

<b>Board Meeting No. 31</b>	
Date	22 September 2016
Time	5.00 pm – 7.15 pm
Location	Coast to Capital Offices, Arun House, Horsham Training Centre, Hurst Road, Horsham, West Sussex, RH12 2DN
Board Members	Tim Wates – Chairman (TW), Neil Dallen (ND), John Furey (JF), Daryl Gayler (DG), Louise Goldsmith (LG), Martin Heffer (MH), Debra Humphris (DH), Phil Jones (PJ), Julie Kapsalis (JK), Mike La Rooy (MLR), Shelagh Legrave (SL), Warren Morgan (WM), Tony Newman (TM), Ravi Shankar (RS), Jonathan Sharrock (JS)
Support	Philip Carr (PC) (BEIS), David Smith (DS), Sue Maddin (SM)
In attendance	Andy Thorne (AT), Strategic Commissioning Manager West Sussex County Council and Mark Watson (MW), Cabinet Member for Economy and Jobs, London Borough of Croydon.
Distribution	All Board Members

## 1. Apologies

David Hodge (DH), Amanda Menahem (AM), and John Peel (JAP)

## 2. Welcome to new members

TW welcomed John Furey (JF), Cabinet Member for Highways, Transport and Flooding, Surrey County Council, Debra Humphris (DH), Vice Chancellor, Brighton University and Warren Morgan, (WM), Leader of Brighton and Hove City Council to the meeting.

JS introduced two members of the Coast to Capital Senior Team: Tony Middleton, newly appointed Chief Operating Officer and Kirsten Trussell, Skills Development Manager. Andy Thorne was representing the Accountable Body at his first Board meeting.

### 2.1 Appointment of new member

TW reported the appointment by the Association of South East Colleges (AOSEC) of Nick Juba, Chief Executive, City College Brighton & Hove to be their representative on the Board and requested Members' endorsement of this.

Accordingly, the Board **approved** the appointment of Nick Juba as the new FE Board Member.

## 3. Declarations of Interest

*SL and JK declared an interest as Principal and Vice Principal respectively of Chichester College which had submitted a bid under the ESF Call (item 14).*

*JK declared an interest as a Member of the Coast to Capital Area ESIF Sub-Committee (item 15).*

*SL and JK declared an interest as Principal and Vice Principal respectively of Chichester College which was involved in negotiations regarding Central Sussex College (item 16)*

*TW declared his ongoing housing interests in Burgess Hill and the Coast to Capital area (item 16)*

#### **4. Notification of items to be withdrawn from the consent Agenda**

There were none.

#### **5. Approval of Consent Items**

Items 9 (Enterprise Advisory Committee), 10 (Infrastructure Committee), 11 (Growing Places Committee), 12 (Rural Economy Committee), 13 (Communications Update), 14 European Structural and Investment Funds Progress), 15 (International Advisory Committee) and 16 (Growth Deal 3 Update) were **approved**.

#### **6. Minutes of Board Meeting held on 14 July 2016**

Item 19. Growth Deal 3 – Central Sussex College (page 8) - AT requested, on behalf of Katharine Eberhart, that it was noted that the Accountable Body had not been party to the assessment of the revised business plan prior to its inclusion in the Growth Deal 3 submission to Government.

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

#### **7. Matters Arising**

The Board noted that all items on the schedule of Matters Arising were either completed or included under separate agenda items. However, JS reported that the programme of business engagement for Board Members had begun and was being regularly reviewed by himself and the Communications Manager – an update would be presented to the November Board meeting.

#### **8. Skills Update**

**Please note the confidential nature of the Area-Based Reviews item contained in this minute.**

SL gave an overview of her report, in particular:

Skills Committee – SL reminded the Board that at its July meeting she had been requested to develop a revised wider remit for the Skills Committee and that her report outlined her recommendations.

The Board considered the proposal to introduce an Employment and Skills Board (ESB) with a larger and more diverse membership, including the appointment of a Chair from the business community. The ESB would, through a focus on policy and strategy, deliver on strategic leadership; business engagement and communications; projects and strategies.

In LG's absence, JS underlined the importance of skills to the devolution agenda and

its prominence within the 3SC proposals. 3SC authorities we keen to be represented at the ESB.

LG arrived.

Members considered the merits of one of the existing Board Business Representatives chairing the ESB and **agreed** that, if possible, this would be desirable, especially in relation to the ESB's policy and strategy role.

SL advised that both HE and FE Board representatives would be invited to join the ESB.

LG endorsed the significance of the links between skills and the economy and requested that a representative of the 3SC be invited to join.

SL supported this proposal; citing that funding for Adult Skills provision would become the responsibility of the devolved entity.

DH proposed that representatives from both of the devolution bids, Greater Brighton and 3SC, be invited to join the EB.

The Board therefore **agreed** the proposal to introduce an Employment and Skills Board to replace the Skills Committee, with new terms of reference, an annual plan and expected outcomes, by March 2017.

**Action:** JS to incorporate the various points raised and constitute the membership accordingly.

Area-Based Reviews of Further Education - the Board noted the progress made, principally the key role for Coast to Capital and the delays in publication of the recommendations.

Enterprise Adviser Network – SL reported that grant offer for September 2016 to August 2017 had been both agreed and signed off by the Accountable Body, Brighton and Hove City Council, and the Careers and Enterprise Company. Additionally, the recruitment process for four Enterprise Coordinators had commenced.

TW thanked SL for her report and paid tribute to her valued contribution to Coast to Capital as she stood down from the Board. Members concurred.

The following two reports had each been **approved as consent items:**

**9. Enterprise Advisory Committee**

**10. Infrastructure Committee**

**10.1 Growth Deal decision paper**

MH delivered a summary of the Shoreham Flood Defence – Western Harbour Arm Project, which had been carefully considered by an Infrastructure Sub-Committee, in the presence of representatives from the Accountable Body.

The Sub-Committee had sought, and received, additional information and on the basis of this was recommending the project to the Board for approval of a conditional offer.

MH and ND, who had sat on the Sub-Committee, concurred that the additional information provided was to a sufficient level of detail and that the involvement of the Environment Agency afforded further comfort.

MH explained the various benefits to the area and that the intervention would help guard against market failure. He also advised that the Yacht Club membership had agreed in principal to the sale of the land.

DG arrived.

JS reiterated that the funding had already been agreed as part of Local Growth Fund Round 2, the Board was being requested to consider the updated business case presented by Adur and Worthing councils.

Other Sub-Committee members present, ND and LG, supported the project's approval.

Consequently, the Board:

**Agreed** that the additional information requested from the project promoters was sufficient; and

**Approved** the Sub-Committee's decision to award £3.5m to Shoreham Flood Defence – Western Harbour Arm project, conditional on a suitable land purchase agreement with the Yacht Club being reached, and any other business case requirements with other parties being fulfilled and Adur and Worthing Councils underwriting any funding gap that may occur.

The following six reports had each been **approved as consent items**:

- 11. Growing Places Committee**
- 12. Rural Economy Committee**
- 13. Communications Update**
- 14. European Structural and Investment Funds Progress**
- 15. International Advisory Committee**
- 16. Growth Deal 3 update**

## **17. Chief Executive's Report**

JS explained that the CE report contained an overview of the state of play on the biggest strategic issues facing the region. Delays in Government because of EU referendum purdah, and the summer holidays, meant that little progress had been made on some of them over recent months. Government changes and the impact of the Brexit decision had created new strategic challenges on which the LEP would need to engage. Discussion of the report would give the Board an opportunity to discuss strategic issues and challenges. The presentation slides are attached to these minutes.

The following reflects points of particular interest in each of the nine strategic areas:

### **Airport Capacity**

A decision regarding an additional runway was likely before Christmas and Coast to Capital would need to be prepared for any outcome, including a 'fallback' position. MH reported that he, and JS had met with Gatwick Airport this week and said that an announcement would offer certainty; however, development was inevitable

whatever the outcome. It would be important to engage with Devolution partners to deliver the best solutions for the region.

JS was meeting with Tessa Jowell and Steven Norris regarding their 'benefits of airport' commission and would discuss skills, housing and infrastructure requirements of the region's economy. (Specific concerns included BML, the need for a large and appropriately skilled workforce and Central Sussex College.)

LG advised that there had been a challenge to the assumptions of the Davies Report and emphasised the need to properly consider infrastructure, roads, houses and skills requirements. This was concurred by JF.

JS had met most of the region's MPs, they were divided over Gatwick expansion.

PJ commended the work that the LEP was doing regarding influencing the decisions; however he questioned its capacity to take a major role.

LG emphasised the benefits to the regional economy of collaborative working.

MLR recommended a holistic discussion about transport, skills and housing approach which should aim to strongly articulate the range of benefits to the area.

RS suggested that as it represented a potential increase in GDP, Gatwick expansion should be viewed as an opportunity rather than a problem.

### **Brighton Main Line (BML)**

Gatwick Rail Station costs were increasing due to errors in cost forecasting by Network Rail for which they took responsibility. Coast to Capital was involved in the discussions on managing the impact of these.

Members approved the draft regional letter to be sent to the Secretary of State for Transport.

MH confirmed that the requirement for Network Rail to purchase a piece of land, as previously advised, did represent a risk to the overall project.

TN advised that London Borough of Croydon had recently had a positive meeting with Network Rail regarding funding.

Members were concerned by the economic threat posed to the region by the continuing industrial action on Southern Railway. JS welcomed this endorsement of his intention not to delay his engagement with Ministers and proposed that this would be more effective if the letter were to be signed by Upper Tier Local Authorities and big businesses. Both LG and JF agreed to do so. LG added that a number of the region's MPs were already speaking to Southern Railway regarding its service delivery.

### **Project Delivery**

JS outlined his proposals to improve project delivery with the support of TM, the new Chief Operating Officer.

#### **Resourcing**

PJ said that he believed that the team had been under resourced in terms of project management and would support the proposal to pass some of the costs onto applicants.

## Systems

RS offered his assistance on developing systems for the Growth Deal Programme.

## Managing Underspends

In answer to a question, JS reported that lessons learned from this year's under spend were: the need for better and more reliable project information; fewer, bigger projects were easier to predict and manage; stronger client relationship, more resource and more senior management focus. DG added that an appropriate level of resource was necessary when dealing with the Accountable Body.

## ESIF

JS also reiterated concerns expressed in JAP's report, saying that the Coast to Capital ESIF Sub-Committee area appeared to receive a slower service from its managing authorities than that experienced by other areas. (The approaches of the differing Managing Authorities were outlined in JAP's report (Ref No. 31.14).)

Board Members shared these concerns and requested that JS liaised with TW and JAP to write to Ministers at DCLG regarding the poor level of service received. JK also pointed out that it would be almost impossible to deliver a quality project given the now reduced timeframe.

TW asked if the LEP actually had much influence, especially if the whole funding programme were to be stopped. He also noted that the southern regions appeared to be disadvantaged when compared to the northern ones.

PC advised that the 'official' line was one of 'business as usual' and that timing was critical. He suggested noting the regional emphasis when approaching Ministers.

TW asked JS to 'step back' and consider the how best to approach unlocking the funding.

## Newhaven Enterprise Zone

On a more general note, PC added that he was reassured by the processes in place around project delivery and highlighted the importance of the Newhaven Enterprise Zone to the region.

## LTB

JS noted JF's proposal regarding a review into the working of the Local Transport Body.

JF also expressed his opinion that not applying for Access Funding (sustainable transport) was a missed opportunity.

**Action:** JS to lobby Government on ESIF funding concerns

## **Autumn Statement / Growth Deal 3 (GD3)**

An announcement was expected as part of the Autumn Statement on 23 November and an appropriate response / strategy was already being prepared.

The Coast to Capital bid was reported to be less financially ambitious than that of some other LEPs. It been well received by DCLG / BEIS because of both the ratio between public and private funding and the very high element of match funding.

PC advised that Ministers were currently appraising the applications and would be delivering feedback and determining priorities over the next couple of few weeks. He also suggested the maintenance of a pipeline of projects may prove useful for

future planning or funding rounds.

JF noted the high level of private sector match funding and thought this a risk as the LEP did not have any control over it.

JS reported that he had circulated an overview of the bids to the region's MPs and received a positive response from many.

### **Devolution and the London Plan**

The two regional bids, Greater Brighton and the Three Southern Counties (3SC) were both progressing and the LEP was working closely with both. JS reported that the London Plan was developing simultaneously and would have some overlap into the region.

It was important to maintain and encourage business engagement.

WM offered to circulate an update on the progress of the Greater Brighton plans.

LG emphasised the importance of the collaborative working and the formalised partnership of 3SC which by speaking with a single voice offered a challenge to the northern counties.

TN said that he believed the LEP's relationship with Croydon offered it an opportunity to be a greater partner in the London Plan. Croydon itself was in a position to influence the content of the Plan.

JS would continue to discuss devolution at his bilateral meetings with both business representatives and MPs.

WM left the meeting due to indisposition.

### **Industrial Strategy and Strategic Economic Plan (SEP)**

There was not much known currently about the Government's Industrial Strategy; however, its importance was clear. Jo Johnson MP, the Coast to Capital Growth Champion was expected to visit the region in the late autumn.

JS said that the LEP would: 1) refresh the SEP after the south east airport announcement had been made; and 2) be guided in this work by the Government's policy on an industrial strategy. More information on this would be set out at the Autumn Statement and was likely to make clear the importance of a strong regional element to the national industrial strategy.

PC said that he expected a greater sense of what the strategy meant after the Party Conference and that he would feed this back. He added that it was valuable for the LEP to have an additional ministerial voice.

RS advised that care should be taken on determining a course as Industrial Strategy was a particularly complex and difficult aspect of Government.

There was some discussion regarding the role of the LEP as devolution progressed. LG reminded Members that when the LEP was set up its role was to develop the best mechanism for the area to build a strong economy and to put the necessary infrastructure in place. TW agreed, emphasising the LEP's pragmatic approach to achieving economic growth.

JS invited Members to consider how he might refresh the SEP: were the existing priorities right or should he develop a different approach?

**Action:** ALL to let JS have their views regarding the SEP

### **Housing and Regeneration Task Force (HRTF)**

The Task Force had made interesting progress and was on track to deliver its recommendations to the November Board meeting.

RS reported that in response to previous enquiries from LG and, more recently, TN he was working with colleagues to devise a vehicle by which the LEP may be able to invest in residential property, building on the success of the Growing Places Fund. He proposed a meeting with LG, TN and JS to consider needs and possible solutions.

**Action:** discussion of the HRTF recommendations at November Board would inform the future role of the LEP in relation to increasing the supply of housing in the region.

### **Brexit**

The LEP was taking as active a role as it could by continuing to engage with businesses and feeding back their experiences and concerns to both local MPs and Government. Many MPs had given positive feedback on this information.

Businesses were facing a range of issues; however, two types with significant impact were the European Structural Investment Funds and EU research money.

DH and SL highlighted issues being faced by HE and FE institutions including the funding situation for European students; retaining high-level EU national staff members; attracting International students and the mobility afforded to UK students by the Erasmus programme.

JF challenged whether the LEP had the remit or influence to be communicating these issues to Government. JS felt that there was value in the LEP asking and listening to business concerns, so that we would be well placed when Government began to consult on post-Brexit strategic issues.

RS and TW agreed that there were a number of issues surrounding Brexit for which there was a lack of clarity and that the LEP would need to wait before it could understand the full meaning and implications.

### **Skills**

The two main strategic issues for consideration were the roll out of apprenticeships and the potential requirement for significant capital investment as a consequence of the Area Based Reviews, the source of which was currently unclear.

DH reported that Brighton University was to host a "Thought Leadership" meeting to consider the future of learning with a view to developing a different model for the future.

JS concluded his presentation by telling Members of his intention to introduce a more concise, visual and easier to digest format for Board agenda papers. He would welcome any comments on priorities to include or areas to avoid.

**Action:** ALL to let JS have their comments regarding priorities for inclusion.

## **20. Any Other Business**

JF raised concerns regarding the limited opportunities for collaborative partnership



involvement in the work of the LEP, at either a Joint Committee or Programme Management Board level; the slowness of the Accountable Body's procedures and the process of determination of the Growth Deal 3 submission to Government. He registered Surrey County Council's disappointment at not to have a greater number of bids included in the submission. He had written to the Chief Executive setting out his concerns on these points in more detail.

JS replied that the LEP had a responsibility to select those projects which were most likely to be completed successfully, and within agreed timescales, and thereby utilise the funding available.

He would meet with JF shortly to discuss his concerns more fully.

TW noted JF's comments.

## **21. Confidentiality of Business**

The Board noted that the following information was confidential:

The Area-Based Reviews item noted in the Skills Update item (item 8), projects under consideration / review for Growing Places funding (item 11) and the Growth Deal 3 Update (item 16).

## **22. Date of Next Board Meeting**

The next Board meeting will be held at 5.00 pm, 17 November 2016, the venue will be confirmed shortly.