

Coast to Capital Board meeting No. 24 2 July 2015	
Report Title: Growth Deal Implementation Update	Ref No. 24.11.1
Report by: Ian Parkes	
Recommendations: <ol style="list-style-type: none"> 1. Note progress on implementing the Growth Deal Programme 2. Note that re-profiling will be required for sustainable transport and Newhaven Flood Defences 3. Agree to direct the unallocated Skills Capital funding towards building the capacity to help residents win the new jobs created by an expanded Gatwick Airport and ask for a specification to be created when the outcome of the Davies Review is known. 	

Summary: <ol style="list-style-type: none"> 1. Progress continues to be made on implementing the Local Growth Fund Programme. The first two funding agreements are now in place, with others progressing. 2. We are still a little behind where we would wish but Coast to Capital and the Accountable Body are making a real effort to catch up. 3. There have been a number of re-profiles requested of transport projects and of the Newhaven flood defences project. 4. Separate papers are to be presented, on this agenda, on Skills Capital and end of year financial roll-over arrangements.

Upstream agreements

1. We had a meeting with our BIS relationship manager to review project progress and likely end of year outturn – part of a national review being undertaken. Although it is still very early days, we remain confident of delivering our 2015/2016 allocation.
2. BIS and CLG have confirmed a very helpful flexibility relating to the roll-over between financial years for Local Growth Funding. A separate paper, by Peter Lewis gives more detail.

Downstream

3. We are still somewhat behind where we hoped we might be. As reported to the May Board meeting there is a stockpile of projects which have already moved through the Board's approval process which now need to be turned into grant agreements. This is necessarily taking a little while.
4. However, we have the first projects fully signed up - Chichester College and City College Brighton. We have also have launched the publicity for the Business Finance Grants even though the downstream agreement is not yet fully agreed, but it will be in place before any grants are actually awarded. Likewise the Wood Fuel initiative is gathering expressions of interest.

5. The latest version of the Programme Management Book and Dashboard have been circulated, with the format amended as requested at the last Board meeting. Directors can view the latest status for all projects.
6. There a number of Skills Capital projects (Learning Facilities Fund and NESOT) to be approved by the Board and these are dealt with in a separate paper. Under the new arrangements agreed at the last Board meeting, Board Directors will be able to see the full paperwork for each project.
7. As we get further into the programme, we are, as expected, getting some movements in project profiles:

A. Sustainable Transport

We have had requests from West Sussex County Council, Surrey County Council and Brighton and Hove City Council to re-profile their sustainable transport projects. The **total** amount for each project remains the same but there will be less spend in 15/16 and more in 16/17. This means there is a total shortfall in spend in 15/16 of around £800,000. This could be dealt with in two ways- either we could use the end of year roll-over flexibility we have just secured noted above; or we could move funding from Sustainable Transport to Transport Resilience where we have two pre-approved schemes on the stocks – which is why we have some projects pre-approved ready to go. The Board delegated decision making on the Sustainable Transport and Transport Resilience pots to the LTB for decision making and they will be considering the issue at their next meeting.

B. Flood Defences

The Environment Agency have exerted every effort to bring forward spend into 2015/2016 for Newhaven flood defences, but have hit technical problems with the area around the University Technical College (UTC) on Railway Quay where one of the quick wins was planned. This will reduce their total spend in 15/16 to £700,000 - split between Coast to Capital and SELEP. The Coast to Capital 15/16 spend alone was profiled to be £700,000. We are in discussion with SELEP about the degree to which they can re-profile. We can also increase the funding for the Shoreham flood defences from £2.0m to £2.4m in 15/16. We are awaiting firm figures from SELEP before we know the size of the virement we need to make.

Skills Capital

8. Even after the Learning Facilities Fund (see separate paper) there is still £0.58m in 15/16 and £4.0m in 16/17 of Skills Capital funding unallocated. We have agreed that this should be put out to open bidding again in the summer - but with a much stronger steer about to the strategic objectives to be achieved. With this in mind, we have been talking to partners about the priorities for this fund. It is clear that a supported proposal would be to link the funding to the expansion of Gatwick Airport. Our support for Runway Two has always stressed the importance of acting to ensure local people (by which we mean anyone in the Coast to Capital area) can get the new jobs which will be created - including the higher skill and technical positions. There will also be a big demand for construction skills.
9. So although the Davies Report is only a recommendation, and even with a rapid Government decision, the first construction activity will not start until 2019, it would be added value if we were to make an early move to invest in skills development. This would have the support of Croydon Council as well as other local authorities and Gatwick Airport

Ltd. It must be noted however, that there has to be an open process for bidders to put forward proposals against our specification.

10. The Skills Capital projects at Chichester College (hospitality trades), City College (construction) and Central Sussex College (technical and construction) are all also in support of the likely skills demands from a major Gatwick expansion. We can discuss this further in the context of the other agenda item on our Gatwick statement. Of course, if the recommendation is for Heathrow we need to think again.

Recommendations

11. The Board is recommended to:

- i. Note progress on implementing the Growth Deal Programme
- ii. Note that re-profiling will be required for sustainable transport and Newhaven Flood Defences
- iii. Agree to direct the unallocated Skills Capital funding towards building the capacity to help residents win the new jobs created by an expanded Gatwick Airport.

Ian Parkes
July 2015