

Council

30 January 2014

Agenda Item 73

Brighton & Hove City Council

Subject:	Greater Brighton Economic Board		
Date of Meeting:	30 January 2014		
Report of:	Executive Director Environment, Development & Housing		
Contact Officer:	Name:	Nick Hibberd	Tel: 29-3756
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Ward(s) affected:	All		

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

- 1.1 Following endorsement by Policy & Resources Committee on 17 October 2013, this report seeks formal approval from Council for the establishment of the Greater Brighton Economic Board (GBEB) and its arrangements.
- 1.2 The Greater Brighton City Region encompasses Brighton & Hove, Lewes, Mid-Sussex, Adur and Worthing. It represents over 680,000 residents and almost 30,000 businesses.
- 1.3 The GBEB will comprise both the Greater Brighton Economic Joint Committee, on which local authorities will be represented, and the Greater Brighton Business Partnership, on which the Coast to Capital Local Enterprise Partnership, business and education sectors will be represented.
- 1.4 Each local authority member is seeking equivalent approvals from their decision-making bodies, to enable the GBEB to be formally launched in April 2014.

2. RECOMMENDATIONS:

- 2.1 That Council agrees the establishment on 01 April 2014 of the Greater Brighton Economic Board ('the Board'), constituted in accordance with the Heads of Terms specified in Appendix One.
- 2.2 That Council notes that establishment of the Board is dependent on all the bodies represented on the Board agreeing that it be established.
- 2.3 That Council agrees the appointment of the Greater Brighton Economic Joint Committee ('the Joint Committee') as an integral part of the Board.
- 2.4 That Council notes that appointment of the Joint Committee is dependent on all the local authorities represented on the Board agreeing that it be appointed.
- 2.5 Subject to all Board members (both individual local authorities and business partners) agreeing the establishment of the Board, and subject to the constituent local authorities agreeing the appointment of the Joint Committee, that Council:

- 2.5.1 Grants delegated authority to the Chief Executive and the Executive Director Environment, Development & Housing to take all measures necessary for or incidental to (i) the implementation of recommendations (2.1) and (2.3) above, and (ii) the on-going management and administration of the Board; and
- 2.5.2 Instructs the Monitoring Officer to amend the council's constitution to reflect the establishment of the Board.
- 2.6 That Council agrees that Brighton & Hove City Council's right to request that a decision of the Board be called in pursuant to paragraph 1.3 of the Call-In Protocol set out in Appendix Two, be exercised at the behest of any five members of the Council, not all of which belong to the same political group.
- 2.7 That Council instructs the Monitoring Officer to amend the council's constitution to give effect to recommendation 2.6.

3. CONTEXT/ BACKGROUND INFORMATION:

- 3.1 In October 2012, Government announced Wave Two of its City Deal programme and invited Brighton & Hove City Council to participate. The council, in collaboration with its Greater Brighton City Region partners, subsequently developed and submitted an expression of interest on 15 January 2013. This was successful and enabled the City Region to progress to the next stage of the negotiation process.
- 3.2 Throughout 2012, partners from across the City Region have been developing the Greater Brighton City Deal proposals, specifying the 'asks' of and 'commitments' to Government. The proposals, which are focused on creating jobs and increasing productivity by unlocking sites and space and by setting the right conditions for the City Region's businesses to grow, were presented to Greg Clark MP on 05 November 2013. It is anticipated that a City Deal will be agreed with Government by end-January 2014, with the final outcome reported to a future meeting of Policy & Resources Committee.
- 3.3 Development of effective decision-making processes across the economic area is a 'commitment' required by Government of all City Deals, which regards these as the pre-cursors to future devolutionary settlements in relation to economic policy.
- 3.4 The Greater Brighton City Region's success in accessing funds and freedoms in the future therefore depends on its ability to collaborate across the City Region, to commit assets and resources and develop a clear, shared vision that involves the private sector and that transcends local authority boundaries.
- 3.5 The introduction of formal partnership and governance arrangements for the City Region are also anticipated to:
- Add impact – enabling delivery beyond the capabilities of any one partner to create greater benefits for residents, businesses and communities.

- Reduce costs – pooling resources and common functions and finding new and better ways of working, by sharing perspectives and intelligence and challenging views within the partnership.
 - Boost resources – attracting funding and unlocking investment that require partnership bids and/or working and having the structures to deliver joint-projects.
 - Improve accountability – linking the work done at regional level into a system of democratic accountability, both at a regional and individual local authority level.
 - Enhance authority and influence – creating a more powerful voice in Government.
 - Spread risks and opportunities.
- 3.6 The Greater Brighton Economic Board (GBEB) proposals have been developed with partners from across the City Region, with guidance and steer from the City Deal High Level Project Board that consists of local authority Leaders and Chief Executives and the Chairs of the Coast to Capital Local Enterprise (LEP) and Brighton & Hove Economic Partnership. The proposed Heads of Terms are attached in Appendix One of this report.
- 3.7 As outlined in section 1.3 of this report, the GBEB will comprise the Greater Brighton Economic Joint Committee (GBEJC), on which the local authorities will be represented, and the Greater Brighton Business Partnership (GBBP), on which the Coast to Capital LEP, business and the education sectors will be represented. Meetings of the Board comprise concurrent meetings of GBEJC and GBBP. The Board is structured in this way to allow the coming together of different organisations with varying legal structures, powers and constraints on the way they operate.
- 3.8 The GBEJC will be a joint committee appointed by two or more local authorities represented on the Board, in accordance with section 102(1)(b) of the Local Government Act 1972. In accordance with section 102(1)(c) of the 1972 Act, GBEJC may appoint one or more sub-committees.
- 3.9 The Chair of GBEJC will, by virtue of their democratic mandate, also be Chair of the GBEB. It is proposed that the Board initially be chaired by the Leader of Brighton & Hove City Council but that, following the first year of its operation, this role be rotated annually between its members.
- 3.10 Each of the local authority members will be represented at the Board by one person, save for Brighton & Hove City Council which, by reason of it being a unitary authority, will be represented by two persons. Each local authority member will be represented by its elected Leader and in the case Brighton & Hove City Council, by its Leader and Leader of the Opposition.
- 3.11 Each person representing a member of the GBEJC, and each person representing a member of the GBBP, will be entitled to vote at their respective meetings. Voting will 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 will be on a simple majority of votes cast.

- 3.12 Arrangements for reviewing a decision of the GBEB within a limited timeframe after being taken are set out in the Call-in Protocol, specified in Appendix Two to this report.
- 3.13 Paragraph 1.3 of the Protocol states that Call-in may be triggered by any one or more of the constituent members of the Board, i.e. the bodies represented on the Board, not the individuals who attend in their name. This would give Brighton & Hove City Council, as a “constituent member”, the right to request Call-in. It is for each local authority represented on the Board to decide for itself how to exercise this right.
- 3.14 In the interests of fairness, it is recommended that Brighton & Hove City Council’s right to request a Call-in of a Board decision is exercised in accordance with the council’s own Call-in Procedure Rules which apply to decisions taken by the council’s own policy committees. Accordingly, the recommendation is that any five Members of the Council, from a minimum of two political groups, may request a Call-in of a Board decision, pursuant to paragraph 1.3 of the Board Call-in Protocol.
- 3.15 The GBEB will provide quarterly monitoring, communication and performance reports and an annual report to each partner local authority and the Coast to Capital LEP on the delivery of the relevant actions within the shared strategic plan. The work of the Board will also be subject to review by an ad hoc joint local authority scrutiny panel, which will be set up and managed by the lead authority.
- 3.16 The GBEB will be the investment agency to work in parallel with the Coast to Capital LEP, to set and agree the City Region’s growth priorities and to negotiate and secure funding from government.
- 3.17 It is proposed that the GBEB will have the following responsibilities:
- To make long-term strategic decisions concerning economic development and growth of the Greater Brighton City Region;
 - To work with national, sub-national (in particular the Coast to Capital LEP) and local bodies to support a coordinated approach to economic growth across the City Region;
 - To establish and administer the Single Pot City Region Investment Fund;
 - To advise on and recommend grant and prudential loan financing from constituent local authorities, to support local physical infrastructure developments;
 - To agree and oversee the delivery of a 10 year strategy for economic growth for the City Region;
 - To develop a City Region Housing Investment Plan;
 - To undertake a joint review of publically owned land and assets and prioritise how some can collectively be best used and managed to support business development and economic growth across the City Region;
 - To pool physical assets, so that they are used to best promote economic growth across the City Region;
 - To lead on applications for EU Structural and other funds to support physical infrastructure developments;
 - To develop the strategy and lead the delivery of the Single Local Growth Fund for the City Region;

- To recommend and take binding decisions on where to invest dedicated funds for infrastructure/service provision;
- To develop and establish special purpose vehicles for the purposes of promoting economic growth and to lead the economic appraisal of potential investments, drawing on private sector expertise
- To establish and oversee the City Region Employment and Skills Group and relevant sub-committees to drive the delivery of specific funds or programmes;
- To establish a City Region Innovation Panel, with UKTI and TSB representatives, to provide strategic direction to our approach to innovation support within the City Region, and;
- To ensure that the governance and management of the Board include all the necessary arrangements for the proper discharge of the functions, including appropriate financial standing orders, rules of procedure as well as codes of conduct to ensure legality, probity, financial prudence and avoidance of maladministration.

3.18 As part of the City Deal negotiations, the following 'asks' of Government have been made in relation to the GBEB:

- Government departments to recognise, as the Coast to Capital LEP has done, the Board as the strategic investment decision-making body for the City Region. Government departments to work closely with the Board, to agree how national capital funding streams (such as the Regional Growth Fund, HCA Funding, Environment Agency and Green Deal) and EU Structural Funds will be prioritised, devolved or better aligned with local priorities.
- Government departments and agencies will recognise the City Region Employment and Skills Group as the strategic body for employment and skills for the City Region, providing it with timely data and intelligence and to work with it to better plan nationally funded programmes and interventions, so that they link more effectively with local initiatives.

3.19 The GBEB will not be able to impose financial obligations on its members. Rather, decisions of the Board would relate to pooled assets and funds.

3.20 Brighton & Hove City Council will be the lead authority for the Board for years 1 and 2 and will therefore provide the necessary financial, legal, scrutiny, administrative and business management support. It has been estimated that this will cost approximately £77,000 per annum (on the assumption that there will be 4 meetings plus 2 special meetings per year) and reasonable financial contributions from partner organisations are currently being negotiated and will be agreed by the GBEB at its inaugural meeting. For local authorities, it is anticipated that contributions will be apportioned in accordance with the size of their working age populations.

3.21 It is the intention to establish the GBEB on 01 April 2014.

3.22 It may be that, in the light of experience and operation, some arrangements need change. The Heads of Terms therefore builds into its clauses the principle of review. Any such review will reflect the views of both the Board's members and other partners in the City Region and beyond, as to the effectiveness of its

operation. Any variations to the Heads of Terms will require the resolution of the Board and will be subject to the approval of each body represented on the Board.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS:

- 4.1 In developing the proposals recommended in this report, a review of the governance arrangements considered by other City Deals was undertaken. Principally, these were found to follow either a joint committee or a combined authority model, the latter of which tended to include an integrated transport authority for the area. A combined authority is appropriate where there is a clear and simple geography, where a city region is co-terminus with the Local Enterprise Partnership (LEP) and Local Transport Board boundaries. This is not the case for the Greater Brighton City Region and it is therefore recommended that a joint committee model be adopted.

5. COMMUNITY ENGAGEMENT & CONSULTATION:

- 5.1 As part of the development of the City Deal proposals, the following have been regularly consulted and/or engaged:

- City Deal Officer Project Board
- City Deal High Level Project Board
- Adur & Worthing Business Partnership
- Brighton & Hove Economic Partnership
- Brighton & Hove City Employment & Skills Group
- Brighton & Hove Local Strategic Partnership

The above boards, partnerships and groups include representatives from the business, public and community and voluntary sectors.

6. CONCLUSION:

- 6.1 The Greater Brighton Economic Board (GBEB) will not only stand the City Region in good stead for accessing funds and freedoms from Government in the future, but it will also bring together sustainable economic development and growth across the functional economic area by coordinating economic development activities and investment at regional level. This approach will be more strategic and streamlined, efficient and effective.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The principal purpose of the Greater Brighton Economic Board is to bring about sustainable economic development and growth across the Greater Brighton region. To achieve this, the role of the Board is to co-ordinate economic development activities and investment at the regional level. This will entail working to secure funding and investment for the Region and the council will work alongside Board members to achieve this.
- 7.2 The lead authority shall provide administrative, financial and legal support to the Board, including Monitoring Officer and Proper Officer functions in relation to

GBEJC meetings at a total estimated cost of £77,000 per annum. Board members shall make an annual contribute to costs incurred by the lead authority. These contributions are yet to be confirmed but are expected to be based upon a reasonable split on the size of each organisation. It should be noted that the total cost includes a contingency to cover unforeseen costs and any unspent funds at the year end will either be carried forward or allocated to project work by the Board.

- 7.3 Brighton and Hove City Council's contribution toward the costs of administering the Greater Brighton Economic Board has been identified within the General Fund Revenue Budget and Council Tax Report 2014-15 that is being submitted to Policy and Resources on 13 February 2014.
- 7.4 Every two years the Board shall review the lead authority arrangements and 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.

Finance Officer Consulted: Rob Allen, Principal Accountant Date: 09/12/13

Legal Implications:

- 7.5 The Greater Brighton Economic Board's Heads of Terms, which Council is asked to agree (per recommendation 2.1 above) were developed by the council's lawyers with input and advice from lawyers of other local authorities represented on the Board. The Heads of Terms include the scope and limits of the Board's powers, its decision-making arrangements, accountability and review. As such, the Board is subject to sound governance, supporting the "effective decision-making processes" required by Government of all bodies entering into City Deals.
- 7.6 All other legal implications are contained in the body of the report and evidenced in Appendices 1 and 2.

Lawyer Consulted: Oliver Dixon

Date: 27/12/13

Equalities Implications:

- 7.7 The City Deal forms part of the wider economic strategy, which aims to tackle barriers to employment and create employment opportunities for all. An equalities impact assessment of the City Deal proposals will be undertaken as these are finalised with Government.

Sustainability Implications:

- 7.8 The aim of the City Deal is for Greater Brighton to become a high performing City Region that prioritises sustainable economic growth in innovative low carbon, high-tech and creative businesses.

Any Other Significant Implications:

- 7.9 None.

SUPPORTING DOCUMENTATION

Appendices:

1. Proposed Heads of Terms for the Greater Brighton Economic Board.
2. Call-in procedure

Documents in Members' Rooms:

1. None.

Background Documents:

1. [Policy & Resources Committee \(17 October 2013\) report on Greater Brighton City Deal and Economic Board](#)