

Coast to Capital Local Industrial Strategy Programme - 2020

Metro Dynamics Research Brief

Background

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. We are a small organisation with large ambitions for our area. With a total population of two million, our area boasts a strong economy worth £50.7 billion, making us the seventh largest local economy in England in 2016. The Coast to Capital area is a network of economic hubs each with its own distinct sense of identity – West Sussex, Greater Brighton and East Surrey. We also have strategic relationships with London LEAP in Croydon and South East LEAP in Lewes.

In July 2018 we published [Gatwick 360°](#), our new Strategic Economic Plan, which sets out our bold vision for the area by 2030. In it we describe our eight economic priorities to achieve our vision, providing strong local leadership and working to succeed together with our partners. Delivering the pledges we make in Gatwick 360° now forms a distinct programme for the organisation. This programme will help us negotiate a strong future relationship with Government for our area, through our Local Industrial Strategy.

Gatwick 360° Strategic Economic Plan – Economic Priorities

Coast to Capital LEP has the ambitious vision to become the most dynamic non-city region in England and to be known around the world as a place to live, to grow and to succeed. To achieve this vision, the Local Enterprise Partnership has identified eight economic priorities to achieve this in our recently launched Gatwick 360° Strategic Economic Plan (SEP). The eight identified priorities are as follows:

1. Deliver prosperous urban centres
2. Develop business infrastructure and support
3. Invest in sustainable growth
4. Create skills for the future
5. Pioneer innovation in core strengths
6. Promote better transport and mobility
7. Improve digital network capability
8. Building a strong national and international identity

This project will be the central research piece of Coast to Capital's Local Industrial Strategy. As such, it cut across all eight economic priorities, but with a particular focus on Priority 5 – Pioneer innovation in core strengths.

Coast to Capital works closely with a wide range of partners including our 17 local authorities, 3 universities and 9 colleges, a broad range of public and private sector organisations.

Coast to Capital's Local Industrial Strategy

Following the release of the Government's Industrial Strategy in 2017, each LEP was instructed to produce a Local Industrial Strategy (LIS) by March 2020. Each LIS will need to align with the *5 Foundations of Productivity* which are identified in the Industrial Strategy as: Ideas, People, Infrastructure, Place and Business Environment

In line with this and with the Gatwick 360° Strategic Economic Plan, Coast to Capital has introduced four place-based products as the foundation of the Local Industrial Strategy. The four products will deliver productivity and inclusive growth in our area and are detailed as follows:

Product areas	Local Authorities
1. Identification of Gatwick to London growth corridor	Croydon Crawley GLA area
2. Development of towns around Gatwick airport	Mole Valley Reigate & Banstead Tandridge Epsom & Ewell Crawley Mid-Sussex Horsham
3. The growth of our coastal communities	Arun Worthing Adur Brighton & Hove Lewes Mid-Sussex Crawley
4. The potential for our rural areas	Chichester Horsham Arun Mole Valley

Objectives of the project

In order to build on the commitment in Gatwick 360° to create the economic conditions for innovation growth in Coast to Capital, there is a need to understand in more granular detail the innovation strengths in the area. This research will produce a greater understanding of Coast to Capital's 'innovation ecosystem'. This work will be the central research project for the development of Coast to Capital's Local

Industrial Strategy.

Government has mandated that each Local Industrial Strategy must be supported by a robust evidence base that highlights the strengths and unique opportunities of the LEP area. Metro Dynamics have developed an innovation metric through their work on other Local Industrial Strategies with the likes of West Midlands LEP and Cambridgeshire & Peterborough.

This research will undertake a critical analysis of the area through the following place-based products:

- Identification of Gatwick to London growth corridor
- Development of towns around Gatwick airport
- The growth of our coastal communities

As well as engaging expert groups to identify innovative assets that can drive policy forward. A final report will be produced that can be used in discussions with central government to lobby for the key interventions which will support this area. The report will provide a brief strategic case, showing why it could be especially transformative in this area.

To do this, Coast to Capital would like to commission Metro Dynamics to undertake the research based on their research proposal submitted on 10 May.

Expected outputs and deliverables

A key outcome will be to produce bold and credible proposals to drive innovation in the Coast to Capital area. This research will map the current innovation picture to develop an understanding what kind of interventions will be needed in order to realise the innovation potential of Coast to Capital and the interconnected innovation ecosystems with in it.

Metro Dynamics have developed an approach to analysing innovation ecosystems through their work in Cambridge (in partnership with the University). This considers the five key elements of any innovation ecosystem:

- **Base Engine.** This is the big institutional driver of innovation. In many ecosystems this is the local university.
- **Finance and IP.** Capital is a prerequisite for any entrepreneurial ecosystem to grow, and many ecosystems fail not because they don't have good ideas and projects, but because they don't have sufficient local capital. Start-ups and spinouts need also to be able to protect their intellectual property – either through traditional means, such as trademarks and patents, or by scaling their business quickly (which is acknowledged as a challenge in the Gatwick 360 document).
- **Physical Space.** The physical space needs of a business will change throughout its lifecycle – from low-cost co-working type space at inception, to larger space as it scales up – which, dependent on product, may be highly specialised.

- **Skills and Capability Development.** Those entering the ecosystem need to have the skills it requires to flourish. There is also a need for continuing processes of information flow to help the ecosystem absorb new knowledge and research rapidly.
- **Networks and linkages.** Many of the key elements will only work effectively in the presence of well-connected networks where people can easily access the right expertise. Innovation depends upon a level of informal collaboration and knowledge sharing.

The Base Engine serves as a foundation to all of this, underpinning all the innovative activity that takes place and driving it forward. And the networks and linkages act as the glue that binds the different elements together – facilitating effective matching between businesses, space, finance, and skills development. Both need to be in place if the ecosystem is to function effectively.

Their methodology will look at all of these elements to identify what already exists, what the area is lacking but could potentially have and to use these insights to drive a policy approach. To the maximum extent possible Metro Dynamics will look to identify the features of the three product areas of focus and the actual or potential connections between them.

Through this approach, it will be critical to work with the project teams on Priorities; 1, 2, 4, 7 and 8.

Upon project completion, a strategic case will be produced illustrating the unique areas for investment that will be transformative for the LEP area.

Project timetable

Key timeline and anticipated milestones are listed below;

Date	Action
28 May	Teleconference with Metro Dynamics to discuss research proposal
6/7 June	Meeting with Metro Dynamics to confirm/accept research brief
*16 days	Stage 1 – Review of data and further analysis
*11 days	Stage 2 – Live case studies
*10 days	Stage 3 - Fieldwork
*15 days	Stage 4 – Analysis and Policy Development
*22 days	Stage 5 - Reporting

To note that this is subject to change following regular updates with the Metro Dynamics team.

Resources that will be provided

Coast to Capital is currently in the process of commissioning several other pieces of research in relation to the LIS evidence base. Where appropriate, these findings and reports will be shared with Metro Dynamics.

As a minimum, the following will be provided;

- Gatwick 360° Strategic Economic Plan
- Local Industrial Strategy Analysis Evidence Pack
- Hatch Regeneris Urban Master Plans research – initial findings
- Hatch Regeneris Skills and Labour Market Research – initial findings
- University of Sussex Sub-sector research – initial findings

Reporting arrangements

Exact timings are to be confirmed with Metro Dynamics, but it is expected to have bi-weekly updates from them.

More details are highlighted in the project timetable above.

Procedures or practices that must be complied with

Any consultancy commissioned to undertake work for Coast to Capital must comply with the corporate governance policies. These policies can be found on the Coast to Capital [website](#).

The form of contract and method of payment to be used

The form of contract and method of payment will be discussed following an initial meeting in May to finalise and agree upon the project brief.