

Briefing Note

Committee name: Overview and Scrutiny
Committee

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Item 10 – Cabinet Member Briefing – The Leader Update on decisions to be taken by Gloucestershire Economic Growth Joint Committee (GEGJC) on 29 November

At its meeting on 29 November 2017 the GEGJC will be considering the following reports:

Item 9 - Business Rate Pool – *to receive an update report on the Business Rate Pool and expenditure proposals for the Strategic Economic Development Fund (report currently to follow)*

Item 10 - Strategic Planning Collaboration in Gloucestershire - *to receive an update on proposals including governance and the Strategic Planning Commissioner role*

The purpose of this briefing note is to give the committee details with regard to the decisions the Leader is being asked to take ahead of the meeting in light of the fact that the GEGJC meeting is only two days after this meeting and it is the practice of the Leader to keep members advised of any decisions he takes on behalf of this authority at the joint committee.

A link to the full GEGJC agenda is attached here:

<http://glostext.gloucestershire.gov.uk/ieListDocuments.aspx?CId=725&MId=8457&Ver=4>

1.0 Item 9 - Business Rate Pool Report

- 1.1 This report covers a number of matters; (1) updated forecast for the Business Rate Pool for 2017-18, (2) 100% Business Rate Pilots; (3) LEP core funding position, (4) GFirst Inward Investment Service. Members of the GEGJC are being asked to make recommendations with regard to matters 3 and 4 as explained below.
- 1.2 The aim of the Gloucestershire Pool is to maximise the financial resources that can be retained for the benefit of the County of Gloucestershire. Gloucestershire as a whole benefits from offsetting top ups and tariffs and paying a reduced levy on growth.
- 1.3 The Pool aims to make the link between retaining resources locally within Gloucestershire and re-investing in the local economy. The Pool sets aside funding for a Strategic Economic Development Fund, where funding can be accessed to support shared economic strategic priorities within Gloucestershire. This fund is administered by the GEGJC and currently equates to 20% of the pool surplus distribution..

1.4 LEP Core funding (final report not yet received)

- 1.4.1 The Government has historically provided LEPs with an element of core funding, which needs to be matched by the locality. The maximum amount granted by Government is £250K and over the last 4 years Gloucestershire County Council has made the locality contribution allowing Gfirst LEP to benefit from the full £500Kpa. That level of match funding by the county council will be withdrawn from 2018-19. Discussions have therefore taken place over the last 12 months and a consensus has been reached that there is a need for the locality to continue to match the Government core funding and that the funding partners should be diversified.
- 1.4.2 The SEDF balance currently stands at £333K and the proposal is that £250K of this should be used to provide match funding to the Government's core funding for Gfirst LEP in 2018-19. The use of the fund in this way sits with the purposes for which the fund was created. The report also recommends that the first £250K of SEDF revenues arising during 2017-18 are used to match fund the Government's core funding in 2019-20.
- 1.4.3 In order for members of the joint committee to be able to support this recommendation it is important to understand the estimated level of the fund in 2017/18. The report outlines that based on the latest set of figures (NNDR3 Mid Year Estimate, September 2017), the business rate pool is forecast to make a surplus of £3.821M in 2017/18 of which, after allowing for a business rate pool reserve, equates to c£664K funding to the GEGJC.
- 1.4.4 With regard to the LEP core funding recommendations which the GEGJC members are being asked to support these are as follows:
- *£250K of reserves currently held in the SEDF are used for the purposes of match funding the Government's core funding to Gfirst LEP in 2018-19;*
 - *The first £250K of SEDF revenues arising during 2017-18 are used to match fund the Government's core funding in 2019-20;*
 - *The 7 councils enter into a simple memorandum of understanding with Gfirst LEP for the period 2018-20;*
 - *A review of the on-going need for core funding match and the correct mechanism for achieving this is completed by December 2019*

1.5 Gfirst Inward Investment Service

- 1.5.1 GEGJC members are being asked to support a recommendation to use £75K of the SEDF for the purposes of match funding the Inward Investment Service proposed by GFirst LEP.
- 1.5.2 The opportunity exists to draw down European Union funding and for the Gloucestershire local authorities to make a financial contribution allowing GFirst LEP to draw down further match funding. At the moment c£300K local funding has been identified drawing down £300K of EU funding. The proposal is to take £75K from the SEDF equating to £25Kpa for 3 years which will attract a further £75K of EU funding.
- 1.5.3 Historically, inward investment activity has been dealt with reactively and there is little capacity to handle new enquiries although good work has been done with modest funds. The project will focus on the LEP's strategic priorities as highlighted in the Strategic Economic Plan as well as focusing on the potential growth sector for the county, cyber security.
- 1.5.4 GEGJC members are there being asked to support the following recommendation:

- *£75k of reserves held in the Strategic Economic Fund is used for the purposes of match funding the inward investment service proposed by GFirst LEP.*

2.0 Strategic Planning in Gloucestershire – Appointment of a Strategic Planning Co-ordinator

- 2.1 In February 2017 Leadership Gloucestershire (LG) agreed that there was a need to address resource issues around strategic planning across the county. Proposals to address the issues were considered by senior officers, including the CX of the LEP. The challenge in the current context is the capacity to deliver the unprecedented levels of growth within the timescales set out in the respective authority development plans.
- 2.2 At its meeting on 6 September the GEGJC approved the proposal of LG to create a strategic planning co-ordinator post and to fund the post at £70Kpa with contributions from each district council and the LEP being £5Kpa.
- 2.3 Also at its meeting in September, the GEGJC agreed that a further report detailing the recruitment arrangements, the terms of employment of the post and any changes to the committee's governance arrangements be provided to the committee at its meeting in November.
- 2.4 The report outlines that the cost of the post should not exceed £78Kpa (including oncosts) which requires the district council and LEP contributions to rise to £6.5Kpa for which this authority has budgetary provision.
- 2.5 GEGJC members are being asked to approve the following recommendations:
- *The appointment will be established in accordance with the job description and person specification for a fixed period of 3 years with a review by GEGJC after 2 years*
 - *All cost implications of the post will be financed as follows:*
 - *50% Gloucestershire County Council and*
 - *Remainder shared equally between the district councils and the GFirst LEP*
 - *For day to day supervision and guidance the post will report to the Chair of the GEGJC Senior Officer Group*
 - *The post will be located at the GFirst LEP offices*
 - *The joint committee is asked to make nominations to the appointments panel*
 - *Authority is delegated to the CX of Tewkesbury Borough Council to appoint the post having considered the recommendations of the appointments panel.*

Background documents:

Gloucestershire Economic Growth Joint Committees 29 November and 6 September 2017.

Appendices: None