

Subject:	Next Steps for our Vibrant City Region Economy		
Date of Meeting:	13 February 2015		
Report of:	Chair, Greater Brighton Officer Programme Board		
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LA(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT:**

- 1.1 Following its establishment in May 2014, the Greater Brighton Economic Board agreed an Investment Programme and Work Plan aimed at promoting and delivering a vibrant City Region economy. To date, the Investment Programme has successfully secured approximately £83m of City Deal and Growth Deal funding for the Greater Brighton City Region.
- 1.2 In response to the current national policy debate on place-based devolution, city and county regions across the Country are reviewing their economic strategies. The implications of the devolution debate for the Greater Brighton City Region and the wider Coast to Capital Local Enterprise Partnership area now require further exploration. If a coherent position on devolution is not developed in advance of the upcoming general election, the City Region may risk becoming disadvantaged in terms of its powers and funding the in future.
- 1.3 This report proposes the next steps for the Greater Brighton Economic Board. These are focused on developing the City Region's long-term economic priorities and goals and on exploring options for new delivery models for services relating to economic development and growth, to ensure that the City Region partners have the continued capacity to deliver. The timings of these discussions are key, to allow the City Region to seize any opportunities that are created following the upcoming general election.

2. RECOMMENDATIONS:

- 2.1 That the Greater Brighton Economic Board:
 - (1) Develops, in consultation with stakeholders, the City Region's long-term economic priorities and goals, building on the evidence base relating to the City Region's economy, housing market and transport system that is currently being developed by Nathaniel Lichfield & Partners (NLP).
 - (2) Develops draft policy proposals for a coherent and sensible devolution proposition for the City Region, which supports the delivery of the long-term economic priorities and goals and ensures that the Greater Brighton local authorities are best able to collaborate to maximise economic development and regeneration.

- (3) Assesses and recommends options for the most effective delivery model for the services relating to the City Region's economic growth, including the possible identification of additional shared services and the appraisal of different models of service delivery, to ensure that the Greater Brighton partners have the continued capacity to deliver.

3. CONTEXT/ BACKGROUND INFORMATION:

- 3.1 The Greater Brighton Economic Board was established in May 2014, as part of the City Deal agreement. As outlined in Section 1.1, the Board's Investment Programme has successfully secured approximately £83m of City Deal and Growth Deal funding for the City Region in its first year.
- 3.2 Whilst City Deals and Growth Deals have been a positive success for the City Region, they are widely viewed as precursors to future devolutionary settlements between Government and city regions. Many city region partnerships and Local Enterprise Partnership (LEP) areas are therefore now exploring how they might respond to the current public policy debate on place-based devolution, to ensure that they can maximise any opportunities that might arise after this year's general election.
- 3.3 Following Scotland's independence referendum, there has been a significant acceleration in discussions about devolution in the UK. At the Autumn Statement, the Chancellor said that the 'door is open' for cities and counties to follow Greater Manchester, but announced little in terms of the devolution of powers and funding to city regions. However, it is understood that some counties and city regions - such as Birmingham, Leeds, Sheffield, Cornwall, Derbyshire, Cambridgeshire/Cambridge and Hampshire/Portsmouth/Southampton – are continuing to explore opportunities for negotiating a devolution package.
- 3.4 The Key Cities Group – which comprises 23 mid-sized cities, including Brighton & Hove – has developed a ['Charter for Devolution'](#). The Group is now considering how best to respond to the devolution agenda and has recently commissioned Respublica to develop a proposition for some devolution to the Key Cities.
- 3.5 In addition, it is understood that the following local activity has or is taking place in response to the devolution agenda:
- Brighton & Hove City Council agreed a Notice of Motion on Devolution at its Full Council meeting on 11 December 2014. ;
 - Some West Sussex district and borough councils have agreed a business rates pooling arrangement with West Sussex County Council;
 - Adur District Council and Worthing Borough Council are working with Coastal West Sussex authorities and West Sussex County Council on a range of initiatives and programmes, including working collaboratively with West Sussex County Council on the future investment, planning and delivery of a significant regeneration portfolio and working with Coastal West Sussex authorities on the future priorities and delivery of the coastal visitor economy;
 - Members of the SE7 are commissioning work to explore the 'cost of success' - the additional social and infrastructure burden that falls to the South East

region as a result of its economic strength and continued growth. This work, which will be led by West Sussex County Council, will identify priorities to address needs for investment or change and opportunities for dealing with these jointly. Any work carried out by the Greater Brighton Economic Board would need to compliment and add value to the analysis and conclusions drawn from this work that will be commissioned by the SE7.

- Local Enterprise Partnerships are looking ahead to changes that may occur after the general election, including whether a new Government might want to make changes to the role and coverage of Local Enterprise Partnerships. The Coast to Capital Local Enterprise Partnership is talking to its neighbours in the South East, so that it will be best placed to deliver the economic priorities for the region.

3.6 Whilst the extent to which the Scottish agreement or the ‘Manchester Model’ will be transferable to other areas is uncertain, the implications of the devolution debate for the Greater Brighton City Region require further exploration if it is to keep pace with other city regions.

3.7 It is proposed that the Greater Brighton City Region should now begin to develop clear and sensible long-term economic goals and policy proposals that are suitable for its local circumstances. This will enable the City Region to:

- Understand the collective aims of the City Region and the current mechanisms, powers and funds for achieving them;
- Set out proposals for addressing any constraints that are preventing the City Region from reaching its economic potential. Proposals might include access to funds, transfer of powers, or new ways of managing those funds and powers;
- Firmly articulate its ‘asks’ of the next Government and effectively lobby, at local and national level, with strong policy proposals that are robust in their evaluation (including forecasted benefits);
- Be in a strong position to negotiate new funding with HM Treasury and with Coast to Capital Local Enterprise Partnership following the general election, a process that is likely to continue to be highly competitive, and ultimately;
- Have a clear plan for how it will strengthen and boost the local and national economy.

3.8 It is important that the next steps for the City Region are developed to compliment and not conflict with the work that is taking place to support the economy at a regional and sub-regional level. This will include ensuring that the emerging priorities align effectively with the economic policy priorities of other bodies, in particular the Coast to Capital Local Enterprise Partnership, the SE7 and county regions.

Ensuring City Region Partners have the Capacity to Deliver

3.9 Local government continues to experience rapid and profound reductions in its budgets and, as these tighten, its non-statutory functions – including economic development – are increasingly at risk of becoming secondary to its social duties. Paradoxically, it is also becoming more important that city regions take action to grow their economies and, in turn, their budgets to reduce reliance on Government funding.

- 3.10 If the City Region is to continue to be successful in securing public and private investment, it will need to demonstrate that its partners continue to have the capability and capacity to deliver a complex and ambitious Investment Programme.
- 3.11 In July 2014, the Greater Brighton Economic Board requested the Greater Brighton Officer Programme Board to assess resource requirements and to provide streamlined programme management, performance monitoring, audit and risk management arrangements. The Greater Brighton Economic Board recognised that there may be a need to explore ways of sharing capacity across the local authorities, to ensure that appropriate resources are invested in both the delivery of projects and the development of the future project pipeline.
- 3.12 It is proposed that the Greater Brighton partners now explore options for new models of service delivery that maximise their capabilities and avoid what could be an impossible situation – being responsible for supporting local economic growth but with insufficient tools and capacity to deliver this.
- 3.13 The options appraisal would assess the various service delivery models, with the aim of maximising efficiency – by improving and streamlining service provision and delivery to better support sustained economic growth across the City Region. This could include exploring opportunities for additional shared services and new models of service delivery in relation to economic development, regeneration, strategic planning, infrastructure, housing, transport, employment & skills, and business support.

Establishing the Evidence Base

- 3.14 To support the development of a five year plan for the Greater Brighton City Region, Nathaniel Lichfield & Partners were appointed in November 2014 to prepare background papers and an evidence base for the economic geography of the City Region. The back ground papers will include an analysis of both Greater Brighton and the wider Greater Brighton & Coastal West Sussex area. The three background papers will cover:
- The City Region economy;
 - The City Region housing market, and;
 - The City Region transport system.
- 3.15 The consultant team will present their final report to the Greater Brighton Economic Board in April 2015. They will also discuss their initial findings with the Board in February 2015. A cross-authority steering group has been established to oversee the work.
- 3.16 The background papers will provide the evidence base for the next stage of the development in the Greater Brighton initiative.

Next Steps for the Greater Brighton City Region

- 3.17 It is proposed that an independent consultancy team be procured, via an open and competitive tendering process, to develop:
- The City Region's long-term economic priorities and goals;

- Proposals for a coherent proposition for sensible devolution that supports the delivery of these economic goals, and;
 - Options for the most effective delivery model for services relating to City Region economic development and growth.
- 3.18 The scope of the work will be limited to exploring and developing a devolution proposition and a new service delivery model that builds on the success of the Greater Brighton Economic Board's work to date. The work will be focused on ensuring that the Greater Brighton local authorities are best able to collaborate across the City Region, to maximise economic development and regeneration.
- 3.19 The consultancy team will be required to:
- 3.19.1 Complete a comprehensive SWOT analysis of current City Region activity, including national and international benchmarking. This analysis should be informed by the evidence base that is currently being developed by Nathaniel Lichfield & Partners.
- 3.19.2 Develop, in consultation with stakeholders, the area's long-term economic priorities and goals. This should have regard to the Coast to Capital LEP Strategic Economic Plan, wider strategies such as work commissioned by the SE7, and the three main political parties' national strategies for growth
- 3.19.3 Set out proposals for addressing any constraints that are preventing the City Region from reaching its economic potential. Proposals might include access to funds, transfer of powers, or new ways of managing those funds and powers;
- 3.19.4 Develop, in consultation with local experts, draft policy proposals. These must clearly articulate the benefits and risks to both the area and the Exchequer and be informed by national learning and research.
- 3.19.5 Develop, in consultation with local authority managers, proposals for a strong and streamlined delivery function. This could include the identification of possible additional shared services and functions and a review of management and staffing structures, for which skills requirements must be mapped and opportunities to bring-in private sector expertise explored.
- 3.19.6 Develop a draft transition plan, which outlines the steps that need to be taken to implement the report recommendations.
- 3.20 It is proposed that a specifically created Steering Group be established, with responsibility for the day-to-day oversight and management of this work. It is recommended that the Steering Group comprise senior officers from: Adur & Worthing Councils; Brighton & Hove City Council; Lewes District Council; Mid Sussex District Council; East Sussex County Council; West Sussex County Council and the Coast to Capital Local Enterprise Partnership, as well as business and academic partners as appropriate.
- 3.21 It is proposed that 40% of the cost of the commission be funded by Brighton & Hove City Council and that the remaining 60% be funded in equal measure by Adur & Worthing Councils, Lewes District Council, Mid Sussex District Council, and the Coast to Capital Local Enterprise Partnership (12% each). It is

estimated that this work cost between £30-50,000 and it is proposed that 50% of the budget be allocated ahead of the general election and that, post May 2015, the Steering Group and the Economic Board assess the need for a further stage to reflect the new Government's priorities. The funding contribution for this commission would be in addition to the annual contribution that partners pay for the administration of the Economic Board.

Timetable

3.22 The high-level milestones can be summarised as follows:

- Proposal and scoping paper presented to Greater Brighton Economic Board – 13 February 2015
- Steering Group established and funding contributions agreed – mid-February 2015
- Invitation to Tender developed and released – mid-February 2015
- Consultant team procured – end-February 2015
- Review undertaken and recommendations reported – March to April 2015

3.23 Following the local and general elections in May 2015, the proposals may need to be reviewed and refined to reflect the latest thinking and direction of travel. The creation of a detailed transition plan and robust programme governance arrangements will be fundamental to obtaining the necessary approvals to implement. It is proposed that this falls outside of the scope of the current commission.

4. CONCLUSION:

4.1 It is recommended that this next stage in the progression of the Greater Brighton City Region should involve commissioning an independent consultant team to develop:

- The City Region's long-term economic priorities and goals;
- Proposals for a coherent proposition for sensible devolution that supports the delivery of these economic goals, and;
- Options for the most effective delivery model for services relating to City Region economic growth.

4.2 The City Region has a strong foundation on which to build. Its long history of partnership working was formalised in 2014, through the agreement of the Greater Brighton City Deal with Government, the creation of the Economic Board – a joint-committee that has been formally recognised by Government – and the subsequent establishment of the Investment Programme.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The cost of appointing the independent consultancy team will be met through a contribution from each of the local authority members of the Greater Brighton Economic Board, and the Coast to Capital LEP, with B&HCC financing up to 40% of the projected £30,000 to £50,000 costs and the remaining members

contributing up to 12% each. The consultancy team will be appointed through an open tender process.

Finance Officer Consulted: Rob Allen, Principal Accountant, BHCC
Date: 02.02.15

Legal Implications:

- 5.2 The Steering Group and independent consultant team will review the legal implications arising. These will no doubt include the specific issues arising from the particular actions proposed in the Charter and the legislative changes needed.

Lawyer Consulted: Bob Bruce, Deputy Head of Law BHCC
Date: 27.01.15

Equalities Implications:

- 5.3 None.

Sustainability Implications:

- 5.4 None.

Any Other Significant Implications:

- 5.5 None.

SUPPORTING DOCUMENTATION

Appendices:

None.

Background Documents

1. Coast to Capital Strategic Economic Plan
2. Greater Brighton Economic Board Investment Programme Brief

