

# GREATER BRIGHTON ECONOMIC BOARD

25 APRIL 2017 10.00AM

GORDON ROOM, WORTHING TOWN HALL, CHAPEL ROAD, WORTHING BN11 1HA

**AGENDA** 



























#### **Greater Brighton Economic Board**

**Alex Bailey** CE-WBC/ADC

Councillor Humphreys Chair

**Secretary** 

Lawyer

**Nick Hibberd BHCC** 

Thalia Liebig ВНСС

**Max Woodford** LDC

> Lynda Dine WBC/ADC

**Cath Goodall** 

Councillor Theobald BHCC

Councillor Morgan внсс

**Geoff Raw** CE-BHCC

Councillor **Smith** LDC

**Robert Cottrill** CE- LDC

> Councillor **Parkin** ADC

**Martin Randall** WBC/ADC

Councillor Wall MSDC

**Kathryn Hall** CE- MSDC

**Andrew** Swayne

Chairman- A&W **Business** Partnership

**Dean Orgill B&H Business** 

Partnership

John A. Peel Director C2C LEP

Peter Webb

**CWS** Partnership

Prof. Humphris

Vice-Chancellor UoBtn

**Prof. Davies** 

Deputy Vice-Chancellor UoSx

Nick Juba/ **Sue Dare** FE Rep

**Trevor Beattie SDNPA** 

Amanda Menahem

Jonathan Sharrock

Caroline Wood

Prof. Sue Baxter

**Press** 

**Public Seating** 

**Public Seating** 

#### **AGENDA**

PART ONE Page

#### 29 PROCEDURAL BUSINESS

(a) Declaration of Substitutes: Where Members of the Board are unable to attend a meeting, a designated substitute for that Member may attend, speak and vote in their place for that meeting.

#### (b) Declarations of Interest:

- (a) Disclosable pecuniary interests not registered on the register of interests:
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

(c) Exclusion of Press and Public: To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

**NOTE:** Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.

A list and description of the exempt categories is available from the Secretary to the Board.

#### 30 MINUTES OF THE PREVIOUS MEETING

1 - 8

To consider the minutes of the previous meeting held on 31 January 2017 (copy attached).

#### 31 CHAIR'S COMMUNICATIONS

### 32 GREATER BRIGHTON RESPONSE TO INDUSTRIAL STRATEGY 9 - 42 GREEN PAPER

Report of the Chair, Greater Brighton Officer Programme Board (copy attached).

#### 33 INNOVATION SOUTH

Presentation by Dave Cooper, Professor of Management and Economic Development and Head of Business School, University of Chichester

### 34 EUROPEAN REGIONAL DEVELOPMENT FUND BUSINESS SUPPORT

Presentation by Dave Cooper, Professor of Management and Economic Development and Head of Business School, University of Chichester

### 35 UPDATE ON GREATER BRIGHTON INVESTMENT PROGRAMME AND 43 - 52 LOCAL GROWTH FUND

Report of the Chair, Greater Brighton Officer Programme Board (copy attached).

#### 36 NEWHAVEN ENTERPRISE ZONE

Presentation by Max Woodford, Head of Regeneration & Investment, Lewes & Eastbourne Councils and Steve Allen, Vice Chairman, Coast to Capital Local Enterprise Partnership

#### 37 BRIGHTON CITY HALL PROPOSAL

53 - 64

Report of the Chair, Greater Brighton Officer Programme Board (copy attached).

### 38 GREATER BRIGHTON ECONOMIC BOARD 2017/18 OPERATIONAL 65 - 92 ARRANGEMENTS

Report of the Chair, Greater Brighton Officer Programme Board (copy attached).

#### **PART TWO**

#### 39 PART TWO MINUTES OF THE PREVIOUS MEETING

93 - 94

Part Two minutes of the previous meeting held on 31 January 2017 (copy attached).

#### **40 PART TWO PROCEEDINGS**

To consider whether the items listed in Part Two of the agenda and decision thereon should remain exempt from disclosure to the press and public.

#### **GREATER BRIGHTON ECONOMIC BOARD**

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For further details and general enquiries about this meeting contact John Peel, (01273 291058, email john.peel@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

Date of Publication – Thursday 13 April 2017

#### **GREATER BRIGHTON ECONOMIC BOARD**

#### 10.00am 31 JANUARY 2017

#### RICARDO CENTENARY INNOVATION CENTRE, SHOREHAM-BY-SEA, WEST SUSSEX, BN43 5FG

#### MINUTES

**Present**: Councillor Humphreys (Chair), Councillor Morgan, Councillor Parkin, Councillor Smith, Councillor Wall and Councillor Wealls

**Business Partners**: Prof. M Davies, Peter Davies, Prof. Humphris, Nick Juba, Dean Orgill, John A. Peel and Andrew Swayne

#### **PART ONE**

- 20 PROCEDURAL BUSINESS
- 20a Declarations of substitutes
- 20.1 Councillor Wealls was present as substitute for Councillor Theobald.
- 20b Declarations of interests
- 20.2 There were none.
- 20c Exclusion of the press and public
- 20.3 In accordance with Section 100A of the Local Government Act 1972 ("the Act"), the Board considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.
- 20.4 **RESOLVED-** That the press and public be excluded from the meeting during consideration of the items contained in Part Two of the agenda.
- 21 MINUTES OF THE PREVIOUS MEETING
- 21.1 **RESOLVED-** That the minutes of the previous meeting held on 18 October 2016 be approved and signed as the correct record.
- 22 CHAIR'S COMMUNICATIONS

#### 22.1 The Chair provided the following Communications:

"This will be Peter Davies' last meeting and, on behalf of the Board, I'd like to thank Peter for his invaluable contribution over the past 2 years. Peter is retiring at the end of March and I understand that Peter Webb may be joining the Board as the Coastal West Sussex Partnership's representative. Peter is here today as an observer and so welcome Peter.

I want to take a moment to talk about the ongoing dispute between GTR/Southern and the ASLEF and RMT trades unions. Our devolution bid emphasises the need for an efficient and reliable transport network to grow our economy and boost productivity. Central to this is investment in the Brighton Main Line, to increase capacity and reliability in the long-term. We welcome the £20m fund and new Project Board that Chris Grayling MP – Secretary of State for Transport – recently created to introduce a package of guick win improvements on the line. However, we need Government to go further and to recognise the importance of this critical line when setting its priorities for investment in the national rail network. Performance has been particularly compromised in recent months, as a result of the ongoing dispute – now the longest running in over two decades. This is having a harming effect on our residents' wellbeing and livelihoods, on our businesses and on investor confidence. I am delighted that fresh talks are underway and that a full service has recently been resumed. However, on behalf of the Board, I am intending to write to the Secretary of State after this meeting. to urge him to intervene and for Government to do all that it can to ensure that these talks are meaningful and that the relevant parties work together to resolve the dispute and move forward.

I'd also like to welcome Cath Goodall, our new Area Lead from the Cities and Local Growth Unit (seated next to Lynda Dine). Cath has replaced Phillip Carr, who has taken a promotion heading up the Ministerial Private Office Team in BEIS. On behalf of the Board, I'd like to thank Philip for his input and support. Before taking this role, Cath was the Area Lead for SELEP and we very much look forward to working with her on our growth agenda.

I'd like just to highlight that Government released its Green Paper on the modern Industrial Strategy on 23 January. I believe that Nick Hibberd will touch upon this in his Devolution update but wanted to advise the Board that I have tasked the Officer Programme Board with formally responding to the consultation, which closes on 17 April, on behalf of Greater Brighton.

We are also joined today by Cllr Peter Lamb, Leader of Crawley Borough Council. Welcome Peter. Welcome also to Jeff Alexander and Alison Addy, of the Gatwick Diamond Initiative and Gatwick Airport, who are here today present their growth priorities and discuss areas of common interest and joint work going forward. Our areas share challenges and opportunities and, by working collaboratively, we will strengthen our ability to tackle and maximise these to deliver significant economic growth. Our focus on the A23/M23 growth corridor – linking Brighton, Gatwick and London – provides a strong and compelling case for investment and presents a wealth of opportunities in relation to economic regeneration and employment, the benefits of which would flow across our region.

Other highlights are included in the Investment Programme Update Report but I wanted to bring to the Board's attention that our website has gone live – www.greaterbrighton.com – and that the first meeting of our Strategic Property Board,

Chaired by Geoff Raw, took place on 25 October, where its terms of reference were agreed. The Universities have made good progress on scoping the development of our

Smart Growth Strategy and have produce a draft paper which is currently being considered by officers. I have asked that this is brought to the next meeting of the Board, which will also allow time for the paper to reflect the recent published Green Paper on the Industrial Strategy".

- 22.2 Andrew Swayne supported the comments made by the Chair stating that the railway system required resolution for the benefit of the region and the Board should express that view clearly.
- 22.3 Councillor Morgan stated that he had in recent days put forward a proposal for a new body, comprising of councils and business representatives and working under the umbrella of Transport for the South East. The body would act in a statutory role recognised by the Department for Transport (DfT) and would award tenders and manage rail providers, giving passengers and residents a voice and would welcome support for the proposal from Board colleagues.
- 22.4 Prof. Humphris stated that the University of Sussex had expressed support for Councillor Morgan's proposal adding that the current situation was having a detrimental impact upon the university.
- 22.5 John A. Peel stated that Jonathan Sharrock had communicated his support for the proposal and was willing to take a lead in progressing the issue.
- 22.6 Councillor Parkin expressed his support for the proposal adding that there should be more accountability on rail tenders.
- 22.7 Prof. Davies stated that the University of Sussex were also backing the proposals.
- 22.8 Dean Orgill stated whilst the proposal to solve the long-term issue was encouraging, he asked what was action was being taken in the short-term specifically whether sufficient pressure was being applied by the various local MP's.
- 22.9 The Chair stated that he understood all three MP's were working hard to find a resolution. The Chair asked whether the Board Members were in agreement that a short piece of work be undertaken demonstrating the economic impact of rail disruption in the Greater Brighton region and that be presented to the Board at their next meeting in April.
- 22.10 The Board were in agreement with the proposal.
- 22.11 Councillor Morgan asked that a report be brought to the next meeting outlining proposals for a potential 'Rail South'.
- 22.12 The Board were in agreement with the proposal.

#### 23 TRANSPORT FOR THE SOUTH EAST PROPOSALS

23.1 The Board considered a report of the Chair, the Greater Brighton Officer Programme Board that updated Members on the emerging shadow body arrangements for a Sub National Transport Body (SNTB) and commitment made by the constituent Authorities to working up a SNTB proposal. If approved, an update report detailing the emerging

- shadow body arrangements and any potential impact on the Greater Brighton City Region would be presented to the Board within the next 12 months.
- 23.2 Andrew Swayne stated his belief that the constituent Authorities had to part of the preliminary discussions on the establishment of a SNTB or risked losing out. Rail and road link improvements were essential and there would have to be a demonstration on the value on return.
- 23.3 John A. Peel stated that the process was moving more quickly than many people knew and the National Infrastructure Committee (NIC) had already published a map outlining proposals. The A23 and M23 were critical routes in the Greater Brighton area and neither had been included in the draft outline. John A. Peel noted that Coast to Capital (C2C) had written to the NIC stating their objection to that.
- 23.4 The Chair stated that he was concerned by that issue and would write on behalf of the Board to the NIC.
- 23.5 Geoff Raw noted that the SE7 had demonstrated an appetite to move quickly on the matter pulling together existing work and there may be potential difficult choices on prioritisation. Geoff Raw added that he understood from ministers that it was unlikely that the Treasury would provide funding unless there was a related growth dividend in return.
- 23.6 Councillor Smith noted that the South East region was a net contributor to the national economy and that should be understood by the Treasury.
- 23.7 Nick Hibberd stated that during SE7 conversations with the DfT some months ago, it was clear the DfT were very keen for the establishment of SNTB's across the country. Whilst that attitude had softened of late, there were opportunities for the south east region. The historical work undertaken by the GBEB and 3SC's had established a clear set of priorities and there would be opportunity for the various district and borough council's to make their voices heard. Nick Hibberd stated that the next few months would be key in terms on the model that is followed although the full picture provided from government was not currently as clear as hoped.
- 23.8 Councillor Wall stated his agreement that the government position on the matter had softened. Councillor Wall added that every local authority and business leader recognised the current transport system was not fit for purpose and the Greater Brighton Region collectively needed to maintain pressure as it may get left behind and proposals were drawn up and agreed.
- 23.9 **RESOLVED-** That the Board notes the proposals and requests an update report be brought back to the Board on the emerging shadow body arrangements and any potential impact on the Greater Brighton City Region within the next 12 months.
- 24 SUSSEX COAST AREA REVIEW AND THE METROPOLITAN COLLEGE PROPOSALS

- 24.1 The Board considered a presentation from Nick Juba, Chief Executive Officer, City College Brighton & Hove that set out the recommendations proposed following the Sussex Coast Area Review and proposals for the Metropolitan College.
- 24.2 Peter Davies asked how the Greater Brighton Skills body would engage with businesses in the region.
- 24.3 Nick Juba explained that a subsidiary group would be established and in such a way to allow increased engagement with businesses and a commercial focus not currently delivered within the existing traditional structures.
- 24.4 Councillor Wall stated that he was pleased to hear positives from around the region but young people in Mid Sussex did not see such positives as there was currently no 6<sup>th</sup> Form provision in the area. Councillor Wall asked how this was proposed to be resolved
- 24.5 Nick Juba stated that Central Sussex College and Chichester College were in discussions over a potential merger and a possible campus located in Haywards Heath had arisen from those discussions. Nick Juba added that any final decision was made by the Governors of the colleges rather than the government.
- 24.6 Councillor Wall stated that it was important for the Board to note that the current situation was unacceptable and untenable.
- 24.7 The Board unanimously agreed with the statement made by Councillor Wall.
- 24.8 Prof. Humphris stated that whilst she welcomed merger discussions, it was important to recognise that a fundamental issue of governance had led to the current predicament.

#### 25 UPDATE ON GREATER BRIGHTON DEVOLUTION BID

- 25.1 The Board considered a report of the Chair, Greater Brighton Officer Programme Board that provided the Board with the revised Greater Brighton Devolution Proposition document developed in response to the Board's instruction to progress the City Region's devolution bid to secure a non-mayoral devolution deal.
- 25.2 Councillor Smith asked how much the offer was expected to amount to and the likely governance terms in relation to that.
- 25.3 Nick Hibberd stated that an offer and the governance terms were as yet unknown but it could be anticipated that stronger governance would be expected in relation to a larger offer. Nick Hibberd stated that the Board has an established record of delivery and partners had made clear in the City Deal agreement that they were open to discussing a combined authority agreement relative to return. Furthermore, many of the functions of a combined authority could be replicated under a joint committee arrangement.
- 25.4 Nick Juba stated that he had been impressed by the joint working of the Board. From conversations with government ministers, he understood there was limited appetite from central government for further devolution deals and in his view, the offer made should

determine whether the Board focus on devolution or continue in their current, successful format.

- 25.5 Councillor Wall thanked officers for an informative report adding that he would be interested to hear the view of business partners. Councillor Wall stated that the Board continued to achieve a lot and whether it moved forward through a devolution deal or not, it must continue to work effectively and co-operatively. Councillor Wall added that the Board had to be loud and clear about what it wanted and be flexible when proposals came forward.
- 25.6 Geoff Raw stated that from his conversations with ministers, it was clear that the government focus had moved to key industrial sectors and how investment and growth could be linked to specific geographies. He added that government priorities did shift and it was important for the Board to focus on where the agenda was moving to.
- 25.7 Prof. Humphris noted that three of the twelve devolution deals had failed and asked whether any obvious distinction in what those who were successful were doing.
- 25.8 Nick Hibberd stated that those regions that had been successful in the devolution process had continued and maintained funding from government. The Greater Brighton City Deal had established an advantageous relationship and profile with government for other types of funding such as the recent award of One Public Estate (OPE) funding. Nick Hibberd added that the Board would continue to have the right discussions, raise the profile of the region and have a clear plan through its pipeline of projects.
- 25.9 John A. Peel noted that the Board's focus on the digital catapult arising from clear, focussed planning had in turn put it at the forefront for trialling 5G mobile network technology.

#### 25.10 **RESOLVED-**

- 1) That the Board approve the Proposition document, attached as Appendix 1.
- 2) That the Board agrees to permit the Officer Board to recommence negotiations with Government.
- That the Board delegates authority to the Officer Board to 'buy-in' a variety of specialist support, to both continue to build the evidence base for the City Region's Proposition and to progress priority pieces of work as outlined in section 3.12 of this report. This will initially be funded from within the Board's existing budget but further requests for funding may be made in the future if required.

#### 26 GATWICK DIAMOND INITIATIVE AND GATWICK AIRPORT LTD

26.1 The Board considered Board considered a presentation from Jeff Alexander, Executive Director, Gatwick Diamond Initiative and Alison Addy Head of Community Engagement, Gatwick Airport Ltd that provided information on the Gatwick Diamond Initiative and Gatwick's role in the economy.

- 26.2 Prof. Humphris stated that a challenge for Gatwick may be growth and the skills and supply chain and asked for the presenters view on this issue.
- 26.3 Alison Addy stated that this was being addressed in a number of ways including a graduate programme and in the longer-term, a focus on STEM and educational partnerships. Furthermore, Gatwick had its own well-established engineering programme that had now been running for 40 years.
- 26.4 Geoff Raw noted that the Chamber for Commerce had undertaken recent research that showed 46% of the regions exports were to the EU and asked if other locations for expansion were being considered and if the presenters had any advice for the Board to that end.
- 26.5 Jeff Alexander stated that approaches would undoubtedly change following the recent referendum result and the changes that would have upon import and export markets but that would give opportunity to re-double efforts, improve focus and improve on what were occasionally piecemeal systems. Jeff Alexander asses that strong, partnership working would be a key factor in that. Alison Addy stated that international trade was something Gatwick were focussing on a gauging and maximising demand was key.
- 26.6 John A. Peel stated that he had been impressed by Gatwick Airport's encouragement of public transport and enquired whether there were any potential issues to continuing improvement.
- 26.7 Alison Addy stated that the rail network was very important to Gatwick Airport. Investment would be made in a new station as the current one was not fit for purpose although a significant funding gap had been identified through detailed design and solution was required to be found in conjunction with the DfT.

### 27 UPDATE ON GREATER BRIGHTON INVESTMENT PROGRAMME AND LOCAL GROWTH FUND

- 27.1 The Board considered a report of the Chair, Greater Brighton Officer Programme Board that provided a progress update on the Greater Brighton Investment Programme for the period 20 September 2016 to 20 December 2016. The report also provided an update on the Local Growth Fund (LGF) in relation to both the allocations made as part of round 3 of the Growth Deal and new bidding opportunities presented by the C2C LEP's new six monthly call for growth projects financed from unallocated Growth Deal round 1 and 2 funds.
- 27.2 Councillor Parkin asked if any information was available on the announcement of Growth Deal round 3.
- 27.3 Cath Goodall answered that she understood an announcement was imminent.

#### 27.4 RESOLVED-

- 1) That the Board note the report.
- 2) That the Board endorse the proposed short-list of projects to be put forward by the Greater Brighton partnership to C2C LEP's new six monthly call for growth projects, recognising that new projects may still come forward.

### 27a UPDATE ON GREATER BRIGHTON INVESTMENT PROGRAMME AND LOCAL GROWTH FUND- EXEMPT CATEGORY 3

27a.1 The Board moved to private session to discuss confidential information pertaining to Item 26a before returning to open session.

#### 28 PART TWO PROCEEDINGS

28.1 **RESOLVED-** That the Part Two appendix and minute item remain exempt from disclosure from the press and public.

The meeting concluded at 1	2.15pm		
Signed		Chair	
Dated this	day of		

# GREATER BRIGHTON ECONOMIC BOARD

Agenda Item 32

Subject: Response to consultation on the green paper

Date of Meeting: 25 April 2017

Report of: Chair, Greater Brighton Officer Programme Board

Contact Officer: Name: Nick Hibberd Tel: 293020

Email: Nick.Hibberd@brighton-hove.gov.uk

Ward(s) affected: All

#### FOR GENERAL RELEASE

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

- 1.1 On the 23 January 2017, Government published its Building Our Industrial Strategy Green Paper and invited comments.
- 1.2 The Greater Brighton Economic Board ('the Board') welcomes the opportunity to respond and work with Government, to both help shape its modern Industrial Strategy and to support the delivery of this at a City Region scale.
- 1.3 The purpose of this report is to provide the Board with the City Region's Consultation Response ('the consultation response').

#### 2. **RECOMMENDATIONS:**

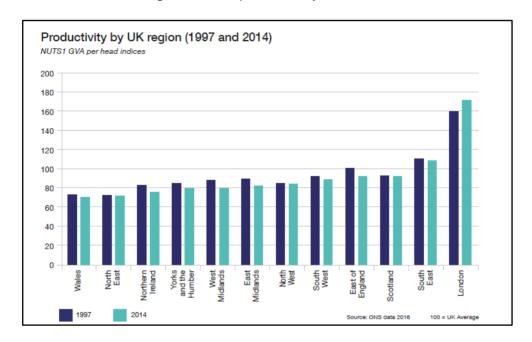
2.1 That the Board give retrospective approval to the Consultation Response, which was submitted to Government on 17 April 2017 in line with its deadline.

#### 3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The purpose of the Green Paper is to build an Industrial Strategy that addresses long-term challenges to the UK economy. Government's aim is to improve living standards and economic growth by increasing productivity and driving growth across the whole country. The ten 'pillars' proposed are seen as the factors that drive growth.
- 3.2 The City Region's plans for investment and economic growth through the Greater Brighton City Deal and the Coast to Capital Growth Deal are ambitious. These ambitions are aligned with Government's focus on growth and productivity; however the City Region's consultation response emphasises the need for a broad based inclusive growth strategy.
- 3.3 The Green Paper and a number of recent Government announcements, including the Spring Budget 2017, have demonstrated Government's continuing use of and investment in the "Northern Powerhouse" and "Midlands Engine". The Chancellor recently unveiled a package of almost £400 million of investment in the Midlands following the launch of the Midlands Engine in 2015. Whilst there is no doubt that these areas are in need of regeneration in a way that the South East is not, the consultation response asks that the South East should not be

excluded from investment in infrastructure, jobs, housing, new technology and growth.

3.4 The table below, included in the Green Paper, shows that GVA per head has fallen in South East since 1997. Disparities exist within regions, as well as between, regions. The City Region's productivity, whilst comparable to the UK average, is not what it could be, given its proximity to London, access to international markets and the area's asset base. The City Region requires continued investment, which would be used to deliver 'quick wins' and high returns in terms of growth and productivity.



#### The Southern Accelerator

- 3.5 The consultation response asks Government to support the creation of the Southern Accelerator, providing an overarching vision for the region within which other structures, strategies and bids would sit.
- 3.6 The Southern Accelerator would be a concept and a brand, in the same way as the "Northern Powerhouse" and the "Midlands Engine", not a new body. It is proposed that the Southern Accelerator initially centres on Greater Brighton and the Gatwick corridor and potentially be expanded to include Sussex and wider parts of the South East, such as the South East 7.
- 3.7 It is growth that now drives Government policy and the Southern Accelerator will enable the City Region economy to have its own identity and strategy when it comes to Government's agenda, to compete and to enable the region to go further and faster in a rapidly changing world.
- 3.8 The consultation response sets out a number of observations and asks to Government in relation to nine of the ten 'pillars' identified as fundamental for growth for the City Region as follows:
  - 1. Investing in science, research and innovation
  - 2. Developing skills
  - 3. Upgrading infrastructure

- 4. Supporting businesses to start and grow
- 5. Encouraging trade and inward investment
- 6. Delivering affordable energy and clean growth
- 7. Cultivating world-leading sectors
- 8. Driving growth across the whole country
- 9. Creating the right institutions to bring together sectors and places

#### 4. ENGAGEMENT & CONSULTATION

4.1 Members of the Greater Brighton Officer Programme Board ('the Officer Board') have been given opportunities to input into the drafting of the consultation response. In addition, all Officer Board members were invited to attend a workshop facilitated by the Coast to Capital Local Enterprise Partnership to discuss and develop the City Region's response.

#### 5. CONCLUSION

- 5.1 The consultation response welcomes the publication of Government's Industrial Strategy Green Paper and its focus on growth and productivity.
- 5.2 The consultation response seeks Government's support for the creation of the Southern Accelerator, which would enable the City Region to set its own vision based on local priorities and growth indicators.
- 5.3 The consultation response sets out a number of observations and asks to Government linked to nine of the ten 'pillars' for growth.

#### 6. FINANCIAL & OTHER IMPLICATIONS:

#### Financial Implications:

6.1 The report has no direct financial implications. The Building Our Industrial Strategy Green Paper aims to improve living standards and economic growth and will support the creation of the Southern Accelerator to enable investment into Greater Brighton to generate growth.

Finance Officer Consulted: Rob Allen Date: 11/04/17

#### Legal Implications:

6.2 The report has no direct legal implications. Creation of and participation in the Southern Accelerator may have legal and constitutional implications which will be dealt with in future reports.

Lawyer Consulted: Oliver Asha Date: 11/04/17

#### Equalities Implications:

6.3 The consultation response highlights the absence of inclusive growth and that Government must consider the principles and invest in social infrastructure if a productive and inclusive economy is to be sustained. The Board would like to see Government supporting the inclusive growth agenda by using structural and

financial tools, and incentives that support measures to ensure that everyone benefits from economic growth.

#### Sustainability Implications:

- 6.4 Greater Brighton has requested a long term framework of policy and incentives, to ensure that the low carbon transition is investable.
- 6.5 The City Region asks that the integration of affordable, secure and low carbon energy infrastructure and resource efficient building practices is continued.
- 6.6 Greater Brighton would like Government, upon exiting the European Union, to retain environmental ambition and effective regulation.

#### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Building Our Industrial Strategy Green Paper. Consultation Response from Greater Brighton Economic Board



# **Building Our Industrial Strategy Green Paper. Consultation Response from Greater Brighton Economic Board**

The Greater Brighton Economic Board welcomes the publication of Government's Industrial Strategy and the renewed emphasis on improving productivity and achieving an economy that works for everyone.

The Greater Brighton Economic Board was established in March 2014, as part of the <u>Greater Brighton City Deal Agreement</u>. The purpose of the Board is to protect and grow the Greater Brighton economy, by formulating economic policy and co-ordinating economic activities and investments at City Region level. The Board brings together, as a formally constituted partnership, the Leaders and Chief Officers from the public sector, education and business to work collectively on 'larger than local' issues.

#### **Greater Brighton's offer to Government – Enabling the Industrial Strategy**

#### 1. Southern Accelerator - Driving growth across the whole county

The South East region is strategically important to the UK economy, not just in terms of the fiscal contribution that it makes to the Exchequer but also in the opportunities it creates for increased economic activity elsewhere in the UK. The Coast to Capital Local Enterprise Partnership area and the Greater Brighton City Region is a key gateway for the United Kingdom to the rest of the world. Gatwick and two ports, Shoreham and Newhaven, sit within the region.

It is important that the success of the South East economy continues to be recognised. The Greater Brighton Economic Board believes that the creation of the **Southern Accelerator**, similar to the Northern Powerhouse and the Midlands Engine, would provide an overarching vision for the region within which other structures, strategies and bids would sit. With relatively modest interventions in the City Region's road, rail and digital infrastructure and with the tools to unlock the essential housing and employment floorspace, Greater Brighton can deliver improved productivity and growth.

### 2. Empowering City Regions to respond to the challenge - upgrading infrastructure

The Greater Brighton Economic Board welcomes Government's desire to better align the planning of infrastructure more effectively with local growth priorities. The Board asks to work with Government, through the Coast to Capital Local Enterprise Partnership and Transport for the South East, on its strategic transport corridors — especially north-south, the M23/Brighton Main Line corridor, and east-west, the A27/A259/Coastway corridor.

The Board welcomes the additional £1.1b of funding Government has announced for local roads and transport and is highly supportive of Government's view that long-term funding certainty is the best way to plan infrastructure investment. It seeks a decentralised and consolidated transport fund with a multi-year settlement from Government.



The Board plans to greatly increase the scale and pace of housing delivery through various mechanisms. It asks Government to support the work of the West Sussex and Greater Brighton Strategic Planning Board in developing a spatial framework for the area that brings together in one place the housing and employment space required over the next ten years linked to the long term strategic infrastructure and other transport plans.

## 3. City Halls for Business - Creating the right institutions to bring together sector and places

The Greater Brighton Economic Board welcomes the Green Paper's recognition that competitor economies often have strong local institutions. The Board is ready to pilot a 'City Halls for Business' model, using Brighton's Town Hall as a multi-agency hub to support business growth, attract inward investment and promote trade. The City Hall for Business would provide a regional/local space for the Department for International Trade to enable a central/local collaborative focus for activities that seek to promote investment into the City and the City Region and support businesses to export.

#### 4. City Ambassadors - Encouraging Trade and Inward Investment

The Greater Brighton Economic Board recognises the need to bring more business expertise into local governance and improve links between councils and the private sector. A City Ambassador role is being piloted as an example of a modern "Alderman" type role within local government. The role aims to provide an opportunity for nominated individuals to represent and promote the growth sectors of the City Region, help attract inward investment, support trade delegations and missions, voice the needs of their sector and influence the City Region's strategic developments.

# 5. Innovation South - Investing in Science, Research & Innovation - bolstering the role of R&D at a regional level to deliver placed based growth

By ensuring both that R&D is prioritised nationally and that the creators of R&D are more closely aligned with place and with the end users of R&D, innovation will embed across the country. The Greater Brighton Economic Board would like to see stronger alignment of university research incentives with place based economic development. This will help to accelerate economic growth and can also help the City Region to find solutions to big societal challenges.

Greater Brighton is a partner in Innovation South, one of the eight Science and Innovation audits announced by Government as part of the Autumn Statement 2016. The Innovation South audit is focused on a number of core themes that will look at five enabling technologies: Digital; Quantum; Photonics; Cyber and Big Data Analytics applied across four sectors; Connected Digital; Advanced Engineering; Bio-Science, and; Marine/Maritime. All of these are existing regional strengths that are potentially global in profile. Understanding regional industrial needs will be central to the success of the Industrial Strategy, and the Greater Brighton Economic Board looks forward to engaging with Government to learn from the audit's findings.



#### 6. Greater Brighton Smart Growth – Cultivating World Leading Sectors

The Greater Brighton Economic Board is currently taking steps to better understand the City Region's sectors and sub-sectors and is developing a Smart Growth Strategy for Greater Brighton. The purpose of the Strategy, which will 'deliver deeper' than the Innovation South audit, is three-fold: to pinpoint the sectors and sub-sectors in the local economy that are large and specialised enough to provide a comparative advantage; to identify the key challenges that firms within these sectors face, and; to set-out what can and should be done to support these firms and their growth. The Board therefore welcomes the advent of the Industrial Strategy Challenge Fund as one that will support the work that is already being done to facilitate business investment in R&D business innovation.

# 7. Place based infrastructure solutions – to deliver affordable energy and clean growth

The Greater Brighton Economic Board welcomes the Green Paper's focus on working with the energy industries and regulators to manage the changes to energy networks required in the transition to a low carbon economy. The Board would like to pilot a new approach to utility companies working more closely together on place based infrastructure, energy security and smart grid solutions to support growth and respond to challenges, such as the roll out of electric vehicles.

#### 8. Business resilience and growth – supporting business to start and grow

The proposed capital investment sources outlined in the Green Paper are welcome by the Greater Brighton Economic Board. However, the Board is concerned that the limited supply of revenue funds for direct business advice and support will limit the ability of businesses to take advantage of the new funding avenues being offered by Government.

#### 9. Skills for the future -developing skills

The Greater Brighton Economic Board supports Government's intention to upgrade and refocus existing Further Education Institutions. It asks Government to work with and support the City Region to refocus the newly created Greater Brighton Metropolitan College (GBMet) and the UTC in Newhaven to seek investment via the proposed £170m of capital funds proposed in the Industrial Strategy.



#### **Context**

The Greater Brighton City Region is made up of the five local authority areas of Brighton & Hove, Adur, Worthing, Lewes and Mid Sussex. It is a true functional economic area of around 700,000 people and 35,000 active business units with a combined output of over £14bn (£14,164,099,914) in 2013. Greater Brighton is one of the fastest growing city regions in the UK. It was rated in the top five for jobs growth in the past five years (currently providing over 278,000 jobs and a further 37,000 more jobs are expected to be created by 2030) and one of the best places to start a new business. Greater Brighton contributes over £19 billion to national GVA. The City Region is vibrant with a strong and unique identity.

Above all, Greater Brighton is known for its quality of life including the uniquely vibrant leisure and cultural offer of Brighton itself, the regenerative effects of which are increasingly evident further along the coast towards Shoreham and Worthing, the historic heritage of towns such as Lewes and attractive coast and countryside, including part of the South Downs National Park, all within easy reach of London.

Whilst Greater Brighton has many natural advantages, there are a number of serious barriers to growth. The City Region's productivity, whilst comparable to the UK average, is not what it could be, given the proximity to London, access to international markets and the area's asset base. In 2014, GVA per head was £51,479 compared to £56,665 in West Sussex as a whole and £63,177 in the Gatwick Diamond. More than half of all jobs in the area are in tourism, retail and public sector industries — well above the national average. Greater Brighton faces a number of challenges which impact on its growth ambitions, namely; a highly skilled workforce but a high proportion is under-employed, pockets of deprivation where the benefits of regeneration have not been felt, low level basic skills in some communities and a high business failure rate.

Government's focus on growth and productivity aligns with the Greater Brighton Economic Boards ambitions to increase productivity and foster business growth and inward investment; however inequalities between places and people create a drag on public funds and the economy. The Board would like to see an Industrial Strategy that facilitates broad based growth that enables the widest range of people and places to contribute to economic success and to benefit from it; this includes access to quality jobs and careers, and housing and travel to work costs that are affordable.



#### **Driving Growth across the Whole Country**, the Southern Accelerator

#### Questions for consultation

- Do you agree the principles set out above are the right ones? If not what is missing?
- What are the most important new approaches to raising skill levels in areas where they are lower? Where could investments in connectivity or innovation do most to help encourage growth across the country?

#### **Key Messages**

- The South East region is strategically important to the UK economy, not just in terms of the fiscal contribution that it makes to the Exchequer but also in the opportunities it creates for increased economic activity elsewhere in the UK. The Coast to Capital Local Enterprise Partnership area and the Greater Brighton City Region is a key gateway for the United Kingdom to the rest of the world. Gatwick and two ports, Shoreham and Newhaven, sit within the region.
- It is important that the success of the South East economy continues to be recognised. The Greater Brighton Economic Board believes that the creation of the Southern Accelerator, similar to the Northern Powerhouse and the Midlands Engine, would provide an overarching vision for the region within which other structures, strategies and bids would sit. With relatively modest interventions in the City Region's road, rail and digital infrastructure and the tools to unlock essential housing and employment floorspace, Greater Brighton can deliver improved productivity and growth.

The Green Paper and a number of recent Government announcements, including the Spring Budget 2017, have demonstrated Government's continuing use of and investment in the "Northern Powerhouse" and "Midlands Engine". The Chancellor recently unveiled a package of almost £400 million of investment in the Midlands following the launch of the Midlands Engine in 2015. Whilst the Greater Brighton Economic Board is in no doubt that these areas are in need of regeneration in a way that the South East is not, it strongly believes that the South East should not be excluded from investment in infrastructure, jobs, housing, new technology and growth.

It is growth that now drives Government policy and the Greater Brighton Economic Board believes that the region should have its own identity and strategy when it comes to Government's agenda, to compete and to enable the region to go further and faster in a rapidly changing world. The Board is asking for Government's support for the creation of the **Southern Accelerator**, providing an overarching vision for the region within which other



structures, strategies and bids would sit. It would be a concept and a brand in the same way as the Northern Powerhouse and Midlands Engine, not a new body or draw on funding.

It is proposed that the Southern Accelerator initially centres on Greater Brighton and the Gatwick corridor and potentially be expanded to include Sussex and wider parts of the South East, such as the South East 7. GVA per head has fallen in South East and disparities exist within regions, as well as between, regions. The City Region's productivity, whilst comparable to the UK average, is not what it could be, given the proximity to London, access to international markets and the area's asset base. The City Region requires continued investment, which would be used to deliver 'quick wins' and high returns in terms of productivity.



#### **Upgrading Infrastructure**, Empowering City Regions to respond to the challenge

#### Questions for consultation

- Are there further actions we could take to support private investment in infrastructure?
- How can local infrastructure needs be incorporated within national UK infrastructure policy most effectively?
- What further actions can we take to improve the performance of infrastructure towards international benchmarks? How can government work with industry to ensure we have the skills and supply chain needed to deliver strategic infrastructure in the UK?

#### **Key Messages:**

- The Greater Brighton Economic Board welcomes Government's desire to better align the planning of infrastructure more effectively with local growth priorities and asks Government to work with the City Region, through the Coast to Capital Local Enterprise Partnership and Transport for the South East, on its strategic transport corridors — especially north-south, the M23/BML corridor, and east-west, the A27/A259/Coastway corridor.
- The City Region needs an efficient and reliable railway service to maintain its competitiveness, drive its economic growth and boost employment. The Greater Brighton Economic Board would like to reiterate its support for the Brighton Main Line Upgrade project and would urge the Government to ensure that Network Rail deliver these planned improvements at the earliest opportunity within the next Control Periods.
- The Greater Brighton Economic Board welcomes the additional £1.1b of funding Government has announced for local roads and transport. The Board is also highly supportive of Government's view that long-term funding certainty is the best way to plan for infrastructure investment. The City Region seeks a devolved and consolidated transport fund with a multi-year settlement (potentially including the devolution of relevant highways and integrated transport funding) from Government.
- The Greater Brighton Economic Board acknowledges the proposals set out in the Housing White paper but would like to see a further range of flexibilities and initiatives to accelerate and maximise housing delivery, including: use of Right to Buy receipts; the roll-out of Brighton & Hove's Living Wage pilot, if successful, through HCA loan; temporary retention of capital receipts on high-value asset sales; zero rated VAT on land purchases; retention of a greater proportion of Business Rates growth, and; raising the cap on HRA borrowing. Housing to be delivered by these means will include affordable housing including starter homes, houses available at social rent levels and build to let.



- The Greater Brighton Economic Board believes that the impact of permitted development rights on the stock of office and employment land in areas such as Greater Brighton, where housing is sold at a premium, should be addressed within the Industrial Strategy.
- The City Region asks to work with Government and other partners to develop a Local Digital Connectivity Delivery Plan, along similar lines to the local mobile connectivity delivery plans proposed by the National Infrastructure Commission.

#### **Transport Infrastructure:**

In overall terms, the Greater Brighton's transport infrastructure is not considered to be fit for purpose. Whilst the area has generally adequate road and rail links along the South Coast and into London, sections of these routes — and the links to them — can become heavily congested at certain times of the day and year, and some suffer from failures, incidents or circumstances that make them unreliable. The connectivity within some parts of the urban areas can be improved further to provide more effective links for pedestrians, cyclists and public transport users. These issues highlight instances of inconsistency in the quality and standard of the transport network in places, as well as the gradual deterioration of its condition through a lack of sufficient investment in its repair or renewal over many years. The City Region fully recognises that these networks are the responsibility of a number of different organisations and therefore different procedures and priorities are involved in their renewal and maintenance.

The City Region's location on the South Coast means that there are some long journey times to key destinations in the South East region. It takes more than two hours to travel by train to Heathrow Airport and 82 minutes to travel the 34 miles to Guildford. However, the level of movement that occurs within the Greater Brighton for journeys to work identified within a recent Background Paper on Transport, indicates the opportunities to consider further improvements that would enable these movements to be maintained and increased and therefore people can seek to live and work within the City Region itself. As some of these journeys take place over short distances, the opportunities to promote and provide for sustainable/low carbon transport options such as walking, cycling and public transport is good.

The Greater Brighton Economic Board welcomes Government's desire to better align the planning of infrastructure more effectively with local growth priorities and asks Government to work with the City Region, through the Coast to Capital Local Enterprise Partnership and Transport for the South East, on its strategic transport corridors — especially north-south, the M23/BML corridor, and east-west, the A27/A259/Coastway corridor. Local Enterprise Partnerships should also play a key role in ensuring that local infrastructure needs are effectively incorporated within national UK infrastructure policy.

Greater Brighton is currently working with partners to identify the purpose and remit of Transport for the South East, which could include a long term transport strategy, close working with Highways England and Network Rail and the establishment of a Key Route Network for the operation, maintenance and improvement of important local roads.



The importance of the railway service to Greater Brighton's economy is unequivocal. It is essential for the City Region's economy and connectivity, particularly to Gatwick and to London, and is a key component to attracting businesses to locate and stay in the City Region. However, the infrastructure is not fit for purpose and the Brighton Main Line in particular has suffered from long-standing capacity and reliability issues. Train services on the Brighton Main Line are among the busiest in the country, while levels of on-time performance are among the lowest nationally. The Greater Brighton Economic Board reiterates its support for the Brighton Main Line Upgrade project. This would increase capacity and reliability in the long-term, providing the infrastructure not just to support planned growth but to transform the Greater Brighton economy. Network Rail has identified this as its single top priority for investment and the Board asks Government to review the London South Coast Rail Corridor Study and to recognise the importance of this critical route when setting its priorities for investment in the national rail network.

Performance on the Brighton Main Line has been particularly compromised in recent months, as a result of the ongoing industrial action on Southern services. This is having a harming effect on residents' wellbeing and livelihoods, on businesses and on investor confidence. The Greater Brighton Economic Board asks Government to do all that it can to work with the relevant parties to resolve the dispute expediently and ultimately move forward.

The Greater Brighton Economic Board welcomes the additional £1.1b of funding Government has announced for local roads and transport. It is also highly supportive of Government's view that long-term funding certainty is the best way to plan infrastructure investment. The City Region seeks a devolved and consolidated transport fund with a multi-year settlement (potentially including the devolution of relevant highways and integrated transport funding) from Government. This will enable Greater Brighton to develop and deliver a Long Term Strategic Infrastructure Plan, working jointly with the Transport for the South East.

The Greater Brighton Economic Board will continue to develop its strategy for making local urban transport more effective for all forms of transport. This will include using existing and any new powers and budgets to improve facilities and making the most of smart technology and Intelligent Transport Systems to reduce congestion and air pollution within the urban areas. The City Region also contains a high proportion of rural areas which experience issues associated with transport and travel. Improving travel choices in those rural areas is also an important objective, while accepting that there is unlikely to be a single model for delivering flexible and responsive transport services that are required to meet the diverse needs of rural communities. Targeted and innovative schemes will therefore need to be developed, making creative use of available resources.

#### **Housing and Employment Floor Space:**

Housing and employment floor space is an integral part of the growth and productivity dynamic and the Greater Brighton Economic Board believes that the Industrial Strategy will need to reflect this in its final form.



The City Region has a shortage of land, both for housing and employment space. Some of this is due to topography; the coastal strip from Newhaven through Brighton & Hove and Shoreham along to Worthing is constrained by the sea to the south and the South Downs to the north. Much of the rest of the area has protected status, for example lying within the South Downs National Park, the green belt or the High Weald Area of Outstanding Natural Beauty. Land is often unsuitable for building due to flood risk or other factors. The lack of road infrastructure to unlock sites can be particularly problematic.

The availability of sufficient and affordable housing is crucial to support the City Region's plan for growth. There is a collective need to build new homes however this must be balanced alongside the requirement to meet the space needs of key sectors and growing businesses. Ensuring that local growth and prosperity is not constrained by inadequate, poor quality employment land is critical to the success of the City Region's inward investment and sector strategies. The recent permitted development rights to allow light industrial, storage, warehousing and office to residential is undermining the ability of physically constrained areas such as Greater Brighton to retain much needed employment land.

The Greater Brighton Economic Board's plans to greatly increase the scale and pace of housing delivery through various mechanisms are well-advanced. It asks Government to support the work of the West Sussex and Greater Brighton Strategic Planning Board in developing the Local Strategic Statement 3; a process to support better integration and alignment of strategic spatial and investment priorities and deliver a spatial framework for the area that brings together in one place the housing and employment space required over the next ten years linked to the long term strategic infrastructure and other transport plans. The Board would also welcome a discussion about a range of flexibilities and initiatives to accelerate and maximise delivery, including: use of Right to Buy receipts; roll-out of Brighton & Hove's Living Wage pilot, if successful, through HCA loan; temporary retention of capital receipts on high-value asset sales; zero rated VAT on land purchases; retention of a greater proportion of Business Rates growth, and; raising the cap on HRA borrowing. Housing to be delivered by these means will include affordable housing including starter homes, houses available at social rent levels and build to let.

The Greater Brighton Economic Board welcomes the approach taken by Government to overcome site viability issues, including the £2.3b Housing Infrastructure Fund and £2.5b investment in flood defences over 6 years announced as part of the Autumn Statement 2016, to encourage new private investment. It feels strongly that devolving such capital and revenue funding into a single, place-based pot would allow local areas to support a more diverse set of outcomes and local priorities, including those to support growth.

There is little capacity for companies to continue to grow in the City Region; more commercial space is needed. Where sites do exist, the Greater Brighton Economic Board has been ready to exploit them. Newhaven is one of the biggest single growth locations in the City Region; the Newhaven Enterprise Zone opened on the 1st April 2017 and will provide 55,000sq.m of new and 15,000sq.m of refurbished floorspace creating and protecting 2,000 jobs. Mid Sussex District Council, in its emerging District Plan, is bringing forward 25-30 hectares of employment space as part of the Burgess Hill Growth



Programme, which will equate to approximately 100,000 sqm new floorspace and 2500 new jobs.

There is a market failure in office space delivery; it is difficult to fund institutions to back the build and this is compounded by the lack of large scale tenants that have traditionally taken long leases on commercial developments.

#### **Digital Infrastructure**

The Greater Brighton Economic Board would like to work with Government and other partners to develop a Local Digital Connectivity Delivery Plan, along similar lines to the local mobile connectivity delivery plans proposed by the National Infrastructure Commission. This would include both mobile connectivity and broadband. The Plan would include the roll-out of ultrafast broadband to all businesses and urban areas; the role-out superfast broadband to rural and hard to reach areas, and; delivering an additional 5G hub by 2020. The Board welcomes Government investment of £400m in a new Digital Infrastructure Investment Fund to boost commercial finance for emerging fibre broadband providers.



# Creating the right institutions to bring together sectors and places, City Halls for business

#### Questions for consultation

- Recognising the need for local initiative and leadership, how should we best work with local areas to create and strengthen key local institutions?
- What are the most important institutions which we need to upgrade or support to back growth in particular areas?
- Are there institutions missing in certain areas which we could help create or strengthen to support local growth?

#### **Key Messages**

- The Greater Brighton Economic Board welcomes the Green Paper's recognition that competitor economies often have strong local institutions. The Board is ready to pilot a 'City Halls for Business' model using Brighton's Town Hall as a multi-agency hub to support business growth, attract inward investment and promote trade. The City Hall for Business would provide a regional/local space for the Department for International Trade to provide a central/local collaborative focus for activities that seek to promote investment into the City and the City Region, support businesses to export
- In a climate of unprecedented budget challenges, the Greater Brighton Economic Board feels that local authority Economic Development and Regeneration functions should be protected and made statutory.

The Greater Brighton Economic Board brings together the Leaders and Chief Officers from the public sector, education and business to work collectively on 'larger than local' issues, recognising the importance of the sub-regional economic geography. The Greater Brighton Economic Board shares Government's desire to confront the fact that UK economy is one of the most centralised in the world. In 2015, the Board started a dialogue with Government about how it could deliver more if further powers and funds were devolved to the City Region. Devolution cannot simply be restricted to deals for the Country's largest cities. The Greater Brighton Economic Board asks Government to consider its Devolution Proposals. Although small compared to the major metropolitan city regions in the north, the Greater Brighton City Region offers excellent growth potential.

The Board is currently exploring the potential to create a Civic Hub in Brighton's City Hall. Modelled on the role of Mansion House for the City of London Corporation, the Greater Brighton Civic Hub will have a unique role in actively managing and brokering public and



private sector relationships and interests; providing a space in which private and public investors, public policy specialists and commercial advisors are able to meet to explore opportunities, address and solve economic problems; a flexible venue for visits, delegations and missions, and a space that will act as a focal point for attracting inward investment and international trade.

Greater Brighton has a truly unique offer in terms of culture, arts and heritage – attracting both people to live in and visit and the kind of creative and innovative businesses the Board wishes to attract to locate in the City Region. Greater Brighton partners would like to work with Government to set up a Greater Brighton Creative Industries Council to align local, regional and national organisations to meet the needs of the creative and cultural industries locally. The Greater Brighton Creative Industries Council would have representatives from national organisations including Arts Council England, Heritage Lottery Fund and Creative Skillset as well as local partners including the Coast to Capital Local Enterprise Partnership, the Universities of Sussex and Brighton, Wired Sussex and leading local businesses.

The digital sector is a particular strength of the City Region but it has the capacity for much greater growth and productivity. Greater Brighton is hampered by a lack of revenue funding and slow decision-making mechanisms for new investment. Greater Brighton will work with partners to create an agile and fast-moving funding stream that will allow local businesses to seize new opportunities as they arise. In the rapidly evolving world of the digital sector, new opportunities can arise very quickly. The City Region wants to be at the forefront of these new developments which are as yet unknown. This means developing the capability to respond to new challenges and opportunities at a much quicker speed than is normally possible within the decision-making processes of central or local Government. The Greater Brighton Economic Board would like to work with partners and Government to agree a joint funding programme which can be fast enough and flexible enough to keep the City Region at the cutting edge of technology instead of simply following others.

The Greater Brighton Economic Board would like to explore whether there is a benefit in creating a Sub National Digital Partnership – similar to the sub national transport bodies – which could create the UK version of Silicon Valley, possibly stretching from Oxford and Cambridge via the Thames Valley and London, through to the South Coast including Greater Brighton.

The importance of the local authority in supporting economic growth and regeneration should not be underestimated. In a climate of unprecedented budget challenges, the Greater Brighton Economic Board feels that these functions should be protected and that Economic Development and Regeneration functions should be made statutory.



#### **Encouraging Trade and Inward Investment,** Sector Alderman / City Ambassadors

#### Questions for consultation

- What can the Government do to improve our support for firms wanting to start exporting? What can the Government do to improve support for firms in increasing their exports?
- What can we learn from other countries to improve our support for inward investment and how we measure its success? Should we put more emphasis on measuring the impact of Foreign Direct Investment (FDI) on growth?

#### **Key Messages**

- The Greater Brighton Economic Board recognises the need to bring more business expertise into local governance and improve links between councils and the private sector. A City Ambassador role is being piloted as an example of a modern "Alderman" type role within local government. The role aims to provide an opportunity for nominated individuals to represent and promote the growth sectors of the Greater Brighton City Region, help attract inward investment, support trade delegations and missions, voice the needs of the sector and influence the City Region's strategic development.
- The Greater Brighton Economic Board looks forward to building on its existing links with the Department for International Trade, as part of a new more strategic approach to inward investment advocated within the Industrial Strategy Green Paper.
- The Greater Brighton Economic Board is taking steps to understand the City Region's competitive advantage by developing a Smart Growth Strategy, which will 'delve deeper' into the particular specialisms and sector strengths that can attract inward investment. The Board will be looking for investment through the new Challenge fund to take this work forward.
- Attracting trade and investment cannot be seen in isolation from issues such as transport infrastructure, housing availability and the suitability and availability of employment floor space.

The Greater Brighton Economic Board has recognised the need to develop a strategic approach to international trade and inward investment and is working with the Department for International Trade to develop a pro-active inward investment strategy.

Greater Brighton has a truly unique offer in terms of culture, arts and heritage – attracting both people to live in and visit and the kind of creative and innovative businesses the Board wishes to attract to locate in the City Region. The Greater Brighton Economic Board intends to build on this, to help drive the growth of the City Region and spread the benefits more

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evenly. The Green Paper recognises how important cultural institutions are to attracting businesses to invest in areas, and in establishing a high quality of life for employees. The Greater Brighton Economic Board intends to be creative and innovative in the way it use cultural activity to attract inward investment and international trade.

The Greater Brighton Economic Board is taking steps to understanding the City Region's competitive advantage by developing a Smart Growth strategy. This will inform the Board's strategy by 'delving deeper' into the particular specialisms and sector strengths that can attract inward investment. The Board will be looking for investment through the new Challenge fund to take this work forward.

The Greater Brighton Economic Board would like to reiterate that attracting trade and investment cannot be seen in isolation from issues such as transport infrastructure, housing availability and the suitability and availability of employment floor space. More commercial space is needed; the physical constraints on investment have discouraged developers from commercial development where housing yields are higher.

As identified in the recent report by Localis, 'The making of an Industrial Strategy' areas that are 'stifled' by administrative boundaries need powers to grow. There should be incentives in place for localities where physical constraints to development distort the market. Ongoing investment in these areas, via Local Growth Deals and in collaboration with the Coast to Capital Local Enterprise Partnership, will help to ensure that the Greater Brighton Economic Board is able to create the physical environment and business support infrastructure that will help to attract and retain business.

There should be more support for UK based businesses that trade internationally, but need to do so by direct delivery in local markets.

#### **Example:**

Lewes District Council (LDC) has been working with the Department for International Trade to assist C-TEC Energy with their export ambitions. C-TEC is based in Newhaven's Enterprise Zone, and has developed improved technology to maximise the cleanliness and efficiency of the burning process to recover energy from waste.

C-TEC has already won its first multi-million pound export to a European Country, and is now exploring exporting to the Indian market, where the small scale local energy generation and waste disposal market has considerable potential.

Lewes District Council has worked with the Department of International Trade to ensure that as much support as possible is given to benefit both the UK economy, and the growth potential of the Newhaven Enterprise Zone.



Investing in Science, Research and Innovation – Innovation South and Smart Growth, bolstering the role of R&D at regional and local level to deliver place based growth

#### Questions for consultation

- What should be the priority areas for science, research and innovation investment?
- Which challenge areas should the Industrial Challenge Strategy Fund focus on to drive maximum economic impact?
- What else can the UK do to create an environment that supports the commercialisation of ideas?
- How can we best support the next generation of research leaders and entrepreneurs?
- How can we best support research and innovation strengths in local areas?

#### **Key Messages**

- The Greater Brighton Economic Board is currently taking steps to better understand the City Region's sectors and sub-sectors and it is developing a Smart Specialisation Strategy for the Greater Brighton. The Board therefore welcomes the advent of the Industrial Strategy Challenge Fund as one that will support the work already underway to facilitate business investment in R&D business innovation.
- Government should consider tax relief to support product development and product launch, not just the research phase.
- Greater Brighton would like to see a similar programme of support for University led innovation, once access to Horizon 2020 funding ceases.
- Universities are currently not incentivised to work with the local public sector to develop innovative, cost-saving solutions to large societal challenges but there is a huge role for universities to fulfil in this area. This needs both recognising and correcting in the university funding regimes (eg HEIF).

The City Region's two world class universities are central to the above developments. There are concerns regarding the loss of funding sources for innovation and R&D once the United Kingdom has left the European Union. Currently universities have benefited from Horizon 2020 funding for R&D and there is an ongoing need for funding of this kind. The Greater Brighton Economic Board would like to see a similar programme of support for University led innovation, once access to Horizon 2020 funding ceases.

Excellent research and innovation in universities is currently incentivised to be more internationally engaged through the Higher Education Funding Council for England's Quality-

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Related Research funding regime. A much smaller source of public funding which supports the domestic engagement of universities is the Higher Education Innovation Fund. The suggestion to expand the Higher Education Innovation Fund in the Green Paper is welcome is welcomed by the Greater Brighton Economic Board. However, both the allocation and focus Higher Education Innovation Fund requires refinement if this public fund is to be used as a mechanism to achieve the aims of the Industrial Strategy. For example, collaborative research with businesses or innovation in the public sector (eg in relation to addressing the huge challenges of health and social care for an aging population) are both activities which are currently not recognised in the allocation funding mechanism, despite representing areas in which university-led innovation can make a huge difference to economic performance at local level across the Country. In this context, the suggestion in the Green Paper that the expansion of the Higher Education Innovation Fund should be tied to supporting new university spin-outs and licensing of IP is too narrow in focus and does not necessarily lead to any local economic engagement.

Science, research and investment should not be solely focused on universities; there is a role to play for schools and colleges, something which accords with Governments' plans for the new technical institutions. It is hope that there will be more information on how local partners can influence the delivery of skills via the devolvement of the national Adult Skills Budget to local areas.

Greater Brighton is a partner in one of the eight Science and Innovation audits awarded by Government. Innovation South is a partnership of local Enterprise Partnerships, local authorities, businesses and universities covering an area from Dorset to Kent along the South Coast, Surrey and Berkshire. The Audit is focused on a number of core themes that will look at five enabling technologies: Digital; Quantum; Photonics; Cyber and Big Data Analytics applied across four sectors; Connected Digital; Advanced Engineering; Bio-Science, and; Marine/Maritime. All of these are existing regional strengths, which are potentially global in profile. The output of the audit will be used to inform future Government and LEP investment strategies; it is due to submit its findings by end May 2017.



#### Cultivating world-leading sectors, Greater Brighton Smart Growth

#### Questions for consultation

- How can the Government and industry help sectors come together to identify the opportunities for a 'sector deal' to address – especially where industries are fragmented or not well defined?
- How can the Government ensure that 'sector deals' promote competition and incorporate the interests of new entrants?
- How can the Government and industry collaborate to enable growth in new sectors of the future that emerge around new technologies and new business models?

#### Key Message

• The Greater Brighton Economic Board is currently taking steps to better understand its sectors and sub-sectors, and it is developing a Smart Growth Strategy for the City Region. It therefore welcomes the advent of the Industrial Strategy Challenge Fund as one that will support the work that is already being done to facilitate business investment in R&D business innovation.

The Greater Brighton Economic Board is developing a Smart Specialisation Strategy for the City Region. The purpose of the Strategy is three-fold: to pinpoint sectors in the local economy that are large and specialised enough to provide a comparative advantage; to identify the key challenges that firms within these sectors face, and; to set-out what can and should be done to support these firms and their growth. The research and consultation is being jointly undertaken by the Universities of Brighton and Sussex; Professor Marc Cowling is professor of entrepreneurship and an expert on local economic growth policy and Professor Paul Nightingale is an expert on innovation and led the 'Brighton Fuse' project on the local Digital Creative Industries cluster.

Creative Digital IT is the fastest growing sector in the Greater Brighton City Region; the Brighton Fuse Project identified the sectors competitive advantage and helped to frame the City's Creative Digital IT sector relative to its UK competitors. The Brighton Fuse report is a key contributor to the growth of the sector locally. Greater Brighton would like to undertake similar work to understand how best to support and invest in its sector strengths.

Such research and analysis is extremely costly as it requires a much more granular assessment of comparative strengths than can be gathered through more conventional business surveys. The information gathered through such research will be invaluable in helping the City Region make best use of existing resources by targeting them toward areas



of need. The Greater Brighton Economic Board will be looking to bid to the Challenge Fund to support this work.

The Greater Brighton Economic Board is seeking Government support to undertake a more thorough study of these sectors to better understand the City Region's comparative advantage and build on our sector and sub-sector strengths.

Tourism is a significant sector for Greater Brighton, there is potential for this sector to come together around a digital interactive design offer that allows tourists to plan and 'pre-visit' locations. Applications such as this well help to build upon the Greater Brighton inward investment brand.

The Greater Brighton Economic Board asks that there be stronger support within the Industrial Strategy for general business services, a sector that is important to City Region economy is Fintech (the use of new technology to compete in the marketplace of traditional financial institutions).

The growing health and life sciences sector in Greater Brighton will be enhanced by the new Bio-Innovation Centre that will provide dedicated teaching space, modern laboratory equipment, technical support and inspiring collaboration spaces for academics, researchers and clinicians from different disciplines to share knowledge and create innovative partnerships.

#### **Example: Brighton's Creative Digital Cluster**

The Brighton Fuse Research report identified Brighton's competitive advantage within the Creative Digital IT sector. The consortium researched and enhanced the city's large cluster of small digital, creative and cultural businesses and developed new ways for then them to connect with and benefit from research, teaching, training and talent from the universities of Brighton and Sussex.

'New empirical evidence explains the driving force behind the above-average market growth amongst small and medium-sized businesses in Brighton's creative digital economy.' The findings identify a new category of business, referred to as 'superfused'. These companies show double-digit rates of growth in turnover and employment, despite the recession. They are continuously innovating business models, services, and products and fusing technology, the arts, humanities, and design with creative, digital, and IT skills. The fusion of arts, humanities and technology knowledge and skills is producing high-growth, superfused businesses that are leading the growth of the creative economy.' - The Brighton Fuse Final Report, 2013

The Creative Digital IT sector in Brighton generated an average of £580 million between 2013 and 2015; 18.5% of tech businesses classify as high growth; there was an increase of 295 digital tech businesses between 2011 and 2015.



## **Delivering Affordable Energy and Clean Growth**, place based infrastructure solutions

#### Questions for consultation

- What are the most important steps the Government should take to limit energy costs over the long term?
- How can we move towards a position in which energy is supplied by competitive markets without the requirement for ongoing subsidy?
- How can the Government, business and researchers work together to develop the competitive opportunities from innovation in energy and our existing industrial strengths?
- How can the Government support businesses in realising cost savings through greater resource and energy efficiency?

#### **Key Messages**

- To provide certainty and stability, The Greater Brighton Economic Board asks that Government ensures that the low carbon transition is investable, by providing a policy climate and incentives in a long term framework offering certainty and stability.
- Integration of affordable, secure and low carbon energy infrastructure and resource efficient building practices will be crucial to ensuring that the City Region can secure the economic benefits of the transition to a low-carbon economy.
- The Greater Brighton Economic Board asks Government to ensure that, when the United Kingdom exits the European Union, high environmental ambition and effective regulation is retained. Government should support cities to grow their decentralised smart energy sector and develop effective support for energy efficiency sector growth to facilitate the large scale retrofit of existing homes and buildings.

The Industrial Strategy is a significant opportunity to put low carbon growth at the heart of the Greater Brighton economy and build a strong, progressive and competitive industrial base to deliver jobs and prosperity well into the future. To do this, Government must ensure that cities and regions have the flexibility to pursue a low carbon future at the same time as addressing the pressure on natural resources globally and within the United Kingdom. Integration of affordable, secure and low carbon energy infrastructure and resource efficient building practices will be crucial to ensuring that the Greater Brighton City Region can secure the economic benefits of the transition to a low-carbon economy.

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Regions need support from Government to develop an ambitious vision for low carbon & renewable industries, as well as environmental industries more broadly. The regional low carbon growth sector is growing but needs certainty to continue a strong forward trajectory. Government is seen as the main driver and constraint to growth in the LCEGS sector, both nationally and locally. Support, subsidies and policies, such as feed in tariffs, contracts for difference, the capacity market and the green investment bank, are all examples of Government stimulating demand in the market. The issue, however, is that sudden changes to funding and policies make it difficult for businesses in the sector to plan their operations and make investments. The Greater Brighton Economic Board believes that long term, stable, well planned policy and funding is a key foundation for growing the sector; however the scope for action is limited locally as many of the key policy levers for supporting the sector are held nationally.

To provide certainty and stability, The Greater Brighton Economic Board asks that Government ensures that the low carbon transition is investable by providing a policy climate and incentives in a long term framework offering certainty and stability; ensures when the United Kingdom exits the European Union high environmental ambition and effective regulation is retained; support cities to grow their decentralised smart energy sector; develops effective support for energy efficiency sector growth to facilitate the large scale retrofit of existing homes and buildings, and; recognise the value of this sector to provide jobs and wellbeing as well as energy demand reduction. The Board asks Government to revisit the zero carbon homes and buildings strategy.

The Greater Brighton Economic Board would like to see a review and subsequent reform of the Planning Inspectorate Local Plan Making processes to ensure local authorities' legal duty to deliver climate mitigation and adaptation is being supported and facilitated.

The importance of clean, low carbon growth across every sector and in every place is underestimated in the Green Paper, which focuses mainly on affordable energy. This is to the neglect of the enormous economic opportunities for university-led innovation presented by the mitigation of and adaptation to climate change and poor air quality, which has a huge detrimental impact on health, productivity and the NHS. Whilst there is a focus on certain low carbon technologies such as storage and low emission vehicles, other areas such as wind, marine and buildings retrofit are ignored.



#### Supporting Businesses to Start and Grow, business resilience and growth

#### Questions for consultation

- What are the most important causes of lower rates of fixed capital investment in the UK compared to other countries, and how can they be addressed?
- What are the most important factors which constrain quoted companies and fund managers from making longer term investment decisions, and how can we best address these factors?
- Given public sector investment already accounts for a large share of equity deals in some regions, how can we best catalyse uptake of equity capital outside the South East?
- How can we drive the adoption of new funding opportunities like crowdfunding across the country?
- What are the barriers faced by those businesses that have the potential to scale-up and achieve greater growth, and how can we address these barriers? Where are the outstanding examples of business networks for fast growing firms which we could learn from or spread?

#### **Key Messages:**

- The proposed capital investments sources outlined in the Green Paper are welcomed by the Greater Brighton Economic Board; however there is a concern that the limited supply of revenue funds for direct business advice and support will hamper the ability of businesses to make the strategic decisions necessary to take advantage of the new funding avenues being offered by Government.
- The Greater Brighton Economic Board highlights the need for ongoing investment in the Growth Hub network via a dedicated revenue stream, so that businesses can benefit from the independent signposting and advice services offered.
- The Greater Brighton Economic Board believes there is a need to maintain the current balance of 'top down' (national) and 'bottom up' (EU) funding so that local areas can address local needs while also responding to national priorities. An example would be the need to support and maintain the tourism and hospitality sector in seaside towns. These are not national priority sectors but they are significant employment sector in some areas that need ongoing support.

Local Government's role in regeneration, supporting strong social and cultural networks, and working with partners to convey a strong sense of place are important in a competitive and global market place; this should be recognised and supported in the Industrial Strategy.

As business and industry becomes less bound by geography, places that align with and support a company's brand and ethos will be able to attract the best employees. Greater Brighton has benefitted from Local Growth Funds that are helping to unlock development



sites, upgrade infrastructure and create the kind of environment that is able to attract, retain and grow its business base.

The Greater Brighton Economic Board's experience in delivering the Greater Brighton City Deal Growth Hub has highlighted the needs for SME's to have access to bespoke advice in areas such as business leadership and management, in order to have the tools necessary to make long term investment decisions. The Board welcomes the proposed capital investment sources outlined in the Green Paper; however there is concern that the limited supply of revenue funds for direct business advice and support will limit the ability of businesses to take advantage of the new funding avenues being offered by government. Ongoing investment in the Growth Hub network via a dedicated revenue stream is needed so that business can benefit from the independent signposting and advice services offered.

Regional and local government has a long history in utilising EU funds to challenge and address local issues. The balance of top down, more prescriptive funds from Government alongside access to the European Union's 'ground up' funding to focus on local challenges has helped local practitioners to respond to local need while also helping to address more strategic national priorities. There is a need to maintain this balance of 'top down' and 'bottom up' funding so that local areas can address local needs; for example, the need to support and maintain the tourism and hospitality sector in seaside towns. These are not national priority sectors but they are significant employment sector in some areas.



#### Developing Skills, Skills for the future

#### Questions for consultation

- What more can we do to improve basic skills? How can we make a success of the new transition year? Should we change the way that those resitting basic qualifications study, to focus more on basic skills excellence?
- Do you agree with the different elements of the vision for the new technical education system set out here? Are there further lessons from other countries' systems?
- How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?
- What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?
- How can we enable and encourage people to retrain and upskill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?

#### **Key Messages**

- The Greater Brighton Economic Board supports Government's intention to upgrade and refocus existing Further Education Institutions and ask Government to work with and support the City Region to refocus the newly created Greater Brighton Metropolitan College (GBMet) and the UTC in Newhaven to seek investment via the proposed £170m of capital funds proposed in the Industrial Strategy.
- The City Region would like more information on the devolvement of the Adult Education Budget to local areas and how Greater Brighton can influence the type of provision being funded.
- The Greater Brighton Economic Board looks forward to the publication of the Comprehensive Careers Strategy and the opportunity that it will bring to improve the quality and coverage of careers advice. There is a need for investment in high quality careers information advice and guidance, particularly for more disadvantaged students and adults with degree level qualifications looking for career change.
- The Greater Brighton Economic Board highlights the need to accelerate the creation of apprenticeship frameworks, so that providers are able to respond to the needs of employers.
- The Greater Brighton Economic Board believes that a new skills funding model should be developed, designed to both reflect and respond to local economic needs as well as to national skills priorities.



• It is important that people are able to access higher level qualifications without debt therefore routes such as Higher Apprenticeships should continue to be developed.

The proposal to look at new ways of delivering basic skills is welcomed by the Greater Brighton Economic Board. Embedding literacy and numeracy within the vocational curriculum has proved more successful than stand-alone provision. Using organisations such as National Numeracy as a delivery partner and linking it to local provision for all ages would be a good exemplar. Similarly engagement programmes that are supported by employers during the proposed transition year that provide vocational pathways including apprenticeships and are linked to proper work experience will provide the right incentives for learning and applying basic skills. The teaching of STEM in primary schools should be given a higher priority but to do this there would need to be new incentives for teachers as there is a shortage of appropriately qualified teachers.

The Greater Brighton Economic Board is heartened by proposals for a new technical education system that will help to raise standards and provide clearer career pathways. As a consequence of last year's Area Review of Further Education two of the City Region's colleges, Northbrook and City College Brighton & Hove, merged to form a new Greater Brighton Metropolitan College (GBMet). GBMet will provide further education for around 3,500 16 to 18 year olds and 7,500 adult learners across five campuses in the City Region. This new college will support the City Region's ambitions for strong provision that is linked to local growth sectors.

The UTC@harbourside in Newhaven already has a strong STEM focus and with the presence of Sussex Downs also in the City Region, the Board feels that Greater Brighton is in a good position to respond to the skills demands of its local businesses.

Greater Brighton Metropolitan College (GBMet) is working with the Coast to Capital Local Enterprise Partnership and the other further education providers in the City Region to establish proposals for the creation of an Institute of Technology (IoT). The IoT will focus on the local and regional Creative, Digital and IT sector and will play a major role in delivering the higher-level skills training and talent required by local businesses. The Greater Brighton Economic Board supports Government's intention to upgrade and refocus existing Further Education Institutions such as the newly created GBMet when considering the allocation of the £170m of capital funds.

The proportion of SME's in Greater Brighton and the relative lack of large firms in parts of the City Region bring challenges to training providers. Small disruptive businesses, such as the Creative Digital IT, sector present particular challenges as they often find that the skills learnt by students on more traditional training programmes are already obsolete by the time that they graduate. The new institutes will need to be agile and flexible enough to respond to the changing short and longer term skills needs of SME's and micro businesses, this includes areas such as health and life sciences, engineering and construction, digital and the creative industries.

While the aspirations for clearer vocational routes are welcomed, the Greater Brighton Economic Board believes that they should go further. Access routes into further education



should be supported by an all age independent careers offer; one that is fit for purpose and can support school leavers right through to graduate professionals looking for career change. The combination of a longer working life and the impact of technological changes mean that mid-life careers advice is essential to ensuring the successful transfer and upgrading of skills into new careers and jobs.

The potential for higher level and degree apprenticeships to serve as a route for people from under-represented groups to upskill, progress and reskill whilst in paid employment is largely overlooked in the Green Paper. Partnership arrangements between universities and local employers subject to the apprenticeship levy can enable these 'levies' to be reinvested back into their own workforces and the local economy. Universities have an established reputation as excellent providers of higher level technical and professional education. Degree apprenticeships build on this track record of delivering higher level skills that sectors need and open up a significant new role for universities, particularly those which are more locally rooted.

There is currently no parity of esteem between vocational and academic routes in education; schools and parents are more likely to refer higher achieving pupils to the academic route thereby tacitly downgrading vocational routes for the less able. More needs to be done to demonstrate that vocational routes provide excellence in teaching and learning, and clear vocational pathways that lead to high value employment.

There is a need to accelerate the creation of apprenticeship frameworks so that providers are able to respond to the needs of employers. For example, schools are being asked to consider posts for apprenticeships but the Higher Level Teaching Assistant Framework is not expected until 2019. Delays in approving vocational frameworks will act as a break on the take up of apprenticeships across a range of sectors.

The Greater Brighton tourism and hospitality sector relies on a combination of home grown and foreign workers thanks, in part, to the presence of two universities and a number of language schools. There are skills gaps in tourism and leisure which are not helped by limited career opportunities, the quality of some training provision and a current lack of apprenticeship standards. There is concern within the sector regarding the impact of the United Kingdom leaving the European Union on the working status of existing staff and the ability to attract new staff and appropriately skilled staff.

The Greater Brighton Economic Board looks forward to the publication of the Comprehensive Careers Strategy and the opportunity that it will bring to improve the quality and coverage of careers advice. There is a need for investment in high quality careers information advice and guidance, particularly for more disadvantaged students and adults with degree level qualifications looking for career change. Lifelong learning will need much better support, probably from tax incentives. It is vital to ensure that people who need to change careers at a time when they have debts (e.g. Mortgages) can retrain and remain economically active.

It is considered vital that skills funding and provision is designed to reflect local economic needs as well as responding to national priorities. Existing learning institutions along with the new technical education institutions must ensure that they have a thorough



understanding of the priority sectors of their local areas and the associated skills gaps and the tools with which to respond. Partnership between local businesses and further education providers will be crucial to ensuring that local needs are met. As leaders in place, the Greater Brighton Economic Board can play an important role in facilitating this engagement. That is why the Board would like more information on how the Adult Education Budget will be devolved, including how much influence it will have as local players in helping to set the priorities for funding. Of particular concern is the current skills level of the older workforce and the opportunities for reskilling this group as the economy changes. Increasing adult learning opportunities, both physical and virtual, will be key to maintaining and increasing productivity in the area.

End.



#### **Appendix One**

#### **Background**

The Greater Brighton City Deal and Coast to Capital Growth Deals have paved the way for an Investment Programme that has already secured around £100 million to help deliver a total investment of £376 million into the City Region and unlock 14,000 jobs, 8,200 homes and 450,000 square metres of employment floor space and recently secured an additional £44.7m funding through Local Growth and £9.9m of LGF unallocated funds.

The Board wants to go further to achieve its ambition that Greater Brighton will become the South East's most successful economy, connected to London. In 2015, the Board started a dialogue with Government about



how it could deliver more if further powers and funds were devolved to the City Region. The Board's <u>Devolution Proposals</u> continue to be discussed with Government.

City Regions are the drivers of economic growth, generating a higher share of wages than their share of populations and with a stronger presence of knowledge intensive industries. Greater Brighton is developing a high-growth City Region, building on the advantages of a highly skilled workforce, the innovative creative and cultural sector, knowledge-intensive industries, universities which actively promote innovation-led growth and locational advantages. Although small compared to the major metropolitan city regions in the north, the Greater Brighton City Region offers excellent growth potential.

Greater Brighton has excellent connections. These include links to London through the M23/A23 growth corridor, proximity to Gatwick which is just 30 minutes from Brighton and easy access via the main ports of Southampton and Portsmouth to markets abroad. The City Region also includes two ports, Shoreham and Newhaven, both with significant growth potential, providing direct connections to France and mainland Europe.

The City Region has two highly regarded universities; the Universities of Sussex and Brighton, both of which collaborate with SMEs in priority sectors on research and innovation to develop growth companies and stimulate smart specialisation. There is also a range of further education and secondary provision, including a new University Training College in Newhaven and the creation of the new Greater Brighton Metropolitan College (GMet). It

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also has a strong community, voluntary and social enterprise sector, known for its social innovation.

The Greater Brighton population is forecast to grow by 103,000 (15%) by 2035 and there will be 38,000 new jobs by 2030. Self-containment within the City Region is rising, with only 27% of local workers commuting outside the area for work.

# GREATER BRIGHTON ECONOMIC BOARD

Agenda Item 35

Subject: Update on Greater Brighton Investment

**Programme and Local Growth Fund** 

Date of Meeting: 25 April 2017

Report of: Chair, Greater Brighton Officer Programme Board

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Email: nick.hibberd@brighton-hove.gov.uk

LA(s) affected: All

#### FOR GENERAL RELEASE

#### 1. PURPOSE OF REPORT AND POLICY CONTEXT:

- 1.1 This report provides the Greater Brighton Economic Board ('the Board') with an update on progress on the Greater Brighton Investment Programme ('the Investment Programme') since the Board's last meeting on 31 January 2017.
- 1.2 This report also updates the Board on the Local Growth Fund (LGF), in relation to both the allocations made as part of the Growth Deal 3 and the new six-monthly call for growth projects that is financed from unallocated Growth Deal rounds 1 and 2 funds.

#### 2. **RECOMMENDATIONS:**

2.1 That the Board note the report.

#### 3. GREATER BRIGHTON INVESTMENT PROGRAMME HIGHLIGHTS

#### New England House Growth Centre

3.1 At end January 2017, tripartite discussions were held between Brighton & Hove City Council (BHCC), the leaseholder of the Longley Industrial Estate (adjacent to New England House) and a potential developer to explore a potential land deal that would provide a capital receipt towards the refurbishment of the building and the required net increase of employment floorspace (along with additional potential development benefits, including new housing). The parties are still in discussion regarding a potential deal. BHCC is also exploring alternative options and models for securing the refurbishment and expansion of New England House without the need for the Longley site, with work about to commence on design and finance options.

#### Digital Catapult Centre Brighton and 5G

- 3.2 Building works to upgrade the Catapult have commenced, with a strip-out of the extension in New England House.
- 3.3 Contracts for the national 5G testbed for small businesses have been signed and initial technical specification undertaken. The testbed will initially be situated within the FuseBox innovation hub in New England House, but will eventually

expand to cover a test area of around 200 square metres. The testbed project will give digital businesses, including those who build apps and content for smart phones and mobile use, the opportunity to understand how their existing products operate under 5G conditions. They will also be supported to develop new ideas that benefit from the significantly faster and more reliable connections that 5G can provide. They will be able to work with University of Brighton (UoB) academics and other members of the research community, as well as learning from those larger corporations who are already investigating 5G's capabilities. Situating the testbed in Brighton further enhances its growing international reputation for creativity and innovation, particularly in the digital sector which now contributes over £1bn per annum to the city's economy.

3.4 The Catapult's residency programme now supports 12 start-ups, all of whom are working with emerging technologies. One resident – Fracture – was recently chosen to demonstrate their AR technology to the Rt Hon Matt Hancock MP, Minister of State for Culture and Digital at the Department for Culture, Media and Sports. The Catapult has received significant international interest and has hosted a number of visitors interested in its activity from Ankra, Harare and Johannesburg.

#### Advanced Engineering Centre

3.5 External works on the Centre building are now complete and works are now progressing on the internal services fit-out and landscaping. The UoB has secured £500k from the Wolfson Foundation, to support the purchase of additional research equipment within the building. Additional funds have also been released by the UoB, to complete supplementary external landscaping to realise the full architectural benefit of the new building within the Moulsecoomb Campus. The building remains on schedule for completion on 05 May 2017, which will be followed by the installation of the first research test cell and workshop fit-out. A formal opening is being planned for the first week of September 2017, to coincide with the British Science Festival.

#### Innovation Centre Brighton (Block J)

3.6 Construction works continue to progress well on the Block J site. Internal fit-out works are due to commence in early May 2017 and all works are programmed for completion by end July 2017. Sussex Innovation continues to plan a series of events to take place in the City, leading up to the opening of the new facility and tied-in with their 21st Anniversary celebrations.

#### Circus Street Innovation Growth Centre and Regeneration

3.7 BHCC, the UoB and the developer – Cathedral (Brighton) – have been working on revised arrangements and legal agreements to secure the commencement of construction works in May 2017. On 23 March 2017, BHCC's Policy, Research & Growth Committee agreed to enter into revised arrangements to enable the UoB to withdraw from the Development Agreement and defer the construction of its new academic building, while it considers its future options for the site. Construction of the remainder of the development will proceed and be completed in 2020. The site allocated for the academic building will be landscaped pending decisions by the UoB on the timing of its future development. In order to secure these objectives and to commence construction in May 2017, a series of legal

agreements and land transactions will need to be concluded over the coming weeks. These will allow the Development Agreement to become 'unconditional' and for the developer to appoint its construction contractor.

#### Preston Barracks Central Research Laboratory

- 3.8 Having completed a year-long design development process in January 2017, the UoB and the applicants U+I Plc have finalised their comprehensive redevelopment proposals for the former barracks site and adjacent University land; a development covering approximately 4.4 hectares. In addition to the Central Research Laboratory, the scheme includes 369 new homes, new University academic buildings, student accommodation with approximately 1,300 bedrooms, a modest amount of retail space, a new bridge over the Lewes Road, parking, public realm works and landscaping.
- 3.9 Following BHCC's formal sign-off of the 'Design Condition' in its capacity as landowner on 31 January 2017, the applicants were able to finalise the suite of documents making-up the detailed planning application. The planning application was submitted on 10 February 2017 and validated on 03 March 2017. It is anticipated that the application will be determined at Planning Committee in July 2017. Subject to the outcome of planning and completion of land transactions in the second half of 2017, it is hoped that construction will commence in 2017/18.

#### City College Brighton and Hove - Construction Trades Centre

3.10 The Construction Trades Centre building is nearing completion and is on schedule for handover to the Greater Brighton Metropolitan College (GBMet) at end March 2017. GBMet will then undertake internal fit-out works and decanting of the current provision from the Pelham site, to allow the new facilities to be fully operational for the 2017/18 academic year.

#### Enterprise Zone Newhaven

- 3.11 A draft Implementation & Investment Plan was submitted to the Newhaven Enterprise Zone (NEZ) Project Board on 10 March 2017. The final version Plan was to be submitted to Government on 30 March 2017 and the NEZ went live on 03 April 2017. The NEZ is to be formally launched at an invitation-only event on 18 May 2017, at the University Technical College (UTC@harbourside). It is hoped that there will be a Ministerial presence at this event.
- 3.12 The Local Growth Fund (LGF) 3 bid to the South East Local Enterprise Partnership (SELEP) for Eastside South was unsuccessful. A subsequent application to the Coast to Capital Local Enterprise Partnership's (C2C LEP) LGF 1&2 unallocated funds has, however, been successful and will see the creation of a new business park, comprising 7,733m² of B1/B8 floorspace, The Funding Agreement has been signed and works are expected to commence imminently. In addition, Lewes District Council (LDC) has been awarded further LGF funding from the C2C LEP to purchase Railway Quay, one of the eight key NEZ sites. Please see Section 4 of this report for further information on LGF funding secured by the City Region.
- 3.13 A presentation on the NEZ is featured elsewhere on the agenda.

#### Newhaven Flood Alleviation Scheme

- 3.14 Construction of the Flood Alleviation Scheme started in early January 2017 and is now well underway in six areas of the west bank of the Ouse. Four of these scheme elements will be completed by mid-April 2017, one in May 2017 and one in July 2017. There has been slippage to the construction start at Denton Island Bridge, due to the need for additional legal agreements with East Sussex Highways. LGF funding has been spent in accordance with projections in 2016/17.
- 3.15 Planning consent for the northernmost section of the scheme (Energy Recovery Facility (ERF) to A26) has been granted by the South Downs National Park Authority and is awaited from East Sussex County Council, for a small part of a flood embankment adjacent to the ERF.
- 3.16 Detailed design of the defence works on the east bank is progressing well and is expected to be completed in April 2017. Complex negotiations continue with a number of Port area and commercial /industrial stakeholders affected by Scheme construction.
- 3.17 The Flood Alleviation Scheme requires engagement and interaction with Network Rail over a wider area than initially planned for. This will take additional effort but the overall programme will not be affected and the Scheme will complete construction in Autumn/Winter 2019.

#### Newhaven Port Access Road

- 3.18 Development of the business case for the second phase of the Port Access Road (from Pargut roundabout to Mill Creek) continues. As a retained scheme, discussions have been ongoing with the Department for Transport (DfT) to agree the required scope of the business case and there is now acknowledgement that the focus lays in the economic case. Draft business case documents continue to be submitted to DfT for comment.
- 3.19 The site works for additional ground investigation have been completed and the samples taken are now being tested. This information will inform the detailed design of the embankments and bridge, which is also underway. A package of works for advance site clearance and translocation of species is being put together for completion ahead of main construction. Construction of the scheme will be procured using Hampshire County Council's framework contract and a further tender workshop is planned to gain construction input into the design. Following the tender process and receipt of a tendered sum, final submission of the business case is planned for Spring 2017. Subject to the approval of the business case, construction could commence in mid/late 2017, with completion in 2019.

#### Shoreham Flood Defences – Adur Tidal Walls

3.20 Construction works have now commenced on Reach West 6; the fourth of ten reaches to reach this stage. Works are progressing well on the three existing Reaches, including Reach E1 in Shoreham Town Centre where the jack-up barge has completed piling works and has left site. Two further reaches (West 2

and West 3) are scheduled to commence construction works in the coming months.

#### Shoreham Flood Defences – Western Harbour Arm

- 3.21 Adur District Council (ADC) is currently negotiating the purchase of a strip of land along the northern frontage of the Sussex Yacht Club's site. Following completion of the purchase, a new clubhouse will be constructed by the Sussex Yacht Club. Following construction, ADC will demolish the old clubhouse and outbuildings and construct the new flood defence, footpath and cycleway.
- 3.22 To date, ADC has secured £3.5m of project funding from the C2C LEP. The Council is currently commissioning a study to carry out detailed flood risk analysis, to provide the justification needed for further investment from the Environment Agency's capital programme.
- 3.23 Two separate planning applications for the replacement clubhouse and the flood defence scheme will be submitted in Autumn 2017. It is anticipated that construction of the schemes will commence in Spring 2018, with completion in Autumn 2018.

#### **Burgess Hill Growth Location**

- 3.24 Mid Sussex District Council (MSDC) submitted its District Plan to Government in August 2016. The Plan provides the framework for the Burgess Hill developments and is currently being subjected to an independent examination by the Planning Inspectorate. The first sets of hearings have been completed and MSDC is currently considering the Inspector's comments.
- 3.25 In order to assist with the delivery of the infrastructure required to realise the full benefits of the substantial growth anticipated in Burgess Hill, MSDC submitted a bid to the C2C LEP for LGF 3 funding. The bid, which was primarily to support a sustainable transport package that would link together new and existing developments and improve the experience of travelling to and around Burgess Hill, has been awarded £14.9m. Please see Section 4 of this report for further information on LGF funding secured by the City Region.
- 3.26 The Northern Arc scheme, which will deliver up to 3,500 new homes alongside a business park, schools and community facilities, remains a key focus for MSDC. Further progress has been made to address outstanding issues and regular discussions are being held with developers to progress the scheme. A planning application for the first 130 homes on the development has been received and pre-application discussions regarding a further 320 homes have been held.
- 3.27 Good progress has been made on the approved major retail, leisure and housing scheme to redevelop Burgess Hill town centre with the developers – New River Retail – expected on site later this year, with the scheme due to complete by 2021.
- 3.28 Construction on the Kings Way and Keymer Tileworks sites continues apace with both developments now starting to be occupied.

- 3.29 MSDC continues to work closely with the Homes & Communities Agency (HCA) to deliver Starter Homes and has submitted a bid to the HCA's Capacity Fund to assist with this, as well as wider Burgess Hill work.
- 3.30 Work continues on The Brow to convert a number of public sector buildings into a modern, purpose built public services facility to house a GP surgery and accommodation for the police and ambulance services, whilst freeing up land to provide a significant number of Starter Homes that will support the regeneration of the town centre. The HCA has commissioned architects and planning consultants who have produced a high level design and viability assessment. MSDC continues to work with both partners and the HCA to agree how to move forward with the implementation of this project.
- 3.31 Work has commenced to build a Burgess Hill brand and outreach communications strategy with an external agency now appointed to take this forward. The first step will be workshops with key stakeholders to start work to develop a brand. The intention is to work in partnership with the various developers active in the town, along with other stakeholders, to promote and support its role as a growth location and to provide high quality information to existing and future residents, employees and visitors.

#### A2300 Corridor Improvements - Burgess Hill

- 3.32 This DfT retained major scheme will support economic growth, by enabling the delivery of strategic housing and employment development at Burgess Hill. The funding profile has been aligned with the development profile currently being proposed by developers.
- 3.33 Preliminary design and preparation of the Outline Transport Business case is ongoing and the work is expected to be completed by Spring 2018. The current programme indicates a start of construction in Winter 2021, with completion in Spring 2022.

#### Brighton Valley Gardens – Phases 1 and 2

- 3.34 Detailed highway design work has now commenced. Green space designs have also recommenced with the previously appointed consultant Untitled Practice who have been issued with an updated design brief. It is anticipated that a preferred design will be presented to BHCC's Environment, Transport & Sustainability Committee in Summer 2017.
- 3.35 Under the BHCC framework, officers have instigated a mini-competition to commission contractors to develop detailed traffic management plans for the construction phases of Valley Gardens. This early work will enable the Council to fully understand the traffic management requirements and to develop plans for the construction phase of the project.

#### Brighton & Hove Bike Share

3.36 The contract for the operation, management and maintenance of the Bike Share Scheme was awarded to HourBike in mid-December 2016. The concessionary contract between BHCC and HourBike has subsequently been signed, as have the necessary Funding Agreements including with the C2C LEP.

- 3.37 The mobilisation period has now commenced and work on planning and implementing the hub sites is well underway. Communication between Govia Thameslink Rail and BHCC was re-established in mid-February 2017, resulting in Bike Share hub sites being identified at Brighton Station. HourBike are also developing working relationships with private landowners to reach agreement regarding hub locations and lease arrangements required at those sites. Sites requiring Traffic Regulation Orders (TRO) and Open Spaces notices were agreed by BHCC's Environment, Transport & Sustainability Committee on 14 March 2017. Discussions are underway with BHCC's Planning Department, regarding any planning permissions required for all other hub locations to assist with the timely progress of all bike hub locations.
- 3.38 The scheme is on-target to officially launch in Summer 2017.

#### Brighton & Hove Intelligent Transport Systems (ITS) Package

3.39 The traffic signal pedestrian crossing upgrades have now been completed at all eleven crossings. Junction improvements have also been completed at two of the five junctions, with a further two underway and the last scheduled to begin in Summer 2017. CCTV installations are in hand, as are the installations of the required software systems.

#### 4. UPDATE ON LOCAL GROWTH FUND

#### Growth Deal Round 3

- 4.1 The C2C LEP's final Growth Deal 3 submission, totalling £136m, was made to Government on 28 July 2016. The submission included six projects put forward by the Board, which sought a combined LGF of £80.59m.
- 4.2 As part of the Autumn Statement 2016, Government announced an allocation of £1.8b from the LGF to English regions, with £683m going to LEPs in the South West, South East and London.
- 4.3 On 02 February 2017, the C2C LEP announced that it has secured £66m through round 3 of the Growth Deal. All six projects put forward by the Board have been allocated funding totalling £48.777m as follows:

Project	LGF Sought	LGF Allocated
Worthing Central Phase 1	£9.400m	£5.692m
Decoy Farm, Worthing	£8.000m	£4.844m
New Monks Farm & Airport, Shoreham	£9.430m	£5.710m
Burgess Hill Growth Area Infrastructure Package	£24.640m	£14.900m
Sussex Bio-Innovation Centre, Brighton	£9.120m	£5.520m
Black Rock Site Development, Brighton	£20.000m	£12.111m

- 4.4 It is estimated that these six projects will bring a combined private sector match fund of £745.4m into the City Region and deliver approximately 9,844 direct jobs, 5,965 homes and 299,428sqm of employment floor space.
- 4.5 This is currently the last round of Growth Deals that will take place in this Parliament.

#### Growth Deal Rounds 1 and 2: C2C LEP Call for Growth Projects

- 4.6 The C2C LEP secured £226m from 2015 to 2021 through rounds 1 and 2 of the Growth Deal.
- 4.7 14 projects located across the City Region have already been allocated funding from rounds 1 and 2 of the Growth Deal: Digital Catapult Centre Brighton and 5G; Advanced Engineering Centre Brighton; Central Research Laboratory Growth Centre, Preston Barracks Brighton; Newhaven Flood Alleviation Scheme; Newhaven Port Access Road; Shoreham Flood Defences (Adur Tidal Walls and Western Harbour Arm); Circus Street Innovation Growth Centre and Regeneration Brighton; City College Brighton and Hove Construction Trades Centre; Brighton Valley Gardens Phases 1 & 2; Brighton Valley Gardens Phase 3; A2300 Corridor Improvements Burgess Hill; Brighton & Hove Intelligent Transport Systems Package; Brighton & Hove Bike Share, and; Worthing Sustainable Transport Package Phase 1.
- 4.8 In December 2016, the C2C LEP announced that it had approximately £46.65m of unallocated funds and funds that had been re-released from projects that had stalled or were not delivering and, in response, launched a new six monthly call for growth projects for capital grant funding. The call is to a 'single pot' that encompasses: infrastructure (including transport (sustainable and resilience)); housing and regeneration; skills, and; business and enterprise.
- 4.9 Projects applying for funding must meet the following eligibility tests and criteria:
  - The minimum funding that can be applied for is £500,000 and the maximum is £5,000,000 (including for 'packages of projects')
  - LGF will need to be matched by at least 50% for non-transport projects and at least 15% for transport projects. Where projects are expected to deliver exceptional outputs, the C2C LEP may consider lower match funding
  - Projects must be state aid compliant
- 4.10 The first round opened on 02 December 2016, with a deadline for returned Outline Business Cases of 06 January 2017. For this round, the main priority was for spend in the 2016/17 financial year; the C2C LEP sought bids from projects that can spend at least 30% of the LGF bid for by 31 March 2017. In line with its commitment to Government, the C2C LEP is aiming to get an additional £9.7m 'out the door' in 2016/17. The total amount available under this round was capped at £20m.
- 4.11 The Board put forward eight bids to the first round, five of which have been awarded funding totalling approximately £9.900m as follows:

Project	LGF Sought	LGF Allocated
Adur Civic Centre, Shoreham	£1.800m	£1.800m
·		
Springman House, Lewes	£2.760m	£2.000m
Railway Quay, Newhaven	£1.500m	£1.500m
Eastside South	£1.600m	£1.600m
Royal Pavilion Estate		
(Corn Exchange & Studio Theatre)	£3.00m	£3.000m

- 4.12 The Board put forward three bids for capacity funding, which were unsuccessful.
- 4.13 The C2C LEP is confident that there will be three rounds as part of this call. There are sufficient funds in the 'single pot' to finance the first two and the last will be paid for by further funds being re-released from projects that have stalled or are not delivering.
- 4.14 On 31 January 2017, the Board endorsed the Greater Brighton Project Pipeline recognising that, as a 'live' document, new projects may still come forward and the projects shortlisted for the next two rounds. The next round is anticipated to open in June 2017 and the Greater Brighton Officer Programme Board will develop and submit bids in accordance with the Pipeline and the shortlist.
- 4.15 The Projects listed in Sections 4.3 and 4.11 now form part of Investment Programme and will be reported on in future Update Reports.

#### 5. FINANCIAL & OTHER IMPLICATIONS:

#### **Financial Implications:**

5.1 There are no direct financial implications associated with this report regarding the progress made in the last quarter of this financial year on approved schemes within the Greater Brighton Investment Programme. Schemes already included within the Greater Brighton Investment Programme have approved business cases in place with funding options identified and these have been reported to their respective bodies.

The C2C LEP have awarded a total of £9.9m of unallocated Rounds 1 and 2 Local Growth Funding toward the five projects detailed in paragraph 4.11. It should be noted that all projects will require a degree of match funding with 50% for % for non-transport projects and at least 15% for transport projects although these may be lower where the project is expected to deliver exceptional outputs. There is an expectation to spend 30% of LGF funds by 31 March 2017.

The C2C LEP have also announced funding of £48.777m toward all six of the projects put forward by the Board as shown in paragraph 4.3. Further work will be required to identify the match funding requirements for these projects and will be reported back to this board in due course.

Finance Officer Consulted: Rob Allen, Principal Accountant

Date: 21 March 2017

#### Legal Implications:

5.2 There are no legal implications arising directly from this report. The legal implications of the projects will be considered by the member authorities involved.

Lawyer Consulted: Alice Rowland, Head of Commercial Law Date: 29 March 2017

#### Equalities Implications:

5.3 None arising from this report. Equalities issues will be addressed on a projectby-project basis.

#### Sustainability Implications:

5.4 None arising from this report. Sustainability issues will be addressed on a project-by-project basis.

#### **Any Other Significant Implications:**

5.5 None.

### **SUPPORTING DOCUMENTATION**

#### **Appendices**

None.

#### **Background Documents**

None.

# GREATER BRIGHTON ECONOMIC BOARD

Agenda Item 37

Subject: Brighton City Hall Proposals

Date of Meeting: 25 April 2017

Report of: Chair, Greater Brighton Officer Programme Board

Contact Officer: Name: Nick Hibberd Tel: 01273 293756

Email: nick.hibberd@brighton-hove.gov.uk

LA(s) affected: All

#### FOR GENERAL RELEASE

#### 1. PURPOSE OF REPORT AND POLICY CONTEXT:

- 1.1 This report provides the Greater Brighton Economic Board ('the Board') with an overview of Brighton & Hove City Council's Brighton City Hall proposal. The proposal responds to two of the ten 'pillars' contained within Government's Industrial Strategy Green Paper; 'encouraging trade and inward investment' and creating the 'right institutions to bring together sectors and places'.
- 1.2 This report summaries the emerging opportunities that the Brighton City Hall proposal could present for Greater Brighton; supporting business growth, promoting trade and attracting inward investment by positioning the City and the City Region internationally.

#### 2. **RECOMMENDATIONS:**

- 2.1 That the Board endorse both the Brighton City Hall proposal and the proposed expansion of the City Ambassador role, to include sector representation and business leaders from across the City Region.
- 2.2 That the Board task the Greater Brighton Officer Programme Board ('the Officer Programme Board') to further explore and develop the opportunities presented by the Brighton City Hall proposal for the City Region, aligned to the worked currently underway to develop Greater Brighton's strategic approach to Inward Investment & Trade.

#### 3. CONTEXT/BACKGROUND INFORMATION:

#### Responding to Government's Industrial Strategy Green Paper:

- 3.1 The Brighton City Hall proposal helps to address at local level the challenge set out in Government's Industrial Strategy Green Paper that "competitor economies often have better developed sectoral institutions and stronger local institutions than the UK". The Green Paper includes ten pillars that Government believes are important to drive forward its industrial strategy across the whole country. The proposal is particularly aligned to the 'creating the right institutions to bring together people and places' pillar, which includes:
  - A regional/local role for the Department for International Trade;

- A review of the location of Government agencies and arms-length bodies (including cultural institutions) to support local clusters and private sector growth;
- Central/local collaboration to bring more business expertise into local governance and improve links between councils and the private sector. An example might be the creation of a modern "Alderman" type role within local government. The City Ambassador role referred to in sections 3.10 to 3.18 reflects this thinking;
- A review of whether there is more that can be done to leverage Government and research council laboratories to drive local growth;
- Collaboration with and between universities. for example commercialisation, and potentially via the formation of joint investment funds,
- A 'balanced scorecard' approach to maximising the impact of procurement activity.
- 3.2 Other pillars include: 'encouraging trade and inward investment'; 'supporting businesses to start and grow'; 'cultivating world-leading sectors'; 'investing in science, research and Innovation,' and; 'delivering affordable energy and clean growth'. These are all functions within the remit of the proposed Economic Growth Unit and Civic Office of Brighton & Hove City Council. Please see section 3.5 for details of the possible functions within Brighton City Hall.
- 3.3 In light of the UK's decision to exit the EU, trade has become a key focus for city region economies. The recent 'Cities Outlook 2017' study by Centre for Cities found that Worthing had the second highest value of exports per job of the cities 56% of Worthing's exports are concentrated in medicinal and pharmaceutical products<sup>2</sup>. Brighton & Hove was ranked second of the cities analysed for services-exporting cities<sup>3</sup>.
- 3.4 The Centre for Cities 'Cities Outlook 2017' report emphasises that exports matter to healthy economies because exporters tend to be the drivers of productivity growth as a result of their ability to generate and absorb new The means that Greater Brighton's strategy for growth should innovations. include a focus on boosting both exports and the value add of those exports. The Brighton City Hall proposal outlined in this report provides an opportunity to build on the work already underway to develop a Greater Brighton Inward Investment & Trade strategy, by providing a focus for activities that seek to promote investment into the City and the City Region, supporting businesses to export and developing external relations nationally and internationally.

Overview of Brighton City Hall Proposal and Potential Opportunities for Greater Brighton:

<sup>&</sup>lt;sup>1</sup> Centre for Cities, Cities Outlook 2017. p.12, Figure 2. Total value of exports by city: http://www.centreforcities.org/wp-content/uploads/2017/01/Cities-Outlook-2017-Web.pdf

<sup>&</sup>lt;sup>2</sup> Centre for Cities, Cities Outlook 2017, page 16, Figure 6. <a href="http://www.centreforcities.org/wp-">http://www.centreforcities.org/wp-</a> content/uploads/2017/01/Cities-Outlook-2017-Web.pdf

3 Centre for Cities, Cities Outlook 2017. p.14, Figure . Services exports per job:

http://www.centreforcities.org/wp-content/uploads/2017/01/Cities-Outlook-2017-Web.pdf

- 3.5 Brighton & Hove City Council is developing a business case for the refurbishment and redevelopment of Brighton Town Hall to create Brighton City Hall, which could include the following functions:
  - 3.5.1 A new Trade, Investment & International Relations function an opportunity for Brighton City Hall to provide a focus for activities that seek to promote investment into the City and the City Region by building on the 'Brighton Brand' and the City Region strengths, support businesses to export and develop external relations nationally and internationally. Working with the Economic Growth Unit, this function would build and sustain business confidence and the City and City Region profile.
  - 3.5.2 A new focal point for trade missions and business events an opportunity for Brighton City Hall to become a hub for business and trade promotion to the advantage of UK based businesses in the City and City Region, of value to the UK Government and of interest to potential business participants and sponsors. Programmed events would aim to elevate the City's and City Region's international reputation and brand as a place that has an international business orientation, is socially inclusive and attractive to talented people and investors from across the globe to improve the well-being of all residents. The programme of events could include those that are Greater Brighton in focus, linked to the City Region's inward investment and trade activities. Please refer to sections 3.9 to 3.11 for further information.
  - 3.5.3 A modernised Civic Office an opportunity to revise the profile of Brighton & Hove's Mayoralty and to closer align the work of the East Sussex Lieutenancy with activities and events that promote economic growth and inward investment; welcoming international delegations and hosting events that showcase the City and wider City Region as 'open for business'. City Ambassadors, influential and articulate people drawn from the business sector, will be appointed to support and facilitate visits, missions and delegations and to take part in pro-active inward investment campaigns. Brighton City Hall could host events and activities that showcase Greater Brighton and City Ambassadors could potentially have a City Region remit. Please refer to sections 3.10 to 3.15 for a full description of the proposed role of City Ambassadors.
  - 3.5.4 A focal point for the City's destination marketing function VisitBrighton provides destination marketing and convention bureau services for the City, marketing Brighton & Hove and the surrounding area as a destination to domestic and overseas visitors, and selling the City as a destination for conferences, meetings and events. VisitBrighton's expertise can also be applied to market the City and the City Region to investors and trading partners.
  - 3.5.5 A redesigned Economic Growth Unit an opportunity to bring together current Brighton & Hove City Council functions that seek to drive inclusive economic growth into the new civic hub, working in partnership with the Brighton & Hove Economic Partnership and Chamber of Commerce and wider City Region partners. Over time, there will further opportunities to explore collaborations and co-location with the Board's member organisations and other agencies that promote the City and City Region economy. This could include offering workspace or 'hot desks' within Brighton City Hall to the

Board's member organisations and partners such as the Department for International Trade (DIT) and the Department for Business, Enterprise and Industrial Strategy (BEIS). This would facilitate increased joint working both within Greater Brighton partnership as well as with key partners and stakeholders.

- 3.5.6 Managed commercial workspace for small and medium-sized enterprises with a business support programme, corporate training facilities and modern conference facilities to maximise the use of the Council Chamber.
- 3.5.7 A new 'high end' restaurant and café located on the ground floor to help open up the new Brighton City Hall, ensuring that it is more widely used as a City Hall for business.
- 3.6 The Brighton City Hall proposal is closely aligned to the City Region's recently commenced Inward Investment & Trade project. Working with DIT, BEIS and the C2C LEP, the project will develop both a pro-active inward investment strategy and package of support for businesses to export. This will include:
  - Gathering intelligence to gain a greater understanding of companies in the City Region;
  - Cultivating better and more targeted engagement with the DIT;
  - Developing a clear and targeted 'offer' in terms of the City Region as a place to locate and grow, and;
  - Supporting businesses to shift the way that they operate in a post-Brexit world, tackling their barriers to export through more integrated delivery between the DIT and the wider business support offer.
- 3.7 The inward investment strand of the project will involve:
  - Identifying the City Region's top three or four priority sectors and developing sector propositions;
  - Working with the DIT and C2C LEP to target and attract interest in these sector propositions, marketing Greater Brighton and articulating what 'sets us apart' from competitors, and;
  - Hosting visits from potential investors, ensuring that the structures and processes are in place not just to provide the necessary "VIP" treatment but to provide confidence in the City Region, addressing any concerns and wherever possible removing any barriers identified by potential investors. This will include developing a "black book" of contacts; of foreign investors already located in the City Region able to have business to business conversations with potential investors in their sector.
- 3.8 There are clear synergies with the Brighton City Hall proposal, particularly in relation to hosting visits and, through the City Ambassador, facilitating business to business conversations.
- 3.9 Brighton City Hall would be one of a network of centres of excellence, where the City Region can showcase its strengths and activities in key sectors, including:
  - The Digital Catapult Centre Brighton (Creative Digital & IT), launched in March 2015 and with a programme of building works to upgrade the Centre currently underway;

- The Central Research Laboratory (Creative Industries), already operating in a temporary space as a pilot project – 'Field' – with construction of the Laboratory anticipated to complete in 2019;
- The Sussex Innovation Centre, due to launch in late Summer 2017;
- The Advanced Engineering Centre (Advanced Engineering), which will formally open in September 2017, and;
- The Sussex Bio-Innovation Centre (Health & Life Sciences), for which construction work will be completed by December 2019.
- 3.10 Brighton & Hove City Council's Civic Office will remain within Brighton City Hall. It is therefore not appropriate to brand the proposal 'Greater Brighton City Hall', as the intention is not to replace existing Mayoral functions across the City Region.

#### Overview of Proposed Role and Function of City Ambassadors:

- 3.11 The role of City Ambassador is new and evolving, reframing the relationship between public and private. It is reflected in Government's Industrial Strategy Green Paper and also in exploratory work at the Local Government Association.
- 3.12 The role aims to provide an opportunity for nominated individuals to represent and promote the interests of the City and potentially the City Region, supplementing and adding to the work being done by Members and officers of Brighton & Hove City Council and the Board.
- 3.13 City Ambassadors would be identified based on their expertise and knowledge of their own business sector, for example: Arts & Culture; Creative, Digital & IT; Energy and Environmental Technologies; Advanced Engineering; Health and Life Sciences; Tourism and Retail; Languages or Education; Food & Drink; Financial Services; Transport.
- 3.14 The City Ambassadors would aim to:
  - Help attract inward investment that may include a role in overseas delegations or missions, representing the interests of the City as a whole;
  - Engage at regional and national level to represent the interests of their sector and the City/City Region;
  - Voice the needs of their sector and influence the City's strategic development, for example in planning, skills, property, finance, the Chamber of Commerce and Economic Partnership:
  - Create common ground where companies of different sizes can share information and knowledge in the interests of their sector as a whole, and;
  - Create a sense of purpose and direction in their sector, to identify and face the challenges of the next few years.
  - This is a voluntary role that does not involve exercising Council powers. The demand on City Ambassadors' time is not expected to be onerous but the role might include:
  - Occasional attendance at events regionally, nationally or internationally, to represent the City and their sector, to attract investment or influence strategic decision making;

- Generating ideas for events or promotions in the City or elsewhere that will improve trade or investment in their sector or the City Region's economy (53% of the city's trade is with the EU);
- To facilitate collaboration and discussion to take advantage of opportunities, or to address barriers, to sectoral growth;
- To act as a sounding board for their sector, responding to enquiries and representing a collective view on their sector's behalf, and:
- To represent the views and interests of their sector at events or meetings where the voice of their sector in the local economy needs to be heard clearly and consistently.
- 3.15 City Ambassadors and could potentially have a City Region remit, include sector representation and business leaders from across Greater Brighton. City Ambassadors would also be expected to develop strong relationships with the Coast to Capital Local Enterprise Partnership, the Brighton & Hove Economic Partnership and business partnerships from across the city region.
- 3.16 City Ambassadors would need to be transparent about potential conflicts of interest and, to ensure that transparency is achieved, it would be necessary to have some processes in place to achieve this. These proposals are evolving and the next steps are likely involve 'soft testing' the role.

#### Analysis and Consideration of Alternative Options:

- 3.17 Brighton Town Hall is a city landmark. It is centrally located, accommodates important life events such as wedding ceremonies and the registration of births, deaths and marriages and is of political significance, hosting Brighton & Hove City Council full council meetings and coordinating electoral events. However, the building is an under-occupied and substantial grade two listed structure with ever increasing maintenance needs.
- 3.18 Officers at Brighton & Hove City Council have undertaken a full analysis of the future options for Brighton Town Hall, including 'do nothing' and a variety of commercial uses through long-term lease or sale. The preferred option is to refurbish (requiring an estimated capital investment of £8m £10m) and redevelop Brighton Town Hall to create Brighton City Hall. This would cut increasing maintenance costs, optimise the use of the space reducing the amount of office space required by Brighton & Hove City Council staff (the Council's Workstyles Programme has already reduced its office space by 57%) and making surplus space available for commercial use to support local business and inward investment and enable a new City Hall for business.
- 3.19 Initial feasibility work has commenced to develop a full business case for the refurbishment and redevelopment of the Town Hall as a City Hall for business. In addition to the functions outlined in section 3.5, it is proposed that Brighton City Hall also continue to provide a space for marriage ceremonies and house The Better! Brighton & Hove Think Tank, which brings together academics from the Universities of Brighton and Sussex with Brighton & Hove City Council policy experts and other local organisations to: identify, analyse and propose solutions to major problems in Brighton & Hove; encourage the adoption of these solutions to improve the City, and; identify and support the realisation of opportunities for the City.

3.20 A set of indicative floor plans and descriptions for Brighton City Hall are attached as Appendix 1. These would be refined through the development of a full business case and wider stakeholder engagement.

#### Next Steps and Timetable:

- 3.21 On 23 March 2017, the Brighton City Hall proposals were presented to Brighton & Hove City Council's Policy, Resource & Growth Committee. Committee agreed that officers:
  - 3.21.1 Continue to develop the Civic Office proposals, including piloting a programme of civic events hosted by the Brighton & Hove Mayor's office, linked to attracting inward investment and supporting key business-related campaigns or policy initiatives;
  - 3.21.2 Develop designs and a full financial business case to refurbish and modernise Brighton Town Hall to become a multi-sector hub for business growth, international trade, inward investment activity and destination marketing to position the City as 'open for business', and;
  - 3.21.3 Design a role and recruitment process for a number of City Ambassadors; a small pool of Council recognised people drawn from the business sector, with first appointments being made in the 2017/18 municipal year.
- 3.22 This report marks the start of a process of consultation and engagement with the Board, to explore and agree the opportunities that the Brighton City Hall proposal could present for the City Region and to ensure that these are developed and embedded as the proposal is further refined and finalised by Brighton & Hove City Council. It recommends that the Officer Programme Board further explores and develops the opportunities presented by the Brighton City Hall proposal for the City Region.
- 3.23 Pending both Brighton & Hove City Council committee approval of the full business case and planning approval, scheduled for Quarter 3 and Quarter 4 of 2017/18 respectively, the aspiration is for Brighton City Hall to open in Quarter 4 of 2019/20.

#### 4. COMMUNITY ENGAGEMENT & CONSULTATION:

- 4.1 To date, engagement and consultation on the proposal has been had with the following bodies external to Brighton & Hove City Council:
  - The Coast to Capital Local Enterprise Partnership
  - The Brighton & Hove Chamber of Commerce
  - The Brighton & Hove Economic Partnership
  - Better! Brighton & Hove Think-Tank
  - The University of Sussex
  - The University of Brighton
- 4.2 The responses to each of these consultations have been positive, with the endorsement to further develop the proposal.

#### 5. CONCLUSION:

5.1 This report provides the Board with an overview of Brighton & Hove City Council's Brighton City Hall proposal. It starts a process of consultation and engagement with the Board, to explore and agree the opportunities that the Brighton City Hall proposal could present for the City Region and to ensure that these are developed and embedded as the proposal is further refined and finalised by Brighton & Hove City Council.

#### 6. FINANCIAL & OTHER IMPLICATIONS:

#### Financial Implications:

6.1 The capital investment estimated at between £8.0m to £10.0m will be funded through Brighton and Hove City Council's Capital Investment Programme from a combination of borrowing and corporate funding. The financing costs associated with any borrowing will be met from income streams associate with lettings to the commercial and office spaces. There is the potential to receive Heritage Lottery Funding for investment into civic town halls and further work and testing will be undertaken to establish the possibility of receiving grant funding. A detailed business case will be prepared and reported back to the lead authorities committee for approval.

Finance Officer Consulted: Rob Allen, Principal Accountant

Date: 22 March 2017

#### **Legal Implications:**

6.2 The City Council will continue to receive legal advice as the Brighton City Hall proposal is developed. There are no legal implications arising directly from this report.

Lawyer Consulted: Alice Rowland, Head of Commercial Law Date:27 March 2017

#### Equalities Implications:

6.3 Brighton & Hove City Council will complete full Equalities Impact Assessments as and when required. The proposed redevelopment of Brighton Town Hall includes funds to improve access, AV facilities, and fire escape routes within the building.

#### **Sustainability Implications:**

6.4 There are opportunities to improve the fuel-efficiency of the building through better insulation, modern heating systems and airflow systems. Brighton & Hove City Council is currently exploring the potential for EU funding bids to support innovative power solutions. This will form a part of the full business case.

### **SUPPORTING DOCUMENTATION**

Appendices1. Indicative Plans for Brighton City Hall (for illustrative purposes)

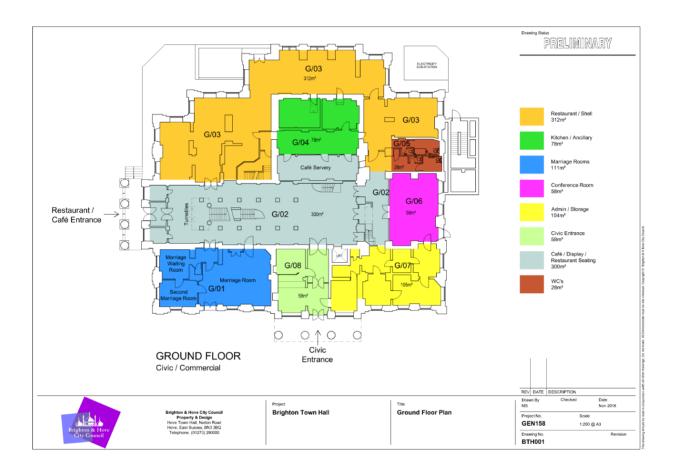
### **Background Documents**

None

### **Appendix 1: Indicative Plans for Brighton City Hall (for illustrative purposes)**

#### **Ground Floor:**

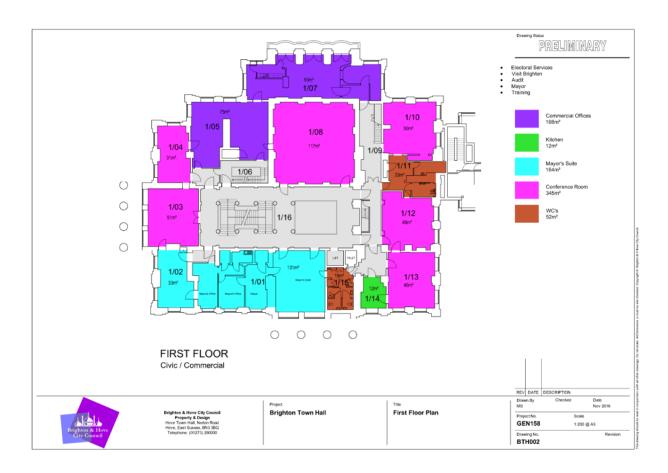
The ground floor of Brighton City Hall could be developed into a restaurant and venue for marriage ceremonies or civic receptions. The restaurant could also be used to host dignitaries and entrepreneurs as part of a redefined mayoral function.



#### Appendix 2 cont.: Indicative Plans for Brighton City Hall (for illustrative purposes)

#### First Floor:

The first floor of Brighton City Hall could be transformed into accommodation that supports a new civic hub. This would include the new mayoral function, lord lieutenant's function, corporate training facilities that could be commercially rented, modern conference facilities that could also be rented and some commercial office space to be leased.



#### Appendix 2 cont.: Indicative Plans for Brighton City Hall (for illustrative purposes)

#### Second Floor:

The second floor of Brighton City Hall could retain council office space, modernised through Workstyles principles. These offices could be used to accommodate some of the services displaced from other areas of the building. Other services would need to relocate, and their destination would be determined by profiling each service and determining the most appropriate location for them in remaining office stock.

The Council Chamber would be retained for full council meetings, but should be opened for wider use, for example university lecture space, or public lectures, which would generate additional income.



#### Basement and Third Floor:

The basement currently houses the Police Museum, which would be retained, and a significant amount of ICT infrastructure and storage, together with BRIGHTON & HOVE CITY COUNCIL staff cycle and shower facilities which are used by staff located in Bartholomew House. Whilst planned maintenance will improve this floor's condition, it is not considered that this space is suitable for commercial use. Similarly, the third floor has issues with access and fire escape routes. The budget for refurbishment will improve the condition of this floor. As market research suggests the space will not be suitable for commercial leases, these floors have been excluded from the proposals.

# GREATER BRIGHTON ECONOMIC BOARD

Agenda Item 38

Subject: Greater Brighton Economic Board Operational

**Arrangements for 2017/18** 

Date of Meeting: 25 April 2017

Report of: Chair, Greater Brighton Officer Programme Board

Contact Officer: Name: Nick Hibberd Tel: 01273 293756

Email: <u>nick.hibberd@brighton-hove.gov.uk</u>

LA(s) affected: All

#### FOR GENERAL RELEASE

## 1. PURPOSE OF REPORT:

1.1 This report outlines the preparatory steps needed to support the operational aspects of the Greater Brighton Economic Board ('the Board') in 2017/18.

1.2 This report should be read in conjunction with the Heads of Terms ('HoTs') for the Board. The latest version of the Heads of Terms, as agreed by the Board on 21 April 2015, is attached as Appendix 1.

#### 2. RECOMMENDATIONS:

#### 2.1 The Board is asked to:

- (1) Agree and secure the budgetary contributions sought to fund the cost of running the Board and delivering its workplan in 2017/18;
- (2) Note the current workplan and agree the projects/activities prioritised for funding;
- (3) Agree that Brighton & Hove City Council shall continue to act as Lead Authority for the Board in 2017/18;
- (4) Agree to formally invite Crawley Borough Council and Gatwick Airport Limited to become constituent members of the Board, joining the Greater Brighton Joint Committee and the Greater Brighton Business Partnership respectively, subject to both their agreement and formal ratification from the Board's member organisations;
- (5) Agree the process by which the Chair of the Board shall be nominated for 2017/18;
- (6) Note the date by which the Lead Authority must be notified of all named substitutes and instruct any necessary actions within their respective organisations;

- (7) Note the date by which the lead authority must be notified of all nominations to the Greater Brighton Call-In Panel and instruct any necessary actions within their respective organisations, and;
- (8) Note that the Annual Report will be drafted for presentation to the Board at its first meeting in the new municipal year.

#### 3. CONTEXT AND BACKGROUND INFORMATION:

- 3.1 The budget to support the running costs of the Board in 2016/17 was £190,010 (inclusive of the 2015/16 roll-over of £28,576). The actual spend as at 17 March 2017 is £95,838.46. This underspend is due mainly to significantly lower than forecast consultancy and salary costs (no appointment was made to the Greater Brighton Policy & Projects Manager post). A breakdown of the 2016/17 forecast, budgetary contributions and spend is attached as Appendix 2.
- 3.2 It is proposed that the underspend, which totals £94,171.54, be rolled-over into 2017/18; with £3,655.81 reserved as a contingency fund and the remaining £90,515.73 used towards the cost of running the Board and the delivery of its workplan.
- 3.3 The workplan has grown significantly since the Board's inception in March 2014. The current workplan is attached as Appendix 3. In a bid to ensure that costs for contributing member organisations are kept to an acceptable level, it is proposed that the 2017/18 contributions sought by Brighton & Hove City Council, as Lead Authority, be the same as in 2016/17 and that projects/activities be prioritised accordingly.
- 3.4 In line with sections 12 and 13 of the HoTs, Brighton & Hove City Council is seeking the following contributions from the Board's member organisations:

Organisation	2017/18 Contribution Sought
Coast to Capital Local Enterprise Partnership	£12,500.00
South Downs National Park Authority	£7,500.00
University of Sussex	£7,500.00
University of Brighton	£7,500.00
Greater Brighton Metropolitan College	£7,500.00
Adur District Council	£12,345.00
Brighton & Hove City Council	£53,406.00
Worthing Borough Council	£19,215.00
Lewes District Council	£17,734.00

Mid Sussex District Council	£11,234.00
Total:	£156,434.00

- 3.5 Appendix 4 outlines the approach used in 2016/17 to develop the contributions that are being sought.
- 3.6 The budget to support the running costs of the Board in 2017/18 therefore totals £250,605.54. It is proposed that this be allocated as follows:

Running Costs	
Salary costs (including on-costs) and expenses (inclusive of 1% inflationary rise)	£101,000.00
The increase in salary costs is due to the need for additional staffing resource to support the delivery of Board's ambitious workplan. It is proposed that the staffing complement comprise: 1 full time Business Manager, 1 part time (3 days per week) Business Manager and 1 part time (2.5 days per week) Project Support Officer. It is proposed that appointments be made on a 3-year fixed-term contract	
Finance support (inclusive of 1% inflationary rise)	£7,060.91
Legal support (inclusive of 1% inflationary rise)	£9,671.51
Communications support (inclusive of 1% inflationary rise)	£8,596.51
It is proposed that the communications function rotate with the Chair, as opposed to being fulfilled by the Lead Authority	
Annual report and other materials	£1,500.00
Democratic Services support (administrative) (inclusive of 1% inflationary rise)	£4,120.80
Scrutiny (charged £500 (excluding venue) on a 'pay as you go' basis)	£2,000.00
Venue hire and refreshments	£3,000.00
Total	£136,949.73
Workplan	
Inward Investment & Export	£40,000.00
Development of a proactive Greater Brighton Inward	
Investment & Export Strategy and supporting materials and	
processes, working in partnership with the Coast to Capital	

Local Enterprise Partnership and the Department for International Trade	
Transport Infrastructure	£10,000.00
Analysis and articulation of Greater Brighton's transport priorities, to inform the development of Transport for the South East's Transport Strategy	
Digital Infrastructure	£10,000.00
Development of a Greater Brighton Digital Connectivity Delivery Plan, to include the drafting of a bid to the Department for Culture, Media & Sport's 'full-fibre' broadband initiatives fund	
Water & Energy Plan	£10,000.00
Development of a Greater Brighton Water & Energy Plan, linked to the Investment Programme/Pipeline and Local Plans, working in partnership with the Brighton & Lewes Downs Biosphere Board, Southern and South East Water and UK Power Networks and other local suppliers	
Skills & Employment	£10,000.00
Development of a Greater Brighton Skills & Employment Plan, including to support the City Region to secure Adult Education Budget from 2018/19	
ESIF Business Support Bid	£30,000.00
One-off contribution towards the 100% match-fund requirement (totalling £6m) for the region's European Regional Development Fund Business Support bid	
Total	£110,000.00
Contingency	£3,655.81
Total	£250,605.54

3.7 It should be noted that a Smart Specialisation proposal is currently being developed by the University of Brighton and the University of Sussex, for presentation to the Board at its July 2017 meeting. This work would both build a City Region intelligence function and improve engagement activities with business. The proposed budget allocation to the various workplan projects and activities outlined above is, therefore, indicative and will be reviewed in line with the Smart Specialisation proposal.

#### **LEAD AUTHORITY**

3.8 On 19 April 2016, the Board agreed that Brighton & Hove City Council continue to act as Lead Authority. As outlined in section 1.8 of the HoTs, lead authority

- arrangements are reviewed every two years and it is therefore proposed that this arrangement be maintained in 2017/18.
- 3.9 In October 2017, each local authority represented on the Board will be invited to submit an expression of interest in fulfilling the role for 2018/19 2019/20. The Board shall then instigate a procurement exercise to select the most appropriate authority for that role.

#### 2017/18 BOARD MEETING DATES:

- 3.10 The Board meeting dates for the new municipal year have been set as follows:
  - 18 July 2017
  - 07 November 2017
  - 06 February 2018
  - 17 April 2018
- 3.11 As in 2016/17, it is proposed that all meetings will commence at 10:00 and be held in alternating locations across the City Region.

#### MEMBERSHIP AND CHAIRPERSON:

- 3.12 No elections are due to take place in the City Region's local authority areas in May 2017 and so the existing representatives on the Greater Brighton Economic Joint Committee ('the Joint Committee') will remain unchanged in 2017/18.
- 3.13 On 31 March 2017, City College Brighton and Hove and Northbrook College merged to form the Greater Brighton Metropolitan College (GBMet). The City Region now comprises three further education colleges; Plumpton College, Sussex Downs College and GBMet. The Chief Executive Officers/Principals of these colleges have confirmed that Nick Juba, Chief Executive Officer of GBMet, will represent their sector on the Board in 2017/18.
- 3.14 2017/18 will see two changes in the existing Greater Brighton Business Partnership ('the Business Partnership') representation; Steve Allen will represent the Coast to Capital Local Enterprise Partnership and Peter Webb the Coastal West Sussex Partnership. It is anticipated all other existing representatives will remain unchanged in 2017/18.
- 3.15 The Board is asked to extend its geographical remit and membership; formally inviting Crawley Borough Council and Gatwick Airport Limited to become constituent members of the Joint Committee and the Business Partnership respectively. This is subject to the approval of both Crawley Borough Council and Gatwick Airport Limited. It would also trigger a variance in the Board's Heads of Terms that will require the formal ratification of all Joint Committee members. A report detailing the full practical implications of Crawley Borough Council and Gatwick Airport Limited joining the Board will be represented to the Board in due course.
- 3.16 The London-Gatwick-Brighton Growth Corridor has been recognised as one of nine corridors in England that have been at the heart of growth over the last

decade<sup>1</sup> and are likely to maintain a pivotal role in shaping growth in the future. The Corridor, which stretches along the Brighton Main Line and M23/A23 routes, creates key strategic linkages between Crawley, Gatwick and Brighton & Hove – the benefits of which will cascade across the City Region. The inclusion of Crawley Borough Council and Gatwick Airport Limited on the Greater Brighton Economic Board presents the following related opportunities:

3.16.1 Enabling Greater Brighton to clearly articulate how the City Region economy can benefit from both its links to the M23/A23 Corridor and to London.

## 3.16.2 Strengthening Greater Brighton's voice to Government:

- Bringing together two of the Coast to Capital Local Enterprise Partnership's economic 'power houses'. Crawley and Brighton & Hove generate over £4.5bn and £6.7bn GVA respectively. The City Region has a current combined GVA of just over £19bn (all GVA data is from 2014).
- Crawley is home to 110,900 people. The City Region has a current combined population of just over 700,000. The new population total, of just under 811,000 people, would increase the scale and profile of Greater Brighton.
- Similarly, Crawley is home to over 3,000 active businesses including Gatwick Airport Limited. There are currently just over 35,000 active business units in the City Region.
- Gatwick is one of the South East's most high profile and important anchor businesses. It has 24,000 direct employees (and 13,000 indirect employees) from across the region. It is a major investor in growth having invested £1.3bn since 2009 with plans to invest a further £1.2bn before 2021 and attractor for inward investment, providing access to markets for business as well as supporting the ongoing growth of tourism. The inclusion of an international airport within the City Region will bring Greater Brighton's profile in line other City Region's that are high on Government's radar –Manchester, Birmingham and Newcastle.

## 3.16.3 Enabling joint-work on strategic priorities, including:

 Articulating the economic case for continued investment in infrastructure, with an immediate focus on influencing investment in the Brighton Main Line.

 Developing a proactive Inward Investment and Trade strategy (encompassing supply chain development), working with the Department for International Trade and the Coast to Capital Local Enterprise Partnership. Strengthened links to London, coupled with an international airport, would increase investor confidence in Greater Brighton. Gatwick has Europe's fastest growing long haul network, now servicing more than 50 long haul destinations. It plays an important role in supply chain development – £74m of Gatwick's expenditure is already with local businesses.

<sup>&</sup>lt;sup>1</sup> <a href="http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2014/where-growth-happens-the-high-growth-index-of-places.pdf">http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2014/where-growth-happens-the-high-growth-index-of-places.pdf</a>

- Supporting the work of the West Sussex and Greater Brighton Strategic Planning Board in developing the Local Strategic Statement 3; a process to support better integration and alignment of strategic spatial and investment priorities and deliver a spatial framework for the area that brings together in one place the housing and employment space required over the next ten years linked to the long term strategic infrastructure and other transport plans.
- 3.17 As outlined in section 6 of the HoTs, the role of Chair shall rotate annually between the Joint Committee members. The Chair of the Joint Committee shall, by virtue of his/her democratic mandate, be the Chair of the Board. It is for the Joint Committee to determine the order in which their members shall chair.
- 3.18 The new Chair must be formally appointed at the Board's first meeting in the new municipal year. It is proposed that nominations be sought in advance and that the following process be adopted:
  - (1) On 22 May 2017, Brighton & Hove City Council's Democratic Services team will issue an e-mail to the local authority Leaders to ask if they would like to put themselves forward as Chair.
  - (2) Those local authority Leaders choosing to put themselves forward must notify Brighton & Hove City Council's Democratic Services of their decision by 02 June 2017.
  - (3) On 05 June 2017, Brighton & Hove City Council's Democratic Services will issue an e-mail to all local authority Leaders, advising of the nominations and asking them to cast a vote for their preferred nominee. Each Greater Brighton Economic Joint Committee member will have one vote, save for Brighton & Hove City Council where the Leader of the Opposition will also have a vote. Voting will be completed in confidence. The deadline for votes will be 23 June 2017.
  - (4) On 19 June 2016, Brighton & Hove City Council Democratic Services will issue an e-mail to all members of the Board to advise them of the new Chair.
  - (5) On 18 July 2017, members of the Greater Brighton Joint Committee will formally appoint the new Chair (this will be the first item of business).
- 3.19 In the event that the vote is tied, Brighton & Hove City Council's Democratic Services will issue an e-mail to all local authority Leaders, informing that the first round has been tied and asking them to vote again on the preferred nominees.
- 3.20 All member organisations are required to inform Brighton & Hove City Council's Democratic Services of their substitute representatives by 26 June 2017. In line with section 9 of the HoTs, the list of substitutes will be approved by the Board at its first meeting in the new municipal year.
- 3.21 As stated in section 4.3 of the HoTs, the work of the Board shall be subject to review by an ad hoc joint local authority scrutiny panel that is managed by the Lead Authority. It is proposed that the current Call-In Protocol remains unchanged for 2017/18. The Protocol is attached as Appendix 5. Members of

the Board are required to inform Brighton & Hove City Council' Democratic Services of their Greater Brighton Call-In Panel representatives by 19 June 2017.

#### **ANNUAL REPORT:**

- 3.22 As outlined in section 4.1 of the HoTs, the Board shall submit an annual report to each of the bodies represented on the Board.
- 3.23 It is proposed that the 2016/17 Annual Report be presented to the Board for approval at its first meeting in the new municipal year, scheduled for 18 July 2017.

## 4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The proposals are in accordance with the governance arrangements agreed by the Board.

#### 5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Not applicable.

#### 6. CONCLUSION:

- 6.1 To ensure that the Board transitions smoothly into the new municipal year, Board members are asked to:
  - (1) Agree the budgetary contributions that are being sought to fund the costs of running the Board and delivering its workplan in 2017/18;
  - (2) Note the current workplan and agree the projects/activities prioritised for funding;
  - (3) Agree that Brighton & Hove City Council shall continue to act as Lead Authority for the Board in 2017/18;
  - (4) Agree to formally invite Crawley Borough Council and Gatwick Airport Limited to become constituent members of the Board, joining the Joint Committee and the Business Partnership respectively, subject to both their agreement and formal ratification from the Board's member organisations;
  - (5) Agree the process by which the Chair of the Board shall be nominated for 2017/18, and:
  - (6) Note the requirement, and instruct the necessary actions within their respective organisations, to:
    - a. Notify the lead authority of their named substitutes by 26 June 2017, and
    - b. Notify the lead authority of their nominations to the Greater Brighton Call-In Panel by 26 June 2017, and;

#### 7. FINANCIAL & OTHER IMPLICATIONS:

## **Financial Implications:**

7.1 The Greater Brighton Economic Board assists with delivering economic development across the region. The Board seeks to secure government and private sector funding and investment in order to deliver this economic development. An annual operating budget is agreed with the Board for the forthcoming financial year to enable the Accountable Body to provide legal, financial, communications and administrative support to allow the Board to deliver its workplan. Annual contributions are made from member authorities to the Accountable Body toward this budget. The contributions from member authorities are detailed within paragraph 3.4 of this report. The apportionment of contributions from unitary, district and borough councils are based upon the size of their working age populations and are detailed within Appendix 4. The budget for the financial year 2017/18 will reflect anticipated spend for the workstreams ahead including a provision for contingency. The estimated spend of £250,606 for the year is detailed in paragraph 3.6 and includes running costs as well as financial support to deliver the Greater Brighton Workplan for the activities, projects and programmes detailed in appendix 3. In the event that Crawley Borough Council and Gatwick Airport Limited become members of the Board a review of the operational costs and contributions will be undertaken and will be presented back to the Board in due course.

Finance Officer Consulted: Rob Allen, Principal Accountant, BHCC

Date: 21 March 2017

## **Legal Implications:**

7.2 The Board is a Joint Committee established pursuant to 120(1)(b) of the Local Government Act 1972. A decision to change the Terms of Reference (in this case the membership) of the Joint Committee requires a decision of each body represented on the Board in accordance with their respective governance arrangements.

Lawyer Consulted: Elizabeth Culbert, Head of Legal Services BHCC

Date: 11 April 2017

Equalities Implications:

7.2 None

**Sustainability Implications:** 

8.5 None

Any Other Significant Implications:

8.6 None

## **SUPPORTING DOCUMENTATION**

## **Appendices:**

- Appendix 1: Heads of Terms for Greater Brighton Economic Board
- Appendix 2: 2016/17 Forecast, Contributions and Spend
- Appendix 3: Greater Brighton Workplan
- Appendix 4: Approach for Calculating 2016/17 Funding Contributions
- Appendix 5: Greater Brighton Economic Board Call-In Protocol

# **Background Documents**

None.

## Appendix 1: Heads of Terms for Greater Brighton Economic Board (21 April 2015)

#### 1. Establishment, Purpose and Form

- 1.1. The Greater Brighton Economic Board ("The Board") shall be established from the Commencement Date
- 1.2. The over-arching purpose of the board is to bring about sustainable economic development and growth across Greater Brighton ('the City Region'). To achieve this, the principal role of the Board is to co-ordinate economic development activities and investment at the regional level.
- 1.3. The Board comprises the Greater Brighton Economic Join Committee ("GBEJC"), on which the local authorities will be represented; and the Greater Brighton Business Partnership ("GBBP"), on which the Cost to Capital Local Enterprise Partnership, business, university and further education sectors will be separated.
- 1.4. Meetings of the Board comprise concurrent meetings of GBEJC and GBBP.
- 1.5. GBEJC shall be a join committee appointed by two or more local authorities represented on the Board, in accordance with section 120(1)(b) of the Local Government Act 1972.
- 1.6. The Board may appoint one or more sub-committees.
- 1.7. For the two years starting with the Commencement Date, the lead authority for the Board shall be Brighton & Hove City Council ("BHCC"), whose functions in that capacity shall include the provision of scrutiny (see paragraph 4.3), management of the call-in and review process (see paragraph 8), and the support detailed in paragraph 12.
- 1.8. Unless the Board resolves otherwise, before the start of the third year following the Commencement Date, and every two years thereafter, the Board shall review the lead authority arrangements and, subject to paragraph 1.9, invite each of the local authorities represented on the Board to submit an expression of interest in fulfilling the role of lead authority for the subsequent two year period. The Board shall then instigate a procurement exercise to select the most appropriate authority for that role.
- 1.9. Notwithstanding the appointment of a successor lead authority pursuant to paragraph 1.8, the incumbent lead authority may retain such of their Accountable Body functions as are necessary to enable that local authority to comply with its on-going commitments and liabilities associated with its Accountable Body status.

## 2. Interpretation

- 2.1. In these Heads of Terms
  - i. 'Commencement Date' means 1st April 2014.

- ii. 'City Region' means the area encompassing the administrative boundaries of BHCC, Adur District Council, Worthing Borough Council, Lewes District Council and Mid Sussex District Council as lie within the Coast to Capital Local Enterprise Partnership area; and 'regional' shall be construed accordingly;
- iii. 'economic development' shall bear its natural meaning but with particular emphasis given to:
  - Employment and skills;
  - Infrastructure and transport
  - Housing;
  - Utilisation of property assets;
  - Strategic planning;
  - Economic growth.
- iv. 'Accountable Body' means the local authority represented on the Board carrying out the function set out in paragraph 12.2.

#### 3. Functions

- 3.1. The Functions of the Board are specified in paragraph 3.2 below and may be exercised only in respect of the Region.
- 3.2. The functions referred to in paragraph 3.1 are as follows:
  - i. To make long term strategic decisions concerning regional economic development and growth;
  - ii. To be the external voice to Government and investors regarding the management of devolved powers and funds for regional economic growth;
  - iii. To work with national, sub-national (in particular the Coast to Capital Local Enterprise Partnership) and local bodies to support a co-ordinated approach to economic growth across the region;
  - iv. To secure funding and investment for the Region;
  - v. To ensure delivery of, and provide strategic direction for, major projects and work stream enabled by City Deal funding and devolution of powers;
  - vi. To enable those bodies to whom section 110 of the Localism Act 2011 applies to comply more effectively with their duty to co-operate in relation to planning of sustainable development.
  - vii. To incur expenditure on matters relating to economic development where funds have been allocated directly to the Board for economic development purposes; and for the avoidance of doubt, no other expenditure shall be incurred unless due authority has been given by each body represented on the Board.
- 3.3. In discharging its function specified in paragraph 3.2 (Viii) above, the Board shall-

- i. (save in exceptional circumstances) seek to invest funding on the basis of
  - a Proportionality, by reference to the economically active demographic of each administrative area within the city Region;
  - b Deliverability;
  - c Value for money and return on investment / cost benefit ratio; and
  - d Economic impact to the City Region as a whole.
- ii. Delegate implementation of that function to the lead authority, who shall also act as Accountable Body in relation to any matters failing within that function.

## 4. Reporting and Accountability

- 4.1. The Board shall submit an annual report to each of the bodies represented on the Board.
- 4.2. The Greater Brighton Officer Programme Board shall report to the Board and may refer matters to it for consideration and determination.
- 4.3. The work of the Board is subject to review by an ad hoc join local authority scrutiny panel set up and managed by the lead authority.

## 5. Membership

- 5.1. The following bodies shall be members of the Board:
  - i. Brighton & Hove City Council
  - ii. Adur District Council
  - iii. Worthing Borough Council
  - iv. Lewes District Council
  - v. Mid-Sussex District Council
  - vi. University of Sussex
  - vii. University of Brighton
  - viii. Further Education Representative
  - ix. Coast to Capital Local Enterprise Partnership
  - x. Brighton & Hove Economic Partnership
  - xi. Adur & Worthing Business Partnership
  - xii. Coastal West Sussex Partnership
  - xiii. South Downs National Park Authority
- 5.2. GBEJC shall comprise the bodies specified in paragraphs 5.1(i) to (v); and GBBP shall comprise the bodies specified in paragraphs 5(vi) to (xiii).
- 5.3. Each of the bodies listed in paragraph 5.1 shall be represented at the Board by one person, save that BHCC shall, by reason of it being a unitary authority, be represented by two persons (as further specified in paragraph 5.4).
- 5.4. Each local authority member shall be represented at the Board by its elected Leader and, in the case of BHCC, by its elected Leader and the Leader of the Opposition.

- 5.5. Each business sector member shall be represented at the Board by the Chairman of that member or by a person nominated by the Board of that member.
- 5.6. Each university member shall be represented by a Vice Chancellor or Pro Vice-Chancellor of that university or by a person nominated by that university member.
- 5.7. Each further education member shall be represented by its Principal or the Chair of its Governing Body or by a person nominated by that further education member.

#### 6. Chair

- 6.1. The Chair of GBEJC shall, by virtue of his/her democratic mandate, be Chair of the Board
- 6.2. If the Chair of GBEJC is unable to attend a Board meeting, the Board shall elect a substitute from its local authority member representatives provided that no such member representative attending in the capacity of a substitute shall be appointed as Chair of GBEJC / the Board.
- 6.3. The Chair of GBEJC for its first year of operation shall be the Leader of BHCC
- 6.4. Following GBEJC's first year in operation, its Chair shall rotate annually between its members, with the new Chair being appointed at the first meeting of the Board in the new municipal year.
- 6.5. GBEJC shall decide the order in which their members shall chair that body.

## 7. Voting

- 7.1. Each person represents a member of GBEJC, and each person representing a member of the GBBP, shall be entitled to vote at their respective meetings.
- 7.2. Voting at each of the concurrent meetings of GBEJC and GBBP shall be by show of hands or, at the discretion of the chair, by any other means permitted by law, and voting outcomes reached at those meetings shall be on a simple majority of votes cast.
- 7.3. Where voting at a meeting of GBEJC results in an equal number of votes cast in favour and against, the Chair of GBEJC shall have a casting vote.
- 7.4. Where voting at a meeting of GBEJC results in an equal number of votes cast in favour and against, the motion/proposal/recommendation under consideration shall fall in relation of GBBP.
- 7.5. Where the respective voting outcomes of GBEJC and GBBC are the same, that shall be taken as the agreed Board decision and the Board may pass a resolution accordingly.

- 7.6. Where the respective voting outcomes of GBEJC and GBBP differ, the Board
  - i. May not pass a resolution relating to that matter; and
  - ii. May refer the matter to the Chief Executive of the lead authority, who may consult with members of the Board or such other persons as are appropriate, with a view to achieving agreement on the matter between GBEJC and GBBP by discussion and negotiation.
- 7.7. Where, pursuant to paragraph 7.6(ii), agreement is reached the matter at issue shall be remitted to, and voted upon at, the next meeting of the Board.
- 7.8. Where, pursuant to paragraph 7.6(ii), no agreement is reached the motion/proposal/recommendation at issue shall fall.

#### 8. Review of decision

- 8.1. Decisions of the Board will be subject to call-in and review in the following circumstances:
  - i. Where a local authority voted to agree a recommendation at a GBEJC meeting, but the decision of the Board was to agree the recommendation.
  - ii. Where a local authority voted against a recommendation at a GBEJC meeting, but the decision of the Board considered that the interests of the body they represent had been significantly prejudiced; or
  - iii. Where any local authority represented on the Board considered that the interests of the body they represent had been significantly prejudiced; or
  - iv. Where any local authority represented on the Board considered that the Board had made a decision beyond its scope of authority.
- 8.2. The procedure for Requesting, validation, and implementing a call-in and review is specified in Schedule 1.
- 8.3. Where a request for call-in is accepted, the Board decision to which it relates shall be stayed pending the outcome of the call-in
- 8.4. Following call-in, the panel convened to review a Board decision may refer the decision back to the Board for re-consideration. Following referral, the Board shall, either at its next scheduled meeting or at a special meeting called for the purpose, consider the panel's concerns over the original decision.
- 8.5. Having considered the panel's concerns, the Board may alter its original decision or re-affirm it. Paragraph 8.1 shall not apply to the Board's follow-up decision. In consequence, the latter decision may be implemented without further delay.

#### 9. Substitution

- 9.1. Subject to paragraph 9.2, where a representative of a member of the Board is unable to attend a Board meeting, a substitute representative of that member may attend, speak and vote, in their place for that meeting.
- 9.2. A substitute member must be appointed from a list of approved substitutes submitted by the respective member to the Board at the start of each municipal year.

#### 10. Quorum

- 10.1. No business shall be transacted at any meeting of the Board unless at least one third of all member bodies are present, and both GBEJC and GPBBP are quorate.
- 10.2. Quorum for GBEJC meetings shall be three member bodies.
- 10.3. Quorum for GBBP meetings shall be three member bodies.

## 11. Time and Venue of Meetings

- 11.1. Ordinary meetings of the Board shall be convened by the lead authority and normally take place in the geographical area of that authority.
- 11.2. The Chair of the Board may call a special meeting of the Board at any time, subject to providing members with minimum notice of two working days.

## 12. Administrative, financial and legal support

- 12.1. The lead authority shall provide the following support services to the Board:
  - i. Administrative, as more particularly specified in the Memorandum of Understanding pursuant to paragraph 13;
  - ii. Financial (including the Accountable body function specified in paragraph 12.2); and
  - iii. Legal, comprising Monitoring Officer and Proper Officer functions in relation to GBEJC meetings.
- 12.2. The function of the Accountable Body is to take responsibility for the financial management and administration of external grants and funds provided to the Board, and of financial contributions by each member of the Board, as more particularly specified in the Memorandum of Understanding Pursuant to paragraph 13. In fulfilling its role as Accountable Body, the lead authority shall remain independent of the Board.
- 12.3. Other members of the Board shall contribute to the reasonable costs incurred by the lead authority in connection with the activities described in paragraphs 12.1 and 12.2, at such time and manner as the Memorandum of Understanding shall specify.

#### 13. Memorandum of Understanding

- 13.1. Members of the Board may enter into a memorandum of understanding setting out administrative and financial arrangements as between themselves relating to the functioning of the Board.
- 13.2. The memorandum may, in particular, provide for
  - i. Arrangements as to the financial contributions by each member towards the work of the Board, including:
    - a The process by which total financial contributions are calculated;
    - b The process for determining the contribution to be paid by each member:
    - c The dates on which contribution are payable;
    - d How the Accountable Body shall administer and account for such contributions;
  - ii. Functions of the Accountable Body; and
  - iii. The terms of reference for the Greater Brighton Officer Programme Board.

## 14. Review and Variation of Heads of Terms

- 14.1. The Board shall keep these Heads of Terms under review to ensure that the Board's purpose is given full effect.
- 14.2. These Heads of Terms may be varied only on a resolution of the Board to that effect, and subject to the approval of each body represented on the Board.

## Appendix 2: 2016/17 Forecast, Contributions and Spend

1. The 2016/17 budget to support the running costs of the Board and the delivery of its workplan totalled £190,010. This was made-up of the 2015/16 roll-over of £28,576 and the following funding contributions:

Coast to Capital Local Enterprise Partnership	£12,500
South Downs National Park Authority	£7,500
University of Sussex	£7,500
University of Brighton	£7,500
City College Brighton & Hove	£7,500
Adur District Council	£12,345
Brighton & Hove City Council	£53,406
Worthing Borough Council	£19,215
Lewes District Council	£17,734
Mid Sussex District Council	£11,234
Total	£161,434

2. The 2016/17 budget forecast was as follows:

Salary costs	£102,847.90
(Including on-costs)	
Support services costs	£29,161.76
(Legal, Finance, Democratic Services and Communications)	
Scrutiny	£2,000.00
(Charged at £500 on a 'pay as you go' basis)	
Specialist external support	£40,000.00
(Technical consultancy support in relation to the City Region's	
devolution proposals)	
Venue hire	£2,000.00
Publicity, design and branding	£4,000.00
Total Costs*	£180,009.66

<sup>\*</sup> Excluding contingency.

3. The actual 2016/17 spend (including all known commitments as at 17 March 2017) was as follows:

Salary costs	£51,671.70
(Including on-costs, printing and other expenses)	
Recruitment costs	£400.00
(Policy & Projects Manager post)	
Support services costs	£29,161.76
(Legal, Finance, Democratic Services and Communications)	
Consultancy fees	£11,499.00
(January 2017 Devolution Proposal and Annexes)	
Venue hire and hospitality	£841.00
Publicity, design and branding	£2,265.00
(2015/16 Annual Report and Pull-Up Banner)	
Total	£95,838.46

4. The budget remaining as at 17 March 2017 is £94,171.54. It is proposed that the remaining budget be rolled-over into 2017/18, with £5,000 reserved as a

contingency fund and the remaining £89,171.54 used towards the cost of running the Board and delivery of its workplan.

## **Appendix 3: Greater Brighton Workplan**

The Greater Brighton workplan currently comprises the following activities, projects and programmes, some of which are being led by member organisations and/or wider partners:

- a) Delivery of the Greater Brighton Investment Programme
- b) Maintenance of the Greater Brighton Project Pipeline
- c) Co-ordinating and developing funding bids, including to the Local Growth Fund
- d) Delivery of the Greater Brighton One Public Estate Programme
- e) Development and negotiation of the Greater Brighton devolution proposals, including building the supporting evidence base/business cases \*
- f) Development of a Greater Brighton Inward Investment & Export Strategy
- g) Development of a Greater Brighton Smart Specialisation Strategy
- h) Participation in the Innovation South Science & Innovation Audit
- i) Development of a local Digital Connectivity Delivery Plan and supporting the growth the creative Digital and IT cluster, in partnership with the Digital Catapult Centre Brighton
- j) Development a non-statutory spatial framework, through the West Sussex and Greater Brighton Strategic Planning Board
- k) Establishment of Transport for the South East and development of an overarching Transport Strategy for the region
- I) Development of Rail South proposals, through Transport for the South East
- m) Participation in the Coast to Capital European Regional Development Fund Business Support bid, to enhance the City Region's business support offer
- n) Development of a Greater Brighton Employment & Skills Plan
- o) Hosting the British Science Festival 2017, Europe's largest and longestestablished science event (05-09 September 2017)
- p) Development of a Greater Brighton Communications Strategy
- q) Development of other policy responses, including to the Industrial Strategy Green Paper and the implications of the Country's withdrawal from the European Union

<sup>\*</sup> Pending the outcome of current negotiations, further work may be required as follows:

Housing & Growth Sites	<ul> <li>Literature review (inc of SHMAs and OANs) and summary of evidence and conclusions regarding barriers and shortfalls</li> <li>Detailed analysis of employment floorspace gaps and requirements</li> <li>Further development of "layer plan" and of asks to enable and/or accelerate delivery</li> <li>Further investigation of cross boarder delivery vehicles</li> </ul>
Transport	<ul> <li>Explanation of what Greater Brighton would achieve with multi-year transport settlement</li> <li>Review of how multi-year settlement would affect transport authorities within Greater Brighton area</li> <li>Development of detailed Greater Brighton Infrastructure Plan, to identify deficits and priorities and to detail improvements needed to national infrastructure</li> <li>Assess whether new powers in Buses Bill are suitable for Greater Brighton</li> <li>Map, describe and quantify (including benefits) interventions to build effective transport network</li> <li>Develop, in partnership with East and West Sussex County Councils, Highways England and the Department for Transport, a Key Route Network</li> </ul>
Business & Innovation	<ul> <li>Review effectiveness of current business support services</li> <li>Produce economic assessment of key sectors (similar to FUSE research for CDIT)</li> <li>Benchmark access to export services from DIT and others to set baseline</li> </ul>
Digital	<ul> <li>Develop detailed evidence base to tell story of need for improvements to digital connectivity (outlining current situation, gaps in provision, proposal to increase coverage, costs and risks of proposal, overall economic impact)</li> <li>Develop proposals for an agile and flexible funding mechanism to support digital sector</li> <li>Explore potential of sub-national digital body to "UK Silicon Valley" (Oxford/Cambridge to Greater Brighton)</li> </ul>
Skills	Develop a Greater Brighton Skills & Employment Plan

## Appendix 4: Approach for Calculating 2016/17 Funding Contribution

## **Greater Brighton Business Partnership:**

- Due to their being largely local authority funded, no contributions will be sought from the Brighton & Hove Economic Partnership, the Adur & Worthing Business Partnership and the Coastal West Sussex Partnership.
- All remaining Business Partnership members will be charged a 'flat fee' of £7,500. The Coast to Capital Local Enterprise Partnership will be charged an additional £5,000, as the Board forms a part of its governance and delivery framework.

## Greater Brighton Economic Joint Committee:

- The contributions sought from the unitary, district and borough councils for the total remaining funding requirement have been apportioned in relation to the size of their working age populations. Please see the Business and Demographic Overview below.
- As a large proportion of Mid Sussex District Council's working age population is based in East Grinstead – an area this is currently outside of the scope of the Investment Programme – it is proposed that they pay 50% of their original contribution calculation and that the remaining 50% be divided equally amongst the remaining members.

Organisation	% of working age population	Original 2016/17 Contribution Calculation	Actual 2016/17 Contribution Sought (rounded up)	2015/16 Contribution Paid (inc towards City Region's Devolution Bid)
Adur District Council	8.37%	£9,536.27	£12,345	£17,422
Brighton & Hove City Council	44.41%	£50,598.10	£53,406	£83,834
Worthing Borough Council	14.40%	£16,406.50	£19,215	£20,784
Lewes District Council	13.10%	£14,925.35	£17,734	£20,067
Mid Sussex District Council	19.72%	£22,467.78	£11,234	£16,864
Total	100%	£113,934	£113,934	£158,971

# **Greater Brighton Business and Demographic Overview (March 2016)**

Local Authority	Population (2014)	Working age population (2014)	VAT/PAYE Businesses (2015)	VAT/PAYE Business Units (2015)	Business units per 1,000 working age residents	% of total GB population	% of total GB working age population	% of business units in GB area
Adur	63,200	37,300	2,185	2,500	67.0	9.08%	8.37%	7.2%
Brighton & Hove	281,100	198,000	12,650	15,210	76.8	40.40%	44.41%	43.9%
Lewes	100,200	58,400	4,185	4,755	81.4	14.40%	13.10%	13.7%
Mid Sussex	144,400	87,900	6,920	7,790	88.6	20.75%	19.72%	22.5%
Worthing	106,900	64,200	3,550	4,385	68.3	15.37%	14.40%	12.7%
Totals	695,800	445,800	29,490	34,640		100.00%	100%	100%

All data sourced from NOMIS. Primary Data Sources: ONS Annual Population Estimates, Inter-Departmental Business Register

## **Appendix 5: Greater Brighton Economic Board Call-In Protocol**

## 1. Requesting a Call-in

- 1.1. Call-in is a process via which decisions made by the Greater Brighton Economic Board (GBEB) but not yet implemented can be challenged by GBEB members and referred to an independent 'call-in panel' for consideration.
- 1.2. Any decision made by the GBEB may be called-in up to five working days from the date of the meeting at which the decision was taken.
- 1.3. Call-in may triggered by any one or more of the constituent members of the GBEB. Such a request shall be made in writing to the Chief Executive of the lead Local Authority (i.e. the Local Authority responsible for GBEB administration at the time of the call-in request) and shall include the reasons for the request and any alternative decisions proposed.
- 1.4. A request for call-in may be made by any GBEB member local authority:
  - i. where a local authority voted to agree a recommendation at a GBEJC meeting, but the decision of the Board was against the recommendation;
  - ii. where a local authority voted against a recommendation at a meeting of the GBEJC but the decision of the Board was to agree the recommendation;
  - iii. where any local authority represented in the Board considered that the interests of the body they represent had been significantly prejudiced; or
  - iv. where any local authority represented in the Board considered that the Board had made a decision beyond its scope of authority.
- 1.5. The Chief Executive may refuse to accept a call-in request which in his/her opinion is frivolous, vexatious or defamatory or where no reason for the decision to be called-in is given.
- 1.6. Should the request be accepted, the Chief Executive will call-in the decision. This shall have the effect of suspending the decision coming into force and the Chief Executive shall inform the relevant decisionmakers of the call-in. The Chief Executive shall then call a meeting of the GBEB call-in panel to scrutinise the decision.
- 1.7. The GBEB call-in panel must meet within seven working days of the Chief Executive accepting the call-in request. Should the call-in committee fail to meet within this period, or meet but not be quorate, then the original decision shall come into force at the expiry of the seven day period

#### 2. The GBEB Call-in Panel

2.1. The GBEB call-in panel shall include members representing each of the constituent members of the GBEB (i.e. both the Greater Brighton Economic Joint Committee and the Greater Brighton Business Partnership).

- 2.2. The GBEB call-in panel could potentially also include co-opted members from other bodies. Any decision on co-option would be made annually by the GBEB.
- 2.3. Each constituent member of the GBEB shall appoint a member to the GBEB call-in panel. No member of the GBEB call-in panel may also be a member or substitute member on the GBEB GBEB call-in panel members should be independent of the GBEB to the degree that they have not as individuals been involved in the decision that they are being asked to consider as a call-in.
- 2.4. The Chair of the GBEB call-in panel shall be appointed annually by the GBEB.
- 2.5. Appointments to the GBEB call-in panel shall be annual.
- 2.6. Substitution is permitted on to the GBEB call-in panel. However, no substitute member may be or have been a GBEB member or substitute.
- 2.7. The GBEB call-in panel shall make decisions on the basis of a majority vote. If the vote is spilt then the panel Chair shall have a casting vote.
- 2.8. **Quorum.** To be quorate a meeting of the GBEB call-in panel shall require at least one third of members to be in attendance.
- 2.9. For the purposes of call-in no distinction shall be made between representatives from the members of the Greater Brighton Economic Joint Committee and representatives from the members of the Greater Brighton Business Partnership: all members of the call-in panel will vote together.

## 3. Call-in meetings

- 3.1. The GBEB call-in panel will consider call-in requests at a special call-in meeting. Typically, the call-in panel will hear from:
  - i. the GBEB member who made the call-in request (where a request has been made by more than one member the Chair of the GBEB callin panel will decide whether to take representations from all the signatories to the call-in request or to ask the signatories to make a single representation). The member(s) who requested a call-in will explain why they feel the original decision was unsound and will suggest an alternative decision.
  - ii. the GBEB. The GBEB Chair (or another GBEB member or an officer supporting the GBEB at the request of the GBEB Chair) will explain why the original decision was made and will provide any additional information they feel is germane. Where the GBEB Chair is a signatory to the call-in request, then another GBEB member (or officer supporting the GBEB) shall attend the call-in meeting to represent the GBEB. This representative will be chosen by the Chief Executive of the lead authority, after discussion with GBEB members.
  - iii. Other organisations, stakeholders or members of the public may be granted the right to make representations to the call-in panel at the discretion of the GBEB call-in panel Chair. However, in general the intention should be to re-

- examine the decision originally made not to hold a broader enquiry into the decision in question.
- 3.2. Call-in does not provide for the call-in panel to substitute its own decision for the original GBEB decision, but merely to refer the matter back to the GBEB. The GBEB can only be asked to reconsider any particular decision once.
- 3.3. In essence the call-in panel is simply tasked with deciding whether the decision in question should be referred back to the GBEB to be reconsidered. Therefore the only substantive decision the GBEB call-in panel can make is whether to refer the decision back to the GBEB or to let the original decision stand.
- 3.4. In deciding whether to refer a decision back to the GBEB, the call-in panel shall have regard to:
  - i. Any additional information which may have become available since the original decision was made
  - ii. The implications of any delay in implementing the original decision
  - iii. Whether reconsideration is likely to lead to a different decision
  - iv. The importance of the matter raised and the extent to which it relates to the achievement of the GBEB strategic priorities
  - v. Whether there is evidence that the decision-making rules in the GBEB constitution have been breached
  - vi. Whether there is evidence that the GBEB consultation processes have not been followed
  - vii. Whether the decision taken is not in accordance with a policy previously agreed by the GBEB
  - viii. Whether there might be an alternative way of dealing with the matter in hand short of referral back to the GBEB
- 3.5. If having scrutinised the decision, the GBEB call-in panel feels that the decision was seriously flawed, it may refer it back to the GBEB for reconsideration, setting out in writing the nature of its concerns.
- 3.6. Implementation of any decision referred back to the GBEB remains suspended until the GBEB has met to reconsider the matter. However, should the GBEB call-in panel choose not to refer the matter back to the GBEB for reconsideration then implementation may begin immediately following the call-in committee meeting.
- 3.7. The GBEB shall reconsider any matter referred back to it by the GBEB call-in panel either at its next scheduled meeting or at a special meeting called for the purpose. Having considered the concerns expressed by the GBEB call-in panel the GBEB is free to make any decision it chooses including re-affirming its original decision.

## 4. Call-in and urgency

- 4.1. The call-in procedure set out above shall not apply where the decision being taken is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the interests of the GBEB or the general public across the 'Greater Brighton' region. The record of the decision, and notice by which it is made public, shall state if in the opinion of the GBEB the decision is an urgent one and therefore not subject to call-in. This is subject to the agreement of the Chief Executive of the lead authority.
- 4.2. Any decision exempted from call-in for reasons of urgency shall be communicated to the Chair of the GBEB call-in panel by the Chief Executive of the lead authority, together with an explanation as to why the decision has been deemed urgent. The intention is that urgency exceptions are used sparingly and only where there is an overriding reason to do so.

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