

Southend-on-Sea Borough Council

Agenda
Item No.

Report of the Chief Executive
To
Cabinet

On
15 June 2021

Report prepared by: Sarah Brown, Policy Advisor

Association of South Essex Local Authorities (ASELA) - update

Relevant Scrutiny Committee(s): Policy and Resources;
Cabinet Member: Councillor Ian Gilbert
Part 1 (Public Agenda Item)

1. Purpose of Report and desired outcomes

- 1.1 To provide an update on developments in relation to ASELA and to formally agree to become a member of a joint committee of constituent members to oversee ASELA and provide enhanced transparency and accountability in the new delivery stage of its work programme.

2. Recommendations

- 2.1 **That the Cabinet note the updates provided in this report.**
- 2.2 **To formally agree to become a member of the Association of South Essex Local Authorities (ASELA) Joint Committee in accordance with Section 101 of the Local Government Act 1972, to oversee ASELA and provide enhanced transparency and accountability in the new delivery stage of its work programmes.**
- 2.3 **To approve the governance arrangements of the joint committee as set out in Appendix 1 and the related Joint Committee Agreement and Terms of Reference.**
- 2.4 **That the Leader of the Council is appointed to represent the Council on the Joint Committee.**
- 2.5 **That the Council appoints a deputy representative to substitute for the Leader, in line with the Part 7 of the Constitution.**

3. Background

- 3.1 On 22 July 2020, Cabinet, considered a report from ASELA that provided an update on progressing the economic agenda for the South Essex region. At that meeting Cabinet agreed to fully support a collaboration with South Essex Authorities to deliver regeneration across south Essex. It also agreed that the Council should:
- 3.1.1 *Discuss with Government and the Districts/Boroughs of Basildon, Brentwood, Castle Point, Rochford and Thurrock, the formulation for South Essex of a joint arrangement to deal with a defined number of cross boundary and strategic*

matters. Such arrangement to be made up of elected members of the constituent local authorities, supported as appropriate by representatives of the local LEP and other relevant stakeholders, under terms of reference to be agreed by those local authorities;

- 3.2 The minute of that meeting was called in to a meeting of the Policy & Resources Scrutiny Committee and referred to a special full Council on 30 July 2020, which noted the minute and agreed not to refer the matter back to Cabinet for reconsideration.
- 3.3 Since the Council meeting, briefings for all councillors were held in relation to the then anticipated Devolution White Paper and ASELA and the information provided made available to all councillors. In addition, the ASELA/Local Government Reform Working Party was formally constituted and has met on 2 September (informally), 28 October and 11 February to receive updates on ASELA and Local Government Reform.
- 3.4 The working party was informed that the Government has said that the Devolution White Paper will be produced 'in due course', and it will have a focus more on recovery than devolution.
- 3.5 ASELA Leaders have scoped the terms of reference of a new joint committee outlining the main features and how it would operate in practice. An outline proposal was agreed on 21 January 2021 and has been developed to share amongst prospective Councils.
- 3.6 On 10th February 2021, Thurrock Council Cabinet approved the establishment of a joint committee, as set out in **Appendix 1** Terms of Reference, to oversee ASELA.
- 3.7 The remaining local authority partners are expected to put decisions to their respective Council meetings in the 2021 new municipal year.
- 3.8 The ASELA/Local Government Reform Working Party also met on 7 June 2021, to consider this report and was content for the report to proceed (See minutes of the meeting elsewhere on the agenda).

4.0 ASELA Update

4.1 ASELA ambition

- 4.1.2 ASELA is a partnership of neighbouring councils that have come together to deliver growth and prosperity in the region. The local authority partners are Basildon, Brentwood, Castle Point, Rochford, Southend-on-Sea, Thurrock, and Essex County Council.
- 4.1.3 ASELA has spent the past three years looking at how working together across local government boundaries will help deliver improved infrastructure and economic growth. ASELA aims to support the south Essex region to be a UK leader in economic recovery, and drive sustained economic growth and prosperity within its communities. There is a bold and ambitious plan to create greater prosperity and quality of life for all its residents and for the benefit of the UK. Part of this plan will be to ensure its businesses and residents recover from the COVID-19 pandemic, improve the economy locally and nationally as well as deliver the housing targets set by government.

- 4.1.4 On 31 July 2020, ASELA submitted a [Growth and Recovery Prospectus](#) to central government. The ambition outlines ten delivery programmes across five key themes (Economy, Transport & Connectivity, Infrastructure & Housing, Climate & Environment, and Vibrant Communities) and will see south Essex contribute an additional £15 billion to the UK economy and create 100,000 new jobs by 2050.
- 4.1.5 These programmes will directly and indirectly benefit Southend and its residents. Specifically, in Southend, the programme has the potential to deliver:
- a. An uplift in economic value of £2.368bn per annum by 2050 (from £2.852bn to £5.220bn).
 - b. Increase the number of jobs from 76,700 to 100,600 – 23,900 new jobs.
 - c. Improve productivity per job from £37,200 to £51,800 - £14,600 per job.
 - d. 3,690 homes which already have planning permission but may otherwise be stalled (to contribute to the government’s housing need target of 23.5k homes).
 - e. The ambitions outlined in the South Essex Connectivity Strategy, and, to enable the ability to collaborate and deliver on Southend’s future road infrastructure needs (which, in part, sit outside of the borough).
- 4.1.6 On 11 February 2021, the ASELA/Local Government Reform Working Party received an update on the achievements to date and planned work of the delivery programmes, including confirmed capacity funding from Homes England, with a summit meeting having taken place with Small Medium Sized Enterprises on the infrastructure and housing programme, an award-winning blue and green infrastructure design for the South Essex Estuary Park, and a specialist team being appointed to develop a feasibility study for the New Generation University.

5. Anchor Programmes

- 5.1 In 2021, ASELA will enhance focus on delivery of five ‘anchor programmes’:
1. Superfast Digital
 2. Thames Freeport
 3. Technical University
 4. South Essex Estuary (SEE) Park
 5. Infrastructure and Housing

The latest position (as at 3 June) on these is outlined below.

- **Superfast Digital** – the principal objective of this programme is to provide gigabit connectivity to every household and premises by 2025. The Local Full Fibre Network project which is funded by DCMS delivers fibre to public sector facilities (including fire, GPs and health care) remains on track and on budget to achieve delivery to over 150 sites by the end of the month. Plans are now being developed to join all the fibre together to create a single public service network. This activity is attracting significant private sector investment and up to £100m has now been committed to South Essex by Openreach, Virgin and CityFibre collectively. The next phase of this programme will be to establish a private sector led board and start to develop the digital solutions that will be at the heart of the Thames Freeport, the Technical University and the South Essex Estuary Park;
- **Thames Freeport** – the Government announced in the Chancellor’s March Budget, that the Thames Freeport was one of eight successful bids. The Freeport

is private sector led (DP World, Forth Ports, and Ford) and covers the geography of the local authorities of Thurrock, LB Havering LB Barking and Dagenham. Thurrock Council are the lead local authority and the accountable body for public sector investment. Since March the Government have agreed the interim governance arrangements and approved initial capacity funding of £300k. Work on an Outline Business Case is now underway and the target is to submit to Government by 31st July. Simultaneously work is in train to establish Tax and Custom sites within the Freeport area. These bring significant financial incentives to the private sector partners and the potential for business rate retention for the designated areas. The initial feasibility study identified substantial economic benefits including over 25,000 new jobs and over £5bn of inward investment. In addition, the priority policy objective is to use the Freeport as a catalyst for regeneration and levelling up deprived communities. These benefits and policy areas will be tested and expanded as part of the business case development over the following weeks;

- **Technical University** – in March Leaders approved the feasibility study for a technical university. The intention is to create degree apprenticeships with local employers, providing opportunities for local people, leading to high skill local jobs. This is a business led venture, with a number of the leading businesses in the area identifying requirements for both young people and reskilling of existing employees. A Partnership Board has now been established, which includes senior representation from DP World, Leonardos, Olympus, Nat West Bank, Ford, and Southend Airport. Higher Education providers are also represented through Anglian Ruskin Univesity, University of Essex and the University of East Anglia. The programme will reach into the school system to encourage students from communities that wouldn't historically have considered higher skills as attainable. The next steps that are now underway include the procurement of a Higher Education provider for the first tranche of degree apprenticeship courses, starting in September 2023, and the development of the full business case by November 2021.
- **South Essex Estuary Park (SEE Park)** – This flagship programme aims to provide an extraordinary parkland setting that encompasses all of South Essex, bringing environmental, social, and economic value to the region. It will cover 1/3 of South Essex at 23,000ha (in line with government's aim of protecting 30% of England's countryside by 2030) and will comprise five large-scale landscapes, selected because of their capacity to perform multiple functions, while offering many benefits. ASELA leaders gave support for pressing ahead with building the case for investment in the SEE Park and for working up more detailed proposals to deliver a pathfinder implementation project across the Central Thames Marshlands. Since then work has been underway to design an implementation approach around creating early successes; building momentum and confidence with local residents and investors alike. Initial activity over the next 12-24 months will be focussed around four workstreams:
 - Launching the SEEPark - with a distinctive branding, establishing a marketing & comms plan with web/social media presence; and creating options for a future operating model;
 - Development of a Landscape framework plan - and design guide to ensure future development work across the 5 constituent landscapes reflects the GBI Strategy and objectives;

- Delivery of the Central Thames Pathfinder - as a 'demonstrator' project with a series of wave1 implementation deliverables within an initial 18-month period;
- Creating a Green Finance Strategy – looking to access Government grant / capacity funding in the short-term and to build a long-term green investment model to attract private sector infrastructure funding.

A case for investment has been developed and it describes the work and resource envelope (c.£7.5m) that will be needed to get the SEE Park up and running and to deliver the Central Thames Marshlands pathfinder. The majority of funding for this will need to be sourced from outside of direct investments from ASELA Local Authorities; through a combination of, related strategic programmes such as Lower Thames Crossing (LTC) and Thames Free Port (TFP), Government capacity funding and private sector green financing models. This is the main area of focus over the coming months;

- **Infrastructure and Housing** – the focus of this programme is the provision of infrastructure and homes that are needed to support the economy and meet existing housing needs. Over the last 12 months a detailed pipeline of housing schemes has been developed with a specific focus on schemes that are stalled because of issues of viability. By working together across all South Essex Local Authorities, the area has been able to create a compelling case for a trail blazing strategic place based partnership with Homes England. Now agreed in principle, by the Homes England Executive Board, it will be just one of two such partnerships in the country. A Memorandum of Understanding is being prepared for Leaders consideration, along with a joint Business Plan. The intention is that these will be agreed by Leaders before the 31st July and formally launched in September 2021. Homes England remain committed to provide capacity funding for this programme for 2021/22 and the outputs of the joint work on the Business Plan will also feed into the Spending Review in the Autumn. In addition to this activity, progress is also being made through joint working with regional housing associations, through a new initiative to create greater opportunities for small and medium sized builders.

5.2 These programmes combine to provide strategic place shaping and delivery on a regional scale that is not possible by any organisation or agency acting alone or in sub partnerships. There is now a clear requirement for governance arrangements to oversee these programmes, to provide transparency over decision making, to demonstrate to investors that South Essex is "investor ready", and provide the accountability arrangements for investment received. South Essex Leaders have agreed that the most appropriate form of governance in this respect would be a Joint Committee.

6. An ASELA Joint Committee

6.1 What is a Joint Committee?

6.1.1 At the ASELA Leaders meeting on 10 December 2020, it was agreed that work would be undertaken to seek approval from ASELA Councils to move towards a joint committee arrangement. **Appendix 1** is a paper agreed by ASLEA Leaders on 21 January 2021, to be considered by all ASELA councils. The paper recommends a joint committee model in order to provide appropriate overview, scrutiny and co-opted membership and allow ASELA to deliver its ambitious growth programme.

- 6.1.2 A joint committee formalises the business of an Association and would be established in accordance with Section 101 of the Local Government Act 1972. Joint committees set the strategic and policy direction as well as commission and co-ordinate the delivery of projects and programmes.
- 6.1.3 Joint committees have been established between local authorities for various purposes, including:
- To provide a forum for local authorities to collaborate on and co-ordinate plans affecting a particular area/region.
 - To direct shared services arrangements, whether for front line functions, such as waste collection and disposal, or back office services, such as finance, HR and IT services, including joint procurement.
 - To manage parks extending across local authority boundaries, crematoria, and museums and other cultural or recreational attractions.
- 6.1.4 Joint committees are a common and favoured feature amongst councils because they provide a transparent and accountable means to achieving combined goals whilst ensuring the individual sovereignty of each body remains. Joint committees do not become involved in the daily business of councils outside of the purposes for which it was established. There would, therefore, be **no transfer of powers currently held by any constituent authority to the joint committee**. It would also mean that no decision could be taken by the joint committee which relates to any matter that is in the preserve of a specific constituent authority, unless that authority indicates its agreement with the proposal.
- 6.1.5 An example of a joint committee is the South Essex Parking Partnership Joint Committee which was formed by the collaboration of seven councils in Essex and manages the South Essex Parking Partnership. A further example is The Five Councils Partnership Corporate Services Joint Committee which is a partnership between Mendip District Council, South Oxfordshire DC, Vale of Horse DC, Hart DC and Havant Borough Council. The joint committee enables all five councils to share services relating to Revenues & Benefits, Local Land Charges, Customer Services, IT and Procurement.

6.2 Why is a Joint Committee right for ASELA?

- 6.2.1 The current governance arrangement is based upon a collaborative Memorandum of Understanding (MOU), agreed by all Councils in January 2018, which recognised that decision making and accountability arrangements for ASELA would need to be regularly reviewed to ensure it remained fit for purpose.
- 6.2.2 In response to progress of the programme of work into the delivery stage, it is now an appropriate time to review the current arrangement. With the imminent requirement to manage large sums of government and private sector investment, there is a pressing need not only to demonstrate increased confidence in financial management but also to validate a combined commitment to the governance and operational delivery of the programme. A more formal, accountable, and transparent governance arrangement would also support:
- enhanced openness and accountability to constituent authorities;

- providing greater local control over direct investment and related financial considerations e.g. section 106 planning agreements between councils and developers;
- a signal to private investors, especially long term investors, that ASELA is capable and committed; and
- a signal to government departments and investors that ASELA is financially sustainable, and a trusted and reliable delivery partner.

- 6.2.3 In addition to oversight of the growth delivery programme a joint committee provides:
- Management and oversight of expenditure and activity associated with funding received from Government and other sources.
 - Agree the level of financial contributions to be sought from each local authority to support the work of ASELA.
 - Ensure effective relationships and collaboration as necessary to achieve ASELA's vision, with central Government and other regional and national bodies including the South East Local Enterprise Partnership.

6.3 Practicalities of the ASELA Joint Committee

The proposal for an ASELA Joint Committee would include the following features:

- Eight members and co-opted members are anticipated: Basildon; Brentwood; Castle Point; Essex County Council; Rochford; Southend, Thurrock; and The Federated Board of the Local Enterprise Partnership.
- Each Council will appoint a member.
- A Chair and Vice-Chair will be appointed.
- Matters will be decided through voting (co-opted members can speak but not vote) and decisions reached through majority.
- No decision can be taken by the Joint Committee which relates to any matter that is in the preserve of a specific constituent authority unless that authority indicates its agreement with the proposal. Thereby maintaining the principle of subsidiarity.
- One authority will act as an 'accountable body' in relation to the functions and resources of ASELA shall be agreed by the Joint Committee.
- A local authority will be designated to provide secretariat to the joint committee (Southend BC currently fulfils this role).
- It is the advice of Monitoring Officers for scrutiny to take place at each existing partner councils' Overview & Scrutiny process as the most efficient and effective arrangement at the present time. For Southend BC this would involve Policy & Resources Scrutiny Committee and the ASELA Working Party. However, arrangements should be kept under review.

7. Other Options

- 7.1 Do nothing – this option is not recommended. Continuing with the existing informal arrangements does not support ASELA's ability to secure large scale investment from Government and the private sector. Nor does it provide transparency of decision making or accountability for delivery.
- 7.2 If a Council determines that it does not want to join the joint committee, it is proposed that it can become a co-opted member. Councils that are co-opted members of the Committee will be able to speak on all matters in front of the Committee but will not have a vote. If a Council is not a member of a joint committee it will have not agreed to

jointly discharge their functions with the other members of the committee and in essence the Joint Committee would not cover that Council area.

- 7.3 The recommendation, therefore, is that each ASELA Council should use its powers and agree to become members of the joint committee. It is, therefore, incumbent upon the council to develop proposals that provide the best possible outcome for Southend's residents while satisfying Government requirements.

8. Reasons for Recommendations

- 8.1 To provide ASELA with the governance arrangements required to enable delivery of the Growth and Recovery Prospectus and ten delivery programmes and for Southend and its residents to be a direct and indirect beneficiary of the work.

9. Corporate Implications

9.1 Contribution to the Southend 2050 ambition, outcomes and road map and Transforming Together

The ASELA delivery work programme refers to the economic agenda for the South Essex region, how it can deliver new jobs, new transport infrastructure, new homes, and the future governance arrangements to deliver better outcomes for its existing, and new, residents and businesses. These all contribute in a significant way to various aspects of the Southend 2050 Road Map, particularly the objectives in Opportunity & Prosperity and Connected & Smart. As mentioned in section 4.1.5 there are specific benefits to Southend and its residents of the ASELA programme.

9.2 Financial and value for money implications

Resources for specialist advice will be obtained from within existing budgets. Neighbouring councils are also expected to make a financial commitment to this work.

9.3 Legal Implications –

Section 101 of the Local Government Act 1972 will be enacted in order to establish a Joint Committee. A draft constitution has been set out in Appendix 1 that recognises each Council's sovereign entity.

9.4 Equalities and diversity Implications – None specific at this time

9.5 Other corporate implications – - None at this time

People
Property
Empowerment, Co-design/production and Consultation
Risk
Community Safety
Green City/Environment/Climate Change
Data Protection
ICT
Health
Health & Safety

10. Background Papers –

- ASELA Growth & Recovery Prospectus – July 2020
- ASELA Memorandum of Understanding – January 2018
- ASELA report to Cabinet July 2020
- ASELA report on examples of governance models, January 2021

11. Appendices

- Appendix 1 – Report from the Association of South Essex Local Authorities (ASELA)
Good Governance and Accountability – Proposals for Establishment of a Formal Joint
Committee

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