

SURREY COUNTY COUNCIL**CABINET****DATE: 24 JUNE 2014****REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL****LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR, ENVIRONMENT AND INFRASTRUCTURE DIRECTORATE****SUBJECT: COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP: ESTABLISHMENT OF A JOINT COMMITTEE****SUMMARY OF ISSUE:**

The report seeks formal approval from Cabinet for the establishment of the Coast to Capital Strategic Joint Committee (Joint Committee). The main purpose of the new Joint Committee is to approve the Strategic Economic Plan (SEP). It will also discuss the Growth Deal for the Coast to Capital Local Enterprise Partnership (LEP) area in its role of providing strategic advice to the LEP Board.

The Coast to Capital area encompasses all of the county of West Sussex, Brighton & Hove, Lewes, Croydon and the four east Surrey districts – Epsom and Ewell, Mole Valley, Reigate and Banstead and Tandridge. There are two county councils, two unitary authorities, 12 district and borough authorities and the South Downs National Park Authority who are within the area and partnership.

The new Joint Committee will include representatives from all 16 local authorities and the National Park. The Joint Committee met in shadow form in late March to agree the SEP which had to be submitted to Government by the end of March 2014. At that meeting the draft Heads of Terms were agreed although there may be further changes proposed from time to time. Each local authority member is now seeking equivalent formal approval from their decision-making bodies, to enable the Joint Committee to be formally launched.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approve the establishment of the Coast to Capital Strategic Joint Committee, constituted in accordance with the Heads of Terms contained in Annex 1
2. Delegate to the Chief Executive in discussion with the Leader of the Council responsibility for taking the steps necessary to give effect to recommendation one and to agree any subsequent amendments to the Heads of Terms of the Coast to Capital Joint Committee.
3. Delegate to the Monitoring Officer the responsibility to amend the Council's constitution to reflect the establishment of the Joint Committee.

REASON FOR RECOMMENDATIONS:

The Joint Committee is one element of a package of measures being taken to strengthen the governance arrangements within and around the LEP. This is important because the credibility of those arrangements in ensuring effective collective action to implement the SEP will be a significant consideration for Government when deciding how much funding to provide to the LEP, including through investment in transport and other infrastructure which is crucial for all Surrey residents.

DETAILS:

Background

1. The 25 February 2014 Cabinet Paper; Supporting Economic Growth, set out how the county council has been working with the LEPs to develop their SEPs and make the case for additional investment in the county through 'Growth Deals'. The Cabinet paper highlighted the likely governance arrangements for the Coast to Capital LEP and noted that Cabinet would need to formally consider the Heads of Terms once drafted.
2. Government guidance for Growth Deals and the Local Growth Fund sets out demanding requirements for agreement of the SEP by all partners and for governance structures for delivery of the subsequent investment and intervention plan. The guidance sets out expectations that the SEP would be backed by firm commitments from local authorities/ partners and the private sector on their resources and levers for delivery including commitment to collective decision making involving all local authorities within a LEP.
3. Development of effective governance and decision-making processes across the economic area is a 'commitment' required by Government of all LEPs, seeking reassurance that there would be accountability for any public funding awarded under the Growth Deal and for delivery of agreed projects and investments.
4. The Coast to Capital LEP's success in accessing funds and freedoms in the future therefore depends on its ability to collaborate across the whole area and to draw in resources, assets and investments from across the public sector.

The Joint Committee

5. The Joint Committee will be a joint committee appointed by two or more local authorities represented on the Joint Committee in accordance with section 102(1)(b) of the Local Government Act 1972.
6. The Joint Committee will have a limited and tightly defined remit:
 - To agree the SEP and its revisions and amendments as proposed to the Joint Committee by the LEP Board
 - To provide strategic advice to the LEP Board from time to time on the economic development and growth priorities for the LEP area

- To nominate on request from the LEP Board representatives from the district and borough local authorities who are members of the Joint Committee to serve as Directors on the LEP Board.
7. Each of the Joint Committee members will be represented by one person. Each local authority member will be represented by its elected Leader (or nominated substitute) and in the case of South Downs National Park Authority, by its Chairman.
 8. Each person representing a member of the Joint Committee will be entitled to vote at their respective meetings. Voting will be by show of hands and voting outcomes will be on a simple majority of votes cast.
 9. The Joint Committee will provide an annual report to each of the bodies represented on the Joint Committee.
 10. The Joint Committee met in shadow form on 25 March 2014. This was to agree the SEP submitted to Government on 31 March 2014. At that meeting the draft Heads of Terms were also agreed. It is now the intention to complete the formal establishment.
 11. At the shadow meeting in March, the Leader of West Sussex County Council was appointed Chairman.
 12. It may be that, in the light of experience and operation, some arrangements need changing. The Heads of Terms therefore builds into its clauses the principle of review. Any variations to the Heads of Terms will require the resolution of the Joint Committee and will be subject to the approval of each body represented on the Committee.
 13. It is anticipated that the Joint Committee will meet again in the autumn to agree the Coast to Capital 'Growth Deal'.

CONSULTATION:

14. Several partners have been consulted or engaged directly in the development of the SEP, including:
 - All 16 county, unitary, and district and borough local authorities
 - The South Downs National Park
 - Business representative organisations including the CBI, IOD, FSB, EEF, SECA, ICAEW, chambers, sector and trade bodies.
 - Greater Brighton City Deal Officer Project Board and High Level Project Board
 - Coastal West Sussex Partnership
 - Rural West Sussex Partnership
 - Gatwick Diamond Initiative
 - Brighton & Hove Economic Partnership
 - Brighton & Hove City Employment & Skills Group
 - Further and higher education institutions
 - Third sector organisations
 - National service providers including the Homes and Communities Agency.

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

15. Officers from the county council have been involved in the drafting of the Heads of Terms.

RISK MANAGEMENT AND IMPLICATIONS:

16. There is a reputational risk to the county council should the governance arrangements fail in the aim of providing a mechanism for effective joint decision-making. The effectiveness of the arrangements, underpinned by the SEP, is crucial for future investment in Surrey to support economic growth.

Financial and Value for Money Implications

17. West Sussex County Council will be the lead authority for the Joint Committee and will therefore provide the necessary financial, legal, scrutiny, administrative and business management support. For the first year West Sussex County Council will not seek any contributions for this cost. This is subject to review on an annual basis.
18. The principal purpose of the Joint Committee is to approve the SEP which includes a bid to secure significant funding to address infrastructure, business, skills and other growth issues in the county.

Section 151 Officer Commentary

19. Financial implications are addressed in paragraphs 17 and 18. Surrey, along with the other member organisations, may be required to contribute toward the cost of administering the Joint Committee in the future.

Legal Implications – Monitoring Officer

20. These joint arrangements are being made in accordance with s101(5) of the local Government Act 1972 and the Joint Committee is being established under section 102(1)(b) of the same Act. The functions being delegated here are executive functions and in accordance with the Local Authorities (Arrangements for the Discharge of Functions) England Regulations 2012 and the Council's constitution are discharged by the Cabinet.

Equalities and Diversity

21. The SEP and associated activity aims to tackle barriers to employment and create employment opportunities for all.

Climate change/carbon emissions implications

22. The aim of the SEP is to drive sustainable growth and will prioritise sustainable economic growth in innovative low carbon, high-tech and creative businesses.

WHAT HAPPENS NEXT:

24. The Joint Committee is expected to meet again in the autumn to agree the Coast to Capital 'Growth Deal'.
25. The council's constitution will be amended to reflect the establishment of the Joint Committee.

Contact Officer:

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Consulted:

Leader
Deputy Leader
Chief Executive
Strategic Director Environment and Infrastructure

Annexes:

Annex 1: Heads of Terms, Coast to Capital Strategic Joint Committee

Sources/background papers:

- Coast to Capital Strategic Economic Plan, March 2014
- Cabinet Paper: Supporting Economic Growth, 23 February 2014

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