

Agenda Item No: **Report No:**

Report Title: **Greater Brighton City Deal**

Report To: **Cabinet** **Date:** **13 February 2014**

Cabinet Members: **Cllr James Page and Cllr Rob Blackman**

Ward(s) Affected: **All**

Report By: **Nazeya Hussain, Director of Business, Strategy & Development**

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Purpose of Report:

Following endorsement by Cabinet on 30 September 2013, this report provides an update on progress of the City Deal submission, sets out Governance arrangements and the decision making structure. The report seeks Cabinet's recommendation to Council for the establishment of the Greater Brighton Economic Board (GBEB) and its arrangements.

The GBEB will comprise both the Greater Brighton Economic Joint Committee, (GBEJC), on which local authorities will be represented, and the Greater Brighton Business Partnership, on which the Coast to Capital Local Enterprise Partnership, (GBBP), business and education sectors will be represented.

Each local authority member is seeking equivalent approvals from their decision-making bodies, to enable the GBEB to be formally launched in April 2014.

Recommendation(s):

1. To recommend that Council agrees the establishment on 01 April 2014 of the Greater Brighton Economic Board ('the Board') constituted in accordance with the Heads of Terms specified in Appendix 1.
2. That Council be asked to note that establishment of the Board is dependent on all the bodies represented on the Board agreeing that it be established.
3. To recommend that Council agrees the appointment of the Greater Brighton Economic Joint Committee ('the Joint Committee') as an integral part of the Board.
4. That Council be asked to note that appointment of the Joint Committee is dependent on all the local authorities represented on the Board agreeing that it be appointed.

5. That Cabinet notes and agrees that the recommendations above replace and add to the recommendations made at the meeting on 30 September 2013, on the basis that the project is now further advanced.
6. To recommend to Council::
 - a. That Council grants delegated authority to the Chief Executive and the Director of Corporate Resources to take all measures necessary for or incidental to (i) the implementation of recommendations (1) and (3) above, and (ii) the on-going management and administration of the Board; and
 - b. That Council agrees the proposals in paragraph 2.17 of this report in respect of Lewes District Council's right to call in a decision of the Board in accordance with the Board's Call-in Protocol. (The Board's Call-in Protocol is set out in Appendix 3)
7. That Council be asked to note that the recommendations in paragraph 6 above are subject to all Board members agreeing the establishment of the Board, and subject to the relevant Board members agreeing the appointment of the Joint Committee.
8. That Council instruct the Director of Corporate Resources to amend the Council's Constitution to give effect to recommendation 6.b.
9. Subject to the Council agreeing to 1 – 8 above its is agreed to contribute £5,280 pa towards the administration cost incurred by the lead authority, (total cost £70,000 pa).
10. The Council be asked to appoint the Leader of the Council, for the time being, to be its representative on the GBEB.

1. Reasons for Recommendations

- 1.1 In October 2012, Government announced Wave Two of its City Deal programme and invited Brighton & Hove City Council to participate. The council, in collaboration with its Greater Brighton City Region partners ,(including Adur and Worthing Councils, Universities, the Coast to Capital LEP, County Councils, and the private sector) subsequently developed and submitted an expression of interest on 15 January 2013. This was successful and enabled the City Region to progress to the next stage of the negotiation process
- 1.2 Throughout 2013, partners from across the City Region have been developing the Greater Brighton City Deal proposals, specifying the 'asks' of and 'commitments' to Government. The proposals, which are focused on creating jobs and increasing productivity by unlocking sites and space and by setting the right conditions for the City Region's businesses to grow, were presented to Greg Clark MP on 05 November 2013. It is anticipated that a City Deal be agreed with Government early in 2014. Full details of the Greater Brighton City Deal proposals can be found in Appendix 2.

2. Information

Opportunities for Lewes District from City Deal.

- 2.1 The primary economic challenge that has been identified is addressing low productivity. The Negotiation document sets out an aim to address this by *creating “greater ambition in our high value micro-businesses, so that they can attract investment and be retained in the City Region as successful larger businesses.”*
- 2.2 The main policy aim to achieve this is to develop a network of Growth Hubs, linked to local university strengths and our core natural and human capital assets. These Growth Hubs will be underpinned by a targeted approach to innovation and skills support, linked directly to business needs within the Growth Hubs.
- 2.3 Newhaven has been identified as a Growth Hub for the CleanTech sector, building on its existing and emerging strengths, linked to the University Technology College and E-ONs base for the Rampion Off Shore Windfarm, for example. A key element of this is to seek greater certainty in flood defence funding to help unlock key sites for development.
- 2.4 There is an opportunity for City Deal to add value to existing work highlighted above. Some of the benefits to Lewes District include:
- **Funding opportunities** - Newhaven is identified as a potential growth hub, this will enhance the opportunity to access funding;
 - **Flood defence** - the Cabinet Office has agreed to ring fence £6.5/7m to deliver flood defences in Newhaven and for works to start in 2015/2016 subject to Coast to Capital and South East LEPs providing £3m gap funding. A request for this amount (£1.5m each), has been submitted to both LEPs accordingly: note, however, that confirmation will not be made until May 2014;
 - **Adding impact** – enabling delivery beyond the capabilities of any one partner to create greater benefits for residents, businesses and communities;
 - **Boosting resources** – attracting funding and unlocking investment that require partnership bids and/or working and having the structures to deliver joint-projects;
 - **Improving accountability** – linking the work done at regional level into a system of democratic accountability, both at a regional and individual local authority level; and
 - **Enhancing authority and influence** – creating a more powerful voice in Government.

Progress since the 30th September Cabinet Report

- 2.5 The project continues to make good progress and to meet the milestones set by Government. Following the 'pitch' to Greg Clark MP on 05 November 2013, negotiations with the relevant Government departments were undertaken and involved:
- (a) The development of a full business case for the New England House refurbishment and expansion proposal, which was submitted to Government on 21 November 2013.
 - (b) The drafting of a delivery plan for the Brighton Digital Exchange, the final version of which was submitted to Government on 01 December 2013. This followed a meeting with DCMS officials on 15 November 2013, to understand and resolve the associated blockages. The plan consequently separates the key elements of the project, to reduce state aid risks and provide more manageable stage boundaries. The high-level timeline anticipates: procurement between January – September 2014; selection of the preferred bidder(s) in October – November 2014, and; implementation from December 2014 – March 2015.
 - (c) A meeting with DEFRA, the EA, the Coast to Capital LEP and relevant City Deal partners on 28 November 2013, to negotiate a deal in relation to flood defences for Newhaven and Shoreham.
- 2.6 On 05 December 2013, the Cabinet Office issued the first draft City Deal agreement for comment. Feedback from partners was compiled and a City Region response sent on 10 December 2013. Concerns regarding the lack of any tangible commitments from Government in relation to flood defence funding for both Newhaven and Shoreham were raised and, as a consequence, the Cabinet Office agreed to the following wording for Newhaven:
- The Environment Agency will ring fence £6.5/7m to deliver flood defences in Newhaven and for works to start in 2015/2016 subject to Coast to Capital and South East LEPs bids for gap funding are successful.*
- 2.7 The total LEP gap funding being sought is £3m (£1.5m each) and request for this amount have been submitted to both LEPs accordingly.
- 2.8 £1.79m of Regional Growth Funding has been secured for the business support element of our proposals, against a bid application of £3m. The fund was over-subscribed by 40%; Lancaster University, the accountable body, received 17 applications from the 20 Wave 2 Cities and not all were successful. A project plan and revised budget must be completed by 20 June 2013 and there is to be a further meeting with BIS, to refine the business signposting element of the proposal. Spending is due to commence in January 2014 and must be complete by June 2015; outcomes can be claimed up to March 2017 (with the majority reported on by March 2015).

- 2.9 The programme will provide a business support menu for pre-start, new, developing and established businesses with potential to create jobs. It will support the City Deal growth centres as they develop by working directly with the businesses and business networks located there and it will target businesses across the City Region and the Coast to Capital LEP that are investing in their own growth leading to new jobs.

Governance

- 2.6 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.
- 2.7 The Greater Brighton City Region's success in accessing funds and freedoms in the future therefore depends on its ability to collaborate across the City Region, to commit assets and resources and develop a clear, shared vision that involves the private sector and that transcends local authority boundaries.
- 2.8 The Greater Brighton Economic Board (GBEB) proposals have been developed with partners from across the City Region, with guidance and steer from the City Deal High Level Project Board that consists of local authority Leaders and Chief Executives and the Chairs of the Coast to Capital Local Enterprise (LEP) and Brighton & Hove Economic Partnership. The proposed Heads of Terms are attached in Appendix One of this report.
- 2.9 As outlined in the 'Purpose of Report' section of this report, the GBEB will comprise 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 LEP, business and the 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.
- 2.10 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.
- 2.11 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.
- 2.12 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 Brighton & Hove City Council, by its Leader and Leader of the Opposition.

- 2.13 Each person representing a member of GBEJC, and each person representing a member of GBBP, will be entitled to vote at their respective meetings. Voting will be by show of hands and voting outcomes reached at those meetings will be on a simple majority of votes cast.
- 2.14 Arrangements for reviewing a decision of the GBEB within a limited timeframe after being taken are set out in the Call-in Protocol specified in Appendix 3 to this report.
- 2.15 Paragraph 1.3 of the Protocol states that Call-in may be triggered by any one or more of the constituent members of the Board, i.e. the bodies represented on the Board, not the individuals who attend in their name. This would give Lewes District Council, as a “constituent member”, the right to request Call-in. It is for each local authority represented on the Board to decide for itself how to exercise this right.
- 2.16 It is recommended that Lewes District Council’s right to request a Call-in of a Board decision is exercised in similar terms to the Council’s own Call-in Procedure Rules, which apply to decisions taken by Cabinet. Under this procedure at least six members of the Council’s Scrutiny Committee must be in favour of calling in the decision in order for the decision to be called-in. The time-scales for call-in and the notification procedures will have to be adapted so that they function in the context of the Board’s Call-in process.
- 2.17 The GBEB will provide quarterly monitoring, communication and performance reports and an annual report to each partner local authority and the Coast to Capital LEP on the delivery of the relevant actions within the shared strategic plan. The work of the Board will also be subject to review by an ad hoc joint local authority scrutiny panel, which will be set up and managed by the lead authority.
- 2.18 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.
- 2.19 It is proposed that the GBEB will have the following responsibilities:
- (a) To make long-term strategic decisions concerning economic development and growth of the Greater Brighton City Region;
 - (b) 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;
 - (c) To establish and administer the Single Pot City Region Investment Fund;
 - (d) To advise on and recommend grant and prudential loan financing from constituent local authorities, to support local physical infrastructure developments;
 - (e) To agree and oversee the delivery of a 10 year strategy for economic growth for the City Region;
 - (f) To develop a City Region Housing Investment Plan;
 - (g) To undertake a joint review of publically owned land and assets and prioritise how some can collectively be best used and managed to support business development and economic growth across the City Region;
 - (h) To pool physical assets, so that they are used to best promote economic growth across the City Region;

- (i) To lead on applications for EU Structural and other funds to support physical infrastructure developments;
- (j) To develop the strategy and lead the delivery of the Single Local Growth Fund for the City Region;
- (k) To recommend and take binding decisions on where to invest dedicated funds for infrastructure/service provision;
- (l) 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
- (m) To establish and oversee the City Region Employment and Skills Group and relevant sub-committees to drive the delivery of specific funds or programmes;
- (n) To establish a City Region Innovation Panel, with UKTI and TSB representatives, to provide strategic direction to our approach to innovation support within the City Region, and;
- (o) 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.

2.20 As part of the City Deal negotiations, the following 'asks' of Government have been made in relation to the GBEB:

- (a) Government departments to recognise, as the Coast to Capital LEP has done, the Board as the strategic investment decision-making body for the City Region. Government departments to work closely with the Board, to agree how national capital funding streams (such as the Regional Growth Fund, HCA Funding, Environment Agency and Green Deal) and EU Structural Funds will be prioritised, devolved or better aligned with local priorities.
- (b) Government departments and agencies will recognise the City Region Employment and Skills Group as the strategic body for employment and skills for the City Region, providing it with timely data and intelligence and to work with it to better plan nationally funded programmes and interventions, so that they link more effectively with local initiatives.

2.21 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.

2.22 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, administrative and business management support. It has been estimated that this will cost approximately £70,000 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 negotiated and will be agreed by the GBEB at its inaugural meeting. For local authorities, it is anticipated that contributions will be apportioned in accordance with the size of their working age populations. For LDC this equates to £5,280 pa.

2.23 It is the intention to establish the GBEB in April 2014.

2.24 It may be that, in the light of experience and operation, some arrangements need change. The Heads of Terms therefore builds into its clauses the principle of review. Any such review will reflect the views of both the Board's members and other partners in the City Region and beyond, as to the effectiveness of its operation. Any variations to the Heads of Terms will require the resolution of the Board and will be subject to the approval of each body represented on the Board.

3 Financial Appraisal

3.1 The principal purpose of the Greater Brighton Economic Board is to bring about sustainable economic development and growth across the Greater Brighton region. To achieve this, the role of the Board is to co-ordinate economic development activities and investment at the regional level. This will entail working to secure funding and investment for the Region and the council will work alongside Board members to achieve this.

3.2 The lead authority is required to provide administrative, financial and legal support to the Board, including Monitoring Officer and Proper Officer functions in relation to GBECJ meetings at a total estimated cost of £70,000 per annum.

3.3 The lead authority for the first year will be Brighton and Hove City Council.

3.4 Board members will be asked to make an annual contribution to the costs incurred by the lead authority. These contributions are yet to be confirmed but are expected to be based upon a reasonable split on the size of each organisation. It should be noted that the total cost includes a contingency to cover unforeseen costs and any unspent funds at the year end will either be carried forward or allocated to project work by the Board. It is estimated that LDC's contribution will be £5,280 pa. This cost can be met from the economic development initiative budget which is reviewed each year and funded from the Council's Reserves.

3.5 The Council's Medium Term Finance Strategy will be affected according to the features of a City Deal scheme. Some impacts will be short term and others long term. Each feature of a City Deal would need to be evaluated at the appropriate time. The overall aim is to attract public and private sector investment that supports business growth and creates employment opportunities. This approach will help maintain a sustainable business rates taxbase within the district.

3.6 Every two years the Board will 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.

4 Legal Implications

4.2 Section 102(1)(b) of the Local Government Act 1972 states that, for the purpose of discharging any of its functions, two or more Local Authorities may appoint a joint Committee of those authorities. The Greater Brighton Economic Committee (GBECJ) will be a joint committee of the authorities mentioned in this report.

4.3 Regulation 2(8) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, as amended, provides that "making appointments under section

102 (appointment of committees) of the 1972 Act is not to be the responsibility of an executive of the authority".

- 4.4 The Council's Legal Services team has been represented on the Working Group responsible for drawing up the Heads of Terms in Appendix 1 and the Board's proposed Call-in Protocol in Appendix 3, and has contributed to the development of these documents.

4 Sustainability Implications

- 5.1 This fits in with Lewes District Council's Regeneration Strategy and membership of Coast to Capital LEP in that the District's economically functional area is connected to Brighton and Hove. If successful this would enhance LDC's economic regeneration work in towns and for rural areas.

6 Risk Management Implications

- 6.1 That the City Deal proposals are not accepted by Government – mitigation measure is to ensure that the work undertaken for City Deal feeds into the SELEP and C2C Strategic Economic Plans and Investment Plans.

7 Equality Screening

- 7.1 The proposal in the report has been screened for impact on equalities and there are no negative effects arising from this work.

Appendices

1. Proposed Heads of Terms for the Greater Brighton Economic Board.
2. Greater Brighton: A Superfused City Region (latest version)
3. Call in Procedure

APPENDIX 1

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
- (vi) West Sussex County Council
- (vii) University of Sussex
- (viii) University of Brighton
- (ix) Further Education Representative (*to be identified*)
- (x) Coast to Capital Local Enterprise Partnership
- (xi) Brighton & Hove Economic Partnership
- (xii) Adur & Worthing Business Partnership
- (xiii) 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 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 Schedule 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.

APPENDIX 2

Greater Brighton City Deal

Executive Summary

The Greater Brighton City Deal will enable the area to fulfil its economic potential, turning it from a mid-ranking economy into one of the highest performing urban economies in the UK. The deal will build on Greater Brighton's economic assets – its skilled workforce, its innovative businesses and its universities – and help the area move on from decades of economic underperformance.

Greater Brighton has made significant progress over the last decade, moving from a traditional coastal economy into a more balanced and technologically advanced economy. However, there is much more work to be done. For every hour worked, Brighton still produces less than the national average, and is far less productive than most other cities in South East England. That is despite Brighton having one of the most highly qualified workforces in England, behind only Cambridge and Oxford among major cities. Greater Brighton's ambition, and the goal of this City Deal, is to continue making progress, and place Greater Brighton among the most prosperous areas in the country, as a Super City Region.

To make this happen, the City Deal will build on some of Greater Brighton's emerging success stories. Brighton's creative-tech cluster has emerged from nothing over the past decade, and now boasts over 1,500 high-value businesses, as many as east London's Tech City. The recently completed *The Brighton Fuse* research highlighted this sector's outstanding performance, and held up Brighton as a new model for developing "superfused" businesses. Alongside this success, Greater Brighton is attracting significant investments from a range of green industries, from offshore renewables to vehicle emissions research, and has the skill base to become a centre for this type of business.

The City Deal's flagship proposal is to renovate and expand New England House, the centrepiece of Brighton's creative-tech cluster, and to label the surrounding area as *Tech City South*. This investment will provide the space, infrastructure and connectivity that Brighton's most exciting businesses need to grow, while nurturing a new wave of entrepreneurs and business models. It will also put Brighton on the map as one of the UK's most important tech clusters, one which operates on an international stage.

The City Deal will also help to spread growth and prosperity beyond the boundaries of Brighton itself, and into other key parts of the City Region. In Newhaven, to the east of Brighton, and Shoreham and Worthing to the west, there is enormous scope for attracting businesses and creating jobs, particularly if these places can be joined together into a connected City Region. This City Deal will realise that potential, by giving places across Greater Brighton the tools they need to work together effectively, and by providing certainty over key infrastructure to unlock private sector investment.

Over its lifetime, this City Deal is expected to deliver:

- 1,300 jobs in the short-term, rising to 8,500 jobs and 361m in annual GVA over the medium-term;

- A £24.5m investment in the flagship New England House, with an extra 7,000m² of floor space for creative-tech businesses
- £173m of investment in the medium term, creating a network of Growth Centres across the City Region
- Unlocks site to deliver up to 2000 new homes over the medium term
- Provide an integrated business support programme across the Greater Brighton and wider Coast to Capital LEP area

Introduction

The Greater Brighton City Deal covers the city of Brighton and Hove, and the districts of Lewes, Adur, Worthing and Mid Sussex. The area is home to 677,000 people, 92% of whom live in urban areas, and it provides 283,000 jobs. The Greater Brighton economy is caught between a traditional coastal economy and a modern, high-tech economy. While it has some high-value industries – particularly its tech sector, creative industries, pharmaceuticals and insurance – more than half of all jobs in the City Region are in tourism, retail and public sector industries, well above the national average. The aim of this City Deal is to promote the growth of Greater Brighton’s high-value industries, starting with its burgeoning creative-tech cluster, and reduce its reliance on lower value industries.

EVIDENCE ON SHAPE OF GREATER BRIGHTON ECONOMY

The Greater Brighton City Region’ has traditionally been heavily dependent on the public sector for its employment. In 2011, more than three out of ten (31%) people working in Greater Brighton were employed in public administration, education or human health & social work activities. Other key employment sectors are generally associated with the visitor economy, including Arts, Recreation & Leisure and Accommodation & Food service, neither of which are particularly high value. In other parts of the City Region, Adur and Worthing have strong engineering, manufacturing and pharmaceutical base, with businesses that export high tech products to an international market. There are opportunities for creating an enterprise hub for a developing technology cluster and there is potential to expand the creative and cultural industries in both Adur and Worthing. Lewes has traditionally benefited from considerable public sector employment, but it also has its own strong cultural and creative industries sector. More recently, investment in Newhaven has started to pay dividends, with investor interest supporting the development of the renewable energy and clean-tech sector. Mid Sussex has weathered the recession well relative to its neighbours and the rest of the South East, and was identified in 2010 as the most resilient local authority area in the region in terms of its ability to withstand economic shocks, such as reductions in public spending¹. Mid Sussex has strengths in financial services in Haywards Heath and engineering in Burgess Hill and has high quality business accommodation that can support the growth of businesses within the city region.

It is a diverse City Region with considerable natural, cultural and human capital assets. The South Downs National Park runs along the north of Lewes, Brighton & Hove, Adur and Worthing and the Sussex coast defines its southern perimeter. These assets have traditionally been viewed in terms of their attractiveness to visitors, but they are increasingly assets to be harnessed to support economic growth in emerging high growth activities, such as Eco-Technology.

The City Region has good north-south transport connections, but its road network can become heavily congested at peak times. All of its main towns², apart from Newhaven and Seaford, have direct rail links to Gatwick International Airport³ and London⁴ and the A27/A23/M23 road network links its towns and provides access northbound to the Airport, London and the M25. It has two major ports: Shoreham is one of the

¹ Experian (2010) ‘Understanding Resilience’.

² Brighton & Hove, Lewes, Worthing, Burgess Hill, East Grinstead, Haywards Heath and Shoreham

³ Journey times range from between xx minutes from Haywards Heath to xxx minutes from Worthing

⁴ Journey times range from between xxx minutes from Haywards Heath and yyy minutes from Worthing

UK's leading ports for exporting cargo around the world, servicing 700-800 ship movements and transporting 1.8m tonnes of cargo each year; and Newhaven, which transports 250,000 passengers and 200,000 tonnes of freight cargo across the English Channel each year.

The city of Brighton & Hove is at the heart of the City Region. Its close proximity to London, attractive coastline, and reputation for entertainment and leisure has traditionally made it a popular place for visitors, attracting 8 million visitors every year, and also for people looking for alternative lifestyles. The high quality of life on offer is reflected in the contentment of city's residents. No other urban area in England has such high Life Satisfaction levels as Brighton & Hove⁵. This has led to something of a conundrum for the City Region: On paper, its human capital assets should translate into a successful and buoyant economy, but this has not traditionally been the case.

The City Region has 29,770⁶ active businesses (1,300 more than in 2006) – and a business density of 69 businesses per 1,000 working age residents. Just under half (44%) of the City Region's working age population live in Brighton & Hove, which also accounts for 42% of its businesses. Business density is highest in Mid Sussex (81 per 1,000 working age residents) and lowest in Worthing (60 per 1,000 residents).

Its human capital assets are also considerable. More than 100,000⁷ of its working age residents hold a degree level qualification. Despite this well qualified resident population, GVA per resident graduate remains relatively low. Greater Brighton need it's business to be of better value and more productive to address to reach it's potential.

The Greater Brighton City Deal proposal has been developed by a strong partnership between the public and private sectors. The deal has been led by the needs of businesses – particularly those from high-value industries – and business and university leaders will play a key role in implementing these proposals. Business and university representatives will make up a majority of members on the Greater Brighton Economic Board, which will oversee the implementation of the City Deal and become the key strategic body for economic development across the City Region in future.

The Greater Brighton City Region is a major part of the Coast to Capital Local Enterprise Partnership, which also covers the whole of West Sussex, the Gatwick Diamond and London Borough of Croydon. The City Region is one of the key drivers of the LEP's economic growth and prosperity and the Coast to Capital LEP has identified it as one of the priority business locations where the greatest density of new jobs will be created. The Greater Brighton Economic Board will be one of five key delivery bodies within the LEP's work on Growth Deals and other economic development work in future. The Coast to Capital LEP is represented on the Greater Brighton Economic Board, and is fully supportive of the City Deal proposals.

⁵ Life Satisfaction Index April 2011-March 2012 ONS

⁶ Business Demography 2011. ONS

⁷ Annual Population Survey (Jan-Dec2012) ONS via NOMIS **Page 19 of 35**

Why do we need the City Deal?

Greater Brighton's primary economic challenge is to raise its productivity to a level which reflects the City Region's economic potential. The City Region has all of the assets to be one of the UK's top performing urban economies – a highly skilled workforce, an innovative business community, two high quality universities – but its contribution to the economy does not yet match these assets. Too many people and too many businesses in Greater Brighton do not fulfil their potential.

Highly qualified workers too often work in low value jobs, and too many exciting businesses do not have the aspiration or the space to grow. This City Deal is about making the most of that untapped potential, and turning Greater Brighton into one of the top performing urban economies in the UK.

To do that, the City Region needs to do three things:

1. To build on the success of Brighton's creative-tech cluster, and help its many small businesses translate their success onto a larger scale;
2. To unlock growth across other areas of the City Region outside Brighton, by giving private sector investors the confidence and space they need to invest;
3. To create effective governance structures for Greater Brighton, so that local authorities, businesses and universities across the City Region can work together in a seamless fashion.

This City Deal is focused on addressing those three issues. It will tackle the shortage of suitable accommodation for businesses in Brighton's tech cluster, and ensure that Brighton's most promising businesses are able to grow in Brighton. It will give confidence to the private sector, by providing key enabling infrastructure and ensuring that the City Region takes the right strategic decisions to promote economic growth. It will ensure that the successful parts of Greater Brighton's economy work together more effectively, and spread their effects across the whole area. The City Deal will cause local partners to work together like never before, and provides the flexibility and investment needed to move Greater Brighton's economy forward.

Without a City Deal, Greater Brighton would continue to underperform against its potential. It would remain within its comfort zone, with small businesses remaining small and the economy remaining reliant on low value industries and the public sector. Local partners would not work together effectively, and would be unable to capitalise on the economic opportunities that come from joining together places with their own strengths and assets.

The Deal

Under this City Deal, Greater Brighton and Government have agreed:

- To renovate and expand New England House, the focal point of Brighton's booming tech cluster, to create the conditions for creative-tech businesses to grow more rapidly, and to put the cluster on the map as *Tech City South*. This project will involve:
 - A £24.53m total investment in New England House, with the private sector contributing £9.8m, Brighton and Hove City Council contributing £9.8m, and Government investing £4.9m;
 - Increasing the usable floor space by 7,090m², to 18,460m² in total, and increasing the employment density from 1 job per 11m² to 1 job per 8m²;
 - Creating 1,300 direct jobs in creative-tech businesses in New England House;
- To provide greater certainty over flood defence funding at Newhaven and Shoreham Harbour and Shoreham Airport, in return for financial contributions to improve the value for money of key flood defence schemes. This agreement will help to secure private sector investment to create major new Growth Centres to the east and west of Brighton, focusing particularly on green industries;
- To enable Brighton and local businesses to create a Digital Exchange in New England House, which will provide faster broadband at lower cost. This will be funded through Brighton's existing allocation from the Super-Connected Cities programme;
- To improve support for businesses across the Coast to Capital LEP, by creating a single, joined-up framework through which businesses can find the support they need, and by plugging gaps in the support landscape;
- To establish a governance structure for the City Region, with local partners working together on investment, skills and innovation, and Government and its agencies collaborating with the City Region at a strategic level.

Key Elements of the City Deal

Tech City South: Renovating and expanding New England House

The City Deal will develop New England House, the centerpiece of Brighton's tech cluster, into an improved and expanded facility for nurturing small creative-tech businesses, and fusing together people with creative and digital skills. This will provide the infrastructure and conditions – flexible space, fast broadband and proximity to the heart of the cluster – that tech businesses need to grow, and it will put Brighton firmly on the map as Tech City South. The investment will create 1,300 direct jobs, and act as a catalyst for the growth of tech businesses across the City Region.

The New England Quarter and New England House

Developing the New England Quarter in the centre of Brighton is the flagship part of this City Deal. The New England Quarter is the heart of the city's tech cluster. It is where the city's creative technology businesses are starting to network and collaborate, attracted by its central location, its close proximity to Brighton's mainline railway station and its affordable and flexible leases.

Located in the heart of this thriving tech cluster, New England House (NEH) is the key growth centre for Brighton's creative-tech sector. New England House is an 11,370m² work space and business incubator owned by Brighton & Hove City Council. It accommodates 96 businesses, mainly from the creative and digital industries, which together employ 1,000 people, and it has a waiting list of 67 companies seeking space at the heart of the cluster.

Although it is uniquely popular with creative-tech start-ups and small businesses, it is no longer in a fit state to support the cluster's growth. The building is ageing; it needs work to reconfigure and renovate it, and requires expansion to provide accommodation for more businesses.

This City Deal will provide a £24.53m investment in New England House, which will see it expanded and upgraded, and will more than double the number of people employed at the site. By expanding the building and making better use of existing space, it will provide space for 2,300 jobs, and meet the significant demand for space among creative-tech businesses. With this investment, New England House will:

- Become a credible and highly visible hub for Greater Brighton's creative-tech businesses, with an innovative private sector-led 'Fusebox' business support programme;
- Provide additional workspace that balances flexible office space to accommodate high-growth start-ups and retains larger CDIT businesses within the City Region; and
- Provide international class digital connections which leading CDIT businesses require to compete and collaborate with firms in any global location.

The investment will be shared between the private sector, Brighton and Hove City Council and Government, on a 40:40:20 basis. Private sector investment of up to £9.8m is being sought, which will bring with it experience of driving growth in tech businesses. Brighton and Hove City Council will also contribute £9.8m, a major investment in the future of Brighton's economy. The Government will contribute the remaining £4.9m to unlock the project.

Case Study – Fusebox and The Brighton Fuse research

Wired Sussex in partnership with Brighton & Hove City Council is creating a new learning and support FuseBox centre for start-ups and existing businesses in the creative and tech sector in New England House. Most business support models are based upon the needs of large companies in stable markets. If you are at the smaller end of the spectrum and operating in a disruptive, digital business environment, then a different set of rules apply. Digital technology has challenged the basis of much conventional business thinking, generating new ideas and re-invigorating old ones. The FuseBox is one of the co-working spaces in the Recreate project. It will: host and provide assistance to start-ups from the creative, digital and tech sector; deliver learning and support to existing creative and digital companies and freelancers; provide venue facilities to creative and digital community groups; and act as an influential knowledge hub for disruptive business thinking.

The recently published **The Brighton Fuse Research** – the result of a major academic research programme – shows how the creative economy is being transformed by new digital technologies. New ‘superfused’ businesses that combine creative, technology and business skills are achieving outstanding levels of growth (14.7%⁸ on average) despite challenging global economic conditions. These businesses collaborate and share new knowledge to pioneer new ways of working and they continually innovate and use their creativity to exploit existing technology, rather than relying on commercialising new-to-the-world technologies.

The Digital Exchange

As well as the expansion of New England House, the City Deal will also create a Digital Exchange in New England House, to provide superfast broadband to small businesses at affordable prices. This Digital Exchange will enable small tech businesses to pool their resources and invest in shared broadband capacity, enabling them to access high speed connectivity at a reduced cost. It will also help Brighton’s tech cluster build a more direct link to London’s Tech City.

The Digital Exchange will be funded by reallocating £635k worth of Brighton’s allocation from the Super-Connected Cities programme. This means there is no extra cost to Government, but the additional flexibility will enable Brighton to deliver its aims more quickly and cost effectively.

Flood defences and wider investment in the City Region

Alongside the flagship investment in New England House, this City Deal will unlock a further £165 million of investment across Greater Brighton in the medium term. This investment will create a network of Growth Centres in key locations across the City Region, which acts as anchors for the growth of high-value businesses. These Growth Centres include:

- A. Clean Tech Growth Centre at Newhaven** – this site will build on E.ON’s proposed investment in the Rampion Offshore Wind Farm and a new Clean Tech and Marine Engineering University Technical College. All sites fully developed will provide 5,000 new net jobs and 177,000 sq. m of employment space, and deliver annual GVA of £196m;
- B. Environmental Technologies Growth Centre at Shoreham** – building on Ricardo UK’s new £10m Vehicle Emissions Research Centre, this site will provide space for 1,740 new jobs at Shoreham Harbour and Shoreham Airport, as well as 1,500 new waterside homes;
- C. Central Research Laboratory at Preston Barracks, Brighton** – backed by a £60m investment by the University of Brighton, this site will create 740 net new jobs in an incubator for businesses linked to university research, delivering additional GVA of £466m over a ten year period ;

⁸ On average, firms in the sample grew 14.7% between 2010 and 2011. The median is still a respectable 3.8%. These figures are very high, considering that GDP in volume terms in the UK increased by 0.7% in the same period.

- D. Bio-Innovation Facility at Falmer, Brighton** – backed by £60m of investment by the University of Sussex, this facility will expand biosciences research in Brighton, and provide space for university-business collaboration in the field;
- E. Longer term Growth Centres** – these include a centre for creative and digital business at the Guildbourne Centre in Worthing, the mixed use Toads Hole Valley development in Brighton, a new Business and Science Park at Burgess Hill, and a City Centre Campus for the University of Brighton at Circus Street in Brighton.

Each of these Growth Centres has attracted considerable backing from the private sector, and will also be pursued by the Greater Brighton Economic Board and Coast to Capital LEP in their future work. They do not need direct investments from the City Deal, but they will benefit greatly from the foundations the City Deal will put in place.

However, one key issue that is holding up the development of these Growth Centres – particularly at Newhaven and Shoreham – is the ongoing uncertainty around flood defences. Both of these sites are adjacent to the coast and to rivers, and face a significant risk of flooding. Although the Environment Agency has developed schemes to alleviate this flood risk, there is significant uncertainty about when the funding for these schemes can be secured. This uncertainty is putting off private sector investment and stalling the growth of these sites.

Through this City Deal, Government and Greater Brighton have agreed an arrangement that will enable local partners to guarantee the start dates for the required flood defence work, in return for local contributions to improve the value for money of the schemes. This agreement will enable private sector investment to be brought forward, and will protect homes and businesses across the City Region, while improving the value for money of the flood defence work.

Innovation and business support

As well as providing the infrastructure and confidence that businesses need to grow, the City Deal will also create more effective support networks for companies across Coast to Capital LEP. The City Region and the LEP will develop a business support programme which brings together all of the business and innovation support available across the LEP, and makes it easier for businesses to access. The programme will also plug key gaps in the support that is available to businesses with potential to grow, and help to nurture high value businesses to grow and take on staff.

The business support programme will draw on existing strengths within the City Region and the LEP, including:

- Three universities: Brighton, Sussex and Chichester;
- The expertise of Chambers of Commerce and business representative organisations across the LEP
- Coast to Capital LEP's Business Navigator service, which already helps businesses find the support they need;
- Innovation centres across the LEP, including Sussex Innovation Centre and Wired Sussex's FuseBox;
- Existing innovation programmes, including the Green Growth Platform and Profitnet; and
- National business and innovation support, including the Technology Strategy Board, UK Trade and Investment, the Manufacturing Advisory Service and Growth Accelerator

One Stop Shop

The business support programme will set up a one-stop-shop service, to be coordinated by the Coast to Capital LEP and building on investment already made into its on-line business support portal, the Business Navigator. This one-stop-shop service will:

- Provide clear signposting to businesses of all of the support – both from the public and private sectors – that is available to them;
- Offer a helpline and a diagnostic service for businesses, so that they can be directed towards the most appropriate support;
- Increase the uptake of local and national business support, in part by referring businesses to the Gov.uk business support website and to key national programmes of support;
- Use existing business networks to better communicate with businesses and ensure that the business support landscape responds to their needs;
- Capture and share data on the needs of businesses and the support they receive.

Bespoke programmes

The business support programme will also introduce a range of bespoke schemes to support businesses, which are designed to respond to the needs of local businesses and plug gaps in what is already available. These schemes include:

- Rolling out a university-led programme to support rapidly growing businesses across the City Region;
- Promoting university research facilities and engaging SMEs to use university services;
- Supporting graduate enterprise for both start up and maturing businesses;
- Extending proven incubator support programmes; and
- Developing a part-time variant of the universities' MBA programmes.

Through the City Deal, Greater Brighton has secured £1.8 million from the Regional Growth Fund to support this activity. This funding is subject to completing due diligence and contracting.

Governance

To ensure that the City Region can implement this City Deal and act as a coherent unit, the City Region will establish an Economic Board comprising 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 LEP, business, and university sectors will be represented. Meetings of the Board comprise concurrent meetings of GBEJC and GBBP.

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. In accordance with section 102(1)(c) of the 1972 Act, GBEJC may appoint one or more sub-committees.

Membership

The Board will initially be chaired by the Leader of Brighton & Hove City Council and the Government is asked to nominate staff from key agencies such as the Homes & Communities Agency, Environment Agency and BIS to act as Observers to the Board and support the delivery of the City Deal. The initial Public Sector partners are:

- | | |
|--------------------------------|-------------------------------|
| • Brighton & Hove City Council | • Mid Sussex District Council |
| • Lewes District Council | • West Sussex County Council |
| • Adur District Council | • Worthing Borough Council |

The Private / Education Sector partners will include:

- | | |
|--------------------------|-----------------------------------|
| • University of Brighton | • Coastal West Sussex Partnership |
|--------------------------|-----------------------------------|

- University of Sussex
- Further Education Representative
- Brighton & Hove Economic Partnership
- Coast to Capital LEP
- Adur & Worthing Business Partnership

The Economic Board will be the investment agency to work in conjunction with the Coast to Capital Local Enterprise Partnership to set and agree City Region growth priorities and negotiate and secure funding from government. The ambition is to develop the partnership into a Combined Authority and the Board will seek the future participation and commitment of the South Downs National Park Authority, as well as continuing an open dialogue with the South East LEP and East Sussex County Council. .

To support the implementation of the City Deal, the City Region will also establish:

- a revolving Single Pot Investment fund and a supporting 10-year Investment plan for infrastructure investments, including flood defence, transport and housing across the City Region
- A City Region Innovation Panel, to oversee, co-ordinate and evaluate activity across the City Region and to act as its main consultative body on innovation for Government departments and other agencies.
- A City Region Skills and Employment Group, to co-ordinate targeted skills and employability interventions and act as the main City Region consultative body on skills for Government departments and other agencies.

Summary of Commitments

New England House

Central Government Commitments	Greater Brighton Commitments
<ul style="list-style-type: none"> • The Government will grant fund 20% of the total reconfiguration and expansion costs (£4.9m) upfront. • The Government will reallocate 20% (£635k) of funds already won by the city for ultrafast broadband to install a digital exchange in New England House. 	<ul style="list-style-type: none"> • Greater Brighton will seek to secure 40% of the total investment (£9.8m) from the private sector, or from other funding sources • Brighton and Hove City Council will invest 40% of the total (£9.8m) • Greater Brighton will share knowledge and intelligence about supporting creative-tech business, based on its <i>Fuse</i> model growth with Government departments and other local authorities • Greater Brighton will ensure that the New England House development is brought forward promptly, and that, as far as is practical, the majority of existing tenants within the building can remain within based in it during the construction period • Greater Brighton will work closely with Government to ensure that the Digital Exchange meets State Aid requirements and delivers within the timeframe required by the Super Connected Cities programme

Flood defences

Central Government Commitments	Greater Brighton Commitments
<ul style="list-style-type: none"> • The Environment Agency will work with Greater Brighton and Coast to Capital LEP to bring forward investment in flood defences schemes at Newhaven and Shoreham at agreed dates, subject to provision of sufficient local funding: <ul style="list-style-type: none"> ○ Once the value for money threshold for funding flood defence schemes in the next financial year has been agreed, Greater Brighton and partners will be able to provide additional funding to close this gap and guarantee delivery of the flood defences in that year ○ This principle will carry over multiple years, so that Greater Brighton can secure delivery of the flood defences once it becomes 	<ul style="list-style-type: none"> • Coast to Capital will include the City Deal growth centres as priority business locations and opportunity areas in its Strategic Economic Plan and Growth Deal, with specific proposals for the early development of Shoreham's Environmental Technologies Growth Centre and Newhaven's Clean Tech Growth Centre. • The City Region will prioritise work with private sector developers to try and bring forward regeneration sites in Newhaven and Shoreham • Lewes District Council will invest £1.2m - £2m towards the costs of developing the University Technology College. • East Sussex County Council has £13m currently allocated from its capital programme to the

<p>possible to meet the funding gap</p> <ul style="list-style-type: none"> ○ The Environment Agency will ring-fence £6.5/7m to deliver flood defences in Newhaven and for works to start in 2015/2016 subject to Coast to Capital and SELEP bids (March 2014) bids for gap funding are successful. • Can we include some specific wording for Shoreham similar the wording above? e.g. The Environment Agency will ring fence £Xm towards Shoreham tidal wall flood defences subject Greater Brighton and partners successfully securing gap funding • The Environment Agency will ring fence £Xm towards Shoreham Western Harbour arm flood defences subject to Greater Brighton and partners successfully securing gap funding 	<p>second phase of the Newhaven Port Access Road.</p> <ul style="list-style-type: none"> • Coast to Capital LEP will bid for £1/1.25m in its Growth bid to deliver flood defences in Newhaven in 2015/2016 • SELEP (Team East Sussex) will bid for £1/.25m in its Growth bid to deliver flood defences in Newhaven in 2015/2016 • The Shoreham Harbour Partnership will seek match funding to its commitment of £1.6m for capital works to support business relocations and land assembly; and £500,000 for staff resources. • West Sussex County Council will commit £400,000 to the Environment Agency Adur Tidal Walls Scheme. The City Region partners will continue to work with landowners and developers to secure private sector investment in flood defences. • The City Region partners working with Shoreham Airport and the Shoreham Harbour Regeneration Partnership will continue to provide on-going governance, project management and promotion of new facilities delivered as a result of City Deal support. • The Greater Brighton City will continue to work in partnership with the HCA to bring forward residential development at Shoreham Harbour and Newhaven as part of the wider regeneration plans for the sites. The HCA continues to recognise Shoreham Harbour and Newhaven as a strategic priority for investment.
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Business support and innovation

Central Government Commitments	Greater Brighton Commitments
<ul style="list-style-type: none"> • Government will provide £1.8 million from the Regional Growth Fund, via a programme bid from Lancaster University, to fund the business support programme • Government will continue to work closely with Greater Brighton and Coast to Capital LEP, helping to co-design their approach and sharing information on what works effectively 	<ul style="list-style-type: none"> • Greater Brighton and Coast to Capital LEP will work with Government to develop a one-stop-shop for businesses, which: <ul style="list-style-type: none"> ○ Provides joined up and accessible support for businesses ○ Works closely with the Technology Strategy Board, UKTI, Growth Accelerator and Manufacturing Advisory Service, and

<ul style="list-style-type: none"> • National agencies, including the Technology Strategy Board, UKTI, Growth Accelerator and the Manufacturing Advisory Service will work closely with Greater Brighton and Coast to Capital LEP to ensure that businesses in the area receive the best possible support 	<p>avoids duplicating national provision</p> <ul style="list-style-type: none"> ○ Captures data on the performance of the programme, and helps Government to evaluate and learn lessons from the programme • Greater Brighton will secure at least £3m of leverage from the private sector, through delivery of the business support programme. • The City Region will become a test-bed for ideas for new approaches to supporting and understanding innovation and growth, including the Technology Strategy Board, the What Works Centre for Local Economic Growth, the Behavioural Insight Unit and NESTA. • The City Region will promote international trade through our Growth Centres, supporting the Coast to Capital LEP’s internationalisation agenda.
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Governance

Central Government Commitments	Greater Brighton Commitments
<ul style="list-style-type: none"> • Government departments to recognise, as the LEP has done, the Economic Board as the strategic investment decision-making body for the City Region. They will work closely with it, to agree how national capital funding streams (such as the Regional Growth Fund, HCA Funding, Environment Agency, and Green Deal) and EU Structural Funds will be prioritised, devolved or better aligned with local priorities. • Government departments and agencies will recognise the City Region Employment and Skills Group as the strategic body for employment and skills for the City Region, providing it with timely data and intelligence and to work with it to better plan nationally funded programmes and interventions, so that they link more effectively with local initiatives 	<ul style="list-style-type: none"> • The Greater Brighton Economic Board will establish a revolving Single Pot Investment fund and a supporting 10-year Investment plan for infrastructure investments, including flood defence, transport and housing. The Board will investigate investment vehicles, such as Local Asset Backed Vehicles (LABV) and Tax Increment Funding (TIF); draw resources from EU and national government; and access grant and prudential loan financing from local authorities, using local authorities’ earmarked reserves and the Growing Places Funding. • The City Region will undertake a joint review of our publicly owned land and assets and prioritise how some can collectively be best used and managed to support business development and economic growth across the City Region.

Appendix 3

Greater Brighton Economic Board: Proposed Call-in Protocol

Call-in

1 Requesting a Call-in

1.1 Call-in is a process via which decisions made by the Greater Brighton Economic Board (GBEB) but not yet implemented can be challenged by GBEB members and referred to an independent 'call-in panel' for consideration.

1.2 Any decision made by the GBEB may be called-in up to five working days from the date of the meeting at which the decision was taken.

1.3 Call-in may triggered by any one or more of the constituent members of the GBEB. Such a request shall be made in writing to the Chief Executive of the lead Local Authority (i.e. the Local Authority responsible for GBEB administration at the time of the call-in request) and shall include the reasons for the request and any alternative decisions proposed.

1.4 A request for call-in may be made by any GBEB member:

- (v) where a local authority voted to agree a recommendation at a GBEJC meeting, but the decision of the Board was against the recommendation;
- (vi) 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;
- (vii) where any Board member considered that the interests of the body they represent had been significantly prejudiced; or
- (viii) where any Board member considered that the Board had made a decision beyond its scope of authority.

1.5 The Chief Executive may refuse to accept a call-in request which in his/her opinion is frivolous, vexatious or defamatory or where no reason for the decision to be called-in is given.

1.6 Should the request be accepted, the Chief Executive will call-in the decision. This shall have the effect of suspending the decision coming into force and the Chief Executive shall inform the relevant decision-makers of the call-in. The Chief Executive shall then call a meeting of the GBEB call-in panel to scrutinise the decision.

1.7 The GBEB call-in panel must meet within seven working days of the Chief Executive accepting the call-in request. Should the call-in committee fail to meet within this period, or meet but not be quorate, then the original decision shall come into force at the expiry of the seven day period.

2 The GBEB Call-in Panel

- 2.1** The GBEB call-in panel shall include members representing each of the constituent members of the GBEB (i.e. both the Greater Brighton Economic Joint Committee and the Greater Brighton Business Partnership).
- 2.2** The GBEB call-in panel could potentially also include co-opted members from other bodies. Any decision on co-option would be made annually by the GBEB.
- 2.3** Each constituent member of the GBEB shall appoint a member to the GBEB call-in panel. No member of the GBEB call-in panel may also be a member or substitute member on the GBEB – GBEB call-in panel members should be independent of the GBEB to the degree that they have not as individuals been involved in the decision that they are being asked to consider as a call-in.
- 2.4** The Chair of the GBEB call-in panel shall be appointed annually by the GBEB.
- 2.5** Appointments to the GBEB call-in panel shall be annual.
- 2.6** Substitution is permitted on to the GBEB call-in panel. However, no substitute member may be or have been a GBEB member or substitute.
- 2.7** The GBEB call-in panel shall make decisions on the basis of a majority vote. If the vote is spilt then the panel Chair shall have a casting vote.
- 2.8** **Quorum.** To be quorate a meeting of the GBEB call-in panel shall require at least one third of members to be in attendance.
- 2.9** For the purposes of call-in no distinction shall be made between representatives from the members of the Greater Brighton Economic Joint Committee and representatives from the members of the Greater Brighton Business Partnership: all members of the call-in panel will vote together.

3 Call-in meetings

- 3.1** The GBEB call-in panel will consider call-in requests at a special call-in meeting. Typically, the call-in panel will hear from:
 - a)** the GBEB member who made the call-in request (where a request has been made by more than one member the Chair of the GBEB call-in panel will decide whether to take representations from all the signatories to the call-in request or to ask the signatories to make a single representation). The member(s) who requested a call-in will explain why they feel the original decision was unsound and will suggest an alternative decision.
 - b)** the GBEB. The GBEB Chair (or another GBEB member or an officer supporting the GBEB at the request of the GBEB Chair) will explain why the original decision was made and will provide any additional information they feel is germane. Where the GBEB Chair is a signatory to the call-in request, then another GBEB member (or officer supporting the GBEB) shall attend the call-in meeting to represent the GBEB. This representative will be chosen by the Chief Executive of the lead authority, after discussion with GBEB members.

c) Other organisations, stakeholders or members of the public may be granted the right to make representations to the call-in panel at the discretion of the GBEB call-in panel Chair. However, in general the intention should be to re-examine the decision originally made not to hold a broader enquiry into the decision in question.

- 3.2** Call-in does not provide for the call-in panel to substitute its own decision for the original GBEB decision, but merely to refer the matter back to the GBEB. The GBEB can only be asked to reconsider any particular decision once.
- 3.3** In essence the call-in panel is simply tasked with deciding whether the decision in question should be referred back to the GBEB to be reconsidered. Therefore the only substantive decision the GBEB call-in panel can make is whether to refer the decision back to the GBEB or to let the original decision stand.
- 3.4** In deciding whether to refer a decision back to the GBEB, the call-in panel shall have regard to:
- Any additional information which may have become available since the original decision was made
 - The implications of any delay in implementing the original decision
 - Whether reconsideration is likely to lead to a different decision
 - The importance of the matter raised and the extent to which it relates to the achievement of the GBEB strategic priorities
 - Whether there is evidence that the decision-making rules in the GBEB constitution have been breached
 - Whether there is evidence that the GBEB consultation processes have not been followed
 - Whether the decision taken is not in accordance with a policy previously agreed by the GBEB
 - Whether there might be an alternative way of dealing with the matter in hand short of referral back to the GBEB
- 3.5** If having scrutinised the decision, the GBEB call-in panel feels that the decision was seriously flawed, it may refer it back to the GBEB for reconsideration, setting out in writing the nature of its concerns.
- 3.6** Implementation of any decision referred back to the GBEB remains suspended until the GBEB has met to reconsider the matter. However, should the GBEB call-in panel choose not to refer the matter back to the GBEB for reconsideration then implementation may begin immediately following the call-in committee meeting.
- 3.7** The GBEB shall reconsider any matter referred back to it by the GBEB call-in panel either at its next scheduled meeting or at a special meeting called for the purpose. Having considered the concerns expressed by the GBEB call-in panel the GBEB is free to make any decision it chooses *including re-affirming its original decision*.

4 Call-in and urgency

- 4.1** The call-in procedure set out above shall not apply where the decision being taken is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the interests of the GBEB or the general public

across the 'Greater Brighton' region. The record of the decision, and notice by which it is made public, shall state if in the opinion of the GBEB the decision is an urgent one and therefore not subject to call-in. This is subject to the agreement of the Chief Executive of the lead authority.

- 4.2** Any decision exempted from call-in for reasons of urgency shall be communicated to the Chair of the GBEB call-in panel by the Chief Executive of the lead authority, together with an explanation as to why the decision has been deemed urgent. The intention is that urgency exceptions are used sparingly and only where there is an overriding reason to do so.

