

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

Arun House
Hurst Road
HORSHAM
West Sussex
RH12 2DN

23 January 2018

Jake Berry MP

Parliamentary Under Secretary of State,
Minister for the Northern Powerhouse and Local Growth
Department for Communities & Local Government
2 Marsham Street
London, SW1P 4DF

Dear Jake

Local Enterprise Partnership Review

We are writing to make a submission to the review of Local Enterprise Partnerships in relation to the overlapping area between the two LEPs for which we are Chairmen.

The Coast to Capital LEP and the South East LEP shares responsibility for Lewes District. Lewes is part of the Greater Brighton Economic area which is of strategic importance to the Coast to Capital area. The South East LEP covers a very large area of the South east including Lewes, which is part of East Sussex County. Coast to Capital takes the lead on interventions in relation to the Lewes District and works in partnership with Lewes District Council and a wide range of business and public sector partners locally to deliver the Newhaven Enterprise Zone which has huge economic importance.

We understand that the review does not intend to reform boundaries unnecessarily and we welcome this approach. We are writing to confirm that both Coast to Capital and the South East LEP work very well together and the current arrangements do not create any issues for our partners or businesses.

If you would like any further information on this or the wider remit of the LEP review we would very happy to discuss this with you. Our respective executive teams are also happy to support your review and are in contact with the DCLG colleagues conducting the review.

We are copying this letter to Councillor Andy Smith, the Leader of Lewes District Council.

Yours sincerely,



Timothy Wates
Coast to Capital Chairman



Christian Brodie
South East LEP

Arun House
Hurst Road
HORSHAM
West Sussex
RH12 2DN

16 January 2018

Jake Berry MP

Parliamentary Under Secretary of State,
Minister for the Northern Powerhouse and Local Growth
Department for Communities & Local Government
2 Marsham Street
London, SW1P 4DF

Dear Jake

Local Enterprise Partnership Review

Now that the Local Enterprise Partnership (LEP) Review has been initiated we wanted to take this opportunity to write a joint letter setting out our position in relation to our overlapping area.

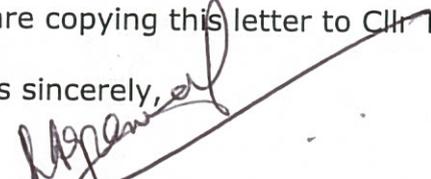
The Coast to Capital LEP and the London LEP shares responsibility for the London Borough of Croydon. As a London borough Croydon is of course part of the London LEP and works closely with City Hall in order to ensure its full integration with the Mayor's strategy for London. But the Borough is also a fundamental part of the economic area to the south of London and has been an integral part of the Coast to Capital LEP since its creation in 2011.

These current arrangements work well for Coast to Capital and the London LEP and do not create any issues for our partners or businesses. We understand that the review does not intend to make any unnecessary changes to LEP boundaries and we welcome this approach.

If you would like any further information on this or the wider remit of the LEP review we would very happy to discuss this with you. Our respective executive teams are also happy to support your review and are in contact with the DCLG colleagues conducting the review.

We are copying this letter to Cllr Tony Newman, the Leader of Croydon Council.

Yours sincerely,


Rajesh Agrawal
London LEAP Deputy Co-Chair


Timothy Wates
Coast to Capital Chairman

Cc: Cllr Tony Newman, Leader of Croydon Council

Arun House
Hurst Road
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28 March 2018

Jake Berry MP
Minister for the Northern Powerhouse and Local Growth
Ministry of Housing, Communities and Local Government

By email

Dear Jake

Local Enterprise Partnership Review

We are writing in relation to the review of LEPs that you are leading, and which we understand will be making recommendations in the summer.

We are particularly keen to address the issue of LEP boundary overlap, which is one of the issues within the scope of the review.

We understand that in some parts of the country, there is some concern about the impact that boundary overlap between LEPs may have on the alignment of political and economic interests for local businesses and politicians. We can assure you that this is categorically not the case for the relationship between the London Borough of Croydon and Coast to Capital.

The relationship between Croydon and Coast to Capital has been intrinsic since LEPs were created in 2011. The strategic objectives for our region are well established, and reflect the ongoing development of Croydon including in the Council's own strategy and the recent draft London Plan. Since the LEP was created we have worked together to confirm Croydon's role as the largest urban area within Coast to Capital with a central role in growing our regional economy. In the draft London Plan, the Coast to Capital area is identified as a priority growth corridor by the GLA.

Delivery of the Strategic Economic Plan over recent years confirms the close integration of the Croydon economy with Gatwick, Brighton and

other parts of the Coast to Capital area. We wanted to share with you a number of major projects which are currently underway, which confirm the success of the LEP in establishing a clear economic strategy over a larger political footprint in our part of England:

- i. Croydon is central to the regional economy which supports the growth of **Gatwick airport**, the largest private sector employer in our region and a major driver of economic growth and investment. Ongoing work by Steve Norris and the Gatwick Growth Board confirms that Croydon stands to gain up to 1000 jobs from the growth of the airport by 2025, with Croydon's young population also essential for filling jobs at the airport over a similar period.
- ii. Coast to Capital is leading the **Brighton Mainline Alliance**, backed by more than 50 businesses in our region and supported by 15 MPs of all parties and from across the Coast to Capital region. This group is campaigning for significant investment in the railway infrastructure at East Croydon, in order to modernise rail services across our region. This major scheme has recently been adopted by Network Rail and an investment case is being developed for submission to transport Ministers.
- iii. The LEP has invested more than £30m of Local Growth Fund money into specific **regeneration schemes** in Croydon; most recently prioritising an investment in the Fiveways Junction road scheme in order to support the Government's own investment in the Westfield-Hammerson development site in central Croydon. We are committed to supporting culture and housing-led regeneration in Croydon which will help to tackle our region's housing crisis and drive jobs which will benefit the whole region.
- iv. Excellent work is underway between **education institutions** across our region to raise the skills and employment opportunities for the people of Croydon. Croydon College is part of an excellent proposal for an Institute of Technology, working with partners in Brighton and West Sussex to bring high quality digital skills training to our region. This builds on the college's long-term collaboration with the University of Sussex, based in Brighton, to make HE qualifications accessible to the people of Croydon.
- v. The LEP is also leading a wider programme of work with **small businesses and business organisations** in Croydon to promote entrepreneurship and business growth. We have recently invested LGF funding in the facilities of the Sussex Innovation Centre in Croydon, which links high value

businesses to the facilities of Sussex University. By arrangement with the London LEP, Coast to Capital leads the provision of small business advice through our growth hub service – with a dedicated member of staff working in Croydon and supporting 176 specific small business interventions in 2017. Coast to Capital also leads the roll-out of the Enterprise Advisor Network in Croydon, providing business mentors to 20 schools and colleges in the Borough. Senior members of the LEP’s management team have non-executive positions on the board of the Croydon BID, with the Croydon Export Club and as Small Business Commissioner. This reflects the vital role that entrepreneurs and growing businesses from Croydon play in the wider development of our area.

We are sure that you will agree that this impressive programme of work represents an excellent example of what LEPs can achieve through bringing the public sector, business and the education sector together in order to drive economic growth in the region. We believe that our efforts are starting to make a real difference – in 2016 Croydon was the fastest growing economy in London with a growth rate of 10%.

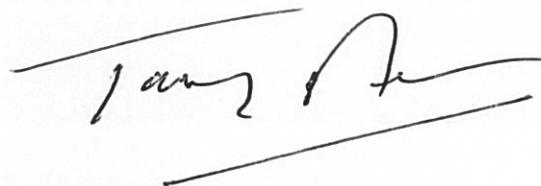
The Borough has an extremely exciting future ahead of it, and Coast to Capital LEP is fully committed to supporting that. We would welcome your urgent clarification that the LEP review will not be making any unwanted changes to the boundaries of Coast to Capital, so that our region can make a full contribution to the delivery of the Industrial Strategy and the continued growth of our regional economy.

We are copying this letter to Sarah Jones, Chris Philp and Steve Reed the MPs for Croydon.

Yours sincerely



Timothy Wates
Chairman, Coast to Capital



Tony Newman
Leader, London Borough of Croydon
Council

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