

Coast to Capital

Board Meeting 56

Thursday 28 April 2022

Zoom

Meeting Minutes

Board Members:

Julie Kapsalis (JK) – Chair; Anthony Middleton (AM) Mark Brunt (MB); Richard Hopkins (RH); Shaun Gunner (SG); Amanda Jones (AJ); David Joy (DJ); Jane Longmore (JL); Claire Mason (CM); Karen Dukes (KD); Phelim Mac Cafferty (PMC); Jamie Arnell (JA),

Apologies are noted from; Rosaleen Liard, Frances Rutter, Paul Marshall, Natalie Bramhall, Carli Foster and Cali Gasson and Clare Mulholland.

Other attendees:

- Nigel Manvell (NM); Wendy Mc-Rae Smith (WMS);
- Nicholas Darwin (ND); Kirsten Trussell (KT); David Smith (DS); Hannah Gosling (HG) – Coast to Capital
- Martin Harris (MH)Mark Valleley (MV) – Guests
- Adam Szcsotka (AS) – Government Representative.

Part A items will be published. Part B items will also be published unless specified otherwise.

1. Introduction

1a. Welcome and apologies

JK welcomed Board members to the 56th Coast to Capital Board meeting.

JK thanked Surrey Wildlife Trust for their hospitality in the use of their venue for this meeting. JK stated that SG, PMC, JL, WMS, KT and JA would be attending by zoom.

JK welcomed MH as a guest at this meeting. The Board acknowledged Martin's term as a Board member ended on the 31st March, but he would be attending today as a guest. JK also welcomed AS and MV as guests at the meeting.

1b. Public Comments

There were no public comments.

1c. Minutes of the January Meeting and Matters Arising documents

The minutes of the January 2022 Board meeting were approved by the Board.

AM stated that all matters arising are closed or are to be addressed at the meeting.

1d. Declarations, Disclosures & Conflicts of Interest

JK confirmed all conflicts of interest are updated and the Conflicts of Interest statement was stated to the Board.

AM stated the Conflicts of interest identified for the meeting and that:

- At Item 3, there would be a conflict on the proposed vote for certain recommendations. All Local Authority leaders could not vote on this recommendation but would not be asked to leave the meeting.
- At Item 7, both Jamie Arnell and Karen Dukes would be conflicted for the vote on the extension of their Board terms and Vice-Chair appointment respectively. They would not take part in the vote and be asked to leave the meeting.

2. Transport for the South East (TFSE) Presentation

MV presented the TFSE Strategic Investment Plan (SIP) for the South East. MV outlined the area TFSE are covering in the SIP and the extensive mapping of routes and transport lines in the region. MV outlined the benefits of having such a strategy, with economic growth, reliable network operation, sustainable transport use for the environment and reacting to new commuter habits after the pandemic. MV stated how the SIP would work in conjunction with Government policies such as levelling up and carbon Net-Zero targets. The focus was how the SIP has sustainability as a key pillar and focuses on how to reduce carbon emissions across the transport network. MV closed by illustrating how the SIP will work with local partners and displayed the timeline for approval of this strategy.

The board commended TFSE on the scale and ambition of the SIP. The Board questioned how the SIP would develop past the final date in the timeline (March 2023), to which MV answered that this would be submitted to Government for an evaluation on what funding can be provided to enact the strategy.

The Board asked what aspects of our transport network we should have prioritised ten years ago, to identify areas missed. MV answered that more investment in public transport would have been key to improving our current transport framework. The role of the LEP in supporting this SIP was discussed to which MV confirmed there would be an opportunity for consultation on the SIP with the Board and he looked forward to the LEP's endorsement once the SIP was finalised. MH asked how best the LEP can engage with TFSE going forward and stressed the need for a strong relationship. MV

noted the consultation would provide Coast to Capital (C2C) with an opportunity to work with the TFSE and also mentioned the desire for a strong working relationship.

The Board then queried what stakeholder engagement was considered as part of this development to which MV outlined the work of TFSE in working with local partners. MB asked how the SIP can approach such a large area and MV pointed towards the extensive mapping that was undertaken as part of the SIP. MB asked how the SIP can face the challenges in a local area when the SIP had such a wide remit, MV acknowledged the difficulties in addressing various challenges. MV noted how a holistic approach to the implementation of the SIP is needed to face the variety of challenges in the region.

CM asked about the innovations in the strategy and MV noted the vast work facing the decarbonisation challenge and how to build sustainably. JA asked how the electrification of the grid and power sources could be a solution to this, and how far away we are from implementing those changes. MV agreed this was important but was only a part of the solution to these challenges, he also noted the TFSE was developing a workstream for this subject of electrical energy.

MV closed by thanking MH for all his work with TFSE over the years. JK also thanked MH for his seven years of exceptional service on the Board and for the hard work and dedication given to C2C. AM then thanked MH for his support as a board member on behalf of the Executive team.

MV and MH left the meeting.

3. 2022/23 Budget Proposal

AM presented the Budget proposal for 2022/23. AM started by noting the funding commitment received from Government with the mandate to continue operating. This would be alongside the county deals proposed to upper-tier authorities as part of Government's devolution strategy. AM outlined how C2C will work with Local Authorities on their proposed county deals. AM then outlined how the funding that has been confirmed would be implemented into the business, noting the reductions in funding by 50% for the Growth Hub and 25% in Core Funding. AM also gave an update on the financial status of C2C, noting the significant savings made across the year and how this strengthens the LEP's position.

AM then proposed a balanced budget to the Board, noting the difference in the ask of funding to Local Authorities (LA). The Board asked whether there would be different services provided due to the change in funding, to which AM confirmed that it would be difficult to maintain services at the current levels with the reduction from Government. The Board acknowledged that reductions in funding would not be proportional to service levels going forward.

The Board then asked how the current levels of LA funding contributions were reached, to which AM reassured the Board that the CEOs of these authorities were consulted before this budget was proposed. The Board pushed further on this issue to ensure the funding contributions were fair and proportionate to which AM highlighted the significant reductions in funding contributions in the proposal.

Enquiries were made as to how this budget fits into the business plan and if there were any income streams to build reserves or ask for greater funding to build the future position of C2C. AM stated that funding asks could not be increased but that the consultancy work in addition to this budget would put C2C in a strong financial position. RH built on this point, highlighting how this budget was a change from previous years and represented a cultural shift for C2C and its partners. RH stated the budget acknowledges Coast to Capital as a going concern, which was a top risk for the business.

The Board acknowledged that income and expenditure had been managed well over the financial year and that the lack of communication from Government had caused difficulty in operating C2C. Concerns were raised over the proposed integration of services from a devolution deal and the vulnerabilities of the C2C operating model going forward. JK noted that a strategy day would be held for the Board to plan for these scenarios. JK also highlighted how C2C needs to manage its relationships with LAs and other LEPs to ensure the best outcome for the region, especially in light of the upcoming devolution policy and county deals with upper-tier authorities.

The Board discussed the proposed staff pay increase and underlined the need to focus on staff retention. AM noted that staff have been consulted and the proposed increase was received positively. AM suggested that staff pay and development be covered on the strategy day. RH also noted the limitations of this budget only covering one financial year, and that pay packages could increase in the next few years.

Board members noted the need for strong communication with Government on the benefits of C2Cs work in the region. Convincing ministers of the relevance of our work should mean C2C can avoid this situation again. The Government's levelling up policies and a lack of focus on the South-East of England would also present challenges to C2C with LAs facing low funding in the coming years.

The Board moved the vote on the recommendations listed in the paper. The Board discussed how best to use the available reserves within the budget. RH did state that the preference was to use the reserves for strategic purposes to build revenue, rather than cover a shortfall in the budget. The Board also noted the desire to utilise the reserves rather than hand them back to Government, as these were generated from C2C's commercial activities.

Recommendations:

1. To approve the presented balanced budget for the financial year 2022/23.
2. To agree a reduction in the Upper Tier LA contribution request, to mirror Government's core funding reduction of 25%. This is also in line with Government's stipulation for match funding.
3. To agree that Districts and Borough authorities are asked to contribute at the same levels as in 2021/22.
4. To agree a cost-of-living allowance of 2% backdated to 1st April 2022.

5. To acknowledge that C2C continues to be a going concern (subject to LA contributions) until March 31st 2023. This will be reviewed at every C2C Board meeting
6. To agree in the event of any changes to the budgeted LA contributions (£295k) that the shortfall less any further savings that can be identified is recovered from reserves.

The Board agreed to the proposed recommendations after the proposed amendments were made following discussion by the Board. The Board also acknowledged that the review of C2C finances would be an item at the next meeting.

4. Finance Year-End Update

DS began by thanking Carli Foster for her hard work in the last few months, noting she was on maternity leave and that he was heading up the Finance function. DS noted the balanced budget this year. DS stated a £177k surplus achieved through savings throughout the year, notably in staff costs, Accountable body costs and closure of the office. DS explained the remedial work on figures from the budget throughout the year, affecting how this year's budget was achieved.

The Board noted this update.

5. Assurance Framework Updates

HG outlined how the proposed Assurance Framework changes have been recommended by the Audit and Risk Committee. HG stated that the Local Assurance Framework (LAF) is still compliant with the National Assurance Framework (NAF) but that these changes bring the LAF closer to the NAF. AJ noted how the current Internal Audit plan would, in addition to the LAF, help C2C's governance. RH commented that the addition in the number of Co-opted directors would be useful to increase the Finance and Resource's Committee membership.

HG noted that a further update to the Assurance Framework will be developed later in the year in accordance with any changes to the NAF and to further incorporate the LEP mandate from Government and the Levelling Up agenda. The Board approved the changes currently made to the LAF. AM noted to the Board that training will be offered to directors later this year for their director responsibilities.

6. Delivery

6a. Consent paper

The paper was to be taken as noted by the Board and the Board was asked for questions to be raised.

KD began by asking for an update on the Crawley Innovation Centre to which DS reassured the Board that the funding agreement to pursue the project has been

signed. DJ then gave an update to the Board on the work of the Investment Committee on other high-risk projects. PMC updated the committee on developments with the Blackrock project, highlighting the progress that has been made. MB queried when the discussion around the spending of returned LGF funds would be addressed and DJ confirmed this would be at the June Investment Committee meeting.

6b. Growing Places Fund (GPF) Update

The paper was to be taken as noted by the Board and the Board was asked for questions to be raised.

DS updated the Board that the University of Sussex has pulled out of the Block J project.

7. Executive Report

7a. Executive Report

AM opened with the vote on the approvals listed in the paper. It was approved that:

- Jamie Arnell is re-appointed for a second three-year term to the Coast to Capital Board.
- Karen Dukes is formally appointed as Vice-Chair of the Coast to Capital Board.

Both JA and KD were thanked for their ongoing commitment and work for C2C.

AM highlighted the results of C2C's Annual Performance Review with Government and drew attention to the unclassified rating on its delivery, as this was the only section C2C had not been rated on. AM assured the Board that this would be queried with Government as the LEP has made all efforts to meet the targets outlined whilst acting as responsible and diligent in this process. The Board agreed as they attested to careful measures to ensure all funding had the maximum effect in the region and had not been released early for the sake of expediting payment of funding to delivery partners.

The Board took the remainder of the paper as noted.

7b. Chair's Report

This paper was noted by the Board.

7c. Committees' Report

The paper was taken as noted by the Board. JK opened the item to the Chairs of the Sub-Committees to discuss any issues from the perspectives of their Committees.

KD highlighted how the Board is to discuss the use of residual GPF monies. It was agreed that this would be discussed at the next meeting. AJ raised that Committee attendance could be improved and the Board agreed this was a vital part of their directorial responsibilities and would be addressed.

8. Reflections and Close

8a. AOB

There was no further business raised.

JK thanked the Board for their participation and the C2C team for their hard work in the preparation and delivery of the Board meeting.

AM further thanked the Board and the team for their hard work and commitment during this transitional time for the LEP.

The Board thanked the staff and CEO for their hard work.

8b. Future Meeting

The next Board meeting is confirmed to take place on the 7th of July 2022.

Unconfirmed minutes – to be approved at the next Board meeting.

Coast to Capital

Reference: Coast to Capital Board Meeting
Date: Tuesday 05 July 2022
Report Title: Matters Arising Schedule
Report by: Nick Darwin
Item No: 1c

Meeting Reference	Action	Lead	Status
1. April 2022 Meeting (Item 2)	Invitation to formal consultation to TFSE Strategic Implementation Plan to be accepted.	AM/JK	Closed. Invite to be accepted once extended.
2. April 2022 meeting (Item 2)	Slides from TFSE presentation to be circulated.	ND	Closed.
3. April 2022 Meeting (Item 3)	Board Strategy day to be held.	AM/ND	Closed. Strategy day to be held.
4. April 2022 Meeting (Item 3)	Review of Coast to Capital being a going concern.	AM/JK	Closed. To be addressed at future board meetings.
5. April 2022 Meeting (Item 5)	New Version of Local Assurance Framework to be implemented.	ND	Closed. Can be found on website.
6. April 2022 Meeting (Item 5)	Refresher training for Board directors to be scheduled later in the year.	AM/ND	Closed. Discussions with training provider are being had.
7. April 2022 Meeting (Item 7)	Use of residual monies to be discussed by Board.	AM/JK /KD	Closed. Addressed at meeting and strategy session.
8. April 2022 Meeting (Item 7)	Discussion with Government over not met rating for delivery of funding.	AM/DS	Closed. Discussion held with Government.

Coast to Capital

Reference: Coast to Capital Board Meeting
Date: 05 July 2022
Report Title: Conflicts of Interest Statement
Item No: 1d
Part: A

Should any Member or employee consider themselves or another present to have a conflict of interest, this must be declared at this point. Should you become aware of an interest during the course of the meeting, this shall be declared at that point within the meeting. Any interests not already on the register need to be included in an updated register within 28 days of you becoming aware of the interest.