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| | Board Meeting No. 23 |
| Date | 14 May 2015 |
| Time | 5.00 pm – 7.30 pm |
| Location | PricewaterhouseCoopers, The Portland Building, 25 High Street, Crawley, West Sussex, RH10 1BG |
| Board Members | Tim Wates – Chairman (TW), Clive Behagg (CB), Neil Dallen (ND), Daryl Gayler (DG), Louise Goldsmith (LG), Martin Heffer (MH), David Hodge (DH), Phil Jones (PJ), Julie Kapsalis (JKa), Mike La Rooy (MLR), Toni Letts (TL), John Peel (JAP), Ravi Shankar (RS). |
| Support | Damian Lazenby (DL) BIS, Ian Parkes (IP), David Smith (DS), Sue Maddin (SM) |
| In attendance | Peter Lewis (PL) Executive Director Corporate Resources and Services, West Sussex County Council (items 1 – 10 and 12) |
| Distribution | All Board Members |

1. Apologies and Welcome

Steve Allen (SA), Ron Crank (RC), Shelagh Legrave (SL) and Amanda Menahem (AM).

TW confirmed that both Jason Kitcat and Garry Wall had stood down from the Board of Coast to Capital and that Councillor Neil Dallen of Epsom and Ewell Borough Council would be the new representative for the Gatwick Diamond Councils.

TW reported that Damian Lazenby was to leave his position at the Department for Business Innovation and Skills at the end of the month. On behalf of the Board, TW thanked DL for his much appreciated efforts on the LEP's behalf.

2. Declarations of Interest

PJ reported that Wired Sussex was considering submitting a bid under the ERDF Call (under item 16 below).

IP requested those Board Directors who had not already done so to complete their annual Register of Interest declarations and return to RC.

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 Notification of items to be withdrawn from the consent Agenda

None.

4. Approval of Consent Items

4.1 Item 8 (Executive Committee notes) was **approved**.

5. Minutes of Board Meeting held on 16 March 2015

5.1 The Board considered the Minutes of the Board Meeting held on 16 March 2015. JAP requested an amendment to the European Structural and Investment Funds Progress item 17 to read "A proposal for Technical Assistance *from the available* £861,000...". The Minutes were then noted as a true and accurate record of the meeting and signed by the Chairman.

6. Matters Arising

The Board noted the schedule of Matters Arising.

ND arrived and was welcomed to the meeting by TW.

6.1 Growth Deal Decision Making

IP gave a detailed explanation of the Growth Deal Decision Making process including the involvement of the Accountable Body and answered questions from Board Directors.

DH was concerned that the Board did not appear to be involved in all stages of the process. IP clarified that the full Board approved the projects that were included in the Strategic Economic Plan, the detailed business case for each project was scrutinised and appraised by the relevant Board Sub-Committee or the Local Transport Body before being presented to the full Board for approval. In cases of urgency, a decision could be made by the Executive Committee and presented to the full Board for ratification.

TL shared DH's concern and added, "What if the Board does not ratify the Executive Committee's decision?"

TW said that it was not the objective that major decision making should be delegated to the Executive Committee.

DG added that he was comfortable that the current process was both transparent and allowed opportunities for Board Directors to contribute to decision making.

RS was also supportive of the use of delegated authority.

MLR proposed limiting the monetary amount that Executive Committee could approve. He also suggested inviting the lead Board Director to brief the full Board on projects recommended for their approval.

LG proposed limiting the monetary amount and the complexity of cases that the Executive Committee could approve and developing a rationale to ensure that processes were failsafe.

TW summarised by saying that he recognised that there was a concern amongst some Board Directors regarding the Executive Committee making decisions about Local Growth Funding which were then presented to the full Board solely for ratification. He agreed that the Terms of Reference should be adjusted to reflect Board concerns and the changed context – with Coast to Capital now handling substantial sums of public money (see 9.1).

PL then addressed the Board regarding the role of the Accountable Body.

He advised that the Accountable Body was part of the decision making process and worked alongside the Board to support the Board's objectives. It was required to confirm that the Board's decisions were both evidence based and satisfied the necessary legal requirements; and thus facilitated the release of funding from government. The Accountable Body ensured that all decision making was transparent, accountable and represented value for money and that there was evidence that the projects would deliver their intended outcome. PL recommended that meeting note taking, especially those that involved independent assessors, should be comprehensive.

PL concluded that although a late start meant that currently he had to make efforts to catch up, he hoped to contribute to robust decision making in the future.

TW thanked PL for his clear report and was reassured by PL's collaborative approach which he reported included the LEP's input into the Accountable Body's recruitment of an accountant.

7. Chief Executive's Report

In RC's absence IP delivered an overview of significant aspects of this paper:

- 7.1 Enterprise Zones – proposals for Enterprise Zones in Bognor Regis and Newhaven were undergoing further development.
- 7.2 Executive Team Company Values – The Board commended and noted the Company Values in the form presented to the meeting.

TW reported that these were being reviewed to produce a set of Company Values for the Board.

Action: Executive Committee / RC

8. Executive Committee Meeting 10 April 2015

The Board noted and **agreed** the content and actions of this paper.

9. Governance

- 9.1 Terms of Reference (TOR) – Executive Committee

The Board had carefully considered the Growth Deal decision making process and the delegation of authority to the Executive Committee under item 6.1 above, that discussion also informed this item.

In RC's absence IP gave an overview of the revisions proposed to the TOR and answered questions from the Board:

JKa suggested that the Executive Committee size be increased to include an additional member. TL concurred and TW agreed to give the matter consideration.

Action: TW to consider membership of the Executive Committee

IP confirmed that the term "simple majority" meant a more than 50% agreement was required for decision making.

[JKa left the meeting.]

JAP explained that the original TOR was agreed at a time before the LEP had funding to award. Therefore, it had not been intended that the delegated authority be extended to include project decisions; although it might be invoked in extremis.

TW concurred, observing that there were practicalities to consider when an urgent funding decision needed to be made.

Several Board Directors believed it pragmatic to allow some degree of delegated authority, suggesting that the Executive Committee be authorised to make decisions on operational matters and on Local Growth Fund projects and other projects up to a de minimis limit and within prescribed levels of complexity. All other projects would require the relevant committee to recommend them to the Board for approval.

The Board reiterated its desire for accountability and transparency in the decision making process given the LEP's responsibility for public money.

DG said that it was necessary to achieve a balance between limiting powers without the loss of the ability to make swift decisions when circumstances dictated.

Having considered the TOR for the Executive Committee, the Board requested that the Executive Committee undertook a more comprehensive review of its own role and levels of delegated authority and, additionally, both the Schedule of Delegated Authorities and the delegated powers for the Chief Executive.

TW agreed to circulate a revised draft within the following two to three weeks.

LG recommended looking at what other LEPs had done.

TW / Executive Committee Actions:

To review and revise: the Schedule of Delegated Authority including the delegated powers for Chief Executive and the TOR for the Executive Committee before the Executive Committee meeting on 10 June 2015. The documents would then be circulated to the Board for approval.

9.2 Equality and Diversity Policy

The Board commended the proposed policy and measurements. It was agreed to amend the first Measurement to read:

1. We will endeavour to recruit openly from our community so that the Board reflects regional diversity in terms of age, ethnicity, gender and disability. This measure will be assessed annually and the results produced for the Board.

Subsequently, the Board adopted the Equality and Diversity Policy with this amendment.

TW thanked Amanda Menahem for her assistance in developing the policy.

Action: IP to amend and publish the Policy.

9.3 Chairman's Statement

TW reported that RC was to retire at the end of 2015 and that he had commenced the process of recruiting a successor. As this was a critical appointment he wanted the Board to feel fully engaged with the selection process and the outcome.

AM had provided invaluable assistance with compiling the job description. A person specification was currently being drafted and would be circulated to the Board for comment shortly.

TW said that he intended to engage a firm of Recruitment Consultants to assist with the selection process which he then outlined:

- TW and AM to review the longlist provided by the recruitment consultants and agree a shortlist of three or four for interview
- Interview panel comprising TW, AM, a private sector director and a public sector director
- Then either the interview panel to present the outcome to the Board, as might be the practice in the private sector; or an interim stage where other directors might get to see the preferred candidate(s)
- TW commented that the recruitment consultants would be able to advise on best practice regarding this process.

In discussion, the Board Directors stressed the importance of the role to the success of the LEP and that the appointed individual needed to possess "presence" and "gravitas" and to be comfortable in dealing with a wide range of partners.

LG suggested that the final two or three candidates be invited to meet with Board Directors, and possibly, officers and partners who would then feedback to the selection panel. Others concurred, although it was considered whether it might be more beneficial for four or five candidates be invited. JAP observed that this would achieve the benefits of a 360 degree appraisal process. He also suggested that the Enterprise M3 LEP be asked for a copy of their Chief Executive person specification.

TW welcomed the Board's engagement and comments. He agreed to circulate the job description, person specification and recruitment process for the Board's review and comment.

Action: TW / AM to finalise and circulate recruitment documentation to the Board.

MLR counselled the need to respect candidate confidentiality.

10. Growth Deal Implementation Update

IP gave an overview of his report in particular:

Upstream agreements and sign off – the first years' funding for Local Growth fund and Growth Hub was confirmed as being £41,530,000.

Governance and Assurance – A number of governance practices were to be reviewed (see item 9 above).

Board papers and minutes that related to the Growth Deal were to be published on the Coast to Capital website. Delivery bodies were being asked to allow their business cases and related documentation to be included also. Confidential information would be excluded.

Downstream – completion of the individual final agreements for all projects was the top priority for both the LEP and the Accountable Body.

Projects to note: A284 – work was still being undertaken to resolve the funding gap.

Funding decision for Central Sussex College – a paper regarding a £826,000 Local Growth Fund grant application by the Central Sussex College for the construction and upgrading of a Technology and Sustainability Centre, as recommended by the Skills Capital Appraisal Panel, would be circulated to the Board shortly.

Action: IP to prepare and circulate paper

IP gave an overview of the Programme Management Reporting Book.

In answer to a question from MLR, IP said that the Valley Gardens project might be subject to change following the change in overall control of Brighton and Hove Council (a significant change of design would require re-approval) and that the project status would be amended to red/amber until the matter was resolved.

IP reported that he had worked closely with Andrew Swayne of Ricardo to develop the Risk matrix which removed subjectivity from the scoring process. The Programme Book would be updated on a regular basis and published on the Coast to Capital website. A paper copy of the latest version would be included with Board agenda papers.

The Board commended the layout and clarity of the Programme Book and offered further suggestions for inclusion:

- three or four bulleted points noting the principal risks that been reviewed;
- indication of the % value of the project for total 15/16 spend and overall programme spend.

the Board considered including the contact details of the relevant committee chairmen; however it was decided that queries should be channelled through Ian Parkes.

Action: IP to implement the proposals

11. Budget 2014/15 Review

DS delivered an overview of the Year End Budget Analysis, drawing the Board's attention in particular to the fact that a surplus had been achieved despite there being no revenue for the management of SME Digital Capability, ESIF or Catapult.

In response to questions regarding Board Costs, DS advised that these totalled 2% of the overall budget and principally related to meeting costs and expenses. TW said that it was his intention that the Coast to Capital Board, as a voluntary Board of senior people, should benefit from the same degree of professionalism as would be provided in the private sector and that he was content with the level of expenditure.

TW commended both the Chief Executive and the Office Manager for their diligent management of the budget.

12. Skills

PL present.

12.1 Skills Update

The Board **noted** the content of the Skills update; in particular the 'Barriers to Growth in Advanced Manufacturing and Engineering' event which had been rescheduled to coincide with and complement the STEM event: The 2015 Big Bang Fair South East on 30 June 2015.

12.2 Skills Capital Investment Fund Update

The Board **noted** the update, in particular the application process for the Learning Facilities Fund, which had been fully informed by the Skills Funding Agency (SFA).

CB reported that the applications would be assessed by the Skills Investment Panel (which included representatives from the Accountable Body and the SFA), reviewed by the Executive Committee and recommendations for final decisions presented to the Board at its next meeting.

PL agreed that it was beneficial to have interaction with the SFA.

TW thanked PL for his contribution to the meeting, PL then left.

13. Enterprise Committee

In SA's absence, IP delivered an overview of the Enterprise Committee report, noting in particular that:

Business Navigator Growth Hub - the tendering process for the Business Navigator Growth Hub service had been progressed. The Executive Committee had approved Prevista's preferred bidder status and that contractual arrangements were being progressed. The Accountable Body had also both approved the procurement process and undertaken satisfactory due diligence.

Small Business Digital Capability Challenge Fund - The programme of workshops

had been very successful and would be continued should further funding become available.

14. International Advisory Committee

The Board **noted** the progress made by the International Advisory Committee, in particular regarding the Cool Chain / ASEAN Gateway based at Gatwick and recent successes in Foreign Direct Investment.

MLR thanked RS for welcoming the delegation from India on behalf of Coast to Capital.

15. Infrastructure

MH delivered an overview of his report, in particular:

Infrastructure Study – Consultants Arup had been commissioned to carry out a region-wide review of infrastructure requirements (transport / communications / water) and was considering the opportunities and threats to success posed by these key infrastructure types across the region. An initial report would be delivered to the Infrastructure Committee on 8 June 2015.

TW commended the works done thus far and encouraged Board Directors to pass any comments to IP.

TL said that Arup had undertaken an infrastructure study for Croydon and she would seek permission from the Chief Executive for the content to be shared.

TL reported that she understood that the Network Rail improvement project for Windmill Junction had been cancelled. MH agreed to investigate with Network Rail.

MH reported the Highways Agency's change of name to Highways England and that it was adopting a more "arm's length" working practice and that he had established a good dialogue with the senior team.

Actions:

All: to pass comments regarding the Infrastructure Study to IP

MH: to investigate the situation regarding Windmill Junction

16. European Structural and Investment Funds Progress

The Board **noted** the progress made by The Coast to Capital Area Shadow European Structural and Investment Funds Committee (The Shadow ESIF Committee) regarding the European Structural and Investment Funds as reported.

JAP drew the Board's attention to the following points:

The Shadow ESIF Committee was expected to be formally constituted in June 2015. The Department for Communities and Local Government (DCLG) had already commenced assuming the Secretariat function.

JAP thanked DS and the team for their diligence in performing the Secretariat function to date.

The role of the Area ESIF Committee was to be advisory, although it was likely to have a responsibility for project pipeline development, communications and evaluation.

A Call in the first round under European Regional Development Fund (ERDF) for projects to support the Creative, Digital and IT (CDIT) sector had been launched on the DCLG's website with a closing date of 27 May 2015.

The situation in regard to ESF was somewhat different due to the complexities of the opt-in arrangements and establishing base levels; a meeting was scheduled with BIG Lottery.

JAP had attended a meeting regarding the availability of Technical Assistance (TA) and was hopeful that bids for retrospective TA would be allowed.

JAP reported that at its meeting on 8 May 2015, the Shadow ESIF Committee had raised concerns regarding the Department for Communities and Local Government's (DCLG) Guidance Note issued on 7 May 2015 as it inferred a diminution of the Committee's role. The Committee had requested that he, as Chair, raise these with Government. Accordingly, a letter had been sent to Lord Ahmad of Wimbledon, Parliamentary Under Secretary of State at DCLG on 11 May 2015.

17. Growing Places Fund ("GPF") Report

RS gave an overview of his paper and reported an increase in the number of enquiries over the past month.

18. Business Overview Committee

DG gave a brief explanation of the role of the Committee, which was by taking an overall view of the work of the individual committees to facilitate closer working with business sectors.

The Committee was to co-ordinate a number of sector focused events.

The first of which was to be 'Barriers to Growth in Advanced Manufacturing and Engineering' event which would coincide with and complement the STEM event: The 2015 Big Bang Fair South East on 30 June 2015 (see item 12.1 above). The outcome of the discussions would be disseminated to the various Sub-committees via the Business Overview Committee.

19. Confidentiality of Business

The Board noted that the information regarding the projects under review for Growing Places funding was confidential.

20. Any Other Business

20.1 TW reiterated the Board's thanks to DL for his support and wished him well for the future.

20.2 The meeting closed at 7:30 pm.

21. Date of Next Board Meeting

The next Board meeting will be held at 5.00 pm, 2 July 2015, at the Wates Group, Wates House, Station Approach, Leatherhead, KT22 7SW.

A handwritten signature in black ink, appearing to read "Paul Walker", with a horizontal line underneath it.

Chairman

2 July 2015