

ECONOMIC DEVELOPMENT & CULTURE COMMITTEE

Agenda Item 59

Brighton & Hove City
Council

Subject: Economic Strategy Refresh and Wave 2 City Deal

Date of Meeting: 10 January 2013

Report of: Strategic Director, Place

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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report provides an update and outlines the key development stages and timelines for the Economic Strategy Refresh and work taking place to prepare an Expression of Interest for a wave 2 City Deal for Brighton & Hove.

2. RECOMMENDATIONS:

- 2.1 That the Committee:
- (i) Note the progress of the Economic Strategy Refresh.
 - (ii) Endorses the work being undertaken by officers to secure City Deal status for Brighton & Hove and the city region.

3. RELEVANT BACKGROUND INFORMATION / CHRONOLOGY OF KEY EVENTS:

Economic Strategy Refresh

- 3.1 On 11 October 2012, Brighton & Hove City Council in association with the Brighton & Hove Economic Partnership appointed a consultant team – Roger Tym & Partners in collaboration with Bio-Regional – to undertake a refresh of the city's economic strategy. The consultants were selected through competitive tender and interviewed by a panel comprising representatives from the City Council, the Local Strategic Partnership, the Coast to Capital LEP and the City Sustainability Partnership.

- 3.2 The current strategy, which was due to run until 2016, was devised on the cusp of the 2008 financial crash which led to a global recession; a refreshed strategy is now needed to reflect these changes and set out new challenges and opportunities for the city.
- 3.3 Drawing on a robust evidence base for the local functional economic area, along with national and international economic trends and forecasts, the refreshed strategy will seek to articulate a compelling case to civic and business leaders and voluntary sector representatives as to where economic adaptation and change is required for the city to thrive and prosper.

Purpose of the Refresh

- 3.4 The strategy will focus on how the city can adopt measures that lead to a sustainable economy, taking into account the wider social and environmental impacts of economic development.
- 3.5 The strategy will cover the period 2013 – 2018; it will bring together a range of policies, strategic documents and initiatives both current and in development and will be accompanied by a five-year action plan of transformative projects and investment initiatives to enhance the economy of the Brighton & Hove sub-region. The action plan will provide a clear link to the strategy and demonstrate how the actions proposed will move the city towards its stated aspirations.

Building on City Strengths

- 3.6 A working group has been established to help drive the agenda and ensure that the strategy enhances the work already underway (such as the City Deal and the successful Ultrafast Broadband proposal) to profile the city and secure investment. The strategy will consider how the city region can build on its collective strengths to create a sustainable economy. It will look at the following areas: -
 - Review the vision, setting out coherent proposals necessary to elevate the status of Brighton & Hove as a nationally distinctive and internationally recognised 'smart' and 'sustainable' city. Reflecting the 'triple bottom line' of economic, social and environmental wellbeing success measures;
 - Include a costed short- and medium-term action plan, which clearly links to the aspirations contained within the strategy and provides clear outcomes and timetabled deliverables;
 - Detail compelling business cases and attractive investment options for public sector intervention from national, regional and local levels

over the next three to five years, to improve the prospect of the city and its functional economic area;

- Provide an account of current economic challenges and opportunities, identify specific mechanisms and initiatives to stimulate investment from private and social enterprise sectors that strengthens local enterprise, raise local employment opportunities and achieve this while improving, wherever practical, environmental well being.

Progress to date

3.7 As part of the consultation the Economic Partnership will be hosting an event for its members along with the Chairs and Vice Chairs from the Brighton & Hove family of partnerships and wider stakeholders in January. Feedback from the event will be fed into the final strategy document.

3.8 The final draft will be submitted to the following groups for noting and ratification

The Public Service Board	26 February 2013
The Local Strategic Partnership	05 March 2013
The Economic Partnership	07 March 2013
Economic Development & Culture Committee	07 March 2013
The Policy & Resources Committee	21 March 2013

Wave 2 City Deal

3.9 The government has described cities as “engines of growth” that can lift the UK out of recession¹. Agreements known as City Deals have been introduced to unlock that potential, transferring powers, tools and support from central government to cities.

4.0 In July 2012, Government agreed the first wave of City Deals with the eight largest cities outside London and their wider economic areas. These agreements were bespoke to reflect the different needs of individual places, but every deal aimed to:

- Give cities the powers and tools they need to drive local economic growth

¹ HM Government, December 2011, *Unlocking growth in cities*

- Unlock projects or initiatives that will boost their economies; and
 - Strengthen the governance arrangements of each city.
- 4.1 As part of the second wave of City Deals Brighton & Hove along with nineteen other UK cities is being invited to bring forward proposals for a second wave of City Deals. The Government are introducing an element of competition to ensure a high level of quality, ambition and innovation and are clear that there is no guarantee of a deal.
- 4.2 Competing cities are being asked to demonstrate how a City Deal arrangement will address a clearly identified economic challenge or opportunity that can not be addressed through existing mechanisms. It encourages greater collaboration across administrative borders looking at the functional economic area and requires local authorities to consider how they can harness greater levels of private sector investment that will unlock development and lead to private sector job growth.
- 4.3 Political leaders and senior officers from Brighton & Hove, Adur and Lewes District Council's are collaborating on an expression of interest which will be submitted on 15th January 2013.

Core Package

- 4.4 Wave 2 City Deals will be comprised of two parts:
- A bespoke deal that will address the most significant economic challenge or opportunity facing a city; and
 - A core package of measures that will be made available to cities and the wider local area.
- 4.5 The core package will comprise a series of 'offers' (freedoms and flexibilities) and reciprocal 'asks' from Government that seek to support local economic growth. These specific 'asks' and 'offers' will be developed over the coming months. However it is likely that they will seek to achieve one or more of the following:
- Devolve functions, powers and resources that promote local economic growth in return for complementary actions from cities and their wider areas.
 - Deliver more with less by pooling funding across functional economic areas and matching this with local authority and private sector contributions.
 - Take forward reforms that will reduce regulation and create an enabling environment for business.

Preparing our expression of interest

- 4.6 Officers are working with partners across the city region to prepare an expression of interest that maximises opportunities for accelerated business growth in key growth sectors such as Creative, Digital and IT and Environmental Industries.
- 4.7 The expression of Interest will also seek to propose solutions to challenges to business growth through a more coordinated approach to development sites across the city region, delivering up to date business premises and affordable housing, and meeting the highest sustainable building standards which will in turn support a growing sector of the economy.
- 4.8 The Expression of Interest will outline the key challenges for the city along with a number of requests to Government for the devolvement of powers and loosening of regulations that will help to accelerate local growth. The assessment of Expressions of Interest will focus on five tests:
- a) Demonstrating the leading edge of the Government's general economic strategy – to reduce regulation, create well functioning markets and promote an enabling environment for business and boost private sector growth and investment.
 - b) Strong governance across the functional economic area, so that decisions necessary for the growth of the area as a whole can be taken quickly and effectively
 - c) Ability to harness significantly greater private sector input, expertise and resources.
 - d) Political commitment and readiness to put resources into delivering the deal.
 - e) Driving efficiency in the use of public money in the area and doing more with less.
- 4.9 Senior officers have been in close consultation with representatives from the Cabinet Office and Department for Business Innovation & Skills in order to hone the Expression of Interest. Cities that are invited to submit a full application will be required to do so by Tuesday 15th January.

5. CONSULTATION

- 5.1 As part of the consultation the Economic Partnership will be hosting an event for its members along with the Chairs and Vice Chairs from the Brighton & Hove family of partnership and wider stakeholders in

January. Feedback from the event will be fed into the final strategy document.

- 5.2 The development of the Expression of Interest in a City Deal involves working closely with public and private sector partners from across the City and City Region. Key partners involved in the proposal are Lewes District Council, Adur and Worthing District Councils, City College Brighton and Hove, the University of Brighton and the University of Sussex. Officers are also working closely with the Coast to Capital Local Enterprise Partnership, the Brighton & Hove Economic Partnership and other private sector partners

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 .Revenue: The total cost is likely to be around £30,000 with £20,000 coming from existing Economic Development budgets. The remaining £10,000 is being funded by the Local Strategic Partnership

Finance Officer Consulted: Karen Brookshaw Date: 18/12/2012

Legal Implications:

- 6.2 There are no direct legal implications arising from this report

Lawyer Consulted: Bob Bruce Date: 20/12/ 2012

Equalities Implications:

- 6.3 The Economic Strategy will be accompanied by an Equalities Impact Assessment which will consider whether there are any negative impacts arising from the agreed priorities and will seek to mitigate them.

Sustainability Implications:

- 6.4 The new Economic Strategy will consider how Brighton & Hove can become a 'sustainable city' with regard to a 'One Planet Living' framework. In seeking to reduce the carbon footprint of the city the Economic Strategy will take into account the recommendations of the Climate Change Strategy, the Sustainable Community strategy and the cities bid to attain UN Biosphere status.

Crime & Disorder Implications:

- 6.5 Improving the economic prospects of the city's residents may contribute to reducing any anti social behaviour.

Risk and Opportunity Management Implications:

- 6.6 There are no risk and opportunity management implications arising from this report.

Corporate / Citywide Implications:

- 6.7 It is expected that the creation of the Economic Strategy will have a positive impact on the economic performance of the city and will facilitate joint working with other public sector agencies.

7. SUPPORTING DOCUMENTATION

Appendices:

Documents in Members' Rooms:

None

Background Documents:

None

