

Subject:	Greater Brighton City Deal & Economic Board		
Date of Meeting:	17 October 2013		
Report of:	Executive Director Environment, Development & Housing		
Contact Officer:	Name:	Nick Hibberd	Tel: 29-3756
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The purpose of this report is to provide an update on the Greater Brighton City Deal bid and associated negotiations with Government, to ensure that Members are kept abreast of the latest proposals and direction of travel. This report outlines the progress that has been made since the 11 July 2013 report to Policy & Resources Committee and provides detail on the proposed Growth Hubs at Preston Barracks and New England House, which form a core part of the Greater Brighton City Deal proposals.
- 1.2 This report also provides an overview of the proposed Greater Brighton Economic Board (GBEB) and seeks Policy & Resources Committee endorsement of the planned governance arrangements for the Greater Brighton City Region, prior to their being presented to Full Council for approval.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee:
- (1) Notes the contents of this report and continues to endorse the work of the City Deal Project Boards, to secure a City Deal agreement for the Greater Brighton City Region.
 - (2) Agrees that, through the City Deal negotiation process, the Executive Director Environment Development & Housing in conjunction with the Director of Finance & Resources should enter into detailed negotiations with Government in relation to the New England House and Preston Barracks sites, in order to facilitate their development as Growth Hubs and to report back to Policy & Resources Committee on the implications and any necessary asset management and investment decisions.
 - (3) Recommends to Full Council on 30 January 2014 the establishment of the Greater Brighton Economic Board, details of which are set out in Appendix 2 of this report, to 'go live' in April 2014.

3. CONTEXT/ BACKGROUND INFORMATION

The New Framework for Economic Development

- 3.1 The direction of travel for the Greater Brighton City Region's approach to local growth over the next decade is outlined in the 10-Year Vision to create an Innovation Technology Super City Region, within a functional economic area that covers Brighton & Hove, Lewes, Adur, Worthing and the Burgess Hill area of Mid Sussex. The vision has an emphasis upon stimulating sustainable economic growth in high value industries, such as the Creative Digital Media and environmental technologies sectors, and is attuned to Government's 'Plan for Growth', which sets out ambitions for a better-balanced and more internationally focused economy that strengthens technological innovation and builds on the UK's world-class research base and nimble labour markets.
- 3.2 Government's response to the Heseltine Review confirms the central role that Local Enterprise Partnerships (LEPs) will have in developing sub-national economic strategies and driving sustainable economic growth. From 2014, the Coast to Capital LEP area will receive £8.2m of European Union (EU) Structural Funds each year and from 2015, it could expect to receive substantially more through the a Single Growth Fund or 'Growth Deal' that it negotiates with Government. The 10-Year Vision and the City Deal proposals are firmly aligned with the Coast to Capital LEP's emerging Strategic Economic Plan.
- 3.3 The relocation of Business Rates, Tax Increment Finance (TiF), the New Homes Bonus and the Community Infrastructure Levy (CiL) provide new incentives for local areas to take a pro-active approach to supporting economic growth in their areas. Government has introduced City Deal agreements to unlock local growth and potential; devolving the additional powers, responsibilities, flexibilities and freedoms needed by cities to better support economic growth in their areas. They are a pre-cursor to the future devolution of funds through the Growth Deals that Local Enterprise Partnerships will negotiate with Government during 2014.
- 3.4 In July 2012, Government agreed the first wave of City Deals with the eight largest cities (excluding London) and in October 2012 it announced that a further 20 cities and their wider economic areas would complete for City Deals. Brighton & Hove was invited to participate in this second wave and political leaders and senior officers from the City Region subsequently collaborated on an expression of interest, which was submitted to Government on 15 January 2013.
- 3.5 On 18 February 2013, Government announced that Greater Brighton was successful in progressing to the next stage of the City Deal negotiation process. Second wave City Deal agreements are expected to be signed in Autumn 2013, with negotiations on the 'commitments' and 'asks' taking place in the months immediately preceding this. Government has introduced competition to the process, to ensure high-levels of ambition and innovation, and has clearly articulated that agreements are not guaranteed. City Deals are *deals* with Government and the 'asks' must be proportionate to the 'commitments'.
- 3.6 An overview of Government's framework and timetable for decentralisation to promote growth is attached in Appendix 1 of this report. The mechanisms –

Single Local Growth Fund, EU Structural Funds, Local Transport Major Project Funding and City Deals – represents new ways of promoting economic growth, which are more entrepreneurial and local in their focus and less reliant on central government grants and local authority general funds. They provide an opportunity to promote sustainable growth across the Greater Brighton City Region, building on its locational advantages and its natural and human capital assets.

The draft Greater Brighton City Deal Proposals

- 3.7 A consultant team, Marshal Nairne Ltd in partnership with Ecorys UK Ltd and Democratic Society, was appointed on 23 May 2013, to support the project's partnership boards and team with the development of the Greater Brighton City Deal proposals and Negotiation Document. This has been an iterative process; the proposals and Negotiation Document continue to be reviewed and refined to reflect input from partners and feedback from the Cabinet Office's Cities Policy Unit.
- 3.8 The Cabinet Office has recommended that City Deals be narrow in focus, striving to address "a specific local economic problem". Set within the context of the City Region's 10-Year Vision, the Greater Brighton City Deal proposals have therefore been refined to concentrate on the current mismatch between our residents' high skill levels and our economy's relatively low productivity levels. A lack of 'high value' businesses and jobs, and the consequent 'commuting out' of much of the City Region's talent, has been a key contributing factor to this productivity gap.

Network of Growth Hubs across the City Region

- 3.9 The Greater Brighton City Deal proposes to improve productivity and promote high value sustainable growth across the City Region by unlocking development and regeneration sites to create a network of Innovation Technology Growth Hubs for ambitious, high-tech businesses in a range of sectors, to attract investment and talent.
- 3.10 The sites currently identified for the network of growth hubs are:
1. Creative, Digital and Information Technology (CDIT) Growth Hub, New England Quarter, Brighton & Hove
 2. Creative Hub, Guildbourne Centre, Worthing
 3. Cleantech Growth Hub, Newhaven
 4. Environmental Technologies Growth Hub, Shoreham Harbour and Airport, Shoreham
 5. Central Research Laboratory, Preston Barracks, Brighton & Hove

Business Innovation and Skills Support Programme

- 3.11 The City Deal proposals put forward a programme of business and skills support, to assist high value businesses to grow. This element is being progressed via the Wave 2 Business Growth Programme, which makes £32m of Regional Growth Funding available to second wave cities. The aim of the Programme is to boost economic performance and increase growth and jobs by focusing on three main areas of activity:
- Creating bespoke business, innovation and trade support;
 - Management and strategic coordination, and;
 - Establishing a one-stop shop to raise awareness and increase update of public and private business support.

Final proposal applications must be submitted by 08 November 2013 and applicants will be notified of the outcome by 29 November 2013.

The City Region's Innovation & Skills Support programme will build on the success of the models at the Sussex Innovation Centre (SinC) and the Brighton Fusebox, but it will be adapted to the specific needs of businesses within each Growth Hub. The proposals will also include extending the work placement scheme developed for the CDIT sector by Wired Sussex and the University of Brighton.

- 3.12 In addition, the Greater Brighton City Deal Negotiation Document includes:
- Founding a City Region Innovation Panel, with UK Trade & Investment (UKTI) and Technology Strategy Board (TSB) involvement, to provide strategic direction to the City Region's approach to Innovation & Skills Support decisions.
 - Establishing a Greater Brighton Economic Board (see point 3.25 – 3.40 of this report), to develop and oversee a single pot City Region Investment Fund, aimed at drawing resources from EU and Government, and grant and prudential loan financing from local authorities to support local physical infrastructure developments.
 - Creating a business-led City Region Employment & Skills Group, to develop a co-ordinated approach to addressing local skills needs and to influence national programmes so that they reflect the City Region's circumstances.
- 3.13 The City Region's universities are fully embedded in these proposals, they will drive innovation and knowledge exchange and commercialise academic expertise. The aim for that the universities will develop a high profile physical presence in each of the growth hub areas.
- 3.14 The Greater Brighton City Deal Negotiation Document provides the full detail of the City Region's proposals and the related 'commitments' and 'asks', the latest version of which will be placed in the Members Rooms prior to the committee meeting.

New England House Growth Hub

- 3.15 New England House (NEH) is presented in the draft City Deal proposals as the Greater Brighton City Region's flagship project, located within the New England Quarter Growth Hub. NEH is one of the major hubs for Brighton's thriving Creative, Digital and Information Technology (CDIT) sector. NEH is an 11,370m² office block that is owned by Brighton & Hove City Council. It accommodates 96 businesses, mainly from the CDIT sector. There are approximately 1,000 people employed by companies based in NEH and many more are employed by others who form part of those businesses' supply chains.
- 3.16 It is extremely popular with businesses in the CDIT sector because of its affordable and flexible leases, its close proximity to Brighton Station and the clustering of similar companies in the building. It is the base for Wired Sussex, the well-respected and influential sector representative organisation; and is the location for the pilot Fusebox project that is identifying new ways to help drive business growth within the sector. There are 65, mainly CDIT businesses on the waiting list for space at NEH, but there is an identified market failure in the provision of move-on space, both in NEH and the city generally.
- 3.17 There are three critical elements that, delivered together, form an integrated strategy to significantly improve NEH's value to the local and regional economy and sustain and accelerate the growth and development of Brighton's CDIT sector:
- 1 **Workspace.** Refurbishing and expanding the building (cladding, lifts, access points and sanitation, building additional floor space in the car park)
 - 2 **Business support.** Specifically designed for small, innovative businesses in the CDIT sector. This will expand and develop existing work through roll out of the emerging FuseBox model.
 - 3 **High capacity connectivity.** Providing affordable, high capacity ultra fast broadband connectivity and hosting for businesses that are located in the building through the proposed creation of a Brighton Digital Exchange (BDX).

In the delivery of this integrated strategy, it is recognised that Brighton & Hove City Council and Wired Sussex can do more for the success of the NEH initiative and the development of the city's CDIT sector than either can do separately. It is therefore proposed that the City Council enters into a Memorandum of Understanding with Wired Sussex to acknowledge their influential involvement and to outline how both parties will work together on the City Deal and NEH proposals.

- 3.18 Options are being explored to reconfigure and possibly extend NEH so that it becomes a credible and highly visible hub for Greater Brighton's CDIT sector businesses; and provides a balanced range of offices to accommodate start ups and to retain larger businesses within the digital quarter.
- 3.19 The City Deal consultant team is working with colleagues in the City

Regeneration Unit, Finance, and Property & Design to develop a business case for reconfiguration and to establish what the appropriate 'ask' of government might be for the City Deal negotiation. The aim is to ascertain what contribution we need from Government to offset any projected loss over a ten to fifteen year period, and the level of commitment required from the City Council.

Preston Barracks Growth Hub

- 3.20 At 11 July 2013 Policy & Resources committee, Members agreed that the partnership with the University of Brighton and the alignment with the Greater Brighton City Deal Growth Hub proposals present the preferred route to successful delivery of the regeneration of the Preston Barracks site. Together with potential EU funding and City Deal opportunities, further re-engineering of the master planning work is underway with the University of Brighton to finalise a deliverable scheme. The proposals include developing part of the site as an Innovation Growth Hub aligned to the City Deal proposals, which may provide a mechanism for de-risking the employment element of the scheme through access to cheaper loan financing.
- 3.21 The aim of the Preston Barracks Growth Hub is to develop a Central Research Laboratory (CRL) that will become a magnet for innovation, connecting the University of Brighton, SMEs and entrepreneurs with investors, underpinned by high quality innovation support to incubate high-tech, design-led manufacturing start-ups. The focus will be upon university specialisms, linked to the key technologies that have been identified as future drivers of sustainable economic growth: big data; nanotechnology/nanostructured smart materials; regenerative medicine; musculoskeletal/degenerative disease; and recycling of economically critical materials.
- 3.22 The CRL will be part of a much larger proposed mixed use regeneration scheme that would include new homes, student accommodation, retail space, a health centre, a new academic business school.
- 3.23 Through the City Deal process, officers will enter into detailed negotiations in relation to the NEH and Preston Barracks sites in order to facilitate their development as Growth Hubs and report back to Policy & Resources Committee on the final business case and implications, and any necessary asset management and investment decisions.
- 3.24 The next step of the City Deal process is the submission of the final version Negotiation Document and related presentation to Government by mid-October 2013, confirming the City Region's ambition, investment commitment, governance and delivery arrangements. The proposals will then be pitched to Greg Clark MP and the 'commitments' and 'asks' negotiated. If it is felt by Government that there is a deal to be done, the agreement will be presented to an Ad-Hoc Ministerial Group for endorsement. Second wave City Deal agreements are expected to be signed in Winter 2013.

The Greater Brighton Economic Board (GBEB)

- 3.25 The development of effective decision-making processes across the economic area is a 'commitment' required by Government of all City Deals, which regards

these as the pre-cursors to future devolutionary settlements in relation to economic policy.

- 3.26 The Greater Brighton City Region's success in accessing funds and freedoms in the future therefore depends on its ability to collaborate across the economic area, to commit assets and resources and to develop a clear, shared vision that involves the private sector and which transcends local authority boundaries.
- 3.27 The City Deal High Level Project Board, which consists of local authority Leaders and Chief Executives and the Chairs of the Coast to Capital LEP and Brighton & Hove Economic Partnership, agreed to the development of a formal decision making structure in January 2013, with the over-arching purpose of bringing about sustainable economic development and growth across Greater Brighton by coordinating economic development activities and investment at the regional level.
- 3.28 The governance arrangements considered by first and second wave City Deals were subsequently reviewed and found to largely follow either a joint committee or a combined authority model, the latter of which tends to include an integrated transport authority for the area. A combined authority is appropriate where there is a clear and simple geography; where a city region is co-terminus with the LEP and Local Transport Board boundaries. As this is not the case for the Greater Brighton City Region, it was recommended that a joint committee model be adopted.
- 3.29 Proposals for the Greater Brighton Economic Board (GBEB) were consequently developed and the Board's proposed Heads of Terms are attached in Appendix 2 of this report.
- 3.30 The GBEB will comprise the Greater Brighton Economic Joint Committee (GBEJC), on which the local authorities of the Greater Brighton City Region will be represented, and the Greater Brighton Business Partnership (GBBP), on which the Coast to Capital LEP, business, and university and further education sectors will be represented. Meetings of the Board comprise concurrent meetings of GBEJC and GBBP. The Board is structured in this way to allow the coming together of different organisations with varying legal structures, powers and constraints on the way they operate.
- 3.31 The GBEJC will be a joint committee appointed by two or more local authorities represented on the Board, in accordance with section 102(1)(b) of the Local Government Act 1972. In accordance with section 102(1)(c) of the 1972 Act, GBEJC may appoint one or more sub-committees.
- 3.32 The Chair of GBEJC will, by virtue of their democratic mandate, also be Chair of the GBEB. It is proposed that the Board initially be chaired by the Leader of Brighton & Hove City Council but that, following the first year of its operation, this role be rotated annually between its members.

- 3.33 Each of the local authority members will be represented at the Board by one person save for Brighton & Hove City Council which, by reason of it being a unitary authority, will be represented by two persons. Each local authority member will be represented by its elected Leader and in the case of Brighton & Hove City Council, by its Leader and Leader of the Opposition. We will seek the future participation and commitment of Mid Sussex District Council and the South Downs National Park Authority.
- 3.34 The GBEB will be the investment agency to work in parallel with the Coast to Capital LEP, to set and agree the City Region's growth priorities and to negotiate and secure funding from government.
- 3.35 It is proposed that the responsibilities of the GBEB will include:
- To make long-term strategic decisions concerning economic development and growth of the Greater Brighton City Region, including the delivery of the LEP's Strategic Economic Plan priorities for the city region;
 - To work with national, sub-national (in particular the Coast to Capital LEP) and local bodies to support a coordinated approach to economic growth across the City Region;
 - To establish and administer the Single Pot City Region Investment Fund;
 - To advise on and recommend grant and prudential loan financing from constituent local authorities, to support local physical infrastructure developments;
 - To agree and oversee the delivery of a 10 year strategy for economic growth for the City Region;
 - To develop a City Region Housing Investment Plan;
 - To pool physical assets, so that they are used to best promote economic growth across the City Region;
 - To lead on applications for EU Structural and other funds to support physical infrastructure developments;
 - To develop the strategy and lead the delivery of the Single Local Growth Fund for the City Region;
 - To recommend and take binding decisions on where to invest dedicated funds for infrastructure/service provision;
 - To develop and establish special purpose vehicles for the purposes of promoting economic growth and to lead the economic appraisal of potential investments, drawing on private sector expertise
 - To establish and oversee the City Region Employment and Skills Group and relevant sub-committees to drive the delivery of specific funds or programmes;

- To ensure that the governance and management of the Board include all the necessary arrangements for the proper discharge of the functions, including appropriate financial standing orders, rules of procedure as well as codes of conduct to ensure legality, probity, financial prudence and avoidance of maladministration.
- 3.36 The GBEB will not be able to impose financial obligations on its members. Rather, decisions of the Board would relate to pooled assets and funds.
- 3.37 Brighton & Hove City Council will be the lead authority for the Board for years 1 and 2 and will therefore provide the necessary financial, legal, scrutiny and administrative support. It has been estimated that this cost approximately £40,000 per annum (on the assumption that there will be 4 meetings plus 2 special meetings per year) and reasonable financial contributions from partner organisations are currently being agreed.
- 3.38 Officer support to the GBEB will be provided from within the existing resources of the economic development and regeneration teams of each the local authority members.
- 3.39 These governance proposals are to be presented to each of the local authorities' respective Committees, Cabinets and Full Council's in January 2014. Once approved, a scheme for the new body will be drawn up that sets out the detail of the proposed constitutional and operating arrangements. This scheme will be published, to allow the Secretary of State for Communities and Local Government to consider whether creating the GBEB meets the tests set out in the Local Democracy, Economic Development and Construction Act (2009).
- 3.40 It is the intention to establish the GBEB by April 2014.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Brighton & Hove City Council was not obliged to bid for a City Deal but it was judged to offer the potential for considerable economic benefits to the City and the wider economic area. City Deal agreements are the mechanism for harnessing the additional powers, responsibilities, flexibilities and freedoms needed at a local level to unlock growth.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The recommendations of both the Brighton & Hove City Employment & Skills Plan 2011 – 2014 and the Brighton & Hove Economic Strategy Refresh 2013 – 2018 have shaped the focus of the City Deal and its proposals. As part of their preparation, both underwent extensive consultation.
- 5.2 As part of the development of the City Deal proposals and Negotiation Document, the following groups and boards have been regularly consulted and/or engaged:
- Brighton & Hove Strategic Partnership
 - Brighton & Hove Economic Partnership

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

The above groups and boards include representatives from the business community and public and voluntary sectors, who have therefore contributed directly to the development of the proposals.

6. CONCLUSION

- 6.1 Due to the economic benefits that are anticipated to come from the City Deal, Policy & Resources Committee is asked to endorse the continued work of officers to secure an agreement for the Greater Brighton City Region. Based on the available data, it is estimated that successfully establishing the Innovation Technology Growth Hubs could deliver up to 5,000 net new jobs and an annual GVA impact of up to £230m to the City Region.
- 6.2 The establishment of the Greater Brighton Economic Board will not only stand the City Region in good stead for accessing funds and freedoms from Government in the future but, it will also bring together sustainable economic development and growth across the functional economic area by coordinating economic development activities and investment at the regional level. This approach will be more strategic and streamlined, efficient and effective. Policy & Resources Committee is therefore asked to recommend the establishment of the Board to Full Council, as the formal decision-making arrangement for economic development for Greater Brighton.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Each local authority partner has made a financial contribution of £10,000 towards the commissioning of specialist and technical support for the development of the City Deal proposals and Negotiation Document (see section 3.8 of this report). As the lead partner, Brighton & Hove City Council has allocated £20,000 to the project from existing resources within the City Regeneration Unit.
- 7.2 The 'commitments' made to Government by Brighton & Hove City Council as part of the City Deal are summarised in section 3.14 of this report.
- 7.3 Detailed proposals (encompassing business cases and financial implications) for the proposed Growth Hubs at New England House and Preston Barracks will be the subject of future reports to Policy & Resources Committee. The proposals will be drawn up on the basis that the council's existing net income stream from New England House is at least maintained.
- 7.4 Brighton & Hove City Council shall be the lead authority for the Greater Brighton Economic Board for years 1 and 2 and will therefore provide the necessary financial, legal, scrutiny (including call-in) and administrative support to the Board. It is estimated that this cost approximately £40,000 per annum (based on the assumption that there will be 4 meetings plus 2 special meetings per year)

and reasonable financial contributions from partner organisations are currently being agreed.

- 7.5 It is anticipated that the development of a coherent and coordinated approach to economic development across the City Region, via the establishment of a shared governance structure and joint economic development and regeneration functions, will result in the sharing of assets, resources and expertise and thereby reduce duplication and costs. Such measures have the potential to deliver significant budget savings to partners, while also developing a more strategic and less territorial approach to prioritising projects that will demonstrably support economic growth across the City Region.

Finance Officer Consulted: Name Mark Ireland

Date: 4/10/13

Legal Implications:

- 7.6 The legal implications of this report are integrated into the main text in section 3. Any proposed changes to the Board's constitution set out in Appendix 2 will require approval of the partnership bodies.

Lawyer Consulted: Bob Bruce

Date: 20/09/13

Equalities Implications:

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

Sustainability Implications:

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

Risk and Opportunity Management Implications:

- 7.9 The risks relating to the creation of the network of Innovation Technology Growth Hubs are contained within the Section 2 of the Greater Brighton City Deal Negotiation Document, which is attached as Appendix 3 of this report.

Any Other Significant Implications:

- 7.10 None in relation to this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Government Framework and Timetable for Future Decentralisation to Promote Growth (taken from Government's Response to the Heseltine Review, 18 March 2013)
2. Greater Brighton Economic Board Draft Heads of Terms

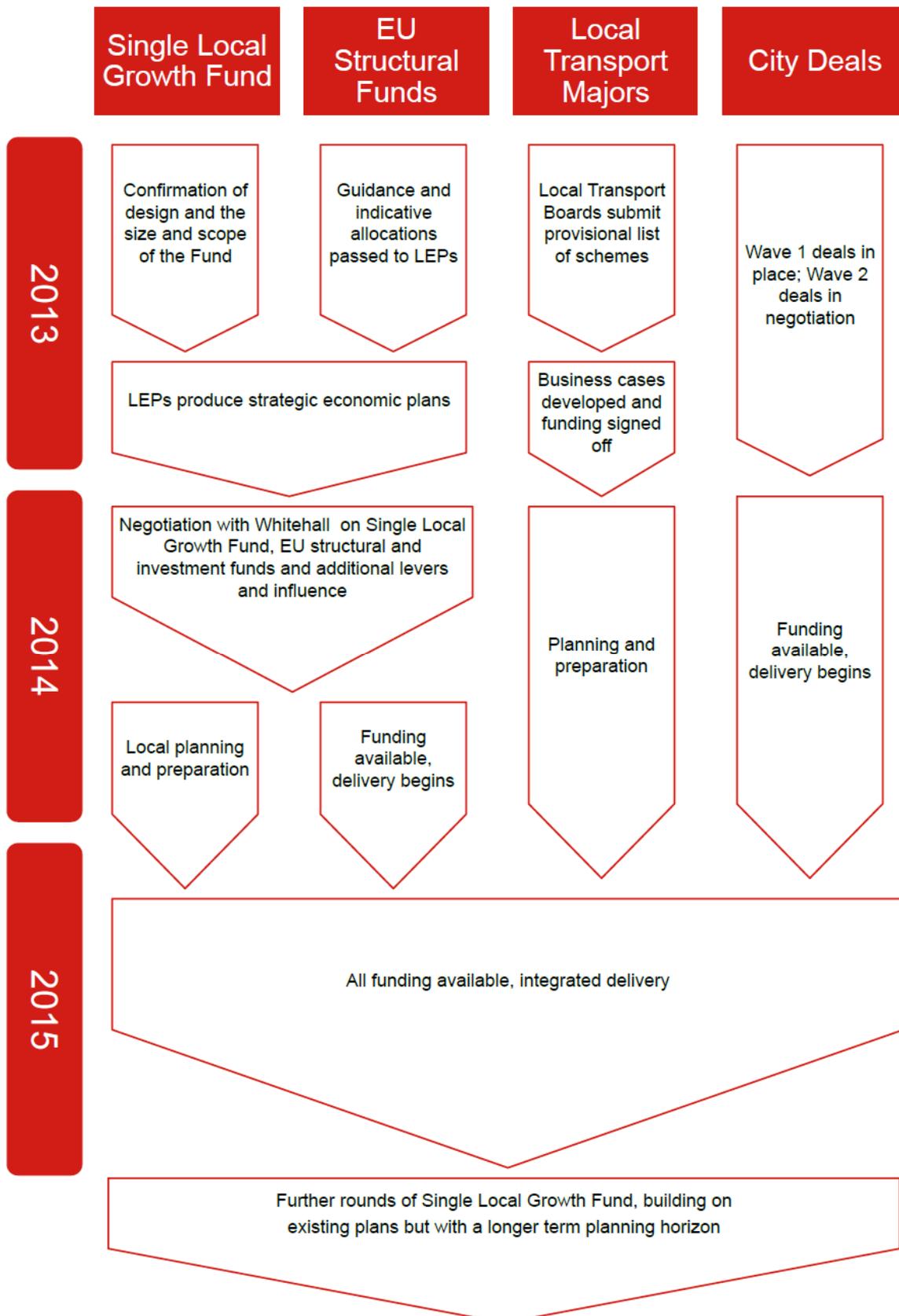
Documents in Members' Rooms

1. Greater Brighton – Towards a Super City Region, City Deal Draft Negotiation Document

Background Documents

1. Greater Brighton City Deal Progress Update, Policy & Resources Committee 11 July 2013: [http://present.brighton-hove.gov.uk/Published/C00000689/M00004685/AI00034853/\\$20130702103528004268_0017313_GreaterBrightonCityDealProgressUpdatePR11July13v1.docA.ps.pdf](http://present.brighton-hove.gov.uk/Published/C00000689/M00004685/AI00034853/$20130702103528004268_0017313_GreaterBrightonCityDealProgressUpdatePR11July13v1.docA.ps.pdf)
2. Government's Plan for Growth, March 2011: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31584/2011budget_growth.pdf
3. No Stone Unturned: In Pursuit of Growth, Lord Heseltine Review 31 October 2012: <https://www.gov.uk/government/publications/no-stone-untuned-in-pursuit-of-growth>
4. Government's Response to the Heseltine Review 18 March 2013: <https://www.gov.uk/government/publications/governments-response-to-the-heseltine-review-into-economic-growth>
5. Brighton & Hove City Employment & Skills Plan 2011 – 2014: <http://www.brighton-hove.gov.uk/content/business-and-trade/support-businesses/brighton-hove-city-employment-and-skills-plan>
6. Brighton & Hove Economic Strategy Economic Strategy Refresh 2013 – 2018: [http://present.brighton-hove.gov.uk/Published/C00000705/M00004661/AI00034419/\\$BHESR011Jun13.pdfA.ps.pdf](http://present.brighton-hove.gov.uk/Published/C00000705/M00004661/AI00034419/$BHESR011Jun13.pdfA.ps.pdf)

Appendix 1: Government Framework and Timetable for Future Decentralisation to Promote Growth (taken from Government’s Response to the Heseltine Review, 18 March 2013)



Appendix 2: Draft Heads of Terms of Greater Brighton Economic Board

Draft Heads of Terms Greater Brighton Economic Board

1. Establishment, Purpose and Form

- 1.1 The Greater Brighton Economic Board (“the Board”) shall be established from the Commencement Date.
- 1.2 The over-arching purpose of the Board is to bring about sustainable economic development and growth across the Greater Brighton region. To achieve this, the principal role of the Board is to co-ordinate economic development activities and investment at the regional level.
- 1.3 The Board comprises the Greater Brighton Economic Joint Committee (“GBEJC”), on which the local authorities will be represented; and the Greater Brighton Business Partnership (“GBBP”), on which the Coast to Capital Local Enterprise Partnership, business, and university sectors will be represented.
- 1.4 Meetings of the Board comprise concurrent meetings of GBEJC and GBBP.
- 1.5 GBEJC shall be a joint committee appointed by two or more local authorities represented on the Board, in accordance with section 102(1)(b) of the Local Government Act 1972.
- 1.6 The Board may appoint one or more sub-committees.
- 1.7 For the two years starting with the Commencement Date, the lead authority for the Board shall be Brighton & Hove City Council (“BHCC”), whose functions in that capacity shall include the provision of scrutiny (see paragraph 4.3), management of the call-in and review process (see paragraph 8), and financial, administrative and legal support (see paragraph 12) .
- 1.8 Before the start of the third year following the Commencement Date, and every two years thereafter, the Board shall review the lead authority arrangements and invite each of the local authorities represented on the Board to submit an expression of interest in fulfilling the role of lead authority for the subsequent two year period. The Board shall then instigate a procurement exercise to select the most appropriate authority for that role.

2. Interpretation

- 2.1 In these Heads of Terms –
 - (i) ‘Commencement Date’ means such date as is approved by the local authorities represented on the Board. *[note – commencement day proposed to be 01.04.14]*

- (ii) 'the Region' means the area encompassing the administrative boundaries of BHCC, Adur District Council, Worthing Borough Council, and Lewes District Council, as lie within the Coast to Capital Local Enterprise Partnership area; and 'regional' shall be construed accordingly;
- (iii) 'economic development' shall bear its natural meaning but with particular emphasis given to:
 - employment and skills;
 - infrastructure and transport;
 - housing;
 - utilisation of property assets;
 - strategic planning;
 - economic growth.

3. Functions

3.1 The functions of the Board are specified in paragraph 3.2 below and may be exercised only in respect of the Region.

3.2 The functions referred to in paragraph 3.1 are as follows:

- (i) To make long-term strategic decisions concerning regional economic development and growth;
- (ii) To be the external voice to Government and investors regarding the management of devolved powers and funds for regional economic growth;
- (iii) To work with national, sub-national (in particular the Coast to Capital Local Enterprise Partnership) and local bodies to support a co-ordinated approach to economic growth across the region;
- (iv) To secure funding and investment for the Region;
- (v) To ensure delivery of, and provide strategic direction for, major projects and work streams enabled by City Deal funding and devolution of powers;
- (vi) To ensure good governance of projects relating to regional economic development and growth arrangements;
- (vii) To enable those bodies to whom section 110 of the Localism Act 2011 applies to comply more effectively with their duty to co-operate in relation to planning of sustainable development.
- (viii) To incur expenditure on matters relating to economic development where funds have been allocated directly to the Board for economic development purposes; and for the avoidance of doubt, no other expenditure shall be incurred unless due authority has been given by each body represented on the Board.

4. Reporting and Accountability

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

5. Membership

- 5.1 The following bodies shall be members of the Board:

- (i) BHCC
- (ii) Adur District Council
- (iii) Worthing Borough Council
- (iv) Lewes District Council
- (v) Mid-Sussex District Council (*to be confirmed*)
- (vi) West Sussex County Council
- (vii) East Sussex County Council (*to be confirmed*)
- (viii) University of Sussex
- (ix) University of Brighton
- (x) Further Education Representative (*to be confirmed*)
- (xi) Coast to Capital Local Enterprise Partnership
- (xii) Brighton & Hove Economic Partnership
- (xiii) Adur & Worthing Business Partnership
- (xiv) Coastal West Sussex Partnership

- 5.2 GBEJC shall comprise the bodies specified in paragraphs 5.1(i) to (vii); and GBBP shall comprise the bodies specified in paragraphs 5(viii) to (xiv).

- 5.3 Each of the bodies listed in paragraph 5.1 shall be represented at the Board by one person, save for BHCC which, by reason of it being a unitary authority, shall be represented by two persons (as further specified in paragraph 5.4).

- 5.4 Each local authority member shall be represented at the Board by its elected Leader; and in the case BHCC, by its Leader and Leader of the Opposition.

- 5.5 Each business sector member shall be represented at the Board by a director of that member.

- 5.6 Each university member shall be represented by a Vice Chancellor or Pro Vice-Chancellor of that university.

6. Chair

- 6.1 The Chair of GBEJC shall, by virtue of his/her democratic mandate, be Chair of the Board.

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

7. Voting

- 7.1 Each person representing a member of GBEJC, and each person representing a member of GBBP, shall be entitled to vote at their respective meetings.
- 7.2 Voting at each of the concurrent meetings of GBEJC and GBBP shall be by show of hands, and voting outcomes reached at those meetings shall be on a simple majority of votes cast.
- 7.3 Where voting at a meeting of GBEJC results in an equal number of votes cast in favour and against, the Chair of GBEJC shall have a casting vote.
- 7.4 Where voting at a meeting of GBBP results in an equal number of votes cast in favour and against, the motion/proposal/recommendation under consideration shall fall in relation to GBBP.
- 7.5 Where the respective voting outcomes of GBEJC and GBBP are the same, that shall be taken as the agreed Board decision and the Board may pass a resolution accordingly.
- 7.6 Where the respective voting outcomes of GBEJC and GBBP differ, the Board –
- (i) may not pass a resolution relating to that matter; and
 - (ii) may refer the matter to the Chief Executive of the lead authority, who may consult with members of the Board or such other persons as are appropriate, with a view to achieving agreement on the matter between GBEJC and GBBP by discussion and negotiation.
- 7.7 Where, pursuant to paragraph 7.6(ii), agreement is reached the matter at issue shall be remitted to, and voted upon at, the next meeting of the Board.
- 7.8 Where, pursuant to paragraph 7.6(ii), no agreement is reached the motion/proposal/recommendation at issue shall fall.

8. Review of decision

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

9. Substitution

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

10. Quorum

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

10.3 Quorum for GBBP meetings shall be three member bodies.

11. Time and Venue of Meetings

11.1 Ordinary meetings of the Board shall be convened by the lead authority and normally take place in the geographical area of that authority.

11.2 The Chair of the Board may call a special meeting of the Board at any time, subject to providing members with minimum notice of two working days.

12. Administrative, financial and legal support

12.1 The lead authority shall provide administrative, financial and legal support to the Board, such legal support to include Monitoring Officer and Proper Officer functions in relation to GBEJC meetings.

12.2 Other members of the Board shall contribute to the reasonable costs incurred by the lead authority in connection with the activities described in 12.1, at such time and manner as the Memorandum of Understanding shall specify – see further at paragraph 13 below.

13. Memorandum of Understanding

13.1 Members of the Board may enter into a memorandum of understanding setting out administrative and financial arrangements as between themselves relating to the functioning of the Board.

13.2 The memorandum may, in particular, provide for –

13.2.1 Arrangements as to the financial contributions by each member towards the work of the Board, including:

- (i) the process by which total financial contributions are calculated;
- (ii) the process for determining the contribution to be paid by each member;
- (iii) the dates on which contributions are payable;
- (iv) which body shall be responsible for administering and accounting for such contributions;

13.2.2 The terms of reference for the City Region Officer Group.

14. Review and Variation of Heads of Terms

14.1 The Board shall keep these Heads of Terms under review to ensure that the Board's purpose is given full effect.

14.2 These Heads of Terms may be varied only on a resolution of the Board to that effect, and subject to the approval of each body represented on the Board.

