

**Coast to Capital Growth Deal
Enterprise Sub-Committee Business Case Appraisal**

Wednesday 7th January, 2-4pm

Coast to Capital Offices, Horsham Training Centre, Hurst Road, Horsham, RH12 2DN

Members: Julie Kapsalis (Chair), Steve Allen, Dave Cooper, Jivko Hristov, Lee McQuade
Support: Ian Parkes, Hayley Shepherd, Malcolm Brabon

The purpose of the meeting was to appraise the business cases for the Local Growth Fund projects delegated to the Enterprise Committee by the Coast to Capital Board.

Business Cases appraised:

- Business Finance
- Growth Is Digital
- Coast to Capital Timber Challenge Fund
- Advanced Engineering Centre

Record of the decisions made

Project name: Business Finance
Proposal: Local Growth Fund allocation of £9.5m over six years with £1.25m in 15/16. The business finance programme will provide a consistent business finance offer across Coast to Capital, micro grants; business growth grants, equity and loan investment and financial support for social enterprises. The grants will be managed by one single partner and Finance South East will continue to manage the Loan and Equity Scheme.
Decision made: The Enterprise sub-committee approved £9.5m over six years.
Business Case changes to be made before final publication: <ul style="list-style-type: none"> • A table that clearly sets out the roles of Coast to Capital and the roles of the delivery partner needs to be added • ERDF bid for business support- should be added as a risk as if the funding does not come through it will have an impact • More in-depth detail of the development advisors role and the role of the Growth Hub
Recommendation: Approval of the business case to be reported to the Coast to Capital Board for endorsement.

Project name: Growth is Digital

Proposal: Local Growth Fund allocation of £3.35m over six years with £650,000 in 15/16. Growth is Digital is a programme of support for the Digital Economy and Digital Infrastructure and has two strands. Strand 1, is the development of the next wave of digital economy innovation in which we will support a nationally important CDIT cluster and invest with regional and national partners via creation of the Digital Catapult Centre in Brighton, together with 5G mobile research and innovation.

Strand 2, is digital infrastructure for business in which we will develop three pilot schemes which will run for two years. One will provide ultrafast connectivity in a Coastal town, the second will provide superfast or ultrafast for a business cluster in an industrial estate and the third will concentrate on rural connectivity.

Growth is digital will create 200 jobs, engage 1,000 SME's and will create 500 sq m of employment/learning space.

Decision made: The Enterprise sub-committee approved £500,000 investment in the Digital Catapult Centre over two years; £1.2m into 5G research over six years; and £450,000 in the Strand 2 pilots over two years, with proposals for subsequent years to come back to the Committee reflecting the results of the pilots.

Business Case changes to be made before publication:

- Strand 1 is a research project and although there is not a risk on expenditure the delivery of the outputs is a risk and should be included in the risk register
- The Ultrafast pilot schemes will be dependent on whether the existing backbone is suitable, this will need to be part of the criteria for bids
- Research should be carried out on the cost to the businesses once the infrastructure is there as this can be quite high and can put businesses off
- Strand 1- For the Digital Catapult Centre in Brighton, further detail on how SMEs beyond Brighton will be engaged should be included
- Please circulate the recent report by SDNPA on rural broadband issues.

Recommendation: Approval of the business case to be reported to the Coast to Capital Board for endorsement.

Project name: Wood Fuel

Proposal: The project will stimulate investment in woodfuel and timber processing that sets up basic infrastructure on which future businesses can develop, adds value to a locally sourced raw material and created long term jobs in the rural sector. There is a Local Growth Fund Allocation of £800,000 over two years.

Decision made: The Enterprise sub-committee approved £800,000 over two years.

Business Case changes to be made before publication:

- The outputs need to be made clearer from the start in the executive summary
- Provide a paragraph on the demand that has been established from businesses in the supply chain including statistics on applications received so far
- One of the biggest risks to the project is planning permission, this included in the business case
- For the low cost timber house, the competition should not proceed unless there is some prospect of getting an exemplar built.
- Include more detailed information on the training and skills opportunity that arises from the

project

- The name of the project should go back to 'Woodfuel Initiative '
- Enterprise M3 funding has now been agreed and therefore the business case should be updated to reflect this.
- The presentation that Alison gave should be included as part of the business case

Recommendation: Approval of the business case to be reported to the Coast to Capital Board for endorsement.

Project name: Advanced Engineering Centre

Proposal: The project is to create an Advanced Engineering Centre on the Moulscumb campus at the University of Brighton. Brighton to allow the expansion and enhancement of the partnership between Ricardo and the University of Brighton in the design and development of novel low carbon internal combustion engines. There is a Local Growth Fund Contribution of £7m over two years to create 3,600 sq m of employment/ learning space 50 jobs and 60 additional trained engineering graduates per year.

Decision made: The Enterprise sub-committee approved £7m over two years, with £4.5m in 15/16.

Business Case changes to be made before publication:

- A detailed section on the benefits of the centre to SMEs should be included. This should include those SMEs that are currently engaged and those that they would like to engage with, from the automotive sector and those from other sectors that are in the supply chain.
- A section should be included on the new teaching programmes, research contracts and business development needs.
- A table that shows the split between grant funded income and that related to on-going revenue should be added
- A paragraph should be added that includes the other developments on the campus that with the advanced engineering centre will become an innovation park
- HEFCE funding has now been approved and the business case should be updated to reflect this
- Include greater detail on link to SEP, including encouraging employment by women in engineering and the link to STEM

Recommendation: Approval of the business case to be reported to the Coast to Capital Board for endorsement.


J. KAPSALIS 15/11/15

