

Coast to Capital

Meeting: Coast to Capital Board Meeting
Date: Thursday 17 October 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 and:

- Agree to add Vice Chair Julie Kapsalis as a signatory to the Lloyds Bank Mandate and remove the recently retired directors
- Agree to add Kristel Smith and Katie Nurcombe as signatories to the Lloyds Bank Mandate to ensure business continuity cover for David Smith and Malcolm Brabon respectively
- Nominate the Coast to Capital Chair to sign the bank mandate amendment form

1. Introduction

LEP Network

The Network represents the interests of the 37 LEPs and leads our overall relationship with Government. We have strongly supported moves by the LEP family to increase the professionalism and resourcing of the network. Measures include recruitment of a new Chief Executive with significant policy-making and lobbying experience as well as an overhaul of Governance. In future, the network will proactively identify and work with Government on regional issues of significance, drawing on the skills and experience of LEP Board members around the country. I will suggest opportunities to Board members as they arise. Feedback from Government has been very positive – this is an opportunity to emphasise the delivery focus and senior experience of our sector and has been welcomed as such by Ministers.

The LEP network will also be developing a further suite of self-assessment tools to help us demonstrate our continued development and commitment to high operational standards. This will include material to support Board induction and a further peer review programme.

Southern LEPs

New Governance of the network provides for a Board including representatives of the 6 regions of England. Tim Wates and I have led the development of the Southern LEPs group over the last year and will seek to continue our influence over the group as this group takes shape. In the meantime, the Southern LEP Chief Execs are developing a shared evidence base to support our individual LISs focussing on key common themes. Collaboration is already strong on initiatives such as Transport for the South East, and will develop further on other issues as these emerge from the strategy. There is separate collaboration in developing our shared work on Brexit preparations (see below).

Brexit

Over the summer we have been preparing our response to Brexit building on the operational and communications approach we took in March and the ongoing activity undertaken by the Growth Hub team. We are in a good place to respond to the needs of business and requests from Government.

Additional funds have been announced over the past few weeks in a sporadic way and we have developed proposals to maximise the impact of these funds:

- **£2.96 million** nationally for **business readiness and intelligence**. Funds have been allocated to 10 clusters of LEPs. Our cluster comprises Enterprise M3, Solent and Thames Valley Berkshire and will be receiving **£254,000** following approval of the cluster's proposals. Enterprise M3 are the cluster lead and receive £50,000 of this funding to manage this initiative and we are collaborating on the best use of these funds which need to be spent by March 2020.
- **£1.5 million** nationally has been confirmed to cover increased levels of **intelligence gathering**. We propose to use our allocation of around £25,000 to fund Growth Champion engagement with businesses and call centre activity to collect enhanced business intelligence. A key emphasis of this funding is to identify specific sector or area challenges related to Brexit.
- **£1.2 million** nationally has recently been made available to LEPs to increase the number of face-to-face business advisers/navigators across all English regions to maximise support to businesses (particularly SMEs) to prepare for EU exit. We plan to use this to enhance our plans above.

LEP Funding	National Figure	Cluster share	Coast to Capital share	Spend deadline
Business Readiness	£2.96 million	£254,000	£40,000	March 2020
Business Intelligence	£1.5 million	N/A	£25,000	March 2020
Face-to-face business support	£1.2 million	N/A	£31,500	As much spent as possible by October 31 but fully defrayed by March 2020

We are submitting a **Brexit Report** to Government each week (Thursday 3pm) on the actual and potential impacts of EU Exit, including intelligence from our region on EU exit issues, new investment/economic opportunities, technical issues and attitudes in relation to business readiness.

In addition to the above, a £10 million **Brexit Readiness Fund** was made available for business organisations to support business readiness. Sussex and Surrey Chamber are delivering Brexit Bootcamps utilising this funding.

Our **operational response** to Brexit has also included:

- Re-ordering the **Growth Hub** portal to better promote Brexit support including **information** and **events**
- Prioritising the work of our Growth Hub Account managers to focus on Brexit support.
- Increased Growth Hub presence at and promotion of key Brexit Readiness events including BEIS national roadshows, DIT regional events, chamber Brexit bootcamps and other planned events
- Refocusing the remit of the Growth Grants Programme to help businesses expand their operations in the uncertain climate of Brexit
- Activating our established networks to provide business intelligence including our Growth Champions, Enterprise Advisors and Escalator Programme delegates
- Establishing a communication and social media strategy delivered through the Growth Hub Twitter page and Brexit e-newsletters.

An **internal and external communications campaign strategy** is also in place to support and complement the operational work of the Growth Hub. We are currently at 'Medium' severity level response which includes regular team engagement. In the event that no-deal is confirmed we will move up to 'High' severity level response which will include daily briefings with the team and more internal reprioritisation of resources.

Board Developments

We were pleased to confirm our 2019/20 Directors at the 2019 AGM in September including Julie Kapsalis as our new Vice Chair. All new Board members have received an induction and are getting up to speed in their new roles.

New Board members have been inducted using a new [induction pack](#). Feedback to this has been very positive.

2. Corporate update

Governance

Our Mid-Year Review with Government took place in September. We stressed our ambition to achieve an 'Exceptional' rating at the Year End Review in the three areas of delivery, governance and strategy. There is a large amount of expectation management from Government about how these ratings are awarded. The presentation given at this meeting can be found on our [website](#).

Bank Mandate

Following a number of changes on the Coast to Capital Board the signatories on the Coast to Capital Bank Mandate need to be updated. The Board is asked to agree to add Vice Chair Julie Kapsalis as a signatory to the Lloyds Bank Mandate and remove the recently retired directors.

Payments are undertaken by David Smith and authorised in line with our delegation of authority by Malcolm Brabon in the Senior Management Team. Following a recommendation from our Accountable Body the Board is asked to agree to add Kristel Smith and Katie Nurcombe as signatories to the Lloyds Bank Mandate to ensure business continuity cover for payments and Senior Management Team authorisation respectively. Training will be provided.

The Board is also asked to nominate the Coast to Capital Chair to sign the bank mandate amendment form. This needs to be minuted so the bank can action our requests.

Annual Report

The annual report for 2018/19 was published in August which showcases 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. This can be viewed on our [website](#).

Risk

BDO have been reviewing our risk management processes to update these in line with our changing operating environment. BDO have been working with Board members, SMT and other key internal individuals to determine Coast to Capital's risk appetite to inform a new risk management process including the governance of risk. Audit Committee will discuss their recommendation at their meeting in November and the Board will be asked to sign off our new approach at its meeting in January.

Organisational Developments

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

- Nathan Amin joined the Investments team as Investment Intern over the summer and supported David and the team with administration for the Growing Places Fund and Local Growth Fund projects.
- Matthew Heath moved to the Growth Hub team as Growth Grants Project Manager and will be supporting Malcolm and the team with the Growth Grants Programme.

After a period of absence from work due to ill health, Penny Daly, Enterprise Coordinator has returned to work. We have recruited an interim Enterprise Coordinator, Melanie Butcher, to cover Penny's area (Brighton & Hove and Worthing) for the next few months to increase our activity and ensure a managed return to work for Penny.

There is currently a vacancy for a Business Growth Executive in the Services team.

Corporate Charity

We are delighted to have raised almost £400 for The Marine Conservation society so far this year. A number of events have taken place to fundraise and raise awareness of reducing single use plastic. In August we held the "Great Office Bake Off" where team members were encouraged to bake cakes at home with extra points given for sustainable and locally sourced ingredients. In September, the team took part in a beach clean organised by The Marine Conversation Society.



All donations are welcome to our [JustGiving page](#).

3. Communications and stakeholder engagement

During July, August and September we issued the following press releases:

- [£7.8 million Funding Launched in Coast to Capital](#) (featured in Sussex Chamber of Commerce)
- [Plus X Brighton Reaches The Top](#) (Building Construction Design)
- [Sustainability and working together at the heart of Coast to Capital's new office in Three Bridges](#)
- [Coast to Capital supports sustainable growth at Gatwick Airport](#)
- [Local community debates local issues including housing, transport, technology and the skills shortage](#)
- [Exciting new chapter for our region's college](#) (featured in Brighton & Hove Independent, The Argus, FENews.co.uk)
- [Coast to Capital is seeking to appoint a business representative member to its Skills 360° Board](#) (featured in Surrey Chambers of Commerce)
- [New funding available to help businesses improve their productivity](#)
- [Coast to Capital appoints new Vice Chair to help lead the region](#)
- [Senior business figure appointments increase the expertise of the Coast to Capital Board](#)

We were also mentioned in the following stakeholder news:

- [Official opening for Aldingbourne Trust Quarry Building](#)
- [Town centre redevelopment taking shape](#) (featured in CrawleyNews24, West Sussex Today, Crawley Observer, West Sussex County Times,
- [£150m pledged to deliver vital upgrades at Gatwick Airport station](#) (featured **more than 200 publications** across print, tv, radio and online including BBC South East (TV), Evening Telegraph, Evening Standard)
- [Bus access through Gatwick improved with a £3.8 million upgrade including new facilities for people with reduced mobility](#) (featured in CrawleyNews24)
- [Contractor appointed to Crawley Eastern Gateway project](#)
- [£26 million funding confirmed for major road improvement scheme](#) (featured in Littlehampton Gazette, More Radio, Spirit FM, Worthing Today, Shoreham Today, Highways Industry, Shoreham Herald)
- [A2300 – preparation works start this month](#) (West Sussex Today, Mid Sussex Today, Crawley Observer)
- [Top ten priority schemes to improve South East's congested road network submitted to government](#)
- [West Sussex road schemes put forward for Government funding](#)

Local Industrial Strategy Campaign

In September we launched the Local Industrial Strategy Evidence Base consultation in collaboration with the Strategy & Policy team. The communications campaign will run until the deadline of 31 October which includes media engagement, newsletter updates, regular social media posts and team promotion. More details on the consultation will be shared as part of the LIS update (agenda item 6).

Marketing

We are continuing to increase video content to showcase our events and programmes and highlight the issues and opportunities for our #Diversity, #Brexit and #LISConsultation campaigns.

The following videos have been posted on **YouTube**:

- [Investments – Aldingbourne Trust case study](#)
- [Investments – Summary video](#)
- [Local Industrial Strategy – June big debate](#)
- [AGM – Highlights](#)
- [AGM – Full video](#)
- [AGM – Interviews](#)

Over the past three months, the Coast to Capital **Twitter** account was mentioned 757 times with 240,200 views (impressions) and 66 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 2019 AGM, Julie Kapsalis' appointment as Vice Chair, the announcement of our investment in the redevelopment of Gatwick Airport's train station, and our new office transport links.

On **LinkedIn**, we now have a total of 711 followers, an increase of 146 followers. Over the past three months, the Coast to Capital LEP LinkedIn page had a total of 1,015 page views, with 413 unique visitors and 27,890 impressions. Top trending topics included Julie Kapsalis' appointment as Vice Chair, our Summer Office Opening, our Charity Great Office Bake Off, and the Aldingbourne Trust Case Study Video.

Events

Over the summer we held a series of debates with the local business community to discuss our LIS. In [June](#), we held an event at the University of Brighton where the morning kicked off with a tour of the Advanced Engineering Centre. In [July](#), we held an event at the Reigate & Banstead Borough Council town hall. These events led up to our Annual General Meeting which took place in September and was attended by 150 stakeholders. The [full AGM](#) can be watched on our YouTube page.



In August, we were delighted to welcome Henry Smith MP to open the new Coast to Capital office in Three Bridges.



Stakeholder Engagement

Cobb PR have been contracted to support with Stakeholder Engagement for the Local Industrial Strategy and are supporting us with stakeholder mapping, stakeholder prioritisation, targeted communications and coordination of stakeholder engagement activity.

4. Investments

Projects

The Investment Committee has been very active over the last few months and members have put considerable effort into running an investment round for our final £9m of available local growth funding. This year we streamlined the application process but reinforced and strengthened our project appraisal and evaluation methodology and members of the Investment Committee have devoted significant time to the selection exercise, for which we are extremely grateful.

The end result is that the Committee have agreed a strong series of projects that resonate well with our Strategic Economic Plan and emerging LIS priorities, together with a pipeline of schemes to be brought forward if further funding becomes available. Further details can be found in a separate Board agenda item.

Growing Places Activity

Karen Dukes and the team have put significant effort into improving our governance and client management of our loan portfolio since the last Board meeting. We are extremely grateful to Karen for the extensive time that she continues to devote to the matter. A separate report on this agenda gives a more detailed update, but activity has specifically also focussed on management of the Dearman loan, as the company attends to significant financial challenges as it attempts to raise further investment from third parties. Particular thanks must also go to Jamie Arnell who has worked closely with Karen to give his expertise as we grapple with some complex issues and negotiations to maximise the chances of our loan being recovered.

5. Services

Coast to Capital Growth Hub

As detailed above the focus of the Coast to Capital Growth Hub has been realigned to support the Government's "Get Ready for Brexit campaign in the run up to 31 October 2019.

A new CRM has been implemented providing much better analysis of business support activity, dashboards and tracking for e-newsletters. For example a trackable Brexit Update was sent to 9,910 businesses through the CRM.

The Banker in Residence programme has been received very well by NatWest who have rolled out the offer to all LEP areas. The initiative has been well publicised at key events including the Croydon Business Summit and the Coast to Capital AGM. It is planned that there will be special women entrepreneur focussed events held in the area. Our Banker in Residence will be holding clinics at the Business Live Expo held in Croydon and part of Coast to Capital's presence at this event.

Coast to Capital Growth Grants

The Growth Grants programme for 2019/20 has been launched and to date, despite uncertainty caused by Brexit, interest in the funding has been relatively strong. KPIs to date are as follows:

- 45 enquiries have been received and been logged – with a “known” value of £1.44m in grants being captured (116% of our grant spend target for this financial year)
- 25 EOI forms have been sent out
- 9 EOI forms have come back in
- 2 EOI review mini-panels have taken place
- 2 EOIs have been rejected
- 3 Full Application forms have been sent out (with a total grant value of £432,631 – 35% of our target for this financial year)

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

The innovative and highly regarded Escalator programme is reaching the end of the initial six month pilot period. A special celebration event was held on 25 September at the Ricardo Centenary Innovation Centre. This event was exceptionally well received and a video of the event will be available on our YouTube channel soon. The key stakeholders, cohort members heard the detail of the real impact of the scheme and Coast to Capital's plan to expand the programme to cover different segments, introduce alumni groups and seek additional funding.

Highlight of the impact of the Escalator pilot were that cohort members reported

- 7% exporting for the first time
- 13% identified new markets to sell too
- 14 jobs were created
- 20% average increase in sales and 30% average increase in profits

An incredibly impressive Net Promoter Score of 71% was achieved by the end of the programme.

A more in-depth update of the Escalator programme is presented as a separate paper to accompany Agenda item 5 (d).

6. Strategy and Policy

Local Industrial Strategy (LIS)

This item is on the agenda.

Enterprise Adviser Network (EAN)

Since the last report the EAN programme has made significant progress. We have built the capacity of the team, developed a stronger working relationship with the Careers and Enterprise Company and made real headway in terms of our key performance indicators.

The data to the end of July 2019 shows that overall Coast to Capital has increased performance and made a large amount of progress towards meeting the Gatsby benchmark targets.

The target for Benchmark 5 (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 36%, an increase of 15% on July 2018.

The target for Benchmark 6 (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 performance is at 44%, an increase of 17% on July 2018.

A full update report is provided in the form of the Enterprise Adviser Network dashboard report October 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 21 contracted projects in the area, with 16 currently delivering. Detail on the live [contracted projects](#) can be found on our website.

We are pleased to let you know that two projects have been newly contracted, both providing internship opportunities for graduates:

Internships with Twin – Twin Group - ESF Value £699,998– PA2: Skills for Growth

This will deliver a programme of internships, placing graduates in SME's across the Coast to Capital area. The programme has been advertised to both potential graduates and SME businesses, and Twin have engaged with a number of SME's to

start the Training Needs Analysis stage with them, as well as promoting the programme to graduates, having already received a large number of graduate CV's.

Step Up - University of Brighton – ESF Value £916,032 – PA2: Skills for Growth

STEP-UP was contracted in September 2019. The project aims to bridge the gap between the supply of graduates with high-level skills, and the demand for workforce-ready employees with the vocational and employability skills required by small and medium-sized enterprises (SMEs) by matching graduates with internship opportunities.

Three calls for bids for PA2: Skills for Growth are scheduled to be released in October/November 2019.

We have prepared an ESF spotlight report (found on the Board portal) which includes more information on the current projects delivering in Coast to Capital, as well as the calls scheduled for the remainder of 2019.

European Regional Development Fund (ERDF)

We are very pleased to let you know that a three year £11m (£5.5m ERDF) Business Hot House Programme, led by the University of Chichester, has now been contracted and will start on 1st October 2019. This is a large scale project which brings together a local partnership to deliver a suite of business support options to 500 SMEs across the Coast to Capital area.

This brings the number of contracted projects up to six, totalling £8.8m ERDF.

A further four projects, totalling £13.7m ERDF, are in the pipeline at varying stages of the application process and include two large capital build projects in different growth locations in the Coast to Capital area.

The three June 2019 ERDF calls closed on 30 September, yielding 11 project applications, totalling £11.7m ERDF against a remaining ERDF allocation of £8.5m. This is the highest number of outline applications we have ever received in a single call window.

An ERDF dashboard can be found on the Board portal.

European Agricultural Fund for Rural Development (EAFRD)

50 applications for funding to support our rural businesses were received, totalling £12.3m EAFRD against an EAFRD allocation of £3.6m. We are pleased to confirm that 14 projects have already contracted, totalling £3m EAFRD.

12 projects are currently in the pipeline at varying stages of the application process,

totalling £7m EAFRD against a remaining EAFRD allocation of £0.6m.

As a result of our very strong pipeline and track record of strong delivery with EAFRD, the Rural Payments Agency (who are the Managing Authority for the EAFRD programme nationally) have agreed to fund the entire pipeline – increasing the Coast to Capital EAFRD allocation to £10m.

This is an incredible achievement and thanks are due to the considerable efforts of the Coast to Capital ESIF Sub-Committee's EAFRD sub-group, led by the Rural West Sussex Partnership.

Dashboards

These are uploaded in the Board portal for background reading.