

<b>Meeting:</b>	Coast to Capital Board Meeting no. 39
<b>Date:</b>	19 April 2018
<b>Report Title:</b>	Chief Executive Report
<b>Report by:</b>	Jonathan Sharrock
<b>Item No:</b>	6
<b>Part:</b>	A

**Recommendation:**

The Board is asked to consider the items raised in this paper

Please note in particular:

- Block J
- Proposed EAN funding for April 2019 to March 2020

## 1. Introduction

The Minister led LEP Review continues and we are actively inputting to the Review and participating in the LEP Network lobbying on this. Once this is completed the Government will publish revised guidance for LEP Assurance Frameworks.

One of the likely conclusions of the LEP review will be in relation to shared boundaries as there is concern that it causes confusion with businesses and the public, and that it undermines accountability. Both Croydon and Lewes are integral to our functional economic area and have strategic significance to us. We have written joint letters with the other LEP Chair and also Tony Newman (Leader, Croydon Council) to Jake Berry MP who is leading the review (Annex A) and we continue to actively lobby on this issue including:

- Direct engagement with MHCLG colleagues
- Engagement through the LEP Network including at the March 20 Workshop and Chair Dinner
- Mobilising support from other partners including Croydon Council

## Board Development

Following a recruitment process which was undertaken in line with our Articles and Assurance Framework I am delighted to confirm that Rosaleen Liard has been appointed as Board Director and Martin Harris has been appointed as Co-opted Board Director and Transport Sponsor. Their appointments are subject to the completion of due diligence.

Coast to Capital is committed to undertaking a formal and rigorous annual evaluation of the Board. Chairman's Committee have agreed that this will be undertaken in-house by completing a bespoke questionnaire. This will be led by our new Governance Officer and start with information gathering and analysis following this Board meeting. We are looking to involve external expertise where appropriate and will result in a summer event where feedback is given to Board members and actions commenced. Tim is also undertaking one-to-one meetings with Board members.

## **2. Corporate update**

### **Governance**

The focus on LEP governance continues; however, we are aware of the areas we are working hard to improve following a number of governance focused activities.

### **Annual Conversation**

Our Annual Conversation with Government took place in December. All LEPs have been given tough messages and our final report post-moderation states that overall there are some good features; however 'there are areas requiring improvement'. The main concern in relation to Governance relates to our Accountable Body arrangements.

The final note of the meeting can be found at Annex B along with a letter from Stephen Jones (Director, Cities and Local Growth Unit) at Annex C giving a helpful but challenging summary of what needs to be addressed. We are delighted that Stephen has asked to visit Coast to Capital and this meeting has been arranged for 18 May and we will be writing to Stephen to address the points raised in Annual Conversation before this meeting.

### **Assurance Framework - Mary Ney and Best Practice Guidance**

Following publication of the Mary Ney report and the Best Practice Guidance on Local Enterprise Partnership Governance and Transparency we have updated our Assurance Framework to meet the specific requirements in relation to the publication of meeting agendas and papers, confidential reporting, whistleblowing, Code of Conduct and register of interest. The updated Framework and associated policies can be found on our website. Our Accountable Body has written to Government confirming that we comply fully with what is expected of us. We will be completing a further update to our Assurance Framework in the summer when we expect an updated National Assurance Framework to be published.

### **Deep Dive**

We were pleased to be one of two LEPs who were asked to help the Government Internal Auditors develop a model for running a deep-dive review of LEP project assurance. This took place in mid-January and involved a detailed study of case files and interviews with Board members and the projects team.

We have received the final report and have been rated 'good' with concerns raised in relation to our Accountable Body arrangements; however, no issues were raised in relation to Structure and Decision Making. The final report can be found in Annex D.

### **Scrutiny**

Karen Dukes, formerly a Partner at PWC, completed an independent scrutiny review of our Assurance Framework in February in order to inform the compliance process. This is being discussed under agenda item 3.

## Organisational Developments

The following individuals have joined the Coast to Capital team, meaning that most vacancies have now been filled:

- Matthew Wragg as Strategy and Policy Manager. Matthew joins us from local Government, where he has had a range of roles including most recently in East Sussex Council as well as Brighton and Hove.
- Hazel Nicholmann as Governance Officer. Hazel joins us from the FCO where she was most recently posted at the British Embassy in Algiers.
- Taygan Paxton as Project Administrator. Taygan has worked in a range of retail positions in Horsham. Her role is to provide project support to the Investments team.
- Sheralee Palmer joins us for a year-long Level 3 Business Administration Apprenticeship, working closely with David Smith on all aspects of running the organisation
- Marsha Robert re-joins us on her return from Canada, initially as Project Support Officer in the Services team

We continue to have a vacancy for a Senior Project Manager.

### 3. Communications and stakeholder engagement

We continue to deliver our communications framework which is resulting in increased and strategic communications. During February and March we issued the following press releases:

- [A Brighter Future for Construction Industry \(Building & Design Construction Magazine and The Argus\)](#)
- [Coast to Capital Region Secures £58 Million Housing Infrastructure Funding](#)
- [CTEC to Provide Clean Energy with the First Advanced Conversion Technology Plant in the World \(BBC South East Today\)](#)
- [Brighton Based 5G Testbed to Support Small Businesses to Go Live with Support From Coast to Capital and Digital Catapult \(Computer Weekly, Supanet\)](#)
- [Railway Upgrade Progress Welcomed by the Coast to Capital Led Brighton Mainline Alliance \(Brighton & Hove News, Rail Professional, Insider \\_ Media, Global Railway Review, Sussex Chamber, CN24, SUSY Radio, BBC Surrey Radio, Rail Magazine, West Sussex Gazette, Shoreham Herald, Worthing Herald\)](#)
- [Have Your Say on Coast to Capital's Ambitious Vision to Drive Regional Growth](#)
- [Brighton MET celebrates funding for Pelham redevelopment \(The Argus, Brighton & Hove Independent, Brighton & Hove News\)](#)

Our strategic approach to stakeholder engagement is ongoing and will be kept under review. The short term focus of our stakeholder engagement is getting buy-in for our Strategic Economic Plan in the run up to its launch at the AGM in July. We are also undertaking a project to introduce an organisational-wide CRM system to support our stakeholder engagement work.

### Brighton Mainline Alliance

The Brighton Mainline Alliance launched successfully last year. There are currently over 50 businesses and 15 MPs currently signed up to the support the campaign and

the numbers are growing every day. We are targeting reaching over 100 members and in order to ensure the continued momentum of the campaign we are encouraging our networks to spread key messages.

We are working closely with the Department for Transport and Network Rail who recently announced funding for the design element of the project. Relations with Network Rail have been a particular success. Katie Nurcombe has joined the internal NR project steering group, and we have been consulted on detailed planning of the project. The priority for the early part of the year continues to be to drive membership of the Alliance.

#### **4. Projects Pillar**

##### **Accountable Bodies Review**

We have three organisations who have expressed an interest in being our accountable body and hope to bring forward recommendations to the Board for the award of the engagement in June. We are currently meeting with the interested parties to discuss in more detail our service specification.

##### **Local Growth Fund**

This item has been redacted.

##### **Growing Places Fund**

This item has been redacted.

#### **5. Services Pillar**

##### **Services Pillar**

The Services Pillar includes three key areas including the Coast to Capital Growth Hub, the Enterprise Adviser Network and International Trade (both export and foreign direct investment). A Services Pillar Committee meeting was held on 15 March 2018.

We are also seeking approval from our Accountable Body and Investment Committee to directly deliver the Coast to Capital Growth Grants. West Sussex County Council who were the delivery partners last year agreed that the Growth Hub was best placed to deliver the Growth Grants moving forward as it is so closely linked to the support

for scale up and growth businesses delivered by the Growth Hub team with BEIS funding. Prior to finalising a grant agreement a Grant Panel was held on 22 March chaired by Tim Wates where two applications from advanced engineering companies were approved for recommendation by the Investment Committee.

A paper has been sent to the Investment Committee to approve delegated powers to the Grant Panel for the grants up to £170,000 (40% of project spend). West Sussex had full delegated powers when they were delivering the previous grant programme.

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

The Growth Hub continues to perform well with increased engagement with Growth Businesses. In the period April 2017 to February 2018 1,352 businesses were assisted – 347 provided with more in-depth diagnostic support. Further details are available on the Growth Hub dashboard. BEIS have confirmed that the Coast to Capital Growth Hub is a top quartile Growth Hub in terms of performance.

A proposal was submitted to BEIS in relation to the proposed structure and operation of the Growth Hub in 2017/18 following the offer for two further years funding at £369,000. This includes the establishment of three Business Growth Account Managers to engage specifically with growth businesses with the potential to innovate and improve productivity. The Services Pillar Committee agreed to the use of the £330,000 SEEDA legacy money over two years to support the provision of specialist growth adviser support through a network of Growth Champions.

### **Enterprise Adviser Network**

The Enterprise Adviser Network continues to perform well with 102 Enterprise Advisers signed up and matched with 86 schools. In the quarter January to March 15 careers fairs have been supported and 100 careers, education information, advice and guidance events have been held.

The Careers and Enterprise Company who match fund the Enterprise Adviser Network Service has agreed funding until August 2020 and issued a calls for Careers Hubs following the publication of the Careers Strategy. The funding is included in the Business Plan paper for 2017/18. An annex covering proposed funding for April 2019 to March 2020 is included in Item 5 of the Agenda.

### **International Trade**

The Services Pillar Committee discussed the downturn in foreign direct investment. Nationally FDI is currently only achieving 68% of targets which is partly as a result of Brexit. We are projecting 22 successes this year compared with 38 last year. Most of the successes for Coast to Capital relate to investments made by foreign owned businesses based in the area. Coast to Capital also suffers from a very patchy and fragmented FDI service delivered by partners and poor reporting of known successes through a lack of account management. The Service Pillar Committee expressed a desire for Coast to Capital to take a leadership role with regard to FDI.

The achievements of the DIT Trade team are also poor with too much of a focus on first time exporters rather than support for existing exporters exploring new markets which was the purpose of Coast to Capital's ERDF allocation. Again it is proposed that Coast to Capital take more of a leadership role in this area.

## **6. Strategy and Policy Pillar**

### **Strategic Economic Plan**

Please refer to agenda item 4.

### **Regeneration and Housing**

Coast to Capital has successfully supported the Burgess Hill Technology Park investment opportunity (<£350m) under the DIT Capital Investments scheme (Annex M). The project has been included in the UK investment portfolio brochure which was recently launch at MIPIM Cannes 2018 to a host of potential investors. If successful this could unlock the widely acknowledged potential of the project. We look to repeat this success as we continue to support the Chichester Southern Gateway project under this initiative.

### **Newhaven Enterprise Zone**

Work is continuing on the Enterprise Zone strategy and a final draft is expected by the end of April for sign off at the next Programme Board. Two high value manufacturing companies are imminently moving into the Enterprise Zone into new industrial space supported by LGF. Ambitious redevelopment plans for two key sites, Railway Quay and the Town Centre, are taking shape and will significantly improve the provision and quality of business space, residential space, and public realm offering, which is already attracting significant anchor businesses back to the town. A communications plan will be implemented at the start of April to advertise the Enterprise Zone to a wider audience and to highlight the work of the Enterprise Zone Programme Board.

### **European Structural Investment Fund programme**

We are experiencing concerning delays in the ESF pipeline of projects and in the launch of the final round of calls. This is a national resourcing issue and not unique to Coast to Capital and is being addressed collectively by the LEP network. Cllr Helyn Clack, The ESIF Committee Chair, has requested a meeting with DWP to address our concerns in order to unblock the pipeline. We do not yet have a date for the final round of calls which was originally planned for September last year.

We continue to work closely with both MHCLG and the projects in the ERDF pipeline to offer technical assistance and support.

We are pleased to let you know that the Sussex Business Research Academic Innovation Network (BRAIN) project, led by the Sussex Innovation Centre has now been approved and the General Funding agreement will be issued by mid-April.

The deadline for the University of Brighton's Digital Research & Innovation Value Accelerator (DRIVA) project to submit its final documentation required through the assessment and appraisal process was 29 March which the University confirmed to us they were on track to do. We hope to have further news in April.

The rest of the projects in the pipeline are progressing as expected and we are working to a timeline agreed at a recent meeting with MHCLG.

In December we released six calls to a value of £14.35 million ERDF for which we received £13.2 million ERDF in applications. We are awaiting assessment of these

outline applications. We currently have two live calls and the final round of calls will be released in October.

Please see the ERDF and ESF dashboards for more information.

### **Energy Strategy and Greater South East Energy Hub**

The Tri-LEP Energy Strategy group has procured Siemens to deliver the strategy and appointed a project manager to manage the relationship between Siemens and the LEPs. An inception meeting has taken place with Siemens and work has begun to develop an intelligence tool to collate all relevant energy data and to set up a number of stakeholder meetings across the three LEPs to identify key energy priorities and projects. A final strategy is expected to be delivered in July. This strategy will feed into the Greater South East Energy Hub, of which we are a board member, which has been awarded funding by BEIS to develop a pipeline of energy projects ready for investment across 11 LEPs. The hub will employ a team of eight to cover the region and work with Local Authorities to bring forward projects; recruitment for the first posts will begin in April.

### **Full Fibre**

Last year Government launched a £200 million Challenge Fund to support local areas to deliver full fibre networks, enabling gigabit capable connectivity and stimulating commercial investment. West Sussex was successful in Wave 1 and is in procurement stage of a model where the County with its Districts and Boroughs act as a long anchor tenant providing connectivity between public sector buildings. Mid Sussex has been successful in a Wave 2 bid for a similar model in Burgess Hill, taking a dig once approach for local development activity.

We are now exploring a regional approach for Wave 3 (due to launch in the summer) with partners across the region and investigating the potential to exploit the digitisation of Brighton Mainline in partnership with Network Rail.

**Annex B has been redacted.**

**Annex C has been redacted.**

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**Annex E has been redacted.**

**Annex F has been redacted.**

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