



GREATER BRIGHTON ECONOMIC BOARD ANNUAL REPORT 2022-2023

**GREATER
BRIGHTON**

GREATER BRIGHTON ECONOMIC BOARD MEMBERS

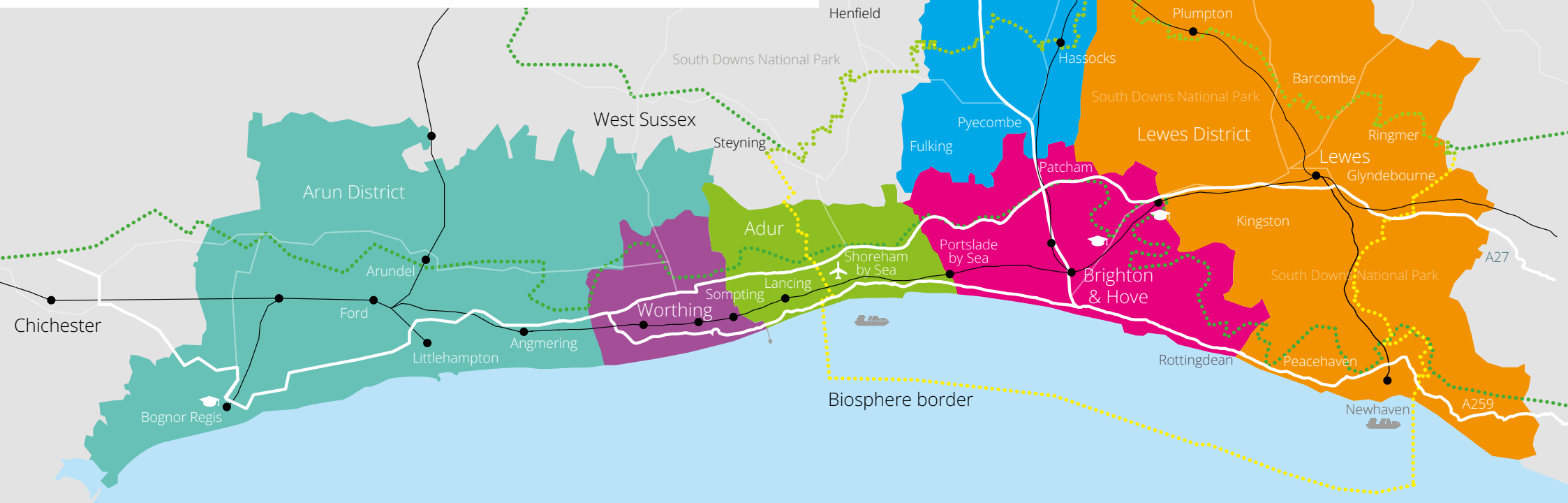
LOCAL AUTHORITIES

- Adur District Council
- Arun District Council
- Brighton & Hove City Council
- Crawley Borough Council
- Lewes District Council
- Mid Sussex District Council
- Worthing Borough Council

BUSINESS REPRESENTATIVES

- Adur & Worthing Business Partnership
- Brighton & Hove Economic Partnership
- Coast to Capital LEP
- University of Brighton
- University of Sussex
- Chichester College Group
- South Downs National Park Authority

Greater Brighton is all about recognising that the economy knows no boundaries. The whole really is greater than the sum of the parts.



OUR ASPIRATIONS

International



An international brand, identity and recognition

Maximising opportunities for investment from private investors and leveraging funding available from the UK Government

Utilising the connections of our universities to gain access to international skills and expertise

Creative

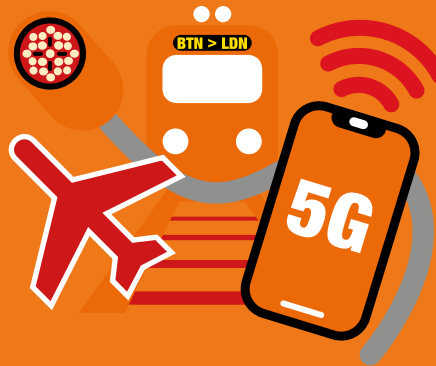


Adopting a regional Creative Industries Strategy helping to unlock growth and nurture talent

Ensuring and enabling knowledge exchange and commercialisation

Promote our creative strengths to attract further investment in our creative and cultural economies

Connected



Sustainable transport infrastructure, with effective regional, national and international routes and connections

Well connected for and attractive for UK and international tourists

The most 5G-enabled City Region in the UK and ubiquitous fibre to the premises digital infrastructure

Talented



Attract and retain talented individuals to live, learn, work and invest in the City Region

A collaborative and coordinated approach across partners to maximise opportunities that can be delivered at scale, such as the Retrofit Task Force

Effective upskilling and reskilling for a green economy and in a digital world

Resilient



Economic resilience – enabling an economy that can adapt to external forces, supporting business through economic challenges and exploring circular economy practices

Environmental resilience – of energy infrastructure, including hydrogen production and utilising the city region's strengths for local food production at scale

Social resilience – of Greater Brighton communities and the wellbeing of residents

TACKLING THE COST-OF-LIVING CRISIS

THE ECONOMIC CHALLENGE

Since spring 2022, a cost-of-living crisis has gripped the UK, affecting both households and businesses. Inflation peaked at around 11% towards the end of 2022, with the rising costs of energy, fuel, food, and raw materials being the major drivers. Interest rates hit 5% in June as the Bank of England continues to grapple with inflation rates well above its 2% target, increasing the cost of borrowing to households and businesses with mortgages and other loans.

The rising cost of essentials such as energy and food, compounded by the increase in the cost of borrowing have put a huge squeeze on household and business finances. The erosion in household disposal income is the most significant witnessed in a generation. As a result, towards the end of 2022 and now well into this year, there have been a series of strikes across a number of sectors, as workers and unions demand pay rises in line with inflation to protect living standards.

GREATER BRIGHTON RESPONSE

Whilst the Greater Brighton Local Authorities and other partners have been doing what they can, resources are very limited, and have therefore been targeted at households and residents most at risk. Due to the complexity and costs of providing direct support to businesses, Greater Brighton partners have been lobbying government for much needed business support.

At a session held in September for Board Members to discuss the Board's priorities going forwards, it was agreed that the cost-of-living crisis was the number one urgent priority. There was agreement that there was a real need to understand, using a mix of actual and anecdotal data, the likely impact of the economic challenges on our communities particularly drawing out the business sectors and geographic areas that are set to be hit hardest. With robust data in place it would be possible to understand what can be done at a Greater Brighton level that will make the most impact.

TACKLING THE COST-OF-LIVING CRISIS

To that end, the Institute of Employment Studies (IES) were commissioned to perform this study. The work involved scoping/discussions with leads in each of the councils to understand the approach they were taking, what analysis they have done, what they planned to do, and exploring the key gaps. There were also discussions with the business community to explore current and future concerns and challenges.

The report produced by IES was presented to the Board in February. It recognised that while the impact of the cost-of-living crisis is being widely felt, there are specific groups who are more vulnerable to falling into poverty. The analysis highlights the key geographic areas across the city region that are feeling the greatest impact as a result of the current economic situation.

Included in the report are two linked recommendations for greater coordination and information sharing across Local Authorities, to collate data insight and work together to share practice and approaches. It is proposed that this is achieved through a city region economic dashboard and establishment of a sub-group.

This group will be tasked with using the analysis from IES to develop immediate actions and interventions that can be made at a Greater Brighton level to support businesses and residents through the cost-of-living crisis. The group will also be charged with exploring opportunities for economic growth and the potential of aligning funding bids across city region partners.

There is also a recommendation for Local Authorities to provide targeted, place and group-based support. This builds on the work that is already underway through individual local plans that councils have in place to support their communities and staff through the cost-of-living crisis. The IES report provides useful data and analysis on places in the city region where there are likely to be particularly high levels of need as well as groups who may have greater or different support needs, like large families, disabled people and students.

This work has shown the value of better monitoring the economic outlook for the city region, and comparing how we are performing against other parts of the country. It has therefore been agreed that a basket of key economic indicators is tracked, monitored and regularly reported going forward. To do this the Board Support Team is going to lead on the development an economic dashboard with the support of external organisation that has experience in analytics.

ENCOURAGING OUR BUSINESSES TO THRIVE – THE BUSINESS HOTHOUSE

BACK IN 2019, THE GREATER BRIGHTON ECONOMIC BOARD COMMITTED £30,000 OF FUNDING TO THE BUSINESS HOT HOUSE, A £10.8M THREE-YEAR BUSINESS SUPPORT PROGRAMME PART-FUNDED BY THE EUROPEAN UNION. THE PROGRAMME, WHICH LAUNCHED IN THE SPRING OF 2020 AND DREW TO A CLOSE THIS SPRING, BROUGHT TOGETHER SIX SPECIALIST SUPPORT PROVIDERS TO FILL THE MUCH-FELT GAP IN BUSINESS SUPPORT PROVISION IN THE COAST TO CAPITAL REGION. THE PROVIDERS INCLUDED THE UNIVERSITY OF CHICHESTER (LEAD PARTNER), BRIGHTON & HOVE CITY COUNCIL, SUSSEX INNOVATION CENTRE AND WSX ENTERPRISE.



The Programme delivered support to businesses under six strands;

- 1. Productivity and Growth Support**
- 2. Access to Finance Support**
- 3. Monetisation of Innovation**
- 4. Leadership and Management Development**
- 5. Start Up Support**
- 6. Invest4 Grants Programme**

Main beneficiaries of the programme have been from three groups; SME organisations, pre-start entrepreneurs and Social Enterprises.

Over the 3-year life of the Programme, over 1,000 individuals and businesses from across the Greater Brighton region have received a total of around 10,000

hours support under strands 1-5 above, including 306 pre-start entrepreneurs and 175 start-ups.

The Invest4 Grants Programme (strand 6), provided an important financial boost to a business that could be used on revenue or capital based projects, to bring forward a project, or make a project happen that would not have happened normally. The grant programme distributed grants with a 40% intervention rate and 60% match funding from the SME. Greater Brighton Businesses have received 126 grants with a total value of £1.58m, which has stimulated £2.68m of match-funding.

The numbers are impressive, and as the following case studies demonstrate, the Programme has made a tangible difference to a number of businesses in different ways.

ENCOURAGING OUR BUSINESSES TO THRIVE - THE BUSINESS HOTHOUSE

5 SQUIRRELS, BRIGHTON

"The Business Hothouse was fantastic, not just with their business planning advice but also in helping me - through the Invest4 Grant Fund - to secure 40% of the capital expenditure of refitting a derelict building, purchasing manufacturing vessels and building a Research & Development laboratory.

Business is flourishing now, we survived the pandemic and even saw strong growth which continues to accelerate - sales are up 50% on last year mainly due to in-house manufacturing and broadening our service offering but also due to the lifting of lockdown restrictions."

JUICE UP, HAYWARDS HEATH

'Juice Up, manufactures and distributes eco-friendly healthy drinks. We sell fresh, raw, cold-pressed juices in glass bottles. We subsequently collect and re-use these items because our mission is to create a great product whilst leaving minimal waste.

With the help of The Business Hothouse's Invest4 Grant Application workshops and 1-2-1 sessions. I was successful in gaining the funding, which would cover 40% of the cost of my new commercial-grade machine, making it a far more affordable prospect.

The new machine has enabled me to produce better quality juice in higher volumes. Now I have a better-quality product at a lower cost-per-bottle and less waste."

MY ROOM OUTSIDE, LANCING

"Before I could even consider launching My Room Outside, I needed to find business grant funding. I joined a boot camp run by The Business Hothouse, which across three sessions helped me to define my product and my customer, write a business plan with a financial forecast and apply for cash to the Invest4 Grant Fund.

My grant funding application was approved and I was awarded cash for my marketing expenses which meant that I could afford to have a logo, a website and a sales brochure designed and produced."



ENCOURAGING OUR BUSINESSES TO THRIVE - THE BUSINESS HOTHOUSE

PROLIFIC 10, BRIGHTON

"We approached The Business Hothouse chiefly because we wanted a business grant from their Invest4 Fund. By that point we'd recognized that if we could invest in the Hub Spot system - a CRM that enables businesses to conduct all of their sales and marketing activity from one platform - that we'd have a competitive edge over other agencies, because it would give us the ability to offer a much more integrated approach to a clients' sales and marketing activity.

The Business Hothouse helped us to achieve this in all sorts of ways: their Invest4 Grant Application support was spot-on - their finance expertise strengthened our application because our supporting documentation, such as our business plan, had their expert input. All of their business advice was incredibly helpful and they gave us tons of it.

Thanks to the cash from Invest4, we're now an official Hub Spot agency and right at the minute, we have our heads down and are working hard to deliver value for our roster of clients, but we do have plans to recruit more staff and broaden our service offering even further. The future is prolific."

An event to celebrate the success of the programme, as it officially drew to a close, was held in Bognor Regis on 27 April.



TRANSITIONING TO NET ZERO

DECARBONISING OUR HOMES

Approximately 20% of the UK's current carbon emissions result from the energy used to heat and power our homes, making the need to decarbonise local authorities' housing stocks a priority if ambitious carbon-reduction targets are to be met. Moving to low carbon heating is a pledge within GB 10 pledges on the environment.

In September 2021 a Retrofit Taskforce was established to help Greater Brighton meet the challenge of making all City Region Council homes zero-carbon by 2030. The Task Force would provide evidence not just for work around decarbonising homes but also enable us to better understand the much wider climate friendly economic recovery and regeneration implications of retrofitting. For example, more efficiently heated homes should in turn also help address skills gaps and tackle fuel poverty, which has become an even more widespread problem over the last year as a result of rocketing energy bills.

This work has been coordinated by Lewes District Council and it included specialists from the University of Brighton and external organisations such as AECOM, Robertson Construction, Gleeds, Value Optimised Retrofit (VOR), Elementa, Parity and IOPT devices.

Switching away from gas has the biggest carbon impact. Solar energy is a no regret solution as it will in effect lower household energy tariffs, deliver immediate carbon and energy savings, and can be used for power or heat. It is also a mature and cost-effective technology, and has a supply chain that has the best chance of scaling up.

If green heat can be delivered directly at a low enough price (and this still might not be achievable) then deep retrofits would not be required - even though deep retrofit is an admirable thing to do. Further work is going to be undertaken in order to understand this better.

Interest in hydrogen at a regional and global scale has intensified over the last 18 months. It is still too early to say how much and indeed if hydrogen can assist in heating, but it could be seen as less challenging than deep-retrofitting all 424,000 homes (social and private) in the Greater Brighton region (Census 2021 data).

Overheating (as a result of a warming climate) will be just as important as energy efficiency in the 2030s, so if deep retrofit is not pursued on all properties, the budgets could be spent on climate change adaptation measures instead.

TRANSITIONING TO NET ZERO

In the autumn of 2020, the Board agreed and launched its GB10 environmental pledges. These pledges promise to use our combined authority, lobbying power, expertise and knowledge to becoming a carbon neutral region, through championing a major programme of projects on environmental action and clean growth. <https://greaterbrighton.com/work-here/net-zero/>

The agreement on the GB10 pledges followed after agreeing ambitious energy and water plans for the Greater Brighton region.

The **Greater Brighton Energy Plan** has over 30 investible energy projects under way. These projects will reduce energy demand, cut carbon emissions, and bring community benefits, and also contribute to a resilient energy system for the future. Some projects innovate with novel technologies and new ways of integrating energy systems, other projects seek to scale up and coordinate well-known interventions.

The Greater Brighton region is one of the most water-stressed in the UK, and the **Greater Brighton Water Plan** sets ambitious targets to reduce water consumption. Important now, but absolutely critical against the backdrop of climate change and the expected population changes by 2050.

Since the GB10 Pledges were agreed and as a result of the growing number of workstreams linked to Net Zero, including the Hydrogen Strategy, the Board has made a commitment to a **Transition to Net Zero Action Plan**. The action plan will allow easier oversight of the progress being made and ensure potential synergies between the individual workstreams are being exploited and opportunities for collaboration maximised across the city region.

Having a clear and focused plan, backed up through proactive communications activity, also provides a strong platform for negotiating with Government. Transitioning to a low carbon economy is a key priority for Government and it is important that as a region competing for limited funds, we can clearly articulate that our priorities are aligned to those nationally and that with the right interventions we will deliver the Government's key objectives at a regional level.

A HYDROGEN STRATEGY TO POWER UP THE REGION

HYDROGEN SUSSEX

Hydrogen Sussex, born out of the Greater Brighton Energy Plan, is the body supporting and facilitating the hydrogen economy across Sussex. A successful launch event was held in February 2021 with well over 200 attendees including government ministers and a diverse range of stakeholders from across the private and public sectors.

With Hydrogen Sussex, the Greater Brighton Region is very much on the front-foot of developing an investment proposition and strategy that aims to bring in significant investment for hydrogen, in a competitive market.

A report to the Board in July 2022 outlined proposals by Hydrogen Sussex for developing a hydrogen strategy, and it was agreed that the Board would contribute £25,000 towards the cost of preparing it. Additional funding was secured from Coast to Capital LEP's Regional Projects Business Case Development Fund. Local company Ricardo were appointed to undertake the work and developed the strategy, which was presented to the Board and approved in February 2023.

The strategy shows that with the right focus, collaboration and action, the region has real potential to stand out

within the UK hydrogen landscape and gain economic and environmental benefits. Key points from the strategy included building a USP for the region, utilising key infrastructure such as Shoreham and Newhaven Ports and Gatwick Airport as potential demand clusters and building on strengths such as engineering and academic excellence and innovation.

The Greater Brighton Economic Board has agreed that the strategy should form the basis of future work on hydrogen in the region, with a key goal being to establish a hydrogen hub. This all puts the region very much at the forefront of a hydrogen fuel revolution.



A LOOK AHEAD TO 2023/24

FOOD FOR THOUGHT

Food system vulnerabilities were revealed through the Covid-19 pandemic and rising prices of food over the last 12 months have helped to fuel the current cost-of-living crisis and spiralling inflation rates. In addition, the shortage of some fruit and vegetables witnessed in February and into March once again highlighted the lack of resilience in the food system. There has never been a timelier opportunity to rebuild local supply chains and infrastructure.

As well as affordability and resilience, there here are broader systemic issues that that the food industry faces, including obesity, waste, and greenhouse emissions. It's worth emphasising the point that the global food system is responsible for up to 30% of worldwide greenhouse gas emissions.

The Board has agreed to the development of a regional food plan that would look to address these challenges, and help to support and build a sustainable and climate resilient economy. The Government's National Food Strategy presents major opportunities for Greater Brighton to attract targeted investment and coordinate economic development activities for:

Food security and sustainable production - To deliver a prosperous agri-food and seafood sector that ensures a secure food supply in an unpredictable world and contributes to the levelling up agenda through good quality jobs around the country.

Healthier and sustainable eating - To deliver a sustainable, nature positive, affordable food system that provides choice and access to high quality products that support healthier and homegrown diets for all. The UK as part of a global food system - To deliver export opportunities and consumer choice through imports, without compromising our regulatory standards for food, whether produced domestically or imported.

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A LOOK AHEAD TO 2023/24

FOOD FOR THOUGHT

In the winter of 2022/23, a procurement exercise was carried out to find an external partner to assist with preparation of the Strategy. In early March Food Matters Foundation, a locally based third-sector organisation, were awarded the contract for the brief.

The initial stage involved Food Matters reviewing case studies of food system innovation or potential innovation that link to the Greater Brighton 10 Pledges on the Environment. These have been prioritised with the support of Task and Finish Group and then used by to create a pipeline of costed projects for a Greater Brighton Food Plan. The Task and Finish Group has been crucial to supporting this works and includes representatives from both universities, the South Downs National Park and Arun District Council. The work of the Task and Finish Group will continue into the next phase of the Food Plan.

The work is running through the spring and into early summer, with the final report and recommendations due to be presented to the Board in late July.



Herb greenhouse, Littlehampton

A LOOK AHEAD TO 2023/24

LEVELLING-UP

Since the Department for Levelling Up, Housing and Communities (DLUHC) unveiled the Levelling Up White Paper in February 2022, there has been a period of flux and turmoil in Westminster. For a time the future of the Levelling Up Agenda seemed unclear, but with Michael Gove back at the helm of DLUHC there seems to be renewed commitment to levelling up the UK.

Whilst bids from Arun, Brighton & Lewes were successful in round 1, none of the bids submitted from Greater Brighton in round 2 of the Levelling Up fund were successful. Five excellent projects were put forward that would have generated huge benefits to those communities, and it is very disappointing that none of these bids have been taken forward by Government.

Each of the bids will have required a lot of officer time and effort to pull together and against the backdrops of the cost-of-living crisis and ever-shrinking local authority budgets, this may not be the best use of council resources. The bidding process also creates huge uncertainty.

The ambition to level-up regional disparities across the UK seems sensible and fair in principle, but the key to achieving this is through greater financial devolution that provides certainty and allows us to plan spend over a long period. This would support regeneration in our areas and allow us to take an evidence-based approach to investment and regeneration that will result in the best return for the region's citizens, businesses and wider economy.

These points were made by Brighton & Hove's former Chief Executive, Geoff Raw, to the Housing, Communities and Levelling Up Select Committee at the end of last year during an evidence session into their inquiry into Levelling Up funding.

Further coordinated representation to parliament and government on these matters will continue to be made so that the city region has a voice in the Levelling Up agenda going forwards.

A LOOK AHEAD TO 2023/24

CREATIVE INDUSTRIES STRATEGY

In April 2022, the Board agreed the development of a Creative Industries Strategy as a joint commission with the Coastal West Sussex Partnership. The aim of the strategy is to enable creative businesses in the Greater Brighton area to compete effectively and to scale-up their enterprises, creating and safeguarding employment and driving growth.

The Creative Industries is also a key focus of the Government's Levelling Up White Paper which acknowledged the contributions the creative industries make to benefitting both the economy and quality of life for everyone. The Secretary of State for Digital, Culture, Media and Sport (DCMS) has also made clear the desire to reflect the Levelling Up agenda in both policy making and funding distribution for culture and creative industries.

Given the significance of regions and clusters within the creative industries, it is likely that a Greater Brighton approach to strategic development of the sector, articulated through a strategy for the city region, would strengthen any future bids into national initiatives.

Since April 2022, work has been progressing at pace to develop the strategy. A procurement exercise concluded in autumn 2022, with The Fifth Sector consultancy appointed to lead the preparation of the strategy. Work started in earnest in November 2022, with the establishment of a CI Strategy Steering Group to oversee the work. Business and stakeholder engagement has been taking place through a series of workshops and in addition to research and data analysis of the CI sector in the sub-region. A report with the strategy and recommendations is expected in the second half of 2023.



LINKS AND RESOURCES

www.greaterbrighton.com

Links to Investment Programme and OPE Programme