

Coast to Capital

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| Meeting: | Coast to Capital Board Meeting |
| Date: | Wednesday 10 July 2019 |
| Report Title: | Chief Executive Report |
| Report by: | Jonathan Sharrock |
| Item No: | 2 |
| Part: | A |

Recommendation:

The Board is asked to:

- note the Chief Executive Report
- confirm recommended Board roles and new membership of the Chairman's Committee (Section 1)
- approve the Articles by Special Resolution (Section 2)

1. Introduction

Work on the development of our Local Industrial Strategy (LIS) continues as a priority. In parallel, we have been prioritising opportunities to learn from other LEPs on Governance, Strategy and Delivery. The Chief Executive's objectives for 2019 include attaining an 'Exceptional' rating at our next Annual Review in at least one of these.

A recent article in the [Sunday Times](#) highlights some of the challenges all LEPs are facing. The importance of project delivery was confirmed in the recent [report from the NAO](#) which covers the changes to the role and remit of LEPs since its last report in 2016 and the Department's and LEPs' progress with strengthening governance, assurance and transparency. It makes a strong statement that the Government does not have robust plans in place to evaluate value for money. We can therefore expect further scrutiny in the year ahead on LGF delivery. However, as with all NAO and CLG work over recent years there is no reference at all to the Growing Places Fund.

We have piloted a peer review process for the LEP review, involving scrutiny and discussion with OXLEP and the participation of the Centre for Public Scrutiny. Key learning points for Coast to Capital included how OXLEP engage public authorities and the importance of joint work in developing the LIS. It was also very striking how OXLEP's LIS narrative revolves closely around the success of Oxford University and the role of innovation within their regional economy.

To help create a wider narrative for our LIS, we have been leading the creation of a self-identifying group of LEPs across the South of England. The Southern LEPs Chief Executives have agreed to meet monthly to discuss issues of common concern and to coordinate work on shared priorities. The most recent meeting on 26 June included collaboration to support the development of TfSE, and the development of joint themes in Local Industrial Strategies. We propose to develop a common narrative for the South which will prioritise our shared relationship with London and common themes across the region. Government has called a meeting on 19 July to discuss these.

Following the local elections in May, four of our local authorities saw a change in political control, reflecting the wider changes nationally. These were Mole Valley District Council (Conservative to Liberal Democrat). Arun District Council (Conservative to Liberal Democrat with no overall control). Tandridge District Council and Chichester District Council (remain Conservative but with no overall control). Adur District and the two county councils did not have elections.

DCLG have briefed LEPs on possible uncertainties arising from the appointment of a new Prime Minister.

Board Developments

We are delighted that following a full recruitment campaign Julie Kapsalis has been appointed as Coast to Capital Vice Chair, subject to Board approval. Julie will serve a three year term starting in June 2019.

We are also pleased to appoint Richard Hopkins (Managing Director of Fargro Ltd), Amanda Jones (Deputy Chief Executive and Director of Finance, Brighton Dome and Festival Limited) and Claire Mason (Founder and CEO of the leadership consultancy 'Man Bites Dog') as Board Directors following a full recruitment campaign. These appointments are subject to Board approval. The candidates fill Board vacancies left by Phil Jones who came to the end of his third term as Board Director in June and Julie Kapsalis who is now Vice Chair. These appointments are subject to our due diligence process.

Jamie Arnell formally took up his Board Director position in June when Steve stepped down from the Board.

Frances Rutter, Chief Executive and Principal at NESCOL College, has been appointed as our Further Education representative. Her appointment will be confirmed at the AGM. The next step will be to start the HE representative appointment process.

Our District Council Directors have been agreed as Cllr Daniel Humphreys (Leader of Worthing Council) for the Districts & Boroughs in the South of the area and Cllr Mark Brunt (Leader of Reigate & Banstead) for the Districts & Boroughs surrounding

Gatwick. Their posts will also be confirmed at the AGM in September. We are also pleased to welcome Cllr Nancy Platts (Leader of Brighton and Hove City Council) to the Board following her appointment as Council Leader in May, replacing Dan Yates.

Given the number of changes outlined above the next steps will be to review and ensure our Committees and specific roles are fully represented:

- Appointing two new members of the Chairman's Committee. We propose that Karen Dukes and Martin Harris should take up these roles.
- Appointing a new Small and Medium Enterprise Champion, which we propose should be Claire Mason.
- Identify a lead Board member for the Newhaven Enterprise Zone, which we propose should be the Chief Executive.
- Identify a lead Board member for the Greater Brighton Economic Board, which we propose should be Claire Mason.

Given the volume of changes on the Board we are also considering the membership of our key committees to ensure that they reflect our overall approach to diversity, and have the skills and experience required to do their work well. The Investment Committee is particularly important given the significant role that this has in managing our Local Growth Fund investments and the scale of its delegation from the Board. The Audit Committee and the Growing Places Committee are also important and are being refreshed in line with the skills and experience of Board members.

Board members are asked to consider the opportunities across the organisation and share their areas of interest. The Board or relevant Committee will be asked to approve our final recommendations.

2. Corporate update

Governance

Articles

DMH Stallard has reviewed and updated our Articles of Association which can be found in Annex A to reflect the new Assurance Framework. As there was inconsistency in the previous version, the updated Articles now provide that all Directors are also members for the duration of their office.

The Board is asked to approve the Articles by Special Resolution.

Annual Report

We are currently preparing our Annual Report from 2018/19 which will be circulated to the Board for approval before the summer break. Our approach is to showcase the impact of our work using highlights, impact statistics and case studies all

presented in our new branding to reflect the professionalism of our organisation.

Risk

The Audit Committee met in June and agreed the Audit Plan for the year which includes a review of our internal risk management and controls. We have commissioned BDO to update our processes in line with our changing operating environment. The review would involve BDO working with Board members and other key individuals to determine Coast to Capital's risk appetite which would then inform a new risk management process including how the governance of risk would best operate within our existing governance structure. The timing of this review would be over summer to inform the business planning process which would begin in the autumn.

Organisational Developments

Staffing

We have confirmed the following new fixed-term post to support delivery of our LIS:

- Marsha Roberts as 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 were not able to identify suitable candidates through open recruitment for the following posts and we continue to consider the resource requirements to deliver the LIS:

- Senior Analyst – to produce the analytical base to inform our LIS negotiation with Government and to inform the work of the Skills 360° Board
- Stakeholder Manager – to lead the development and implementation of a stakeholder strategy across the organisation

The following changes have taken place in the Coast to Capital team:

- Hannah Thomas has joined the team as Enterprise Coordinator
- David Smith has moved to the Investments Team as Investment Manager
- Leah Parry will be returning to her studies at Brighton University

Office Move

We moved into our new premises at Pacific House in Three Bridges on 1 July. Board members are welcome to visit the new office and plans for an open day event in the summer are underway. We have designed and delivered an environment which reflects the organisation's professionalism and ambition, which meets the needs of the business and also showcases our new brand. We have also worked hard to consider sustainability, for example by using refurbished furniture where possible and in the new ways we are now operating.



Diversity

In line with the Board's commitment to diversity we are continuing to prioritise activity in this area. Our successful 'Celebrating Women in Business' event took place at the Ridgeview Wine Estate in April and offered an opportunity to encourage more women business leaders to get involved in Coast to Capital.

We are pleased to confirm that following the recent Board appointments we have eight female Board members which now exceeds the Government target of one third of members of LEP Boards to be women by 2020. This is one further way of demonstrating that we are amongst the highest performing LEPs. There is an expectation for equal representation by 2023 which we are working towards.

In June, Julie Kapsalis and Rosaleen Liard joined the Chief Executive and Katie Nurcombe (Head of Communications and Corporate Affairs) in attending the LEP Network Women Leaders 2019 event.



Corporate Charity

The Coast to Capital team has chosen [The Marine Conservation Society](#) as its corporate charity for 2019 and we are undertaking various activities across the year including:

- Taking part in #BigBlueDay in June to support #WorldOceansDay (wearing blue and donating to the charity)
- Taking part in the [MCS Plastic Challenge](#) in July and [pledging to #GoPlasticFree](#)
- Sponsored activities such as Katie Nurcombe and Kelly Parkhouse who swam 3.8km in the river Arun in June and the 'Great Office Bake Off' in August
- Raising awareness by providing information and guidance to the team on recycling

We have raised £178 so far (23% of our £750 target) and all donations are welcome to our [JustGiving page](#).



3. Communications and stakeholder engagement

Branding

The new brand guidelines have now been fully implemented across the organisation and we are receiving positive feedback from our partners and stakeholders. The final step will be to undertake a review and update of our website to ensure that it reflects our new brand and hosts information in an accessible and engaging way.

Communications

During April, May and June we issued the following press releases:

- [Search starts for new Coast to Capital Vice Chair](#) (featured in Brighton Business, Worthing Herald)
- [Coast to Capital celebrates women in business](#)
- [Coast to Capital is searching for senior business leaders to help shape its Local Industrial Strategy](#) (featured in Brighton Business)
- [£2 million European Social Fund Launched](#)
- [Coast to Capital Unveils Fresh New Look](#)
- [£7.87 million Funding Opportunity Announced](#) (featured in Sussex Chamber of Commerce)
- [Coast to Capital Champions Female Entrepreneurs](#) (featured in Sussex Chamber of Commerce)

We also published the following blogs and articles:

- [Scaling Up](#) (featured in Platinum Business Magazine)
- [Mental health in the workplace: The elephant in the room](#) (featured in Platinum Business magazine)
- [The future is bright, the future is pink](#) (Blog article: Poem by Kelly Parkhouse, Enterprise Coordinator, for the Coast to Capital Away Day)

We have updated our Communications Framework to cover the communications activity across the whole organisation. This is available on the Board portal for information.

Marketing

We are continuing to increase 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. We have several upcoming videos including a video promoting our new Banker in Residence.

We are also increasing our activity on Twitter and LinkedIn with specific marketing campaigns ongoing on #Gatwick360 #LocalIndustrialStrategy #Brexit #WomenInBusiness and #BrightonMainlineAlliance.

Over the past three months, the Coast to Capital **Twitter** account was mentioned 673 times with 211,200 views (impressions) and 159 new followers. This number of impressions is the highest since we have been measuring Twitter metrics. Over the past three months, trending topics included our June Big Debate, the 5G showcase event, Stress Awareness Month and our Banker in Residence announcement.

On **LinkedIn**, at the beginning of March we moved from using the Coast to Capital Group Page to the Coast to Capital LEP LinkedIn page, in order to increase followers and reach. We now have a total of 565 followers, an increase of 127 followers. Over the past three months, the Coast to Capital LEP LinkedIn page had a total of 1,061 page views, with 446 unique visitors and 23,436 impressions. Top trending topics included our Celebrating Women in Business event, Vice Chair recruitment and our Team Away Day.

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. The Chairman and Chief Executive attended a Parliamentary event covering the importance of BML investment to support the growth and regeneration of Croydon, sponsored by Sarah Jones MP. There was strong support for a further meeting of the BML Alliance later in the year to promote progress in this work with the region's MPs and to reinforce the links between railway infrastructure investment and the delivery of our Local Industrial Strategy. We will progress this, including the option of Parliamentary debate to raise the profile of our work.

Events

We are holding monthly LIS 'Big Debates' to boost awareness of our work programme and to ensure an understanding of the work we are doing. The first took place in June at the University of Brighton, and was attended by 80 people. We will hold a further event on 17 July in Reigate Town Hall in the lead up to our Annual General Meeting on 11 September, to support the development of our LIS. All Board Members will be invited to these events and are encouraged to save the date in their diaries. A rural roundtable event also took place to focus on the rural elements of the LIS.

4. Investments

Projects

The Investment Committee has recently met to approve a new call for LGF funding focussing on the remaining £9m of unallocated local growth funding. Further details are given in the consent paper attached.

In addition the Committee is recommending within the papers attached, the approval of a withdrawal of funding protocol to support the already approved projects high risk monitoring protocol. The new protocol would be followed by the Board in the event of any recommendations being made to withdraw funding from projects.

Growing Places Activity

A separate report updates the Board on latest developments. Karen Dukes concludes her three month appointment with significant successes in bringing a number of the key risks under control as noted in the attached papers.

Newhaven Enterprise Zone

SELEP has now taken responsibility for the delivery of the Newhaven Enterprise Zone (NEZ), reflecting the redrawing of the LEP boundaries and confirmation that Lewes District now sits solely in SELEP. Given the significant work that Coast to Capital has put into the delivery of the NEZ, and the £16m capital investments that we have made in the town we have made clear our commitment to supporting this work over the two year transition period that both LEPs have agreed with Government.

We consider that governance of the scheme is the most important issue and have tabled proposals for the creation of the NEZ delivery company. SELEP are considering these proposals within their own governance framework.

We will respond constructively to SELEP's future leadership of this work and have made clear that we will consider any form of engagement of the project in a way that supports our partners.

5. Services

Coast to Capital Growth Hub

Funding from BEIS has been approved at the previous year's level of £369,000. The structure of the Growth Hub Team has been reviewed following the return from long term illness of a key member of the team and the need to establish an Account Manager Team Leader for more effective delivery. The Account Managers are focused on fully implementing the delivery of key diagnostic tools to add value to the service offered.

We have welcomed Vicky Stevens to the Growth Hub Team as a part time secondee from NatWest. Coast to Capital is delighted to be chosen as one of two Local Enterprise Partnerships (LEPs) to pilot a 'Banker In Residence'. Vicky is working with our Partnership Manager to develop a series of funding roadshows across the LEP area in conjunction with the British Business Bank and other local partners.

Coast to Capital Growth Grants

The 2019/20 Coast to Capital Growth Grant programme has commenced in June 2019. This year the funding to support business capital projects will range from £40,000 to £500,000 subject to relevant State Aid Rules. The Growth Grant are seen as a vital tool to encourage small and medium sized business capital investment which has reduced due the current climate of business uncertainty. This year the grant applicants will benefit from a GrowthMapper strategic diagnostic review as part of the application process.

The upper end of the Growth Grants funding range is designed to help attract domestic and foreign direct investment into the area which relates to Priority 8 of the Strategic Economic Plan.

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

The innovative Coast to Capital Escalator programme has continued to run with exceptional feedback being received from the cohort members and evidence of the impact of the initiative for the participants. We have engaged with BEIS to offer support as they develop their funding programme for peer to peer group funding.

The Coast to Capital Escalator programme lends itself well to be extended to support other segments including women entrepreneurs, pre scale up businesses and early stage businesses.

We believe that our engagement with scaling businesses through this work is unique across England and offers significant potential to be expanded. It is therefore a significant contributory project to the development of the LIS.

6. Strategy and Policy

Gatwick 360 and the Local Industrial Strategy (LIS)

Work on our LIS delivery programme continues at pace, including progress on actions contained in Gatwick 360°. Item 3 on the agenda provides a full progress report for Board and recommends a mandate for the Senior Responsible Officer to continue the next phase of work up to the September AGM and October Board meeting.

Enterprise Adviser Network (EAN)

The EAN team is now fully embedded within the Strategy and Policy team and the Skills 360 Board has agreed to take on an advisory function for the programme. The Skills Manager has worked closely with the team to establish regular meetings, develop objectives and review the geographical coverage of the team members.

At present the team is under capacity with one Enterprise Coordinator (EC) on extended absence due to ill health and one having stepped up into the Team Leader role. To fill the vacancy a new EC has been recruited from 1 July. The Skills Manager is currently undertaking contingency planning to cover the gap left by the EC on extended absence. Recommendations will be put forward to the Executive Committee once the financial impact of this is understood.

We have begun to receive quarterly data reports from the Careers and Enterprise Company which will provide insight on the progress towards meeting our contractual targets. The data received in June 2019 shows that overall Coast to Capital is underperforming against the targets within the funding agreement.

The target for Benchmark 5 (which provides learners with encounters with employers and their staff) is 50% of matched EAN schools achieving the benchmark during the 2018/2019 academic year and at present performance is at 30%.

The target for Benchmark 6 (which provides learners with experiences of the workplace i.e. work placements) is 45% of matched EAN schools achieving the benchmark for the 2018/2019 academic year and at present Coast to Capital schools have achieved 32%.

The EAN team is working closely with their schools and colleges in the network so that these performance figures are improved upon in the final term of this academic year. This includes support for employer activities within the schools, careers fairs, work placements and experiences at employer premises, as well as attending the Lets Get into Business event with a view to recruiting further Enterprise Advisers to link with schools and colleges. Work is also taking place to ensure that all schools and colleges are updating their Compass information this term to ensure that the data reported by them is accurate. A new quarterly dashboard is to be developed for the Skills 360 Board in August 2019.

European Structural Investment Funds

European Social Fund (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 19 contracted projects in the area, with 14 currently delivering. Detail on the remaining [contracted projects](#) can be found on our website.

Three Education and Skills Funding Agency (ESFA) opt-in projects were completed on 31 March 2019, and from April 2019 three new ESFA opt-in projects commenced. Information on the new projects can be found below:

Skills Support for the Unemployed – ESF Value £801,900 - PA1 - Inclusive Labour Markets

Twin Group is leading on this project which aims to deliver bespoke support and vocational training, complemented by Work Experience and Work “Tasters”, to unemployed or inactive Coast to Capital residents aged 16+ who seek to return to the labour market.

Community Grants – ESF Value £881,100 – PA1 – Inclusive Labour Markets

London Learning Consortium will manage the allocation of ESF Community Grants available in the form of small grants (up to £20,000) to third sector and other small organisations for the purpose of mobilising disadvantaged or excluded unemployed and inactive people to enable their progress towards employment.

Skills Support in the Workforce – ESF Value 1,782,000 – PA2 – Skills for Growth

Led by Skills Training UK, the project will identify and work with SMEs to upskill staff and enhance the business economically. It will also improve career prospects of staff through individual outcomes such as pay rises, increased hours and access to better job opportunities. The other strand of the project will identify business with individuals at risk of redundancy or recently redundant in order to up-skill or re-skill and help them to increase their employability.

There is currently one open Direct Call – ‘Skills for Productivity’ – which supports Priority Axis 2: Skills for Growth. The call seeks to provide training, support and guidance to those within the workforce and people at risk of redundancy. Under this call we are keen to engage with projects which provide support to increase the skills levels of existing workforce, provision for mid-career reviews, support for business sectors that have specific skills needs, and which provide equal access to learning for all people including women, carers, older people and those with disabilities.

We will prepare an ESF spotlight report for the October Board meeting.

European Regional Development Fund (ERDF)

With circa £3m ERDF tied up in the five projects contracted, circa £20m ERDF worth of projects now in the pipeline, and the remaining circa £8m ERDF set to go out in calls launching on 28 June, we are quite confident that we will be able to use all of our LEP area's circa £30m ERDF allocation.

Included within the pipeline are five projects; including a £5.5m ERDF (£11m total value) Coast to Capital wide business support programme, a £5.5m ERDF (£11m total value) innovation centre build in Crawley, and a £5m ERDF (£10m total value) innovation centre build in Brighton.

The aforementioned next calls for £8m ERDF (£4m Business Support, £4m Low Carbon) will remain open until 30 September and there will be a launch event to publicise them happening at Greater Brighton Metropolitan College, on 10 July.

European Agricultural Fund for Rural Development (EAFRD)

EAFRD in Coast to Capital has proven to be very successful in terms of not only the interest and the volume of applications, but also the quality of those applications and the actual difference the funding is making to the businesses involved. This is largely thanks to our strong rural networks in Coast to Capital and its advocates.

To date nine projects, totalling £2.3m EAFRD, have been contracted with a further £700k EAFRD tied up in two pipeline projects which look set to be contracted in the coming months. That rounds off the Coast to Capital LEP's £4m EAFRD allocation.

However, we are seeking to expand our allocation by a further £1m by the end of this year by applying for EAFRD funding which has re-entered the national funding "pot".

Dashboards

These are uploaded in the Board portal for background reading.

Diversity Statement

Please see Corporate Update under Section 2 of this Report which includes an item on Diversity. There are no other diversity implications for consideration in this Report.

Legal Statement

Legal advice has been received on the Articles of Association (see Section 2 and Annex A). There are no other legal implications for consideration.

Annexes: Annex A - Articles of Association