

**Coast to Capital Investment Committee  
Fairfield Halls, Croydon  
Thursday 19<sup>th</sup> December 2019, 1:00pm – 5:00pm**

**Meeting Minutes**

**Attendees:**

**Acting Chair**

Julie Kapsalis – Board Member (JK);

**Voting Members**

Jonathan Sharrock (JS); Colin Kemp (CK); Karen Dukes (KD); Mike La Rooy (MLR);  
Manju Shahul-Hameed (MSH); Bob Lanzer (BL);

**Officers in Support**

Anthony Middleton (AM); Cali Gasson (CG); Taygan Paxton (TP); Hannah Gosling  
(HG);

– Coast to Capital

Kate Edwards (KE) – Accountable Body

**Governance Advisors**

Ian Geary (IG) – Accountable Body

Cath Goodall (CGo) - BEIS

**Apologies**

Jamie Arnell  
Daniel Yates  
Nancy Platts  
Martin Harris  
Frances Rutter  
Amanda Jones  
Adam Tickell  
Lisa Taylor

## **1. Open, Welcome and Introductions**

1.1 Welcome, introductions and apologies were made. The Chair of the Committee gave a brief overview of the purpose of the meeting.

## **2. Conflicts of Interest**

2.1 The Chair read out the Conflicts of Interest statement to which, three members of the Committee expressed conflicts of interest as below;

2.2 CK expressed a conflict of interest with the Unlocking Housing in North Tandridge scheme due to his role as Leader for Surrey County Council. It was agreed that CK would remain in the room to enable his input into the scheme's progression and if there was to be any discussion around decision making then CK would leave the room.

2.3 BL expressed a conflict of interest with the New Monks Farm project due to his role with West Sussex County Council. It was confirmed that BL would remain in the room during any discussion related to the New Monks Farm and if there was to be any discussion around decision making then BL agreed to leave the room.

2.4 MSH declared a conflict with the Fiveways Croydon scheme due to her deputy role at Croydon Council. It was also agreed that MSH would remain in the room and if there was to be any discussion around decision making then MSH agreed to leave the room.

2.5 CG expressed a trivial conflict with Plumpton College.

## **3. Minutes of the Previous September Meetings**

3.1 The Investment Committee **agreed** that the September minutes were a true representation of the meeting.

## **4. High Risk Report**

4.1 CG gave an introduction to the High Risk report where the following projects were flagged as 'High Risk' due to the reasons stated below;

### **Unlocking Housing in North Tandridge**

4.2 CG gave an introduction to the scheme. The Committee was made aware that a funding agreement had been in development with Surrey County Council (SCC), for the joint project with Tandridge District Council (TDC) in 2018/19 financial year, with the Delivery Body due to draw down the full

£4.9million. This has been delayed by TDC as the conservative majority was lost, and the council had moved into a hung political leadership.

**4.3** Surrey County Council confirmed their full support for the project and that they are working closely with Tandridge Council to deliver it.

**4.4** TDC have now confirmed their commitment to the delivery of the original business case outputs and have sent a letter to Coast to Capital to confirm this. As there is no contractual control over this, it was recommended that a pre-condition is included into the Surrey County Council Funding Agreement stating a claw back provision to ensure the outputs are met and Surrey County Council will need to mitigate this risk with TDC. Additionally, SCC also confirmed their commitment to delivering the recycling centre, and confirmed that the recycling centres could be delivered without having to run through the TDC planning process. It was confirmed that the project delivery will be led by SCC with the focus on the relocation of the two community recycling centres to Godstone in order also to support the proposed new Garden Village development in Godstone.

**4.5** Coast to Capital are now awaiting a new revised funding profile from SCC, and it is likely that the majority of the funding will not be physically spent until late 2019/20. Therefore it was recommended to the Investment Committee to release flexibility funding to ensure the full LGF allocation is released as per the accrual, with expenditure reporting forecast by March 2021.

**4.6** Concerns were shared by members of the Committee to ensure the levers were in place to support the scheme's delivery, with inherent delivery risk. A strong focus was needed to mitigating any potential risk, with an option to add a contractual condition with SCC within the Funding Agreement. It was confirmed that one contract solely with Surrey County Council was made, with a tight delivery focus.

**4.6** The Committee **agreed** to award the scheme with an **AMBER/RED** rating.

*Action – HG to work with SCC to get Funding Agreement in place and work with the Accountable Body on the pre-condition.*

### Valley Gardens Phase 3

**5.1** CG gave an introduction to the scheme. The Investment team had recommended that the RAG rating remains as **AMBER/RED**, due to the following reasons;

**5.2** After due-diligence, the Coast to Capital Board had previously approved the project and its funding at its October 2019 meeting. A funding agreement

is currently being drafted with BHCC. There have been lengthy delays in getting relevant approvals, the scheme is almost a year behind schedule, and therefore funding was said to be severely at risk. BHCC had informed the LEP that delays will likely result in a project underspend by March 2021.

**5.3** As the delays were declared through no fault of BHCC's own, and were subject to various representations, it was recommended that flexibility funding or funding re-profile is approved, to ensure no further delays are caused to the scheme.

**5.4** The Committee **agreed** that flexibility could be reported post 20/21 due to exceptional circumstances approved by the Committee. It was **agreed** delegated authority to the Chief Executive (JS) to finalise the required flexibility funding or re-profiling to the project therefore, the project risk rating was agreed to drop to **AMBER**.

*Action – Investment Team to work with BHCC to get the funding profile / funding agreement in place.*

## **Fiveways Croydon**

**6.1** CG gave an introduction to the scheme. The project had been recommended to the Committee with a RAG rating of **AMBER/RED** by the Investments team, due to the following reasons;

**6.2** Transport for London (TfL) had been awarded an LGF allocation of £3.25million in 17/18, where to date they have spent £1.69million. In November 2019, the LEP were informed that TfL are having an internal review of their strategy in early January 2020 and that this could lead to implications for the Fiveways scheme, by potentially delaying or stopping it for a prolonged period of time. A stop of the reporting of quarterly claims was made by the Investments team at Coast to Capital to ensure any LGF monies was not being spent, avoiding any potential claw back issues.

**6.3** If the potential to delay or stop the scheme for a prolonged period of time was agreed at any stage, then the funding already spent would be re-payable and the remaining monies unspent would need to be clawed back and re-allocated. Coast to Capital had been due a formal update in January where a decision would be made, and for this reason, the project would be rated as high risk until further information was provided.

**6.4** The Committee were made aware, that a strong pipeline of 20 schemes had been in place through the New Call for Bids in 2019 and therefore re-allocation of monies would not be a risk.

**6.5** The Committee **agreed** the RAG rating of **AMBER/RED** with the recommendation to write a letter to TfL to outline the need for a solid update of the schemes progression by January 2020. The letter would include a

recommendation to the Coast to Capital Board to make a formal decision to potentially withdraw the funding from the scheme if the issues had continued. It was **agreed** to communicate to the pipeline projects the potential to award funding, with the top three pipeline schemes in mind as a priority.

*Action - An email update to the Investment Committee would be made regarding TfL's update which was due to be communicated in January 2020.*

*Action – Coast to Capital to formally write to TfL to outline the need for an update on the scheme by January 2020.*

*Action – Investment team should reach out to the existing pipeline projects to see if they are still viable and ready to deliver if funding becomes available.*

#### **4b) Blackrock & Royal Pavilion**

##### **Blackrock**

*Brighton & Hove City Council representatives; Max Woodford, Nick Hibberd, Katherine Pearce and Richard Davies entered the room.*

**4.b.1** The applicants provided a formal presentation to the Committee followed by a Q+A session as per the below;

**4.b.2** It was explained that a number of factors had steered the project and its delivery down a slightly different route. The factors included Aberdeen Standard Investments acquiring a key site in the centre of Brighton, and the declining changes in retail demand.

**4.b.3** The main change from the original Business Case had been the location of the conference centre from the Blackrock site to the City Centre. The Committee were made aware that BHCC had planned and were currently consulting on carrying out enabling works/ remediation at the Blackrock site, where this would make the site viable in the long term with potential housing developments, and in the short term to use the site for temporary leisure uses.

**4.b.4** As part of the new plans to develop an 8-10,000 seat conference venue, this had now been planned to be located in the heart of the city, having much better access to transport links, retail, and leisure provision. The development would require the removal of 1,000 parking spaces which BHCC confirmed was a political commitment as part of their carbon agenda. Although the change in location would not impact on the overall outputs set out in the original business case, Committee members were uncertain around the links between the two sites, and also shared concerns around the reduced parking. The scheme had been slightly behind on programme delivery due to these changes, but it was made clear to the Committee that they had been confident that the majority if not all of the LGF would be spent by March 2021.

**4.b.5** Therefore, the Investment Committee **agreed** that the risk rating would remain at **AMBER/RED** until a further update was given.

***Action** - The Investment Team should work with BHCC and report back to the Committee with a new Value for Money Assessment against the revised outputs. This would also include clarification around LGF spend profile, what extent funding is being used to remediate the site at Blackrock, and the link between the Blackrock Site works and the wider Waterfront site (conference centre). The Committee will then consider the nature and impact of any changes to the original scheme's contractual outputs and in doing so, whether any terms of the funding agreement will not be met and any consequent action to be taken accordingly.*

## **Royal Pavilion**

**4.b.6** An update of Royal Pavilion was given by BHCC. All Committee members were happy with the update and commended the project.

*Applicants left room*

## **4d) New Marks Farm & Decoy Farm**

### **Decoy Farm**

**4.d.1** CG gave an introduction to the scheme. It was said that the scheme was approved at the December 2018 Investment Committee. LGF draw-down was expected to start this year, and once the remediation works were complete, Worthing Borough Council would look to develop the rest of the site.

**4.d.2** The Committee were made aware that there had been some delays to the scheme, where it was likely that the in-year spend targets could not be hit and funding may need to be re-profiled.

*Adur & Worthing Councils (AWC) representatives; Cian Cronin and James Appleton entered the room.*

**4.d.3** The applicants provided a formal presentation to the Committee followed by a Q+A session as per the below;

**4.d.4** Concerns were raised concerning the spend profile which had been presented to the Committee with LGF spend past the March 20/21 deadline. It was made clear by AM that consistent messaging to all Delivery Bodies had been made that LGF spend past the Government timeline of March 20/21 was not permitted. The Committee were informed by the Delivery Body that if the scheme suffered withdrawal of funding, that the scheme would no longer be

viable however, options to take more speculative approach on a re-profile of the funding could be made for what the Delivery Body could facilitate.

**4.d.5** The level of interest for local businesses for the site had been strong. Preparation works to cap the site had been imminent where concerns stood as an effective way of spending public money.

**4.d.6** It was agreed that outputs for the scheme would stay the same although the problem to deliver and spend within the LEP time were the key concerning issues.

**4.d.7** Committee members agreed that there had been a fundamental issue with this area of the scheme. It was asked the Council to swiftly report back to the Coast to Capital Investment team with a revised spend profile within the set deadlines, including a consideration to review outputs and a need to be considered again, by mid Jan 2020.

*The applicants left the room.*

**4.d.8** The Committee members agreed a deadline for the Delivery Body to provide Coast to Capital Investment team members with a re-profiling of spend by W/C 13<sup>th</sup> January which would be shared with the Investment Committee. It was **agreed** by all to send an invitation to Worthing Borough Council to withdraw from the scheme. If this had not been accepted and/or the Council were unable to acceptably re-profile, then, the Coast to Capital Board would follow the withdrawal process due to the spend issues relayed in the meeting.

*Action - JS would discuss with the Chief Executive of the Council.*

*Action – The Investment team to reach out to the pipeline projects to see if they are still viable and ready to deliver if funding becomes available.*

## **New Monks Farm**

**4.d.9** The applicant provided a short presentation to the Committee followed by a Q+A session as per the below;

**5.d.0** It was confirmed that all negotiations had been completed and the scheme were expecting granted Planning permission by mid-January 2020. The project had currently anticipated underspend against the £5.7million of Local Growth Funding, and for this reason it was **agreed** that the project RAG rating should remain as **AMBER/RED**.

**5.d.2** It was also **agreed** that the Investment Team should work with Worthing Borough Council to finalise a funding profile before the middle of January and

look at legitimate solutions to ensure the full LGF can be spent before March 2021. Following this, and subject to planning permission, Coast to Capital could then proceed in issuing a funding agreement on the scheme.

*Action – the Investment Team to work with Worthing Borough Council to finalise a funding profile.*

*Applicant left the room.*

#### **4c) Output Changes**

**4c.1** All Committee members **agreed** the output changes. It was agreed by the Investment Committee to review and monitor Higher Education and Further Education student numbers across all projects they relate to.

**4c.2** For the Queens Square reduction of outputs, it was asked by the Investment Committee to accept this change on the basis that the Delivery Body explain the wider benefit the project has had.

*Action – Investment Team to reach out to Crawley Borough Council regarding the wider benefits to the Queens Square project.*

#### **4d) Horizon Scanning**

**4d.1** The members of the Investment Committee **agreed** the Horizon Scanning. Members had put forward the suggestion to bring forward the Novartis scheme at the next Investment Committee.

### **5. Finance Update**

**5.1** A finance update was given by HG to the Committee.

### **6. Revised Terms of Reference**

**6.1** The revised Terms of Reference were **approved** by the Committee. It was agreed to change the quorum number back to 5 members (at least one Local Authority member), with an agreement to open up the invitation to all Board members within Coast to Capital.

**6.2** All members **agreed** to officially nominate Julie Kapsalis as formal Chair of the Investment Committee and many thanks were made to Daryl Gayler for his support as previous Chairman. Thanks were also noted to Mike La Rooy for his valuable contributions as it was his last meeting. It was also confirmed Colin Kemp would be nominated as Vice Chair of the Investment Committee.



These will be put forward for approval at the next Board meeting in January 2020.

**7. AOB**

7.1 An update was given to the Committee regarding Coast to Capital's position with Dearman from the Growing Places portfolio.

**END OF MEETING.**