

# Strategic Economic Plan

March 2014

## COAST TO CAPITAL GROWTH DEAL – AT A GLANCE

We propose a new six year programme of investment in business critical infrastructure including transport and flood defences, and delivery of extra measures to deliver vigorous business growth, backed by the necessary investment in additional housing and our communities.

This Strategic Economic Plan includes all the key priorities from the Greater Brighton City Deal, the European Structural Investment Funds Strategy and our Skills Strategy.

### We will:

- Invest £550m of public sector funding from local authorities, higher education and others
- Lever-in £2.78 billion of private sector funding to directly support our Growth Deal proposals
- Invest £61m of ESIF and EARFRD funding, and find the match funding
- Create:
  - **60,000 New Jobs**
  - **26,000 Additional Homes**
  - **970,000 Square metres of New Employment Space**

### We ask the Government to match our ambition and investment:

- £559 m Local Growth Funding to back our investment programme including the £24m allocated in 2013 to our Local Transport Body
- £61m of Skills Capital Funding
- £46m of Transport for London/London Growth Deal funding for Croydon infrastructure

Our drive for growth is **ready to go**. In the first year of the Growth Deal – 2015/16 - we will start by:

- Using £72m of Local Growth Funding to lever delivery of projects during the year with a total value of £474m
- Delivering £9m of ESIF and EARFRD funding, and find the match funding

The projects started in 2015/16 will result in £7 of private and public sector investment for every £1 of Growth Deal funding.

### Coast to Capital - the case for investment

Coast to Capital is located in the UK's most successful regions. There are three compelling reasons why we should invest further in our success:

- Performance is good – despite some deficits in infrastructure – and investment will sustain and build economic success. However, essential underpinning infrastructure - particularly transport and flood defences - are reaching capacity and are no longer robust enough to support future growth - the fragility is beginning to show. Some areas have quite poor performance in terms of skills and show signs of getting stuck in low equilibrium. Our housing market needs unblocking if there is to be the capacity for growth.
- The UK economy needs Coast to Capital to **perform at well above the UK average** and at levels found in the best regions of Europe and in the rest of the World. If areas like ours don't perform, the UK will not perform. **We can and will deliver more.**
- We can deliver in our Growth Deal the **high levels of the impact** desired by Government – **new jobs, additional homes and new employment space**; together with **exceptional levels of match funding and leverage** from the public and private sectors.

# COAST TO CAPITAL STRATEGIC ECONOMIC PLAN - AT A GLANCE



## COAST TO CAPITAL

Exceptional growth and productivity gains

One of the leading economic regions in the UK

Competes with the most successful regions in Europe and rest of the world

## SIX YEAR INVESTMENT PROGRAMME



**£3.3 billion**  
private & public sector investment



**£559m**  
Local Growth Fund



**£61m**  
EU funding investment

## DELIVERING



**60,000**  
jobs



**26,000**  
homes



**970,000 sqm**  
employment space

## WHAT WE WILL DO

### Successful Growth Locations

- Maintain great places to do business
- Develop new opportunity areas
- Transport infrastructure

### Successful Businesses

- Support enterprise
- International business
- Inward investment
- Business premises
- Business support and supply chains
- Business finance

### Competitive Advantage

- Priority sectors
- Research and technology futures
- Innovation networks
- Maximise higher education potential

### Skills and Workforce

- Young people
- Skills for productivity
- Skills for employment and progression
- Better intelligence, information and guidance

### Growth is Digital

- Completion of superfast broadband roll-out
- Ultrafast broadband clusters
- Tackle rural blank spots
- Mobile 5G development
- E-Commerce skills

### Housing & Strategic Infrastructure

- Free up blocked sites
- Community led housing
- Flood defences
- Other strategic infrastructure

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## EXECUTIVE SUMMARY

This is the Strategic Economic Plan for Coast to Capital Local Enterprise Partnership. It sets out our **ambitions** for sustainable economic growth; our **investments and proposals** for realising these ambitions; our proposed **Growth Deal** with Government; and the **Local Growth Fund** investment that we will require to 2020/21.

This Plan has been developed with the full engagement of the business, public and private sectors and was unanimously agreed by the Coast to Capital Joint Committee of all 17 authorities on 25<sup>th</sup> July 2014.

## OUR VISION, MISSION AND GOAL

Coast to Capital uniquely spans the UK's two strongest economic regions – Greater London and the South East and connects two international cities, London and Brighton. Our economy contributed £38.9 billion of added-value to the UK economy in 2010. Using Gross Value Added (GVA) per head as a measure of productivity, the Coast to Capital economy is ranked 4th out of 39 LEP areas in England. We have exceptional competitive advantages and economic resources.

**Our vision is that Coast to Capital will deliver exceptional growth and productivity gains to deliver economic performance to rival the best in Europe and the rest of the World.**

With the investment we set out in this Strategic Economic Plan Coast to Capital will continue to be one of the most prosperous areas in the UK and we will ensure that all communities share in this prosperity. We are an important part of the UK economy, and the country as a whole needs, and should expect, the highest levels of economic performance from our area.

However, we believe our economy underperforms - given our international connections, the skills of our workforce, and the competitive strengths of our businesses. We will step up our performance to match the most successful regions in Europe and in the rest of the world.

**Our mission is to remove all the barriers to achieving economic performance.**

**Our goal is to create an additional 100,000 jobs in the private sector by 2035.**

Our investments will result in clear, tangible economic benefits to the businesses, residents, visitors, workforce and diverse communities in the Coast to Capital area.

## OUR GROWTH DEAL

Our proposal to Government is for a Growth Deal with firm commitments on either side.

This Strategic Economic Plan includes all the key priorities from the Greater Brighton City Deal, the European Structural Investment Funds Strategy and our Skills Strategy.

**We will:**

- Invest £550m of public sector funding from local authorities, higher education and others
- Lever-in £2.78 billion of private sector funding to directly support our Growth Deal proposals
- Invest £61m of ESIF and EARFRD funding, and find the match funding
- We will create:
  - **60,000 New Jobs**
  - **27,000 Additional Homes**
  - **970,000 Square metres of New Employment Space**

**We ask the Government** to match our ambition and investment:

- £559m Local Growth Funding to back our investment programme including the £24m allocated in 2013 to our Local Transport Body
- £61m of Skills Capital Funding
- £46m of Transport for London/London Growth Deal funding for Croydon infrastructure

Our drive for growth is **ready to go**. In the first year of the Growth Deal – 2015/16 - we will start by:

- Using £71m of Local Growth Funding to lever delivery of projects during the year with a total value of £474m
- Delivering £9m of ESIF and EARFRD funding, and find the match funding

The projects started in Year 1 will result in £7 of private and public sector investment for every £1 of Government's Growth Deal funding.

## HOW WE WILL DELIVER GROWTH

We have established six strategic priorities which are at the heart of our Strategic Economic Plan. They encompass place-based and hard infrastructure issues; business and sector issues; the workforce; and communities.

1. Successful Growth Locations, including transport investment
2. Successful Businesses
3. Building Competitive Advantage
4. Skills and Workforce
5. Growth is Digital
6. Housing and infrastructure

### 1. Successful Growth Locations and Transport Infrastructure

We have identified the areas where growth will be delivered. Either they are existing successful business locations and they need to be maintained and protected; or they are the opportunity areas where we can create new capacity for growth. We will:

- Bring forward a major investment programme in transport infrastructure which will unlock growth in jobs, homes and employment space.
- Deliver interventions in brownfield and greenfield sites which will provide the capacity for employment and housing growth. These include **Enterprise Zone designations for Newhaven and Enterprise Bognor Regis**.

- Reduce car journeys through sustainable transport improvements thereby contributing to national requirements to reduce carbon emissions.
- Improve resilience to extreme weather events and transport disruptions.

The strategic business and employment locations are not homogenous and comprise a mix of strategic corridors or areas, cities/towns, strategic sites/locations and Enterprise Zones.

Burgess Hill  
Croydon  
Heart of the Gatwick Diamond  
East Surrey M25 Strategic Corridor  
Brighton and Hove

Coastal Corridor  
Enterprise Bognor Regis Enterprise Zone  
Newhaven Enterprise Zone  
Shoreham Harbour and Airport

### Transport investment

We intend to make a major investment in our transport network - road, rail and other modes. This will include the national networks, regional routes and local infrastructure. We identify specific problem and bottle necks on the national road and motorway network and we will work with the Highways Agency to plan and implement the necessary improvements.

We are also planning a major focus on rail transport, and are working with Network Rail and rail operators to tackle a specific list of capacity and improvement issues.

For the transport investments that we aim to make ourselves, we have identified three types of transport schemes which would unlock stalled economic growth across the Coast to Capital area:

- **Connectivity and capacity** schemes to unlock new land by providing new and/or enhanced transport connections.
- **Sustainable transport packages**, which regenerate areas by tackling congestion and improving journey quality and reliability
- **Resilience schemes** to help keep the network operating 24/7.

Our six year transport investment programme is summarised in the table below:

	Public sector	Private sector	LGF	Total
<b>Local Transport Body Schemes</b>	£11,040,000	£6,632,000	£23,060,000	£40,732,000
<b>Connectivity and Capacity Schemes</b>	£20,621,000	£73,561,000	£142,867,000	£237,049,000
<b>Sustainable Transport Packages</b>	£11,631,000	£1,442,000	£88,804,000	£101,877,000
<b>Resilience Schemes</b>	£17,884,000	£450,000	£48,716,000	£67,050,000
<b>TOTAL</b>	£61,176,000	£82,085,000	£303,447,000	£446,708,000

### Our commitment:

Over six years from 2015/16 to 2020/21 we will invest in transport and our target locations:

- £ 295m from local authorities and other public sector sources;
- £ 2bn from the private sector;

Together we will deliver:

- 44,500 New Jobs
- 19,800 Additional Homes
- 806,000 Sq metres of new employment space

**Our ask of Government:**

We seek co-investment from the Local Growth Fund of £453m over six years, and £46m from TfL/London Growth Fund

Further detail can be found in [Chapter 3](#) and in the [Transport Annex](#)

## **2. Successful Businesses - support business investment in growth and create the conditions for enterprise to flourish**

We are going to back our businesses and entrepreneurs and give them every chance to grasp and realise their own growth. We will:

- Ensure there is a positive business environment
- Promote and support enterprise and entrepreneurship for all people and all areas
- Support international trade, with a focus on growing markets, **fronted by a new ASEAN business hub at Gatwick Airport**. We retain our target of doubling the numbers of businesses who are regular international traders.
- Provide comprehensive business support utilising services from the public, private and third sectors
- Ensure there is a ready supply of business finance of all types at all levels
- Improve the range and quality of business premises
- Improve access to opportunities and supply chains

**Our Commitment:**

Over six years from 2015/16 to 2020/21 we will invest:

- £ 14.4m from local authorities and other public sector sources;
- £ 36.0m from the private sector;
- £8.5m from ESIF and EARFD

Together we will deliver:

- 5,946 New Jobs
- 45,000 Sq metres of employment space

**Our ask of Government:**

We seek co-investment from the Local Growth Fund of £28.3m

Our proposals are set out in [Chapter 4](#).

## **3. Build Competitive Advantage – back investment and development where we can lead nationally and internationally**

We will focus on those sectors where we have competitive advantages - creative digital and IT; advanced engineering (including marine and automotive); environmental technologies (low carbon and renewables); business and financial services; and healthcare and life sciences. In some parts of the Coast to Capital's region, food production and tourism are significant sectors.

We are also encouraging investment in four areas of emerging technologies in which we have existing research expertise, linked to the Government's "8 Great Technologies", and on which we will build the future reputation of the area. They are - connected digital technologies; automotive electronics; and biomedical and healthcare.

**Our commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £ 97.0m from higher education institutes, local authorities and other public sources;
- £ 35.2m from the private sector;
- £23.3m from EU Funding

Together we will deliver:

- 2,000 New Jobs
- 160 Additional homes
- 15,000 Sq metres of employment space

**Our ask of Government:**

We seek co-investment from the Local Growth Fund of £19.2 m

Our approach to building competitive advantage is set out in [Chapter 5](#).

#### **4. Skills and Workforce – encouraging employers to invest more and making the most of our talent**

Our productivity does not match that of the best in Europe or the rest of the World. We make proposals in [Chapter 6](#) to improve productivity through the creation and better use of higher levels skills particularly in our priority sectors and STEM subjects; improvements in management and leadership; and better transition for young people as they enter the workforce for the first time, including a new initiative with employers from the public and private sectors. We also set out what investment is required to ensure the skills infrastructure can deliver our priorities.

**Our Commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £35.1m from local authorities and other public sector sources;
- £7.5m from the private sector;
- £27m from ESIF and EARFD

Together we will deliver:

- 7,254 New Jobs

**Our ask of Government:**

- We seek co-investment from the Local Growth Fund of £7.2m
- We seek £61m for Skills Capital
- We would like further levers and flexibilities over the commissioning of skills and employment programmes

## 5. Growth is Digital - ensuring digital infrastructure is fit to drive growth

International competitiveness will depend increasingly on having the fastest and most reliable digital connections. Our approach is set out in [Chapter 7](#).

We will support development of ultrafast broadband clusters in key locations on a financially self-sustaining basis.

We will improve the skills and capacity of small businesses through a development programme so that all businesses can have the opportunity to grow via e-commerce and international connections.

We will support digital inclusion and ensure the complete coverage of the area by the "retail" superfast network, including addressing not-spots.

We will collaborate with other the six other LEPs in the GTV6 group and the national 5G Research Centre at Surrey University to improve mobile coverage and exploit the business opportunities of new mobile technologies.

### **Our Commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £17.4 m from local authorities and other public sector sources;
- £20.7m from the private sector;
- £0.5m from EU funding

Together we will deliver:

- 200 New Jobs directly arising from new e-commerce

### **Our ask of Government**

- We seek co-investment from the Local Growth Fund of £3.3m

## 6. Housing and Infrastructure - Develop sustainable communities and invest in strategic infrastructure to unlock growth

We recognise that there cannot be sustainable economic growth without housing growth. If there are shortages of housing to rent or buy, at affordable prices, it is more difficult for employers to attract and retain workers that they need to grow their businesses.

In [Chapter 8](#), we set our approach to boosting housing completions, based on bringing forward existing sites and permissions, opening up new areas currently not in consideration due to infrastructure issues, and investing in new approaches to housing development, for example community land trusts which involve entire communities, and self-build using locally sourced renewable materials. We identify the flood defences and other infrastructure needed to unlock specific growth sites, including those in Newhaven, Shoreham, and Chichester.

### **Our Commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £ 54.3m from local authorities and other public sector sources;
- £ 655m from the private sector

Together we will deliver ***in addition*** to the new homes included in Chapter 3:

- 2,000 New jobs
- 7,331 Homes
- 103,000 Sq metres of employment space

**Our ask of Government:**

- We seek co-investment from the Local Growth Fund of £48.4 m

**THE RURAL ECONOMY**

Approximately 20% of the Coast to Capital population lives in a rural area, and around 22% of our businesses are located there. Within our rural areas are the South Downs National Park and three Areas of Outstanding Natural Beauty.

The rural areas contribute significantly to our economic success – and not just in terms of land based industries and tourism. A number of significant businesses are based in rural areas, across a wide range of sectors – including manufacturing – and there are very many home based businesses. However, there are a number of specific challenges that we need to respond to if we are to ensure the rural economy remains healthy and fully shares in the growth we are planning (e.g. access to education and job opportunities, digital exclusion and high house prices).

Every initiative throughout this Plan is applicable to rural areas – we will ensure that all our programmes are “rural proofed”.

We will introduce specific initiatives to tackle specific problems that only impact on rural areas:

- Establishing rural business networks
- Supporting rural enterprise including a new wood fuel initiative with EM3 LEP
- Addressing transport in rural areas
- Ensuring rural areas have access to up to date digital connectivity
- Support for rural tourism

**GOVERNANCE**

The Coast to Capital Board will be the body with ultimate responsibility for the delivery of the total programme set out in this Strategic Economic Plan. The Board comprises directors drawn from the private and public sector, with representatives from the further and higher education sectors.

**The Board has approved this Strategic Economic Plan and the associated financial plans.** The Board will approve any Growth Deal negotiated with Government. The Board will agree with Government any subsequent changes to the programme over the period of delivery.

**The Strategic Economic Plan has been unanimously approved by a Joint Committee of all 17 authorities in the region.** The Joint Committee will agree the Growth Deal as negotiated by the LEP and any subsequent major amendments on an annual basis.

West Sussex County Council will be the Accountable Body for the Growth Deal funding agreed with Government. The Accountable Body function will be properly resourced to act, and will provide a suitably qualified accountable officer with rights of access to boards, partners, and government.

There will be a formal scheme of delegation agreed by all parties for how each element of the programme will be delivered. The requirements and duties of all parties will be clearly understood at the outset.

## **LEVERS AND FLEXIBILITIES**

We will be seeking from Government greater levers and flexibilities over a small number of policy issues where we believe local decision making and accountability would deliver more for Government than central control.

### **1. Revenue Funding**

We are seeking, along with other LEPs, some flexibility in the use of the Local Growth Fund. Based on our calculations so far we suggest up to 10% of the total Local Growth Fund should be used on revenue expenditure and we have planned on this basis. In return, we will be able to deliver this programme which will tackle productivity issues in the workforce and business population as well as addressing capital based infrastructure issues.

### **2. Enterprise Zones**

We are seeking to designate both Newhaven and Enterprise Bognor Regis as formal Enterprise Zones. We will provide the planning flexibilities at local level. We will allow for the costs of the business rates relief in our bid for the Local Growth Fund.

### **3. Skills and Employment schemes**

Improving the skills of our workforce, and those entering the workforce, is key to improving the productivity of the Coast to Capital economy. Coast to Capital partners have established strong mechanisms for employer leadership and engagement.

We want to make a simple proposal to kick start a more effective delivery pattern:

In 2015/16 Coast to Capital and its partners should have direct co-commissioning decision making over at least £10m of contracts current delivered with SFA, DWP and JCP funding.

We will use this flexibility on the edge of the large national contracts to address six key issues identified throughout this Plan and summarised in [Chapter 12](#):

### **4. Transport**

Our transport system and connections are one of our strengths. But the network under strain and we need to increase capacity. We work well with the national network bodies – Highways Agency and Network Rail – but seek greater flexibility and local influence so that they can more easily and rapidly reflect the priorities agreed by Coast to Capital.

### **5. Housing**

To achieve the level of affordable housing that our economy needs, we need all the available resources to be devoted to the same objectives. We request that Government accords the HCA full freedoms and flexibilities to work with their Coast to Capital to invest HCA resources aligned with the Plan, in the most cost effective and efficient way.

## **6. Conversion of Commercial Buildings to Residential Use**

We seek greater local decision making over the planning reforms allowing the conversion of commercial buildings to residential use. While there has been some beneficial impacts which we welcome, uncontrolled conversions could lead to some towns and key business locations suffering a significant loss of employment space.

### **OUR INVESTMENT PROGRAMME AND IMPACTS**

We will deliver the following outputs:

<b>Impact Measure</b>	<b>Outcome</b>
New Jobs	60,000
Additional Homes	27,000
Sq metres of new employment space	970,000

Our proposed six year investment programme is shown in the table below.

**TOTAL SIX YEAR PROGRAMME SHOWN BY STRATEGIC PRIORITY**

Strategic priority	TOTAL					Jobs	Homes	SQM
	Pub/Oth	Priv	LGF	ESIF	Total			
<b>Priority Locations (exc. Transport)</b> (Chapter 3)	£234,350,480	£ 1,881,162,289	£149,846,900	£ -	£ 2,265,359,669	44,169	18,584	806,177
<b>Priority Locations – Transport</b> (Chapter 3 and Annex)	£ 61,176,000	£ 82,085,000	£303,447,000	£-	£ 446,708,000			
<b>Successful businesses</b> (Chapter 4)	£14,650,754	£ 36,044,334	£28,280,000	£ 8,534,034	£ 87,509,122	5,946	-	45,867
<b>Building competitiveness</b> (Chapter 5)	£ 96,870,584	£ 35,190,000	£19,250,772	£ 23,275,149	£ 173,087,005	2,067	160	15,500
<b>Skills and Workforce</b> (Chapter 6)	£ 35,146,887	£ 7,470,000	£7,254,000	£ 27,946,887	£ 77,817,774	7,254	-	-
<b>Growth is Digital</b> (Chapter 7)	£17,375,000	£ 20,701,000	£3,350,000	£ 500,000	£ 41,926,000	200	-	-
<b>Housing</b> (Chapter 8)	£ 54,280,381	£ 655,274,000	£48,443,000	£-	£ 757,997,381	2,052	7,331	103,167
<b>TOTAL</b>	<b>£513,850,086</b>	<b>£ 2,717,926,623</b>	<b>£559,871,672</b>	<b>£ 60,256,070</b>	<b>£ 3,850,404,951</b>	<b>61,688</b>	<b>26,075</b>	<b>970,711</b>
<b>Skills Capital</b>	TBC	TBC	£ 61,000,000	£ -	£ 61,000,000			
<b>Croydon Transport schemes</b> (TfL/London Growth Funding)	£ 36,550,000	£ 26,350,000	£ 45,700,000		£ 108,600,000	550	1,303	-

## CHAPTER 1: OUR VISION - EXCEPTIONAL GROWTH

Coast to Capital is a partnership of businesses, universities, further education and local authorities. We are one of 39 Local Enterprise Partnerships designated by Government to lead efforts to enable economic growth. This is the final version of our Strategic Economic Plan (SEP) for the Coast to Capital area.

This Plan sets out:

Our **ambitions** for sustainable economic growth;

Our **investments and proposals** for realising these ambitions;

Our proposed **Growth Deal** with Government; and

The **Local Growth Fund** investment that we will require to 2020/21.

This Plan has been developed with the full engagement of the business, public and private sectors and was unanimously agreed by the Coast to Capital Joint Committee of all 17 authorities on 25<sup>th</sup> July 2014.

### OUR GROWTH DEAL

#### **We will:**

- Invest £550m of public sector funding from local authorities, higher education and others
- Lever-in £2.78billion of private sector funding to directly support our Growth Deal proposals
- We will invest £61m of ESIF and EARFRD funding, and find the match funding
- We will create:
  - **60,000 New Jobs**
  - **27,000 Additional Homes**
  - **970,000 Square metres of New Employment Space**

#### **We ask the Government** to match our ambition and investment:

- £559 m Local Growth Funding to back our investment programme including the £24m allocated in 2013 to our Local Transport Body
- £61m of Skills Capital Funding
- £46m of Transport for London/London Growth Deal funding for Croydon infrastructure

Our drive for growth is **ready to go**. In the first year of the Growth Deal – 2015/16 - we will start by:

- Using £71m of Local Growth Funding to lever delivery of projects during the year with a total value of £474m
- Delivering £9m of ESIF and EARFRD funding, and finding the match funding

The projects started in Year 1 will result in £7 of private and public sector investment for every £1 of Government Growth Deal funding.

This Strategic Economic Plan includes all the key priorities from the Greater Brighton City Deal, the European Structural Investment Funds Strategy and our Skills Strategy.

## **OUR VISION AND MISSION**

Coast to Capital uniquely spans the UK's two strongest economic regions – Greater London and the South East and connects two international cities, London and Brighton.

The Coast to Capital economy contributed £38.9 billion of added-value to the UK economy in 2010. Using Gross Value Added (GVA) per head as a measure of productivity, the Coast to Capital economy was ranked 4th out of 39 LEP areas.

We are home to Gatwick Airport, the UK's second international hub and Newhaven and Shoreham ports providing ready access to global markets. We have good, but strained, rail and road connections to serve the UK's largest domestic consumer and business markets. Increasingly diverse, we have a rich mix of thriving cities, towns and urban areas and many rural communities which are home to high value enterprises. The South Downs National Park in particular is the jewel in the crown of our magnificent countryside, and there are also three Areas of Outstanding Natural Beauty. Our transport, the quality of life in our communities, and our skilled workforce gives a powerful competitive advantage to the companies already here and those companies considering moving to the Coast to Capital communities. We have exceptional competitive advantages and economic resources.

**We are ready for growth, we want growth, we understand growth and we can deliver growth.** We have a strategic framework and investment plans which will deliver new jobs, and the homes and infrastructure necessary to support them and our communities and to make them sustainable.

**Our vision is that Coast to Capital will deliver exceptional growth and productivity gains to deliver economic performance to rival the best in Europe and the rest of the World.**

With the investment we set out in this Strategic Economic Plan Coast to Capital will continue to be one of the most prosperous areas in the UK and we will ensure that all communities share in this prosperity. We are an important part of the UK economy, and the country as a whole needs, and should expect, the highest levels of economic performance from our area.

Nevertheless, we believe our economy underperforms - given our international connections, the skills of our workforce, and the competitive strengths of our businesses. We will step up our performance to match the most successful regions in Europe and in the rest of the world.

**Our mission is to remove all the barriers to achieving economic performance.**

**Our goal is to create an additional 100,000 jobs in the private sector by 2035.**

## **GROWTH BRINGS REAL BENEFITS TO ALL**

Our investments will result in clear, tangible economic benefits to the businesses, residents, visitors, workforce and diverse communities in the Coast to Capital area.

*"Lloyds Banking Group is committed to helping Britain prosper. We welcome the initiative shown by Coast to Capital in bringing forward a plan to boost businesses and create opportunities for people in their area. As a UK retail and commercial bank, we stand ready to play our part - from helping first time buyers, to delivering key infrastructure projects."*

Harry Singh  
Chairman, Lloyds Bank South East England Executive Committee

**Every business, every organisation**, large and small, will have the opportunity to expand, to create value and to capture the value of their ambition. They will benefit from:

- improved rail, air and sea **transport** links to international and domestic markets;
- local planning and regulation that aims to help, not hinder;
- homes for a growing workforce;
- improved **broadband and mobile** connections to world standards in every community enabling companies to create, collaborate, compete in global markets;
- better **access to the finance** needed to grow their businesses;
- fair **opportunities to compete for public sector** contract on terms that do not penalise small companies;
- a diverse, highly qualified and motivated **workforce with the skills** they need;
- a wide range of excellent quality **premises and sites**;
- more opportunities to **exploit emerging technologies** through links to leading research and innovation resources in universities and other organisations;
- world class **trade development and business support** services; and
- a strong and vibrant **'third sector'** working with the private and public sectors.

**Everyone** living and working in the Coast to Capital area will be able to access opportunities to improve their **skills** and to progress in their career. More housing will be available for sale and for rent. **Public transport** services across the Coast to Capital area will make it easier for people to gain access to education, learning and a wider range of jobs. Young people will be offered clear pathways from **education into work**. Everyone will be offered access to the information, advice and support they need to **start their own business**.

Our diverse communities will benefit from strong economic growth and **no community will be excluded from full participation in economic life and progress**. The competitive advantage arising from the diversity of our communities will be harnessed to drive growth. The Third Sector will be encouraged to become full and powerful partners in our growth ambition. Community, third sector and voluntary organisations will be supported to provide services and to support fairness and equity – in new ways of working together. Growing our economy and improving the environment will be mutually supportive. Our long term economic growth relies on protecting and enhancing the environmental resources that underpin it.

*"The third sector is already an important, albeit often underestimated, part of the economic picture, but our sector has the potential to contribute significantly more to growth and jobs. In engaging in a meaningful way with Coast to Capital we can now forge new cross sector activity which will help to ensure that this potential is realised, for the benefit of everyone in the Coast to Capital region."*

Kathy Richardson  
Chief Executive, Raise

We will ensure our ambitions for growth contribute to sustainable development<sup>1</sup>. This means making the necessary decisions now to realise our vision of stimulating economic growth, maximising wellbeing and protecting our environment, without negatively impacting on the ability of future generations to do the same.

## **FOUNDATIONS FOR OUR PLAN**

At the heart of our economy is a unique and powerful economic heartland, linking two international cities and which itself is effortlessly linked to the rest of the World. This thriving business area stretches from **Croydon**, London's third city in the north, to **Brighton**, the capital of the UK's "rebellious, alternative economy"<sup>2</sup>, and now at the centre of the Greater Brighton City Region. It is home to **Gatwick Airport** the UK's second airport together with a cluster of highly successful business locations in the **Gatwick Diamond** area, and drawing on the power of the **East Surrey corridor**, including the towns of Leatherhead, Epsom, Reigate and Redhill, with important locations for international businesses, a university and two international research organisations. This is the **foundation** for our plan for growth and our Strategic Economic Plan.

Our economic heartland is backed by our coastal and rural areas and our **Coastal Corridor** is going through significant change. Home to three universities, strong concentrations of businesses in the digital, medical and engineering sectors, and with new investments in homes and business space, the Coast will both drive its own economy, but also support and provide capacity for growth for the whole LEP area.

15% of our residents live in **rural areas**, and 22% of our businesses are located there. Not just the location for nationally and internationally important food production, the rural areas feature our highest levels of entrepreneurship and a very varied business community, in which manufacturing is the single largest sector and where we have very high levels of home based businesses. Issues and interventions for the rural areas are included throughout the Plan. We bring together a summary of our approach to rural growth in Chapter 9.

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<sup>1</sup> As set out in the Government's vision - DEFRA (2011) Mainstreaming sustainable development: the government's vision and what this means in practice

<sup>2</sup> Growing British Business HSBC Commercial Banking

The **Greater Brighton City Deal** recently agreed with Government is a step forward for our area and will boost economic performance. The deal will build on Greater Brighton's economic assets – the two ports of Newhaven and Shoreham, its skilled workforce, its innovative businesses and its universities – and help the area move on from decades of economic underperformance.

**Gatwick Airport** is, and will continue to be, an important driver of economic growth across the Coast to Capital area. Gatwick is now one of the most important air-rail-road hubs in the UK. Gatwick Airport Ltd. is investing £1.2bn in its current growth plans which will further increase passenger numbers from the current level of 35m to 44m.

Gatwick Airport, with the support of Coast to Capital LEP and the Coast to Capital business community is proposing that a second runway should be developed to cater for the long term growth in the UK's international trade. However, we also believe that a second runway at Gatwick must be accompanied by a corresponding investment in housing, transport and other infrastructure, skills and business development so that the airport can grow sustainably. In 2015 Government will decide whether to endorse this proposal and if so, this will provide a further boost to the Coast to Capital economy from 2019 onwards. In the meantime, companies across the Coast to Capital area see the Gatwick hub as the key to their efforts to serve international markets and many domestic markets.

After the Government makes a decision on the second runway, we will further assess how best to realise the full economic benefits from Gatwick. The investment and impact estimates in this Plan are based on current growth plans for Gatwick airport. If the Davies Commission recommends a second runway for Gatwick, it will be a game-changer, and we will completely revise our Strategic Economic Plan in that event.

We welcome the announcement in the Autumn Statement in December 2013 of the £50m investment in Gatwick rail station. Improvements in surface access must keep pace with Gatwick's growth and station improvements together with platform capacity improvements and the introduction of the new Thameslink franchise will all support Gatwick's strong record on non-car access to the airport.

Gatwick is much more than just an airport. As Gatwick and the wider Gatwick Diamond area grows, our SEP features proposals to exploit **the "Gatwick Effect" for the benefit of the whole Coast to Capital economy**. This includes the potential development of an ASEAN Business Hub (See Chapter 4).

Gatwick Airport is the UK's second largest airport and the busiest single-runway airport in the world. It serves around 200 destinations in 90 countries for around 35 million passengers a year on short- and long-haul point-to-point services. It is also a major economic driver for the South-East region, generating around 23,000 on-airport jobs and a further 13,000 jobs through related activities. The airport is 28 miles south of London with excellent public transport links, including the Gatwick Express. Gatwick Airport is owned by a group of international investment funds, of which Global Infrastructure Partners is the largest shareholder.



*"Gatwick continues to attract new airlines and routes, which were once only the domain of Heathrow. We now serve routes as diverse – and strategically important for the UK – as Moscow, Beijing, Istanbul and key cities in Vietnam. Substantial growth continues to come from our extensive European network. Next year, we will continue to grow our long haul network with routes including Jakarta, New York and Los Angeles.*

*"This is just the start of what Gatwick has to offer. A new runway here would deliver the routes that passengers actually want at a better price, more quickly and with significantly less environmental impact. The UK's next runway has got to be at Gatwick."*

*Stewart Wingate CEO of London Gatwick.*

The Coast to Capital economy benefits from, and supports, the **London economy**. **Croydon** is London's largest borough and is undergoing a commercial renaissance. Some £1bn will be invested in the redevelopment of Croydon town centre and this will be one of the largest investments in the Coast to Capital area, It will provide 5,000 jobs, most of which will be taken up by Coast to Capital residents. 7,300 new homes will be created in the centre of Croydon.

**Brighton** is a city with an international reputation for creativity and entrepreneurship. Increasingly this is taking a digital form. The **Greater Brighton City Deal** has just been approved by Government. Between 1999 and 2009 Brighton was the third fastest growing area outside London, and had one of the highest rates of growth of private sector employment. Brighton is the bedrock of our digital economy and anchors a rapidly growing cluster of creative digital and IT businesses, along "**Route 23,**" from Brighton, to the Gatwick Diamond, to Croydon Tech City and through to London Tech City. Our Connected Digital sector and its innovation and research capability serve markets throughout London, the South East, and indeed the rest of the world. Our Plan reflects and includes all the challenges, priorities and investments which have been set out in that deal, including:

- The creation of a new cluster location for digital businesses in New England House
- Access to ultrafast broadband via a digital exchange
- Commitments to flood defences at Newhaven and Shoreham
- Support for business innovation

- Creation of Business Growth Centres in Newhaven, Shoreham, Burgess Hill, Preston Barracks and Worthing

## **SIX STRATEGIC PRIORITIES FOR OUR PLAN**

Building on these foundations, we have established six strategic priorities which are at the heart of our SEP. We have set out our growth ambitions a number of ways – along different dimensions - recognising that growth is complex and interlinked. Our six strategic priorities encompass place based and hard infrastructure issues; business and sector issues; people and the workforce; and communities.

### **Enable investment in Growth Locations and Opportunity Areas**

Our SEP identifies our most important strategic growth areas into which we will target investment. In [Chapter 3](#), we identify these locations and our approach to promoting growth in each, including a major programme of investment in transport infrastructure, and including the agreed investments in flood defences from Greater Brighton City Deal.

### **Successful Businesses - support business investment in growth and create the conditions for enterprise to flourish**

We set out proposals for supporting business growth including increasing the rates of new business start-ups; doubling the scale of international trade; attracting more foreign direct investment; and providing a focal point for businesses to access support. We will address shortcomings in supply, quality, configuration and location of business premises. We will promote access to finance for growth. Our proposals are set out in [Chapter 4](#).

### **Build Competitive Advantage – back investment and development where we can lead nationally and internationally**

We will set out how we are focusing on those sectors where we have competitive advantages: creative digital and IT; advanced engineering (including marine and automotive); environmental technologies (low carbon and renewables); business and financial services; and healthcare and life sciences. In some parts of the Coast to Capital's region, food production and tourism are significant sectors.

We are also encouraging investment in four areas of emerging technologies in which we have exiting research expertise, linked to the Government's "8 Great Technologies", and on which we will build the future reputation of the area. They are - connected digital technologies; automotive electronics; and biomedical and healthcare. Our approach to building competitive advantage is set out in [Chapter 5](#).

### **Skills and Workforce – encouraging employers to invest more and making the most of our talent**

Our productivity does not match that of the best in Europe or the rest of the World. We make proposals in [Chapter 6](#) to improve productivity through the creation and better use of higher levels skills particularly in our priority sectors and STEM subjects; improvements in management and leadership; and better transition for young people as they enter the workforce for the first time, including a new initiative with employers from the public and private sectors. We also set out what investment is required to ensure the skills infrastructure can deliver our priorities.

### **Growth is Digital - ensuring digital infrastructure is fit to drive growth**

We will back the completion of the residential BDUK network which will provide a sound retail digital network, necessary for the continued growth of companies supplying digital

services and relying on the internet to meet customer needs. However, for businesses to compete in global markets, we need Ultrafast broadband services. We will support clusters of small businesses and communities to establish sustainable models for Ultrafast access. We also intend to collaborate with six other LEPs to pioneer 5G mobile technology. [Chapter Z](#) sets out how we will achieve this.

**Housing and Infrastructure - Develop sustainable communities and invest in strategic infrastructure to unlock growth**

We recognise that there cannot be sustainable economic growth without housing growth. If there are shortages of housing to rent or buy, at affordable prices, it is more difficult for employers to attract and retain workers that they need to grow their businesses. To ensure that sufficient housing is available across the Coast to Capital area, all our local planning authorities are preparing or reviewing their local plans. This includes objectively assessing their housing requirements, ensuring that a five year supply of land is available to meet these requirements, and exercising their duty to cooperate with neighbouring authorities.

In [Chapter 8](#), we set our approach to boosting completions, based on bringing forward existing sites and permissions, opening up new areas currently not in consideration due to infrastructure issues, and investing in new approaches to housing development, for example community land trusts which involve entire communities, and self-build using locally sourced renewable materials. We identify the flood defences and other infrastructure needed to unlock specific growth sites, including those in Newhaven, Shoreham, and Chichester.

**COAST TO CAPITAL - THE CASE FOR INVESTMENT**

Coast to Capital is located in the UK's most successful regions. There are three compelling reasons why we should invest further in our success:

- Performance is good – despite some deficits in infrastructure – and investment will sustain and build economic success. However, essential underpinning infrastructure - particularly transport and flood defences - are reaching capacity and are no longer robust enough to support future growth - the fragility is beginning to show. Some areas have quite poor performance in terms of skills and show signs of getting stuck in low equilibrium. Our housing market needs unblocking if there is to be the capacity for growth.
- The UK economy needs Coast to Capital to **perform at well above the UK average** and at levels found in the best regions of Europe and in the rest of the World. If areas like ours don't perform, the UK will not perform. **We can and will deliver more.**
- We can deliver in our Growth Deal **high levels of the impact** desired by Government – **new jobs, additional homes and new employment space**; together with **exceptional levels of match funding and leverage** from the public and private sectors.

<b>Impact Measure</b>	<b>Outcome</b>
New Jobs	60,000
Additional Homes	27,000
Sq metres of New Employment space	970,000

*"We have a close working relationship with Coast to Capital and are encouraged to see that Gatwick Airport plays a key role in helping to deliver the Plan and maintaining the region as a thriving economic hub.*

*Future investment is a key element of the Plan and in the past four years Gatwick has invested £1 billion in improving the facilities and services at the airport and we will continue to invest with a further £1 billion to be spent on developing Gatwick's reputation as a world class airport.*

*We are particularly supportive of the Plan's priorities around skills and young people. Investing in our workforce of the future is important to us and very much a priority for the Airport.*

*We are very pleased to offer our support for the draft Plan which is a very comprehensive document and focusses on the most important strategic priorities to keep the diverse Coast to Capital area an important and relevant business region."*

Stewart Wingate Chief Executive, Gatwick Airport Ltd.

## **MEASURING OUR SUCCESS**

In addition to our overall goal of 100,000 additional private sector jobs, we have identified a small number of other top level indicators:

<b><u>Topline Priorities</u></b>	<b><u>2010 Baseline Coast to Capital</u></b>	<b><u>2010 Baseline South East Region</u></b>	<b><u>2020 Target</u></b>
<b>Net Private Jobs</b>	652,200	Not applicable	40,000 net additional jobs
<b>Private Jobs Share</b>	81%	81%	Continue to match SE level
<b>Public Jobs Share</b>	19%	19%	Continue to match SE level
<b>GVA Total £billion</b>	£38.9bn	Not applicable	£55bn
<b>GVA Per Head Working Age Population</b>	£31,800	£35,100	Reduce gap with SE
<b>Percentage of Companies Regularly Exporting</b>	16%	Not available	1% increase year on year – double by 2035

## **COLLABORATION WITH OTHER LEPS**

We have two overlaps with neighbouring LEPS and are working closely with them:

### Croydon

In this SEP we set out the transport infrastructure requirements for Croydon. We will be discussing these with Transport for London and Department of Transport, and where appropriate, with Network Rail.

### Lewes

We have collaborated with East Sussex County Council and South East LEP to develop with Lewes DC plans for the regeneration of Newhaven. We are also involved with East Sussex County Council and SELP on the current study of the A27.

Businesses and the workforce know no boundaries, a fact which is often mentioned by employers – particularly those which are international companies. We know we need to collaborate with our neighbours.

*"BP's International Centre for Business & Technology (ICBT) is located in the South East, within close proximity of the Coast to Capital LEP region. Home to c. 7,000 staff, the ICBT is one of our key global hubs and host to thousands of visitors a year from across the world. The economic success of the Coast to Capital region is important to us and other businesses, as it is an area with considerable economic assets and supports business investment essential to the growth of the UK economy. However, to remain a global leading business location and to further capitalise on its strengths, we believe that the Coast to Capital region must have well-targeted investment in essential transport and other infrastructure, housing supply, skills development and support for enterprise and innovation. Coast to Capital has sound ambitions with these priorities and we welcome their highly collaborative approach across all sectors including close dialogue with the private sector. We remain supportive of their commitment to developing an innovative approach to delivering the challenging investment required for the region to realise its potential in the upcoming years."*

Mikhael S. Newman  
ICBT Reputation Director  
BP plc

We are working with five other LEPS as part of the Greater Thames Valley Six (GTV6) to champion this key area of the UK economy and to work across boundaries to support business to flourish. The LEPS which make up GTV6 are Thames Valley Berkshire, Buckinghamshire Thames Valley, Enterprise M3, Oxfordshire, Coast to Capital and Hertfordshire.

Examples of the areas of GTV6 LEP collaboration:

1. 5G Innovation Centre (5GIC): GTV6 are working with the University of Surrey and major telecommunications companies to maximise the opportunities for local businesses arising from 5G through the development of the 5GIC test bed.
2. Digital Infrastructure: sharing best practice on achieving 100% Next Generation Access (after BDUK work has completed) and that businesses have access to globally competitive broadband speeds;

3. EU Programmes: collaborating on ESIF, working together on key sectors such as film, digital media and the rural economy , sharing project ideas, considering efficiencies in the management and delivery of the programme, through to more strategic collaborations, including bidding as a group for other EU programme funds to support our plans;
4. Transport (Road & Rail): working together and lobbying on road and rail issues, including positioning ourselves as powerful and influential partner in ongoing dialogues with the Highways Agency on the Route Based Strategies and Network Rail on their plans for future control periods;
5. Growth Hub: sharing best practice in business support and in activities to signpost businesses to the support they need, such as web portals;
6. Housing: sharing approaches and innovative thinking on the acceleration of affordable housing across boundaries and working with developers, housing associations and local authorities on future housing needs accepting that LEPs are not Local Planning Authorities and not tasked with housing development,;
7. London and other LEP areas : Working with other LEPs across the country and especially with London where GTV6 LEPs adjoin 60% of London's boundary and where there are a number of collective areas to explore from transport to access to finance, labour mobility; business growth and jobs;
8. Airport Capacity: working on common issues to improve air capacity and surface access.

## CHAPTER 2: COAST TO CAPITAL TODAY: CHALLENGES AND OPPORTUNITIES

*A thorough understanding and analysis of our area drives what we intend to do*

### Our Geography

The Coast to Capital area comprises the whole of West Sussex, the London Borough of Croydon, the City of Brighton and Hove, four Surrey districts – Mole Valley, Reigate and Banstead, Epsom and Ewell and Tandridge - and Lewes district which is part of East Sussex. We are home to nearly two million people and nearly 115,000 registered and unregistered businesses and 150,000 self-employed people, providing over a million jobs.

We have five distinctive sub-areas, each with an established Area Partnership:

- **Croydon** – the gateway to London, the largest metropolitan office centre outside Central London and Canary Wharf, with excellent transport links underpinning very significant potential for commercial and residential development;
- **Gatwick Diamond** – centred on Gatwick Airport, a key economic driver and international hub with a hinterland of strategic employment locations with potential for substantial business and residential growth.
- **Brighton and Hove** - an internationally recognised University City, with clusters of creative and digital businesses, financial services and a significant visitor economy, and the heart of a City Region comprising port and market towns, including Lewes, Newhaven and Shoreham;
- **Coastal West Sussex** – a mix of high quality coastal towns, including Worthing and Bognor Regis with substantial potential for employment growth in the advanced engineering, digital and tourism sectors
- **Rural West Sussex** – a distinctive rural area with the South Downs National Park at its heart, with high levels of enterprise, quality landscapes and popular towns and villages with strong growth potential and providing attractive communities for high skilled labour, enterprise and growing businesses. There are three Areas of Outstanding Natural Beauty

According to our private sector business community, the core economic driver in the Coast to Capital area is our international trading potential. This places **Gatwick Airport** and its potential to act as the catalyst to a cluster of economic activity, at the heart of our Strategic Economic Plan.

The **Greater Brighton City Deal** identified that the primary economic challenge for the City Region is to improve productivity and to create greater ambition in high value micro-businesses, so that they are attractive to investors and can be retained within the City Region as successful larger businesses.

At the end of the last millennium, the City Region economy was still a traditional coastal economy, over-reliant on low value tourism and public services. Productivity (GVA per head) was similar to Liverpool and Walsall and the unemployment rate was the same as in Doncaster and Rotherham. The City Region is now well-recognised for its buoyancy, innovation and growth potential. Between 1999 and 2009, productivity grew faster than in

any other urban area outside London and unemployment has now fallen below that of high performing economies like Reading, Milton Keynes and Swindon.

However, the City Region economy is still not as strong as it should be: residents are well qualified, but productivity levels are modest; there is high business density, but too many of businesses fail; and there is still not enough high performing and ambitious businesses to make it a truly high performing City Region.

The City Region has much of the talent and many of the enterprise and liveability factors to become a Super City Region. But, to achieve full potential these must be converted into real ambition and to marry creativity to a strong technology base. Businesses are saying that we do not yet have the high quality office space or the technical skills that they need to thrive.

The ambition of the City Deal is for greater Brighton to become one of the UK's Super City Regions, recognised internationally for creative and technological expertise and capacity to innovate, develop talent and foster ambition. Productivity in the City Region will match the skill levels and we will become a genuine economic hub, with the universities at the heart of all our innovation and growth activities

The full Greater Brighton City Deal document can be found at [www.coast2capital.org.uk](http://www.coast2capital.org.uk)

### Coast to Capital Area Local Partnerships



## Our Competitive Foundation: Productive, Growth Orientated, Exporting Businesses

The Coast to Capital economy contributed £38.9 billion of added-value to the UK economy in 2010. At £9.1bn, almost a third of our GVA contribution was generated through exports in 2010, reflecting both the contribution that exports make to our economic and the abilities of our businesses to trade internationally. Coast to Capital has one of the strongest economies in England. Using Gross Value Added (GVA) per head as a measure of productivity, the Coast to Capital economy was ranked 4th out of 39 LEP areas.

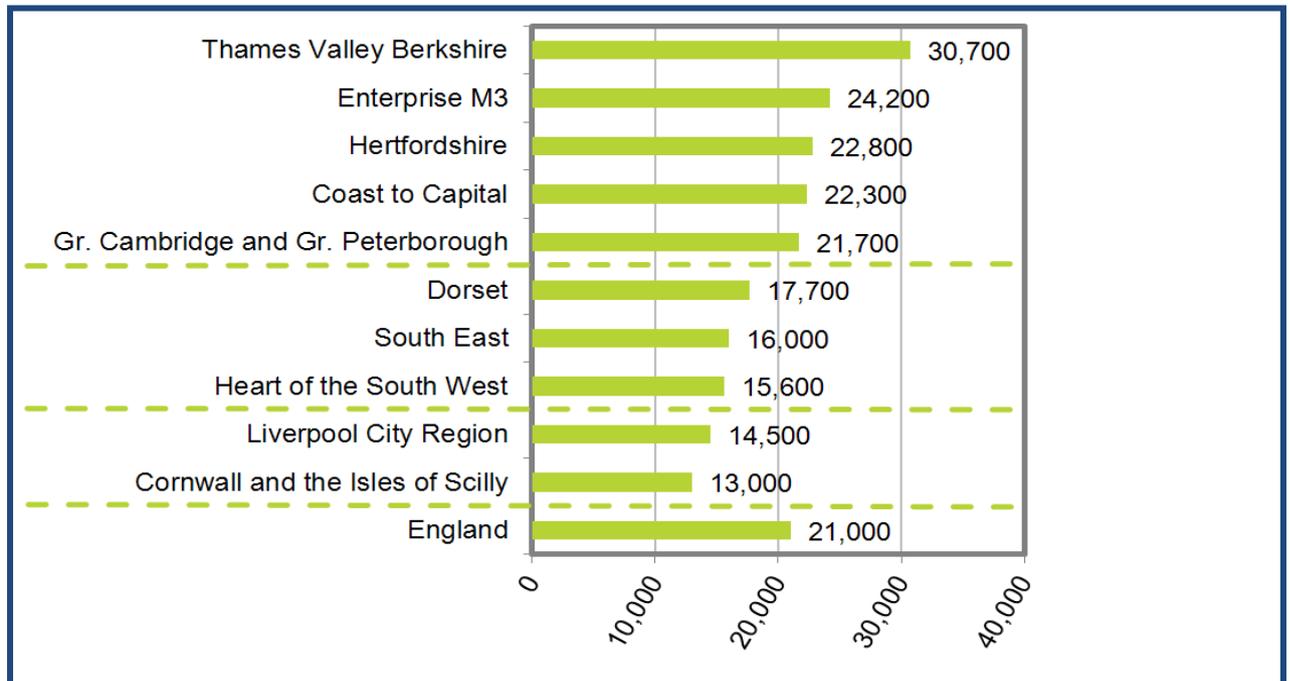


Figure 1: Top 5/Bottom 5 LEP areas by GVA per head £s in 2009 ((Source: 'Creating Successful Local Economies: Review of Local Enterprise Partnership area economies in 2012' the LEP network)

In itself, this productivity data indicates that investment to overcome barriers to growth in the Coast to Capital area will make significant contributions to UK economic growth.

### **Key Sectors with Growth Potential**

In delivering the proposals in our first Strategic Economic Plan, we will start the process of achieving job growth target of 100,000 private sector jobs by 2035. We will focus on priority sectors based on local strengths in the Coast to Capital area, potential future growth prospects, a strong presence of internationally recognised companies and a research base to support sector development<sup>3</sup>.

In a recent report Chichester University also considered the relative strengths, opportunities and threats of our business base.<sup>4</sup>

<sup>3</sup> Research by This is Regeneration, March 2012

<sup>4</sup> Developing Networks of Innovation; Chichester University; October 2013

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Strong Area Assets (FDI Report); Location, Lifestyle, Skills, Connections</li> <li>• Presence of a number of global companies across a range of sectors, some with their own research capability</li> <li>• A few strong sectors in enabling and growth technologies; digital, electronics, medical</li> <li>• 3 technologically research intensive universities</li> <li>• A number of strong independent research organisations</li> <li>• Leading centre for innovation and productisation (SINC)</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Few absolute sector strengths</li> <li>• Limited business clusters (exception is digital media)</li> <li>• Businesses tend to operate in isolation</li> <li>• HE is insufficiently connected to the local economy</li> <li>• Regional HEs have a limited global profile</li> <li>• Pockets of deprivation</li> <li>• Infrastructure disconnects (road ,rail, broadband)</li> <li>• Strong anti-development lobby</li> <li>• Levels of Innovation and business support are inconsistent</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Smart Specialisation focussed on key sectors</li> <li>• Utilising existing networks to develop regional initiatives; Kent Surrey Sussex Academic Health Science Network, Electronics Sensors and Photonics KTN, Connected Digital Economy Catapult</li> <li>• Development of focused micro-clusters and associated supply chains</li> <li>• Connecting HE into regional businesses possibly through the establishment of science parks</li> <li>• Exploiting ERDF and other EU funding streams e.g. Horizon 2020, Interreg V</li> <li>• Enterprise start-up and support framework</li> <li>• High growth product innovation support</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Initiatives will require significant long-term commitment, planning, leadership and investment in resources</li> <li>• HE does not buy-in to the need for regional collaboration and open-innovation</li> <li>• Sub-regional politics and the failure to agree on sector prioritisation, place based initiatives and overall need for a vision</li> <li>• Failure to engage with business around the vision</li> <li>• Selecting the wrong industries/sectors and not being allowed to make mistakes</li> </ul>

From this and the earlier research we have concluded our five priority sectors where we have a credible competitive advantage are:

- Creative Digital and IT
- Health and Life Sciences
- Advanced Manufacturing Engineering
- Financial and Business Services
- Environmental Technologies

In some areas **tourism, horticulture/food and drink** are also significant.

Priority sectors and are discussed further in Chapter 5.

### **Business Births: Higher than the Rest of the South East**

We had 74,600 VAT and PAYE registered businesses trading in the LEP in 2013, of which the vast majority (67,200) employ fewer than 10 people. Only 260 of our businesses employed more than 250 people<sup>5</sup>.

Business births are a measure of the dynamism of local economies. Coast to Capital's business birth rate measured as a ratio of business births to 10,000 working age population, at 7.58 is slightly above that of the South East region as a whole at 7.49. Once again there are variations at Area Partnership level ranging from 6.64 in Coastal West Sussex to 8.37 in rural West Sussex. One year survival rates for businesses in Coast to Capital born between

<sup>5</sup> ONS, UK business Counts, 2013

2006 and 2010 appear to have declined year-on-year by an average of just under 10% and three year rates have also declined.

In the Coast to Capital region, we have a significant number of home based businesses who also contribute, in their own way, to our economy. In Horsham, (GEM research Aston University 2013) shows that 60% of all businesses are home based. A similar number of start-ups are also home based.

### **1 in 6 Businesses are Exporting**

UKTI estimates that 60% of all productivity growth comes from businesses that internationalise and that they also have better survival rates. Most businesses which start to trade internationally experience a significant uplift in productivity and profitability in the first year. A recent Government report on SME exports notes that, although accurate statistics on UK exports are hard to come by, the fact remains that the UK has a persistent current account deficit, exporting fewer goods and services than it imports and that: "it would be to the significant advantage of the UK economy and the export- led recovery if SMEs were to export more." (Source: Roads to Success' House of Lords Select Committee on SME exports (2013))

We commissioned research on exporting by Coast to Capital companies. This estimated that 1 in 6 businesses located in the Coast to Capital region export; this represents some 11,500 companies. Their performance outweighs non exporters. They generate £14.2bn for the Coast to Capital economy, equivalent to 38% of Coast to Capital's GVA. The EU and North America are the most significant export markets with growing penetration of emerging market economies. Coast to Capital exporters are positive, with nearly half expecting export growth. (*Source: Shared Intelligence for Coast to Capital; 2011*)

### **Innovation: More Potential**

NESTA's latest Innovation Index shows that between 2000 and 2009, 27% of UK labour productivity growth was directly attributable to private investment in innovation. Estimates indicate that benefits generated from research & development (R&D) generate a further return of 20-50%. (*Source: 'NESTA: The Innovation Index- Measuring the UK's investment in innovation and its effects'*) Patents are one measure of innovation levels in an economy. The number of granted patents in the Coast to Capital area rose from 51 to 75 per year between 2008-2012, The number of patents per 100,000 population in the Coast to Capital area rose from 2.8 to 3.9 during the same period. However, by 2012, for the UK as a whole 4.7 patents were registered per 100,000 population indicating that Coast to Capital is underperforming.

### **Coast to Capital Businesses: Driving Growth**

In summary, we see significant opportunities for Coast to Capital businesses and entrepreneurs to drive economic growth. We have assessed how best to achieve our goal of creating 100,000 jobs by 2035. To achieve these ambitions, our efforts must include (but not be limited to):

- increasing the proportion of Coast to Capital businesses which are internationalised, currently 16% regular exporters, by 1% per annum over the next 5 years – an additional 3,950 businesses;
- increasing the level of entrepreneurship and business start-up rate to above the regional and England average – an additional 4,500 new businesses over the next 5 years; and

- Stimulating business growth, innovation, productivity and employment across a range of key sectors, bringing GVA and employment growth overall up to at least the regional average.

Chapters 4 & 5 set out how we will promote investment in companies in our key sectors, accelerate the business birth rate and survival, promote internationalisation, and encourage innovation.

### **Our Competitive Foundation: Talented, Motivated, Skilled Workforce**

The Office of National Statistics (ONS) indicated that 1,943,900 people lived in the Coast to Capital area in 2012. Our population is growing. Between the 2001 census and 2011, the resident population grew by 8% - slightly above the average for England. Despite preconceptions, our younger age population is growing as well as the elderly – between 2001 and 2011 the under 24 age group grew faster than the over 64. We are becoming more diverse – 15% are from ethnic minorities in 2011 compared to 9% in 2001.

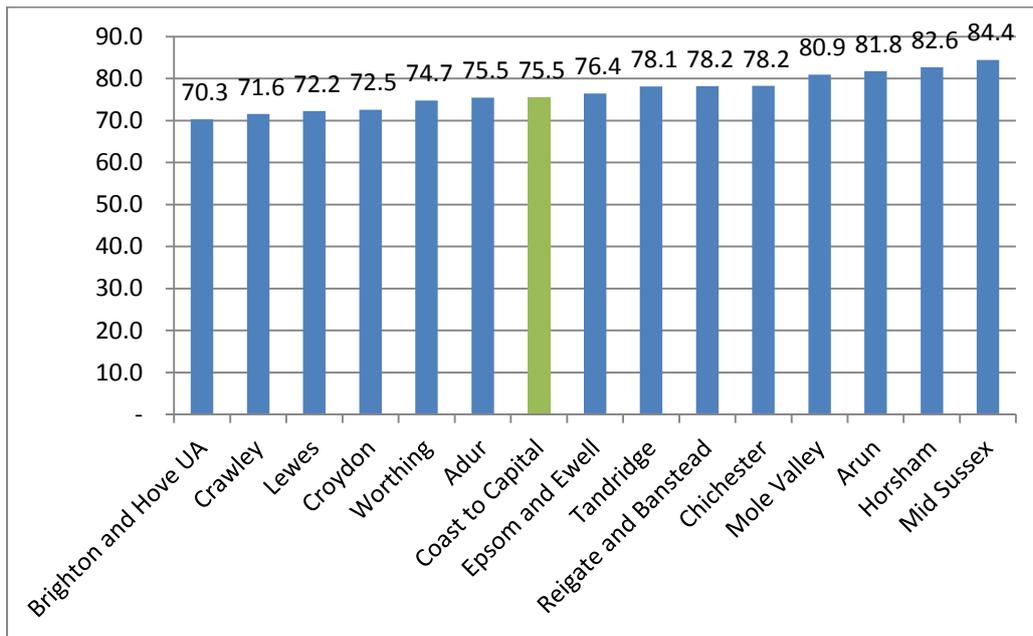
The population will continue to grow. The ONS projections show an additional 190,100 people will live in the area by 2021 arising from a combination of natural growth and net migration. This population growth is one of Coast to Capital's valuable economic assets both because it will increase the working age population and provide new markets for local companies.

In 2012, some 1,227,300 Coast to Capital residents were of working age, meaning that 63.1% of the population were eligible to participate in the labour market. This is on a par with the South East as a whole but 1% below the average for England, reflecting high levels of retired populations in some of our coastal settlements (source: <sup>1</sup>ONS, Business Register and Employment Survey 2011).

### **High Economic Activity and Employment Rates**

Some 992,700 people in Coast to Capital were economically active between 2012 and 2013; and 930,000 of these were in employment, including 150,000 self-employed people. Economic activity rates are high at 81% of the working age population which is slightly higher than the South East rate of 79.4% and significantly above that of Great Britain as a whole (77.3%) (Source: *Nomis/ONS Annual Population Survey July 2012-June 2013*).

The employment rate is also high in the Coast to Capital region at 75.5% of the working age population compared to 74.7% in the South East and 71.1% in Great Britain. (Source: *Nomis/ONS Annual Population Survey July 2012-June 2013*) However, there are very significant variations at the district level as set out in Figure 2 below. There are substantial opportunities to boost employment rates in Lewes, Croydon, Brighton and Hove and Crawley.



**Employment rates in Coast to Capital LA Districts Sep 2012 as a %age of working age population (Source: ONS/Annual Population Survey 2013)**

### High levels of qualifications

Some 454,900 people in the Coast to Capital area are employed in managerial, professional, associate professional and technical occupations. This represents 47.9% of our workforce and this is significantly higher than the average for England (44.3%). We have a similar profile to the national picture in middle range occupations; with 212,500 (22.4%) employed in administrative, secretarial and skilled trade roles, and 156,000 (16.4%) employed in care, leisure, sales and other service roles.

However, we have a significantly lower proportion of those employed in process plant, machine operative and elementary occupations, at 12.8% of our workforce compared to 17.0% nationally. Nevertheless, some 121,600 people are employed in these roles (ONS, Annual Population Survey 2013).

A higher proportion of more senior roles means that our workforce is highly qualified. In 2012, we had 469,000 people qualified to at least NVQ Level 4 (equivalent to a degree), which was 39.5% of our workforce compared to 34.2% of England's workforce. Indeed, we have a higher proportion of workforce qualifications at all levels, implying significant competitive strengths and a higher offer for investors (Source: ONS, Business Register and Employment Survey 2011).

### Significant Concentrations of Unemployment

The Annual Population Survey (APS) indicated that in the Coast to Capital area, unemployment was slightly higher than that of the South East as a whole in 2012. However, there were wide differences at the Area Partnership level. As shown below, the proportion of unemployed people in Croydon was over twice as high as that in the Gatwick Diamond, Coastal West Sussex and Rural West Sussex. Around one third of all the unemployed in the Coast to Capital area are in Croydon. Bringing those currently out of work back into the labour market across the Coast to Capital area, particularly in Croydon and Brighton and Hove would further enable the Coast to Capital area to contribute to UK economic growth.

<i>July 2012 to July 2013</i>	<i>16-64</i>		
<i>Area</i>	<i>Active</i>	<i>Unemployed</i>	<i>%</i>
<b><i>South East Region</i></b>	<i>4,330,300</i>	<i>275,900</i>	<i>6.4%</i>
<b><i>Coast to Capital</i></b>	<i>966,200</i>	<i>65,600</i>	<i>6.8%</i>
<b><i>London Borough of Croydon</i></b>	<i>182,100</i>	<i>19,400</i>	<i>10.7%</i>
<b><i>Brighton and Hove and Lewes</i></b>	<i>184,500</i>	<i>13,200</i>	<i>7.2%</i>
<b><i>Gatwick Diamond</i></b>	<i>392,500</i>	<i>21,700</i>	<i>5.5%</i>
<b><i>Coastal West Sussex</i></b>	<i>207,100</i>	<i>11,100</i>	<i>5.4%</i>
<b><i>Rural West Sussex</i></b>	<i>191,300</i>	<i>8,100</i>	<i>4.2%</i>

**Working age unemployment in Coast to Capital and the area partnerships** (Source: ONS/ Annual population survey 2012/2013)

*Skills: Strengths, Weaknesses Opportunities, and Threats*

Looking at the skills and employment challenges facing the Coast to Capital area as a whole indicates that we have significant strengths on which to build --- and if we overcome key challenges the Coast to Capital area could make further significant contributions to economic growth:

<b>Strengths</b>	<b>Weaknesses</b>
<p>Educational attainment levels are good and are rising.</p> <p>We have four universities, producing 41,000 graduates between 2007 to 2012</p> <p>The resident working age population is well qualified at all levels compared to the South East region</p> <p>Economic activity rates in Coast to Capital are above average, as is the employment rate, indicating that skills demand is buoyant and gaps are not critical issues.</p> <p>Self-employment rates are above those of the South East and significantly above those of GB as a whole.</p> <p>Coast to Capital performs well on employment in higher level occupations and is ranked 4th out of 39 LEPs when measured by share of employees in high level occupations</p> <p>Coast to Capital knowledge economy employment is on a par with the SE as a whole. It is above average in Brighton and Hove.</p> <p>Public sector employment as a proportion of total employment is decreasing.</p>	<p>There are variations at area level and Brighton &amp; Hove is under performing.</p> <p>Only 43% of graduates were retained in our area. London is a major draw for graduates from Coast to Capital universities.</p> <p>There are nearly 70,000 people of working age without qualifications There are variations in qualification levels at local authority and area partnership level. Coastal West Sussex has the least well qualified workforce.</p> <p>There are significant variations at area levels indicating mismatches in local labour markets, particularly in Croydon and Brighton and Hove.</p> <p>Low levels of patent registration compared to UK average</p> <p>Although male self-employment rates are higher than average (though not in all areas) female self-employment rates in Coast to Capital are significantly lower.</p> <p>Croydon and Coastal West Sussex have lower shares of residents employed in the top three occupational groups. Croydon, Tandridge in Surrey and some coastal districts have below average proportions of jobs in the top three occupational groups.</p> <p>Overall knowledge economy performance of the Coast to Capital area as a whole is held back by a low level of knowledge economy in Coastal West Sussex. The fact that employment rates are generally above average in Coastal West Sussex and unemployment is lower indicate that there is weak demand for higher level skills and areas of possible low skills equilibrium along the coast.</p>
<b>Opportunities</b>	<b>Threats</b>
<p>The presence of a highly skilled workforce is a benefit in attracting inward investment and increased numbers of knowledge based businesses</p> <p>Increasing self-employment rates to above average across all areas, particularly for females, would create a significant rise in employment</p> <p>The strong knowledge economy presence in Gatwick Diamond and Brighton and Hove could be built on to create more jobs.</p> <p>Our strengths in key sectors such as Creative, Digital and IT, Advanced Manufacturing and Engineering, Health and Life Sciences, Financial Services and Environmental Technologies could support future knowledge economy growth (see below)</p>	<p>Poor labour mobility in rural areas and along the coast result in labour market mismatches and employers not being able to get the skills they need</p> <p>Areas of lower value employment and possible low skills equilibrium threaten the growth of the knowledge economy</p> <p>The forecast rise in demand for higher level skills and specialised skills for our key sectors and their supply chains in our area is significant and may not be able to be met.</p> <p>Many of the forecast skills needs are complex and specialised</p> <p>Employment in IT, which underpins these sectors and supports innovation is well below that of the SE. Women are under-represented at senior levels in a number of these sectors as are BAME groups</p>

### ***Coast to Capital Workforce- Driving Growth Skills***

The Coast to Capital economy is strong, with high rates of economic activity, strong demand for highly skilled labour, and a better qualified workforce to meet this demand. Yet, there are significant concentrations of unemployment. In strong labour markets, the key to unlocking potential for economic growth is to invest in upskilling the existing workforce. In Chapter 6, we summarise our approach to realising the strengths of the skills of Coast to Capital's existing workforce and how best to address our main weaknesses. These skills and employment investments are key to strengthening Coast to Capital's competitive advantage.

### **Inclusive and Cohesive Society**

As noted above, as measured by GVA per head, the Coast to Capital area is one of the most productive, and thus prosperous, in England. However, this masks significant deprivation. According to the 2011 Census, there were more than 268,000 households which were deprived in a least one dimension. Over 35,000 households were deprived in at least three dimensions. As set out in Table 2 below, the highest concentrations were in Brighton and Hove and Croydon.

Area	Number of Households				
	Household is not deprived in any dimension	Household is deprived in 1 dimension	Household is deprived in 2 dimensions	Household is deprived in 3 dimensions	Household is deprived in 4 dimensions
Coast to Capital	372,559	268,348	132,563	31,385	3,867
Croydon	59,399	50,369	26,731	7,457	1,054
Gatwick Diamond	160,004	98,262	41,915	8,465	790
Brighton and Hove	70,936	54,125	29,198	8,259	1,203
Rural West Sussex	84,266	51,887	21,663	4,036	328
Coastal West Sussex	82,220	65,592	34,719	7,204	820

*Table 2: Household deprivation in Coast to Capital (Source: ONS Census 2011)*

Thus, there are very significant numbers of households who do not benefit from the job opportunities in the Coast to Capital area. There are wide variations at a local level and between male and female unemployment rates. There are over 25,000 people who have never worked or are long term unemployed. Deprivation in the Coast to Capital area is higher than in the South East as a whole.

There are over 13,000 unemployed young people in the Coast to Capital area. Young males are at a particular disadvantage in the Coast to Capital labour market. In economic terms, deprived households represent an underutilised asset. We have 50,000 people on the waiting list for social housing. In Chapter 6 we propose how we will bring those Coast to Capital residents currently excluded back into the labour market.

## International comparisons

*"Britain is in a global race to succeed today and you don't need me to tell you that."*  
David Cameron, Speech to CBI Conference November 2012

Coast to Capital spans the two most important and successful UK economic regions – London and the South East. It should therefore be expected that our economy should be a major contributor to the global competitiveness of the UK economy. Our economic performance should aspire to and match the best found in Europe and the more successful global locations.

So how do we compare? Based on a benchmark index for productivity set at 100 for the EU average, Surrey, East and West Sussex have the 72<sup>nd</sup> highest economy (figures for the whole of the Coast to Capital area are not available). A selection of the top performing regions is shown in below. It is clear that the Coast to Capital region is underperforming in comparison to a number of potentially comparable North European Regions, especially those in Germany and the Netherlands, for example, Darmstadt 161, Bremen 158, Utrecht 155, Noord Holland 150, Stuttgart 144, Antwerp 137, and Dusseldorf 135.

DE71	Darmstadt	161
DE50	Bremen	158
DK01	Hovedstaden	157
NL31	Utrecht	155
FI1B	Helsinki-Uusimaa	154
NO04	Agder og Rogaland	153
NL32	Noord-Holland	150
AT32	Salzburg	146
DE11	Stuttgart	144
NO05	Vestlandet	142
BE21	Prov. Antwerpen	137
DEA1	Düsseldorf	135
DEA2	Köln	124
NL34	Zeeland	123
NL42	Limburg (NL)	117
SE23	Västsverige	117
DK04	Midtjylland	116
DE92	Hannover	116
UKJ2	Surrey, East and West Sussex	114
	EU AVERAGE	<b>100</b>

*Source: Eurostat – UK, European and Global Competitive Positioning, Regional Analysis - Dr David Cooper, Dr Dawn Robins, University of Chichester, March 2014*

At a wider global level, it is inevitably quite difficult to establish comparable regional figures of GDP performance. OECD comparisons highlight that all but one of the 16 South Korean regions have a GDP figure higher than West Sussex, and Surrey would be 9<sup>th</sup> in terms of performance. When compared with the 47 Japanese regions, West Sussex would be 41<sup>st</sup> and Surrey 25<sup>th</sup>.

At a higher spatial level, the OECD productivity index figure for South East England for 2010 is 36,963. This is exceeded by all but two US States which have an average GDP index of 48,000, and would come 8<sup>th</sup> in the 13 Canadian Regions. All the regions of Switzerland have economic performances that are higher. Singapore Government Stats have figures of \$ GDP/Capita for Singapore of 45,000 and for the UK, 36,800.

Coast to Capital will benchmark our economic performance against a small number of comparator areas in Europe and internationally. We will learn from their experience and identify where we need to improve our performance.

In terms of European comparators, Noord Holland, Darmstadt, and Brainport appear to most closely match the characteristics of our area.

Noord Holland has a similar industrial background, a main airport, a predominantly service related sector and relationships with renewable energy and sustainable environmental development. The Noord Holland region has managed to maintain growth during the recent global downturn and has established collaborative relationships with neighbouring regions to ensure sustainability of its business sectors. Its proximity to Amsterdam and coastal location make it a useful region from which to study the aspects that have made it a success.

Darmstadt is a completely different region in the sense it is land locked and centrally located within the country. It is comparable to Coast to Capital from an industry perspective and its physical transport infrastructure could provide valuable insight for the our region. Darmstadt is densely populated and close to the financial city of Frankfurt yet holds its own in terms of industry focus and has an emerging creative hub.

Brainport is superior in terms of its ability to not only generate innovation and business start-ups but also to maintain this success thereby drawing in entrepreneurs from outside the region. Coast to Capital and the Greater Brighton City Deal are promoting business hubs, incubators and start-up support around the different urban and rural areas of the region and could look towards the Brainport region for support in strengthening these initiatives.

### Transport Comparisons

	No. Passenger Cars per Thousand Inhabitants (2010)	Density of Motorway networks (2011) (Km per Thousand Km2)	Buses per Thousand Inhabitants (2011)	No. Road Freight Vehicles (Thousand Vehicles 2011)	Density of Rail Networks (Km per Thousand Km 2011)	Total freight trips generated (2011)
Surrey, E&W Sussex	520	21	2.6	161	NA	16251 <sup>6</sup>
Noord Holland	414	106	1.5	142	139	6857
Bremen	395	186	1.5	21	423	3076
Darmstadt	540	64	0.8	171	NA	NA
Utrecht	487	128	0.8	77	142	22528 <sup>7</sup>
Antwerp	482	79	2.2	134	88	22134 <sup>8</sup>
Dusseldorf	489	121	0.8	186	NA	NA
Stuttgart	545	37	0.7	229	NA	20292 <sup>9</sup>

Source: <http://epp.eurostat.ec.europa.eu/portal/> - UK, European and Global Competitive Positioning, Regional Analysis - Dr David Cooper, Dr Dawn Robins, University of Chichester, March 2014

<sup>6</sup> Per Thousand tonnes NOT trips

<sup>7</sup> Ibid

<sup>8</sup> Ibid

<sup>9</sup> Ibid

Transport infrastructure is essential to ensuring the smooth running and growth and expansion of the economy. Public transport is subsidised in the Coast to Capital region and the amount of buses per thousand inhabitants is considerably higher than the majority of comparable regions. This does not translate into a sustainable transport infrastructure though – the amount of passenger cars per thousand inhabitants is one of the highest in the comparable regions at 520/1000. The density of motorways network in the Coast to Capital region is the lowest of all the comparable regions at only 21km per thousand Km<sup>2</sup>.

At the same time, the Coast to Capital area is in the mid-range for number of road freight vehicles and freight trips generated. This combination of high car ownership, low motorway density and mid-range freight movements may in part explain why our transport infrastructure suffers from congestion and is susceptible to resilience problems.

### **Building on Our Strengths**

Today, the Coast to Capital economy is strong. Across the economy as a whole, we see potential for growth. Furthermore, we have identified five specific sectors in which growth will make significant contributions to Coast to Capital's future prosperity. We see opportunities to accelerate the business birth rate, promote innovation and increase exporting.

By comparison with most of the rest of the UK, our economy offers a higher proportion of jobs needing advanced skills – and our workforce is responding to this demand. Indeed, investments to further enhancing the skills of our workforce, and bringing those excluded back into the labour market is key to strengthening Coast to Capital's competitive advantage.

Coast to Capital offers substantial growth potential. The table below summarises the evidence and highlights what we need to do in our Strategic Economic Plan to overcome the barriers and unlock this growth.

## Summary of the evidence and what we need to do to promote growth

Asset	Advantages	Challenges
<b>Our Economic Geography</b>	<ul style="list-style-type: none"> <li>• Gatwick Diamond has the largest business base in Coast to Capital, with key high value, international businesses around Gatwick Airport and in the East Surrey Corridor</li> <li>• Croydon is the gateway into London and the largest office centre outside of London</li> <li>• Brighton &amp; Hove and Lewes is an internationally recognised tech and digital cluster, attractive to highly skilled workers, and the Greater Brighton City deal aims to become a UK Super City Region</li> <li>• Coastal West Sussex has potential for growth in engineering, digital, and tourism sectors</li> <li>• Rural West Sussex has high levels of enterprise and has strong home based business population</li> <li>• South Downs National Park has the potential growth in tourism and sustainable development</li> <li>• An increasingly diverse population, a 6% growth in the number of people from ethnic minorities from 2001 to 2011</li> <li>• Good transport connections with two ports in Newhaven and Shoreham, two airports in Gatwick and Shoreham, good rail and road links within the area and to London</li> <li>• Wide range of business locations with a good mix of commercial, industrial, and retail space at reasonable rents</li> </ul>	<ul style="list-style-type: none"> <li>• Transport networks are at capacity, under strain and vulnerable to weather events</li> <li>• Lack of interconnectivity between areas reducing effectiveness of complementary strengths</li> <li>• Pockets of relative underperformance such as in Brighton &amp; Hove, Croydon, and coastal areas</li> <li>• Job density is low in coastal areas such as Arun, Adur, and Lewes, and in Croydon</li> <li>• Lack of affordable housing reduces attractiveness to employees and restricts growth of businesses</li> <li>• Pockets of deprivation, concentrated in Brighton &amp; Hove and Croydon</li> <li>• Congestion points along the A27 and A23, and Brighton and Hove and Croydon journey times are a minute and a half longer per mile than the rest of Coast to Capital</li> <li>• Restrictions affecting travel to work/learn especially in rural areas where public transport can be limited</li> <li>• Commercial and industrial fabric is tired and out-dated in places, and development is sporadic</li> <li>• Broadband availability is patchy, especially in rural areas</li> </ul>
<b>Our Business Base</b>	<ul style="list-style-type: none"> <li>• Strong business base with a mix of leading companies, a strong SME population, and home based businesses</li> <li>• Good record of business and job creation, more business births than the South East Region and above average rates in Rural West Sussex, Surrey, and Brighton and Hove districts</li> <li>• Strengths in key sectors, a small but specialised medical technology and pharmaceutical sector, a creative and digital cluster, advanced manufacturing and engineering clustering in Gatwick Diamond, and clustering of financial and business services in Brighton and Hove, Croydon, and Reigate and Banstead</li> </ul>	<ul style="list-style-type: none"> <li>• Key sectors are small and not strongly embedded, particularly in Environmental Technology which is in the early stages of its life cycle</li> <li>• Business survival rates have fallen, and are below the South East region average</li> <li>• Businesses are often small, 78% of businesses employ 0-4 people</li> <li>• Higher education and business research collaboration is weak and no cutting edge science park, constraining research capabilities</li> <li>• Productivity is not as good as it should be, GVA per working age population head is £3,000 lower than the South East region</li> <li>• Business support is fragmented, hindering businesses from finding the help they need</li> <li>• Low internationalisation and exporting by businesses</li> </ul>

Asset	Advantages	Challenges
<p><b>Our People and Skills</b></p>	<ul style="list-style-type: none"> <li>• Presence of large and increasingly highly skilled workforce, NVQ level 4+ qualification levels are 5% higher than England</li> <li>• Good record of employment and economic activity, the employment rate has been steady at 75% over the last 10 years and economic activity is at its highest rate in 10 years (81%)</li> <li>• Employment in higher level occupations is strong, 4% higher than England</li> <li>• Supply strengths in 4 universities, 14 further education/6<sup>th</sup> Form colleges, and sector specialisms in private training provision.</li> <li>• Population is growing and increasingly diverse, with the under 24's growing faster than the over 65's</li> </ul>	<ul style="list-style-type: none"> <li>• Future demand for skilled workers likely to outstrip supply, 200,000 jobs are expected to require level 4+ qualifications over the next 10 years</li> <li>• A large number – 70,000 - of the population have no qualifications</li> <li>• Graduate retention is low, we are a net loser of graduates, and 20% find work in London</li> <li>• Youth unemployment is around 21% and has risen 4% since 2010</li> <li>• Knowledge economy employment is variable across the area, Coastal West Sussex is 6% lower than the Coast to Capital average, and Coast to Capital is 1% below the South East regional average</li> <li>• An growing number of people who are Long Term Unemployed or who have never worked</li> <li>• Housing prices constrain attracting young, mobile workforce</li> </ul>

## CHAPTER 3: SUCCESSFUL GROWTH LOCATIONS

*We will focus on just those areas where we know we can have most impact and will deliver a major transport, housing and infrastructure programme to drive growth*

### **The Intervention Logic Chain**

Our aim is to create an internationally competitive business region. We need to ensure that our strategic business locations remain high quality, conducive and competitive places, attractive to inward investors, new businesses and entrepreneurs.

Those areas which have become less successful or attractive must be brought back up to standard.

As growth accelerates, we need to ensure there is both new capacity for business and employment, and that the benefits of growth are spread to wider areas by creating new, attractive strategic business locations.

Successful business locations need to be well connected – to each other, to the wider region, to markets and to the rest of the world. The Coast to Capital transport infrastructure needs significant investment to increase capacity to cope with growth as well as deal with current hotspots.

Transport is both an enabler and a driver of growth. As an enabler, if transport fails it can become a real barrier to effective and sustainable growth. International business competitiveness requires that our transport system is resilient and reliable

### **This is what we are going to do**

Bring forward a major investment programme in transport infrastructure which will unlock growth in jobs, homes and employment space.

Develop plans for each of the strategically important business locations which will safeguard their competitiveness, and create a positive planning and regulatory environment.

Bring in public and private sector funding, investing in transport, premises and digital connectivity to create dynamic and catalytic transformations.

Deliver interventions in brownfield and greenfield sites which will provide the capacity for employment and housing growth. These include **Enterprise Zone designation at Newhaven and Enterprise Bognor Regis.**

Reduce car journeys through sustainable transport improvements thereby contributing to national requirements to reduce carbon emissions.

Improve resilience to weather events and transport disruptions.

Deliver all the commitments set out in Greater Brighton City Deal.

### **OUR GROWTH DEAL:**

#### **Our commitment:**

Over six years from 2015/16 to 2020/21 we will invest in transport and our target locations:

- £ 331m from local authorities and other public sector sources;
- £ 2bn from the private sector;

Together we will deliver:

- 44,500 New Jobs
- 19,800 Additional Homes
- 806,000 Sq metres of new employment space

#### **Our ask of Government:**

We seek co-investment from the Local Growth Fund of £453m over six years, and £45m from TfL/London Growth Fund

### **The importance of place**

We plan to support growth in a limited number of targeted **strategic locations**. In each location we are developing plans with partners and private sector investors which address the particular features and barriers of that place, including:

- Transport improvements, including easing congestion, road and rail access, interchanges; sustainable and alternative transport modes.
- Reviewing the planning regime to ensure it is business friendly
- Development and remodelling of employment land and buildings
- Support development or improvement of business premises (see Chapter 4)
- Digital infrastructure, including ultrafast broadband (See chapter 7)
- Housing development in the belief there cannot be economic growth without homes for people to live in which they can afford to rent or buy (see Chapter 8)
- Investing in infrastructure such as flood defences and waste water.
- Coast to Capital investment from Growing Places Funding.

The investment package for each place will be customised but will draw in elements of the following:

- Private sector investment
- Planning gains – Section 106 and Community Infrastructure Levy
- Public sector investment, including local authorities, universities, Homes and Communities Agency and housing associations
- Transport investment from Highway Agency and Network Rail
- Growing Places Funding
- Local Growth Fund
- Business Improvement District investment
- Other new forms of investment such as Local Asset Backed Vehicles, Earn-back, Tax Increment Funding, and Business Rates Retention.

The level of investment in each area will be prioritised by the following criteria:

- Direct impact on jobs, housing and employment space
- Indirect enabling of jobs, housing and employment space
- Match funding from the public sector, including publicly owned land and buildings
- Leverage from the private sector
- Feasibility
- Immediacy

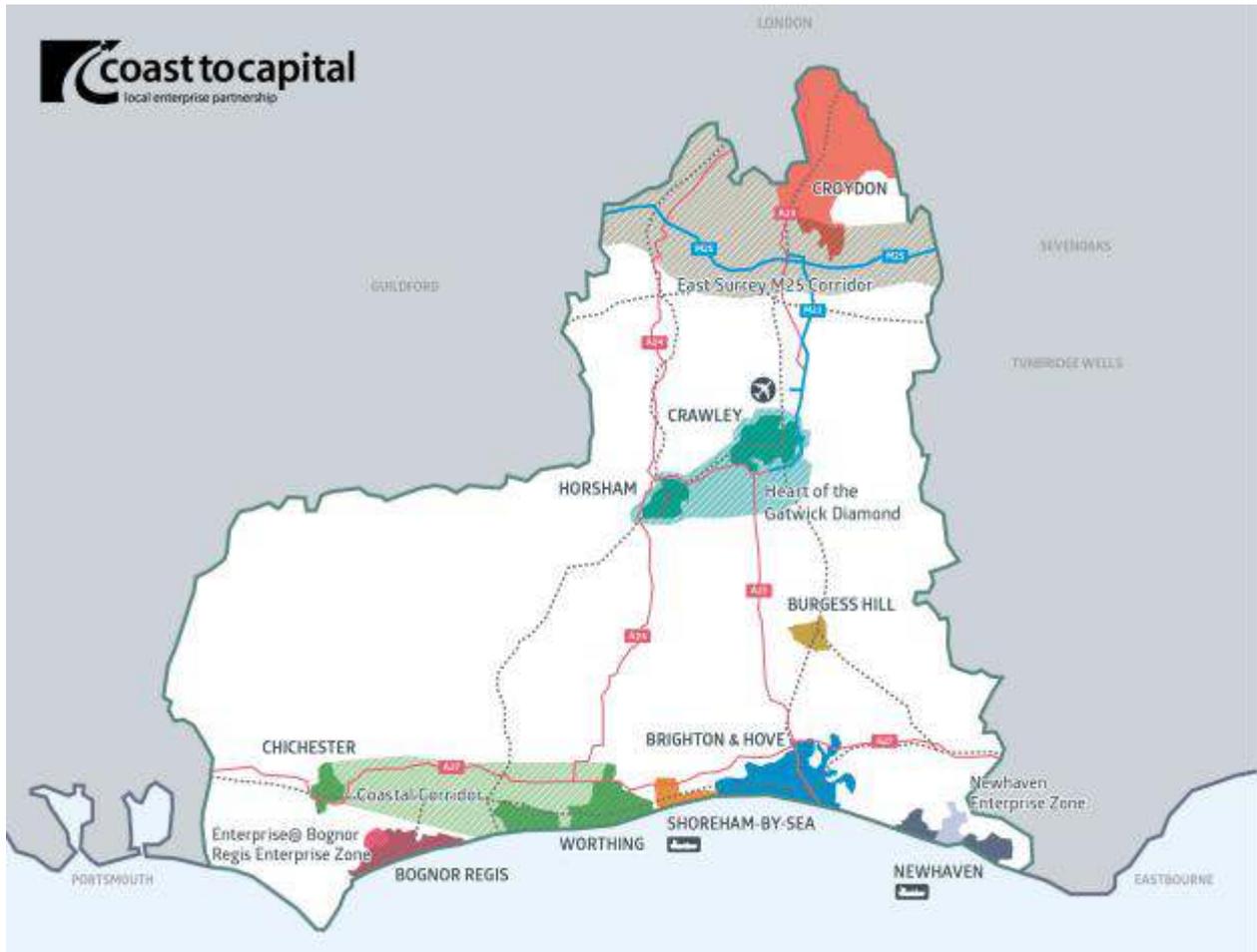
Our project investment appraisal approach is set out in more detail in Chapter 11 and Appendix 13.

### Our spatial priorities

The proposed spatial priorities are shown below – these are the locations where we can expect to see either most current growth, or where we can create most capacity for future growth. They are not homogenous and comprise a mix of strategic corridors or areas, cities/towns, strategic sites/locations and Enterprise Zones.

They in no way compromise our existing five Area Partnerships which in themselves would be too large to meet the need for specificity.

- Burgess Hill  
*A significant location of employment space and planned new homes, with associated infrastructure improvements and including City Deal commitments*
- Croydon  
*The renaissance of Croydon's commercial centre and significant new housing*
- Heart of the Gatwick Diamond  
*Includes Manor Royal, Crawley and a major new development to the north of Horsham which will deliver new homes, a business park and a new railway station*
- East Surrey M25 Strategic Corridor  
*Includes the important towns in the four Surrey districts which are location for a number of significant international/national HQs for strategic companies*
- Brighton and Hove  
*New commercial and housing development, including the locations set out in the City Deal document*
- Coastal Corridor  
*A changing growth story from Shoreham to Chichester, including City Deal commitments*
- Enterprise @ Bognor Regis Enterprise Zone  
*Development of significant new employment space and new homes*
- Newhaven Enterprise Zone  
*Regeneration of the port and town and including the flood defences agreed in the City Deal*
- Shoreham Harbour and Airport  
*Unlocking major housing developments, including the flood defences agreed in the City Deal*



A short description of each location follows, with details of our Growth Deal proposition:

- The jobs, homes and employment space we intend to create
- Identification of the most important thing we need to tackle and how we will achieve our goals, including national transport investment (Highways Agency & Network Rail)
- The investment we plan to make
- The timing of what we intend to do

We are proposing two new Enterprise Zone designations for Newhaven and for Enterprise at Bognor Regis. Both these areas suffered significant downturns as a result of structural shifts in the economy. Neither has been able to break out of the downward spiral by attracting a critical mass of new investment, and as a consequence, they have become trapped in a cycle of low investment, decaying infrastructure and low value employment and business.

Enterprise Zone designation is the right move at the right time for the right places. In both locations, we have assembled sufficient commitment from both public and private sector partners to give confidence that with the additional impetus of Enterprise Zone status, the tipping point will be reached.

## Burgess Hill



### BURGESS HILL

#### Science and Technology Park A

High tech research and development park promoted by the University of Brighton for business sectors including biosciences and ICT. Thirty hectare site with potential for 100,000 m<sup>2</sup> of floorspace creating 2,500 new jobs.

#### Business Park B

Thirty hectare site allocation for business park (including The Hub) in Mid Sussex District Plan. Planning application submitted for 50,000 m<sup>2</sup> employment floorspace at The Hub. Overall employment development will create 2,500 new jobs. Completion of The Hub anticipated by 2019.

#### Northern Arc residential development C

A total of 3,385 new homes will be unblocked north/west of the town by Wates, Gleeson and Rydon, drawing in £350 million private sector investment. Planning application anticipated summer 2014 and proposal allocated in the District Plan.

#### Town centre residential developments D

Planning permission granted for three sites delivering 1,280 new homes. Burgess Hill Neighbourhood Plan allocates land for a further 440 houses. Development to commence 2015. Dependent on transport improvements.

#### A2300 corridor E

Key transport link between Burgess Hill and the A23/M23. The capacity of the link restricts further development in the town. Improvement works are essential to enable the proposed growth, with delivery required by 2017.

In Burgess Hill our Growth Deal will create:	5,000 Jobs 5,040 Homes 200,000 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Transport infrastructure constraints</li> <li>- Exploit opportunity for major new employment land including a science park</li> <li>- Significant new homes</li> </ul>	
Our investment plans over six years:	£2.24m public sector £334m private sector £26m Growth Deal/Local Growth Fund

Major residential and employment development at Burgess Hill will create a revitalised and sustainable 21<sup>st</sup> century town. Development will commence in 2015. Delivery of these very significant developments can only go ahead if there are transport and other infrastructure improvements, including works along the A2300 corridor linking the town to the A23. During the SEP period to 2021, investment of £26m from Growth Deal/Local Growth Fund in these improvements will draw in over £330 million in private sector investment.

The Burgess Hill proposals are at a highly advanced stage and there are no significant obstacles to delivery starting in 2015/16. Excellent partnership arrangements exist to facilitate delivery. The Burgess Hill Town Wide Strategy was produced in 2011 and sets out a vision of a sustainable town with a vibrant town centre, a modern efficient transport system, community infrastructure and green space. This vision is reflected in the emerging Mid Sussex District Plan.

The proposals have widespread community support and are promoted by the County, District and Town Councils. Clear delivery mechanisms exist, through the established Northern Arc Consortium (Wates, Rydon and Gleeson), the developer for The Hub (Glenbeigh Developments) and the University of Brighton, which is promoting the Science Park. The three councils are working closely with these developers to bring the schemes to fruition quickly for the benefit of the town and surrounding area.

## Summary of proposals

### Residential

A total of 5,040 new homes are proposed in the following locations:

- 3,385 new homes at the Northern Arc (1,350 of which can be delivered in the first six years)
- 325 new homes at Fairbridge Way
- 480 new homes at Kings Way
- 475 new homes at Keymer Tileworks
- 440 new homes delivered on sites allocated in the Burgess Hill Neighbourhood Plan

### Employment

The Business and Science Park proposals will deliver around 5,000 new jobs:

- The Hub business park to the west of Burgess Hill will form 50,000 m<sup>2</sup> of employment floorspace on 15 hectares, creating 1,000 new jobs
- A further 15 hectares (50,000 m<sup>2</sup>) of business park will be delivered as part of the Northern Arc, creating a further 1,500 new jobs

- The University of Brighton is promoting a high quality Science and Technology Park, creating 100,000 m<sup>2</sup> of employment floorspace and 2,500 new jobs (around 50% of which would be for new graduates).

Provision of these new residential and employment developments will create more sustainable communities within Mid Sussex by improving job prospects within the District and reducing the need for commuting. However, the proposals, particularly the Science and Technology Park, also have the potential to impact positively on the wider region and beyond. These wider benefits will support high end economic and business growth across the Coast to Capital and South East LEP areas.

### **This is what we will do**

The key interventions will secure necessary highways/transport improvements to the A2300 corridor and within the town centre, together with ultrafast broadband for the Science and Technology Park.

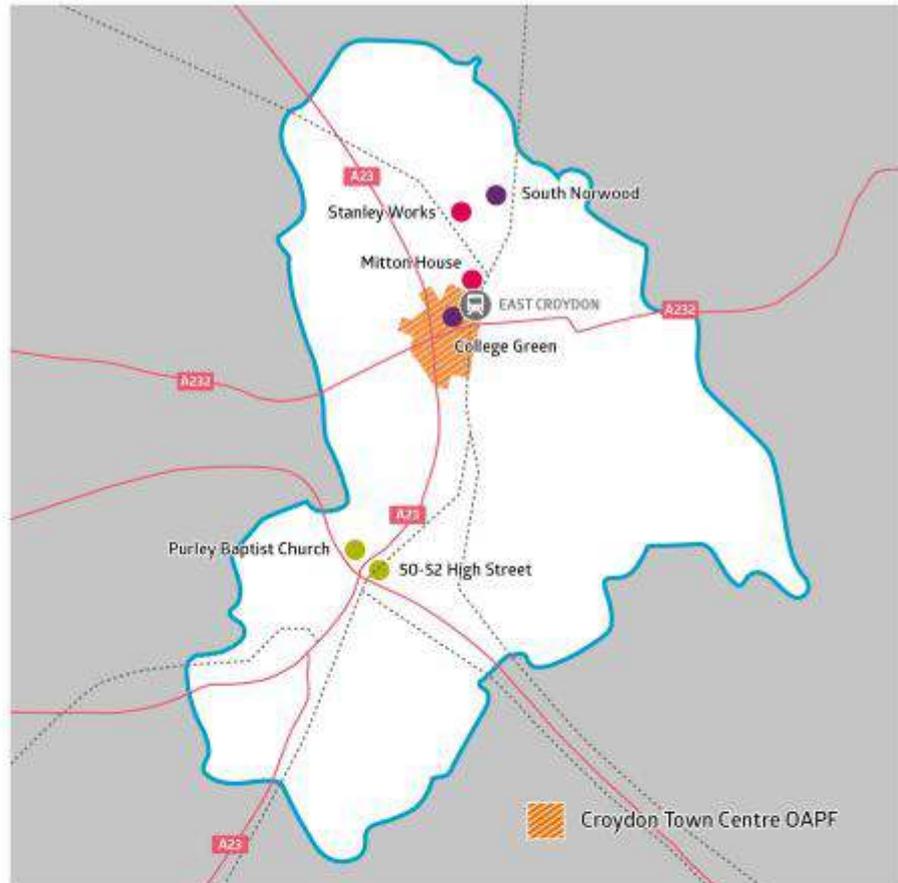
Without intervention, these new homes, new jobs and £50 million of associated infrastructure will not be delivered. Whilst there will be significant investment from the private and public sector of about £330 million over the SEP period (£550 million over fifteen years), there are recognised viability difficulties, particularly associated with employment related development since the economic downturn. Support from the Local Growth Fund will allow these significant developments to happen, delivering housing and creating significant numbers of new jobs.

### Timescales

The planning application for The Hub will be determined shortly and it is anticipated that development will be completed by early 2019. The Northern Arc will commence in 2015 and be constructed over 15 years. Other housing developments in Burgess Hill town centre should commence over the next year. Feasibility work for the Science and Technology Park is being undertaken now and commencement is likely in the next 3-5 years. The A23/A2300 transport improvements will be required around 2017.

Further details of our proposals can be found in [Appendix 2](#)

## Croydon



### CROYDON

#### Regeneration Investment Fund

Revolving fund to unblock the delivery of 2,066 new homes over the five year LEP programme period. The fund will invest in sites that the market is failing to bring forward through land assembly, acquisition, securing planning and CPO.

#### Opportunity Sites

Two landmark regeneration projects in Purley town centre, that will deliver up to 500 new homes and provide significant community facilities, rejuvenate the town centre improving its character, environment, connectivity and accessibility.

#### Live Work

Comprehensive redevelopment of two sites to provide mixed-used schemes with residential accommodation and circa 20 Live/Work units. The developments will help create employment opportunities and contribute toward the delivery of the Croydon's housing delivery plan.

#### Housing Employment

The regeneration of two blocked under-utilised sites to create mixed-use schemes incorporating both employment and residential. College Green in central Croydon will deliver circa 500 new homes together with 25,000 sq ft of B1 business space. South Norwood will deliver circa 40 new homes together with a Creative Cultural and Enterprise Centre.

In Croydon our Growth Deal will create:	2,400 Jobs 4,440 Homes 78,167 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Increase City centre transport capacity to match employment and residential growth</li> <li>- Tackle difficult sites to bring forward new housing</li> <li>- Improve rail capacity and links to the Gatwick Diamond and beyond</li> </ul>	
Our investment plans over six years:	£89m public sector £666m private sector £26.7m Growth Deal/Local Growth Fund £45.7m Transport for London/London Growth Deal

Croydon is firmly anchored as one of the most exciting development opportunities within the Coast to Capital region and the primary gateway between the world's leading city and the enormous international potential of Gatwick. This unique position has enabled Croydon to bring forward one of the UK's most ambitious growth plans, which includes up to 20,000 new dwellings (including 7,300 in the central Croydon), 16,400 new jobs and Europe's largest urban retail and leisure development, the 2 million sq.ft Croydon Partnership scheme, led by Westfield and Hammerson. Croydon's expansion plans are on a par with city regions such as Glasgow, Leeds and Manchester.

In order to maximise the benefit of the major private sector investment planned in the district, Croydon needs to address the following issues:

#### Transport infrastructure

Croydon has a number of infrastructure problems which are inhibiting growth, or the pace of growth:

- Public transport systems are running at capacity – most notably the tram and the rail stations (East and West Croydon).
- In places, the urban realm is tired and unattractive and does not reflect Croydon's status as one of London and the south east's most important commercial districts.
- High levels of car use are causing congestion in the form of poor journey time reliability and delay.
- The borough has a high proportion of short trips particularly focused on the Croydon Opportunity Area, and needs improvements to its infrastructure to encourage greater use of sustainable transport modes.
- There is a high vacancy rate for existing business units / office floor space in the Croydon Opportunity Area. This is caused in part by the relatively poor quality of those units / office space and also by business perception of the quality of the area.
- Some of the borough's key junctions (e.g. Fiveways) are not working as well as they should, leading to congestion, unreliable journey times and an inability to cope with traffic incidents.

Croydon Council's overall strategy is:

- Make rail a key strength, with improvements to the pedestrian and cycling environment around East and West Croydon station. This will help to increase the profile of the outstanding transport links both locally, regionally and internationally, via Gatwick.

- Improve the reliability and resilience of the road network by tackling poorly performing junctions, in order to maximise the significant benefits of the extensive road links throughout the region.
- Combine public realm improvement with transport improvements to boost investor confidence and unlock delivery of planned housing and office space.
- Link employment and retail improvements in the town centre with additional housing. This will help to make the borough more self-contained and sustainable.
- To encourage sustainable travel to take advantage of the large number of short car trips, including pedestrian improvements, cycle links and plans for greater tram capacity.

### Housing constraints

Croydon Council's Housing Market Assessment estimates that from 2012- 2031 Croydon needs 27,048 new homes, including 18,068 Market Homes, 1,724 Intermediate homes and 7,256 Affordable homes. Despite this only 727 completions were achieved in 2012/13; just over half of the 1353 units average per annum that are needed to meet the 2031 target.

Croydon Council's 5-year housing plan sets a target (based on land capacity) of achieving 9,500 new homes to start on site in the period 2013 to 2018. Over the next 4 years, from March 2014, 116 sites have been identified for potential development, offering a total capacity of 8,080 units for delivery. Of these, 2,838 have planning consent. A delivery assessment of each of these sites estimates that 3,200 homes are likely to be delivered through existing interventions and funding streams. **The remaining 4,880 requires new types of significant and innovative interventions and financing to enable delivery.**

Market Failure - There are a number of reasons why sites are not being brought forward for development, including:

- a. They are held by developers, banks, or foreign investors who bought them historically for inflated prices and are unprepared to take a write-down in value.
- b. They are in multiple ownership, and land assembly is too complex for private sector developers to progress.
- c. They have abnormally high infrastructure or reclamation costs.

### **This is what we will do**

#### Transport infrastructure

A major programme on investment in the transport infrastructure:

- City Centre Tramlink Capacity Enhancement
- West Croydon Station Concourse Capacity
- Croydon Junction Improvement Programme
- Croydon A23 Improvement programme
- Sustainable transport and car journey reduction

#### New approaches to housing

To bring forward difficult or awkward sites where the market has not delivered, it is proposed to develop four innovative approaches:

#### *The Regeneration Investment Fund*

This recycling Fund would:

1. Acquire sites, using CPO powers as necessary;
2. Undertake complex land assemblies;
3. Obtain planning consent for sites; and
4. Undertake infrastructure works and / or land reclamation works in order to provide "oven ready" sites for development.

The Fund would then procure development of the sites.

#### *Housing-Employment Development*

This initiative will regenerate vacant and under-utilised sites to create new, mixed-use schemes, incorporating both housing and employment. It specifically seeks to deliver two of the enterprise centres identified in Croydon's Local Plan, one in the metropolitan town centre, and the second in a district centre, at South Norwood, within comprehensive redevelopment schemes.

#### *Opportunity sites*

To unlock two opportunity sites with significant development challenges but with the potential to provide major regeneration benefits, including the development of new homes, transformation of run-down areas close to town centres, improved public realm and new and replacement commercial and community provision.

#### *Create Live/Work*

The creation of live-work units and artist's studios at underutilised employment sites within the borough to:

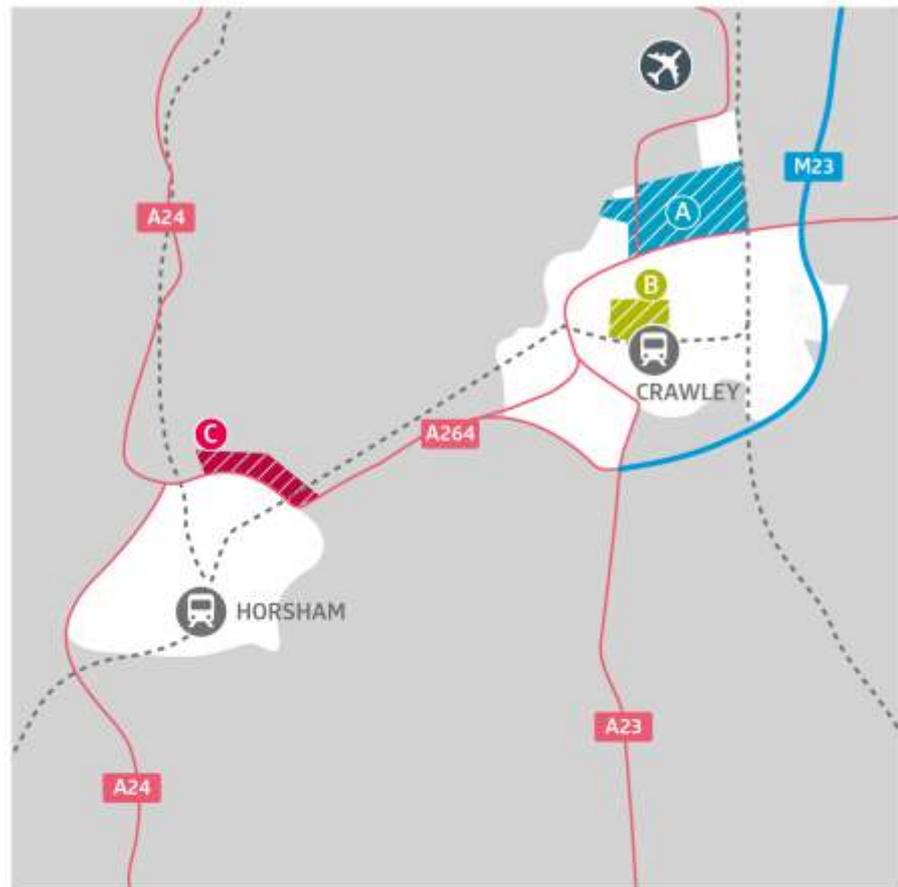
- (i) Meet the growth of creative and innovative technological business sectors in Croydon; and
- (ii) Meet demonstrated demand for artist's studios both existing, from within the borough and to provide additional provision for affordable studio space for artists moving in to the borough.

All these schemes can commence in 2015/16.

[NOTE – These housing schemes are also referred to for completeness in Chapter 8]

Further details of our proposals can be found in [Appendix 3](#)

## Heart of the Gatwick Diamond



### HEART OF GATWICK DIAMOND

#### Manor Royal A

- Gatwick Road Parade Improvement
- Gateway entrances
- Social Hub provision
- Business Hub development
- Improved infrastructure

#### North Horsham C

- New railway station
- Improved infrastructure
- New neighbourhood housing development
- New business park

#### Crawley Town Centre B

- Improved railway station facilities
- New housing units
- Retail, leisure and office development
- Public realm improvements
- Site development and premise refurbishment
- Improved infrastructure

In the Heart of Gatwick Diamond our Growth Deal will create:	5,000 Jobs 3,300 Homes 78,500 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Improve transport infrastructure to allow significant development of new employment and housing sites</li> <li>- Improve surface and rail access to Gatwick Airport</li> <li>- Enhance existing prime employment locations to secure development and investment</li> <li>- Town centre regeneration and expansion</li> <li>- Protect prime employment locations and business premises from erosion by residential use</li> </ul>	
Our investment plans over six years:	£26m public sector £290m private sector £76m Growth Deal/Local Growth Fund

The Gatwick Diamond is the beating heart of the Coast to Capital economy. It has a number of important business locations and is home to 45,000 businesses, ranging from global blue-chip companies to small and innovative enterprises. Generating £19.2 billion GDP (2011) the Gatwick Diamond is one of the strongest regional economies in the UK.

In many ways the Gatwick Diamond economy is doing well. However it is not without issues, inhibiting the area in reaching its full potential. We need to protect and enhance our employment locations, guard against barriers and secure the investment needed to unlock vital projects and enable the full growth potential of the area:

- Strain and capacity issues on the transport system constrains growth and makes the area less attractive for inward investment
- Lack of employment land for new development and inward investment
- Lack of housing for new and existing workers and families to rent or buy
- Poor quality commercial and industrial stock which is no longer fit for modern business use
- Erosion of key employment areas and prime business premises, by the conversion to residential use
- In certain areas the build environment and public realm is dated and tired, making the area less attractive for inward investment

Right at the heart of the Gatwick Diamond are the towns of Crawley and Horsham - both are important business locations and performing unique economic functions in the Gatwick Diamond. Manor Royal in Crawley, is UK's largest industrial estate. It covers 240ha, with 500 businesses and 30,000 employees and is situated just two miles from of Gatwick Airport.

We are going to focus on enhancing and protecting those business areas, while also taking steps to ensure there is supply of housing for a growing workforce. Adequate transport infrastructure lies at the heart of what we are trying to achieve.

### **This is what we will do**

#### North Horsham Railway Station

A new rail station to serve the new strategic housing, neighborhood and Business Park temporarily called 'the North Horsham Development' (an area to the north of the A264 adjacent to Horsham) providing 2,500 homes, 46,450 sqm of commercial employment space and potentially 4,000 jobs

The station will be alongside the dual carriageway that leads to the M23, Gatwick Airport and the rest of the Gatwick Diamond economic area. The new station is a key element of this strategic project to minimize congestion, encourage sustainable transport use and to enable convenient access for the new home owners to reach their places of work.

What we will do:

- Deliver a new parkway rail station to improve transport infrastructure and support the delivery of a new neighborhood housing development, business park and jobs

There are further associated transport projects:

- A24 Horsham junctions to provide improved junction capacity to support redevelopment and expansion of existing sites, partial signalization of Robin Hood and Great Daux roundabouts.
- In Horsham, a package of local transport infrastructure improvements including key junctions, bus priority into the town centre, pedestrian and cycle improvements.

Timescale: To commence in 2015, estimated final completion 2019.

#### Crawley Town Centre – Regeneration and Expansion

The proposal is to deliver 800 residential units, 14,300sqm of new or redeveloped commercial floorspace and creating at least 500 new jobs.

Crawley is the largest town centre between London and the South Coast with approximately 125,000 sq m of commercial floorspace. However, investment in, and development of, key opportunity sites which are vacant and with planning permission has stalled. The town centre has seen a sharp deterioration and tiredness and this is referred to as a deterrent by potential investors. Crawley Station is a poor entry point for visitors and potential investors. The station has poor access and the building (Overline House) is tired with high vacancy.

Latent investment interest remains strong in Crawley, because of its good access to a large catchment area, but the conditions are not right. With co-investment from the Local Growth Fund we will unblock and bring forward developments, enable commercial and employment growth and provision of new homes.

What we will do:

- Crawley Station Gateway, improve station facilities, deliver retail space and mixed residential/office development
- Enable five opportunity site for mixed residential, leisure and retail redevelopment, including land acquisition
- Environmental improvements, upgrade and address a deteriorated and unattractive centre, enhancing the offer for investor and occupiers
- Support refurbishment, modernisation and improvement of tired premises and existing buildings
- Infrastructure investment.

There are further associated transport projects:

- The Crawley town package of local transport infrastructure improvements including key junctions, bus priority, interchange, bus stops, pedestrian and cycle improvements
- Transport improvement to the new Forge Wood neighborhood, delivering 1,900 new home in the North East Sector of Crawley.

Timescale:

To commence 2015/16, with estimated phased delivery to 2020.

#### Manor Royal improvements

We will deliver 14,230sqm of commercial floorspace and 750 new jobs. The project will also indirectly support new investment and development on over 30ha spread across a number of key sites within the business district, unlocking employment growth in the region of 4000 jobs.

The Manor Royal Business Group established in 2013 to manage the Business Improvement District has developed four improvement proposals that would help protect the commercial and industrial concentration of the estate. The majority of funding will come from the private sector, however help from the Local Growth Fund is needed to secure and bring forward this intervention.

What we will do:

- Gatwick Road Improvements, the creation of a neighbourhood style parade that supports the attractiveness of Manor Royal to existing and potential employers and investors
- Gateway Improvements to the key road interchanges at the entrance/exit points
- Social Hub, the provision of a social/leisure hub at the heart of Manor Royal.
- Business Hub, the provision of small/start-up/incubation units and a mix of conference/meeting space/or support facilities.

There are further associated transport projects:

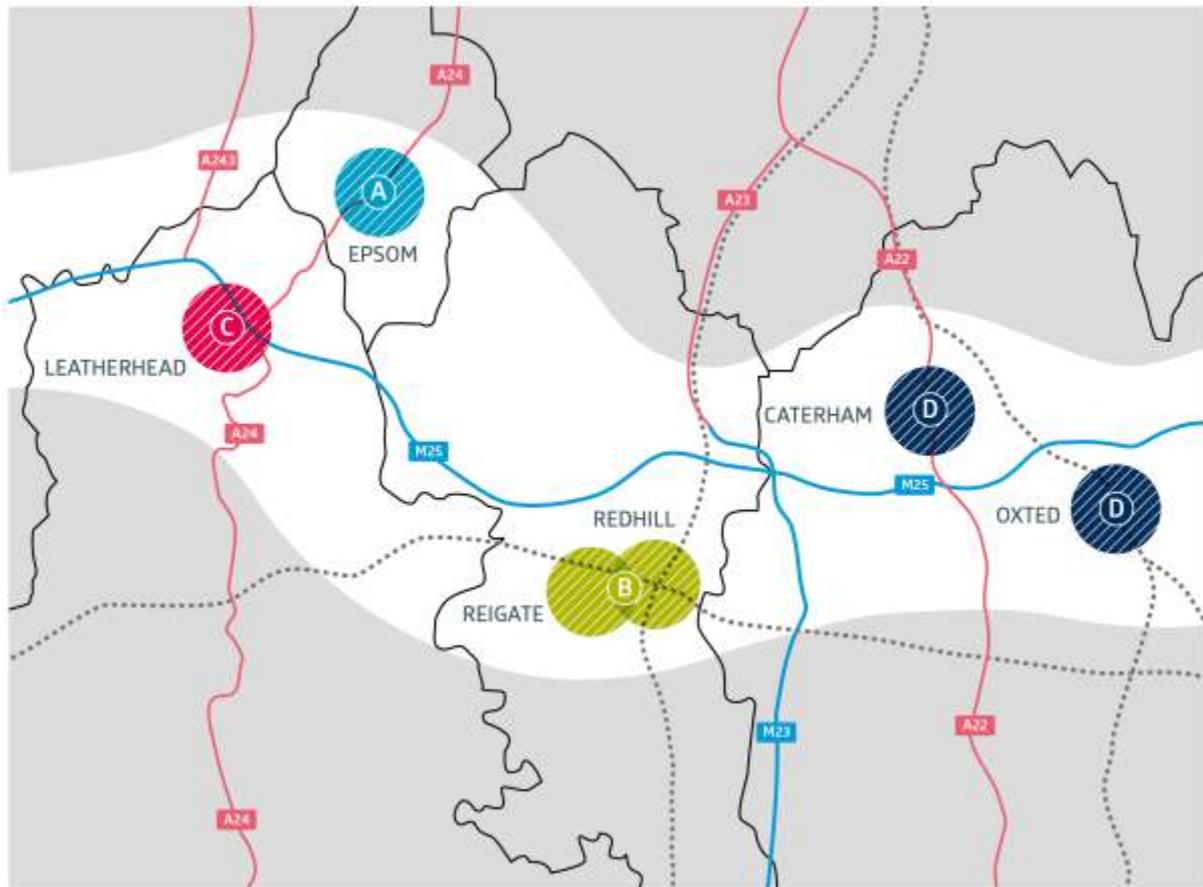
- The Crawley town package of local transport infrastructure improvements includes for Manor Royal key junctions, bus priority, RPTI screens at bus stops, pedestrian and cycle improvements.

#### **Timescales**

All three projects will commence in 2015/16.

Further details of our proposals can be found in [Appendix 4](#)

## East Surrey M25 Strategic Corridor



### EAST SURREY M25 CORRIDOR

#### Epsom **A**

Connecting and enhancing two strategic employment sites and the remodelling of the town centre to intensify business activity – 6,400 jobs, 635 homes and 6,000 sqm floorspace.

#### Reigate-Redhill **B**

A hub for financial and business services, investment will reduce congestion, reconfigure the road network and improve connectivity between employment areas to help the commercial centres consolidate and grow.

Direct – 2,000 sqm, 80 homes, 87 jobs  
Indirect – 23,000 sqm, 3,598 jobs

#### Leatherhead **C**

Redevelop and regenerate the commercial areas of the town centre, home to some of Surrey's largest multinational companies, unlocking 21,500 sqm of employment land, 800 new jobs, 400 new homes.

#### Oxted and Caterham **D**

A package of measures which will exploit the opportunity to re-develop a long derelict core town-centre site, adjacent to a main line station. Over 17,000 sqm of floorspace will be unlocked with over 1,300 jobs.

#### M25/M23

Congestion at key junctions and at intersections.

#### Rail network

Improvements to the North Downs, Brighton Main and Uckfield Lines.

In the East Surrey Corridor our Growth Deal will create:	9,700 Jobs 1,325 Homes 51,000 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Transport connections within and between key business locations</li> <li>- Congestion at key junctions and at intersections with the national motorway network, including the M25 and M23</li> <li>- Improvements to the strategic rail network, including the North Downs and Brighton Main Lines</li> <li>- The renewal of the main town centres which host significant clusters of businesses many of which host regional, national and international Headquarters</li> <li>- Unlocking specific sites for new housing and employment space and the intensification of existing sites.</li> </ul>	
Our investment plans over six years:	£69m public sector £105m private sector £122m Growth Deal/Local Growth Fund

The East Surrey M25 corridor is a linchpin of the Coast to Capital economy. Comprising the four boroughs and districts of Epsom & Ewell, Mole Valley, Reigate & Banstead and Tandridge, it links London to Gatwick Airport and the south coast, and supports movements east-west along London's orbital routes - the M25, A25 and North Downs Line.

National and international business headquarters are sited along the corridor with clusters centred on the towns of Epsom, Leatherhead, Dorking, Oxted, Reigate and Redhill. Gatwick Airport is an important employer in itself and generates jobs in the wider economy, with a high proportion of its workforce coming from the East Surrey corridor.

It is the accessibility of the area from London and the airports which makes this strategic corridor an attractive business environment. But the strains on the transport system caused by significant increases in volumes, coupled with long standing under-investment in strategic infrastructure, now threatens the ability of the area to grow, to drive the UK's economic recovery and compete internationally.

- **Lack of investment and congestion** – Investment in strategic infrastructure, especially in transport has not kept pace with cumulative housing growth and the demands placed upon it by a growing business base. This causes significant congestion. This is progressively making the corridor a less competitive place to do business. Commercial landlords are reluctant to invest in upgrading their stock without seeing a commensurate investment in public infrastructure.
- **Poor orbital links** - Access to and from the strategic road network is inadequate and recent extreme weather events have highlighted the poor resilience of the network. 'A' roads largely radiate from London with poor east-west links.
- **Rail** - It is much the same story for the rail network. Problems in accessing Gatwick and Heathrow airports from within the region belie the proximity of the airports.
  - The **North Downs Line** is one of the last significant stretches of non-electrified line left in the south east. This is an anomaly in such a successful economic area which aims to compete with the world's most competitive economies. The line is potentially a strong London orbital link which could improve connectivity between

Gatwick Airport and Reading rail hub and benefit the wider south east economy including the Thames Valley, Hampshire and Kent.

- On the **Brighton Main Line** overcrowding is forecast to continue, even after significant investment, so further capacity improvements are needed. In addition, railway stations and associated facilities need upgrading.
- Improvements on the **Uckfield Lines** could alleviate overcrowding and encourage development along a growing commuter route.

### **This is what we will do**

A planned intensification of existing business hubs and packages of small but cumulatively significant transport schemes which reflects the dispersed nature of business activity in the corridor:

- A major programme of transport improvements:

#### *National road network*

Work with the Highways Agency on improvements to the trunk road and motorway network - M25 Junction 9 and the M23/A23 Hooley Interchange are schemes for which national funding is sought and which will unlock housing developments and intensify business activity.

#### *National rail network*

We will work with Network Rail and train operators to achieve improvements in capacity on the Brighton Main Line, the North Downs Line and line reinstatement on key routes from East Surrey into Kent and East Sussex.

#### *Improving network connectivity and capacity*

We will improve the connections between our business hubs and increase capacity along key routes. Schemes have been developed to address congestion hotspots on these strategic corridors.

#### *Economic intensification and regeneration (including sustainable transport schemes)*

We will address the major congestion hotspots and have prioritised schemes which tackle particular problems in our business hubs and town centres. Linked to significant redevelopment, these schemes will help revitalise our town centres and create new jobs and homes.

To reduce congestion we need to reduce the number of car journeys, encourage more journeys by bike, foot and bus and sustainably connect key employment locations.

- Boost and intensify strategic businesses centres:

We will target the most important towns for the economy and growth.

Detailed plans have been developed for interventions in Epsom, Reigate, Redhill, Leatherhead, Oxted and Caterham. The packages developed for each business hub are aligned to further transport measures in other business hubs and on surrounding transport corridors.

**Epsom:** The package of measures includes Kiln Lane Link, which will connect two significant employment sites and encourage the intensification of the town centre. Up to 6,400 jobs will be created.

Epsom town centre package (Plan E) will return the gyratory to a two-way system, with new pedestrian and cycle links and improved public transport links. The scheme will unlock 635 homes and 6,000 sqm of new employment floorspace.

These schemes will draw in the proposed Creative Industries Incubation and Business Hub, building on sector specialisms at University of Creative Arts (see Chapter 5).

**Reigate-Redhill:** Significant congestion in Reigate will be tackled with a reconfigured road network, improved public realm and an extension of Urban Traffic Control. The revitalisation of Reigate is expected to create in excess of 900 jobs.

In Redhill measures are proposed which will improve connectivity between these key employment areas within the town centre and reduce congestion.

**Leatherhead:** A series of interlinked interventions centred on ambitious plans to redevelop and regenerate the town centre; home to some of Surrey's largest multinational companies. This project enables 21,500 sqm of new mixed-use commercial floorspace, supporting between 700-800 new jobs, plus 400 new town-centre homes. The package includes improvements to the capacity of the gyratory system.

**Oxted and Caterham:** A package of measures which will exploit the opportunity to re-develop a long derelict core town-centre site, adjacent to a main line station. Over 17,000 sqm of floorspace will be unlocked with the potential to support over 1,300 jobs.

In Caterham another long derelict site, again adjacent to a main line station could be unlocked offering the potential to provide 40 jobs, 60 homes and 8,750 sqm of new floorspace.

### **Timescale:**

There is a programme across the full six years of the programme starting in 2015/16. Kiln Lane and Plan E Epsom will be programmed for early in the programme.

Further details of our proposals can be found in [Appendix 5](#).

**Brighton and Hove**



**BRIGHTON & HOVE**

**Brighton seafront A**

- King Alfred Centre
- T360
- Brighton Centre
- Black Rock
- Brighton Marina
- Seafront infrastructure

**New England Quarter B**

- New England House
- Digital Exchange
- Block J/Innovation Centre
- Preston Circus transport scheme

**Valley Gardens C**

- Transport infrastructure
- Royal Pavillion Estate
- Edward Street Quarter

**Lewes Road corridor D**

- Preston Barracks:
- Central Research Laboratory
- Advanced Engineering Centre
- New homes
- Bio Innovation Centre, Falmer

In Brighton and Hove our Growth Deal will create:	6,000 Jobs 2,900 Homes 81,000 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Shortage of employment space</li> <li>- Transport capacity and movement within the City</li> <li>- Mainline rail and trunk road capacity</li> <li>- City centre renewal</li> </ul>	
Our investment plans over six years:	£82m public sector £707m private sector £147m Growth Deal/Local Growth Fund

The city of Brighton and Hove is at the heart of the Greater Brighton City Region, and the agreements reached with Government as part of the City Deal are all included throughout this Plan. However, there are further issues that Brighton and Hove needs to address in its own right.

Brighton & Hove is a tightly constrained, compact city situated between the South Downs National Park and the sea. With a limited legacy of derelict or vacant sites these 'natural boundaries' define and limit the outward expansion of the city. The spatial strategy for the city needs to achieve a balance between accommodating the city's development needs, particularly for jobs and homes, with the continuing need to protect and enhance the city's high quality environments and the nationally designated landscape that surrounds the city.

The assessed housing requirements (demand and need for new homes) for the city over the plan period are much higher than the city can realistically accommodate. The City Plan sets a minimum housing target of 11,300 new homes to be achieved by 2030 and this reflects the capacity and availability of land/sites in the city; the need to provide for a mix of homes to support the growth and maintenance of sustainable communities; the need to provide land for other essential uses (such as employment, retail, health and education facilities and other community and leisure facilities) and the need to respect the historic, built and natural environment of the city.

The City is expected to continue to function as an economic growth hub for the wider sub-region and the council with its partners share an ambition to improve the City's employment rate. Recent studies have consistently identified the shortage of employment premises and employment land supply as threats to business and employment growth in the city. Employment sites across the city need to be safeguarded and upgraded and through the regeneration of key sites new employment floorspace created.

In this Plan we have targeted four development areas:

- Brighton Seafront
- Lewes Road Corridor
- New England Quarter and London Road Area
- Valley Gardens, including the Royal Pavilion Estate and Edward Street Quarter

## **This is what we will do**

We will develop a package of investments in transport, employment space and housing in four integrated packages:

### **1. Brighton Seafront**

Brighton & Hove's Seafront is of vital importance to the economy of the city and also plays an anchor role for city's tourism economy which contributes an estimated £732 million to the city's economy each year and sustains 17,500 jobs (13,000 FTEs). It is also an important corridor for people travelling along the coast, either within the city or through it. Key strategic development sites along Brighton Seafront include:

**Brighton Marina** - The comprehensive regeneration of the Marina will help to create a new residential neighbourhood and consolidate the retail and leisure offer of the Marina.

**Black Rock Site** – offering significant mixed-used development opportunity as important link for the Marina to the city.

**Brighton Centre** - secure the high profile and sustainable conference centre, including the extension of the Churchill Square Shopping Centre and new leisure facilities.

**Brighton i360** - Planning permission has been granted to build an observation spire together with heritage centre and retail units, creating a new and exciting destination at the site of the old West Pier and is due to be completed in 2016.

**King Alfred Site** - a major mixed-use development, including provision of housing and a new sports facilities instead of the current King Alfred Leisure Centre remains the council's aspiration.

**A259 Corridor Transport Scheme and Seafront Infrastructure Transport Scheme** – will secure improvements to sustainable transport infrastructure along the A259, and improve air and noise quality, pedestrian and cycle routes and crossing opportunities in order to achieve a modal shift and thereby reduce the impact of traffic

### **2. Brighton New England Quarter**

The New England Quarter is identified as a key business and employment hub in Brighton which is accessible and attractive to business and is at the heart of Brighton's creative and digital business cluster. Key developments with Brighton's New England Quarter include:

**New England House Creative and Digital Growth Centre** – through the City Deal, the aim is to reconfigure and extend New England House with public and private finance, to install a digital exchange into the building to deliver ultra-fast internet capacity and to extend Wired Sussex's on-site business support operations, including its Fusebox start-up incubator programme, so that it:

- Becomes a credible and highly visible hub for Greater Brighton's CDIT sector businesses with an innovative private sector-led 'Fusebox' business support programme;

- Provides additional workspace that balances flexible office space to accommodate high-growth start-ups and retains larger CDIT businesses within the City Region; and
- Provides international class digital connections which leading CDIT businesses require to compete and collaborate with firms in any global location.

A **Digital Exchange** will assist businesses that cluster together to benefit from low cost, very high speed connectivity to the Internet and enable them to collaborate and co-create new products and services. It will create a shared, carrier-neutral, fully open Internet hub that will offer new and growing CDIT businesses far better access to national and international markets and the ability to deploy new applications and content

**University of Sussex - Block J** - The University of Sussex, through the Sussex Innovation Centre is investing in a 1,420 sq.m (NIA) new Innovation Centre, Block J. Block J will extend the university's incubator and specialist support presence into the City Centre, providing flexible grow-on space for ambitious growth

Ten individual sites are identified within New England Quarter to contribute to delivering new, modern employment floorspace to meet forecast needs to 2030 (additional 20,000sqm) and provide residential development (665 residential units).

### **3. Brighton Valley Gardens, including Royal Pavilion Estate and Edward Street Quarter**

Brighton Valley Gardens comprise the open spaces and surrounding roads that run in a linear manner from Old Steine in the south to the Level in the north, including the Royal Pavilion Estate. The areas of focus include:

#### **Valley Gardens Phase 1 & 2 Transport Scheme (approved LTB Major Scheme) & Valley Garden Phase 3 Transport Scheme**

Regenerating the Valley Gardens area in an integrated manner that reinforces its strategic significance, emphasises its historic and cultural character, reduces the adverse impact of vehicular traffic, improves local air quality and creates a continuous green boulevard that reconnects the open space to the surrounding urban realm.

#### **Royal Pavilion Estate**

The Royal Pavilion Estate is the City of Brighton & Hove's cultural heart and the Royal pavilion is its internationally recognised emblem. Uniquely combining a historic Royal Palace and Regency garden, a museum and art gallery and three performing arts spaces. The project will develop, deepen, and broaden the cultural tourism offer of Brighton & Hove through increasing visitor spend within the cultural quarter and the city centre.

#### **Circus Street – Centre for Innovation and Enterprise, University of Brighton**

The Centre for Innovation and Enterprise will provide a home for high growth businesses; an innovation hub to create and support new business; a home for the Institute for Developing Enterprise that will create opportunities for, students, graduates, university staff to work alongside SMEs and larger corporate organisations.

**Edward Street Quarter Development** - to create a dynamic first class business and residential district with a strong sense of place, distinguished by high quality townscape, architecture and public realm.

#### **4. Brighton Lewes Road Corridor**

The Lewes Road is the largest development area identified in the City Plan. It extends the length of Lewes Road from The Level in the south (open space) northwards to the Universities and the South Downs National Park at the city's boundary. Lewes Road is one of the main routes into the city and is identified as a sustainable transport corridor.

**Preston Barracks Central Research Laboratory** - The overall development of the Preston Barracks site will comprise 650,000 sq ft of commercial space, 350 new homes, 1250 student beds, 35,000 sq ft of retail space, a health centre, a new business school and the 50,000 sq ft Central Research Laboratory. One of the Greater Brighton Growth Centres with the City Deal, the Central Research Laboratory (CRL) is a new innovation hub which will generate commercial activity, economic output and jobs, turning ideas, inventions and world class research into successful commercial ventures. This will be achieved by connecting the University, SMEs and entrepreneurs with investors and high quality business support. This will be realised by three key functions:

- Commercialising academic research and innovation;
- Incubating high-tech, design led manufacturing start-ups; and
- Incubating high-tech, design led manufacturing start-ups; and
- Providing high tech infrastructure to SMEs across the city and beyond.

Further details of our proposals can be found in [Appendix 6](#)

## Coastal Corridor



### COASTAL CORRIDOR

#### Worthing

A

**Decoy Farm** – Recommendation of a 7.7 hectare site to would provide new employment space to accommodate businesses from Shoreham Harbour which in turn unblock homes at Shoreham Harbour.

**Worthing Area Transport Package** – a package of transport improvements that will unblock development of housing and employment space at key sites in and around the town centre.

**Worthing Enterprise Growth Hubs** – Building on City Deal and the creative-tech cluster this investment will provide space to enable businesses to start and grow more rapidly at Shoreham Airport and within Worthing town centre.

#### Littlehampton

B

**A259 corridor enhancements** – unblocks 3,830 new homes and 4,695 new jobs by providing access to sites, local towns and improving connectivity to the A27.

**A284 – Lyminster by-pass** – coastway level crossing, improve connectivity between the A259 and the A27 and contribute to the delivery of nearly 4,000 homes and deliver over 5,000 jobs.

**Arun Valley Line** – improve interchange facilities at stations to enhance access for residents to employment and education facilities.

#### Chichester

C

**A27 roundabout improvements** – congestion at the 6 roundabouts around Chichester will be addressed to improve traffic flow along the coast and open access to new housing and employment sites.

**Chichester Area Package, Industrial Estates and new Business Gateway** – a package of transport improvements that will enhance access into existing business parks and support the development of new housing and employment schemes and 3,000 new jobs and delivering 4,300 new homes in and around the City.

**Tangmere** – a development opportunity covering around 73 hectares that is reliant on additional waste water capacity and high speed broadband.

In the Coastal Corridor our Growth Deal will create:	5,100 Jobs 5,100 Homes 79,237 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Improve transport infrastructure which is holding back growth in jobs and housing</li> <li>- Remodel and improve tired and expired commercial and industrial premises</li> </ul>	
Our investment plans over six years:	£16m public sector £17m private sector £35m Growth Deal/Local Growth Fund

The Coastal corridor is one of the most sought after places to live in the United Kingdom being uniquely positioned between the South Downs National Park and the sea, it is home to around 429,000 people. Sandwiched between the major commercial centres of Brighton in the east and Portsmouth to the west, it is a diverse area with Worthing at its geographical centre.

The coastal economy is diverse: it boasts some of the most fertile land in England which supports a nationally acclaimed horticulture industry and the area also has strengths in Advanced Engineering including medical device manufacturing, marine, tourism and the digital and creative industries. It is home to many successful businesses including Glaxo SmithKline, Rolls Royce, Bowers and Wilkins as well as Shoreham Port, a thriving commercial port and one of the best equipped of its kind.

The road network along the main east-west routes are heavily congested, restricting access to the main centres at peak times and is recognised by the business community and potential investors as one of the key factors that inhibit growth and regeneration.

The level of skills and educational attainment of its resident population is generally below the average of that seen across the rest of the south east. Many jobs continue to be low paid and with house prices generally in line with the wider area, access to the housing market is restricted, particularly for younger people and families.

The coastal corridor offers some excellent development and regeneration opportunities that, with the right investment and incentives could transform the area's economy and provide significant new jobs and homes. The largest of these sites are Shoreham Harbour and Airport in the east and Enterprise Bognor Regis in the west but there are other significant development opportunities around Littlehampton and Worthing.

However, the infrastructure foundations are under severe pressure and growth in the Coastal Corridor is constrained by the performance of the A27 and the A259 which are the only major east-west routes along the coast and which provide connections between a string of priority business locations in Brighton, Shoreham, Worthing, Littlehampton and Bognor Regis. Without fail, every consultation with businesses has brought up investment to improve the A27 as a top priority for growth. With the right scale of investment and a concerted and collaborative approach, many of the infrastructure challenges can be addressed and delivered in the next 5 years

## **WORTHING - A CHANGING GROWTH STORY**

Worthing is at the geographical centre of the Coastal Corridor, located half way between Chichester and Brighton, enabling it to draw on investment and talent from both the east and west and be the main driver of the Coastal West Sussex economy.

Worthing has a population of just under 105,000 and population growth over the past 10 years has been fastest amongst the 16 – 24 year olds and it was the only district in Coastal West Sussex to see an increase in its 0-15 year population

*"Much of Worthing's and Adur's prosperity for over 5,000 years has been based on applying the scientific knowledge of the day with local entrepreneurship to create technologies and prosperity. So science, technology and creative thinking have long been in our DNA."*

Alex Bailey, CEO, Adur and Worthing Councils

Worthing's key employment sites are generally well occupied with demand for both office and industrial space remaining strong and this is replicated in the retail sector with the town centre having relatively few empty shops and retail footfall continuing strong. However, there is limited availability of serviced or managed high quality, Grade A workspace and no business start-up space or Incubation Centre in the town.

Home to a number of well established, larger businesses including B&W Speakers; Glaxo SmithKline; Equiniti; Fresh Egg and Southern Water to name but a few, Worthing is also a significant centre of learning with a very strong further education sector which is able to deliver some higher education courses however, the town lack a strong University presence.

Drawing on past achievements of turning science and technology into prosperity, Worthing can be a place which supports industries that are seeing massive investment at a global level – advanced engineering, electrical engineering, creative, digital, IT, bio-science, nano-technology, big data whilst being ready to accommodate businesses looking to relocate from Brighton and further afield.

### **This is what we do**

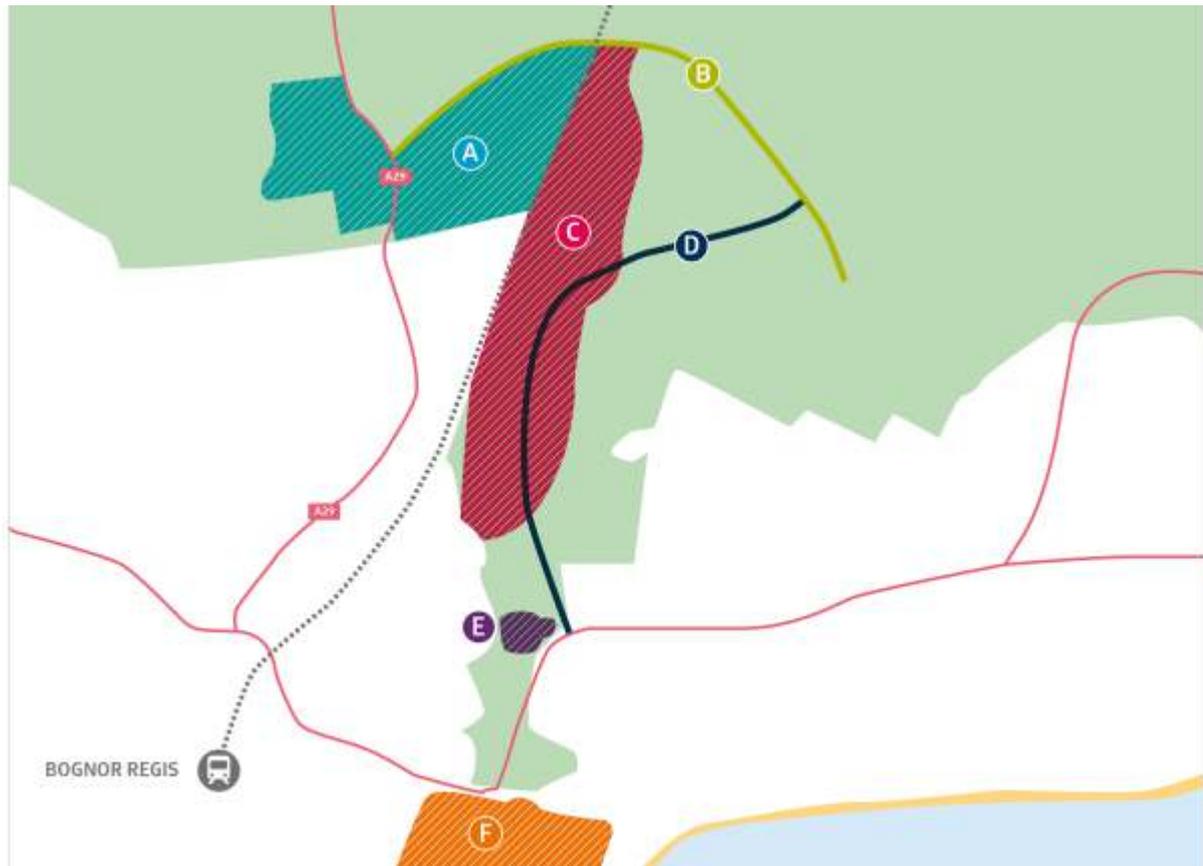
- Transport improvements which will directly unlock housing in East Arun – the A259 corridor capacity enhancement, East Arun and the A284 Lyminster bypass- LTB
- Sustainable transport packages for Chichester and Worthing
- Arun Valley Line station improvements – including Littlehampton
- Implementation of the Chichester A27 Roundabouts (national funded scheme)
- Development of National Cycle Network Route 2 strategic cycle route package – Brighton to Chichester
- Deliver Worthing Enterprise Hub – a City Deal growth centre
- Deliver improvements to Chichester Industrial Estates (Chichester DC funded)
- New enterprise centre at Chichester Gateway (Chichester DC funded)
- Delivery of Tangmere Waste Water Treatment Works which will unlock significant housing (Southern Water funded)

### **Timescale**

All the projects will commence in 2015, with the exception of the Tangmere works and the A27 roundabouts.

Further details of our proposals can be found in [Appendix 7](#)

## Enterprise Bognor Regis Enterprise Zone



### BOGNOR REGIS

#### Local Development Order A

- LDO for Oldlands Farm, Saltbox and Rowan Park to be adopted Autumn 2014
- This will grant permitted development rights on these sites for new business-related development and allow an accelerated and simplified planning process

#### Northern Relief Road B

- Due to be completed summer 2015
- £23m private sector investment as a condition of new housing development
- 4 km long including a new railway viaduct crossing
- Link road for proposed spur into former LEC Airfield site

#### Enterprise Zone C

- 30ha (net) of mostly clean employment development land
- Potential to create 4820 new jobs
- Provides 140,500 sq. m of new business premises
- Oldlands Farm – outline planning permission granted February 2014
- Saltbox and Rowan Park – ready for development
- Former LEC Airfield – new access road will open up this site

#### New north / south link road D

- The north/south highway link between the BNRR/A29 and the A259/Felpham Way
- The new north/south highway link will:
  - Open up the former LEC Airfield
  - Access other land for future residential development;
  - Relieve traffic congestion and improve access to the Butlin's Holiday Complex, the University and Bognor Regis town centre

#### Institute of Sustainable Enterprise University of Chichester E

- Proposal to develop an Institute for Sustainable Enterprise – £13m to £16m investment
- 2,500 sq. m of new accommodation plus 1,000 sq. m co-working space
- 60 direct jobs
- Start building work summer 2016 – complete: Autumn 2017

#### Butlin's future investment programme F

The company is developing plans to further invest £20m in its Bognor Regis site. The new link road would provide improved access to this key tourism site in the town.

At Enterprise Bognor Regis our Growth Deal will create:	4,800 Jobs 2,000 Homes 140,500 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Open up access within the Zone</li> <li>- Improve links to the surrounding transport infrastructure and increase transport capacity</li> <li>- Securing investment from developers and creating new employment space</li> <li>- Create a new University Institute within the Zone</li> <li>- Securing a reputation and promotion for the new EZ</li> </ul>	
Our investment plans over six years:	£15.6m public sector £272m private sector £26m Growth Deal/Local Growth Fund

Enterprise Bognor Regis (EBR) is one of the most significant, exciting and deliverable growth opportunities in the Coastal West Sussex area. Strategically located, north of Bognor Regis urban area, EBR comprises 69.4 hectares of mostly clean development land. The aim is to provide major knowledge-economy employment in a region where clean sites of this size are few, business growth is constrained and development in adjacent rural areas is restricted.

It combines the respective strengths of local authorities (West Sussex County Council, Coastal West Sussex Area Partnership, Arun District Council), Higher Education (University of Chichester) and business (e.g. West Sussex Growers Association, Bognor Regis Ltd.). At the core of this proposal are three fundamental and interconnected components:

- The designation of Enterprise Zone status for EBR
- The development of an Institute for Sustainable Enterprise on the University of Chichester's Bognor Regis campus
- Enhancements to the transport and IT infrastructure

The Council has already implemented positive measures to remove barriers to private sector growth through the proposed introduction of a Local Development Order (LDO) and associated reduction in planning costs and a robust marketing strategy. The University of Chichester is providing support and incubation to new-start and developing businesses.

EZ designation is **necessary** for these sites to come forward. In spite of the positive supply-side measures adopted by both the Council and the EBR private landowners to promote the future development of EBR, the fact remains that at prevailing levels of rent, investment yields and development costs, the private sector's ability to deliver speculative market-led employment development (other than directly commissioned bespoke development) is precluded.

Employment development and job creation therefore ultimately remain conditional upon completion of key enabling publicly funded infrastructure to:

- Reduce development cost;
- Reduce perceived development risk;
- Add value by setting new benchmarks for rents receivable, and thus;
- Stimulate new market-led development.

Establishing the Enterprise Zone will allow Coast to Capital and Arun District Council to access the full range of tools available to the public sector to help it address these barriers to private sector investment, for example:

- Tax Increment Financing – to part fund the proposed North/South link road;

- Simplified planning – including the use of Local Development Order to attract developers and investors with the promise of a quick, straightforward and cost-effective planning process;
- Business rate relief and enhanced capital allowances – to attract end-user businesses to locate in Bognor.

The University development of an Institute for Sustainable Enterprise would incorporate; Centre of Excellence in Sustainable Operations, Department for Data Science (Big Data), Department for Creative Digital Media, School of Enterprise, Management & Leadership (incl. Business Support and Incubation & Software Development) – more detail can be found in Chapter 5.

Addressing the transport infrastructure issues will open up new development land and will remove perceived and real barriers to development. The build of the new Bognor Regis Northern Relief Road is well under way but this only addresses part of the issue. The A29 realignment is critical to remove both the problems associated with negotiating narrow streets and traffic delays caused by the South Coast rail level crossing. This will connect with the relief road, creating a North/South link between the relief road and the A259 which will open up a significant parcel of development land.

Arun DC and its partners recognise that a feature of the EZ package is for 25 years of business rate uplift to be to help support economic development. It is intended that the business rate uplift will be used to support the application of a relevant TIF mechanism for up-front de-risking of private investment in bringing forward the sites for development. Modelling indicates that there is sufficient resource in business rate uplift from the EZ (a NPV of £33m) to repay TIF borrowing to build the Relief Road – A259 North/South road link. The north/south highway link will:

- a. Open up the former LEC Airfield (the Airfield) for development;
- b. Access other land for possible future residential development;
- c. Improve access to the Butlin's Holiday Complex situated on Upper Bognor Road and approached from Felpham Way;
- d. Improve the efficiency of the local highway network and boost regeneration by relieving traffic congestion on Felpham Way/Flansham Lane and providing an alternative (to the A29) improved southerly approach to Bognor Regis town centre;

Beyond that, the current intention is that the EZ uplift in business rates should be targeted on reinforcing the momentum of economic growth in this part of Coastal West Sussex, in line with the LEP's economic objectives. Specific initiatives will focus on; maintaining the currency of the physical development, marketing inward investment opportunities, developing initiatives to support EZ businesses to export their products and services, delivering initiatives to promote and support business growth, facilitating networking and cluster activity, promotion of skills development activity.

### **Flood Risk**

The EZ area does have some susceptibility to flood risk. There have been in-depth investigation during the preparation of the Local Development Order and flood mitigation will be incorporated into the instrument that is eventually adopted.

## This is what we will do

### EZ Designation (See Appendix 8 for a detailed case)

- **A simplified planning regime** - EZ Designation will reinforce the supply-side improvements already made.
- **Access to Tax Incremental Finance (TIF)** – this would provide the Council with the opportunity to fund part of the cost of constructing the North / South Link.
- **Business Rate Relief** – this will incentive development and occupier demand by offering an exemption from or reduction in business rate to prospective occupiers.
- **Business Rate Uplift** - business rate uplift will be used to support the application of a relevant TIF mechanism for up-front de-risking of private investment in bringing forward the sites for development.
- **Enhanced capital allowances for business occupiers** – for businesses wishing to make significant investment in plant or machinery.

### University of Chichester – Institute for Sustainable Enterprise

The University will establish a new Institute in the Zone (see also chapter 5).

### Transport Infrastructure

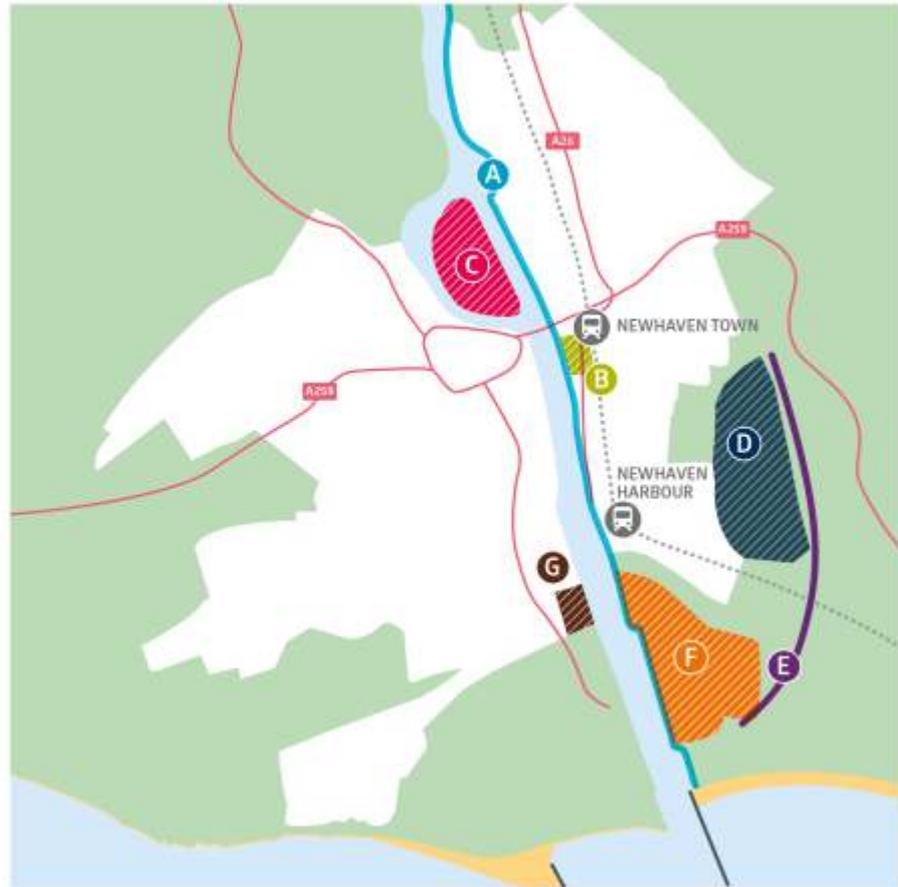
- **Highway and site infrastructure including broadband** – Re-alignment of the A29. Provision of ultrafast broadband. The Bognor Regis relief road is already under construction. Nationally funded A27 improvements are also important.
- **Build a new Access Road** – funded by Tax Increment Finance (TIF 2) arising from EZ designation. Constructing the North / South Link will:
  - Open up the former LEC Airfield for development;
  - Access other land for possible future residential development;
  - Improve access to the Butlin’s Holiday Complex situated on Upper Bognor Road and approached from Felpham Way;

### **The programme key milestones:**

February 2014	Planning permission granted for commercial / business development at Oldlands Farm
Autumn 2014	Local Development Order in place
Spring 2014	Discussions with relevant third party land owners have started to negotiate highway access to sites. Agreements have been made with the land owners to enable access from the south of the site.
Summer 2015	Completion of the Bognor Regis Relief Road
Summer 2015	University Institute Planning Permission
Autumn 2015	Begin to build departments
Summer 2016	University Institute building begins
Autumn 2017	University Institute completion

A full Enterprise Zone proposal can be found in Appendix 8

## Newhaven Enterprise Zone



### NEWHAVEN

#### Newhaven Flood Defences **A**

- To protect and unlock existing brownfield sites for commercial and residential development
- Creating 5,000 net new jobs
- Up to 177,000 m<sup>2</sup> of employment space
- Completion by 2019

#### University Technical College (UTC) **B**

- Due to open to students in September 2015
- Specialising in marine and environmental engineering for 14 – 19 year olds
- Capacity for up to 600 students

#### Newhaven Growth Quarter **C**

- Fully operational by April 2016
- Supports the growth of new learning and skills infrastructure to serve clean, green and marine technologies:
  - Creates more than 300 new jobs
  - Supports in excess of 500 businesses
  - Enable training for more than 5,000 non-vocational trainees
  - Unlocks a further £1.5 million in public and private funding

#### Move-on Space (Eastside) **D**

- Creating modern small industrial units that meet the needs of higher-value clean technology sectors
- Creating 110 new jobs
- Up to 20,000 ft<sup>2</sup> of new commercial floor space

#### Port Access Road – Phase 2 **E**

- Will serve the outer harbour and connects and opens up brownfield sites

#### E.ON Ramplon Offshore Wind Farm **F**

- Base for offshore wind operations
- Development of a deep water berth and onshore facilities to enable Newhaven to compete for offshore contracts
- Will create 150 jobs
- Regenerating 10.3 ha of brownfield land
- Completion in 2016

#### West Quay **G**

- New residential development
- 331 residential units
- Completion by 2018

In Newhaven our Growth Deal will create:	5,200 Jobs 750 Homes 178,000 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Flood defences</li> <li>- Port access road</li> <li>- Creation of facilities to exploit offshore wind opportunities</li> <li>- Clearance/conversion of derelict and shabby employment buildings and land and create new modern employment space</li> <li>- Create new sites for investment in housing and employment space</li> <li>- Improve transport links and infrastructure</li> <li>- Address town centre regeneration</li> </ul>	
Our investment plans over six years:	£41m public sector £38m private sector £14m Growth Deal/Local Growth Fund

The new Newhaven Enterprise Zone has the potential to deliver 5,000 new jobs and 750 new homes in Phase 1 and more in Phase2.

Newhaven is included in the Greater Brighton City Deal and has been zoned for a CleanTech Growth Centre. Developing high quality jobs in Newhaven will reduce the pressure to create jobs in Brighton & Hove city centre and ensure that good quality opportunities are spread across the City Region, reducing the pressure on the City Region’s transport infrastructure.

However, this is not a straightforward proposition. Newhaven’s employment base and physical infrastructure has been in decline for many years; transport links have been reduced; harbour traffic has suffered from competition from the Channel Tunnel and Dover; potential brown field redevelopment sites have been left vacant. Newhaven’s current workplace-based employment profile is dominated by low value added manufacturing (21%), wholesale and retail trade (24%) and health & social work (10%).

But there are a number of new developments that indicate that Newhaven could emerge as a technology centre of the future - E.ON has chosen Newhaven as its operations & maintenance base for the Rampion Offshore Wind Farm; Veolia has located its Energy Recovery Facility in Newhaven; there are proposals for a Marine Enterprise & Training Centre, backed by Coast to Capital’s Growing Places funding, and the Government has already approved a new University Technical College (UTC) specialising in marine and environmental engineering. The time is now for seizing these opportunities.

However, many of the new developments are not quite at the point of implementation – EON has not yet secured planning permission for the Rampion Windfarm; the UTC will need additional investment from Lewes District Council; and the HCA recently withdrew from a joint initiative. Other site owners have been adopting a wait and see attitude before they are willing to bring forward their own investment. The sites proposed for inclusion in the Enterprise Zone (EZ) designation have a range of development barriers that are inhibiting effective investment delivery. These are brownfield sites, constrained by abnormal development costs and challenging market conditions. On this basis, it is unlikely that development will come forward without some form of intervention.

The immediate growth prospects of the town are therefore in balance. There are a number of positive developments, and sufficient interest from other parties such that if they could be

persuaded to invest, positive forward momentum could be secured. Enterprise Zone status will be important in securing significant investment from landowners and developers which in current market conditions is unlikely to come forward. Enterprise Zone status will:

- Give an immediate boost to Newhaven's reputation and brand and give confidence to current and potential investors
- Bring forward sites which have been slow to get developed
- Attract new investment
- Support the business case for improvements in both road and rail transport
- Support future harbour operations

### **This is what we will do**

Partners including Lewes District Council, East Sussex County Council, Newhaven Town Council, Newhaven Port and Property, and Coast to Capital and South East LEPs have been developing proposals for the redevelopment of the town and harbour, both of which would potentially be included in the new Enterprise Zone. There are two phases:

#### **Phase 1:**

- Completion of options development and creation of Local Development Order
- Construction of flood defences – a City Deal commitment
- Creation of new enterprise and move on space on Denton Island – Coastal Communities funded
- Opening of the UTC
- Port Access Road – phases 1 and 2
- Development of the port area for wind farm operations
- Marine Enterprise and Training Centre
- Clearance and development of three major sites on East Quay
- Improvements to rail stations and sustainable transport enhancements

#### **Phase 2:**

- Town centre improvements
- New transport interchange hub
- Re-zoning of employment land, including some possible re-locations
- Development of the leisure marine offer, including new visiting and berthing facilities
- Further site clearance and development

The programme will start in 2014 and the key milestones are:

Summer 2014	Work commences on UTC; Planning permission for Rampion and operations area Port access road phase1;
Summer 2015	Windfarm Operations start; Port access road phase 2; Flood defence options agreed; East side sites commence
September 2015	UTC opens; Station improvements
2016	Flood defence construction commences; Windfarm operations area complete
2016 - 2019	Flood defences fully complete

A full Enterprise Zone proposal for Newhaven can be found at [Appendix 9](#)

## Shoreham Harbour and Airport



### SHOREHAM-BY-SEA

#### Strategic Housing and Employment Site: New Monks Farm **A**

A key strategic housing and employment site proposed in Adur's emerging Local Plan. The site is allocated for up to 600 dwellings, a neighbourhood centre/community hub, a primary school, 10,000 sqm of employment floorspace and a Country Park. Development of this site would also help to bring forward a new access/roundabout on the A27 to unlock development at Shoreham Airport.

#### Shoreham Airport **B**

This site linked to Shoreham Harbour is identified as an important employment growth centre for CDIT businesses (referred to as Environmental Technology in the Greater Brighton City Deal). The site is allocated for 15,000 sqm of employment floorspace, however, this is dependent on the implementation of the Adur Tidal Walls flood defence scheme as the site is located within the River Adur functional flood plain.

#### Adur Tidal Walls Scheme **C**

This is a comprehensive flood defence scheme proposed on both banks of the River Adur and would protect over 2,300 residents and 169 businesses as well as unlocking the new employment site at Shoreham Airport. The total scheme cost would be approximately £25 million.

#### Shoreham Harbour Regeneration Project **D**

The regeneration of the Harbour is dependent on the delivery of a comprehensive flood defence solution which is estimated to cost approximately £12 million. The regeneration project proposes a sustainable mixed use development delivering up to 1,450 new homes, and 21,500 sqm of employment floorspace (creating up to 1,700 new full time jobs).

In Shoreham our Growth Deal will create:	4,450 Jobs 2,320 Homes 36,600 Sq m of employment space
The most important spatial issues we need to tackle to deliver growth are:	
<ul style="list-style-type: none"> <li>- Flood defences</li> <li>- Relocation of some businesses to allow site assembly</li> <li>- Delivery of significant new housing</li> <li>- Access and transport improvements</li> </ul>	
Our investment plans over six years:	£20m public sector £250m private sector £23.2m Growth Deal/Local Growth Fund

The regeneration of Shoreham Harbour has been a long term priority for over 25 years, however, despite various ambitious projects, the potential for significant economic growth has, as yet, not been fully realised.

This project follows on from the Greater Brighton City Deal and links the delivery of employment growth and housing across Shoreham Harbour, Brighton City Airport and linked strategic housing allocations in Adur's emerging Local Plan.

Building on the success of Brighton's CDIT cluster, the Greater Brighton Greater City Deal aims to create the conditions for creative-tech businesses to grow more rapidly and to unlock growth across other areas of the City region, notably Shoreham Harbour and the Airport. The project includes the provision of Environmental Technology Growth Centres linked to existing successful business developments at the Airport and Harbour. The emerging Adur Local Plan allocates 15,000 m<sup>2</sup> new employment floorspace at the Airport adjacent to Ricardo UK's new £10 million Vehicle Emissions Research Centre. A total of 21,500 m<sup>2</sup> of new employment floorspace is proposed at Shoreham Harbour building on the success of renewable energy businesses currently being developed at the Harbour.

The provision of the Growth Centre at the Airport is dependent on a new junction onto the A27 and this junction would also need to serve the new strategic housing allocation of up to 600 new homes, 10,000 square metres of employment floorspace and a new country park on land immediately to the west of the Airport.

A key constraint in delivering housing and employment growth across these sites is the risk of flooding and the current uncertainty regarding funding for comprehensive flood defences for the River Adur and the Harbour area. The Adur Tidal Walls Scheme would protect 2,328 residents and 169 commercial properties as well as enable the employment land allocation at the Airport to be delivered. The provision of a comprehensive flood defence wall at the Harbour is essential to deliver the new homes and jobs envisaged as part of the Shoreham Harbour Regeneration Project.

Without the Local Growth Funding the flood defence schemes would not progress. Any delay would leave existing residential properties and commercial premises at significant risk of flooding. In December 2013 the River Adur burst its banks adjacent to the Airport and caused significant flooding disrupting Airport operations and impacting on existing businesses at the Airport.

### **This is what we will do**

- Flood defences for Adur Tidal Wall Western Harbour Arm
- Improvements to road access including the junction at the A27
- Environmental Technologies Growth Centre at Shoreham – building on Ricardo UK's new £10m Vehicle Emissions Research Centre, at the Airport as well as renewable energy business at the Harbour. These sites will provide space for 1,740 new jobs at Shoreham Harbour and Shoreham Airport, as well as 1,500 new waterside homes;

### **Timescales**

Adur Tidal Walls Flood defences will begin in 2015 and complete by 2017  
Transport improvements will commence from 2015

Further details of our proposals can be found in [Appendix 10](#)

## **TRANSPORT**

Coast to Capital and its partners are proposing a major investment in our transport infrastructure. It is the single largest element of our proposed Growth Deal.

Transport is both an enabler and driver of growth. This Plan is an integrated strategy for growth in the Coast to Capital area and as such our aspirations and requirements for transport are wholly woven into the growth narratives for our nine priority locations earlier in this chapter.

Nevertheless, we do understand that strategically it is important to have a whole area overview of our transport infrastructure to understand how it is working as a network, to understand the stress points and weaknesses and to appreciate the relative demands for investment and development. It is also important to see how our transport issues and plans will fit with those of our neighbouring LEPs.

The remainder of this chapter and the substantial Transport Annex set out the detail of what we propose together with the case for investment.

### **Overview**

The transport network in the Coast to Capital area has both strengths and weaknesses. The area has enviable road links and rail links, with a large section of the M25 and the whole of the M23 in its borders. The Brighton Main Line provides fast services from London to Gatwick Airport and the South Coast. The North Downs Line and East/West Coastway rail lines provide East-West rail links.

The region is unique in containing a London Borough, Gatwick Airport (the UK's second largest airport), a large number of strategically important towns, the city of Brighton and areas of considerable environmental importance, including the South Downs National Park. We have a significant coastline from Newhaven to Chichester Harbour with two ports.

However, these unique characteristics have also caused or contributed to a number of severe transport problems. The relative wealth of the area has meant that the car is the most dominant mode of travel, with a very high level of car ownership compared with the national average. Several of our road and rail links are operating at over-capacity. This causes frequent congestion, particularly as the network does not have spare capacity to cope with incidents such as vehicle crashes or adverse weather.

This has caused substantial problems of poor journey time reliability. Businesses and residents find it difficult to make best use of their time as they do not know how long a journey will take.

A further problem is that our urban spaces have not improved at the same pace as the growth in personal transport. Many of our towns have poor facilities for pedestrians and cyclists. This reduces the attractiveness of our towns as places to live, work and shop.

This has weakened business confidence in the area. Contrary to the popular impression of the prosperous south, several parts of Coast to Capital are performing below their potential. Many towns are reporting high levels of business unit vacancies and a difficulty in building sufficient new houses. Poor transport links are also depressing retail sales for some of our towns.

## Transport aims and objectives

We intend to make a major investment in our transport network - road, rail and other modes. This will include the national networks, regional routes and local infrastructure.

Our transport approach is based on five overarching themes which aim to tackle these problems. These are firmly based on what businesses tell us that they want from a transport network:

- Connectivity: "Can I get where I want to go?"
- Reliability: "Will I arrive when I expect?"
- Capacity: "Will I get a seat, a parking space, a clear road?"
- Quality: "Will my journey be healthy, safe, clean, sustainable and enjoyable?"
- Resilience: "Will transport be there when I need it – 24/7?"

Our programme is split into two elements:

- A. Improvements to national networks
- B. The Coast to Capital Transport Programme

## A. National Networks

### The Highways Agency Network

Motorways and trunk roads are fundamental to the success of the Coast to Capital area. They provide essential links between the capital and the coast via Gatwick airport, along the A23/M23 corridor. The M25 runs through our area, linking Coast to Capital to the rest of the country. Along the south coast, the A27 and A259 are strategic links to the coastal towns, Brighton city and the ports of Portsmouth, Southampton and Dover.

The Highways Agency are currently carrying out two studies to review the effective operation of their network in the Coast to Capital Area:

- The **M25/M23 Route Based Strategy** is expected to reach conclusions in the spring of 2015
- The **A27 feasibility study** is expected to conclude in the autumn of 2014.

Coast to Capital LEP, the local highway authorities and other partners are fully engaged with these studies. Our aim is to help the Highways Agency to improve the capacity, reliability and resilience of their roads.

The recommended Highway Agency schemes and bottlenecks that we have identified are:

M25	Junction 9 (Leatherhead)
	Junctions 8 to 7 resilience
M23/ A23	M23/A23 Hooley Interchange
	M23 junctions 9-9a (Gatwick)
	M23 Junctions 10 (Crawley)
	M23 Spur South Terminal roundabout
A27	A27 Trunk Road Junction, Brighton
	A27 Chichester bypass improvements
	A27 Arundel bypass
	A27 Fontwell junction improvement
	A27 Worthing & Lancing corridor (inc. new Sussex Pad junction)
	A27/A26 access to Newhaven

These are described in more detail in the Transport Annex.

### The National Rail Network

Rail is a fundamental part of the Coast to Capital strategy. We want to lead a **rail renaissance** to make our already struggling rail network into a nationally and internationally recognised example of excellence.

In particular, this will require capacity enhancements on the Brighton Main Line. Network rail estimates that on existing trends the use of the Brighton main line will increase by 37% by 2031. Capacity improvements are needed to cope with this forecast demand, but also to encourage greater use of this key rail line.

The North Downs line provides a strategically important link between Gatwick and the Thames Valley via many of the strategic employment locations in the East Surrey Corridor. However, the services on this line are not unlocking the full potential of this link. We would like to see this line transformed by full electrification along its length. This would not only enable faster and more reliable services, it would also allow new services to be run incorporating the North Downs line and the rest of the electrified network, including connections through Tonbridge to Ashford International.

The East and West Coastway rail lines provide important East-West services along the coast. Its capacity would be enhanced by improvements such as a passing loop for westbound trains. The nature of the Brighton Main Line makes routes to the Coastway vulnerable to disruption, particularly during essential maintenance. In this regards Coast to Capital is strongly supportive of Network Rail's ongoing work to examine the viability of a direct east facing cord between the Coastway and Arun Valley lines at Arundle and the reconnection of the railway between Lewes and Uckfield.

Level crossings can be a major cause of road congestion, both on the North Downs line and the Coastway. We will give ourselves a challenge of removing or bypassing at least one level crossing every five years, either by replacing them with bridges or underpasses or by diverting roads around them. The proposed A29 realignment scheme would remove the need to cross the Woodgate level crossing. The A284 Lyminster bypass would remove traffic from the Wick level crossing. Signalling improvements could reduce the period of closure at the most problematic level crossings.

The improvements/ bottlenecks that we have identified on the rail network are:

Brighton Main Line	Committed schemes such as train lengthening and Redhill platform 0
	Full grade separation of Windmill Bridge Junction
	Remodelling of East Croydon station
	Remodelling of Stoats Nest junction
	Grade separation at Keymer junction
	Extra platform capacity at Victoria or London Bridge
	Rolling stock improvements
	Maintenance and protection of embankments and tunnels
North Downs Line	Electrification of missing sections (Wokingham-Ash and Shalford-Reigate)
	Lengthening to 4/5 car
	Rolling stock improvements
	Platform enhancements at Reading and Gatwick
East and West Coastway	Development of longer term "M25 rail" proposals
	Passing loop for westbound trains at Worthing

	Examine viability of Arundel chord
	Remove level crossings
	Rolling stock improvements
Uckfield Lines	Electrification of Uckfield Line
	Reinstatement of Lewes-Uckfield line
	Reintroduction of Kent-Gatwick service via the Redbridge-Tonbridge line
	Reinstatement of Crowhurst chord
Crossrail 2	Support for Crossrail 2, regional variation

## **B. The Coast to Capital Transport Programme**

We have identified three types of transport schemes which would unlock stalled economic growth across the Coast to Capital area:

- **Connectivity and capacity** schemes to unlock new land by providing new and/or enhanced transport connections.
- **Sustainable transport packages**, which regenerate areas by tackling congestion and improving journey quality and reliability
- **Resilience schemes** to help keep the network operating 24/7.

### **Local Transport Body**

The Coast to Capital Local Transport Body was established in early 2013 and in July 2013 submitted five schemes for the allocated funding. It is the intention to include all these agreed projects within our wider plans for growth. Their links to strategic business locations or strategic corridors is shown in the table below:

<b>Scheme</b>	<b>LTB funding allocation</b>	<b>Priority location</b>
Brighton Valley Gardens 1&2	£8 m	Brighton
A284 Lyminster Bypass	£3 m	Coastal Corridor
Epsom Town Centre Area Action - Plan E	£2.7m	East Surrey Corridor
Wider Network Benefits Package – expansion of NMIC	£3m	East Surrey Corridor Heart of Gatwick Diamond
A259 corridor improvements, East Arun	£7.5m	Coastal Corridor

### **Connectivity and capacity schemes**

We have identified 20 schemes (including the LTB schemes) which would directly unlock new housing, jobs and/or employment floor space. These schemes provide the transport capacity or connectivity needed for one or more new developments to be viable. In many cases, these schemes would tackle problems that cause severance and delay.

The connectivity and capacity schemes are:

<b>Scheme</b>	<b>Local Growth Fund contribution</b>	<b>Benefits</b>
<b>Brighton &amp; Hove</b>		
Valley Gardens - Phase 1&2 (LTB) - Phase 3	£8 million (phases 1&2) £6 Million (phase 3)	1,179 jobs, 100 homes and 9,000 sqm employment space. Tackles severance and improves connectivity to the city centre.
A259 Improvements	£27 million	2,528 jobs, 1,300 homes and 29,545 sqm employment space by improving connectivity and capacity along the coast
Toad's Hole Valley	£15 million	700 new homes and 2,380 new jobs and 25,000 sqm employment space by connecting to a new growth area
A23 Preston Circus	£3 million	1,300 jobs, 7,090 square metres of employment space and 450 homes, connected to the town centre
<b>Joint Brighton &amp; Hove and West Sussex</b>		
Shoreham Harbour Regeneration Package	£13.77 million	2,320 new homes, 4,450 new jobs and 36,660 square metres of employment space. Provides connectivity within the development and along the coast road (A259).
<b>Croydon</b>		
East Croydon Station	To be funded from TfL or London Growth Funding	Improves pedestrian capacity of the station concourses and connects to nearby housing and employment developments
West Croydon Station		
Junction improvement programme		Together with other projects, helps to deliver 7,300 new homes and 15,000 jobs in the Croydon Opportunity Area. Improves connectivity and reliability by upgrading a number of key junctions
A23 Improvement programme		Improves the A23 corridor and the A232 to improve connectivity to the Opportunity Area and journey time reliability.
Tramlink capacity enhancement		Improves the capacity of Croydon's tramlink by adding new lines and supports the improvement of poor public realm within the town centre.
<b>Surrey</b>		
Kiln Lane Link	£17.944 million	6,400 new jobs. Connects two industrial estates, allowing for intensification of use.
Epsom Plan E (LTB)	£2.16 million	635 new homes. Improves connectivity within the town centre for pedestrians and cyclists.
Leatherhead Improvements	£7.12 million	Enables 21,500 sqm of new mixed-use commercial

		floorspace, supporting between 700-800 new jobs, plus 400 new town-centre homes. Improves the capacity of the gyratory system.
<b>West Sussex</b>		
A284 Lyminster bypass East Arun (LTB)	£3 million	3830 homes, 5295 jobs and 27,000 square metres of employment land
A259 realignment East Arun (LTB)	£7.5 million	3,830 new homes 27,000 square metres of employment land 4,695 jobs
Enterprise at Bognor Regis Link Road	£7.1 million	4,821 jobs, 2,000 homes and 140,000 sqm square metres of employment space,
A29 realignment	£13 million	
Crawley Town Package	£18.12 million	4,000 new homes and 5,750 jobs
West of Horsham, A24 junction improvements	£4.763 million	2,000 new homes and 1,600 new jobs by connecting new development to the A24
A2300 corridor, Burgess Hill	£12.08 million	5,000 jobs 2,600 new homes More than 200,000 square metres of employment land. Connects Burgess Hill to the A23.

A summary of each of these schemes is provided in the [Transport Annex](#).

### Sustainable packages

We are bringing forward a number of **sustainable packages** to restore confidence in our towns as areas which are ready and fit for growth. These will combine both transport and non-transport interventions.

Each package contains a number of core improvements which are common to most packages, as well as several tailor-made components to tackle the specific local problems of the area in question.

The measures which are core to nearly all transformational packages are:

- Improvements to walking and cycling links and the urban realm.
- Tackling the severance caused by busy roads, rivers, railway lines, level crossings and other physical barriers
- Improvements to junctions and traffic management systems to ease traffic flow and reduce congestion
- Improvements to rail stations, including better cycling and pedestrian access
- Improvements to public transport, such as bus and taxi priority measures and better interchanges
- Behavioural change measures, including improved information to the travelling public.
- Improving accessibility to rural areas.
- Improving road safety.

Local tailor-made solutions include:

- Redesigning and improving out of date one-way systems and gyratory roads, such as in Leatherhead, the Valley Gardens scheme in Brighton & Hove and Northgate gyratory in Chichester
- Mitigating the impact of level crossing downtimes on road traffic and pedestrian movements
- Easing traffic flow in narrow historic streets, such as Brighton & Hove, Dorking and Chichester
- Increasing the space for pedestrians at overcrowded rail stations, such as East and West Croydon
- Revitalising tired and unattractive retail areas
- Increasing capacity on overcrowded public transport networks, including Croydon's Tramlink

Further details on the sustainable transport proposals can be found in the [Transport Annex](#).

## Resilience

To increase the resilience of the area, our proposed programme includes schemes which would:

- Repair and maintain critical transport structures
- Prevent or mitigate the risk of flooding
- Reduce the number of traffic incidents (such as crashes and roadworks) and help the network to recover quickly after such incidents.
- Provide resilience from adverse weather conditions, such as heavy snow fall.

Our intention is to set aside a proportion of the Local Growth Fund to be allocated to resilience schemes. We would then invite local highway authorities and other stakeholders to put forward schemes for these funds. The most cost effective and beneficial schemes would be funded from this process.

The long list of resilience schemes in our programme is:

Surrey: wider network benefits (approved by LTB)	Upgrading traffic management system to handle the congestion caused incidents and planned events	Reliability and resilience
Brighton & Hove seafront structures (Free Shelter Hall Site)	Renewing seafront structures supporting the A259 coast road	Resilience and quality
Surrey: A24 corridor safety scheme	Improving safety on two sections of the A24 between Holmwood and the Surrey border	Reliability and quality. Reduces casualties and congestion.
Intelligent Transport Systems (Brighton & Hove and West Sussex)	New and upgraded traffic management systems	Resilience and reliability
Flood alleviation schemes (several routes)	Improving highway drainage and embankments to reduce the risk of flooding	Resilience
Coastal defences (several)	Upgrading and strengthening sea and harbour defences	Resilience
Regeneration packages (several)	Sustainable packages in corridors or areas which are not priority growth	Quality and reliability

	areas (eg rural)	
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Further details on our resilience proposals are in the [Transport Annex](#).

### Governance and scheme assessment

In developing this programme of improvement measures, we have adopted a number of key principles and processes. The main principles are:

- The decision-making processes should be fair, open and transparent.
- In order to maximise the value from public money, only the best schemes should be funded. Priority would be given to schemes which met economic goals, such as the creation or protection of jobs, homes and employment floorspace.
- Priority would be given to schemes with high levels of local contributions and which levered in substantial amounts of private sector investment.
- All schemes should be subject to thorough and independent assessment.
- Transport business cases should be developed to full WebTAG standards and assessed as rigorously as if bids were being considered by the Department for Transport.
- Guidance from the Department for Transport and other Government departments, such as the guidance on Local Transport Bodies, would be followed in full.
- Where possible, the cost of developing schemes would be kept to a reasonable minimum so that the maximum level of funds can be invested in the delivery of improvements.

Coast to Capital has decided to retain its Local Transport Body as part of its governance structure. Further details on governance, project appraisal and decision making can be found in the [Transport Annex](#).

### Summary of Transport investment

Our six year transport investment programme is summarised in the table below:

	Public sector	Private sector	LGF	Total
<b>Local Transport Body Schemes</b>	£11,040,000	£6,632,000	£23,060,000	£40,732,000
<b>Connectivity and Capacity Schemes</b>	£20,621,000	£73,561,000	£142,867,000	£237,049,000
<b>Sustainable Transport Packages</b>	£11,631,000	£1,442,000	£88,804,000	£101,877,000
<b>Resilience Schemes</b>	£17,884,000	£450,000	£48,716,000	£67,050,000
<b>TOTAL</b>	£61,176,000	£82,085,000	£303,447,000	£446,708,000

Not included in this table are two access roads linked to the Newhaven Enterprise Zone and Toads Hole Valley –the investment for which are included elsewhere in the Plan

## CHAPTER 4: SUCCESSFUL BUSINESSES

*We will do everything we can to help businesses grow, focussing on where there is market failure*

### **The Intervention Logic Chain**

Growth in productivity and employment will be derived from success and competitiveness of the businesses in our area.

Strong underpinning competitiveness is required if the business economy is to remain healthy in the long term. High rates of business formation and survival are required. The best businesses will survive and grow.

Most productivity and growth comes from businesses that internationalise.

All businesses could improve their performance and should be encouraged to do so.

Specific barriers to growth reported by the business community must be tackled – planning, regulation, finance and premises.

### **This is what we are going to do**

We are going to back our businesses and entrepreneurs and give them every chance to grasp and realise their own growth. We will :

- Ensure there is a positive business environment
- Promote and support enterprise and entrepreneurship for all people and all areas
- Support international trade, with a focus on growing markets, **fronted by a new ASEAN business hub at Gatwick Airport**. We retain our target of doubling the numbers of businesses who are regular international traders.
- Provide comprehensive business support utilising services from the public, private and third sectors
- Ensure there is a ready supply of business finance of all types at all levels
- Improve the range and quality of business premises
- Improve access to opportunities and supply chains

#### **OUR GROWTH DEAL:**

##### **Our Commitment:**

Over six years from 2015/16 to 2020/21 we will invest:

- £ 14.4m from local authorities and other public sector sources;
- £ 36.0m from the private sector;
- £8.5m from ESIF and EARFD

Together we will deliver:

- 5,946 New Jobs
- 45,000 Sq metres of employment space

##### **Our ask of Government:**

- We seek co-investment from the Local Growth Fund of £28.3m

**Our success indicators:**

<u>Successful Businesses</u>	<u>2010 Baseline Coast to Capital</u>	<u>2010 Baseline South East Region</u>	<u>2020 Target</u>
<b>Business Births per 10,000 Working Age Population</b>	70.2	67.3	All districts within Coast to Capital to at least the SE average
<b>Business enterprises per 10,000 Working Age Population</b>	583	595	Match SE level
<b>Business that regularly trade internationally</b>	16%	Not available	25%

**Enterprise**

High rates of business formation and entrepreneurial growth are essential for dynamic, competitive economies. Our aim is an economy which has:

- Rates of new business formation and survival consistently above the averages for the South East and England
- Rates of private sector business growth above the average for both the South East and England

In pursuit of these aims our strategy is:

- To create and maintain the right conditions for enterprise and high growth entrepreneurship to flourish
- To make Coast to Capital an attractive business location for starting and growing a business
- To ensure there is healthy and dynamic enterprise and entrepreneurship in all parts of our area
- To ensure all young people emerging from each phase of education are equipped with enterprise and entrepreneurship skills
- To promote social enterprises as an effective form of business for a wider group of potential entrepreneurs than has normally been considered

Based on our initial research, we are working in three critical success areas where we can have the greatest impact and make greatest progress towards our enterprise goals:

- Creating a consistent framework for enterprise in education
- Tackling areas where there is low enterprise performance
- Establishing a consistent information and support offer for all those wishing to start a business

**Enterprise in Education**

In the next 10 years around 170,000 young people in our area will arrive at age 18. There is a current further education and higher education population of 155,000 at 12 colleges and four universities. To secure the long term competitive future of our area we must make these young people a priority for increasing enterprise and entrepreneurial skills and capacity.

We want to ensure that all education leavers are equipped with the *entrepreneurial capital* (attributes, behaviours, skills) that will allow an ever increasing proportion to have the capacity and aspiration to establish a business or become self-employed at some point in their lifetime of economic activity. Doing so will also enhance their employability as a by-product.

Our consultations with entrepreneurs have identified that, too often, young people are educated and trained so that they can be employable and get good jobs, but not enough so they themselves can create enterprise and make jobs for others. We need to redress the balance.

Our objective is to make more of the existing good practice and collaborate with partners in all phases of education to ensure:

- All young people are exposed to the skills, attributes and behaviours that underpin entrepreneurship
- Enterprise and entrepreneurship is given equal billing with employment options for young people as they consider their futures. They should be given information and exposed to role models
- They understand the full range of entrepreneurship and business models, including social enterprise
- This enterprise education needs to take place regularly in a systematic way at each level in education in an age appropriate manner
- Linkages are made between business skills and foreign languages with a view to supporting increased internationalisation
- There is a new initiative in the Coast to Capital region created by three entrepreneurs with their own companies working together to deliver a single programme to schools, colleges and universities in Coast to Capital. This has also been put forward as a potential National Programme to Lord Young's Enquiry into Enterprise in Education

**Gary Peters – Founder & Director of ICP Search and Founder - [LoveLocalJobs.com](http://LoveLocalJobs.com)**

Launched in September 2010, [LoveLocalJobs.com](http://LoveLocalJobs.com) is an innovative platform that brings together Businesses, Universities, Colleges, Local Authorities, Charities and Community Groups and other organisations across the Coast to Capital region. All these organisations are committed to providing an accessible and inspirational careers solution that enables local businesses to connect with the region whilst providing students with access to local jobs and the skills, training and information that they need to be successful. Gary will soon be launching a Foundation model to deliver much needed careers advice, pathways and inspiration to schools, colleges and universities in the C2C area.

**Keith Pordum - Managing Director of Bon Appetit and Chair of Sussex Board of Young Enterprise**

The mission of Young Enterprise is to give the new generation the skills they need for education, work and life and reduce the toll of youth unemployment. This last year, across the UK, more than 26,000 15-19 year olds have created over 2,000 real firms under their flagship Company Programme with the guidance of volunteer mentors from local companies.

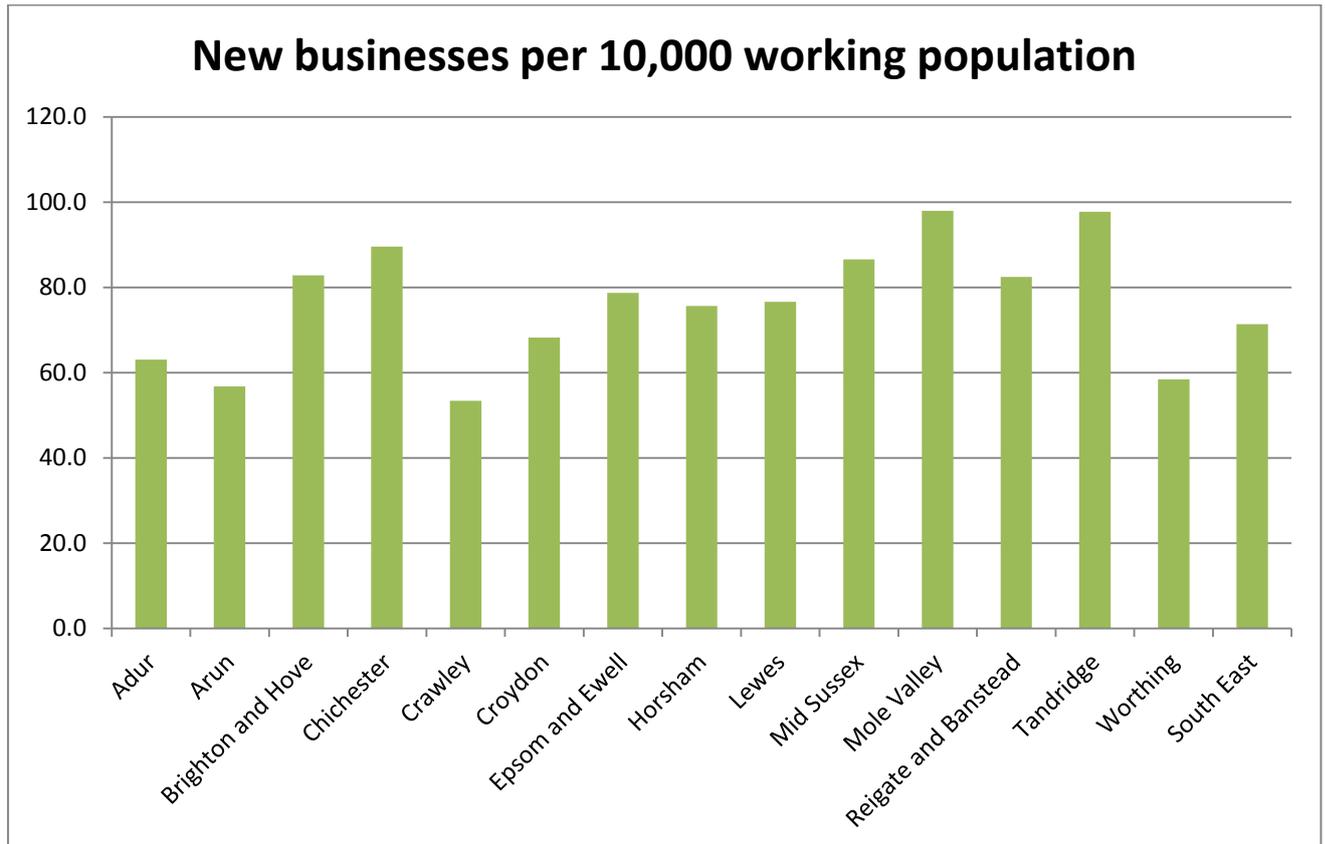
**Matt Turner - Managing Director – Creative Pod and Founder of Young Start-up Talent**

Young Start-up Talent which has been operating for 4 years and inspires 16-25 year olds to think entrepreneurially and start their own business. Currently operating in 4 regions (soon

to be 6) they get in front of 35,000 youngsters, in over 100 schools, 3 universities and 10 colleges. In each region they take the youngsters through coaching, mentoring, training and judging, with the winner receiving a £50k prize.

### Tackling areas of low enterprise performance

There are markedly different levels of enterprise performance across our area, as shown in the chart below.



Source: ONS

The poorly performing areas are a drag on the competitiveness of the economy of Coast to Capital and to achieve our enterprise goals we must tackle some of the underlying reasons for the relatively low rates of new business formation.

To illustrate the returns that we expect to gain, if the enterprise performance of Coastal West Sussex and Crawley was to rise to the regional average, then there would be a further 500 new business start-ups each year (a 37% boost to enterprise in those areas). Likewise, if the level of business formation among women were at the same level as for men, that would mean a further 20,000 businesses in Coast to Capital.

Our approach is to build longer term capacity in those low performing areas:

- Fill the aspiration and confidence gap and introduce self-employment and business start-up as an option for people who have never before considered it

- Ensure there is adequate access to information and service provision to support those who wish to explore enterprise further and who start their own businesses

This is confirmed by Coast to Capital’s research that showed that businesses operating in more deprived areas where there are low rates of business formation think that business advice is best given by organisations that understand the localities and communities in which the potential entrepreneurs are based.

We will work with third sector and community based organisations who are already working in our target communities, as well as third sector infrastructure support organisations. We will build the enterprise aspiration and capability of these bodies so that there is a permanent supporting and influential infrastructure. We will ensure that there is better understanding of the social enterprise model of business in these areas.

### Providing support for all who wish to start a business

Feedback from business organisations and stakeholders has identified a need for consistent provision of information and support for all those who are starting a business. Many entrepreneurs will be happy to seek advice from professional advisors and intermediaries, but even those who are experienced business people welcome easy access to information on regulation, local opportunities and support, finance, premises, etc. For those with less experience their needs can extend to skills development, business planning, mentoring and networking.

Working with existing providers in the public, private and third sectors, we will establish a consistent offer for start-ups in our area. This will be accessed via the Business Navigator portal. For those with particular needs, under-represented groups and those using self-employment as a route out of unemployment or under-employment, EU SIF funded support will be made available.

### Enterprise - Our Growth Deal asks and offers

Our Commitments	Our Asks of Government
<ul style="list-style-type: none"> <li>- We will continue to promote enterprise education in schools, colleges and universities, with the full backing of eight further education colleges and four universities</li> <li>- We will ensure that every new business has access to the information and business support that they need to succeed.</li> <li>- We will invest up to £4.321m over seven years of our ESIF funding to support self-employment in under-performing groups and communities</li> <li>- Our partners will invest match funding of up to £4.321m over seven years including at least £500,000 from local authorities</li> <li>- We will work with community based organisations to increase their capacity to promote and support enterprise in their areas</li> <li>- We will support directly 1,400 new jobs</li> </ul>	<ul style="list-style-type: none"> <li>- Co-investment by Government of £0.53m Local Growth Funding over six years to back entrepreneurs and enterprise</li> <li>- Support for recognition and accreditation of enterprise and entrepreneurial capital in the school curriculum and OfSted framework</li> </ul>

## International

A successful, growing economy with high rates of private sector employment creation must be outward facing and connected to the global economy. UK Trade & Investment (UKTI) state that 60% of all productivity growth comes from businesses that internationalise. Our research shows that 20% of all Coast to Capital businesses account for nearly 50% of all the Gross Value Added (GVA).

We have adopted a wide definition of what we include in business internationalisation:

### **Exports, international trade & internationalisation**

In a world connected by the Internet, and with new forms of e-commerce enabled by digital technology, trade across national borders is becoming easier and new forms of international activity are opening up. Coast to Capital wants to support all aspects – new and traditional:

- Export of goods and services
- E-commerce across national borders
- Networking with businesses and other organisations outside the UK
- Collaborations with non-UK organisations
- Exploiting intellectual property world-wide
- Keeping in touch with customers and suppliers outside the UK
- Exploring ideas and innovation with bodies outside the UK
- International visitors, business tourism and the visitor economy
- Place Marketing and foreign direct inward investment

The benefits of increasing the numbers of businesses with an international outlook reach beyond the direct increase in economic value; international activity builds longer-term competitiveness through stimulating innovation and the exchange of knowledge and expertise. Sector initiatives, for example, benefit greatly from trans-national partnerships and international supply chain initiatives whilst leading-edge universities, innovation centres and other centres of excellence depend on close relationships with counterparts in other countries to maintain global status.

Retaining and expanding Gatwick Airport's role as an international transport hub is central to our goals. The airport is aiming to increase both business passenger traffic and cargo volumes. By fully exploiting the "Gatwick effect", we will make the most of the international links and reputation that attach to it.

We need to make progress on three fronts to make progress towards our strategic aim:

1. Ensuring Coast to Capital has the business environment and infrastructure to be a credible location for high achieving internationalised businesses
2. Building the global reputation of the primary business locations and our international class sectors and research capability
3. Doubling the numbers of businesses who are involved in internationalisation

To make progress on these issues the Coast to Capital strategy is focused on four objectives:

- Increasing the level of international trade
- Increasing Foreign Direct Investment
- Increasing international business tourism

- Forming longer term structural and organisational links with one or two key regions in target markets

### **International Trade**

Working closely with UKTI and our local partners, we aim to significantly increase the number of firms who are regularly involved in international trade.

We estimate that around 15% of all businesses in our area are regular exporters. There will be some reactive exporters doing low volumes – possibly a further 10%. We have estimated that a further 10-15% of businesses have both the growth aspiration and the required business qualities to become regular International traders. Our target has therefore been to double in 25 years the numbers of businesses who regularly trade internationally. Our approach involves:

- Activities to segment the market and identify which companies to target.
- Activities that raise awareness and boost demand.
- New initiatives to turn “accidental” web based exporters into fully fledged international companies
- Activities that fix the wiring, making it easier for businesses to find their way to the right support

### **Foreign Direct Investment**

Coast to Capital has a strong offer to make to foreign direct investors but the current level of job creation via Foreign Direct Investment is low with most investments involving 10 or fewer jobs. We recognise that new foreign investment is desirable because of the supply chain and reputation impacts. Our approach involves:

- Developing the Coast to Capital FDI offer
- Building a rapid response system
- Increasing our local intelligence

### **International Business Tourism**

International business tourism is estimated to generate £100m for the Coast to Capital area, with the potential to increase the value of international conference and meetings visits by over 50% over ten years. Our approach involves:

- Developing partnerships with conference organisers and tourism leads in partner organisations to actively target footloose conferences to attract them to our area based on our priority sectors
- Working with the trade bodies for our key sectors to raise their awareness of Coast to Capital as a conference location.
- Improving access to information about what we can offer.

### **Structural and organisational links**

Coast to Capital plan to develop the concept of “international economic partnerships” which would link the Coast to Capital area with closely matched regions in target markets. Links will be built between business and sector bodies, trade associations, universities and

colleges and well as civic links. The purpose would be to provide a bridge for any SMEs who are aiming to take the first steps into that market. They would have a ready-made welcome and group of friendly and knowledgeable people to help them. The starting point will be through higher education and linked to the proposed networks of innovation

### Finding our niche – targeting ASEAN markets

Competition in emerging markets is fierce with all developed nations striving to increase trade with faster growing economies. Coast to Capital believes it will serve our businesses and economy well if we focus our efforts on a smaller number of markets. We intend to target the ASEAN markets in all aspects of our international work. This market coincides with the route development strategy of Gatwick Airport, one of our most significant international competitive advantages.



The Association of Southeast Asian Nations (ASEAN) is a geo-political and economic organisation of ten countries located in Southeast Asia, which was formed on 8 August 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Since then, membership has expanded to include Brunei, Burma (Myanmar), Cambodia, Laos, and Vietnam. Its aims include accelerating economic growth, social progress, cultural development among its members, protection of regional peace and stability, and opportunities for member countries to discuss differences peacefully.

ASEAN covers a land area of 4.46 million km<sup>2</sup>, which is 3% of the total land area of Earth, and has a population of approximately 600 million people, which is 8.8% of the world's population.

In 2011, its combined nominal GDP had grown to more than US\$ 2 trillion.

If ASEAN were a single entity, it would rank as the eighth largest economy in the world.

But by 2030 the ASEAN economy is predicted to eclipse Japan's, and be the 4th largest single market after the EU, US, and China.

The Asian Development Bank (ADB) predicts the size of the middle class in South East Asia will rise from 24% of the population in 2010 to 65% in 2030. That equates to almost 300 million new members of the consuming class by 2030. Only 1% of the population is likely to be living in extreme poverty (less than \$1.25/day) in 2030.

UK goods exports to ASEAN are significantly higher than those to either India or Japan.

We will:

- Work with UKTI and the UK- ASEAN Business Council to form long term organisational links in the UK and in ASEAN nations, including higher education, civic and business organisation links.
- With the support of Gatwick Airport Ltd., establish a UK ASEAN Business Hub on the airport campus

- Research business opportunities in ASEAN nations, matched to our sector and research strengths
- Work with UKTI to raise awareness of ASEAN opportunities among our business population
- Promote and support specific trade initiatives with ASEAN nations
- Promote our business locations for FDI from ASEAN nations
- Seek business tourism opportunities such as reciprocal conferences and exhibitions, and promoting our conference and training facilities.

### **ASEAN Business Hub**

The ASEAN Business Hub would be the UK centre of expertise based at Gatwick Airport for the promotion of business, trade and economic links between businesses in the UK and opportunities and businesses in ASEAN countries.

Coast to Capital and Gatwick Airport Ltd are developing a proposal. We would also aim to bring in UKTI and the UK-ASEAN Business Council as partners. The Hub will be business-like and for businesses. It will have business sponsorship as well as support from UKTI, Coast to Capital, the Gatwick Diamond Initiative and others. Its key features would be:

- It is two way – outward trade and inward investment.
- It has a physical presence at Gatwick.
- It is staffed by people who are experts in ASEAN businesses, who speak the appropriate languages, who have networks of contacts in the UK and in ASEAN countries.
- The Hub staff act as brokers, facilitators, advisors, bringing UK and ASEAN business people together. They deal with incoming FDI enquiries. They advise UK companies wanting to trade in ASEAN countries. They promote links between UK universities and research bodies and those in ASEAN countries. They broker links between business representative a, trade and civic organisations.
- The physical hub is a place for businesses to meet, to hold conferences (in Gatwick hotels), for inbound and outbound business people to use as a working base. It may also have some co-worker space and some short let (6 months and under) space for business and business people to rent.
- The hub is a centre for communications with ASEAN countries, and is as well connected digitally to those nations as any spot on Earth.

A full business case and proposition for the ASEAN Business Hub is at [Appendix 11](#)

## International Business - Our Growth Deal asks and offers

Our Commitments	Our Asks of Government
<ul style="list-style-type: none"> <li>- We will maintain our aim of doubling the number of firms who trade internationally on a regular basis – building a network of organisations offering specialised support and creating new customers for UKTI</li> <li>- We will work more closely with UKTI (Inward Investment) and maintain our collaborative / collective mechanism to respond to inward investment opportunities.</li> <li>- We will establish an ASEAN hub at Gatwick Airport, with support from the Airport and other partners and securing £600,000 of private sector and other funding</li> <li>- We will invest £4.3m of ESIF funding to work with SMEs who wish to export for the first time, and will secure £4.3m of match funding from the public and private sector, including over £1m from local authority partners</li> <li>- We will support home grown international conferences to build the global reputation of our area, including Brighton’s EcoTechnology Show.</li> <li>- We will create 1,000 new jobs as a result of increased international trade and foreign investment.</li> </ul>	<ul style="list-style-type: none"> <li>- Co-investment by Government from the Local Growth Fund of £1.41m over six years to deliver the ASEAN Business Hub at Gatwick Airport.</li> <li>- Even stronger cooperation from UKTI in order to support our firms to export more.</li> <li>- Co-investment of £1.2m over six years in support international trade</li> <li>- We need some flexibility to use Local Growth Funding as revenue funding to support business internationalisation</li> </ul>

## Business Support

There has been significant consistent feedback from business organisations and stakeholders that there is a gap in business support. Evidence over many years shows that businesses that seek external support out-perform those that do not.

There are many services on offer in the Coast to Capital area – from the public, private and third sector. However, businesses consistently say that it is difficult to find the right support at the right quality. There is also a market failure in that after many years of a free public sector service, businesses are slow to accept that they should pay for basic level business support.

To improve the provision of business support we will deliver the following:

- Network of Business Support Providers

Coast to Capital will further develop the recently established network of business support providers with a key aim to help improve the client journey, the take up of services and business performance. The creation of this learning network of funding organisations and service providers inspires collaboration, the sharing of knowledge and an increase of referrals between the members of the network.

- Navigator Growth Hub

The Business Navigator Growth Hub comprises:

- A business support information portal [www.c2cbusiness.org.uk](http://www.c2cbusiness.org.uk) - which has been running for over a year to allow businesses to identify business support initiatives, funding and events, with connectivity to the Gov.UK service (including the national Business Support Helpline).
- Business Liaison Executives who will assist SMEs to find the support they need.
- A suite of business support options linking businesses to expertise held within the universities and specialist organisations experienced in helping to drive growth. The range of support it is intended to cover includes:
  - Funding
  - One to one support, mentoring & coaching
  - Consultancy: specialist (accountancy, legal, property, international, IP, skills)
  - Clinics
  - Business advice and information
  - Events
  - Skills and workforce
  - Recruitment and employment
  - Apprenticeships, internships
  - Management and leadership
  - Investors in People
  - Property

## Supply Chains

We want fair “terms of trade” for small businesses and for them to have access to new opportunities.

The proposed supply chain support will help businesses across all sectors fully exploit, and benefit from, the business opportunities that exist in the Coast to Capital LEP area, in particular opportunities arising from the public sector, major developments and purchasers within the priority sectors

SMEs will have access to a broad range of support, from capacity building workshops to one-to-one support tailored to their individual needs, to networking and Meet the Buyer events which will present an ideal opportunity to broker links between suppliers and buyers. Services will also include support to help SMEs develop their environmental policy and achieve environmental credentials and as such stand out against competitors; create unique selling points that will help promote their services and grow as a business, and gain access to new markets and supply chains.

Enabling smaller suppliers to compete for public sector business stimulates competition, lowers costs, and helps boost sustainable economic growth. In the public sector our local authority partners will continue to collaborate to ensure that all contract opportunities are

open to small firms, and further they will work towards the national target of 25% of all contracts (by value) to be awarded to small firms.

Other major developments where partners will be taking supply chain initiatives include:

- Sussex Energy Saving Partnership – a major £70m retrofit and carbon reduction programme
- Rampion Offshore Wind Farm
- Gatwick Airport Ltd. development (current plans)

### Business Support - Our Growth Deal asks and offers

Our Commitments	Our Asks of Government
<ul style="list-style-type: none"> <li>- We will make sense of the many business support services that are currently available, and improve the ease with which businesses can navigate these services by maintaining and developing our Growth Hub and web Navigator service.</li> <li>- We will make better use of existing services from the public, private and third sectors, building and developing our Business Support Network</li> <li>- We will continue our market- making role, building the case for SMEs to pay for more external advice and services</li> <li>- We will invest up to £4.3m of ESIF funding in business support.</li> <li>- We will secure up to £4.3m of match funding from the public and private sectors including £2.35m from public sector partners</li> <li>- We will work with local authorities so that 25% (by value)of all local government procurement is via SMEs. We will open up procurement opportunities and supply chains.</li> <li>- We will work with Sussex Energy Saving Partnership to ensure local SMEs get access to the £70m supply chain opportunities for a major retrofit programme</li> <li>- We will work with Eon and Tier 1 contractors to ensure local firms have access to supply chain for Rampion Offshore Windfarm</li> <li>- Gatwick Airport Ltd. will work with us to open up supply chains for local firms</li> </ul>	<ul style="list-style-type: none"> <li>- Via continuation of our combined RGF programmes, co-investment by Government of £2.8m in our Growth Hub over six years</li> <li>- Via continuation of our combined RGF programmes, co-investment by Government of £1.3m over six years in highly specialised services where there is currently market failure</li> <li>- We need some flexibility to use Local Growth Funding as revenue funding to build a support service that will help SMEs to grow</li> </ul>

## **Business Premises**

We must ensure there is sufficient capacity for the growth we intend to stimulate. Business surveys and feedback from partners shows that there is a need to develop new clusters of business premises and to improve existing stock:

- The quality of exiting commercial space is very variable, with some problem buildings becoming untenable in the current market
- There is a shortage of industrial units across the area
- Poor quality business and industrial estates in some localities with a lack of investment for many years
- Many current buildings are not configured for modern business premises, where there is a trend towards smaller firms, flexible working, consortium delivery of services and a dependence of high capacity digital connectivity
- We have a very high incidence of home based businesses and while that is very sound business model which we wish to support, there is a need for easy access move-on space
- Where we are trying to drive high innovation in priority sectors or technologies, there is a shortage of space which promotes and stimulates links between research, higher education, entrepreneurs and businesses
- The uncontrolled use of Permitted Development Rights in some instances is allowing buildings to be converted to residential use which would be better kept in employment use.

*"Following a review of the current availability of incubator space and support in Surrey, it is clear that there are a number of incubators and incubator office spaces in the county but that there is a lack of a coordinated approach. It is also clear that there is the scope and need to increase the amount of incubator support in the county."*

Surrey Connects – Business Incubation Options Report, July 2013

To address the issue we intend to create across the Coast to Capital region a network of:

- Incubation centres and innovation centres
- Enterprise and business centres, some with a sector focus
- Co-worker and creative hubs

We will establish a fund for collaborative business premises such as co-worker spaces, incubation centres, innovation centres and enterprise centres. Targeting locations where there is market failure, we will offer a simple, no-frills finance facility to help bridge the viability gap for the first three years of operation, on a repayment basis, with some grants where circumstances warrant it.

We will expect every proposal to be led by the private or third sector, or business conglomerates such as BID companies. We will only consider support where there is co-investment.

The Greater Brighton City Deal has identified a flagship business centre for the CDIT sector - New England House and a wider of Growth Centres in key locations across the City Region, which act as anchors for the growth of high-value businesses. These Growth Centres include:

- A. Clean Tech Growth Centre at Newhaven** – this site will build on E.ON’s recent investment in the Rampion Offshore Wind Farm and a new Marine Enterprise and Training University Technical College. Fully developed, it will provide 5,000 new net jobs and 177,000 sq. m of employment space;
- B. Environmental Technologies Growth Centre at Shoreham** – building on Ricardo UK’s new £10m Vehicle Emissions Research Centre, this site will provide space for 1,740 new jobs at Shoreham Harbour and Shoreham Airport, as well as 1,500 new waterside homes;
- C. Central Research Laboratory at Preston Barracks, Brighton** – backed by a £60m investment by the University of Brighton, this site will create 740 net new jobs in an incubator for businesses linked to university research;
- D. Bio-Innovation Facility at Falmer, Brighton** – backed by £60m of investment by the University of Sussex, this facility will expand biosciences research in Brighton, and provide space for university-business collaboration in the field;
- E. Longer term Growth Centres** – these include a centre for creative and digital business in Worthing, and new Business and Brighton University Science Park at Burgess Hill.

In addition to the City Region growth centres, we have identified with partners a number of potential candidates for intervention in the first six year period:

- Haywards Heath
- Manor Royal Business Centre
- Arun House, Horsham
- Novartis site, Horsham
- Block J with SINC in New England Quarter, Brighton (investment from Sussex University and Coast to Capital GPF)
- Chichester Gateway ( Chichester District Council)
- Midhurst Enterprise Gateway
- Epsom - University of Creative Arts Creative Incubation Hub
- Digital Caterham Incubation Hub
- Town Hall site, Reigate

We will form existing and new centres into an enterprise and innovation network, to promote the availability of high quality business space in our area and to provide collaborative resources for the SMEs occupiers.

We will also support landlords and operators of existing industrial and business parks and estates who wish to invest to improve their sites.

There are many industrial estates in the Coast to Capital area that are low quality – with buildings that are no longer fit for purpose and unattractive common areas and public realm. We will support self-help to improve these important locations. We will establish a revolving fund on a no-frills, simple finance offer that will allow estate owners and/or operators, or groups of occupiers to access finance to address poor quality buildings, poor access and public realm. All applications will need to be match funded and supported by current occupiers and operators.

## Business premises - Our Growth Deal asks and offers

Our Commitments	Our Asks of Government
<ul style="list-style-type: none"> <li>- We will establish a co-investment fund to help new co-worker/enterprise/incubation centres in areas of market failure</li> <li>- We will bring together all existing collaborative work spaces/centres into a network of so that all businesses have premises available to locate and grow.</li> <li>- A number of local authority owned industrial and business estates will be improved to be fit for purpose</li> <li>- We will establish a new revolving fund to support the improvement of run down and marginally viable industrial estates</li> <li>- We will draw in £12.3m of private sector co-investment and £6.3m from the public sector</li> <li>- We will help to create 1,000 jobs and 50,000 sqm of employment space</li> </ul>	<ul style="list-style-type: none"> <li>- Co-investment by Government of £3.2m in a fund to support enterprise/innovation centres, including those agreed as part of Greater Brighton City Deal</li> <li>- Co-investment of £3.3m in a fund to back the improvement of run down industrial estates</li> <li>- Restrictions on unfettered use of Permitted Development Rights.</li> </ul>

## Business Finance

We aim to ensure a ready supply of finance of all types, for the full range of businesses and for each stage of business growth.

The private sector is the primary source of business finance, but where there are market failures we will seek to make targeted interventions to make sure that good business propositions which could create new jobs can go ahead. In these circumstances we will work with partners to put in place grant, loan and equity finance as funding of last resort, and always with the condition that there must be co-investment.

- Micro-grants – for small scale start-ups and micro-businesses. We will build on the recent example of West Sussex County Council's *Be the Business* grants
- Growth Grants – for high growth, high innovation or firms involved in creating jobs in our priority sectors. We will top up our RGF4 Business Growth Grants Programme
- Social Enterprise Fund – building on the recent investment by Coast to Capital in the L&G Social Enterprise Fund and the work over many years by West Sussex County Council.
- Equity fund – building on and topping up the current Coast to Capital initiative with Finance South East
- Loan Funds - using recycled funds from the current Coast to Capital facility with Finance South East and going further with a top-up of the fund

We will continue to work with banks and business lenders to develop a "Charter" which will give confidence to both lenders and applicants that good propositions will get a fair opportunity to find business finance.

This is part of our aim to support the growth of larger, world beating businesses. Too often, highly successful early stage businesses are forced into a trade sale at the point at which the VC or angel investor needs to exit. Long term finance is needed. We will continue to explore the availability of long term, patient finance, building on research by Sussex University's Science and Technology Policy Research Unit (SPRU).

**Business Finance - Our Growth Deal asks and offers**

<b>Our Commitments</b>	<b>Our Asks of Government</b>
<ul style="list-style-type: none"> <li>- We will work with banks, angel investors, VC networks, and social investors to ensure a ready supply of financial and social capital for companies and non-profits.</li> <li>- We will maintain our equity and loan funds in partnership with Finance South East.</li> <li>- We will ensure that where there is market failure in the supply of finance to viable business propositions that a greater mix of loan and grant is made available to firms.</li> <li>- We will secure public sector investment of £3.78m over six years.</li> <li>- We will create 1,290 jobs</li> </ul>	<ul style="list-style-type: none"> <li>- Co-investment by Government over the next six years of £3m to top up our RGF micro grant and business growth grants programmes</li> <li>- Co-investment of £1.5m in our social enterprise fund</li> <li>- Co-investment of £2m to top up our equity and loan schemes.</li> </ul>

## CHAPTER 5: BUILDING COMPETITIVE ADVANTAGE

*We know where we have competitive advantage over other regions and we will invest in those sectors and technologies to further strengthen our position*

### **The Intervention Logic Chain**

Smart Growth is driven by focusing on those sectors, research and technologies where an area has an existing competitive advantage

We will have most impact if we concentrate on the most successful sectors

We need to think longer term and build business success for the future, based on current research and innovation excellence.

### **This is what we are going to do**

- Encourage and support a small number of business sectors which will produce most growth in the short and medium term. We will find business partners and leaders in the priority sectors and create development plans for each.
- Help to create our successful business and commercial future by encouraging and backing a small number of research and technology specialisms. We will create four networks of innovation/ research and knowledge transfer where we have existing research expertise.
- Back significant new investments by our four universities in centres of excellence for our priority sectors and technologies

### **OUR GROWTH DEAL**

#### **Our commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £ 97.0m from higher education institutes, local authorities and other public sources;
- £ 35.2m from the private sector;
- £23.3m from EU Funding

Together we will deliver:

- 2,000 New Jobs
- 160 Additional homes
- 15,000 Sq metres of employment space

#### **Our ask of Government:**

We seek co-investment from the Local Growth Fund of £19.2 m

**Our success indicators:**

<b><u>Building Competitive Advantage</u></b>	<b><u>2010 Baseline Coast to Capital</u></b>	<b><u>2010 Baseline South East Region</u></b>	<b><u>2020 Target</u></b>
<b>Employment in Key Sectors as % of Total Employment</b>	20.5%	21.5%	Match SE Level
<b>Businesses Enterprises in Key Sectors % of Total Business Stock (2011)</b>	29.2%	28.7%	Increase gap over SE
<b>Patents per 10,000 Working Age Population (proxy for level of innovation)</b>	0.58	0.68 (UK)	Match UK Level

**Sectors**

Sir Andrew Witty's Review of Universities and Growth (Oct 2013) states that

*"The strongest basis for regional economic growth is activity rooted in a sound understanding of a locality's comparative economic advantage. This means that the task of Local Enterprise Partnerships (LEPs) and other bodies seeking local growth is to understand where comparative economic advantage lies, and to focus on how best to land the benefits of associated economic activity for their locality."*

The Review identifies sectoral strengths and clusters as a sound starting point for supporting regional growth<sup>10</sup>. In line with guidance from the Witty Review, and the government's own industrial strategy<sup>11</sup>, we intend to concentrate support for high growth businesses in those sectors where we have a clear competitive advantage.

McKinsey and Company<sup>12</sup> has undertaken extensive research and identified twelve "disruptive technologies"<sup>13</sup>, which it believes will transform life, business and the global economy. The study suggests these technologies will change the nature of work and the demand for skills. Their democratising potential could unleash a new wave of entrepreneurship for people with the right skills. However, many jobs may become entirely automated, placing even greater importance on upgrading skills and addressing rising income inequality.

<sup>10</sup> Sir Andrew Witty (2013) Encouraging a British Invention Revolution: Sir Andrew Witty's Review of Universities and Growth

<sup>11</sup> As set out by Vince Cable, Department for Business, Innovation & Skills and UK Export Finance (2012) Industrial Strategy: Cable outlines vision for future of British industry

<sup>12</sup> Disruptive technologies: Advances that will transform life, business, and the global economy. McKinsey and Company 2013

<sup>13</sup> The twelve 'disruptive technologies' and their potential global economic impact: Mobile Internet (\$3.7trn-\$10.8trn), Automation of Knowledge Work (\$5.2trn-\$6.7trn), The Internet of Things (\$2.7-\$6.2trn), Cloud Technology (\$1.7trn-6.2trn), Advanced Robotics (\$1.7trn-\$4.5trn), Autonomous and Near Autonomous Vehicles (\$0.2trn-\$1.9trn), Next Generation Genomics (\$0.7trn-\$1.6trn), Energy Storage (\$0.1trn-\$0.6trn), 3-D Printing (\$0.2trn-\$0.6trn), Advanced Materials (\$0.2trn-\$0.5trn), Advanced Oil and Gas Exploration and Recovery (\$0.1trn-\$0.5trn), and Renewable Energy (\$0.2trn-\$0.3trn)

The Mobile Internet is expected to be one of the most impactful technologies, with an estimated global economic impact of up to \$10.8trn. Intuitive interfaces and wearable devices will enable services to be delivered more efficiently and productively, bringing billions more people into the connected world. Advances in artificial intelligence and machine learning is automating knowledge work and the Internet of Things will allow businesses and public-sector organisations to better manage assets, optimise performance, and create new business models.

Following research in 2012 into our relative competitive advantages<sup>14</sup>, Coast to Capital has identified the following five regional sector strengths:

- Creative Digital and IT (CDIT)
- Advanced Engineering
- Environmental Technologies and Low Carbon & Environmental Goods and Services
- Financial and Business Services
- Healthcare, medical technology and life sciences

In addition we have also identified two localised competitive sectors which will also generate growth and jobs:

- Tourism – particularly the South Downs National Park, the Coastal Corridor, Brighton and fully exploiting the advantage conferred by Gatwick Airport
- Food manufacturing/Horticulture – the horticulture industry is a major employer in the Coastal Corridor and food & drink is significant in the rural areas.

We recognise that our four higher education institutions have extraordinary potential to enhance economic growth. They already make a significant direct contribution to the economy (it is estimated that Sussex and Brighton universities injected more than £1 billion into the UK economy in 2010<sup>15</sup>) and we will work closely alongside them as partners in facilitating economic growth. All four universities are planning significant investment and new facilities during the lifetime of this Plan:

- University of Brighton – Advanced Engineering Centre with Ricardo; Central Research Laboratory at Preston Barracks; Science Park at Burgess Hill.
- University of Sussex – Bio Innovation Centre at Falmer
- University of Chichester – Institute for Sustainable Enterprise as part of the Enterprise Bognor Regis Enterprise Zone
- University for the Creative Arts – Creative Hub as part of Plan E - the regeneration of Epsom

Further details of each of these proposals are included below.

We will also engage closely with partners from further education, sector trade and skill bodies and the national Catapult Centres in order to create a development plan for each priority sector. These plans might include:

- Identify organisations who will provide leadership for sector focused activity
- Promote and exploit links with higher education and other research expertise
- Access to finance
- Facilitate networking, collaboration and events
- Help develop supply chains

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<sup>14</sup> This Regeneration, March 2012

<sup>15</sup> The economic impact of Brighton's universities (2010) Ursula Kelly and Professor Iain McNicoll

- Deliver specialist support
- Develop a knowledge base for business in the sector including potential foreign direct investors

### Creative Digital and IT

Creative Digital and IT businesses make a vital contribution to the UK economy. There were a total of 1.68 million jobs in creative industries<sup>16</sup> in the UK in 2012, up by 133,000 from 2011<sup>17</sup>. With a GVA of £71.4 billion, the sector accounts for 5.2% of the UK economy. More broadly, there are a further 866,000 creative jobs outside of the creative industries<sup>18</sup> and digital technology is influencing all aspects of the economy. For example, recent research from the Boston Consulting Group calculates that the size of the UK's internet economy was worth 8.3% of GDP in 2010<sup>19</sup>.

The South East has over 17% of the country's creative enterprises and there are nearly 9,000 creative industries businesses based in the LEP region, including significant clusters of activity in Brighton & Hove with Lewes (3,344 companies) and the Gatwick Diamond (2,855 companies).

Research suggests that the digital economy is highly concentrated in relatively few locations, with **Brighton** among the top ten locations in the UK<sup>20</sup>. The region hosts the annual 'Develop in Brighton Conference' which attracts more than 1,500 games developers from more than 20 countries around the world. The games development sector is forecast to grow at an annual growth rate of 6.5% between 2012 and 2016<sup>21</sup>.

The clustering of talent, rich supply of creative university graduates (served by two universities - the University of Sussex and University of Brighton), excellent digital media business networks and the enviable quality of life the city and its surroundings, make Brighton and Hove a magnet for new investors and talented individuals from around the world. Notable companies based in the area include:

- **Relentless Software (Brighton & Hove)** - a BAFTA award winning games company started in 2003. It has now designed more than 10 games in the Buzz quiz game franchise that have sold 10 million copies in more than 15 languages.
- **iCrossing (Brighton & Hove)** - a digital marketing agency specialising in search and social media. It is part of Hearst Corporation, one of the world's largest diversified media companies. In 2006 it was the first digital agency in the UK to create a specialised social media division. Clients include Coca Cola, LG Electronics, Lego, Toyota and Chelsea FC.
- **Plug-in Media (Brighton & Hove)** - a BAFTA-winning digital media production company based in Brighton & Hove. It develops interactive entertainment for children and families, including using animation, gaming and narrative to provide digital content for clients, including the BBC, covering well-known children's entertainment brands such as Sesame Street, Octonauts, and ZingZillas.

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<sup>16</sup> The Creative Industries are a subset of the Creative Economy which includes only those working in the Creative Industries themselves.

<sup>17</sup> Department for Culture, Media and Sport (2014) Creative Industries Economic Estimates - January 2014

<sup>18</sup> Department for Culture, Media and Sport (2014) Creative Industries Economic Estimates - January 2014

<sup>19</sup> CBI (2013) The creative nation: a growth strategy for the UK's creative industries

<sup>20</sup> Nathan, M. et al (2013) Growth Intelligence, Measuring the UK's Digital Economy with Big Data, NIESR

<sup>21</sup> Figures from TIGA; Global Entertainment and Media Outlook, PwC, 2012

- **Epic Group plc (Brighton & Hove)** - the UK's largest e-learning company, employing 120 staff at its headquarters. It provides bespoke e-learning content for company intranets, kiosks and iTV and it has an e-government division putting government services online. It has won over 50 awards across a wide range of multimedia categories, including two in 2011.
- There are **9 Design/Media companies, 23 IT applications companies** and a further **6 IT/Computing companies** based at the Sussex Innovation Centre (Brighton & Hove). Many of these micro-businesses are at the cutting edge of innovation in their field.

Coast to Capital's creative strengths also stretches out along the West Sussex coast, and there are also good concentrations of Creative Digital and IT (CDIT) companies along the Coastal Corridor and northwards through the **Gatwick Diamond**, supported by the University of Creative Arts at Epsom, to Croydon Tech City and linking to London Tech City. Notable companies located in coastal West Sussex and the Gatwick Diamond include:

- **The Creative Assembly (Horsham)** - started developing video games in 1987, the company has been acquired by Japanese gaming giant, Sega. It is now one of the largest games developers in the UK, employing around 200 people in Horsham.
- **Fresh Egg (Worthing)** - set up in Worthing a decade ago, it now employs 75 people specialising in search engine optimisation (SEO), website design, social media, analytics, conversion optimisation and insight of international clients in the retail, financial, services and insurance sectors.

The north/south link – the so called "Route 23" – will be an important foundation for moving our creative sector from a formative network of smaller firms to a more mature network where a more substantial growing "middle band" of businesses act as a growing magnet for digital entrepreneurs and SMEs.

We have a clear understanding of the challenges around the CDIT sector and especially supporting its **shift from value creation to value capture**, which is how it will really take off as a cluster. While the Coast to Capital region is home to a number of significant creative firms, we recognise that the sector is particularly fragmented, with nearly one in five (17%) of the web and internet workforce and one in ten (11%) of the electronic games workforce in freelance positions<sup>22</sup>.

Taking this into account, there are three main elements to our CDIT strategy:

1. Providing the **infrastructure** (workspace, broadband capacity, etc.)
2. **Skills** - a creative skills hub which connects talent, skills organisations, including higher and further education, skills councils, private providers and the businesses themselves.
3. A **growth** approach to the 'capturing value' challenge - helping smaller companies to grow into medium businesses, and medium businesses in global enterprises.

We will also ensure CDIT businesses are well tied into our wider proposals for **internationalisation** and **access to finance**. Ultrafast digital capacity is an essential prerequisite for the international competitiveness of the digital sector.

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<sup>22</sup> Skillset [www.skillset.org/interactive/overview/article\\_4456\\_1.asp](http://www.skillset.org/interactive/overview/article_4456_1.asp)

## University for the Creative Arts – Creative Business Quarter at Epsom

Our aim is to develop a creative business quarter for Epsom - a focus for education and creative industries just a short walk from the town centre, on the campus of University for the Creative Arts (UCA). The ambition is for the Epsom Campus to become the place where education, business support, incubation, start-ups and indeed established creative businesses are closely integrated and develop a mutually supportive infrastructure.

The Creative Business Quarter would offer creative industries incubation and business support and promote the creation, survival and growth of young businesses in the creative digital and the design industries related to fashion, graphics and new media, other young companies with scalable product innovations and businesses working from home.

UCA's recently created Design Business Institute (DBI) is located in the Quarter. The DBI will provide a centre for Design, Business and Creative Digital research and innovation. It will provide additional opportunities for students to study design and business and enterprise education for creative students. It will support businesses to access innovation and through commissions, live projects, research and development, placements, internships and co-sponsored innovation programmes. The DBI will promote access by local businesses and communities to the specialist skills and facilities of the University. It will help ensure graduate businesses develop into successful local SMEs. The aims of the DBI are to provide:

- a regional creative industries hub supporting creative businesses and businesses needing to access innovation;
- additional opportunities for students to study design and business related courses;
- business and enterprise education for creative students;
- ongoing business and enterprise support for UCA graduates;
- a centre for Design, Business and Creative Digital research and innovation;
- services to business, including: commissions, live projects, research and development, placements, internships and co-sponsored innovation programmes;
- Incubation for creative start-ups, on campus and/or offsite

The Quarter would be the base for a business incubator centre comprising up to 1000 sqm of lettable workspace which would accommodate up to 50 early stage and expanding high value businesses. High quality meeting space for marketing presentations, group and 1 to 1 sessions and for business support providers would also be provided. Hot desk work pods and meeting space would be available to businesses operating from home. The centre would also serve as a touch-down facility for international companies moving into the area. The Centre will have Ultrafast broadband.

A linked local network of creative businesses would have access all the services of the DBI and also be offered monthly networking events, tailored solutions for business growth, access to funding, collaboration and spin out activity. Membership would include micro, SMEs and large local companies enabling collaboration between all players, large and small, and a grouping of business angels. At the same time, young businesses undergoing nurturing would be lined up to take up space in the Creative Quarter.

The project is seen as the first stage of a longer term strategy aimed at attracting world class businesses in the these sectors to create a digital hub of national significance to new developments in and around Epsom, with the objective of creating several thousand new jobs over a 10-15 year period.

## Advanced Engineering

Despite challenges in the sector in recent decades, the UK continues to have a major manufacturing base and is the sixth largest manufacturer in the world. Manufacturing accounts for 54% of UK exports and employs 2.5m people<sup>23</sup>.

In line with the national picture, our region has seen a relatively rapid decline in manufacturing employment. The broad sector accounted for just 5.0% of local employment in 2010, down from 11.4% in 1990. We have however, retained a significant core of higher value engineering design functions that are at the cutting edge of technology. This has resulted in a high concentration of higher value, **advanced engineering** companies. As a result, manufacturing employment is forecast to decline at a far slower rate between 2010 and 2020<sup>24</sup>. The sector is also particularly resilient: while the number manufacturing jobs fell by 9% nationally between 2008 and 2010, our coastal areas lost only 100 manufacturing jobs and our rural areas only 500, proportionality less than the national average.

There are 1,300 advanced manufacturing businesses in the Coast to Capital area, and 2,900 manufacturing businesses in total. Our advanced engineering businesses attract the best talent from around the world and many of these companies are closely associated with the application of new technologies, such as the development and use of composite materials that have a range of applications across different sectors. This includes companies engaged in activities in the aerospace, automotive, marine, electronic, mechanical, and electrical engineering sectors and is characterised by high-level design and innovation.

The biggest concentration in the sector is in the Gatwick Diamond area. This includes both small and large niche engineering companies that cut across the aeronautical; healthcare; motor vehicle; marine; and even the horticultural sectors. Crawley and Burgess Hill are hubs for aviation simulation and includes major international businesses like Thales, Aerotron, CAE and Rockwell Collins. Northbrook College provides specialist Aircraft Engineering courses to support the sector. Gatwick Diamond is also a centre for the design and manufacture of healthcare products - Varian and Elekta are world leaders in the development of advanced cancer treatment systems and Roche Diagnostics UK, provides health diagnostics and monitoring products.

On the coast, Worthing is home to one of the world's leading manufacturers of loudspeakers, Bowers & Wilkins; whilst at its Technical Centre at Shoreham, Ricardo's designs, develops and researches internal combustion engines and systems; vehicle acoustics; and motorcycles, mopeds and scooters. Rolls Royce, at the top of the premier league of car makers, has invested heavily in its facilities in Chichester. There is also a growing marine engineering sector, with precision engineering companies like Schlumberger producing products and services for the gas and oil industries.

Productivity in the advanced manufacturing sector is growing; however there remains a challenge to keeping up with international competitors. The sector needs to invest in skills to be able to compete internationally and respond to the rapid pace of technological development which is taking place on a global scale<sup>25</sup>. The mix of high status and high profile advanced engineering businesses in the Coast to Capital area means that there is a strong supply of highly skilled labour locally and scope for innovative new businesses to enter the local supply chain.

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<sup>23</sup> Technology Strategy Board (2012) High Value Manufacturing 2012-2015

<sup>24</sup> UKCES (2012) Working Futures

<sup>25</sup> UKCES (2012) Sector Skills Insights: Advanced Manufacturing

### University of Brighton and Ricardo – Advanced Engineering Centre

The new Advanced Engineering Centre will incorporate the Centre of Excellence in Internal Combustion Research which builds on a twenty year partnership between the University of Brighton and Ricardo. The partnership with Ricardo capitalises on the university's expertise in laser diagnostic techniques and modelling to inform the design and development of novel low carbon internal combustion systems having direct environmental impact through improved fuel efficiency and CO2 reduction. The new centre will enable university staff to work alongside Ricardo engineers to assist with the design of the next generation of internal combustion engines in line with the strategic priorities of the UK Automotive Council and support the development of future generations of automotive design engineers. These research facilities build on, and complement, the testing facilities already established at Ricardo in Shoreham within the Vehicle Emissions Research Centre.

The new workshops will complement the Centre of Excellence in Internal Combustion Research by providing state-of-the-art facilities for the training of design engineers to support the regional growth in companies focusing on sustainable technologies and environmental engineering including the proposed Rampion Wind Farm, the local energy and waste recovery facilities and retrofit engineering companies being supported through the Green Growth Platform.

The facilities will be housed in a 5000sqm state-of-the art facility. Together with the Central Research Laboratory it will be part of a major focus for innovation across the south east. It will be part of establishing the Preston Barracks site as one of the drivers for technology led growth.

The project is anticipated to generate about 30-35 additional research posts to support the delivery of the joint research programmes within the Centre of Excellence in Internal Combustion Research, 15 additional academic/technical engineering posts to support the additional student numbers, and an additional 60 trained engineering graduates per annum into the local employment market to support the growth in advanced manufacturing engineering and 'green' technology sector. The facilities will provide an increase of 5000 sqm. of employment space and facilities which will be used to support research and training but will also be made available for use by local engineering companies. Such use would include access to state-of-the-art manufacturing facilities, provision of local training and support to up skill the local workforce and access to specialist expertise.

The University will provide ongoing investment of £200k p.a. towards the research infrastructure costs, a contribution of £2M towards the capital infrastructure investment and at least £2.5 M investment in capital equipment. The facilities will also allow the university to leverage increasing contribution from student fees from 2017 onwards to the project which would not be possible without growth in the specialist engineering facilities facilitated by this project.

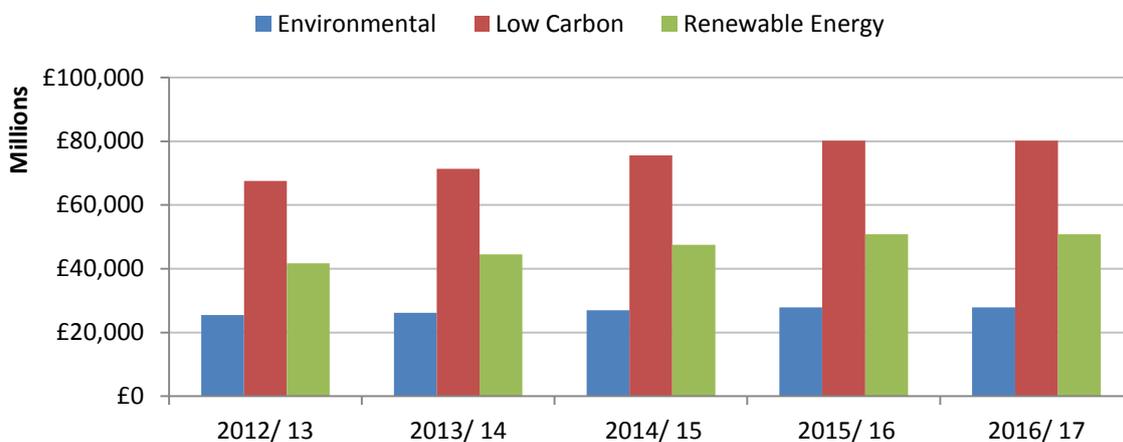
Ricardo has already agreed as part of the £10M HEFCE Research Investment Fund Bid to provide Capital Equipment Investment of £350k and recurrent investment in the facilities of £260k p.a. The project will also leverage an estimated £19.5M in research contracts to fund staff and equipment within the Centre over the 6 year period.

## Low Carbon & Environmental Goods and Services

Another key area of change is in the field of low carbon technologies. BIS estimates that the global market for low carbon and environmental goods and services (LCEGS) was worth £3.4trn in 2011/12<sup>26</sup>. Investment in green energy generation is such that it is now highly likely that some renewable energy sources will achieve cost parity with traditional non-renewable energy sources over the next decade, generating new employment and business opportunities globally.

The UK Government is committed to sustainable growth, economically and environmentally, and there are many opportunities for businesses in moving to a green economy. Across the UK, the LCEGS sector employs over 939,000 people and is worth some £128.1bn in sales (2011/12)<sup>27</sup>. The UK market is developing rapidly, having grown by £5.9bn (4.7%) from 2010/11 levels. Exports, which largely go to emerging economies, are worth over £12bn a year, and the sector is forecast to see a steady increase in growth, from 4.8% in 2011/12 to 5.9% by 2015/16<sup>28</sup>.

### UK LCEGS market size, forecast sales (£m) by sector



Source: BIS Low carbon and environmental goods and services (LCEGS) report for 2011 to 2012

The levels of growth forecast, combined with the size of the market and the UK's export performance, suggest that there are excellent opportunities for expansion, building on a stable exporting base. Our coastal location, natural assets and progressive population make the Coast to Capital particularly well-placed to grow the low carbon sector, supporting our environment and the economy. There were already around 23,900 people employed in the sector in the Coast to Capital area in 2011/12, across 1,300 companies<sup>29</sup>. The total value of sales in the LEP region is estimated at over £3bn. In the Brighton City Region alone, the market is worth £850m (including energy and renewable), with 358 companies employing over 6,500 people<sup>30</sup>.

<sup>26</sup> Department for Business, Innovation & Skills (2013) Low carbon and environmental goods and services (LCEGS) report for 2011 to 2012

<sup>27</sup> Department for Business, Innovation & Skills (2013) Low carbon and environmental goods and services (LCEGS) report for 2011 to 2012

<sup>28</sup> Department for Business, Innovation & Skills (2013) Low carbon and environmental goods and services (LCEGS) report for 2011 to 2012

<sup>29</sup> Department for Business, Innovation & Skills (2013) Low carbon and environmental goods and services (LCEGS) report for 2011 to 2012

<sup>30</sup> City Region LCEGS report, KMatrix Ltd, Dec 2012

Veolia have an established biomass facility in Newhaven and across the Coast to Capital area we can boast significant energy and environmental technology support and investment by WS Atkins Ltd, Schlumberger, Biwater Holdings Ltd, Edf Energy (South East) Ltd, Esso UK Ltd and Ceres Power Ltd. There are two specialist land-based industries colleges (Brinsbury and Plumpton) in the LEP region, and Central Sussex and Northbrook Colleges are National Academy Hubs for the Renewable Energy sector.

Alternative fuel and energy sources (alternative fuels, biomass, photovoltaics, wave power and wind power) are the fastest growing areas, along with carbon finance and building technologies. With appropriate intervention, the trajectory of the sector can be accelerated. We are determined to fully exploit the opportunities arising from this expanding market which will be further stimulated by two major investments in the LEP economy – **Sussex Energy Saving Programme** and **Rampion Windfarm**:

- **Sussex Energy Saving Programme**

All the local authorities across East and West Sussex and Brighton & Hove City Council are working together to improve the energy efficiency of all properties in their areas. This programme will make maximum use of new Government schemes to install energy saving measures in up to 680,000 households over the next 25 years. The energy company Carillion has been appointed as delivery partner. Brighton & Hove City Council also has a Sustainable Buildings planning requirement for large new developments to be net zero-carbon. The Partnership programme has been supported by a Public Works Loan Board (PWLB) facility.

- **Rampion Offshore Windfarm**

E.ON, the second largest electricity generator in the UK, and the world's largest investor-owned power and gas company, has plans to develop a wind farm of 195 turbines over an area of 167km<sup>2</sup> 13km off the Sussex coast. The **Rampion Wind Farm** will provide power for over 450,000 homes and generate over 80 permanent jobs in the sector. Shoreham Port is being used by survey ships for the wind farm and there are plans to focus business activity at the port around renewable energy alongside digital technologies and advanced engineering. Newhaven Port has been chosen as the location for an operations and maintenance base.

These two major investments will drive an increase in demand and business from firms who are technically expert, highly skilled and green-savvy. Our shared intention is that Coast to Capital businesses should, firstly, be able to exploit the new opportunities in the local supply chain, and secondly, that they should use this as a basis to then develop and innovate further and trade in wider national and international markets.

Coast to Capital is also amongst the most wooded areas in the country. We will develop with local authority partners, land based businesses and the Forestry Commission a new approach to wood fuel. Indeed, the South Downs National Park Authority has identified the energy sector as a key priority support the development of the rural economy. See Chapter 9.

## University of Chichester - Institute for Sustainable Enterprise at Enterprise Bognor Regis

It is proposed to develop an ***Institute for Sustainable Enterprise*** on the Bognor Regis Campus as part of the new Enterprise Zone. This would incorporate the following; ***Centre of Excellence in Sustainable Operations, Department for Data Science, Department for Creative Digital Media, SEMAL (incl. Business Support and Incubation & Software Development)***.

The University, through its Bognor Regis based School of Enterprise, Management and Leadership (SEMAL), is already delivering a number of effective business start-up and support programmes across the region. Whilst these services will be attractive to some businesses and assist with the promotion of Enterprise@Bognor Regis, they will not provide the level of interaction between HE and Business envisaged by the Witty report. The University is equally keen to diversify its portfolio of activity in a way that both supports the regional economy and enhances the currently limited STEM profile.

The focus of the new Institute is matched closely to the delivery profile of regional business sectors. To this extent it has a greater potential to attract and support the growth of existing businesses and stimulate the development of new businesses. It can become a Coastal West Sussex focus for the development of Coast to Capital Innovation Networks.

### **Centre of Excellence in Sustainable Operations**

It is proposed that initially this is a postgraduate and research focused department. It builds on the existing research capability within SEMAL, for example on offshore renewable energy and supply chains in general. In addition to this thematic focus, it is also proposed to work with the horticulture sector, which is a key industry in the region, of national strategic significance. Sustainable research in this area might for example, include working on the development of combined horticulture and energy hubs and the development of shared off-campus technical research facilities and related educational programmes.

### **Department for Data Science**

It is proposed to develop this department, providing undergraduate, postgraduate and research capacity to address the increasing demand for analytical and 'Big Data' skills. It sits firmly in Coast to Capital's Connected Digital Economy sector. Big data is about more than new technology. New business and technical skills are needed to identify big data opportunities and then put the data to work to solve mission-critical problems. Gartner predicts that by 2015, [big data demand will create 4.4 million IT jobs](#) globally. The Institute will have Ultrafast Broadband

### **Department for Creative Digital Media**

Providing undergraduate, postgraduate and research capacity to address the growing demand for skills able to creatively utilise digital technologies to produce the ever expanding range of digital content available to consumers and businesses in many different formats.

### **SEMAL**

Driving forward employer engagement and enterprise within the region. Logically and geographically SEMAL would make a good fit with the other departments. The department is currently developing a Software Development course to be accredited by e-skills and this will fit very well with the overall agenda.

## Financial and Business Services

The financial and business services sector is diverse and includes banking, insurance, legal services, accountancy, and management consultancies. It has been a key driver of UK economic performance in recent years and accounts for almost a third (30.8%) of national GVA<sup>31</sup>. Despite the impact of the recession, the financial and business services sector grew by 8.9% between 2007 and 2011 (compared to an average rate of 6.7%)<sup>32</sup>. London is a global centre for financial services and its accountancy and legal services sub-sectors are also world leaders, attracting talent from around the world.

Although the City of London is the centre of the financial and business services sector, Coast to Capital has towns and cities that are in excellent locations for businesses to locate regional headquarters and intermediate functions. Indeed, there are 39,300 people employed in the financial and insurance sector within the Coast to Capital area, making up 4.9% of local employment, compared to 3.8% nationally<sup>33</sup>. Another 147,700 people are employed in other business services activities, with the broad sector accounting for nearly a quarter (23.2%) of employment in the LEP region<sup>34</sup>.

We have important centres for the insurance industry. Croydon, with the largest office market in the south-east, is an important centre for the insurance and pension funding activities, employing 2,800 people in the sector<sup>35</sup>. It has excellent links to the City of London and provides great access to brokers for companies like Zurich Insurance plc; Liverpool Victoria; Mondial; Chartis/AIG and Royal Sun Alliance. Beyond Croydon, Barclays Bank Regional Headquarters are in Haywards Heath; American Express has its European Headquarters in Brighton & Hove, where Domestic & General and Legal & General also have sizeable offices; and, Royal Sun Alliance is an important employer in Horsham. Redhill is an important centre for asset management, with companies like Carlton Asset Management and Equip Asset Management.

Crawley is a favoured location for major professional services companies to locate their regional offices, partly due to its excellent international links. Major accountancy companies like KPMG, PwC, Grant Thornton and Deloitte are all located there.

In rural West Sussex there are also significant concentrations of employment in other business services, including a particularly large number of employees working in labour recruitment (1,900) and business and management consultancy (4,500)<sup>36</sup>.

We have a good range of high quality, affordable business accommodation suitable for different types and sizes of financial and business services businesses. This ranges from serviced offices and start-up units, large city centre office spaces, business parks and distinctive accommodation located in rural settings. We also have access to a number of transport hubs offering good access to London and to international markets through Gatwick Airport.

The sector relies heavily on highly skilled people with over half of all jobs in professional and business services in managerial, professional and associate professional & technical

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<sup>31</sup> ONS (2013) regional GVA

<sup>32</sup> ONS (2013) regional GVA

<sup>33</sup> ONS (2013) Business Register and Employment Survey

<sup>34</sup> ONS (2013) Business Register and Employment Survey

<sup>35</sup> This is regeneration Ltd (2012) FDI Sector Propositions – Local Concentrations Briefing

<sup>36</sup> This is regeneration Ltd (2012) FDI Sector Propositions – Local Concentrations Briefing

occupations<sup>37</sup>. The Coast to Capital area is well-placed to supply this workforce. The high level of skills amongst our resident population (39.5% of our residents aged 16-64 are qualified at NVQ level 4 and above<sup>38</sup>); its strong language skills and cultural diversity; high levels of customer services and the flexibility of its workforce make many parts of the area excellent locations for financial and business services companies. We also have strong further and higher and education establishments and an internationally recognised management centre (Roffey Park) that provides high level business-focused training and development. The large numbers of residents who commute into the City of London offers a further potential skills base to support businesses.

### Healthcare, medical technology and life sciences

The UK has one of the strongest and most productive life sciences industries in the world, contributing to patient well-being, improving the sustainability of the economy and supporting growth<sup>39</sup>. The pharmaceuticals, medical biotechnology and medical technology sectors account for around 4,500 firms in the UK, employing 165,000 staff<sup>40</sup>. The sector has great potential to deliver high value jobs in the future. The pharmaceuticals sector alone accounts for more UK-based business R&D than any other manufacturing sector (accounting for over 28% of all business R&D) and exports from pharmaceuticals account for a much higher share than is seen globally<sup>41</sup>.

There are 112,700 people employed in the health sector in the Coast to Capital area, accounting for 14% of total employment (compared to 12.7% nationally)<sup>42</sup>. Historically, Coast to Capital has had important strengths in pharmaceuticals, but it is also a market leader in the niche area of Medical Instruments and Devices. A number of assets underpin the LEP's competitive advantage in the healthcare sector, including: the emergence of the Sussex and Brighton University Hospital as a leading medical school; the University of Sussex's established reputation for life sciences; the University of Brighton's pharmacy and pharmacology strengths; and the £420m redevelopment of Royal Sussex County Hospital as a nationally important trauma centre.

Linked to this, there are also a number of market-leading health and medical businesses based in the Coast to Capital area. This includes

- **Novo Nordisk UK** - the company employs 360 people at its Crawley site. It has been operating within the UK for more than 25 years. Diabetes care accounts for 85% of business in the UK; other areas of work include haemostasis management, growth hormone therapy and hormone replacement therapy.
- **Elekta** - Swedish owned, it employs some 800 staff on its Crawley site and produces some 400 X-Ray linear accelerators (linacs) for use in treating cancer every year. The large majority of these are exported worldwide. It is currently working with Phillips and the University Medical Centre Utrecht to develop the next generation of machines combining MRI with linacs.
- **Varian Medical Systems**– its European manufacturing headquarters is located in the heart of the Gatwick Diamond business region and employs more than 230 people. Its products are used in the treatment of cancer by radiotherapy.

<sup>37</sup> UKCES (2012) Sector Skills Insights : Professional and Business Services

<sup>38</sup> ONS (2013) Annual Population Survey

<sup>39</sup> BIS (2012) Strength and Opportunity 2012: The landscape of the medical technology, medical biotechnology, industrial biotechnology and pharmaceutical sectors in the UK

<sup>40</sup> Department for Business, Innovation & Skills (2011) Strategy for UK life sciences

<sup>41</sup> Department for Business, Innovation & Skills (2011) Strategy for UK life sciences

<sup>42</sup> ONS (2013) BRES

Specifically, Exact™ couches for ultra-precise patient positioning are manufactured here, as well as VariSource™ HDR afterloaders for brachytherapy treatment, and the Acuity™ radiotherapy treatment planning, simulation and verification system.

- **Roche Diagnostics** - headquartered in Burgess Hill, Mid Sussex, it employs around 500 people. The company provides a broad range of diagnostics and monitoring products and services, spanning all sectors of the market: from small hand held devices used directly by patients or healthcare professionals, to large diagnostic instruments found in hospital laboratories

Several small biomedical companies are also attached to the University of Sussex.

The medical technologies sector is clustered around Crawley with the five largest employers having 1,600 staff. Over half of our pharmaceuticals companies are based in West Sussex. Allergy Therapeutics both researches and manufactures their pharmaceuticals in Worthing. It has a turnover of £41 million and employs over 350 people. GlaxoSmithKline also has a manufacturing plant in Worthing, specialising in penicillin, which has been in operation since 1960. It employs around 1,000 people. This sector is a hotbed for innovation, with twice as many patent applications being filed from health and life science R&D activity in Coast to Capital compared to any other sector.

In the future, the healthcare sector will benefit from a disproportionate increase in demand due to rising incomes and population ageing. There is forecast to be 2 million more people aged 65 and over in the UK in 2021, at which point almost a fifth of Coast to Capital residents (19.9%) will be aged 65 and over, up from 17.6% in 2011<sup>43</sup>. The ageing of the population is both a challenge and an opportunity, with potential for significant local employment growth in health and social care in many parts of the LEP, notably in our coastal and rural communities.

Other most major developed economies and some emerging markets will also face significant demographic shifts. In China, for example, the number people aged over 65 is set to triple by 2030<sup>44</sup>. Healthcare coverage is expanding in a number of developing countries<sup>45</sup> and increasing demand for healthcare products will provide new opportunities internationally, particularly for established healthcare brands. Together, the pharma/biotech/lifescience/healthcare equipment and supplies markets are expected to grow by 36.4% globally between 2011 and 2016<sup>46</sup>.

At the same time, the life sciences industry has changed considerably in recent years and its innovation model is under strain. The financial crisis is affecting healthcare budgets in the West and customers are demanding proof of improved outcomes and lower prices. A targeted approach to investment in R&D is vital<sup>47</sup>. There will be a need to deliver healthcare products and services more cost-effectively within an increasingly competitive global market. The increasing application of digital technologies and the emergence of inter-disciplinary approaches to product development offer opportunities for innovation.

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<sup>43</sup> ONS (2012) Sub-national Population Projections

<sup>44</sup> Financial Times (2013) The ghost at China's third plenum: demographics

<sup>45</sup> BIS (2012) Strength and Opportunity 2012: The landscape of the medical technology, medical biotechnology, industrial biotechnology and pharmaceutical sectors in the UK

<sup>46</sup> Department for Business, Innovation & Skills (2011) Life sciences info graphic: why the sector is important to the UK economy

<sup>47</sup> BIS (2012) Strength and Opportunity 2012: The landscape of the medical technology, medical biotechnology, industrial biotechnology and pharmaceutical sectors in the UK

Healthcare is not just about the technology and engineering aspects of health. We will also work with partners in the health sector to identify innovation in service delivery and we are aiming to establish a network of innovation with Kent Surrey and Sussex Academic Health Science Network.

### **University of Sussex – Bio-Innovation Centre at Falmer**

The aim is to develop a Bio-innovation facility as part of the strategic growth and development of Life Sciences at the University of Sussex campus at Falmer, to the north of Brighton. The facility will become a focus of the University's leading Life Science and biomedical research and a growth base for bioscience entrepreneurs, and pharmaceutical companies.

The focus will be on university life science research expertise: biochemistry and molecular biology; chemistry; drug discovery platforms; genome damage and stability; and neuroscience. The School of Life Sciences has a faculty of over 60 and over 140 Research Fellows and Technicians; the annual research income is close to £13 million. The academic research staff will be joined by new bio-science and pharmaceutical early stage businesses and commercial research facilities. The facility will be focused on the key research strengths but will draw upon the clinical expertise at the Medical School and business and commercialisation expertise at the Sussex Innovation Centre.

On the academic side the facility will create an estimated 9,000 sq.m of employment floorspace where 500 FTE people will be employed. It is anticipated that 20 new teams will be resident within the innovation side of facility at any one time providing 100 new graduate-level jobs. These outputs are multiplied through the churn of companies entering and graduating the Centre as they grow.

It will have an annual GVA impact of £6m based on the new jobs created.

### **Visitor economy**

The Visitor Economy has been one of the fastest to recover, worth over £97bn to England's economy, the 3<sup>rd</sup> largest employer in the UK, supporting over 2.7m jobs representing 9.1% of total employment. Domestic & inbound visitors spent £84bn in 2012, this is a 10% increase on 2011. Since 2010, year on year growth averaged 8.7%, by 2020 the Visitor Economy is expected to grow by £50bn supporting an additional 225,000 jobs. The sector is made up of over 249,000 businesses, with 21,540 new tourism businesses created in 2011<sup>48</sup>.

The visitor economy is very significant for the Coast to Capital region – both in terms of direct and indirect employment. It contains the country's second largest airport, significant coastal resorts and a major part of the South Downs National Park.

Overall, the tourism and leisure sector accounts for 5,500 businesses and employs 37,000 people, around 4% of total employment in the LEP region, with high concentrations in Croydon, Brighton and Hove, Chichester, Crawley, and Arun. Crawley and Arun benefit from their location next to Gatwick and the seaside respectively. There is a higher than average

proportion of part time workers and 30% of employees are under 25, suggesting a workforce that is only looking for short term work, rather than a long term career.

Although leisure and recreational tourism dominates the southern area of Coast to Capital, it switches to business tourism further north into the Gatwick Diamond and into Croydon where conference centres, meeting venues and business hotels provide essential supporting 'infrastructure' for the businesses located both within the area, and coming to the area from London or further afield via Gatwick. The provision of high-quality business accommodation and a variety of businesses venues are essential requirements of many businesses both national and international. Coast to Capital has undertaken research on the potential of the international business visitor market:

Overall international visitors are spending an estimated £526.7m in the Coast to Capital region, with business visitors spending an estimated £120m<sup>49</sup>. These business visitors will be coming for a variety of purposes – external conferences and supplier meetings accounts for a substantial proportion of this spend. Other purposes will be sales meeting, internal company meetings, and other general business purposes.

The total expenditure from international conference and meeting tourism can be estimated at approximately £27m in 2010 (NB this does not include any potential spend related to leisure extension). There are two main focal points for this: the Gatwick Diamond which accounts for £16.1m of expenditure (i.e. 60%) to the region, and Brighton and Hove accounting £4.8 million (about 18%) of expenditure. International visitors represent an estimated 5% of the overall conference and meeting market for the area and 7% of the overnight conference and meeting market. It is estimated that spend from international conference and meeting visitors supports approximately 700 FTE jobs in the area<sup>50</sup>.

Many of the planned investments and interventions in the Strategic Economic Plan will help underpin and support the visitor economy within Coast to Capital but these are specifically relevant to the visitor economy:

#### *Transport Infrastructure*

**Road:** The ability to get around the region quickly, efficiently and easily by the road network is important to visitors whether business or leisure

**Rail:** The linkages with London and ability to travel from key destination to destination quickly, efficiently and cost-effectively is important to visitors, especially international visitors who may not have access to road transport.

**Air:** Access to key international markets such as US and ASEAN destinations will help underpin and develop Coast to Capital's position as an international business destination, mutually supported by more business routes from Gatwick.

**Cycling:** Completing the National Cycling Network which will connect the South Coast towns NCN Route 2 from Brighton to Chichester will be a new tourism resource, which will link with north/south cycle routes to Guildford and the South Downs routes.

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<sup>49,2</sup> Coast to Capital LEP International Business Tourism Development - report by TEAM January 2013

<sup>3</sup> VisitEngland data for LEPs August 2013

### *Skills Development*

The visitor economy has a reputation for low-skills yet can provide an easily accessible route to full-time employment, gaining work experience and important career development skills. The industry does have a significant number of highly skilled roles within it yet are often overlooked.

### *Business Support*

The visitor economy especially within the leisure sectors have low barriers to entry and provide a fertile testing ground for new start-up businesses, some of which have significant fast high-growth potential. Micro/SME 'Lifestyle' businesses can maintain full-time employment for many.

### *Digital*

The visitor economy has been one of the fastest adopters of new technology and digital systems, this however is predicated on access to robust and superfast broadband. The Coast to Capital region has significant areas of poor broadband which has a particularly high impact on businesses within the visitor economy e.g. for on-line booking systems. Therefore the roll-out of superfast and ideally ultrafast broadband is of particular importance.

### **Food/horticulture**

The horticulture sector is a diverse and valuable industry. Across the UK, the sector is estimated to employ some 300,000 people and is worth £9bn to the economy each year<sup>51</sup>. In 2012, fruit and vegetables sales were collectively valued at almost £1.8 billion, and exports were worth over £156m<sup>52</sup>. With the right investments, it is estimated that sales revenues from horticulture production could increase by £1.3bn by 2030<sup>53</sup>. The sector also makes an important contribution to securing sustainable development by mitigating the consequences of environmental change and flash flooding, enhancing food security, and playing an important role in supporting health and wellbeing.

There are an estimated 460 horticulture businesses in the Coast to Capital area, clustered around Chichester and in the Coastal Corridor. Due to the seasonal nature of the sector, identifying a precise employment figure can be difficult, with estimates in the Coast to Capital area ranging from 700 to 4000 permanent or full time equivalent workers, and another 7000 seasonal workers.

*West Sussex Growers' Association (WSGA) is an active partner with Coast to Capital (C2C) and fully supports its initiatives to drive forward business and socio-economic development in the C2C region.*

*The Horticultural Industry is a major industry in the South East of England and on the West Sussex Coastal Plain alone produces over £1billion of produce and employs more than 7,000 people. Many of the UKs leading fresh produce businesses are based in the C2C region with more and more high-tech and diverse jobs being created each year.*

*There are currently a number of major capital projects about to commence; the largest being a £5m glasshouse development project near Chichester. Future plans by Growers in the C2C region indicate capital investments of more than £5m per annum over the next five years.*

<sup>51</sup> Royal Horticulture Society (2013) Horticulture Matters

<sup>52</sup> DEFRA (2013) Basic Horticultural Statistics 2013

<sup>53</sup> Royal Horticulture Society (2013) Horticulture Matters

*West Sussex Growers' Association looks forward to working ever more closely with Coast to Capital in helping to further develop a thriving Horticultural Industry; in particular in the areas of planning development, training, technical innovation, food and plant security, import substitution and business development.*  
 John Hall, West Sussex Growers Association

When it comes to career opportunities, the sector provides a variety of roles; plant and crop producers, horticultural scientists, gardeners and landscape architects, all calling for a diverse set of professional and practical skills. However, the skills demand in the sector is higher than the supply, with insufficient students leaving education with the desired skills in the local area. This is consistent with the picture nationally. A survey of 200 horticultural businesses conducted by the Royal Horticulture Society in 2012 found that more than 70% of horticultural businesses cannot fill skilled vacancies, nearly 20% are forced to recruit overseas and almost 70% claim that career entrants are inadequately prepared for work<sup>54</sup>. These challenges are compounded by a poor image of the sector among potential workers<sup>55</sup>.

### Smart Specialisation - Research and Technology Futures

A sector focus allows us to concentrate on those sectors where we have a current competitive advantage. However, current sector performance does not necessarily predict future success. It is essential that we also consider the **future competitive advantages** of the Coast to Capital area. It is important to focus on a manageable number of viable interventions for supporting sectors and latent clusters with growth potential.

Sectors based approach	Technology futures approach
<ul style="list-style-type: none"> <li>- Focuses on those sectors where there is a current business competitive advantage</li> <li>- Seeks to encourage and support individual firms and it linked to short and medium term performance</li> <li>- Builds cluster and supply chain collaboration</li> <li>- Link to research base to support innovation</li> <li>- Low risk</li> </ul>	<ul style="list-style-type: none"> <li>- Seeks to build future business competitiveness by exploiting knowledge and research resources where there is national/international leadership</li> <li>- Research and knowledge expertise may be utilised in a number of sectors</li> <li>- Supports collaboration between wide range of research, business, public sector and finance partners.</li> <li>- Is not tied to conventional business performance measures and encourages innovation and risk taking</li> <li>- Higher risk</li> </ul>

We are basing our approach on the concept of Smart Growth and identifying where we have existing research strengths which match our business concentrations. Our foundations are based on a research report produced by Chichester University – *"Developing Networks of Innovation – Space to be Creative"*, Dr David Cooper, October 2013.

<sup>54</sup> Royal Horticulture Society (2013) Horticulture Matters

<sup>55</sup> More than 80% of the RHS survey respondents cited a poor perception of horticulture in schools and colleges as the issue - Royal Horticulture Society (2013) Horticulture Matters

The concept of **Smart Growth** is focused on developing the innovation potential of regions, recognising that the capacity to innovate is dependent on local factors including business culture, skills, education, research capacity, investment and finance and creative potential to name a few. It recognises that innovation is increasingly diverse, complex and can involve many stakeholders and no single region is the same. It is underpinned by two core components Smart Specialisation, and the creation of innovation friendly business environments for SMEs.

**Smart Specialisation** strategies build on existing strengths and capabilities in a thematic way. They help to concentrate resources and finances on a few key priorities rather than spreading investments thinly across areas and business sectors. Smart Specialisation has the potential to stimulate private investment, ensure that research and innovation resources reach a critical mass, promote local business cluster activity and supply chains and provide a focus for inward investment and export. It is about identifying those areas that a region can be known for, which is currently not clear for Coast to Capital. This has many consequences. For example, there have been no recent significant funding awards made for research centre developments aligned to technological developments in the region.

Developing a Smart Specialisation Strategy is dependent on developing strategic intelligence about the region and identifying those sectors in which Coast to Capital has a strategic advantage.

### ***Identifying Regional Strategic Advantage***

The starting point for the work was an evaluation of those technologies/sectors which are likely to be the focus of research and development activity over the coming decade. The outcome was the result primarily of desk based analysis of regional research strengths matched to UK technology priorities and a high level analysis of business profiles. It was further informed by regional priorities and the presence of existing networks and clusters of activity.

The UK government has also decided to concentrate resources on 'eight great technologies' in areas where the UK has a competitive advantage. Each of these is an area in which the UK has world-leading research; a range of applications across a spectrum of industries; and has the potential to be at the forefront of commercialisation. Described in an article by David Willets, Minister of State for Universities and Science, they have subsequently been backed by the Chancellor of the Exchequer<sup>56</sup>. These technologies can be aligned with Coast to Capital sectors as follows:

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<sup>56</sup> The 2012 Autumn Statement provided an additional £600 million to support the development of these technologies

Technologies	C to C sector alignment
The big data revolution and energy-efficient computing	Creative, digital and IT
Satellites and commercial applications of space	
Robotics and autonomous systems	Advanced engineering
Life sciences, genomics and synthetic biology	Health and life science
Regenerative medicine	Health and life science
Agri-science	
Advanced materials and nano-technology	Advanced Engineering
Energy and its storage	Environmental Technologies

The outcome of the Coast to Capital research was to recommend that the following research and technology futures form the basis of the LEP's innovation strategy:

- **Connected Digital Economy including, creative digital media, software development, Big Data**
- **Bioscience including Medical Technologies (Life Sciences)**
- **Electronics potentially further focused on vehicle electronics and sensors**
- **Environmental/Renewable Technologies**

Supporting the technologies of the future requires us to address some of the market failures faced in each area and to ensure there is a pipeline of skilled people to work in them. For each we will develop a programme of activity, using higher education and business bodies to create a nucleus of innovation in which SMEs can get involved. This will include:

- Cluster-building programmes, bringing companies together and stimulating collective action, at least partly aiming to create a collective cluster identity.
- Increasing proximity between potential collaborators by encouraging routine encounters such as seminars, workshops, match-making, and collective bidding.
- Developing shared research infrastructure
- Helping SMEs to fit into large firm supply networks, develop more local linkages and stimulate local innovation.
- Business support focused on networking activities, ensuring that these networks stimulate innovation rather than routine market activities.
- Support for innovation resources, assisting with finance, intellectual property (IP), skills, management training.
- Promoting membership of knowledge transfer networks (KTN) among innovative businesses to support innovation and collaboration.

The role of the Coast to Capital LEP is to act as catalyst or convener for the innovation networks, to provide leadership where necessary, to draw in the required partners for each chosen network, and to support the network to self-sufficiency.

Further details of our proposed actions for these technologies can be found at [Appendix 12](#).

## Sectors, research and innovation - Our Growth Deal asks and offers

Our Commitments	Our Asks of Government
<ul style="list-style-type: none"> <li>- We will encourage and support a small number of business sectors. We will find business partners and leaders in the priority sectors and create development plans for each.</li> <li>- We will invest £20.167m ESIF funding over 7 years in supporting priority sectors and research/innovation/technology transfer</li> <li>- We will secure £20m of match funding from the public and private sector</li> <li>- We will create three networks of innovation/ research and knowledge transfer where we have existing research expertise.</li> <li>- University of Brighton and Ricardo will establish the new advanced engineering centre with investment of £24.5m from the public sector and £21.10m from the private sector.</li> <li>- University of Sussex will establish a new Bio-Innovation centre at Falmer, with investment of £60m</li> <li>- The University of Chichester will establish a new Institute for Sustainable Enterprise as part of the new Enterprise Zone at Enterprise @ Bognor Regis with investment of £8.5m</li> <li>- The University for Creative Arts will establish with partners a new Creative Industries Hub at Epsom with investment of £2.5m from the public and private sectors.</li> <li>- With partners, we will create 950 jobs and 14,000 sqm of employment space.</li> </ul>	<ul style="list-style-type: none"> <li>- Agree formal designation of Enterprise @Bognor Regis as an Enterprise Zone.</li> <li>- Support for close integration of LEP plans with national catapult centre, TSB and NESTA</li> <li>- Co-Investment of £7m from Local Growth Fund for the Advanced Engineering Centre</li> <li>- Co-investment of £8.5m from the Local Growth Fund for the Bio-Innovation Centre</li> <li>- Co-Investment of £5.5m in the Institute for Sustainable Enterprise</li> <li>- We need some flexibility to use Local Growth Funding as revenue funding to support sector development and innovation networks</li> </ul>

## CHAPTER 6: SUCCESSFUL WORKFORCE - SUCCESSFUL PEOPLE

*We aim to match our productivity with our qualification and skills level and make sure everyone has the chance to share in growth*

### **The Intervention Logic Chain**

Coast to Capital has a highly qualified workforce. It is a key competitive advantage.

However, our economic ranking and productivity do not fully reflect the qualifications and calibre of the workforce. There is a market failure in both under-utilisation of the skills and expertise within the workforce, and a mismatch between employers' requirements and what the workforce can offer. This leads to businesses not achieving the optimum levels of growth.

A lack of higher level skills in the workforce compared with successful neighbouring areas (for example London and Enterprise M3) is a constraint on growth. A fifth of businesses report skills gaps or skill shortage vacancies and this could get significantly worse.

The skills and quality of the workforce is a top five consideration when businesses are considering locating in an area and/or whether to invest. Improving the workforce will help maintain the international competitiveness of the area for inward investment.

Particular groups - young people without qualifications and those in lower level occupations - will also be increasingly be at risk of economic exclusion as the skill requirements of jobs accelerates. Targeted interventions will help this group adjust to the changing requirements of the labour market and to make a full contribution to, and benefit from, growth. This means:

- We need to affect a successful school to work transition
- For those already in the workplace, we need to help them enhance skills
- We need to encourage businesses to invest in up-skilling their workforce

### **This is what we are going to do**

There are a number of successful workforce interventions already underway in the Coast to Capital region. We will look to build on these.

Young people – To build the workforce of the future and to boost current utilisation we ensure every young person gets the right start to their working lives including access to information advice and guidance, promotion of entrepreneurship and STEM subjects, help to make the transition from education to employment at whatever age, and support for those who make false starts until they are settled. This will include **a new initiative that will ensure young people have access to the apprenticeships, training, placements, work experience and internships they need to make a successful start on their career.**

Priority sectors – we will work with businesses and specialist providers in our priority sectors to ensure they remain internationally competitive.

SME Investment in skills & workforce – work with businesses to develop strategies which enable them to take greater ownership of their skills issues and grow their investment in workforce development.

Unemployment, exclusion and under-employment – where there are groups and individuals who are excluded from work or learning and who are not provided for by current programmes, we will support partnership based initiatives. We will address under-employment, particularly of those with higher level qualifications in intermediate employment.

Making the skills market work better – we will improve the flow of intelligence and information and will improve the links between education and businesses.

### **OUR GROWTH DEAL**

#### **Our Commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £35.1m from local authorities and other public sector sources;
- £7.5m from the private sector;
- £27m from ESIF and EARFD

Together we will deliver:

- 7,254 New Jobs

#### **Our ask of Government:**

- We seek co-investment from the Local Growth Fund of £7.2m
- We seek £61m for Skills Capital
- We would like further levers and flexibilities over the commissioning of skills and employment programmes

#### **Our success indicators:**

<u>Skills and Workforce</u>	<u>2010 Baseline Coast to Capital</u>	<u>2010 Baseline South East Region</u>	<u>2020 Target</u>
<b>Employment Rates</b>	75.6%	Not applicable	Maintain 75% employment
<b>Unemployment Rates of Economically Active</b>	6.0%	Not applicable	Less than 5%, back to pre-recession levels
<b>Level 4+ as a % of Working Age Population</b>	36.9%	33.9%	Increase and Maintain gap on SE levels
<b>No Qualifications as a % of Working Age Population</b>	7.0%	8.5%	Decrease and Maintain gap on SE levels
<b>Knowledge Economy Employment as % of total Employment</b>	19.7%	20.7%	Match SE Level

We have a separate Skills Strategy which sets out in detail an analysis of our skills strengths and weaknesses and proposes where we should focus. The full Skills Strategy can be accessed via the website – [www.coast2capital.org.uk](http://www.coast2capital.org.uk). In this Chapter we set out the key issues and our proposed actions.

## Skills Vision

***Local businesses will be able to access the skills they need to compete internationally and to deliver the exceptional growth and productivity gains set out in the Coast to Capital's Strategic Economic Plan***

Coast to Capital has one of the most buoyant economies in England with significant economic and environmental assets. Overall, unemployment is low and qualification levels are high. It has large, internationally recognised businesses across a wide range of sectors and thriving micro-businesses, many of which operate in some of the UK's fastest growing sectors. Residents in the Coast to Capital region are generally well qualified. Nearly four out of ten (39%) working age residents hold a degree or equivalent qualification and 60% hold a qualification at Level 3 or above. Indeed, the only Spatial Area within the Coast to Capital LEP where the qualifications of working age residents are notably lower is Coastal West Sussex. Here, only around a third (34%) of the working age population holds a degree or equivalent level qualification and around half (53%) have a qualification at Level 3.

Despite its considerable assets, the Coast to Capital region still underperforms if it wants to be competitive on the international stage. In many parts of the area, average earnings are low, school performance is unspectacular and many of its most talented residents are lost to neighbouring labour markets, where salaries and jobs are often better. Employment forecasts suggest that there will be 38,000 more jobs in the economy by 2020, most of which will require people with higher-level skills. There is projected to be only a fairly modest projected increase in the local working age population over the next decade, so more of the Coast to Capital LEP's 135,000 involuntarily inactive residents will need to be brought into the labour market, alongside a healthy supply of skilled, work ready young people leaving schools, colleges and universities. On a much wider level, technological changes, rising consumer expectations and international competition are all contributing to the demand for higher-level skills within occupations across the economy.

There are significant concentrations of lower and unqualified people more localised areas within Spatial Areas and around 70,000 people across the Coast to Capital region have no qualifications at all. The Coast to Capital LEP area has a large number of well-qualified people, but median earnings, a reasonable proxy for productivity are often low. There is evidence of graduate under-employment; there are around 135,000 working age residents involuntarily out of work; and thousands of the area's most talented residents commute to London, to better-paid and higher-level jobs.

## Our Approach

We see our Skills Strategy as both a major and integral part of the Strategic Economic Plan.

Much of the skills system already operates effectively. We are interested in focusing on where this is not the case; where there are clear market failures; and where the right interventions can have a tangible positive impact. Businesses must be encouraged to improve the value of the products and services they provide, but they must also be able to

recruit and train people with the skills they need to grow. We will particularly focus on our priority sectors (see Chapter 4) or those sectors which are important employers.

Our skills strategy has three strategic priorities, underpinned by eighteen broad actions, which will shape how Coast to Capital achieves its vision.

Strategic Priority 1:	Stimulate the Demand for Skills by Encouraging Business Ambition
Strategic Priority 2:	Ensure Skills Provision Meets the Needs of the Coast to Capital LEP's Businesses, Focusing on its Priority Sectors
Strategic Priority 3:	Ensure that People Make Informed Decisions about their Learning and Career Choices

The LEP aims to create a dynamic approach to supporting skills, not one that is based on a rigid adherence to a set of forecasts, or one that is pre-determined by funding criteria and narrow qualification targets. This means establishing and supporting networks and partnerships where an honest dialogue can take place between those that nurture and develop talent and those that utilise it.

### **Strategic Priority 1: Stimulate the Demand for Skills by Encouraging Business Ambition**

#### **Rationale**

Our area has many high performing businesses, including creative and innovative SMEs that operate in international markets and which have a global profile. However, there are some parts of its economy that do not exhibit the same level of ambition and where the demand for skills is low. Employees' median earnings in most parts of the Coast to Capital LEP are below those of residents, which indicates that some of its best talent is lost to other labour markets, where jobs may be better and earnings higher.

We also lose a high proportion of the graduates and around a third of those who work locally are employed in non-graduate jobs. Furthermore, there are 135,000<sup>57</sup> out of work working age residents who would like a job. There is evidence of under-employment in the Coast to Capital LEP area and a poor use of existing talent. If the Coast to Capital LEP is to become a globally competitive location, it needs its businesses to raise their game; to increase the demand for higher level skills and to deploy them more effectively.

With some exceptions, the Coast to Capital economy is dominated by SMEs, which tend to invest less in workforce development than larger employers, not least because of capacity constraints and because investment costs can be relatively high. Furthermore, some sectors, including retail and tourism have weak career paths and high staff turnover, which results in a high proportion of training costs being spent on low value induction activities, rather than on staff development that would improve the quality and value of their services.

<sup>57</sup> Annual Population Survey October 2012-September 2013 (includes all unemployed and economically inactive residents who want a job).

### **Priority Actions**

- 1.1 Develop a leadership and management programme for SMEs across all sectors, but focused towards the tourism and food & horticulture sectors, in particular, where workforce development is underdeveloped and where there is capacity for productivity improvements.
- 1.2 Support and, where necessary, establish Apprenticeship Training Associations to enable the costs and risks to SMEs of hiring trainees and apprentices to be shared.
- 1.3 Work with large 'anchor' businesses to open up internal training opportunities to SMEs in their supply chains.
- 1.4 Develop a clear communications strategy with the National Apprenticeship Service that promotes Traineeships and Apprenticeships to SMEs and which ensures that the bureaucratic barriers to employers are minimised.
- 1.5 Develop a high profile SME Skills Investment Awards programme to highlight the benefits of investing in skills and to identify and promote examples of best practice.
- 1.6 Develop a package of targeted co-investment initiatives aimed at addressing market failures in providing higher-level skills within priority sectors.
- 1.7 Encourage Local Authorities and major businesses to ensure that their large scale procurement contracts include minimum targets for skills and apprenticeship opportunities for local people.

### **Strategic Priority 2:           Ensure Skills Provision Meets the Needs of the Coast to Capital LEP's Businesses, Focusing on its Priority Sectors**

#### **Rationale**

Coast to Capital LEP has considerable human resource capital assets and there is a wide range of excellent learning providers that deliver both generic and specialist training throughout the area. However, skills needs are changing rapidly, driven by technological change, rising customer demand and international competition. Learning pathways that enable people to progress to higher levels are not always clear and many businesses still find it difficult to recruit people with the skills that they need.

We are particularly interested in supporting businesses those sectors where we have a clear competitive advantage: Advanced Engineering; Creative Digital and IT (CDIT); Environmental Technologies and Low Carbon & Environmental Goods and Services; Financial and Business Services; and Healthcare, medical technology and life sciences.

However, we need to recognise that there are a large number of jobs in other parts of the economy, including the Visitor Economy, Food Production, Care and Construction.

These sectors all have different challenges, but in many of them there is a demand for higher-level technical skills and stronger leadership and management skills. In a number of the emerging sectors, career pathways may be less obvious than in better-established ones and in sectors such as tourism and care recruitment and retention challenges are not just related to skills.

The overall balance of publicly funded provision is still geared quite strongly towards the lower level of the labour market and the volume of people graduating in technical and business related disciplines within the Coast to Capital area is relatively low. It is important to support people to enter the labour market at all levels and to develop clear pathways for people to progress. However, learning provision should clearly align with needs of Coast to Capital business needs and there should be a stronger focus on its growth priorities. Businesses need to play their part in helping schools and colleges to develop work and life preparation skills so that young people, in particular are ready to enter work by the time they enter the labour market.

### **Priority Actions**

- 2.1 Support and, where necessary, establish innovation networks and skills partnerships to enable an on-going honest dialogue about identifying and responding to skills needs to take place between businesses and learning providers, focusing particularly on the needs of businesses in the Coast to Capital LEP's priority sectors.
- 2.2 Promote enterprise education and work preparation in schools, colleges and universities, so that they become a core part of all learning programmes.
- 2.3 Increase the volume of advanced and higher level apprenticeships so that they account for 50% of all apprenticeship achievements by 2020.
- 2.4 Work with local authorities to use their strategic and commissioning influence to encourage businesses to provide Traineeship placements and apprenticeships.
- 2.5 Rebalance Skills Funding Agency learning provision so that there is a stronger focus on clear learning pathways that develop intermediate and higher technical skills linked to the Coast to Capital's priority sectors.
- 2.6 Develop a sector-focused internship programme for graduates, based on the successful model developed by Wired Sussex and the University of Brighton.

**Strategic Priority 3:           Ensure that People Make Informed Decisions about  
their Learning and Career Choices**

**Rationale**

Career choices are not always the most significant influences on learner choices and in many cases they are not well-formed whilst they are in full-time education. Many people who study STEM related subjects do so to keep their options open, rather than specifically to pursue a career related to their studies. Entrance to the labour market has become increasingly protracted, whether voluntarily or not, and people can expect to have to change jobs and develop new skills several times throughout their careers. There is evidence that access to good quality advice and greater exposure to different occupations and workplaces through work experience and internships, for example, can influence people's career decisions<sup>58</sup>. Feedback from partners suggests that the withdrawal of information, advice and guidance services is having a negative impact on people's career and learning decision-making, whilst the understanding of opportunities in some businesses and sectors is low, not least because they have a low profile or an unattractive image amongst young people, in particular.

Coast to Capital LEP is particularly interested in supporting businesses those sectors where we have a clear competitive advantage: Advanced Manufacturing and Engineering; Creative Digital and IT (CDIT); Environmental Technologies; Financial and Business Services; and Health and life sciences. However, it recognises that there are a large number of jobs in other parts of the economy, including the Visitor Economy, Food Production, Care and Construction. These sectors all have different challenges, but there is a need to better understand and communicate career opportunities within and the skills that employers are looking for when they recruit to new positions.

**Priority Actions**

- 3.1 Develop and promote high quality local labour market intelligence products in consultation with primary users and businesses, delivered through a variety of media and focused closely on opportunities and requirements in the Coast to Capital priority sectors.
- 3.2 Organise a programme of sector-focused career campaigns to raise the profile and image of Coast to Capital LEP priority sectors.
- 3.3 Raise the profile of career opportunities related to STEM subjects within schools, building on initiatives, such as TeenTech.
- 3.4 Develop a programme of high profile, competitive work experience and internships placements for Further and Higher Education students, focusing on the Coast to Capital LEP's priority sectors.
- 3.5 Develop models of Information, Advice and Guidance that are designed in conjunction with young people, businesses and the National Careers Service; and encourage consortia of schools to pool dedicated budgets top support an integrated IAG service.

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## Young Workers

As set out above and in our Skills Strategy, any plan for growth needs to give adequate priority to developing young people as the workforce of the future. Increasingly young people will need to be flexible, adaptable and enterprising in order to succeed in work and to deliver the skills that employers need or to run their own business.

In the consultations for the SEP business sector organisations, individual businesses, public sector bodies and the third sector have all identified as the highest priority giving young people the right start in their working lives, and ensuring they have the skills required for work and business.

There are many initiatives, national and local, aimed at young people, and many organisations that have an interest. For young people themselves and for employers, the picture is sometimes confused and they do not find it easy to understand the help which is on offer and how to make the right choices. At the same time, some employers are content to see the task of educating and training young people as entirely the responsibility of the education providers, rather than seeing it as a joint task.

Our goal is to create a coherent pathway for young people AND employers. The issues we intend to address with partners are:

- Improving quality of provision of information advice and guidance for young people while they are still in education
- Promoting STEM subjects to young people
- Ensuring all young people leave full time education with a thorough understanding of enterprise and equipped with a minimum standard of "entrepreneurial capital"
- Improving the connection between businesses and education
- Helping SMEs to understand the education and qualification system and they can help develop young people
- Easing the transition to the world of work or business at whatever stage a young person leaves education
- Providing specialist help for young people who do not make a successful transition, including providing for repeat attempts if they fail.

Our approach to young people will be fronted by a new initiative supported by the local authorities throughout Coast to Capital and the LEP itself. In their role as significant employers they will back a "young workers programme" building on an initiative led by Reigate and Banstead Council and reflecting and including many other examples of existing good practice. We aim to very publicly offer young people leaving all stages of education – school, college or university - a rich mix of:

- Apprenticeships
- Work Placements
- Paid Internships
- Work experience

For young people on placements the aim will be to use the period with the employers who are partners in the scheme to iron out any difficulties in the transition from education to work and to place the young person with an employer in the private or third sectors. The aim will be to give young people multiple attempts after a false start if required, until they settle. This initiative will be funded in the main by the employers themselves, but supported

by JobCentre Plus, colleges and universities, and where specialist services are required, by ESIF funding.

The intention is to also get the support of business organisations to spread the initiative into the private sector.

*"There is support we can give to help direct education and training to what employers need. Two of our new recruits went to a local schools recently to explain to 14 year olds the experience they had had and also the skills needed in our workplace. I think we can do more of this."*

David Bywater  
Partner, KPMG

It is estimated that the value of the investment over five years by the local authorities will be over £5m. We will be seeking greater influence over the range of programmes aimed at young people which are funded by DWP, JCP and the Skills Funding Agency.

### **People with no qualifications and those excluded from economic activity.**

There are 70,000 people in the Coast to Capital region who have no formal qualifications. In some areas, average earnings are low and there are 135,000 residents involuntarily out of work. With employers reporting that they are only recruiting people with degree level qualifications even for entry level jobs, people with low or no qualifications risk long term exclusion from the labour market.

There are significant numbers of unemployed individuals, including young unemployed people and those who are long-term unemployed (LTU) or who have never worked and there also areas where there are high numbers of young people who are not in employment, education or training (NEET). Young males are particularly disadvantaged in the labour market.

Through deployment of our ESIF funding we intend to address these challenges in areas where we can provide additionality, focussing on the extra actions that need to be taken in the local context where there is clear evidence that the problem will not right itself and where there is a case for additional intervention. It is particularly important that we do not duplicate other publicly funded services on offer for example through Jobcentre Plus or through local authority provision. The activities supported will need to demonstrate close liaison with local agencies and the community and voluntary sectors.

Our target groups for activities are those at a significant disadvantage in the labour market including:

- Long-term unemployed, particularly women and young people under 25 and disabled people or members of BAME groups
- Those with low level or outdated skills
- Young people who are NEET or at risk of becoming so
- Lone parents
- Ex-offenders
- People suffering from mental health issues

Our actions will include providing access to high quality provision and progression opportunities, particularly for those in low or intermediate skills jobs and those outside the labour market; engaging employers to improve employability skills; developing the

enterprise and digital skills that are needed for tomorrow's labour market; and ensuring that public sector partners adapt their own recruitment and training policies to promote employability and skills and to improve labour market transitions.

Working with local providers and specialist services, particularly from the Third Sector, we will put in place services to break the cycle of short term jobs and poor employment records.

### **Skills Capital**

In responding to the responsibility for Skills Capital funding in our geography, we will adopt a similar approach as with other funding projects, ie to ensure that investment is made in accordance with the key priorities of our SEP, and in alignment with our more detailed Skills Strategy.

Significant investment is required in order that our Skills Capital estate is sufficient for the purposes of delivering 21<sup>st</sup> Century skills. In future years (2016/17 onwards) potential capital projects will bid competitively for funding, and will be required to identify how proposed developments contribute towards the achievement of our economic drivers, and to the provision of excellent learning facilities. Demonstrable outputs will be an essential part of the bidding process, as will alignment with public procurement principles of increased apprenticeships at both entry and higher level. Potential projects will not be restricted to the current range of potential applicants (eg SFA-funded learning institutions) and we support the innovative and ambitious.

We recognise the expertise and welcome the offer of support from the Skills Funding Agency (SFA). We will secure their technical advice at every stage of our process, including advice on each bidder's financial and estate condition, and also their assistance in the appraisal exercise.

In moderation of bids, we intend to augment the existing SFA Moderation Sheet to include more detailed assessment of fit with the SEP and Skills Strategy. Detailed process will be established by the end of 2015, and appropriate guidance will be developed.

SFA-funded providers have supplied some quite detailed information regarding their forthcoming plans in order to help build our strategy for Skills Capital Funding. We welcome all responses, and will continue to work with these partners to further develop their potential project plans for future years.

#### *Economic Drivers*

Such projects make a direct contribution to the economic growth in the Coast to Capital region, enabling the achievement of skills objectives in relation to the priority sectors and research specialisms set out in Chapter 5 of this Plan.

#### *Excellent Learning Facilities*

Other parts of our economy, such as the Visitor Economy, Food Production, Care and Construction, continue to be a rich source of local employment, and it is vital that our learning environment is of sufficient and significant quality to enable the delivery of high quality learning, and of providing excellent and inspiring facilities to assist learners in realising their ambitions.

### Transition arrangements for 2015/16

The transfer of responsibility to LEPs for FE Capital has come too late for us to run new competitive bidding round for projects that will spend in 2015/16. We have therefore drawn on the information supplied by our providers, supported by data from the SFA which identifies the condition of FE estate, and from this we have identified 2 detailed capital projects that could access funds in 2015/16.

#### 1. City College Brighton & Hove

City College are this year embarking on a circa £54M development project, which is being delivered in three phases. Our capital funding relates to the delivery of the third phase of the project, and represents around 15% of the total project costs, enabling the essential upgrading and refurbishment of the Wilson Avenue site. There have been leasehold/freehold issues which caused the rejection of their original application for funding to the SFA. It is our intention to work with the College and the local Council (the freeholders) to achieve a satisfactory conclusion, enabling our investment in the proposed development work to go ahead.

#### 2. Chichester College

Chichester College urgently need to remodel, refurbish and modernise their student kitchens and restaurants for the hospitality and catering curriculum. Their bid to SFA was previously successful, but given other enabling infrastructure developments being completed at the same time by the College, they were unable to take advantage of the SFA monies. The work is outstanding and its completion would make an essential improvement to learning facilities.

Both these projects having previously applied for SFA funding have significant supporting information and detail, which has been summarised in the table below:

<b>Chichester College</b>	
Curriculum:	Hospitality
Project Summary:	<ul style="list-style-type: none"> <li>• Significant remodelling, refurbishment and modernisation of the hospitality and catering facilities to provide a modern real life working environment. The 20+ year old facilities are beyond useful repair and are not representative of current industry standards.</li> <li>• The objective of this project is to inspire learners and increase engagement with the local hospitality industry. It will positively impact on a wide range of learners (SLDD, NEET, Apprentices, International, Tourism).</li> </ul>
Estate Need:	<ul style="list-style-type: none"> <li>• Currently poor and sub-standard accommodation</li> <li>• Supports academic, vocational and specialist curriculum through flexible, relevant and up to date learning spaces.</li> <li>• Ensuring health and safety requirements are fully complied with in a learning space – eliminating potentially hazardous environment.</li> <li>• Improving the quality and accessibility of the learning space.</li> <li>• Carbon reduction by creating high performance and sustainable buildings</li> </ul>
Economic Growth:	<ul style="list-style-type: none"> <li>• Embedding enterprise throughout the curriculum by offering real environment for learning.</li> <li>• The sector as a whole provides substantial employment opportunities, thus the skills demand for the industry is significant.</li> <li>• Providing industry standard training facilities in a realistic working environment.</li> <li>• Responds to local and regional demographic trends which illustrate increase in numbers of jobs in the sector.</li> <li>• Growing and expanding apprenticeship provision.</li> <li>• New expanded curriculum</li> </ul>

<b>City College, Brighton &amp; Hove</b>	
Campus:	City College East, Wilson Avenue
Project Summary:	<ul style="list-style-type: none"> <li>• This development is the third and final part of a wider refurbishment and new build project at the College, and involves:</li> <li>• Construction of new front entrance</li> <li>• Refurbishment of other retained Condition C buildings</li> </ul>
Estate Need:	<ul style="list-style-type: none"> <li>• The current estate is in poor condition with 95% being identified as 'Condition Category C' within the latest e-mandate.</li> <li>• The majority of the estate was built in the 1970s/80s and therefore is inefficient and inflexible.</li> <li>• The running and maintenance costs of the existing premises are high, and this refurbishment will significantly reduce such costs.</li> <li>• The campus is on a heavily sloping site and currently does not comply in parts with the DDA regulations.</li> <li>• The College has significant amounts of Asbestos within its buildings providing a significant health and safety risk. Despite all possible surveys, protection and precautions teaching spaces have become inoperable 3 times in the last year due to disturbance of asbestos.</li> <li>• The College is uninviting to Students, staff and employers. Feedback from surveys has identified that the poor condition of the current premises is a key element of the decision making process for those students that have attended interviews at the College but decided not to attend.</li> </ul>
Economic Growth:	<ul style="list-style-type: none"> <li>• The entire project will provide enhanced and new facilities directly linked to four of the five Coast to Capital LEP priority sectors for growth and inward investment.</li> <li>• The City College East Campus is located in the highest area of deprivation in the city and one of the major aspirations of this project is to increase the local "footfall" of citizens who live in the area by making the campus more inviting. The population of the City East campus is 98% 16-18 year olds with no provision after 5pm. By improving the quality of this campus, the aim is to open at least 3 nights a week and to increase the number of adult students from 30 to 300 in 3 years.</li> <li>• This redevelopment project will also considerably enhance the reputation and quality of the college's higher education provision by providing a "zoned" area for higher level learning. The aspiration is to recruit 500 HE learners by 2015 bringing in an additional £0.75 million of income into the local economy, but we will only attract fee-paying students if our facilities are on a par with those of our two neighbouring universities.</li> </ul>

Over the coming year we will work with partners to develop a more detailed project 'pipeline', building on information already supplied, in advance of launching a competitive bidding process for 22016/17 onwards.

### **Estate Condition**

Across our 9 SFA-funded colleges, 26% of their combined estate is categorised as Condition C – and only 2 have no estate at or below category C (data supplied by SFA and dated November 2013). Category C is defined as 'Operational but major repair or replacement needed in the short to medium-term (generally 3 years)'.

Whilst our proposed developments in 2015/16 will reduce the size of our Category 3 estate, it is our intention to ensure that within 5 years the entire estate is at Category A or B standard.

### Higher Level Skills Projects

Evidence from the Witty Review suggests that there is scope to improve the innovation output from higher education institutions in our geography. The profile of our higher education leavers may broadly reflect many of the Coast to Capital's traditional labour market strengths, particularly linked to its strong public sector and creative industries. However, both our priority sectors and the Government's own focus is more strongly weighted towards the acquisition of technical and business management skills. (*Coast to Capital Skills Strategy* )

Brighton University is currently leading a series of partner discussion forums relating to HE in the Gatwick Diamond, which may result in identification of infrastructure solutions to improve the range and supply of Higher Level Skills activities in the area.

We support the development of such initiatives to provide innovative solutions to the demands of 21 century skills in the Coast to Capital area.

### Trying to increase performance with one hand tied

The productivity of our region lags behind where it should be and where we want it to be. Our area is no different to the rest of the UK in the way the skills of the female workforce is under-utilised, and in having lower levels of female entrepreneurship than male, and this is a major contributory factor. It is only business sense to tackle the issue as part of our drive to push our performance to meet the best global standards.

*"Despite women's businesses making up just 15% of UK business stock, women's enterprise already contributes c. £130 billion turnover and c. £70 billion gross value added (GVA) p.a. to the UK economy."* <sup>59</sup>

By equalising the labour market participation rates of men and women, the UK could further increase economic growth by 0.5 percentage points a year, with potential gains of 10% of GDP by 2030. And if women were setting up and running new businesses at the same rate as men, we could have an extra one million female entrepreneurs.

The enterprise gap between the US and the UK is largely accounted for by the difference in female entrepreneurship. If the US performance was replicated in the UK, then we estimate it would mean there could be an additional 22,000 businesses in Coast to Capital.

*"There are over 2.4 million women who are not in work but want to work, and over 1.3 million women who want to increase the number of hours they work. We need to unblock this mismatch and optimise the potential for the UK's economic growth."* <sup>60</sup>

In June 2013, the Women's Business Council published a report to government. This highlighted the following areas as key to economic growth and participation by women in the labour market:

- Improved guidance on careers which will include raising aspirations and challenging stereotypes
- Help for parents to ensure their children make well-informed career and subject choices
- A new drive on science, technology and engineering

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<sup>59</sup> WETF - GROWE Report

<sup>60</sup> Women's Business Council Report 2013

- Support for those with caring responsibilities to stay in/return to work where they wish or to set up their own small business
- Support for older workers

### 1) Skills, Training and Careers Advice

The Women's Business Council identified a need to invest in the futures of girls/young women. This includes encouraging more girls to take up non-traditional subjects (notably STEM) that could lead to careers in engineering and IT.

### 2) Progression, Return to Work & Childcare

Women face a significant set of challenges as they seek to get on in the second stage of their careers. The issues centre on the challenges for women of taking career breaks to have children, getting back into the workplace after a break, and balancing advancing their careers with childcare responsibilities.

Women in the middle phase of their working lives are looking to capitalise on the progress they have made, either by securing their positions or looking to move into senior and managerial roles. This is also a time when many women will have children, and can experience a downward shift in status. Three issues are critical at this point: how business manages talent; the cost and availability of childcare; and a working arrangement and culture which gives some degree of flexibility on how long, where and when they work (working time, working location and pattern of working).<sup>61</sup>

### 3. Supporting Older Workers & Carers

Older women can also face particular challenges, particularly in reskilling and retraining, but also balancing work with caring responsibilities. Women in the third phase of their working lives offer tremendous untapped potential and opportunity for economic growth

The UK population is ageing, and the average age at retirement is increasing. This provides a growing resource for economic growth – and for women's financial independence in later life. Key challenges for many women in the third phase of their working lives are to keep their skills updated and learn new skills in order to take advantage of employment opportunities in growing sectors.

### 4. Business Start-up & Enterprise

Enterprise growth is central to this Government's plans to build a stronger economy, through making additional investment available to business, reducing red tape and changing the culture around enterprise in the UK so that more people feel emboldened to strike out on their own. There is enormous potential in women's untapped entrepreneurialism, and the WBC made a strong case for providing more support for women who want to set up their own businesses, identifying a 'missing million' female entrepreneurs.

Enterprise is vital for economic growth, national competitiveness and innovation. If women were setting up and running new businesses at the same rate as men, we could have an extra one million female entrepreneurs. They are currently only half as likely to do this, and they and the economy pay the price.<sup>62</sup>

If the UK wants to grow more women-owned businesses (especially to aid economic recovery), the right support needs to be available for women to access finance and

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<sup>61</sup> Women's Business Council Report 2013

<sup>62</sup> Women's Business Council Report 2013

technology. However, women are still less likely than men to access the kinds of equity and venture capital investments which can help their businesses grow.<sup>63</sup>

**This is what we will do**

Coast to Capital will improve the described positions as part of delivering the proposals in this Strategic Economic Plan.

We will:

- Ensure that there is active support for female entrepreneurship, beginning with our Enterprise in Education initiative, targeting girls and young women in schools, colleges and universities. We will ensure that funding to support self-employment and starting a business includes requirements for providers to help redress the enterprise gap.
- As part of the Social Inclusion strand of the ESIF strategy we will work with partners, particularly those in the third sector, to provide support for families and to address barriers that prevent women from participating in the workforce or self-employment.
- One of the aims of our skills strategy is to improve the careers advice available to young people and to school pupils. We will ensure that STEM subjects and career routes are promoted to girls and young women, and will monitor the take up of apprenticeships and SFA funded provision to assess progress in narrowing the gap between male and female take up and achievement in knowledge-related and STEM skills development.
- As a member of a partnership between healthcare commissioners, providers and stakeholders, we will specifically target the care sector as a major employer of women. In our partnership there is a shared concern to address quality and skills of the workforce, and this is linked to the status of the sector as an employer. We will also seek to pilot micro-enterprise and social enterprise delivery models from domiciliary care which would be well suited to women setting up in business for the first time.
- Through the micro-grant, Business Growth Grants and the Equity and Loan funds we have established, we will ensure that finance for business growth is available to female entrepreneurs and we will; actively promote the availability of our schemes to women.

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<sup>63</sup> GROWE Report

## Skills and Workforce - Our Growth Deal asks and offers

Our Commitments	Our Asks of Government
<ul style="list-style-type: none"> <li>- We will invest £28.8m ESF funding in skills and employment issues over seven years to directly implement the actions proposed in our skills strategy.</li> <li>- We will secure £28.8m match funding from the Skills Funding Agency, DWP, local partners and others.</li> <li>- We will develop with local authority partners a new collaborative approach to helping young people make the transition from education to work, with £5m investment from local authorities and £5m from businesses.</li> <li>- We will put in place a process to ensure that the physical skills infrastructure needed to deliver our skills priorities is planned and delivered in a fair and orderly manner.</li> <li>- We will create 7,254 jobs</li> <li>- We will work with business, the public sector and third sector to narrow the gap between female and male earnings, skills, and enterprise levels.</li> </ul>	<ul style="list-style-type: none"> <li>- To support the development of our workforce, we are seeking:               <ul style="list-style-type: none"> <li>- £10m per year for FE capital investments.</li> <li>- Co-commissioning of national skills services and DWP services.</li> <li>- Skills capital investment in our priority sectors.</li> </ul> </li> <li>- We need some flexibility to use Local Growth Funding as revenue funding to support young people in the transition from work to employment</li> <li>- Advice and guidance needs to be locally tailored and we seek co-commissioning of the National Careers service.</li> <li>- Join us in a targeted drive to address female under-utilisation, particularly in relation to STEM occupations and entrepreneurship.</li> </ul>

## CHAPTER 7: GROWTH IS DIGITAL

*We aim to leapfrog to the next level of digital connectivity – and to take all businesses and communities with us*

### **The Intervention Logic Chain**

Future growth of commerce will rest in part on the adequacy of the digital infrastructure. International trade and connections are as much dependent on digital connectivity as they are physical connections.

The future growth of the Coast to Capital economy will be driven by growth in international trade and collaboration.

The Creative Digital and IT sector is one of the strongest competitive advantages of the Coast to Capital area and Connected Digital Economy is a key focus for our research and technology future.

The successful implementation of this Strategic Economic Plan is therefore dependent on securing digital connections and infrastructure for all residential and employment areas which will allow all businesses to compete internationally.

There are alternative connectivity technologies and Coast to Capital needs to be advanced and competitive in the front runners – particularly mobile technology

Access to employment, learning and economic inclusion is increasingly dependent on access to digital connections. In Coast to Capital we have the highest current concentration of “not-spots” in England.

### **This is what we are going to do**

We will support development of ultrafast broadband clusters in key locations on a financially self-sustaining basis.

We will improve the skills and capacity of small businesses through a development programme so that all businesses can have the opportunity to grow via e-commerce and international connections.

We will support digital inclusion and ensure the complete coverage of the area by the “retail” superfast network, including addressing not-spots.

We will collaborate with other six other LEPs in the GTV6 group and the national 5G Research Centre at Surrey University to improve mobile coverage and exploit the business opportunities of new mobile technologies.

### **OUR GROWTH DEAL**

#### **Our commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £17.4 m from local authorities and other public sector sources;
- £20.7m from the private sector;
- £0.5m from EU funding

Together we will deliver:

- 200 New Jobs directly arising from new e-commerce

**Our ask of Government**

- We seek co-investment from the Local Growth Fund of £3.3m

**Our success indicators:**

<u>Growth is Digital</u>	<u>2010 Baseline Coast to Capital</u>	<u>2020 Target</u>
<b>Percentage not receiving 2mbs*</b>		0%
East Sussex County	15.6%	
Surrey County(all districts)	13.7%	
The City of Brighton and Hove	8.0%	
West Sussex County	13.3%	
<b>Average Speed mbs*</b>		50mbs
East Sussex County	6.7	
Surrey County(all districts)	7.4	
The City of Brighton and Hove	9.3	
West Sussex County	7.3	
<b>* 2011 base line</b>		

Coast to Capital has consistently backed the need for high speed broadband connections to all parts of the region. The need for international business class digital infrastructure has been backed by businesses and all our partners and stakeholders, including most recently the Coast to Capital Forum in March 2013. Partners from all sectors have consistently put digital infrastructure at the top of the priority list of key enablers and drivers of growth.

**Current position**

Coast to Capital has supported the implementation of the BDUK approach to broadband, and the procurement by upper tier authorities. However, there are indications that it is time for Coast to Capital to further develop our approach.

The BDUK process is now in place and the roll-out will happen with no need for Coast to Capital input. West Sussex County Council, Surrey County Council and Brighton and Hove City Council are investing £26m alongside £7.6m from BDUK and £19m from BT. This will give coverage of a basic Superfast network to 95% of locations in our region by 2016.

This is welcome and will provide the minimum foundation for domestic and basic business connectivity. The superfast network will provide a "retail network" through which businesses can market and sell digital services and conduct e-commerce. It also provides a network which is adequate for the needs of many businesses.

However, there are two remaining issues:

- The network will not reach 100% of the area, leaving some rural areas unconnected, which are an important location of home based and other businesses.
- BDUK will not necessarily deliver international class business connections – in particular the connection is not symmetrical and upload speeds will be much slower than download – it is in many ways a domestic/residential network.

Further, BDUK roll-out is taking place at a measured pace. If we view digital connections as a competitive factor, we need better connectivity than other areas and countries, and sooner.

Coast to Capital needs ultrafast broadband for businesses at the highest international standards sooner than BDUK can deliver it for two main reasons:

- We are positioning ourselves as a significant international location for business, one of the most attractive and productive areas in Europe. We must have digital connectivity for business at the highest levels for this to be credible.
- The Creative Digital and IT sector is one of our fastest growing sectors; our research and technology future will rest in part on connected digital technologies. Both these require businesses to be able to connect with researchers, innovators, customers, suppliers, and collaborators via a top class digital infrastructure. Our creative digital and IT sector can only be sustained against increasing global competition by ensuring that the region is able to supply "future-proofed" infrastructure, particularly regarding vital high speed communication and internet access. In addition, SMEs and larger companies need to be given the opportunity to form support networks to share innovative practice, encourage new start up and also to connect to national hubs of innovation such as Tech City and the Connected Digital Economy Catapult in London (CDEC).

We also regard it as important to fill in the not-spots in the rural areas which will be left by the BDUK roll-out to ensure all businesses can benefit from baseline connectivity and to tackle rural isolation and digital exclusion. By increasing the scope for people to work from home and reducing the need to travel, access to broadband also has benefits for the wider environment and supporting sustainable development.

### [A new approach](#)

Our approach is based on developing new self-help, financially sustainable models for both business class connections at 100MBPS in key business locations and to provide a means for isolated areas to get coverage not provided for by BDUK.

Coast to Capital and its partners will set up a new finance facility and offer pre-designed delivery models for any group of businesses which wants to set up an Ultrafast cluster, or a community outside BDUK network, to take control of their own connections, on commercial terms, but under their own control and timing.

For international class business connection, 100MBPS download and high upload speeds is the core offer they need to have in place (compared to the BDUK's 90% to get 24MBPS download and slower upload). Providing a network of this capacity in key business locations

will boost the ability to attract and retain businesses, particularly faster growing and innovative businesses. Key locations might include, for example our primary business locations such as Brighton – for the CDIT sector; Manor Royal; Greater Gatwick; and central Croydon.

For the less developed opportunity areas the provision of such digital connections would be an important part of turning the trajectory of their local economy, helping to attract new business and a younger work force. Enterprise Zone candidates such as Enterprise Bognor Regis and Newhaven together with coastal towns seeking to make the most of the economic opportunities such as Littlehampton, Worthing and Lancing could be potential locations.

For isolated rural areas or other business clusters, a collaborative approach will offer them the opportunity to get ahead or to get a connection they otherwise might not have access to for example rural communities, small clusters of businesses – eg industrial estates – and market towns

### How it would work

We will develop and replicate three models of self-establishing, self-sustaining Ultrafast or Superfast clusters or communities.

**A:** Business cluster based on a digital exchange to serve a very tightly located business community, a high proportion of who will need Ultrafast connectivity for essential competitiveness, and who would expect to pay a premium for the service as an acceptable cost of being in business.

Brighton Digital Exchange is a model we will consider. As part of Greater Brighton City Deal, partners are re-tasking the Ultrafast funding for Brighton already awarded to establish a new digital “exchange” will be installed in the New England Quarter to provide high capacity connection which will be of particular benefit to the CDIT cluster in that area.

**B.** A social enterprise model where businesses come together to create a vehicle to bring Ultrafast capacity broadband to tightly defined business locations and which will act as the provider on a self-financing basis.

Digital Caterham is the model we seek to replicate. A new social enterprise is to be established with help from our GPF fund to bring high capacity digital connections to three primary business locations in that area.

**C:** Existing business led organisations which create a new Ultrafast offer for their members, such as Business Improvement Districts (BIDs) and chambers.

Crawley's *Manor Royal* BID Company is the model we seek to replicate. The BID is taking the initiative in bringing faster, higher capacity digital connection to their constituent businesses, investing £160,000 to ensure complete fibre coverage for premises on the estate.

Each of these approaches is based on a business model which buys digital capacity upstream from a market of well established suppliers and sells it downstream, with a suitable means of distribution, which might be fibre, wireless, infrared, LED or satellite or other emerging technology. The business model works because it is based on a small area,

tightly located consumers who have a pre-identified wish to buy-in to the service, whereas BDUK has to cover 90% of the whole area for potential customers not yet identified.

For rural communities we would develop a version of the social enterprise model for clusters of businesses which wish to collaborate to deal with not-spots. Either extending the fibre network or use of wireless, microwave, infrared transmission would be considered.

To fund these new approaches we intend to create a Digital Infrastructure Fund specifically designed to offer small scale loans to support the groups and clusters to set up and get their business model established. It would operate within HCA guidelines for lending and be state aid compliant. The financial offer would be pre-determined and offered on a fixed package of terms and conditions to reduce the negotiation and appraisal costs. Typically the offer would be a loan of £50,000 over three years.

### **Take up campaign**

Not enough SMEs are using broadband connectivity and e-commerce for competitive advantage. In parallel with investment in digital infrastructure we will also promote a campaign to increase usage by SMEs and support specific intervention programmes. A report by Surrey Connects these might include:

- Develop digital skills (and improve existing local provision to meet needs)
- Use/demonstrate benefits and opportunities from superfast/ultrafast connections
- Actively champion digital transformation
- Events and signposting
- Embed digital youth -work with organisations to promote digital citizenship
- Share best digital practice
- Inspire digital innovation -open online hangout once per annum to enable discussion about tissues and problems between SMEs
- Awards to recognise and celebrate SMEs who have transformed their business by going digital
- Create a digital market place -encourage and support capacity building among local providers to deliver digital support to SMEs
- Provide expertise from local suppliers
- Digital discussion and debate

### **Mobile technologies**

Currently, a number of business locations in Coast to Capital do not enjoy good mobile coverage and this reduces productivity and makes those areas less attractive for inward investment. We will press for the planning environment to allow the necessary infrastructure to be put in place.

However, we believe a better focus is to begin early development of future mobile technologies – mainly 5G. The national 5G Innovation Centre (5GIC) for Future Mobile Communications and Internet Technology is based at Surrey University. Coast to Capital is proposing to collaborate with six other LEPs to support research and SME access at the 5GIC.

Collaborative LEP funding will create:-

- Access for businesses from the region to the unique 5G Development and Test Bed facilities at equivalent rates to those applied for the major company partners of the 5G Innovation Centre. This represents access to facilities which will receive £65m

investment from founder industry partners and HEFCE over the next five years as well as planned bids for up to £100m in R&D collaborative funding from EU Horizon 2020, UK research councils and Technology Strategy Board (TSB).

- Engagement for businesses in 5G Innovation Centre research and development programmes and networking events. LEP companies will have the opportunity to make input to future developments and standards connected with emerging 5G Mobile Communication, internet technologies and standards.
- Training to latest digital technologies, regulations and policies related to all the vertical and horizontal sectors.
- Access to world class R&D collaborations which will include UK government funded programmes as well as extensive European Horizon 2020 funding.
- Access for small or start-up companies to the University of Surrey’s specialist Communications business incubation facilities which includes access to a world class business angel and venture capital network.

This initiative will allow companies in the region to leverage off the collective strengths of the 5GIC, Connected Digital Economy Catapult, and Tech City and will drive research and innovation to maximise impact and accelerate delivery through economies of scale achieved by joint staff appointments and shared facilities. The 5GIC will form a major a technology hub for SME’s allowing them to access state of the art innovation and training opportunities. A key element of the 5GIC’s strategy will be to understand and support the value chains of its industrial partners

### Growth is digital - Our Growth Deal asks and offers

Our Commitments	Our Asks of Government
<ul style="list-style-type: none"> <li>- Local authority partners will complete the implementation of the investment in the BDUK roll-out (£35m from local authorities and £20m from BT)) to cover 95%of area in super-fast broadband by 2016.</li> <li>- We will develop self-sustaining, replicable models for ultrafast connectivity for business clusters and key locations</li> <li>- We will work with any rural not-spot or community to bring ultra-fast broadband through aggregating demand.</li> <li>- We will collaborate with other LEPs and the national 5G Research Centre to improve mobile coverage and exploit the business opportunities of new mobile technologies</li> <li>- We will invest up to £1m of ESIF funding in developing e-business skills for SMEs</li> <li>- We will invest ESF funding in tackling digital exclusion</li> </ul>	<ul style="list-style-type: none"> <li>- Co-investment of £1m to establish a rotating fund to support Ultrafast clusters</li> <li>- The Government will earmark 20% (£635k) of funds already won by the Greater Brighton City Deal for ultrafast broadband to install a digital exchange in New England House.</li> </ul>

## CHAPTER 8: HOUSING AND STRATEGIC INFRASTRUCTURE

*We need to bring forward housing in order to meet the needs of a growing economy*

### **The Intervention Logic Chain**

As the population rises and we achieve economic growth there will need to be an increase in the number of homes available to buy and rent

Sustainable economic growth cannot be achieved without there being homes which people in all communities and at all levels can afford to rent and buy.

In Coast to Capital there is currently a market failure –there is strong demand for housing at all levels, but the supply is not able to meet it. In all districts but one the multiplier of average earnings to afford an average priced home is 10 or over. People in intermediate occupations increasingly cannot afford to live in this region.

The shortage of housing which people can afford to rent or buy is a barrier to growth because it is not possible to attract the younger workforce and older skilled workers and their families.

### **This is what we are going to do**

The Planning Authorities will set the planning framework for the level of housing growth that can currently be accommodated, collaborating across boundaries and agreeing joint statements.

Together with our partners we will actively explore any new approach to meeting housing needs.

Coast to Capital will invest in infrastructure including transport and flood defences to bring forward existing permissions which are blocked and to enable an increase in new permissions

Coast to Capital will bring together new financial instruments, public and private assets and investors to create new tenure types and to bring more funding forward.

Communities will be enabled to propose their own housing solutions including Community Land Trusts and self-build initiatives.

### **OUR GROWTH DEAL**

#### **Our Commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £ 54.3m from local authorities and other public sector sources;
- £ 655m from the private sector

Together we will deliver ***in addition*** to the new homes included in Chapter 3:

- 2,000 New jobs

- 7,331 Homes
- 103,000 Sq metres of employment space

**Our ask of Government:**

- We seek co-investment from the Local Growth Fund of £48.4 m

**Our Success Indicators**

<u>Housing and Infrastructure</u>	<u>2010 Baseline Coast to Capital</u>	<u>2010 Baseline South East Region</u>	<u>2020 Target</u>
<b>Net Additional Homes Provided per 10,000 WAP</b>	37.2	40.6	Match SE level
<b>Annual Completions</b>	4350 (10 year average)	NA	5,400

**The role of housing in growth**

Housing has a significant role in driving the composition of our future workforce - there is an intrinsic link between housing supply and labour market composition. Growth of affordable and entry-level housing can help replenish the local labour market, attracting and helping to retain a younger workforce. Offering a choice and mix of higher-end properties can attract and retain an enterprising, high-skilled labour force. Having the right mix of housing in the right location benefits the economy through improved labour mobility and better work incentives. The Homes and Communities Agency (HCA) suggests that housing quality is a significant explanatory variable associated with levels of worklessness and GVA per employee at a local level.

Conversely, a lack of market access for new entrants could constrain the replenishment of the labour pool, creating recruitment difficulties and skill shortages – an issue which has real implications for growth potential among businesses and the economy as a whole.

Furthermore, reduced access to local housing may force longer distance commuting patterns, increasing congestion, placing further strain on our infrastructure assets and limiting the competitiveness of the Coast to Capital area.

Housing also plays a significant role in wider economic and labour market dynamics and is a key driver for growth. The house building industry is an important aspect of the construction industry and a significant contributor to the international flow of trade in construction materials. Fluctuations in housing construction therefore have macro-economic consequences; with evidence suggesting that long-term investment in house building can have beneficial effects on the supply side of the economy and can help raise growth rates.

## Our current position

Our ability to compete and our prospects for growth are being hindered by housing pressures. Similarly to much of the South East, a long standing under-supply of stock and high demand has fuelled increased house prices which has reduced our attractiveness as a place to reside in and has prevented potential future workforces from entering into the housing market.

The rate of housing completions is a national and regional issue. We have increased our stock by 2.4% over the past 5 years, constructing some 19,800 new builds, which has helped ease demand pressures.

However, employers have consistently told us that a shortage of housing which people can afford to rent or buy is a constraint on their ability to attract mobile, well qualified workers who have a choice of employment and who will tend to move to areas where they can afford to live. Eventually, the housing market will choke growth.

### **High demand, high prices**

Macro-economic market conditions are the strongest driver of house prices in Coast to Capital, but there are also LEP wide and local-level factors influencing housing markets and impacting on the potential for growth. Across Coast to Capital, the mix and type of properties available and differing levels of demand across the area are impacting on growth potential. This has resulted in:

- **Higher than national average house prices** – Most local areas in Coast to Capital have consistently higher than national average quarterly median average house prices and no areas have seen average house prices that are significantly below the national average this century. Following the national trend, Coast to Capital saw significant growth over the decade up to the recession, followed by sharp declines in house prices towards the latter end of 2008. The market has slowly recovered from its 2009 lows, but growth rates have for the most part been outstripped by inflation, meaning that real time housing market performance has been relatively static. This prices out potential workforces and limits our ability to retain workforces across all sectors.
- **High levels of unaffordable housing stock** – A key measure of housing affordability is the number of individual incomes required amongst the lowest 25% of earners in order to afford to buy the cheapest 25% of houses outright. In 2012, all but one local area in Coast to Capital had a worse affordability ratio than the average ratio for the wider South East Region and England, with the exception of Crawley. It would take over 12 of the lowest 25% of incomes in Tandridge to afford to buy the cheapest housing; this is almost double the average for England (6.59). Indeed, 7 of the 14 boroughs / districts have lower quartile affordability ratios of 10 or above, which far exceed wider averages. Reduced access to the market is having a significant impact on the ability to retain young people, graduates and young families in our communities, all critical to maintaining and growing our talent pool.
- **Relatively high demand throughout recession** – Sales volumes are an accurate indicator of demand for housing. Coast to Capital increased its proportionate share of national sales through the recession period. This suggests that sales did not fall within the area as much as would be expected nationally, which shows signs of some housing market resilience and continued demand for housing. There were 2,200 sales in the first three quarters of 2012 across Coast to Capital, which was roughly the same level as the first three quarters of 2008. Although significant falls in sales were experienced during

the national slump – between late 2008 and through 2009/10, when compared to figures for the nation the area was relatively buoyant.

Over the past decade, the impact of higher house prices which outstrip earnings has placed significant pressures on social housing providers and residents on lower earnings. The number of households on housing waiting lists increased by 90% over the decade to 2012, when Coast to Capital had over 50,000 households on housing waiting lists. This has particular implications for filling jobs in lower-waged employment sectors. Such jobs are important to supporting a mixed business sector offer and sustainable communities.

There are also internal localised differences in housing market conditions within Coast to Capital, reflecting our diverse housing offer, but also limiting growth in areas where employment growth potential is highest. This has some bearing on the choice of locations available for different types of buyers, an issue which is driving and steering labour supply. In turn this may price out potential workforces from locations that are key drivers for growth and where additional workforces are needed most. Creating the conditions for relocation will be important in easing congestion, the unwanted effects of a successful economy.

The most notable local level disparities in housing market conditions include:

- **Higher house prices in areas on the fringe of London** - All authorities on the fringe of London show a stronger market performance than remaining areas in the LEP area. This has significant ramifications for the growth potential of some of our key locations for growth.
- **Lower house prices in coastal areas** - Authorities in the Coastal Corridor are among those with the lowest average house prices, with the exception being Chichester where average house prices are skewed by a greater presence of detached housing. Increasing the relative desirability of these areas to live will help attract future workforces to some of our key employment growth areas at Newhaven and Shoreham.
- **Urban/Rural disparities** – House prices are significantly higher in rural areas, reflecting the desirability of our market towns and villages, but also reflecting the limited potential for development within outlying settlements due to environmental sensitivities. While our core growth areas are primarily urban, outlying settlements will continue to function as an important source of higher skilled labour supply. Growing the size of our higher-skilled workforce will require high quality accommodation in rural areas.

The product of heightened demand has been a significant increase in house prices that outstrips real time earnings in Coast to Capital. The effect of this has been the continued pricing out of the market for new entrants – it currently takes around 10 years of intermediate income to afford to buy a lower order house outright, significant higher than averages across the South East and England. This has implications for the size and composition of our labour pool.

### **Demand outstrips supply**

In the Coast to Capital area, interim findings from ONS/CLG suggest that we will need to accommodate an additional 95,000 households between 2011 and 2021 in order to satisfy future demand, as an additional 190,000 residents are expected in the Coast to Capital area. This increase in demand is being driven by a combination of natural growth (births and deaths) and net migration. While some of this provision will be satisfied through conversions and making better use of existing stock, we will need to significantly increase the levels of house building to ease market pressures.

Local authorities across Coast to Capital have worked hard to identify housing provision that could realistically be brought forward for development over the next 20 years as a part of

their emerging Local Plans. They have identified potential sites with a capacity to deliver some 62,800 new builds over the first 10 years of their Local Plan period, and 98,851 new houses up to 2031. Over an assumed 20 year period (say 2011-2031), this equates to roughly 5,400 new houses constructed annually, compared to the figures of 4,350 new dwellings completed annually over the past decade.

The mismatch between demand and supply reflects a lack of developable land and current uncertainty in future market conditions, as we emerge from recession. Our constrained capacity for housing growth in part due to significant proportions of greenspace protected under environmental legislation, which adds to the attraction of Coast to Capital as a destination, but also constrains growth.

### **The Housing Challenge**

The availability of a diverse and affordable range of housing stock is a critical factor in our economic success. There is a need for a broad based and sustainable answer – the housing market left solely to its own devices is unlikely to deliver an answer to the challenge. While an increase in supply is clearly necessary in the Coast to Capital area, the creation of new stock alone is not the solution. Specific challenges for all partners include:

- Bringing back into use vacant stock;
- Making the best use of current stock and the provision of appropriate housing for an ageing population;
- Challenging existing views on density;
- Providing viable housing for young workers and new families;
- Challenging the market to create new types of tenure;
- Getting approved development off the ground; and,
- Ensuring an adequate pipeline of new development sites exists.

Housing investment has the potential to support and influence outcomes across a number of priority themes in the Coast to Capital region– notably in relation to spatial growth, sustainable development, labour and skills supply, low carbon development and transport strategy.

Failing to address the availability of the right types of housing, ownership mechanisms and cost will have a long lasting and negative effect on the Coast to Capital economy. We therefore promote a sustainable approach that:

- Seeks to assist with current local policies to make best use of existing stock;
- Actively seeks funding to assist with enabling infrastructure to get stalled development moving;
- Recognises the need for a significant injection of new starts;
- Supports innovation and research in ownership and funding mechanisms to address “the missing rungs at the bottom of the property ladder”; and,
- Seeks mechanisms which address the housing challenge to support local authorities.

*"Hargreaves welcomes the publication of Coast to Capital's Strategic Economic Plan, and regards this an important contribution to fostering and supporting economic growth and development throughout the area.*

*Hargreaves notes, and agrees, the Sep's acknowledgement that future economic development in the LEP area is significantly affected by the limited supply of land for employment development. This is compounded by a similar deficiency in housing land supply. These constraints are particularly evident in the Sussex Coast area. These limitations increase the need to make optimum use of limited land resources to support growth and economic development".*

Rob Huntley

Hargreaves Group

### **Infrastructure and finance to unlock housing sites and growth**

We plan the following specific investments in infrastructure from a combination of Growing Places Funding and Local Growth Fund to unlock specific housing sites and developments:

<b>Site/Development</b>	<b>Number of houses</b>	<b>Investment</b>	<b>Leverage</b>
Newhaven – Flood defences City Deal agreement	331	LGF - £1.5m SELEP LGF - £1.5M	Environment Agency - £6m Other public £0.4m Private sector £0.5m
Shoreham – Flood defences City Deal agreement	2,320	LGF - £9.5m	Environment Agency - £18.7m Private Sector - £9.2m
Toads Hole Valley – transport access and CHP	700	£19m	Public – £420,000 Private - £5m
Brighton Housing Regeneration - new borrowing powers	500	£1m LGF Re-negotiation of the lending cap	
Croydon - Housing Employment Development Initiative	460	£4.75m	Public – £23.7m Private - £121m
Croydon Opportunity sites	402	£15m LGF	Public - £6.6m Private - £86.0m
Creative Croydon: Live/Work Units	120	£19m LGF	Public – £1.5m Private - £16.9m
Croydon Regeneration Investment Fund	2,500	£10.7m	Private - £10.7m
Tangmere – waste water infrastructure	2,500	-	Private – £10.7

Each of these housing developments are linked to the priority areas set out in Chapter 3.

**NB – The Flood Defence schemes for Shoreham and Newhaven have been signed off as part of Greater Brighton City Deal**

## New community based approaches

Together with Action in Rural Sussex and the South Downs National Park, Coast to Capital has been developing a model for a community based approach to increasing house completions in rural areas based on **Community Land Trusts**.

Community land Trusts (CLTs) are a means by which communities can take ownership of local development to meet local housing and economic development needs. In many cases the ownership by the community of both the pre-development process and the assets that are created results in a very 'sustainable' approach that may include other connected initiatives such as local recycling facilities, combined heat and power provision, recreational facilities etc..

Where CLTs have been most successful there has often been a local voluntary CLT in the community where the development is taking place and also a CLT umbrella organisation that provides professional support to a pipeline of community led schemes at a County level. In order to meet community needs, especially in relation to affordable housing, most CLT schemes rely on an initial subsidy in the form of land made available at low cost or already in public ownership. Beyond this, schemes vary widely depending on the balance between public money and loan finance that is needed to make the scheme work. The end result is usually a mix of a small amount of open market housing, shared equity housing and socially rented housing. In addition many rural, community led schemes also include small business units; vital in maintaining and stimulating job creation. As Mathew Taylor MP said in his landmark report, entitled Living, Working Countryside:

*"If we fail to build the affordable homes to enable the people who work in the countryside to live there we risk turning our villages into gated communities of wealthy commuters and the retired."*

The major difference between rural schemes and more urban ones is the need for very extensive pre-development work which is required to fund the costs of working up a planning application, procuring construction and raising further finance for the project. Being able to fully demonstrate the high quality and sustainability of the proposed developments is also essential in terms of winning the support of the key stakeholders concerned; Parish Council, local residents, landowners, planners and other interests (in much of Coast to Capital's area this will include the South Downs National Park). This pre-development work is an essential pre-requisite and cannot be bypassed without risking an insurmountable 'NIMBY' voice that will stop the project in its tracks. It is also an expense that cannot be capitalised into the overall scheme costs.

Action in Rural Sussex (AiRS) have set up a CLT umbrella organisation funded by both the Coast to Capital LEP and the South Downs National Park (SDNPA) which provides a local source of technical advice and support to emerging CLT groups in the area and its rural housing specialist is leading the pre-development work. AiRS has established an Advisory Group of people with specific expertise who, through their networks, can support the development of local CLT initiatives. This will make the most effective use of existing strong relationships with housing and planning officers in the District Councils and the SDNPA.

Negotiations are underway with the National CLT network and other regional CLT umbrellas about a third tranche of funds - via a national single bid - to support the Umbrella with bridge funding before it becomes financially sustainable.

At present there are two local schemes in the pipeline. One of these is just within the National Park on the edge of a significant settlement at the centre of the Park, the other is outside the Park in Handcross in Mid-Sussex.

The interest in this approach is growing in the rural parts of our area and it should be possible to develop a pipeline of projects requiring modest amounts of loan finance that could stretch forward several years. The two projects currently in hand are likely to be ready for finance during 2014.

It is proposed that Coast to Capital will establish a £3 million revolving loan fund which would be for two purposes:

- a. For pre-development costs in order to unlock community led
- b. For development funding post planning to complement commercial loans in order to make schemes happen.

This fund would be overseen and directed by the Sussex CLT Umbrella and would be operated on a day to day basis by an organisation with experience of managing funds of this nature and scale.

By way of comparison Cornwall County Council has allocated £4m to the CLT umbrella organisation to be used in this way; which has proved to be very successful in delivering a pipeline of CLTs in the area.

We will also pilot with the Forestry Commission a **self-build homes** initiatives which used locally supplied timber.

### **Build to rent**

We will explore new approaches to Build to Rent, working with the Homes and Communities Agency, other public sector asset holders and with private sector developer and institutional investors. This will be an exemplar of our ability to draw in new partners to investments, and will fully explore the ability of public sector bodies to pool assets and resources.

For example, West Sussex County Council has approved an enabling policy that allows it to selectively acquire land, as well as directly develop its sites for private rented housing or sale, employment purposes or other uses. A pipeline of projects is being formulated with a number of schemes already at outline or detailed planning stage.

### **State aid compliance**

The use of grant funding needs to be State aid compliant and therefore investment in housing sites that are owned by the private sector or Community Land Trusts will need to be designed in such a way as to comply with State-aid exemptions where they apply. This includes the General Block Exemption Regulation (GBER), particularly as it relates to intervention rates for SMEs and the Support for Land Remediation Scheme (SLRS) as it relates to aid to bring brownfield land back in to productive use.

Infrastructure works such as flood mitigation and highways or other transport investments may also be classed as general infrastructure delivering public benefit with multiple beneficiaries and could therefore be considered to be outside of State aid parameters.

### Support for collaboration in local delivery

As the Government's national housing and regeneration agency, the HCA is working with Local areas in Coast to Capital to draw up Local Investment Plans (LIPs) that reflect local priorities for action and investment. First stage LIPs were produced in 2011 and have since been updated by most authorities to reflect changes in national housing policy and local market circumstances. A number of authorities have taken a joined up approach to identifying housing supply up to 2015, identifying a pipeline of investments in each local area.

The HCA has recently published a prospectus (January 2014) for its next stage Affordable Homes Programme 2015-2018. The programme seeks to increase the net supply of affordable homes across England – seeking to deliver some 165,000 homes over the period. The HCA are currently inviting bids to draw down funds from the £3.3bn programme. £2.9bn of grant finding is available outside of London (administered by HCA) and a further £1.7bn of grant funding will be available in London (administered by the Greater London Authority).

### Housing and strategic infrastructure - Our Growth Deal asks and offers

Our Commitments	Our Asks of Government
<ul style="list-style-type: none"> <li>- As part of City Deal we will invest £1.5m in flood defences in Newhaven and £9.5m in Shoreham; we will secure £10m contributions from public and private partners, leading to 331 new homes at Newhaven and 2,230 at Shoreham</li> <li>- With partners we will raise £52m of public sector match funding and draw in £644m investment from the private sector to deliver a further 6,906 homes</li> <li>- Southern Water and Chichester District Council will complete the Tangmere waste water treatment facility to allow 2,500 new homes to be built</li> <li>- Our house building programme will create over 2,000 jobs</li> <li>- Coast to Capital will bring together new financial instruments, public and private assets and investors to create new tenure types and to bring more funding forward.</li> <li>- Communities will be enabled to propose their own housing solutions including Community Land Trusts and self-build initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>- Environment Agency to invest £6m in flood defences at Newhaven; £17.5m in Adur Tidal Walls at Shoreham; and £1.2m in Shoreham Western Harbour Arm scheme.</li> <li>- Allow the raising of the HRA borrowing cap, where it is viable to do so, facilitate the delivery of the housing estate regeneration programme which aims to create up to 500 new homes in Brighton &amp; Hove</li> <li>- Invest £48m of Local Growth Funding</li> <li>- Support to secure OfWAT approval of the Tangmere Waste Water investment</li> <li>- Greater co-design of housing programmes with HCA, making more effective use of resources from across the public and private sectors.</li> <li>- An urgent review with Government about unfettered use of Permitted development rights and the creation of better controls which are determined at local level.</li> </ul>

## CHAPTER 9: RURAL GROWTH

*Rural areas will contribute to growth and must also benefit from it*

### **Intervention logic chain**

Approximately 20% of the Coast to Capital population lives in rural areas, and around 22% of our businesses are located there. Within our rural areas are the South Downs National Park and three Areas of Outstanding Natural Beauty.

The rural areas contribute significantly to our economic success – and not just in terms of land based industries and tourism. A number of significant businesses are based in rural areas, across a wide range of sectors – including manufacturing – and there are very many home based businesses.

However, there are a number of specific challenges that we need to respond to if we are to ensure the rural economy remains healthy and fully shares in the growth we are planning (e.g. access to education and job opportunities, digital exclusion and high house prices).

### **This is what we are going to do**

Every initiative throughout this Plan is applicable to rural areas – we will ensure that all our programmes are “rural proofed”.

We will introduce specific initiatives to tackle specific problems that only impact on rural areas:

- Establishing rural business networks
- Supporting rural enterprise including a new wood fuel initiative
- Addressing transport in rural areas
- Ensuring broadband reaches all parts of rural areas
- Support for rural tourism

### **OUR GROWTH DEAL**

#### **Our commitments:**

Over six years from 2015/16 to 2020/21 we will invest:

- £ 3.8m from local authorities and other public sector sources;
- £3.8m from EU Funding (EARFD)

Together we will deliver:

- 116 New Jobs
- 156 Homes

#### **Our asks of Government:**

- We seek co-investment from the Local Growth Fund of £0.8 m

## The importance of the rural economy

A large part of the Coast to Capital area is rural. The majority of the South Downs National Park (62%<sup>64</sup>) is within our boundaries, along with Chichester Harbour Area of Outstanding Natural Beauty (AONB) and significant parts of the Surrey Hills and High Weald AONBs. Approximately 20% of the land mass of Coast to Capital has AONB designation<sup>65</sup>. There are already two Local Nature Partnerships established which cover the whole of the counties of Surrey and Sussex. Across the LEP as a whole, nearly 27% of the population lives in rural areas. Out of the thirteen local authority districts and boroughs and the city of Brighton and Hove in the LEP<sup>66</sup>, six are classified as rural according to Defra's urban/rural classification system:

- Chichester and Mid Sussex are in the Rural 80 i.e. at least 80 per cent of the population lives in rural settlements and larger market towns.
- Horsham, Lewes and Tandridge are in the Rural 50 i.e. at least 50 per cent but less than 80 per cent of the population lives in rural settlements and larger market towns.
- Mole Valley is classified as Significantly Rural i.e. more than 26 per cent of the population lives in rural settlements and larger market towns.

The countryside is an important economic as well as a social asset and, although the quality of the natural landscape is very high, it would be wrong to assume that the rural business population is small or that it mainly consists of agricultural enterprises. Across Coast to Capital as a whole, 21% of businesses are based in rural areas but in the six rural districts, this ranges from 28% in Mole Valley to over two thirds (69%) in Horsham.

The rural business population is much more sectorally diverse than is often assumed. Although the six rural districts contain a higher percentage of Agriculture, Forestry and Fishing enterprises at 4.74% compared to 2.54% for Coast to Capital as a whole the rural sectoral make up is broadly similar to that of the urban business population although there is a higher percentage of production businesses in the rural districts than in the predominantly urban ones (5.83% compared to 5.15% in the LEP as a whole)<sup>67</sup> and the manufacturing sector is the second largest sector in terms of employment in the rural districts.

Rural areas have very high levels of home based businesses, well over 50% of all businesses in some localities. Future housing provision should meet the needs of the increasing trend toward home working in rural areas and be sensitive to changing lifestyles and ways of achieving both a good work life balance and a long term portfolio working life.

The rural economy also contains important specialist industries such as horticulture and viticulture, supported by specialist land-based colleges such as Brinsbury and Plumpton and organisations such as West Sussex Growers Association. The rural area contains major employers such as Rolls Royce Motors in Goodwood and Tesla in Storrington but also large numbers of self-employed and home based businesses. The diversity of the rural economy demonstrates the need for a rural development strategy that reflects and supports this diversity.

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<sup>64</sup> Source: 'Consultation on the membership of the future South Downs National Park Authority' SDNP 2009

<sup>65</sup> Source: Joint AONB response to the ESIF consultation draft, November 2013

<sup>66</sup> The County Councils of Surrey and West Sussex have not been included as the Defra's urban rural classification applies only to districts, boroughs and unitary authorities

<sup>67</sup> Source: IDBR 2012

The visitor economy is very important to Coast to Capital, which is well placed to take advantage of this sector; as well as its extensive natural assets, the LEP area has a mix of leisure and cultural activities, is close to London and has good transport connections. Although the visitor economy is an important sector in economic terms, its growth is not without impact on the environment. There is a balance to be struck between promoting the area as a visitor destination to stimulate growth in the visitor economy and preserving the assets that attract visitors in the first place.

Woodlands are a major and currently underutilised asset in Coast to Capital. The South Downs National Park is the most wooded national park in England and Surrey is England's most wooded county, yet the potential commercial volume of wood is underutilised. There is scope to support the rural economy through woodland enterprise development which can, if managed correctly, protect forests and encourage biodiversity.

In summary, the rural economy is growing, is sectorally diverse and is increasingly knowledge-based. There is scope for further development through supporting business growth through, for example, rural manufacturing woodland enterprise and the visitor economy without damaging precious natural assets. Rural businesses require additional support and supply chain development to realise this potential as they can miss out on the benefits that urban businesses enjoy such as the presence of networks and clusters, proximity to customers, markets and transport hubs. Many services, including business support and training, tend to be concentrated in urban areas, as are the larger pools of skilled labour, and rural businesses can find it more difficult to access the employees with the skills they require for growth. Generally, there is a shortage of premises for expansion, rural broadband connections are often much slower than urban ones and can be unreliable and peer-to-peer networking opportunities are limited. There are also socio-economic issues in rural areas; for example, isolation among some resident communities which can be hard to identify and the dispersed rural population is harder to reach with services. Those who rely on public transport can be disadvantaged in accessing employment and learning opportunities.

One of the principles underlying the Government's approach to sustainable development is that growing the economy and improving the environment can be mutually supportive. We recognise that our natural capital is an essential part of our productive economy and will support growth in our rural economy whilst continuing to improve our environment.

The two land-based colleges (Plumpton and Brinsbury) have a key role to play in skills development for the rural economy, in particular for the sectors mentioned above. In addition, the colleges need to be integrated into efforts to compensate for the Government's decision not to extend the Seasonal Agricultural Workers Scheme. This decision carries the risk that growers in will be short of the skilled workers they need to pick and process their crops.

### **The Rural Growth Challenge**

There are a number of specific challenges that we need to respond to if we are to ensure the rural economy remains healthy and fully shares in the growth we are planning:

- Access to education and learning constrained by poor transport
- Access to jobs likewise constrained
- Difficulties with the movement of goods and business people
- Pressure on the road system and tourism hot-spots from visitors

- Dispersal of employment over a number of smaller sites making it more difficult to develop cluster and collaboration
- Digital exclusion
- Isolation of some communities and individuals, particularly those who are not in employment
- High housing prices and costs excluding first time buyers and young people

To meet the challenge we are developing with partners a number of interventions and investments:

- Support for rural businesses:
  - Rural business networks
  - Business premises and clusters
- Bringing together the Arun Valley line locations into a dispersed strategic business location with associated planning and priority for investment
- Support for land based businesses from EU funding including locally managed LEADER groups
- Sector support for the horticulture and tourism sectors
- Ultrafast Digital clusters via a social enterprise model
- New initiative to support biofuels and woodfuel and use of forestry products in collaboration with the Forestry Commission and EM3 LEP
- Support for tourism in rural areas

Support for rural residents, workers and learners:

- Rural transport packages to improve rural connections
- Support for rural learners via the European Social Fund

Support for rural communities:

- Increasing supply of housing via Community Land Trusts
- Piloting cheaper self-build homes using locally sourced materials
- Support for community based rural broadband initiatives
- Rural transport packages

### **Wood Fuels – sustainable rural enterprise joint investment by Coast to Capital and Enterprise M3 LEPs**

Woodlands (160,000 hectares) are a key rural asset within the EM3 and Coast to Capital LEP areas. The South Downs National Park is the country's most wooded National Park, Surrey is England's most wooded county and the New Forest has some of the most biologically significant woodland/heathland habitats in Western Europe.

At least half this woodland could become much more productive supporting new jobs and businesses whilst also improving biodiversity. By including Woodland Enterprise in the Strategic Economic Plan it would be possible to encourage end to end investment in the timber and wood to warmth supply chain based on mobilising production from just 35% of the existing woodland area (56,000 hectares).

Unlike other sectors the woodland enterprise sector is growing and the potential jobs are new and permanent because timber literally does grow in trees and is in constant renewal.

Furthermore the growth in this sector directly enhances sustainable development socially, environmentally and economically and is intrinsically low carbon by nature.

This wood volume could help transfer EM3 and Coast to Capital towards a low carbon economy as part of developing local supply for local use solutions. This programme would stimulate new economic activity around the:

- Supply of low cost timber frame housing for use in rural areas to better integrate with high value landscapes (500 + units/annum)
- Installation of woodfuel and district heating solutions for new housing and institutional buildings (10 - 50/annum funded with RHI support )
- Installation of woodfuel boilers and district heating systems for "on farm/estate use" (5 – 20 over life of programme)

Private enterprise (including CONFOR ( Confederation of Forest Industries), Grown in Britain, BSW Timber, Estover Energy and others), the Forestry Commission and the National Parks would work together to seek out entrepreneurs, best practice and finance to modernise and develop the forest supply chain.

A Woodland Enterprise programme would need to work from small scale woodfuel/woodshop ventures through to major investment (sawmilling/primary product processing). By favouring collaborative ventures the supply chain will be shortened removing waste, improving profitability and encouraging economies of scale.

Proposals are based on developing the forest supply chain to supply timber and heat (see attached spreadsheet for more detail). By bringing an additional 56,000 hectares of woods into active/more active management, this will generate an additional annual production of 300,000m<sup>3</sup> of timber/woodfuel volume for local consumption.

**Impact:**

- **116 jobs**
- **28 new businesses**
- **156 homes**
- **19,500 tonnes of carbon saved**

### EU funding for rural issues

The area has benefited from the presence of three very successful LEADER programmes under the 2007-13 programming period - Three Harbours and Coastal Plain, Sussex Downs and Low Weald and Surrey Hills - that have been delivering projects in various parts of the Coast to Capital rural area. These programmes have invested more than £4m of Defra and EU funds to support the rural economy and communities, facilitating additional investment of over £10m. More than 250 projects have been funded, helping to create more than 200 new jobs and sustain over 560 jobs as well as supporting 190 businesses and 18 start-ups.

Each of the LEADER programmes referred to have strong Local Action Groups in place, ensuring that the use of funds and programme delivery is genuinely rooted in local priorities and delivers local impact. This complex type of governance has been a key factor in ensuring real success and we wish to learn from and further develop the approach, replicating it more widely across the Coast to Capital area.

In view of the success of the LEADER in our area we have asked the three LAGs to work together, and with other rural interest groups, to help us make detailed plans for the delivery of the EAFRD allocation. The draft proposals from this group have also included constructive ideas on how they might help us deliver our ERDF and ESF funded priorities in

the rural area which, in principle, will bring further coherence to the delivery arrangements for our strategy. This will require the following to be put in place:

- Clear governance and management arrangements;
- Coverage of the whole of the rural area with no gaps;
- A robust plan to achieve our strategic aims and deliver agreed priorities;
- Collaborative working proposals that eliminate any confusion for beneficiaries and partners.

### Rural growth - Our Growth Deal asks and offers

<b>Our Commitments</b>	<b>Our Asks of Government</b>
<ul style="list-style-type: none"> <li>- We are pursuing a number of schemes to support rural growth and will continue to improve and expand on these where opportunities arise. These include:               <ul style="list-style-type: none"> <li>o Neighbourhood plans</li> <li>o CLTs</li> <li>o Self-build</li> <li>o Forestry enterprise</li> </ul> </li> <li>- We will invest £3.8m of EU EAFRD funding to support our rural enterprises and LEADER groups.</li> </ul>	<ul style="list-style-type: none"> <li>- Investment from the Local Growth Fund of £1.5m</li> <li>- We need some flexibility to use Local Growth Funding as revenue funding to support rural enterprise and business networks</li> <li>- Greater involvement by local authorities and rural business interests in decisions about whether redundant agricultural, storage and industrial buildings are allowed to change use to residential.</li> </ul>

## CHAPTER 10: SUMMARY OF OUR INVESTMENT PROGRAMME

### Funding profile

**Total Six Year programme shown by strategic priority – Please also see the Summary Deal Sheet at Appendix 1.**

Strategic priority	TOTAL					Jobs	Homes	SQM
	Pub/Oth	Priv	LGF	ESIF	Total			
<b>Priority Locations (exc. Transport)</b> (Chapter 3)	£234,350,480	£1,881,162,289	£149,846,900	£ -	£2,265,359,669	44,169	18,584	806,177
<b>Priority Locations – Transport</b> (Chapter 3 and Annex)	£61,176,000	£82,085,000	£303,447,000	£ -	£446,708,000			
<b>Successful businesses</b> (Chapter 4)	£14,650,754	£36,044,334	£28,280,000	£8,534,034	£87,509,122	5,946	-	45,867
<b>Building competitiveness</b> (Chapter 5)	£96,870,584	£35,190,000	£19,250,772	£23,275,149	£173,087,005	2,067	160	15,500
<b>Skills and Workforce</b> (Chapter 6)	£35,146,887	£ 7,470,000	£7,254,000	£27,946,887	£77,817,774	7,254	-	-
<b>Growth is Digital</b> (Chapter 7)	£17,375,000	£ 20,701,000	£3,350,000	£500,000	£41,926,000	200	-	-
<b>Housing</b> (Chapter 8)	£54,280,381	£ 655,274,000	£48,443,000	£ 0	£757,997,381	2,052	7,331	103,167
<b>TOTAL</b>	<b>£513,850,086</b>	<b>£2,717,926,623</b>	<b>£559,871,672</b>	<b>£60,256,070</b>	<b>£3,850,404,951</b>	<b>61,688</b>	<b>26,075</b>	<b>970,711</b>
<b>Skills Capital</b>	£ -	£	£61,000,000	£ -	£61,000,000			
<b>Croydon Transport schemes</b>	£36,550,000	£26,350,000	£45,700,000		£108,600,000	550	1,303	-

### Source of funds year by year

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
<b>Public/Other</b>	£106,771,362	£157,520,090	£126,595,202	£49,414,540	£40,692,263	£32,856,629	£ 513,850,086
<b>Private sector</b>	£287,035,467	£513,969,928	£556,688,621	£565,573,245	£489,898,381	£337,760,981	£2,750,926,623
<b>Local Growth Fund</b>	£71,980,500	£119,890,200	£122,527,900	£93,626,072	£74,428,000	£77,419,000	£559,871,672
<b>EU Funding</b>	£8,924,466	£8,974,466	£9,058,918	£9,404,647	£11,689,923	£12,203,650	£60,256,070
<b>Total</b>	£474,711,795	£800,354,684	£814,870,641	£718,018,504	£616,708,567	£ 460,240,260	£3,884,904,451
<b>Skills Capital</b>	£11,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£10,000,000	£61,000,000

### Croydon Transport schemes

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
<b>Public/Other</b>	£1,550,000	£1,850,000	£1,900,000	£14,150,000	£17,050,000	£50,000	£36,550,000
<b>Private sector</b>	£500,000	£500,000	£2,000,000	£13,350,000	£10,000,000	-	£26,350,000
<b>TfL/London Growth Funding</b>	£1,000,000	£3,500,000	£5,000,000	£20,500,000	£11,700,000	£4,000,000	£45,700,000
<b>Total</b>	£3,050,000	£5,850,000	£8,900,000	£48,000,000	£38,750,000	£4,050,000	£108,600,000

### Our programme for 2015/16

The table below shows our planned expenditure profile for 2015/16. Please also see the Summary Deal Sheet at [Appendix 1](#).

Please note that the expenditure profile is not necessarily a complete guide to activity – most of our six year programme will be underway in 2015/16, even if expenditure only occurs in later years.

SEP Strategic Priority	Title	Funding Source £s					Outputs at full programme completion		
		15/16					Jobs	Homes	SQM
		Public/Oth.	Private	LGF	ESIF	Total			
<b>Successful Growth Locations &amp; Transport (Chapter 3)</b>	<b>Major Projects and Infrastructure Fund</b>	<b>5,000,000</b>				<b>5,000,000</b>	<b>500</b>		
	New England House & Digital exchange - City Deal	7,667,500	4,900,000			12,567,500	1,300		7,090
	Brighton Centre and Black Rock; including I360	-	11,000,000	1,000,000		12,000,000	2,400	300	35,000
	New England Quarter & Block J	5,400,000	6,250,000			11,650,000			
	Preston Barracks Central Research Lab - City Deal Centre	3,500,000		7,700,000		11,200,000	740		
	Brighton Marina Regeneration	-	1,000,000	1,000,000		2,000,000	128	1,000	4,545
	Valley Gardens Phases 1 & 2 (LTB)	700,000	100,000	4,000,000		4,800,000			
	<b>Total Brighton &amp; Hove</b>	<b>17,267,500</b>	<b>23,250,000</b>	<b>13,700,000</b>	<b>-</b>	<b>54,217,500</b>	<b>4,568</b>	<b>1,300</b>	<b>46,635</b>
	Burgess Hill Development -excluding transport schemes - City Deal	70,000	44,900,000	-		44,970,000	5,000	5,040	200,000
	Burgess Hill STP		1,300,000	1,120,000		2,420,000			
	A2300 corridor capacity enhancement, Burgess Hill	1,030,000				1,030,000			
	<b>Total Burgess Hill</b>	<b>1,100,000</b>	<b>46,200,000</b>	<b>1,120,000</b>	<b>-</b>	<b>48,420,000</b>	<b>5,000</b>	<b>5,040</b>	<b>200,000</b>
	Worthing Decoy Farm	1,425,000	-	2,000,000		3,425,000	150		40,000
	A284 Lyminster bypass- East Arun (LTB)	547,000	844,000			1,391,000			
A259 corridor capacity enhancement, East Arun- LTB			125,000		125,000	4,695	2,600	27,370	
<b>Total Coastal Corridor</b>	<b>1,972,000</b>	<b>844,000</b>	<b>2,125,000</b>	<b>-</b>	<b>4,941,000</b>	<b>4,845</b>	<b>2,600</b>	<b>67,370</b>	

SEP Strategic Priority	Title	Funding Source £s					Outputs at full programme completion		
		15/16					Jobs	Homes	SQM
		Public/Oth.	Private	LGF	ESIF	Total			
	A29 re-alignment, Bognor Regis		850,000	655,000		1,505,000			
	<b>Total Enterprise Bognor Regis EZ</b>	-	<b>850,000</b>	<b>655,000</b>	-	<b>1,505,000</b>	-	-	-
	Crawley Town Centre Regeneration and Expansion	10,300,000	31,750,000	8,000,000		50,050,000	400	808	14,330
	Manor Royal Business infrastructure	83,600	1,132,800	304,000		1,520,400	619		14,230
	North Horsham new railway station	-	9,350,000	3,170,000		12,520,000	4,000	2,500	50,000
	Crawley area transport package		2,700,000	2,620,000		5,320,000			
	<b>Total Heart of Gatwick Diamond</b>	<b>10,383,600</b>	<b>44,932,800</b>	<b>14,094,000</b>	-	<b>69,410,400</b>	<b>5,019</b>	<b>3,308</b>	<b>78,560</b>
	Leatherhead Plan L (excluding gyratory)	50,000		62,500		112,500	700	390	21,500
	Cromwell Road mixed use redevelopment	100,000				100,000	87	80	2,000
	Oxted Gas Holder site redevelopment	800,000	500,000	250,000		1,550,000	1,300		17,250
	Caterham Enhancement package			150,000		150,000	40	60	8,750
	Epsom Plan E LTB	324,000		1,296,000		1,620,000		635	
	Wider network package (LTB)	300,000		1,200,000		1,500,000			
	<b>Total East Surrey M25 Corridor</b>	<b>1,574,000</b>	<b>500,000</b>	<b>2,958,500</b>	-	<b>5,032,500</b>	<b>2,127</b>	<b>1,165</b>	<b>49,500</b>
	Newhaven UTC	12,800,000				12,800,000			
	Denton Island & Newhaven Move-on Space	4,175,000				4,175,000	260		
	Newhaven City Deal CleanTech Growth Centre - City Deal	1,710,000				1,710,000			
	Newhaven Sustrans, transport and station refurbishment	1,300,000				1,300,000			
	Newhaven flood defences - City Deal	200,000				200,000	5,000		177,000
	Newhaven new transport interchange hub	80,000				80,000			
	Newhaven- Port Access Road, Parker Pen & EastSide		800,000			800,000		335	1,000
	<b>Total Newhaven EZ</b>	<b>20,265,000</b>	<b>800,000</b>	-	-	<b>21,065,000</b>	<b>5,260</b>	<b>335</b>	<b>178,000</b>
	Shoreham Harbour Flood Defences City Deal	2,900,000	1,500,000	2,000,000		6,400,000	4,450	2,320	36,600
	Shoreham Harbour and Airport development	1,250,000	4,000,000			5,250,000			

SEP Strategic Priority	Title	Funding Source £s					Outputs at full programme completion		
		15/16					Jobs	Homes	SQM
		Public/Oth.	Private	LGF	ESIF	Total			
	Shoreham STP	200,000	300,000	420,000		920,000			
	<b>Total Shoreham</b>	<b>4,350,000</b>	<b>5,800,000</b>	<b>2,420,000</b>	<b>-</b>	<b>12,570,000</b>	<b>4,450</b>	<b>2,320</b>	<b>36,600</b>
	<b>Total Transport Sustainability packages</b>	<b>640,000</b>	<b>-</b>	<b>5,003,000</b>	<b>-</b>	<b>5,643,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Transport Resilience</b>	<b>2,049,000</b>	<b>150,000</b>	<b>8,372,000</b>	<b>-</b>	<b>10,571,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Successful Businesses (Chapter 4)</b>	Enterprise support - Enterprise in education	25,000	5,000	25,000		55,000			
	Enterprise support - Start up initiatives	100,000	50,000	25,000	25,000	200,000	1,400		
	<b>Total enterprise support</b>	<b>125,000</b>	<b>55,000</b>	<b>50,000</b>	<b>25,000</b>	<b>255,000</b>	<b>1,400</b>	<b>-</b>	<b>-</b>
	Business Finance - Business Growth Grants (RGF)		3,000,000	750,000		3,750,000	433		
	Business Finance - Micro grants	280,000	250,000	250,000		780,000	550		
	Business Finance - Social Enterprise Fund	350,000		250,000		600,000			
	Business Finance – C2C Equity and Loan Fund		16,667			16,667	140		
	<b>Total Business Finance</b>	<b>630,000</b>	<b>3,266,667</b>	<b>1,250,000</b>	<b>-</b>	<b>5,146,667</b>	<b>1,123</b>	<b>-</b>	<b>-</b>
	Business internationalisation - New exporters/markets	15,000	75,000	200,000	622,320	912,320	150		
	Business internationalisation - FDI	180,000	60,000	125,000		365,000	750		
	Business internationalisation - ASEAN Hub		100,000	235,000		335,000	200		
	Business internationalisation – International Business Tourism			50,000		50,000			
	<b>Total Business Internationalisation</b>	<b>195,000</b>	<b>235,000</b>	<b>610,000</b>	<b>622,320</b>	<b>1,662,320</b>	<b>1,100</b>	<b>-</b>	<b>-</b>
	Business Premises Fund - Industrial estate/BID fund		1,000,000	1,000,000		2,000,000	300		25,000
	Worthing Creative Hub - City Deal	785,000	20,000	450,000		1,255,000	73		1,672
	Chichester Gateway	4,000,000				4,000,000	250		10,195
	Chichester Ind. Estate improvements	223,459				223,459	5		
	Business premises - Network inc. Incubation Surrey	50,000	50,000	1,575,000		1,675,000	60		
<b>Total Business premises</b>	<b>5,058,459</b>	<b>1,070,000</b>	<b>3,025,000</b>	<b>-</b>	<b>9,153,459</b>	<b>688</b>	<b>-</b>	<b>36,867</b>	

SEP Strategic Priority	Title	Funding Source £s					Outputs at full programme completion		
		15/16					Jobs	Homes	SQM
		Public/Oth.	Private	LGF	ESIF	Total			
	Business support - Specialist Services	350,000	1,000,000	200,000	622,320	2,172,320	700		
	Business support - Growth Hub	15,000		475,000		490,000	350		
	Business Supply Chains - Public sector	50,000		25,000		75,000	10		
	Business Supply Chains - Other		10,000	50,000		60,000	15		
	<b>Total Business Support</b>	<b>415,000</b>	<b>1,010,000</b>	<b>750,000</b>	<b>622,320</b>	<b>2,797,320</b>	<b>1,075</b>	<b>-</b>	<b>-</b>
<b>Building Competitive Advantage (Chapter 5)</b>	Sector development	1,500,000	1,500,000	-	2,904,163	5,904,163	222		
	Research and Innovation Networks	100,000	10,000	100,000		210,000	554		
	Advanced Eng Centre - UoB and Ricardo	11,000,000	150,000	4,500,000		15,650,000	50		5,000
	Epsom Creative Industries Hub	775,000		750,000		1,525,000	1,000	4	1,500
	Wood Fuel initiative with Forestry Commission	-		400,000	551,860	951,860	116	156	
	<b>Total Building Competitive Advantage</b>	<b>13,375,000</b>	<b>1,660,000</b>	<b>5,750,000</b>	<b>3,456,023</b>	<b>24,241,023</b>	<b>1,942</b>	<b>160</b>	<b>6,500</b>
<b>Skills and Workforce (Chapter 6)</b>	Skills for employment inc ESIF	4,148,803	-		4,148,803	8,297,606	3,844		
	Young Workers initiative	1,200,000	1,200,000	1,200,000		3,600,000	3,200		
	Building Futures		45,000	9,000		54,000	210		
	<b>Total Skills and Workforce</b>	<b>5,348,803</b>	<b>1,245,000</b>	<b>1,209,000</b>	<b>4,148,803</b>	<b>11,951,606</b>	<b>7,254</b>	<b>-</b>	<b>-</b>
<b>Growth is Digital (Chapter7)</b>	Superfast Broadband rollout	6,273,000	6,467,000			12,740,000			
	E Commerce skills and take-up		50,000	350,000	50,000	450,000	200		
	Mobile 5G research and test rig	50,000		200,000		250,000			
	Ultrafast cluster and communities fund		50,000	100,000		150,000			
	<b>Total Growth is Digital</b>	<b>6,323,000</b>	<b>6,567,000</b>	<b>650,000</b>	<b>50,000</b>	<b>13,590,000</b>	<b>200</b>	<b>-</b>	<b>-</b>
<b>Housing and Infrastructure (Chapter 8)</b>	Community Lands Trusts			2,750,000		2,750,000	200	136	
	Toads Hole Valley Preparatory Works	50,000		750,000		800,000		700	25,000
	Croydon Regeneration Investment Fund	3,300,000	128,000,000	1,890,000		133,190,000	1,033	2,066	
	Opportunity Sites Purley	6,600,000	15,350,000	1,844,000		23,794,000	239	434	68,192
	Creative Croydon: Live/Work Units		5,250,000	255,000		5,505,000	120	105	9,975

SEP Strategic Priority	Title	Funding Source £s					Outputs at <u>full</u> programme completion		
		15/16					Jobs	Homes	SQM
		Public/Oth.	Private	LGF	ESIF	Total			
	Croydon Housing Employment Development Initiative	750,000		750,000		1,500,000	460	540	-
	<b>Total Housing and Infrastructure</b>	<b>10,700,000</b>	<b>148,600,000</b>	<b>8,239,000</b>	<b>-</b>	<b>167,539,000</b>	<b>2,052</b>	<b>3,981</b>	<b>103,167</b>
	<b>Total Year 1</b>	<b>106,771,362</b>	<b>287,035,467</b>	<b>71,980,500</b>	<b>8,924,466</b>	<b>474,711,795</b>	<b>48,603</b>	<b>20,209</b>	<b>803,199</b>
	Skills Capital			11,000,000		11,000,000			
	Total Croydon Transport Schemes	1,550,000	500,000	1,000,000		3,050,000	550	1,303	-

**Please note** most of these schemes will have funding requirements beyond Year 1.

## 2015/16 Transport Investment Programme

For information, the table below shows the transport investments for 2015/16 which are also included in the total programme table above.

	Public sector match and leverage	Private sector match and leverage	Local Growth Funding	Total
Heart of Gatwick Diamond - Crawley area transport package		£2,700,000	£2,620,000	£5,320,000
Burgess Hill Sustainable Transport		£1,300,000	£1,120,000	£2,420,000
Burgess Hill A2300 corridor capacity enhancement	£1,030,000			£1,030,000
Enterprise at Bognor Regis - A29 re-alignment		£850,000	£655,000	£1,505,000
Shoreham Access and Sustainable transport	£200,000	£300,000	£420,000	£920,000
Newhaven- Port Access Road & Parker Pen & East Side		£800,000		£800,000
<b>TOTAL: Connection &amp; Capacity</b>	<b>£1,230,000</b>	<b>£5,950,000</b>	<b>£4,815,000</b>	<b>£11,995,000</b>
Brighton - Valley Gardens Phases 1 & 2 (LTB)	£700,000	£100,000	£4,000,000	£4,800,000
Coastal Corridor - A284 Lyminster bypass- LTB	£547,000	£844,000		£1,391,000
Coastal Corridor - A259 corridor capacity enhancement, East Arun- LTB			£125,000	£125,000
East Surrey Corridor - Epsom Plan E LTB	£324,000		£1,296,000	£1,620,000
East Surrey Corridor - Wider Network Package LTB	£300,000		£1,200,000	£1,500,000
<b>Total LTB approved transport schemes</b>	<b>£1,871,000</b>	<b>£944,000</b>	<b>£6,621,000</b>	<b>£9,436,000</b>
Cycle Ambition Network	£200,000		£1,000,000	£1,200,000
Sustainable transport package (STP)	£200,000		£1,000,000	£1,200,000
Greater Redhill STP	£240,000		£960,000	£1,200,000
Worthing STP			£859,000	£859,000
Horsham STP			£500,000	£500,000
Chichester STP			£495,000	£495,000
NCN2 strategic cycle route package			£189,000	£189,000
<b>Total Sustainable Transport Packages</b>	<b>£640,000</b>	<b>£0</b>	<b>£5,003,000</b>	<b>£5,643,000</b>
Resilience and Regeneration:	£1,919,000		£7,476,000	£9,395,000
ITS package	£200,000		£1,000,000	£1,200,000
Principal road maintenance	£200,000		£1,000,000	£1,200,000

ITS traffic management package	£30,000	£150,000	£96,000	£276,000
<b>Total Resilience</b>	<b>£2,049,000</b>	<b>£150,000</b>	<b>£8,372,000</b>	<b>£10,571,000</b>
<b>Total Transport</b>	<b>£5,790,000</b>	<b>£7,044,000</b>	<b>£24,811,000</b>	<b>£37,645,000</b>

**Please note** most of these schemes will have funding requirements beyond Year 1.

**Croydon Year 1 Transport Schemes (TfL or London Growth Funding)**

	<b>Public sector match and leverage</b>	<b>Private sector match and leverage</b>	<b>Local Growth Funding</b>	<b>Total</b>
Tramlink Capacity Enhancement	£350,000			£350,000
West Croydon Station Concourse Capacity	£50,000			£50,000
Croydon Junction Improvement Programme		£500,000	£100,000	£1,500,000
Croydon A23 Improvement programme	£100,000			£100,000
Croydon Cycling in Support of Growth	£1,050,000			£1,050,000
<b>Croydon Transport Schemes (TfL/London Growth Funds)</b>	<b>£1,550,000</b>	<b>£500,000</b>	<b>£1,000,000</b>	<b>£3,050,000</b>

**Please note** most of these schemes will have funding requirements beyond Year 1.

## **CHAPTER 11: GOVERNANCE AND RESOURCES**

In meeting the requirement of Government for effective governance Growth Deal arrangements between LEPs and their partners we have put in place arrangements which:

- Are simple and direct
- Meet Government's requirements in full
- Give whole LEP area decision making combined with local engagement and accountability
- Provide clarity on respective roles and responsibilities
- Leave local structures for local partners to agree what best suits their circumstances
- Offer representation and inclusion at all levels

### **The current structures in Coast to Capital**

In the Coast to Capital region we have two county councils, one London borough, one unitary authority and 12 districts and borough councils. We also have South Downs National Park which is a planning authority and a special purpose local authority in statute.

There are two overlaps with neighbouring LEPS – Lewes District also sits in South East LEP and London Borough of Croydon in the London LEP.

Coast to Capital LEP itself is an incorporated body

There is also a newly formed Local Transport Body comprising West Sussex County Council, Surrey County Council, Brighton and Hove City Council and Coast to Capital LEP. The London Borough of Croydon and East Sussex County Council are observers.

In our original LEP bid in 2010 we had an agreement with all our partners that we would work very closely with our five Area Partnerships, something we felt was unique to Coast to Capital. During this time we have seen these partnerships develop with the support of the local authorities and Coast to Capital. The Brighton partnership structures have recently migrated to a new City Deal structure.

### **Our objectives from the new governance structure**

The Coast to Capital governance structures will:

- Be able to agree a powerful, joint Strategic Economic Plan with wide agreement and demonstrate we are prepared to put our resources behind it
- Secure effective governance of delivery, including accountability and impact
- Draw in and/or align as much resource and investment as possible to maximise impact

In many ways, we have a strong track record of collaborative working as the Area Partnerships have been providing a mechanism for doing so for a number of years. Evidence of strong joint working has been demonstrated recently by the publication of a Joint Strategic Statement for the Gatwick Diamond, by a Local Strategic Statement by Coastal West Sussex Partnership, by the creation of the Greater Brighton Economic Board (including City Deal), and by the adoption of a jointly agreed economic action plan for Rural West Sussex Partnership. We wish to build on these foundations where possible.

In the development of this Strategic Economic Plan, we have built upon existing collaborative arrangements, and all sectors of the community have been engaged and involved:

#### The Coast to Capital Forum

Comprising 80 organisations including businesses, business organisations, education, local authorities, national agencies, and the third sector, the purpose of the Forum is to shape the strategic priorities of the LEP. Two dedicated Forum meetings were held in March and September 2013 to help shape the priorities of the SEP, and a further session was held on 27th March 2014 to publish the SEP and begin the engagement of all those bodies in implementing the Growth Deal.

#### Area Partnerships

Coast to Capital is founded on, shaped by and dependent on our five Area Partnerships. Throughout the development of the SEP, they have been fully involved in the Task and Finish Group and also have used their own networks to communicate and engage with a much wider range of organisations.

The emergence of the Greater Brighton Economic Board and its working groups has also provided another channel for public and private sector bodies to help shape the SEP.

#### Local Authorities

The four county and unitary authorities together with Lewes District Council and the South Downs National Park have been members of a Task and Finish Group which has steered and directed the development and agreement of the Plan.

Every district and borough has been collectively engaged via the Area Partnerships and in addition there have been individual briefings for officers and elected members of councils.

All local authorities have been formally consulted on drafts of the document as it has developed and in the last four months there has been a process of continuous dialogues with local authorities. Formal agreement of the SEP will be via the new Coast to Capital Joint Committee - see below.

#### Business Community

The Coast to Capital Board is business-led, and there has been ongoing participation of from business Directors. The Enterprise, International and Finance Committees of the Board have also considered and input to the SEP as it has developed.

In addition there have been regular consultation meetings with business representative organisations, including the IOD, CBI, FSB, chambers, trade and sector bodies.

There have been a number of individual and small group consultations with strategic businesses, the investment and development community and the financial sector.

### Education

Chichester University has represented the higher education sector on the Task and Finish Group. Regular meetings take place between the senior management of the universities and the Coast to Capital senior team. Consultation meetings have been held for the further education and sixth form colleges.

### Third Sector

Recognising that we needed to engage better with the Third Sector, we have drawn them in more strongly to develop the ESIF strategy, and also held an Open Space event for the Third Sector to develop ideas for closer collaboration in the implementation of the Growth Deal.

### Skills Strategy and ESIF Strategy

Specific consultations have been held in the development of the Skills and EU strategies, the conclusions of which are included in this SEP.

## **Proposed Governance Structure for Coast to Capital**

The governance structure for the Coast to Capital area clearly splits off strategic decision making from governance of and accountability for delivery:

Strategic decision making – the Coast to Capital Board will make the ultimate decisions about the strategic priorities for growth as set out in the Strategic Economic Plan and Growth Deal, and the size and shape of the bid for the Local Growth Fund. In doing so it will be advised by a newly formed Coast to Capital Joint Committee of the 16 county, unitary and district & borough unitary local authorities, together with the South Downs National Park Authority. For clarity, this new grouping would be a **Joint Committee** as designated in statute and separate from the LEP - it is **not** a sub-committee of the LEP Board.

The Coast to Capital Joint Committee will agree the Strategic Economic Plan with the LEP Board. Every LEP has to demonstrate to Government that the Strategic Economic Plan is agreed by the local authorities and the new Joint Committee provides the mechanism for doing so. It also means in effect that the LEP has to win the majority agreement of the Joint Committee to be able to show that the SEP has the support of the local authorities.

The new Joint Committee will have a tightly defined remit –articulating the combined local authority position to the Coast to Capital Board on the Strategic Economic Plan and formally agreeing the Plan. It will review the delivery of the Plan and agree adjustments with the LEP Board on an annual basis.

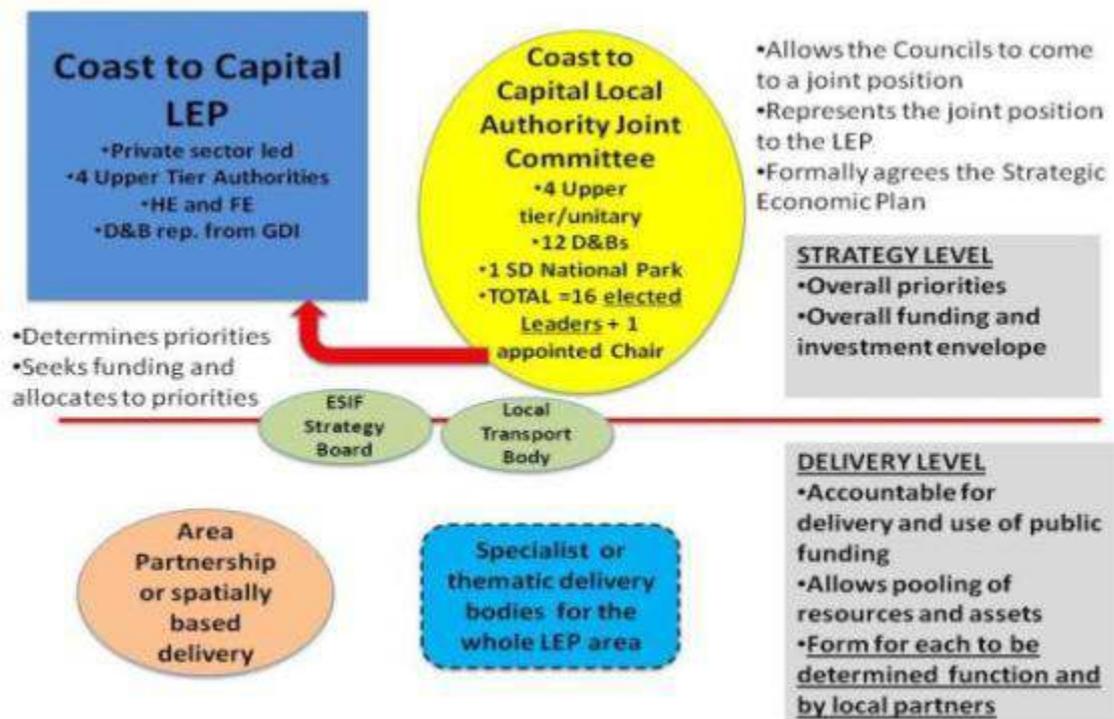
Governance of and accountability for delivery – including accountability for public funding, bringing into play other resources and assets, and procurement and commissioning - will be the delegated responsibility of area-based structures.

These structures may be different in form from one area to the next, and will be determined by local partners as appropriate to meet individual circumstances and will also be dependent on the final shape of the Growth Deal agreed with Government. This approach allows us to make most advantage of existing groups and structures, for example, Greater Brighton Economic Board, or the Local Transport Body, and avoids creation of overlap and duplication.

The local authorities and Area Partnerships in the other parts of Coast to Capital will review and make their own decisions about the most suitable arrangements in their area, bearing in mind the government's requirements for powerful cross-boundary decision making.

In some circumstances, the LEP may ask a local area structure to lead on delivery of a specialist service or project for the whole LEP geography; or it may utilise existing specialist delivery organisations or establish new ones where there is a need – for example a digital agency or business/education body.

The proposed structure is shown in the diagram below:



The respective roles of the components of the Governance Structure are as follows:

Coast to Capital LEP Board	Local Authority Joint Committee	Accountable body (West Sussex County Council)
<ul style="list-style-type: none"> <li>Final decisions on strategic priorities</li> <li>Creation, determination and sign-off of the Strategic Economic Plan</li> <li>Decide overall investment and intervention programme</li> <li>Decisions on relative allocations of funding</li> <li>High level transport and infrastructure priorities</li> <li>Bid for Local Growth Fund</li> <li>EU SIF strategy</li> </ul>	<ul style="list-style-type: none"> <li>Articulation of the combined Local Authority view on priorities and interventions for the area to the LEP Board</li> <li>Agreement of the binding Strategic Economic Plan and Growth Deal as proposed by the Coast to Capital LEP Board (by majority vote if there is not full consensus)</li> </ul>	<ul style="list-style-type: none"> <li>Receipt of Local Growth Fund monies on behalf of the whole LEP area</li> <li>Disbursement to activities in line with LEP and Joint Committee agreements</li> <li>Could provide a vehicle for some commissioning and procurement</li> </ul>

Local area structures	Local Transport Body	Specialist delivery bodies
<ul style="list-style-type: none"> <li>• Representation to the Joint Committee and LEP of local growth priorities</li> <li>• Orchestration of and accountability for delegated delivery</li> <li>• Procurement and commissioning of services</li> <li>• Orchestrate pooling of resources and assets for specific individual projects and investments</li> </ul>	<ul style="list-style-type: none"> <li>• Advice to the LEP Board on strategic transport priorities</li> <li>• Development of transport schemes to deliver growth objectives</li> <li>• Accountability for delivery of agreed transport investments</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of specialist services across the whole LEP area as part of the Strategic Economic Plan</li> </ul>

The Coast to Capital Joint Committee meeting on 25<sup>th</sup> March 2014 unanimously agreed this Strategic Economic Plan.

### Accountability for public funding

The Coast to Capital Board will be the body with ultimate responsibility for the delivery of the total programme set out in this Strategic Economic Plan. The Board comprises directors drawn from the private and public sector, with representatives from the further and higher education sectors. The Board will exercise active supervision and encourage a culture of openness and challenge.

The Board has approved this plan and the associated financial plans. The Board will approve any Growth Deal negotiated with Government. The Board will agree with Government any subsequent changes to the programme over the period of delivery.

The Strategic Economic Plan has been approved by a Joint Committee of all 17 authorities in the region. The Joint Committee will agree the Growth Deal as negotiated by the LEP and any subsequent major amendments on an annual basis.

West Sussex County Council will be the Accountable Body for the Growth Deal Funding agreed with Government. The Accountable Body function will be properly resourced to act, and will provide a suitably qualified accountable officer with rights of access to boards, partners, and government. The Accountable Body will operate within the principles of HMT's guidance "*Managing Public Money*".

For each **major** element of the programme, we will require a full business case to be developed and will apply the project appraisal process as set out in Appendix 13. For transport projects, we will follow DfT guidelines and follow the assurance framework as approved by the Local Transport Body – set out in the Transport Annex.

There will be a formal scheme of delegation agreed by all parties as to how each element of the programme will be delivered. The requirements of all parties will be clearly understood at the outset.

The principle we will follow to guide delegation is that, subject to normal requirements for experience and financial standing being satisfied;

- delivery should be delegated to the level closest to the end-user or beneficiary;
- delivery should be delegated to the level which allows a coherent whole programme view to be taken;
- delivery should be delegated to the level at which synergies and match funding can be easily achieved.

We anticipate that:

- For transport projects, which form by far the largest element, this will be to the local authorities who currently manage and deliver transport programmes.
- For Area-based delivery, this will generally be to an accountable body nominated by the Area Partnership (for example greater Brighton Economic Board) – this will normally be a local authority. In some instances, the area body may agree with West Sussex County Council and the LEP that the relationship should be direct with the project sponsor – for example - a university investment.
- For services to be delivered LEP-wide, either West Sussex County Council or a nominated organisation will commission or procure the service, following public procurement guidelines and procedures
- For the recycling funds to be established, we will delegate the management of the Fund to a suitably experienced organisation who is currently delivering similar programmes

The partners involved in this SEP – local authorities, universities, the LEP – are all experienced in management and accountability of public funding, including Regional Growth Funds, transport funding, Growing Places Funding, and the full range of local authority funding.

West Sussex County Council and other key bodies such as the unitary and district and borough councils have a solid track record of good governance and accountability for public money.

### **Monitoring and Reporting**

West Sussex County Council will not be responsible for detailed programme and project management.

The Coast to Capital Board will monitor and report on the delivery of the programme as whole.

Each project will be established with its required targets and output definitions, and profile of delivery, and necessary evidence and reporting requirements. There will be co-design of reporting with delivery partners, the LEP Board and the accountable body with core principles in mind.

Each delegated delivery body will be accountable for the successful delivery of the programme, including corrective action for under-delivery or slippage.

Limits of virement and reallocation within programmes will be agreed in advance, and the circumstances under which funding has to be referred back to the LEP Board for reallocation (or release back to Government) will be clearly set out. We will be guided in this by the degree of programme virement we are allowed by Government.

The Coast to Capital Board will receive a quarterly report summarising overall Growth Deal programme progress, which will be shared openly with all partners.

An annual report for the Growth Deal programme will be published and made available to all partners and made publicly available.

The indicators we will use are as follows:

<b>Primary Outputs</b>	Jobs; Homes; Sq metres of employment space
<b>Secondary Outputs</b>	No of businesses assisted Enterprises supported to bring new products Number of participants/people assisted Number of apprenticeships Area of land protected from flood risk Increase in broadband availability Average Broadband speed
<b>Outcomes</b>	Inward investment secured Turnover growth in supported businesses Export growth in supported businesses Earnings impact Effect of transport scheme on carbon reduction Impacts on the economy of transport schemes (e.g. accessibility; employment levels; facilitating local developments; and rental values.) Effect of transport scheme on traffic accidents and wider environment (e.g. local air quality, noise levels) Effect of transport on wider social benefits (e.g. accessibility and social inclusion) for the community
<b>Strategic progress</b>	Progress towards 100,000 new private sector jobs  Progress towards doubling international trade  Progress towards every Coast to Capital area with business formation density and business population density at or above the South East regional average  KPIs for each strategic priority set out at the start of each chapter

### Capacity to deliver

The proposals set out in this Plan are a very significant programme of investment and development. One of the key constraints to its successful delivery would be the capacity to design and deliver the projects. We have considered this as a key risk and we are determined to be ready to deliver right from the start of 2015/16.

Firstly, some local partners have designated capacity within their organisations to develop necessary business cases for schemes following approval by Government of our Growth Deal. This will allow for the schemes to be fully project appraised and designed in time for delivery in 2015/16. West Sussex County Council has ear-marked a fund of £10m to support getting schemes ready to go quickly.

Secondly, we have taken soundings in the construction sector to assess the capacity to deliver on several fronts at once, following a period of recession. There is confidence that given a little careful planning, all demands can be met. However, there is a need to support new entrants to the industry and to back further skills development. We have identified in our Skills Strategy the construction industry as an important employer and will target ESIF and other resources as appropriate.

### **Other resources**

In addition to the co-investment from public and private partners in the specific projects set out in this SEP, Coast to Capital continues to enjoy significant backing from local authority and business partners. This includes:

- Secondments from business partners to the LEP core team, (eg PwC secondment)
- Expertise from the three universities of Brighton, Chichester and Sussex for the Regional Growth Programme
- Expertise from the financial sector for the RGF investment panel.
- Expertise from local authorities in support of specific development work, including Surrey CC and BHCC for the EU SIF strategy.
- Business contributions to committee structure

As we move forward we will of necessity continue to rely on expertise and resources from business and local authority partners.

We also receive financial support from West Sussex County Council, Surrey County Council, Brighton and Hove City Council, London Borough of Croydon and Lewes District Council.

### **Growing Places Funding and Regional Growth Funds**

Within our proposals for the Local Growth Fund we have included an element for “topping up” our Growing Places Fund and Regional Growth Fund.

Growing Places will continue to be a recycling fund, aimed at larger infrastructure and business investment projects. As well as the general fund we will continue to maintain our company loan and equity schemes which we operate via Finance South East.

We will also create three new ring-fenced recycling funds to meet particular needs identified in this Plan:

- Digital Infrastructure Fund – available to any cluster of businesses or community which wishes to establish its own self-sustaining model of delivery of ultrafast broadband. The funding will be on a loan basis, but on standard terms rather than each transaction being an individual negotiation. See Chapter 7 for our goals and objectives.
- Loan funding for development of the network of business enterprise and incubation premises and for industrial estate improvements as set out in Chapter 4.
- Community Land Trust – to support pre-development and post planning implementation of pipeline schemes – see Chapter 8

We are currently involved in two Regional Growth Funding programmes which we are operating as a single offer with Greater Brighton City Deal. From April 2015 onwards it is our intention to replace the current programmes with a single RGF funded programme of

business growth grants, placements and specialised support delivering the objectives set out in Chapters 4 and 5.

### Use of public sector assets and pooled/shared resources

Throughout this Strategic Economic Plan there is a significant contribution in pooled resources and use of public sector assets.

#### **The total value of the direct match funding from the public sector is £550m over six years**

The Area Partnership structure which has been in place for a number of years has promoted greater collaboration between the local authorities, higher education and other public and private sector bodies. Developing Joint Strategic Statements (Coastal West Sussex and Brighton; Gatwick Diamond), and development of the Greater Brighton City Deal, an example of cross-authority working and pooling of resources for a common goal which has provided a sharper picture of where and how infrastructure improvements need to be made and the housing needs which need to be accommodated.

Croydon is a nationally leading exemplar in the use of public assets to drive development with Croydon Urban Regeneration Vehicle (CURV) – a joint venture between the London Borough of Croydon and John Laing.

We have built on the existing collaboration and joint use of resources in the SEP:

- The development of programme has involved officers from every local authority and the universities
- Existing programmes which use pooled resources and assets are included in the SEP programme including the Growth Hub, business support and business finance proposals which use resources from local authorities, the LEP, a sector body and three universities to deliver one programme.

There are also new uses of pooled resources and assets in support of the SEP:

- Use of land or buildings to bring housing and employment sites into development sites
- Significant financial contributions from capital and revenue budgets
- Commitment to support the development of full businesses cases and delivery programmes for the major investments set out in the Plan
- Joint initiatives across the sectors, between local authorities, universities and private developers

Specific examples include:

LEP Strategy development	<ul style="list-style-type: none"> <li>• Combined resources from local authorities, university, LEP national park working as a single team on:               <ul style="list-style-type: none"> <li>○ Strategic Economic Plan</li> <li>○ Enterprise and business support</li> <li>○ International business</li> </ul> </li> </ul>
Development of Preston Barracks site in Brighton	<ul style="list-style-type: none"> <li>• Site joint ownership between Brighton and Hove Council, University of Brighton and Cathedral Group</li> <li>• Investment by Brighton University in Central Research Laboratory</li> </ul>

	<ul style="list-style-type: none"> <li>• Housing development by Cathedral</li> </ul>
Enterprise at Bognor Regis	<ul style="list-style-type: none"> <li>• Chichester University – land, investment in new institute</li> <li>• Arun DC – TIF funding</li> <li>• Private sector developers – land and investment</li> </ul>
Development of implementation schemes for major investments	<ul style="list-style-type: none"> <li>• £10m West Sussex County Council commitment to ensure projects can be worked up and delivered</li> </ul>
East Surrey site assembly	<ul style="list-style-type: none"> <li>• Use of adjoining council owned car park to create more viable site for mixed use development. The combined site will lead to over 1,000 jobs and 17,000 sqm employment space</li> </ul>
Croydon – Purley opportunity sites	<ul style="list-style-type: none"> <li>• Use of Council owned adjoining site to put alongside a problem site which has remained undeveloped for many years. The combined site will lead to 434 new homes</li> </ul>
Young Workers scheme	<ul style="list-style-type: none"> <li>• Revenue contributions from local authorities to support transition to work for young people</li> </ul>
Foreign Direct Investment	<ul style="list-style-type: none"> <li>• Shared response to incoming queries generated by UKTI</li> </ul>
Social Enterprise Fund	<ul style="list-style-type: none"> <li>• Investment fund for social enterprises, combining assets from West Sussex County Council, Coast to Capital and L&amp;G.</li> </ul>
Sussex Energy Saving Programme	<ul style="list-style-type: none"> <li>• All Sussex local authorities are in a combined programmes to reduce carbon emissions from residential and commercial buildings, and starting with public sector buildings. Backed by a £70m PWLB facility.</li> </ul>

#### **Alignment of public assets and resources: West Sussex County Council**

West Sussex County Council is working innovatively on an Investment Property Strategy (working title 'PropCo'), which aims to exploit the development value of surplus Council land and property assets. The programme is being designed to contribute to wider corporate objectives, including supporting:

- **Economic Growth**
- **Housing**
- **Area Regeneration**

It has a capital investment fund of just over £36m identified in its medium-term financial strategy to support the development of sites and to acquire new sites. The Council has developed a pipeline of projects aligned with the Strategic Economic Plan and is looking at developing financial models to prepare for delivery and to support additional investment.

#### **Putting public assets to work – Croydon CURV**

##### **Bernard Weatherill House (BWH)**

BWH is CCURV's corner stone project. The development is a 240,000sqft BREEAM excellent office building designed to house Croydon Council and a range of local service providers – completed May 2013. The move of Council officers into BWH ensured that the old Council offices were vacated to allow for redevelopment through CCURV.

##### **Waddon Leisure and Housing**

The Waddon Leisure and Housing project comprises a new leisure centre (swimming pool, sports hall, gym and community space), and 119 homes for Hyde Housing. Construction, undertaken by Wates, commenced in December 2010 and was completed in November 2012.

### **Taberner House**

Taberner House is the old headquarters for Croydon Council and is located in the centre of Croydon. Proposals are for circa 400 residential units, in two phases. Phase 1 will be circa 200 private rented sector (PRS) units in a 30 storey tower and phase 2 will be flexible tenure sales units in four lower rise pavilion blocks.

### **Lion Green Car Park**

The Lion Green Car Park site is situated within Coulsdon town centre fronting Lion Green Road. The site comprises the Lion Green car park, which has been identified in the draft Coulsdon masterplan for foodstore and community use.

### **Shoreham Harbour Regeneration Partnership**

The Shoreham Harbour project has a long and strong history of cross-authority and partnership working. The Shoreham Harbour Regeneration Partnership comprises Adur District Council, Brighton & Hove City Council, West Sussex County Council and the Shoreham Harbour Port Authority. A small team has been established to take forward delivery of the project, with jointly funded staff that are 'hosted' by the key Local Authority partners. In addition, partners continue to contribute funding and resources as well as share expertise, skills and best practice

### **Enterprise Bognor Regis**

Local partners have come together to work creatively and form a new partnership to deliver Enterprise Bognor Regis. The project is delivered by a shared officer resource from Coastal West Sussex Partnership, West Sussex County Council, Arun District Council and the University of Chichester. The project has drawn on resources from all of the constituent partners, including a £350,000 grant from West Sussex County Council's 'Kickstart' Programme.

### **West Sussex Cooperative and the Better Together Programme**

'Better Together' is the West Sussex County-wide Programme that has focused on collaboration, co-delivery and innovation with the County, District and Borough Councils, Health Services, Sussex Police, Voluntary Services and the Civil Service Estate. Due to the success of the Better Together Programme, West Sussex were selected as one of Britain's few Pathfinder areas to demonstrate to central Government and other public sector partners that if buildings are used more effectively as a shared resource, organisations will save money and customers will benefit by having co-located services.

The West Sussex Cooperative was set up in 2010 and aims to achieve profound improvements to key services through changing the way that partners work together. The core members are drawn from; local authorities, Police, health, other public sector bodies, local economy, voluntary and community sector and Armed Forces (South East Brigade).

## CHAPTER 12: LEVERS AND FLEXIBILITIES

As part of the Growth Deal negotiations we will be seeking levers and flexibilities over national programmes and policies which are currently controlled centrally. Each is set in context in the relevant chapter earlier in the Plan, and are summarised here.

### 1. Revenue Funding

With the withdrawal of New Homes Bonus from the national Local Growth Fund we are left with a severe shortage of revenue funding. ESIF funding is £56m in total over the life of our investment programme which will not be sufficient to support the non-capital elements of the programme set out in this Strategic Economic Plan.

We are seeking, along with other LEPs, some flexibility in the use of the Local Growth Fund. Based on our calculations so far we suggest up to 10% of the total Local Growth Fund should be used on revenue expenditure and we have planned on this basis.

In making this calculation we have assumed that our that element of the Local Growth Fund which is Regional Growth Funding and Growing Places Funding will continue to be treated as capital.

### 2. Enterprise Zones

We are seeking to designate both Newhaven and Enterprise at Bognor Regis as formal Enterprise Zones. We will provide the planning flexibilities at local level. We will allow for the costs of the business rates relief in our bid for the Local Growth Fund. In addition we need the flexibility to grant 100% business rate relief and for the LEP to refund the lost income to the relevant local authority from the Local Growth Fund.

We also need the authority for the LEP to retain the increases in business rate income above the base level.

We have also assumed that occupiers in these Enterprise Zones claim accelerated capital allowances.

Full details of our proposals for Enterprise Zones at enterprise Bognor Regis and Newhaven can be found in Appendices 8 and 9 respectively.

### 3. Skills and Employment schemes

Improving the skills of Coast to Capital's workforce, and those entering the workforce, is key to improving the productivity of the Coast to Capital economy.

As set out earlier, Coast to Capital partners have established strong mechanisms for employer leadership and engagement in skills across the Coast to Capital area. Our employer-led bodies are:

- developing a new coherent approach to supporting the transition of young people from education to employment at whatever stage this takes place – from school, college or higher education. This is being actively supported by the local authorities as employers, and by business representative organisations, to provide a seamless pathway for young people at the start of their working lives – and better advice and support for SMEs who employ

young people. We will allow for young people to make multiple starts until they settle and will integrate this with ESIF funded specialist provision for those with additional needs.

- improving, significantly, the interchange between employers and schools with the aim of improving information and guidance and the readiness of young people for the world of work;
- equipping all young people as they leave education not just with employability skills but also with the *entrepreneurial capital* for them to be able to consider starting their own business at some point in their lives.

To underpin the success of these efforts - and to increase private investment in skills, outcomes and impacts - we wish to explore with government how our employer bodies can:

- exercise greater influence over nationally contracted skills and employment schemes aimed at young people, the unemployed and under-employed; This would begin with deciding how best to under-spend on current contracts to better meet local skill shortages. In due course, we would
- move to local employer control of contracting and commissioning. Our ultimate aim is to create a single fund for employment and adult skills support including programmes currently funded by the Skills Funding Agency, DWP and JobCentrePlus;
- co-commission the national Careers Service in our area. This is because improving the quality and relevance of information advice and guidance for young people has emerged as a top three priority with employers we have consulted.

We want to make a simple proposal to kick start a more effective deliver pattern.

In 2015/16 Coast to Capital and its partners should have direct co-commissioning decision making over at least £10m of contracts current delivered with SFA, DWP and JCP funding.

We will use this flexibility on the edge of the large national contracts to address six key issues:

- Transition of young people into work, following the lead set by our local authorities in their role as significant local employers. They will invest £7m over six years and we will secure equivalent contributions from other employers
- Underutilisation of graduates by SMEs – this is an issue that national programmes do not target effectively. We have a very successful scheme currently operating in the CDIT sector and we would like to extend it to other industries.
- Construction training – targeting new entrants and returners to ensure we have the workforce required to deliver out ambitious growth plans.

- Training in the healthcare sector - the number and type of roles within the sector is likely to undergo a major transformation as users seek more personalised care and as Government seeks to push forward with integration, providing 'care without walls' and supporting people to live at home through improvements in technology. The social care sector and health sector will need to create new and innovative approaches to staff employment and development to help meet the supply challenge and the new ways of working. We have effective working partnerships across the public, private and voluntary providers and commissioners. We can get skills development to where it is needed.
- Horticulture – employers are finding it hard to recruit local people for an expanding sector, and the trend is to recruit from Europe. We will develop local employment/recruitment/training/progression initiatives with West Sussex Growers, further and higher education providers, and individual employers.
- We will build on the recent Brighton Fuse report to address skills development in the CDIT sector. In this industry the need for skills development is often at very short notice, and response from providers can be slow and hampered in part by the structure of funding. We will pilot new approaches, working with Brighton Fuse, West of England LEP and Skillset.

#### **4. Transport**

Our transport system and connections are one of our strengths. At the same time, the network is at capacity and we need to increase capacity. Transport has been identified as the top priority for growth by many of the businesses we have consulted. Investment in transport infrastructure is the single largest element of our investment programme.

Our local authorities are already investing substantial sums in the early feasibility and design work for our transport projects. Given the severe pressures on local authority budgets this is not sufficient. Therefore, to accelerate progress on our transport investment programmes, we would welcome authority to spend a proportion of the Local Growth Fund monies allocated for 2015/16 in 2014/15 on feasibility studies, land acquisition, planning and scheme design. This would enable early, effective and intensive preparation; this is key to accelerated delivery.

We also ask that government:

- requires the Highway Agency and Network Rail to pay due regard to the growth priorities of the LEP and that these bodies engage in a constructive dialogue with the LEP regarding the detailed timetables for major nationally funded schemes and how best to accelerate these timetables;
- involves the LEP in decisions to award rail franchises and operator performance reviews; and

- empowers the LEP to vire Local Growth Fund monies for both transport and transport projects between schemes and years to ensure the most effective and efficient use of the Local Growth Fund.

## **5. Housing**

To achieve the level of affordable housing that our economy needs, we need all the available resources to be devoted to the same objectives. We request that Government accords the HCA full freedoms and flexibilities to work with their Coast to Capital to invest HCA resources aligned with the Plan, in the most cost effective and efficient way.

We understand that the South East Local Enterprise Partnership (SELEP) included a similar request in their Strategic Economic Plan.

We believe there is scope for joint discussions between the LEPs, the Government and the HCA to discuss the benefits of empowering the HCA to co-design and prioritise HCA investments in Coast to Capital and SELEP communities. The purpose of this ask is to consider whether for a given level of HCA investment in Coast to Capital it would be possible to increase the total number of affordable and full market homes each year over the next six years.

## **6. Conversion of Buildings in Rural Communities to Residential Use**

In the preparation of our SEP, our rural communities and rural businesses have expressed widespread concern about the ease with which it is possible for owners to change the use of redundant agricultural, storage and industrial buildings in rural communities to residential use. This undermines the prospects for economic growth in these communities.

We would like to explore with government how best to attract investment to bring redundant agricultural and buildings in rural communities back into beneficial use to strengthen local economies. This will require changes in the National Planning Policy Framework and National Planning Policy Guidance.

## **7. Conversion of Commercial Buildings to Residential Use**

In some C2C locations, the new planning reforms allowing the conversion of commercial buildings to residential use has proved extremely beneficial. For example, in Croydon, C2C and the local authority are actively supporting some conversions of obsolete office space which no longer meets the need of businesses.

We do not have an objection to all such conversions. However, uncontrolled conversions in the Coast to Capital area where residential property prices are so high could lead to some towns and key business locations suffering a significant loss of employment space.

We propose that via Article 4 Directions we could reintroduce some measure of control. We will propose that local authorities should be permitted to seek Directions unimpeded by the prospect of Government intervention where this can be seen to be in line with the growth objectives set out in our Strategic Economic Plan. We would like to explore what role the LEP could play in this process.

## **Appendices and Annex**

The following Appendices and Annex are available as a separate document:

APPENDIX 1: GROWTH DEAL SUMMARY SHEET

APPENDIX 2: BURGESS HILL

APPENDIX 3: CROYDON

APPENDIX 4: HEART OF THE GATWICK DIAMOND

APPENDIX 5: EAST SURREY M25 CORRIDOR

APPENDIX 6: BRIGHTON AND HOVE

APPENDIX 7: COASTAL CORRIDOR

APPENDIX 8: ENTERPRISE AT BOGNOR REGIS ENTERPRISE ZONE

APPENDIX 9: NEWHAVEN ENTERPRISE ZONE

APPENDIX 10: SHOREHAM

APPENDIX 11: ASEAN BUSINESS HUB PROPOSAL

APPENDIX 12: BUILDING COMPETITIVENESS - RESEARCH AND TECHNOLOGY

APPENDIX 13: PROJECT ASSESSMENT FRAMEWORK

APPENDIX 14: EU SIF FUNDING PROFILE

ANNEX: COAST TO CAPITAL'S TRANSPORT INFRASTRUCTURE INVESTMENT PROGRAMME