

<b>Subject:</b>	<b>Greater Brighton Economic Board – Work Plan and resource requirements</b>		
<b>Date of Meeting:</b>	<b>29<sup>th</sup> July 2014</b>		
<b>Report of:</b>	<b>Chair, Greater Brighton Officer Programme Board</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nick Hibberd</b>	<b>Tel: 29-3756</b>
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<b>LA(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The report outlines the success of the Greater Brighton City Region initiative to date in terms of securing funding through the Greater Brighton City Deal and Coast to Capital Growth Deal process and proposes the future work plan for the Economic Board and Officer Programme Board.
- 1.2 In particular, the report outlines the future opportunities for securing further funding to deliver the City Region Investment Programme and projects and proposes the resource requirements to ensure there is capacity to both deliver the 2015/16 funded projects whilst also developing a robust pipeline of projects that can secure further funding from future funding rounds.

**2. RECOMMENDATIONS:**

- 2.1 That the Greater Brighton Economic Board:
  - (1) Agree the draft work plan for the Greater Brighton Economic Board
  - (2) Note that the Greater Brighton Investment Programme is now moving into a new phase. There is an immediate need to develop final business cases for the 2015/16 funded projects whilst also developing a robust pipeline of projects that can secure further funding from future funding rounds.
  - (3) Consider which of the resource requirement options that are outlined in paragraph 3.17 should be developed further to ensure that there is sufficient capacity to deliver the next phase of the Investment Programme
  - (4) Request that the Officer Programme Board bring a report for agreement at the next meeting of the Economic Board which outlines the final resources requirements to ensure that there is capacity to deliver projects, provide streamlined programme management, performance monitoring, audit and risk management arrangements

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The first phase of the Greater Brighton City Region initiative has seen a total of £83.8m funding for economic growth allocated to the city region. This includes:
- £31.4m funding allocated through the City Deal process
  - £52.4m funding allocated through the first round of the Coast to Capital Growth Deal process
- 3.2 This report outlines the proposed work plan for the Greater Brighton Economic Board and the resource requirements for the next Phase of the Greater Brighton Investment Programme. The draft work plan appears at Appendix 1.
- 3.3 The success of the first phase of the initiative presents a significant opportunity for the City Region, but also a challenge in terms of capacity to deliver on both the funded programme whilst also preparing robust business cases for future funding rounds, and delivering the wider of programme work that contributes to the sustainable economic growth of the city region.
- 3.4 There is a need to develop ways of sharing capacity whilst also ensuring that appropriate resources are invested in both delivery and the development of the future project pipeline.

#### Future Work programme for the Economic Board

- 3.5 The Draft Greater Brighton Economic Board Work programme appears at Appendix 1. The work programme outlines the programme of activity that will be undertaken by Economic Board over the next 12 months.
- 3.6 In addition to the facilitating the work of the Economic Board, the Officer Programme Board will need to progress the next phase of delivering the projects identified through the Greater Brighton Investment Programme

#### Investment Programme Immediate tasks: Developing final business cases for funded projects and a robust pipeline of projects that can secure future funding,

- 3.7 The negotiation of both the Coast to Capital Growth Deal and Greater Brighton City Deal has demonstrated the importance of developing strong pipeline of projects with robust and well developed business cases. Generally business cases which are well developed and projects which are further advanced have attracted funding.
- 3.8 The Coast to Capital LEP will engage in yearly negotiations with Government for the remaining years of the Growth Deal programme. This presents a significant opportunity to secure further funding for projects that fall within the Greater Brighton city region. This process is likely to commence immediately - during Summer 2104.
- 3.9 To succeed in the next funding round Greater Brighton partners will need to have strong, well advanced business cases and projects that are towards being "shovel ready". The competitive environment between LEPs will also ratchet up.
- 3.10 The Greater Brighton Officer Board will co-ordinate the development of business cases for the pipeline of projects that fall within the Greater Brighton city region, as part of the Greater Brighton Investment programme approach that was agreed

at the May 2014 meeting of the Greater Brighton Economic Board. There is significant urgency to both agreeing the revised list and getting the business case development underway.

- 3.11 The draft work plan at Appendix 2 proposes that a report is brought to the next meeting of the Economic Board outlining the pipe line of projects for 2016/17 onwards which should be worked up further.

Ensuring adequate resources to deliver the future work plan and Investment Programme

- 3.12 The cost of developing the business cases for the both the 2015/16 LGF funded projects and the future project pipeline will have to fall upon Greater Brighton partners as the LEP will not have funding for this. There will be scope for collaboration across all our authorities and with the private sector, but it is recommended that the Economic Board consider whether further resources need to be identified to improve the capacity to deliver business cases for the Greater Brighton city region within the tight timescales.

Current funding arrangements for delivery of the Greater Brighton Investment Programme

- 3.13 To date partners have made a modest contribution to fund a Greater Brighton Economic Board Business Manager post for one year. The role of this post is to:
- Support partners with the programme management of the Greater Brighton Investment Programme
  - Co-ordinate the development of the project pipeline and quality assure the business cases produced for the project pipeline
  - Monitor progress of programme delivery
  - Ensure appropriate processes are in place in relation to managing risk to programme delivery
  - Support the Officer Programme Board with delivering the work plan of the Greater Brighton Economic Board.
- 3.14 A recruitment process took place for the Business Manager post during June 2014, but it was not possible to attract a suitable candidate. The probable reason for this is that the post is only funded for one year, which does not make it an attractive proposition for experienced programme managers.

Options for future resourcing to ensure capacity to deliver the next phase of the Investment Programme

- 3.15 The success of the first phase of the Greater Brighton City Region initiative means that there is now a significant programme of projects which have secured government funding to deliver which span a six year period. There is also a likelihood that the Investment Programme will expand as funding from future rounds is secured.
- 3.16 As well as ensuring that the Investment Programme is appropriately managed and co-ordinated, there is a need to consider whether there is sufficient capacity for the following:

- Developing final business cases for projects that have received 2015/16 Growth Deal funding
- Developing pipeline business cases for future rounds for Growth Deal funding
- Developing projects that can attract funding from EU Structural & Investment Funds, or other EU funding streams
- Ensuring adequate legal, financial due diligence, audit and risk management support

3.17 The Economic Board is asked to consider the following options for resourcing the Greater Brighton Investment Programme through it's next phase:

Option 1. (Minimum option)

- Forward fund existing agreed partner contributions for 3 years, rather than seeking annual contributions. This will enable recruitment to a 3-year fixed term Business Manager post and might help to attract a suitable candidate
- An alternative option 1 would be to fund partner contributions for the life of the current Greater Brighton Investment Programme and LEP Strategic Economic Plan (six years)

Option 2.(Optimum option)

1. Commit to funding the partner contributions for 3 year period, and request that officers explore ways of further building capacity to support the development of business cases, whilst also ensuring that adequate legal, procurement, financial due diligence, audit and risk management support is provided through a virtual programme management office approach
2. Establishing a virtual Programme Management Office would involve exploring ways to ensure that each project with the programme receives adequate programme management resources through a sharing of capacity across authorities and funding some additional capacity to ensure that appropriate project management , legal, procurement, financial, audit and risk management support is in place.
3. Further work is required to assess the costs of establishing a virtual Programme Management Office, but it is likely that some additional contribution would be required to ensure adequate resourcing of the development of business cases. The additional contribution paid by each partner could be proportionately adjusted to reflect the funding currently received by each partner, or using the same approach used for existing partner contributions.

3.18 If the Economic Board recommend this approach, Officers would develop a report for agreement at the next meeting of the Economic Board which would outline the final resource requirements to ensure that there is capacity to deliver projects, provide streamlined programme management, performance monitoring, audit and risk management arrangements

## 6. CONCLUSION

- 6.1 The work plan at Appendix 1 outlines the next phase of work for the Greater Brighton Economic Board and builds upon success to date with securing funding for city region economic growth.
- 6.2 There is an opportunity for Greater Brighton to receive further funding for the future years of the programme, but this is likely to require additional resources to be found by members of the Economic Board, in order to deliver a strong pipeline of robust and well advanced business cases. For these reasons now is the right time for the Economic Board to consider pooling resources to invest in developing business cases for future funding rounds.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The successful delivery of the Greater Brighton City Region initiative is dependent upon the timely completion of robust and viable business plans to secure the required funding. These business plans require competent administrative support and therefore a degree of longer time commitment to resource this from Greater Brighton partners. The Investment Programme resourcing is not able to be met through the LEP and is the responsibility of the Greater Brighton partners. The current resource arrangements appears insufficient to provide the certainty to deliver the Investment Programme and a longer period of commitment is required from partners of which options are detailed above at paragraph 3.17.

*Finance Officer Consulted: Rob Allen*

*Date: 17 July 2014*

### Legal Implications:

- 7.2 A successful Board needs proper resources. This report has minimum and optimum options for seeking to ensure continued success, implementation of which may impact on the future deliverability of projects.

*Lawyer Consulted: Bob Bruce*

*Date: 17 July 2014*

### Equalities Implications:

- 7.3 No equalities implications have been identified at this stage of the process. As the business cases for individual projects are developed, lead partners will be asked to develop an Equality Impact Assessment on their project.

### Sustainability Implications:

- 7.1 The Coast to Capital Growth Deal includes a £31.7m funding package for sustainable transport projects.

### Any Other Significant Implications:

- 7.2 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. 14/15 Partner contributions

### **Background Documents**

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