

Coast to Capital

Reference: Coast to Capital Board Meeting
Date: 14th October 2021
Report Title: Regional Projects Paper
Report by: Regional Projects Team
Item No: 4
Part: A

Recommendation:

The Board is asked to:

- **Note** progress to date on partner discussions and appetite for our offer of LEP support on large scale regional and also smaller local projects
- **Agree** the role and expectations for Board Sponsor involvement on regional project commissions, in a time limited, advisory capacity
- **Endorse** a service offer by the Regional Projects Team which generates income as part of a sustainable approach to future LEP funding
- **Approve** the formation of a new Programme Committee, together with its TOR, and **note** its role in relation to Regional Projects

1. Background

Since the Board in July, the new Regional Projects team have been actively pursuing with partners the regional project expressions of interest, to market test and define a full service offer as part of our ambitious Business Plan 2021-22. This paper sets out our progress toward securing a programme of activity for the first 6-12 months that meets partners' needs and generates new sources of income for the LEP.

To complement that service offering, Investment Committee in September agreed to a new call for a £1m regional project seed fund, making use of limited remaining Growth Funds. This fund would provide successful regional projects with a limited amount of resource (£20k-£100k) to develop Full Business Cases for projects, putting them in a ready position to secure future funding.

2. Regional Projects Update

Since July Board, we have carried out numerous conversations with partners who submitted regional project expressions of interest, according to the thematic prioritisation set on in the July Board paper. Projects and local circumstances have

evolved somewhat in the time since submission, giving a fresh and more detailed insight into the nature of support currently needed that includes the following:

- The most transformational, large-scale regional opportunities are, by their nature, some of the most complex and least familiar, meaning that they take time to define and negotiate our involvement.
- Large-scale projects may benefit from our early-stage support to reach a point where a defined business case, or suite of separate business cases, can be commenced.
- Furthermore, National policy may only just be emerging, such as UK hydrogen strategy.
- We are able, in our regional capacity, to identify different projects with common ground and bring together multiple partners to explore greater scale of opportunity, for example on towns centre regeneration.
- Funding and additional capacity would benefit partners greatly to progress projects to full business case stage and, beyond that, routes to public or private investment.

Our conversations have enabled us to define our Regional Projects Team service offer, to include distinct elements that play to our full skills set and expertise:

- Project management and leadership
- Strategy and project pipeline development, with associated activities:
 - Best practice/competitive advantage research
 - Data and analysis
 - Funding mapping
- Business case development
- Marketing and investment collateral
- Advocacy and lobbying to Government

We have been able to agree, or are in the process of agreeing, several pieces of commissioned activity from partners over the next 6-12 months, incorporating these service elements according to need. An emerging pipeline of 9 project areas are set out in Table 1 in Annex A, across the full strategic themes set out to the Board previously; net zero hydrogen, natural capital, regional identity, local economies and innovation.

2.1. Board Member involvement

Board Members are recommended to **agree** to the role and expectations for a named Board Sponsor for each regional project commission, as part of a value-added offer to partners. Board Sponsors are asked to dedicate a limited amount of time to the project in an advisory capacity, bringing general subject matter knowledge and commercial expertise. They will help to identify and maximise regional USP and commercial opportunity and constructively challenge project direction and progress. Appointments to the Board Sponsor role will be agreed upon with individual Board Members, as we negotiate our involvement on a project-by-project basis.

Board Sponsors are not expected to be involved in any technical or financial aspects of project development. Nor are they required to attend regular meetings with or act on behalf of the project team. This will minimise the demand on their time and the potential for any conflict of interest on specific projects. Should a particular conflict arise then it will be assessed and managed in accordance with our Conflicts of Interest policy.

2.2. Regional project funding

Investment Committee, at its September meeting, agreed on the establishment of a £1million regional projects seed fund. This will be allocated via a fresh call for applications, open to all partners and awarded via assessment against a set of published criteria.

The fund will provide successful projects with the resource to commission necessary expertise or capacity to prepare Full Business Cases (FBCs). Partners will be able to apply for awards from £20k up to £100k. The development of FBCs would enable regional projects to reach a ready position to apply for further public and private funds for delivery, as soon as they become available.

Should any further funding become available to the LEP, for example through 'clawback' of previously allocated Growth Funds, we may be able to offer a limited 'delivery fund' for regional projects. This would be subject to future consideration by the Investment Committee and available to partners with an FBC and subject to due diligence work.

2.3. Local Projects Support

In addition to regional projects, conversations have also identified a distinct appetite for swift LEP assistance in the delivery of local projects, as per our Business Plan objective to develop an effective proof of concept to support local authorities in their statutory role. We are already delivering two projects for Tandridge District Council; implementation of a new Community Infrastructure Levy (CIL) process and delivery of a cycle lane on the A22 (a project funded by Getting Building Fund).

We are involved in a number of positive negotiations with partners that we are hopeful will lead to our involvement in a suite of other local projects, including a site regeneration project on the coast, to provide a full options appraisal for the council, and development of several business cases for Government funded projects.

2.4 Income generation

The LEP is able to offer partners a full range of economic skills and expertise, established stakeholder relationships, understanding of the region and vested interest in its success. Alongside this is an excellent value for money offer, where our work is provided to an agreed brief and fee which allows us to recover staffing and any

associated costs (for example contracted technical specialism) on a company not for profit basis.

From our discussions to date, we estimate that a total value for a potential pipeline of commissioned activity on regional and local projects is in the order of £250,000, which by continued negotiation offers a sustainable income stream for the LEP.

2.4. Governance

As part of our ambitious Business Plan 2021-22, we are developing a new management and delivery culture within the team, reflected in our operating model. It is proposed that a new Programme Committee, formed of members of the Executive, is established. The committee will ensure robust and effective programme management and assurance for projects and programmes across the organisation

A full Terms of Reference (TOR) along with the key responsibilities for this Committee can be seen at Annex B. One of the main workstreams that will report into the Programme Committee will be the regional project's function, to include project delivery, consultancy work, and projects in development.

As outlined above at **2.2**, one of the early responsibilities of this Committee in relation to regional projects will be to agree the 'seed funding' call criteria, and to undertake a formal evaluation of all projects requesting seed funding, as agreed by the Investment Committee in September.

To ensure delivery of the full Business Plan 2021-22 is subject to appropriate scrutiny and strong processes, the Board are recommended to **approve** the formation of a new Programme Committee, together with its TOR, contained in Annex B.

3. Diversity Statement

The themes for regional projects have been defined to allow for a full range of place-based and sectoral opportunity across the region.

4. Legal Statement

We will review our Public Insurance Policy to reflect the new role for the LEP in providing advisory services to partners, for example on commercial property projects.

This paper has been subject to a legal review by the Accountable Body.

5. Finance Statement

Necessary steps have been taken via Investment Committee to align remaining Growth Funds to support regional projects, in an open and transparent manner.

Annexes:

Annex A - Regional Projects Prospective Commissions
Annex B - Programme Committee TOR

Annex A

Table 1: Regional projects prospective commissions

Project	Lead LA/organisation	Theme	Status
Crawley Innovation Centre	Crawley	Innovation	A formal fee proposal has been agreed to develop a new strategic case
Hydrogen Sussex business case development	Greater Brighton	Net zero – hydrogen & clean mobility	A formal fee proposal has been made
Accelerating green recovery	Surrey Wildlife Trust	Natural capital	A formal fee proposal has been made
Sussex Bay	Adur & Worthing Councils	Natural capital	A formal fee proposal has been made
Gatwick Northern Runway Proposals wider benefits	Gatwick Airport	Local economies	A formal fee proposal has been made
Sussex tourism and culture recovery	West Sussex, Arun, Brighton & Hove	Regional identity	Initial discussions taking place (not yet at proposal stage)
Inward investment/Creative industries	Greater Brighton	Regional identity	Initial discussions taking place (not yet at proposal stage)
Town centre regeneration: - Horley - Horsham - Lancing - Worthing	Surrey, Adur & Worthing, Horsham District Council	Local economies	Initial discussions taking place (not yet at proposal stage)
Regional Skills and Innovation Hub for AgriTech and Horticulture	Brinsbury College	Innovation	Initial discussions taking place (not yet at proposal stage)

Programme Committee - Terms of Reference

1. Purpose

The Programme Committee will act as a centre of excellence, and is responsible for providing oversight, monitoring and governance, through setting the standards, processes and expectations to support the successful delivery and management of projects and programmes. It is a forum where collaborative thinking, and information sharing takes place to include updates and monitoring, to help identify and address issues to support the achievement of organisational outcomes.

The Programme Committee will also have delegated authority to review the due diligence undertaken on regional projects by the Regional Projects Team, and recommend 'seed funding' awards of up to £100k for approval by the CE, for the development of Full Business Cases, within the financial mandate as set by the Investment Committee.

2. Accountability

The Programme Committee is a formal Executive Committee that is accountable to the Board through the Chief Executive, and will report in to the Board under a delegated mandate. The Programme Committee will operate in line with the scheme of delegation.

3. Responsibilities

The responsibilities of the Programme Committee are to:

- Establish processes, tools and resources to support project delivery and enable sufficient project monitoring and reporting to the Programme Committee.
- Receive updates on projects and programmes across the organisation throughout the different various stages (Planning, Delivery, Closure).
- To work collaboratively to maximise value through providing advice and guidance on best practise, to current or prospect projects and programmes.
- Help to develop and define KPI's, that can be monitored by the Programme Committee.
- To address or escalate key risks, issues or deviations from planned projects or programme milestones, working to resolve these where possible.
- Help to establish and set up Governance to include prioritisation & processes for future funding allocation and/or calls for projects.
- Identify and set agenda items for Board and sub-committee meetings.
- Capture information and findings that can be communicated internally across the wider organisation, and externally with key stakeholders.
- Help coordinate and optimise the allocation of resources towards projects and programmes.
- Agree 'seed funding' allocations towards business case development for regional projects.

- Provide a centralised point of reference for management practise; ensuring consistency and uniformity for controls, monitoring and delivery of projects and programmes.

4. Membership

Membership of the Programme Committee is approved by the Head of Programmes & Risk, and includes:

- Chief Executive
- Head of Programmes & Risk (Chair)
- Head of Regional Projects
- Head of Business Engagement
- Head of Labour Market, Skills and Innovation
- Head of Investments
- Head of Finance
- Communications Lead
- and any other LEP staff member as invited by the Chair of the Programme Committee to update on specific projects/programmes.

External guests may be invited to attend meetings by the Chair of the Programme Committee, to include: the Accountable Body, Government representation, key stakeholders or consultants.

The term of office of members of the Programme Committee is continuous with their individual employment term of office.

5. Quorum

No decisions shall be taken at any meeting of the Programme Committee unless at least 4 of the members are present.

6. Decision Making

Decision making will be by majority vote.

7. Frequency of meetings

The Programme Committee will meet once every 6 weeks.

8. Conflicts of Interest

Members of the Programme Committee are subject to the Coast to Capital Conflicts of Interest Policy as set out in the Assurance Framework. Committee meetings will operate in line with this policy.

9. Transparency

This is an executive management committee that is not held in the public domain. Action and decision points are recorded but not publicly published. Board members have full access to these on request.

10. Sub Groups

The Programme Committee may establish such Working Groups and Task and Finish Groups as it deems necessary.

11. Duty to Collaborate

The Programme Committee recognises that there will some cross over in objectives and activities with other Committees, in particular the Executive Committee, Finance and Resources Committee, Investment Committee and the Audit and Risk Committee and will have due regard for this and the need to collaborate.