

| <b>Board Meeting No. 32</b> |  |
|-----------------------------|--|
| Date                        | 17 November 2016   |
| Time                        | 5.00 pm – 7.30 pm  |
| Location                    | Nestlé UK Ltd, 1 City Place, Crawley, RH6 0PA  |
| Board Members               | Tim Wates – Chairman (TW), Steve Allen (SA), Daryl Gayler (DG), Martin Heffer (MH), David Hodge (DH), Debra Humphris (DHa), Phil Jones (PJ), Nick Juba (NJ), Mike La Rooy (MLR), Warren Morgan (WM), John Peel (JAP), Ravi Shankar (RS), Jonathan Sharrock (JS), Mark Watson (MW). |
| Support                     | David Smith (DS), Sue Maddin (SM),   |
| In attendance               | Katherine Courtney (KC), CEO UK Space Agency, Senior Government Sponsor; Katharine Eberhart (KE), Director of Finance West Sussex County Council; Malcolm Brabon (MB), Tony Middleton (ALRM), Kirsten Trussell (KT) – all Coast to Capital   |
| Distribution                | All Board Members  |

### 1. Apologies

Philip Carr (PC) (BEIS), Neil Dallen (ND), Louise Goldsmith (LG), Julie Kapsalis (JK), Amanda Menahem (AM) and Tony Newman (TM),

### 2. Welcome to new members

TW welcomed Nick Juba (NJ), Chief Executive, City College Brighton & Hove and Mark Watson (MW), Cabinet Member for Economy and Jobs, London Borough of Croydon to the meeting.

TW congratulated Malcolm Brabon (MB) and Kirsten Trussell (KT) on their recent appointments as Head of Services and Head of Strategy and Policy, respectively and welcomed them to the meeting.

### 3. Declarations of Interest

*TW declared his ongoing housing interests in Burgess Hill and the Coast to Capital area and advised that SA would therefore chair the Local Growth Fund 3 item on the agenda (item 11)*

*JS advised that he has accepted non-remunerated roles as a special advisor to the Croydon BID and as a trustee of Better: Brighton and Hove and has updated the register of Directors' interests accordingly.*

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 Notification of items to be withdrawn from the consent Agenda

There were none.

### 5. Approval of Consent Item

Item 8 (Executive Committee notes) was **approved**.

## 6. Minutes of Board Meeting held on 22 September 2016

Item 2.1 - JAP clarified that Nick Juba's appointment was as the representative of the Association of South East Colleges located within the Coast to Capital region.

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 with the exceptions noted below either completed or included under separate agenda items.

JS reported that:

- KPIs would be included at the February meeting in line with the proposed new Board reporting format; and
- Growing Places Fund – a more detailed summary of the loans would be provided at a future meeting as part of reporting of the Projects pillar.

## 8. Executive Committee meeting held 12 October 2016

The Board noted the content and actions of this paper.

MH arrived

## 9. Chief Executive's Report

JS gave an overview of his report drawing members' attention to the revised structure which he proposed to adopt going forward. This would ensure more coherence in the way that issues were reported to the Board:

### Corporate issues

Private Sector Board Members: JS reported that at its recent meeting the Executive Committee had agreed to recommend a move to a maximum tenure of three terms of three years. This was in line with private sector best practice. The intention was to ensure rotation of private sector members within this structure, and there was no assumption that members would serve three full terms. JAP voiced concerns that this differed from advice previously given and may limit opportunities for Board rotation and the introduction of "new blood".

TW responded that the proposal was for a maximum term of nine years; however, this would be flexible to ensure optimum forward planning of Board composition with the best combination of skills and experience maintained.

Board Away Day: JS told members that a date was being sought for an Away Day which would include consideration of the refresh of the Strategic Economic Plan and benchmarking Coast to Capital against other LEPs. TW added that an experienced facilitator, Patrick White, Director, Metro-Dynamics, would be joining them.

**Actions:** JS/DS to facilitate changes to Articles relating to Board membership.

JS/SM to organise Board Away Day

## Pillar 3 – Strategy and Policy

Airport Expansion Decision: Government's preference for a new runway at Heathrow was disappointing for the region; although a significant amount of further work would be needed before Ministers could take a final decision – this was expected before the end of 2017. Gatwick Airport was continuing to focus on the growth of the airport, predicting strong passenger numbers this year and with positive recent announcements including a new Boeing Hangar.

Railways: Several MPs had responded positively to the letter on BML upgrade and JS was optimistic about support from the All Party Action Group that was currently looking into the situation with Southern Railway.

Industrial Strategy and Strategic Economic Plan (SEP): An Industrial Strategy was likely to be included in the Autumn Statement and would inform the refresh to the SEP.

### Communications

Website: JS advised members that the new website was now live and commended it to them.

Daily Mail: In common with other LEPs, Coast to Capital had received enquiries from the Daily Mail. TW and JS confirmed that strong lines, reflecting the Assurance Framework and legal advice, had been delivered to explain our work.

In answer to a question from JAP, JS advised that it was expected that the total amount available under Local Growth Fund 3 would be announced as part of the Autumn Statement with the detail being released subsequently.

Business 50: JS reported that he would be reviewing the strategy which had been less effective than expected.

**Action:** JS to review Business 50 strategy.

KC arrived

## **10. Three Pillar Structure / Restructuring Coast to Capital**

JS delivered an overview of his report and explained the proposed reorganisation of the Company. This included a rationalisation of Board committees and a reorganisation of the executive team to ensure better focus on priorities and ensure a more efficient use of resources. Standing Board committees focused on specific issues would be closed and replaced with issue-based **task groups** which would involve Board members in resolving priority issues. This would give Board members exposure to a wider range of issues and would improve engagement. Informal task groups over recent months had demonstrated the high value that Board member engagement brought to difficult issues. An independent audit committee would be retained.

The Board carefully considered the proposals, and endorsed them subject the following important points:

The importance of maintaining a **robust governance structure** with Terms of Reference and both reporting and meeting structures. Further detail was needed on

how decision making would be taken within this pillar structure including membership of key Boards and committees. JS advised that the most significant issues, including the greatest risks and the decisions with the largest financial impact for the company, lay within the Projects Pillar. That was why an updated assurance framework for this pillar had been prioritised and would be considered by the Board at this meeting. Assurance frameworks for the other pillars would be finalised as a priority and brought to the Board for approval.

That the terms of reference for the proposed **Finance Committee** should be carefully considered. It was important that a Board member should attend, in order to maintain a link with the Board. There should continue to be a robust independent audit function, which would probably mean retaining the existing structure of separate Finance and Audit committees.

DG said that a key role of the **Investment Committee** was to address previous concerns surrounding the decision making process. JS observed that it would be important to have significant representation from political Board members on this committee in order to help ensure the democratic accountability of investment decisions. KE noted that it was necessary to include democratically elected politicians on the Committees.

JS explained the role of the **Joint Committee** which appeared in the Governance structure but had only met once. JAP said that it had met initially to set up and approve the SEP.

JAP explained that the **ESIF Committee** did not fall within the LEP's jurisdiction and was therefore unaffected by the restructuring. JS confirmed that any changes to how the executive team managed ESIF work would be within the existing governance structures.

JAP welcomed the introduction of Task Groups and had chaired the group regarding the Digital Catapult project. He commended the work initially undertaken by Paul Castle and recently brought to a successful conclusion by Hayley Shepherd.

Summarising discussion on this item:

- TW requested that Terms of Reference (TOR) for the Projects Pillar be reviewed and brought back to the Board in February as part of the new assurance framework. Any shadow meetings under the proposed new governance structure would not have decision-taking powers until the new assurance framework was approved by the Board.
- TW noted Board members' concern about the implications of changes to finance and audit functions and invited JS to work with MLR to resolve these.
- TW thanked JAP for his work in resolving complex contractual issues on the Digital Catapult as part of an ad hoc task group.
- **Actions:** JS/ALRM to produce TOR for the Projects Pillar to be reviewed by the Board.
- JS to revisit proposed Committee structures, to include TOR and membership and prepare these for full Board approval at the next meeting.

### **11. Local Growth Fund 3 – Distribution Strategy**

This item has been redacted.

### **12. Local Growth Fund 1 & 2 – update and pipeline**

This item has been redacted.

### **13. Updated Assurance Framework – LEP Projects Pillar**

ALRM delivered an overview of his report which proposed set out in detail the proposed changes needed to the Assurance Framework relating to the administration of projects. The proposals would improve Board oversight and decision making structure relating to projects and investments, in line with the move to a three pillar structure within the executive team.

In response to questions from Members, ALRM advised:

Review Groups established to make recommendations to the Investment Committee would be comprised of experts, including relevant Board Members, who would evaluate proposals, including the efficacy of their Terms of Reference;

One of these, the Transport, Resilience and Sustainability Review Group, would cover transport issues. This would allow the closure of the Local Transport Body (LTB), which many other LEPs had already done. Pieter Montyn, Chair of the LTB, was supportive of this proposal. ALRM would speak separately with BHCC officers regarding their concerns, as noted under item 12 above;

An updated proposal for the Assurance Framework would be prepared over the coming months and would be brought to the Board for approval at its next meeting in February. This would set out the requisite level of detail on Committee membership and other key issues including the process for ensuring a smooth transition from the LTB.

JS confirmed that there would be no changes made to the operation or remit of the European funding programme.

KC commended the use of independent gateway reviews to supplement capacity. DHa added that the University of Brighton may be able to offer some academics to support.

JS thanked everybody for their valued contribution and confirmed that development of the Assurance Framework, as agreed above, would be a priority for the Executive team in the coming weeks. All decisions would continue to be taken by the Board under the existing framework until changes were agreed.

**Actions:** ALRM to speak with BHCC regarding the funding for pipeline projects  
JS / ALRM to circulate an updated proposal for the Assurance Framework, including the mechanics for the disposal of the LTB, before Christmas.  
DHa to seek support from academics regarding gateway reviews.

### **14. Local Growth Fund Surrey Schemes**

This item has been redacted.

**15. Growing Places Fund**

This item has been redacted.

**16. Housing and Regeneration Task Force – Recommendations to the Board**

This item has been redacted.

**17. Any Other Business**

There was none.

**18. Confidentiality of Business**

This item has been redacted.

**19. Date of Next Board Meeting**

The next Board meeting will be held at 5.00 pm, 16 February 2017, the venue will be confirmed shortly.

Chairman

09 March 2017