

Coast to Capital Board meeting No. 25 24 September 2015	
Report Title: Growth Deal Implementation Update	Ref No. 25.10.1
Report by: Paul Castle	
Recommendations: <ol style="list-style-type: none"> 1. Note progress on implementing the Growth Deal Programme 2. Note the transport project adjustments to profiles and that the Local Transport Body will be coming back with further profiles. 3. Agree the adjustments to the phasing of the profiles for Newhaven and Shoreham Flood Defence projects and Preston Barracks Central Research Laboratory and Circus Street. 4. Agree for the Reporting Book and Dashboard to be read via the website rather than printing now that a cover sheet with the main updates since the latest version is being issued. 	

Summary: <ol style="list-style-type: none"> 1. Progress continues to be made on implementing the Local Growth Fund Programme. The first fourteen funding agreements are now in place, with others progressing and the first drawdowns have been made to the Delivery Bodies from the Accountable Body. 2. We are still a little behind the timetable of where we would currently like to be, however, Coast to Capital and the Accountable Body are making a real effort to catch up. 3. The transport project profiles are becoming increasingly difficult to pin down and it will be for the Local Transport Body to manager the adjustments to profiles within the boundaries of their delegated amounts. 4. West Sussex County Council are to provide revised profiles for the A284, A259, Bognor Regis A29 Realignment and A2300. Due date imminent. 5. There have been requests from Delivery Bodies to adjust the pre-agreement profiles for Preston Barracks Central Research Laboratory and Newhaven Flood Defence project. 6. A separate paper is to be presented, on this agenda on Skills Capital.

Upstream agreements

1. Coast to Capital has now submitted its first return to the Department for Business, Innovation and Skills, this was for April-June 2015 activity and therefore there was little to report on. However, they are very aware that there would not be much to report in for this quarter for a lot of LEPs and that there would be more from the next return onwards.
2. Coast to Capital attended a Growth Deal Implementation workshop in July. It was made clear at this meeting that there is unlikely to be an announcement about a Growth Deal 3 until after the Spending Review in November. We are working with partners to development our pipeline.

Downstream

3. We are still somewhat behind where we hoped we might be. A stockpile of approved projects waiting for funding agreements still remains, however progress has been made since the July Board meeting. We now have an additional twelve funding agreements that have been signed or are in the process of being signed since the last Board meeting. These include Business Finance, all ten Learning Facilities Fund and the Advanced Engineering Centre.
4. The first drawdowns have now been released from the Accountable Body to Chichester College and City College for Skills Capital and Central Sussex College, Nescot, Plumpton and East Surrey College for Learning Facilities Fund- these amount to £1,928,000
5. The latest version of the Programme Management Book and Dashboard have been circulated, along with a front sheet which for ease now outlines the key changes since the previous version. The Reporting Book and Dashboard can be viewed at any time on the Coast to Capital website at <http://www.coast2capital.org.uk/strategic-objectives/strategic-economic-plan.html>. We are now seeking for the Board to agree that for future Board meetings, the front sheet which gives the main updates since the previous version are circulated but that the Reporting Book and Dashboard themselves are viewed electronically.
6. As we get further into the programme, we are, as expected, getting some movements in project profiles:

A. Transport projects

As these projects have progressed further into delivery it has become clear the transport project profiles are harder to pin down than any other project. It will be for the LTB to manage the adjustments to profiles within the boundaries of their delegated amounts. There is one project with major spend in 15/16 which has slipped into 16/17. We have had a request from Surrey County Council, to adjust the profiles of the A24 Resilience Scheme. The **total** amount for this project will remain the same but there will be £1,565,000 less spend in 15/16 which will now fall into 16/17. It will be for the transport officers and the LTB to look at the re-allocation and come back with proposals.

West Sussex County Council have also informed Coast to Capital that they have four transport projects in which they would like to amend the profiles for. These include A284 Lyminster Bypass, A259 East Arun, Bognor Regis A29 Realignment and A2300 Burgess Hill. Some of these schemes are experiencing delays in delivery and others are moving at pace. West Sussex County Council understand that their overall allocation must remain at what was agreed and they are in the process of looking at what the re-profiles will look like. The Board will be informed of these at the next Board meeting when firmer figures will have been provided by West Sussex County Council.

The flexibilities agreed with the Accountable Body will help with the transport project re-profiles, however, we think that block funding agreements for all transport projects to the three upper tier authorities for them to manage the in-year spend for the projects will be a good way forward as long as the total allocations for each project remains as was agreed.

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. The Environment Agency have now confirmed that they will only be able to spend £300,000 of the Coast to Capital LGF allocation in 15/16, a £400,000 shortfall. The Environment Agency have agreed that they are able to increase the Shoreham flood defence project spend and therefore the funding for the Shoreham flood defences in 15/16 will increase from £2.0m to £2.4m. We are seeking Board approval for this pre-agreement adjustment, this is a phasing issue, and any shortfall in 15/16 spend will be spent in the following year, there's no change to the agreed overall allocation.

C. Preston Barracks CRL

Preston Barracks Central Research Laboratory is experiencing delays in delivery caused by ongoing MoD discussions and it will be increasingly difficult for Brighton and Hove City Council and Cathedral to commit to the full £1,000,000 expenditure profiled for 15/16. £513,000 of spend in 15/16 will now not be possible. Brighton and Hove City Council and Cathedral have agreed that the second project in which they are delivering, Circus Street, will be able to spend the Preston Barracks Central Research Laboratory's £513,000 underspend for 15/16. Their profiles will now be as follows- Central Research Laboratory, £486,960 in 15/16 and Circus Street, £2,013,272 in 15/16. We are seeking Board approval for this pre-agreement adjustment, this is a phasing issue, and any shortfall in 15/16 spend will be spent in the following year, there's no change to the agreed overall allocation.

8. We had a very small unallocated amount in 15/16 which was a rounding bonus. This is not free money to be allocated to new projects because any funding for this project in later financial years would be required for projects which we have already made a commitment. Due to delays and changes in the transport project profiles mentioned above we now further unallocated funding. There are some projects in which can take up the slack in 15/16 and give back in future years. The LTB is going to try and bring forward more transport resilience projects including the A217 and A23 which the LTB agreed could be funded in 15/16 if there was other project underspends. There is also scope to expand the digital infrastructure project into Croydon and potentially a further round of business finance.

Paul Castle
September 2015