



Annual Report 2017-2018



Chairman's Review

I am delighted to introduce this report and reflect on our achievements over the past year. Led by Chief Executive Jonathan Sharrock and his strong executive team our new simple, efficient and transparent organisational structure is now established and working well. Our four operational teams; **investments**, **services**, **strategy & policy**, and **communications & corporate affairs** are delivering on our priorities in order to grow the regional economy.

Investment: success in bidding for Local Growth Fund has resulted in a large portfolio of major infrastructure improvements for us to manage, as well as projects supported by our Growing Places revolving loan fund. This year saw the opening of the Advanced Engineering Centre in Brighton, the first 5G test bed in a business setting go live and excellent progress made on the University of Chichester Engineering and Digital Technology Park to name a few. We also approved new projects including the £14.64 million Crawley Growth Programme, the £5 million Southern Gateway Development and £3.25 million for Croydon Fiveways. Effective delivery of all of our projects, through the public funds for which we are responsible, continues to be of crucial importance.

Services: our in-house Growth Hub continues to provide free support focusing on established growth businesses. 84% of our clients would not have found the relevant business support they needed to unlock their growth without our Growth Hub's intervention. Our Enterprise Coordinators team continue to roll out the Enterprise Adviser Network across the area bringing businesses and schools together in an innovative and successful way. Our area is attractive and globally recognised for businesses that want to trade internationally and thanks to our support a £350 million investment opportunity was identified and published in the UK government's Investment Portfolio to a host of international investors.

Strategy and Policy: our strength comes from the leadership and influence we bring to the area by connecting Government, businesses and local partners, including our local authorities and education providers. I am particularly proud of the significant work undertaken in 2017-18 to prepare for the publication of our new Strategic Economic Plan in July 2018. It has been a year of extensive research, evidence building and engagement with partners to prepare an ambitious document which sets out our vision for the region up to 2030.

Communications and Corporate Affairs: We have a strong communications plan in place which is promoting the great work of Coast to Capital across the region giving us greater profile with Government and partners across the region. We hold ourselves to the highest standards in all that we do and our updated Assurance Framework makes sure we continue to operate in a professional, transparent and accountable way.

We have achieved a huge amount but there is still more to do as we look to prepare for the negotiation of our local industrial strategy with Government in 2018. I am excited for the future and look forward to working with the Board, executive and partners across the region to deliver our ambitious vision.

Tim Wates

Our Investments

We make strategic investments on behalf of the Government through our local Growth Deal and the management of our Growing Places Fund. Over the last seven years we have successfully attracted more than £300 million of public investment to upgrade our regional infrastructure and to invest in the growth of business in the region. As a result we have also leveraged in an additional £900 million of public and private sector investment in order to deliver jobs, houses, roads, business space and other essential infrastructure to support the growth of our economy. Our ambition is to provide a professional and high quality central Programme Management Function delivering programme monitoring and management services across all of our investment projects and programmes.

In 2017/18 we:

- Approved 10 new Local Growth Fund projects from the unallocated Growth Deal 1, 2 and 3 pot, worth up to £26.7 million bringing the total number of projects to 86
- Provided management of all Growth Deal projects worth £273 million which is funding a range of improvements covering urban regeneration, transport, employment space, environmental resilience, digital connectivity and skills provision
- Provided project oversight on the project delivery of retained transport schemes worth £30 million
- Utilised our Growing Place Fund of £23.7 million to provide loan finance and/or equity funding to 10 high growth projects
- Successfully conducted site visits on over 80% of the project portfolio to include a number of Level 1 Project reviews.
- Reduced risk ratings on a number of high risk projects through effective programme management.

Our Local Growth Fund investments have achieved the following up to 2017/18:

- 402 jobs created
- 53,879 metres squared of new/refurbished commercial floor space
- 462 residential units
- 15.7 km of road resurfaced
- 4.92 km new cycleways
- 565 new apprentices
- 869 new students/ learners
- 613 businesses benefiting from non-financial support

Project Delivery Case Studies

We contributed £7 million towards a state-of-the-art facility which supports both teaching and research and which houses the **Advanced Engineering Centre** in Brighton. The project was completed in 2017 and holds space for 340 STEM students who will train as engineers for the automotive industry and carry out innovative research.

In Crawley, an LGF contribution of £1.5 million went towards the regeneration of **Queens Square** in the town centre. The project created an adaptable, distinctive and enjoyable public space which was opened in October 2017 and was shortly followed by the announced of a £14.64 million LGF contribution to the **Crawley Growth Programme** investment package of infrastructure improvements. This project is well underway and various schemes including the Three Bridges Train Station redesign are making good progress as well as some exciting new proposals for key development opportunities such as the £8.3 million Crawley Eastern Gateway and £5.3 million Station Gateway projects.

The **University of Chichester Engineering and Digital Technology Park** is now near completion. An £8 million LGF contribution was made to a facility which will include a Department of Engineering and Applied Design to offer a practical project-orientated engineering workshop, fabrication laboratory, specialist 3D printers, and hands-on education spaces for the schools and colleges. Work is due to be completed in the autumn 2018.

Our Services

We deliver high-quality services to business across the region helping them to grow and thrive, including the Coast to Capital:

- **Growth Hub** which provides businesses with free, relevant and impartial support to help achieve their growth ambitions
- **Enterprise Adviser Network** programme which directly links local senior business people with the senior leadership of a school or college to help develop a robust careers and enterprise strategy
- **Growth Grants programme** which provides grants to stimulate capital investment to improve productivity and innovation in scale up and growth businesses

We also work closely with the Department for International Trade (DIT) to make sure our companies that trade internationally get the best support in addition to encouraging inward investment. Our ambition is to provide a fully coordinated business support service function.

In 2017/18 we:

- Provided business support services through a team of Account Managers to over 1,244 businesses which resulted in 4,306 referrals with a take-up rate of 57%
- Provided a service that 94% of clients would recommend and 84% of clients would not have found the support received without using the Coast to Capital Growth Hub.

- The Enterprise Adviser Network has successfully identified and coordinated 280 business professionals to work with over 100 schools and colleges across the C2C area.
- Brought the Growth Grant Programme in house which aims to provide £1,500,000 in capital Growth Grants to growth businesses in 2018/19
- Supported more businesses to trade internationally, building on our links with DIT, Gatwick airport and other key partners providing expert support
- Promoted a £350 million investment opportunity in the UK Government's Investment Portfolio to a host of international investors
- Working with DIT, the area successfully landed 31 foreign direct investment projects, creating 1,287 new jobs with a total investment value of circa £2.6 billion.
- Allocated £1.5 million of European Regional Development Fund investment in our area to support international trade, likely to be increased to £2.25 million in 2018/19.

Business Support Success Story

Growth Hub Account Manager Andrew Dennis worked with Muller Beukes Edvardsen (MBE) to sourcing finance to support working capital requirements for their growing business. MBE provide innovative solutions to financial service companies looking to achieve long-term efficiencies.

The challenge for MBE was their need for new premises that would accommodate the growing team and to secure working capital to support this and the implementation of an ambitious 3 year strategic plan.

Andrew referred Ben at MBE to Sussex Innovation Centres *Finance Thursday* to engage with finance providers and diagnose what financial options were available. Soon after, Andrew put MBE in touch with Rangewell a finance finder.

As a result, MBE successfully secured sufficient finance to support the company's working capital requirements and increase operational productivity. Additionally, the team are considering virtual membership and the benefits of becoming part of the Sussex innovation Centre community.

Ben Herrett, Director at MBE said:

"Andrew was introduced by our adviser at the Department of International Trade. Quick to grasp our aims and extra helpful as an efficient introducer to contacts, Andrew offers real strategic value in the Coast to Capital region."

Our Strategy and Policy

Our work under the Strategy and Policy team is central to our role as a strategic influencer which is held in high regard by Government and partners. Our ambition is to continue to provide first-class leadership and be a partner of choice for central government, local and regional partners in the development and delivery of strategy and policy which will result in the economic growth of the region.

In 2017/18 we:

- Undertook extensive research, analysis and stakeholder engagement to produce our new Strategic Economic Plan which sets out our ambitious

priorities for growth and prepares us for the Local Industrial Strategy negotiations with government.

- Worked with partner LEPs to deliver a local Energy Strategy, which sets out recommendations on how we can achieve clean growth in line with government policy.
- Were part of a consortium that launched Innovation South, which recognises the South's world class strengths in digital enabling technologies that can transform the world and the way we live for the better.
- Supported Transport for the South East, the shadow sub-national transport body that represents the strategic transport needs of the South East.
- Helped secure £58 million Housing Infrastructure Fund for the region
- Contracted £9 million in ESIF funding to deliver 22 ESIF projects in the Coast to Capital area.
- Worked with our partners in Lewes District Council to drive forward the Newhaven Enterprise Zone, including the development of a strategy for growth.
- Began the process of developing a Coast to Capital proposal for Wave 3 of the Local Full Fibre Network fund in partnership with local authorities around the area.

Newhaven Enterprise Zone – Case Study

Since its launch in April 2017 the Enterprise Zone has kick started the redevelopment of key employment sites and the wider town of Newhaven. 10 businesses have moved into the Enterprise Zone, including the high value manufacturing firm Surrey Nanosystems and Rampion have opened their operations and maintenance base to support the Windfarm. The business park on Eastside South has begun development following £1.6m Local Growth Fund investment, with two new units being built and pre-let before completion, showing the level of demand for high quality premises in Newhaven. This demand has led to the second phase of development of three more units to be brought forward.

Plans for the redevelopment of Railway Quay, following £1.5 million Local Growth Fund, are progressing and will create a significantly improved waterside mixed use development, creating high quality business and maker space and housing. These plans are twinned with the redevelopment of the town centre, which has already attracted national businesses to locate in the centre, creating a more welcoming public realm and will revive the town centre as the heart of the town.

Our Organisation

Communications and Corporate affairs underpin all our activities and ensure that everything we do is effectively communicated and carried out to the highest level of professionalism. This team bring together our core business functions of communications, stakeholder engagement, finance, human resources, corporate governance and assurance.

In 2017/18 we:

- Launched the Brighton Mainline Alliance to campaign to secure Government funding for the Croydon Area Remodelling Scheme
- Implemented a strong external communications plan promoting the work of Coast to Capital across the region
- Updated our Assurance Framework to meet new Government best practice guidance in relation to governance
- Performed well in our Annual Conversation with Government and gained a rating of good in our self-initiated independent scrutiny review of our compliance with our Assurance Framework

Brighton Mainline Campaign – Case Study

We are currently campaigning for investment in the Brighton Mainline to protect the economic potential of the region. The Coast to Capital region needs significant long-term rail investment to support a growing regional economy and maintain its competitive advantage and addressing this strategic issue will protect both the economic potential of the region and the significant contribution that it makes to London's economy.

In 2017 we launched the 'Brighton Mainline Alliance', a group of businesses and organisations that support the aim for Government to fully commit to funding strategic investment in the Brighton Mainline. To date, the Alliance has 71 members including regional businesses, representative organisations, Local Authorities and MPs.

In March 2018, The Alliance welcomed the announcement that government funding had been confirmed for Network Rail to start the design stage of the Croydon Area Remodelling Scheme. This project is central to the Brighton Mainline upgrade programme which will deliver major improvements in punctuality between London, Gatwick Airport and the Sussex coast and allow more trains to run across the network.