

Southend-on-Sea Borough Council

Agenda
Item No.

20

Report of Corporate Director for
Place
to
Cabinet
on
23 June 2015

Report prepared by: Scott Dolling / Emma Cooney

Economic Development Partnerships Update

Place Scrutiny Committee
Executive Councillor: Councillor Graham Longley
Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 To update Cabinet on recent developments in the economic development partnership arena.

2. Recommendations

- 2.1 That Members note the changing environment across partnerships where the Council is an active participant.

3. Background

- 3.1 Recent Council reports have appraised Members regarding Southend-on-Sea Council's relationship with Economic Development based partnerships. The shape of these partnerships has been moving swiftly in recent weeks and the following report outlines the current status of each.

3.2 South East Local Enterprise Partnership (SELEP)

- 3.2.1 During 2014 recommendations to secure improved confidence in SELEP were introduced to address accountability issues. In March 2015 Southend-on-Sea Members of the Council agreed to an accountability framework which was introduced as one of the key recommendations across the whole LEP (Local Enterprise Partnership). The resulting Government confidence now allows the LEP to be funded in advance with increased flexibility on financial control.
- 3.2.2 Despite this positive step Essex County Council (ECC) and Kent County Council (KCC) proposed at the SELEP board on 22 May that an alternative structure should be developed. ECC and KCC view that the size of SELEP was restricting their funding opportunity. The Chair acknowledged that with two such

major partners making this claim, alternative propositions would need to be considered.

3.2.3 It is expected that a proposal (or proposals) will be presented to Government in the next few weeks.

3.2.4 Southend-on-Sea has developed a strong and consistent message within the context of Economic Development and the growth agenda. Whether SELEP is broken up or not, the South Essex growth story is compelling with jobs and housing targets resonating with government expectations. This coherence and success in delivery to date reflects why Growth Deal funding for South Essex Schemes have proportionally outstripped other areas. Southend and Thurrock both affirmed their commitment for the current structure to be retained to continue confidence and the focus on delivery of funds already allocated.

3.3 Thames Gateway South Essex Partnership.

3.3.1 The Cabinet paper of 9th December 2014 confirmed that Essex County Council was withdrawing from the Thames Gateway South Essex Partnership (TGSEP). Southend and Thurrock Councils have subsequently led on the revitalisation of a South Essex focussed economic partnership.

3.3.2 This has been given the working title of the 'Growth Partnership' and is being led by the private sector. The Chair is Southend Airport's Corporate Affairs Director Kate Willard. Through her engagement the other districts (Basildon, Castle Point and Rochford) and Essex County Council have signed a new agreement.

3.3.3 Other business stakeholders in the Growth Partnership are Olympus Keymed, SEEVIC, Pixelworks, Port of Tilbury, C2C National Express, Essex Chambers of Commerce and Two Services.

3.3.4 This partnership is currently agreeing its plans and key performance indicators jointly between the business and local authority community.

3.3.5 The guidance from Government departments about future funding is clear that business leadership is crucial. This partnership is being formed with business at the helm, supported by the local authorities.

3.4 Combined Authority / Devolution

3.4.1 Southend-on-Sea and Thurrock Councils agreed in January 2015 to pursue a Combined Authority. This is dependent on expected legislation permitting two authorities without connecting borders to form such an arrangement.

3.4.2 Combined Authorities, established in places like Greater Manchester, West Yorkshire and the North East are a legal structure that may be set up by two or more local authorities. They are a mechanism to promote and support economic growth and enable alignment and coordination of functions such as economic development and transport. Despite its name a Combined Authority is not merging Council services, but creating conditions to bid for additional delegated functions from central government. The ambition would be to deliver

transport and economic policy more effectively over a wider area adding value to the original establishment of TGSEP.

3.4.3 Both Councils have also been actively involved in preparing a business case for devolution in Greater Essex and have been clear in stating that they are pursuing both options in parallel to get the best outcome for local communities.

3.4.4 The key tests of devolution or a Combined Authority for Southend-on-Sea and Thurrock authorities are that:

- Any fiscal advantages achieved through devolution and generated in Southend and Thurrock are retained principally for the benefit of business and communities in South Essex
- The scale of ambition for growth in Southend and Thurrock is satisfactorily represented.
- The status of Southend and Thurrock Councils as unitary authorities is properly recognised in any governance proposals
- South Essex is recognised as a distinctive and coherent sub regional economic geography
- Devolution proposals are progressed and agreed within an acceptable time period

3.4.5 Continued negotiations will need to take place pending the evolving legislation changes. Work to establish evidence bases, economic relationships and implications for devolution for both a South Essex and 'Greater Essex' model have been commissioned. The results of which will be brought to Members once the work has been completed.

3.5 City Deal / Growth Hub

3.5.1 The Council won funding through its City Deal to develop the former Central Library into Business Incubation Centre. This centre 'The Hive' is now open and the Growth Hub team of navigators will soon move in.

3.5.2 Our success in delivery of the Business Southend Growth Hub has led to Southend leading the roll-out of the Growth Hub across SELEP and particularly across the wider county. Steering groups are in place at both at LEP and at Essex, Southend and Thurrock level which Southend are actively involved with.

3.5.3 Confidence in our delivery by Cabinet Office and the Department for Business Innovation and Skills is high. The relationship with these Government partners is a strength for the Council to maximise with unfolding sub-regional partnerships. It should also assist with future funding bids as our reputation for delivery will fulfil a valuable assessment indicator.

3.5.4 City Deals are being subsumed by the broader 'Growth Deal' and devolution agenda. Our current City Deal status undoubtedly increases our value in forthcoming partnership negotiations

4. Other Options

- 4.1 The Council could choose not to participate in wider discussions about economic development partnerships. This course of action is not recommended because funding packages have better success when allocated to larger, strategic propositions. Central government has signalled on repeated occasions that local authorities need to work together and in collaboration with business communities. This is referenced in Lord Heseltine's paper 'No stone unturned' and also in recent Government funding announcements.

5. Reasons for Recommendations

- 5.1 The economic development landscape is changing very quickly; this paper provides Members with a snapshot of current situation and evolving future options.

6. Corporate Implications

6.1 Contribution to Council's Vision & Corporate Priorities

- 6.1.1 Prosperity is intrinsically linked to the economic wellbeing of the town. Skills, employment and growth all support wider social issues for the town's excellent aspirations.

6.2 Financial Implications

- 6.2.1 Confidence by Government departments assists with Growth Deal and other funding opportunities. There are no direct additional financial resources required at present but the opportunity cost of not pursuing the various partnership arrangements may inhibit future best value.

6.3 Legal Implications

- 6.3.1 Legislation on combined authorities that do not have contiguous boundaries is currently awaiting ratification by Government. At present we cannot form a combined Authority with Thurrock alone; however this is expected to change before the Autumn 2015.

6.4 People Implications

- 6.4.1 There are no people implications as a result of this report.

6.5 Property Implications

- 6.5.1 There are no property implications as a result of this report.

6.6 Consultation

6.6.1 There are no consultation implications as a result of this report.

6.7 Equalities and Diversity Implications

6.7.1 There are no equality and diversity implications as a result of this report.

6.8 Risk Assessment

6.8.1 There are no risk assessment implications as part of this report.

6.9 Value for Money

6.9.1 There are no value for money implications as a result of this report.

6.10 Community Safety Implications

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

6.11 Environmental Impact

6.11.1 There are no environmental impact implications as a result of this report.

7. Background Papers

7.1 Thames Gateway South Essex Partnership Update Report (December 2014 Cabinet).

7.2 Combined Authority/Economic Prosperity Board Consultation Report. (January 2015 Cabinet)

7.3 City Deal Update Report (Executive Briefing February 2015).

7.4 South East Local Partnership Delivery Review Report (Cabinet March 2015)

8. Appendices

8.1 None.