

Board Meeting No. 26	
Date	19 November 2015
Time	5.00 pm – 7.10 pm
Location	The Wakehurst Suite, Alexander House Hotel, Turners Hill, East Grinstead, West Sussex RH10 4QD
Board Members	Tim Wates – Chairman (TW), Steve Allen (SA), Clive Behagg (CB), Ron Crank (RC), Daryl Gayler (DG), Martin Heffer (MH), David Hodge (DH), Phil Jones (PJ), Amanda Menahem (AM), John Peel (JAP), Ravi Shankar (RS)
Support	Philip Carr (PC) (BIS), Paul Castle (PGPC) David Smith (DS), Sue Maddin (SM)
In attendance	Peter Lewis (PL) Executive Director Corporate Resources and Services, West Sussex County Council
Distribution	All Board Members

1. Apologies and Welcome

Neil Dallen (ND), Louise Goldsmith (LG), Julie Kapsalis (JK), Mike La Rooy (MLR), Shelagh Legrave (SL), Toni Letts (TL) and Warren Morgan (WM).

1.1 Board membership

The Board **ratified** the re-appointment of Shelagh Legrave as the Further Education Bodies' representative for a further year from 1 November 2015.

2. Declarations of Interest

DH declared a continuing interest as Leader of Surrey County Council in the Surrey County Council Woodfuel Initiative proposal (item 9.1).

CB declared an interest both as the Vice Chancellor of Chichester University and as the Vice Chair of Central Sussex College which had submitted an Expression of Interest under the Skills Capital Funding – Gatwick (item 9.2).

MH declared an interest as a Director of Parsons Brinckerhoff which was completing a study, although not personally involved, that was included in the Infrastructure Study (item 10).

PJ declared an interest as Managing Director of Wired Sussex which had submitted a bid under one of the ERDF Calls (item 12).

CB declared an interest as the Vice Chair of Central Sussex College which had submitted a bid under the ESF Call (item 12).

JAP declared an interest as Chairman of the Coast to Capital Area ESIF Sub-Committee (item 15).

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 Notification of items to be withdrawn from the consent Agenda

There were none.

4. **Approval of Consent Items**

Items 8, (Executive Committee notes), 15 (International Advisory Board) and 17 (Budget 2015/16 Half Year Review) were **approved**.

AM joined the meeting.

5. **Minutes of Board Meeting held on 24 September 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 progress on items as reported.

Area Based Reviews – a considerable amount of work was being undertaken to ensure that the first wave of the reviews (Coastal Sussex) would be completed by February 2016. The Skills Commissioner had welcomed the role played by Coast to Capital and South East LEP in facilitating employer engagement.

Joint Committee meeting – RC was liaising with West Sussex County Council to set a date.

7. **Chief Executive's Report**

RC delivered an overview of significant aspects of his paper:

Devolution – TW, RC and Senior Management Team members had attended a number of positive meetings regarding the region's devolution proposals. TW had been requested to lead on behalf of the Three Southern Counties.

RC reported that PC had shared an interesting paper: "Devolution South" by the Southern Policy Centre and that he would circulate the following link to Board members.

<http://southernpolicycentre.co.uk/2015/11/devo-south-report/>

Board representation – the Board considered and **approved** the following recommendations:

1. That the HE representative remain on the Board until 30 June 2016; and
2. That the Executive Committee review the Board representation information and agree a forward process, to include the longer term, with the new Chief Executive.

Key Performance Indicators – The Board welcomed the latest report and requested that an additional indicator relating to public sector jobs be included.

RC explained that Enterprise M3 region had been selected as a benchmark based on a number of similarities between the two LEPs, including sharing Surrey.

Board Members were concerned that the percentage of holders of NVQ level 4+

qualifications had declined, contrary to what might be expected. RC proposed that this indicator be monitored closely.

Actions: RC to include public sector jobs KPI in future reports.

RC to monitor and report the NVQ level 4+ KPI

7.1 Communications Update

The Board considered the report and **agreed** the following:

Monthly Communications report – this was useful; however, a more succinct, bullet point approach would be appreciated.

Forum – RC was requested to review the format / frequency of the Forum, including considering instead a conference and levying an attendance charge and encouraging Samantha Philpott to visit other LEPs to learn from their experiences.

Action: RC to progress

8. Executive Committee Meeting 27 October 2015

The Board noted the content and actions of this paper, especially the Growth Deal progress review and the formation of a Chairman's Committee on governance and compliance, which would report to the Board at its next meeting. TW added that additional technical resourcing (legal and project management) was being engaged to support PGPC and team.

PL confirmed that he was content with these proposals.

9. Growth Deal

9.1 Update

DH declared a continuing interest as Leader of Surrey County Council in the Surrey County Council Woodfuel Initiative proposal.

PGPC gave a summary of his report, in particular:

Annual conversation – PC advised that these meetings were to be held nationally and, it was possible, that once completed may reveal the possibility for additional funding. RC and PGPC would consider suitable ideas for this eventuality.

Circus Street, Brighton and Hove – PL advised that whilst the Accountable Body ("AB") was happy for the Board to approve this re-profile, he wished to record its concern regarding existing state aid issues for this project which were subject to clarification.

PGPC explained the impact of the re-profiling changes on the figures for each project and overall.

TW requested that a note clarifying the impact of the re-profiling be added to the minutes of the meeting.

The Board also requested some improvements to the format of the report and guided RC and PGPC accordingly.

After due consideration, the Board accepted the recommendations contained within the report and:

noted - the progress on implementing the Growth Deal Programme; that the Annual Conversation would take place on 7 December; the steps being taken on reviewing the Growth Deal Governance processes; and the approach being taken to reduce the potential underspend for 2015/16

approved the re-profile request for Circus Street, Brighton and Hove, to assist with the programme wide 2015/16 underspend;

approved the Local Growth Fund top-up request from Surrey County Council for Woodfuel which could be spent in 2015/16 and assist with programme wide underspend; and

approved the re-profile of Preston Barracks Central Research Laboratory, Brighton and Hove.

Actions: RC / PGPC to consider suitable project ideas

RC / PGPC to produce a note clarifying the impact of the re-profiling

RC / PGPC to revise report format

9.2 Skills Capital Investment – Gatwick Skills

CB declared an interest as the Vice Chancellor of Chichester University and Vice Chair of Central Sussex College.

SA delivered an overview of the report by HB, reporting that he had chaired the Moderating Panel on 28 October 2015 as CB had stepped aside due to a conflict of interest.

Board Members were reminded of the background to the call, the criteria employed and the two stage application process. They were interested to learn of the assessment and moderation of each of the individual Expressions of Interest (EoI).

DH challenged the thinking behind the proposals and there was a robust debate.

After due consideration, the Board accepted the following recommendations and:

approved the Moderating Panel recommendation that the EoI from Crawley Borough Council move forward to full application stage, and that the EoIs from both X-Forces and Aviation Skills Partnership be declined; and

noted that an update on the outcomes of the FE Area Based Review would be requested prior to any final decision being made on whether this project should be funded from the Local Growth Fund. (This was in accordance with advice from the Skills Commissioner.)

10. Infrastructure Study Update

MH gave the Board an update on the progress with the Infrastructure Study and answered questions, particularly regarding the benefits to Coast to Capital in being engaged with a number of specific studies and the importance of the studies to the region's devolution plans. The Strengths Weaknesses Opportunities and Threats (SWOT) analysis had concluded that there was little duplication, sound understanding of the issues and good communication across the studies.

It was generally agreed that a clear, long term infrastructure plan, supported by Coast to Capital would be welcomed by businesses and the wider community. Coast to Capital could also influence by its engagement.

DG said that an Economic Review by RBS confirmed that infrastructure was a key issue. DH proposed that Infrastructure could be considered as a theme for a business forum.

MH advised that the outcome of a forthcoming government announcement regarding airport expansion was awaited before the studies would be able to move on.

The Board **agreed** the proposed course of action as presented to the meeting; and **accepted** the recommendations proposed in the report, namely:

1. Coast to Capital should target its involvement in transport and infrastructure studies and develop a reporting tool to keep the Board informed about progress (via the Infrastructure Committee); and
2. Coast to Capital should base this targeting on the following partners:
 - Strategic level: national agency and joint LEP led studies;
 - Sub Regional: Upper tier individual and joint studies;
 - Local: LEP and local organization led studies.

Action: MH and PGPC to progress recommendations.

11. Education Sector

The Board welcomed this interim report and acknowledged the need for a clear strategy which linked developing capacity with the education / skills that had identified as being required across the region. Coast to Capital was in a strong position to foster collaboration between skills providers and businesses.

The Board also recognised two strands within the Education Sector: namely, the income it generated through foreign students and the provision of training.

The Board **noted** the interim report and **agreed** that the Education Sector be one of Coast to Capital's key priorities in the development of the next Strategic Economic Plan.

12. European Structural and Investment Funds Progress

PJ declared an interest as Managing Director of Wired Sussex which had submitted a bid under one of the ERDF Calls.

CB declared an interest as the Vice Chair of Central Sussex College which had submitted a bid under the ESF Call.

JAP gave an update to his report following the recent Coast to Capital Area ESIF Sub-Committee meeting, drawing the Board's attention in particular to the following:

Exchange Rate Issues - The Managing Authority (MA) had explained that the proposed financial allocation in Euros for Coast to Capital was broadly in line with the original submission, but exchange rate fluctuations as well as adjustments nationally across the Priority Axes meant a loss of £9.8m of available ESIF funding for the Coast to Capital LEP area. This translated as a 17% cut to the overall budget.

Targets - The MA had explained that the next phase of the exercise was to issue revised Performance Framework targets and Investment Priority targets. It was stressed that the Commission would hold the Programme to account on the Performance Framework targets and so those targets had to be met. However, the lower level Investment Priority targets did not carry any financial penalty if missed. These targets would be monitored nationally and the expectation was that collectively the 39 LEP Areas would meet the national targets. Therefore, members should not be concerned if Investment Priority indicators included unforeseen activity – the MA was not expecting strategies to be revised to include such activity.

Skills Funding Agency - The headline news from DWP with regard to ESF was the big change in conditions; wherein the Skills Funding Agency (SFA) had opted to only Co-Finance and deliver the ESF Programme up until March 2018 – which would have a significant impact on Coast to Capital's ESF delivery – compressing three years delivery into two.

JAP also expressed concern that non Coast to Capital members of the Sub-Committee were not covered by Professional Indemnity Insurance. (All Coast to Capital Directors and officers are covered.)

DS was requested to investigate and advise whether there were any alternatives.

Action: DS to pursue

13. Skills

CB gave an overview of his report. He also drew the Board's attention to research being undertaken, at the request of the Skills Committee, regarding Developer agreements / Local Authority procurement practices. He added that Local Authority representatives may be approached for their assistance with this. It was intended that a region-wide "best practice" plan be put to the Board for consideration.

The Board **noted** the content of this report.

14. Enterprise Advisory Committee

SA gave an overview of his report, noting in particular:

The wider membership of the Enterprise Advisory Committee would better inform the next Strategic Economic Plan and next priorities;

Developments with the Business Navigator Growth Hub; and

SA reiterated his previous invitation to Directors to let him or Malcolm Brabon know of any possible opportunities to raise awareness of Coast to Capital's business support initiatives.

Action: All to advise SA or Malcolm Brabon of any appropriate events.

15. International Advisory Committee

As Chairman of the Coast to Capital Area ESIF Sub-Committee JAP reported an interest regarding the ESIF opt-in funding.

In MLR's absence, RC reported that the Business Plan regarding the ASEAN Gateway, which had been discussed at the last Board meeting, was still awaited from West Sussex County Council.

16. Growing Places Fund ("GPF") Report

RS delivered an overview of this report and answered questions on the progress of various projects.

17. Budget 2015/16 Half Year Review

The Board **noted** the content of this report.

18. Confidentiality of Business

The Board noted that the following information was confidential:

The projects under consideration / review for Growing Places funding (item 16).

20. Any Other Business

20.1 Science and Innovation audit - PC reported that this was to be carried out combining information from both education and business.

20.2 Spending review - PC advised that meetings would be conducted shortly and a subsequently a report would be issued.

20.3 TW congratulated MH on his promotion to Lieutenant Colonel, 8 Brigade, HM Army Reserve Unit.

20.4 TW announced that this was RC's final Board meeting and expressed his thanks to RC for his contribution to Coast to Capital. RC replied appropriately.

21. Date of Next Board Meeting

The next Board meeting will be held at 5.00 pm, 22 February 2016, the venue will be confirmed shortly.