

## **COAST TO CAPITAL GROWTH DEAL**

The Coast to Capital Growth Deal aims to encourage growth across the Coast to Capital area, through targeted investment in infrastructure and innovation, as well as supporting Coast to Capital's thriving business base.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on three key priority areas as identified in the Local Enterprise Partnership's Strategic Economic Plan:

- Enhance business support and skills
- Accelerate research and innovation
- Invest in transport, flood defences and resilience

The Coast to Capital Local Enterprise Partnership has secured **£202.4m from the Government's Local Growth Fund to support economic growth in the area – with £38m of new funding confirmed for 2015/16** and **£124.2m** for 2016/17 to 2021. This includes:

- as part of the Government's ongoing commitment to the Coast to Capital LEP a provisional award of a further £16.0 m of funding for projects starting in 2016 and beyond; and
- £24.2 m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £240m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £442.4 for the Coast to Capital LEP.** There will be a further £237m invested in the new housing which will subsequently be enabled by this investment.

By 2021, this Deal will create at least 14,000 jobs and allow 5,000 homes to be built.

The Coast to Capital Local Enterprise Partnership brings together five local sub-area partnerships: Brighton and Hove Economic Partnership, Coastal West Sussex, Gatwick Diamond Initiative, Strategic Partnership Croydon, and West Sussex Rural Partnership. The main partners are the four upper tier and unitary authorities: Brighton and Hove City Council, Croydon Council, Surrey County Council, and West Sussex County Council.

### **Summary of Coast to Capital Growth Deal projects and funding**

Coast to Capital Growth Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund.

<b>Coast to Capital Local Enterprise Partnership Local Growth Fund breakdown (£m)</b>			
	<b>2015/6</b>	<b>2016 onwards</b>	<b>Total</b>
<b>Local Growth Fund award</b>	38	124.2	162.2
<b>Previously committed funding</b>	6.1	18.1	24.2
<b>Provisional allocation to projects starting in 2016/17 and beyond</b>	-	16.0	16.0
<b>Total</b>	44.1	158.3	202.4

The table above includes the provision of £1.9m loan funding (subject to due diligence) to Hanbury Properties (Chichester) Ltd to accelerate the delivery of 500 homes on the Shopwhyke Lakes, Chichester site. In addition, £8.7m loan funding (subject to due diligence) has been provided to The Croydon Gateway Ltd to accelerate the delivery of 625 homes on Ruskin Square site, Croydon (this is joint with London Local Enterprise Partnership).

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

**Coast to Capital and Central Government have agreed to co-invest in the following jointly agreed priorities:**

- **Successful businesses: Business Finance and Business Trade** – Equity debt and grant funding for businesses that can create new jobs, but who cannot get mainstream commercial funds. Trade project aims to double the level of international trade with a focus on Southeast Asian Nations markets, in close association with UK Trade and Industry (UKTI).
- **Wood Fuel initiative with Forestry Commission** – Sustainable use of primary natural resource to produce wood fuel as a renewable energy source and local building materials.
- **Growth is digital** – 5G research, e-commerce skills, ultrafast fund and superfast broadband roll-out.
- **Advanced Engineering Centre** – Collaboration between University of Brighton and Ricardo in a new Centre of Excellence to deliver leading automotive and emissions research.
- **Flood Defences Newhaven and Shoreham** – In Newhaven, this will open up a major brownfield site for housing and employment land plus new harbour facilities. In Shoreham, the flood defences and transport access improvements will allow land to be used for housing and businesses.
- **Bognor Regis A29 re-alignment** between the new Bognor Regis Relief Road and the A27 which will bridge the West Coastway railway line, avoiding congestions points and current delay points at a level crossing, and will include 4 to 5 new junctions and cycle and pedestrian facilities. The realignment will allow new development of business and employment opportunities in Bognor Regis.
- **Central Brighton and Preston Barracks Central Research Laboratory** – A city centre mixed use regeneration project of a site to deliver new homes, office building, student accommodation, a library and academic buildings. Preston Barracks is a joint venture between University of Brighton, Cathedral and Brighton Council to create a new innovation hub to commercialise academic research and incubate high growth businesses, with new housing.
- **City College Brighton and Hove and Chichester College** – Refurbishment of dilapidated buildings and facilities.
- **Sustainable Transport Packages** – Will tackle congestion and improve sustainable transport in areas across the Coast to Capital area.
- **Crawley Area Transport Package** – Includes junction improvements, bus priority schemes, modal interchange and improvements to walking and cycling.

- **Resilience Schemes** – Intelligent Transport System traffic management, strategic road maintenance and flood and critical incident alleviation.

**Central Government has agreed provisional allocations to the following projects starting in 16/17 and beyond:**

- **Newhaven Port Access Road** - Opens up a major brownfield site for housing and employment land plus new harbour facilities currently with very restricted access.
- **Brighton Valley Gardens Phase 3** - Transport network improvements to allow new business and innovation space, regeneration of existing area and new housing development.

#### **Local flexibility over Growth Deal programme:**

Coast to Capital LEP has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area and has established strong financial monitoring procedures and cross local authority collaboration. Government will disburse funds to the LEP annually in advance. Coast to Capital LEP will be expected to deliver the projects highlighted in the Deal, but will have flexibility over the management of these projects in order to deliver the greatest economic benefits to the area. Any significant changes to the projects will need to be agreed with the Government in advance.

The Growth Deal does not amount to an endorsement of everything in the submitted Strategic Economic Plan. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

#### **The Coast to Capital Growth Deal**

The investment secured by the deal will be focused on three key areas to deliver transformative growth:

#### **Enhance business support and skills**

It is important that young people are given the opportunity to make informed choices about the education, employment and training opportunities available to them as they start their career. The Local Enterprise Partnership is well positioned to enhance the current careers Information, Advice and Guidance offer by tailoring provision to the needs of the local economy. Moreover, they have the ability to link employers with education providers, have strategic influence over skills supply, and have the ability to coordinate local services towards a shared goal.

In addition, the Local Enterprise Partnership and local partners have a key role in supporting local businesses through directing and providing direct business support to local businesses, particularly small and medium enterprises (small and medium enterprises (SMEs), including making linkages to national bodies, such as UK Trade and Industry (UKTI), and programmes.

<b>Coast to Capital LEP commitments</b>	<b>Central Government commitments</b>
<ul style="list-style-type: none"> <li>• Invest £23m in a project on business finance</li> <li>• Invest £7m in a project on business trade, targeting Southeast Asian nations</li> <li>• Invest £9.2m in the wood fuel initiative with the Forestry Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Invest £9.5m in a project on business finance and business trade (with £1.2m in 2015/16)</li> <li>• Invest £3.7m in a project on business trade, targeting Southeast Asian nations (ASEAN) (with £0.6m in 2015/16)</li> <li>• Invest £0.8m in the wood fuel initiative with the</li> </ul>

<ul style="list-style-type: none"> <li>• Through the European Structural and Investment Fund skills programme, to support a further 3800 jobs</li> <li>• To support 4000 SMEs, with a target of 1200 entering new markets and 1200 launching new products or services</li> <li>• The Local Enterprise Partnership will facilitate stronger linkages between education providers and local businesses. The Local Enterprise Partnership will work with relevant local stakeholders to communicate local priorities, and align the local offer to the National Careers Service providers ahead of the new service's roll-out in October 2014 in order to augment the service</li> <li>• The Government expects Coast to Capital Local Enterprise Partnership to open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value</li> <li>• The Local Enterprise Partnership will consider skills implications as part of decision taking on growth strategies. They will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the Further Education and skills sector. They will positively engage the Further Education and skills sector in key strategic partnerships, e.g. Skills and Employment Boards. The Local Enterprise Partnership will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment</li> <li>• The Local Enterprise Partnership commits to lever in £50,000 of public and private funding in 2015/16 to support the delivery of the Growth Hub. The Local Enterprise Partnership commits to provide a clear</li> </ul>	<p>Forestry Commission (with £0.4m in 2015/16)</p> <ul style="list-style-type: none"> <li>• Government agrees to discuss the Local Enterprise Partnership's ambitions for Enterprise Zones</li> <li>• Government commits to working with the Local Enterprise Partnership to help ensure that local employer priorities are fed into the operations of the new National Careers Service providers in the Coast to Capital area</li> <li>• Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> <li>○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment</li> <li>○ Accountability: Providers will be required through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery</li> <li>○ Allocations and Intervention: In future years providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope, subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years</li> </ul> </li> <li>• Government will set out revised information for LEPs on how they can take advantage of this</li> </ul>
--	--

<p>model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time</p> <ul style="list-style-type: none"> <li>• Through the Growth Hub to deliver each year: <ul style="list-style-type: none"> <li>○ 7,000 businesses assisted</li> <li>○ 1,400 businesses referred to national programmes and the Business is GREAT campaign</li> <li>○ 150 businesses with high growth potential provided with intensive assistance (up to 12 hours of support).</li> </ul> </li> </ul>	<p>approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery</p> <ul style="list-style-type: none"> <li>• Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas</li> <li>• The Government commits to providing £450,000 of revenue funding for Growth Hub business support co-ordination, subject to minimum conditions that reflect the position agreed by the Government review on business support and services.</li> <li>• UKTI commits to help the Local Enterprise Partnership access relevant opportunities where possible and help build their capability to secure more inward investment, including support for the ASEAN Business Gateway.</li> <li>• UKTI will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment.</li> <li>• The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.</li> </ul>
---	--

## Accelerate research and innovation

The Coast to Capital Local Enterprise Partnership share Government's priorities for the take up of e-commerce skills by small and medium enterprises (SMEs), ultrafast and superfast broadband roll-out, and technical developments in the 5G sector. In addition, the Coast to Capital Local Enterprise Partnership and local partners are investing in research and innovation facilities locally with support from Government, and will work with the Technology Strategy Board to optimise opportunities locally.

Coast to Capital LEP commitments	Central Government commitments
<ul style="list-style-type: none"><li>Invest £38m in 5G research, e-commerce skills, ultrafast fund and superfast broadband roll-out</li><li>Invest £46m in the Advanced Engineering Centre</li><li>To ensure that 400 SMEs use new E-commerce capability</li><li>Coast to Capital LEP and Brighton &amp; Hove City Council will commit to boosting SME voucher take-up as part of the Superconnected Cities Programme. To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Coast to Capital LEP will commit to work with local partners and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, Coast to Capital LEP will also work with local partners to help ensure match funding is in place for the next round of projects.</li></ul>	<ul style="list-style-type: none"><li>Invest £3.4m in 5G research, e-commerce skills, ultrafast fund and superfast broadband roll-out (with £0.7m in 2015/16)</li><li>Invest £7m the Advanced Engineering Centre (with £4.5m in 2015/16)</li><li>The Technology Strategy Board commits to developing a strong and effective relationship with the Local Enterprise Partnership to build on the valuable role the Local Enterprise is playing in promoting and supporting innovation. The Technology Strategy Board is committed to supporting the Local Enterprise Partnership in developing the emerging Growth Hub and in exploring how the Local Enterprise Partnership can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.</li></ul>

## Invest in transport, flood defences and resilience

The Coast to Capital Local Enterprise Partnership and partners already invest heavily and will continue to invest in local infrastructure, including local transport networks. The Local Enterprise Partnership and partners have also identified priorities for national transport networks or use of national programmes, such as those administered by the Homes and Communities Agency, and will work with the relevant departments and agencies in the consideration and assessment of options for bringing forward development and development-related infrastructure.

The Local Enterprise Partnership and partners are also committed to building flood defences, including at Shoreham Harbour and Newhaven. This will not only provide protection to existing homes and businesses, but also allow new development and investment in the local area. Further investment in building the resilience of local networks and infrastructure is also a top priority.

Coast to Capital LEP commitments	Central Government commitments
<ul style="list-style-type: none"><li>Invest £14.4m in flood defences and improvements to transport systems in</li></ul>	<ul style="list-style-type: none"><li>Invest £1.5m in flood defences and improvements to transport systems in Newhaven (with £0.7m in</li></ul>

<p>Newhaven</p> <ul style="list-style-type: none"> <li>• Invest £270m in two flood defence projects and transport access improvements in Shoreham</li> <li>• Invest £17m in Bognor Regis A29 re-alignment</li> <li>• Invest £35m in Brighton Circus St/Edward St Quarter</li> <li>• Invest £3.5m in Preston Barracks Central Research Laboratory</li> <li>• Invest £46m in City College Brighton and Hove and Chichester College</li> <li>• Invest £10m in Sustainable Transport Packages</li> <li>• Invest £25m in Crawley Area Transport Package, with a commitment to provide a clear business case and project timeline</li> <li>• Invest £5m in Resilience Schemes</li> <li>• Deliver 12,000 additional learners, 35 additional apprentices, 95 additional learners with disabilities, and 500 new higher education learners</li> <li>• The Local Enterprise Partnership will provide HM Treasury with a complete list of schemes for investment through Public Works Loan Board discounted project rate borrowing, alongside an indicative borrowing profile before the borrowing is accessed</li> <li>• The Local Enterprise Partnership and partners agree to take a more proactive role in consultation on long-term rail planning, franchise specification, and performance enhancement, and provide a co-ordinating role between constituent local authorities</li> <li>• The Local Enterprise Partnership agrees to take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities</li> </ul>	<p>2015/16)</p> <ul style="list-style-type: none"> <li>• Invest £9.5m in two flood defence projects and transport access improvements in Shoreham (with £2m in 2015/16)</li> <li>• Invest £13m in Bognor Regis A29 re-alignment (with £0.7m in 2015/16)</li> <li>• Invest £2.7m in Central Brighton (Brighton Circus St/Edward St Quarter) (with £1.5m in 2015/16)</li> <li>• Invest £7.7m in Preston Barracks Central Research Laboratory (with £1m in 2015/16)</li> <li>• Invest £21m in Further Education institutions, with £11m for City College Brighton and Hove and Chichester College in 2015/16</li> <li>• Invest £31.7m in Sustainable Transport Packages (with £3.7m in 2015/16)</li> <li>• Invest £18m in Crawley Area Transport Package (with £2.6m in 2015/16)</li> <li>• Invest £30.9m in Resilience Schemes (with £5.5m in 2015/16)</li> <li>• Commits to provisional allocations to the following projects starting in 2016/17 and beyond: Newhaven Port Access Road (£10m), and Brighton Valley Gardens Phase 3 (£6m)</li> <li>• The Government confirms that up to £88m will be made available to the Local Enterprise Partnership in 2014/15 and 2015/16 at the Public Works Loan Board (PWLb) project rate discount of 40 basis points below the standard PWLB rate. This will support strategic infrastructure investment, including development of the i360 tower in Brighton, fixing the crumbling seafront structures at Brighton, and building flood defences at Shoreham</li> <li>• The Department for Transport and Network Rail commit to more proactive engagement of the Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise</li> </ul>
---	--

<ul style="list-style-type: none"> <li>• The Local Enterprise Partnership commits to supporting the 14 Local Planning Authorities in its area to ensure they positively engage with the Duty to Cooperate to deliver strategic planning priorities and update their Local Plans in accordance with the timetable submitted as part of the Local Enterprise Partnership monitoring framework</li> <li>• The Local Enterprise Partnership commits to working with the 14 Local Planning Authorities in its area to identify practical actions to address planning blockages within the next year, including ensuring timely consideration of applications for major developments within statutory timescales.</li> <li>• Progress on the development and delivery of the priority transport schemes identified by the Coast to Capital Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources</li> </ul>	<p>Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with Local Enterprise Partnerships as key local stakeholders</p> <ul style="list-style-type: none"> <li>• The Highways Agency commits to developing a more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above</li> <li>• The Homes and Communities Agency commits to working with the Local Enterprise Partnership to align priorities and resources, where possible to bring forward development</li> <li>• In addition, subject to due diligence, Government will provide loan funding through the Local Growth Fund (Housing Infrastructure) of £1.9m to Hanbury Properties (Chichester) Ltd to accelerate the delivery of 500 homes on Shopwyke Lakes site, Chichester, and £8.7m to The Croydon Gateway Ltd to accelerate the delivery of 625 homes on Ruskin Square site, Croydon (this is joint with London Local Enterprise Partnership).</li> </ul>
---	---



**As part of the deal, the Local Enterprise Partnership will:**

- **Strengthen Governance** by reviewing the structure and resourcing of the groups below Board level to ensure the available resources focus on delivery of the Local Enterprise Partnership's objectives and there are clear reporting lines to the Board from officer groups.
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.
- **Ensure implementation and demonstrate success**, by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- **Ensure good value for money where local flexibility exists**, by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.