

# Coast to Capital

**Reference:** Coast to Capital Board Meeting  
**Date:** Thursday 9 July 2020  
**Report Title:** Chief Executive Report  
**Report by:** Jonathan Sharrock  
**Item No:** 2  
**Part:** A

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## Recommendation:

The Board is asked to:

- Note the Chief Executive Report
- Approve the Annual Report 2019/20
- Approve the appointment of Amanda Jones to the Growing Places Fund Committee

## 1. Introduction

### COVID Response & Business Priorities

The organisation has continued to operate to a high level during the lockdown, with all business as usual tasks being processed; major milestones reached such as Chair recruitment; and significant additional work being delivered in response to COVID.

The most significant achievement here has been the delivery of the Backing Business Fund. The fund is now closed and fully deployed. Coast to Capital have been able to support one hundred and sixty (160) companies to adapt, evolve and innovate to the economic crisis by pumping nearly £2m into the local economy.

# Backing Business Grant Fund Statistics - 22/06/20

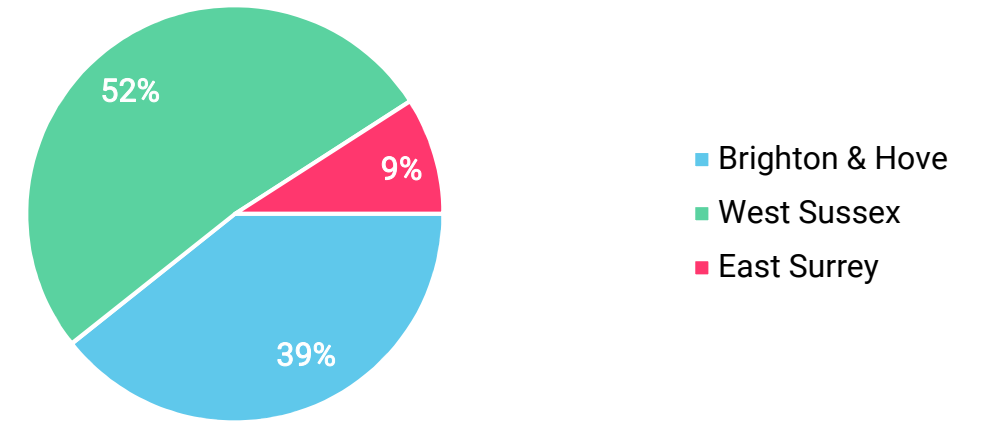
Please Note - Statistics Are Changing Daily

## Key statistics:

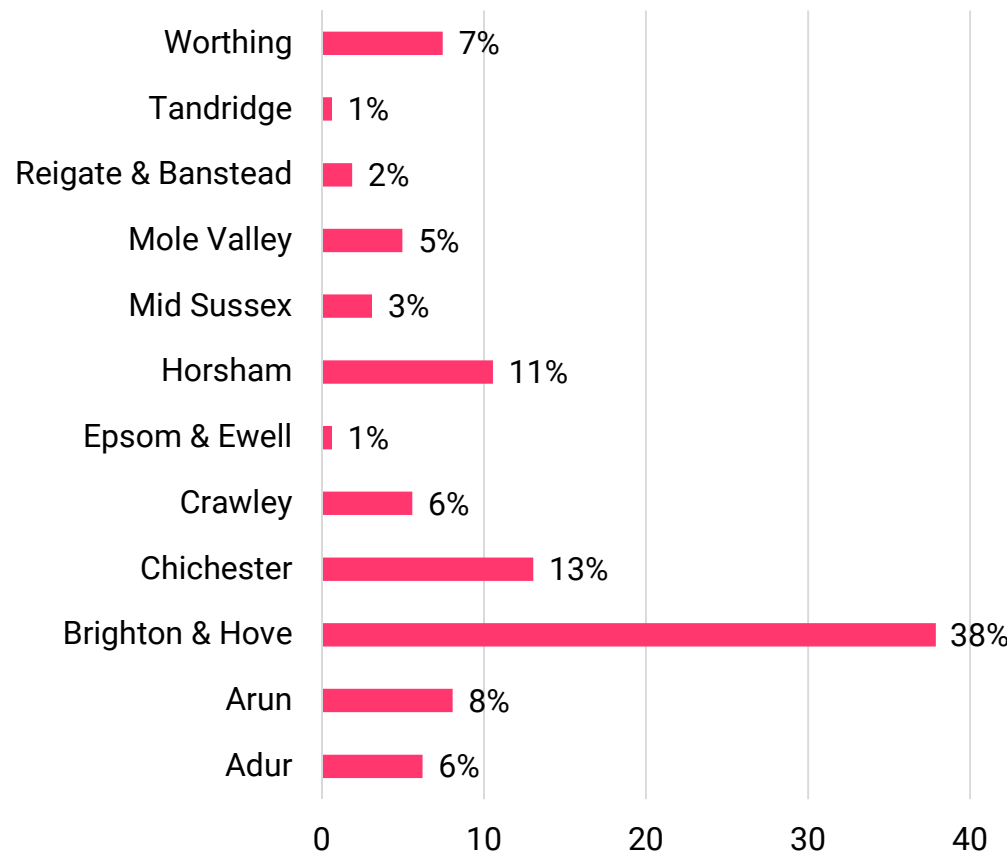
- **780** Eligibility checklists received to date
- **678** Application forms sent out
- **560** Application forms received back from businesses to date requesting a total of **£8.9 million**
- **161** Businesses approved so far to receive funding
  - Of which **151** payments already made
- **£1,983,923** The value of grants approved (to date)

\* We are currently still accepting eligibility checklists for the pipeline list.

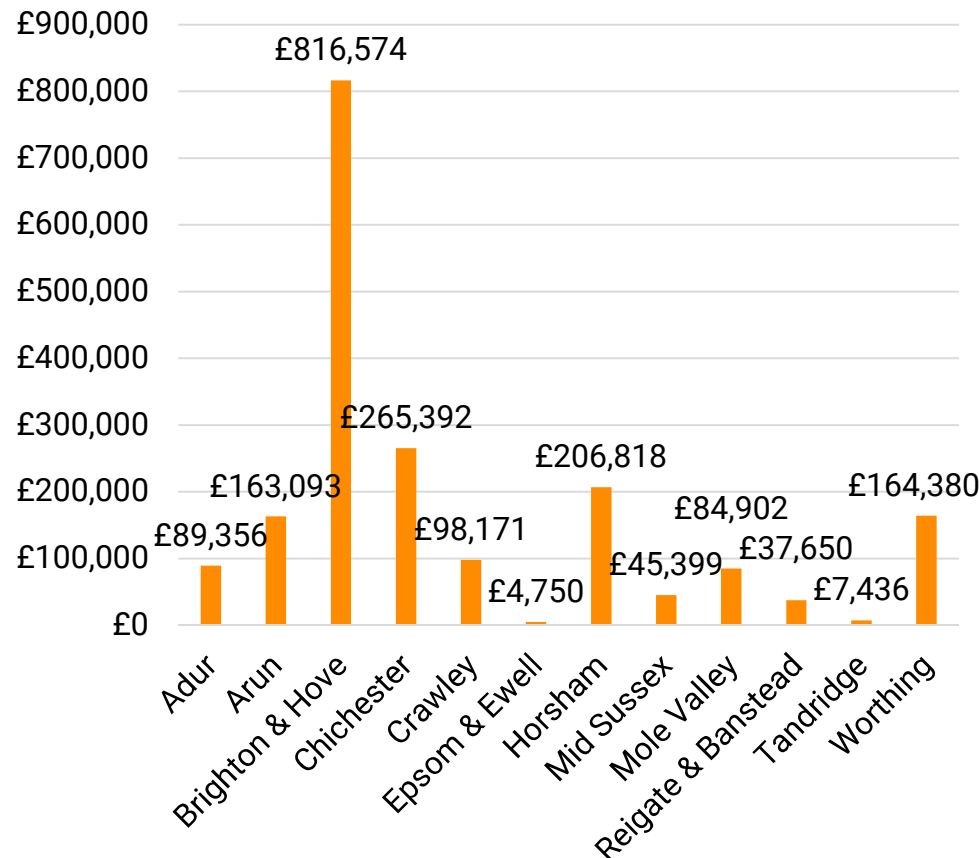
Initial Applications To The Backing Business Fund By Upper Tier Authority Location



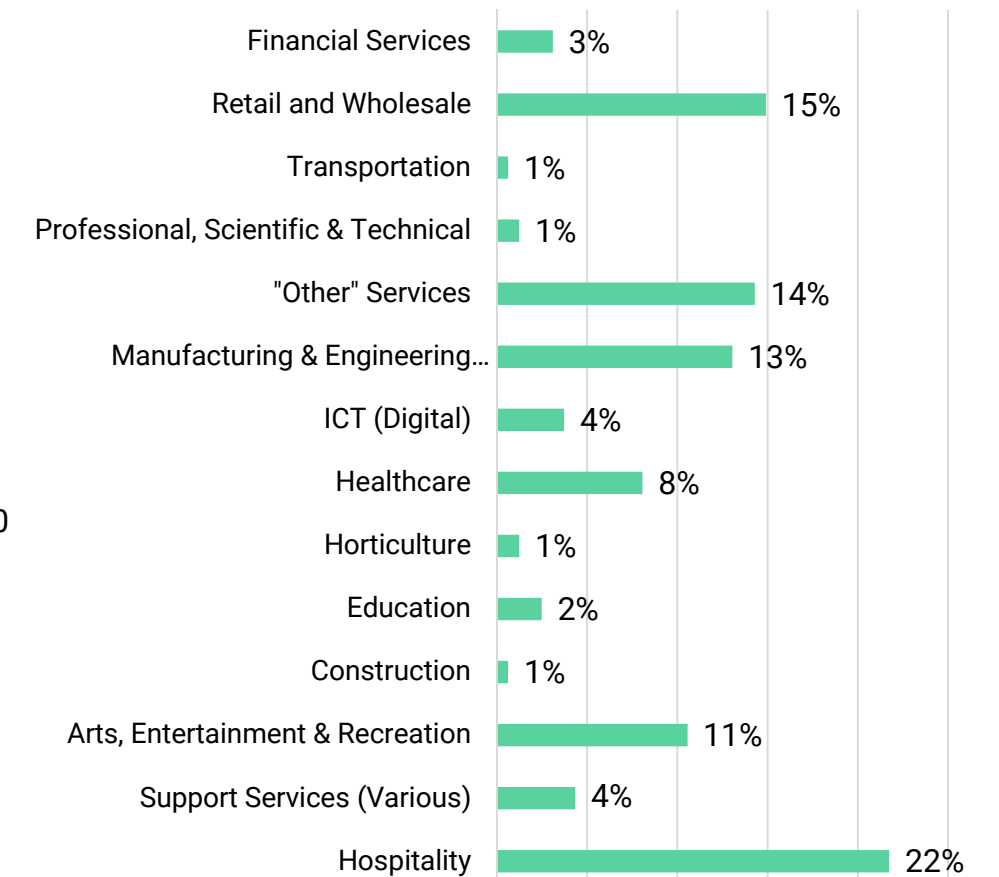
The Local Authority Location of All Successful Applications Processed To Date



The Total Value Of Successful Applicants broken down by area



Applications By Sector As A Percentage



Furthermore, over 550 companies who applied for funding have all been offered support by the Coast to Capital Growth Hub team in the form of providing advice (including one to one clinics on funding), signposting and specialist advice where relevant. The team also were able to signpost the business to other initiatives that could also support their business. The response to our initiative was very positive from business, our strategic partners and HM Government. It has showed the team to be flexible and adaptive.

Plans are being developed for the future operating model of the company, in line with Government guidance on adjustments in response to COVID.

## 2. Corporate update

### Governance

- In our **Annual Performance Review**, Government has awarded us an Exceptional for Governance, along with a Good for Delivery and Achieved for strategy.
- The Board is asked to approve the **Annual Report 2019/20** (Annex A) which presents the excellent progress we made in 2019/20. It acknowledges the realities of COVID in the present time without detracting from the successes of last year.
- The updated **Articles** have been approved by the Board and are being submitted to Companies House.
- A sub-Committee of the Audit Committee consisting of Amanda Jones, Jonathan Sharrock, Chris Maidment and Karen Hayes will be leading a project over the summer to appoint a new **Accountable Body** by April 2021.
- Our new approach to **Risk Management** is now fully implemented across the organisation and following discussion at Audit Committee our top company risks can be found in Annex B.
- We have one live **complaint** in relation to the Backing Business Fund which is being dealt with in line with our Complaints Policy.

### Board Development

In line with the Assurance Framework and Articles the Higher Education, Further Education and District Council Board Director positions for 2020/21 will be confirmed by the sector that they represent and an update will be provided at the meeting.

The Growing Places Fund (GPF) Committee have agreed that Amanda Jones will join the GPF Committee and the Board is asked to approve this appointment.

## Communications

Our focus over the last quarter was to promote our COVID response activity in particular the Backing Business Grant Fund and our Growth Hub support. Highlights include:

- Issuing clear [statements from the CEO](#) at critical points during the emergency.
- Supporting local businesses by promoting relevant and up-to-date information including virtual events, funding and advice which has raised the profile of our Growth Hub.
- Issuing seven [newsletters](#) outlining support available and highlighting the most important news stories.
- Promoting the launch of the Backing Business Grants fund and sharing the funding awards as they happened.
- Creating engaging content on Twitter resulting in over 100 posts using the [#BackingBusinessGrants](#) hashtag.

Going forward, we are focusing our communications on recovery and coordinating consistent messaging between our Growth Hub and strategy work. We will also be focusing on Local Growth Fund communications activity again which has been on pause.

During March, April and May we issued the following press releases:

- [Orbital South Colleges successful in Funding Bid](#)
- [New 12 week programme that will help drive value and profits for your business](#)
- [Escalator Programme launched](#)
- [We are releasing £2 million to support small businesses across the Coast to Capital area](#)
- [Coast to Capital Growth Hub launches 'SME Emergency Response Clinics'](#) (featured in Gatwick Diamond business)
- [A statement from our Chief Executive](#) (featured in Gatwick Diamond business)
- [Over £1 million of Backing Business Grants awarded to businesses to help them adapt, innovate or evolve](#) (featured in West Sussex Today, Shoreham Today, Brighton & Hove Independent, Mid Sussex Today, Midhurst & Petworth Independent, Worthing Today, West Sussex County Times, Bognor Regis Observer, Littlehampton Gazette, Crawley Observer, Chichester Observer, Worthing Herald, Brighton Journal)
- [Gatwick Airport station transformation on target despite COVID pandemic](#) (featured in Global Railway Review, Rail Technology Magazine, International Airport Review, Rail Business Daily, Crawley Observer, Brighton & Hove Independent, Mid Sussex Today, West Sussex County Times)
- [LEPs help local business on route to safe recovery](#)
- [Southern business region essential to driving post-COVID economic recovery](#)

- [Plans progress to help prepare 'Safer Towns and Cities' as lockdown eases](#)

We were also mentioned in the following stakeholder news:

- [Regional transport leaders tell Chancellor: Invest in the South East to 'level up' the UK](#)
- [Survive, Revive, Thrive - Help for the Sussex Tourism sector](#)
- [Brighton Main Line passengers urged to have their say on major upgrade proposals](#)
- [Hundreds of Brighton & Hove pupils take part in lockdown careers advice online sessions](#)

In total, Coast to Capital was mentioned 110 times in the news including a mention on BBC national news (TV) and an interview with Jonathan Sharrock on BBC Sussex/Surrey.

## Stakeholder Engagement

Over the last three months we have overhauled our approach to stakeholder engagement and implemented a coordinated and joined up strategy across the organisation:

- As part of the initial strategy review for stakeholder engagement, we identified and mapped out our key stakeholders as well as top sectors (in relation to our LIS work), to find the best approach for each grouping.
- We launched our new '[Economy Watch](#)' blog page at the end of March, which now has 22 blog posts including a range of external contributions. We have shared highlights and key stories from our Economy Watch blog on twitter and LinkedIn.
- We are sharing our key updates, business intelligence and business activity with key stakeholders and partners through:
  - Regular email updates to Local Authority Chief Executives, Leaders and MPs across our area
  - Regular email updates to Local Authority EDOs and Growth Hub partners
  - Growth Hub specific updates including to intermediaries (funders, banks and accountants), business support providers and HE/FE contacts
- We are also focusing on ensuring that the team is up to speed on our activity and key messages to ensure consistent messaging in any engagement the team undertake. This is particularly important as the team is working remotely.
- We are promoting updates on our Local Industrial Strategy (LIS) work ensuring that we are as transparent as possible on the status of this activity.

Moving forward, we will continue review and implement our engagement with our priority stakeholder groups, as well as looking to implement a more targeted and focused approach to engaging with key businesses, linking to our LIS work more closely.

## Marketing

Over the past three months, the following marketing highlights include:

- The Coast to Capital **Twitter** account was mentioned 622 times with 201,200 views (impressions); the highest rate. And have received 185 new followers now with over 4,335 followers.
- Over the past three months, trending topics on Twitter included the 'Tourism in the time of Coronavirus' webinars, our Economy Watch blogs, and funding announcements and quotes from businesses receiving a Backing Business Grant.
- Following an increase of 172 followers we now have 1,234 followers on **LinkedIn**. There was a total of 766 page views, with 431 unique visitors and 12,549 impressions.
- Top trending topics on LinkedIn included an update from Manor Royal BID, our Backing Business Grants fund, and Economy Watch blog post focused around Gatwick Airport.

## Events

Given the lockdown restrictions our approach to corporate events remain under review. Our Annual General Meeting is planned for Thursday 17 September and is likely to be a virtual event. We are currently reviewing our approach to ensure we provide the most engaging content in line with Government requirements for public access.

## Organisational Developments

The following changes have taken place in the Coast to Capital team:

- **Taygan Paxton** has moved to the Service team from the Investments team as Growth Coordinator.

We paused our recruitment activity in response to COVID. This has now been reviewed and we recently advertised for an Investments Administrator.

As the office remains closed the team continues to operate on a remote basis very successfully:

- We have focused on regular and clear internal communication and ensured that team members can work flexibly and have everything they need to work effectively, addressing any challenges where we can.
- We have been conscious of the strain on wellbeing this period has had and

implemented a Three Month Mental Health Plan which has been kept under review on a monthly basis.

- We are keeping the office and working arrangement continually under review to ensure we can determine the right arrangements for us as an organisation and team engagement will be key as this develops.
- We have been using Office Vibe, an online survey platform, to seek and review the views of the team on the organisation including our working arrangements. We are pleased to be receiving positive feedback which is summarised below.

Overall Engagement	Relationship with manager	Recognition	Feedback	Personal growth	Alignment	Satisfaction	Relationship with peers	Wellness	Happiness	Ambassadorship
▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
8.1	8.8	8.1	7.9	7.9	8.1	7.9	8.4	8.1	7.8	8.5

### 3. Investments

#### Projects, LGF & Government Review

Government is conducting an ongoing review of project delivery across all LEPs in order to inform Ministers for the Chancellor’s July fiscal event. LEPs have already been advised that the final 1/3 in year LGF payment will be withheld, pending the outcome of the review. The Government work is specifically looking at LGF live project expenditure and the likelihood of full expenditure of LGF allocations by March 2021. The review is due to report in July and will be used to inform the Chancellor’s expected national recovery expenditure announcement in mid-July. Prior to submitting data to Government, we have conducted our own full examination of the project portfolio to assess the impact of COVID on delivery. The Investment Committee has considered and agreed a range of recommendations arising from this work, relating specifically to impacted projects. These recommendations are contained in a separate paper within the agenda. The Committee have also agreed the establishment of a sub-committee with delegated powers to direct action on projects where outputs may deviate from the March 2025 delivery deadline.

Government have advised that the results of their review will result in notification of clearance to release the final 1/3 allocation, or the need for further project 'deep dives'. We believe that we should fall within the former category and hope to receive the full funding release, not least of all because we are 97% contractually committed on expenditure.

### **Communities Secretary's Call for Projects June 2020**

In parallel to the above review, the Communities Secretary invited a call for the submission of 'shovel ready' projects that align with the Government's strategic priorities. These priorities have already been reflected within our emerging local industrial strategy priority areas. A call was therefore launched across the region for projects that aligned with both the LEPs and Government's strategic themes, that could deliver within an 18 month timeframe, whilst assisting economic recovery and creating new employment opportunities.

In the very short timeline given (less than 1 week) we received 117 applications, totalling an ask of approximately £306m. All of the applications were thoroughly read by the Chief Executive, Chief Operating Officer, Head of Strategy & Policy and other senior members of the team.

Initially, Coast to Capital was not asked to prioritise the applications. However, two days before the submission deadline we were asked by Government to rank all bids. This was an incredibly difficult challenge, and we were disappointed to have to do this at such a late stage. However, we ultimately decided to submit the full list of projects, together with a prioritised list, the latter of which totals an ask of just under £40m. We felt it important to show Government the scale of our Region's ambition and the large portfolio of projects that we are ready to move forward with.

The £40m list was arrived at by scoring each project against three criteria; worthiness, deliverability within the spend timeline and finally strategic fit with Coast to Capital's regional priorities. Weightings were applied to each criteria.

All organisations who have submitted proposals have been informed as to whether they have been included within the prioritised list or not.

### **Growing Places Activity**

The Growing Places Fund Committee (GPFC) has met during the COVID crisis by video conference. Unfortunately the GPFC meeting was not quorate and therefore was unable to approve or note any business discussed.

However, members did review by correspondence a number of recommendations which were approved including that Coast to Capital would consider and approve any requests from the portfolio for any capital repayments and or interest payments holidays as a result of the pandemic. This is to be reviewed by the GPFC at the next meeting as part of the regular review of the portfolio.



## **4. Services**

### **Coast to Capital Growth Hub**

BEIS have confirmed additional Growth Hub funding for 2020/2021 of £167,500. A proposal has been submitted to BEIS and will be the basis of a co-design discussion on 30 June 2020. This funding will be focussed on providing additional front line support to businesses during and beyond the recovery phase. Treasury restrictions of the funding mean that only up to 25% of the funding can be used on COVID related activity in the period up to September 2020.

In addition, the Government has given Coast to Capital a one-off grant payment of £250,000, from unspent ERDF money. This funding will be used to support Recovery Strategy activity.

Growth Champions continue to cover two vacant Account Manager positions. Recruitment is being progressed to cover the additional Growth Relationship Manager positions (2) and an Administrator following a delay on recruitment due to the pandemic.

The level of partnership and collaborative activity during the COVID crisis has increased significantly. The team are actively engaged with local authority Economic Development Offices on a regular basis. They are working closely with the key Chambers of Commerce and to engage with businesses and feeding back business intelligence to BEIS in Coast to Capital's weekly reporting.

The Growth Hub team have been supporting the delivery of key COVID related webinars including a series supporting the tourism sector and a series delivered by the University of Brighton.

The Growth Hub portal has a specific section on support for businesses during the pandemic and links to webinar events running throughout the area. Social media activity has been increased to help raise awareness of the support and information available to businesses.

### **Experts in Residence**

This area of activity has been paused due to bank demands addressing the Bounce Back Loan scheme but Vicky Stevens, our banking Expert in Residence, should be released from that in the near future to resume her activity with Coast to Capital in ensuring that we promote diversity within our programmes and ensure that we engage with, and support women business leaders.

An additional Expert in Residence programme with Microsoft has also been delayed due to COVID.

## **Coast to Capital Growth Grants**

The Growth Grant programme is currently being reviewed following the impact that COVID has had on the capacity of businesses to invest in capital projects. Businesses are reporting diminished reserves and working capital and challenges affecting the ability to borrow to provide the match funding needed for projects.

Proposals to address this are being developed following the delivery of the Backing Business Fund to be considered by the Investment Committee.

## **Coast to Capital Escalator programme**

BEIS are in the process of issuing information on funding to Growth Hubs to deliver a Peer Network Programme for the period up to March 2021. This will provide the opportunity to deliver a significantly increased level of peer networking support as a follow up to the original successful Coast to Capital Escalator project that ran until October 2019 and the three alumni cohorts that were delivered subsequently.

## **5. Strategy and Policy**

### **Local Industrial Strategy (LIS)**

Covered in agenda item 4.

### **Enterprise Adviser Network (EAN)**

On 23 June the Skills Minister, Gillian Keegan, announced the [expansion](#) of the Careers Hub initiative to support young people with their careers decisions; this includes the establishment of a Coast to Capital Careers Hub. As you will know, the Board has approved match funding for the continuation of the EAN and to set up a [Careers Hub](#), which means that we can now move into implementation phase, launching the Hub in September.

We will be piloting the Careers Hub in the Gatwick, Mid Sussex and East Surrey area of Coast to Capital with the potential to extend the Hub geography at a later date.

Further information regarding the progress of the EAN can be found in the dashboard which is available on request.

## European Structural Investment Funds

### European Social Fund (ESF)

The ESF allocation in Coast to Capital supports people in the area to gain employment, integrate into society and progress their careers by providing innovative skills and training opportunities.

There have been 21 contracted projects in the area, with 15 currently delivering and 8 in the pipeline with Department of Work and Pensions (DWP) Managing Authority. The appraisal process for pipeline projects has been delayed by COVID but has now resumed, we hope to see some of the 8 pipeline projects contracted soon. Detail on the live contracted projects can be found on our [website](#).

Coast to Capital received ESF funding for a technical assistance project 'Maximising the benefit of ESF in Coast to Capital' to support the area's ESF allocation. The project finished in December 2019 and an audit is currently being carried out by DWP Managing Authority. The LEP retains a strategic role monitoring the impact of the ESF allocation in the area.

Unspent ESF from across all LEPs has now been into a central reserve fund by DWP. LEPs will need to 'bid' into this central fund to release funds for particular calls. We submitted a bid for a call from the reserve fund in April 2020 however, due to COVID, all call applications are currently on hold with the Managing Authority.

The ESF dashboard, available on request, includes information on the status of the ESF allocation in Coast to Capital across the investment priorities, and a project case study detailing how one of the active projects has adapted delivery in response to COVID.

### European Regional Development Fund (ERDF)

Our funded Technical Assistance project to support delivery of ERDF in Coast to Capital ended in September 2019. For information on contracted projects please see our [website](#). There are a number of projects still in our pipeline within the innovation and low carbon themes.

All remaining ERDF allocation for the Coast to Capital area has gone into a central pot overseen by MHCLG. The current circumstances and remaining programme timescale mean that the expected launch of England-wide ERDF Reserve Fund calls for proposals will no longer happen. Instead more targeted and rapid ways of funding remaining activities, such as through a commissioning model, will be used.

So far MHCLG has used flexibilities introduced by the European Commission in light of COVID to use ERDF to finance the £50 million Reopening High Streets Safely Fund and is currently developing a bespoke package of support for Visitor Economy businesses to help them adapt and improve their resilience and is exploring other plans for providing further targeted support to businesses and communities.

## European Agricultural Fund for Rural Development (EAFRD)

EAFRD grants are now closed to new applications as of February 2020. Unfortunately we have been unable to get an update on the state of play for the Coast to Capital area.

### **Annexes:**

- Annex A: Annual Report 2019/20 (Part B)
- Annex B: Company Top Risks (Part B)

### **Dashboards:**

Are available on request.