

Agenda Item 6

Executive Member	Chris Townsend
Strategic Management Team Lead Officer	Yvonne Rees
Author	Yvonne Rees
Telephone	01306 879101
Email	Yvonne.rees@molevalley.gov.uk
Date	8 th April 2014

Ward (s) affected	None specifically	Key Decision	Yes
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Subject	Local Enterprise Partnerships – Coast to Capital (C2C) Strategic Joint Committee and Appointment of Member
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RECOMMENDATIONS

1. To note the progress made by the Gatwick Diamond Initiative (GDI) and the C2C Local Enterprise Partnership (LEP); (both of which Mole Valley District Council (MVDC) are members), in making the case for additional investment in the County of Surrey.
2. To confirm the Chief Executive's action (having consulted with the Leader of the Council and the Chairman of the Sustainable Economy Working Group) in supporting the Strategic Economic Plan (SEP) for submission to the Government.
3. Either:
 - (i) To approve the establishment of the Coast to Capital Strategic Joint Committee constituted in accordance with the Heads of Terms set out in Appendix 2
Or, if the final Heads of Terms are not available by 8th April 2014,
 - (ii) The Executive to approve the establishment of the Coast to Capital Strategic Joint Committee pending approval of the final Heads of Terms and that the Chief Executive be authorised to approve the final Heads of Terms.
4. That, subject to all Joint Committee members agreeing to the establishment of the Joint Committee, the Executive delegates authority to the Chief Executive to take all measures necessary for, or incidental to, (i) the implementation of recommendation (3) above and (ii) the ongoing management of the above recommendation and administration of the Committee and to amend the Council Constitution accordingly.
5. To agree that MVDC be represented by the Leader in the proposed new local authority governance arrangements for the C2C Local Enterprise Partnership and that the Leader will agree which substitute Members he wishes to nominate.
6. To note staff resource/capacity implications of the ongoing work with the LEP and GDI - which will be delivered flexibly within the current resources.
7. To note enhanced collaboration between District and Borough Councils and Surrey County Council (SCC) which will include potential areas for joint working to secure additional benefits across the whole of Surrey.
8. To agree that an all member workshop be held on economic growth and the Local Enterprise Partnerships.

EXECUTIVE SUMMARY

The 2012/13 and 2013/14 Mole Valley District Council (MVDC) Corporate Plan identified economic sustainability as a key priority, to both maintain and also secure an increase in the size and value of the economy and to generate employment.

MVDC has a small dedicated economic development function. Since mid-2013 the importance of supporting local economic growth has been enhanced with the formation of the Sustainable Economy Board (an officer-working group) and most recently with the formation of the Executive's Sustainable Economy Working Group.

This report sets out how MVDC and the County of Surrey could benefit considerably from greater influence over national programmes and devolved funding to support local economic growth; together with the mechanisms to achieve this by the establishment of the Coast to Capital Strategic Joint Committee and the appointment of the Leader to sit on that Committee.

This additional focus on supporting local economic growth has been undertaken in parallel with enhanced working relationships with neighbouring East Surrey Districts and Boroughs. This joint-working has directly supported the wider public sector engagement in both the Gatwick Diamond Initiative and wider Coast to Capital Local Enterprise Partnership.

Local Enterprise Partnerships, whose creation was facilitated by the current Government, will, over the next eight years, receive a share of both EU Structural & Investment Funding and Local Growth Funding. These twin-funding streams will be delivered locally to support projects and interventions identified within each Local Enterprise Partnership's Strategic Economic Plan.

There will therefore be opportunities for local areas to bid for funding to support projects and interventions that will help unlock and drive local economic growth.

The Gatwick Diamond Initiative is an area that was designated for economic growth in the early 2000's. The Gatwick Diamond has now been incorporated within Coast to Capital's formal area partnership structure. Mole Valley is one of the seven District and Borough members of the Gatwick Diamond Initiative and a key influencer within.

Mole Valley could potentially benefit from a number of proposed projects and interventions within Coast to Capital's Strategic Economic Plan.

Access to Services – Helping residents to access the services they need

- 1. Improve the way we engage with our Customers and listen to our communities** - in developing location specific plans we will engage with communities to ensure local support and influence is realised.
- 2. Working with our partners** - a close working relationship has been developed with SCC, Surrey and West Sussex Districts and Boroughs, local businesses and the wider LEP infrastructure. This is an excellent opportunity to maximise the benefit derived from partnership working.

Environment - Maintaining the character and environment of Mole Valley

- 1. Enable growth in the District** - The activity will support maintain and promote business growth within MVDC.

Value for Money - Delivering quality, value for money services

- 1. Continue to provide quality services to our residents** - this provides an opportunity to maximise investment into the district to assist with the delivery the Corporate priorities
- 2. Invest in our staff and councillors** - the Executive Working Group will set the direction and work with officers to lead the agenda, become champions for MVDC in its interaction with the business community and lead the wider member and community engagement.
- 3. Review the way in which we provide our services** - in order to deliver against this agenda MVDC will need to work flexibly within its existing resource envelope.

The Executive has the authority to determine the Recommendations.

1.0 BACKGROUND/INTRODUCTION

- 1.1 The Council's Corporate Plan 2014/15 states as a key priority that it will "support business and the local economy by enabling development in the district and facilitating appropriate housing growth".

MVDC directly supports the local economy with the town centre management posts for Leatherhead and Dorking and the broader remit to include economic development and more general business support.

- 1.2 Many services delivered by MVDC cumulatively support the wider local economy including:

- The provision of quality affordable car-parking
- Maintaining a safe, clean, inviting public realm
- Having effective planning policies and development control service
- Effective Environmental Health and Licensing service
- The provision of quality leisure services, exhibition and meeting space
- Support for local events and festivals
- The Council's role as a buyer of local goods and services.

- 1.3 The Surrey economy has continued to show strong growth in the last 12 months with Gross Value Added (GVA) increasing 8.1% between 2011 and 2012 to over £32bn, adding £2.4bn in a single year. This level of growth is unrivalled across the UK, with the Surrey economy growing by over 15% since 2009. Alongside the strong base of small and medium sized enterprises, this growth can be attributed in a large part to the many major international businesses that are located within the county. These businesses are attracted to the area for its access to major international gateways, particularly the airports, and for its proximity to London. Surrey's residents are highly skilled, with over 40% having attained a degree level qualification. The County is a highly desirable place to live, work, start and grow a business.

- 1.4 Mole Valley makes a significant contribution to this success with high levels of entrepreneurial activity and low unemployment rates. In 2013 the District was recognised by internationally renowned consultants KPMG as being the 5th highest location with Technology Sector jobs in the UK. Most recently the District was listed 11th in the UK Competitiveness Index, the highest-ranking local authority in Surrey and 2nd in the whole of the South-East.

1.5 However this outward success masks many of the issues facing the area:

- National and international competition from lower-cost business locations
- Absence of inward investment incentives available in other locations
- Lack of commercial floor space that meets modern requirements
- Local restrictions on commercial floor space development and expansion
- Loss of commercial floor space through residential conversion
- Lack of public investment in key infrastructure, predominantly transport
- Traffic congestion and unreliable journey times
- Perceived slow roll-out of superfast and ultrafast broadband
- The comparatively high cost of living for employees
- The availability and cost of housing for employees
- Migration of key workers to London based employment opportunities
- Availability of employees with required qualifications, skills and experience.

These issues are common to most of Surrey, and much of the South-East.

1.6 The role of Local Government in supporting local economic growth has been widely acknowledged. Sir Merrick Cockell, Chairman of the Local Government Association, referenced this in the report “Local government’s role in promoting economic growth Removing unnecessary barriers to success” in November 2012: *“Local government is one of the few parts of the public sector which actively promotes economic growth. It is doing that in every single local economy in the country in a way, which cannot be replicated by central government and is impossible to deliver through any other public body, a point which was recognised in Lord Heseltine’s ‘No Stone Unturned’ report which rightly called for the greater devolution of power and resources to local areas. This is a policy that, if adopted, will deliver. But it requires courage, vision and political conviction”.*

1.7 Prior to the 2010 election the Regional Development Agencies (for the South-East - the South East England Development Agency - SEEDA) were predominantly responsible for economic development and Business Link was predominantly responsible for direct business support. Post election both these organisations were abolished. In June 2010 the Government revealed its intention to support the formation of Local Enterprise Partnerships (LEPs). These LEPs would be setup as business-led private/public partnerships within functional economic areas.

2 Local Enterprise Partnerships (LEPs)

2.1 Attached at **Appendix 1** is a briefing paper which sets out arrangements for LEPs. LEPs were formed in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and to lead economic growth and job creation within its local area. A LEP is a voluntary partnership between local authorities and businesses and it carries out some of the functions previously undertaken by the Regional Development Agencies.

2.2 The Coast to Capital LEP area encompasses all of the county of West Sussex, Brighton & Hove, Lewes, Croydon and four eastern Surrey districts (Epsom and Ewell, Mole Valley, Reigate and Banstead and Tandridge). Within the area and partnership are two county councils, two unitary authorities, 12 district and borough authorities and the South Downs National Park Authority in addition to local businesses. It is one of the larger LEPs outside London, with just under 2 million residents and over 150,000 businesses and organisations.

2.3 The first step is to assist the LEP to achieve the maximum amount of Local Growth Fund through a competitive bidding process against the other 38 LEPS.

SCC and the districts and boroughs, with their partners, will be seeking to maximise the level of investment in Surrey ensuring priority projects are delivered.

- 2.4 The Strategic Economic Plan (SEP) for the Coast to Capital LEP contains a number of location specific projects and interventions. The potential regeneration of Leatherhead is being considered as a possible project that would commence towards the end of the SEP programme (the programme runs from 2015 – 2021). More details are set out in Appendix 1 but the possible project includes:
- Refocussing the proposed SCC transport development and improvement projects around a wider Leatherhead regeneration
 - Regeneration of the Town Centre including retail provision and opportunities for convenience and comparison shopping; further development of the evening economy, leisure provision and opportunities, car parking, serviced accommodation, meeting and conference provision, and town centre housing.
- 2.5 The bidding processes will be very challenging both between the C2C Authorities seeking inclusion for projects within the SEP submission and then for each LEP to gain funding from the Government.

Timeline

- 2.6 The SEP has to be submitted to the Government by the end of March 2014. The Government will conclude the final assessment of the SEPs by June 2014 and a Local Growth Fund offer will be made to each LEP in July 2014. The Local Growth Fund allocation will take place in April 2015. The outline business cases for each successful priority project will be submitted to the LEP later in 2014.

3 Coast to Capital LEP - Joint Strategic Committee

- 3.1 The Coast to Capital LEP has recommended the establishment of a new Joint Strategic Committee.
- 3.2 The new Joint Committee will include representatives from all 16 local authorities and the National Park. The LEP and other business interests and organisations are not eligible to serve on a Joint Committee, which has a statutory status under the Local Government Act 1972.
- 3.3 This report seeks formal approval from the Executive for the establishment of the Coast to Capital Joint Committee and its arrangements. The purpose of the new Joint Committee is to approve the Strategic Economic Plan and proposed Growth Deal for the Coast to Capital Local Enterprise Partnership area. The draft Heads of Terms of the proposed Strategic Joint Committee are detailed in **Appendix 2**.
- 3.4 Each local authority member is seeking equivalent approvals from their decision-making bodies, to enable the Joint Committee to be formally launched in the summer of 2014. It will meet in shadow form in late March to agree the Strategic Economic Plan which has to be submitted to Government by the end of March. In the light of the likely timing of all Councils approving the new Joint Committee, the Executive is asked to confirm the Chief Executive's action in supporting the SEP, as set out in recommendation (2) following approval by the shadow Joint Committee and pending the formal establishment of the Joint Committee.

4. Financial Implications

- 4.1 There is potential for Surrey to benefit considerably through its ongoing engagement with the LEPs, particularly in securing funding for priority schemes including capital investment for transport projects which we would not otherwise be able to access. However, there is an expectation from the Government and the LEPs that Districts, Boroughs and SCC will support the preparatory work for projects.
- 4.2 All LEPs have requested that expressions of interest are submitted for all capital projects, which will then be used to agree the prioritised projects for the final Strategic Economic Plans. At this stage the prioritisation is to help make the case for the credibility of the Strategic Economic Plan. Later in the year there will be a requirement for considerable additional information to develop bids for specific schemes. The level of resource/capacity required to support this preparatory work can only be determined once the expressions of interest are completed and the LEP has agreed its list of priority projects.
- 4.3 If elements of the programme to support economic growth require funding as they are developed, decisions on the allocation of funds will be sought at the appropriate time.

Legal Implications

- 4.4 The report refers to the proposed governance arrangements enabling relevant local authorities to work together to support the LEP. This is not a sub-group of the LEP but key in agreeing the Strategic Economic Plans and providing advice. The direction of travel for these arrangements is the establishment of formal Joint Committees under section 101(5) and 102 of the Local Government Act 1972.
- 4.5 The SEP is not a legally binding agreement, it is an indication of potential support, so should not enter MVDC into any form of binding agreement with C2C or the GDI. As projects progress if MVDC is required to enter into agreements, Service Level Agreements and/or memorandums of Understanding would be brought back to a meeting of the Executive for approval.

5.0 CORPORATE IMPLICATIONS

- 5.1 **Monitoring Officer commentary** – I confirm that the establishment of the Joint Committee can be approved by the Executive and that all legal implications have been met.
- 5.2 **S151 Officer commentary** - There are no new financial implications associated with the report. Individual projects brought forward as a consequence of the Strategy and the relationship with the Local Economic Partnerships may have financial implications, particularly in relation to the expectation of match-funding to progress major schemes. Where these projects require a financial contribution from MVDC, to the extent that they are not already provided for, these will be highlighted in further reports.
- 5.3 **Risk Implications** - The Government has been clear that the Local Growth Fund will be the only source of new investment in transport and other infrastructure and the main source of investment in economic development more generally. The county can only secure investment through the LEPs rather than directly from the Government. Accordingly, the effectiveness of the negotiation conducted by the LEPs on the basis of the Strategic Economic Plan is crucial for future investment in Surrey to support economic growth. MVDC has been putting considerable effort

into helping the LEP develop the best case for additional investment, including through close working with the other districts and boroughs and SCC.

- 5.4 Once the LEP has secured a portion of Local Growth Fund, SCC and the Surrey districts and boroughs will have to bid to the LEP for funds for particular projects or respond to tenders or commissioning undertaken by the LEPs. This will be a challenging competitive process with other councils and areas within each LEP and will need significant effort by MVDC officers to develop and promote the case for each project. The upfront costs of scheme design and development may not be refundable if the schemes are not ultimately successful in securing funding from the LEP.
- 5.5 **Equalities Implications** - There are no identified negative equalities impacts. Where additional funding for infrastructure and transport schemes is secured, there will be positive impacts though increasing access to services and employment opportunities. Where applicable, equality impact assessments will be undertaken as a part of decisions on individual projects.
- 5.6 **Employment Issues** - Growth in businesses based in Surrey will in some cases generate additional jobs. Focusing skills and training support on young residents will also help positively address Surrey's relatively high level of youth unemployment.
- 5.7 **Sustainability Issues** - MVDC attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.
- 5.8 The LEP has included proposals for projects that will contribute to long term improvements in public transport provision and reduce congestion. Other activities in the Plans would contribute to reducing business travel requirements, such as higher levels of home working supported by a countywide high speed broadband network.
- 5.9 **Consultation** - The Chief Executive, the Leader and Chairman of the Executive Working Group and the Director of the Coast to Capital LEP have been consulted on the approach. This has also been discussed with Surrey borough and district council Chief Executives and the Surrey Leaders Group. Local Members, in respect of the potential Leatherhead regeneration project, currently called 'Leatherhead Plan L', have also been engaged.
- 5.10 **Communications** – As mentioned above, a briefing meeting has been held with local Members. Further briefing meetings have also been held with other opinion formers and businesses within the Leatherhead district. A specific communication plan is in place to link with the C2C process. A meeting is being arranged with the local MPs.

6.0 BACKGROUND PAPERS

1. GDI Leaders & Chief Executive Briefing Paper

This was a background paper for a recent GDI Leaders and CX meeting, covering much of what is contained in this report, but in a little more detail.

2. C2C SEP Executive Summary

The official C2C Executive Summary of their 19 December draft SEP submission

3. C2C ESIF Executive Summary

The official C2C Executive Summary of their draft ESIF submission made in November 2013

Local Enterprise Partnerships (LEPs)

The Government announced the approval of 24 Local Enterprise Partnerships (LEPs) in the Local Growth White Paper on 28 October 2010. A further 15 LEPs, including one covering the whole of London have subsequently been announced, taking the total to 39. All areas of England are now covered by a LEP. Surrey is covered by two LEPs: 'Enterprise M3' covering the north and west of the county (7 Districts & Boroughs) and 'Coast to Capital' covering the remaining 4 Districts and Boroughs in east Surrey, including Mole Valley. The Deputy Leader of Surrey County Council sits on both LEP Boards.

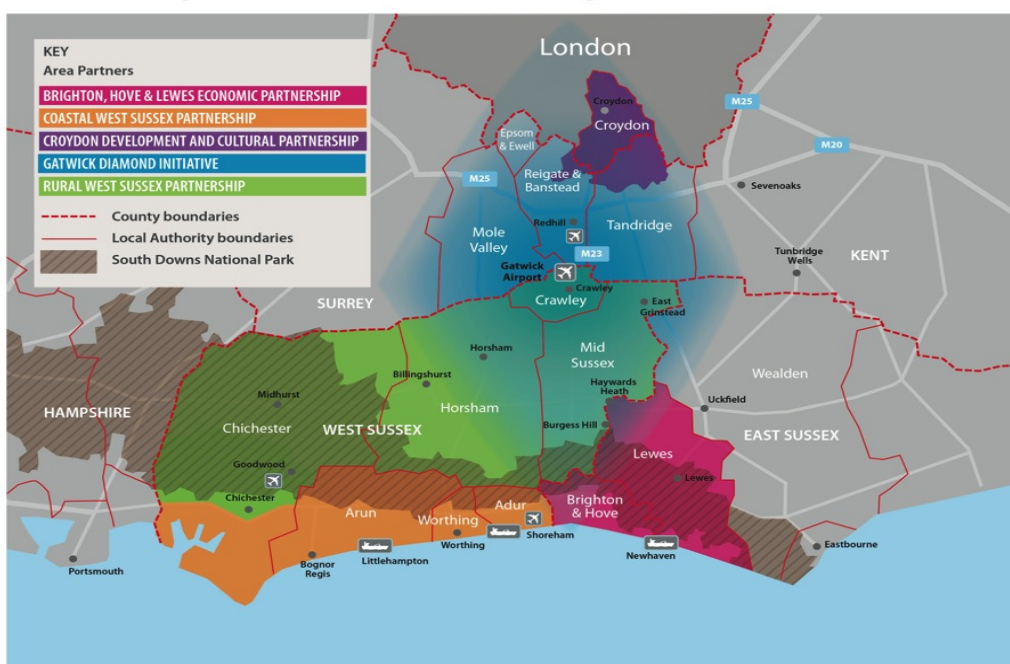
The role of LEPs has evolved considerably over the last twelve months, with the Government placing additional responsibilities on giving greater emphasis to how local authorities should work with them to grow their local economy. This has included agreeing some further devolution of funding streams for transport, skills and housing to the LEPs for decision on how they are invested locally.

Coast to Capital LEP

Coast to Capital (C2C) as its name suggests covers the area from Croydon in the north (adjacent to the capital) south through Surrey (Epsom & Ewell, Mole Valley, Reigate & Banstead and Tandridge) into Sussex, south to the coast including Chichester to the west and to Newhaven to the east, with Brighton in the centre. C2C have divided the LEP into five area partnerships:

1. Brighton, Hove, Lewes Partnership
2. Coastal West Sussex Partnership
3. Croydon Development & Cultural Partnership
4. Gatwick Diamond Initiative
5. Rural West Sussex Partnership

Coast to Capital Area Local Partnerships



The four East Surrey authorities are part of the Gatwick Diamond Initiative (GDI), an area designated for economic growth in the early 2000's and formally designated in 2003 as one of SEEDA's 'diamonds for growth'. The GDI was incorporated within C2C's area and given official status as an area partnership. The Gatwick Diamond is now made up of the following 7 Districts and Boroughs and 2 County Councils:

- Crawley Borough Council
- Epsom and Ewell Borough Council
- Horsham District Council
- Mid Sussex District Council
- Mole Valley District Council
- Reigate and Banstead Borough Council
- Surrey County Council
- Tandridge District Council
- West Sussex County Council.

Local Growth Fund/Strategic Economic Plan

In June 2013, the Government announced the creation of a £20 billion Local Growth Fund to cover the period from 2015-2020, with £2bn allocated for 2015-2016. This figure includes some funds that have already been allocated to LEPs (including some of the local major transport scheme funding). The remainder of the Fund (approximately £1 billion) will be allocated on a competitive basis through a process of bidding and negotiation.

Competitive bids will be assessed on the quality of 'Strategic Economic Plans' (SEP) which LEPs have been tasked with developing and implementing. The Plans should set out the local economic priorities for the area and identify priority programmes and projects that will achieve their aims. The Strategic Economic Plans will form the basis of a 'Local Growth Deal' between the LEP and Government, which will determine how much Local Growth Fund each LEP will receive.

LEPs are also expected to use the Local Growth Deal discussion with Government to set out an economic case for additional freedoms and flexibilities for the local area. This is unlikely to take the form of additional devolved funding, but could include greater local influence over the delivery of national programmes.

Government guidance has outlined that the success of LEP bids for Local Growth Fund will be significantly influenced by the level of collaboration with local authorities. There is an expectation that local authorities will support LEPs through strong partnership working, robust arrangements for accountability, effective collaboration across the LEP area and pooling of economic development resources.

Local Transport Bodies (LTBs) were established in 2011 as a vehicle for Government to devolve local major transport scheme funding. LTBs were expected to identify and prioritise transport schemes that would enable economic growth. LTB funding streams were included in the Local Growth Fund announcement and Government expects LEPs to integrate LTB decision making structures into the governance structures for the wider Partnership. Coast to Capital have incorporated the LTBs into their governance structures and have integrated LTB priority schemes into the Strategic Economic Plans.

The timescales for the production of the Strategic Economic Plan and Local Growth Deal are very challenging. LEPs have already submitted draft versions of the Strategic Economic Plans. The final submissions were due on 31 March 2014. The Government will conclude the final assessment of plans by June 2014 and a Local Growth Fund offer will be made to each LEP in July 2014. LEPs will receive their portion of the Fund by April

2015.

A summary of the Coast to Capital draft Strategic Economic Plan is available as a background paper to this report. This sets out the vision and objectives for the areas, with a brief overview of the emerging priority projects for Surrey. The C2C SEP sets out six strategic priorities, which are the basis on which the LEP will deliver growth see graphic below:



The SEP Bidding Process

Local Growth Deals offer the only opportunity to secure devolved responsibility and funding for economic priorities, including skills and transport. In order to maximise the opportunity for investment in Surrey the first step is to help both LEPs maximise the amount of Local Growth Fund they secure through the bidding process against the rest of the country. Accordingly the county council and districts and boroughs are working closely with both LEPs, helping to shape emerging priorities and playing an active role in collective decision making.

LEPs have provided an indication of the likely size of their bid to the Local Growth Fund as part of the draft Strategic Economic Plans. Coast to Capital suggested that their bid would be in the region of £558m, with almost £400m to be allocated to transport projects. For comparison Enterprise M3 proposed a bid of around £300-£400m in magnitude, with approximately 50% to be spent on transport projects.

Importantly LEPs are required to demonstrate how the Local Growth Fund investment will generate leverage from other sources. There is an expectation that external leverage (both public and private) will be considerable for Coast to Capital and Enterprise M3, as the Government considers both areas are already economically successful. The amount of leverage generated will be used as a criterion for assessing the quality of bids. The total amount of Local Growth Fund secured through the Growth Deal process is expected to be announced in July 2014.

The initial reaction for Government for both LEPs suggests that they have pitched their bids for Local Growth Fund well but it will be a challenge to secure the full level of funding that has been sought.

Surrey County Council and all districts and boroughs are working with LEPs to ensure that priority schemes in Surrey are included in the Strategic Economic Plans. As the LEPs

move into the implementation stages of the Plans, all partners will be seeking to maximise the level of investment in Surrey, ensuring that priority projects are delivered, including transport, skills and business and enterprise support. All councils are working to develop outline business cases for priority projects, which will be submitted to the respective LEPs later in 2014.

Early signs from Government are that in order to convince them to put significant additional resources into economically successful areas such as the South East it will be necessary to develop a convincing case both in terms of the need to support competitiveness against other parts of the world and in terms of meeting housing need and generating additional jobs and commercial development. These are difficult issues, but in all cases the major need is for additional investment in infrastructure in order to address the increasingly clear constraints which are affecting competitiveness and quality of life.

European Structural and Investment Funds (EUSIF/ESIF)

LEPs are also expected to take a lead role in the day-to-day management of European Structural and Investment Fund (EUSIF) for the 2014 – 2020 Programme. This new programme will combine European Regional Development Fund (ERDF), European Social Fund (ESF) and elements of the European Agricultural Fund for Rural Development (EAFRD).

The Funds are expected to drive ‘smart, sustainable and inclusive growth’ and will provide support to those areas with greatest need. The funds have different uses, for example ERDF can be used to provide business and enterprise support, stimulate a knowledge-based economy or build sustainable communities. ESF is targeted at developing a skilled workforce and providing employment support opportunities (especially to disadvantaged communities), while EAFRD helps to improve the quality of life in rural areas, diversification of the rural economy and improve the environment of the countryside.

All LEPs in England have received a ‘notional’ allocation of European Structural and Investment Funds and have been tasked with developing a strategy to outline how they intend to spend the funds on priority areas. The strategy is expected to align with the Strategic Economic Plan.

The funds must attract 50% match funding, which can come from a range of sources including the public sector, the private sector or through national government programmes. The Government has encouraged LEPs to work with national ‘co-financing’ organisations, such as UK Trade and Investment, the Skills Funding Agency and the Department for Work and Pensions, to develop ‘opt-in’ agreements as a way to secure this match. Both LEPs in the Surrey area have agreed in principle to agreements with a number of co-financing organisations, but will also be looking to secure local match funding.

The final EUSIF strategies were submitted to Government on 31 January 2014 (referred to in background documents) and presented a high level indication of how the funds will be spent with the main focus on business and enterprise support, innovation and employment and skills activities. There is a considerable amount of work needed by both LEPs to develop more detailed proposals, particularly around commissioning and tendering arrangements for projects and for sourcing local match funding.

The EUSIF allocations for Coast to Capital for the 2014 – 2020 period are:

Coast to Capital		
Total ERDF and ESF Allocation		EAFRD
£57.62m		£3.83m
ERDF split	ESF split	
£28.81m	£28.81m	

LEPs will not be responsible for managing or administering all the EUSIF funds. They will advise the Managing Authorities, including the Department for Communities and Local Government, the Department of Work and Pensions and the Department for Environment, Food and Rural Affairs, on programmes and projects that fit with local priorities. These Managing Authorities will have final approval of the successful programmes and will administer the funds, while ensuring compliance with European regulations.

Governance

The C2C LEP has been reviewing their governance arrangements, particularly as their focus moves from being primarily concerned with the development of strategy into overseeing a programme of activity using European and Growth Fund resources.

A key issue for Government is that there must be effective democratic accountability for Local Growth Fund money, and strong delivery mechanisms to deliver SEP actions. Government has also been clear that the actions in the SEP need to be backed up by robust governance arrangements which engage all local authorities within the area to ensure delivery through prompt and effective decision making. In particular Government is likely to be looking for such arrangements to promote:

- collective decision making by authorities
- collaboration and greater co-ordination on economic development activities
- aligning resources in support of the SEP.

From the local authority perspective, governance arrangements need to provide efficient, transparent and accountable decision making in relation to the use of public resources.

Coast to Capital has been working with the local authorities in their areas to develop arrangements that will give effect to these requirements. The current intention is to move to a Joint Committee comprised of all of the local authorities in the area (plus the South Downs National Park). The new Committee would not be a sub-group of the LEP Board. It would have a clear and relatively narrow remit to articulate the collective local authority view to the C2C Board on the SEP and to formally agree it.

The Joint Committee would also review delivery of the Plan and agree adjustments with the LEP Board on an annual basis. Accountability for delivery would be delegated to area based structures reflecting the current emphasis in C2C of working through area partnerships. The precise number and nature of these area based arrangements has yet to be agreed. Discussions will be held with each local authority on draft terms of reference for the new Joint Committee which needs to meet, probably in shadow form, in late March to agree the SEP.

SEP Sign-off Process

The C2C LEPs will submit their Strategic Economic Plan to Government at the end of March 2014. The local authority partners will be expected to endorse the Plans and the Government will assess the level of support for the Plans as part of its assessment process of funding bids.

The Coast to Capital Board met in March to agree a near final version of the Strategy. The shadow Joint Committee will meet on 25 March to give the local authority collective view on the plan and final sign off will be made by the Executive Committee, which comprises a small number of Coast to Capital Board members.

Mole Valley Specifics

Many of the proposed projects and interventions contained within the EUSIF proposal and the Local Growth Fund/Strategic Economic Plan submission will have resonance with local economic and business needs within Mole Valley, for example: support for apprenticeships and young worker schemes; initiatives to help and encourage businesses to export; the creation of business support hubs and incubation units; support for rural based businesses; support to encourage skills development.

Also contained within the Strategic Economic Plan a number of specific location based projects and interventions where specific transport infrastructure development or regeneration projects can help deliver the primary objectives of the LEP: creation of new jobs, building new homes and creation of new commercial floor space.

Within these location specific projects and interventions, the potential regeneration of Leatherhead is being considered as a possible project that would commence towards the end of the SEP programme (which runs from 2015-2021). This regeneration project currently called 'Leatherhead Plan L' consists of:

1. Refocusing the proposed SCC transport infrastructure development and improvement projects around a wider Leatherhead regeneration project, incorporating planned improvements to Junction 9 of the M25, Town Centre gyratory system improvements and Leatherhead Wider Sustainable Transport Packages.
2. Private/Public sector led regeneration of Leatherhead Town Centre to include: retail provision and opportunities in both convenience and comparison shopping; further development of the evening economy; town centre leisure provision and opportunities; car-parking provision; serviced accommodation, meeting and conference provision and opportunities; town centre housing opportunities; improvements to the public realm; linked improvements to the town centre road network and gyratory system; improvements to town centre visibility on surrounding road network.
3. The additional local market and consumer catchment economic potential of the proposed housing developments in North Leatherhead.
4. The promotion of the 6,400m² commercial floor space in 'The Square' redevelopment project in Randalls Way, Leatherhead, which could accommodate 365 new jobs.
5. The proactive promotion of the 29,800m² of vacant and/or undeveloped floor space within Leatherhead, which could support an estimated 1,400 new jobs.

Draft Heads of Terms Coast to Capital Strategic Joint Committee

1. Establishment, Purpose and Form

- 1.1. The Coast to Capital Strategic Joint Committee (“the Joint Committee”) shall be established from the Commencement Date
- 1.2. The purpose of the Joint Committee is to provide a democratic forum which will promote and support sustainable economic development and growth across the area served by the Coast to Capital Local Enterprise Partnership (“the LEP”). To achieve this, the Joint Committee will agree the Strategic Economic Plan as developed by the Board of the LEP (“the Board”) and may advise the Board from time to time on the economic development and growth priorities of the area.
- 1.3. The Joint Committee shall be a joint committee appointed by two or more local authorities represented on the Joint Committee in accordance with section 102(1)(b) of the Local Government Act 1972.
- 1.4. The Joint Committee may appoint one or more sub-committees.
- 1.5. The lead authority for the Joint Committee shall be West Sussex County Council as the Accountable Body for the Local Growth Fund, whose functions in that capacity shall include financial, administrative and legal support (see paragraph 11)

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 Joint Committee.
- (ii) ‘the LEP Area’ means the area encompassing the administrative boundaries of Brighton & Hove City Council, West Sussex County Council, London Borough of Croydon, Lewes District Council, Epsom and Ewell District Council, Tandridge District Council, Mole Valley District Council and Reigate and Banstead District Council.
- (iii) ‘economic development and growth’ shall bear its natural meaning but with particular emphasis on:
 - employment and skills
 - business support, internationalisation and innovation
 - enterprise
 - infrastructure and transport
 - housing
 - investment and development
 - utilisation of property assets
 - strategic planning
- (iv) “Strategic Economic Plan” means the plan created by the LEP for the LEP Area setting out the economic development and growth priorities as the basis for negotiation with government.

3. Functions

3.1 The functions of the Joint Committee are specified in paragraph 3.2 below, and may be exercised only in respect of the LEP Area.

3.2 The functions referred to in paragraph 3.1 are as follows:

- (i) To agree the Strategic Economic Plan and its revisions and amendments as proposed to the Joint Committee by the Board.
- (ii) To provide strategic advice to the Board from time to time on the economic development and growth priorities for the LEP Area.
- (iii) To nominate on request from the Board representatives from the district and borough local authorities who are members of the Joint Committee to serve as Directors on the Board.

4. Reporting and Accountability

4.1. The Joint Committee shall submit an annual report to each of the bodies represented on the Joint Committee.

5. Membership

5.1 The following bodies shall be members of the Joint Committee:

5.1.1 County/Unitary Authorities

Brighton & Hove City Council
London Borough of Croydon
Surrey County Council
West Sussex County Council

5.1.2 District and Borough Authorities

Adur District Council
Worthing Borough Council
Lewes District Council
Mid-Sussex District Council
Horsham District Council
Crawley District Council
Arun District Council
Chichester District Council
Epsom and Ewell District Council
Tandridge District Council
Mole Valley District Council
Reigate and Banstead District Council

5.1.3 National Park Authority

South Downs National Park Authority

5.2 Each of the bodies listed in paragraph 5.1 shall be represented on the Joint Committee by one person.

5.3 Each local authority member shall be represented on the Joint Committee by an elected Member nominated annually or a nominated substitute (see paragraph 8).

5.4 The South Downs National Park Authority shall be represented at the Joint Committee by its Chairman

6. Chair of the Joint Committee

6.1. The Chair of the Joint Committee shall be elected from among its members on an annual basis.

7. Voting

7.1. Decisions will be made on a simple majority of votes cast by members represented at a meeting.

7.2. Where voting at a meeting results in an equal number of votes cast in favour and against, the Chair of the Joint Committee shall have a casting vote.

8. Substitution

8.1. Where a representative of a member of the Joint Committee is unable to attend a Joint Committee meeting, a substitute representative of that member (if approved by it) may attend, speak and vote, in their place for that meeting.

8.2. A substitute member must be appointed from a list of approved substitutes submitted by the relevant member to the Joint Committee at the start of each municipal year.

9. Quorum

9.1. Subject to paragraph 9.2, no business shall be transacted at any meeting of the Joint Committee unless at least eleven of the whole number of voting members are present.

9.2. In no case shall any business of the Joint Committee be transacted unless at least two voting representatives from the County/Unitary Authorities as set out in paragraph 5.1.1 are present.

10. Time and Venue of Meetings

10.1. The Joint Committee will meet annually.

10.2. The Chair of the Joint Committee may call a special meeting of the Joint Committee at any time, subject to providing members with minimum notice of ten working days.

11. Administrative and legal support

11.1. Administrative and legal support to the Joint Committee shall be provided by the lead authority, such legal support to include Monitoring Officer and Proper Officer functions in relation to the Joint Committee meetings.

11.2. Other members of the Joint Committee shall contribute to the costs incurred by the lead authority in connection with the activities described in 11.1. The contributions will be agreed on an annual basis.

12. Observer status

- 12.1. The LEP shall have the right to attend meetings of the Joint Committee as an observer and to provide information and advice as requested by the Joint Committee, but will not have any role in voting or decision making.

13. Review and Variation of Heads of Terms

- 13.1 The Joint Committee shall keep these Heads of Terms under review to ensure that the Joint Committee's purpose is given full effect.
- 13.2 These Heads of Terms may be varied only by complete agreement of all the members of the Joint Committee and in consultation with the Board.

14. Procedure at meetings

- 14.1. The standing orders of the lead authority will apply to meetings of the Joint Committee.

15. Withdrawal

- 15.1 Any member of the Joint Committee may give six months notice in writing of intention to withdraw from membership of the Joint Committee and involvement in the Strategic Economic Plan.