

Strategic Economic Plan

March 2014

EXECUTIVE SUMMARY

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

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 25th 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**
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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 |
|--|---------------|----------------|--------------|--------------|
| Local Transport Body Schemes | £11,040,000 | £6,632,000 | £23,060,000 | £40,732,000 |
| Connectivity and Capacity Schemes | £20,621,000 | £73,561,000 | £142,867,000 | £237,049,000 |
| Sustainable Transport Packages | £11,631,000 | £1,442,000 | £88,804,000 | £101,877,000 |
| Resilience Schemes | £17,884,000 | £450,000 | £48,716,000 | £67,050,000 |
| TOTAL | £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

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

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 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 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

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 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.

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.

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:

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