

<b>Meeting:</b>	Coast to Capital Board Meeting no. 41
<b>Date:</b>	18 October 2018
<b>Report Title:</b>	Chief Executive Report
<b>Report by:</b>	Jonathan Sharrock
<b>Item No:</b>	5
<b>Part:</b>	A

**Recommendation:**

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

## 1. Introduction

The priority since the last Board meeting has been the launch and successful communication of *Gatwick 360*, and responding to the LEP review. We were also able to join the Duke and Duchess of Sussex for the launch of the Bognor Regis campus of Chichester University in early October.

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## 2. Corporate update

### Governance

The focus on LEP governance continues and the main area of focus is our response to the LEP Review which is discussed under agenda item 3. We are expecting an updated National Assurance Framework to be published in the autumn which will result in an update to our Assurance Framework. This will be considered by the Audit Committee in November and a final version, once signed off by our Accountable Body will be put to the Board for approval in January 2019.

At the last Board meeting Croydon Council was appointed as our single Accountable Body. The transition from the previous Accountable Bodies went well and Croydon took full responsibility on 1 October 2018. An interim Head of Finance Carli-Louan Foster has been appointed and will start in the role on 15 October.

### Organisational Developments

Following a number of recent appointments, for the first time in recent years there are currently no vacancies in the team:

- Anna Meredith has joined the team as our Investments Auditor
- Jonathan Alderman has joined the team as our Strategy & Policy Officer

We have been given notice by Horsham District Council on our Arun House building, which will be used for other purposes. The lease expires in July 2019. We are developing options for alternative accommodation, in the Gatwick Diamond area. Options will either be a like-for-like replacement, with a public sector landlord at below market rent; or a smaller building at market rent which will require the executive team to evolve its operating model.

Accommodation is one of the potential pressures on our future budgets – this is covered in more detail in the Local Industrial Strategy paper (Item 2).

### **3. Communications and stakeholder engagement**

We continue to deliver our communications framework which is resulting in increased and strategic communications. Following the publications of the SEP we are planning to refresh our communications framework to align our strategic communications to the eight priorities. From July to September we issued the following press releases:

- Coast to Capital Launches Gatwick 360 - its Ambitious Manifesto for the Area ([Brighton & Hove News](#), [Sussex Express](#), [Crawley Observer](#), [West Sussex Gazette](#), [Mid Sussex Times](#), [Latest TV](#), [BBC Surrey Radio](#))
- Government Confirms Economic Leadership Role for Coast to Capital
- Coast to Capital Welcomes New Board Members to Deliver its Gatwick 360 Strategy ([Crawleynews24](#))
- Watch Coast to Capital Launch Gatwick 360 - its Ambitious Manifesto for the Area ([Crawleynews24](#))
- All Coast to Capital Local Authorities Join Campaign for Strategic Investment in the Brighton Mainline ([BBC Surrey Radio](#), [Brighton & Hove News](#))
- Funding Supports New Road Link to Newhaven to Help Create Hundreds of Jobs
- 5G Brighton Testbed Launches Alongside Immersive Technology Showcase From Top Regional Talent ([Brighton & Hove Independent](#), [New Electronics](#), [Internet of Business](#), [Computer Weekly](#), [5G.co.uk](#), [Vanilla Plus](#), [TechRadar](#), [The Argus](#))

Our strategic approach to stakeholder engagement is ongoing and will be kept under review. We are also undertaking a project to introduce an organisational-wide CRM system before the end of 2018 to support our stakeholder engagement work.

Our Strategic Economic Plan, *Gatwick 360°*, was launched at our very successful AGM at the American Express Community Stadium in Brighton on 19 July. The event was attended by 150 stakeholders and partners who heard our ambitious economic vision for the prosperity of our area. All of the presentations, from Coast to Capital and our guest speakers, were very well received, with many interesting and constructive questions about the strategy. We have added full video of the event to our YouTube channel.

We are making provisional plans to organise a follow up 'SEP 6 month's on' stakeholder event in January at the Engineering and Digital Technology Park at the University of Chichester.

#### **Brighton Mainline Alliance**

The Brighton Mainline Alliance launched successfully last year. There are currently over 60 businesses and 15 MPs currently signed up to support the campaign. 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 will be launching the first phase of consultation on the scheme in November. We will be submitting a positive response to the consultation and will be encouraging members of the Alliance to do so too. We are also engaging with Network Rail, Southern and

other key transport partners on the best way of maximising the region's influence over the eventual investment decision for the Windmill Bridge Junction scheme. This will require significant further coordination from political and business voices across the region.

#### **4. Investments Pillar**

The recent recruitment of a projects auditor now means that the investments team is at full strength and better equipped to undertake ongoing investment monitoring.

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#### **Growing Places Fund**

A full report on Block J and British Airways i360 are included as item 4 on the agenda.

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

The Services Pillar now includes four key areas including the Coast to Capital Scale Up Activity (Escalator and Growth Champion), 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 19 September 2018.

#### **Coast to Capital Growth Grants**

Following completion of the Grant Agreement with the Accountable Body on the 13 September 2018 we have made approved payments of £211,862 to two companies. We have received 19 Expressions of Interest and invited 11 companies to submit full applications. At the current time we have a projected year end spend of £1,336,680 if all applications are received and approved by the grant panel and the businesses complete their projects by 31 March 2019.

#### **Coast to Capital Scale Up**

This pilot scale up initiative will deliver four peer-to-peer roundtable programmes across the Coast to Capital area with between 8 to 12 businesses each. Each cohort will focus on specific barriers to growth as identified by the attendees. Each peer-to-peer roundtable will be delivered with the support of a professional facilitator.

Since the last Board Meeting we have made very good progress with the project. The first stage of the delivery of this pilot programme will be to hold a stakeholder engagement event on 29 October 2018 to inform, initiate and engage with the broad business support community, united by common goals of growing the local economy or supporting business.

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

In the period April 2018 to August 2018 439 businesses were assisted. 123 growth businesses were supported with 60% of companies taking up the support introduced. Further details are available on the Growth Hub dashboard.

#### **Enterprise Adviser Network**

The Enterprise Adviser Network continues to perform well with 114 Enterprise Advisers signed up and matched with 101 schools. This is just above the target of 100 schools matched.

The Enterprise Coordinator team have also now recruited 177 Industry Champions who are volunteers from a wide variety of industries who share their knowledge and careers experience with young people.

A review of the Enterprise Adviser Network (EAN) is currently being undertaken to ensure this programme delivered in partnership with the Careers Enterprise Company retains its strategic fit following the launch of the new SEP. The review will also undertake a value for money assessment following the board's decision to fund the current programme delivery to March 2020 and will ensure that the current model of operation is fit for purpose.

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In addition and to ensure best practice the current delivery model is being compared to that of other EAN networks via neighbouring LEPs with meetings scheduled with neighbouring LEPs EnterpriseM3 and SELEP.

## **International Trade**

In the period from April 2018 to August 2018 Coast to Capital was reported by DIT to have 3 foreign inward investment successes compared with 13 the previous year. Most of the successes relate to investments made by foreign owned businesses already based in the area. Uncertainty surrounding Brexit is having an impact on DIT reported successes although partners are reporting a noticeable increase in investment enquiries particularly the Gatwick Diamond area.

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

### **Strategic Economic Plan**

Since the launch there has been a wide variety of activity to make sure we are in a strong position to deliver our SEP through the Local Industry Strategy (LIS) negotiation with Government. This includes work to progress key short term actions around full-fibre broadband provision, the new Employment & Skills Board and the Business Escalator Programme. Fuller information on activity and plans to prepare the organisation for the LIS are detailed in the Board papers (agenda item 2).

### **LIS meetings**

Meetings with local MPs continue to raise broad awareness and understanding of the SEP, to ensure a smooth transition into the LIS process. Conversations with Government departments have been very positive, revealing an appetite for our level of ambition and the distinct local flavour of our SEP. We are actively speaking to businesses and public sector partners to promote our vision widely and determine collaborative solutions to our economic challenges.

### **Newhaven Enterprise Zone**

The Enterprise Zone Strategic Framework was launched to a community and business audience at the Rampion wind farm operations and maintenance base on 12th July, following sign-off by the Programme Board on 22 June. The strategy continues to be

promoted through an ongoing campaign of case studies designed to highlight the diversity of enterprise in Newhaven as well as more targeted engagement with businesses. In addition, the Newhaven Community Fund was launched at the Festival of Belonging on 27 August which offers £25,000 in grants to support local charities and non-profit organisations. Applications are open for grants up to £5,000.

Work continues by the Newhaven Enterprise Zone Board to develop investment models that will enable us, with partners, to deliver on the ambition in the framework and maximise the economic potential, private and public alike, of the zone over its lifetime. The Newhaven Port Access Road business case has been signed off by DfT and work is now underway on the scheme which will further support growth in the enterprise zone, particularly key coastal sites by the port. The town centre regeneration plans have also moved forward with funding agreed to unlock the £38 million mixed-use regeneration of the town centre.

## **European Structural Investment Fund programme**

### European Social Fund (ESF)

The ESF Dashboard for September 2018 gives an overview of the status of our allocation (see Appendix 3).

The total value of our ESF allocation has risen from £25,427,722 million up to £28,361,690 million, due to a change in the exchange rate.

Applications to the Direct calls (requiring 50% match funding) that closed recently were fewer than anticipated in Priority 2.1 (Skills support for the workforce) with bids to the value of only £2.2 million out of a total pot of £8 million. We believe we have one last call window in March in which to allocate this funding. The main challenge is finding the 50% match and we will continue to explore new avenues where this might be found.

There are currently 11 applications in the pipeline and we are working closely with the applicants to provide support and with DWP to address any potential delays. Two projects which focus on engagement activities for young people not in education, employment or training (NEET), under Investment Priority, 1.4 have now received funding agreements from DWP. The original call was released on 26/10/2016 with funding agreements only issued on 01/07/2018 which led to a significant delay in the planned delivery start date.

We have serious concerns about the length of time that projects are remaining in the pipeline with DWP. We have been trying to resolve this at an operational level but have been unsuccessful. We are currently drafting a letter from the Coast to Capital ESIF Sub-Committee Chair (Cllr Helyn Clack) to Catherine Blair, the Head of ESF Division at DWP to set out our concerns and to seek a swift resolution.

The Education and Skills Funding Agency released national tenders for their opt-in calls, which closed on 19 September. These call were for Skills Support for Unemployed, Skills for the workforce, and to engage a managing agent to undertake a community grants scheme. These projects are due to be contracted and commence in April 2019.

### European Regional Development Fund (ERDF)

The ERDF Dashboard for September 2018 (see Appendix 3) gives an overview of the status of our allocation.

We continue to work closely with both MHCLG and the projects in the ERDF pipeline to offer technical assistance and support. The total value of our ERDF allocation has risen from £28.5 million up to £31.1 million, due to a change in the exchange rate. The value of the ERDF pipeline is now £17m (55% of our new total ERDF allocation).

The University of Brighton's Digital Research & Innovation Value Accelerator (DRIVA), ERDF Priority Axis 1 (Innovation) is the most recent project to be fully contracted. The project has a total value of £1 million with an ERDF contribution of £0.5 million.

Projects in the ERDF pipeline are progressing at varying speeds and monitored closely in regular weekly progress meetings with MHCLG. We are now experiencing a much improved service from the Managing Authority and have a clear understanding of and a greater role in the progress of these pipeline projects.

Our latest ERDF call for Priority Axis 1 (Innovation) was launched on 5 October with a total value of £5.5 million. Our key aim, aligned to the Gatwick 360 Priority 5, Pioneer innovation in core strengths, is to deliver a new innovation centre within the Coast to Capital area. A launch event for the call, attended by interested applicants, took place on 8 October.

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

Work continues on the Local Energy Strategy, with all of the technical work complete and draft strategy produced. The original timeline to present the energy strategy to this October Coast to Capital Board meeting has been postponed to allow for final editing work to be completed. The final strategy will still be delivered within budget and presented to the next Coast to Capital Board in January. A link to the draft strategy will be circulated to Board members following these papers so that you have the opportunity to read and comment on the emerging draft if you would like to.

The Local Energy Strategy will inform the wider work of the Greater South East Energy Hub which is a partnership of ten LEPs including Coast to Capital. Recruitment of the Greater South East Energy Hub team is almost complete, with the Regional Hub Manager and the Area-based Energy Hub Managers now in post. This team will be commercially focussed and be tasked with delivering energy projects across the hub area based on projects identified in the Local Energy Strategies.

## **Full Fibre**

Coast to Capital continues to lead a collaborative approach with local authority partners across our area for a Local Full Fibre Network Fund wave three bid. The Expression of Interest has now been submitted to the Department for Culture, Media and Sport (DCMS) and the next stage will be a follow up conversation which we are hopeful will lead to an invitation to full business case.

This ambitious infrastructure proposal seeks to facilitate ultrafast connectivity in Coast to Capital by using the Brighton Mainline Croydon to Brighton as a superspine along which to lay fibre. This Expression of Interest will lead to the first business case in a series of business cases identified in the Strategic Economic Plan and is central to meeting the aspirations set out in Priority 7 Improve Digital Network Capability.

**Annex 1, 2 and 3 have been redacted**