

Coast to Capital

Meeting: Coast to Capital Board Meeting
Date: Wednesday 27 January 2021
Report Title: Stronger, Smarter, Greener Delivery
Report by: Kirsten Trussell
Item No: 3
Part: A

Recommendation:

The Board is asked to note progress on Stronger, Smarter, Greener delivery and development of the project pipeline.

1. Context

COVID-19 continues to cause significant impact across our region, and in the midst of a third national lockdown there is no certainty as to when economic recovery will begin. The Office for Budgetary Responsibility (OBR) forecasts a 12% decline in UK GDP in 2020 following a third lockdown and recovery to pre-pandemic GDP not until 2024. Earlier forecasting for the Coast to Capital area predicted a 26% decline in 2020 with a second lockdown. The potential impact of a third lock down on the regional economy is yet to be determined.

Government's Levelling Up Fund was announced at the autumn spending review and we are awaiting the publication of a prospectus in spring 2021. We are advised by MHCLG that the strategic direction for the UK Shared Prosperity Fund has been set with an anticipated fund value of up to £1.5bn pa on average based on the former European structural fund allocations. The focus will be on places and people and a detailed prospectus is due to be published in spring. The next spending review will set out the funding profile with an interim £220m fund for 21/22 which will be split between the four nations.

The above along with the Chancellor's Budget 2021 announcement on 3 March may well be delayed as a consequence of the current lockdown.

Despite the uncertainty, Coast to Capital has a strong evidence base, strategy and draft business plan for 2021/22 that address both our longer term structural challenges and shorter term approaches to recovery. Whilst we await further funding details, we are developing governance (see Chapter 4 of the Assurance Framework) and a plan to deliver Stronger, Smarter, Greener and

working with local partners to develop business cases in preparation for public funding announcements as they arise.

2. Existing Project Pipeline

At the October meeting, the Board agreed our approach to developing the project pipeline along with a new governance structure. Our involvement in these projects is categorised in three ways: LEP to lead/broker partner involvement; LEP as investor; or LEP as advocate.

There are eight projects in the 'LEP to lead/broker partner involvement' category and an overview of progress is highlighted below:

1. The **Innovation Centre** in Crawley and **Natural Capital Investment Company** are well resourced and are both progressing with business case development.
2. As part of our Skills Action Plan, we successfully delivered a virtual launch of our **Careers Hub** last month to support 35 schools across East Surrey, Crawley and Mid Sussex.
3. We are actively leading on work to submit a bid to Government's **Freeports** competition to boost international trade in the UK following our departure from the EU. We are currently working closely with Crawley Borough Council and Manor Royal Business District to develop a proposal that will raise aspiration in Crawley, define Manor Royal as an international centre of excellence in Digital High Technology and renew the future of civil aviation at Gatwick. This bid is the starting point for developing the **Land around Gatwick development vehicle** project and supports our ambition to deliver stronger growth around the airport.
4. We have made some progress on the **Decarbonisation Academy pilot** and **Inward Investment Offer** and are in the early stages of developing proposals.
5. The **Global tourism, wine and horticulture** project is being discussed with stakeholders primarily in West Sussex. Businesses under the *Sussex Modern* brand are keen to progress a business-led marketing strategy: further progress is needed on the West Sussex approach to this before our business case can be developed.

We are in regular discussion with partners on Stronger, Smarter, Greener projects where we are identified as investor or advocate. An update of all the projects set out in Stronger, Smarter, Greener can be found in Annex A.

If we are to deliver all projects in this pipeline in parallel over the coming months we will need to increase internal project management capacity and commission expert advice and support.

3. Future Project Pipeline

We are preparing for future funding announcements from Government by engaging with partners across our area to identify further, local investment priorities that will allow for a fully aligned pipeline of strategic infrastructure projects, at local, regional and national level. We will also review Getting Building Fund submissions that did not make it through to the final round and work with partners to bring forward projects of strategic significance.

The Strategy and Policy and Investment teams are working closely together on this to provide expert advice and guidance both internally and externally. Setting out outcomes that deliver on our vision and business plan.

4. Partner Engagement

Our delivery success will depend on the strength of our engagement with our partners, in particular our MPs who we will need to advocate on our behalf. We will continue to work with our partners around the region to achieve the 'one voice' for the region that the Board and our political leaders aspire to.

5. Diversity Statement

In line with our commitment to equality, diversity and inclusion throughout our business operations, when building our pipeline of projects we will consider how to meet the diverse needs of our existing stakeholders and partners and how to extend the reach of our engagement to attract a more diverse range of businesses and project ideas. This will also include understanding the social value for each project, in line with our social value development work.

6. Legal Statement

There are no legal issues for consideration with this report

7. Finance Statement

There are no other financial considerations at this current time.

Annexes:

Annex A: Stronger, Smarter, Greener – Project pipeline update

LEP to lead and broker partner investment

Project	SSG theme	Coast to Capital resources	Partner organisations	Project status
Innovation centre (SAP)	Stronger	Board sponsor - Jane Longmore Project leads - Kirsten Trussell/Anthony Middleton	Crawley Borough Council	Full business case in development
Natural Capital Investment Company	Greener	Board sponsor - Jamie Arnell Project leads - Kirsten Trussell/Anthony Middleton	Surrey Wildlife Trust	Full business case in development
Careers Hub (SAP)	Stronger	Board sponsor - Frances Rutter Project lead - Kirsten Trussell	Careers and Enterprise Company	Careers Hub launched on 8 Dec 2020
Decarbonisation academy pilot (SAP)	Greener	Board sponsor - Vacant Project lead - Matthew Wragg	New Anglia LEP	Internal working group established and scoping of pilot project underway
Freeports bid	Stronger	Board sponsor - Julie Kapsalis Project leads - Jonathan Sharrock/Matthew Wragg	Crawley Borough Council Manor Royal Business District Gatwick airport	Bid submission in development
Inward investment offer	Enabling	Board sponsor - Vacant Project lead - Malcolm Brabon	Greater Brighton Economic Board DIT	Proposal in development
Land around Gatwick development vehicle (interdependency with Freeports bid)	Stronger	Board sponsor - Vacant Project lead - Jonathan Sharrock	Unconfirmed	Project is currently undefined. We are using the Freeports bid process to assess appetite for development around Gatwick
Global tourism, wine and horticulture	Enabling	Board sponsor - Vacant Project lead - Jonathan Sharrock	Sussex Modern SELEP East and West Sussex County Councils	Sussex Modern businesses keen to progress with business-led approach. Further discussion is needed with West Sussex

LEP as investor

Project	SSG theme	Lead organisation(s)	Coast to Capital representative	Project status
Digital infrastructure pipeline delivery	Enabling	Local authorities	Investments team	Underway by local authorities, some projects either have LGF or GBF funding
Quantum equity investment fund	Smarter	Brighton & Hove City Council	None	LEP involvement undefined
Brighton & Hove innovation districts	Smarter	Brighton & Hove City Council	None	LEP involvement undefined
Greater Brighton hydrogen hub	Greener	Greater Brighton Economic Board	Matthew Wragg	In discussions to develop proposals
Regional retrofit programme	Greener	Greater Brighton Economic Board West Sussex County Council Surrey County Council	Matthew Wragg	LEP involvement undefined
South2East local energy delivery: Project pipeline in development. To include partner led projects across the 18 energy project models.	Greener	Various - according to project	Matthew Wragg	Various - according to project

LEP as advocate

Project	SSG theme	Lead organisation(s)	Coast to Capital representative	Project status
Croydon Area upgrade scheme	Enabling	Network Rail	Katie Nurcombe	Phase 2 of public consultation ended in September 2020
TfSE strategy delivery	Enabling	TfSE	Jonathan Sharrock Martin Harris	Progressing area studies
BML 5G spine	Enabling	Network Rail	Kirsten Trussell	Procurement phase
Institute of Technology (SAP)	Enabling	Chichester College Nescot College University of Sussex University of Brighton Coast to Capital	Kirsten Trussell	Bid for Wave 2 capital investment competition submitted 14 December 2020