

# **GREATER BRIGHTON ECONOMIC BOARD**

## **ADDENDUM**

**10.00AM, TUESDAY, 7 NOVEMBER 2017**

**QUEEN ELIZABETH II ROOM, SHOREHAM CENTRE, POND  
ROAD, SHOREHAM-BY-SEA BN43 5WU**



# ADDENDUM

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| 14 GREATER BRIGHTON CITY REGION WORKSHOP | 1 - 24 |



**Subject: Greater Brighton City Region Workshop**

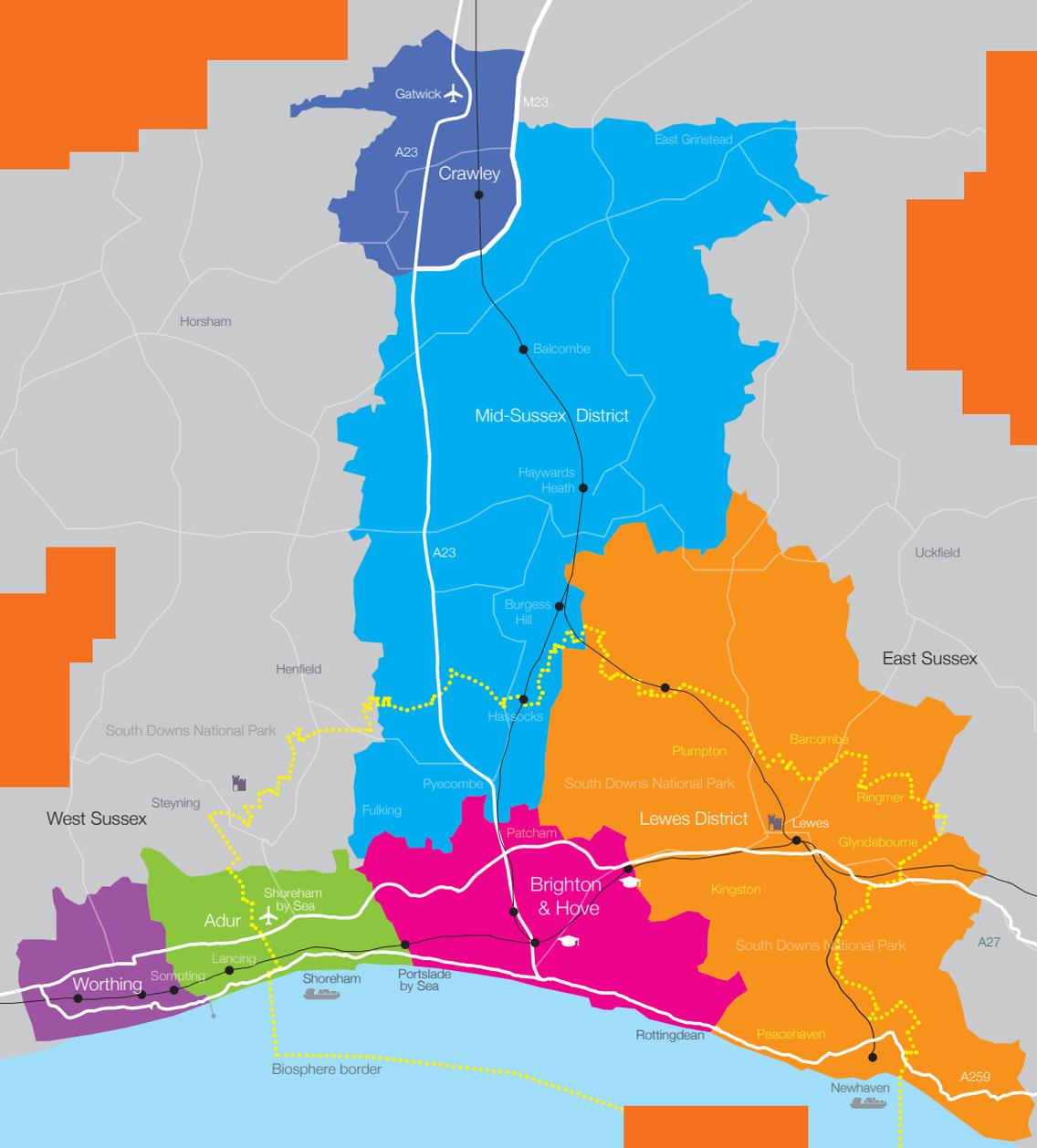
**Date of Meeting: 7 November 2017**

**FOR GENERAL RELEASE**

Appendix 1 to Agenda Item 14: Greater Brighton City Region Workshop.

*Note: The special circumstances for non-compliance with Section 100B (4) of the Local Government Act as amended (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that following production of the first draft of the report, a period of time was needed to collate, analyse and respond to initial comments to ensure that all information and recommendations contained within the report were accurate and consistent with the discussions and outcomes from the Greater Brighton City Region Workshop that took place on 28-29 September.*





Greater Brighton City Region  
**Charrette**  
September 2017  
**Outcomes report**

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# Background

The Greater Brighton Economic Board “The Board”, was established in March 2014 as part of the City Region’s City Deal with Central Government. The Board brings together, in a formally constituted partnership, the City Region’s key stakeholders:

- **6 Local authorities**
- **3 Business Partnerships**
- **2 Universities**
- **3 Further Education Colleges**
- **Coast to Capital LEP**
- **South Downs National Park Authority**
- **Gatwick Airport Ltd**

The purpose of the Board is to protect and grow the Greater Brighton economy, by formulating economic policy and co-ordinating economic activities and investments at the City Region level. Over the last three years the Board has gained some real momentum, and so far the partnership has secured over £150m of Growth Deal funding held through the Coast to Capital Local Enterprise Partnership, which will unlock around £2bn of private investment.

## Aims and Purpose of the Charrette

Greater Brighton is one of the fastest growing city regions in the UK – rated in the top five for jobs growth in the past five years and one of the best places to start a new business. It is well known for its quality of life, including a strong leisure and cultural offer which has sparked a vibrant creative digital cluster and strong regenerative effects further down the coast towards Worthing. With Gatwick and two ports, Shoreham and Newhaven, sitting within the region, it is a key gateway for the United Kingdom to the rest of the world. The Greater Brighton Economic Board is working to increase productivity and foster business growth and inward investment across the region.

The focus of the Charrette was to consider how we can deliver the Industrial Strategy in the context of place, build on the City Deal and further drive economic growth in the Greater Brighton City Region. The two-day event aimed to support Greater Brighton to capitalise on these ambitions and drive local growth.

The two days provided an opportunity for civil servants and local officials, leaders and businesses to discuss the areas of opportunity and challenge for the Greater Brighton City Region. The objective was to drive local growth across Greater Brighton by;

- **Building relationships between central government officials and Greater Brighton key stakeholders**
- **Increasing civil servants’ understanding of the local growth opportunities and challenges in Greater Brighton, particularly aligned to housing and the Industrial Strategy**
- **Identifying priority areas for future joint working – quick wins and longer term projects.**

# Guests

The workshop brought together a number of Central Government officials from various departments, and the City Region's diverse, expert business community, senior officers and political leadership from the local authorities that form the Greater Brighton City Region.

Over 70 delegates were welcomed over the two

days, including Sam Beckett, Director General, International, Growth & Analysis at the Department for Business Energy and Industrial Strategy (BEIS), and Simon Ridley, Director General, Decentralisation and Growth, at the Department for Communities and Local Government (DCLG).

A full list of attendees can be found in Appendix 1.

# Charrette Programme

The Charrette featured two themed sessions that focused on specific areas of challenge and opportunity for the City Region;

- **Housing Delivery & Infrastructure (28 September): What are the potential components of a Housing Deal for Greater Brighton?**
- **Local Industrial Strategies (29 September): How could we grow the Brighton Creative Digital cluster, and what are the potential components of a Cluster Deal?**

The workshops listed above took place in the afternoons, and on each day the morning was used to set the scene and outline the opportunities and challenges that the City Region faces.

For Housing Delivery & Infrastructure this included an overview presentation on the state of housing delivery across the City Region, and an in-depth case study on Burgess Hill (Mid Sussex), which over the next 15 years will be the largest growth area in Greater Brighton, and demonstrates the extent of ambition that the City Region has.

Delegates were also taken on a tour of some significant development sites in Shoreham (Adur & Worthing) including the Western Harbour Arm and New Monks Farm, where LGF funding is allowing flood defences to be built which are unlocking sites for housing delivery.

Most of day one was spent at the Ricardo

Centenary Innovation Centre, and delegates were offered a tour of the facility.

On day two (Local Industrial Strategies), delegates were first taken on a flight of the i360 to gain an aerial view of the City Region and form an understanding of place. The Greater Brighton City Region is highly diverse, and seeing it from above provides an understanding of the opportunity and challenge that the geography poses; the coast and South Downs National Park are a great draw, and crucial to the quality of life of the City Region's residents, but they are also a constraint in terms of accessing the land required to deliver the affordable housing and commercial space necessary for stimulating economic growth.

Delegates were then taken on a tour of the recently completed and LGF funded Advanced Engineering Centre at the University of Brighton, and the universities outlined how they were driving growth through Advanced Engineering (University of Brighton), and Life Sciences and Quantum Technologies (University of Sussex).

The tour ended at New England House (The Digital Catapult) with a demonstration of virtual reality and augmented reality technologies, which form part of the City Region's £1bn and rapidly expanding Creative Digital and IT (CDIT) Cluster. There was then a workshop focusing on opportunities to support the CDIT Cluster.

A full overview of the programme can be seen in Appendix 2.

Day 1:

# Housing & Infrastructure

The purpose of a workshop on this theme was to explore the challenges and opportunities for accelerating housing delivery across Greater Brighton, keeping in mind the key question for this theme:



What are the potential components of a Housing Deal for Greater Brighton?

## Rationale

An overview presentation before the interactive workshop set the scene and outlined the key issues and realities of housing delivery across the region.

Affordability is a challenge across Greater Brighton, and this is a clear consequence of under-supply. The affordability index, as measured by the average property price / average earnings, is across the region around 50% higher than the national average. Values range from 8.1 in Crawley to 12.5 in Mid Sussex.

Greater Brighton partners have set a combined target to deliver around 50,000 new homes by 2030, as outlined in the table below.

| Local Authority | Delivery Target to 2030 |
|-----------------|-------------------------|
| Adur            | 3,364                   |
| Brighton & Hove | 13,200                  |
| Crawley         | 5,100                   |
| Lewes           | 6,900                   |
| Mid Sussex      | 16,390                  |
| Worthing        | 4,800                   |
| <b>Total</b>    | <b>49,754</b>           |

In 2016 the projected number of completions across the region was 2,686, but the actual number of completions was 2,407, a shortfall of 279 units, which is around 10%. Challenges to delivery include land assembly, non-implementation of planning permissions, and funding for infrastructure to unlock sites. Delivery needs to be accelerated so that the City Region can meet its challenging targets.

Greater Brighton is already developing innovative ways of delivering truly affordable housing. The Living Wage Joint Venture Scheme, in partnership with Hyde Housing Association, aims to acquire land and develop homes for lower cost rental and sale for lower income families. The current project will deliver 1,000 new homes, of which 500 will be shared ownership for local people, and the other 500 will be sub-market "Living Wage Rent" at 35% market rate. In the future there is scope to scale this up still further.

Burgess Hill is the largest single growth area across the City Region, with ambitious plans to deliver around 5,000 new homes, a 48 hectare science and technology park delivering around 100,000m<sup>2</sup> of floor space, and a major redevelopment of the existing town centre.

The case study on Burgess Hill demonstrated some of the complexities around housing delivery. The Northern Arc development will deliver around 3,500 of the 5,000 planned homes, but the 194 hectare (481 acre) site involves 8 different landowners and 3 different developers. Managing the relationships between the various parties is a time consuming activity for a district authority.

To deliver housing on this scale also requires significant infrastructure investment, both in terms of the existing network (dualling of the main road connecting Burgess Hill with the A23/M23) and a new network of roads across the development area. In addition, the Northern Arc will require two new primary schools and a new secondary school.

## Workshop Format

For the facilitated and interactive workshop the delegates were separated into five groups, each tasked with focusing one of the following themes;

1. **Housing Policy to support acceleration of delivery and improve affordability**
2. **Funding and investment to unlock delivery and affordability**
3. **New models and vehicles of delivery**
4. **Delivering Infrastructure to unlock delivery**
5. **Place making and developing sustainable communities**

## Key Themes/Issues Arising From the Workshop

Notes were collected from groups at the end of the exercise and there have been follow-up conversations with group facilitators. The key themes and issues arising from the workshop are summarised below.

**Skills/capability/capacity to deliver** – clearly identified as being a challenge, and linked to this are issues around what the public sector can realistically achieve with limited resources.

**Cost of infrastructure and the impact on viability** – identified as being a challenge. Incremental and piecemeal delivery of new

or improved infrastructure does not create an environment that encourages development.

**Developing out sites** – a key challenge for the City Region is ensuring that land identified as being for housing is developed. Land assembly issues and planning permissions not being built-out are obstacles to achieving this. In addition, the competing demands for employment land and housing supply needs to be managed, and an appropriate balance needs to be found to ensure sustainable economic growth.

**Forming a more sub-regional approach** – collaboration & integration, building upon existing Greater Brighton and One Public Estate networks could help tackle several of the main challenges;

- Coordination of planning and policy
- Pooling and sharing of knowledge, expertise and other resource
- A more holistic and consistent approach to infrastructure

### Delivering Infrastructure

- Any housing deal must be accompanied by complimentary infrastructure deal
- Rationalise funding streams
- Up-front funding for infrastructure development to accelerate delivery and exceed targets

**Supply of sites** – Local authorities to take a more pro-active and strategic approach to land and site acquisition. Support from Government would make it easier to try alternative delivery models, such as;

- Joint ventures
- Housing companies
- Partnership models, through Greater Brighton and/or One Public Estate
- Development Zones

These items and issues are being considered within this report alongside the work that the Greater Brighton Economic Board has done on a revised devolution proposal, and the Board's response to the Industrial Strategy Green Paper.

# Towards a Housing & Infrastructure Deal

## Housing

Greater Brighton is ready to work with Government to agree a housing deal which would accelerate and maximise housing delivery across the City Region. The components of a housing deal would comprise key flexibilities and initiatives that will help Greater Brighton to unlock sites and accelerate housing delivery.

Housing to be delivered under new initiatives will comprise affordable housing including homes available at social rent levels and build to let. We will also support an increase in size and quality of the Private Rented Sector. We will continue to look for new opportunity sites, explore new funding models and vehicles, and work with partners to overcome barriers to delivery for key sites and meet Greater Brighton's acute housing needs. The Greater Brighton Public Sector Property Group, a sub-group of the Greater Brighton Economic Board, will take a strategic approach to the combined public estate, to secure its best future use and unlock barriers to delivery.

Our strategy will be based on demographic analysis, careful segmentation of demand, detailed financial modelling and our experience in developing cost effective schemes to deliver truly affordable housing<sup>1</sup> such as the Brighton & Hove Living Wage housing project, mentioned previously.

The spatial framework will also provide a basis for discussion with Government on the ways in which employment space, a key constraint for business growth in our area, can be safeguarded and increased through for example, the successful implementation of the Newhaven Enterprise Zone that opened for business in April 2017. We would also seek a review of Permitted Property Development Rights (PDR), including an exploration of an extension of PDR exemption to key areas.

## Infrastructure

Greater Brighton and partners will continue to develop its strategy for making local urban transport more effective for all modes. This will include using existing powers and budgets to improve facilities for pedestrians, cyclists, public transport users and car drivers.

The Local Authorities across Greater Brighton submitted a number of bids to the Housing & Infrastructure Fund (HIF) in September. If all are successful, bids for Marginal Viability funded schemes would directly unlock over 3,630 new homes and accelerate the delivery of a further 3,500, as summarised in the table below.

| Local Authority | Total HIF Bid | Number of Homes Unlocked                 |
|-----------------|---------------|--|
| Adur            | £10m          | 540                                      |
| Brighton & Hove | £20m          | 1,300                                    |
| Crawley         | £9.5m         | 1,028+                                   |
| Lewes           | £20m          | 506                                      |
| Mid Sussex      | £7.2m         | 256 direct and quicker delivery on 3,500 |
| <b>Total</b>    | <b>£66.7m</b> | <b>3,630+ (new) 3,500 (accelerated)</b>  |

In addition, Greater Brighton entered a number of Forward Funding Bids to unlock strategic delivery sites and infrastructure, such as major road junctions, schools and flood defences. Greater Brighton would seek to have this funding confirmed by government to unlock and accelerate the delivery of housing.

Greater Brighton will develop an outward and forward-looking spatial strategy for sustainable infrastructure, and infrastructure that unlocks housing delivery, and we are ready to implement Smart Infrastructure solutions. The step-change to electric vehicle charging and roll-out of ultrafast broadband digital infrastructure are focal points which will ensure that the City Region is future ready and can drive economic growth across the south east. The Greater Brighton Economic Board work plan includes developing resilience and sustainability plans for water and energy to future-proof the City Region, and future work should include consideration of Smart Infrastructure solutions.

<sup>1</sup> In rental terms, this would be typically 40% of income for a family on the Living Wage. This equates to 40% of a commercial rental.

These future infrastructure strategies will include:

- Supporting measures to improve the reliability and capacity of the Brighton Main Line, including Network Rail's current proposals for the Brighton Main Line Upgrade scheme
- Support from the Office of Low Emission Vehicles (OLEV) to develop and deliver a model for the extensive roll-out of electric vehicle charging infrastructure
- Walking and cycling improvements in line with the Government's emerging policies on Walking and Cycling Investment Strategies
- Making the most of smart technology and Intelligent Transport Systems to reduce congestion within the urban areas.
- Support from BEIS to develop a Greater Brighton Energy Plan that supports energy resilience and security to deliver economic growth across the City Region.

We will continue to work with Government and partners to establish Transport for the South East, a Sub National Transport Body that is now in shadow form. Greater Brighton will work with partners on a long term transport strategy, involving close working with Highways England and Network Rail and the establishment of a Key Route Network for the operation, maintenance and improvement of important local roads. The Body will also have a key role to maintain and enhance connectivity to London, the wider South East and international gateways, such as ports and airports.

## Potential Components of a Housing & Infrastructure Deal for Greater Brighton

1. Creation of Development Zone or similar vehicle, including a Land Value Capture mechanism and simplified CPO powers, with a holistic place-making and community focus
2. A grant-based land development fund to unlock delivery
3. VAT exemption on empty property refurbishment, bringing it in line with new developments
4. Supporting Councils in their direct and indirect delivery of affordable homes –through lifting the HRA cap, reviewing permitted development rights and the loss of land to housing delivery, local flexibility around Right-to-Buy receipts and relaxing the rules/relationships between councils and subsidiaries
5. An infrastructure deal that includes up-front funding for infrastructure development to encourage housing development and accelerate delivery
6. Retention of a greater proportion of Business Rate Growth for schemes that have a significant infrastructure element
7. Support from OLEV to develop and deliver a model for the roll out of a comprehensive network of electric vehicle charging points in Brighton & Hove and the wider Greater Brighton Region
8. Support from BEIS to develop a Greater Brighton Energy Plan, that supports energy resilience and security to deliver economic growth across the City Region
9. Support from Government on the City Region's Housing & Infrastructure Fund (HIF) submitted bids.

# Day 2: Knowledge Intensive Growth: A Visit to the University of Brighton Advanced Engineering Centre



City Regions are the drivers of economic growth, generating a higher share of wages than their share of populations and with a stronger presence of knowledge intensive industries<sup>2</sup>. Greater Brighton is developing a high-growth City Region, building on the advantages of a highly skilled workforce, the innovative creative and cultural sector, knowledge-intensive industries and universities which actively promote innovation-led growth and locational advantages.

In Greater Brighton, key knowledge-intensive industries include Advanced Engineering (University of Brighton), Life Sciences and Quantum Technologies (University of Sussex) and the CDIT sector.

**University of Brighton:** Advanced Engineering at the University of Brighton has an international reputation for producing innovative, future-facing research. The focus is on applied research and solving industrial and commercial problems, and one such key research area is around optimising complex engine combustion processes. The university conducts pioneering work on novel low carbon internal combustion systems and its work has a direct environmental impact through creating greater fuel efficiency and developing ways in which to reduce CO<sub>2</sub> and other harmful emissions. The university has been in a partnership for 20 years with Ricardo, a major City Region manufacturer and employer.

**University of Sussex:** The growing health and life sciences sector in Greater Brighton, driven by the University of Sussex, will be enhanced by the new Bio-Innovation Centre that will provide

dedicated teaching space, modern laboratory equipment, technical support and inspiring collaboration spaces for academics, researchers and clinicians from different disciplines to share knowledge and create innovative partnerships.

The University of Sussex is also a leader in the emerging quantum technologies and is part of the UK Quantum Technology Hub. The university is currently working with Google and Aarhus on a breakthrough in developing a quantum computer.

The visit to the Advanced Engineering Centre included presentations from the University of Brighton and the University of Sussex, around their research and how their work drives growth.

There was also an opportunity to consider the challenges and opportunities facing the higher education sector, which include;

- Appropriately rewarding regionally impactful 1\* & 2\* research
- Acknowledging universities' success in collaborative research with non-university partners
- Re-balancing the Higher Education Innovation Fund (HEIF) allocation formula to take greater account of regional economic engagement and impact
- A requirement for City Regions & LEPs to influence Industrial Strategy related grants from InnovateUK & RCUK
- Providing an incentive scheme to draw SMEs to work with universities.

<sup>2</sup> Cities Outlook 2016, Centre for Cities

## Day 2:

# Creative Digital Growth



The purpose of a workshop on this theme was to look at the challenges and opportunities facing the region's Creative Digital and IT (CDIT) Sector. The focal point of the exercise was this key question;

## What are the potential components of a CDIT Cluster Deal?

### Rationale

The CDIT sector currently generates around £1bn in gross value added (GVA) for the Greater Brighton economy, which makes its contribution roughly equal to that of the visitor economy. However, unlike the visitor economy the CDIT sector has been and still is growing rapidly, and it is expected to double in value to be a £2bn sector by 2022.

The majority of jobs in the sector are highly skilled and highly innovative; exactly the type of jobs that the City Region wants so that it can attract and retain highly skilled individuals. The high number of tech start-ups and the rate of growth in the sector mean that before very long the CDIT sector could be the number one source of jobs in the region.

The Brighton Fuse Reports of 2012 and 2015 have tracked the progress of the sector since 2010. The 2012 report identified a new category of high growth firms that were "fusing" to create an extraordinary competitive edge. The fused businesses combine creative art and design skills with technology expertise, and these businesses were growing faster than those that were purely creative design or purely technology. In 2015 the second report acknowledged the existence of a true digital cluster. The cluster had become a focal point for the industry nationwide, attracting an inward flow of investment and talent to the region.

Understanding the opportunities and challenges facing the knowledge-intensive industries is crucial, not only for Greater Brighton but for successfully delivering Government's Industrial Strategy more widely. Knowledge-intensive growth covers a number of Strategic Pillars within the Industrial Strategy, including;

- Investing in science, research and innovation
- Developing skills
- Cultivating world-leading sectors
- Driving growth across the whole country.

Policy makers and other agents need to know how best to support the sector so that it realises its full potential and brings maximum benefit to the City Region.

### Workshop Format

For the facilitated and interactive workshop the delegates were separated into five groups, each tasked with focusing one of the following challenge statements

1. How can we continue to attract talent to the City Region and retain it once it is here?
2. How can we develop ways to better utilise the educated but under-employed?
3. How can we ensure the provision of the appropriate type and range of workspaces (and connectivity) for the sector?

4. How can we create a more coherent and effective model of public sector support for the cluster?
5. How can we change so that they achieve a fairer return on their activity?

## Key Themes/Issues Arising from the Workshop

The key themes and issues arising from the workshop are summarised below.

### Challenges:

**Skills** – explicit in two of the challenge statements but also mentioned by other groups. Attracting the right kind of skills and talent are essential for growing the sector.

**Commercial space** – the lack of space that allows businesses to expand and grow is an issue, and acts as a disincentive for organisations to expand. The businesses that do have such growth ambitions may look outside of the City Region.

**Public Sector Support** – seen by some as complicated, with a lack of clarity or leadership, and not always in accord with private sector.

### Possible Solutions:

#### Ecosystem of pre-post school continuous education

- Lifelong learning and reskilling
- Responsive to employment patterns
- Give businesses a more active role in FE and university course design to generate the kind of skills that are relevant to the market-place/sector
- Support and promote the application to establish an Institute of Technology in the City Region focused on digital and creative skills
- Develop business and commercial skills alongside academic qualifications

#### Provide the environment that encourages businesses to expand and grow

- Align business support with innovation support
- Business support needs to be more sophisticated
- Reduce loss of commercial space to housing
- Be more creative in the way office space is used eg repurposing buildings and move towards multi-purpose spaces – may require

Government support in terms of planning flexibility

- Better utilise existing spaces eg empty retail or industrial units, arches, through conversion/modernisation
- More informal workspace culture eg coffee shops
- Investment in digital connectivity to allow more flexible & mobile working practices.

#### Public sector delivering a coherent and effective model of support

- Better understanding of cluster in terms of texture and segmentation
- Greater clarity, simplicity and thought leadership
- City Halls for Business
- Co-investment between angel investors and public sector
- Build links and synergies between public & private sectors.

These items and issues are being considered within this report alongside the work that the Greater Brighton Economic Board has done on a revised devolution proposal, and the Board's response to the Industrial Strategy Green Paper.

## Towards a Creative Digital and IT Cluster Deal

Enhancing digital connectivity is at the heart of Greater Brighton's economic strategy. Our ambition is to be sector leaders initially in the UK and subsequently world-wide. This means that we will need to be agile and flexible to meet the new opportunities.

Our first goal will be to ensure adequate capacity for business' and residents' existing and future needs. Greater Brighton will work with the Government and other partners to develop a Local Digital Connectivity Delivery Plan, along similar lines to the local mobile connectivity delivery plans proposed by the National Infrastructure Commission. This would include both mobile connectivity and broadband.

This connectivity delivery plan should include (but not be limited to):

- Rolling out ultrafast broadband to all businesses and urban areas.
- Rolling out superfast broadband to rural and hard to reach areas.

- Delivering the Digital Catapult Centre Brighton and establishing two 5G hubs by 2020.
- Making best use of new funding streams announced by Government.

The Connectivity Plan will establish the foundations for Greater Brighton's digital economy by providing all businesses with sufficient capacity, both for mobile and broadband. In addition, we will work with partners to create an agile and fast-moving funding stream which will allow local businesses to seize new opportunities as they arise.

Greater Brighton is ready to roll-out an ultrafast broadband network across the City Region, and this will start in the Adur & Worthing area.

The digital sector is a strength but has capacity for much greater growth and productivity; we are hampered by a lack of revenue funding and slow decision-making mechanisms for new investment.

In the rapidly evolving world of the digital sector, new opportunities can arise very quickly. We want to be at the forefront of these new developments which are as yet unknown. This means developing the capability to respond to new challenges and opportunities at a much quicker speed than is normally possible within the decision-making processes of central or local Government.

Greater Brighton will work with partners and Government to agree a joint funding programme which can be fast enough and flexible enough to keep us at the cutting edge of technology instead of simply following others.

We are constantly interested in trying out new ideas. We would like to explore whether there is a benefit in creating a sub national digital partnership – similar to the sub national transport bodies – which could create the UK version of Silicon Valley, possibly stretching from Oxford and Cambridge via the Thames Valley and London, through to the South Coast including Greater Brighton.

There are currently significant constraints on the supply of commercial space across Greater Brighton, including affordable and flexible space for smaller enterprises, and grow-on spaces for businesses looking to scale-up or otherwise grow.

A recent review of Permitted Development Rights (PDR) across Greater Brighton concluded that

over 55,000m<sup>2</sup> of office space was lost through PDR since 2015. To give this figure some context, the Newhaven Enterprise Zone, which opened in April 2017, is set to deliver around the same amount of space over its whole 25 year life span. Furthermore, PDR is rapidly accelerating the loss of commercial space for residential development, with one local authority in Greater Brighton estimating that the potential losses through PDR (2015-17) are equivalent to the previous 14 years of historical losses of office floor-space.

The City Region is in a position of having less office space at a time of increased demand, which impacts on retaining business within the City Region and building sustainable communities. We therefore seek a review of PDR to protect move-on space for the CDIT Cluster and the wider business community.

## Potential Components of a Creative Digital & IT Cluster Deal

1. Investment in ultrafast (full-fibre) broadband infrastructure and digital mobile infrastructure through funding from the DCMS Local Full Fibre Network Programme
2. Commit R&D support for CDIT and University sectors post Horizon 2020
3. Support the Brighton Digital Catapult to pilot 5G technologies across the Greater Brighton Economy
4. A local Digital Connectivity Plan for broadband and mobile connectivity
5. Establish support mechanisms to help innovators to scale-up from prototype to market ready products and realise scale
6. Review Permitted Development Rights to protect move-on space for the Cluster, and simplify access to funding streams for SMEs.
7. Establishment of a Greater Brighton Creative Industries Council to align local, regional and national organisations to meet the needs of the creative and cultural industries locally.

# Towards a Greater Brighton Local Industrial Strategy

A Housing and Infrastructure Deal, and a Cluster Deal to support the CDIT sector, would be major pillars in a Greater Brighton Local Industrial Strategy. There are further elements that Greater Brighton would like to see included, specifically around Knowledge Intensive Growth, Skills and Trade & Export.

Greater Brighton would like to see a review of the methodologies employed by the Higher Education Innovation Fund (HEIF) and Research Excellence Framework (REF) to allocate research funding to universities. The REF provides Quality Related (QR) grant allocation, based on a scale which is weighted towards world-leading (3\* or 4\*) research. Domestic, national and local engagement which is not world leading (1\* or 2\* research) attracts no QR.

Recent changes to the HEIF allocation formula concentrated resources in the universities which demonstrated greater critical mass of commercial success in running short courses, hiring out equipment and delivering consultancy – regardless of strategic direction or regional economic impact. In addition the HEIF allocation formula only rewards universities' own commercial successes, rather than their external impact on the economy. Moreover, 'Collaborative Research' with companies (like the 20-year partnership between the University of Brighton and Ricardo) does not count towards the HEIF.

The HEIF and REF funding formulae serve as a direct disincentive to undertake collaborative R&D with regional SMEs and other companies, which hinders the ability of universities to drive skills and growth at a local and regional level.

The Greater Brighton Economic Board has recognised the need to develop a strategic approach to international trade and inward investment and has recently commissioned external consultants to develop an Inward Investment, Trade and Export Strategy for the City Region, with particular focus on the post-Brexit economy. This work will be completed in February 2018.

Greater Brighton understands the need to bring more business expertise into local governance and improve links between councils and the private sector. A City Ambassador role is being piloted as an example of a modern "Alderman" type role within local government. The role aims to provide an opportunity for nominated individuals to represent and promote the growth sectors of the Greater Brighton City Region, help attract inward investment, support trade delegations and missions, voice the needs of the sector and influence the City Region's strategic development.

## Working with Government to deliver a Greater Brighton Local Industrial Strategy

The Government has signalled in the Industrial Strategy Green Paper an intention to intervene more and to do more to support the delivery of faster growth in all places across the UK. The Greater Brighton Economic Board is ready to enable the delivery of faster growth, and is proposing to develop a Local Industrial Strategy with the support of Government. A Greater Brighton Local Industrial Strategy would focus on 5 key pillars; Infrastructure, Skills, Innovation, Access to Markets and Place.

### Infrastructure

#### **Empowering City Regions to respond to the challenge – upgrading infrastructure**

The Board welcomes Government's desire to better align the planning of infrastructure more effectively with local growth priorities. It seeks a decentralised and consolidated transport fund with a multi-year settlement from Government. The Board has ambitious plans to deliver the affordable housing that the region requires, and seeks to accelerate delivery through a Housing Deal with Government.

## Skills

### Skills for the future – developing skills

The Board asks Government to work with the City Region to support the Greater Brighton Metropolitan College (GB Met) and partners in its application to establish an Institute of Technology in the City Region focused on digital and creative skills.

There is significant potential for apprenticeships, including higher level and degree level apprenticeships to serve as a route to upskill, progress and reskill whilst in paid employment. Partnership arrangements between colleges, universities and local employers can ensure that those paying the apprenticeship levy can re-invest funds back into their own workforces and the local economy, and small and medium businesses can benefit from the funding available through the digital voucher system.

## Innovation

### Innovation South – Investing in Science, Research & Innovation – bolstering the role of R&D at a regional level to deliver placed based growth

Greater Brighton is a partner in Innovation South, one of the eight Science and Innovation audits announced by Government as part of the Autumn Statement 2016. Understanding regional industrial needs will be central to the success of the Industrial Strategy, and the Board looks forward to engaging with Government to learn from the audit's findings.

### Greater Brighton Smart Growth – Cultivating World Leading Sectors

The Board is currently taking steps to better understand the City Region's sectors and sub-sectors and is developing a Smart Growth Strategy for Greater Brighton. Our two universities are driving growth in our industry leading sectors:

- Creative Digital & Information Technology (CDIT)
- Advanced Engineering
- Life Sciences
- Quantum Technology

## Access to Markets

### City Halls for Business – Creating the right institutions to bring together sector and places

The Board is ready to pilot a 'City Halls for Business' model, using Brighton's Town Hall as a multi-agency hub to support business growth, attract inward investment and promote trade.

### Business Ambassadors – Encouraging Trade and Inward Investment

A Business Ambassador role is being piloted as an example of a modern sector 'Alderman' type role within local government. The role aims to help attract inward investment, support trade delegations and missions, voice the needs of their sector and influence the City Region's strategic development.

## Place

### Southern Accelerator – Driving growth across the whole country

The Greater Brighton Economic Board believes that the creation of the Southern Accelerator, similar to the Northern Powerhouse and the Midlands Engine, would provide an overarching vision for the region within which other structures, strategies and bids would sit. With relatively modest interventions in the City Region's road, rail and digital infrastructure and with the tools to unlock the essential housing and employment floor-space, Greater Brighton can deliver improved productivity and growth.

### Place based infrastructure solutions – to deliver affordable energy and clean growth

The Board would like to pilot a new approach to utility companies working more closely together on place based infrastructure, energy security and smart grid solutions to support growth and respond to challenges, such as the roll out of electric vehicles.

### Business resilience and growth – supporting business to start and grow

The Board is concerned that the limited supply of revenue funds for direct business advice and support will limit the ability of businesses to take advantage of the new funding avenues being offered by Government. The Board would like to work with Government to support business growth.

# Greater Brighton's potential ask of government to support the delivery of a Local Industrial Strategy

The Greater Brighton Economic Board has generated significant momentum since it was established in 2014. By working in partnership and adopting new approaches to address challenges we have secured funds that will build 18,000 new homes, deliver 750,000m<sup>2</sup> of employment floor space, create 24,000 jobs and unlock over £2 billion of investment to the City Region.

However, there are areas which the Economic Board cannot address without support from government. The table below summarises the potential asks of government set out in this document that will help to unlock the barriers to growth that we face and support the delivery of a Greater Brighton Local Industrial Strategy.

| Housing & Infrastructure   | Creative Digital & IT   |
|--|---|
| <ul style="list-style-type: none"> <li>• Creation of Development Zone or similar vehicle, including a Land Value Capture mechanism and simplified CPO powers, with a holistic place-making and community focus</li> <li>• A grant-based land development fund to unlock delivery</li> <li>• VAT exemption on empty property refurbishment, bringing it in line with new developments</li> <li>• Supporting Councils in their direct and indirect delivery of affordable homes –through lifting the HRA cap, reviewing permitted development rights and the loss of land to housing delivery, local flexibility around Right-to-Buy receipts and relaxing the rules/relationships between councils and subsidiaries</li> <li>• An infrastructure deal that includes up-front funding for infrastructure development to encourage housing development and accelerate delivery</li> <li>• Retention of a greater proportion of Business Rate Growth for schemes that have a significant infrastructure element</li> <li>• Support from the Office of Low Emission Vehicles (OLEV) to develop and deliver a model for the roll out of a comprehensive network of electric vehicle charging points in Brighton &amp; Hove and the wider Greater Brighton Region</li> <li>• Support from BEIS to develop a Greater Brighton Energy Plan, that supports energy resilience and security to deliver economic growth across the City Region</li> <li>• Support from Government on the City Region's Housing &amp; Infrastructure Fund (HIF) submitted bids.</li> </ul> | <ul style="list-style-type: none"> <li>• Investment in ultrafast (full-fibre) broadband infrastructure and digital mobile infrastructure through funding from the DCMS Local Full Fibre Network Programme</li> <li>• Commit R&amp;D support for CDIT and University sectors post Horizon 2020</li> <li>• Support the Brighton Digital Catapult to pilot 5G technologies across the Greater Brighton Economy</li> <li>• A local Digital Connectivity Plan for broadband and mobile connectivity</li> <li>• Establish support mechanisms to help innovators to scale-up from prototype to market ready products and realise scale</li> <li>• Review Permitted Development Rights to protect move-on space for the Cluster, and simplify access to funding streams for SMEs</li> <li>• Establishment of a Greater Brighton Creative Industries Council to align local, regional and national organisations to meet the needs of the creative and cultural industries locally.</li> </ul> |

## Knowledge Intensive Growth & Skills

- Re-balancing the HEIF allocation formula to take greater account of regional economic engagement and impact would enable the more regionally engaged universities to increase their reach
- An incentive scheme to draw SMEs to work with universities (like Innovation Vouchers) would stimulate improved SME/university engagement
- Support the City Region's FE Colleges to secure investment via the proposed £170m of capital funds to establish an Institute for Technology focused on CDIT
- Increase apprenticeship numbers by incentivising SMEs to recruit apprentices
- Accelerate the creation of apprenticeship frameworks, so that providers are able to respond to the needs of employers
- Widen access to higher level qualifications by increasing the range and quality of Higher and Degree Level Apprenticeships

## Inward Investment, Trade & Export

- Support from DIT in developing a strategy and place-based DIT presence through co-location with the new Brighton City Hall for Business.

# Appendix 1 – Charrette Attendance List

## Final Attendees – Thursday 28 September

### Central Government Officials

- |     |                  |  |
|-----|------------------|--|
| 1.  | Cath Goodall     | Business Energy & Industrial Strategy (BEIS) |
| 2.  | Hannah Rignell   | Business Energy & Industrial Strategy (BEIS) |
| 3.  | Nigel Stewardson | Business Energy & Industrial Strategy (BEIS) |
| 4.  | Mark Holder      | Cities and Local Growth Unit (CLoG)          |
| 5.  | Steven Howell    | Communities & Local Government (DCLG)        |
| 6.  | Nigel Kersey     | Communities & Local Government (DCLG)        |
| 7.  | Isobel Pastor    | Transport (DfT)                              |
| 8.  | Lee Sambrook     | Transport (DfT)                              |
| 9.  | Dan Sisto        | Transport (DfT)                              |
| 10. | Simon Snook      | Homes & Communities Agency (HCA)             |

### Greater Brighton Economic Board Members

- |     |                            |                                      |
|-----|----------------------------|--------------------------------------|
| 11. | Cllr Andy Smith (Chairman) | Lewes District Council               |
| 12. | Cllr Brian Boggis          | Adur District Council                |
| 13. | Cllr Garry Wall            | Mid Sussex District Council          |
| 14. | Cllr Dan Humphreys         | Worthing Borough Council             |
| 15. | Andrew Swayne              | Adur & Worthing Business Partnership |
| 16. | Steve Allen                | Coast to Capital LEP                 |
| 17. | Trevor Beattie             | South Downs National Park Authority  |

### Greater Brighton Economic Board Officer Support

- |     |                   |                                      |
|-----|-------------------|--------------------------------------|
| 18. | Martin Randall    | Adur & Worthing Councils             |
| 19. | Alan Higgins      | Adur & Worthing Councils             |
| 20. | Mike Gilson       | Adur & Worthing Councils             |
| 21. | Geoff Raw         | Brighton & Hove City Council         |
| 22. | Nick Hibberd      | Brighton & Hove City Council         |
| 23. | Max Woodford      | Brighton & Hove City Council         |
| 24. | Cheryl Finella    | Brighton & Hove City Council         |
| 25. | Peter Sharp       | Lewes District Council               |
| 26. | Kathryn Hall      | Mid Sussex District Council          |
| 27. | Gavin Stewart     | Brighton & Hove Economic Partnership |
| 28. | Jonathan Sharrock | Coast to Capital LEP                 |
| 29. | Kirsten Trussell  | Coast to Capital LEP                 |
| 30. | Andy Hill         | Greater Brighton Economic Board      |

## Specialist Officers & Other Guests

|     |                |                              |
|-----|----------------|------------------------------|
| 31. | James Appleton | Adur & Worthing Councils     |
| 32. | Lara Southam   | Adur & Worthing Councils     |
| 33. | Cally Antill   | Adur & Worthing Councils     |
| 34. | Tracy John     | Brighton & Hove City Council |
| 35. | Martin Reid    | Brighton & Hove City Council |
| 36. | Sam Smith      | Brighton & Hove City Council |
| 37. | Liz Cadman     | Brighton & Hove City Council |
| 38. | Liz Hobden     | Brighton & Hove City Council |
| 39. | Andrew Renaut  | Brighton & Hove City Council |
| 40. | Aidan Thatcher | Lewes District Council       |
| 41. | Tom Shaw       | Hyde Group                   |

## Final Attendees – Friday 29th September

### Central Government Officials

|     |                  |  |
|-----|------------------|--|
| 1.  | Sam Beckett      | Business Energy & Industrial Strategy (BEIS) |
| 2.  | Harriet Buxton   | Business Energy & Industrial Strategy (BEIS) |
| 3.  | Cath Goodall     | Business Energy & Industrial Strategy (BEIS) |
| 4.  | Hannah Rignell   | Business Energy & Industrial Strategy (BEIS) |
| 5.  | Nigel Stewardson | Business Energy & Industrial Strategy (BEIS) |
| 6.  | Rachel Dickenson | Cities and Local Growth Unit (CLoG)          |
| 7.  | Simon Ridley     | Communities & Local Government (DCLG)        |
| 8.  | Simon Grant      | Culture Media & Sport (DCMS)                 |
| 9.  | Louise Lancaster | Culture Media & Sport (DCMS)                 |
| 10. | Rob Lewtas       | International Trade (DiT)                    |
| 11. | Neil Abbott      | International Trade (DiT)                    |
| 12. | Colm Watling     | Innovate UK                                  |

### Greater Brighton Economic Board Members

|     |                            |                                       |
|-----|----------------------------|---------------------------------------|
| 13. | Cllr Andy Smith (Chairman) | Lewes District Council                |
| 14. | Cllr Brian Boggis          | Adur District Council                 |
| 15. | Cllr Warren Morgan         | Brighton & Hove City Council          |
| 16. | Cllr Dan Humphreys         | Worthing Borough Council              |
| 17. | Cllr Tony Janio            | Brighton & Hove City Council          |
| 18. | Andrew Swayne              | Adur & Worthing Business Partnership  |
| 19. | Steve Allen                | Coast to Capital LEP                  |
| 20. | Prof Michael Davies        | University of Sussex                  |
| 21. | Prof Andrew Lloyd          | University of Brighton                |
| 22. | Nick Juba                  | Greater Brighton Metropolitan College |

## **Greater Brighton Economic Board Officer Support**

|     |                   |                                 |
|-----|-------------------|---------------------------------|
| 23. | Alex Bailey       | Adur & Worthing Councils        |
| 24. | Lynda Dine        | Adur & Worthing Councils        |
| 25. | Alan Higgins      | Adur & Worthing Councils        |
| 26. | Tim Ridgway       | Adur & Worthing Councils        |
| 27. | Geoff Raw         | Brighton & Hove City Council    |
| 28. | Nick Hibberd      | Brighton & Hove City Council    |
| 29. | Max Woodford      | Brighton & Hove City Council    |
| 30. | Cheryl Finella    | Brighton & Hove City Council    |
| 31. | Rob Cottrill      | Lewes District Council          |
| 32. | Peter Sharp       | Lewes District Council          |
| 33. | Jonathan Sharrock | Coast to Capital LEP            |
| 34. | Kirsten Trussell  | Coast to Capital LEP            |
| 35. | Andy Hill         | Greater Brighton Economic Board |
| 36. | Prof Sue Baxter   | University of Brighton          |

## **Specialist Officers & Other Guests**

|     |                        |                              |
|-----|------------------------|------------------------------|
| 37. | Paul Brewer            | Adur & Worthing Councils     |
| 38. | Cian Cronin            | Adur & Worthing Councils     |
| 39. | Liz Cadman             | Brighton & Hove City Council |
| 40. | Chris Palk             | DabApps                      |
| 41. | Dr Irene Vallejo       | Digital Catapult             |
| 42. | Sarah Robb             | Digital Catapult             |
| 43. | Barry Jessup           | First Base                   |
| 44. | Alex Morrison          | Log Apps                     |
| 45. | Steve Evans            | Net Natives                  |
| 46. | Tara Solesbury         | AHRC                         |
| 47. | Matt Scott             | Orbis                        |
| 48. | Prof. Paul Nightingale | University of Sussex         |
| 49. | Prof. Maziar Nekovee   | University of Sussex         |
| 50. | Phil Jones             | Wired Sussex                 |

# Appendix 2 – Greater Brighton City Region Charrette Programme

Agenda: Day 1, Thursday 28 September

## Housing Delivery & Infrastructure

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|             |  |
|-------------|--|
| 09:45-10:15 | <b>Introduction to the programme</b> (Ricardo Centenary Innovation Centre)<br>Outlining the specific aims and objectives of the day  |
| 10:15-10:50 | <b>Overview of the Greater Brighton City Region Economy Presentation – to gain a sense of place</b> <ul style="list-style-type: none"><li>• Introduction to the City Region; the work of the Greater Brighton Economic Board; and current investment programme</li><li>• Outline of the opportunities and challenges facing the City Region</li></ul>  |
| 10:50-12:30 | <b>Housing Delivery &amp; Infrastructure Development Projects Tour</b><br>A bus tour taking in some current development projects   |
| 12:30-13:15 | <b>Lunch and optional tour of the Ricardo facility</b>   |
| 13:15-16:15 | <b>Themed Workshop 1:</b> Housing Delivery & Infrastructure: What are the potential components of a Housing Deal for Greater Brighton?<br><br>An interactive discussion to cover; <ul style="list-style-type: none"><li>• Learning from the site visit</li><li>• Sites and enabling infrastructure – identifying potential sites where delivery could be accelerated or offer additional housing</li><li>• Freedoms and flexibilities - explore new models for unlocking housing delivery in Greater Brighton</li><li>• Summarise conclusions and next steps</li></ul> |
| 16:15       | <b>Close</b>   |

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## Agenda: Day 2, Friday 29 September

### Knowledge Intensive & Creative Digital Growth

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|             |  |
|-------------|--|
| 10:00-10:10 | <b>Arrival, Introductions and welcome to Day Two</b><br>British Airways i360   |
| 10:10-10:40 | <b>Overview of the Greater Brighton City Region Economy – The Southern Accelerator</b> <ul style="list-style-type: none"><li>• Introduction to the City Region; the work of the Greater Brighton Economic Board; and current investment programme</li><li>• Delivering the Industrial Strategy in the context of place</li><li>• How Government can support the City Region economy</li></ul>  |
| 10:40-11:15 | <b>Greater Brighton City Region from above</b> <ul style="list-style-type: none"><li>• A flight on the British Airways, i360:<br/>A view of the City Region from above, showing some of the key features of the area</li></ul>   |
| 11:15-11:45 | <b>Bus ride to the University of Brighton Advanced Engineering Centre</b>  |
| 11:45-12:45 | <b>Refreshments and a tour of the recently completed Advanced Engineering Centre</b>   |
| 12:45-13:00 | <b>Bus Ride to the Digital Catapult, Brighton (New England House)</b>  |
| 13:00-14:00 | <b>Welcome to New England House Digital Hub</b> <ul style="list-style-type: none"><li>• Lunch and demonstration of Virtual Reality and Immersive Technologies</li><li>• Overview of New England House and tour including the Digital Catapult and 5G Test Bed</li></ul>  |
| 14:00-16:00 | <b>Themed Workshop 2:</b> Local Industrial Strategies: How could we grow the Brighton creative digital cluster, and what are the potential components of a Cluster Deal?<br><br>An interactive discussion to cover; <ul style="list-style-type: none"><li>• Learning from the tour</li><li>• Challenges and opportunities for the cluster</li><li>• How digital technologies can help to drive innovation across the region</li><li>• How further growth could be supported</li><li>• Summarise conclusions and next steps</li></ul> |
| 16:00-16:30 | <b>Reflections, Next Steps &amp; Close</b>   |

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