

Board Meeting No. 30	
Date	14 July 2016
Time	5.00 pm – 7.30 pm
Location	Wates Group Ltd, Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW
Board Members	Tim Wates – Chairman (TW), Neil Dallen (ND), Louise Goldsmith (LG), Martin Heffer (MH), David Hodge (DH), Mike La Rooy (MLR), Shelagh Legrave (SL), Tony Newman (TM), Jonathan Sharrock (JS)
Support	Philip Carr (PC) (BIS), David Smith (DS), Sue Maddin (SM)
In attendance	Katherine Eberhart (KE), Director of Finance West Sussex County Council and Mark Watson (MW), Cabinet Member for Economy and Jobs, London Borough of Croydon.
Distribution	All Board Members

1. Apologies

Daryl Gayler (DG), Debra Humphris (DH), Phil Jones (PJ), Julie Kapsalis (JK), Amanda Menahem (AM), Warren Morgan (WM) and Ravi Shankar (RS)

2. Welcome to new members and reappointment of existing members

TW welcomed Tony Newman (TN), Leader of the London Borough of Croydon Council and his alternate, Mark Watson (MW), Cabinet Member for Economy and Jobs to the meeting.

He confirmed that the appointment of Debra Humphris as the HE Board representative had been approved by correspondence and that she would be attending the next Board meeting.

Members then approved the reappointment to the Board of Mike La Rooy for a further three years.

3. Declarations of Interest

SL declared an interest as Principal of Chichester College which had submitted a bid under the ESF Call (item 17).

JAP declared an interest as a Chairman of the Coast to Capital Area ESIF Sub-Committee (item 18).

JAP declared a previous long standing association with Central Sussex College (item 19)

SL declared an interest as Principal of Chichester College which was involved in negotiations regarding Central Sussex College (item 19)

TW declared his ongoing housing interests in Burgess Hill and advised that SA would therefore chair the Growth Deal 3 item on the agenda (item 19)

For completeness the following interest is recorded here: *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 11)*

4. Notification of items to be withdrawn from the consent Agenda

There were none.

LG arrived.

5. Approval of Consent Items

Items 8 (Executive Committee notes), 12 (Growing Places Committee), 13 (Rural Economy Committee) and 14 (Communications Update) were **approved**.

6. Minutes of Board Meeting held on 12 May 2016

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

7. Matters Arising

The Board noted that all items on the schedule of Matters Arising were either completed or included under separate agenda items.

8. Executive Committee Meeting 8 June 2016

The Board noted the content and actions of this paper.

9. Skills Update

Please note the confidential nature of the Area-Based Reviews item contained in this minute.

SL gave an overview of her report, in particular:

Sussex Area-Based Review – SL reported that the publication of the final summary report had been postponed until 27 July.

Northbrook College and City College Brighton and Hove had decided to consider the advantages of merging.

Options for Central Sussex College were being considered.

Sussex Coast College and Sussex Downs College were to consider forming a federation with the intention of working more closely on the provision of apprenticeships.

Skills Committee – SL reported that a revised wider remit and Terms of Reference were being developed for the Skills Committee and that recommendations would be presented to the September Board meeting.

Enterprise Adviser Network – the Board commended the success of the first phase of the programme and the plans for upscaling.

10. Enterprise Advisory Committee

SA gave an overview of his report, commending:

The positive reception of the Business Navigator website;

The planned market agreement with five Chambers of Commerce and an Enterprise Agency as part of the business engagement strategy; and

The value of findings presented in the Economic Assessment.

The discussion then reverted to consideration of the Area-Based Review process, during which TN and MW arrived.

DH expressed concern that the recommendations of the Area-Based Reviews were wholly centred upon saving money and did not take into account the requirements of business.

JS agreed that there had been a focus on financial savings and that the process had not been ideal; the success of the process was the subject of scrutiny including in Parliament.

SL advised that the recent Sainsbury review of technical education had sought extensive involvement from businesses before recommending that post-GCSE students were offered either an academic or technical pathway. A refocused Skills Committee would be able to influence the delivery of these.

Members raised concerns regarding the challenges in training / securing and retaining a sufficient number of appropriately qualified staff to provide essential services across the region. SMEs also faced difficulty in forecasting their future resourcing requirements, including that for relevant apprenticeships. A possible solution to this being college based apprenticeships.

JS and SL recognised the importance of these considerations and agreed that a restructured Skills Committee that included members from employment, business and enterprise sectors would be well placed to advise the LEP.

TW welcomed TN and MW to the meeting.

11. Proposal to the Board for Reshaping the Infrastructure Committee

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

MH outlined his proposal to the Board and answered Members' questions; in particular confirming that the focus would be on advocacy, working cross-boundaries to promote a single voice, and co-operating to avoid duplication in support of existing Coast to Capital strategies.

He advised that he was liaising with other LEPs to agree how to work effectively with the Sub-regional Transport Body.

Members appreciated that a different approach was required with regard to digital infrastructure and Newhaven related infrastructure which arose from delivery of the Enterprise Zone.

LG reminded the Board of the significant impact to the region of a decision regarding the building of an additional runway.

JS agreed saying that this would be an area of focus for the Sub-regional Transport Body. He reported that the Air-Rail Partnership Board, which he was to chair, would be starting in September and would bring together GAL, rail operators and others with a strong interest in economic development around Gatwick.

Having carefully considered the proposal, the Board **approved** the recommendations as presented to the meeting:

1. The Board agreed the principle of reshaping the Infrastructure Committee.
2. That Coast to Capital focused the Infrastructure Committee on:
 - Delivery and tracking of engagement strategies for emerging and committed infrastructure schemes in its area (noting that this may be in a support role in some cases);
 - Development and delivery of engagement with key infrastructure studies affecting the area; and
 - Ongoing assessment of Local Growth Fund business case applications and engagement with the Local Transport Body.
3. The Infrastructure Committee returned with a proposal by end September 2016 on a preferred way forward for both digital infrastructure and Newhaven related infrastructure arising from delivery of the Enterprise Zone.

Action: MH to implement the recommendations

The following three reports had each been **approved as consent items:**

12. Growing Places Committee

13. Rural Economy Committee

14. Communications Update

15. Audit Report and Accounts 31 March 2016

The Board considered the Audit Report and Accounts as presented, MLR confirmed that both he and DS were content with the reports and recommended them to the Board for approval.

JS gave an overview of the Accounts and the 2016/17 Budget.

In response to a question from JAP, DS advised that the Auditors, Knill James, had been appointed for a five year term.

As recommended by the Audit Committee, the Board:

Approved the Directors' Report and Financial Statements for the Year Ending 31 March 2016 and asked the Chairman to sign the accounts on behalf of the Board;

and

Agreed that the abbreviated accounts be filed with Companies House.

Action: DS to file the reports accordingly

16. Chief Executive's Report

JS delivered an overview of his report and answered members' questions.

Housing and Regeneration task force – the inaugural meeting was to be held on 25 July, with subsequent meetings in the autumn and recommendations presented to the November Board meeting.

Devolution – LG reported on the constructive 3SC Leaders' event on 11 July which had progressed various work-streams and advised that the 3SC bid would include provision for a mayor. DH that the potential benefits of a mayoral role were being analysed and he would forward the resulting report to LG.

Action: DH to forward report to LG

EU referendum – JS reported that he had instigated weekly conference calls with representatives of Business organisations from across the region to understand the impacts on businesses and apprise Government. His intention was to develop a list of priorities by the autumn.

He would circulate his fortnightly bulletin to MPs to the Board.

[Secretary's note: The first update was circulated to the Board on 18 July.]

17. European Structural and Investment Funds Progress

SL declared an interest as Principal at Chichester College which had submitted a bid under the ESF Call.

JAP gave an overview of his report, in particular the possible impacts of the EU referendum result on the ESIF programme. Currently differing responses had been received from the various managing authorities.

PC offered to circulate a clarification statement from HMT which was expected shortly.

JAP also expressed concern that the Coast to Capital ESIF Sub-Committee area appeared to receive a slower service from its managing authorities than that experienced by other areas. If this continued it would have difficulty in commissioning and spending the remaining allocation.

PC advised that he would continue to lobby the relevant authorities on the Committee's behalf.

Action: PC / SM to liaise regarding clarification statement

18. International Advisory Committee

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

MLR gave an overview of his report regarding potential opportunities and actions related to the EU referendum result, in particular:

Foreign Direct Investment – Malcolm Brabon (MB) would be asked to circulate a pre-

referendum report by Ernst & Young which noted Germany as being the UK's main competitor and was generally quite negative.

Global Trade (Exports) – the flattening domestic economy should encourage business to develop export trade.

MB was working closely with UKTI to develop international links beyond Europe with a focus on ASEAN but also including e-commerce and new Gatwick flight locations.

Tourism – the change in exchange rates may lead to an increase the tourism and hospitality sector.

In conclusion, MLR said that there were potentially positive outcomes to the referendum result and that he recommended the LEP implement the actions proposed in his report to support businesses in achieving these.

JS added that the LEP would also have to consider the impact of changes within Government. This would be reflected in a revised Committee structure which he would discuss with the Executive Committee at its next meeting. He also proposed to use the Committee structure to review the Strategic Economic Plan during 2017.

PC said that he would continue to work closely with the LEP as it determined how best to influence Government in the face of the recent changes.

TN welcomed the involvement of Board members on Committees and commended the early development of a five year plan to influence debate more effectively.

TW concluded that there was an increased appetite for listening to LEPs within Government departments.

Actions: MB to circulate Ernst & Young report.
JS to develop revised Committee structure for presentation to February 2017 Board meeting.

19. Growth Deal 3 – Recommendations to the Board

Please note the confidential nature of this minute.

TW declared his ongoing housing interests in Burgess Hill and advised that SA would therefore chair the Growth Deal 3 item on the agenda

SL declared an interest as Principal of Chichester College which was involved in negotiations regarding Central Sussex College

JAP declared a previous long standing association with Central Sussex College

TW passed the chairmanship of this item to SA and made no contribution to this discussion.

SA reminded the Board of the process which had been adopted for the appraisal of applications over four Joint Committee meetings. He thanked KE for the valuable contribution that had been made by the Accountable Body.

JS presented the projects as recommended by the Joint Committee for the Board's consideration. He outlined each of the projects and how they related to the five core themes which themselves related to the Strategic Economic Plan.

The Board commended the presentation and throughout the discussion offered JS refinements to incorporate for the Ministerial Challenge session on 18 July 2016.

DH left the meeting

SA explained the ranking order of the list and that there were additional projects (Annex 3) which whilst not currently recommended for funding could provide a pipeline for the future.

Members then deliberated the Joint Committee's recommendations.

MLR had been involved in the process and said that it had been a very thorough process and commended both JS and the Accountable Body. He asked whether it was possible to "stress test" the private sectors' continuing commitment to the projects.

JS advised that this would be done before submission of the full business cases.

LG expressed her strong support for the three schemes that centred on Burgess Hill; which by providing infrastructure, a transport scheme and business space would effectively enable Burgess Hill to become a 'new town'.

She also commended the projects that supported the development of Worthing which had seen its demographics changed away from the elderly and needed to be a centre for housing and visitors.

TN welcomed the inclusion of the Fairfield Halls and College Green development, which would provide homes, jobs, business space and a cultural centre.

JAP, who had attended two of the four Joint Committee meetings, had been delighted by the security of the process. He asked KE if the Accountable Body was also happy with the process.

KE replied that yes, it was. She said that comments made by her team had been taken on board and projects developed accordingly. The process was robust and that what had been set out had been followed.

MH had also participated in the meetings and was satisfied that the process was robust. He asked how the LEP could be the most effective advocate for the projects.

It was agreed that the connectivity of the total scheme drawing people into the A/M23 corridor should be promoted as a key feature.

PC outlined the governmental process:

- 18 July – Ministerial challenge session
- 28 July – Date for final submission
- Followed by internal departmental assessments. As part of which he was to join the Mid Sussex District Council Chief Executive on a tour of Burgess Hill.
- Submissions would be assessed against three criteria: Strategy for growth; Partnership working and Deliverability.

He advised that there would be strong competition for what was potentially an oversubscribed allocation of funding.

SA drew the discussions to a close, thanked everybody for their positive feedback and asked members for their decision on the recommendation put to them.

The Board **approved** the Joint Committee's recommendation of the 12 projects as presented to the meeting.

JS explained the proposal for including Central Sussex College as part of the Growth Deal submission, as detailed in his report, and answered questions from Members.

He confirmed that the £4.7m previously allocated to Gatwick Skills projects would form part of the funding for this proposal and that he would seek to minimise the diversion of funding from other projects.

In answer to questions from MLR regarding the College's sizeable level of debt, SL advised that provisions were being made and that the aim was that no debt would be inherited by the new organisation.

The Board recognised the desirability for the provision of technical professional skills in the Gatwick area. However, the proposal should be: sustainable; costs carefully scrutinized, preferably in the single millions and include no pre-existing debt.

SA summarised saying that a robust bid should be developed but recognised that it may dislodge other projects from the submission.

KE recommended that as part of the due diligence procedure the bid should be ranked in the same way as the other projects had and only be included if it scored a minimum factor of 16.

In conclusion, the Board **agreed** that, subject to appropriate due diligence and strict budgetary control, the Central Sussex College proposal be included as part of the Growth Deal submission and that the plan be developed further during the summer.

JS apprised the Board of the request from Mid Sussex District Council for flexibility in the availability of short-term loan funding from the Homes and Communities Agency to bring forward delivery of roads infrastructure to support large-scale housing development. He confirmed that this was separate to the Growth Deal funding and that a positive outcome would serve to speed up the final delivery of the scheme.

The Board duly **noted** the request.

SA thanked JS and all involved in the process and handed the meeting back to TW.

Actions: JS would "stress test" the private sector's continuing commitment to the projects as part of the consideration of full business cases.

JS to continue working with FE and Business partners to develop the final Central Sussex College bid, noting the Board's caveats outlined above.

Also to enlist further support of local MPs and Councils.

JS to arrange Joint Committee review, ranking and, if recommended for inclusion, Board approval by correspondence.

20. Any Other Business

There was none.

21. Confidentiality of Business

The Board noted that the following information was confidential:

The Area-Based Reviews item noted in the Skills Update item (item 9), projects under consideration / review for Growing Places funding (item 12) and the Growth Deal 3 item in its entirety (item 19).

22. Date of Next Board Meeting

The next Board meeting will be held at 5.00 pm, 22 September 2016, the venue will be confirmed shortly.