

# Coast to Capital

## Investment Committee Meeting

8<sup>th</sup> October 2020 – 1:00pm – 4:00pm

Coast to Capital – Zoom Meeting

### Attendees:

#### Acting chair for this meeting

David Joy – Board Member DJ

#### Voting Members

Jonathan Sharrock- Board Member	JS
Karen Dukes – Board Member	KD
Manju Shahul-Hameed – Deputy Board Member	MSH
Jamie Arnell – Board Member	JA
Bob Lanzer – Deputy Board Member	BL
Daniel Humphreys – Board Member	DH
Amanda Jones – Board Member	AJ
Mark Brunt – Board Member	MB
Matthew Furniss – Deputy Board Member	MF

#### 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
Alice Masterson – Admin Support (Coast to Capital)	AM

#### Governance Advisors

Kate Edwards – Accountable Body	KE
Sonia Likhari - LBC as Accountable Body	SL
Toni Wotton – BEIS	TW
Daniel Lindsay – Hatch Regeneris	DL

#### Apologies:

Colin Kemp, Lisa Taylor, Jane Longmore, Rosaleen Liard, Sean Murphy, Phelim MacCafferty.

# Coast to Capital

Time	Item	Agenda item	Action	
1pm	1	<b>Introduction:</b> a) Open b) Welcome and Apologies	Note	DJ
1.05pm	2	<b>Declaration of Interest</b>	Note	DJ
1.10pm	3	<b>Minutes &amp; Actions of the September Investment Committee</b>	Note	DJ
1.15pm	4	<b>Brighton Fibre Ring (BHCC)</b> <i>1:15pm Introduction from Investment Team</i> <i>1:20pm Brighton Fibre Ring Presentation</i> <i>1:30pm Q&amp;A</i> <i>1:45pm Committee Discussion</i>	Approve	Hatch  BHCC
1.50pm	5	<b>Plumpton College</b> <i>1:50pm Introduction from Investment Team</i> <i>1:55pm Plumpton College Presentation</i> <i>2:05pm Q&amp;A</i> <i>2:20pm Committee Discussion</i>	Approve	Hatch  Plumpton
2.25pm	6	<b>Burgess Hill Rural (Mid Sussex District Council)</b> <i>2:25pm Introduction from Investment Team</i> <i>2:30pm Burgess Hill Rural Presentation</i> <i>2:40pm Q&amp;A</i> <i>2:55pm Committee Discussion</i>	Approve	Hatch  MSDC
3:00pm	7	<b>St James Estate Cathedral (Chichester District Council)</b> <i>3:00pm Introduction from Investment Team</i> <i>3:05pm St James Estate Cathedral Presentation</i> <i>3:15pm Q&amp;A</i> <i>3:30pm Committee Discussion</i>	Approve	Hatch  CDC
3:30pm	8	New Project Strategy	Discussion	TM

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3.45pm	9	<b>AOB</b> <i>East Surrey College – Vision for Growth Funding Agreements &amp; Fiveways Update</i>	Approve	HG
			Recommend	KD

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*\*Minutes to be posted in the public domain following the meeting.*

## Meeting Minutes

### **1. Open, Welcome and Introductions**

- 1.1. Welcome, introductions and apologies were made. The Chair of the Committee gave a brief overview of the purpose of the meeting to all attendees.

### **2. Conflicts of Interest**

- 2.1. The Chair read out the Conflicts of Interest statement to which, AJ declared an interest on the Brighton 5G Ring project and CG has a trivial conflict on the Plumpton College project.

### **3. Minutes & Actions of the September Investment Committee**

- 3.1. It was agreed that the minutes of the previous meeting were a true representation of the meeting and were approved.

### **4. Brighton Fibre Ring (BHCC)**

- 4.1. AJ declared a conflict with Brighton 5G Fibre Ring, DJ allowed AJ to remain in the meeting for the discussion but would not be able to take part in any decision making.

- 4.2. DL gave a brief overview of the hatch report on this project. DL raised some concerns around the contingency, the date of completion, value for money as a scheme, the outputs and the external risk factors.

- 4.3. BHCC representatives entered the meeting and presented their project to the Investment Committee. (Max Woodford MW, Raye Lambe RL, Phil Jones PJ, Shaun Fensom SF).

#### **4.4. Q&A discussion**

- 4.4.1. **Q:** MB asked as this is such a successful project why haven't BHCC attracted funding for this project from other funding bodies? It was thought that the LEP would be investing in the fibre ring rather than upgrading the existing test beds. MB asked for clarification on this point.

**A:** MW informed the committee that this is a single project and that will deliver many benefits across the city. There are two elements to this project which are the Fibre Ring which BHCC oversee and the 5G test bed. A fundamental part of this project is linking the test bed and the fibre ring. The connectivity they have is good but is a previous generation and is out of date. They need more fibre and they believe this will encourage innovation through the cooperative ownership. RL then went on to say that the current test bed is based on what they call release 15 of 5G function. This is the early stage of

5G functionality that is becoming available through commercial networks. 5G as a technology is evolving and majority of the functionalities that will enable new products and services are not yet released. BHCC want to keep the test bed capability ahead of the commercial network. RL informed the committee that Digital Capital

provide the operational expenditure to service and run the programmes needed.

PJ clarified that they have initial investment because they are recognised as an important 5G test bed. They focus on revenue funding so they have the ability to support business through innovation programmes using the 5G test bed. In order for them to continue to be successful they need to invest now in the capital infrastructure of the test bed. BHCC and Coast to Capital have created a recognised place for businesses to use the test bed. Many companies come specifically to this region to use it.

**4.4.2. Q:** JA asked BHCC what has been the success of the existing test bed in terms of what companies has that brought to the region and what growth that has stimulated? What is the purpose of the 5G ring and why it needs to be set up as a cooperative model, why isn't this being deployed by the commercial operators who do this across the country. What does the ring enable that the test bed upgrade doesn't?

**4.4.3. Q:** JS wanted clarification on how the National Digital Catapult fits in relation to this project?

**A:** provided an answer to both questions. BHCC engage with a number of business to keep them up to date with the 5G capabilities. This has been done with over 130 businesses both local and international, majority with local businesses. BHCC run a process asking for applications so they can better understand the validity, the value of the experiment and the proof of consent that the business wants to achieve. 24 business have gone through to build a business proposition that will benefit from 5G. 16 businesses so far have benefited from this creating new products and services due to 5G.

**4.4.4. Q:** DJ asked what the nature of the partnership is. Are all parties involved in agreement to carry on without any problems possibly occurring?

**A:** MW responded that fundamentally there is a partnership between BHCC and National Digital Catapult. (NDC)

**4.4.5. Q:** DJ asked if that partnership is a formal agreement.

**A:** MW stated that it will be a collaboration agreement. BHCC are very clear that they will be the accountable body for the project. NDC will be reporting back the outputs that are assigned to the project and they have a clear scope to do so.

**Q:** DJ asked if there would be any profit generated from this project.

**A:** MW was unsure if there would be any profit. BHCC looking for profit form this project. SF outlined that there is no aid granted under the market economy operator principle. They are using co-operative neutral host which has been used on other projects with the same state aid basis. The co-operative pays the public sector to deploy fibre and the public sector receives a certain amount of revenue. The public sector can deploy its own fibre to make savings on its connectivity needs. The combination of these makes it a value for money proposition without there being a profit.

**4.4.6. Q:** MB asked for clarification on whether BHCC are going to break even on this project?

**A:** SF confirmed that this project would break even and that there may be a small surplus for BHCC.

**4.4.7. Q:** MB questioned if the surplus would be going into the partnership with the other partners?

**A:** MW clarified that BHCC aren't planning on there being a huge surplus. BHCC are unsure what they will do with the surplus however they were happy to commit to reinvest the surplus in similar projects. SF informed the committee that the co-operative would advise BHCC to invest the surplus in the network to be able to expand.

**4.4.8. Q:** KD asked if this technology is only for research and innovation or is BHCC going to be able to use this for its existing connectivity?

**A:** PJ clarified that it is both. KD went on to ask is there a capacity on this which states that the universities can be on the fibre ring but the NHS couldn't. The hospital in Brighton struggles with connectivity and they would create revenue if they joined this connectivity ring. PJ clarified that there isn't a capacity issue surrounding this however the NHS has their own rules and regulations in regards to the connectivity they can use. PJ suggested that it would be a challenge with the timeline to deliver this project to add in an organization like the NHS. Once the 5G ring is approved, BHCC can start work on this project and can subsequently start engaging with companies like the NHS. KD believed that there is a lot of need for this project to go forward however having open dialog with companies like the NHS would have a substantial profit provided. SF informed that this is an advantage of the co-operative host model. The co-operative makes it easier for public sector organisations to collaborate as well as private sector organisations. On other sites that the Co-Operative have managed the NHS has joined and used that as the way they engage with the infrastructure.

#### 4.5. BHCC team left the call.

- 4.6.** The Investment Committee had concerns around spending of the money and the understanding about what the funding will be spent on. It was suggested that if the Investment Committee wanted to raise this with the project then they were to give delegated authority to the chief executive to make final approval subject to a satisfactory response.
- 4.7.** MB questioned if Coast to Capital are able to ask BHCC to provide briefing or education across the region as part of the funding agreement.
- 4.8.** DJ asked if it is possible to add a clause in the funding agreement to re-invest any excess funds. TM clarified that Coast to Capital can include any restriction the committee deems reasonable into the funding agreement.
- 4.9.** KD raised that in the Hatch report BHCC have claimed that 15% of the match funding is for operations and contingency. KD asked if Coast to Capital can commit BHCC to that 15%. KD also raised a concern that the uplift figure has already been reported, BHCC have debated this at their committee the figure is already there. KD recommends that this figure should be lower.
- 4.10.** TM agreed with KD's concern and suggested that Coast to Capital invites BHCC to submit a pragmatic number not an inflated number as we can't report that to government.
- 4.11.** KD enquired if Coast to Capital or NDC have any visibility on what BHCC are aiming to achieve. If Coast to Capital want more money to fund digital projects across the region, Coast to Capital need to make sure the projects are going to be delivered in the next 18 months.
- 4.12.** JS agreed with KD. JS clarified that Coast to Capital should get NDC help so this can be bench marked.

## 5. Plumpton College

- 5.1. CG declared a trivial conflict with Plumpton College, DJ allowed CG to remain in the meeting.
- 5.2. DL gave a brief overview of the hatch report on this project. The points for clarification were on outputs, the demand for the project and Match funding.
- 5.3. Plumpton College representatives entered the meeting and presented their full business case to the committee. (James Hibbert JAS, David Stokes DS).

### 5.4. Q&A Discussion

- 5.4.1. Q: MB asked for clarification around the funding from the Heritage Lottery Fund (HLF).  
A: JAS clarified that the HLF helps to bring forward the landscaping, utilities, site clearance and glass house works. Those aspects can only be brought forward to a certain level. In terms of security and access, heating and WIFI they become spaces that are unusable. Plumpton has a need for security as they have lost a number of teaching days due to vandalism and this has caused disruption. The HLF doesn't account for this.
- 5.4.2. Q: MB asked if Plumpton College only had HLF would they only be able to provide certain services.  
A: JAS outlined that if Plumpton College only had the HLF they would have a brilliant site but without security and connectivity. Plumpton also would only be able to use the site for a few months and Plumpton need an all year round area that can be used
- 5.4.3. Q: DJ enquired if trainees leave with a qualification?  
A: DS informed the Investment Committee that trainees are people of all ages. All trainees and students either have a college recognition or formally accredited qualification.
- 5.4.4. Q: DJ asked if the outputs could reflect that.  
A: DS answered that this was potentially possible.
- 5.4.5. Q: JS wanted to know if Plumpton were aware of how many vacant jobs there are in our region in regards to agriculture and what is the demand for this sector.  
A: DS stated that in terms of agriculture and horticulture it requires seasonal workers. Plumpton College informed the Investment Committee that 1 year ago there was 600,000 level 4 type roles across the country. The higher level skills were and still are in high demand. Plumpton College are seeing a high request now for people with basic skills because they need training due to redundancies as a result of COVID impacted sectors. DS informed the committee that there will possibly be 65,000 - 70,000 jobs in the Sussex area that will be required in the next 2-3 years, a lot of these jobs will be for West Sussex Growers.
- 5.4.6. Q: KD wanted clarification on the potential social impact Plumpton College can generate with this scheme. Is there any social impact in terms of social mobility with this project?  
A: JAS outlined that in terms of social impact Plumpton College have a whole strand for their provision at Stanmer Park, which is all about learning, outreach, engagement and making sure that it is targeted. Plumpton College have taken on a learning outreach officer. The learning facility that they have is also a free access public facility. This funding will allow Plumpton College to configure the site in a way that students and public can use the facilities at the same time. Because this site is free to access it can be opened up to community type engagement and help the social aspect of leisure and community interaction.

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## 5.5. Plumpton College representatives left the Meeting.

5.6. SL raised that there is a couple of compliance issues surrounding state aid which will be addressed offline.

5.7. The Investment Committee **approved** the Plumpton College Full Business Case.

## 6. Burgess Hill Rural (Mid Sussex District Council)

6.1. DL gave a brief overview of the hatch report on this project. The main points of clarification were; no match funding, the outputs, relationships between councils, limited scope and the contingency.

6.2. Mid Sussex District Council representatives entered the meeting and gave the committee a presentation on their full business case. (Kathryn Hall KH, Chris Founds CF, Marius Kynaston MK)

### 6.3. Q&A Discussion

6.3.1. Q: MB wanted clarification on what period the outputs would be delivered by and how they had calculated the figures presented and how they are going to make this project financially reliable. MB asked if MSDC would be happy if Coast to Capital added in Fibre Slicing to their funding agreement that apprenticeships and training opportunities could be produced.

A: KH informed that they have an established metric that produced those figures. MSDC can provide this in writing if required. CF clarified MSDC have looked at a 200m buffer around their network and the number of premises and also used no miss data in terms of those premises that have no connectivity. MSDC's network is gigabit capable because it is fibre and dark fibre. MSDC have found that across the country the market is now interested in the last 1km. MSDC conservative numbers are because they have used a 200m boundary rather than pushing it to 1km. MSDC have used the safeguarded jobs as a reference back to FTE jobs, with the 9 jobs to be created CF was happy with them being apprenticeships or trainee positions and was happy for the committee to put that in the funding agreement.

6.3.2. Q: MB asked for clarification on over what period these outputs are going to be delivered.

A: CF clarified that some of the jobs will be delivered within the build period and will continue. Most of the initial directly connected premises and businesses numbers are from over a 5 year period. MSDC expect that by year 5 they will have delivered the majority of the commitments they are making to Coast to Capital. MSDC will be entering into a 15 year commercial model with the Co-Operative network infrastructure who will be their neutral host provider.

6.3.3. Q: JS enquired about MSDC rural economy. This project goes through many rural areas and JS wanted them to outline how MSDC thought their rural economy might change due to this investment.

A: KH responded that after recent events it is unsure on what may happen with the economy. COVID has created a new set of circumstances on how people work and live. This investment is important because this type of infrastructure will support the new way



of living and working. On the North / South route MSDC are debating its important as they will then be accessing a lot of remote villages to enable them to have connectivity.

**6.3.4. Q:** BL asked MSDC to clarify why in their business case template there isn't any explicate declaration of any financial contingency. This is 100% Getting Building Fund (GBF) and some might argue why there isn't a stimulus here for business rates to local authorities as a result of this project. Is there any contingency in the figures MSDC have presented in the business case.

**A:** KH questioned if the issue is match funding. MSDC have blended a range of sourced funding to achieve this network. MSDC secure £2.2million from DCMS and have incorporated this into the network. MSDC felt they were matching the LEP's funding. CF elaborated on contingency stating MSDC are keen on and why they have adopted the SCAPE delivery model. This is because in each section of the project from pre-construction to signing a delivery agreement, MSDC saw the benefit of the accuracy of forecasting, planning, signing a delivery agreement with confidence that had fixed price elements, all the risks are known and risks are mitigated to the point of the works contract. In terms of this project the leverage is the investments MSDC have already contributed to the region. MSDC went back and looked at costing with Balfour Beatty and now have known risk elements however this doesn't require MSDC to have a large amount of contingency. MSDC has a large amount of confidence that this project will be delivered in the time frame. MSDC have included a number of control mechanisms.

**6.3.5. Q:** KD asked for clarification on the timing of the project delivery. Will it be complete by February 2022. KD also wanted to understand why MSDC picked the section from Burgess Hill to Ardingly instead of the section from Crawley to East Grinstead?

**A:** KH clarified that from the point of the public sector this project is to stimulate further investment from small and large providers. Virgin have announced they are investing in Burgess Hill and this is because of MSDC putting fibre in the growth area. This is also the case for East Grinstead. MSDC then explained this is part of the decision making as virgin are already investing in East Grinstead. MSDC are keen to get fibre to the South of England show ground as they suffer from having no connectivity.

CF outlined that network providers prefer the network to be in a loop, this means there is two points of connection in and out and this creates resilience. The network being set out in this way attracts high end investment. MSDC didn't select the Crawley to East Grinstead section because when they compared the vouchers there wasn't a great number in this area compared to the Burgess Hill to Ardingly section. MSDC would in the future like to do the Crawley to East Grinstead section as they do see opportunity in the area. MSDC are confident they will be able to deliver this project ahead of the funding cut off period.

**6.3.6. Q:** TM was interested in how MSDC are engaging and driving the health care uses of this network forward.

**A:** CF outlined that MSDC are currently looking at clinics in rural communities. The nature of MSDC network allows the health care providers to install their own fibre which would provide them with security and resilience. In MSDC city regions they rely on the active layer service. These companies are then very reliant on the network providers such as virgin or BT to provide the passive infrastructure.

**6.3.7. Q:** KD asked for clarification on the social economic values this will provide and what the immediate impact will be by giving these rural areas better connectivity.



**A:** KH didn't have the numbers for this to hand. This project is important in terms of the current situation of COVID. The big market companies are not interested in providing this for rural areas so MSDC need to stimulate investment for the rural communities.

**6.3.8. Q:** DJ enquired if MSDC are anticipating any surplus as a result of this project and if yes it is possible to put this toward any further investments in fibre?

**A:** CF clarified that the nature of the open access network requires MSDC to be state aid neutral. MSDC pride themselves on this in terms of being able to use the neutral host module through the co-operative. MSDC can confirm that any surplus that is made from this project will be re invested into further expansion aspects of the network.

## **6.4. MSDC representatives left the meeting.**

**6.5.** DJ outlined that strategically this is something Coast to Capital have been promoting as part of Coast to Capital's strategic investment in infrastructure.

**6.6.** JS questioned if this project was state aid compliant? TM believes this project is state aid compliant. SL suggests Coast to Capital seek MSDC lawyers assurance before this can move forward.

**6.7.** TM agreed on this point and also outlined that the state aid compliance is the responsibility of the delivery body and if it was to be found that the project wasn't state aid compliant then it would be the delivery bodies taking that risk and that would have to return the funding.

**6.8.** KD raised concern over the outputs, If Coast to Capital had a requirement for the outputs to be delivered by 2025 as Coast to Capital have with other funding because MSDC are proposing their outputs to all be delivered within 5 years.

**6.9.** TM outlined that government have informed Coast to Capital that projects have to be substantially complete in the 18 month time frame. This project will be substantially complete by that point. Government haven't been specific about if the outputs have to be delivered also within this time frame.

**6.10.** TW clarified that outputs will be measured up until 2026.

**6.11.** CG stated that because the funding threshold is over £2million this project has to go to the full board for approval.

**6.12. This projects approval is subjected to state aid compliance and board approval.**

## **7. St James Estate Cathedral (Chichester District Council)**

**7.1.** DL gave a brief overview of the hatch report on this project. DL highlighted the key clarification points were; project costs, jobs output isn't clear, what the rationale is for investment, relocation strategy of remaining businesses, commitment to the match funding and the risk register.

**7.2.** Chichester District Council (CDC) representatives entered the meeting and gave the committee a presentation on their full business case. (Jane Hotchkiss JH, Alan Gregory AL, Victoria McKay VK)

## **7.3. Q&A Discussion**

**7.3.1. Q:** AJ wanted clarification on how confident CDC are on getting the capacity back to the numbers they are stating in the new development.

**A:** KH outlined that 2 years ago CDC completed the enterprise centre and went through a management operation company Basepoint to manage that site on behalf of CDC. The

occupancy levels have increased significantly for this site and the office capacity is at 85% which is the highest it has ever been despite COVID. CDC are already gaining interest for this project from companies in London looking to relocate. The Pre-Let company want this facility operating by March 2022.

- 7.3.2. Q: DJ questioned if they are industrial manufacturing companies or is it office space.  
A: VK informed the committee that they are in the manufacturing industry. The company would have some office space within the property.
- 7.3.3. Q: AJ enquired if it has all been retested since the impact of COVID.  
A: KH outlined that this project provides light industrial units not office based units.
- 7.3.4. Q: MB raised concern about the risks of being able to complete this by the LEP's funding deadlines. MB questioned how confident CDC are and what assurances CDC can provide to Coast to Capital that this project will be delivered within the appropriate time frame.  
A: KH outlined that CDC have put in for planning permission. This project is due to go to the planning committee on the 4<sup>th</sup> November. CDC have been liaising with planner's regarding information they require. The planner's haven't specified that CDC need any more studies or investigation for this project to date. CDC have done a highways impact assessment, site investigatory work and contamination. The planning application is in a good place to go forward. This project is part of CDC economic recovery priority projects. KH informed the committee that there is a 43 week time scale on construction but are asking the contractors for a 40 or 38 weeks construction time frame. This will enable completion in January 2022 or earlier.
- 7.3.5. Q: KD asked if this project is going to be very successful site wouldn't an external developer fund this project. Why this site hasn't had any interest from a third party developer and wouldn't the option CDC have presented that doesn't require investment from Coast to Capital be a better option in terms of delivering better value for money, is it a viable alternative?  
A: KH stated that CDC own the land and it's their estate which makes a return on their investment that then brings a stream of income into the council.
- 7.3.6. Q: DJ asked CDC to clarify if the new business gives them confidence in the number of new jobs to be provided? Are most of the new jobs within the Pre-Let business or others?  
A: KH clarified that the number of new jobs are mainly linked with the Pre-Let and the rest are for the other 20 units. The size of the expansion of the Pre-Let increases the number of job opportunities moving forward.
- 7.3.7. Redacted
- 7.3.8. Redacted
- 7.3.9. Redacted
- 7.4. **The CDC team left the meeting.**
- 7.5. Redacted
- 7.6. Redacted
- 7.7. KD informed the Investment Committee that CDC have given the business that are currently on the site notices for them to have vacated site by the end of the year.
- 7.8. Redacted
- 7.9. Redacted
- 7.10. MB agreed that CDC are going to move forward. It would be good if Coast to Capital can negotiate a return on investment so then the LEP could reinvest the money into other projects.
- 7.11. TM outlined that there isn't any restriction on what the LEP can ask the delivery body so it is possible to go back to CDC and ask for a return on investment. The economic outputs



that will be produce is worthwhile as they fall in line with Coast to Capitals strategy and important to the region. TM questioned the committee as to whether Coast to Capital's funding could be better used to bring forward more outputs on another project. TM agreed this project would happen without funding.

- 7.12. TW suggested that Coast to Capital offer this funding on a recoverable loan basis. TW agreed the project would move forward without funding as CDC have already served notices to vacate.
- 7.13. DJ questioned if Coast to Capital could reinvest the funding.
- 7.14. TM responded that this is possible. TM raised that another option Coast to Capital has is to offer an interest free loan and just a return on the capital. KD didn't agree with the interest free option.
- 7.15. DJ agreed with the recovery loan approach.
- 7.16. AJ wanted to clarify that Coast to Capital are able to offer this as a loan under this grant.
- 7.17. TW clarified that grants can be recoverable and can be a loan.
- 7.18. **The committee agreed that this project be offered the recovery loan basis with the interest rate set at the current credential borrowing rate. If CDC decline this offer it will be brought back to the committee.**

## 8. New Project Strategy

- 8.1. TM reflected that at the last Investment Committee meeting it was agreed to consider the LEP being more involved in projects from being the funder to potentially managing projects. The paper provided in regards to this is a refinement of the proposals before they are presented to the board. This paper outlines a proposal for Coast to Capital's future pipeline of projects. The aim of this proposal is to establish a governance structure below the Investment Committee to ensure high quality projects are presented in a way that Coast to Capital can co-develop them along with local authorities. TM commends the approach of the Sub Committee to have a strategic pipeline that aligns with Coast to Capital's Stronger, Smarter and Greener strategy through a governance structure.
- 8.2. JS strongly commended this approach. JS outlined that any future funding from the government will be targeted to deliver substantial economic growth.
- 8.3. DJ clarified that this is being more proactive as a body in helping create new projects and bring them forward. DJ questioned if Julie has reviewed this, is she content with this?
- 8.4. TM notified the Investment committee that he and JS have spoken through this with Julie and KD.
- 8.5. KD believes that the Investment Committee doesn't have the time to give all projects the correct scrutiny. Coast to Capital are accountable to deliver all of these projects within 18 months, from the LGF summary a lot of projects that have been ongoing for a number of years aren't looking reasonable. The time frame is very tight and we need to have serious scrutiny. KD raised concern that the Sub Committee still may not be able to pay enough attention to the projects and Coast to Capital may need to look a sector specialists for certain sectors.
- 8.6. MB was unsure if this was to build and manage a pipeline of projects or if it is project assurance. MB agreed with this and promotes Coast to Capital setting clear expectations with in the contractual agreements. MB questions if JS should be burdened with providing the assurance of the Sub Committee or if another team member could chair this.

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- 8.7. JS has been designated to chair the Sub Committee however it may be possible after the infrastructure of this is in place that another team member may be able to chair. JS was open to opinions on this. BL supported this proposal.
- 8.8. JA raises concern that this proposal focusing on drawing on current resources within the LEP and is this realistic to undertake without having to gain extra resources.
- 8.9. JS is expecting resources to become free which is one of the Coast to Capital's team.

## 9. East Surrey College

- 9.1. HG informed the Investment Committee that East Surrey College (ESC) were awarded £820,000 of LGF for both the Redhill site and John Ruskin College site. ESC have contacted Coast to Capital asking if they can use the full funding on the John Ruskin site because the demand is higher. ESC will be delivering the same outputs however just on the one site and are on track to fully spend the grant amount by December this year. HG requested the committee's approval on this projects change of scope.
- 9.2. TM outlined that Coast to Capital are happy to commend this to the committee.
- 9.3. MB wanted to clarify if this was still within the LEP area.
- 9.4. TM confirmed it is still within the LEP area because although Croydon are now outside of the LEP area, if the project was awarded funding whilst Croydon was in the LEP area, Coast to Capital can still grant the funding.
- 9.5. **The committee agreed to the change of scope.**

## 10. Funding Agreements & Fiveways Update

- 10.1. KD informed the committee that at the last Investment Committee meeting it was agreed we couldn't continue with no communication with TFL. JS and TM contacted DMH Stallard to draft a termination notice, the termination notice doesn't immediately terminate the funding contract, and it gives TFL 30 days to rectify the current situation before termination. MSH has spoken to the leader at Croydon Council to try and communicate with TFL to respond to Coast to Capital. In failure to this Coast to Capital need to file the termination notice. KD informed the Investment Committee that what is being asked is the committee's approval on sending the board the letter of termination for the chair to conduct, this will need to be signed off by the board. KD raises that the issues with this project is the funding TFL have already received which the termination notice will ask to be repaid, also the funding that is being held pending the contract, the termination notice once expired will allow Coast to Capital to then redeploy this funding.
- 10.2. TM outlined that from the advice Coast to Capital has received the LEP can rely on the termination clauses within the funding agreement. TM informed that Coast to Capital are trying to take an informal route to resolve this however this letter of termination needs to be issued.
- 10.3. TM confirmed this would be brought to the next board meeting on the consent paper following the committee's agreement to this recommendations today.
- 10.4. **The committee agree for this to go to the board meeting.**

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## 11. AOB

11.1. KD raised that the risk register needs to be looked at and the Investment Committee need to take decisions in terms of the high risk projects.

11.2. This was approved by the committee.

END