

Meeting:	Coast to Capital Board Meeting no. 36
Date:	21 September 2017
Report Title:	Chief Executive Report
Report by:	Jonathan Sharrock
Item No:	5
Part:	B

Recommendation

The Board is asked to consider the items raised in this paper.

The Board is asked to approve the appointment of Julie Kapsalis to the Audit Committee in line with the Assurance Framework.

1. Introduction

Government is beginning work on a review of LEP functions, in order to develop options around the Manifesto pledge to give LEPs 'backing in law'. A recent letter from Ministers (Annex A) sets out the context for this. We are actively participating in the LEP Network lobbying on this. The Chairman attended recent LEP Network meetings with Ministers, and I am on the management group for a project to identify future funding options. We expect a White Paper on the Industrial Strategy towards the end of the year.

We are arranging a Board session in late November/ early December, to reflect on the progress we have made in 2017 and prepare for future challenges. We are working with Roffey Park to organise this, so that we can include an element on Board effectiveness.

2. Corporate update

Work is ongoing to ensure that our internal processes and functions are delivered efficiently and are fully compliant with the Assurance Framework. A review of the website has taken place in anticipation of guidance being issued by the Mary Ney Review in relation to enhanced transparency. There is now a prominent governance box on the homepage which links directly through to our governance information which is up to date with links to required and relevant information. We are now hosting minutes of all of our governance meetings, redacted as appropriate, on the website and our aim is to upload Board meeting minutes within two weeks of the meeting taking place.

The Audit Committee will be meeting in November to discuss the Accountable Body review and progress against our planned internal audits. Julie Kapsalis has confirmed that she would be willing to support the Committee and the Board is asked to formally approve her appointment in line with the Assurance Framework.

Applications for the Co-opted Director vacancies closed on Thursday 7 September. We received one application for the Finance Lead, which will be considered in isolation by the Chairman's Committee and four applications for the Regeneration lead which

will be sifted, interviewed and considered by the Chairman's Committee. The Board will be asked to approve the recommendations of the Chairman's Committee in November.

There have been a number of internal recruitment and organisational developments to note:

- Coast to Capital staff based in the Shoreham office (Services Pillar team) will now be based in the Horsham office as of 1 September which will enable closer working across the organization;
- We have appointed Jake Daniels as our Communications Officer in place of the Communications Intern, who will be responsible for supporting the delivery of all aspects of internal and external communication at a more appropriate level;
- We will be recruiting for a Governance Officer to support the delivery of the governance of Coast to Capital and ensure compliance with the Assurance Framework;
- We have re-advertised for the Senior Project Manager position due to both shortlisted candidates withdrawing due to other job offers. So far the response has not been strong and it is likely that we will re-advertise again during September once the holiday period is over;
- We are in the process of recruiting a Housing Lead and have received a number of applications;
- Catherine Ryder, Strategy and Policy Manager, has left Coast to Capital to take up an opportunity elsewhere. We are recruiting this position and developing contingency plans to cover the interim period; and
- Claire Dillon-Thiselton, ESF Project Manager, leaves Coast to Capital at the end of September to take up an opportunity elsewhere. We are reviewing the current ESIF structure and developing contingency plans to cover the interim period.

3. Communications and stakeholder engagement

An organisation- wide communications framework has been developed which covers the use of different media with a focus on compelling and consistent promotion of the work of Coast of Capital. The delivery of this framework is resulting in increased and strategic communications. During August we issued press releases on the launch of our [new call for growth projects](#), and promoted a number of our projects including the [Arundel Lido](#) and [Plumpton College](#). We also featured in a number of events including the i360's first birthday celebrations and promoted events such as the British Science Festival, South Downs Research Conference and the Warhol Croydon event, whilst maintaining our profile on Twitter. This framework will be kept under review and monitored to ensure it results in maximum impact for Coast to Capital.

A stakeholder strategy is also in development to ensure effective engagement with our wide range of stakeholders which is fundamental to the success of the delivery of the business plan and our longer term strategic economic plan which we will be sharing with the Board in November.

Following a series of regional roundtables to advance our goals in relation to investment in the Brighton Mainline we held a very successful Parliamentary Roundtable with regional MPs and stakeholders on 18 July. The Roundtable was well attended by 11 MPs who responded positively and supported the call for investment, including enhancements to the Windmill Bridge Junction, to drive growth and productivity across the whole region. Funding for the campaign is being determined and the campaign itself is being developed. The level of funding available will dictate how ambitious and wide-reaching the campaign is.

Tim Wates will be joining a panel with Sir David Higgins (Gatwick Airport Chairman) at the Labour and Conservative Party Conferences in the autumn to discuss 'The Gatwick Growth Corridor: Powering London and the UK'. These events will focus on the role of the Coast to Capital region as a driver for growth in London and across the UK, including how infrastructure investment can unlock growth from London to the South Coast.

Coast to Capital is sponsoring the British Science Festival which is being held across Brighton in September. The national event, which is co-hosted by the University of Brighton and the University of Sussex, will highlight cutting-edge research and bring together people from across the scientific disciplines and beyond. Coast to Capital is engaged with a number of the programme events including the Huxley Debate, the Margaret Mead Award Lecture and Museum Late.

4. Projects Pillar

Accountable Bodies Review

Chris Maidment has agreed to Chair a sub group of the Audit Committee that will undertake a review into the feasibility and approach to moving to a single accountable body. The sub group terms of reference have been agreed and a series of meeting dates planned.

Local Growth Fund

The evaluation process is underway for the latest funding invitation and as before three specialist review groups will evaluate all bids with a final phase of evaluation being entrusted to the Investment Committee. A number of bids have been received and the quality and spread of requests appears strong. Growth Deal 3 funding agreements continue to be produced following receipt of final information in line with Investment Committee requirements.

Growing Places Fund

This item has been redacted.

Investment Committee

Following receipt of external legal advice the LEP has written to the Accountable Body in disagreement of a recent series of three pieces of advice around the operation of the Investment Committee. A copy of the letter is available to any member of the Board on request.

5. Service Pillar

Service Pillar

The Service Pillar includes three key areas including the Business Navigator Growth Hub, the Enterprise Adviser Network and international trade (both export and foreign direct investment). A Service Pillar Committee meeting is being held on 7 September.

Enterprise Adviser Network

The dashboard highlights that 97 schools have now been recruited to engage with the

EAN service, and have been matched with 55 Enterprise Advisers. In total 78 Enterprise Advisers have been recruited. The current focus is on the recruitment of Enterprise Advisers across the Coast to Capital area but with a particular focus in Croydon and East Surrey. The Coast to Capital Board agreed to match fund the CEC funding until March 2018. A part time Enterprise Coordinator is being recruited to cover part of the West Sussex area. Since the last Board meeting the Careers and Enterprise Company has recognised the need to measure the impact of the service – which we have been advocating for some time. Tools are being put in place to capture the impact of the service

International Trade

Inward investment activity in this financial year is still sluggish on the back of the EU referendum decision. Businesses are still not making funding decisions due to Brexit. For the financial year to date three projects successes have been identified projecting 55 new jobs.

DIT are delivering the new ERDF funded export support programmes across the Coast to Capital area with a range of initiatives and workshops being organised. Mike La Rooy has agreed to chair the new the International Task Group which will start in October. Initially the task group will comprise Gatwick Airport, DIT, area partnerships and Tier 1 authorities. Key businesses will be invited to join the group after the first three months. The group's primary focus will be to drive forward new international trade activity over the coming 12 months. One key focus will be the running of trade visits to growth markets targeting business with growth potential in key sectors. The group will also oversee tourism, including business tourism activity.

Business Navigator Growth Hub

In June, July and August 2017 the Business Navigator Growth Hub Service has supported 398 businesses with 52% of businesses taking up at least one service that they were signposted to. 56% of businesses supported in June, July and August 2017 were new Growth Hub clients.

The new diagnostic role of the Business Advisers with their focus on businesses with growth potential is progressing well and being well received by clients. Impact of the Growth Hub support is being measured.

BEIS are currently considering the future role of Growth Hubs and determining with government whether there may be future funding beyond March 2018.

6. Strategy and Policy Pillar

We are redesigning the Strategy and Policy dashboard to reflect the emerging work plan. It will be ready for the November Board meeting.

Skills

We are still awaiting guidance from Government on the funding and priorities for establishment of IOT's. Partners in the region are developing potential options; we expect LEPs to have an important role in developing and bidding for this scheme.

We have been supporting Mid Sussex District Council in their work with the Department for Education to deliver post-16 education in Hayward's Heath following the closure of Central Sussex College in the town. There will be further meetings in

the autumn involving Sir Nicholas Soames MP.

Regeneration and Housing

Government is keen to see strong bids from our region to benefit from the new Housing Infrastructure Fund (HIF), which offers the potential for significant infrastructure investment in order to support new housing development. We led a meeting with local authority partners across the region to convey the importance of housing to our region and collective ambition in meeting this goal. We will continue to support bids from our region and the potential development of Housing Deals with Government to increase investment in our area.

Once the new Housing Lead post is filled we will begin to work up further options for how we support the delivery of Local Plans, as set out in our Housing Mandate.

Strategic Transport

The Shadow Partnership Board for Transport for the South East (sub-national transport body) has met twice, once for its inaugural meeting and more recently for a visioning workshop. There is good engagement and commitment to partnership working amongst the council leaders and LEP business representatives. Once a vision is agreed, work will begin on developing a strategy and a road map to gaining statutory status as a sub-national transport body. For context, as yet no sub-national transport body has yet been awarded statutory status – Transport for the North hopes to achieve this by the end of this year.

We continue our work to highlight the strategic importance of the M23 Northern Corridor and the A27 to our region through Transport for the South East and direct engagement with Highways England and local partners.

Innovation South

The Science and Innovation Audit has now been signed off by BEIS and is due to be published at the end of August. The report includes a number of recommendations (referred to as 'opportunities') for building on the science and innovation strengths in the region. We will consider these further in the Science and Innovation theme in our SEP.

Alongside the production of the report, we have engaged in a number of conversations about the future of Innovation South, exploring the opportunity to build on the momentum developed through the audit. In the first instance, a set of messages have been developed which are intended to promote the region, nationally and internationally, and will be published alongside the report.

There are two broad areas of work that are being discussed for phase two – taking forward the opportunities / recommendations identified in the audit (by producing definitive costings and implementation plans), and building the Innovation South brand and offer to further promote the region.

Newhaven Enterprise Zone

The Newhaven Enterprise Zone was publically launched on 26 June. The event was well attended and positively covered in the local press. Two businesses have now moved into the Enterprise Zone and we are following up further contacts from the launch.

The Newhaven Enterprise Zone Project Board has now become a Programme Board. The Board will focus on the work needed to make a success of the Enterprise Zone and will develop a long-term strategy, setting out clear ambitions for the zone. This will include further work on skills, to ensure that local people can take advantage of any new opportunities brought about by the Enterprise Zone, and that the current skills gap is not a barrier to new businesses moving in to town. The Programme Board is also considering the potential of each of the sites in the Enterprise Zone and how they can be brought forward and marketed, within the constraints of planning, land use and ownership.

In October, Steve Allen and I, along with the Chief Executive and Director of Regeneration and Planning from Lewes District Council, will be visiting Salford as guests of Legal and General to explore how investments they have made in a joint venture are supporting the regeneration of the area.

European Structural Investment Fund programme

Progress is slow across the three funding streams, although there are several projects in the pipeline nearing contract stage. Through the funding (ESIF) that we have for technical assistance we are currently supporting all ERDF project applicants who are in the second stage of application. We will be offering technical assistance workshops for ESF calls released in August (Leadership and Management / Graduate Internships) and later in the year to support the development of project ideas and to help identify match funding opportunities.

Whilst the performance and service issues we experienced with DCLG (Managing Authority for ERDF) have been resolved, we face significant challenges brought about by the legacy of those issues. The most significant of those challenges is reputational damage – potential applicants (of whom there is already a limited number in Coast to Capital) are wary of putting in bids due to the experience they or others have had to date with the Managing Authority. An additional challenge is the apparent lack of match funding. As a consequence, we have open calls that have had no applications at all and others that are likely to attract bids for only small amounts of the funding available.

We are doing everything in our gift to work with partners and DCLG to repair reputational damage and to maximise the take up of funding opportunities through ERDF.