Coast to Capital

2019 Annual General Meeting

Epsom Downs Racecourse
11 September 2019

Welcome from Coast to Capital

Tim Wates,
Coast to Capital Chair

Welcome from Coast to Capital

Julie Kapsalis,
Coast to Capital Vice Chair

Wi-Fi

Name: The Jockey Club Free Wi-Fi (no password)

Tweet Us

Tag @coast2capital and use the hashtag #C2CAGM

Filming

If you would <u>not</u> like to be filmed, please inform a member of the Coast to Capital team.

Housekeeping

Please switch your mobile phone to silent.

No fire drill planned. If you hear the siren:

- All personnel should leave the building by the nearest available fire exit
- Please muster by The Parade Ring Lawn/Main Gate.

A Year of Change

Jonathan Sharrock

Coast to Capital Chief Executive

Go to Slido.com and enter the event code #C2CAGM

Using Slido

Submit your questions
Express your views
Answer our polls

To join:

1. Join ‘The Jockey Club Free Wi-Fi’ (no password)
2. Go to Slido.com
3. Enter the event code #C2CAGM
4. Let’s all start with a poll question…

Did you attend our 2018 AGM?

YES

I'm a fan

No

This is my first time

Go to Slido.com and enter the event code #C2CAGM

Take part in the poll


Coast to Capital
A year of change

A trusted partner

We believe our reputation is forged by what we do, not what we say.

Gatwick 360 recognised

Top 10 LEP confirmed

Succeeding together

Vehicle for growth

LIS negotiations

Future opportunities

>£300

million of public investment

85

projects

£275

million of Local Growth Funding

Fairfield Halls

"a local powerhouse for quality theatre"

£ 14.23 million LGF

1,300 jobs

Modernisation of concert hall, theatre and arts centre and more

Gatwick Station

"this transformational project will provide passengers with a enhanced experience"

£ 10 million LGF

New and upgraded Platforms

Improved access to airport

5G Testbed

"We are excited by the endless possibilities this could bring"

1.2 million LGF

100 business opportunities

The Brighton Dome is among the first arts venues in the country to access this technology

Projected Outputs

34,777
New and safeguarded jobs

731,558m²
New or refurbished commercial floor space

8,500
Residential units

28 km
Resurfaced roadways

79km
New cycleways

1,214
New apprenticeships

4,448
New students and learners


Coast to Capital
Growth Hub

Escalator Programme

This pilot programme is providing a great platform for us to bespoke the peer discussions to the MD’s needs and to experiment with new business tools as well

Every meeting throws up constructive ideas on how we can improve our companies and for me personally, it’s already led to some positive changes for my business.

Each of us is committed to helping others in our cohort drive growth in their amazing businesses through the different skills and experiences we can share, while taking the same learnings back to our own business.

The economic context

How do you think the UK leaving the EU is going to impact your business/organisation?

positive

negative

I don't know

Go to Slido.com and enter the event code #C2CAGM

Take part in the poll

Any questions?

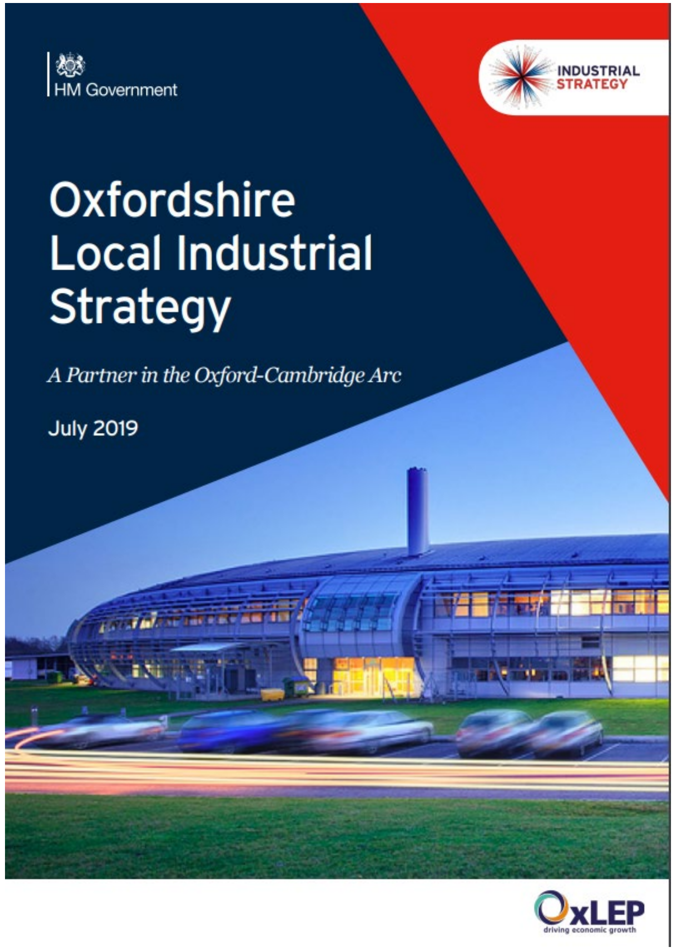
Local Industrial Strategy

The key to our success

Coast to Capital

INDUSTRIAL STRATEGY

What have we learned?



From AGM to the end of our LIS

Sep to Oct

Public consultation

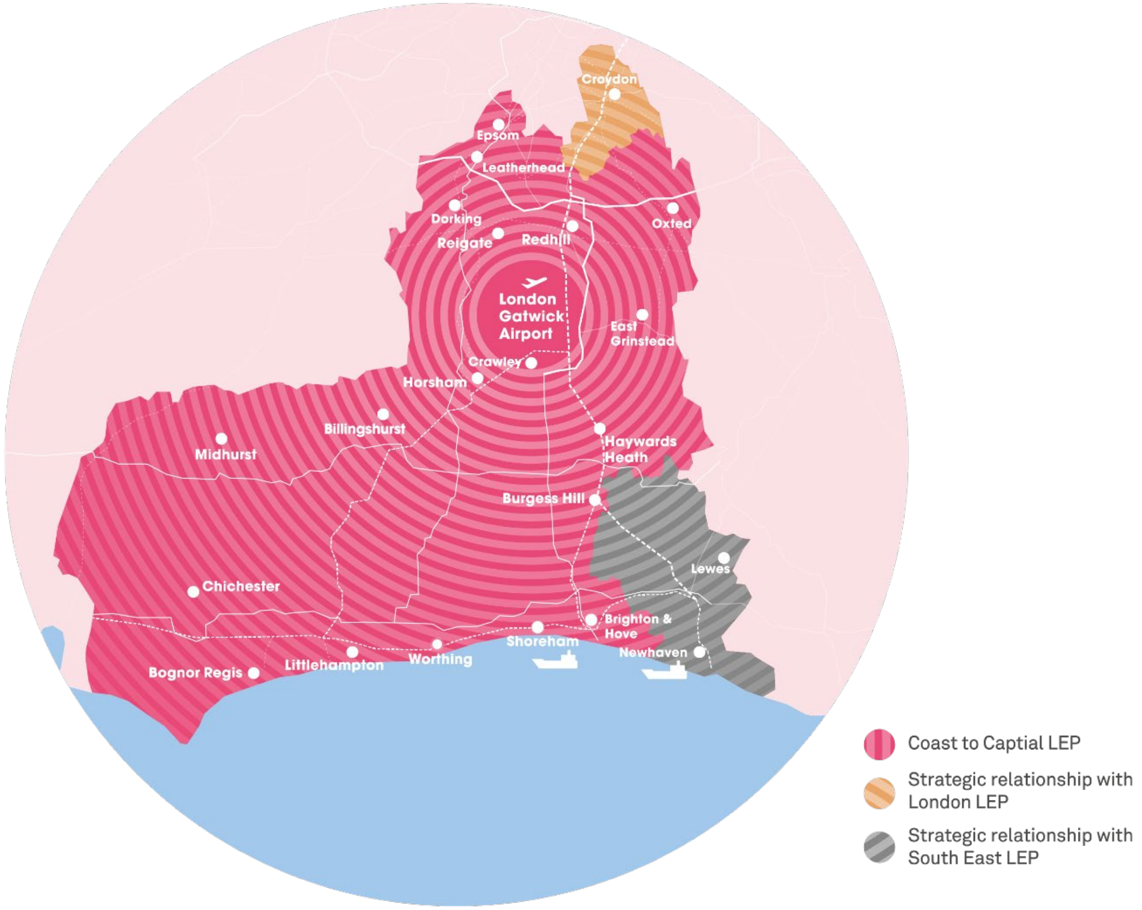
Nov to Dec

Full stakeholder engagement

Jan to Mar

Formal negotiation

LEP Leadership



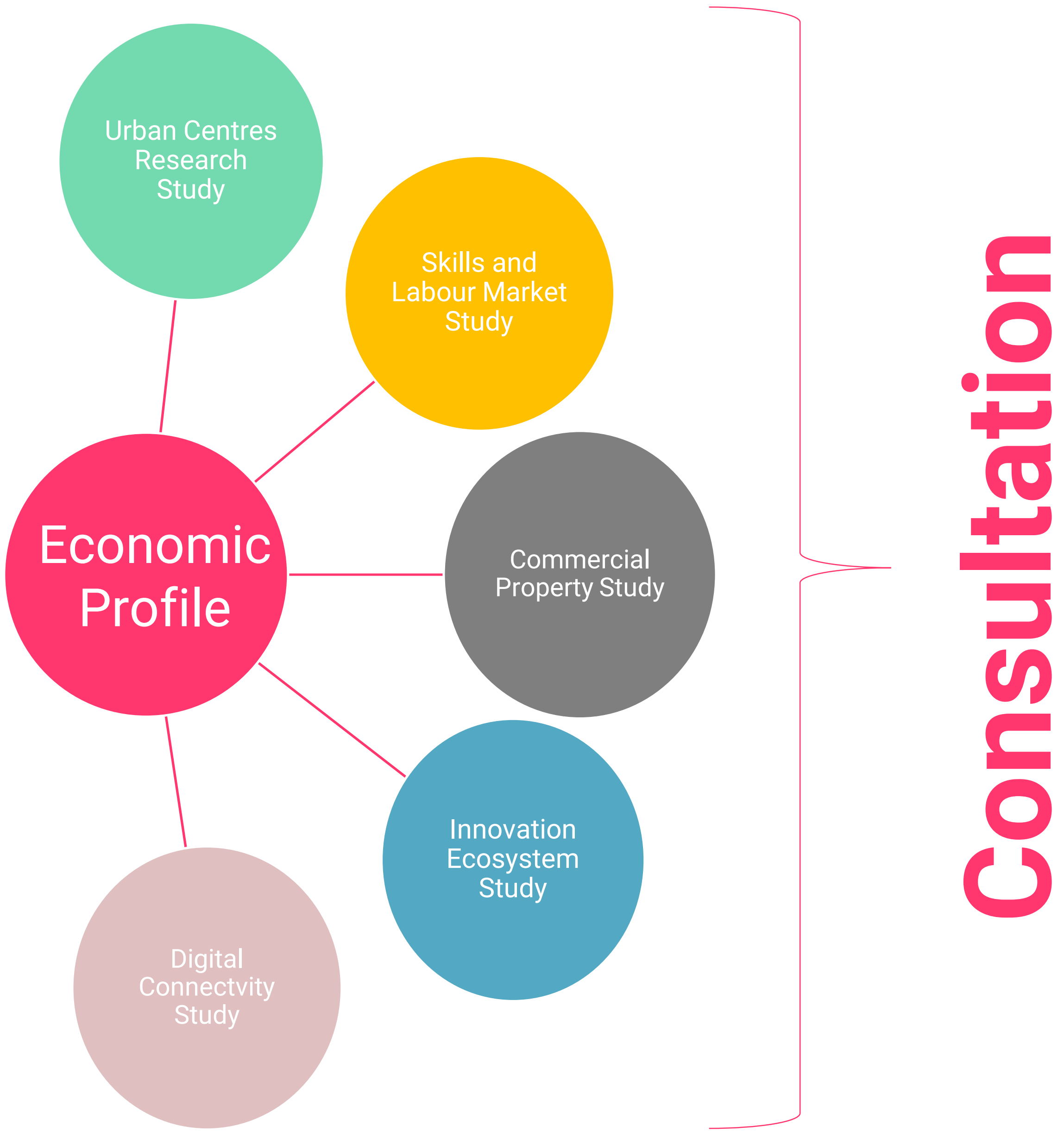
Local Industrial Strategy – Research Findings

Chris Paddock,
Hatch Regeneris Director

Introduction

The Economic Profile is the biggest piece of research undertaken into the economy and potential of the Coast to Capital LEP.

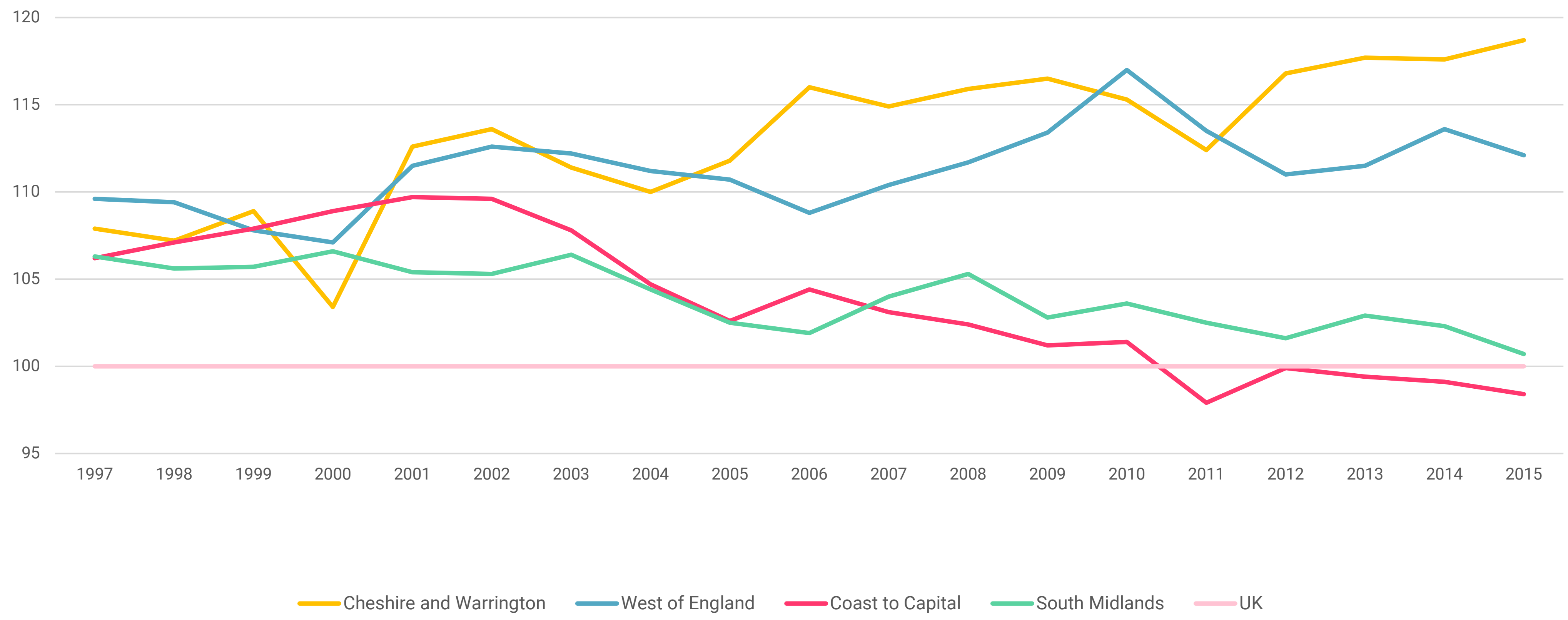
It is informed by new data sets and five specific research studies.



Understanding Recent Performance and The Challenge Ahead

Coast to Capital's GVA per head has declined over the last two decades and has fallen below the national average…

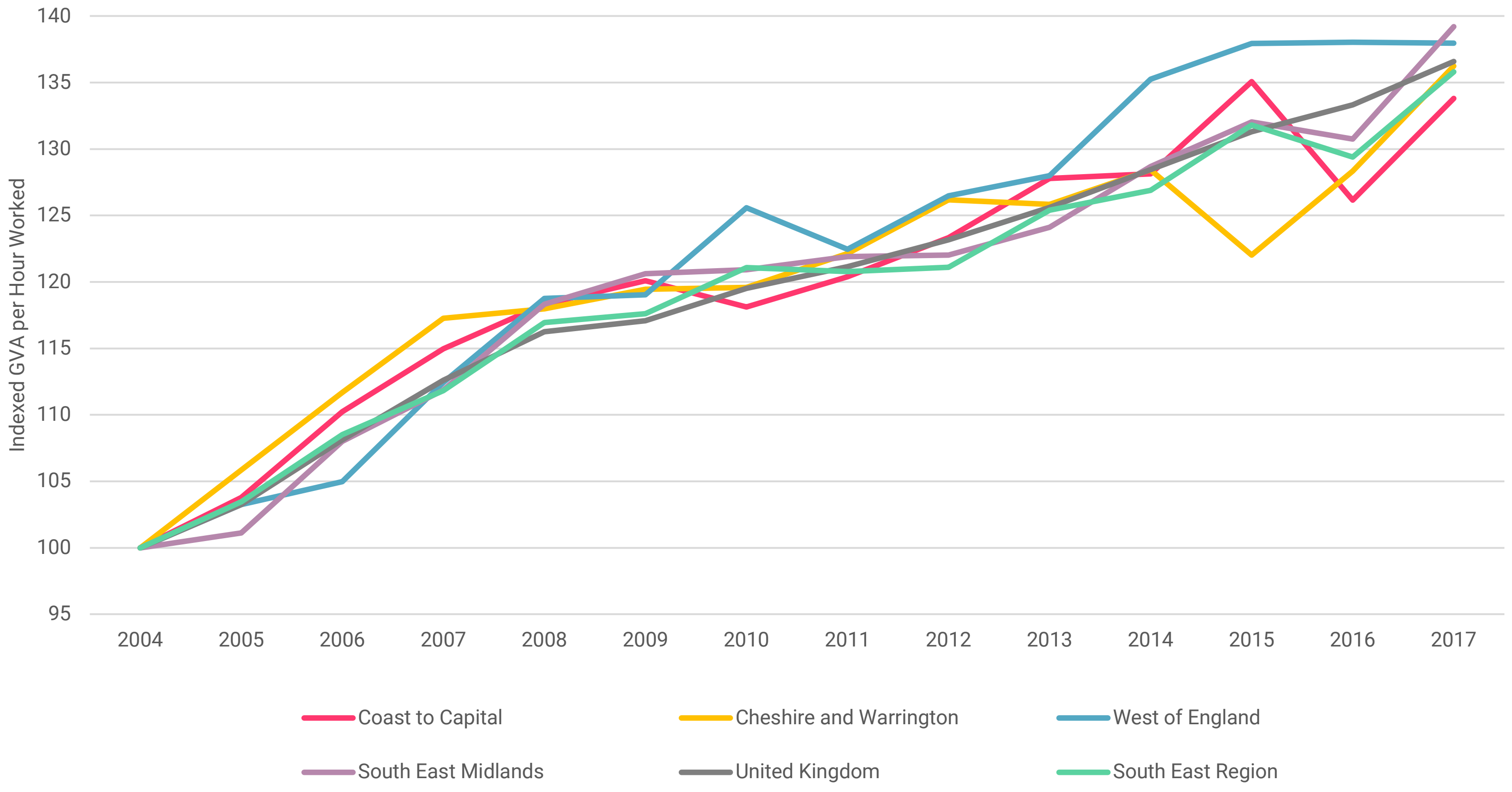
Comparator LEPs GVA per Head, 1998-2015 (indexed to the UK average, UK=100)



Data Source: ONS, GVA for Local Enterprise Partnerships

Labour productivity levels in Coast to Capital are above the national average, although competitor LEPs have made up ground in the last decade

GVA per Hour Worked vs Comparator LEPs, 2004-2017 (indexed to 2004, 2004=100)



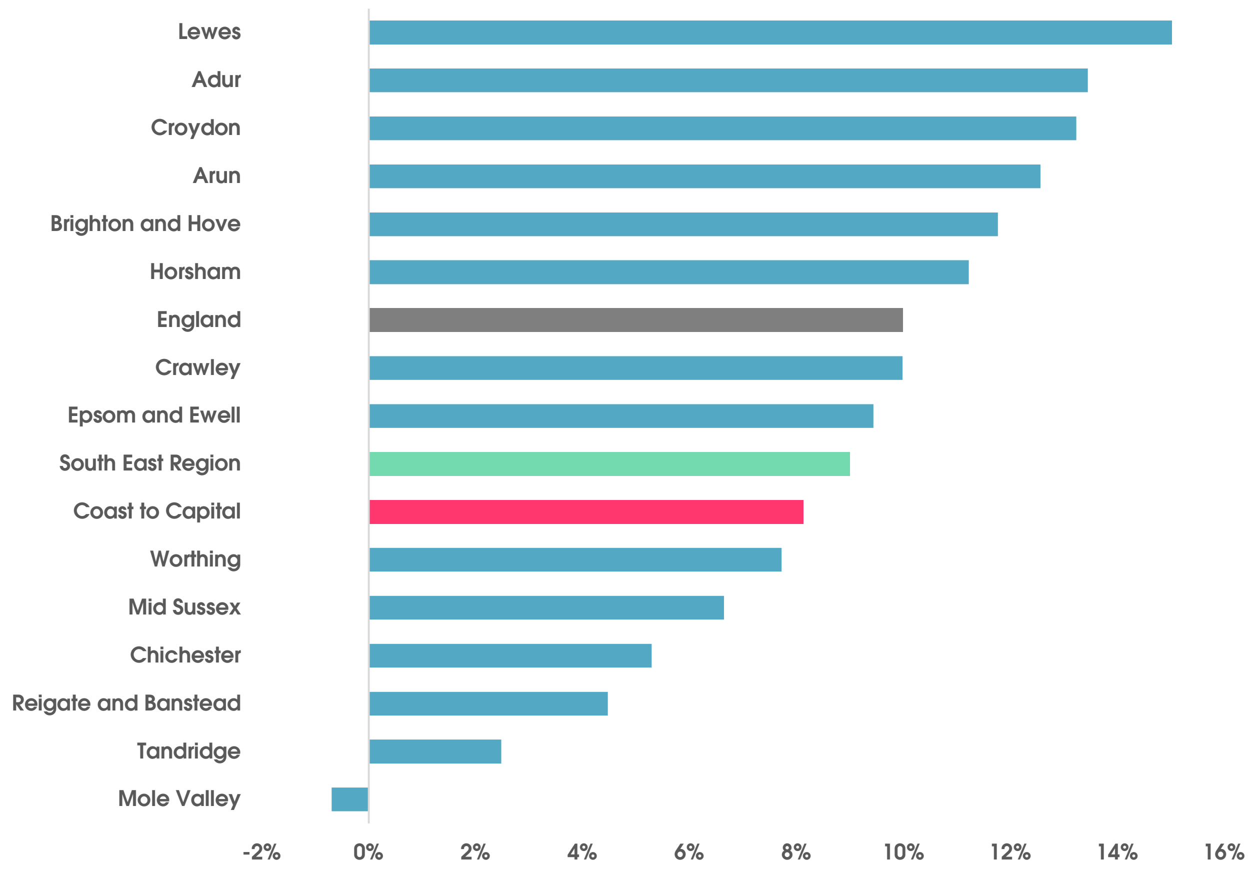
Productivity per hour per worker	
South East Region	£ 36
Cheshire and Warrington	£ 36
Coast to Capital	£ 35
United Kingdom	£ 34
West of England	£ 33
South East Midlands	£ 33

Data Source: ONS, Nominal GVA per hour worked for Local Enterprise Partnerships
Note: the Coast to Capital GVA figure includes Lewes and Croydon
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Recent Employment Growth

23rd of 38 LEPs in terms of the last 5 years employment growth

Employment Growth by Local Authority (2012-2017)

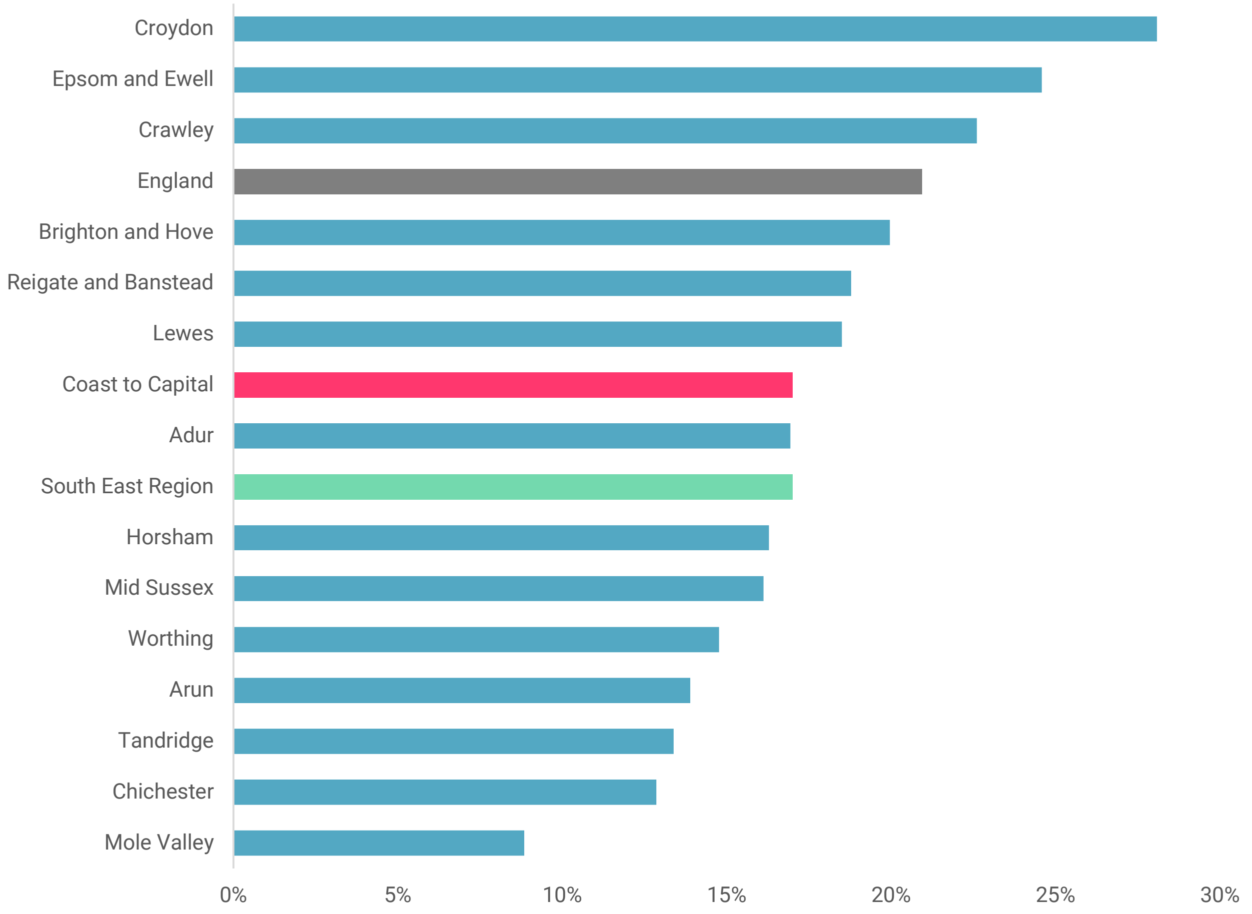


Data Source: ONS, BRES

Only 3 local authorities have seen business growth above the national average

18th of 38 LEPs in terms of the last 5 years business growth

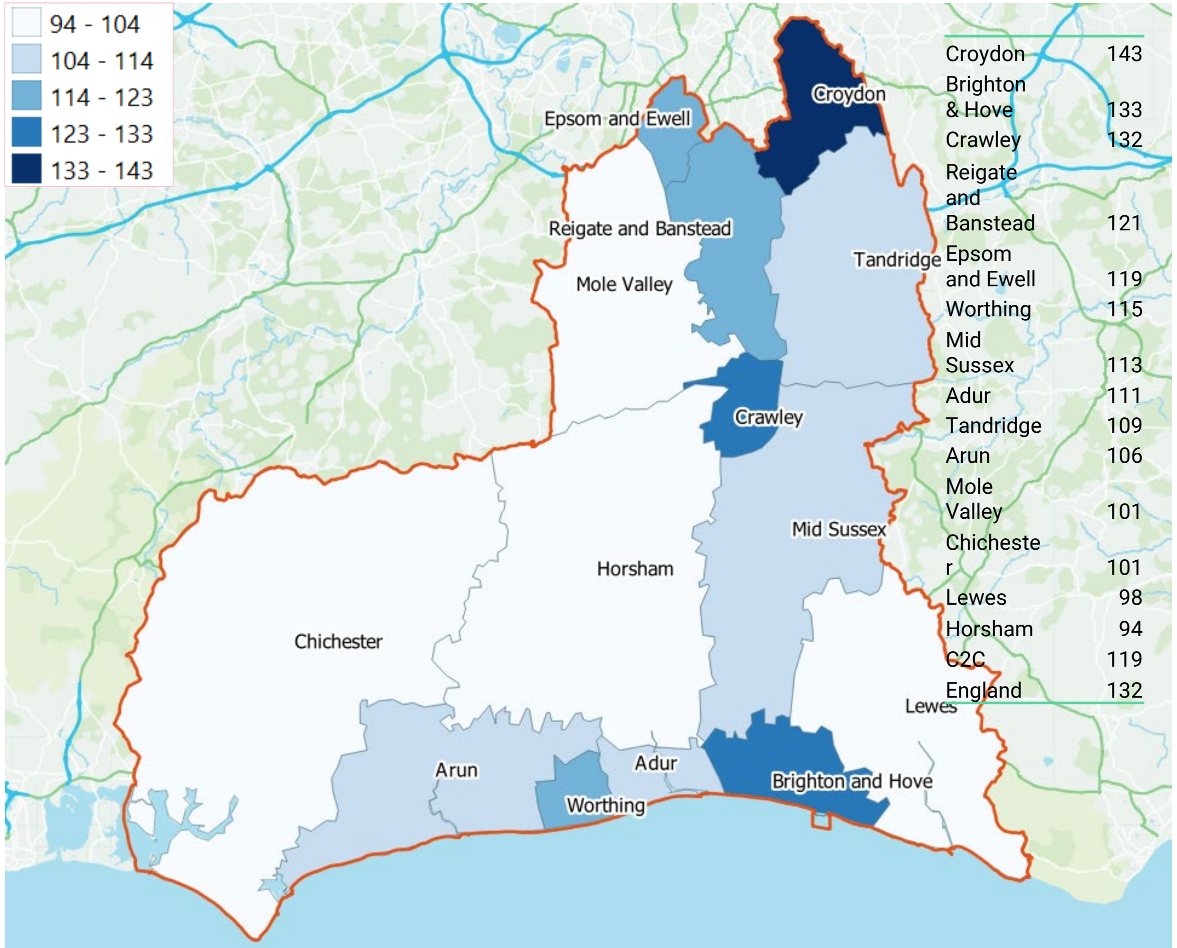
Business growth by local authority (2013-2018)



Data Source: ONS, UK Business Count

Coast to Capital has low business start-up rates compared to the national average

Map of Business Start Up Rates by Local Authority (per 1,000 businesses), 2018



Start-up rate (per 1,000 businesses)	
Croydon	***143***
Brighton & Hove	***133***
Crawley	***132***
Reigate and Banstead	121
Epsom and Ewell	119
Worthing	115
Mid Sussex	113
Adur	111
Tandridge	109
Arun	106
Mole Valley	101
Chichester	101
Lewes	98
Horsham	94
Coast to Capital	**119**
England	132

Data Source: ONS, Business Demography

Coast to Capital is the 7th most economically complex and productive LEP in Great Britain, with a GVA per hour worked of £35.2 compared to the UK figure of £33.6…

Economic complexity analyses a matrix of economic specialisms. It firstly determines how many specialisms an economy has, then measures how specialist those industries are and the diversity of those industries across the GB economy.

Complexity analysis correlates closely with the LQ productivity analysis. This ranks LEPs against GVA per hour. This strongly suggests that economic complexity is a driving factor in determining productivity.

Coast to Capital* ranks 7th, both for Economic Complexity *and* Productivity. The LEP exhibits high levels of economic complexity, but ranks behind London, Thames Valley Berkshire, Buckinghamshire Thames Valley, West of England, Hertfordshire, and EM3 (in that order).

Areas to the West and North of London have greater economic complexity than those to the South and East.

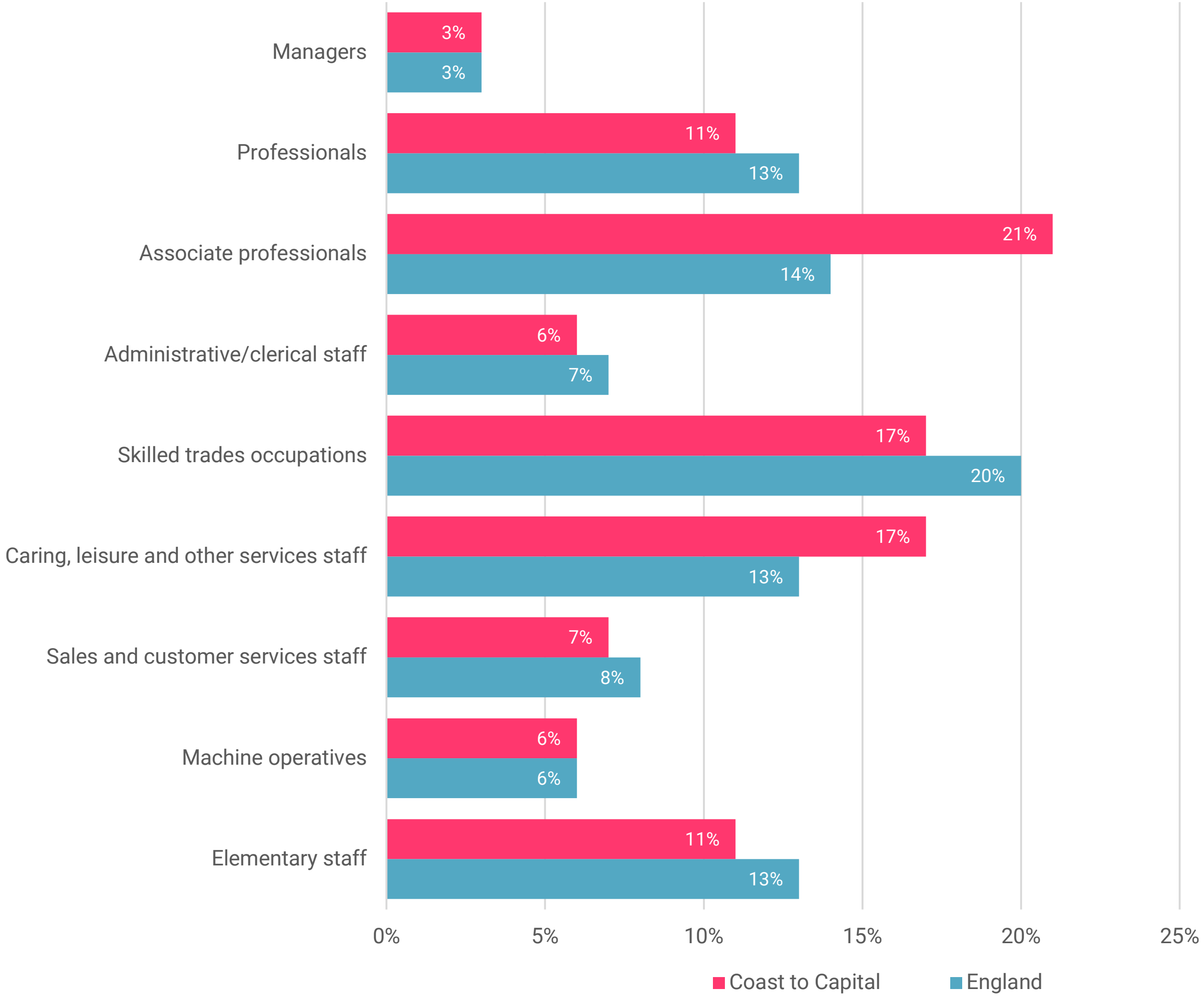
Coast to Capital is a very productive economy, with a GVA per hour worked of £35.20, 4.8% higher than the UK value (£33.60). However, this is behind competitor LEPS – London, T.V. Berkshire, EM3, Buckinghamshire T.V., as well as a couple of regional hotspots – Cheshire and Warrington, and Oxfordshire.

Data Source: Metro Dynamics

Focus on Research Studies

Skills: Hard to Fill Vacancies and Experience of Large Employers

Employer Reported Hard to Fill Vacancies by Occupation, 2017



Data Source: ONS, Annual Population Survey; Business Register and Employment Survey

Reflections from large employers

Work ready and basic employability skills has been identified by a large number of employers as lacking in some candidates. This includes time management, customer service and prioritising tasks.

Apprenticeship levy is not working as well as it could be for large employers, due to the strict rules around how they are able to spend their money. Many large employers see it as a "tax".

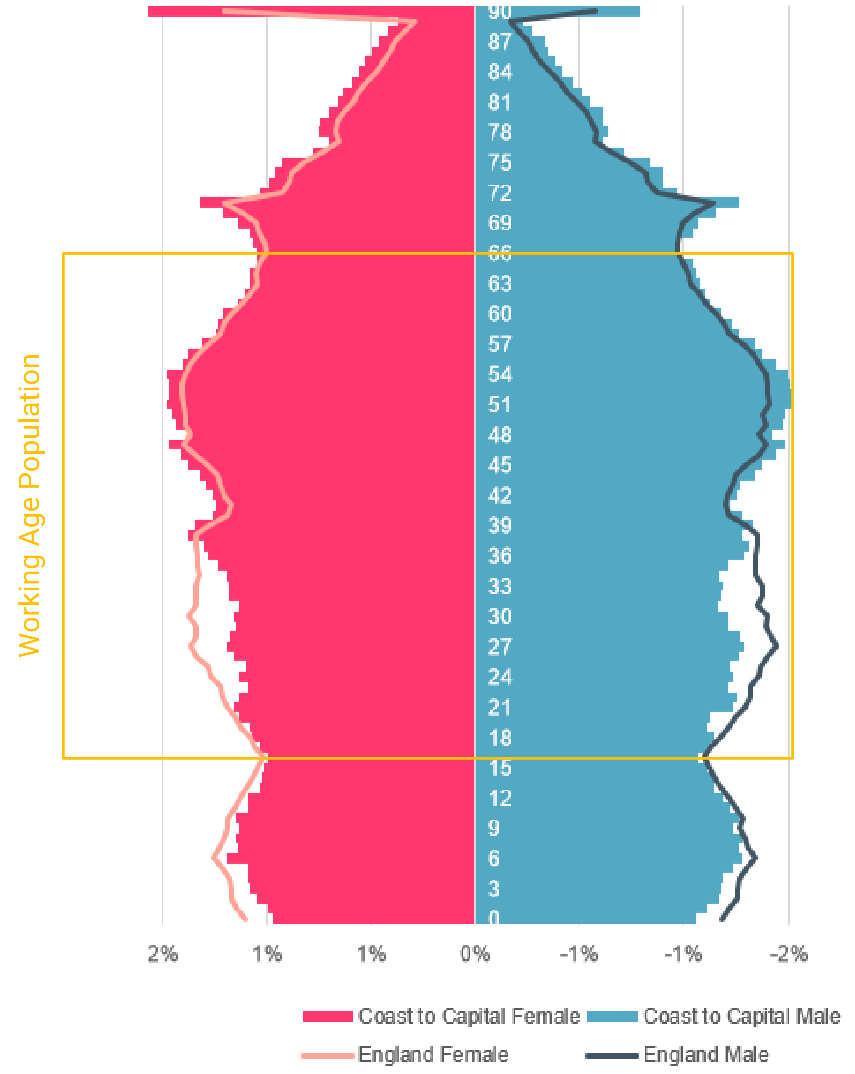
There is demand for **mid level roles** such as associate professionals. These are people who have the appropriate qualifications and experience for a role to support professionals and managers.

There is a key challenge in how **responsive the skills system** is in delivering courses that meet changing employer demands. In-house training is crucial to filling the gap.

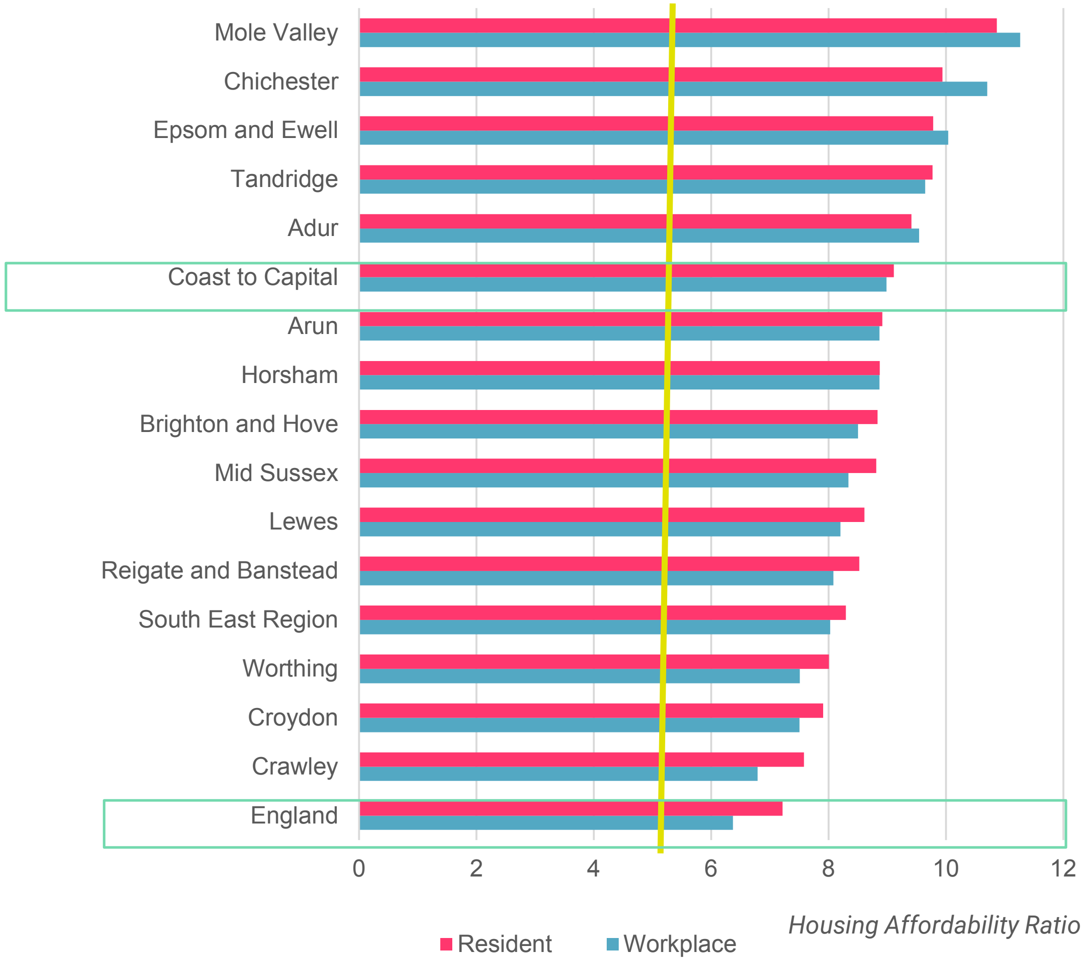
Limits on **EU migration** will have a big impact on labour supply for large horticulture businesses compared to other sectors.

Skills: Earnings and Age Profile

Population Pyramid of Coast to Capital, 2018



House Price to Annual Salary Ratio for Residents and Workforce, 2018



Data Source: ONS, Annual Population Survey

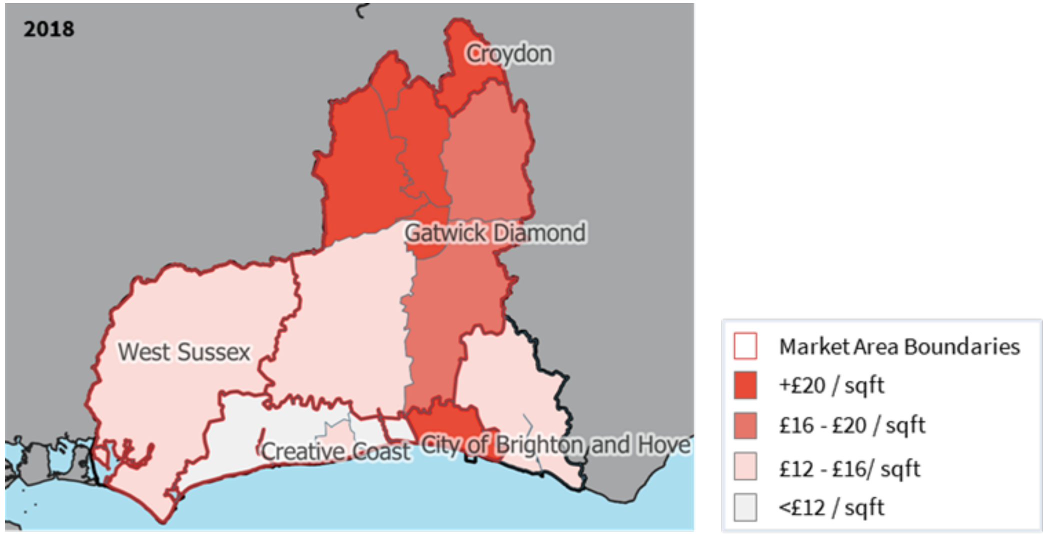
Urban Centres: Retail Vacancy Rates

Rank	2019 Vacancy Rate (% of Town Centre Units)	
1	Croydon	21.4
2	Newhaven	19
3	Ewell	17.1
4	Lewes	15.9
5	Redhill	12.7
6	Billingshurst	11.8
7	Steyning	11.8
	Great Britain	11.7
8	Purley	11.6
9	Worthing	11.4
10	Littlehampton	11.1
11	Burgess Hill	11
	South East	10.9
12	Petworth	10.8
13	Peacehaven	10.6
14	Crawley	10.3
15	Dorking	9.7
16	Horsham	9.5
17	Coulsdon	9.4
18	Caterham	9.3
19	Epsom	9.2
20	Lancing	9.0
21	Shoreham-by-Sea	8.6
22	Leatherhead	8
23	Horley	7.9
24	Bognor Regis	7.7
25	Chichester	7.3
26	Banstead	7.1
27	Brighton and Hove	6.7
28	Arundel	6.2
29	Reigate	5.3
30	Seaford	5.1
31	East Grinstead	4.7
32	Haywards Heath	4.3
33	Oxted	3.9

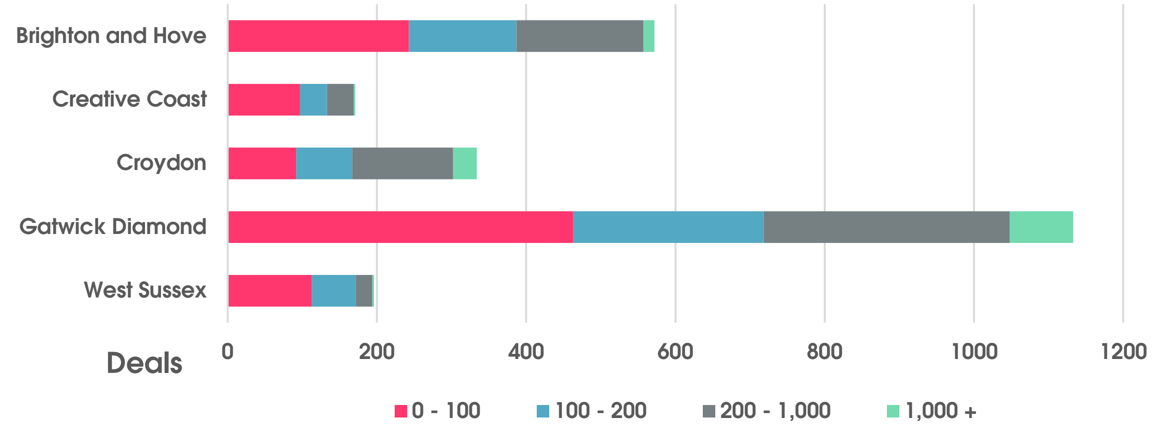
Source: Local Data Company

Rank	2019 Vacancy Rate (% of Town Centre Units)			
		2014	2019	% Point Change
1	Ewell	7.9	17.1	9.2
2	Steyning	4.4	11.8	7.4
3	Lewes	9.0	15.9	6.9
4	Croydon	16.6	21.4	4.8
5	Billingshurst	7.7	11.8	4.1
6	Petworth	7.3	10.8	3.5
7	Littlehampton	8.2	11.1	2.9
8	Shoreham-by-Sea	6.4	8.6	2.2
9	Lancing	7.4	9.0	1.6
10	Reigate	3.7	5.3	1.6
11	Epsom	7.8	9.2	1.4
12	Horsham	8.1	9.5	1.4
13	Oxted	2.6	3.9	1.3
14	Worthing	10.1	11.4	1.3
15	Dorking	8.6	9.7	1.1
16	Peacehaven	9.5	10.6	1.1
17	Banstead	6.0	7.1	1.1
18	Newhaven	18.6	19	0.4
19	Arundel	5.9	6.2	0.3
20	Chichester	7.4	7.3	-0.1
21	Caterham	9.4	9.3	-0.1
	Great Britain	**11.9**	**11.7**	**-0.2**
22	Leatherhead	8.3	8	-0.3
23	Coulsdon	9.7	9.4	-0.3
24	Redhill	13.2	12.7	-0.5
	South East	**11.1**	**10.2**	**-0.9**
25	Brighton and Hove	7.7	6.7	-1.0
26	Burgess Hill	12.4	11	-1.4
27	Seaford	6.8	5.1	-1.7
28	Purley	13.7	11.6	-2.1
29	East Grinstead	8.0	4.7	-3.3
30	Crawley	13.6	10.3	-3.3
31	Haywards Heath	8.8	4.3	-4.5
32	Bognor Regis	12.9	7.7	-5.2
33	Horley	13.2	7.9	-5.3

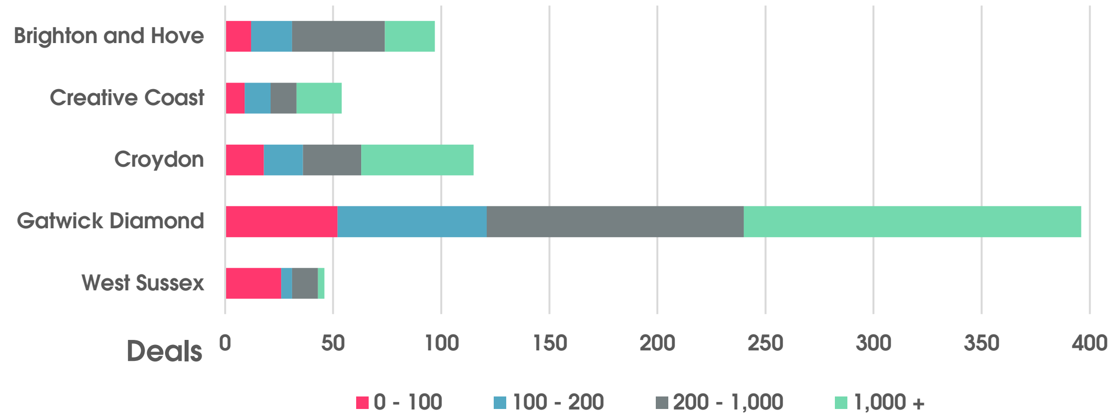
Commercial Property: Office Demand



Total Office Lease Deals by Floorspace by Market Area (2013-2018) (sq m)



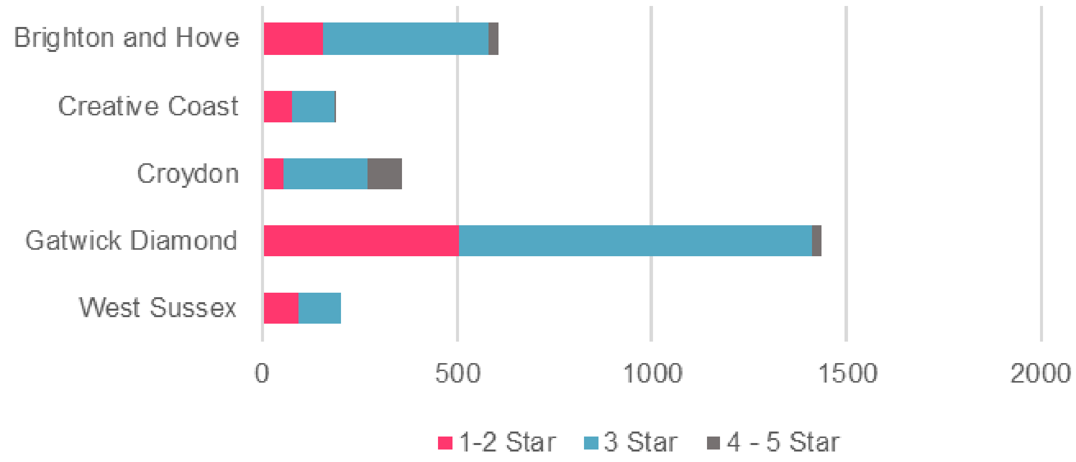
Total Office Sales Deals by Floorspace by Market Area (2013-2018) (sq m)



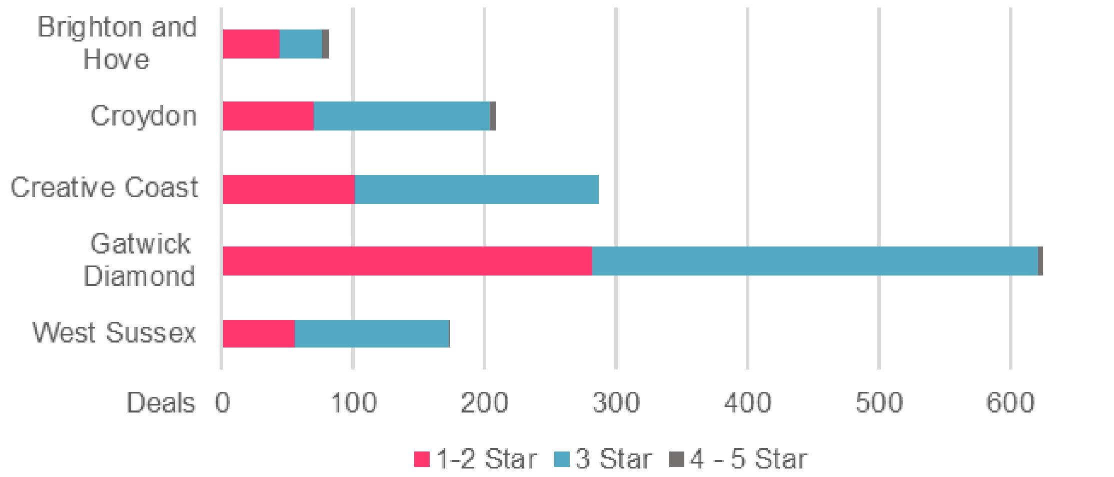
Data Source: Co-Star

Commercial Property: Quality of Office and Industrial Workspace

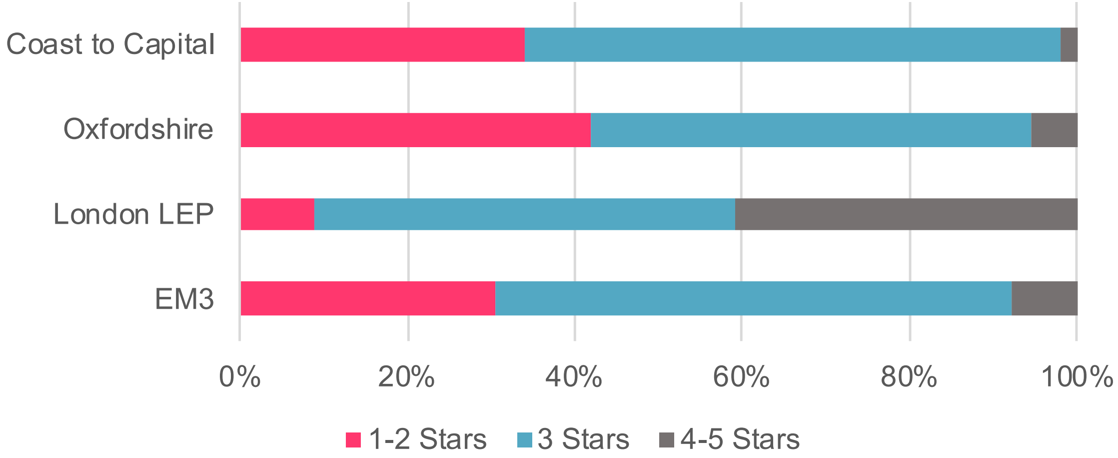
Total Office Lease Deals by Quality by Market Area (2013-2018) (sq m)



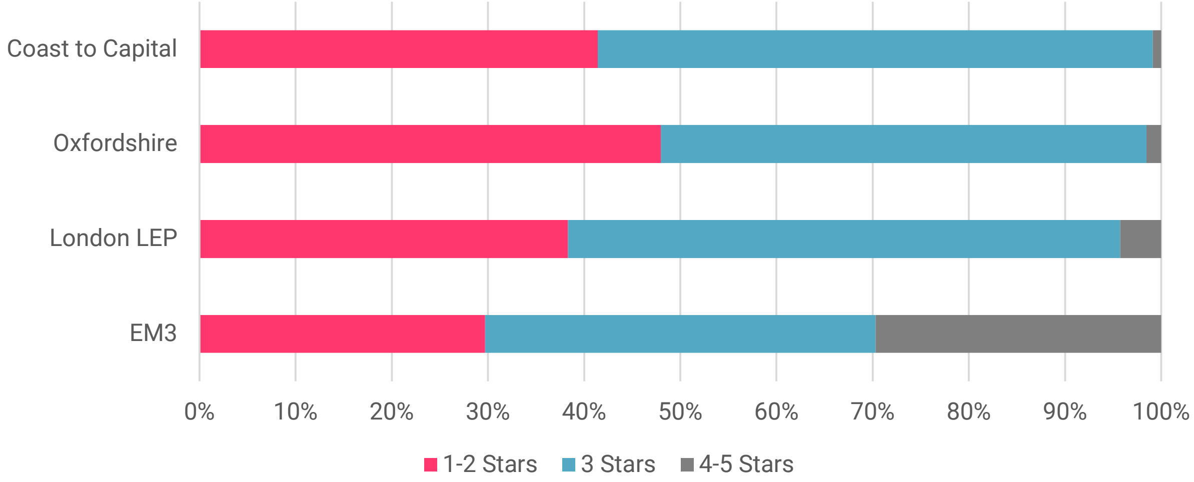
Total Industrial Lease Deals by Quality by Market Area (2013-2018) (sq m)



Proportion of Office Lease Deals by Quality by Market Area (2013-2018) (sq m)



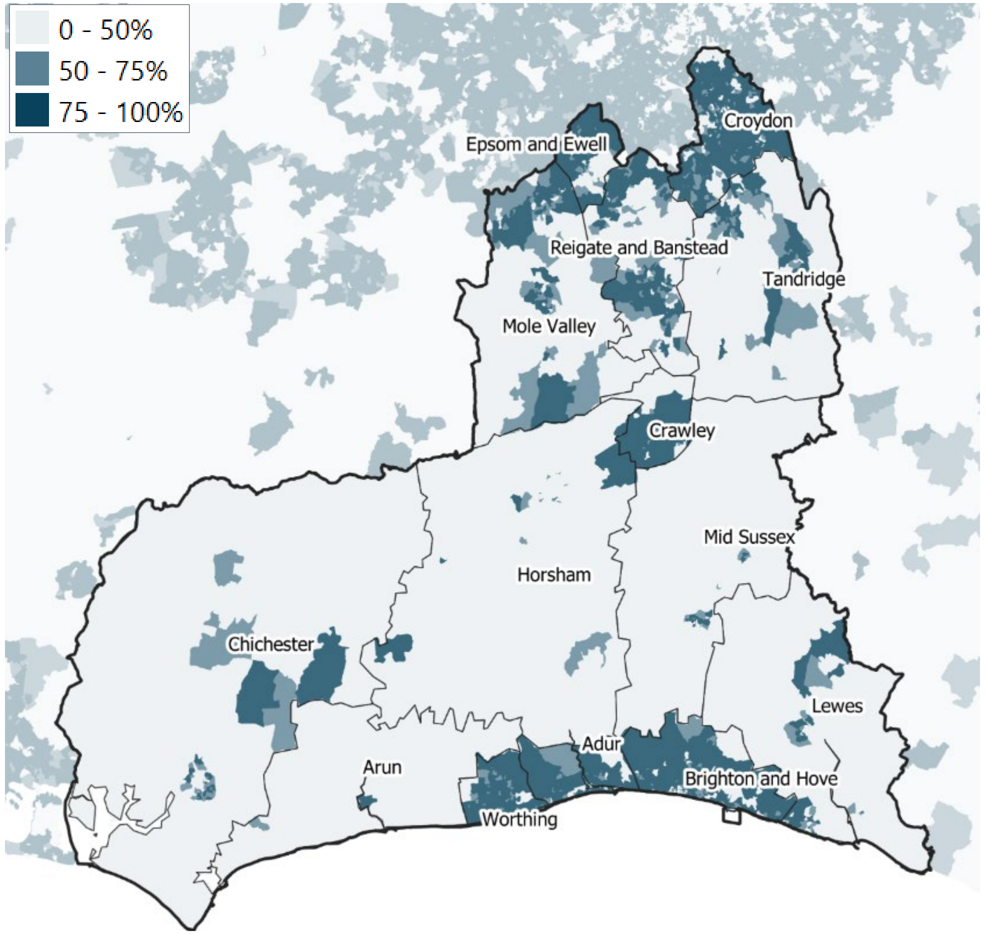
Proportion of Industrial Lease Deals by Quality by Market Area (2013-2018) (sq m)



Data Source: Co-Star

Digital Connectivity: Ultrafast Fibre Coverage and Barrier to Delivery

Coverage of Ultrafast Fibre Broadband in the Coast to Capital Region (2019)



Barriers:

- Relative lack of demand for commercial digital network capacity in less dense rural and coastal settlements
- Cost of delivering network infrastructure to more remote areas of West Sussex and East Surrey
- Some urban centres – including Brighton and Epsom – are constrained by lack of investment in fibre to premises
- Lack of coordination of public sector networks – delivered by separate contracts with different operators
- Residents and businesses are less aware of the potential benefits of Fibre to premises and fail to take up incentives

Innovation: There is lots of R&D activity across the LEP but clear issues are beginning to surface…

Brighton's Digital Sector

Strengths in…

- Gaming
- Augmented Reality/Virtual Reality
- Creative
- E-learning

With growing provision of co-working space

14.4k digital tech jobs

WiredSussex

AMERICAN EXPRESS

mpb.com

Across Coast to Capital…

Manor Royal Business Park

Strengths in…

- Aerospace
- Electromedical Manufacturing
- Advanced Engineering

varian

Elekta

THALES

BOEING

Co-Working Spaces

Electric Fuel Cells — CeresPower

RICARDO — McClaren Engine Manufacturing

Hydrogen fueled Buses — Brighton&Hove

Collaborative Innovation across Horticulture & Viticulture

With a productive, complex economy and seemingly plenty of R&D going on, the question remains…

What are the problems?

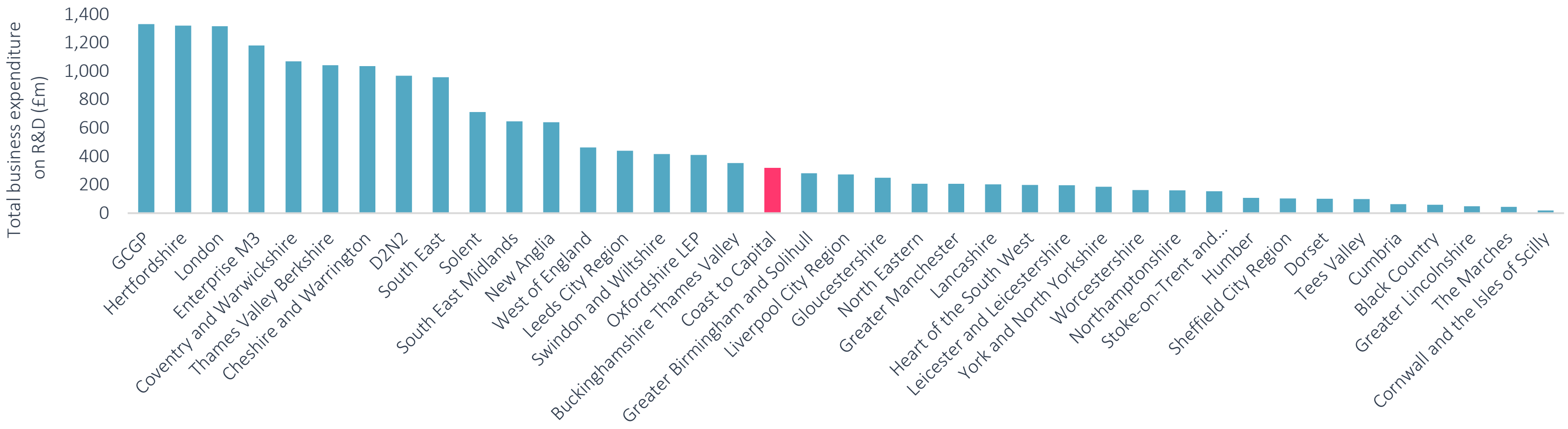
Recent data & engagement suggests R&D is **not** as prevalent as it appears.

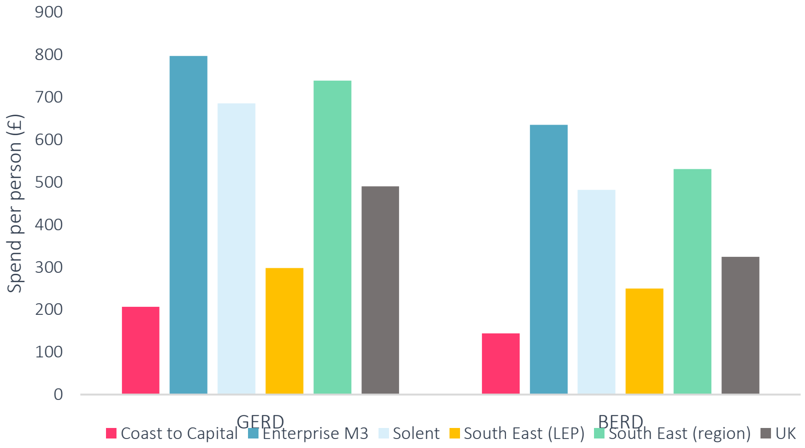
Challenges Companies are facing:

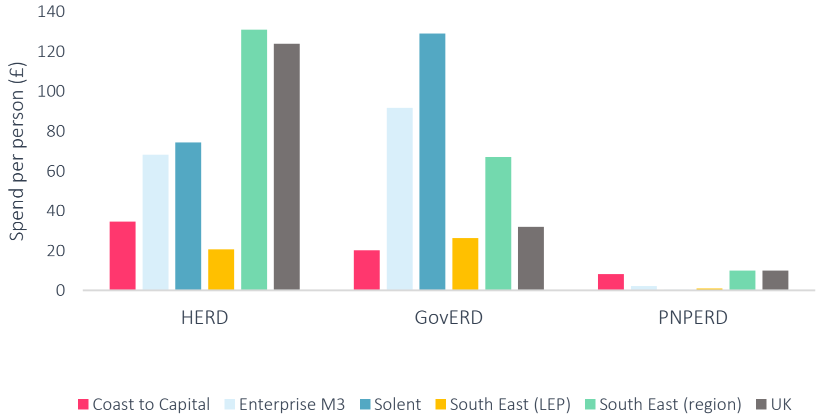
- Skills shortage
- Struggling to hire (VACANCY)
- Lack of Space
- Cost of Land
- Cannot expand
- R&D moving elsewhere

Data Source: Metro Dynamics; TechNation Report (2018)

Innovation: Public and Private R&D Investment







HERD – Higher education expenditure on research and development
GovERD – Government, including research councils, expenditure on research and development
PNPERD – Private non-profit organisations expenditure on research and development
GERD – Gross domestic expenditure on research and development
BERD – Business enterprise expenditure on research and development

Evolving the Local Industrial Strategy

Summary: Areas for Action within the LIS

- Coast to Capital is not a single functional economic area. Evidence on commercial property, labour market and urban centres suggest there are four distinct geographies: Brighton and the Coastal Areas; Rural Areas, the Gatwick Economic Area and the London Commuter Belt each have distinct circumstances and need focus. **- All**
- Coast to Capital has a very low proportion of residents aged 20-40 and a high proportion of residents at or approaching retirement age. Enabling skilled young workers to be able to locate within the LEP area is critical for the future competitiveness of Coast to Capital as a business location - **People**
- Hiring and retaining skilled staff is a major issue for local employers, a lack of technical, senior and graduate skills. This is then impacting business capabilities and their ability to compete from their current locations - **People**
- Identity and amenity are increasingly important to location decisions (business and workers) and to stimulating the social connections and networks which underpin innovation. Currently Coast to capital urban centres are not distinct enough to act as an asset or attractor for the Coast to Capital area. **Places**
- A lack of innovation funding in universities into particularly into the specialist industries like engineering, resulting in underfunded/non-existent academic research. **Ideas**
- The region suffers from a lack of high quality office and industrial space. This influences its ability to keep expanding businesses and attract higher value businesses. Evidence suggests that more productive competitor LEP areas have had a higher proportion of high quality office and industrial deals in recent years. - **Business Environment**
- There is a need to coordinate in the delivery of digital infrastructure in a consistent and timely manner, the LEP is the obvious organisations to offer stewardship over this process - **Infrastructure**

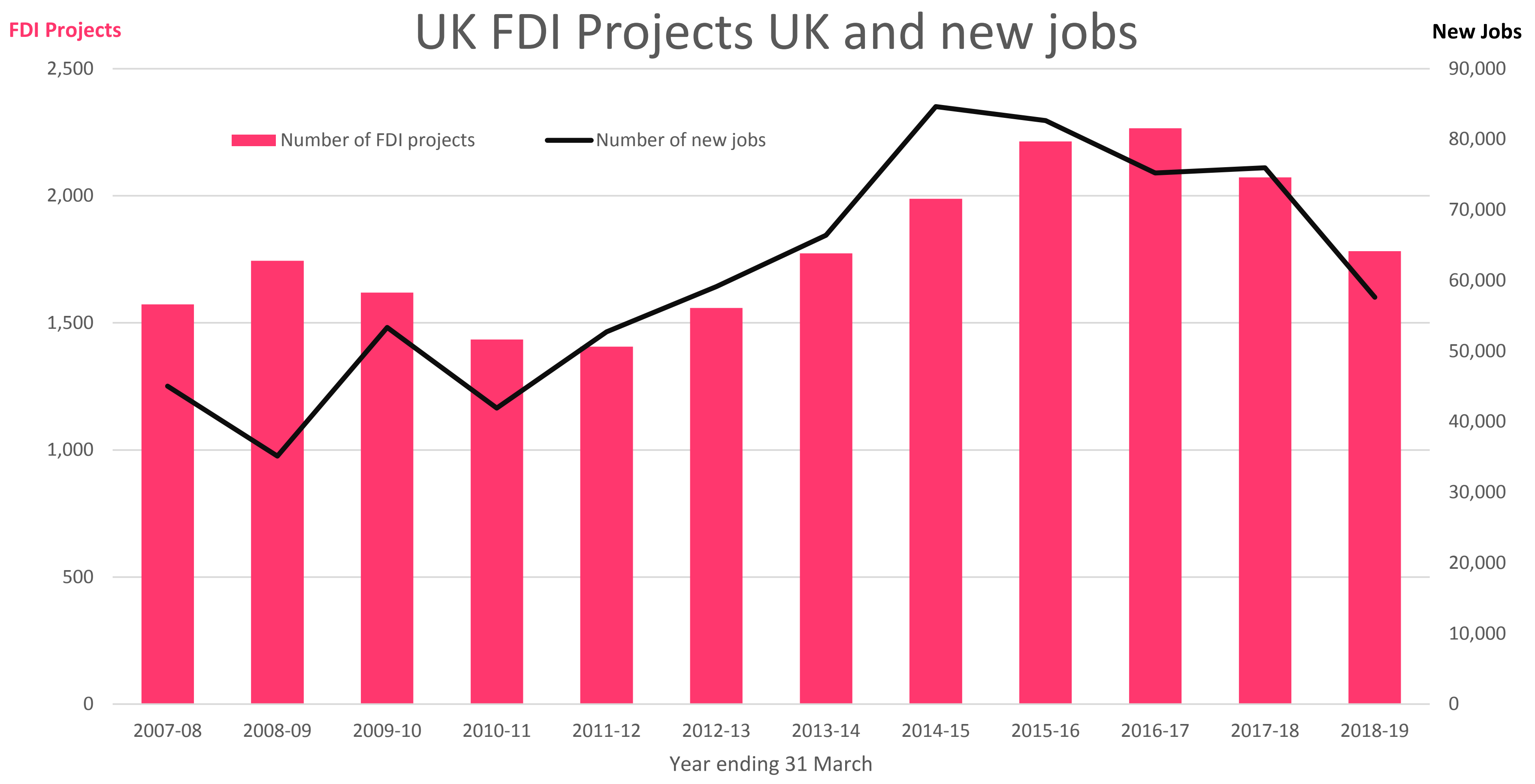
Data Source: Metro Dynamics

Local Industrial Strategy – Looking Ahead

Claire Mason
Man Bites Dog CEO &
Coast to Capital Board Member

Slido.com #C2CAGM

Falling UK Foreign Direct Investment (FDI)



Source: Department for International Trade

Big Challenges Demand Big Thinking

Example Coast to Capital Challenges	Big Questions to Consider
Declining **urban centres**.	Rethink use, infrastructure, housing & business space?
Micro/Small **business profile**.	Support, skills & business space to grow? Attract larger employers?
Low levels of **innovation / R&D investment**.	Higher Education presence and partnership, skills & space?
Mismatched **skills profile**.	Lifelong learning, talent retention, engaging older workforce?

The Local Industrial Strategy

- Collective vision and strategy.
- Attention and investment of Government.
- Attraction of corporates and FDI.

What does a successful LIS look like?

1. Articulate our **comparative advantage**.

2. Communicate a **distinctive identity**.

3. Make a **clear ask**.

How to engage

bigideas@coast2capital.org.uk

Any Questions?

Go to Slido.com and enter the event code #C2CAGM

Take part in the poll

Using Slido

- submit your questions
- express your views
- answer our polls

To join:

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3. Enter the event code #C2CAGM

Interview with Wincie Wong – Women in Business

Wincie Wong,
Head of Rose Review Implementation at RBS

AGM 2019

Tim Wates, Coast to Capital Chair

AGM 2019

AGM 2018 minutes
Accounts for the Year Ended 31 March 2019
Confirmation of the Coast to Capital Board of Directors
Coast to Capital Articles of Association
Annual Report 2018/2019

Board of Directors

Tim Wates
Chair

Jonathan Sharrock
Chief Executive

Julie Kapsalis
Vice Chair

Board of Directors

Business Representatives

Jamie Arnell
Karen Dukes
Martin Harris (transport sponsor)
Richard Hopkins
Amanda Jones
David Joy (housing sponsor)
Mike La Rooy
Rosaleen Liard
Claire Mason (SME representative)

Board of Directors

Public Sector

Louise Goldsmith – West Sussex County Council
Colin Kemp – Surrey County Council
Tony Newman – Croydon Council
Nancy Platts – Brighton & Hove City Council

District Council Directors:
Mark Brunt - Reigate & Banstead Borough Council
Daniel Humphries – Worthing Council






Board of Directors

Further Education and Higher Education

Further Education - Frances Rutter – NESCOT College
Higher Education - Adam Tickell – University of Sussex

Closing Remarks

Tim Wates
Coast to Capital Chair

Coast to Capital

Thank you!

Epsom Downs Racecourse
11 September 2019