

Subject:	Update on Greater Brighton City Region Devolution Deal		
Date of Meeting:	19 April 2016		
Report of:	Chair, Greater Brighton Officer Programme Board		
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LA's affected:	All		

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

- 1.1 This paper provides an update on progress with the Greater Brighton Devolution Deal since the last meeting of the Greater Brighton Economic Board (GBEB) in January 2016. There will be a presentation at the GBEB meeting on 19 April 2016 to accompany this paper.
- 1.2 In summary, good progress is being made in developing the specifics of the devolution “asks and offers” and the City Region has held constructive discussions with government officials. Government is currently giving priority to those devolution proposals that are offering an elected Mayor and, as the GBEB has yet to refine its governance options, the timetable for signing the Greater Brighton Devolution Deal will be extended. Three Southern Counties (3SC) are also on a longer timeframe.
- 1.3 Whatever the outcome of the devolution agreement struck with Government, the collective work by the Greater Brighton partners since September 2015 has helped shape an exciting growth programme for the City Region, which will stand the GBEB in good stead for the future.

2. RECOMMENDATIONS:

2. That the Greater Brighton Economic Board :
 - 1) Note the overall progress of the Greater Brighton Devolution Proposals since the 14 January 2016 Ministerial challenge session and the updates from the five work stream.
 - 2) Note the draft proposals for:
 - The outline of the Strategic Transport Partnership which is subject to further discussion with 3SC
 - The Brighton Mainline (BML) Task Force
 - The Greater Brighton City Region (GBCR) Digital Strategy
 - The approach to creating a new digital infrastructure
 - The drive to implement university led, innovation driven growth
 - 3) Agree the approach and timetable for consideration of governance issues

- 4) Note the timetable for the next six months
- 5) Note that further resources will be needed to complete and implement the Devolution Deal – to be proposed for decision in the separate overall GBEB budget paper.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Greater Brighton devolution proposal was submitted on 04 September 2015 – the document can be found [here](#). The first major hurdle was to develop the City Region’s proposals sufficiently to present them at a Ministerial challenge session, which happened on 14 January 2016. The brochure developed to leave with the Minister can be found [here](#).
- 3.2 The GBEB positioned Greater Brighton as a high growth, high innovation economy and particularly picked out the creative digital economy as driving the future of the City Region. This appeared to strike a chord with the Minister and has certainly been positively received by officials. It marks Greater Brighton out as different from many other devolution proposals. The GBEB also emphasised the true functional economic area of the City Region and its ability to grip the issues that need to be addressed and the coherence of the partnership across public, private and education sectors.
- 3.3 Since the Ministerial challenge session, a number of meetings with the Cities and Local Growth Unit and other officials, including Department for Transport, have been had and also working groups have been held. The City Region has work streams and working groups running for Housing and Growth Sites; Transport; Digital, Arts & Culture; Enterprise and Innovation, and; Skills. For each officers have taken the feedback from officials and to work on the specifics of the proposals which will get the City Region into “Deal territory”. An updated summary of the “Offers and Asks” is at [Annex 1](#) and progress is summarised in the next section of this paper.
- 3.4 Throughout this process the City Region has kept in close contact with 3SC. Officers have had regular fortnightly catch-up sessions with their core officer team and there have been two joint transport meetings. In addition, 3SC transport officers are members of the GBCR Transport working group and the 3SC digital lead officer is also on the GBCR working group. Coast to Capital LEP are also active members of the GBCR working groups.
- 3.5 Three new devolution deals were announced in the Budget on 16 March 2016 for East Anglia, Greater Lincolnshire and West England. All are proposing elected Mayors. The Budget also announced that Mayoral devolution areas will get more control over growth and transport funding:

*Previously agreed mayoral devolution deals will also each receive un-ringfenced single pots of funding to spend on local priorities, worth £2.86 billion in total. This flexibility will allow areas to take more control over strategic investment. The single pots will initially include a five-year settlement rolling together existing transport funding, gainshare investment funds and Local Growth Fund allocations. This will be supplemented in the future with further flexibility over central government funding. The Bus Service Operators Grant will also be devolved to areas that adopt bus franchising, and the Adult Education Budget will be included in the single pot from 2018-19 for those areas with devolved adult skills arrangements
(Budget Statement, March 2016)*

- 3.6 Also of interest from the Budget for funding the Greater Brighton programme was the announcement of a further £3.8 billion of Local Growth Funding, as follows:

- *up to £1.8 billion will be allocated through a further round of Growth Deals with Local Enterprise Partnerships later this year. The government will announce further detail on the process for the next round of Growth Deals soon*
 - *a further £2 billion of the Local Growth Fund is being allocated through the Home Building Fund. This programme provides finance to developers to unlock large housing sites and bring forward the necessary infrastructure that large house building projects require*
- (Budget Statement, March 2016)*

WORK STREAM PROGRESS

- 3.7 The current position on each work stream is summarised below, with attached papers where relevant.

Housing and Growth Sites

- 3.8 Government expects every devolution proposal to include significant commitments to housing numbers - even if the chosen focus of the Deal is not housing, it is a condition of progression. In the GBCR prospectus the GBEB committed to 22,500 homes in ten years. This is within existing Local Plan numbers, but represents a 55% uplift in the current rate of completions. To achieve this target the City Region would need to do everything it can in terms of finding and bring forward sites, dealing with blockages such as transport and other infrastructure, ensuring a flow of finance and developing new delivery mechanisms. The City Region has been clear with officials that it would also need ALL of its Devolution Deal asks to be granted to be able to achieve the target, including raising the HRA borrowing cap, flexibility in the use of Right to Buy Receipts, better access to surplus sites from national public bodies and certainty over HCA funding.
- 3.9 While Government's focus has been very much on housing, the City Region has been at pains to stress the need also for employment space of all different sorts. The proposed City Region programme includes the Newhaven Enterprise Zone and creation of the new Bio Innovation Centre at the University of Sussex, among other sites which will create 455,000 sq metres of employment space.
- 3.10 After initial discussions, the City Region was not unreasonably asked to show how each of its proposals and asks of Government come together to deliver the increase in housing completions and overall numbers – what they call a “layer by layer” plan. This is a complex plan to construct, as it needs to combine all the different elements of the City Region plans and also reflect what the market would deliver if left to itself without any intervention. This plan is summarised in the table attached as Annex 2, and includes our estimates of the numbers which would flow from the various elements of the plan:
- Larger sites unblocked through investment in transport or other infrastructure
 - Sites which need funding intervention from Local Growth Fund to be deliverable – site assembly, decant, incentives for owners, decontamination
 - Station sites for development with HCA and Network Rail
 - HRA borrowing uplift
 - Living Wage homes
 - New surplus public sites not currently on our radar
- 3.11 There is pressure from Government to identify Starter Homes on all sites. The City Region is working on the figures currently but to satisfy Government will need to find 2,000 over the next 5 years. In common with 3SC the City Region is arguing that first time homes need a mix of tenures, not just outright buy, and this is one of Greater Brighton's devolution asks.

Transport

3.12 The transport proposals are in three groups.

Strategic Transport

- 3.13 This needs to be planned over a wider geography and over a long time frame. The GBEB agreed that this work would be joint with 3SC and would seek to maintain the momentum of a number of recent infrastructure studies, including the GBEB NLP work from last year.
- 3.14 Since the devolution proposals were submitted in September 2015, Government has introduced Sub National Transport Bodies (STBs) via the Cities and Local Government Devolution Act 2016. STBs will develop transport strategies for their area and, if the component authorities wish it, take on other transport functions. The legislation is permissive in that it invites groups of authorities to make proposals to Government for the geography and functions of the STBs. STBs will be “bodies corporate”, but not Combined Authorities as that would create problems for other aspects of devolution governance given that under current legislation an authority may only be member of one Combined Authority.. From the City Region’s meeting with Department for Transport, it is clear that Government expects to see complete coverage of the country by STBs by the end of this Parliament, and that the geographies will be large – perhaps just three around London. It may take some time to establish these STBs – the earliest for the South East might be fully up and running in 2018.
- 3.15 Whatever the City Region agrees with 3SC as an interim position, regard needs to be had to the inevitability of the Region eventually coming within a STB which will cover a larger area. As the City Region and 3SC would lose much momentum by waiting for the STB to be formed, it is proposed as part of the devolution deal to continue with the proposal to establish a strategic transport partnership with the 3SC authorities, Network Rail, Highways England (HE) and Department for Transport (DfT). The principle is that all the bodies who need to be involved are round the table and participating in the decisions about priorities.
- 3.16 A draft note of the purpose, objectives and membership of such a strategic transport partnership is at Annex 3. This has been shared with 3SC colleagues and, subject to agreement and amendment by GBEB and 3SC, will be put forward to Government as part of the Devolution Deal. The formation of such a partnership tasked to take the long-term strategic view, may have consequences for the Coast to Capital Local Transport Body, which currently is mainly concerned with the short-term delivery of the Local Growth Fund projects, but which includes some members of the proposed new grouping.
- 3.17 Greater Brighton has a particular strategic transport issue with the Brighton Mainline (BML). Short and long term improvements to BML were a key feature of the GBCR devolution proposal in September 2015. The chronic issues of BML and the knock-on effects across the whole network have been highlighted by MPs, passenger groups, business groups and local elected Members. A draft proposal has been created for a BML Task Force – analogous to the A27 Action group which was very effective. The draft proposal is at Annex 4 and, subject to amendment and agreement by GBEB, will be shared with MPs and neighbouring authorities and put to Government as part of the Devolution Deal.

Local Transport Infrastructure and sustainable transport

- 3.18 Greater Brighton is proposing a package of local transport infrastructure improvements that will directly unlock new homes and employment space. The projects concerned are already in the GBEB Investment Programme Project Pipeline. The City Region is also proposing an ambitious package of sustainable transport investments, spreading cycling, walking and greater use of public transport across the City Region, and contributing to tackling air quality problems.
- 3.19 As part of the Devolution Deal the City Region is seeking delegation of Local Growth Funding and sustainable transport pots to the GBEB to create a 5 year investment fund of £50m. The current thinking on what would be included in the programme is shown in the table below, but the principle is that the GBEB would have flexibility to manage the programme but be accountable for the outcomes delivered.
- 3.20 In the City Region's discussions so far with DfT, they are attracted by the idea of packages of investment, rather than approving individual projects. Greater Brighton's success in winning the 5 year funding commitment will depend on winning via Coast to Capital LEP a share of the Local Growth Fund which was announced in the Budget in March 2016. Business cases are already being created for some of these projects.

Package of transport projects to unlock jobs, homes and SQM: <ul style="list-style-type: none"> - 8,000 jobs - 7,000 homes - 250,000 sq m employment space - Match funding of £80m - Leverage of other investment £1 bn 	Package of Sustainable Transport Projects which support growth of 37,000 jobs and increased population of 103,000 by 2030
A27 Junction, Lancing	Park and Ride
Shoreham Area Transport Package: <ul style="list-style-type: none"> - A259/A283 junction - A27/A283 junction - A259 Cycle route: Hove to Shoreham 	Waterfront Bus Coastal Transport System Burgess Hill Sustainable Transport Package
Waterfront Central – Gateway to the Sea: <ul style="list-style-type: none"> - Queens Road - A259/West Street 	Toads Hole Valley Sustainable Transport
WaterFront East <ul style="list-style-type: none"> - Madera Drive - Dukes Mound 	Public transport Interchanges:
Waterfront East <ul style="list-style-type: none"> - Infrastructure 	Cycling infrastructure: <ul style="list-style-type: none"> - Cycle Hire scheme –spread across the City Region - Cycle Route development, including creation of new segregated routes - Completion of NCN2 along the coast - Cycling infrastructure, including safe cycling parks, and junction developments - Development of electric bike infrastructure and inclusion in the cycle hire scheme as a pilot - Cycle hubs at public transport interchanges across the city region
Burgess Hill Link Road	
Toad Hole Valley access – Hangleton Junction A27	
	Air Quality measures for AQMAs: <ul style="list-style-type: none"> - Bus retrofit - Hybrid/electric buses Traffic management
	EV infrastructure: <ul style="list-style-type: none"> - E Taxis - E car club

Effective Transport Network

- 3.21 The City Region’s transport network could be made to work more effectively and officers are developing a programme which involves:
- Making more of the bus network, making it “an Underground on the Coast” with improvements in route legibility across the City Region. Also improving the attractiveness of bus travel by completing the roll out of wifi, USB charging points, real-time information and investment in bus stops. The bus companies are already investing in these improvements.
 - Making more of route planning apps and websites to make door to door, multi-mode travel easier and more attractive
 - City Region wide real time information and network management
 - Extension of the e-ticketing pilot to cover all modes and the whole City Region, and in a second phase in collaboration with 3SC to cover the whole of the two devolution areas.
- 3.22 The ask via the Devolution Deal for this part of the programme is relatively slight – it is more about what Greater Brighton can offer. The City Region is, however, seeking further funding from DfT for the extension of the e-ticketing pilot. A plan for the roll-out is in development.

Digital and creative sector

- 3.23 Ed Vaizey, the Minister responsible for digital affairs has indicated that the new Government Digital strategy will include four priorities: support for innovation and the digital economy; transforming government; impact on everyday life, and; digital connectivity. The GBCR devolution proposals address all four of these issues, and the digital element of the programme has been well received so far. The City Region is making progress as follows:
- 3.24 *Greater Brighton Digital Strategy* – digital, in all its manifestations, is such a central strand of the GBEB programme, that it is proposed that the City Region should have an overarching strategy to provide a “guiding mind” and set a high ambition. A two page outline of what this should include has been developed and is at [Annex 5](#).
- 3.25 *CDIT sector* – led by Phil Jones, Managing Director of Wired Sussex, the City Region is developing a devolution proposal that would create a Greater Brighton Creative Industries Council, which would bring a focus to the many fragmented aspects of support currently available from Government. Greater Brighton will need the support of Government via the Devolution Deal to bring the bodies to the table.
- 3.26 *Arts, Culture and Heritage* – likewise, to bring together all the regional and national bodies that fund this important sector of the GBCR economy so that priorities and resources can be concentrated.
- 3.27 *Digital public service reform and smart city* – the local authorities are collaborating on how to use digital techniques to not only make savings for the public purse, but to also increase engagement with businesses and citizens. The Digital Catapult Centre has developed a project which will look at all the data available across all parts of the City Region – public, business, individual. This “Mind of the City” project will support public service reform and the wider objectives, and also seek commercial opportunities for the businesses working with the Catapult.

3.28 *Digital Infrastructure* – the aim for Greater Brighton is to be the best connected city region in the UK, with ultrafast (1 Gbps) available in nearly all urban locations, and superfast (30Mbps) in the rest. The approach adopted includes a number of technical and business solutions and which deliberately stimulates an open market – thereby meeting a concern of Government. It proposes extensive collaboration between the public and private sectors. The Executive Summary from the initial report which examines both technical and business model solutions in at Annex 6. A summary diagram is below.

3.29 The Devolution Deal ask for this element is significant. Greater Brighton is asking Government: to devolve or deploy the funding available for broadband roll-out, so that the City Region can use it in a more flexible way; to get access to the new Broadband Investment Fund, and; for active Government support to overcome state aid issues, which are often used to close down competition rather than open it up. The South West was allocated £14.5m grants for ultrafast broadband in the Budget, and we are seeking the something similar.

<p>Why</p> <p>Our 2 priorities are:</p> <p>Growing the digital economy</p> <p>Effective public service delivery</p> <p>Our objectives match the <i>4 pillars</i> of the Government’s Digital Strategy:</p> <ul style="list-style-type: none"> • Stimulate our leading Creative Digital & IT sector and develop the GBCR digital economy - by <i>unlocking digital growth</i> in all firms • Re-engineer public service delivery - <i>transforming government</i> • A better quality of life for citizens - <i>transforming everyday life</i> • World leading digital connections <p>In pursuing these objectives we will be <i>Building the Foundations</i> for our digital future in Greater Brighton</p>	<p>How</p> <p>We will adopt 3 approaches supporting our actions:</p> <ol style="list-style-type: none"> 1. Aggregating public and private sector demand to leverage investment in new infrastructure 2. Creating new hotspots to drive infrastructure deployment by tackling path dependencies 3. Using a joined up, agile approach where intervention is still needed
<p>Our vision has 3 themes:</p> <ul style="list-style-type: none"> • Gigabit broadband in nearly all urban areas and superfast everywhere else • Collaboration in public and private sectors to meet mutual infrastructure needs • A dynamic digital single market animated by SMEs 	<p>What</p> <p>Our actions fall into 3 strands:</p> <ul style="list-style-type: none"> • A new pragmatic alliance to organise and leverage public and private sector demand • DX-PoPs connecting key zones through the Brighton Digital Exchange to create hotspots and engage the digital sector • An integrated fund to support digital infrastructure deployment on market principles

Enterprise, Smart Specialisation and Innovation

3.30 The devolution ask for this element of the Greater Brighton programme is for a change to the conditions of the already won Coast to Capital Growth Deal, to allow £5m of LGF to be used for revenue purposes rather than being restricted to capital. This would allow the LEP

to support innovation and business support services and to offer more flexible business finance, in particular in sectors where growth is driven more by knowledge and intellectual property rather than by capital equipment and buildings. Sheffield City Region had a similar flexibility as part of their devolution deal.

- 3.31 The City Region should also now turn to the ambition which emerged during the devolution process - that the Greater Brighton economy should be increasingly based on high tech, high growth businesses, and university led, innovation driven, growth. There are good grounds for this ambition, with well evidenced competitive advantage in four key sectors and a good pattern of support for high growth companies. However, in order to build the economy and reputation of the City Region to be in the same league as Oxfordshire and Cambridgeshire, we need to make more coherent and concentrated use of our available resources, get better leverage from EU and national funding, and ensure we are creating a competitive environment for business investment and growth.
- 3.32 The paper attached at [Annex 7](#) sets out the issues in more detail and makes recommendations for how the GBEB could take on this ambition. The leadership of the universities and the input of the LEP, colleges and sector bodies will be required.

Skills

- 3.33 The skills workstream has four key elements:
- Improving careers advice and interaction with business and enterprise in schools and post 16 education so that young people make choices which align with the skills that City Region employers need
 - Increasing engagement with employers via a new brokerage service. In particular, this will seek to increase the number of apprenticeships by 1,000 in 3 years.
 - A shift in the supply-side of skills training to better reflect the higher level technical skills required by our priority sectors and higher growth companies.
 - Co-commissioning and/or more influence over national programmes aimed at worklessness, with the aim of making better links between work and health.
- 3.34 The City Region's devolution asks are:
- More coherence, less fragmentation in the budget and initiatives aimed at careers advice, business and enterprise in schools.
Devolution of the tail end of the Apprenticeship Grant for Employers to allow Greater Brighton to set up the new brokerage services
 - The City Region has been told that it will not succeed in asking for the new Apprenticeship Levy to be devolved. However, it is seeking engagement and collaboration around the interventions Government will put in place for the unredeemed element of collected levies. Further, the major public employers in the City Region (local authorities, universities, colleges, CCGs) are exploring ways in which they can collaborate, both to make the most effective provision for their own workforces from their levies, and how a collective approach could help the wider workforce of the City Region.
 - Co-commissioning/influence over the contractors for the new national Work and Health training programme.

GOVERNANCE

- 3.35 GBEB is committed via the protocol agreed in September 2015 to work on governance proposals in tandem with 3SC. 3SC have indicated that they will not formally commence a Governance Review until they sign a devolution deal. GBEB has yet to refine its

governance options and the Board needs to start work on this in the near future. There are a range of options of which a Combined Authority for the purposes of economic growth is but one, and which also include GBEB staying as it is currently constituted. A process for working up and considering the governance options has been drafted and it will be considered at a meeting of the five local authority Leaders and CEOs in May 2016. The options appraisal will come to the GBEB at the Board meetings in July and October 2016. **Only** if the GBEB determine to move towards a Combined Authority or any other new model would the formal process towards a change in governance be started.

RESOURCES

3.36 GBEB partners agreed additional resources and funding to work on the devolution proposals. These have been deployed as follows:

- Grant Thornton for work on the 04 September 2015 prospectus
- Republica for critique leading up to the Ministerial challenge session and development of innovative ideas for housing delivery
- Ian Parkes to support the GBEB Business Manager and partners in working up the devolution proposals
- Community Broadband Network for technical support developing the digital infrastructure proposals
- Design and printing for the 04 September 2015 document and the brochure and infographic for the January 2016 Ministerial challenge session
- Officers from all partners participating in the five working groups

3.37 The current funding and resources were agreed by GBEB to the end of March 2016. There will be a little funding to carry over - £9,899. However, the current contracted resources all finish at that point and GBEB will need to consider how to resources the devolution work in the new financial year. The following is the work to be done:

- Ongoing negotiation with Government of the devolution deal
- Working up the detailed proposals and plans for the devolution programme
- Coordination and servicing of the five working groups
- Delivering the governance options process
- Once the Devolution Deal is signed, project management and coordination of delivery of the programme.

3.38 This is clearly more than the GBEB Business Manager can deliver alone. A separate budget report is being put forward with costings to the same GBEB meeting. However, until the future governance and other arrangements are agreed, it is difficult to achieve any fiscal certainty. given that the GBCR programme which arises from the devolution work will need the following resources:

- A dedicated Policy and Project manager to support the GBEB Business Manager
- External expertise from time to time as required. As the proposals develop, technical input is increasingly required – for example on digital infrastructure, apprenticeship levy modelling, e-ticketing, housing finance and, depending on future governance arrangements, legal
- Leadership for the work streams – this needs to be spread around the GBEB partners
- Officer input to the work streams from all partners.

TIMETABLE

3.39 The key milestones for the next six months are in the following table. The timing of the signing of the Devolution Deal is likely to be affected by the EU Referendum in June 2016 and the restrictions on Government announcements in the lead up to elections. We await further guidance on this.

April 2016	<ul style="list-style-type: none">- GBEB Board meeting – progress update and agreement of resources- Ongoing development of detailed proposals
May 2016	<ul style="list-style-type: none">- Local authorities agree governance options process- Development of draft Devolution Deal Document with government
July 2016	<ul style="list-style-type: none">- GBEB Board meeting considers emerging governance options- GBEB Board meeting reviews and agrees draft Devolution Deal document- Finalisation of Deal document- Devolution Deal signed
October 2016	<ul style="list-style-type: none">- GBEB Board agrees preferred governance option and process for its implementation- Implementation of GBCR Devolution Programme commences

UPDATES AND COMMUNICATIONS

3.40 The GBEB core team recently did a round of face to face update meetings. Looking ahead, all partners will be kept up to date via the following methods:

- A GBEB website is due to be launched shortly, and papers and updates will be posted there on a regular basis
- The working groups include all partners
- The GBEB Officer Programme Board will continue to review the whole GBEB programme, including the Devolution Deal
- A fortnightly catch up with the five local authorities
- A newly introduced quarterly meeting of the Leaders and CEOs of the five local authorities to consider those issues which impact only on the councils

SUMMARY OF RECOMMENDATIONS

3.41 The GBEB is recommended to:

- Note the overall progress of the GBCR Devolution Proposals since the January Ministerial session and the updates from the five work streams;
- Note the draft proposals for:
 - The strategic transport partnership with 3SC
 - The BML Task Force
 - The GBCR Digital Strategy
 - The approach to creating a new digital infrastructure
 - The drive to implement university led, innovation driven growth
- Agree the approach and timetable for development of governance options
- Note the timetable for next six months
- Note that further resources will be needed to complete and implement the Deal – to be proposed for decision in the overall GBEB budget paper.

4. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 4.1 There are no direct financial implications arising from this report although a number of significant announcements were made in the Budget regarding potential additional funding of £3.8 billion of Local Growth Funding (see 3.6 above) and announcements that Mayoral devolution areas will get greater flexibility regarding control over growth and transport funding (see 3.5 above).
- 4.2 The Board recognises the continued pressure with regards the shortage of revenue funding to support ongoing investment in the region. The devolution deal in conjunction with C2C supports the proposal that up to £4m of existing Growth Deal funding could be used more flexibly to support revenue costs associated with business growth. This is detailed in Annex 7.
- 4.3 Although there is a potential underspend in the GBEB budget up to the end of March 2016 the continued devolution work requires additional resources to be identified. The nature of the work is identified in section 3.40 above. A further report is presented to this Board on the operational arrangements of the Board which sets out the proposed funding options to support the additional work in the current financial year.

Finance Officer Consulted: Rob Allen

Date: 05/04/16

Legal Implications:

- 4.4 The full legal implications will emerge after the governance discussions referred to in paragraph 3.37 have taken place and will be reported in subsequent reports,
- 4.5 Further to paragraph 3.11, in its consultation paper on the Planning and Housing Bill Government is proposing that 20% of all homes delivered on residential developments should be starter homes only available to first-time buyers under the age of 40, to be sold at a discount of at least 20% of the market price.

Lawyer Consulted: Bob Bruce Deputy Head of Law BHCC

Date: 06/04/16

SUPPORTING DOCUMENTATION

Appendices:

- Annex 1 – Summary of Devolution Asks and Offers
- Annex 2 - Layer by Layer plan to achieve the proposed housing numbers
- Annex 3 – Draft note for the joint strategic transport partnership with 3SC
- Annex 4 – Draft note on setting up Brighton Mainline Task Force
- Annex 5 – Outline of the Greater Brighton City Region Digital Strategy
- Annex 6 – Delivering World class digital connectivity
- Annex 7 – Smart specialisation and innovation

Background Documents

- 1. Greater Brighton Devolution Proposals, September 2015 – website
- 2. Greater Brighton Devolution Presentation, January 2016 – website

Annex 1: Summary of GBCR Devolution Asks and Offers

Greater Brighton Offers	Central Government Asks
TRANSPORT: Addressing capacity, reliability and sustainability issues across the City Region's transport network	
Strategic Transport: Bringing together planning, prioritisation and delivery of strategic transport in one place, focusing on the main transport corridors	
<ul style="list-style-type: none"> • Establish a Strategic Transport Partnership with all national organisations and the Three Southern Counties (3SC) • Complete the Long-Term Strategic Infrastructure and Investment Plan 	<ul style="list-style-type: none"> • Planning, decision making and investment for all strategic transport to be done in one single place • Commit to complete current plans for investment by Highways England, Network Rail and Environment Agency, principally the A27 • Establish all party Action Group to create and agree an urgent action plan to address capacity and reliability on the Brighton Mainline
Local Transport Infrastructure and Sustainable Transport: Delivering the infrastructure needed to unlock housing and employment and stimulating a significant shift away from car journeys to more sustainable forms of transport	
<ul style="list-style-type: none"> • Sustainable and alternative transport, including a step change in cycling prevalence across the whole City region and better modal interchanges • Deliver local transport infrastructure that directly unlock housing and/or employment • Develop a Park & Ride Scheme to relieve congestion and improve air quality 	<ul style="list-style-type: none"> • A fair deal for local transport in the form of a 5-year, £50m commitment to devolve central government funding for transport infrastructure and sustainable transport • Growth Deal funding of £5m for the construction of a Park & Ride site and the creation of the necessary bus and cycle priority routes and signalling
Effective Transport Network: Making what we have "work better" across the City Region	
<ul style="list-style-type: none"> • Further develop and roll-out Intelligent Transport Systems across all modes • Invest in the City Region-wide bus network • Develop City Region-wide routes and improve journey planning • Spread e-ticketing, covering all modes across the whole City Region 	<ul style="list-style-type: none"> • Network Rail and rail operator support for the creation of enhanced public transport interchanges and cycle hubs at railway stations across the City Region • Closer relationships with Network Rail, the Department for Transport and train operators to address overcrowding, reliability and performance on the City Region's rail services • Department for Transport support to accelerate and extend Brighton & Hove's integrated e-ticketing pilot

Greater Brighton Offers	Central Government Asks
GROWTH SITES & HOUSING: Increasing the number and range of homes available for our workforce and creating new space for our businesses to start-up and grow	
Growth Sites and Public Assets: Identifying and bringing forward surplus public sites and establishing an Investment Fund to enable delivery	
<ul style="list-style-type: none"> • Develop a Greater Brighton Housing & Property Investment Plan, building on the Greater Brighton and Coastal West Sussex Local Strategic Statement • Build on the current Property Board to get commitment from all public sector bodies, the Homes & Communities Agency and other Government departments, to secure development of surplus sites • Develop a single approach to a brownfield sites register • Establish the Greater Brighton Investment Fund • Work with the new Homes & Communities Agency/Network Rail organisation to bring forward station site developments to deliver new homes and employment space • Deliver our Enterprise Zone at Newhaven 	<ul style="list-style-type: none"> • Give locality the ability to determine local planning fees to enable full cost recovery • Commit to establishing a mandate all national public sector land owners such as the Department of Health and Ministry of Defence to join with local public landowners to find and bring forward surplus sites • Devolve or commit Homes & Communities Agency Funding, as a 10 year revolving fund, to work with the Greater Brighton Investment Fund • Growth Deal funding for a small number of fast delivery prioritised sites, to bring forward homes and employment space in the next 5 years
Housing Delivery: Accelerating and surpassing planned housing delivery, creating new mechanisms and vehicles to allow sites to be brought forward	
<ul style="list-style-type: none"> • Deliver 22,500 homes over ten years – a 55% increase in completions • Create new mechanisms and vehicles for housing delivery • Deliver 1,000 new homes on a living wage rent and ownership basis • Improve the quality and capacity in the Private Rented Sector • Deliver first time homes initiative across all tenures, include 2,000 Starter Homes 	<ul style="list-style-type: none"> • Maximise sites for new homes, including contributing land to assemble larger, more viable brownfield packages of sites • Support Greater Brighton to deliver a range of first time homes, including Starter Homes and self-build • Help build the capacity and supply in the Private Rented Sector, by exploring the option to treat VAT as zero rated on land purchases • Devolve local flexibility for the use of Right to Buy Receipts, to fund more new homes • Raise the cap on HRA borrowing to allow funding for developments for housing • Permit Greater Brighton local authorities to retain a greater proportion of the growth dividend

Greater Brighton Offers**Central Government Asks****ENTERPRISE:**

Developing a coherent package of business support across the City Region, with a focus on priority sectors and input of the universities

- Maintain and enhance our Navigator Growth Hub
- Create a coordinated programme of business support, drawing together all available funding
- Develop a highly targeted programme of support for high growth, high innovation businesses in the City Region’s key sectors, working with the City Region’s two universities and local and national services
- Promote international trade, working with UKTI
- Build on our Business Finance initiatives with Coast to Capital, offering loans, grants and equity funding
- Deliver supply chain initiatives to help smaller firms grow their markets
- Deliver the Bio-Innovation Facility on the University of Sussex’s Falmer Campus, with £60m investment from the University

- Greater influence over the UKTI service in the City Region
- A £5m derogation from the capital expenditure-only requirements of the Local Growth Fund to create a revenue stream to support the Growth Hub development and business support more generally. *This has been granted for the Sheffield Devolution Deal*
- Ring-fenced retention of business rates at growth centres that can be invested to support growth
- Examine and rationalise all enterprise funding streams as part of a joined-up approach to Enterprise and Innovation support
- Local Growth Funding of £9.1m for the creation of the Bio-Innovation Facility

DIGITAL:

Ensuring continued investment in broadband and mobile connectivity to enable the City Region’s communities to be fully inclusive and businesses to be globally competitive

Digital Infrastructure:

Implementing the infrastructure to match the City Region’s ambition – digital is one of the City Region’s strongest USPs

- Create a mixed, market-based solution to deliver ultrafast in all business and urban areas and superfast to rural and hard to reach areas and develop “final stretch” solutions for difficult to reach areas

- Devolve Broadband Delivery UK and Department for Culture, Media & Sport’s Next Generation Access investment and incentive budgets to deliver faster speeds to a shorter timescale
- Access to the new Broadband Investment Fund to deliver better connectivity for the same money

Digital Smart Specialisation:

Supporting the City Region’s £1bn Creative Digital & IT sector, keeping it at the leading edge of developments and pioneering new digital delivery models to aid public service reform and delivery

- Deliver the Digital Catapult Centre Brighton and establish two 5G test hubs, ready for the launch of 5G in 2020

- Support the Greater Brighton Creative Industries Council, mirroring the national body set-up by the Department for Culture,

<ul style="list-style-type: none"> • Generate £2m of additional income for the Digital Catapult Centre Brighton over 5years • Create a Greater Brighton Creative Industries Council which will focus all the strands of activity which support the CDIT sector. 	<p>Media & Sport</p> <ul style="list-style-type: none"> • Put the Digital Catapult Centre Brighton on a sounder financial footing, investing £1m over three years • Put Greater Brighton City Region partners in the driving seat for the research and innovation audits
<p>CULTURE, ARTS AND HERITAGE: Ending year by year fragmented bidding for this sector, which draws in visitors, creates jobs and is an essential element of the City Region's CDIT sector</p>	
<ul style="list-style-type: none"> • Create a multi-agency coordination mechanism for existing grant funding streams • Continued development and investment in green infrastructure and environmental assets, enhancing the leisure and recreation offer of the Brighton & Lewes Downs Biosphere and the South Downs National Park to residents and tourists • Deliver a programme of initiatives needed for a world-class natural environment for residents and visitors, including investment in new leisure, tourist, and interpretive facilities 	<ul style="list-style-type: none"> • Devolve powers to convene public and quasi-public service bodies, including the Heritage Lottery Fund, Coastal Communities Fund and Arts Council England, to jointly determine funding applications • Continue to fund projects and support initiatives from the Greater Brighton partners that promote the functions of the Biosphere Reserve and aims and purpose of the South Downs National Park

Greater Brighton Offers	Central Government Asks
<p>SKILLS: Making better use of our skilled and qualified workforce and ensuring that every young person can find a job and career that provides stretch and reward Improving careers advice, increasing apprenticeships and making the further education, technical and vocational skills system work better</p>	
<ul style="list-style-type: none"> • Establish an Employers Skills Board • Create a Greater Brighton Education & Skills Promise, to provide seamless education and skills pathways • Set-up a Greater Brighton skills and employer brokerage, putting employers in the driving seat • Maximise the resources across the adult skills sector, promoting greater efficiency and better links between providers and employers • Reduce to zero the number of young people not in education, training or employment 	<ul style="list-style-type: none"> • Devolve all careers and associated funding to end fragmentation • Devolve the remainder of Apprenticeship Grant for Employers and collaborate on the use of unredeemed Apprenticeship Levies • Put local devolution partners in the driving seat for implementing the Sussex Post 16 Education & Training Review findings • Devolve commissioning and accountability for the Work & Health Programme and other worklessness programmes

Annex 2: Layer by Layer Plan for housing delivery

Objectively Assessed Needs and Housing Targets and Delivery

The information for the greater Brighton City Region, drawn from the Local Plans is:

LPA	OAN (net, dpa)	LP Target (net, dpa)	Previous LP Targets annualised	Completions 2010/11-2014/15 (net, dpa)	Average Annual Completions 2014/15 (net, dpa)
Adur	291	180	112	119	96
B&H	1500	660***	470	397	581
Lewes	520	345***	220	204	277
Mid Sussex	695	800***	685	523	630
Worthing	636	200	200	230	351
TOTAL GB	3642	2185	1687	1473	1953

* excludes SDNP

*** Provisional figures

There is a significant increase in annualised targets across the Greater Brighton area compared to the most recently adopted housing targets in earlier Local Plans – the current housing targets represent a 30 per cent increase

Devolution proposals

The Greater Brighton devolution proposal on housing was 22,500 homes over a 10 year period, which represents a 55% increase on the current rate of completions.

To achieve this, our current estimates (March 2016) are as follows:

Summary based on known sites in the SHLA	
No intervention required	8019
Decontamination	682
Flood infrastructure	2191
Transport Infrastructure	7987
Development Finance	945
Site Assembly	2197
Decant/owner reluctance	1348
Other	655
TOTAL	24024
PLUS estimates for other initiatives	
Sites not yet on radar	500
Station NEI - Newhaven	50
Brighton	700
Living Wage NEI	500
PRS initiatives	To follow
HRA Uplift NEI	333
TOTAL TOTAL	26107

Annex 3: Strategic Transport Partnership with Three Southern Counties

N.B. This draft proposal is subject to further discussion and agreement with 3SC

1. We need strategic transport infrastructure that will ensure the south of England remains a driver of economic output and prosperity for the UK. We need strategic transport infrastructure to allow for the growth in jobs, homes and productivity that we can deliver for the UK. Not investing in our transport will lead to a gradual loss of economic vitality our region.
2. Under an MOU agreed in September 2015 Greater Brighton Economic Board (GBEB) and Three Southern Counties (3SC) are committed to working jointly on strategic transport issues. Both devolution proposals submitted in September 2015 included a commitment to developing a long term infrastructure investment plans.
3. In preparation for the Ministerial challenge sessions in January 2016, this principle was developed further to include a common commitment to establishing a partnership arrangement with the LEPs and national bodies. This would allow decisions on long term strategic transport priorities to be taken in one place by all the bodies involved, rather than local partners and authorities having to argue the case with a succession of government departments and national bodies.
4. The reason for proposing a new strategic partnership is that currently there is no joined up thinking or long term planning for strategic transport in our region that goes across all modes of transport. We have to make separate and disjointed proposals and submissions to Network Rail, Highways England and DfT, who are often working to different timetables and different performance indicators and targets. We also have to separately speak to train operators and bus companies. This is no way to deliver the transport infrastructure that is needed – nor to get the best value for money from scarce resources. We want the planning, decision making and investment to be done in **one single place with full involvement of the all the regional and national bodies.**
5. Three Southern Counties and Greater Brighton Economic Board want to establish, with Government's help and endorsement, a strategic transport partnership which will initially guide and steer the completion of our long term strategic transport infrastructure plan but then go on to agree with all parties around the table the necessary proposals and investments to deliver the plan. This would incorporate agreed proposals from HE and NR, rather than having to be subject to separate special pleading to those bodies.
6. Since the devolution proposals were submitted the Cities and Local Government Act has come into being, allowing for the establishment of Sub National Transport Bodies (STB). DfT eventually see these as covering the whole country, so any strategic transport partnership that is established now by GBEB and 3SC must have regard to the coming of a STB for the south east.
7. There are a number of current strategic transport studies in development or recently published which would be brought together and considered by the partnership, including studies by Coast to Capital, the GTV4 group of LEPs, GBEB, ESCC, WSCC and Surrey CC.
8. Greater Brighton City Region has a narrower and specific interest in the issues of capacity and reliability on the Brighton Mainline and has made a separate proposal to establish a BML Task Force to get agreement on short, medium and long term improvements.

Purpose and mandate of the Partnership

9. The purpose of the strategic transport partnership is joint strategic planning by the local stakeholders together with DfT, Network and Highways England on the national transport

infrastructure. The partnership will be responsible and will be mandated by Government via the two devolution deals for delivering:

- A coordinated and long term transport and infrastructure strategy for the region which will cover all modes of transport. This will focus initially on the strategic transport corridors including M23/BML; A27/EW Coastway; SW M25 quadrant/NDL; A3;M3 and other strategic transport corridors and infrastructure identified in the various recent studies.
- A coordinated investment plan identifying critical infrastructure improvements and the growth that they will deliver/enable.

10. The time period is long term, which is taken to mean to 2050.

Scope

11. In scope would be:

- Current problems and issues with the national transport infrastructure
- Required improvements and enhancements of existing infrastructure and the link to associated growth
- The case for new strategic infrastructure based on a positive impact on growth
- Impacts on local infrastructure of national infrastructure
- All modes of transport including road and rail
- Links to, and requirements of, Gatwick and Heathrow airports
- Links to, and requirements of, Newhaven and Shoreham ports
- Long term plans and investment proposals of Department for Transport, Highways England, Network Rail, and transport operators.
- [Franchise specification and award?]

12. Out of scope would be:

- Infrastructure proposals which are not linked to positive growth impacts
- Day to day transport operations
- Local infrastructure development, except for where it is impacted by national infrastructure

Status

13. The partnership will be a voluntary partnership, pending any move to a Sub National Transport Body, which will be a body corporate. However, the partnership will be recognised by Government via the Devolution Deals as being competent to deliberate on the matters agreed as part of its purpose and scope. The national bodies will be mandated by Government, and agree to be bound by its decisions, in which they will play a full and equal part.

Membership

14. The members of the partnership would include:

Three Southern Counties [1]
Greater Brighton Economic Board [1]
The transport authorities – BHCC, ESCC and WSCC [3]
[Three district and borough representatives] [3]
Coast to Capital LEP [1]
EM3 LEP [1]
Department for Transport [1]
Network Rail [1]
Highways England [1]
Current franchise holders and key transport operators [3]

15. Representatives from the transport authorities will be elected Members.
16. Local authority and devolution body organisations would become formal members of the partnership via their decision making process and their representatives on the partnership would be authorised to commit their organisations.
17. The national bodies including Highways England and Network Rail would be mandated by Government to participate in the partnership and to abide by its decisions.

Decision making

18. The decision making on the strategic priorities must be by consensus. As a voluntary partnership, its members agree to be bound by decisions made, unless they are in direct conflict with the interests of their organisation. There will be a call-in procedure for decisions which any member believe are in such conflict.
19. Members of the partnership willingly accept that priorities will be set according to evidence and impact on growth, and this may mean some locations are prioritised for infrastructure improvements over others. Members accept that investment decisions in national infrastructure will need to follow the normal Government financial cycle and processes.

Frequency of meetings

20. The partnership will meet quarterly.

Secretariat

21. The secretariat for the partnership will be provided jointly by GBEB and 3SC.
22. All partners will make freely available to the partnership their research, evidence, reports and policies which will help and assist the partnership in its purpose.

Annex 4: Brighton Mainline Task Force

The Brighton Mainline is one of the most important links between London and the south east region – connecting the two most important economic regions of the UK. It has been argued it is no longer fit for such an important purpose, being unreliable and at capacity.

A note on recent performance is at [Appendix 1](#).

This note sets out a proposal to establish a Task Force to address the chronic problems of performance, reliability and capacity on the Brighton Mainline. The inconvenience to passengers and the impact on the City Region economy are well known, but lately there have been increasing calls from MPs, local politicians, business groups and others for action to be taken. Reduced connectivity impacts on current economic activity. Conversely, a better, more reliable Brighton Mainline will enable further growth all along the route.

The options and possible solutions are known and documented in route strategies, plans and reports. What is missing is a clear agreement of which solutions will be adopted, clear commitments that they will be implemented and a published timetable for doing so. Even if some solutions can only be implemented in the medium and long term, their agreement and timetabling, however far off, will be preferable to the current state of uncertainty.

The proposition

A Task Force of MPs, elected Members, business and passenger interests, Network Rail, train operators and others will act quickly to agree the solutions to the problems on the Brighton Mainline, with a proposed timetable for implementation. The establishment of the **BML Task Force** and commissioning of its report would be agreed as part of the Greater Brighton City Region Devolution Deal and adopted by the national organisations and DfT as the agreed programme. Funding for the implementation would need to follow the normal course, but by having an agreed programme of solutions, the necessary promotion and bidding for funding will be more directed and focused, with a much greater sense of urgency.

Task Force Purpose and objectives

The purpose of the Action Group is to bring together all the local, regional and national bodies to agree how the Brighton Mainline and its role in the transport network can be improved to support the economy and growth.

The Task Force will:

- Consider all the issues relating to reliability and capacity on the Brighton Mainline.
- Consider the various reports on performance and the forthcoming Sussex Route Strategy and the report into a second Brighton Mainline route.
- Produce an agreed action plan for short medium and long term solutions.

The output from the Task Force will form part of ongoing Devolution discussions between the Greater Brighton City Region and the Government. It will also be a key programme to be adopted by the new Strategic Transport Body to be established by the Greater Brighton Economic Board and 3SC, which in turn may lead into the new Sub National Transport Body for the south east.

The Action Plan would be made public to demonstrate clear intent to deal with long standing issues.

Scope

The following are all in scope for the work of the Brighton Mainline Task Force:

- Issues of capacity and reliability
- Impact on the wider network

- Alternative relief routes
- Longer term second routes
- Links to strategic rail routes – eg HS 1&2, Crossrail 2.
- Operational Management
- Contractual/Franchising arrangement

The Task Force will consider issues along the routes from the London terminuses through to the coast and across the wider network, including the knock-on impacts on east and west Coastway.

The impact on passengers, business and the economy are all in scope, including losses to output when there are problems and disruption. The particular issue in the visitor economy caused by repeated engineering work closures at weekend will also be in scope.

Out of scope are decisions on funding which will have to be progressed via other channels.

Membership

The Task Force should comprise:

- MPs
- Elected members and senior officials from local authorities
- Greater Brighton Economic Board
- Representative of the Universities
- 3SC
- Coast to Capital LEP
- Gatwick Diamond Initiative
- Network Rail
- DfT
- Train operators
- Passenger interest groups
- Business groups

Frequency of meetings

The Task Force will meet monthly up to the point of producing the Action Plan. Thereafter quarterly.

Chair of the Action Group

The BML Task Force will be chaired by an independent identified by the Greater Brighton Economic Board

Communication and consultation

The policy and research papers to be considered by the Task Force will be made public.

The final report of the Task Force will be published.

The Task Force may have a period of consultation on the options and solutions it is considering.

Timescale

A commitment to the BML Task Force will be included in the Greater Brighton Devolution Deal, due to be signed in Spring / Summer 2016.

The Task Force will be convened in May 2016.

The Task Force will consider the forthcoming Sussex Route Strategy, the report on the second BML route and any other evidence and input from experts from May 2016 to September 2016

The Task Force will deliberate on its recommendations from September to December 2016, including any consultation it deems necessary

The Task Force will report by January 2017.

Thereafter, the Task Force will move into a monitoring role.

Resources and support

Secretariat will be provided by the Greater Brighton Economic Board.

Research and policy papers will be provided by Network Rail and Dft.

Further expert support may be sought from relevant universities, the Transport Catapult and other sources.

Relevant reports and documents

- Greater Brighton Devolution Proposal, September 2015
- Sussex Route Strategy, Network Rail, October 2015
- Report on second Brighton Mainline routes, Spring 2016
- Coast to Capital Strategic Economic Plan, March 2014
- Surrey Rail Strategy

Annex 1

Issues and Performance on Brighton Mainline

EXTRACT from Network Rail Sussex Area Route Study 2015

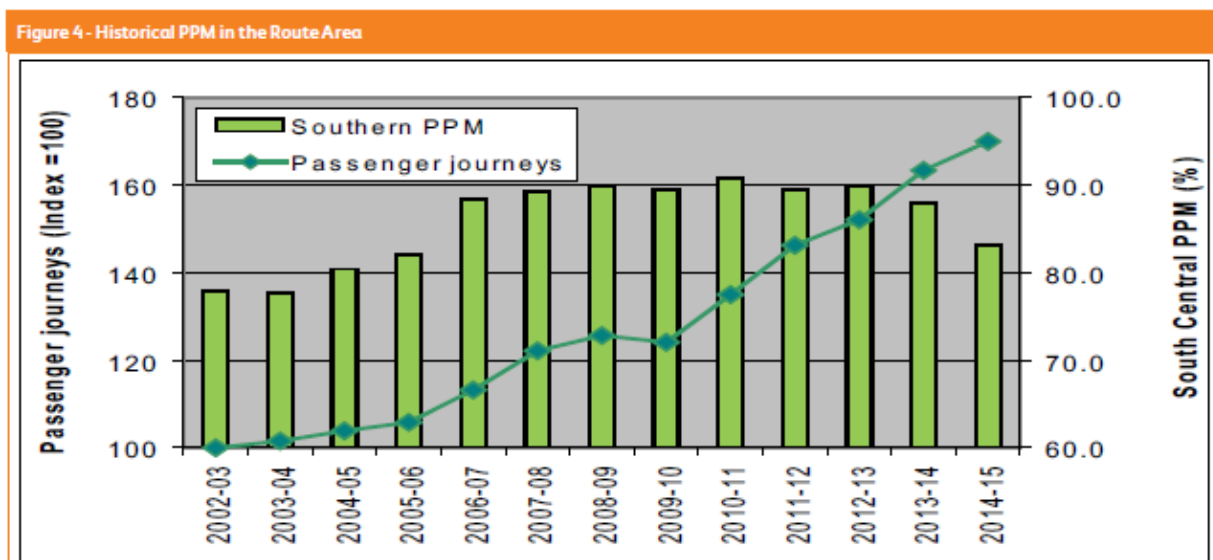
The Public Performance Measure (PPM)¹ for 2014/15 was 83.1% for Southern, the main Train Operating Company (TOC) on the route, prior to its merger into GTR. This total was impacted by the disruption associated with London Bridge works for the Thameslink programme.

Despite considerable focus over the years on the performance challenge in the route area, the measure has never exceeded 90.7% annually and has generally been around the high 80's in recent years. Pre 2007 PPM levels were consistently lower than this – suggesting there are a number of fundamental factors at play.

Figure 4 sets out historical PPM for the main route operator (was Southern is now GTR) mapped against the surge in demand for use of the railway in the south east over the last 12 years.

The challenge for Network Rail and the Train Operating Companies on the route, day to day, over the last ten years has been to maintain acceptable levels of performance as demand has surged, impacting key drivers of performance such as station dwell times **and leading to the last remaining capacity headroom on the route being utilised as additional services and longer trains have been provided.**

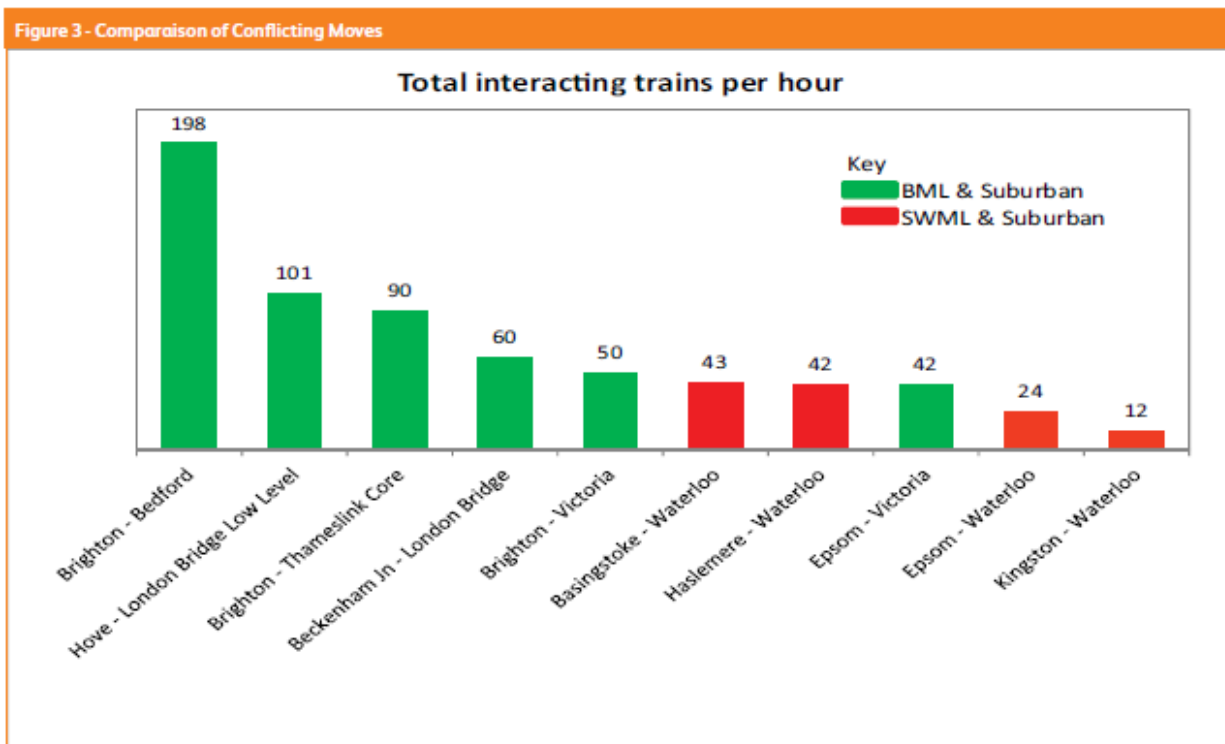
The **December 2018 timetable change is likely to see further increased usage of the BML in the peak hours without any alteration to the infrastructure.** Network Rail and GTR face a significant challenge therefore in maintaining current (pre London Bridge works) performance levels at the end of Control Period 5 (CP5) and into Control Period 6 (CP6). **Recent work on the December 2018 timetable has again highlighted the performance risks of loading more services over the existing flat junctions on the route.**



The BML and connecting routes differ substantially in layout to most other main lines in the UK. The key difference is the proliferation of flat junctions as opposed to grade separated junctions. This combined with the particularly dense operation of services means the slightest delay in one service group can be quickly transferred – between Up (to London) and Down (from

London) flows, between fast and slow line operations and critically between London Victoria and London Bridge/ Thameslink Core service groups.

To visually illustrate this point, Figure 31 below sets out the number of potential conflicting moves key service groups on the BML and connecting routes can encounter in the high peak hour (HPH, 08:00-08:59 arrivals at London terminal) versus more typical conditions on the Wessex Route (South West Main Line and South West suburban operations).



- Air quality are issue and route to fix each

[...]

What has been highlighted by the various incidents is that even a minor incident can cause knock-on delay to other trains that spreads delay across the network. The sheer number of trains, particularly in the off-peak, has reduced the opportunity to recover the train service, this is exacerbated by the flat junctions across the Sussex Area which result in trains waiting for other trains to cross in front of them, similar to a phased traffic light controlled junction on the roads. Grade separated junctions, similar to motorway flyovers, see these trains traversing physically separated lines and, therefore, not affecting each other, but unfortunately unlike other main line routes in the UK the BML has few of these junctions currently in operation.

The Capacity Gap

The Route Study has taken the South East Market study growth and calculated the number of additional services that would be required to operate on the Fast Lines **to keep seat utilisation down to 100%** on average during the high peak. This analysis indicates:

- 4 -6 additional trains per hour are required by end CP6 – 2023/24 over and above the end CP5 2018 baseline¹
- 6-8 additional trains per hour are required by 2043 over and above the end CP5 2018 baseline.

Operational planning work for the study suggests **if** implemented a set of key Junction and station inventions along the BML would deliver an additional 6 trains per hour in the peak over and above the end of CP5 base. If achieved, this would meet the end of CP6 and end of **2043 Demand forecasts**

Annex 5: Greater Brighton Digital Strategy - outline

Vision

Greater Brighton will be the UK's premier creative digital business location outside London.

We will start, attract and grow high tech, high innovation, high creativity businesses – increasing prosperity, increasing productivity, and reducing inequality. Digital business models, digital service delivery and digital democracy will be all pervasive, and lead to significant reform of public service.

Strategy

To realise our vision we will address four strategic objectives:

A: Grow the Digital economy

- Doubling the size of the CDIT sector from £1bn GVA to £2bn in five years
- A growing band of middle and larger sized companies in the CDIT sector which have grown and stayed, or been attracted to the area as inward investors
- International reputation growing for CDIT business
- Increasing levels of international trade,
- Rising productivity and growth in the non-digital economy arising from digital business techniques
- Doubling the impact of university & business collaboration and research

B: Have world beating digital infrastructure

- Increasing levels of inward investment from firms who need the best digital connections to compete
- A mature and growing market of residents and businesses for high bandwidth services

C: Use digital technology and business models to transform public service delivery

- Cashable savings to the public purse
- Ease of access and reduced transaction costs for businesses, residents and service users
- Improved quality of service, including in health and social care

D: Digital technology to transform everyday life and to reduce inequality and exclusion

- Equality of access to jobs, learning and economic activity
- Increased participation in and influence over decisions in civic life
- Daily life transactions made easier and quicker

How we will do it

Grow the Digital Economy

1. Coherent support entrepreneurs and companies in the CDIT sector and help them capture more value; setting up a “Creative & Digital Industries Council” to unite and focus the efforts of all interested parties.
2. Simulate leading research and innovation and lever the expertise of universities and businesses, including pre-launch development of 5G applications and business models.
3. Connect and network the Greater Brighton digital cluster to other centres of innovation, including Oxford, Cambridge and Bristol – the “Southern Powerhouse”.
4. Make sure there are suitable spaces for digital sector businesses to start and grow across the whole City Region
5. Address skills shortages and workforce productivity issues for the CDIT sector

6. Draw on and stimulate the City Region's unique creativity, and its arts, culture and heritage sector.
7. Stimulating the growth of non-digital business through the adoption of digital business techniques and seizing the opportunity to use digital connections to boost the home based business economy.

Have world beating digital infrastructure

1. Ultrafast connections available for every business in the key CDIT cluster locations at SME affordable prices
2. Rapid implementation of Ultrafast for Newhaven Enterprise Zone
3. Ultrafast (1 gig) available for every business and residence in nearly all urban locations
4. Superfast (30Mbps) as the baseline for every location in the City Region including rural areas
5. Ubiquitous high speed wireless and mobile connections throughout the City Region
6. Be 5G ready

Use digital technology and business models to transform public service delivery

1. Every transaction which a business needs to perform with local government can be done digitally
2. Use digital business models to get rid of silos in local government, reducing costs and providing seamless services to residents and service users - within an individual authority and between authorities in the City Region
3. Widespread data and information sharing between public bodies and public data APIs made available to business and the community
4. A new initiative looking at how digital technology, digital business models and data can help integrate health and social care.

Digital technology to transform everyday life and to reduce inequality and exclusion

1. City Region-wide approach to transport information, traffic and transport management and making it easier for residents, workers, learners, visitors and businesses to move around to where they need to be quickly.
2. City Region-wide approach to use of data to transform a wide range of daily life transactions
3. Use digital technology to allow young people and residents to plan and manage their careers and skills development
4. Use digital technology to stimulate a new wave of engagement and involvement in the life of the community and in civic life, including digital democracy.
5. Become a pioneer in the development of the sharing economy, reducing waste, under-utilisation and reducing carbon emissions

Executive summary

It is now widely recognised that digital infrastructure is a critical factor in the social and economic wellbeing of cities and places. The impact that faster broadband can have on economic growth is now well understood and evidenced¹. Increasingly local and national governments look to digital innovation as a way to save costs and improve services for an ageing population, with consequent demands on digital infrastructure.

It is for these reasons that we want to take responsibility in Greater Brighton for ensuring that we have the best digital infrastructure possible. But it is also because Brighton is the centre of one of Europe's most dynamic, innovative and fast-growing digital-creative and tech sectors.

Infrastructure to support a world-class digital-creative and tech sector means much more than fast broadband. It means ensuring that the SMEs that drive growth and innovation have access to the whole digital value chain, so that as well as benefitting from world-class digital connectivity and services, they play a major role in creating them. A collaborative digital economy thrives on an infrastructure that is neutral and shared. The Internet was built this way, which is why it has been a motor for innovation by small businesses and entrepreneurs on an unprecedented scale.

Our bid to take responsibility for our digital infrastructure focuses on these elements. Our priorities are to unlock digital growth through the digital-creative and tech sector and to focus innovation on improving public services and transforming government.

Our vision is of ubiquitous fast connectivity that will support a single digital market across the city region, not served up on a plate but achieved through widespread collaboration between public and private sector to organise demand and leverage this to attract investment.

If we are to keep pace with cities like Amsterdam and Berlin we need to up our game. We believe public resources will be needed to achieve our objectives but these must be applied in the most effective way.

The rapid growth and development of digital-creative and tech sectors in some cities rather than others has often come from initial, small differences in demand concentrations². This has a consequent impact on infrastructure. Now rapid sector growth; cloud-based applications; the Internet of Things: all these are driving a rapid acceleration in demands on the infrastructure that is pushing capacity towards the network edge. What once mattered to cities will increasingly matter to localities in cities.

This is why we need a pragmatic and agile approach, seizing opportunities as they arise to make small interventions that energise the private sector and overcome path dependencies.

Our approach is based on three elements all designed to maximise the impact of the public resources we will deploy.

- A. Leveraging investment from the private sector to create new infrastructure by organising and aggregating demand and supply from both public and private sectors.
- B. Creating new demand hotspots and providing SMEs with the opportunity to meet that demand. Resolving this path dependency will spread the benefits of the digital-creative and tech growth across the city region.
- C. Where direct intervention is still necessary to overcome market failure, join that up with other actions to maximise impact.

Using these approaches we will act in three strands.

1. We will lead in the creation of a new alliance bringing together public and private sectors, both as users and as suppliers. This alliance will be light and flexible, able to assemble groups of members to resolve particular needs by aggregating demand and supply. It will lower the transaction cost of

¹ Eg Ericsson 2011, <http://www.ericsson.com/news/1550083>

² Alongside other factors like skills and environment - factors that have promoted the sector in Brighton.

collaboration by providing a straightforward legal framework. This alliance will unlock leverage opportunities that currently elude the local authorities acting alone - potentially on a huge scale.

2. We will directly intervene to create a new network of DX-PoPs - Digital Exchange points of presence. This will apply the successful formula pioneered by the Brighton Digital Exchange, creating new shared and neutral points of presence near existing and potential demand clusters. These will serve both public and private sectors, supporting the business case for new otherwise infeasible investments in infrastructure. Because they are shared and linked with raw, passive connections, the exchange points will give SMEs access deeper into the network and hosting stacks than they could otherwise achieve.
3. We will assemble funding sources into a single-minded digital infrastructure fund able to support these strands. By joining up in this way, funding will be applied to complement resources deployed by public and private sector and maximise impact. The larger part of the assembled funds will be invested on the MEO principle alongside 'rolled up' public sector service spend and private investment. An innovative new vehicle, RDI will be empowered to invest in new passive infrastructure, seizing 'dig-once' opportunities, and investing long-term in the passive connections between DX-PoPs - at market rates. RDI will be independent, holding its assets in trust for the mutual interest of public and private stakeholders that buy wholesale access from it.

We think of ourselves as innovators in the Brighton City Region. These approaches and actions however draw on our experience with the LINK public service network and the Brighton Digital Exchange. We draw inspiration from elsewhere in the UK and the world: the importance of neutrality, the idea of holding assets in trust, and the smart use of tools and resources to achieve maximum effect.

The resources we are seeking fall into three groups: assistance from central government, devolved powers and funds.

We'd like help combining our powers and with any new powers needed to effect our dig-once policy and to enable rapid action that is compatible with state aid requirements. We'd like help adapting our strategy to match central initiatives like HSCN. And we are seeking funds to enable us to intervene on the small scale needed for initiatives like the DX-PoPs, and to fund investments by RDI - an industry led body - on the larger scale required to fix not-spots, unlock leverage deals, and link up the DX-PoPs.

Annex 7: Innovation and Smart Specialisation

1. This is an update note for GBEB on innovation and Smart Specialisation, with some suggestions for further development work. We are doing well as a City Region, with many examples of specialist support for growth sectors and cross-sectoral support for innovation. However, there is more to do if we are to meet the very stretching ambition which has been adopted by GBEB.

Background

2. Our devolution pitch to Government has positioned Greater Brighton as a high growth, high value economy, with university led, innovation driven growth at the heart of the future of the City Region. In the pitch to Ministers we suggested that in ten years Greater Brighton's reputation would be akin to that of Cambridgeshire or Oxfordshire. This vision was endorsed by senior leaders from the University of Brighton and the University of Sussex, as well as other senior members of the GBEB Board, and Wired Sussex.

3. There are good grounds for having such a bold vision:

- We were rated by the Centre for Cities in the top five for jobs growth the last ten years.
- Our City Region is a great place to do business – recently rated as the best place to start a business in England.
- We have the highest start-up rate per head of population outside London.
- Greater Brighton businesses are almost twice as innovation active as the UK average – 67% compared to 37%.
- The combined impact of the University of Brighton and University of Sussex is £832m GVA added to the UK economy and £419m GVA added to the City Region.
- There are growing specialised agencies, such as SINC, which target cross-sectoral innovation support.
- The CDIT sector has a growing reputation at national and international level. Superfused businesses (the combination of creative with technology skills) continue to outperform fused and unfused companies, showing a 20% plus growth in turnover, profit and employees, compared to circa 11% for fused and 5% for unfused.
- We have done well in securing Local Growth Funding for centres of expertise – for example the Advanced Engineering Centre at University of Brighton.
- The recent designation of Newhaven Enterprise Zone will provide a boost to the emerging LCEGS cluster by giving it a physical focus and maximising agglomeration impacts.

4. The sectors in which Greater Brighton has a competitive advantage are well evidenced by recent work from Coast to Capital, Chichester University and our own reports from last year by NLP. They are:

- Creative Digital and IT (CDIT)

- Low Carbon and Environmental Goods and Services (LCEGS)
- Advanced Engineering
- Health and Life Sciences

5. However, innovation and high growth are not confined to the priority sectors – there is strong evidence to suggest that “gazelles” can be found in any sector. An approach to innovation and high growth has therefore to encompass both a sector/cluster approach, AND non-sector based support. There is mixed evidence about the effectiveness of science parks and innovation centres, but it is clear that cluster and agglomeration effects can be enhanced by highly targeted and specialised centres of excellence and physical locations. Cambridge Science Park and Harwell are good examples. It is highly likely that such physical clusters are most effective when they coincide with a critical mass of companies in associated sectors which is well networked; close links to and input from well- respected university departments; and a workforce with appropriate skills.
6. Greater Brighton has some examples of such well-connected sector and non-sector support linked to physical centres and locations:

	CDIT	LCEGS	Advanced Engineering	Health & Life Science	Non Sector
Centre of Excellence or Research	Digital Catapult Centre Brighton	Green Growth Platform	Advanced Engineering Centre	Life Science Campus & Bio Innovation Centre	Universities
Physical Centre or focus	Catapult/ Fusebox/New England House	Newhaven Enterprise Zone	Advanced Engineering Centre	To come: Bio Innovation Centre; Novartis Site	SINC; To come: SINC II (NEQ); Burgess Hill Science Park;
Network	Wired Sussex	Green Growth Platform Business Forum	Carpenter Box Manufacturing Network	West Sussex Life Science Network	
High level skills development	City College HEIs	UTC HEIs	HEIs	HEIs NHS	

7. However, a recent meeting of the key partners who have collaborated for the past two to three years on support for innovation and high growth concluded that the current level of activity was somewhat short of what would be required to lift the City Region to the level of comparators like Oxfordshire and Cambridgeshire.

Strategic Oversight

8. The devolution proposal has pushed the issue of university led, innovation driven growth right to the top of the Greater Brighton City Region agenda. While the GBEB Board sets the overall strategy for the City Region programme it may be that a certain members of the Board may need to become the champions for this element of the GBEB programme, in order that it has a high profile and that there is scrutiny of progress. There will need to be a guiding mind.

9. Much of the resource for this part of the City Region programme rests in the universities or is accessible via them. There is only going to be significant activity if, when and where there is coincidence with the universities' objectives. The two universities will need therefore to be leading organisations in the driving seat, with the LEP and the sector networks.

What can we do to drive towards the ambition?

10. There are two strands to what we would need to do to if are realise the ambition, and which straddle the full breadth of the GBEB programme:

- Create the right environment
- Put specialist support in place

Creating the right environment

11. Given that the City Region is already one of the fastest growing in terms of jobs and with a high start-up rate, there is already a good environment for business. We need to sustain this and boost it where we can.

- Skills – ensuring the workforce has the right skills to support our priority sectors and high growth businesses. Currently our productivity level does not match our high qualification level. The skills strand of the GBEB devolution programme addresses this with new approaches to apprenticeships, under employment, unemployment and higher level skills.
- Space to do business – there is a shortage of business premises but there are a number of strategic sites in the GBEB investment programme which will bring forward new employment space – as much as 455,000 sq metres if all our devolution asks are granted. The aim is to spread clusters of high growth businesses to all parts of the City Region -eg Newhaven Enterprise Zone, Newhaven Creative Quarter, redevelopment of Worthing Town Centre, and Burgess Hill Science Park. There is also a need for more shared and co-working space – BUT which meets the changing requirements of our City Region entrepreneurs. Coast to Capital is developing a Local Growth Fund proposal to extend the network of innovation centres.
- Digital Connections – although the City Region is highly rated as a business location because of its digital connections, this could soon be overtaken by demand for much higher bandwidth and we need to make sure ultrafast is the ubiquitous standard for business in the City Region. The GBEB devolution programme is working up an approach which would stimulate the supply side market so that 1Gb connections would be available just about everywhere, and at SME prices.
- Other infrastructure – moving about within the City Region and to and from Gatwick, London and the south east region is also important for the success of the City Region as a business location. The current GBEB investment programme is addressing a number of transport problems, and the devolution

proposals go further, seeking a £50m investment programme in local infrastructure.

Specialist Support

12. If we are to come close to emulating Oxfordshire and Cambridgeshire, we will need to step up the specialist support for our priority sectors and for innovation and high growth in general.

Expertise from the universities

This is a key area of challenge. Both the University of Brighton and University of Sussex have ambitions to increase their impact on the regional economy. Despite the many good examples, we are probably only seeing a small proportion of the full power of the knowledge and expertise they hold. But making it useful and effective for business while helping the HEIs meet their goals is not easy. Skilled intermediary work such as that of the Green Growth Platform and the Digital Catapult/Wired Sussex is needed.

We have a wider network of universities in the Coast to Capital area including the universities of Chichester and Surrey and University for the Creative Arts (UCA) which we also need to bring into play.

The universities also have an obvious role in skills development – especially as we have such high retention rates following graduation. Increasingly, the universities are more involved in schools and FE colleges in pre- and post- 16 education.

Centres of excellence/physical focus

Centres of excellence, both physical and virtual, are important and effective, but usually only when combined with other interventions. A number of centres – the Catapult Centre, Advanced Engineering Centre, Newhaven Enterprise Zone – are very new. They will need sustained support if they are to reach critical mass and make a credible claim of excellence and deep rooted impact.

Networks

Wired Sussex is a superb example of what a business led, self-sustaining sector network can achieve. The other business networks in the priority sectors are fledgling and not yet as well supported. They will need ongoing support from GBEB and the wider stakeholders until they reach self-sufficiency. The life science network kick-started by WSCC has made good start. It should be encouraged to take in the full City Region area.

Specialist finance

Feedback from the agencies working with high innovation businesses suggest that on the whole, the availability of finance for business growth is reasonable. Banks still only tend to lend against security rather than potential or business plan, but equity finance supply exceeds the level of good propositions that are seeking finance.

The combined RGF grant programmes operated by the LEP and BHCC and their partners from 2013 to 2015 were effective. Coast to Capital won funding in the Growth Deal to keep the grant programme going but the funding can only be

used for capital expenditure which hinders creative, IT or intellectual property (IP) based companies. Via the devolution deal we need to seek a relaxation of this restriction.

International trade

Not enough of our businesses trade internationally. Evidence suggests that the greatest uplifts in productivity come from businesses that start exporting for the first time. While some 35% of all businesses have growth aspirations, only 3% intend to grow via overseas sales. Getting more firms to trade internationally is a highly specialised service. For those who have made the decision to do so, UKTI is a first-class service. For those who have yet to do so, more innovative means are needed to get them “to the door”. We are negotiating along with C2C for a closer engagement with UKTI as part of the devolution proposals.

13. A summary table of what interventions GBEB should focus on as part of the devolution deal and the longer term programme could be as follows:

	CDIT	LCEGS	Advanced Engineering	Health & Life Science
Input from HEIs	How can we put the full power of the knowledge, expertise, research and networks of the universities to more effective use in the City Region?			
Specialist support	<ul style="list-style-type: none"> Wired Sussex, Fusebox, Catapult 	<ul style="list-style-type: none"> Secure continuation for GGP after first tranche of HEFCE funding 	<ul style="list-style-type: none"> Gap left by MAS abolition. City Region & C2C replacement. 	<ul style="list-style-type: none"> Life Science Campus
Centres of Excellence/ physical focus	<ul style="list-style-type: none"> Get the Catapult centre on a sustainable footing 	<ul style="list-style-type: none"> Get behind Newhaven EZ as the LCEGS cluster location 	<ul style="list-style-type: none"> Ensure wide engagement and use of the AEC when it opens Central Research Laboratory as an innovation centre for “makers” 	<ul style="list-style-type: none"> Secure LGF for Bio Innovation Centre Ensure Novartis site is well linked to the City Region
Business Networks	<ul style="list-style-type: none"> Well established 	<ul style="list-style-type: none"> Support growth of the GGP Business Forum 	<ul style="list-style-type: none"> Review status and strength of the Carpenter Box network 	<ul style="list-style-type: none"> Encourage the spread of the WSCC inspired network
Skills	<ul style="list-style-type: none"> City College initiative 	<ul style="list-style-type: none"> Growth of the UTC FE review 	<ul style="list-style-type: none"> FE review 	<ul style="list-style-type: none"> Integrate CCG and NHS requirements
ALL Sectors and innovation/high growth companies	<ul style="list-style-type: none"> World leading digital connectivity More support for international trade Flexible finance for innovation 			

Funding and resources

14. Greater Brighton has done relatively well in securing capital funding for support of the priority sectors and growth centres from City Deal, Growth Deal, Coastal

Communities and Growing Places (New England House, AEC, CRL, Newhaven Creative Quarter, SINC II).

15. There is a shortage of revenue funding. We had proposed that the national Growth Service (including the Manufacturing Advisory Service (MAS)) funding be devolved in the devolution deal, but it was abolished in the Autumn Statement. The Growth Deal only has capital support for business growth and that is causing problems in the creative and Intellectual Property based sectors. We are proposing in the devolution deal in conjunction with C2C that £4m of the existing Growth Deal funding could be used more flexibly Coast to Capital to support revenue costs associated with business growth. Sheffield City Region had such a derogation as part of their deal.

16. The ERDF element of the EU Structural and Investment Funding (ESIF) is worth around £25m over six years. GBEB partners worked closely with Coast to Capital to set the priorities in line with the need to support priority sectors, international trade and high growth, together with links between HEIs and SMEs. In delivery, the process is managed at national level and appears remote and slow. Partners are finding the bidding process rather ad hoc and the sense is that we are not making the most of a precious funding source. There needs to be more strategic coordination across partners.

17. There is a shortage of officer time to devote to a whole City Region initiative. Each organisation is focused on managing their own day to day priorities. As with much of the other GBEB programme, there is an argument for greater sharing of resources and a drive on innovation-led growth could well be a central objective of a Greater Brighton Growth Company. How such a drive would otherwise be resourced will need to be addressed.

Measuring Success

18. Success indicators might be based on measuring employment and GVA in the target sectors, and by benchmarking against known areas of high innovation like Oxfordshire and Cambridgeshire. More work needs to be done on the baselines, but a suggested matrix of KPIs is shown below with some of the baseline figures which we already hold.:

	Indicator	Baseline 2015	Target 2020
CDIT sector	<u>GBCR</u>		
	- Employment % of total	- 5.5%	- £2bn pa
	- GVA	- £1bn pa	
	<u>South East Region</u>		
- Employment % of total	- 6.8%		
Advanced Manufacturing	<u>GBCR</u>		
	- Employment % of total	- 3.7%	- At SE region level
	- GVA		
	<u>South East Region</u>		
- Employment % of total	- 4.8%		
	- GVA		

	Indicator	Baseline 2015	Target 2020
LCEGS	<u>GBCR</u> - Employment % of total - GVA		
	<u>South East Region</u> - Employment % of total - GVA		
Life sciences	<u>GBCR</u> - Employment % of total - GVA	- 1.3%	- 2%
	<u>South East Region</u> - Employment % of total - GVA	- 1.8%	
Higher level employment	% of total employment in professional, associate professional and technical occupations: - GBCR - Oxfordshire - Cambridgeshire	- 39.5% - 46.8% - 39.4%	- 42% +
Innovation Active	% firms being innovation active - GBCR - UK	- 67% (2014) - 37% (2014)	- 60% +; at least 25% above UK average

Science and Innovation Audits

19. The Government has launched a new initiative aimed at gaining a better understanding of where the research and innovation expertise rests in the country. The objective of the Science and Innovation Audits will be to:

- Identify and validate areas of potential global competitive advantage across the UK
- Increase access to and use of available datasets with the long term objective of developing a tool to inform the UK's future science and innovation strategies;
- Provide an evidence base for strategic decision making on local innovation priorities;
- Strengthen future bids for local investment, e.g. science capital bids, private sector, and EU smart specialisation funding;
- Foster collaboration between universities and local businesses, local authorities and LEPs or their equivalents in the Devolved Administrations.

20. The Greater Brighton City Region expression of interest submitted in January 2016 was not successful – along with all the other bids in the south. There will be further rounds in July and November 2016. The partners are the universities of Brighton, Sussex and Chichester, together with Coast to Capital and GBEB. The original EOI proposed close collaboration with 3SC and with the Audit proposed by EM3 LEP – and this will be included in the revised EOI.

21. There is no funding attached to a successful bid, but clearly it is important to our ambition to be recognised as a high tech, high growth City Region to be actively involved in Government initiatives on science and innovation. The findings from the Audit should help shape our initiatives to support priority sectors and innovation.

Conclusions

22. There is a good level of activity in support of priority sectors, innovation and high growth in the City Region. However, it is not sufficient to lift us to the level of the ambition that we have to be on a par with Oxfordshire and Cambridgeshire. We need strategic drive and will to ensure:

- i. We make the most of the devolution opportunity to seek funding and flexibilities in support of the ambition
- ii. There is a strong a sustained strategic drive to sustain the ambition, led by the power of the universities, accountable to GBEB
- iii. We make the best use of what we have by joining up funding, resources and initiatives, including making better use of ESIF funding
- iv. We adopt a small number of targets which set out the challenge and by which we will be able to measure progress.
- v. We make sure that other elements of the Greater Brighton City Region programme are creating the right environmental conditions in which innovation can thrive