

| Board Meeting No. 24 | |
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| Date | 2 July 2015 |
| Time | 5.00 pm – 7.30 pm |
| Location | Wates Group Ltd, Wates House, Station Approach, Leatherhead, Surrey, KT22 7SW |
| Board Members | Tim Wates – Chairman (TW), Steve Allen (SA), Clive Behagg (CB), Ron Crank (RC), John Furey (JF), Daryl Gayler (DG), Martin Heffer (MH), Phil Jones (PJ), Julie Kapsalis (JKa), Mike La Rooy (MLR), Shelagh Legrave (SL), Amanda Menahem (AM), John Peel (JAP), Ravi Shankar (RS) (items 1 – 7 & 16 only). |
| Support | Heather Binning (HB) (item 11 only), Ian Parkes (IP), David Smith (DS), Sue Maddin (SM) |
| In attendance | Peter Lewis (PL) Executive Director Corporate Resources and Services, West Sussex County Council (item 11 only) |
| Distribution | All Board Members |

1. Apologies and Welcome

Philip Carr (PC) (BIS), Neil Dallen (ND), Louise Goldsmith (LG), David Hodge (DH), Toni Letts (TL) and Warren Morgan (WM).

TW welcomed John Furey (JF), Surrey County Council Cabinet Member for Highways, Transport and Flooding to the meeting who was deputising for David Hodge.

2. Declarations of Interest

PJ and MLR declared an interest in the Digital Catapult Centre (under item 11.1.1 below).

CB declared an interest as the Vice Chair of Central Sussex College (under items 11.2 and 15 below).

SL and JKa declared interests as Principal and Vice Principal respectively at Chichester College (under items 11.2 and 15 below).

JAP declared an interest as a Director of Gatwick Diamond Business (under item 13 below).

PJ declared an interest as Managing Director of Wired Sussex which was considering submitting a bid under the ERDF Call (under item 15 below).

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 Notification of items to be withdrawn from the consent Agenda

JAP had requested that item 15 (European Structural and Investment Funds Progress) be withdrawn from the consent Agenda.

4. Approval of Consent Items

Items 10, (Executive Committee notes), 12 (Skills), 13 (Enterprise Committee), 14 (International Advisory Board), 16 Growing Places Committee and 17 Business Overview Committee) were **approved**.

5. Minutes of Board Meeting held on 14 May 2015

The Minutes were noted as a true and accurate record of the meeting and were signed by the Chairman.

6. Matters Arising

The Board noted the schedule of Matters Arising and considered the Schedule of Delegated Authorities (SODA) and the Executive Committee Terms of Reference (TOR) as amended and commended by the Executive Committee.

In relation to the SODA, JAP recommended the following:

'Responsibility for the Strategic Economic Plan' be included under Budgetary Control under section one on page two; and

To emphasise the increasing importance of securing revenue income under section four on page seven.

Moving on to the Executive Committee TOR, TW reminded the Board that ultimate responsibility lay with the Board.

MLR proposed the inclusion of a statement to that effect. RS concurred.

Actions: RC to make the requested amendments and re-present the SODA and TOR for approval by e-mail.

[**Secretary's note:** The amended SODA and TOR were circulated to the Board for approval on 24 July 2015.]

7. Coast to Capital Infrastructure Study

TW introduced MH's presentation on the findings of the Infrastructure Deficit Study undertaken by Consultants Arup.

A link to the presentation can be found here:

<http://www.coast2capital.org.uk/document-library/other.html>

MH stressed the importance of having a coherent programme of schemes which would deliver good economic benefits across the region and could be presented to government in a timely manner.

He posed a set of recommendations to the Board:

1. *Is the Board happy that we use the Executive Summary of the study to engage with Government during July?*

The Board **approved** the use the Executive Summary produced by Arup (in the form presented to the meeting) to engage with Government.

2. *Can we all buy into the 'I' as where we want to see investment pursued? (Where the 'I' represented proposed transport corridors across the region and detailed in the presentation.)*

and

3. *Can we agree a strategy for working together to:*
 - a. *Pull together all the on-going studies and commit to Government to do this*
 - b. *Agree how we work together on the devolution agenda*
 - c. *Look across our boundaries and work on true strategic issues (and create a strategic top ten), so*
 - d. *We prepare for the next Strategic Economic Plan (SEP) (or its successor)*

JF impressed, upon the Board, the necessity for cross boundary issues for the whole South East region to be considered; there needed to be co-ordination of all interested parties and long term planning centred on connectivity undertaken. MH concurred.

IP reported that a number of studies had been commissioned; however, it had not been possible to get them to collaborate.

MH reiterated that a well-co-ordinated, cross boundary high level strategic plan would need to be with Government by the autumn in order to receive the greatest possibility of success.

JAP had a concern regarding water supply. JF advised that the privately owned water companies generally had their own agreed five year infrastructure programmes and that as external organisations Local Authorities and LEPs could only advise them on which projects to pursue.

JAP, seconded by MH suggested that Infrastructure UK, a department within the Treasury may also be able to assist regarding Government's stance on longer term planning.

TW commended the MH and his team for the invaluable piece of work they, supported by Arup, had undertaken. It was now importance to determine how and with which partner organisations the LEP would work in order to influence Government to deliver the best outcomes for the South East.

MH / RC / IP would undertake further discussions with other LEPs regarding cross boundary working and report back to the next Board meeting.

JF invited MH and RC to visit Surrey County Council to understand better JF's areas of concern.

RS recommended establishing traction with decision makers. TW agreed that the Board needed to determine who it was going to influence and how.

Actions: IP to raise the question of water supply with Arup / Water companies

MH / IP to seek opinions from BIS and Infrastructure UK regarding long term planning

MH / RC / IP to undertake further cross boundary discussions with other LEPs and consider the next steps

8. Gatwick Airport and the Airports Commission

IP reported that the publication of the findings of the Davies Commission on 1 July somewhat superseded the submitted paper.

He said that Coast to Capital had issued a press release in line with that proposed in his report and that similar messages had been issued by our partners.

It was accepted that Gatwick Airport would continue to fight its case until such time as the Government announced its decision (expected before Christmas) and would not, publically, consider alternative options until then. One possible option may be the development of an Airport City; however this would mean the setting aside of Runway Two plans permanently.

IP proposed that the Board offered quiet support to Gatwick Airport, whilst avoiding any political entanglement. A skills initiative focussed around Gatwick was proposed and considered under item 11.1.

Board members raised other points:

JF advised that the Gatwick Airport's own Infrastructure Study was due to report shortly and he recommended that Coast to Capital encourage the Airport to commit to putting priority actions in place.

JAP highlighted the caveat in the Davies Commission's report appertaining to the requirement for Heathrow to meet noise / emissions criteria.

TW said that the Davies Commission report was very clear and advised that the Board should accept the recommendation to quietly support its partner.

The Board concurred.

Action: RC / IP to liaise with Gatwick Airport regarding priority actions identified by its Infrastructure Study.

9. Chief Executive's Report

RC delivered an overview of significant aspects of his paper:

Food Enterprise Zones - The Department for Environment, Food and Rural Affairs (DEFRA) had announced the creation of 17 Government-backed Food Enterprise Zones, which included two within the Coast to Capital region: South Downs National Park and Arun District Council. The outcome of an application by Mole Valley District Council was awaited.

Local Authority core funding contributions - IP had held a range of successful meetings with the Chief Executives of the District and Borough councils and they had each agreed to contribute to Coast to Capital.

Brighton Wheel - RC reported that Merlin would probably appeal against the latest planning decision and that was a concern for i360. DG proposed engaging with Merlin positively to see if a 'ticket sharing' arrangement could be agreed.

DG offered to broker a meeting.

Brighton and Hove City Council – RC reported that he had had a very positive meeting with Warren Morgan, the new Leader and Coast to Capital Board Member and his Deputy, Gill Mitchell.

Key Performance Indicators – PJ asked if it would be possible to include a KPI linked to productivity to aid more effective communication with Government.

Actions: DG / RC to arrange meeting with Merlin

RC to include productivity KPI

[**Secretary's note:** An updated set of KPIs was circulated to the Board on 24 July 2015.]

10. Executive Committee Meeting 10 June 2015

The Board noted the content and actions of this paper, in particular:

LEP Boundaries and Developments in SELEP - RC reported that both TW and he were engaging with key individuals as reported. The situation was likely to be further complicated by local government plans for devolution. TW said that he wanted the Board to be apprised of developments.

JF advised that East Sussex, Surrey and West Sussex County Councils were developing a joint proposal under the Cities and Local Government Devolution Bill and recommended that the LEP be involved to produce a unified approach.

Recruitment of the new Chief Executive – TW reported that the process was on track.

11. Growth Deal

HB and PL were welcomed to the meeting.

11.1 Implementation Update

Copies of the latest Programme Book, which incorporated the amendments requested by the Board at its last meeting, were circulated together with a set of photographs and design visuals highlighting Growth Deal projects.

IP gave an overview of his report in particular:

Upstream agreements - these were progressing well and a positive meeting had been held with Philip Carr, the new BIS relationship manager.

Downstream – the first two projects, Chichester College and City College Brighton and Hove Funding Agreements, had been signed and progress was being made on others.

Flood Defences – IP commended the Environment Agency for their efforts to bring forward spend into 2015/2016 and reported that firm figures were awaited from SELEP in order to quantify the size of the necessary virement.

Skills Capital – IP outlined the proposal for the unallocated Skills Capital funding to be linked to Gatwick Airport, noting that this would still be a credible use of the funding even in light of the recommendations of the Davies Commission - Gatwick Airport being a growth success story. It would require aligning to strategic partners through an open and transparent process. Gatwick Airport and Crawley Borough Council had expressed interest in such a proposal, and there was already some private training taking place at the Airport.

An alternative would be to put out to open bidding with the caveat that this had not previously generated many suitable projects.
Board members concurred.

The Board **agreed** to direct the unallocated Skills Capital funding for 2015-17 towards a solution(s) with the objective of building the capacity to help residents acquire the skills required for employment at Gatwick Airport and its supply chains and linked economy. Such a solution will primarily target the intermediate and technical skills required by employers in that area.

Action: HB to continue to work with lead partners to develop the ideas and gain their commitment (Crawley Borough Council and Gatwick Airport), and to prepare an open call process to be rolled out during the summer.

11.1.1 Supplementary paper on the Digital Catapult Centre

PJ and MLR declared an interest in the Digital Catapult Centre.

IP apologised to the Board for the necessity, borne of time constraints, of tabling this paper.

He explained that approval was sought to separate the Digital Catapult Centre from the other two elements of the Growth is Digital project to enable the Catapult element to progress more rapidly.

He reiterated that the three projects were independent financially and contractually.

The Board understood the rationale for the change in scope and **approved** the finalisation of the grant agreement for the Catapult in advance of the other two elements of Growth is Digital.

Action: PL / IP to progress on revised and agreed basis

11.2 Skills Capital 2015/16 – Learning Facilities Fund

CB declared an interest as the Vice Chair of Central Sussex College.

SL and JKa declared interests as Principal and Vice Principal respectively at Chichester College.

IP delivered an overview of the report by HB and explained that the applications had been considered and recommended for approval by the Board by the Skills Moderating Panel.

The recommendations, including any conditions, were recorded on the first page of the report with summaries of each of the applications and moderating panel

discussion laid out in Annex A.

CB reported that the Panel had considered a series of generic issues regarding eligibility criteria, achieving match funding and transfer into terms of output. However, it was recognised that the FE colleges faced real financial challenges and that Coast to Capital had a responsibility to provide support where possible.

PL said that it had been beneficial for the Accountable Body to be involved at this early stage in the assessment process.

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

City College Brighton and Hove – the Pelham Street premises would ultimately be demolished as part of the College's wider development project (Phase 2); and

Northbrook College – the College had been asked to re-look at the match funding percentage of 23%.

The Board carefully considered the individual recommendations.

HB confirmed that the future matching of City College Brighton and Hove projects would come from capital receipts i.e. the sale of property.

DG asked whether it was within Coast to Capital's gift to accept a lower level of match funding from Central Sussex College and would this perhaps set an unwelcome precedent? HB confirmed that this was permissible and stressed that the work to be carried out was significantly fundamental to the security of the students.

MLR expressed concern that Coast to Capital appeared to be undertaking risk assessments as part of the business decision process. SL advised that financial risk assessments on FE colleges would generally have a negative result; however it was unlikely that government would allow them to close and that possible ways of joint working may have to be sought.

[Chief Executive's Note 21.07.15: Today Government published a paper 'Reviewing post-16 Education and Training Institutions'. I have arranged to meet with all of the Further Education College and 6th Form College Principals within the Coast to Capital region to discuss the issues which could have a major impact upon our skills delivery.]

CB confirmed that FE colleges were crucial to the delivery of the skills agenda.

TW welcomed CB's proposal of writing a paper on the nature of FE funding and its impact on the Coast to Capital region, saying that it would be useful in terms of context.

HB confirmed that Croydon College had not had any access to similar London LEP funds.

DG expressed some concern at the Board's potential exposure in funding these projects.

TW advised that the Board should be confident that a range of competent people (the Board Committees, Moderating Panels and the Accountable Body) had

scrutinised the applications very thoroughly before putting recommendations to the Board.

TW proposed further consideration of DG's concern at the Executive Committee to ensure that the Board was satisfied that the appropriate levels of due diligence were being employed.

PL suggested that the Board's influence could be utilised to exercise discretion around the criteria for match funding (Section 2, page 2 of the report).

IP recommended that match funding for the Learning Facilities Funding should be considered in isolation from other projects.

PL suggested that the process on due diligence should be clarified for future funding rounds.

The Board **approved** the Moderating Panel recommendations for Learning Facilities Fund projects, subject to any conditions as noted, in the form presented to the meeting.

Actions: CB to write a paper on FE funding

Executive Committee to consider levels of due diligence and match funding criteria in relation to funding proposals

HB to progress with implementation

11.3 Skills Capital 2015/16 – NESOT

IP delivered an overview of the report highlighting the background and the conditions proposed by the Skills Investment Panel for the Board's consideration.

He added that the expected Outcomes noted under paragraph four represented good value for money. JAP expressed a concern about the reliability of the predicted numbers.

PL reiterated the importance of receiving evidence of cost/value of equipment prior to their purchase.

He also stressed the necessity for individual Colleges to create and maintain a risk register specifically for each skills capital project.

Having carefully considered the proposal,

The Board **approved** the Skills Investment Panel recommendation, agreeing that the revised 50% match funding provided for the 2015/16 project was acceptable and subject to evidence of cost/value of equipment prior to their purchase.

Actions: HB / IP to ensure risk registers for each skills capital project are created

HB / IP to progress with project implementation

11.4 Local Growth Fund Conditions and Flexibilities (WSCC)

Peter Lewis gave an overview of his report. He reported that following his conversations with the Department for Business, Innovation and Skills and the Department for Communities and Local Government he was reassured that overseeing the successful completion of Local Growth Fund projects was a priority for both departments.

The Board considered the paper, in particular noting the opportunities for flexibility whilst maintaining overall control most especially relating to the 'rollover' of unspent monies and permanent virements.

After careful consideration, the Board **agreed** to the recommendations as presented to the meeting:

- (1) The Board noted the funding conditions that applied to the use of the Local Growth Fund (LGF) as set out in paragraph 1.2.
- (2) The Board noted the flexibilities that were permissible to enable Delivery Bodies (DBs) to manage project funding and slippage as set out in paragraph 2.3.
- (3) The Board approved the flexibilities and constraints within which DBs would be authorised to vire LGF as set out in 3.2 to 3.5 and subject to the requirements set out in 2.3; and that this approval was communicated for adoption by the Local Transport Body in relation to highways and transport schemes.
- (4) The Board approved the ability to carry forward unspent LGF for DBs in exceptional circumstances as set out in 4.4.
- (5) The Board determined the arrangements for permanent virements between LGF projects as set out in 5.2b.

TW thanked HB and PL for their attendance and valued contribution to the discussions; HB and PL then left the meeting.

12. Skills

RC reported that Professor Debra Humphris had been appointed as successor to Professor Julian Crampton as Vice-Chancellor at Brighton University with effect from 1 December 2015.

He also advised that the 'Enterprise Advisers' proposal (as reported in the paper) was a pilot model and as such had been limited in geographical size. It was envisaged that successful pilot models would be scaled up in the future.

13. Enterprise Committee

SA reported that discussions were still on-going regarding the Business Navigator Growth Hub. The grant agreement from West Sussex County Council had been signed. The contract for services from Prevista was being prepared for signature, subject to the resolution of outstanding issues. A meeting was due to take place on 7 July 2015 with senior Prevista management team to resolve.

JAP declared an interest as a Director of Gatwick Diamond Business, a potential

subcontractor to Prevista.

14. International Advisory Committee

MLR delivered an overview of his paper, noting in particular:

Cool Chain – progress was being made although it would take time to secure the necessary commercial interest.

Foreign Direct Investment – the majority of successes were from existing investors.

Business Tourism – The research on the International Business Tourism Project had started.

ASEAN Trade Mission – This was still positive despite the frustration of the Vietnam Airline relocating to Heathrow Airport.

15. European Structural and Investment Funds Progress

PJ reported that Wired Sussex was considering submitting a bid under the ERDF Call.

CB declared an interest as the Vice Chair of Central Sussex College which was considering submitting a bid under the ESF Call.

JKa and SL reported that Chichester College was considering submitting a bid under the ESF Call.

JAP gave an update to his report, noting in particular that:

- an agreement had now been signed with Europe enabling the funding to commence, albeit one year late and consequently a six year programme rather than a seven year one;
- the role of Local Enterprise Partnerships (LEPs) was to be advisory and channelled through the LEP Area ESIF Committee;
- two bids for technical assistance had been submitted and a further bid for retrospective assistance was to be submitted;
- Lindsey Simpson was to relinquish her role as Research and EU Strategy Adviser; a full time successor would be sought. JAP expressed his gratitude to Lindsey for her invaluable assistance.

16. Growing Places Fund (“GPF”) Report

RS delivered an overview of his report for the Board’s information.

The pace of activity had increased over the previous few months; however the contractual process was by its nature slow. RS envisaged the remaining £9m of unallocated funding would be spent within the next six months.

Board members were interested to ensure that Coast to Capital received an appropriate level of publicity in relation to these projects.

RS outlined the status of proposals that were currently under consideration by the Growing Places Committee. These projects would be fully appraised by the Growing Places Committee before being presented to the Board for a final decision at a later date.

17. Business Overview Committee

The Board noted the success of the "Barriers to Growth" in Advance Engineering and Manufacturing event in reaching real businesses and unlocking reasons why they found it difficult to grow quickly.

DG reported that the Committee planned to hold regular sector events and thereby improve engagement with businesses.

JAP reported that he had attended one of the Digital Catapult events and commended it as "inspiring".

18. Confidentiality of Business (redacted)

19. Any Other Business

19.1 The meeting closed at 7:30 pm.

20. Date of Next Board Meeting

The next Board meeting will be held at 5.00 pm, 24 September 2015, at the Executive Box 15, Brighton and Hove Conference and Events American Express Community Stadium, Village Way, Brighton BN1 9BL