

<b>Coast to Capital Board meeting No. 28</b> <b>22 February 2016</b>	
<b>Report Title: Growth Deal Implementation Update</b>	<b>Ref No.</b> <b>28.09</b>
<b>Report by: Paul Castle</b>	
<b>Recommendations:</b> <ol style="list-style-type: none"> <li>1. Note progress on implementing the Growth Deal programme.</li> <li>2. Approve the University of Chichester Engineering and Digital Technology Park Business Case.</li> <li>3. Note approach to approval of business case by correspondence.</li> <li>4. Approve approach to treatment of unallocated funding.</li> </ol>	

## Implementation

1. Since the last Board meeting progress has been made towards getting through the stockpile of approved projects waiting for funding agreements and additional resource is being taken on by both the Accountable Body and Coast to Capital to progress further and to complete the current backlog of work.

We now have eighteen funding agreements that have been signed or are in the process of being signed. These include all fourteen of the skills projects, Business Finance, Advanced Engineering Centre, Wood-Fuel grant programme and most recently Dorking Deepdene station improvements.

2. At the time that this paper was issued, £4,688,234m has been paid out to delivery bodies (this excludes Growth Hub). These have to date all been payments in advance to Colleges. This is only 11% of the 15/16 allocation. A significant amount of work is underway to ensure that the remaining nineteen projects have business cases and funding agreements in place before the end of the financial year.
3. The latest version of the Programme Management Book and Dashboard can be viewed on the Coast to Capital website at <http://www.coast2capital.org.uk/strategic-objectives/strategic-economic-plan.html>.

## University of Chichester Engineering and Digital Technology Centre

4. At the recent Enterprise Sub-committee held on the 18 January 2016 the proposal for the University of Chichester Engineering and Digital Technology Park was discussed. The request for £8.0m of LGF funding would be used to create a bespoke learning facility. The £8.0m request is a critical component of the funding package and will contribute to the construction of the new signature building opening on the Bognor Regis Campus in 2018 to accommodate the new Engineering and Applied Design (EAD) and Creative and Digital Technologies (CDT) departments as part of the proposed Engineering and Digital Technology Park.

The full suite of papers presented to the Enterprise Sub-Committee can be accessed via dropbox and a separate email has been sent to you with the link.

Since presenting the business case to the Enterprise Sub-committee it has been noted that there were some typographical errors within the budget profile included within the business case particularly with regards to the funding profile for each year. It should be noted that the total costs of the project include the new building and the new equipment costs only- other wider university improvements are leverage to the project but not part of the project costs. The WSCC contribution of £500,000 should also be reported as an in-kind contribution not cash.

The project was approved as part of the Growth Deal 2 announcement in which funding flows from 16/17 onwards, however at the end of last year we asked all projects whether they could bring spend forward and the University made it clear they did have 15/16 spend in which the LGFF could be applied. Therefore the request is for funding to start to flow in 15/16.

A revised profile which incorporates all of the above has been provided by the University and is at annex A. The Chair of the Sub-committee has reviewed the revised profile and is happy to recommend approval on this basis.

**The Board is recommended to approve this request.**

#### **5. Business cases to be approved by correspondence**

A284, A259 and A217 are being assessed by the Local Transport Body on 24 February 2016 and will be confirmed to the Board shortly after. The Gatwick Skills project is being finalised now by Crawley Borough Council. A skills panel meeting is to be held on the 14 March 2016 to review the business case, full Board approval will then be sought by correspondence.

ASEAN Gateway Business Internationalisation and Digital Catapult are not expected to finalise business cases this financial year and we will seek Government approval to defer expenditure given the mitigating circumstances around the project.

#### **Treatment of unallocated funding**

It has become clear that Crawley Transport package will not be able to see their business case approved and will therefore be unable to use any of their £2.596m allocation for this financial year. This £2.596m is now unallocated and is available for use on other projects.

Local Authorities have been approached asking for any contingency projects that may utilise further funding within this financial year. These are now under review and we seek Board approval to use the £2.596m of unallocated funding on a contingency project(s). The business case(s) will still require Sub-committee and Board approval.

**The Board is recommended to approve this approach**

Paul Castle  
Strategic Manager  
February 2016

## Annex A- University of Chichester Revised Profile

Table: Funding profile, 2014-2015 to 2019-2020							
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total to 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Engineering and Digital Technology Park project costs:</b>							
Tech Park Building	300	700	15,000	6,400			22,400
Specialist equipment				1,000	500	500	2,000
<b>Total project cost</b>	<b>300</b>	<b>700</b>	<b>15,000</b>	<b>7,400</b>	<b>500</b>	<b>500</b>	<b>24,400</b>
How this is funded:							
<i>HEFCE Catalyst Fund (Capital share) or University if not successful</i>			2,000	400			2,400
<i>Local Growth Fund (LGF) through Coast to Capital</i>		300	1,700	5,500	500		8,000
<i>University new borrowing</i>			11,300	1,500			12,800
<i>University from cash reserves</i>	300	400				500	1,200
<b>Total funding</b>	<b>300</b>	<b>700</b>	<b>15,000</b>	<b>7,400</b>	<b>500</b>	<b>500</b>	<b>24,400</b>
<b>Wider capital investments-leverage to the project</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total to 2020</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bognor Regis additional student accommodation			4,000	7,000	1,000		12,000
Bognor Regis campus improvements					2,500	2,500	5,000
<b>Total investment</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>7,000</b>	<b>3,500</b>	<b>2,500</b>	<b>17,000</b>
How this is funded:							-
<i>Businesses, Trusts and Foundations</i>			500	500			1,000
<i>University new borrowing</i>			2,700	3,000	500		6,200
<i>University from cash reserves</i>			800	3500	3000	2500	9,800
<b>Total funding</b>	<b>0</b>	<b>0</b>	<b>4000</b>	<b>7000</b>	<b>3500</b>	<b>2500</b>	<b>17,000</b>
<b>In-kind contributions</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total to 2020</b>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Highways works- WSCC			500				500
<b>Total</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500</b>