

Meeting:	Coast to Capital Board Meeting no. 44
Date:	Wednesday 3 April 2019
Report Title:	Chief Executive Report
Report by:	Jonathan Sharrock
Item No:	2
Part:	A

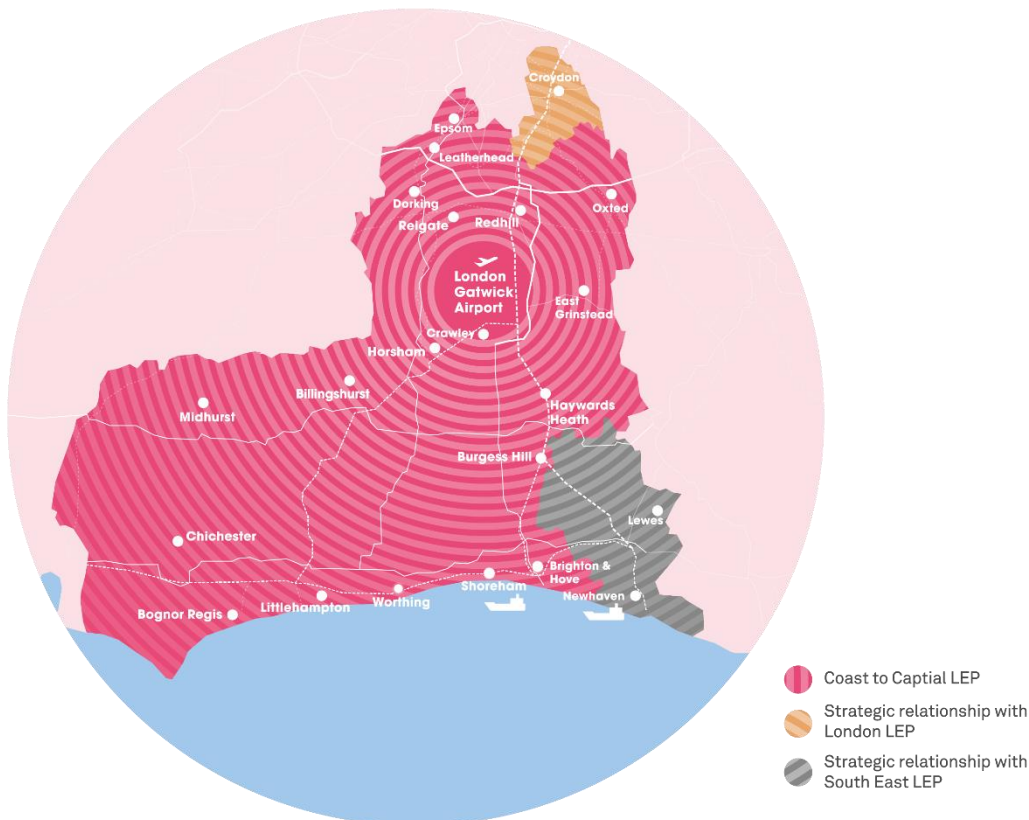
Recommendation:

The Board is asked:

- To note this report.
- To confirm that Julie Kapsalis should act as an interim Vice Chair, during the recruitment of Steve Allen's successor.

1. Introduction

Our new geographical boundaries came into effect on 1 April 2019. Work has commenced with London to develop a joint Industrial Strategy for the growth corridor from London to Victoria. Early contact with the GLA confirms the priority being given to this as one of four corridors out of London. The new arrangements for the Newhaven Enterprise Zone leadership and oversight also come in to effect on 1 April 2019. Proposed governance arrangements for a Newhaven Enterprise Zone company have been prepared and were sent to South East LEP in early March.



Coast to Capital has taken the lead in convening the 8 LEPs across the South East of England in a new group known as the Southern LEPs. This is in response to feedback from Government and the LEP network that Ministers do not have a clear sense of the profile and shared priorities of our part of the country. Tim Wates will chair a twice-yearly meeting of the Chairs covering the area from the Solent to the South East LEP. Jonathan Sharrock is convening regular meetings of Chief Executives. The goal is to create a clear single voice for Southern LEPs in the debate on Industrial Strategy, to attract further political interest in our work and promote investment in the region.

Board Development

Karen Dukes has completed her Board induction process and Jamie Arnell will be taking up his Board Director position in June when Steve steps down from the Board.

A recruitment process for the new Vice Chair of the LEP will be launched in April in line with the launch of the refreshed brand. We will be advertising this role on the HM Government Public Appointment website and undertaking extensive marketing and engagement with our business representative organisations to find a high quality senior business figurehead. In line with our commitment to diversity we are also organising a 'celebrating women in business' event in April to help identify female business leaders that could add value to the work of Coast to Capital to support this recruitment process.

At its meeting in March the Joint Committee ratified the Board's decision to introduce an additional District Council Director to the Board and agreed to extend Garry Wall's term as the current District Council Director by three months to August 2019 (subject to local elections) to align the District Council appointment process with the Coast to Capital Articles. The appointment process for the two new District Council Director positions will start in June and their first Board meeting will be in October 2019.

We propose to make changes to the structure of the FE and HE Director positions. Both of these are appointed for only one-year terms, with the possibility of extension for a second term. This short time period now seems anomalous given that all other Directors serve for three years on the Board, and both HE and FE Directors are appointed from very small pools of potential candidates. The proposal is to consult on extending this term to a 3 year term, as well as on other aspects of the relationship between the LEP and these two critical education sectors. In the meantime, Nick Juba's term expires in May – we will appoint a new Director from the FE sector in advance of the AGM in September. We will consult the HE sector on Adam Tickell's reappointment pending the consultation on wider changes.

Phil Jones comes to the end of his third term as Board Director in June and we will be recruiting for his replacement. This appointment would be open to candidates from any sector of the economy. Good candidates from the technology or creative sectors of the economy will be particularly important in recognition of the importance of these sectors within our economy.

We will be taking soundings on the operation of the Board in order to continue the work on its continuous improvement, building on the event with Roffey management school in 2018. This will be designed over the coming months, and will give Board members for further feedback on how to build on the existing strengths of the organisation. This will tie into new work from Government and the LEP network on support and development for LEP Boards which is currently in development. There will be an update on process at the next Board meeting.

2. Corporate update

Governance

Annual Review

Our Annual Conversation with Government took place in January. We are in the top 10 of LEPs on overall performance, with confirmation that we are 'good' in all three areas of Governance, Delivery and Strategy. This is an improvement on the previous year where we classed a 'requiring improvement' in Governance and Delivery. Many LEPs have been given tough messages. There will be a particular focus on the delivery of LGF projects, with an expectation of full accountability for any funds not spent by 2021. The NAO is expected to publish its second report on LEPs on 31 March, with a further PAC hearing on 13 May. The confirmation letter from Stephen Jones (Director, Cities and Local Growth Unit) can be found at Annex A and the note of the meeting is available on request.

Assurance Framework

Following the publication of the National Local Growth Assurance Framework by Government in January we have updated our Assurance Framework to meet the new requirements. This has been signed off by the Accountable Body and the Board. The final version will be published on the [website](#) by 31 March 2019. The next steps will be to update our Articles of Association in line with the Assurance Framework which will need to be agreed by the Board by Special Resolution. As the new Assurance Framework is implemented ongoing guidance will be provided to the Board.

Scrutiny and Audit

Following feedback from the Board at its meeting in January and feedback from members of the Joint Committee we will not be progressing with setting up a new Scrutiny Committee; however, we will be writing to all our Local Authorities to let them know we are happy to participate in any Local Authority overview and scrutiny committee. An Audit Plan for 2018/19 has been agreed with the Accountable Body which will be discussed by the Audit Committee at their meeting in June. This will include an initial discussion on the outcomes of an external scrutiny review of the Growth Grants Programme which took place in February. The Board will consider the outcomes of this review along with feedback on the operation of the Growth Grants Programme at its meeting in July.

Risk

Our Audit Plan for 2018/19 includes a review of our internal risk management and controls. The current system is safe, and allows identification and management of corporate risks by the Executive Committee. We propose to commission an external expert such as BDO to update our processes in line with our changing operating environment. A summary of our current corporate risk register can be found at Annex B. We do not have any red risks and the summary only includes the amber risks for Board consideration. The review will also make recommendations on the reporting of risk through the Audit Committee, Chairman's Committee and Board.

Joint Committee

A successful meeting of the Joint Committee took place in March 2019. The Committee received an update on the development of the Local Industrial Strategy (LIS) and ratified the Board's decision to introduce an additional District Council Director to the Board. The unconfirmed minutes can be viewed [here](#).

I have written to Local Authority leaders confirming the importance of full engagement with them: based on bilateral meetings with our Local Authority leaders at least twice a year which can be found at Annex C.

Organisational Developments

Vice Chair recruitment

We will be initiating the recruitment process for a new Vice Chair, to replace Steve Allen whose term ends at the end of May.

The anticipated recruitment timescale means that there is likely to be a gap before Steve's successor joins the Board; expected to include June and some of July. The Chairman's Committee has considered the implications of this, and recommends that Julie Kapsalis should act as Interim Vice Chair during this period.

Sub-committees

There will be a review of Board member involvement in sub-committees and wider work on the LIS at the July Board, to take stock of the demands on individuals and to ensure that all Board members have an opportunity to engage fully in the LEP's work. This will include a decision on key roles including Vice Chair of the Investment Committee and other implications of turnover amongst Board members.

Staffing

Following the confirmation of the additional funds from Government we are running recruitment campaigns for new fixed-term posts to support delivery of our LIS including:

- Programme Manager – to coordinate all aspects of the Gatwick 360° Delivery Programme, managing the work of the Programme Team and supporting each of the Project Teams across our eight priorities – we have had a good response and are interviewing in March;
- Senior Analyst – to produce the analytical base to inform our Local Industrial Strategy negotiation with Government and to inform the work of the Skills 360° Board – we have had a good response and are interviewing in March;
- Stakeholder Manager – to lead the development and implementation of a stakeholder strategy across the organisation – closing date 5 April 2019.

The following individuals have joined the Coast to Capital team:

- Helen Weedon as Marketing and Events Officer - to support the delivery of marketing and events, enhancing Coast to Capital's digital presence, and delivering consultation events across the region;
- Millie Bew as Project Coordinator - to support the delivery of Gatwick 360, specifically our work around skills and workforce development and our European funding investments.

Office Move

We have signed the agreement to lease on our new premises at Pacific House in Three Bridges and arrangements are underway to ensure that we are fully operational in the new space by 1 July 2019 led by an internal project team. A design for the single floor office has been agreed (subject to final costings) and we have issued a tender for the office fit-out. We are also commissioning support to review our corporate policies to support the move and changing to different working practices including hot-desking.



Diversity

In line with the Board's commitment to diversity we are continuing to prioritise activity in this area. We were pleased to highlight to Government that our new Skills 360 Board has a 50/50 gender split at our Annual Review. We continue to promote positive diversity messaging including publishing a '[Celebrating Women in Business](#)' article in the February issue of Platinum Business Magazine and social media activity on International Women's Day (IWD) including publishing an [influencer statement](#) from the Chairman on the official IWD website.



I believe that promoting equality and diversity is an important role for all to be engaged in, and feel that we should all be ambassadors of equality to show others how balance can be achieved.

Marsha Robert
Growth Grant Project Manager



International Women's Day

#IWD2019

#BalanceforBetter



You will have received an invitation to our 'Celebrating Women in Business' event which will take place on 24 April at Ridgeview Wine. This is an excellent opportunity to encourage senior female business figures to get involved with the work of Coast to Capital. We have asked all Board members to nominate a female guest from within their network to attend, with a view to achieving a step change in the diversity of our Board and network. If you haven't already please confirm your attendance and suggest a guest to invite to this event.

3. Communications and stakeholder engagement

Branding

Following approval at the January Board meeting Baxter & Bailey have undertaken a refresh of our current branding. Julie Kapsalis has led on engagement on the design process on behalf of the Board and Chairman's Committee provided comment on the near final designs. We are delighted to present to the Board the new Coast to Capital logo below and the application of the new branding guidelines across our organisation can be viewed on the board portal for information. The new branding guidelines will be implemented across the organisation in a staged process leading up to being fully implemented by the time we have moved office in the summer. It will start with a fully branded application pack for the Vice Chair recruitment process.

Coast to Capital

Communications

During January, February and March we issued the following press releases:

- [Coast to Capital Welcomes New Skills Leaders to Deliver its Gatwick 360 Strategy](#)
- [More High Level Support for Growing Businesses Based in the Coast to Capital Area \(featured in Platinum Business online\)](#)
- [Local Businesses Receive Funding Boost](#)
- [Successful bid results in £6 million for Valley Gardens Phase 3 \(featured in Brighton & Hove News\)](#)
- [Coast to Capital Strengthens its Strategic Relationships Across its Boundaries](#)
- [Support to Businesses to Help Navigate Brexit](#)
- [Coast to Capital Welcomes New Business Leader to the Board](#)
- [Coast to Capital leads debate on the future of our towns and cities \(featured in the Bognor Regis Post\)](#)

We also published the following articles including:

- [2019: an exciting year of challenge, growth and achievement](#)
- [A Tribute to Amanda Geel](#)
- [Coast to Capital Chairman presents to the Prime Minister on behalf of the Southern LEPs](#)
- [Celebrating Women in Business \(page 28\) \(also featured in Bognor Regis Post\)](#)
- [Mental health in the workplace: The elephant in the room \(featured in Platinum Business\)](#)
- [We value and promote diversity](#)

We are updating our Communications Framework to cover the communications activity across the whole organisation. Once the refresh of the brand has been implemented this will be shared with the Board for information.

Marketing

We are increasing the use of video content to promote the work of Coast to Capital and now have a relevant and up to date You Tube channel. Recent videos include a [Growth Grant Case Study on Insulated Tools Ltd](#), a feature on the [Urban Centre Investment in Coast to Capital](#), a [Local Growth Fund Case Study on Charleston Trust](#) and a [preparing for Brexit video](#).

We are also increasing our activity on Twitter and LinkedIn with specific marketing campaigns ongoing on [#Gatwick360](#) [#LocalIndustrialStrategy](#) [#Brexit](#) [#WomenInBusiness](#) and [#BrightonMainlineAlliance](#). Future campaigns will include our [#ViceChairRecruitment](#).

We continue to promote the Brighton Mainline Alliance and will be working Network Rail and the Department for Transport to maximise the outcomes of this campaign. We are exploring the best time to have a further meeting with MPs about the progress in the campaign – and the links between that and the LIS.

Events

A highly successful stakeholder event took place on 28 February at the recently launched Engineering & Digital Tech Park at the University of Chichester. The event provided an opportunity to share progress on the Gatwick 360 strategy since its launch and the development of our Local Industrial Strategy. It also focused on Priority 1 – Delivering Prosperous Urban Centres which was discussed by a high profile panel of experts.

Starting in May, we are planning on holding a short series of monthly 'Big Debates' in the lead up to our Annual General Meeting in September, to support the development of our LIS. This will be themed around the Government's Industrial Strategy five foundations of productivity (Ideas, People, Infrastructure, Business Environment and Places). Our Gatwick 360 priorities will be grouped under these themes. The February stakeholder event covered Places and it is likely that the next event will discuss People including skills. All Board Members will be invited to these events.

Investments

We met recently with Government to discuss the challenges that LEPs face when reporting outputs and also to highlight some of the schemes where we have challenges in ensuring draw down of funding by the end of the Parliamentary spending period. We explained that the challenging schemes are highly important to our region and of major strategic importance and the consequences of not supporting legitimate programme slippage on such schemes would be extremely negative in terms of housing delivery across the region. Civil servants reported that we were not alone in this position and that they were making ministers aware of this issue being common across LEPs.

The Investment Committee met in March and agreed revised terms of reference for the Committee and the new Board reporting format is included within this pack.

Two video case studies were recently produced on projects that we have supported and are available to view on our You Tube channel. We will be completing further short films as projects complete.

An update on the Growing Places portfolio is included within a separate item on this Board agenda.

4. Services

Coast to Capital Growth Hub

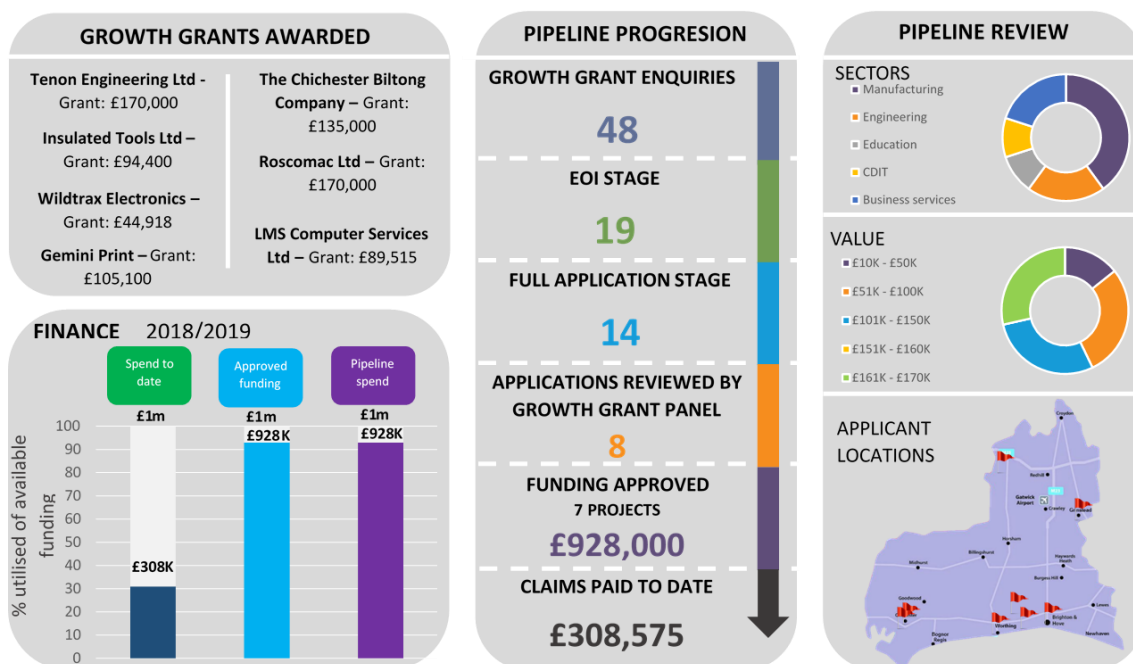
The Growth Hub Account Managers have delivered one to one Brexit clinics for businesses as part of a week-long initiative including partner organisations who provided specialist international trade, tax and contract advice.

The Growth Hub partnered with Innovate UK who delivered a major regional innovation event. It included the Knowledge Transfer Network, Enterprise Europe Network and Digital Catapult and the University of Brighton Enterprise Team. Phil Jones was a key note speaker at the event which also had an address from the Executive Chairman of Innovate UK. Coast to Capital has been chosen as the region top host this event due to its SEP, innovative programmes, partnership working and key sectors.

The Treasury commissioned Rose Review was published International Women’s Day. It examined the entrepreneurial gender gap and identified what could be done to reduce it. It revealed that female entrepreneurs are underrepresented in high-value sectors such as manufacturing, IT and communications, and financial services. Julie Kapsalis was a major contributor to the review and as a result Coast to Capital has been chosen as one of two LEPs to benefit from a seconded NatWest Manager to support the engagement with and support of female entrepreneurs. It is hoped that this will result in an increase in Growth Grant applications from women moving forward.

Coast to Capital Growth Grants

Since the launch of the Growth Grants programme in October the initiative has been run very successfully. Since the last Board meeting the final grant of the year was approved for LMS Computer Services Ltd for £89,515 to support the refurbishment of premises and purchase of equipment for this scaling business.



The governance of the scheme has been audited by BDO and there were no red flags identified. The programme was also reviewed as part of the assurance framework review and identified as best practice for its scoring methodology.

Coast to Capital Scale Up Activity (Escalator and Growth Champion)

The first three cohort meetings of the highly innovative Escalator programme have run. They have been extremely well received by participants and widely regarded as the best peer to peer group initiative of its type. The pilot programme is very well timed as the government is developing a £20m peer to peer group fund following an announcement in the Autumn Budget. Key topics emerging from the cohorts will be disseminated and used to inform future business support activity.

6. Strategy and Policy

Energy Strategy and Greater South East Energy Hub

Following approval by the three LEP Boards, the South2East energy strategy was launched on 25 March at The Crystal in London, one of the world's most sustainable conference venues. The launch centred around the importance of collaboration to achieve the vision and level of ambition set out in the strategy. Tim Wates compered the event with presentations from SELEP, Enterprise M3 and BEIS. Local case studies included West Sussex County Council. The strategy and the launch are important examples of joint working across LEP boundaries which will inform other pieces of work.

Coast to Capital, with Energy South2East partners, continue to be active members of the Greater South East Energy Hub. Work has been underway between Coast to Capital, the Hub, Local Authorities and other public, private and community sector partners to identify a pipeline of feasible energy projects. These will help inform and potentially secure national funding for energy projects from BEIS through the Hub. The strategy has helped to identify the types of projects which are most beneficial to our area and similarly could be applied at scale across other areas.

Other Collaborative Activity

We are exploring the opportunity for collaborative working with EM3 and South East LEPs and the Surrey, Sussex and Kent Local Nature Partnerships around the subject of natural capital net gain. This forms a part of our Gatwick 360 programme of work and is covered in greater detail in the Local Industrial Strategy Update papers.

We continue to take the lead LEP role in engagement on Transport for the South East (TfSE), with Martin Harris joining local authority Board members on this body which will aim to take on a statutory role in the delivery of major transport projects across the wider South East of England.

We are also considering the potential for further collaboration with other LEPs in the South East on Innovation, and the promotion of international investment in the region. There is significant scope for peer learning from other LEPs on all aspects of their operation, and we have volunteered to pilot a peer learning process within the LEP network.

Enterprise Adviser Network (EAN)

The review of the EAN has been completed and as a result the team will be transferred to the Strategy and Policy team. The Enterprise Coordinators will report to the Skills Manager with governance and oversight provided through the Skills 360 Board. As a result of the review the role of the Senior Enterprise Coordinator is being made redundant and a new Enterprise Coordinator Team Leader role has been recruited from within the team.

Following the boundary review we are entering into TUPE discussions regarding a potential transfer of our Enterprise Coordinator for Croydon to the London EAN team.

European Structural Investment Funds

i. European Regional Development Fund (ERDF)

The European Regional Development Fund (ERDF) allocation in Coast to Capital supports Innovation and Research & Development (R&D), Business Competiveness, and the adoption of Low Carbon technologies in Small to Medium Enterprises (SMEs).

Five projects, totalling £3.2m ERDF, have been contracted to date and below are two examples. More detail on the remaining contracted projects can be found on our website.

Business Research Academic Innovation Network (BRAIN)

ERDF Priority Axis 1 (Innovation and R&D)

Lead Partner: Sussex Innovation Centre (SINC)

Project Value: £1.2m (£600k ERDF)

SINC is developing BRAIN along the economic growth corridor from London to Brighton to create new connections between start-up and early stage technology/new product businesses, as well as providing financial and business support for innovation SMEs.

Utilise Plus

ERDF Priority Axis 4 (Low Carbon)

Lead Partner: Sustainable Business Partnership

Project Value: £1m (£500k ERDF)

This project offers financial and non-financial support to SMEs including energy audits, energy efficiency workshops, case study visits and grant funding through an innovative best practice discount scheme.

A further seven projects, totalling £17.5m ERDF, are now in the pipeline.

We are submitting three funding calls, totalling £8.4m ERDF, to go out in the June 2019 ERDF funding call window; two funding calls (one for £5m ERDF, and a second call for £2m ERDF) to fund up to five business support projects (including a business incubator/centre), and one call for £1.4m ERDF to fund up to two low carbon projects.

ii. ESF

The ESF allocation in Coast to Capital supports people in the area to gain employment, integrate into society and progress in their careers by providing innovative skills and training opportunities.

There have been 16 contracted projects in the area, with 14 continuing to run and a further three to commence in April 2019. Two examples of current project can be found below. More detail on the remaining contracted projects can be found on our website.

Get Socially Active – ESF Value £168,090 - PA1 - Inclusive Labour Markets

Friends Centre in Brighton is leading on this project which aims to match participants to employment opportunities by building on and updating their existing skills to enable them to set up or join a social enterprise or community group.

Think Futures – ESF Value £934,382 - PA2 – Skills for Growth

West Sussex County Council is working with Surrey County Council to engage with young people at risk of becoming NEET (not in education, employment or training), those at risk of social exclusion and those from marginalised communities. The aim of the project is to increase participation in activities designed to improve their basic skills needs and to increase their exposure to employment and training opportunities.

DWP Managing Authority resumed normal activity in January 2019 having successfully completed the N+3 claims exercise. This has meant there has now been some movement of project applications within the ESF pipeline. This includes five outline applications being invited to develop and submit full applications to DWP. One full project application for the Graduate Internships has gone to the ESIF Sub-committee under written procedures. Three further full project applications are expected to go before the sub-committee soon, including two Digital Skills projects and a further Graduate Internship project.

The three Education and Skills Funding Agency (ESFA) opt-in projects that are running to support skills for the unemployed and skills for the employed will complete on 31 March 2019. From April 2019 three new ESFA opt-in projects will commence. These projects will include support for the unemployed to return to work, support for the workforce and those at risk of redundancy and a community grants management project.

8. Dashboards

These are uploaded in the Board portal for background reading.

Annexes:

- Annex A - Letter from Stephen Jones (Director, Cities and Local Growth Unit)
- Annex B - Current Corporate Risk Register
- Annex C - Letter to Local Authority leaders from Jonathan Sharrock