

<b>Board Meeting No. 28</b>	
Date	22 February 2016
Time	5.00 pm – 7.30 pm
Location	The Main Conference Room, WSCC Offices, Parkside, Chart Way, Horsham, West Sussex RH12 1RL
Board Members	Tim Wates – Chairman (TW), Steve Allen (SA), Clive Behagg (CB), Neil Dallen (ND), Daryl Gayler (DG), Louise Goldsmith (LG), Martin Heffer (MH), David Hodge (DH), Phil Jones (PJ), Julie Kapsalis (JK), Mike La Rooy (MLR), Shelagh Legrave (SL), Amanda Menahem (AM), John Peel (JAP), Ravi Shankar (RS), Jonathan Sharrock (JS)
Support	Philip Carr (PC) (BIS), Paul Castle (PGPC) David Smith (DS), Sue Maddin (SM)
In attendance	Katharine Eberhart (KE), Director of Finance and Peter Lewis (PL) Executive Director Corporate Resources and Services, West Sussex County Council
Distribution	All Board Members

## 1. Apologies and Welcome

Toni Letts (TL) and Warren Morgan (WM).

TW welcomed JS to his first meeting as Chief Executive of Coast to Capital.

## 2. Declarations of Interest

*DH declared a continuing interest as Leader of Surrey County Council in the Surrey County Council Woodfuel Initiative proposal (item 9).*

*CB declared an interest as Vice Chancellor of the University of Chichester in the University of Chichester Engineering and Digital Technology Centre proposal (item 9).*

*CB declared an interest both as the Vice Chancellor of Chichester University and as the Vice Chair of Central Sussex College which had submitted an Expression of Interest under the Skills Capital Funding – Gatwick (item 9).*

*MH declared an interest as a Director of Parsons Brinckerhoff which was completing a study that was included in the Infrastructure Study (item 10), although not personally involved.*

*PJ declared an interest as Managing Director of Wired Sussex which had submitted a bid under one of the ERDF Calls (item 14).*

*CB declared an interest as the Vice Chair of Central Sussex College which had submitted a bid under the ESF Call (item 14).*

*SL and JK declared interests as Principal and Vice Principal respectively at Chichester College which had submitted a bid under the ESF Call (item 14).*

*JAP and JK declared an interest as members of the Coast to Capital Area ESIF Sub-Committee (item 17).*

*LG reported that West Sussex County Council had published views regarding Gatwick Airport and that views expressed by Coast to Capital might differ from those of the County Council (item 12).*

### **3. Notification of items to be withdrawn from the consent Agenda**

There were none.

### **4. Approval of Consent Items**

Items 7.1 (Communications Update), 8 (Executive Committee notes) and 19 (Budget 2015/16 Third Quarter Review) were **approved**.

### **5. Minutes of Board Meeting held on 19 November 2015**

The Minutes were noted as a true and accurate record of the meeting and were signed by the Chairman.

### **6. Matters Arising**

The Board noted the schedule of Matters Arising and considered the progress on items as reported.

Arrangements for a Joint Committee meeting were still to be confirmed by WSCC.

JAP noted an ongoing concern regarding the unavailability of Professional Indemnity Insurance cover for non-Coast to Capital ESIF Sub-Committee members.

### **7. Chief Executive's Report**

JS delivered an overview of significant aspects of his paper:

Growth Deal – JS gave a detailed account of the strategic risks relating to delivery of the projects, as reported in his paper, and answered questions from Board Directors.

He outlined the process for receiving and assessing bids for contingency projects, which could be used to absorb any underspent money in 2015/16. A process for identifying and assessing these had been developed in line with legal advice from DMH Stallard. The first step would be a sift of projects received to assess consider their eligibility. Business cases would then be fully assessed by a Sub-committee followed by Board approval by correspondence. (The process was considered in full under item 9 – Growth Deal Update).

JS alerted the Board to the level of delivery risk represented by the virement of a large proportion of project funding into the next financial year. He also recognised the challenge to deliverability posed by the number of complex projects, the desire for a stronger approach from the LEP to deal with these and the requirement for strong project management whether that be internal or with the Delivery Body.

DH arrived.

At this stage in the discussion TW proposed considering the report of the Chairman's Committee on Governance (Growth Deal) Update.

## 10. Chairman's Committee on Governance (Growth Deal) Update

[**Secretary's note:** recorded out of sequence in line with the Board's discussion.]

TW explained the background to the formation of this Committee, including reporting that the resourcing constraints experienced in the autumn around project assessment had been addressed.

MLR outlined the review's recommendations noting the value that a streamlined and rigorous process around project review would bring to Committee assessments and Board decision making, to the delivery phase and to the Accountable Body.

PL concurred and emphasised the importance of ascribing clear roles to both Coast to Capital and the Accountable Body, supported by an updated agreement. He also added that the AB's early inclusion in business case appraisals had been effective.

JS suggested that benefits realisation should form part of the standardised template.

Board Members were generally supportive of the proposal for individual members to be assigned to a sponsor role for each project funded under the Local Growth Fund (LGF). This would provide a clear link between project and Board, to ensure effective scrutiny and consider issues which arose during the delivery process.

In answer to a resourcing question from DG, JS advised that, compared to other LEPS, Coast to Capital was funding a larger number of LGF projects, most of which were reasonably complex, whereas other LEPS had a smaller number of monetarily larger and more strategic projects. He confirmed that ensuring that Coast to Capital was appropriately resourced was a priority.

The Board **noted** the conclusions of the review and requested that the Chief Executive use the recommendations to develop a robust process which would be scrutinised by the Executive Committee and the resultant proposal presented to the Board at its meeting on 12 May 2016. A roles and responsibilities document for Coast to Capital and the Accountable Body would need to be prepared for sign off by JS and PL / KE.

It was also **agreed** that a further review would be carried out three to six months after implementation of the revised process.

JS reported that the team was actively engaged in the large amount of work necessary to be done to achieve the predicted spend during the current financial year.

PGPC advised that for the future a stricter set of criteria would be applied with the intention of attracting fewer projects, better argued.

As a side issue, it was proposed to re-examine the Terms of Reference of the

Local Transport Body for efficacy.

### **Chief Executive's Report - resumed**

Devolution – JS reported that both the Greater Brighton and Three Southern Counties (3SC) bids were being further developed. On behalf of 3SC LG thanked the LEP for its support thus far and advised that their ministerial meeting had been positive.

National Audit Office (NAO) – JS confirmed that the NAO study into the Department for Communities and Local Government's programme to create LEPs and ensure good use of public money in the delivery of Growth Deals was expected to be published mid-March and followed by a Public Accounts Committee hearing probably in June.

Senior Government Sponsor – JS confirmed that he was to meet with Katherine Courtney the Director for Small Businesses and Deregulation in BIS on 25 February 2016.

Proposed 2017 Board Meeting dates – JS requested Directors to note the 2017 meeting dates and advise Sue Maddin if any were inconvenient.

**Action:** JS / PGPC to progress with agreed contingency project process

ALL to note 2017 meeting dates

#### **7.1 Communications Update**

The Board considered the report and was interested to hear of the planned developments particularly focusing on wider Board Member involvement utilising a Board Members' presentation and induction pack; and a communications and stakeholder engagement strategy. There would be a full discussion at the May meeting.

The Board endorsed the vision of the LEP being recognised as the authentic voice of business in the region and steered JS accordingly.

Board Members were welcome to contact TW or JS with any further comments.

**Actions:** JS to progress

All to let TW / JS have any comments

#### **8. Executive Committee Meetings 16 December 2015 and 1 February 2016**

The Board noted the content and actions of these papers.

#### **9. Growth Deal Update**

*DH declared a continuing interest as Leader of Surrey County Council in the Surrey County Council Woodfuel Initiative proposal.*

*CB declared an interest as Vice Chancellor of the University of Chichester in the University of Chichester Engineering and Digital Technology Centre proposal.*

## **University of Chichester Engineering and Digital Technology Centre**

CB offered to answer any initial questions regarding the project and as there were none he left the meeting.

PGPC confirmed that the Board had received access to the full suite of application papers and drew the Board's attention to the typographical corrections to the original budget profile which had been noted in his report.

JS detailed the background to the project and the proposal which had been recommended by the Enterprise Sub-Committee for approval to commence in the 2015/16 financial year.

As Chair of the Enterprise Sub-Committee, JK added that it was a strong project and had received robust consideration by the panel; it focused on the LEP's priority sectors and key skills and would add value to the wider economy, including providing a source of year round income for the town.

In answer to a question from DG, PGPC confirmed that 351 jobs would be created, mostly within the campus and technology centre itself: a mixture of teaching staff and service jobs to cater for the expected 1500 new students.

SL advised that the University had a strong reputation for attracting students from families without a history of university education. This was in part attributed to its close working with schools and colleges both within and outside of the region and linking in with businesses and the jobs market.

Members questioned whether the University had fully considered the financial and other risks associated with the delivery of the project; particularly because the scale of the project would apparently make it a very significant factor on the University's balance sheet. MLR reported that following a conversation he had with CB, he was assured that the University understood the challenges it faced to successfully deliver the project and sustain its future. JK advised that the University had worked closely with schools, colleges and businesses to ensure viability.

Having carefully considered the proposal, Board Members were supportive of the added benefits to the region as a whole and **approved** the proposal.

### **Business cases to be approved by correspondence**

The Board **noted** the position regarding the business cases for:

A284, A259 and A217 which were to be assessed (and approved, if successful) by the Local Transport Body on 24 February 2016; and

The Gatwick Skills project which was to be assessed by a Skills Moderation Panel on 14 March 2016. If recommended this would require a Board decision to be made by correspondence.

[**Secretary's note:** delays in the development of the business plan have resulted in the Panel meeting being postponed until the end of April.]

### **Treatment of unallocated funding**

JS explained the process by which contingency projects that may utilise

unallocated funding in the current financial year had been sought and how these would be reviewed. The business cases would still be assessed by Sub-committee and submitted for Board approval.

The Board **approved** the proposed approach.

## **11. Infrastructure Study Update**

MH gave the Board an overview of the progress of the various infrastructure studies which were being carried out in the area. The report was largely transport biased as Network Rail and Highways England were entering into scheme development phase for significant projects in the region including the Brighton Main Line and the A27.

The Board noted the expected outcomes of the Brighton Main Line study and that of the "Brighton Main Line 2" scheme and recognised the importance of continued engagement with Network Rail to promote the impact on the economy and businesses in the region.

The Board **agreed** the proposed course of action as presented to the meeting; and **accepted** the recommendations proposed in the report.

## **12. Gatwick Airport**

*LG reported that West Sussex County Council had published views regarding Gatwick Airport and that views expressed by Coast to Capital might differ from those of the County Council.*

The Board considered the approach presented in the paper and the draft lines on Airport expansion.

Board Members were keen for Coast to Capital to represent the views and concerns of business in particular related to improving infrastructure around the Airport.

MLR observed that increased noise levels were another widely held concern and the LEP should produce a holistic message of support which allayed concerns relating to expansion.

After due consideration, the Board **agreed** that with the recommendation, namely:

that the LEP should seek opportunities to proactively communicate the wider economic benefits of Gatwick as a driver of economic growth in the region.

Accordingly, JS would develop a strategy and present this to the next Board meeting on 12 May 2016 as part of an overall discussion on communications.

**Action:** JS to liaise with partners to develop strategy.

## **13. Housing and Regeneration**

The Board received the Chief Executive's paper. JS explained the background to his report saying that he considered that there were three significant constraints to economic growth in the region: infrastructure; skills and housing and that

whilst the LEP was actively engaged with the former two it was less so with the third.

The proposal was that the LEP should initiate work which would help to build its understanding and influence on housing and regeneration issues. A taskforce would involve non Board members from business and political backgrounds to build momentum in this area. It would report in the summer, setting out eight to ten areas of opportunity for the Board to consider. By articulating the business perspective on the need to deliver more housing, and to support the achievement of housing targets, the taskforce would help the Board decide what role it could play in this area in the future.

The Board considered that there was a role for the LEP to play and agreed the establishment of a taskforce. Members suggested some areas for deliberation:

- Provision of low cost housing - a significant issue in the region;
- Use of brown field sites – benefits of regeneration;
- Infrastructure – the benefits of having this in place before housing;
- Permitted development – achieving a balance between housing and workspace; and
- Considerate handling of sensitivities surrounding the topic. Local housing plans were often a sensitive issue and targets were agreed at a local level. The taskforce could add most value by identifying issues within the housing debate.

TW reported that whilst he was mindful of the political sensitivities, including those regarding timing, Coast to Capital was a long way behind other LEPs in acknowledging housing issues and it had a duty to bring a business voice into the housing debate. The taskforce's purpose was to develop ideas for the Board to consider. The taskforce should report regularly to the Executive Committee and produce recommendations in the summer.

He also emphasised the importance of maintaining the positive working relationship between the LEP and both the Greater Brighton and the Three Southern Counties devolution bids.

RS offered to let JS have sight of his file regarding housing in the Croydon area.

Having given the matter full and detailed consideration, the Board **agreed** to the recommendation as stated in the paper.

During the course of this discussion, LG reported a concern regarding the use of Permitted Development, JS confirmed that Ron Crank had written to Anna Soubry, Minister for Small Businesses in November 2015. He would look into the matter further.

#### **14. European Structural and Investment Funds Progress**

*PJ declared an interest as Managing Director of Wired Sussex which had submitted a bid under one of the ERDF Calls.*

*CB declared an interest as the Vice Chair of Central Sussex College which had submitted a bid under the ESF Call.*

*SL and JK declared interests as Principal and Vice Principal respectively at*

*Chichester College which had submitted a bid under the ESF Call.*

JAP gave an update to his report confirming that progress, albeit slow, was being made through the Calls process.

In answer to a question from PJ regarding the limited number of applications to the ERDF round 2 call, JAP advised that this was as anticipated and that the applications received were from consortia rather than from individual organisations

## **15. Skills Update**

CB gave an overview of his report, in particular: the positive response to the Enterprise Adviser pilot and the progress being made with the Area-Based Reviews.

The Board noted that the reviews were likely to bring about significant changes to Post-16 Education and Training and may have implications for the skills strategy.

As the review process was driven by Government departments, both in terms of the timing and the selection of Colleges, it was not possible to assimilate the lessons learned from the first review before the second commenced.

LG left the meeting.

SL reported that she had attended a meeting that morning of the Coastal West Sussex Skills & Enterprise Group meeting and said that whilst it was very clear that outcomes from the devolution of the Adult Skills funding had been identified in the Greater Brighton plan, there was no similar clarity on the outcomes expected from the Three Southern Counties plan. It was important that Coast to Capital took these outcomes into account in their skills strategy. JS agreed to follow up.

**Action:** JS to follow up on the outcomes with regard to Adult Skills funding.

## **16. Enterprise Advisory Committee**

SA gave an overview of his report, noting in particular recent developments with the Business Navigator Growth Hub including opportunities for the provision of the Business Navigator service beyond its current contract and the launch of the new website.

SA reiterated his previous invitation to Directors to let him or Malcolm Brabon know of any possible opportunities to raise awareness of Coast to Capital's business support initiatives.

**Action:** All to advise SA or Malcolm Brabon of any appropriate events.

## **17. International Advisory Committee**

*As members of the Coast to Capital Area ESIF Sub-Committee JAP and JK reported an interest regarding the ESIF opt-in funding.*

MLR gave an overview of his report, in particular noting that Coast to Capital had achieved a top ten position for inward investment in the UK.

He also reported that the LEP had been matched by the UKTI Project Matchmaker initiative with further overseas posts based on sector strengths and opportunities. PJ was particularly interested in the project and MLR offered to discuss this in further detail with him.

**Action:** MLR and PJ to discuss the UKTI Project Matchmaker initiative

## **18. Growing Places Fund (“GPF”) Report**

RS delivered an overview of this report and answered questions on the progress of various projects.

JAP requested a report detailing the loans repaid to Coast to Capital.

**Action:** PGPC to produce report.

## **19. Budget 2015/16 Third Quarter Review**

DS gave an overview of his report and answered questions from Board Members, in particular clarifying:

the loss of income pertaining to a Growing Places project which had not proceeded; and

the unexpected charges from West Sussex County Council for providing an Accountable Body function.

JS advised that he was in discussion regarding the figures, to which PL added that the inclusion of VAT had inflated the figures.

The Board also noted that any further delays to Growing Places projects would have an effect on the expected budget surplus.

## **20. Confidentiality of Business**

The Board noted that the following information was confidential:

The projects under consideration / review for Growing Places funding (item 18).

## **21. Any Other Business**

21.1 Growth Deal Update - PC confirmed that he was content with the contingency plan that JS and PGPC had put in place.

## **22. Date of Next Board Meeting**

The next Board meeting will be held at 5.00 pm, 12 May 2016, the venue will be confirmed shortly.