

**Coast to
Capital**



**Local
Industrial
Strategy**

**Coast to Capital Local Authority Update
24 July 2019**

Learning from elsewhere

Our discussions with other LEPs reveal more about the pace and challenge of the LIS negotiation with Government.

The principles of a good LIS

- A focus on increased productivity
- Presents an 'incontestable' evidence base
- Rooted in a story of place that makes the area distinct
- Describes our economy – the challenges and opportunities
- Addresses the Industrial Strategy Grand Challenges
- Covers the 5 Foundations of Productivity
- Shows collaboration across LEP boundaries

Coast to Capital



Government expectations

There is a requirement to describe the 5 Foundations of Productivity in detail for our area.

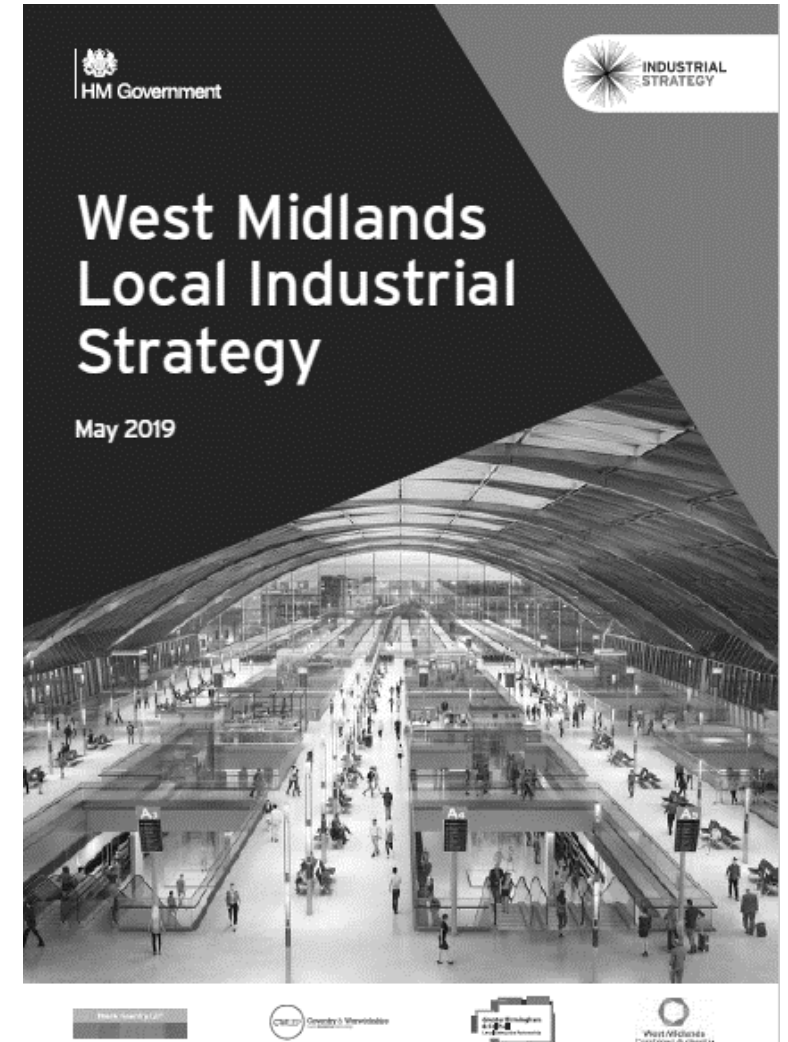
And to prioritise which areas of private sector innovation and investment we will excel in, using the Grand Challenges.

5 Foundations of Productivity

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

The Grand Challenges

- artificial intelligence and data
- ageing society
- clean growth
- future of mobility



Board leadership

Gatwick 360° sets the blueprint for our future relations with Government.

Board Sponsors are playing an active role, advising SMT leads on their priorities and representing the LEP.

All Board Members have the opportunity to promote our work on the LIS.



Deliver prosperous urban centres



Develop business infrastructure and support



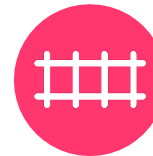
Invest in sustainable growth



Create skills for the future



Pioneer innovation in core strengths



Promote better transport and mobility



Improve digital network capability



Build a strong national and international identity

Gatwick 360° progress

Our research programme is on schedule, so that we have a first class evidence base to deliver Gatwick 360° and our LIS.

| Gatwick 360° priority | Project set-up | PID agreed | Research brief agreed | Research funding agreed | Research findings | Project final report | Business case |
|--|----------------|------------|-----------------------|-------------------------|-------------------|----------------------|---------------|
| Priority 1: Deliver prosperous urban centres | ● | ● | ● | ● | ○ | ○ | ○ |
| Priority 2: Develop business infrastructure and support | ● | ● | ● | ● | ○ | ○ | ○ |
| Priority 3: Invest in sustainable growth | ● | ● | N/A | N/A | ○ | ○ | ○ |
| Priority 4: Create skills for the future | ● | ● | ● | ● | ○ | ○ | ○ |
| Priority 5: Pioneer innovation in core strengths | ● | ● | ● | ● | ○ | ○ | ○ |
| Priority 6: Promote better transport and mobility | ● | ● | N/A | N/A | ○ | ○ | ○ |
| Priority 7: Improve digital network capability | ● | ● | ● | ● | ○ | ○ | ○ |
| Priority 8: Build a strong national and international identity | ● | ● | ● | ● | ○ | ○ | ○ |

Research highlights

Our programme of further research has been designed to provide the necessary evidence base for our eight priorities and the 5 Foundations of Productivity in the LIS.

Our 'innovation ecosystem' research in particular will provide the evidence for the Grand Challenges.

Hatch Regeneris

Are undertaking three individual strands of research:

- **Urban Centres Prioritisation** – to help identify a list of ambitious town centres that should be prioritised for further LEP and Government engagement.
- **Commercial Property Study** – to assess the supply and demand of commercial space across the region
- **Skills and Labour Market Research** – this project will gain valuable intelligence and build an evidence base of current and future demand for and supply of skills within the area

Metro Dynamics

Are undertaking research into the 'innovation ecosystem' across the Coast to Capital area, looking at how this can address specific opportunities in Government's Grand Challenges

The Fifth Sector

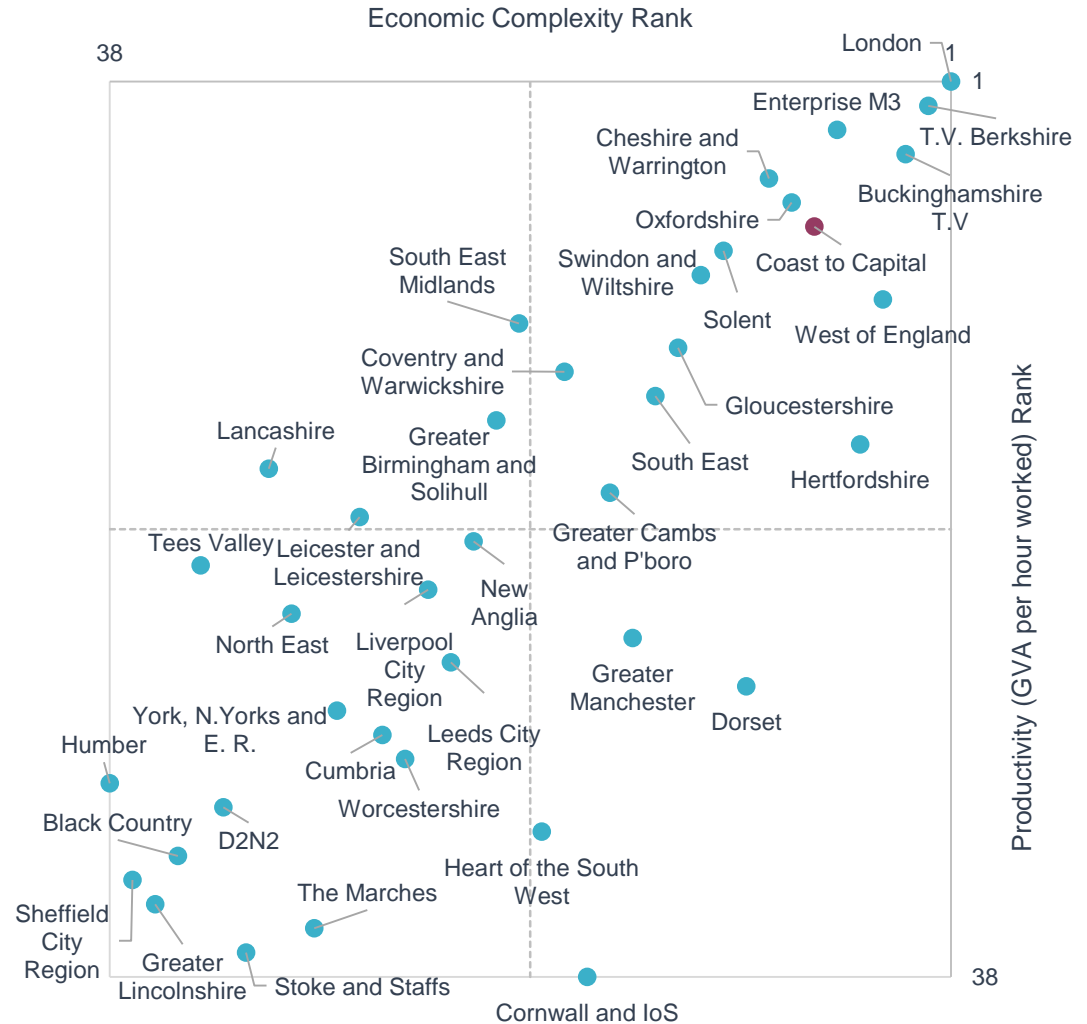
Are undertaking a **digital connectivity** research project for our area, bringing together existing data and pipeline projects

Complexity and productivity among LEPs

Complexity analysis correlates closely with productivity. The complexity calculation does not include any figures on the value of different industries, but ranks LEPs in a manner very similar to that we see when we rank LEPs according to the purest measure of labour productivity, 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). Interestingly, with one exception, these places are all within the commuter belt of London. The fact that South East LEP is lower down the rankings suggests areas to the West and North of London have greater economic complexity than those to the South and East.

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

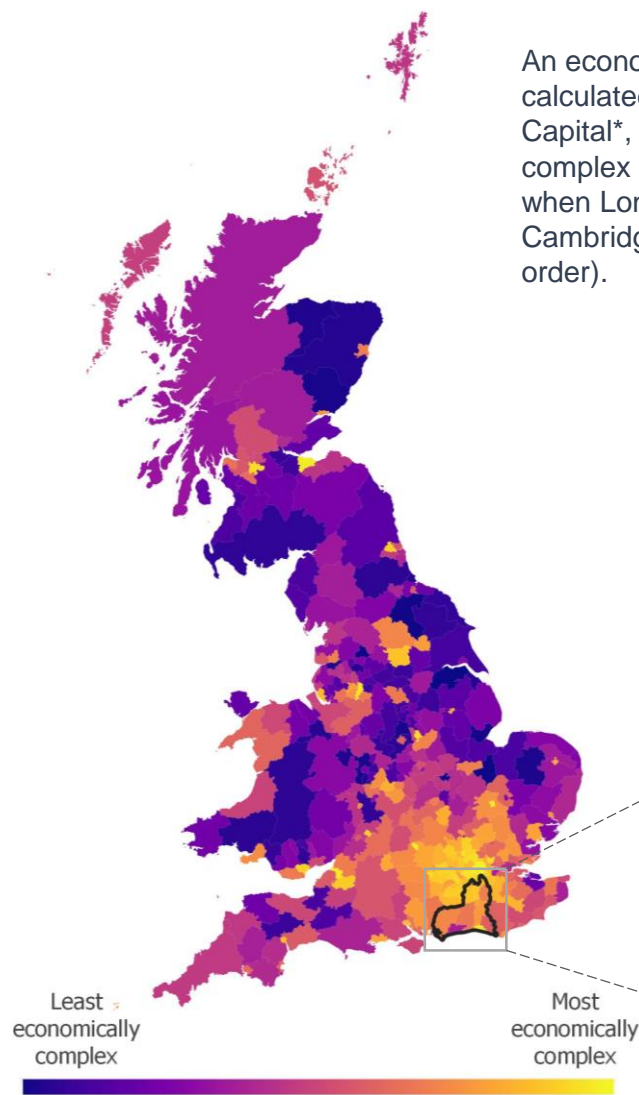


* Please note, this data includes Croydon and Lewes.

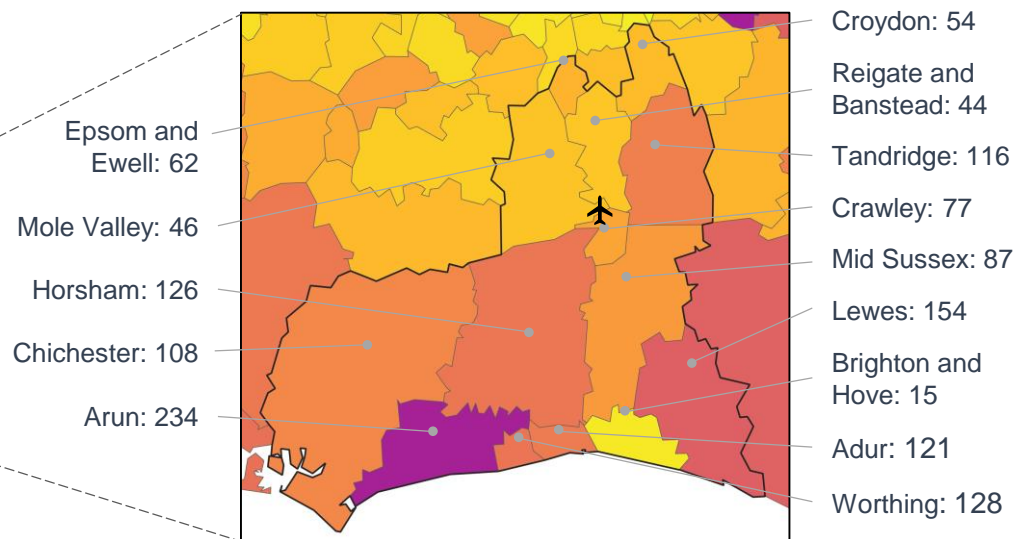
Complexity within Coast to Capital

An economic complexity ranking can also be calculated for Local Authorities. Within Coast to Capital*, Brighton and Hove is the most economically complex district – the 15th in Great Britain, rising to 5th when London boroughs are excluded, after only Cambridge, Edinburgh, Oxford and Bristol (in that order).

The least economically complex of all the districts is Arun, which at 234 is the only district in the bottom half of the GB rankings. With the exceptions of Brighton and Tandridge, economic complexity generally increases with proximity to London.



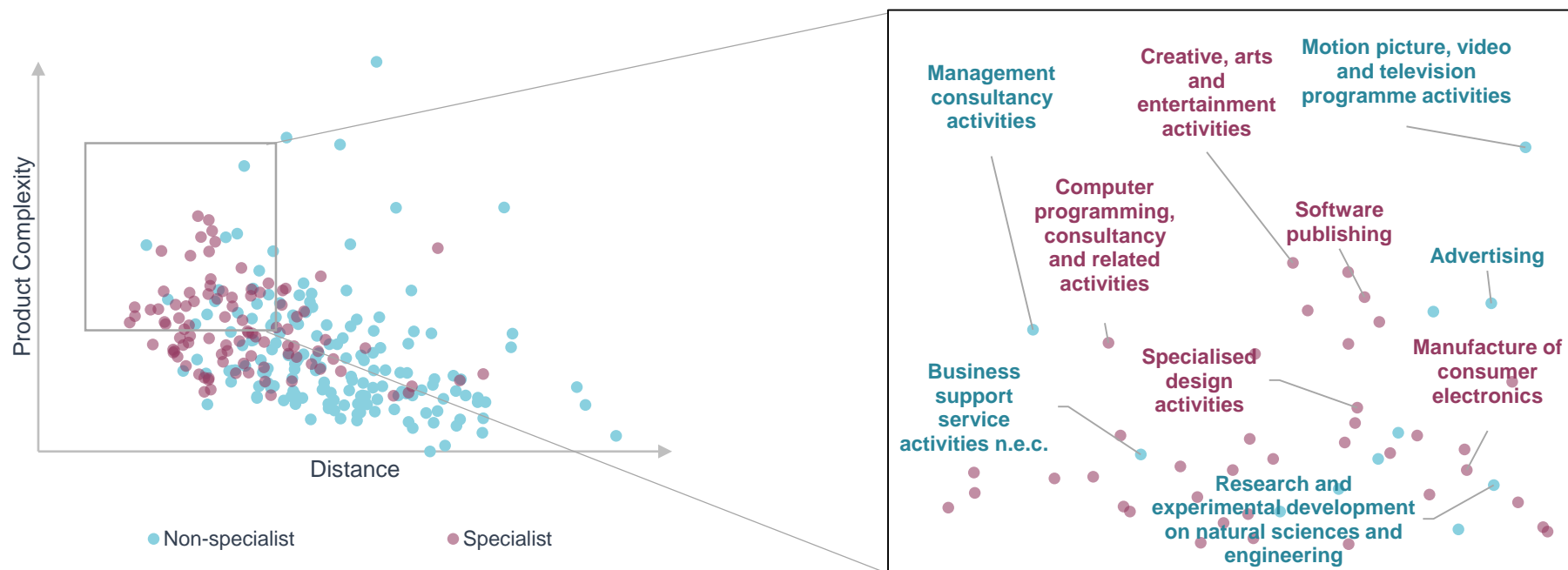
Rankings out of 371 Local Authority Districts in Great Britain



* Please note, this data includes Croydon and Lewes.

Zooming in on the left hand side of the chart reveals those sectors which could provide strong opportunities. Where these are non-specialist sectors, there could be **emerging opportunities** to develop strengths in these sectors. These include management consultancy and business support, motion picture and advertising, and R&D within science and engineering.

Within sectors which are already specialisms, the same analysis reveals **exploitable strengths** which have the potential to grow. In Coast to Capital*, these include creative industry and specialised design activities, manufacture of consumer electronics, and computer programming and software publishing activities.



* Please note, this data includes Croydon and Lewes.

Stakeholder engagement

Government requires our evidence base to be incontestable.

So we are undertaking a high quality engagement process for our LIS.

We are engaging a wide range of economic sectors across all parts of the region.

This will continue throughout the whole programme.

Our activity includes

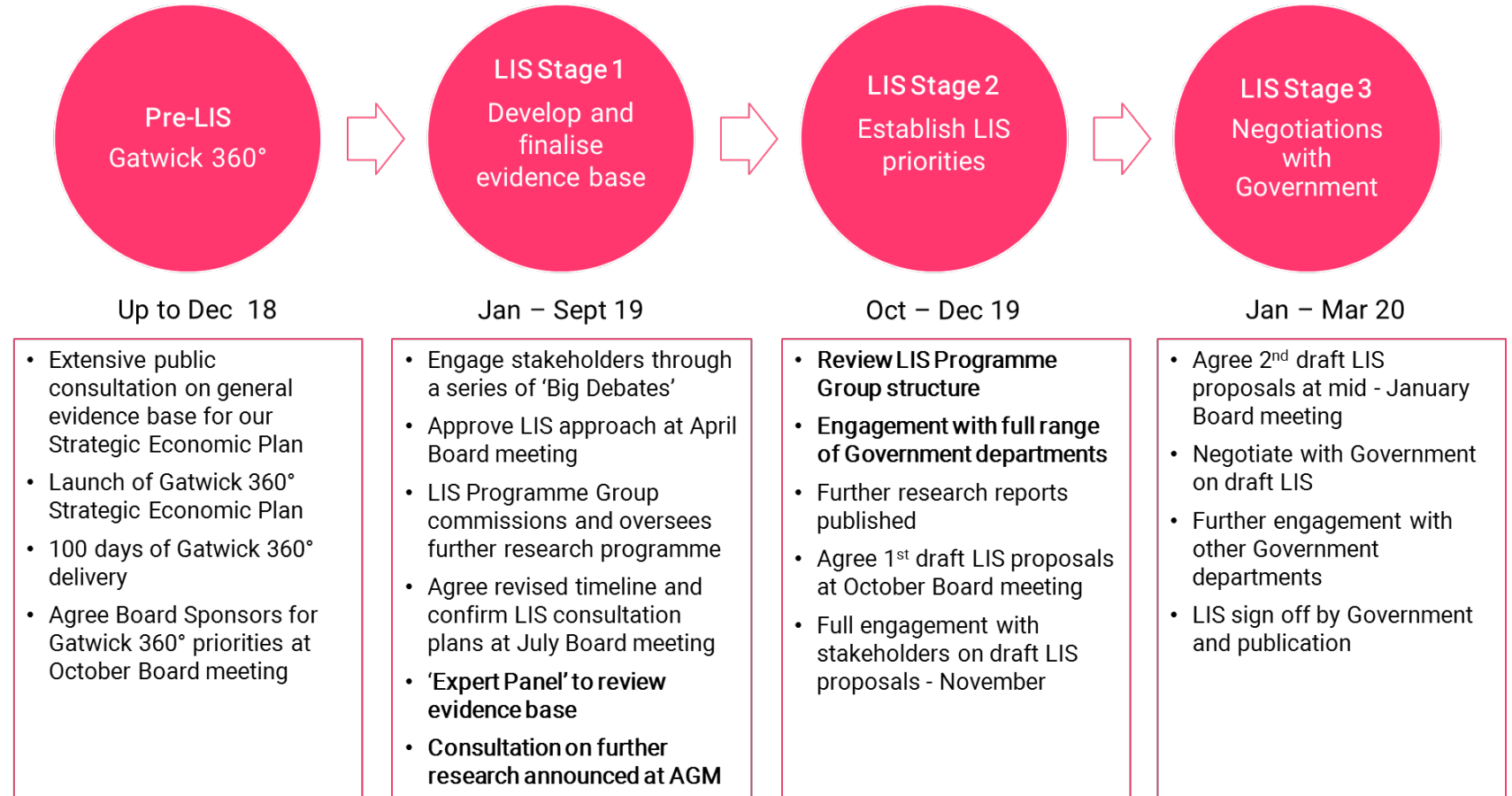
- Engagement with all local authorities
- A plan for MP engagement after summer recess
- Inviting Surrey, West Sussex and Brighton & Hove to LIS Programme Group
- Wider engagement with business and civic society through our continuing programme of Big Debates
- Active promotion of our work and opportunities to engage through social media



Revised LIS timeline

Creates the right pace to successfully complete our evidence base, consult on our findings, engage stakeholders on draft proposals and deliver within Government's timeframe.

Opportunity for Board Member involvement and independent specialists in the 'Expert Panel'.



LIS production

Based on our learning from elsewhere we anticipate that our LIS will be structured around three or four distinct parts.

Strategic opportunities

This will present the key strategic narratives around our assets and the key productivity challenges and opportunities as set out in Gatwick 360° with its accompanying high level economic assessment.

The 5 Foundations of Productivity

This will examine each of the 5 Foundations of Productivity, encompassing broader economic, social and environmental issues across our different geographic areas. The further research commissioned for our own eight Gatwick 360° economic priorities will inform proposed interventions to increase productivity.

The Grand challenges

This will pinpoint our private sector strength, using the four Grand Challenges, based on our 'innovation ecosystems' research and stakeholder engagement.

It is likely that not all of the Grand Challenges will be included in our final LIS.

And Southern LEPs

We anticipate that Government will be looking for evidence that the LEPs surrounding London will work together to tackle common challenges presented by the South East economy and proximity to the capital.

This may form part of the Strategic Opportunities or be a separate part.

Our innovation USP

As part of our stakeholder engagement we are asking our partners to help us identify our unique innovation strengths.

What products do we specialise in that stand us out from other LEP areas and allow us to compete internationally on the Grand Challenges?



For discussion

The grid offers initial opportunities and exploratory thinking of our unique innovation strengths, which are of national or international relevance, for each of the Grand Challenges.

Artificial Intelligence and data

- Brighton 5G testbed
- University of Sussex Quantum Computing Laboratory
- Automation at Gatwick airport
- Competitive advantage in sub-sectors e.g. aviation

Future of mobility

- Hydrogen fleet development e.g. buses
- Electric vehicles e.g. charging infrastructure, Ricardo
- BML as 5G superhighway
- Transport as a service

Clean growth

- Public transport network
- Waste, water and energy development standards?
- High efficiency horticulture and viticulture
- New energy technologies (Growing Places Fund)

Ageing society

- A Middle Aged economy ('olderpreneurs')
- University of Brighton Health Enterprise and Innovation
- Medtech e.g. Elekta, Varian
- Links to London Cancer Hub (Sutton)

Questions?

Coast to Capital

July 2019

Coast2capital.org.uk