

**Meeting Minutes  
Coast to Capital Investment Committee  
Friday 21<sup>st</sup> June 2019  
Crawley Borough Council Offices**

**Voting Board Members:**

Julie Kapsalis (JK) – Interim Chair of the Investment Committee;  
Jonathan Sharrock (JS); Phil Jones (PJ); Colin Kemp (CK); Dan Yates (DY); Jamie Arnell (JA);  
Manju Shahul-Hameed (MSH)

**Board Members in attendance**

Karen Dukes (KD)

**Officers in Support**

Anthony Middleton (AM); Cali Gasson (CG); Taygan Paxton (TP); Hannah Gosling (HG);  
– Coast to Capital

Carli Foster (CF) – Accountable Body

**Governance Advisors**

Cath Goodall (CaG) – BEIS; Lisa Taylor (LT)- Accountable Body; Peter Duggan (PD) – DfT

**Apologies**

Martin Harris  
Tony Newman  
Louise Goldsmith  
Mike La Rooy  
Sean Murphy – Accountable Body

## **1. Open, Welcome, Introductions and Conflicts of Interest**

- 1.1. Welcome, introductions and apologies were made. The Chair of the Committee gave a brief overview of the purpose of the meeting.
- 1.2. The Chair read out the Conflicts of Interest statements to which, three members of the Committee expressed conflicts as below;
- 1.3. DY agreed to exit the room during any discussion related to the Valley Gardens scheme, due to his role as Councillor for Brighton and Hove City Council.
- 1.4. KD voiced her personal conflict with the Horley Business Park scheme and confirmed she would be happy to exit the room during this discussion.
- 1.5. CK also stated his conflict with the Horley Business Park scheme as the Leader for Surrey County Council and due to the collaboration between Surrey County Council and Reigate & Banstead Borough Council. It was agreed he would exit this room whilst the discussion took place.

## **2. Minutes of the March 2019 Meeting**

- 2.1. It was agreed that the minutes of the previous meeting were a true representation of the March 2019 Investment Committee meeting.

## **3. A29 Re-alignment**

- 3.1. A brief overview of the project including the need for Investment Committee members to review the business case that had come forward for full approval. This would be sent via a consent paper to the Board due to its £2million threshold of the Investment Committee.
- 3.2. The A29 Re-alignment scheme has a remaining earmarked LGF allocation of £12.3million, as part of the 2014 Strategic Economic Plan, WSCC has now submitted the Full Business Case, and for this reason, Coast to Capital has completed a number of appraisals to ensure the business case is robust, and that the scheme is deliverable.
- 3.3. The committee were reminded of the high level of strategic importance of the scheme, delivering and unlocking a huge volume of housing. The project had been split into 2 phases to which, the second phase is still in early stages of development.

*West Sussex County Council (WSCC) entered room*

- 3.4. The Committee were provided with a presentation of the scheme by WSCC, followed by a short Q+A session. It was highlighted that the main focus of improvements consisted of the unlocking of housing, employment opportunities and improvement to the local transport network. The scheme would be delivered in two phases.
- 3.5. The project would also help facilitate the delivery of over 4,000 housing units. WSCC had committed to securing funding to support the design and progress the tender process through. Due to the restrictions of the Local Growth Funding parliamentary spending deadline, WSCC had chosen to develop the scheme over two phases.
- 3.6. WSCC confirmed that they have good control over the land required for Phase 1 of the scheme, whilst starting the planning process with the developer. The contract had been out to tender to design and build the scheme, with good progress being made.

*WSCC left the room*

- 3.7. There was some uncertainty around Phase 1 of the scheme, with a difficulty to assess the funding timescale and planning of Phase 2. There were also queries around whether phase 1 can stack up on its own as a project. It was suggested to gather a clear statement from WSCC for the volume of investment needed for Phase 1 and the delivery of housing and outputs for both phases. This would allow the Committee to consider supporting Phase 1, with a need to re-evaluate Phase 2 again. Therefore it was decided a formal letter would be sent to WSCC with key questions that need answering.

*Action: Coast to Capital to send a formal letter to WSCC detailing the key questions needed for Committee members to make a recommendation for the next Investment Committee on 15 July.*

*Action: WSCC to send presentation slides and response to the letter they receive from Coast to Capital.*

## 4. High Risk Report

- 4.1. A brief overview of the High Risk Report was given. It was proposed that the focus of this agenda item would be to discuss and agree the latest risk assessment with RAG ratings for each of the 'high risk' projects. An updated report would be presented to the July Board with recommendations once confirmed.

## 5. (a) Horley Business Case

*KD and CK left the room. CK entered back in the room to present the project to the Investment Committee. Along with Mark Brunt and Simon Bland*

- 5.1. A a brief overview of the scheme was given. The Investment Committee had previously asked Reigate and Banstead, to ensure a commitment to spend the LGF allocation before March 2020/21 is sought. It was recommended that the project should continue under 'close monitoring' subject to the presentation given. It was also noted that a

decision was needed as to whether a funding agreement could now be conducted to release the outstanding £2.83 million that is currently earmarked for this scheme.

**5.2.** Reigate and Banstead Borough Council, jointly with Surrey County Council gave a presentation to the Committee, followed by a Q+A session. An overall update of the scheme outlined that conversations between both parties had been progressing the scheme further, with the commitments to spend LGF allocation by March 2020/21. There had also been wider discussions with partners such as Gatwick Airport Ltd and Surrey County Council strategic transport team. Upcoming meetings had been secured to discuss plans with key stakeholders such as Highways England.

**5.3.** The Q+A began regarding land assembly risks that could interrupt the initial progress.

*Reigate & Banstead Borough Council and CK left room*

**5.4.** Investment Committee members had all agreed that the presentation was satisfactory, and had given confidence that the full LGF allocation would be spent within LEP timelines. In light of this it was agreed that the project could continue under 'close monitoring', until further updates were shared around discussions with Gatwick and key stakeholders have taken place. This does mean that a formal funding agreement can now be drawn up for the remaining approved funding of £2.83million.

*Action: Coast to Capital to issue a formal funding agreement, drawing up the remaining approved funding.*

*KD and CK returned to the meeting.*

## **5. (b) Gatwick Railway Station**

**5.1** An introduction to the scheme was given. The Gatwick Railway Station scheme had received Board approval in principal subject to various other approvals that were required for the scheme to continue. The project had recently received approvals meaning the scheme can progress with delivery.

*Network Rail and DfT Applicants enter room*

**5.2** A presentation was given to the members of the Committee, to include an update regarding the recent approvals and revised delivery timescales. Throughout the process, the LEP had been informed of delays, particularly the rail industry timetabling issues. Subject to the successful outcome of full approval, a contract with developer can be put in place, allowing the commencement of the detailed design.

**5.3** The Q+A session started with questions around the Gatwick Airport Ltd contribution. .

*Network Rail and DfT Applicants left the room*

- 5.4 Investment Committee members had agreed that a funding agreement could be issued for the full £10million. It was asked that a specific condition needs to be included to ensure that Coast to Capital would receive a percentage of funds back should there be any underspend on the project.

*Action: Coast to Capital to issue a funding agreement with a specific condition to be included circulating around a need to receive any under spend back.*

## 6. Blackrock (High Risk report)

- 6.1 It was explained that there had been no changes since the last Investment Committee. The majority of LGF funding had been drawn down, with current progression on making the site viable by doing de-contamination and remediation works.

*Secretary Note: This item was to be discussed fully within the September 2019 Investment Committee following the Audit Review report.*

## 7. Valley Gardens Phase 3 (High risk report)

*DY left the room.*

- 7.1 A brief overview of the scheme was given. BHCC have agreed to enter into an Alternative Dispute Resolution (ADR) process with the Valley Gardens forum in the hope to iron out the challenges that the forum could see. No action had been required from the Investment Committee but to note that Coast to Capital will not be issuing a funding agreement until the ADR process was concluded. The Investment Committee agreed continued monitoring of the scheme and a formal update from the Delivery Body to be given to the Investment Committee.

*DY entered back into the room*

*Secretary Note: Valley Gardens Phase 3 was to be an agenda item at an upcoming Investment Committee, or via correspondence.*

8. **Horizon Scanning** – The Investment Committee noted projects that are currently delivering, but have the potential to be ‘high risk’ and therefore need to stay on the LEPs radar.

## 9. Claire & James House

- 9.1 A brief explanation of the scheme and background was shared with the Investment Committee. The scheme had been awarded and spent £1.625 million of LGF funding to acquire the Claire and James sites within the financial year of 2015/16 however, there has now been a significant change in scope. This change of scope and outcomes had initially been discovered following a project site visit, and further Audit Review conducted by Coast to Capital’s internal Auditor.

**9.2** Investment Committee members received a presentation, followed by a Q+A session.

**9.3** The Committee felt that the change in outputs/project scope was significant and was highly concerning. For this reason, it was felt that further clarity and confirmation was required from the Delivery Body before any formal decision can be made. It was agreed that the CEO of Coast to Capital will have a discussion with the CEO of MVDC and ask for a formal written letter outlining the changes as a matter of urgency. In addition to this CK agreed to have a discussion with the Leader of MVDC around the risk of changing the outputs as per the funding agreement. It is expected that the Investment Committee will receive an update recommendation from the CEO at the 15<sup>th</sup> July meeting following correspondence with the Delivery Body.

*Action: the CEO of Coast to Capital to call the CEO of MVDC and ask for a formal written letter outlining the changes as a priority.*

## **9. A2300**

**9.1** An introduction to the scheme was given. The overall recommendation had been to approve the A2300 draft full business case that had been submitted including the £17million of LGF funding that is retained by the Department for Transport. There had been a strong confidence that the scheme would be delivered in time. The Committee agreed that the scheme and draft FBC was satisfactory, with the recommendation to the full Board to approve the scheme.

## **10 AOB**

**To Note** – It was highlighted that project audit reviews are conducted internally by the LEP auditor, and that they were available upon request.

*Secretary Note: Add audit reviews to the online portal for all Committee members to review going forward.*

**END.**