

Coast to Capital



**Bold decisions.
Best in Class.
Brilliant Future.**

Business Plan 2021- 22

Chair's foreword

"It is with great pleasure that I set out the Coast to Capital business plan for the year ahead.

I am very proud to be the Chair of the Coast to Capital Local Enterprise Partnership (LEP) at this crucial time for the UK economy as we emerge from the challenges of the COVID-19 crisis.

Along with other LEPs across England, Coast to Capital has a crucial role to play in helping to support economic recovery and new business realities. As a region which has always made a significant net contribution to national prosperity, Coast to Capital has a lot to offer.

In our new business plan, we have refocused the role of our LEP to add value to regional growth. This includes building even stronger relationships with our key businesses and sectors. We will be concentrating on the most important opportunities to sustainably grow our business base, attracting investment, developing skills and generating jobs.

We are also working with partners to collaborate on the delivery of new priority projects for the

region: bringing our unique added value to help convene the public, private and education sectors on issues which will transform the region. There is significant demand from partners for our support in developing these Regional Projects, and it will form a major part of our work.

This represents the most significant change in our business since we were founded in 2010. As an ambitious organisation, Coast to Capital aims to pioneer what an effective LEP looks like to support our local authorities, businesses and voluntary & community sector in delivering their wider priorities.

This plan builds on the vision that I set out at our AGM in September of last year. I am committed to leading a LEP that makes bold decisions, aspires to be best in class as well as securing a brilliant future for the region and future generations.

On behalf of the whole Board, we look forward to working closely with our partners across the region in the delivery of this business plan."

Julie Kapsalis – Coast to Capital Chair

Introduction

This business plan sets out our action plan for the year ahead to help support the economy to grow and adapt.

COVID-19 and the associated lockdowns have had a profound impact on the regional economy. In comparison with the overall UK economy (which declined by [9.9% in 2020]¹), the region has performed significantly worse with an estimated contraction approaching [17%]². Before COVID-19, about 10% of the economy came from Gatwick, and around 10% of our workforce commuted to London.

As we look towards recovery, structural change is inevitable, and we have no time to spare in getting to grips with the opportunities and ongoing challenges that we face. We are refocusing Coast to Capital on new priorities needed to improve the business environment of the region, which is an evolution of our work in recent years.

This approach marks the beginnings of a departure from our publicly funded business model. We aim to achieve this through the development of effective regional and local project delivery functions, and deepening relationships with businesses in the region. This will diversify our income in a way which reflects our values.

We are evolving into an organisation which can cost and charge for the services that it provides, working with customers across the public and private sectors. We will be developing this commercial model further over the course of the year, taking close account of the findings of the LEP review.

This advancement reflects our organisational DNA. We are uniquely placed as a partnership-based organisation, working closely with businesses, local authorities, universities, the FE sector, voluntary & community sector and MPs. We are committed to harnessing this new responsibility and position of influence by providing leadership to the regional economy in the year ahead.

¹ Source: Office for National Statistics - GDP monthly estimate – 2021

² Source: Coast to Capital COVID-19 Economic Impact Assessment – 2021

Working with our partners in Surrey, West Sussex and Brighton & Hove

The Coast to Capital area does not fit the regional template. Rather than a single identifiable city region, it is a network of functional economic hubs surrounding Gatwick airport, which remains the most important economic asset in the area.

The economies of Greater Brighton, West Sussex and East Surrey each have their own distinct sense of identity, offering a powerful draw for businesses, entrepreneurs and visitors from London, across the UK and the rest of the world.

Our private sector-led Board brings together business leaders representing the sectors and companies which operate successfully across the region, alongside local authority leaders and representatives of the Higher and Further Education sectors.

Political objectives for economic growth have been scaled up over the last year. We strongly welcome the economic strategies published by West Sussex County Council¹, Surrey County Council² and the Greater Brighton Economic Board³ and are committed to doing all that we can to support their delivery.



1 West Sussex County Council Economy Reset Plan

2 Surrey County Council Economic Plan

3 Greater Brighton Economic Board Plan

Working with our partners in Surrey, West Sussex and Brighton & Hove

We have built excellent relationships with local authorities over the course of ten years. Our engagement has deepened further during COVID-19, where remote working has enabled us to meet more frequently with Leaders. We are entirely politically neutral, and we engage constructively and openly on economic issues of all kinds. Five of our local authority Leaders are full members of the Board and are active in our sub-committees, ensuring strong democratic challenge of our work.

We work closely with the large number of Chambers, BIDs, business representative groups and interest groups in the region including the Gatwick Diamond Initiative, Brighton and Hove Economic Partnership, Coastal West Sussex Partnership and Rural West Sussex. This allows us to promote a good understanding of our work and liaise directly with the largest number of small businesses and entrepreneurs.

We continue to work closely with MPs, including on local projects and issues of concern as well as wider themes and priorities. Regular briefings of MPs have been introduced during COVID-19 and will be stepped up in the year ahead.



A high quality organisation

Coast to Capital is committed to the highest standards in governance, transparency and accountability. We endeavour to go over and above what is required by Government.

Ambitious

We are a high performing, goal orientated team. We are committed to delivering value for our region, and being a benchmark of quality for LEPs nationally.

Focused

We are driven by the desire to make a positive impact. Focused on strong leadership, collaboration and strategic investment to improve the quality and economic performance of the region.

Trusted

We believe our reputation is forged by what we do, not what we say. Each strategic decision, each investment and every conversation provides an opportunity to build and strengthen trust.

Champion

We are a champion for all businesses and communities in the region. Through working closely with the regions economic hubs and local authorities we are able to gain a deep understanding. Then we join the dots to secure investment for our region.

Diverse

Our region is a diverse one, in every sense - geographically, economically, socially, demographically. We regard this as a major asset. When we bring people together, and work inclusively to make the most of their potential, we achieve our best.

Changing context to our work

The economic challenges of COVID-19 set a unique context to our work in the year ahead.

Coast to Capital's future investment priorities for the region were set out in our document Stronger, Smarter, Greener which was published in summer 2020. This built on our comprehensive Strategic Economic Plan, Gatwick 360, which was published in 2018. The priorities of this business plan are designed to deliver the Board's vision.

Government has set out its plans for the future of the UK economy in its document Build Back Better, published in March 2021. This sets a very clear map for public policy and national investment priorities to support regional growth.

Government is preparing a White Paper to support delivery of this agenda and, as part of that, will be reviewing the role of LEPs. This business plan, as well as the changing organisational structure of Coast to Capital, reflects our ambition to exemplify what an effective Local Enterprise Partnership looks like.

Coast to Capital is a founding member of the Catalyst South coalition of LEPs across the wider South East of England, which advocates for the issues facing this region as one of the drivers of the UK economy. A political focus on the North and Midlands means that this work has never been more important. In the year ahead, we will continue to prioritise this engagement and seek out partnerships with similar parts of the country such as the UK Innovation Corridor and Oxford-Cambridge Arc.

Catalyst South also leads on collaboration with the London LEAP to maximise partnership working with the city. Whilst the Catalyst South programme for the year is being finalised, we are proud to be leading on an early priority to identify and address issues faced by Airport towns across London and the South East which have been affected by COVID-19.

Reimagining a Local Enterprise Partnership

Our operating environment has been subject to several important policy changes. LEP's are no longer responsible for the decision-making and administration of regional investment funds, such as the new Levelling Up fund, and there is no immediate intention to develop a Local Industrial Strategy.

Our Board takes an ambitious and optimistic view of the region and is united in the belief that the right interventions can make the region a fantastic place to live, work and succeed. Our priority is to improve the economic fortunes of the area, and to deliver the strategic objectives set out in

Stronger, Smarter, Greener.

We intend to give the Government a clear role-model for what a pro-active and effective LEP can do and inform any changes that they choose to make to the national template.

The rest of this business plan sets out our new priorities, along with clear objectives for what we aim to achieve this year.

Leading business engagement and support

The scale of the economic challenges facing the region requires a further step-change in our engagement with businesses, so that Coast to Capital maintains an unparalleled understanding of the challenges facing companies and communities in the area.

The region is fortunate to host many major businesses across a wide range of sectors, which bolster economic activity across the area. Creating the right environment for these businesses to thrive is key to our work. We will deepen our relationships with larger business and key sectors and identify opportunities for growth and access to a skilled workforce. Nurturing the supply chains which serve these major businesses is key to economic growth. To achieve this, we will drive innovation by working with ambitious and scaling SMEs.

One of the strengths of the region is the diverse range of significant industrial sectors which are based here, many with significant potential for future growth. The diversity of these sectors reflects the depth of economic activity in the region: ranging from aviation to agriculture; advanced manufacturing to technology development; food production to tourism. In the year ahead, we will further prioritise our engagement with these sectors and help provide the support they need to deliver continued growth.

A further priority for the LEP is the promotion of Equality, Diversity and Inclusion (EDI) with opportunity for all within the regional business environment. Diversity is at the heart of our values as an organisation. To support economic recovery, a particular priority will be given to ensuring that people of all backgrounds are able to access work and contribute to the economy.

We have already trialled a data-based approach to business support in 2020, which allowed us to prioritise women-owned and women-led businesses and we will be building on this in the year ahead by strengthening our connections with diverse business networks.

Engagement with small businesses is key to our success. Our relations with the FSB, the Institute of Directors, our networks of Chambers of Commerce, BIDs and local business groups are a priority, and we will continue to invest time and effort in this engagement in the year ahead.

A consistent theme in our discussions with partners is the challenging environment for small businesses to grow and scale due to a lack of business space, skills shortages and specialist support. We are delighted to have received Government funding for a third year of our acclaimed Peer Support network to support this part of the regional economy – targeting up to 110 leaders of growing regional businesses and providing impartial and expert mentoring support to help them grow.

Investment in the region

One of the major goals for any LEP in raising the profile and importance of its region is to attract additional capital investment, to boost economic capacity.

Coast to Capital has established significant credentials in this work in recent years, attracting and administering more than £300m of capital funding from Government to invest across a diverse portfolio. In the year ahead we will build on this experience to help the region respond successfully to changing political priorities.

This work is based on our significant efforts to build a comprehensive picture of the regional economy. This analysis is hugely valuable and underpins our work. We will maintain and further develop this knowledge to ensure its continued relevance and will use this to consider the development of additional services to partners and businesses.



Photo: Artist impression of the mock-wards located at the University of Chichester's new nursing school (£1.2 million Getting Building Fund allocation)

Regional Projects

We are developing a significant new programme of support for the regional economy.

We are looking to support partners in the region in the development and advocacy of a portfolio of regional projects. Leading this work is a priority for the Board and the Executive team in the year ahead.

The regional projects have strong local support from businesses, political leaders and other players which we believe are relevant to Government's wider national and international objectives. Our goal is to achieve the profile and funding necessary to ensure delivery of these projects – through leadership, lobbying and development of effective coalitions with Government if necessary.

In many cases this will mean showing Government the

innovation and successful delivery which comes from the area but does not always achieve the level of political attention that it deserves.

We are delighted that there has been significant interest from partners in developing Regional Projects, with more than 40 expressions of interest received from businesses, business representative organisations, education partners and public bodies.

We will develop a portfolio of projects and support the delivery of these in the year ahead. This includes the possibility of providing capital funding through unspent and recovered Local Growth Fund resources, subject to approval by the Accountable Body and in line with our Assurance Framework.

Delivery of existing contractual commitments

We will continue to monitor and report to Government on the performance of our existing investment portfolio, which includes more than 120 projects funded by the Local Growth Fund and Getting Building Fund.

In 2020, we celebrated major milestones of several flagship Local Growth Fund projects:

- The redevelopment of the Gatwick airport railway station, which received a £10 million Local Growth Fund investment, remained on track despite the COVID-19 pandemic
- A significant new regeneration scheme which will transform Worthing's Portland Road into a vibrant and inclusive space commenced with a Local Growth Fund allocation of £697,000
- A brand new, multi-million-pound STEM facility started welcoming students at Crawley College following a Local Growth Fund investment of £4.9 million

Meanwhile, work has begun on a new school of nursing at the University of Chichester which intends to develop hundreds of healthcare workers by 2025. The £1.2million Getting Building Fund allocation from Coast to Capital will not only help to boost the region's health and social care sector, identified as Sussex's highest-employing industry, but support the government's pledge to develop 50,000 more nurses in the NHS by 2025.

An important priority this year is to finalise delivery of our £19.2m Getting Building Fund by the end of this fiscal year.

This work is a high priority within our business plan to meet Government's expectations of us, and to demonstrate the region's capacity to deliver effective results from public investment. We will continue to help delivery partners meet their agreed objectives and will collaborate closely on issues which arise from this. Our Investment Committee will continue to take a close interest in the delivery of agreed outcomes from these investments including, in some cases, intervening to help resolve issues and support delivery partners. Policies exist to recover unspent LGF funds, as a last resort and when it is mutually agreed that objectives are not going to be met. We will then be able to invest these recovered funds in projects which deliver wider regional priorities.

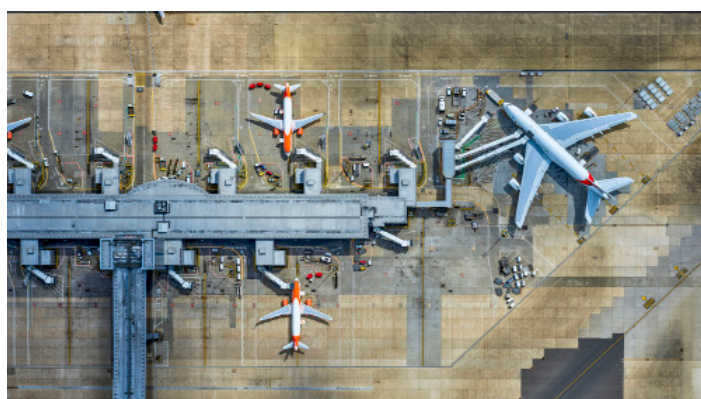
Growing Places Fund

We continue delivering our successful Growing Places Fund, which is a revolving loan fund available to support scaling businesses who are finding it otherwise difficult to access funding.

In the year ahead we will be undertaking a review of the fund, to maximise the value that it is adding to the regional success.

Local Projects

We are also looking to support partners on their own work to support local economies, where we are asked and where we can be of help. We are trialling a proof of concept for how Coast to Capital can use its skills, knowledge, and expertise to do this, aimed primarily at supporting Local Authorities.



Skills, innovation, and labour markets

The expected evolution of the regional economy because of COVID-19 is likely to present a series of challenges to labour markets. We expect that the dominant issues will be the availability of skills in growing sectors, the need for higher level skills in all areas, and the need to support people who lose their jobs in declining sectors.

The Government has launched significant initiatives in the last year to help address the skills and labour market issues arising from the COVID-19 emergency, culminating in the recent Skills White Paper. Coast to Capital will lead the engagement of business, the education sector, the voluntary & community sector, and local authorities in developing an effective regional approach to skills development. We will do this through the broadening and deepening of our business-led Skills Advisory Panel, Skills 360, funded by the Department for Education. Our priority will be the delivery of our recent Skills strategy and Skills Action Plan, including the implementation of sector-specific skills plans.

We will also develop, for the first time, an assessment of the capacity of the region to drive innovation and to attract businesses which will thrive over coming years. We will work closely with universities, with FE colleges and major employers to identify areas where an innovation gap exists. Coast to Capital strongly supports the bid to develop an Institute of Technology for the region which would underpin this work.

We will continue to lead work on the quality and availability of careers advice to young people across the region. Using our long-term relationship with the Government's Careers and Enterprise Company, we will further improve our support to schools and colleges, helping young people whose learning has been particularly impacted by COVID-19 to get ready for the labour market. We will continue to deliver our careers hub in East Surrey and northern parts of West Sussex and will seek to create a further hub to address skills elsewhere in the region.

The way we work

We are committed to good governance, transparency, and accountability to ensure that our partners, stakeholders, and members of the public have confidence in the way that we conduct our business.

We have strong governance structures in place, and Government's recent assessment of our compliance with the requirements of the national assurance system confirmed that we are operating at the highest possible level.

Our Accountable Body supports our governance arrangements. Brighton and Hove City Council were appointed to provide Accountable Body services to the LEP in March 2021, and we look forward to working closely with them on this over the coming years.

We are committed to operating in a professional and transparent way in everything that we do. We have created a new business-chaired Finance and Resources Committee to provide further scrutiny and support to the Chief Executive in the operation of the business.

Other changes in our assurance reflect the Board's desire to play a leading role in the promotion of Equality, Diversity and Inclusion in the regional economy. We will continue to prioritise these issues in the year ahead, both in the policies of the organisation and the work that we do. We are ambitious in this area and will continue to increase our focus on it.



Our budget and funding

The Board has agreed our [indicative balanced budget](#) for 2021/22.

This will be delivered in line with the long-standing principles by which the LEP operates:

- As a company limited by guarantee, we operate in line with the expectations of a limited company and our financial performance is assured by our independent auditors Kreston Reeves.
- The business operates with the aim of raising sufficient revenue to cover its costs, not to make profit.
- We work closely with our Accountable Body to ensure that what we do is fully consistent with the standards set out in the national LEP assurance framework. Brighton and Hove City Council are our Accountable Body.

The company's financial performance will be overseen by the new Finance and Resources Committee, whose terms of reference are set out in our Assurance Framework.

Like all LEPs, Coast to Capital is challenged by the inherent constraints of the existing LEP funding model. The structural costs of running our organisation, specifically the costs of our accountable body, of compliance with the LEP assurance framework, and of basic core costs for the organisation like accommodation, IT systems and insurance are now significantly greater than the £500,000 annual grant we receive from Government.

We have been fortunate to receive grant support from local authority partners, which have allowed us to operate a Strategy and Policy function over recent years as well as to deliver core services like a website, communications, and stakeholder engagement operations. We will be asking for a further contribution from them this year, at the same level as in 2020/21.

But we expect that this will be the final year in which we make such a request for funding from local taxpayers. Our new business plan includes the development of a revenue strategy, to allow us to recoup the costs of delivering our services particularly the delivery of regional projects. As we diversify our income sources, we will be developing a coherent policy on how the LEP might be able to distribute any future surplus income, through the identification of clear corporate, social, and environmental goals in the region. Our goal is to become an exemplar of a new kind of organisation which can deliver stretching goals in terms of public good as well as being competitive and sustainable as a private company run on a not-for-profit basis.

Corporate priorities

This business plan represents a significant evolution of our work, and the executive team continues to evolve to reflect it. This includes a significant corporate restructure at the start of the year to ensure that resources are appropriately deployed in support of this business plan.

We will continue to develop professional skills within the team to support the delivery of this plan with a focus on the following issues:

- Engagement and partnership skills, to ensure that Coast to Capital has an excellent understanding of the challenges facing our businesses.
- Project leadership and delivery skills, to support the development of Regional Projects to attract further funding into the region.
- Appropriate expertise and knowledge in key issues facing the regional economy, such as skills, to develop our leadership role with partners.

We will continue to develop our profile as an excellent employer, which promotes opportunity and development opportunities across our team. We prioritise the promotion of Equality, Diversity and Inclusion in our team and our work, and will continue to do so over the coming years with a view to championing this issue within our economy and with our partners. Ensuring that everybody who lives and works in the region can reach their full potential is the only way in which we will ensure that the region meets our objective of being an excellent place to live, grow and succeed.



Objectives for 2021/22

Working with partners

- A minimum of six briefing meetings a year with local authority leaders to share information and maintain alignment with political priorities.
- Quarterly briefing meetings with MPs as well as case by case involvement in priority constituency issues, to ensure alignment with political priorities.
- Transparency to local businesses on our work, through high quality AGM, yearly forum with business representative organisations and ongoing work on specific issues to ensure alignment of our work.

Business engagement

- Establish strategic partnerships with major employers and priority business sectors in the region, agreeing areas of future joint work and potential for future Regional Projects.
- Produce an SME business manifesto for the region reflecting engagement with small, medium and scaling businesses – identifying issues to form the basis of future Regional Projects.
- Ensure adoption of an EDI-based business engagement approach across Catalyst South using innovative data platforms to target support to key business segments.

Project delivery

- Develop a portfolio and pipeline of Regional Projects and draw additional funding into the region to support them. A minimum of six projects developed and identified for funding this year.
- Develop an effective proof of concept for Local projects support local authorities in their statutory role.
- Full delivery of our contracted outcomes with Government funded by the Local Growth Fund and Getting Building Fund.
- Review the investment priorities of the Growing Places Fund, to ensure full alignment with strategic goals and a good return on capital under management.

Skills, labour markets and innovation

- Delivery of work programme in Skills 360 strategy including implementation of sector skills plans on construction, digital and other sectors.
- Delivery of high-quality careers advice and support to schools and colleges across the region, including development of options for further careers hubs including in coastal towns.
- Identify priorities for improvement in regional innovation environment including collaboration across FE and HE through development of regional Institute of Technology.

Budget and corporate priorities

- Development and implementation of revenue strategy to replace or significantly reduce reliance on local authority grant support from 22/23.
 - Develop of a strategic approach to distribution of future surplus revenue, in line with clear social and community goals for the region.
 - Full compliance with an evolving national assurance framework for LEPs including full compliance with the outcomes of the LEP review.
 - High quality governance of our business in line with our assurance framework, to ensure transparent delivery of objectives.
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