



**Coast to Capital Annual Report
2015-2016**

Contents

Introduction.....	3
Our focus	4
Our headline performance	4
Our resources	5
Infrastructure: Investing in transport, flood defences and resilience	5
Investing in transport and resilience: our achievements in 2015/16	5
Successful Businesses: Enhancing business performance and supporting new employment space	5
Enhancing business performance: our achievements in 2015/16.....	6
Developing new employment space: our achievements in 2015/16	6
Competitive Advantage: Accelerating research and innovation	6
Accelerating research and innovation: our achievements in 2015/16.....	6
Workforce and skills: Supporting skills for our people.....	7
Supporting skills: our achievements in 2015/16	7
Successful Growth Locations: Creating a place where growth happens	7
Creating a place where growth happens: our achievements in 2015/16	7
Appendix A: Our board and sub-committee structure	8

Introduction

Our Annual Report is an opportunity to take stock, not just of the progress we have made in 2015/16, but also the four years since we set up Coast to Capital in 2011. We have come a long way since those early days and we now have responsibility for significant amounts of funding for infrastructure and capital projects, as well as for business support, skills development and European Structural and Investment Funds.

In Coast to Capital, performance on most economic indicators is good and there has been significant progress on job creation and productivity growth since the economic downturn in 2008/9. This will provide the platform for us to do even better in 2016/17, building on our economy's strengths and our location next to 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.

Looking forward, continued growth in our population and businesses, the possible expansion of Gatwick Airport, our new Enterprise Zone at Newhaven and greater devolution from national government to local level are all on the horizon. All these things will be good for Coast to Capital and will help us to succeed in our aim of matching the performance of the best areas in the south east. Given the strengths of our business population, our skilled citizens and our natural and cultural assets, we can become an internationally recognised, outward-facing business location and generator of growth and jobs.

I would like to thank our Board, partners and team for their support during 2015/16 and I look forward to working with them to build on our progress in what will no doubt be an exciting and challenging year ahead.

OUR VISION, MISSION AND GOAL

Our vision is that Coast to Capital will deliver exceptional growth and productivity gains to deliver economic performance to rival the best in Europe and the rest of the World.

Our mission is to remove all the barriers to achieving economic performance.

Our focus

To achieve our vision and goal, we focus on the following six areas which form the framework for our activities, set out in our Strategic Economic Plan.



- **Infrastructure:** Investing in transport, flood defences and resilience
- **Growth is digital:** Capitalising on advances in digital technology
- **Successful businesses:** Enhancing business performance and supporting growth
- **Competitive Advantage:** Accelerating research and innovation
- **Skills and workforce:** Helping our workforce to acquire the skills for productivity
- **Successful Growth Locations:** Creating a place where growth happens

Our headline performance

Our performance is good, but not yet good enough. We could make a greater contribution to the UK's economy given our economic, human capital and locational competitive advantages. To make sure we stay focused, we have identified a small bundle of six key indicators to benchmark our progress between 2010 and 2020. In 2015, our performance was good on five out of six of these and below target on one, knowledge economy employment.

Key performance indicator	2010	2015	Target 2020	Rating
Net private sector jobs ¹	624,000	666,500	684,000	Good
Productivity – Gross Value Added ²	£41.6bn	£49.8bn	£55bn	Good
Exporting outside the UK ³	16%	20% est.	26% of companies	Good
Businesses per 10,000 working age population ⁴	591	678	Match SE region currently	Good
Working age population at Level 4+ (degree level) ⁵	36.9%	41.9%	Match EM3 level currently 42.5%	Good
Knowledge economy employment ⁶	26.1%	26.5%	Match SE region Currently 30.2%	Below target

¹ Source: ONS Business Register and Employment Survey 2015

² Source: ONS Regional Productivity Statistics 2016

³ Source: "Research into Attitudes and Barriers faced by SMEs in International Trade" Shared Intelligence/ Coast to Capital, Brighton and Surrey Business Surveys 2015

⁴ Source: ONS UK Business Counts/Annual Population Survey 2015

⁵ Source: ONS Annual Population Survey 2015

⁶ Source: ONS Business Register and Employment Survey 2015

Although we are on or above target on 5 out of 6 of our key indicators, our role is to make sure our performance is as good as it can be and a summary of our activities in each of our six areas of focus is contained in the following sections. We have concentrated on the following five areas:

Our resources

We are not currently a delivery body but instead we utilise funding from Government, working with our partners, to achieve our aims. In 2015/16, we have continued to lever and deploy the following investment into our region:

- £202 million Growth Deal with Government for a six-year programme of investment in Coast to Capital. The deal will directly deliver up to 20,000 jobs, allow up to 7,000 homes to be built and generate up to £350m of public and private investment. Over 40 projects are now in the pipeline
- £23.6 million Growing Places Fund, a revolving loan fund to support projects that stimulate growth
- £3 million Regional Growth Fund to provide business growth grants, the placement scheme and the green sector development element.
- £51⁷ million of European Structural and Investment Funds which will be used to support business competitiveness, stimulate entrepreneurship, develop workforce skills and enable access to employment for those who might otherwise miss out

Infrastructure: Investing in transport, flood defences and resilience

Our economic success brings increased pressure on our infrastructure which needs to keep pace with growing business and resident populations, both now and in the future. To build infrastructure which is fit for purpose in terms of connectivity, reliability, quality, capacity and resilience, in 2015/ 16 we have concentrated on:

- Improving road and rail connectivity across our area and between business locations and residential areas to facilitate growth.
- Building resilience to flooding to protect communities

Investing in transport and resilience: our achievements in 2015/16

- We have used Local Growth Fund to invest in transport to provide links to housing, employment space and reduce congestion including planned improvements to:
 - The A259 Bognor to Chichester
 - The A284 Lyminster bypass
 - Crawley area transport package
- We have also increased the resilience of our infrastructure to flooding through schemes including Surrey Wider Network Benefits, Surrey Resilience Schemes for the A22, A23, A24 and A217 and Newhaven and Shoreham flood defences

Successful Businesses: Enhancing business performance and supporting new employment space

Our business population has a good track record on growth but there is potential to increase this further with the right support. Many businesses would like to grow but are unsure where to go for help or how to access advice. For example, we know that some businesses need help to find finance or to begin exporting for the first time. During

⁷At today's exchange rate

2015/16 we have concentrated on developing a coherent business support service and to target the funding under our control to help businesses to grow and succeed.

Enhancing business performance: our achievements in 2015/16

- We have continued to develop our Business Navigator diagnostic and signposting service, building the team of skilled advisers and upgrading the website so that our businesses can find the help they need at the click of a mouse. We helped over 4,531 businesses in 2015/16
- Developing our growth hub to start to coordinate the existing patchy network of local business support services
- We have used Local Growth Funding to set up a Business Finance initiative which has helped 29 businesses to obtain finance for growth
- We have increased our activities to promote internationalisation, both encouraging our firms to take advantages of opportunities abroad - particularly in the booming ASEAN economies.
- We have continued to encourage foreign direct investment. 47 firms invested in our region in 2015/16 creating 925 jobs
- Using our allocation of European Regional Development Fund, we issued calls for projects to support business start-up and business growth

Developing new employment space: our achievements in 2015/16

We also know from businesses and their support organisations that there is an acute lack of good quality employment space in our area so we and our partners have invested in creating new space.

- We have developed a successful bid for an Enterprise Zone in Newhaven which will unlock strategic sites for high value development; facilitate new investment and support business expansion in high-growth sectors such as Low Carbon Environmental Goods and Services. The Enterprise Zone aims to deliver 70,000 square metres of commercial development and create around 2,000 new jobs.
- Through Local Growth Fund, we have supported the development of a range of new employment sites and business locations including Brighton Circus Street which is a mixed use regeneration project to drive positive social, cultural and economic change.

Competitive Advantage: Accelerating research and innovation

We have four universities in our region and a number of well-established research institutes. Some of our companies such as Ricardo, Rolls Royce and GSK are world leading innovators. We want to build on this to make Coast to Capital a leader in technological innovation and its application by business.

In 2015/16, we have focussed on:

- Using our funding to develop improved facilities for research and innovation
- Supporting projects to increase innovation in SMEs in our high growth sectors through smart specialisation

Accelerating research and innovation: our achievements in 2015/16

- We have used Local Growth Fund to support new facilities including:
 - Preston Barracks Central Research Laboratory innovation hub joint venture,
 - Brighton Advanced Engineering Centre
 - University of Chichester Engineering and Digital Technology Park
- Using our allocation of European Regional Development Fund, we have issued calls for projects to support innovation, research and development in our priority sectors starting with the Creative, Digital and IT sector.
- Through our Growing Places Fund, we facilitated the expansion of cutting-edge companies such as Dearman in Croydon.

Workforce and skills: Supporting skills for our people

A skilled and productive workforce is a prerequisite for growth and skills shortages continue to be a concern for businesses in our key sectors according to our 2015 [Economic Assessment](#).

In 2015/16 we have focussed on:

- Helping our educational and skills providers to upgrade their facilities to provide state of the art learning
- Supporting those without the skills for employment and progression to succeed in today's fast-changing labour market

Supporting skills: our achievements in 2015/16

- Through our Skills Capital Programme, we have allocated £21m to 4 colleges to upgrade their facilities and deliver the skills our economy needs, including support for Chichester College, City College Construction Trade Centre, Central Sussex College Advanced Technology Centre, Nescot Automotive, Hospitality and Catering facilities.
 - Through our allocation of European Social Fund, working with the Big Lottery Fund, we have issued 10 calls for projects to help those furthest from the labour market.
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Successful Growth Locations: Creating a place where growth happens

Coast to Capital is a place where businesses want to invest and skilled and talented people want to live as our track record on economic growth shows. Competition for investment and skills from other areas is intense, however, and we need to make sure we maintain our attractiveness as a location.

In 2015/16, we have focused on:

- Supporting investment in our region that add to its attractiveness and helps to put our region on the map
- Ensuring that major developments such as possible expansion at Gatwick benefit our whole region
- Supporting sustainable growth in our large rural area which is one of our key assets in attracting people and businesses to locate here

Creating a place where growth happens: our achievements in 2015/16

- Through our Growing Places Fund, we invested in the landmark i360 in Brighton which, at 162 metres high, is set to be the world's tallest, moving observation tower
 - We worked with partners to develop our [Rural Statement](#) which makes the case for growing our sizeable rural economy, whilst protecting our extensive rural area and its outstanding natural assets.
 - We worked with Gatwick Airport to make sure any expansion benefits the whole of Coast to Capital and with national Government to make sure the right infrastructure is in place
 - Through Local Growth Fund, we supported urban regeneration through such initiatives as Transform Leatherhead which allowed improvements to the access to Leatherhead Town Centre & public realm from the Southern Gateway at Church Street.
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Appendix A: Our board and sub-committee structure

