

# Coast to Capital

**Meeting:** Coast to Capital Board Meeting  
**Date:** Wednesday 29 January 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.

### 1. Introduction

The results of the General Election provide clarity and more stability in the priorities of the Government. We need to ensure that Coast to Capital is properly positioned to influence Ministers in order to deliver our Local Industrial Strategy and agree the investment needed to support our region. There are a number of strands to our work on this:

- We have written to all of our **Members of Parliament** to congratulate them. All outgoing members were returned, with three new MPs replacing predecessors who stood down: Mims Davies (Mid Sussex), Andrew Griffith (Arundel and South Downs) and Claire Coutinho (East Surrey).
- We await further details of the **Government's regional policy**, most likely in the March Budget. It is clear that regional investment will be a priority for Ministers, with reports that the Treasury will change Green Book guidance on infrastructure investment to reduce the importance of economic return. This will allow Ministers to prioritise investment in parts of the country with greater economic need. Other flagship manifesto commitments which will be central to our interests include local government reform, airports policy, and future investment in research as we leave the EU.
- The **Southern LEPs group** is engaging with the national LEP network to ensure that our regional interests are reflected in lobbying on this work. The risk is an active deprioritisation of capital investment in the South East, either in future regional grants (such as LGF or skills investment) or support for major capital projects (such as railway upgrades).
- The **LEP network** has restructured quickly over the autumn to ensure more

proactive and competent lobbying of Ministers. There is a new leadership team and management Board.

- We continue to closely monitor business attitudes to **Brexit**, including the impact on business confidence and investment in the region.

## 2. Corporate update

### Diversity

We are making significant progress in delivering a full corporate engagement with the Diversity agenda. This is led by Julie Kapsalis (Diversity Champion) and Katie Nurcombe (Head of Corporate Affairs) with significant highlights including:

- With 7 out of 13 female Board members we exceed Government's target of 33% female by 1 April 2020. We will continue work to meet the 50% target by 1 April 2023.
- Diversity is a key requirement for the Chair recruitment exercise.
- Coast to Capital in collaboration with Enterprise M3 is leading on activity to encourage diversity in all its forms and increase female representation on Boards across the Southern LEPs.
- Julie and Katie are establishing a working group on LGBTQ+ to discuss the barriers to business facing this group starting with an initial meeting in the New Year.
- Banker In Residence Vicky Stephens has been in post since May 2019 supporting us to ensure that our business support through the Growth Hub is equitable. We are pleased that NatWest will be continuing this post and rolling it out across the LEP Network. An update report on this role is in development and will be circulated to the Board for information.
- The Growth Hub is monitoring its engagement with female business leaders and has procured a list of 3,669 women directors where they are the majority shareholder to undertake proactive engagement exercises.
- 16 expressions of interest have been received from women business owners for this year's growth grants. This represents 23% of all applications up from 14% in 2018/2019. A dashboard has been produced which is included in the accompanying annexes.

### Governance

Governance items for approval are covered in item 4. Please see a short update below on other areas of Governance for consideration.

- Our **Annual Performance Review** with Government will take place on 10 February and we are targeting an Exceptional rating in at least one area. In our written submission we have made a strong case in relation to both Governance and Delivery. For Strategy the review will return either a 'met' or 'not met' marking. On 8 January we were told that our provisional mark in

relation to Governance and Delivery was 'Good' – we will aim to increase these scores as a result of our review meeting.

- A number of **Internal Audits** are underway including Accountable Body audits on our finance systems and Accountable Body arrangements and internal audits on our employment legislation compliance and our procurement.
- We have written to all our Local Authorities to let them know we are happy to participate in any **Local Authority Overview and Scrutiny Committees**. We have had a request from Chichester which we will be following up.
- We have two live **complaints** which are being dealt with in line with our Complaints Policy. One complaint, in relation to the Growing Places Fund, has been investigated by our Accountable Body at Stage 3 and is now with Government at Stage 4. One complaint, in relation to the conduct of a previous Board member as part of the July 2017 Call for Growth Projects, has been investigated by the Chairman under Stage 2.

## Organisational Developments

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

- Kate Edwards has been appointed as Head of Finance as Carli Foster has left the role to start a family.
- Kristel Smith has been formally appointed as Office Manager and PA to Chief Executive after undertaking the role on an interim basis
- Pru Rowntree has left the Enterprise Network Team and Izabel Pompova will be starting as the Enterprise Coordinator for Mid Sussex and Upper Greater Brighton.
- Ryan Davies has been promoted to Growth Hub Account Manager Team Leader
- Luke West joined the Growth Hub team as our Business Growth Executive in January.
- Andrew Dennis, Grant Baker and Jane West have left the Growth Hub team. These roles are being covered by Growth Champions prior to a review of the Growth Hub structure from March 2020.

In the Growth Hub team there will be vacancies for two Growth Relationship Managers and a Growth Coordinator when the new structure has been reviewed and agreed by the Executive Committee.

## Staff Handbook & Wellbeing

After a significant internal review led by Kristel Smith with the support of our HR advisers we have overhauled our internal staff handbook. This now reflects our corporate culture and our commitment to staff wellbeing with one of the changes being made to our Sickness Policy. It also covers our new ways of working in the new office in Three Bridges. We are pleased to be a forward thinking employer by introducing a Menopause Policy and Stress Policy. The handbook came into effect on 1 January and Line Managers are receiving training and development support over the coming months.

We are building on our strong approach to staff wellbeing which includes access to an Employee Assistance Programme and Mental Health support including 'Time to Talk' sessions and trained Mental Health First Aiders. In the New Year we are introducing fruit for staff and trialling monthly yoga sessions and mindful talks.

### Corporate Charity

We are delighted to have raised over £700 for The Marine Conservation society so far this year. A number of events have taken place to fundraise and raise awareness of reducing single use plastic, including showcasing the new '[Our Planet: Our Business](#)' film. Additional fundraising activities over the past two months have included a Charity Quiz Night, a "Festive Office Bake Off" and Christmas Raffle.



All donations are welcome to our [JustGiving page](#).

### 3. Communications and stakeholder engagement

During October, November and December we issued the following press releases:

- [Coast to Capital and MDHUB celebrate the completion of the Escalator Programme](#)
- [£9.9 million Local Growth Funding confirmed to improve journeys along the A29](#)
- [Funding confirmed to address skills shortage](#) (featured in Sussex Express, Mid Sussex Today, Mid Sussex Times)
- [Coast to Capital appoints three new business representatives to its Skills 360 Board](#)
- [Coast to Capital boosts economy in urban and coastal areas](#) (featured in The Argus)
- [Local Growth Funding set to improve digital connectivity across the area](#)
- [Experts from across the Coast to Capital area debate Local Industrial Strategy opportunities](#)

We were also mentioned in the following stakeholder news:

- [Have your say on updated Three Bridges proposals](#)
- [First Wired Certified Platinum workspace in Brighton offers first world class digital connectivity in city](#)
- [Southern businesses to be boosted by University of Chichester's £11million project to drive economic growth](#)
- [£6 million Funding Opportunity Open in Coast to Capital](#)
- [Environmental Accolade for Shoreham Adur Tidal Walls Scheme](#)
- [Funding board urged to grant £6m for Brighton road layout changes](#)
- ['All-night parties' at new Brighton student accommodation spark complaints](#)
- [Bognor Regis Creative Digital Hub on track for 2020 opening](#)
- [Work on West Sussex IKEA store could start soon](#)
- [Transform Leatherhead moves forward with public consultations](#)
- [Brighton's tourism chief blasts council for ignoring road scheme objectors](#)
- [More Success for Shoreham Adur Flood Scheme](#)
- [Brighton Pier boss says don't fund Valley Gardens phase three](#)
- [Young professionals are the 'lost generation'](#)
- [Controversial Brighton road layout scheme awarded £6m grant](#)
- [Tories push for proper environmental assessment of controversial road layout changes in Brighton](#)
- [Revised plan for controversial Brighton road layout scheme to be shared with councillors](#)
- [Council rejects request for environmental impact of Old Steine revamp to be assessed](#)
- [Fears Valley Gardens project will hit Brighton businesses](#)
- [Surveys to help develop transport improvement schemes for Burgess Hill town centre](#)
- [MHA Carpenter Box shortlisted in Sussex Business Awards](#)
- [Brighton Entrepreneur Café seeks health innovations](#)
- [Crawley College Unveils Plans for State-of-the-Art New STEM Facility](#)
- [Plans for 10,000 venue to replace Brighton Centre](#)
- [i360 defers fourth loan repayment because of 'very poor weather'](#)
- [Brighton i360 sent £312k repayment to council by mistake](#)
- [Brighton Centre move is officially put on hold](#)

In total, Coast to Capital was mentioned 152 times across regional news publications.

## **Marketing**

The following videos have been posted on **YouTube**:

- [What's next for the Local Industrial Strategy?](#)
- [Queens Square Crawley - Local Growth Fund Case Study](#)
- [What is the Local Industrial Strategy?](#)
- [A Celebration of the Coast to Capital 2019 Escalator Programme](#)

- [An Evening of Entrepreneurship Celebration Event - Highlights](#)

Over the past three months, the Coast to Capital **Twitter** account was mentioned 373 times with 159,300 views (impressions) and received 98 new followers now with over 4,000 followers. This number of impressions is lower than previous months this year, due to a reduction on social media messaging due to purdah. Over the past three months, trending topics included our LIS Consultation, attendance at the NatWest Women in Business event, Local Growth Funding announcement for the A29, and our sustainable Christmas decorations.

On **LinkedIn**, we now have a total of 908 followers, an increase of 195 followers. Over the past three months, the Coast to Capital LEP LinkedIn page had a total of 867 page views, with 370 unique visitors and 21,453 impressions. Top trending topics included our Enterprise Advisor Network Celebration Event, November Big Debate, Festive Bake Off, and our Local Industrial Strategy Consultation.

## Events

In November we held another Big Debate at the Arora Hotel Crawley Gatwick, to build on the publication of our draft Economic Profile and recent Local Industrial Strategy Consultation. The event was attended by over 100 stakeholders.

## Stakeholder Engagement

Through the development of our Local Industrial Strategy we have delivered and will continue to deliver a robust stakeholder engagement strategy to ensure that all stakeholders have the opportunity to engage at key intervals. A summary of our engagement can be viewed in this [GIF](#).

## 4. Investments / Delivery

### Projects

The Investment Committee continues to be very active in discharging its duty of project monitoring and calling delivery bodies to account. At its last meeting it made a number of recommendations to this Board meeting to withdraw funding from a small number of delivery bodies that are unable to deliver spend profiles to the Government's Growth Deal timeline. These matters are dealt with under a separate agenda item, suffice to say that we may see more recommendations of this nature as we enter the critical year of 2020, where there are key decision points to allow time for funding to be re-allocated and spent, if necessary on pipeline investments.

One notable project completion that has occurred, is that of the Fairfield Halls in Croydon and this is now fully operational, with members of the Investment Committee having had the opportunity to tour the facilities last December.



We have recently published a [full projects portfolio](#) compendium on our website, which highlights an easy to read, single repository of information, including outputs on each project, together with an aggregated view of delivery. Having recently carried out an internal assessment of delivery of our LGF programme, we believe that we warrant an exceptional rating at the Government's annual performance review. This relates to our robust governance and also delivery achievements to date.

### **Growing Places Activity**

The Growing Places Committee has equally been very active recently and we must pay particular tribute to the work of its Chair Karen Dukes, and her relentless time and effort, to deliver the repayment of the Dearman loan in full. This was an incredible achievement, against a back drop of huge uncertainty and unprofessional conduct on the part of representatives of the company. Without Karen and Jamie Arnell's help it would have been highly likely that the LEP would not have received any of its funding back and through their unique expertise they were able to protect Coast to Capital's position throughout.

With David Smith's ongoing management of the loan portfolio, the loan book is now under firm and transparent management with the Committee having good oversight and strong direction through Karen's expertise in the field.

The GPF Management Team, led by the GPF Committee Chair is looking into the multitude of strategic options for GPF Committee discussion later in 2020 in regards to the current fund and/or any HM Government additional investment. The Board will be apprised once the GPF Committee has fully reviewed & provided direction.

## **5. Services**

### **Brexit/Business Resilience**

The Growth Hub has continued to engage with businesses and undertaken resilience assessments and to understand their level of confidence regarding Brexit. This information continues to be fed in to BEIS on a weekly basis. This activity is helping us develop a good level of market intelligence.

We are finding that there is a distinct difference in attitudes between non exporters and exporters, who are over twice as likely to be positive about Brexit

There is a significant difference in the preparedness of businesses, with 79% of all exporters/importers surveyed having made all or some preparations for Brexit. This is contrasted to only 50% of the wider business population.

Following the general election BEIS are continuing to fund Brexit/business resilience activity until the end of March 2020 with the focus on obtaining business intelligence and providing resilience support. We have been asked to cease referring to no deal

related advice.

The cluster group that is led by Enterprise M3 and includes Coast to Capital, Thames Valley Berkshire and Solent is undertaking a joint telemarketing campaign and also organising a series of master classes delivered by Newable for DIT to help businesses explore new international markets.

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

BEIS have confirmed core Growth Hub funding for 2020/2021 at the previous level of £369,000. A proposal will be submitted to BEIS by 31 January 2020.

As mentioned above since October 2019 the Growth Hub has been delivering additional BEIS funded activity to undertake Brexit readiness support and advice and promote and fund local events. As part of this activity Growth Champions and Account Managers have been undertaking survey work which has provided a rich source of business intelligence.

Growth Champions are covering two vacant Account Manager positions. This will continue until April 2020 when a new structure will be introduced.

### **Coast to Capital Growth Grants**

The Growth Grants programme for 2019/20 has been launched and to date, despite uncertainty caused by Brexit, interest in the funding has been relatively strong. To date 88 expressions of interest have been received from potential applicants requesting £5.4m in total. 15 businesses have been invited to full application stage with funding of £286,000 approved for three businesses to date.

### **Coast to Capital Scale Up Activity (Escalator and Growth Champion)**

The original Escalator programme ran for 6 months until October 2020. Due to Brexit business intelligence gathering exercise it was decided to run extra cohort sessions to discuss resilience and other issues in the peer to peer format.

An evaluation exercise was undertaken on the Escalator programme. Conclusions of which were as follows:

- 100% of Scale up attributes increased as a result of the programme.
- 60% of participants increased sales since joining the programme.
- 68% recruited for new roles within their organisations as a result of the programme.
- Reorganisation, recruitment of senior roles and creating a new strategic direction were the top three decisions made as a result of attending the programme.
- All participants developed their leadership abilities.
- The impact of the experience led to the decision to continue to develop professionally and personally as a business leader.
- The net promoter score of 59% is in alignment with excellent world class



- companies such as Apple.
- Facilitated peer to peer learning is a highly effective and quick method of helping companies to grow.
  - Having an evaluation process at the heart of the programme created accountability for the participants and direction for the facilitators to respond to the needs of the group.
  - Honesty, open-mindedness and the ability to share is fundamental for the participants to derive the most benefits

BEIS has invited Coast to Capital to a workshop to gather our thoughts on proposals for a peer to peer networks project to support SMEs across England.

## **6. Strategy and Policy**

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

This item is covered under agenda item 3.

### **Transport for the South East**

Transport for the South East (TfSE) consulted on their draft Transport Strategy between October 2019 and January 2020. The strategy has, at its core, the aim to move away from simply planning for the sorts of journeys people currently make to planning for people, places and the environment. We are supportive of their aims and the main strategic challenges and routes identified for our area. We consider that delivery of TfSE's priorities will form part of the set of interventions for our emerging Local Industrial Strategy (LIS) where the need for improvements to transport infrastructure to address lost productivity and the environmental impact were seen as key issues through our LIS engagement and consultation.

There is a focus in the draft Strategy on the Brighton Mainline/M23/A23 radial routes and the A27/A59 coastal route. A current absence of adequate orbital east-west connectivity to Gatwick airport is also identified. We will continue to work as part of the TfSE Board, and other forums, as they finalise the strategy and continue to look at the six identified journey types in more detail. There is a proposed further 'South Central' area study (among others) that will be very relevant to the Coast to Capital area. Our response to the Draft Transport Consultation was overseen and signed off by Martin Harris, as the Transport Board Sponsor.

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

The EAN Programme continues to make progress towards the targets in the grant agreement with the Careers and Enterprise Company.

The target for Benchmark 5 (encounters with employers and their staff) for the 2019/2020 academic year is 70% of matched EAN schools achieving the benchmark and at present performance is at 39%, an increase of 3% on October 2019.

The target for Benchmark 6 (experiences of the workplace i.e. work placements) for the academic year 2019/2020 is 55% of matched EAN schools achieving the benchmark and at present performance is at 48%, an increase of 4% on October 2019

In addition, the EAN team have been undertaking work to highlight the successes of the programme in Coast to Capital by organising and running a very well received EAN Celebration Event for approximately 75 of the schools, colleges and businesses involved in the network.

During the last quarter the team have developed and delivered training to some 55 Careers Leaders from schools and colleges on how to meet the Gatsby Benchmarks, Labour Market Information on the local area and how to effectively work with the Enterprise Advisers from local businesses. The training sessions have received excellent feedback and there are now plans to develop further training sessions for the spring term.

## **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 in their careers by providing innovative skills and training opportunities.

There have been 21 contracted projects in the area, with 16 currently delivering. Detail on the live contracted projects can be found on our website.

Three calls for bids for PA2: Skills for Growth were released in October/November 2019 with application deadlines in January 2020. Projects funded through these Calls will provide support with digital transformation for SME's and digital upskilling of employees, skills and career support for older workers, and skills development for employees in preparation for the future of work.

We have prepared an ESF dashboard (found on the Board portal) which includes more information on the current projects delivering in Coast to Capital, as well as the recently closed Calls.

### European Regional Development Fund (ERDF)

We have allocated all of our £31.1m ERDF funding for the 2014-20 programme, across 15 local projects: consisting of 6 projects totaling £8.8m ERDF contracted, and 9 projects totaling £22.3m ERDF pipeline.

### European Agricultural Fund for Rural Development (EAFRD)

We have been so successful in funding projects on EAFRD 2014-20 that we have been allocated extra funding which was clawed back from lesser performing LEPs to fund our pipeline, which currently stands at 200% of our £3.8m EAFRD allocation.

### **Dashboards**

These are uploaded in the Board portal for background reading.