

**Coast to
Capital**



**INDUSTRIAL
STRATEGY**

Local Industrial Strategy

Evidence Base Consultation

1. Introduction (Part 1 of 2)

What is Coast to Capital Local Enterprise Partnership?

Coast to Capital is one of 38 Local Enterprise Partnerships across the UK. Our purpose is to shape regional economic priorities, support businesses and make investments that will drive growth.

Our area is a network of economic hubs, each with its own distinct sense of identity – West Sussex, Greater Brighton and East Surrey. In July 2018 we published Gatwick 360°, our Strategic Economic Plan, which sets out our bold economic vision and our priorities for the area by 2030.

What is a Local Industrial Strategy?

Following the launch of the UK's Industrial Strategy in 2017, Government asked all Local Enterprise Partnerships to produce a Local Industrial Strategy for their area by March 2020. These will build on local strengths to drive economic productivity across the UK.

In doing so we must fully address the 5 foundations of productivity, as set out in the Industrial Strategy:

- **People:** good jobs and greater earning power for all
- **Business Environment:** the best place to start and grow a business
- **Places:** prosperous communities across the UK
- **Infrastructure:** a major upgrade to the UK's infrastructure
- **Ideas:** the world's most innovative economy

Local Industrial Strategies should also consider how the area can contribute to the Grand Challenges: Artificial Intelligence and data, Ageing society, Clean growth and Future of mobility.

What is the purpose of this consultation?

This consultation asks you to consider the **draft evidence base** for our Local Industrial Strategy, to ensure that it accurately reflects the diverse nature of the Coast to Capital economy. The evidence base is crucial in demonstrating to Government our particular strengths and opportunities for economic growth.

Why have you prepared a further evidence base?

We have commissioned professional economic advisors to help us to understand further the challenges facing our area's economy and to benchmark these against other English regions. We believe that this evidence complements what we have already set out in our Gatwick 360° strategy and will strengthen our arguments with Government.

What is in the draft evidence base?

The draft evidence base brings together a wide range of information, or data, about the Coast to Capital economy, its communities and its environment. It updates and expands the evidence we set out in Gatwick 360°, under each of the 5 foundations of productivity.

It also provides a focus on each of the further research pieces we commissioned following Gatwick 360° to examine in more detail our urban centres, commercial property, skills and the labour market, digital connectivity and our innovation ecosystem.

Coast to Capital's Local Industrial Strategy Draft Evidence Base Consultation Questionnaire

2. Introduction (Part 2 of 2)

How is the questionnaire set out?

The questionnaire is set out in four parts:

- Part 1: About you
- Part 2: Opportunities
- Part 3: Economic profile
- Part 4: Innovation

There are 25 questions in total. All questions are optional and you may respond in as much or as little detail as you wish.

How do I take part?

The consultation is open from 19 September until midnight on 31 October 2019.

Please send your completed consultation questionnaire to the following postal address:

Pacific House (Second Floor), Hazelwick Avenue, Three Bridges, Crawley, RH10 1EX

For any queries about taking part in the consultation please email contact@coast2capital.org.uk.

What happens next?

Once the consultation has closed we will review all of the responses in order to finalise the evidence base. We will publish a full report on our findings on the [Local Industrial Strategy](#) pages on our website.

As we complete the evidence base, we will engage with our stakeholders across the private, public and education sectors to develop and finalise our Local Industrial Strategy proposals.

A formal negotiation with Government is expected to begin towards the end of this year to sign-off and publish our Local Industrial Strategy by March 2020.

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3. About you

Part 1 - About you

* 1. What is your name?

* 2. What is your postcode?

* 3. What is your email address? **(We will not pass your email address onto any other agencies)**

* 4. Are you responding as an individual or on behalf of an organisation? (Please tick one box only)

- Individual
- Organisation

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4. About You - (Organisation)

* 5. What is the name of your organisation?

* 6. What position (job title) do you hold within the organisation?

* 7. What type of organisation is it? (Please tick one box only)

- Public
- Private
- Voluntary
- Interest or Community Group
- Other (please specify)

* 8. What sector is your organisation in? (Please tick one box only)

- Agriculture, Forestry & Fishing (Including Horticulture)
- Manufacturing
- Construction
- Motor Trade
- Retail
- Wholesale
- Transport & Storage
- Accommodation & Food Services
- Information & Communication
- Other (please specify)
- Finance & Insurance
- Property
- Professional, Scientific & Technical
- Business Support & Administration
- Public Administration & Defence
- Education
- Health
- Arts, Entertainment, Recreation

* 9. How many people does your organisation employ? (Please tick one box only)

- Micro (0-9 employees)
- Small (10-49 employees)
- Medium (50-249 employees)
- Large (250+ employees)

5. Part 2 : Opportunities

We are interested in any opportunities, big or small, which you consider will help to drive the future Coast to Capital economy.

These might relate to issues such as jobs, wages, education, town centres, business space, innovation, transport or the environment.

10. Are there any opportunities which you think should be central to our Local Industrial Strategy? Please provide links to any sources of evidence to support your comments.

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6. Part 3: Economic profile

Please answer the questions in Part 3 to help us accurately describe the Coast to Capital economy for our Local Industrial Strategy.

Even though the Coast to Capital region has historically had a strong economy, economic performance has declined or has been weak, relative to competitors in recent years. This is driven by a range of factors related to the 5 foundations of productivity as set out in the UK's Industrial Strategy:

- People: good jobs and greater earning power for all
- Business Environment: the best place to start and grow a business
- Places: prosperous communities across the UK
- Infrastructure: a major upgrade to the UK's infrastructure
- Ideas: the world's most innovative economy

Each question in Part 3 relates to one of these 5 Foundations. Each presents a summary of our findings with detailed evidence found in the *draft economic profile*. A set of conclusions on the foundations is presented at the end for your comment.

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7. Part 3: Economic profile (continued)

People

Please refer to pages 17-34 in the draft economic profile

Coast to Capital has a growing and ageing population. While the area performs close to the national average on a number of different people-focused measures (e.g. employment, economic inactivity, qualifications levels) there are clear disparities across the region. The area is generally weaker than the wider South East on these measures.

In summary

- The population growth rate (13%) has been higher than across England (10%) since 2012 and this is expected to continue
- Population growth has been highest among those aged over 50+ and, in most areas, the 16-24 population has declined
- The employment rate (77%) is close to the national average (75%), but there is clear disparity across the region
- A higher proportion of people are in higher level occupations than the national average, more noticeably to the north of the area
- Qualification levels are better than the national average but there is high inequality (for every 10 people with degree level and above qualifications, there is one person without any qualifications)
- People who commute out of the area earn more than those who work here

11. From your understanding, do you agree that our findings for the People foundation reflect the Coast to Capital area? (Please tick one box only)

- Strongly agree Disagree
- Agree Strongly disagree
- Neither agree nor disagree

12. Please provide any comments to explain your answer above. If you think there is anything we haven't considered, that would be relevant to our Local Industrial Strategy for this foundation, please provide links to any sources of evidence to support your comments.

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8. Part 3: Economic profile (continued)

Business Environment

Please refer to pages 35-55 in the draft economic profile

Employment growth, business growth and business start-up figures have been lower than the national and South East averages in recent years. This is likely to be driven by a range of factors, but evidence shows that the supply, quality and type of commercial space available is a key constraint.

In summary

- Coast to Capital has performed less well than the national average and 23 other Local Enterprise Partnerships in terms of employment growth since 2012 (8%)
- Coast to Capital has performed less well than the national average and 17 other Local Enterprise Partnerships in terms of business growth since 2012 (17%)
- The region has growing sector specialisms in Business Support Services, Construction, Creative, and ICT and Digital
- The most prominent sectors in terms of numbers of businesses are Financial and Professional Services, Construction and Retail
- With the exception of Brighton & Hove and Crawley, business start-up rates are low across the region (119 per 1,000 businesses) compared to the national average (132), with particularly low rates in much of the south and in West Sussex
- Demand for office and industrial remains stable but there are significant supply and quality constraints

13. From your understanding, do you agree that our findings for the Business Environment foundation reflect the Coast to Capital area? (Please tick one box only)

- Strongly agree Disagree
- Agree Strongly disagree
- Neither agree nor disagree

14. Please provide any comments to explain on your answer above. If you think there is anything we haven't considered, that would be relevant to our Local Industrial Strategy, please provide links to any sources of evidence to support your comments.

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9. Part 3: Economic profile (continued)

Places

Please refer to pages 56-84 in the draft economic profile

Coast to Capital has a diverse range of nationally important urban, rural and coastal places. While each has a range of positive aspects and opportunities, they all face unique and diverse challenges. There are however several common issues such as housing affordability, personal wellbeing and air pollution. Urban centres are the drivers for economic activity and this is expected to continue in coming years.

In summary

- 70% of the region's population live in urban centres and the urban population is expected to increase over time
- Median house prices are nine times higher than median resident earnings making the area highly unaffordable
- Places with the highest growth rates tend to have higher levels of air pollution
- Levels of personal wellbeing vary across the area and are stubbornly below the national average in some areas
- Deprivation levels are generally low, but there are pockets of severe deprivation across the area
- 70% of businesses are located in urban centres, but employment growth within them is lower than the regional average due to a range of constraints

15. From your understanding, do you agree that our findings for the Places foundation reflect the Coast to Capital area? (Please tick one box only)

- Strongly agree Disagree
- Agree Strongly disagree
- Neither agree nor disagree

16. Please provide any comments to explain your answer above. If you think there is anything we haven't considered, that would be relevant to our Local Industrial Strategy, please provide links to any sources of evidence to support your comments.

10. Part 3: Economic profile (continued)

Infrastructure

Please refer to pages 85-93 in the draft economic profile

Infrastructure is a key influencer of economic progress and prosperity. Even though Coast to Capital has historically had strengths in this area, a lack of investment and increasing usage over the last thirty years have put pressure on this ageing infrastructure. There is also clear variation across the region – urban areas tend to have stronger infrastructure than more rural and deprived areas.

In summary

- The area is rich in natural capital with a number of protected areas, including the South Downs National Park, Surrey Hills and Chichester Harbour Areas of Outstanding Natural Beauty and also the UNESCO Brighton & Lewes Downs Biosphere
- The area is officially designated as being seriously water stressed and there are energy grid constraint issues. Transport accounts for the majority of carbon emissions
- While the area has extensive transport networks, plans for future investment need to be clarified
- Ultrafast broadband coverage is strong in urban areas, but is far less comprehensive in most rural areas creating a digital divide
- 4G outdoor coverage is comprehensive across the region (99%), but many more rural areas have lower than average indoor coverage

17. From your understanding, do you agree that our findings for the Infrastructure foundation reflect the Coast to Capital area? (Please tick one box only)

- Strongly agree Disagree
- Agree Strongly disagree
- Neither agree nor disagree

18. Please provide any comments to explain your answer above. If you think there is anything we haven't considered, that would be relevant to our Local Industrial Strategy, please provide links to any sources of evidence to support your comments.

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11. Part 3: Economic profile (continued)

Ideas

Please refer to pages 94-102 in the draft economic profile

Coast to Capital has strong representation across innovative sectors (e.g. digital, life sciences and healthcare) and high levels of capacity for growth. However, investment levels in research and development (R&D) in the region are low. The area also faces several barriers to innovation relating to a skills shortage and low availability of business premises.

In summary

- Coast to Capital is a highly complex area to define – it has extremely diverse economies and even more diverse places
- Despite a strong innovation backbone, R&D has low funding with private and public investment lower than expected
- Engagement shows that companies are facing severe skills shortages, struggling to fill vacancies, recruit graduates or attract young people
- Companies are willing to work together and mobilise to address the skills crisis but require a clear vision to do so
- Coast to Capital faces a problem with the availability of business premises, whether it is space, location, cost or quality

19. From your understanding, do you agree that our findings for the Ideas foundation reflect the Coast to Capital area? (Please tick one box only)

- Strongly agree Disagree
- Agree Strongly disagree
- Neither agree nor disagree

20. Please provide any comments to explain your answers above. If you think there is anything we haven't considered, that would be relevant to our Local Industrial Strategy, please provide links to any sources of evidence to support your comments.

12. Part 3: Economic profile (continued)

Conclusions

Based on our findings, the following are a set of conclusions about the 5 foundations of productivity within Coast to Capital.

- Coast to Capital is not a single functional economic area. Evidence on commercial property, labour market and urban centres suggests there are four distinct geographies: Brighton and the Coastal Areas; Rural Areas, the Gatwick Economic Area and the London Commuter Belt. They each have distinct circumstances and need focus. **All foundations**
- Coast to Capital has a very low proportion of residents aged 20-40 and a high proportion of residents at, or approaching retirement age. Enabling skilled young workers to be able to locate within the LEP area is critical for the future competitiveness of Coast to Capital as a business location. **People**
- Hiring and retaining skilled staff is a major issue for local employers, a lack of technical, senior and graduate skills. This is then impacting business capabilities and their ability to compete from their current locations. **People**
- Identity and amenity are increasingly important to location decisions (business and workers) and to stimulating the social connections and networks which underpin innovation. Currently Coast to Capital urban centres are not distinct enough to act as an asset or attractor for the Coast to Capital area. **Places**
- A lack of innovation funding in universities particularly into the specialist industries like engineering, resulting in underfunded/non-existent academic research. **Ideas**
- The region suffers from a lack of high quality office and industrial space. This influences its ability to keep expanding businesses and attract higher value businesses. Evidence suggests that more productive competitor LEP areas have had a higher proportion of high quality office and industrial deals in recent years. **Business Environment**
- The diversity of the Coast to Capital area makes it unlikely that a single approach to developing digital network capability can succeed. Individual local authorities have taken different approaches, resulting in a patchwork of digital infrastructure initiatives. The area would benefit from a strategic and coordinated approach to investment. **Infrastructure**
- The area is rich in natural capital assets, much of it protected through our National Park and Areas of Outstanding Natural Beauty. However, there is a significant opportunity to bring about a net gain in our natural assets and reduce carbon emissions by developing a model for sustainable growth. **Infrastructure**

21. From your understanding, do you agree that our conclusions reflect the Coast to Capital area? (Please tick one box only)

- | | |
|--|---|
| <input type="radio"/> Strongly agree | <input type="radio"/> Disagree |
| <input type="radio"/> Agree | <input type="radio"/> Strongly disagree |
| <input type="radio"/> Neither agree nor disagree | |

22. Please provide any comments to explain your answer above. If you think there is anything we haven't considered, that would be relevant to our Local Industrial Strategy, please provide links to any sources of evidence to support your comments.

23. What do you think are the key interventions that we should propose to Government to address these, or your own, conclusions?

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13. Part 4: Innovation

Please answer these questions to help us identify the specific areas of business innovation within the Coast to Capital area.

The following shows the key strengths we have identified in Brighton, Manor Royal Business Park (Crawley) and across the wider Coast to Capital area

Brighton's Digital Sector:

- Gaming
- Augmented reality/virtual reality
- Creative
- E-learning

Crawley/Manor Royal:

- Aerospace
- Electromedical manufacturing
- Advanced engineering

Across Coast to Capital:

- Horticulture
- Viticulture and tourism
- Hydrogen fuelled buses
- Electric fuel cells
- Engine efficiency

We will align areas of innovation to the [Grand Challenges](#), as set out in the UK's Industrial Strategy, where there is evidence of potential future business growth and increased productivity.

24. From your understanding, do you broadly agree that these areas of business innovation reflect the key strengths in the Coast to Capital area? (Please tick one box only)

- | | |
|---|--|
| <input type="checkbox"/> Strongly agree | <input type="checkbox"/> Disagree |
| <input type="checkbox"/> Agree | <input type="checkbox"/> Strongly disagree |
| <input type="checkbox"/> Neither agree nor disagree | |

25. Please provide any comments to expand on your answer above. If you think there is anything we haven't considered, that would be relevant to our Local Industrial Strategy, please provide links to any sources of evidence to support your comments.

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14. Thank You

Thank you for taking part in our consultation.

You can keep updated on our Local Industrial Strategy [here](#).

* 26. Please select whether you would like Coast to Capital to contact you with further information and updates about our Local Industrial Strategy.

Yes

No

* 27. Please select whether you would like to subscribe to Coast to Capital's e-newsletter.

Yes

No

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