

**Subject:** City Deal and Growth Deal Implementation Update  
**Date of Meeting:** 14<sup>th</sup> October 2014  
**Report of:** Chair, Greater Brighton Officer Programme Board  
**Contact Officer: Name:** Nick Hibberd / Ian Parkes **Tel:** 29-3756  
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**LA(s) affected:** All

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

- 1.1 This report updates the Economic Board on the progress made on setting up and delivery of those projects in the Greater Brighton Investment Programme which have been allocated funding through either the City Deal or Coast to Capital Local Growth Fund.
- 1.2 The report also updates the board on the governance arrangements with the Coast to Capital Local Enterprise Partnership (LEP) for the Local Growth Fund funded projects

**2. RECOMMENDATIONS:**

- 2.1 That the Greater Brighton Economic Board:
- (1) Note and comment upon the progress made in the delivery of City Deal and Local Growth Fund projects
- (2) Note the current position in relation to the development of governance and assurance arrangements between the LEP and the Economic Board for Local Growth Fund projects

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Coast to Capital Growth Deal was announced on 7th July and sets out the first year of projects from the Coast to Capital Strategic Economic Plan which are to be funded by the Local Growth Fund (LGF). The Greater Brighton City Region has secured £61.5m of Local Growth Fund funding for projects that fall within the City Region. The figures outlined below are funding for all years (not just 15/16).

	<b>15/16</b>	<b>Total All Years</b>
	<b>LGF</b>	<b>LGF</b>
Newhaven flood defences – linked to City Deal	£700,000	£1,500,000
Shoreham Harbour Flood	£2,000,000	£9,500,000

Defences – linked to City Deal		
Advanced Engineering Centre - UoB and Ricardo	£4,500,000	£7,000,000
Preston Barracks Central Research Lab - City Deal Growth Centre	£1,000,000	£7,700,000
Brighton Circus Street	£1,500,000	£2,700,000
City College redevelopment		£9,250,000

Local Transport Body	15/16	Total All Years
	LGF	LGF
Valley Gardens Phases 1 & 2 (LTB)	£ 4,000,000	£8,000,000

Provisional Allocation to transport projects starting in 16/17 or later	15/16	Total All Years
	LGF	LGF
Newhaven Port Access Road	0	£10,000,000
Brighton Valley Gardens Phase 3	0	£6,000,000

- 3.2 A start has been made on setting up every funded project which has received funding through the Coast to Capital Growth Deal. A Programme Reporting Book has been developed and is attached at Appendix 4.

#### Developing final business cases for submission to Government

- 3.3 Every project funded through the Growth Deal has still to go through a further business case process. For the transport projects it is the assurance framework that the LEP has agreed with the Department for Transport, and which will be considered by the Local Transport Body (LTB). For other projects we will use the business cases created by delivery bodies wherever possible - for example, the Environment Agency. The LEP has worked with Officers to develop a template for the remaining non-transport projects, based on a Department of Communities and Local Government (CLG) format, which in turn is based on the Treasury's "Five Case" approach. The source and responsibility for the business cases is shown in Appendix 1.
- 3.4 A summary table showing progress of all the projects funded through the City Deal and Growth Deal is attached at Appendix 3, together with a Red/Amber/Green status rating. Good progress has been made on ensuring that each project has an appropriate project management structure and delivery timetable.
- 3.5 A Programme Management Book containing full highlight reports for each project that has been allocated funding through either the City Deal or Local Growth Fund process is attached at Appendix 4.

- 3.6 Officers have been tasked with completing full business cases for Local Growth Fund Projects for submission to the LEP by the end of October 2014.

Update on governance and assurance arrangements for Local Growth Fund Projects

- 3.7 West Sussex County Council will be the overall Accountable Body for the LEP's Local Growth Fund allocation. The LEP will enter into a Service Level Agreement with West Sussex County Council. Coast to Capital will be a "thin client" and will need to delegate responsibility for delivery of nearly all the projects. The LEP cannot finalise the schedule of delegation until they get the Agreement and Accountability Framework from the Department of Business, Innovation & Skills and they have clarity on the what responsibilities they need to pass on.
- 3.8 At the Greater Brighton Economic Board in July a discussion was had about how it would exercise its responsibility for oversight of the non-transport LGF projects and Growth Deal in its area, as was agreed as part of the City Deal. The Economic Board will need to agree with the LEP how this will work over the coming weeks.
- 3.9 It is likely that the Greater Brighton Economic Board will oversee the programme management of each scheme, with the management of the ongoing funding falling to the lead delivery body for each project. West Sussex County Council will act as the accountable body for both Coast to Capital and the Local Transport Body. The release of funding will be authorised by the lead delivery body providing evidence of delivery against an agreed schedule of payments.

Delegation of transport related funding to the Local Transport Body

- 3.10 For transport related projects, a schedule of delegation to the Local Transport Body is currently being considered by the three highways authorities, inviting the Local Transport Body to assume responsibility for decisions on the allocation of funds to local transport schemes. The Local Transport Body has agreed an Assurance Framework with the Department for Transport and the LEP have confirmed that this should form the basis for the Local Transport Body's project appraisal and decision making in relation to the funding which has been made available and which is being delegated to the Local Transport Body. One exception is Newhaven Port Access Road for which the LEP are currently discussing appraisal arrangements with East Sussex County Council, Lewes DC and DfT.

Sustainable Transport Package and Transport Resilience Package

- 3.11 The LEP has been allocated a £31.7m Sustainable Transport Package and a £30.9m Transport Resilience Package.

	<b>Total LGF funding</b>	<b>Amount of LGF to be spent in 2015/16</b>	<b>Total Local Match Funding Contribution</b>
Sustainable Transport	£31,700,000	£3,700,000	£10,000,000

Transport resilience	£30,900,000	£5,500,000	£5,000,000
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- 3.12 The LEP has now asked the Local Transport Body to allocate these funds to suitable schemes. The LTB will be responsible for implementing an open and transparent process to select the schemes that will be funded, drawing on the list of eligible schemes as put forward in the LEP's Strategic Economic Plan.

### Next Steps

- 3.13 Key next steps include:
- The LEP will agree an SLA with WSCC for the Accountable Body Function
  - The lead delivery body for each project will develop business cases and project schedules for all the projects that have received LGF funding
  - The LEP will be negotiating and agreeing the suite of documents required by Government.
  - The LEP will formally sign the Growth Deal with government
  - The Schedule of Delegation between the LEP and the Greater Brighton Economic Board needs to be finalised, agreed and reported to the January meeting of the Economic Board.
  - The letter of Delegation for Transport projects needs to be finalised and agreed by the Highways Authorities and the LEP Board
  - Officers will support the LEP to create and negotiate the suite of agreements and contracts between the LEP and lead delivery bodies
  - Further refining of the up-stream and down-stream reporting and monitoring arrangements
  - Officers will continue to develop a project pipeline of 'bid-ready' business cases for Round of the Local Growth Fund
- 3.14 A timetable outlining the key milestone to commencement of delivery in April 2015 is attached at Appendix 2

## **6. CONCLUSION**

- 6.1 A start has been made on setting up every funded project which has received funding through the Coast to Capital Growth Deal. The process of agreeing the project delivery, programme management, funding and governance arrangements of the Local Growth Fund projects is ongoing. A further update on the final governance and assurance arrangements will be provided to the January meeting of the Economic Board.

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

### Financial Implications:

- 7.1 The Greater Brighton City Region has secured £61.5m of Local Growth Fund funding for projects that fall within the City Region. The projects will deliver significant long term financial and economic benefits to the region. The projects are to commence from 2015/16 and 2016/17 but are subject to detailed business cases being submitted. The business plans need to demonstrate the viability of

each project including full cost plans, funding sources, economical benefits and full risk plans. Each project has a combination of different funding sources including funding through the Local Growth Fund, City Deal, Regional Growth Fund, the public sector and private investment.

*Finance Officer Consulted: Rob Allen, Principal Accountant, BHCC Date: 25 Sept 2014*

Legal Implications:

- 7.2 As each project goes through the business case process legal issues will emerge and be resolved. There are no direct legal implications arising from this report.

*Lawyer Consulted: Bob Bruce, Deputy Head of Law BHCC Date: 03 October 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 if appropriate.

Sustainability Implications:

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

Any Other Significant Implications:

- 7.1 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

- 1 Local Growth Fund Projects. Business case responsibility and sign-off
2. Local Growth Fund. Timetable to commencement of delivery

### **Background Documents**

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

**Appendix 1: Local Growth Fund Projects. Business case responsibility and sign-off**

<b>Project</b>	<b>Business case requirement</b>	<b>Lead body producing the business case</b>	<b>Business Case to be signed-off by:</b>
New England House Growth Centre	DCLG Business case template	BHCC	DCLG Investment Committee
New England House Digital Exchange	BDUK (Business agreed July 2014)	BHCC	Business Case agreed by BDUK July 2014
Advanced Engineering centre	C2C template or UoB business case	UoB	LEP Enterprise/Business Competitiveness Committee
Newhaven Flood defences	EA business case	Environment Agency	LEP Infrastructure Committee
Shoreham Flood defences: <ul style="list-style-type: none"> <li>• Adur Tidal Walls</li> <li>• Western Harbour Arm</li> </ul>	<ul style="list-style-type: none"> <li>• EA Business case</li> <li>• C2C template or A&amp;W case</li> </ul>	<ul style="list-style-type: none"> <li>• Environment Agency</li> <li>• Adur and Worthing Councils</li> </ul>	LEP Infrastructure Committee
Brighton Circus Street	C2C template	BHCC	LEP Infrastructure Committee
Preston Barracks CRL	C2C template	BHCC	LEP Infrastructure Committee
Brighton valley Gardens (Phase 3) (16/17 allocation)	LTB Assurance Framework	BHCC	LTB
Newhaven Port Access Road	DfT WEBTAG or LTB Assurance Framework (tbc)	ESCC	To be confirmed
LTB 2013 projects: Valley Gardens 1&2	LTB Assurance Framework	BHCC	LTB

## Appendix 2. Local Growth Fund. Timetable to commencement of delivery

	GROWTH DEAL ROUND 1		PREPARING FOR GROWTH DEAL ROUND 2
	Greater Brighton – LEP arrangements	LEP – Government arrangements	
<b>September 14</b>	<p>LEP undertaking inception meetings with project leads (completed)</p> <p>Business case templates and sign-off agreed</p> <p>Board meeting 25<sup>th</sup> September</p> <p>Issue guidelines on revenue/capital spend</p>	<p>Co-design of monitoring and evaluation underway with BIS</p>	<p>Discussions with partners</p> <p>LEP Board meeting 25<sup>th</sup> September</p> <p>LEP Forum 25<sup>th</sup> September</p> <p>Principles for Round 2 agreed</p>
<b>October 14</b>	<p>Business cases received from partners</p> <p>Bidding commences for LEP's Sustainable Transport Package and Transport Resilience Package.</p> <p>Progress Report to Greater Brighton Economic Board</p>	<p>Implementation Plan submitted to BIS</p> <p>Grant agreement issued to LEP</p> <p>Probable signing of Growth Deal with Ministers</p>	
<b>November 14</b>	<p>Business cases assessed and signed off by relevant LEP Committee</p> <p>LTB meeting</p> <p>Agreements and contracts issued to lead delivery bodies</p>		<p>Business Cases from partners for 16/17 Round 2 projects</p>
<b>December 14</b>		<p>Government reporting requirements finalised</p>	
<b>January 15</b>	<p>LEP agree Accountable Body SLA with WSCC</p> <p>Greater Brighton Economic Board (including report on Final Schedule of Delegation to Greater Brighton Economic Board).</p>		

<b>February 15</b>	LTB Meeting All agreements and contracts agreed and signed with lead delivery bodies		
<b>March 15</b>	Project reporting systems ready to go	Programme reporting systems ready to go	LEP Forum
<b>April 15</b>	Delivery commences		