (including design for manufacture).

Health and Life Sciences skills

182. The sector is very heavily dependent on higher level skills and particularly research skills in biological sciences and other health related disciplines. Often companies are very small and need help with general business management as well as developing collaborative ventures. Export skills so that firms are not relying solely on the domestic NHS market may also be relevant. The top four skills that will need improving or updating in the next 12 months according to employers are:

- Technical, practical or job specific skills,
- Management skills,
- Problem solving skills,
- Team working skills.

Environmental Technology skills

183. Research in key technologies for energy storage and electro-mobility (e.g. electric vehicles) is progressing rapidly, creating continued demand for high-level R&D skills as well as broader-based business skills to exploit and commercialise innovation. New forms of technology will also require new intermediate-level skills to maintain equipment and machinery. Key skills that are likely to be required across the sector include:

- Adaptability and transferability skills;
- Environmental and sustainability awareness;
- Systems and risk analysis;
- Entrepreneurship;
- Innovation (to identify opportunities and create new strategies);
- Core technical and job-specific skills are required to meet regulatory demands.

184. High level STEM skills are always in demand but with shortages in most engineering disciplines, both for highly qualified engineers and for experienced technicians, there is an increasing reliance on Science, Technology, Engineering and Mathematics (STEM) skills. Competition from other sources will exacerbate current shortages. Skills from

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redundant or retired workers could support 'renewables' skills requirements but there is a need to consider transferable skills and non-traditional entry routes.

Financial Services Skills

185. Retail financial services generally suffer greater skills gaps and shortages than wholesale financial services. 77% of employers in this sub-sector report skills shortages, including basic numeracy, problem-solving and people skills as well as industry and product knowledge.
 186. Skills deficits in wholesale banking are less pronounced because of high wage levels and an international pool of talent. Where deficits have been identified, these relate to quantitative analytical skills and new product understanding. However, much of the responsibility for the financial crisis in this sub-sector has been attributed to poor management and leadership in the sector, as well as a lack of understanding of risk.
 187. Insurance, in both retail and wholesale markets, is less attractive to high-quality candidates than banking partly, as there is a remuneration disparity with other financial services companies,
 188. There is a shortage of management and leadership skills across the sector and UK candidates for wholesale financial services positions tend to have weaker language skills than their non-UK counterparts.
-

Component 2: Innovative, high productivity, growth orientated, international business base.

SWOT: Summary

| Strengths | Weaknesses |
|---|---|
| <p>Overall productivity is high.</p> <p>There are strengths in key sectors such as CDIT, health and life sciences, advanced manufacturing and engineering, financial services, environmental technologies.</p> <p>There is some evidence of clustering and supporting supply chains, institutions and networks emerging.</p> <p>There is some evidence of crosscutting technologies e.g. manufacturing/environmental</p> <p>The Coast to Capital business birth rate is reasonably high. Birth rates are rising and death rates declining. Churn rates are healthy.</p> <p>Coast to Capital has a high level of jobs in growth sectors</p> <p>Innovation and R&D expenditure are high</p> <p>Coast to Capital exporters account for a high proportion of the area's GVA and there is a strong presence in sectors with a high export propensity</p> <p>Employment in higher level occupations and knowledge economy sectors is expected to increase between 2013 and 2020</p> | <p>There are wide variations across Coast to Capital</p> <p>The sectors and their supply chains are not evenly distributed across the area and tend to cluster in the Gatwick Diamond and/or Brighton and Hove. Many of the businesses in these sectors are small or very small with low turnovers Health and life sciences is small in numerical terms as is environmental technologies</p> <p>Clusters are not yet strong or embedded</p> <p>Advanced manufacturing is made up of many disparate sub sectors</p> <p>There are substantial variations at area and district levels with some districts underperforming significantly. Business survival rates appear to be declining.</p> <p>Employment appears to be declining and at a faster rate in some areas than others</p> <p>Coast to Capital underperforms on patents and innovation is not uniformly spread across all areas.</p> <p>There is scope for improvement in export performance – only 1 in 6 companies currently export. Many of them are accidental exporters.</p> <p>Overall employment and productivity projections are weak and may not achieve our targets e.g. for jobs growth.</p> |

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| Opportunities | Threats |
|---|--|
| <p>Our key sectors and their supply chains offer the potential to develop strong and embedded clusters</p> <p>AM&E businesses could extend and retain their share of the high value added market in manufacturing through new products and processes, design for manufacture, and the manufacture of relatively complex products</p> <p>Products, processes and advanced manufacturing systems will all need redesign in the light of various climate change measures which will also create a demand for new green skills</p> <p>Innovation and R&D can be further developed using our university base and centres of expertise</p> <p>Leadership, management skills and ‘T skills’ i.e. creative abilities and technical know-how will be key to developing the knowledge intensive business base in future</p> <p>Levels of entrepreneurialism could be further built on and exploited</p> | <p>Weaknesses in size and distribution and lack of effective networks could threaten this</p> <p>This favours larger companies with strong and embedded supply chains and support networks</p> <p>Provision may not be available or able to respond adequately</p> <p>Universities are not currently world class and may lack the necessary research specialisms/ expertise.</p> <p>Provision does not currently supply this and it is difficult to supply effectively</p> <p>There are barriers to entrepreneurship in local areas with low levels of self-employment and business creation</p> |

Our business performance indicators

- *Productivity*
- *Sector strengths*
- *Business dynamism*
- *Innovation*
- *Internationalisation*
- *Growth prospects*

Productivity

189. Out of 39 LEP areas, Coast to Capital was ranked 6th on productivity measured by total gross value added (GVA) in 2013, but is ranked 13th when measured by GVA per head²⁵. Over the last ten years GVA growth has been an average of 2.6% per year, ranked 12th out of the 39 LEPs.

²⁵ ONS Regional GVA Estimates 2014

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GVA by area

190. Between 2009 and 2013, GVA increased by 12.5%. However this overall upward trend includes some marked variations, from a 17% increase in West Sussex and Gatwick Diamond, to an estimated 1.5% decrease in Croydon.

| Estimated Total GVA £m's | 2009 | 2010 | 2011 | 2012 | 2013 | 2009-2013 Increase |
|-----------------------------|--------|--------|--------|--------|--------|--------------------|
| Coast to Capital | 39,436 | 41,560 | 40,971 | 43,847 | 44,381 | 12.5% |
| Croydon | 6,159 | 6,130 | 5,965 | 6,011 | 6,064 | -1.5% |
| Brighton and Hove and Lewes | 7,088 | 7,313 | 7,360 | 7,750 | 7,990 | 12.7% |
| Gatwick Diamond | 19,058 | 20,441 | 20,426 | 22,312 | 22,335 | 17.2% |
| Rural West Sussex | 7,502 | 8,237 | 7,977 | 8,576 | 8,365 | 11.5% |
| Coastal West Sussex | 7,032 | 7,661 | 7,331 | 7,803 | 7,732 | 9.9% |
| West Sussex | 17,003 | 18,318 | 17,724 | 19,009 | 19,848 | 16.7% |

Table 4: GVA in the Coast to Capital region 2009-2013

Source: Coast to Capital/ONS regional productivity statistics

N.B. ONS productivity statistics are not available below NUTs3 which broadly equates to county level. This means the data above is based on calculations by Coast to Capital and are not official ONS statistics.

Sector strengths

191. Research carried out for Coast to Capital²⁶ identified strengths in the following sectors:

- Creative Digital and IT;
- Health and Life Sciences;
- Advanced Manufacturing and Engineering;
- Financial Services;
- Environmental Technologies.

192. There is some supporting evidence in terms of employment location quotients²⁷ shows although these sector concentrations tend to be heavily localised.

Creative Digital and IT

193. The digital and creative sector makes a significant and growing contribution to the UK's economy, both directly and indirectly. The net output of the sector in 2012 was equal 8% of total output, which is the same in the Coast to Capital region, and productivity in the digital sub sector is almost three times the national average²⁸. Coast to Capital is fortunate in having a strong presence in this sector in terms of numbers of businesses; we estimate that there are nearly 12,000 businesses in the sector in Coast to Capital²⁹.

²⁶ Source: 'Foreign Direct Investment Sector Propositions for Coast to Capital' This is Regeneration March 2012

²⁷ Location Quotient (LQ) is the ratio of the sector employment total employment over national sector employment to national total employment. An LQ higher than one indicates a greater concentration of employment than nationally in that sector.

²⁸ Source: 'Sector Skills Insights: Digital and Creative' UKCES July 2012

²⁹ Source: ONS Business Counts 2014

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194. Brighton & Hove has an internationally recognised creative digital media and IT cluster, where businesses combine creativity with digital technology, particularly in gaming and e-learning. The clustering of talent, rich supply of creative university graduates, digital media business networks and support as well as the quality of life the city and its surroundings have all contributed to its success. Wired Sussex, the industry’s voice and advocate and business support organisation has 2,300 members, whilst the South East Design Forum supports businesses in the wider design community.

195. The CDIT sector is not just confined to Brighton however; although at area level the largest cluster is in the Gatwick Diamond (4,915 companies) this is followed by Brighton and Hove with Lewes (3,265 companies). These creative strengths now extend out along the West Sussex coast, towards Worthing, (web design), east to Lewes and Chichester; inland to Horsham, (high value digital gaming) and the Gatwick Diamond; and into Croydon, (creative and digital education).

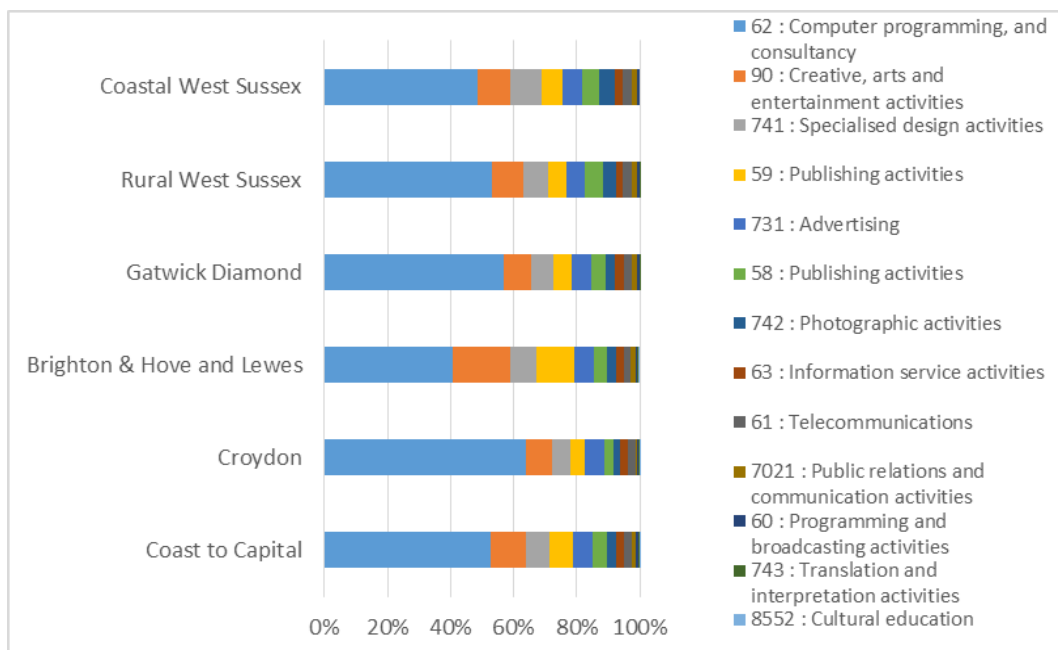


Figure 9: CDIT subsectors by area as a percentage of total CDIT industry

Source: ONS Business Counts 2014

196. Much of the sector is made up of micro-businesses, freelancers and portfolio workers. However, there are also a number of well-established larger digital media businesses in the Coast to Capital LEP area.

Health and Life Sciences

197. The Health and Life Sciences sector - pharmaceuticals, medical technology, diagnostics, research and medical biotechnology - although currently small with an estimated 425 companies in Coast to Capital is expected to be increasingly important to the LEP’s economy. Historically, the area has had strengths in pharmaceuticals, but it also has a presence in the niche area of medical instruments and devices, there are related university research specialisms and several small biomedical companies attached to the University of Sussex.

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198. Although it may not immediately provide a high volume of jobs, the employment that the Health and Life Sciences sector does provide is often high skilled and businesses are export and R&D oriented. Furthermore, there may be a wider application of technologies across a number of sectors (such as digital and environmental), where the Coast to Capital LEP also has strengths.
199. This sector has great potential both in terms of building the reputation of Coast to Capital as a specialised knowledge economy and delivering high value jobs in the future. Creative healthcare solutions are being driven by a growing and changing demand for healthcare (especially to tackle diseases related to old age); the need to deliver these more cost-effectively within an increasingly competitive global market; the application of digital technologies; and the emergence of inter-disciplinary approaches to product development. Increasing demand for healthcare products in emerging economies provides new opportunities, particularly for established healthcare brands.
200. The largest cluster of Health and Life sciences is around Gatwick airport, perhaps connected to the high propensity to export of businesses in the sector, though at local authority district level, Worthing also has a concentration measured by location.

Advanced manufacturing and engineering

201. We define Advanced Manufacturing and Engineering as ‘activities that apply high-level design and scientific skills to produce technologically complex products.’³⁰ This sector drives innovation in products and services through the application of new technologies, such as the development and use of energy efficient components or composite materials that have a range of applications across different sectors. It includes aerospace, automotive, marine, electronic, mechanical, and electrical engineering.
202. There are an estimated 3,400 advanced manufacturing businesses in Coast to Capital, accounting for 4.4% of all businesses in the region³¹. The biggest concentration is in the Gatwick Diamond but the AM&E sector is found across Coast to Capital. There are both small and large niche companies that cut across a diverse range of sectors and subsectors such as the aeronautical; healthcare; motor vehicle; marine; and high-technology horticultural sectors. There is also a strong link between advanced manufacturing and engineering and the growth in the environmental goods and services sector which drives innovation in energy efficient products and components.
203. Whilst the diversity of its make up makes it a complex sector in terms of business support, this advanced manufacturing and engineering businesses means that there is a demand for highly skilled labour locally and potential scope for more innovative new businesses to enter the local supply chain.

³⁰ Source: ‘*Foreign Direct Investment Sector Propositions for Coast to Capital*’ This is Regeneration March 2012

³¹ Source: ONS Business Counts 2014

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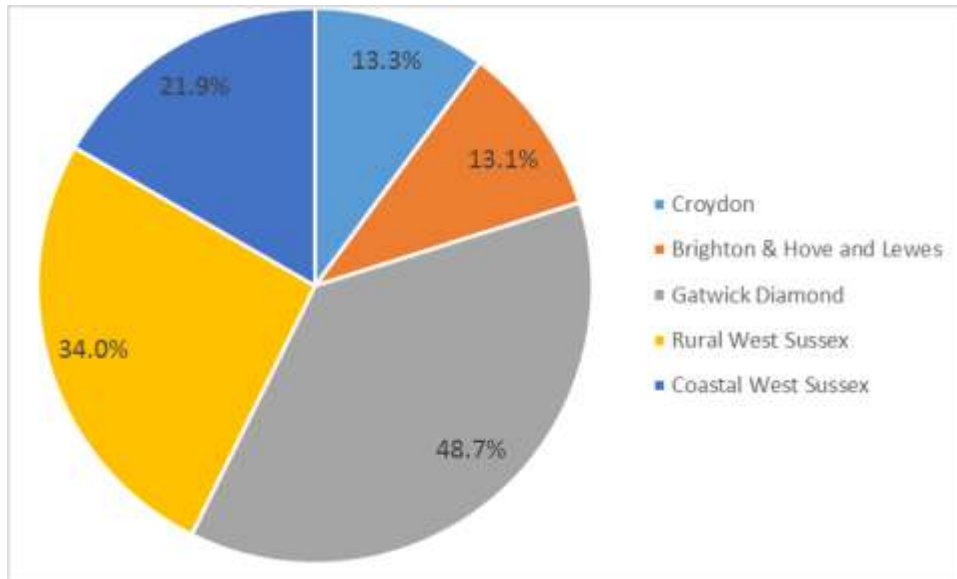


Figure 10: Share of Advanced Manufacturing businesses by area

Source: ONS Business Counts 2014

Challenges for advanced manufacturing and engineering

204. A combination of productivity growth and specialisation in relatively high value-added niche production is unlikely to generate large-scale direct employment growth. However, it is likely to generate relatively strong growth in value-added with the potential to generate associated employment growth through supply-chains including a wide range of business services.

205. The principal challenge is the rapid pace of technological development which is taking place on a global scale and the need to maintain productivity gains. Our businesses need to extend and retain their share of the high value added market in manufacturing through the research and development of new products and processes, design for manufacture, and the manufacture of relatively complex products. However, even high volume/lower value-added manufacturers need to ensure that they possess the requisite mix of functional, market and technical strategies to respond quickly to changing demands.

Financial and Business Services

206. Coast to Capital’s research pinpoints³² that, although the City of London is the centre of the UK’s high value, global financial and business services sector, Coast to Capital also contains concentrations of financial services and insurance companies, attracted by the affordable business accommodation, international connection, skilled labour and quality of life. Croydon, Crawley, Horsham, Brighton & Hove and Worthing all have concentrations of businesses in this sector. Croydon, with one of the largest office markets in the south-east, has excellent links to the City of London and is home to companies such as Zurich Insurance plc; Liverpool Victoria; Mondial; Chartis/AIG and Royal Sun Alliance. Barclays Bank Regional Headquarters is in Haywards Heath; American Express has its European Headquarters in Brighton & Hove, where Domestic and General and Legal and General also have sizeable offices, whilst Royal Sun

³² Source: ‘Foreign Direct Investment Sector Propositions for Coast to Capital’. This is Regeneration, March 2012

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Alliance is an important employer in Horsham. Redhill is an important centre for asset management, with companies like Carlton Asset Management and Equip Asset Management. Crawley is a favoured location for major professional services companies to locate their regional offices, partly due to its excellent international links. Major accountancy companies like KPMG, PwC, Grant Thornton and Deloitte have all chosen Crawley to locate.

207. There are an estimated 14,000 businesses in this sector in Coast to Capital and in terms of numbers of businesses, the largest subsector is *Activities of Head Offices* with over 46% of the total sector. 19% of the businesses are in *Office Support Activities*. In terms of distribution across the geographic areas in Coast to Capital, the largest concentration is in the Gatwick Diamond with 50% of the financial and business services population.

Environmental technologies

208. Research undertaken for BIS³³ identifies the environmental technology sector as being made up of 24 sub-sectors, sub-divided into three broad categories: Environmental, Renewable Energy and Low Carbon. The low carbon sector is concentrated in two main subsectors in Coast to Capital: Alternative fuel and energy sources (alternative fuels, biomass, photovoltaics, wave power and wind power) and low carbon building technologies and carbon capture. Innovation is driven by the growth of renewable energy, the renewal of current energy production facilities and a long-term increase in the demand for electricity. More emphasis on electrically powered vehicles and micro-generation will increase demand on the distribution.

209. Employment is relatively low in numbers in terms of direct jobs, although there is potential for significant growth, particularly in offshore wind in the near future and marine (wave and tidal) and Carbon Capture and Storage (CCS) in the longer-term. The extent to which new jobs will be created will vary by technology and section of the supply chain.

210. Alternative fuel and energy includes major companies and high growth innovative SMEs, capitalising on Coast to Capital's locational advantages, strong technology and manufacturing base and the presence of specialist research and knowledge base including university research facilities at Sussex and incubators such as the Sussex Innovation Centre at Brighton, which contains a number of spin-off businesses in this sector, as well as leading consultancies. EON, the second largest electricity generator in the UK which has plans to develop a wind farm of 100 to 195 turbines off the Sussex coast. The Rampion Wind Farm will provide sufficient power for over 450,000 homes and provide over 80 permanent jobs in the sector.

211. Biomass is a rapidly growing subsector, linked to the fact that the rural area in Coast to Capital is one of the most heavily wooded in the country and includes Bioenergy Technology Ltd, and Cogenco Limited. Low carbon building technologies is another key strength in Coast to Capital and includes a number of leading companies.

³³ Department for Business Innovation and Skills, Low Carbon and Environmental Goods and Services Report 2009/10 <http://www.bis.gov.uk/assets/biscore/business-sectors/docs/11-992x-low-carbon-and-environmental-goods-and-services-2009-10.pdf> , July 2011

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The rural economy

212. A large part of the Coast to Capital area is rural. The majority of the South Downs National Park (62%³⁴) is within our boundaries, along with Chichester Harbour Area of Outstanding Natural Beauty (AONB) and significant parts of the Surrey Hills and High Weald AONBs. Out of the thirteen local authority districts and boroughs and the city of Brighton and Hove in the LEP³⁵, five are classified as rural according to Defra's urban/rural classification system. Mid Sussex has recently been reclassified and is no longer considered rural by DEFRA.

- Chichester is in the Rural 80 i.e. at least 80 per cent of the population lives in rural settlements and larger market towns.
- Horsham, Lewes and Tandridge are in the Rural 50 i.e. at least 50 per cent but less than 80 per cent of the population lives in rural settlements and larger market towns.
- Mole Valley is classified as significantly rural i.e. more than 26 per cent of the population lives in rural settlements and larger market towns.

213. Across the LEP as a whole, 15% of the population lives in rural areas³⁶ as Table 6 demonstrates.

| | Urban major conurbation | Urban city and town | Rural town and fringe | Rural village | Rural hamlet and isolated dwellings | Urban % | Rural % |
|-------------------------|-------------------------|---------------------|-----------------------|---------------|-------------------------------------|------------|------------|
| Coast to Capital | 549,693 | 1,092,032 | 137,123 | 77,529 | 66,074 | 85% | 15% |
| Croydon | 363,378 | 0 | 0 | 0 | 0 | 100% | 0% |
| Adur | 0 | 60,372 | 0 | 0 | 810 | 99% | 1% |
| Arun | 0 | 124,071 | 16,606 | 5,157 | 3,684 | 83% | 17% |
| Brighton and Hove | 0 | 269,051 | 1,004 | 0 | 3,314 | 98% | 2% |
| Chichester | 0 | 53,482 | 25,444 | 21,482 | 13,386 | 47% | 53% |
| Crawley | 0 | 106,244 | 353 | 0 | 0 | 100% | 0% |
| Epsom and Ewell | 72,278 | 0 | 2,824 | 0 | 0 | 96% | 4% |
| Horsham | 0 | 51,794 | 52,815 | 11,696 | 14,996 | 39% | 61% |
| Lewes | 0 | 75,173 | 7,905 | 10,580 | 3,844 | 77% | 23% |
| Mid Sussex | 0 | 114,715 | 6,044 | 9,601 | 9,500 | 82% | 18% |
| Mole Valley | 43,512 | 19,898 | 5,306 | 7,846 | 8,813 | 74% | 26% |
| Reigate and Banstead | 38,353 | 92,457 | 2,861 | 1,632 | 2,532 | 95% | 5% |
| Tandridge | 32,172 | 20,135 | 15,961 | 9,535 | 5,195 | 63% | 37% |
| Worthing | 0 | 104,640 | 0 | 0 | 0 | 100% | 0% |

Table 5: Urban Rural classification of Coast to Capital local authority Districts

Source: Census 2011

214. Although the quality of the natural landscape is very high in our LEP it is wrong to assume that the rural business population is small or that it mainly consists of agricultural or tourism enterprises. Across Coast to Capital as a whole, 21% of

³⁴ Source: Consultation on the membership of the future South Downs National Park Authority - 2009

³⁵ The County Councils of Surrey and West Sussex have not been included as the Defra's urban rural classification applies only to districts, boroughs and unitary authorities

³⁶ Based on 2001 Census data and awaiting update

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businesses are based in rural areas but in the six rural districts, this ranges from 28% in Mole Valley to over two thirds (69%) in Horsham.

| Area | All VAT and/or PAYE Based Local Units | All VAT and/or PAYE Based Local Units; Urban | All VAT and/or PAYE Based Local Units; Rural | % Urban | % Rural |
|----------------------|---------------------------------------|--|--|---------|---------|
| Coast to Capital | 84975 | 66955 | 18020 | 79% | 21% |
| Adur | 2170 | 2160 | 10 | 100% | 0% |
| Arun | 5395 | 4400 | 995 | 82% | 18% |
| Brighton and Hove | 12970 | 12910 | 60 | 100% | 0% |
| Chichester | 6640 | 2290 | 4350 | 34% | 66% |
| Crawley | 3670 | 3670 | 0 | 100% | 0% |
| Croydon | 11995 | 11995 | 0 | 100% | 0% |
| Epsom and Ewell | 3255 | 3155 | 100 | 97% | 3% |
| Horsham | 7070 | 2225 | 4845 | 31% | 69% |
| Lewes | 4225 | 2855 | 1370 | 68% | 32% |
| Mid Sussex | 7055 | 4790 | 2265 | 68% | 32% |
| Mole Valley | 5405 | 3875 | 1530 | 72% | 28% |
| Reigate and Banstead | 6555 | 6100 | 455 | 93% | 7% |
| Surrey | 60580 | 48505 | 12075 | 80% | 20% |
| Tandridge | 4665 | 2625 | 2040 | 56% | 44% |
| West Sussex | 35905 | 23440 | 12465 | 65% | 35% |
| Worthing | 3905 | 3905 | 0 | 100% | 0% |

Table 6: Urban Rural Business Population in Coast to Capital
Source: Neighbourhood statistics

215. The rural business population is much more sectorally diverse than is often assumed. Although the six rural districts contain a higher percentage of Agriculture, Forestry and Fishing enterprises at 4.74% compared to 2.54% for Coast to Capital as a whole the rural sectoral make up is broadly similar to that of the urban business population. There is a higher percentage of production businesses in the rural districts than in the predominantly urban ones (5.83% compared to 5.15% in the LEP as a whole)³⁷ and the manufacturing sector is the second largest sector in terms of employment in the rural districts. The rural area contains major employers such as Rolls Royce Motors in Goodwood and Tesla in Storrington but also large numbers of self-employed and home based businesses.

216. Woodlands are a major and currently underutilised asset in Coast to Capital. The South Downs National Park is the most wooded national park in England and Surrey is England's most wooded county, according to the Forestry Commission yet less than half the potential commercial volume of wood is currently reaching a market. There is scope for the LEP area's woodland to become much more productive, to support the rural economy through woodland enterprise development and to enhance sustainable

³⁷ Source: IDBR 2012

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development since it is an intrinsically low carbon product. A woodland enterprise programme could support low cost timber frame housing, woodfuel heating solutions and a range of other ventures.

217. As well as supporting the move to low carbon economy, forestry supply chain development and woodland enterprise support can protect forests and encourage biodiversity. The Government's approach to sustainable forest management is set out in the UK Forestry Standard under which foresters ensure their operations protect or improve soil, air and water quality, biodiversity, carbon and timber stocks and opportunities for recreation and public access. This standard applies to all forest operations in the UK.

218. In summary, the rural economy is growing, is sectorally diverse and is increasingly knowledge-based. There is scope for further development through supporting business growth through for example, more productive forestry, rural manufacturing and the visitor economy without damaging precious natural assets. Rural businesses require additional support and supply chain development to realise this potential as they can miss out on the benefits that urban businesses enjoy such as the presence of networks and clusters, proximity to customers, markets and transport hubs. Many services, including business support and training, tend to be concentrated in urban areas, as are the larger pools of skilled labour, and rural businesses can find it more difficult to access the employees with the skills they require for growth. There is a shortage of premises for expansion, rural broadband connections are often much slower than urban ones and can be unreliable and peer-to-peer networking opportunities are limited. There is isolation among some resident communities which can be hard to identify and the dispersed rural population is harder to reach with services. Those who rely on public transport can be disadvantaged in accessing employment and learning opportunities.

Other sectors of importance to Coast to Capital

219. Our knowledge intensive, specialised sectors where we have a competitive advantage have been selected as priorities to develop the economic and labour market performance of Coast to Capital. However, there are other important sectors which are of economic significance, or are generators of employment or which contribute to social cohesion and the well-being of our communities. These include Tourism and Leisure, Food and Drink, and Horticulture.

Dynamism: business births, deaths and survival

220. Business births are a measure of the dynamism of local economies. Coast to Capital's business birth rate measured as a ratio of business births to business deaths, at 1.40 it is slightly above that of the South East region as a whole in 2013. Once again there are variations at area level ranging from 1.21 in Coastal West Sussex to 1.54 in Croydon. 2013 saw the highest level of business births since 2004 across the region. At local level, the range is even greater, from 1.10 in Arun to 1.63 in Horsham.

221. Since the economic downturn in 2008 business birth rates have been rising in Coast to Capital, as in the South East, and death rates have been declining. All areas of Coast to Capital experienced net decline in 2009 and 2010 and have since seen positive growth but some areas have seen a significantly greater net gain than others.

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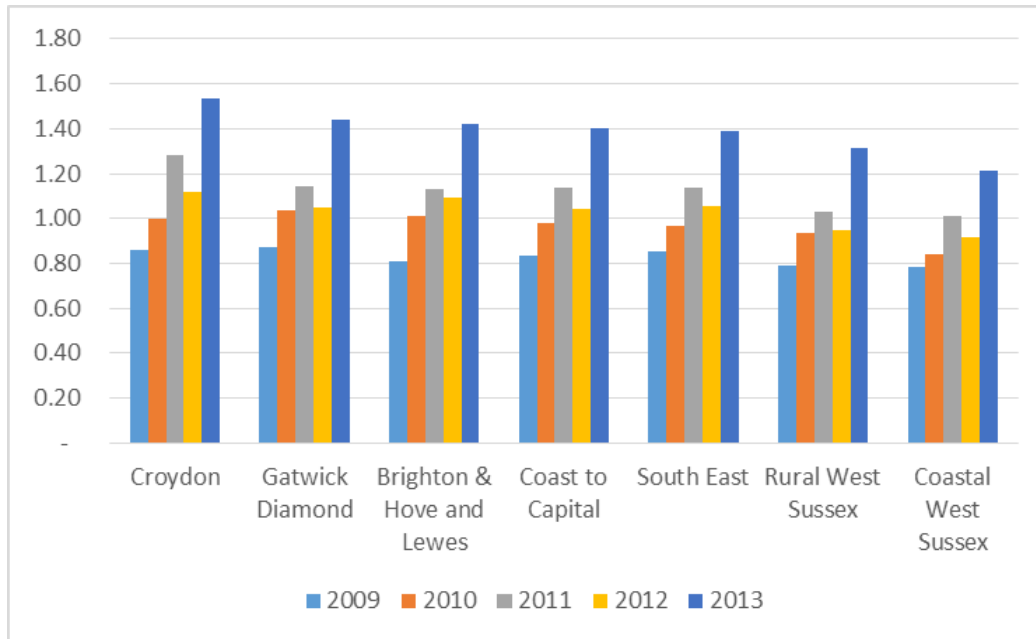


Figure 11: Ratio of business births to business deaths in the Coast to Capital region 2009-2013

Source: ONS Business demography 2014/Coast to Capital

222.London Borough of Croydon seems to have shown the greatest resilience, outperforming both Coast to Capital and the South East as a whole on net business creation, whilst Coastal West Sussex has shown the least.

223.Survival rates are also important. There has been a decline in 3 year survival rates of businesses created between 2006 and 2010. Coastal West Sussex businesses have shown the largest decline in 3 year survival rates, followed by Rural West Sussex. Croydon businesses appear to be the most resilient on this metric although their survival rates have also declined, and the survival rate in 2006 was 8% lower than the Coast to Capital average. It is to be hoped that the figures will improve again following the recovery in the wider economy.

Employment growth and decline

224.The Business Register and Employment Survey (BRES) gives a figure of 780,500 jobs in Coast to Capital and is available as a time series and thus is useful in measuring employment growth and decline. The BRES data suggests that the Coast to Capital region lost jobs at a higher rate than the South East over the period 2009 to 2011 following the economic downturn and from 2009 to 2013 it has recovered fewer jobs.

225.There are variations at area partnership level with Coastal West Sussex and Brighton and Hove gaining 5% of jobs, whereas the Gatwick Diamond gained 3.5% of jobs over the 2009-2013 period. Croydon fared particularly badly with a loss of 10% of its employment.

Innovation

226.Innovation helps drive growth and economic development through building competitive advantage and developing market niches and new products and services for which

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there is increased demand. NESTA's latest Innovation Index³⁸ shows that between 2000 and 2009, 27% of UK labour productivity growth was directly attributable to private investment in innovation. Estimates indicate that spill over benefits generated from Research & Development (R&D) generate a further return of 20-50%. Innovation is also strongly linked to business growth; NESTA found that this applied across a range of sectors with software firms, for example, showing an average revenue growth of 13% a year.

227. Patents are one measure of innovation levels in an economy. The number of granted patents in Coast to Capital³⁹ rose from 51 to 75 per year in the 2008-2012 period whilst the number of patents per 100,000 population in Coast to Capital rose from 2.8 to 3.9 over the period whilst for the UK this was 3.4 to 4.7 so that Coast to Capital underperformed relative to the UK as a whole. Crawley, Brighton and Hove, and Chichester were the most innovative local authorities, with at least 30 or more patents between them in this time period.

- 5 of the top 8 companies by patent count are in one or more of Coast to Capital's key sectors;
- 4 of the top 10 patent types by count are applicable to Coast to Capital's key sectors.

Internationalisation

228. UKTI estimates that 60% of all productivity growth comes from businesses that internationalise and that they also have better survival rates. Most businesses which start to trade internationally experience a significant uplift in productivity and profitability in the first year. A recent Government report⁴⁰ on SME exports examined the characteristics of successful exporting SMEs and concluded that companies that were innovative, imbued with an entrepreneurial spirit, undertook R&D and had higher productivity were more likely to export and to do so sustainably.

Coast to Capital export performance

229. Research carried out for Coast to Capital⁴¹ estimates that:

- 1 in 6 businesses located in the Coast to Capital region export (16.4% of the total base),
- This equates to an estimated 11,489 exporters in the Coast to Capital region,
- Their output performance outweighs non exporters. They generate £14.2bn for the Coast to Capital economy, equivalent to 38% of the LEP region's GVA,
- Whilst the EU and North America are the most significant export markets for firms in the Coast to Capital area, there is evidence of penetration into BRIC and CIVET economies,
- Exporters are positive, with nearly half expecting export growth over the next 12 months at the time of survey.

230. Two local surveys covering East Surrey⁴² in 2013 and Greater Brighton and West Sussex in 2014⁴³ have found that in East Surrey there are an estimated 22% of

³⁸ Source: 'NESTA (2009) The Innovation Index- Measuring the UK's investment in innovation and its effects' NESTA

³⁹ Source: UK Intellectual Property Office 2013

⁴⁰ Source: 'Roads to Success' House of Lords Select Committee on SME exports (2013)

⁴¹ Source: 'Barriers to export in SMEs' Shared Intelligence for Coast to Capital

⁴² Surrey Business Survey 2013

⁴³ Greater Brighton and Hove and West Sussex Business Survey 2014

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businesses were engaged in exporting whilst the Greater Brighton and West Sussex survey estimated around 19% of businesses are exporting. This equates to around 3,970 businesses in East Surrey and 9,000 in Greater Brighton and West Sussex.

231. In both surveys the EU was the top destination for exports and North America was second, much in line with the UK as a whole. The Greater Brighton and West Sussex survey found that respondents were increasingly planning to export to China, India, and Asia in general.

232. The research also shows that SMEs in our area face barriers to exporting which tend to vary according to the size and experience of the firm but which include the following issues:

- Non-exporters tend to display attitudinal barriers, particularly negative views among key managers and this is more marked in smaller firms;
- Early or new exporters often face barriers to do with the practicalities of trading internationally. They frequently have limited knowledge of sources of support;
- More experienced exporters also face barriers, particularly when entering new markets, but tend to be more adept at finding solutions and seeking the right support,
- Previous exporters are much more likely to trade internationally again;
- Lack of market knowledge is a key factor for both new and existing exporters as different export markets present different barriers due to regulation and culture, for example.

233. Further, recent research has shown that there are over eighty services available to exporters in our area but that there is poor connectivity between them and that, as a result, potential new exporters can find it very difficult to access the help they need.

Occupational forecasts

234. According to Working Futures, in Coast to Capital during the period 2014 to 2020 the higher occupational groups are forecast to increase their share of employment. Managers and senior officials will continue to rise as will associated professional and technical occupations although not as sharply as professional occupations. The middle and lower three groups are forecast to decline apart from caring, leisure and other service occupations.

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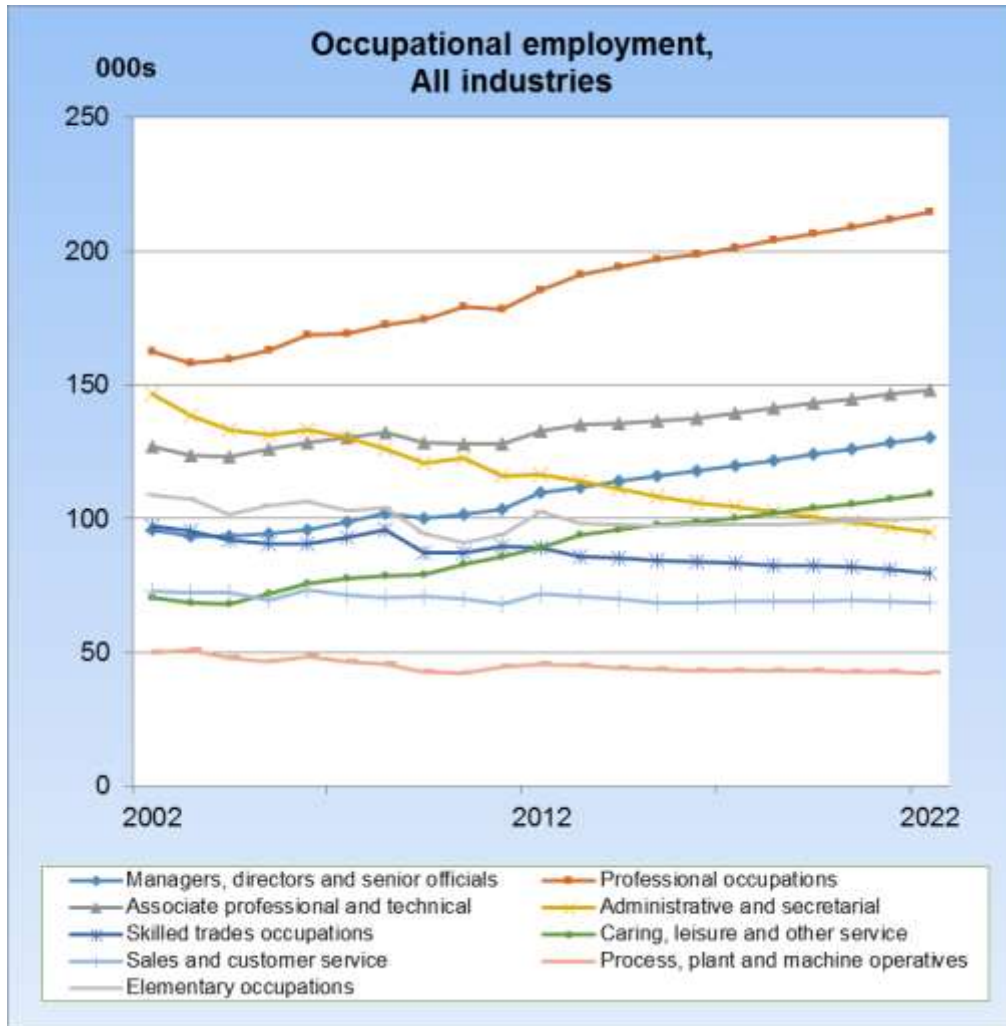


Figure 12: Past and projected employment in Coast to Capital from 2002 -2022 by main occupational group ('000s)

Source: UK Commission for Employment and Skills, Working Futures 2012

235. Total employment is expected to rise by about 4.8% or around 44,900 jobs over the period. This may not be on course to meet the Coast to Capital jobs target of 100,000 jobs by 2035. In terms of sectors, the main jobs growth is expected to take place in:

- Professional services
- Information Technology
- Support Services
- Construction
- Health and Social Work
- Accommodation and Food
- Transport and Storage
- Wholesale and Retail Trade

236. By far the largest growth is expected to be in professional services with 10,000 jobs in this sector being created between 2012 and 2022 all adding to the demand for higher level skills and qualifications.

Component 3: Inclusive and cohesive society

SWOT Summary

| Strengths | Weaknesses |
|--|--|
| <p>Our resident population is large and well educated and employment opportunities are good. Quality of life is high and there is access to a wide range of learning and leisure opportunities.</p> <p>Unemployment is broadly on a par with the South East as a whole and unemployment rates are lower than nationally</p> <p>The area is affluent and wages are broadly in line with the prosperous South East as a whole.</p> | <p>There are sections of the community comprising significant numbers of individuals who do not currently benefit from the opportunities.</p> <p>There are wide variations at local level and between male and female unemployment rates. In Croydon and Brighton, unemployment - especially female unemployment - is higher than average.</p> <p>There are over 22,000 unemployed young people in Coast to Capital.</p> <p>There are over 25,000 people in Coast to Capital who have either never worked or are long term unemployed</p> <p>Wages vary across areas and are significantly lower in Coastal West Sussex.</p> <p>In Crawley there is a large gap between local residents' wages and qualifications and those of the employed workforce.</p> <p>The deprivation average in the Coast to Capital region is varied, due to higher incidences in Brighton and Hove, Croydon and particularly Coastal West Sussex.</p> |

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| Opportunities | Threats |
|---|---|
| <p>There are opportunities to develop routes into employment for disadvantaged groups in key sectors.</p> <p>Self-employment can be a route out of unemployment</p> <p>Young people represent a pool of talent that can be developed to meet forecast skills shortages</p> <p>Linking areas of unemployment/ low skills and wages to areas of fast growth</p> | <p>Continuing unemployment can act as a constraint to economic development and social cohesion</p> <p>Households where adults have never worked present a particular problem</p> <p>Dispersed nature of deprivation makes it hard to tackle and it could become worse.</p> <p>There are additional barriers to self-employment for young people and disadvantaged groups</p> <p>Employers are not always willing to take on young people</p> <p>Multiple barriers need to be overcome for this to be successful</p> |

Our social cohesion indicators

- Unemployment
- Youth unemployment and NEETs
- Wage rates and household incomes
- Deprivation levels

Unemployment

237. In Coast to Capital unemployment was slightly higher than that of the South East in 2014, but has been falling over the last five years. There were significant variations at area partnership level with Croydon having more than double the unemployment rate as a percentage of the economically active of Rural West Sussex, and the Gatwick Diamond. There are over 59,000 people who are unemployed in Coast to Capital. In numerical terms, Croydon has the most unemployed people with 15,000 individuals. There are also wide variations at local authority district level.

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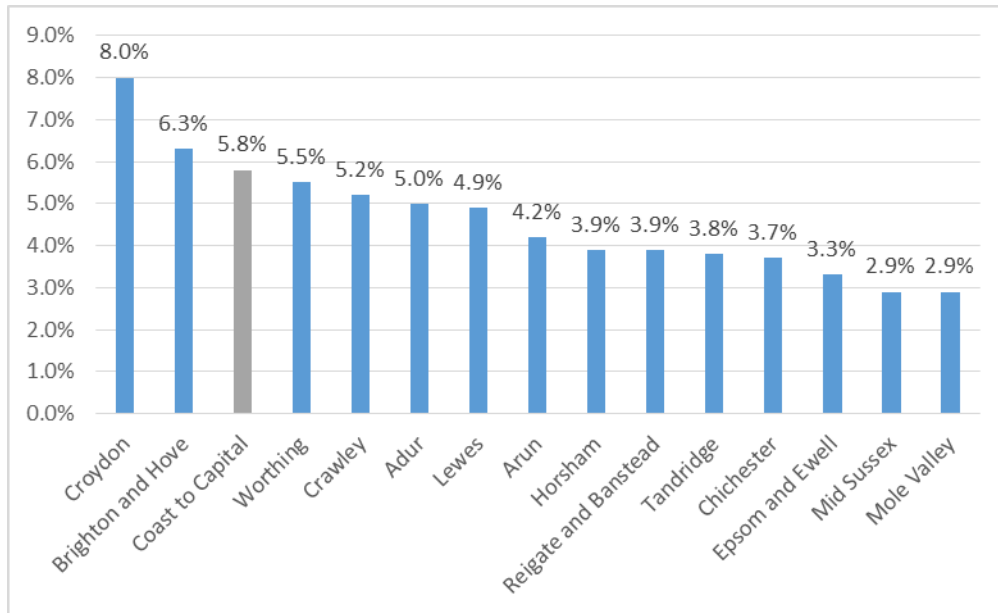


Figure 13: Unemployment rates in Coast to Capital local authority areas
Source: Annual population survey – model based unemployment 2014

N.B. There are no figures available from Epsom and Ewell for this dataset.

238. The financial crisis appears to have affected female unemployment more than male unemployment, whilst both rose post crisis the female unemployment rate reached 8% whereas the male rate peaked around 6.5% and pre-crisis the female unemployment rate was lower or in line with the male rate, after the crisis it has been consistently higher than the male rate, in particular in the last three quarters the female rate has risen whilst the male rate has fallen⁴⁴.

239. There are slightly more claimants per job in Coast to Capital than in the South East as a whole but this ranges from 0.5% of the working age population in Mid Sussex to 2% in Croydon.

Youth unemployment

240. There were over 22,000 unemployed young people aged 16 to 24 in Coast to Capital in 2014, more than 17% of the economically active in this age group. Since 2008 the youth unemployment rate in the Coast to Capital region has been consistently higher than in the South East as a whole, in 2014 it was 13.7% in the South East.

Young people not in employment, education or training (NEET)

241. It is the very youngest who are often most disadvantaged in the labour market since they may not have the qualifications and employability skills required and there may be health and safety issues which act as a barrier to their employment. Although NEETs statistics are, by their nature, heavily dependent on estimates and are not available at local authority district level, nevertheless they can provide a useful indication of the scale and location of NEET populations. In Coast to Capital, it would appear that there

⁴⁴ Annual Population Survey 2014

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are higher than average concentrations of NEETs in Brighton and East Sussex lower concentrations in Surrey and Croydon.

Long term unemployment

242. There are over 25,000 people in Coast to Capital who have either never worked or who regard themselves as long term unemployed, according to the 2011 Census.

| Area | Residents aged 16 to 74 | | | | |
|-------------------------|-------------------------|------------|----------|--------------|----------------------|
| | Employed | Unemployed | Inactive | Never Worked | Long Term unemployed |
| Coast to Capital | 909,204 | 50,526 | 386,117 | 6,484 | 19,521 |
| Croydon | 165,753 | 14,512 | 72,740 | 2,643 | 5,805 |
| Gatwick Diamond | 375,314 | 16,028 | 139,416 | 1,718 | 5,919 |
| Brighton and Hove | 174,761 | 10,137 | 81,014 | 1,115 | 3,901 |
| Rural West Sussex | 185,111 | 7,259 | 75,240 | 647 | 2,683 |
| Coastal West Sussex | 193,376 | 9,849 | 92,947 | 1,008 | 3,896 |

Table 7: Employment status of Coast to Capital residents aged 16 to 74

Source: ONS Census 2011

N.B. Numbers differ from Annual Population Survey which is sample based and uses different age bands and definitions.

Wage rates

243. In both resident and workplace full-time wages⁴⁵ the Arun and Adur areas are where wages are lowest, in Crawley and Mole Valley resident full-time wages are below workplace wages, suggesting local people are cut off from those well-paying jobs, and Arun and Mole Valley have lower wages now than in 2010 in both workplace and resident wages. Female wages are consistently below the male level across the region, the most equal areas are Brighton and Hove and Chichester where the gap is less than £100, in areas such as Mid Sussex, Horsham, and Mole Valley female employees are paid over £200 less than male workers.

Deprivation

244. According to the Index of Multiple Deprivation In 2015, the deprivation the Coast to Capital region was ranked 29th out of the 39 LEPs on the index (1 being the most deprived, 39 being the least). The average score for the region is 16.39 and the differences are more apparent at local authority level.

245. The Croydon and Brighton and Hove areas have average scores of just over 23 and the areas of Adur, Crawley, Worthing and Arun have average scores above the regional average. At the other end of the scale the areas of Horsham, Mole Valley, Epsom and

⁴⁵ Resident wages are based on the wages of residents in a location but do not necessarily work there, whereas workplace wages are based on the workers in a location but who do not necessarily live there.

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Ewell, and Mid Sussex have averages scores below 10. Croydon is the one area in the Coast to Capital region that is in the top 100 most deprived areas in the country.

246. According to the 2011 Census, there were more than 268,000 households or 33% of households in Coast to Capital which were deprived in a least one dimension and 3,867 households that were deprived on all four dimensions of which the highest numbers were in Brighton and Hove and Croydon both of which had over 1,000 multiply deprived households.

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Annex A. Glossary of Terms

| Term | Definition |
|-----------------------|--|
| AM&E | Advanced Manufacturing and Engineering |
| Area Partnership (AP) | To reflect the economic sub regions in our area, we have five local Area Partnerships: Brighton, Hove and Lewes Economic Partnership; Coastal West Sussex Partnership; Croydon Development and Cultural Partnership; the Gatwick Diamond Initiative and Rural West Sussex Partnership. |
| ASEAN | The ASEAN countries comprise the 10 countries in the South East Asian region: South Korea, Indonesia, Thailand, Malaysia, Philippines, Singapore, Vietnam, Myanmar, Cambodia, Brunei and Laos. |
| BIS | Department for Business Innovation and Skills |
| CDIT | Creative Digital and Information Technology |
| CLLD | Community Led Local Development |
| DCLG | Department for Communities and Local Government |
| DfE | Department for Employment |
| DWP | Department for Work and Pensions |
| EAFRD | European Agricultural Fund for Rural Development |
| ERDF | European Regional Development Fund |
| ESF | European Social Fund |
| ESIF | European Structural and Investment Funds |
| LCEGS sector | Low Carbon, Environmental Goods & Services Sector |
| LEADER | A delivery model under the Rural Development Programme which gives local communities direct influence over the fund in their areas. |
| LEP | Local Enterprise Partnership |
| LTU | Long term unemployment/unemployed |
| NAS | National Apprenticeship Service |
| NEET | Young people who are not in employment, education or training |
| NUTS levels 1/2/3 | Nomenclature of Units for Territorial Statistics, is an EU geocode standard for referencing the subdivisions of countries for statistical purposes. |
| RDPE | Rural Development Programme for England |
| UKCES | UK Commission for Employment and Skills |