

Cheltenham Borough Council
Cabinet – 18th March, 2014 (updated)
Council – 31st March, 2014

Process for approval of Gloucestershire Strategic Economic Plan

Accountable member	Councillor Steve Jordan – Leader of Council
Accountable officer	Andrew North - Chief Executive
Ward(s) affected	All
Key Decision	No
Executive summary	<p>This paper is an amended version of the report that went to Cabinet on 18th March, 2014. It now incorporates the information contained in the supplemental paper tabled at that meeting.</p> <p>The Gloucestershire Local Economic Partnership (GFirstLEP) is currently developing a Strategic Economic Plan (SEP) to support a bid for Growth Plan funding to the Government in March 2014. The Council, together with all the other local authorities in Gloucestershire, is a key partner in the plan development and bid process. The Council will be required to work with others to support the delivery of the SEP once it is approved and funded by Government. The SEP is in line with both the Council's policy framework and its broader economic development aims.</p> <p>The Council's support for the SEP will require further decisions in respect of governance arrangements and potential financial support. Reports on these matters will be brought to future meetings.</p> <p>The short timescales involved in the production of the SEP mean that it will be necessary for the Leader of the Council to sign it off in consultation with other appropriate lead Cabinet Members and Group Leaders.</p>
Recommendations	<p>Cabinet is recommended to:-</p> <ol style="list-style-type: none"> 1. Note that the Leader of the Council, intends to consult with the Cabinet members for Built Environment and Finance and Group Leaders, to sign off the Gloucestershire Strategic Economic Plan, subject to: <ol style="list-style-type: none"> a) its proposals remaining within the Council's policy framework; and b) no resource support being required which is in excess of existing approved budgets; 2. Agree to the establishment of the Gloucestershire Economic Growth Joint Committee (GEGJC) in accordance with ss 101(5), 102 Local Government Act 1972 and under Part1A Chapter 2

Section 9EB of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012.

- 3. Delegate authority to the Chief Executive in consultation with the Leader to finalise and complete the Inter Authority Agreement (including the Constitution) and other documentation on terms to be approved by the Borough Solicitor and to take all necessary steps to create the GEGJC;**
- 4. Agree that the above recommendations will not be effective until equivalent resolutions have been passed by all the Gloucestershire Councils; and**

Upon the establishment of the GEGJC:

- 5. Authorise the delegation to the GEGJC of this Council's functions as described in detail in paragraph 4.3 of this report but subject to the protocols as set out in paragraph 4.4.1 of this report;**
- 6. Agree that the Leader be the Authority's representative on the GEGJC and that he appoints a substitute.**

THAT COUNCIL resolves:

To **Note and Consider** the proposal to establish the Gloucestershire Economic Growth Joint Committee.

Financial implications	None relating directly to this report. Further economic growth has the potential to increase business rates yield, which the council may directly benefit from as a result of the new regime for local retention of business rates. Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123
Legal implications	None arising from the recommendations in this report. Advice in respect of the governance arrangements will be included in the future report proposed (see Governance paragraph contained in this revised report). Contact officer: Shirin Wotherspoon, shirin.wotherspoon@teWKesbury.gov.uk, 01684 272017
HR implications (including learning and organisational development)	Officer time in supporting the SEP development and associated governance arrangements. Contact officer: Richard Hall Richard.Hall@cheltenham.gcsx.gov.uk, 01594 812634

Key risks	<p>If the Council does not sign off the SEP and/or work in partnership to ensure its success, the Borough and wider county area may miss out on funding opportunities to support economic growth.</p> <p>The SEP should not be in conflict with the Joint Core Strategy as, should that be the case, the process of both plans could be threatened. Officers are working with GFirst and our JCS partners to ensure that both plans are complementary.</p> <p>If the Council does not sign off the final SEP in March 2014, then the whole Gloucestershire growth deal bid will not be unanimously supported and will be seriously compromised. This will raise significant reputational risks for the Council and the county's approach to partnership working.</p>
Corporate and community plan Implications	<p>The SEP will be the overarching economic strategy for the county and will have strong links to Cheltenham corporate plan aspirations, including in particular two of the identified community objectives of:</p> <ol style="list-style-type: none"> 1. strengthening our economy; and 2. strengthening our communities
Environmental and climate change implications	<p>None relating directly to the recommendations in this report.</p>
Property/Asset Implications	<p>None.</p> <p>Contact officer: David Roberts david.roberts@cheltenham.gov.uk 01242 264151</p>

1. Background

- 1.1 The government requires Local Enterprise Partnerships (LEP's) to prepare a Strategic Economic Plan (SEP) for its area which sets out the proposals to deliver economic growth exceeding that which would be delivered through existing plans. The SEP will form the basis of a bid to Government for funding under the 'Local Growth Deals' programme. The government expects that the SEP will be supported by strong and effective partnerships between the LEP and local authorities. The SEP should include a single vision and priorities to deliver economic growth which are shared by all partners.
- 1.2 In December 2013, a first draft of the Gloucestershire SEP was required to be submitted by the Gloucestershire LEP (GFirstLEP), to Government for comment.
- 1.3 Work has been commissioned by Leadership Gloucestershire to develop the necessary Governance arrangements to provide a strong, collective and binding partnership to coordinate the local authority support for the delivery of the SEP. This work is well under way and is being led by Tewkesbury Borough Council.

2. Reasons for the recommendations

- 2.1 The approach of the Leader signing off the SEP will allow this to take place within the required timescale.

3. The current position

- 3.1 During January and February, GFirstLEP received feedback in respect of the December draft of the SEP from Ministers and civil servants. This has been generally positive and constructive. The overall thrust set out in the SEP December draft was welcomed and the comments received related mainly to layout, clarity, supporting information and information in respect of the local authority contribution to the delivery of the plan.
- 3.2 The GFirstLEP has been advised by government that the substantive content of the December draft of the SEP, i.e. the principal proposals, should not be changed in the final draft, which is due to be submitted in March 2014. Work is underway to complete the SEP. However, the next draft will not be available until 16 March and furthermore, it is likely that further drafts will follow dating up to the final submission deadline at the end of that month.
- 3.3 Work is underway to develop the local authority contribution in support of the delivery of the SEP. This contribution will include partnership working and could also include contributions delivered through housing or economic provision. It is considered likely that in time, financial contributions will be required and officers from all Councils in Gloucestershire are working to develop options for consideration. However, although financial support for the SEP may be needed at some point, in the view of officers, resource contributions beyond the existing budget allocations need not be considered at this time.

4. Governance

- 4.1 The following is in place of the original paragraph 3.4 relating to governance.

The GEGJC would be established under Section 101 and 102 of the Local Government Act 1972, section 20 of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000.

- 4.2 It is proposed that the GEGJC will comprise of 1 Member from each council.

4.3 The specific functions proposed for the GEGJC are as follows:

- Each Council empowers the Joint Committee to discharge on their behalf the power to do anything it considers likely to achieve the promotion or improvement of the economic well-being of the area of Gloucestershire together with such additional functions as the respective constituent Councils may determine from time to time.
- To facilitate and enable collaboration between the local authorities on economic development and associated activities.
- In conjunction with the GFirst LEP Board, to formulate and agree the GFirst LEP Plan (and Implementation Plans), the GFirst LEP EU Structural and Investment Fund Strategy, the Gloucestershire Strategic Economic Plan and other plans and strategies related to economic growth , and to work jointly to ensure their delivery.
- To lobby and carry out other activities that help achieve the promotion or improvement of the economic well- being of the area of Gloucestershire.
- To promote the vision contained in the Gloucestershire Strategic Economic Plan and to make recommendations to the GFirst LEP Board on any matter relating to the economic well- being of Gloucestershire.
- To have insight and the opportunity to review the GFirst LEP Board's activities and consider any further measures necessary to strengthen the relationship with the GFirst LEP Board.
- To seek the allocation of resources to achieve the promotion or improvement of the economic well- being of the area of Gloucestershire.
- To ensure a co-ordinated approach to and liaise with the:-
 - Local Transport Board
 - County Strategic Planning and Infrastructure Group
 - LEP Investment Panel
 - EU Structural and Investment Fund Board
 - Business Rates Pool Arrangements

and other relevant Groups/Boards as the respective constituent Councils may determine from time to time.

- To provide political and democratic accountability by:
 - Monitoring the delivery of each priority, plan, project or programme included in the SEP and by ensuring that action is taken to review and prepare revised action plans as necessary
 - Monitoring the annual SEP budget
 - Reviewing the Annual SEP Report of GFirst LEP
 - Advising and making recommendations to the Accountable Body.

4.4 Protocols

- 4.4.1 As a Joint Committee, resolutions will be passed and decisions made on a majority voting basis. It is possible, therefore, that the GEGJC will make a decision which affects a constituent council's area without the agreement of that council. To mitigate against this situation it is proposed to include a protocol in the IAA which will provide that a constituent council must be in favour of a decision which has an impact in their area. Furthermore, the GEGJC Terms of Reference do not preclude or constrain constituent councils from promoting economic wellbeing in their own areas, even where this entails the adoption of a position at variance with that of the area of Gloucestershire. To mitigate against this situation, it is proposed to include a protocol in the 101 which provides that a constituent council will not act in this manner without first advising the GEGJC.

5. Alternative options considered

- 5.1 None.

6. Consultation and feedback

- 6.1 The recommendation will allow for consultation with the appropriate stakeholders as set out in the report.

7. Performance management –monitoring and review

- 7.1 This will be established via the joint governance arrangement when these are set up.

Report author	Contact officer: Mike Redman – Director Built Environment mike.redman@cheltenham.gov.uk, 01242 264160
Appendices	1. Risk Assessment
Background information	None.

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Mitigating action	Deadline	Responsible officer	Transferred to risk register
	If Council does not sign off the SEP and/or work in partnership to ensure its success, the borough and wider county may miss out on funding opportunities to support economic growth.	Andrew North	04/03/14	4	3	12	Reduce	Approval of this report.	March 2014	Mike Redman	
	If the SEP is in conflict with the Joint Core Strategy (JCS), the progress of both plans could be threatened.	Andrew North	04/03/14	5	3	15	Reduce	Officers are working with GFirstLEP and JCS partners to ensure that both plans are complementary.	March 2014	Mike Redman	
	If the Council does not sign off the final version of the SEP in March 2014, then the whole of Gloucestershire growth deal bid will not be unanimously supported and could be seriously compromised, giving rise to significant reputational risks for the Council.	Andrew North	04/03/14	5	2	10	Reduce	Approval of this report.	March 2014	Mike Redman	
<p>Explanatory notes Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											