

<b>Subject:</b>	<b>Greater Brighton Inward Investment &amp; Export Strategy</b>		
<b>Date of Meeting:</b>	<b>17 April 2018</b>		
<b>Report of:</b>	<b>Chair, Greater Brighton Officer Programme Board</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nick Hibberd</b>	<b>Tel:</b> 01273 293020
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<b>LA's affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 On the 25<sup>th</sup> April 2017 the Greater Brighton Economic Board approved the recommended work plan for 2017/18. A key work stream for 2017/18 was the development of a Greater Brighton Inward Investment & Export Strategy and the Board agreed to allocate £40,000 for this important piece of work.
- 1.2 At the same time, Brighton & Hove City Council and the Brighton & Hove Economic Partnership were looking to develop a new Economic Strategy for Brighton & Hove, covering the period 2018-23. It was agreed that there would be a single procurement exercise to procure both pieces of work from the same supplier, in order to minimise costs and to exploit the clear synergies between the strategies that would emerge.
- 1.3 Following the tender process in the autumn of 2017, Regeneris were appointed as the consultancy that would develop the Brighton & Hove Economic Strategy and Greater Brighton Inward Investment & Export Strategy.
- 1.4 The Greater Brighton Inward Investment & Export Strategy has been completed and is attached as a report at Appendix One

**2. RECOMMENDATIONS:**

- 2.1 That the Board agrees the Inward Investment & Export Strategy, noting its two key proposals;
  - a) Creation of a new Trade and Investment Team, subject to funding being identified, focusing on attracting new investment to Greater Brighton, and on supporting City Region Businesses to grow and trade internationally
  - b) Delivery of a physical and high-profile hub for Greater Brighton trade and inward investment activities, with potential 'satellite' hubs across the City Region.

2.2 That the Board agrees the recommended next step, which will be to commence work on preparing a detailed working proposal around how to take forward the two key recommendations. The detailed proposal would be presented back to the Board for approval at a subsequent meeting.

### **3. CONTEXT/ BACKGROUND INFORMATION:**

3.1 The Greater Brighton City Region was established in 2014 in recognition of the important economic dynamics and interdependencies which link Brighton & Hove, Adur, Mid Sussex, Worthing, Lewes, and Crawley. The over-arching purpose of the Greater Brighton Economic Board is to bring about sustainable economic development and growth across the Greater Brighton City Region. To achieve this, the principal role of the Board is to co-ordinate economic development activities and investment at the regional level.

3.2 Since the City Region was established, strong momentum has been achieved through the activities of the Board including the Greater Brighton Investment Programme, the One Public Estate Programme and closer than ever partnership working across City Region partners more generally.

3.3 Within its Industrial Strategy, the UK government sets out an ambition to “create an economy that boosts productivity and earning power throughout the UK”. In an uncertain economic context, trade and inward investment has an integral role to play in working towards this vision, supporting business growth and innovation, and creating and sustaining employment opportunities in existing and emerging sectors.

3.4 The Greater Brighton City Region has the potential to be one of the UK’s most compelling inward investment and growth locations. Home to nearly 1 million people, the City Region is distinctive for its excellent national and international connectivity, its diverse and growing economy, its talented labour pool and the quality of its natural and physical assets. The City Region provides a strong balance between urban and rural lifestyles: while the vibrant Brighton & Hove, Adur and Worthing coastline is classified as the second densest built up area in the UK outside London, the City Region is also home to the South Downs National Park. The quality of the Greater Brighton’s environment and lifestyle is one of its greatest and most recognised strengths.

3.5 Despite this, there is evidence that the area is currently failing to maximise its investment and trade potential, and that, in economic terms, it is losing ground to other locations across the UK. Furthermore, Greater Brighton is being outperformed locally, with productivity and growth rates lower than other areas with the Coast to Capital region and wider south east.

3.6 The Greater Brighton Investment and Trade strategy has been developed to help the City Region realise its potential as one of the UK’s leading locations for investment and trade. It identifies the vital characteristics which distinguish the City Region economically, and provides recommendations on the delivery structures and mechanisms which could help the area to become a more attractive and supportive place in which to locate and do business.

- 3.7 Greater Brighton has a strong offer to communicate to inward investors and can do more to encourage local businesses to grow through international trade. This needs a skilled, dedicated resource acting as gateway to trade and investment information, enquiries and support. A new Trade and Investment Team would focus on attracting new investment to Greater Brighton, and on supporting City Region businesses to grow and trade internationally. The Team would be positioned as the lead body for Trade and Investment activities in the area with protocols in place to ensure transparency and collaboration with local partners.
- 3.8 The focus of activity would be a physical high-profile hub for Greater Brighton trade and inward investment activities. There is an opportunity to establish the physical hub for a new Trade and Investment Team, and its day-to-day activities, at Brighton Town Hall. The Town Hall is currently underused and funding has been approved by Brighton & Hove City Council to refurbish the asset as a multi-sector hub for business growth, international trade, inward investment activity and destination marketing. The proposed refurbishment presents an opportunity to provide a highly visible home for the new Trade and Invest Team, and a high-quality facility from which to showcase Greater Brighton as a business investment destination.
- 3.9 Once the team is operational and established, there may be potential for the main hub to be supported by 'satellite' hubs at strategic sites across the City Region e.g. Gatwick Airport.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS:**

- 4.1 The Greater Brighton Inward Investment & Export Strategy at Appendix One highlights the relative poor levels of success that the City Region has had at securing inward investment and outlines the key reasons for this.
- 4.2 Without following the recommendations in the Strategy it is likely that the City Region will continue to struggle in making a compelling case for inward investment, and the success rate will remain low. In 2016/17 Greater Brighton had 17 successes in securing Foreign Direct Investment (FDI), which was a small proportion of the 217 success across the south east as a whole, and represents less than 1% of the UK total. In a post-Brexit economy, where competition for limited funds will only intensify, it is likely that Greater Brighton will start to lag further behind comparable regions, such as Bristol & Bath and Thames Valley/Reading, unless a dedicated resource is established.
- 4.3 Within the region some local authorities are working to attract inward investment in their own areas; some have designated staff and others have contracts in place to promote the locality. The team once created will need to be sensitive to these existing arrangements and work to compliment rather than detract from them.

#### **Next Steps:**

- 4.4 The report suggests that the costs associated with the creation of the new team should be shared by City Region partners. However, as indicated in paragraph 4.3 above, some Greater Brighton partners are already investing in this area. It is

therefore proposed that officers seek to secure external funds to create the team. If successful it would be possible to fund the creation of the service described in the proposal and fund other inward investment activities linked to the new City Hall for Business, for example an enhanced role for the Business Ambassadors.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION:**

None required.

## **6. CONCLUSION:**

- 6.1 The Board is asked to note the key conclusions made in the report and approves the recommended next step, which will be to commence work on preparing a detailed working proposal around the key recommendations.

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

### Financial Implications:

- 7.1 The creation of a new Trade and Investment Team will require the identification of resources and funding to support the team and its functions. Further work will be undertaken to identify external funding options as well as a detailed breakdown of costs and structure and this will be reported back to this Board in due course. An indicative cost of £360,000 pa for six officers has been estimated in paragraph 5.24 of Appendix 1. Work will be undertaken to identify external funding (the preferred option) although other options include additional contributions from Greater Brighton members and / or commercial charging to businesses and partners. This is detailed in paragraphs 5.26 to 5.30 of Appendix 1. Funding may also need to be identified to support the cost of the hub identified as the location for the Greater Brighton trade and inward investment activities. Brighton and Hove City Council has identified Brighton Town Hall as a potential hub which could incorporate these functions. It is likely that contributions toward the costs of this hub and / or satellite hubs may be identified in the future.

*Finance Officer Consulted: Rob Allen, Principal Accountant Date: 28/03/2018*

### Legal Implications:

- 7.2 As the proposals outlined in the report are developed, the legal implications will be considered. There may need to be agreements between the City Region partners about the employment of the new team, the provision of services by the team, and the use of the City Hall building.

*Lawyer Consulted: Alice Rowland, Head of Commercial Law Date: 28/03/2018*

### Equalities Implications:

7.3 None directly related to this report.

Sustainability Implications:

7.4 None directly related to this report.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Greater Brighton Inward Investment & Export Strategy

