

**PLANNING EMPLOYMENT  
ECONOMY AND REGENERATION  
CABINET MEMBER MEETING**

**Agenda Item 97**

Brighton & Hove City Council

**Subject:** UPDATE ON THE COAST TO CAPITAL LOCAL  
ENTERPRISE PARTNERSHIP (LEP)  
**Date of Meeting:** 29 March 2012  
**Report of:** Strategic Director, Place  
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**Wards Affected:** All

**FOR GENERAL RELEASE**

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B (4) of the Local Government Act 1972 (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that: Officers have been in ongoing discussions and consultation, and the outcome of these discussions needed consideration in drafting the report.

**FOR GENERAL RELEASE**

**1. SUMMARY AND POLICY CONTEXT:**

This report provides an update on the activities of the Coast to Capital Local Enterprise Partnership (LEP).

**2. RECOMMENDATIONS:**

2.1 That the Cabinet Member for PEER notes the contents of the report.

**3. BACKGROUND INFORMATION**

3.1 In June 2010 a letter was sent from the Department of Communities and Local Government and the Department for Business Innovation and Skills to local authority and business leaders, inviting proposals to replace regional development agencies in their areas. Local enterprise partnerships are locally led and their activities are driven by local economic circumstances and priorities. The government stipulated that LEP Boards must have a majority private sector membership with public sector political leaders and other key stakeholders encouraged to join.

3.2 Government guidance indicated that partnerships should be formed that more accurately reflect the functional economic areas of different

localities regardless of local authority boundaries. The Coast to Capital LEP comprises the areas of Brighton & Hove, West Sussex, Lewes, districts in Surrey, the Gatwick Diamond and the London Borough of Croydon.

3.3 The Coast to Capital LEP was formed in March 2011 with John Peel as its Chair along with seven business representatives, five local authority representatives and one representative sitting on behalf of the Higher and Further Education Institutions.

3.4 Coast to Capital has set itself the following aims: -

- Increasing the proportion of businesses which are internationalised from the level of 12% regular exporters by 1% per annum over the next 5 years – an additional 3,951
- 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
- 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
- Generating the required investment to bring about major catalytic investments in key business locations
- Creating a planning environment which supports business development and growth
- Pressing for and helping to secure investment in transport infrastructure, business premises and other infrastructure

3.5 The work of the Board is supported by the Local Area Partnerships including Brighton & Hove Economic Partnership and the Gatwick Diamond Partnership along with officers from the local authority unitaries, counties and districts with the area.

### **Internationalisation**

3.6 Coast to Capital is seeking private sector employment growth of 100,000 over the next 25 years. One of the main vehicle through which this can be achieved is by growing the business base and encouraging more businesses to trade internationally. Research suggests that those businesses that trade overseas, and in particular, with businesses in economies that are experiencing strong growth are more likely to remain sustainable. UKTI research suggests that exporters achieve higher business growth and that 60% of productivity growth comes from firms that internationalise.

3.7 Following consultation with small groups of businesses and business representation organisations the Board have divided this activity into three main areas:

- 1. International Trade**
- 2. Foreign Direct Investment**
- 3. International Business Tourism**

3.8 Consultants have been appointed to conduct the research required the LEP to determine how best to add value to the work being undertaken by local organisations. The International Trade Conference was held on Tuesday 20 March for intermediary organisations and businesses to establish the issues and barriers that deter businesses from trading overseas. Shared Intelligence the consultants commissioned to do the research into International Trade presented their interim findings which confirmed that many businesses were afraid of trading internationally due to lack of knowledge and experience. Reports on Foreign Direct Investment and International Business Tourism will be presented to the Board for discussion in April 2012.

## **Entrepreneurship**

3.9 The Coast to Capital LEP has set itself a target of creating an additional 4500 new businesses over the next 5 years. It aims to do this by stimulating business growth, innovation, productivity and employment across a range of key sectors, bringing Gross Value Added (GVA) and employment growth overall up to at least the regional average. Supporting entrepreneurship is seen as key to achieving these targets whether that is through business start-up or support for existing businesses.

3.10 To this end the Coast to Capital has commissioned work to help build knowledge and understanding of what is already happening in the LEP area as a means of informing how it can add value to work already being delivered.

There are three main strands of activity within the entrepreneurship strand which are described in more detail below:-

- 1) Business Growth through entrepreneurship**
- 2) Tackling areas and groups with low levels of enterprise**
- 3) Young people and enterprise**

- 3.14 **Business Growth through Entrepreneurship.** The National Endowment for Science, Technology and the Arts (NESTA), research 2009 found that just 6% of UK businesses with the highest growth rates generated half of the new jobs created between 2002 and 2008. Although these companies came from across the country and from all sectors of the economy the common feature amongst them was the propensity to be innovative and that it was innovation that led to growth.
- 3.15 Coast to Capital is interested in supporting businesses and entrepreneurial business ideas that have the greatest potential to deliver employment and growth. It will work with organisations that already have a track record in providing advice services to businesses with high growth potential; identifying the barriers, solutions and stimulants that will allow businesses to unlock second and third stage entrepreneurial behaviours which will in turn drive their growth. A further consultation event for business support providers working with high growth businesses is planned for May 2012
- 3.16 **Tackling areas and groups with low levels of enterprise.** People in areas that currently have low levels of enterprise should have the same opportunities for self-employment and enterprise creation as those in other areas. Across the Coast to Capital area there are locations demonstrating very high levels of entrepreneurship including business start-up and innovation and others that lag behind. The reasons for this are complex but what is clear is that there is a greater role for locally based organisations to play in providing advice and signposting and raising awareness of the benefits of enterprise.
- 3.17 Coast to Capital has therefore commissioned a pilot project to increase the number of start up businesses across Coastal West Sussex by equipping more individuals and volunteers already working in the community with the skills and confidence to raise the opportunities for enterprise with their clients and customers. The project, called Embed, will run from January 2012 until the end of July 2012; organisations in the third sector will be identified and offered accredited training to become enterprise ambassadors able to work with local employability services to help them promote and demystify enterprise and business start-up
- 3.18 **Young people and enterprise.** Entrepreneurship cannot necessarily be taught however, ensuring that children and young people have access throughout their education, to those enterprising and entrepreneurial behaviours that can be learned, along with skills which can be taught will help to ensure that young people make informed choices about their future; choices that include business start-up.
- Coast to Capital is keen to get an overall picture of entrepreneurial activity and has therefore commissioned the University of Chichester to undertake a research project to help understand how enterprise education is delivered within the Coast to Capital area. There are three strands to this work:

1. The differential start-up performance across the six sub-areas that comprise the LEP, incl. base line data
  2. Developing a profile of enterprise education in learning institutions incl. primary, secondary, further and higher education institutions
  3. Gathering data on the demography of learners within learning institutions across the LEP; incl. by gender, ethnicity and leaver destinations.
- 3.19 Chichester University are in the process of receiving preliminary results from targeted surveys, sent to start-up businesses and education institutions across the Coast to Capital area. The final report to the LEP board of directors is due, and on schedule for the end of April. The information will be used by the Board to develop, in partnership with local networks, projects and activities designed to raise levels of enterprise and productivity across the LEP area.

### **Other work areas**

4. Coast to Capital has received funds from central government to kick start its work. It received £45,000 from the Capacity Fund and £240,000 from the Start-up fund to support basic operating costs and research work. The Board has two dedicated staff; a director and a head of marketing. In addition the local authorities have committed staff time and funding to supporting the Boards work.
- 4.1 Earlier this year Coast to Capital was awarded £16.02m from the Growing Places Fund to support economic development activity. The fund must be allocated to projects that have been stalled by the recent economic downturn and have the capacity to be revived quickly with input from the fund. 2% of the fund can be used for LEP running costs along with the interest that accrues from any underspend. The fund will be allocated as either a loan or a grant and must comply with rules relating to State Aid. At the request of developers and applicants the long list of applicants is not in the public domain. The Board will announce successful applications later in the year.
- 4.2 **Transport.** Coast to Capital like other LEPS has been invited to respond to the Government's consultation on Devolving Local Major Transport Schemes. Transport and access have emerged clearly as essential underpinning infrastructure issues for the purpose of creating strong business and employment growth. The LEP has included transport issues as part of its "Place" activities and has appointed specialists to advise the LEP Board. In developing a response the LEP has consulted all of the upper tier authorities, including Brighton & Hove. The deadline for the consultation response is 2<sup>nd</sup> April and the Coast to Capital Board has not yet made a decision on which of the three options it prefers for LEP involvement in the Local Transport

Body set out in the Government's consultation paper – a) LEP acts as advisor to the Transport Body; b) LEP is a full member of the Transport Body; or, c) LEP takes the lead role in decision making or is the Transport Body. However, Coast to Capital will want to work in close collaboration with the upper tier authorities in whatever structures are finally put in place.

- 4.3 Leaders and key representatives from business and business membership organisations, the public and voluntary sectors, were invited to the second meeting of the Coast to Capital Forum; the bi-annual stakeholder consultation event. This second meeting was held at the American Express Community Stadium in Brighton on Thursday 8th March 2012.
- 4.4 Among other speakers Alex Williamson, the Board member leading on broadband in the Coast to Capital area, introduced Bill Murphy, Managing Director of Next Generation Access, BT Group, who gave a presentation about how businesses are already using improved broadband to expand and develop new ways of working and the ways in which these new technologies will help to support Coast to Capital's two key themes of Enterprise and International Trade. The LEP is playing an active role in lobbying for commercial Broadband access across the LEP area and Ultra Fast Broadband in areas such as Brighton & Hove where it can support high growth business development.

## **5. CONSULTATION**

- 5.1 The information contained in this report is from the officers working on the LEP work programme.

## **6. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 6.1 There are no direct financial implications arising from this report which is for noting; the work streams highlighted in this report are already supported by the LEP with contributions from Local Authority and private sector partners.

*Finance Officer Consulted: Karen Brookshaw*

*Date: 23<sup>rd</sup> March 2012*

### Legal Implications:

- 6.2 There are no direct legal implications arising from this report which is for noting.

*Lawyer Consulted:*

*Date: March 2012*

Equalities Implications:

- 6.3 There are no negative equalities implications arising from this report. The LEP is working to create the right conditions for business growth which in turn will lead to increased employment opportunities for residents of the LEP.

Sustainability Implications:

- 6.4 There are no immediate negative sustainability implications arising from this report; the LEP is working to optimise the way that businesses work by encouraging local business supply chains and clusters which should reduce levels of road use and transport costs and contribute to lower carbon emissions over time.

Crime & Disorder Implications:

- 6.5 There are no crime and disorder implications arising from this report.

Risk and Opportunity Management Implications:

- 5.6 There are no risk & opportunity management implications arising from this report.

Corporate / Citywide Implications:

- 6.7 The implementation of the projects being outlined in this report will have a positive impact on the economic performance of the areas that comprise the LEP and contribute positively to the health and social cohesion of its residents.

## **7. SUPPORTING DOCUMENTATION**

**Appendices:**

None

**Documents in Members' Rooms:**

None

**Background Documents:**

1.

