

Coast to Capital Investment Committee Minutes
Tuesday 11th December, 1:30pm-3.30pm
Coast to Capital Offices

Attendees;

Chair

Daryl Gayler – Board Member DG

Voting Members

Phil Jones – Board Member PJ
Martin Harris – Board Member MH
Julie Kapsalis – Board Member JK
Daniel Yates – Board Member DY
Manju Shahul-Hameed – Deputy Board Member MS
Louise Goldsmith – Board Member LG

In Support

Anthony Middleton – Chief Operating Officer (Coast to Capital) TM
Cali Gasson – Investment Programme & Risk Manager (Coast to Capital) CG
Hannah Gosling – Investment Programme Manager (Coast to Capital) HG
Anna Meredith – Investments Auditor (Coast to Capital) AM
Taygan Paxton – Administrator (Coast to Capital) TP

Governance Advisors

Nigel Stewardson – BEIS NS
Lisa Taylor – Accountable Body LT

Apologies

Jonathan Sharrock
Steve Allen
David Hodge
Nick Juba
Adam Tickell
Tony Newman
Lee Sambrook
Sean Murphy
Richard Simpson
Cath Goodall

Agenda;

Item no	Agenda item	Timings	Action	Presented by
1	Open, Welcome and Introductions & Conflicts of Interest	1.30-1.35	Note	DG
2	Approval of minutes from September 18	1.35-1.40	Note	DG
3	Decoy Farm	1.40-2.10	Present, Q+A and Discussion	Worthing & Adur District Council
4	Burgess Hill – Place and Connectivity	2.10-2.40	Present, Q+A and Discussion	Mid Sussex District Council / West Sussex County Council
5	High Risk Report	2.40-3.10	Note & Approve	CG/AM
6	Financial Update	3.10-3.20	Note	CG/HG
7	AOB	3.30	Discussion & Note	DG

1. Open, Welcome and Introductions & Conflicts of Interest

- 1.1.** Welcome, introductions and apologies were made. The Chairman gave a brief overview to the Committee members of the purpose of the meeting.
- 1.2.** The Chairman read out the Conflicts of Interest Statement to which, three members of the Committee expressed conflicts as below;
 - 1.2.1.** LG voiced the conflict with the Burgess Hill – Place and Connectivity scheme and the RAG rating decision of the West Sussex County Council road schemes. LG confirmed she would leave the room during these items.
 - 1.2.2.** JK agreed to exit the room during the RAG rating decision of the Crawley College STEM scheme, due to her role as Managing Director for the Chichester College Group.
 - 1.2.3.** DY stated a possible conflict with any items related to BHCC within the High Risk Report paper and would leave the room if necessary.

2. Approval of Minutes from September 2018

- 2.1.** Minutes of the previous meeting were approved as a true representation of the September 2018 Investment Committee.

Secretary note: Previous Chairman NJ did not chair the Crawley STEM item due to a conflict of interest It was asked that full transparency should be included in the narrative of the minutes.

3. Decoy Farm

- 3.1.** A brief overview of the project was given to include the Boards' previous approval of £4.84m LGF allocation subject to a full business case submission, which had been received prior to the Committee. The site has not been occupied in over three decades due to the land being a former waste tip, with a need for removal of at least 3 meters worth of deep waste.
- 3.2.** Adur & Worthing Council provided a presentation to the Committee followed by a Q+A session, explaining that there is a high demand for employment floor space within the Borough. A market research report had showed a particular demand for variously sized industrial units and it was voiced to the Committee the inability to respond to this demand at present, due to contamination issues and restricted site access circulated around the site coming forward.
- 3.3.** It was clarified to members of the Committee that the LGF allocation would enable and help to unlock and develop the Decoy Farm site, including the remediation process.
- 3.4.** Key highways improvements had been structured within the plan, to modify the capacity of the junction and introduce on site infrastructure work to support the Decoy Farm site development.
- 3.5.** Members of the Committee were informed that the proposal for the site would deliver around 94 new units (*including larger B8 units*) and creating 13,000sqm of high quality floor space, addressing growth space needs within the area.
- 3.6.** A question was raised around the output changes for the development of Phase 1 of the scheme, as well as a confidence to deliver the further two phases. It was explained by Adur and Worthing Council that the initial investment would begin

highways improvements, unlocking the Decoy Farm site access, and beginning the process of remediation and site gas management. Further phases of the scheme had been confirmed to include small and medium units, with potential to unlock and accommodate different use and additional site negotiations.

3.7. The Committee was made aware that conversations were had with potential occupiers and the confidence to let the units seemed strong, with daily council enquiries and existing businesses wanting to expand. The support for start-up businesses had been prominent, with a mechanism in place to allow the growth for potential businesses.

3.8. The LEPs Strategic Economic Plan 2018 outlines a promotion of sustainable transport, including cycling and walking which had been outlined within the applicant presentation. It was questioned if both cycling and walking could be delivered to National Best Practice Standards, providing connectivity and access to further transport links to which, it was confirmed. The Committee were made aware that Decoy Farm was a well located site with bus infrastructure and rail connections, and early discussions were had with a close estate to interlink connections, with popular nearby residency.

3.9. The applicants left the room and Committee members had a final discussion around the scheme. Members felt the scheme had been a good use for a site that had been vacant for three decades and lacking overall opportunity. All Committee members voted **to approve** the scheme.

4. Burgess Hill – Place and Connectivity

4.1. A brief overview of the scheme was given to the committee. The Board has previously approved the funding allocation of £10.9million to the Place and Connectivity scheme as part of Growth Deal 3. It was brought to light that the overall project looks to provide the relevant infrastructure and sustainable transport in the area predominantly making improvements to train/bus/cycle and walking elements.

4.2. Representatives from West Sussex County Council and Mid Sussex District Council provided a presentation to the Investment Committee followed by a Q+A session.

4.3. It was explained that the scheme consisted of 33 individual projects, with the significant involvement of Homes England and the delivery of well-planned sustainable growth. Output delivery includes the creation of new homes, as well as improvements to functional public realm and connectivity. Public consultation had been completed for the Northern Arc and A2300 schemes. The connectivity and transport links were seen as a crucial element of the overall scheme and will help to unlock opportunities that will benefit the wider programme and connecting a substantial network across the Burgess Hill town. It was expressed to the Committee the confidence of a full LGF drawdown by March 20/21 with additional staff and resource support in place.

4.4. The Q+A session commenced with questions being raised around the delivery of large volumes of cycling/walking connectivity as well as whether the project has seen support from local cycling groups. The Committee were informed that the County Council had been looking to design to the National Best Practice Standards, and more detailed design discussions had needed to be had including engagements with stakeholders.

4.5. It was voiced that plans to unlock high value GVA job creation had been exciting, with a close proximity to Gatwick Airport and the M23. The Delivery Body highlighted that early conversations had begun as well as the ambition to have a science and technology park with predictions to be delivered on time.

4.6. The applicants left the room and the Investment Committee began their discussion. It was confirmed this scheme will be good use of LGF funding and all members confirmed they were happy **to approve** the scheme with an **action** to condition the National Best Practice Standards for cycling/walking and sustainable transport.

5. High Risk Report

5.1. A brief overview was given to include how it had been agreed that the Investment Committee will be charged with LGF monitoring and risk reviews. It was made clear that the focus of this agenda item would be to discuss and agree the latest risk assessment with RAG ratings for each of the 'high risk' projects. An updated report would be presented to the January Board with recommendations once confirmed at the Investment Committee.

5.2. A29 & A284

LG left the room.

5.2.1. It was agreed that both projects would be discussed together with an interlinking risk rating. An overview of the A29 & A284 projects had been made with a recommendation for a 'watch and wait' approach. The Business Case submission for the A29 is due to come forward in January 2019 for Board approval, and because of the current funding gap on the A284 scheme there will also be a virement request. There were also uncertainties around LGF expenditure being fully drawn down before March 2021.

5.2.2. An independent review of the submitted Business Case for A29 will be conducted, along with a review of the virement request for A284. The report will be presented back to the LEP in February to enable the Investment Committee to make recommendations to the April 2019 Board meeting. This review will flag up any further risk around the virement and business case.

5.2.3. The Investment Committee confirmed the risk rating of the A29 scheme as **RED** with the recommendation of a '**watch and wait**' approach.

5.2.4. The Investment Committee confirmed the risk rating of the A284 scheme as **AMBER/RED** with the recommendation of a '**close monitoring**' approach.

5.3 A2300

LG left the room.

5.3.1 All Committee members were provided with an overview of the scheme which included the dualing of the existing A2300.

5.3.2 The Board had previously set up a working group which looked at the scheme and its deliverability as part of a deep dive review. It was made clear to the Committee that the project delivery has accelerated which means that LGF funds would be spent within the parliamentary spending period. The Full Business Case submission will come forward in October 2019, and will be subject to both LEP approval and DfT approval.

5.3.3 Members of the Investment Committee agreed that the risk rating could drop to **AMBER** as per recommendations from the Vice Chairman and the Investment Team. This was due to WSCC submitting documents as requested by the Board working group.

5.3.4 It was also agreed that a further Local Partnership review would be conducted in 2019 against the business case, to allow the Board to give approvals to the scheme.

5.4 **Southern Gateway**

5.4.1 An overview was given of the Southern Gateway scheme.

5.4.2 As outlined in both the Funding Agreement and Business Case, the remaining LGF allocation of £4.5million would be drawn down within the financial year of 18/19.

5.4.3 At the previous Investment Committee, the Delivery Body had expressed a number of options as to how the remaining allocation could be spent to which, the Committee had previously confirmed, but no progression had been made since due to delays.

5.4.4 The Investment Committee confirmed the risk rating of the Southern Gateway scheme as **AMBER/RED** with the recommendation of a '**close monitoring**' approach. A recommendation will also be put forward to the January Board to allow the LEP to remove any unspent LGF funding for this financial year from the scheme, and re-allocate.

5.5 **Crawley College STEM**

JK left the room.

5.5.1 It was made aware that the Crawley College STEM scheme had been presented at the previous Investment Committee to which, it was highlighted that the remainder of their LGF allocation couldn't be drawn down within the 2018/19 financial year.

5.5.2 The revised Business Case was due to be submitted in December 2018, and a formal review will be conducted at the January 2019 Board where the scheme will be given a funding decision. It was confirmed that the Business Case will be delivered in time for the January Board meeting

5.5.3 The Committee confirmed the risk rating of the Crawley College STEM project as **RED**, with a recommendation of '**close monitoring**' until the formal review at the January 2019 Board meeting.

5.6 **Gatwick Railway**

5.6.1 An overview was given outlining how the scheme was due to present at the December 2018 Board. Delays had been prominent, with further workings required on cost and scope. A draft Business Case had come forward from DfT and the Board were asked to approve the Business Case in principal, subject to both DfT and Gatwick Airport's approval.

5.6.2 The Committee confirmed the risk rating of the Gatwick Railway scheme as **RED**, with a recommendation of '**close monitoring**' until the full business case comes forward, and until necessary approvals are given.

5.7 **Sussex Bio-Innovation Centre**

- 5.7.1 A brief overview was given on the project. There is an LGF allocation of £5.52million, and discussions were had around the University making changes to the overall scope of the larger project. This could potentially lead to a project that does not incorporate the Bio-Innovation Centre, and means there is an uncertainty around LGF funding allocation.
- 5.7.2 It was made clear that the University will advise the LEP by March 2019, as to the viability of the project, and if so the funding allocation due to be spent by March 2021.
- 5.7.3 The Committee confirmed the risk rating of the Sussex Bio Innovation Centre as **RED**, with a recommendation of **'watch and wait'** with a review in March 2019 at the next Investment Committee.

5.8 **New Monks Farm**

- 5.8.1 All members of the Committee were given a background of the scheme. The project had received approval from the Investment Committee in July 2018, with planning approval from Worthing Council in October 2018.
- 5.8.2 Since then, there have been delays which could lead to the anticipated LGF draw down for this financial year not being fully met, and carry forward of funds being required.
- 5.8.3 For these reasons, the Committee confirmed that the risk rating of the New Monks Farm scheme should be **RED**, with a recommendation of **'Close Monitoring'** and a review in January 2019.
- 5.9 Projects with potential future risks were discussed as part of the **Horizon Scanning** approach, and will be reviewed again at the March 2019 Committee.

6 **Financial Update**

- 6.1 An overview of the financial update paper was given, and it was highlighted that the forecast LGF expenditure was currently on track for 2018/19, with spend increasing within each quarter.

7 **AOB**

- 7.1 It was confirmed that Audit Reviews had been conducted for a number of projects in 2018, and that audit reviews on projects will continue to take place in 2019.