	Council Agenda Item 32 **Appendix 2**
ENTERPRISE EMPLOYMENT & MAJOR PROJECTS CABINET MEMBER MEETING	**Agenda Item 43** Brighton & Hove City Council

Subject:		**Executive Response to Scrutiny Ad Hoc Panel on Environmental Industries**		
Date of Meeting:		**26th January 2010**		
Report of:		**Director of Culture and Enterprise**		
Contact Officer:	Name:	**Paula Murray**	**Tel:**	**29-2534**
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Key Decision:	**No**			
Wards Affected:	**All**			

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

1.1 This report outlines the Executive response to the Ad Hoc Scrutiny Panel on Environmental Industries established in November 2008 by the Culture and Enterprise Overview and Scrutiny Committee.

2. RECOMMENDATIONS:

(1) To congratulate the panel on the detailed and well informed work undertaken to produce their report.

(2) To mandate officers to implement the service changes needed to accommodate the major recommendations of the Scrutiny report as outlined in the body of this report.

(3) To request an update on the implementation of the recommendations in 12 months time

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 The Culture, Tourism & Enterprise Overview and Scrutiny Committee (CTEOSC) agreed to set up this ad-hoc scrutiny panel to consider how to capture the potential and economic benefits of environmental industries for Brighton and Hove in November of last year.

3.2 The panel comprised of Councillors Bill Randall (Chair), Steve Harmer-Strange and Melanie Davis. Over a six month period, the Panel interviewed 25 witnesses representing 21 organisations. The final report from the Panel was received and endorsed at the last CTEOSC in October of this year and forwarded for an Executive response.

3.3 The report outlined 7 major recommendations and it is these that the Executive Response is structured around:

3.3.1 **Recommendation One**: The Panel believes the council should appoint a lead officer for environmental industries to be a key point of contact for those in this sector seeking information and support.

The approach of designating a development officer to a particular business sub sector can be very successful as has been demonstrated with the council's appointment of a Creative Industries Officer in 2001. For a sub sector to have a single point of contact is clear and useful. However, in the current financial climate for Brighton and Hove, as for other local authorities, a growth strategy for new posts is extremely difficult. Therefore, the executive proposal would be to re-shape the current Creative Industries post which sits within the Economic Development Team and is to be held vacant until the new financial year. The post would become an Economic Development post which is asked to specialise in subsectors, probably two at any one time. In the first instance, the post would be required to focus on the continued development of the Creative industries sector and Environmental Industries. The model of creating a new post every time a subsector needs particular time or attention is unsustainable, however, a flexible post that can turn to different subsectors at different times is within the capacity of current resources.

3.3.2 **Recommendation Two**: The Panel welcomes the Business Retention and Inward Investment Strategy and Action Plan, and its commitment to the environmental industries. The Panel believes all other relevant strategies for the city should be refreshed to reflect the importance of environmental industries.

It is within the scope of this Executive response to agree to the inclusion of the development of environmental industries as a priority within certain relevant strategies directly. The further development of the Business Retention and Inward Investment Strategy for example, service plans of the Economic Development Team, Directorate or Corporate policy documents. In terms of strategies that sit with partner organisations such as the Brighton and Hove Economic Strategy led by the Economic Partnership or the Regional Economic Strategy led by the Regional Development Agency or the Community Strategy led by the Local Strategic Partnership the undertaking in

this response differs. In these cases, the proposal from the executive would be for the designated officer to take a lead role in promoting the inclusion of environmental industries in those strategy and policy documents as they fell due for refreshing or as new policy documents were developed. This is not likely to be a difficult task or to meet with stony ground as there is a broad and growing understanding and acknowledgement of the importance of this industry subsector as evidenced in the ad-hoc panel report itself.

3.3.3 **Recommendation Three**: The Panel believes the council should explore how more affordable work and office space could be made available in the city. The executive response agrees with this recommendation and would factor this task into the role of the Economic Development post designated to support subsectoral development. The needs of the Environmental industries as outlined here are not dissimilar from those identified by the Creative Industries subsector in this respect. There is clearly a need to work with partners such as the universities in terms of this objective, the potential to look at council owned sites for development, the council's own property portfolio and partnerships with developers. The caveat on this aspiration would be that the council's influence is limited in respect of market forces.

3.3.4 **Recommendation Four**: The Panel recommends the council plays an active role in supporting the new regional Environmental Innovation Network, which will be led by EnviroBusiness.

The council has already played an active role in the support of this Network by submitting a letter of support as part of the bid application for funds to establish it. This support would be continued by active participation via the Economic Development post appointed.

3.3.5 **Recommendation Five**: The Panel welcomes the council's commitment to creating apprenticeships. It recommends that future bids for funding for apprenticeships take account of the environmental industries.

The current Futures Jobs Fund bid being co-ordinated by the council's City Employment Initiatives team already contains a significant number of environmental industries jobs. Future applications for funding for job creation or apprenticeships will contain this element also as a priority.

3.3.6 **Recommendation Six:** The Panel recommends that the council encourages inter-college partnering, where appropriate, to address the skills gaps in the environmental industries and in the retrofitting sector of the construction industry to meet demand for future employment.

The council has already begun dialogue with City College in terms of the skills development agenda as one of the city's major providers of skills for employment. The continued encouragement of this area of skills development will also be driven forward via the City Employment and Skills Plan delivery.

3.3.7 **Recommendation Seven:** The Panel recommends the council uses its procurement policy to promote the growth and development of environmental industries and to encourage innovative and environmentally conscious companies to tender for work.

This recommendation falls within the scope of Corporate Procurement within the Cabinet portfolio of Finance and Resources and will be referred accordingly.

3.4 The ad-hoc panel report also makes a further set of minor recommendations around the further development of sector specific data, funding information, profile development and advocacy. These would be included in the development of the role of the Economic Development post with responsibility for sub sectoral development.

3.5 In addition to the recommendations in the report, it is also proposed by the executive to include in the Economic Development role an objective to make applications for external funding for the development of this sector. There are a number of international funding opportunities in this area which would be prioritised by the lead officer with support from the International Team.

4. CONSULTATION

4.1 There has been consultation with the Executive Member for Enterprise and Major Projects and senior officers.

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:
All actions proposed in this executive response are within the scope of current financial resources. Any additional activity would need to be subject to external funding raised

Finance Officer Consulted: Anne Silley *Date: 4th January 2010*

5.2 Legal Implications:

There are no adverse legal implications arising from this report.

Lawyer Consulted: Bob Bruce, Principal Solicitor Date: 05.01.10

5.3 Equalities Implications:
Job creation schemes such as the Futures Jobs Fund would prioritise those in long term unemployment and skills development opportunities would be accessible to a full range of people including those facing barriers to employment and training.

5.4 Sustainability Implications:
The implementation of all of the proposed recommendations in the ad-hoc panel report would have positive implications in terms of sustainability.

5.5 Crime & Disorder Implications:
Any initiatives or programmes implemented that reduce unemployment and benefit the city's economy would be likely to have a positive impact in reducing the likelihood of crime and disorder.

5.6 Risk and Opportunity Management Implications:
If the ad-hoc panel report recommendations are not implemented, there is a risk that job creation and skills and training opportunities will be lost for the city. There would also be a risk of increased negative impact of climate change. The opportunities that have been identified by the panel report in terms of economic development in particular will have to be maximised, with partners and within available resources.

5.7 Corporate / Citywide Implications:
The implementation of the recommendations in the ad-hoc panel report would have a positive impact on both climate change and employment in the city and therefore would be citywide.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 The option to create a new post in response to this ad-hoc panel report was considered but was not possible within current financial constraints.

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 The ad-hoc panel report drew on a detailed level of expertise and current information on the development of the environmental industries. The resulting recommendations were extremely well informed and offer a number of useful and pragmatic ways forward for the development of this key subsector.

7.2 In the view of all of the witnesses who presented to the ad-hoc panel, this subsector is one that Brighton and Hove should actively develop both because of the inherent opportunities and because it would flourish well in this city. Many of the preconditions for growth for this subsector were identified in Brighton and Hove by the panel's findings.

SUPPORTING DOCUMENTATION

Appendices: **None**

A report of the Culture, Tourism and Enterprise Overview and Scrutiny Committee Ad Hoc Panel weblink below:

http://www.brighton-hove.gov.uk/downloads/bhcc/CTEOSC_version_for_7th_oct.doc