

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Corporate Director for  
Place

to

Cabinet

on

17<sup>th</sup> March 2015

Report prepared by: Emma Cooney, Group Manager  
Economy and Tourism

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## South East Local Enterprise Partnership – Delivery Review

Place Scrutiny Committee

Executive Councillor: Councillor Ron Woodley

Part 1 (Public Agenda Item)

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### 1. Purpose of Report

- 1.1 To consider recommendations of the South East Local Enterprise Partnership's (SELEP) Board following consideration by the Board of their recently completed Delivery Review.

### 2. Recommendations

- 2.1 That the introduction by SELEP of an accountability framework is supported.
- 2.2 That the establishment of an executive joint committee in partnership with Medway and Thurrock Borough Councils, and Essex, Kent and East Sussex County Councils with the membership and terms of reference set out in the Appendix is approved.
- 2.3 That the Corporate Director for Place, in consultation with the Portfolio Holder for Enterprise, Tourism and Economy, is authorised to conclude a joint committee agreement with the other authorities.

### 3. Background

- 3.1 This report is about obtaining greater funding and local flexibility to support economic growth.
- 3.2 Central Government has made it clear that by implementing a wide-ranging delivery review, SELEP and its federated areas will be much better placed to maximise income and increase local flexibility and management of funding to implement local schemes.

- 3.3 SELEP was established in 2010 as one of 39 LEPs across the country to provide clear vision and strategic leadership to drive sustainable private sector-led growth and job creation” (Local Growth: Realising every place’s potential, 2010). The Leaders of the 6 county and unitary authorities in the SELEP area all sit on the SELEP Board.
- 3.4 Since its inception, SELEP’s governance and accountability structure has developed both to reflect the growing role of LEPs as defined by Government and SELEP’s move to a much more devolved model of local operation.
- 3.5 In February 2014, the Partnership’s terms of reference were amended to streamline the SELEP Board structure and embed the four federated area federal model. South Essex is one of the federated areas.
- 3.6 Through the Partnership’s SELEP Growth Deal and Strategic Economic Plan submission agreed in March, the Partnership’s devolved governance arrangements were further developed.
- 3.7 Following the announcement of SELEP’s successful £442m Growth Deal in July 2014, Irene Lucas CBE was commissioned to undertake an independent Delivery Review. The aim of the Review was to ensure that SELEP was fit for purpose and resourced to manage a major capital programme within its devolved structure and had the capacity to deliver both to time and budget. By doing so, the LEP and its federated areas would strengthen the case for greater funding and flexibility from Government.
- 3.8 The Review’s Initial findings were presented to the SELEP Board in September 2014 and approved for consultation with all local areas. Following this consultation a number of recommendations were presented to the SELEP Board on 12th December 2014.
- 3.9 The recommendations presented to the Board sought to embed the Partnership’s federal model and develop SELEP’s delivery and operational capacity. They provide a robust framework for programme management and, by creating a new Accountability Board, free the existing Board to perform a more strategic role, working seamlessly with local areas to champion growth across the SELEP area.
- 3.10 Acceptance by the county and unitary authorities of the Board’s recommendations would strengthen the Partnership’s Growth Deal 2 submission and enhance considerably the case to secure all Growth Deal funding annually in advance (with full programme management flexibility) rather than quarterly as currently prescribed.
- 3.11 The terms of the Growth Deal award in July 2014 make clear the importance attached by H M Government to the continued development by SELEP of its corporate governance arrangements. Recent discussions with Whitehall have confirmed that by implementing the Delivery Review, SELEP and its federated areas will be better placed to maximise funding and to obtain greater local flexibility over its management by securing it annually in advance (with full programme management flexibility) rather than quarterly as currently prescribed.

- 3.12 The Board noted that the Accountability Framework model as recommended above was widely agreed in principle by all areas. Accordingly, the Board resolved to recommend the unitary and county authorities to agree:-
- To support the Partnership's move to an accountability framework model.
  - That the accountability framework model should be led by an Accountability Board established as an executive joint committee.
  - That the Accountability Board should be established by the county and unitary authorities with the membership and terms of reference set out in the Appendix.
- 3.13 The provision of spend and delivery information to Government through the SELEP Accountability Board is dependent on the provision of robust local monitoring and accountability arrangements. While it is not for SELEP to prescribe these local arrangements, it is expected that any local monitoring group or partnership will include both public and private sector representatives. Reflecting the devolved/federal model, reporting to the SELEP Accountability Board will be through the local S151 officer(s) who will need to satisfy themselves of the robustness of these local arrangements and inform the SELEP Accountability Board of this structure. Local accountability groups or partnerships will be advisory (unless established as a joint committee) to the local S151 officer(s).
- 3.14 Further consideration will be given to the development of local accountability arrangements for Essex in partnership with Thurrock and Southend Councils. Recommendations will be brought forward when proposals have been developed.
- 3.15 Under the Service Level Agreement with scheme promoters (county and unitary councils), reporting will be through an agreed performance pro-forma and RAG rating developed with the promoting county and unitary councils. The SELEP Capital Programme Manager (to be appointed) will collate and analyse local information to present to the Accountability Board working closely with SELEP's Accountable Body. Reports will recommend what, if any, action should be taken. Recognising the critical importance of timely and robust local information, it is anticipated that SELEP will provide limited financial resource to support local monitoring.
- 3.16 An equivalent of this paper is progressing through all of the 6 upper tier authorities of the LEP.

#### **4. Policy Context**

- 4.1 Southend-on-Sea, as part of Thames Gateway South Essex (TGSE), one of the federated boards within the SELEP structure, has secured considerable amounts of funding via SELEP in the first and second round Growth Deals In July 2014 and January 2015 respectively:-
- £7m funding for transport and public realm in the town centre.
  - £6.7m funding for non-transport investment to bring forward jobs and homes in Victoria Avenue.

- £ 1m Local Sustainable Transport Fund investment.
  - £ 4.28m for improvements at Kent Elms junction.
  - £ 4.28m for improvements at the Bell junction.
  - £ 8m A127 highways and bridge maintenance.
  - £3.2m to enable access to the Airport Business Park within the JAAP area.
- 4.2 These priority projects were identified through the development of the Strategic Economic Plan for Thames Gateway South Essex and, following on from that, the Strategic Economic Plan for the SELEP area. They are predicated on the delivery of jobs and housing which are Government's priority outputs for Growth Deals.
- 4.3 The highways improvements enable key employment sites, such as the Airport Business Park, to be unlocked. They form part of a wider A127 route management strategy in conjunction with Essex County Council to improve traffic movement along South Essex recognising it as a corridor of growth.
- 4.4 The non-transport investment on Victoria Avenue follows the investment made via City Deal in the business incubation centre above the Beecroft Art Gallery and is aligned with the Council's aspiration to address the derelict, vacant buildings on the area through introducing new residential and employment space.
- 4.5 It is expected that, following the first two rounds of the Growth Deal, there will be future rounds of the Local Growth Fund. Funding will be bid for against the priority projects in the SELEP area. It is therefore important that Southend and South Essex continue to make the case for development in the area and that SELEP is constituted appropriately so as to secure Government confidence in delivery.
- 4.6 The Thames Gateway South Essex Partnership is currently under review following the withdrawal by Essex County Council. A new partnership (City to Sea) anchored by Thurrock and Southend-on-Sea, led by the business community is due to launch in March and will be one of the recognised LEP federated areas.
- 4.7 Proposals to develop a Combined Authority in partnership with Thurrock Council are not impacted by this accountability framework proposal. It is focused on providing confidence to government due to the size and nature of our LEP.

## 5. Corporate Implications

### 5.1 Contribution to Council's Vision & Corporate Priorities

- 5.1.1 The work of the SELEP cuts across Economic Development, Strategic Transport, Skills and Housing. It therefore contributes to the corporate priorities of **prosperous** through enabling job creation, economic growth, quality housing development and skills improvements, **safe** through improved junctions and addressing areas which can be subject to anti-social behaviour, and **excellent** through securing external funding to assist delivery of Southend's priority projects.

## **5.2 Financial Implications**

- 5.2.1 Each of the upper tier authorities in SELEP contribute financially towards the running of the LEP. The cost for 2015/16 hasn't yet been published but it will come from within existing resources within the Economic Development budget.
- 5.2.2 The match funding required for the Growth Fund allocation comes from within existing resources agreed as part of the Council's 2015/16 capital budget.

## **5.3 Legal Implications**

- 5.3.1 S.101 and S.102 of the Local Government Act 1972 provides a general power for local authorities to form joint committees in order to discharge functions jointly with other authorities. The functions to be discharged by the Accountability Board relate to the making of loans and grants and are executive functions under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. S. 9EB of the Local Government Act 2000 authorises the Secretary of State to make regulations facilitating 1972 Act S.101 arrangements in respect of executive functions. This he did in the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 (2012/1019).
- 5.3.2 Reg. 11(6) provides that where the functions are executive the joint committee is to be appointed under S. 102(1)(b), and appointments to it made under S.102(2), of the 72 Act. S.102 (3) allows such a committee to include co-opted members. However S.13 of Local Government and Housing Act 1989 requires co-opted members appointed under S.102 of the 72 Act to be non-voting.
- 5.3.3 There is no statutory inhibition on a co-opted member being appointed chairman. But a co-opted chairman will not have a first or casting vote.
- 5.3.4 Under the 2012 Regulations approval of the recommendations set out in this report is the responsibility of the Leader.
- 5.3.5 A joint committee arrangement of this type should be underpinned by the conclusion of a joint committee agreement between the partner authorities.

## **5.4 People Implications**

- 5.4.1 The Accountability Board will be a statutory joint committee. Its proceedings will need to meet statutory requirements and it will require the support of experienced democratic services staff. This can most appropriately be provided by the accountable body (Essex County Council) with the costs being charged to the Partnership.

## **5.5 Property Implications**

5.5.1 There are no property implications in relation to the recommendations.

## **5.6 Consultation**

5.6.1 Consultation with the local business community with regards to the priorities to be shared with the LEP has taken place via the Southend Business Partnership and will continue to do so in order to inform the work of the joint committee.

## **5.7 Equalities and Diversity Implications**

5.7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act.
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

5.7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

5.7.3 No specific equality or diversity impacts have been identified. However robust accountability arrangements combined with the LEP's local assurance framework will ensure that the criterion for, and decisions on, funding priorities are transparent and consistent.

## **5.8 Risk Assessment**

5.8.1 Not implementing the recommendations of the review with regards to the accountability framework and joint committee risk losing Government confidence in SELEP and could jeopardise the success of future funding bids.

## **5.9 Value for Money**

5.9.1 There are no value for money impacts as a result of this report with regards to Council expenditure.

## **5.10 Community Safety Implications**

5.10.1 There are no community safety implications as a result of this report.

## **5.11 Environmental Impact**

5.11.1 There are no environmental impacts as a result of this report.

## **6. Background Papers**

6.1 SELEP Delivery Review Board Paper.

## **7. Appendices**

7.1 Appendix 1 - SELEP Accountability Board Draft Terms of Reference and Membership.