



# Gloucestershire

COUNTY COUNCIL

Meeting papers

**Gloucestershire Economic Growth Joint  
Committee**

**Wednesday 30 November 2016 at 10.00 am**

**Cabinet Suite - Shire Hall, Gloucester**



<b>Gloucestershire Economic Growth Joint Committee</b>	
<b>Wednesday 30 November 2016 at 10.00 am</b>	
<b>Cabinet Suite - Shire Hall, Gloucester</b>	
<b>AGENDA</b>	

<b>1</b>	<b>APOLOGIES</b> To note any apologies for absence.	Laura Gibbard
<b>2</b>	<b>DECLARATIONS OF INTEREST</b> To receive any pecuniary or personal interests by members.	Laura Gibbard
<b>3</b>	<b>MINUTES</b> (Pages 1 - 8) To approve the minutes of the meeting held on 7 September 2016.	Laura Gibbard
<b>4</b>	<b>GFIRST LEP UPDATE</b> (Pages 9 - 12) To receive a report on the delivery of the Growth Programme in the County, plus progress with the formation of an Employment and Skills Board.	Pete Carr
<b>5</b>	<b>VISION 2050 AND FUTURE AMBITIONS WORK</b> (Pages 13 - 16) To consider progress with the linked work streams and the outcome of the members' workshop on 30 <sup>th</sup> September.	Nigel Riglar
<b>6</b>	<b>JCS POSITION STATEMENT AND TIMELINE</b> To receive a verbal update on the JCS Position Statement and Timeline.	Mike Dawson

<b>7</b>	<b>BUSINESS RATE POOL</b> (Pages 17 - 20)  To receive an update report on the Business Rate Pool.	David Stanley
<b>8</b>	<b>GLOUCESTERSHIRE INFRASTRUCTURE INVESTMENT PLAN</b>  To receive a verbal update on the Gloucestershire Infrastructure Investment Plan.	Mike Dawson
<b>9</b>	<b>FUTURE MEETING DATES</b>  To note that the Committee is due to meet on the following dates in 2017:  Wednesday 15 March 2017 Wednesday 21 June 2017 Wednesday 6 September 2017 Wednesday 29 November 2017  All meetings to start at 10am (this allows meetings of the Gloucestershire Economic Growth Scrutiny Committee to take place on the same day).	Laura Gibbard
<b>Membership – Cllr Mark Hawthorne MBE, Cllr Patrick Molyneux, Cllr Robert Vines, Cllr Paul James, Cllr Steve Jordan, Cllr Christopher Hancock and Cllr Steve Lydon (Stroud District Council)</b> Pete Carr and Adam Starkey		

- (a) **DECLARATIONS OF INTEREST** – Members requiring advice or clarification about whether to make a declaration of interest are invited to contact the Monitoring Officer, Jane Burns ☎01452 328472 /fax: 425149/ e-mail: [Jane.Burns@gloucestershire.gov.uk](mailto:Jane.Burns@gloucestershire.gov.uk) prior to the start of the meeting.
- (b) **INSPECTION OF PAPERS AND GENERAL QUERIES** - If you wish to inspect minutes or reports relating to any item on this agenda or have any other general queries about the meeting, please contact: Laura Gibbard, Democratic Services Adviser ☎:01452 324205/fax: 425850/e-mail: [laura.gibbard@gloucestershire.gov.uk](mailto:laura.gibbard@gloucestershire.gov.uk)
- (c) **GENERAL ARRANGEMENTS**  
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## **GLOUCESTERSHIRE ECONOMIC GROWTH JOINT COMMITTEE**

**MINUTES of the meeting of the Gloucestershire Economic Growth Joint Committee held on Wednesday 7 September 2016 commencing at 10.00 am at the Cabinet Suite - Shire Hall, Gloucester.**

### **PRESENT MEMBERSHIP:**

Cllr Mark Hawthorne MBE	Cllr Christopher Hancock
Cllr Paul James	Cllr Steve Lydon
Cllr Steve Jordan	Matthew Burgess
Cllr Patrick Molyneux	Mally Findlater
Cllr Robert Vines	

### **Substitutes:**

### **Apologies:**

#### **50. APOLOGIES**

There were no apologies from Committee members at the meeting.

#### **51. DECLARATIONS OF INTEREST**

No declarations of interest were made.

#### **52. MINUTES**

##### **Resolved**

**That the minutes of the meeting held on 8 July 2016 be approved as a correct record.**

#### **53. GLOUCESTERSHIRE'S LOCAL TRANSPORT PLAN 2015-2031**

Ben Watts, Principal Planning Officer, Gloucestershire County Council, provided the Committee with an overview of Gloucestershire's Local Transport Plan (2015-31). The LTP, which was formally adopted by Gloucestershire County Council on 29<sup>th</sup> June 2016, outlined the long-term transport strategy for Gloucestershire.

Members were informed that the schemes included within the LTP reflected the county's transport priorities, however did not represent a commitment of funding by Gloucestershire County Council. It was explained that the LTP was a living document, which would be updated to reflect national guidance or the adoption of local plans, and progress would be monitored against the LTP monitoring indicators.

In response to a query it was clarified that funding for highways maintenance and part of the Integrated Transport funding would continue to be awarded to the county council, however all other funding for local major schemes would be subject to bids through the local Growth Deal process. It was suggested that schemes without County Council or local leadership could be addressed as part of the integration of the LTP with the Gloucestershire Infrastructure Investment Plan.

Members were informed that, in addition to local transport objectives, the LTP set out the County Council's policy for schemes that were being developed in the areas surrounding Gloucestershire, such as the Chepstow Bypass and the Metro West.

There was some discussion as to how the LTP related to Gloucestershire's devolution ambitions.

The Committee noted the report.

#### **54. GFIRST LEP UPDATE**

Mally Findlater, Programme Manager, GFirst LEP, provided the Committee with an update on GFirst LEP Growth Deal Activity, including progress with Growth Deal 3.

Members were provided with an overview of the status of the projects that were going through the approval and funding process. The Committee noted that projects were progressing as expected, with due diligence completed on 14 projects, and funding agreement in place for 12 projects.

Mally Findlater explained that at the end of Q4 2015/16 the out turn from the current Growth Deal programme was £13.169m, and that the total leverage, including both direct match and follow-on leverage, declared by the projects was £25.368m.

The Committee was informed that the GFirst LEP Assurance Framework had been updated and was published on the GFirst LEP website. The Committee noted that the audit by Gloucestershire County Council of the LEP and Accountable Body processes was ongoing, in addition to project sampling work that was being undertaken by BEIS. Members would be informed of the results once they had been made available to GFirst LEP.

In response to a query, Mally Findlater confirmed that the report prepared by the Programme Management Group on 'lessons learned' would be shared with Committee members at a future meeting after the report had been shared with BEIS and the LEP Board in October 2016.

Members were informed that GFirst LEP's Growth Deal Round 3 bid had been submitted at the end of July 2016. 11 projects were included in the bid and the total funding 'ask' was just under £79m. Mally Findlater informed members that the feedback following a challenge session with MP Robert Goodwill was positive, and

that it was apparent from the meeting that the GFirst LEP was well-regarded nationally.

Following a discussion on match funding, it was clarified that details of projected leverage had been included in the Growth Deal Round 3 bid.

It was highlighted to members that the Government was talking to LEPs nationally about the position of funds that had been allocated in previous Growth Deal rounds. It was suggested that where spending was not on track, funding could be pulled and reallocated. Mally Findlater informed members that the GFirst LEP was confident regarding its delivery of projects funded through previous Growth Deal rounds.

In response to a query, Mally Findlater confirmed that it was the responsibility of project promoters to identify and inform the LEP of risks which could affect the delivery of projects.

The Committee recognised GFirst LEP's positive track record for the delivery of projects and noted the report.

## **55. SKILLS POLICY FOR GLOUCESTERSHIRE**

Peter Holmes, Head of Extended Learning, Gloucestershire County Council, provided the Committee with an update on the skills policy for Gloucestershire.

The Committee was informed that key stakeholders had been consulted with following the initial discussions on the proposal for a skills policy at the Committee meeting on 16<sup>th</sup> March 2016. There was a broad consensus amongst stakeholders regarding the priorities of the policy and on investment into skills.

It was explained that the proposed policy would act as a framework for an Employment and Skills Board which would be tasked with developing and implementing a skills strategy for the county. The Employment and Skills Board would be established by January 2017 and would report to the Gloucestershire Economic Growth Joint Committee and GFirst LEP Board in the first instance.

Peter Holmes informed the Committee that the County Council had commissioned consultants to determine what would constitute a successful Board. The Committee acknowledged the importance of having the right board membership, which would include public, private and third sector stakeholders.

Members were made aware of the Government's Post 16 Skills Plan, which aimed to address the need for more highly skilled and effectively trained people to grow the economy, raise productivity, and ensure prosperity for individuals. In particular, it focused on technical and vocational educational routes, feeding into apprenticeships and higher education. It would be the remit of the Employment and Skills Board to consider how the Plan is supported within Gloucestershire.

*Minutes subject to their acceptance as a correct record at the next meeting*

The Committee recognised the importance of focusing on skills within Gloucestershire and it was recognised that the Employment and Skills Board should add value to existing frameworks.

Peter Holmes informed members that Kathryn Wagstaff, Strategic Alliance Project Manager had been appointed by the University of Gloucestershire, Gloucestershire College, and Stroud and South Gloucestershire College to identify future skills needs of businesses across the county, and was currently in discussion with County Council officers about carrying out a skills survey. It was agreed that it would be useful for Kathryn Wagstaff to attend a future meeting of the Committee to update members on the survey and skills needs of businesses.

Members were also made aware of a Gloucestershire County Council funded project whereby officers worked alongside social workers to discuss skills and employability with members of the local community.

One member suggested that it would be useful to have an understanding of the cost of the economic inactivity cohort.

Matthew Burgess, GFirst LEP Board Member and Principal of Gloucestershire College, informed members that he welcomed the proposals for the establishment of an Employment and Skills Board.

There was a discussion as to whether it was within the remit of the Committee to recommend the establishment of an Employment and Skills Board. It was clarified that as the Committee would be supporting the establishment of the Board by Gloucestershire County Council, it was within the remit of the Committee.

The Committee noted the report, and thanked Peter Holmes, who was retiring, for his advice over the years.

### **Resolved**

**To recommend the establishment of an Employment and Skills Board to develop the policy into a more detailed employment and skills strategy for the county.**

## **56. BUSINESS RATE POOL**

David Stanley, Accountancy Manager, Stroud District Council, provided members with an update on the state of the Business Rate Pool and the health of the Strategic Economic Development Fund.

Members were reminded that during its first year of operation in 2013/14, Gloucestershire Business Rates Pool reported a surplus of £774,862, of which £94,972 was paid to the Strategic Economic Development Fund. In 2014/15 the Pool suffered a significant loss due to the successful backdated appeal by Virgin Media in particular, and, due to the ongoing risk associated with the Virgin Media

appeal, it was agreed that the Pool be dissolved and reformed excluding Tewkesbury Borough Council from April 2016.

Members were informed that the Pool reported a surplus of £1.129m for 2015/16 due to an improved position across the majority of pool members and the impact of the lower pool levy rate. A safety net payment of £252k to Tewkesbury was made and the remaining balance of £878k was distributed back to pool members in accordance with governance arrangements.

David Stanley explained that for 2016/17 it was estimated that an additional £2.5m would be retained in Gloucestershire as a result of pooling, and that, based on current governance arrangements, the Strategic Economic Development Fund would receive around £250k. Members noted that an update on the 2016/17 forecast would be provided at the Committee meeting in November 2016.

Members discussed the estimated contribution to the Strategic Economic Development Fund for 2016/17. It was agreed that officers would develop recommendations as to what the Strategic Economic Development Fund contributions could be spent on. These recommendations would be reported back to the Committee at a future meeting.

Members were informed of the Government's intention to introduce 100% Business Rates Retention to local government, and of the two Government consultations that would be closing at the end of September 2016.

It was highlighted that it was important for members to be aware of the proposed changes to Business Rates Retention, as the changes would significantly impact the way local government was funded.

Members recognised that local businesses would need to be consulted with should 100% Business Rates Retention be introduced. It was suggested that ways to engage with local businesses regarding the intended reformed business rate retention system be considered.

The Committee noted the report.

## **57. GLOUCESTERSHIRE INFRASTRUCTURE INVESTMENT PLAN (GIIP)**

Mike Dawson, Chief Executive, Tewkesbury Borough Council, provided the Committee with an update on progress with the development of the Gloucestershire Infrastructure Investment Plan (GIIP).

Members noted that a review of the recently approved Local Transport Plan to update the GIIP project list was underway. Members also noted that the LEP had submitted a bid to the Department for Transport for funding for the M5 Junction 10 scheme, and that successful bids would be announced around the time of the Autumn Statement. A bid for £1.47m for revenue for local sustainable transport fund measures was also being developed for submission in September 2016.

Jonathan Medlin, S106 Negotiator, Gloucestershire County Council, provided members with a demonstration of the infrastructure analysis and mapping tool.

The Committee agreed that it would be useful for the public to have access to the mapping tool as a way to share information on projects, and that the tool should therefore be developed to enable public access. It was also suggested that the functionality of the tool be tested by Committee members.

#### **Resolved**

- 1. To note the proposed review of the recently approved Local Transport Plan to update the GIIP project list;**
- 2. To note the projects submitted from the GIIP for Local Growth Fund funding through the LEP;**
- 3. To note the GIS mapping exercise to visualise interdependencies between strategic sites and infrastructure requirements;**
- 4. To note the priority projects in Annex 2 across Gloucestershire.**

#### **58. VISION 2050 AND 'FUTURE AMBITIONS' WORK**

Nigel Riglar, Commissioning Director: Communities and Infrastructure, Gloucestershire County Council, presented the Committee with a report drawing together Vision 2050 and work on future economic ambitions.

It was highlighted to members that the 'think piece' produced by David Marlow of Third Life Economics was focused on stimulating discussion on long term ambitions for economic growth, taking an 'inconvenient truths' approach.

A workshop would be taking place on 30<sup>th</sup> September 2016 to allow Committee members and partnership organisations to discuss the ambitions raised in the 'think piece'. The discussion could form the basis of a GEGJC submission into the Vision 2050 project, which was being undertaken by Leadership Gloucestershire.

#### **Resolved**

- 1. To note the report;**
- 2. Member Councils to make arrangements to comment on the Think Piece contained in Appendix 1 during September; and,**
- 3. Committee members either to attend the September 30 workshop or to make sure they are appropriately represented.**

#### **59. FUTURE MEETING DATES**

The Committee noted the meeting dates for the remainder of 2016 and for 2017.

*Minutes subject to their acceptance as a correct record at the next meeting*

**CHAIRPERSON**

Meeting concluded at 12.00 pm

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## GFirst LEP Update for GEGJC meeting November 2016

### Gloucestershire Growth Deal

#### a) Current project funding

The current status of the projects that are going through the approval and funding process is as follows:

Stage of Process	Project/s
<b>Outline Business Cases Approved</b>	<b>All</b>
<b>Conditional funding letters issued</b>	<b>All</b>
<b>Due diligence commenced</b>	17 projects: GREEN; STEM projects x 4; airport; Blackfriars; Cyber; Growth Hub expansion; Growth Hub Network; Berkeley Bridges; Cinderford spine road; RAU rural innovation centre; Gloucester Central Transport Hub; Metz Way; A40 Benhall bus lane; A40 Over Roundabout
<b>Due diligence completed</b>	17 projects: GREEN; STEM projects x 4; airport; Blackfriars; Cyber; Growth Hub expansion; Growth Hub Network; Berkeley Bridges; Cinderford spine road; RAU rural innovation centre; Gloucester Central Transport Hub; Metz Way; A40 Benhall bus lane; A40 Over Roundabout
<b>Due diligence completed but project not being progressed</b>	1 project: A40 Benhall bus lane
<b>GFirst LEP Investment Panel review of project due diligence findings and recommendation to the LEP Board</b>	1 project: Metz Way; (A40 Over Roundabout scheme to be reviewed by Investment Panel on 22 <sup>nd</sup> November)
<b>GFirst LEP Board approval for funding agreement</b>	15 projects: GREEN; STEM projects x 4; airport; Blackfriars; Cyber; Growth Hub Expansion; Growth Hub Network; Berkeley Bridges; Cinderford spine road; RAU rural innovation centre; Gloucester Central Transport Hub; Metz Way
<b>Funding Agreement in place</b>	12 projects: GREEN; STEM projects x 4; airport; Blackfriars; Cyber; Berkeley Bridges; Cinderford spine road; Gloucester Central Transport Hub; RAU rural innovation centre

## **b) Project reporting**

Current figures are reported alongside figures in brackets, which are those reported at the previous GEGJC meeting:

- the out turn from the current Growth Deal programme is £18.499m (£13.169m). Note that there are also pending claims for £401k from Cyber project and £515k from RAU.
- the actual cumulative total spend (including direct leverage/match) is £21.8m (£14.86m)
- the total leverage (direct and follow-on) declared by the projects (ie includes some committed but not yet spent) is £64m (£25.368m)

## **c) Assurance Framework additional update and refresh**

As reported previously, our Assurance Framework was updated in July and published on the GFirst LEP website. In early November, we received confirmation from BEIS that all LEPs and Accountable Bodies have been asked to carry out additional reviews and updates of their assurance frameworks by February 2017. The guidance document for this can be found at

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/567528/161109\\_LEP\\_Assurance\\_Framework.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/567528/161109_LEP_Assurance_Framework.pdf)

‘This document sets out what Government expects Local Enterprise Partnerships to cover in their local assurance frameworks. The approach remains light touch, but the aim is to provide greater clarity and set out where expectations have increased from those of 2014 as Local Enterprise Partnerships continue to mature and their role and responsibilities develop. The focus remains on implementing practices and standards which are necessary to provide Government and local partners with assurance that decisions over funding are proper, transparent, and deliver value for money. The Local Enterprise Partnerships will continue to have considerable freedom to determine how to implement the practices and standards articulated in this national framework through their own local assurance frameworks.’

Our current Assurance Framework can be found at

<http://www.gfirstlep.com/Home/Assurance-Framework/?Result=1>

The Programme Management Group (PMG) has already started work on its review of the changes and updates necessary to our own Assurance Framework in light of this latest guidance. The PMG will continue this work and complete the required revisions by February 2017.

## **d) Further refinements to our Growth Deal programme management processes**

The Investment Panel has now taken on responsibilities for reviewing the due diligence reports and making recommendations to the LEP Board regarding project funding and funding conditions. The first meeting of the Investment Panel that included Growth Deal projects took place in September, with recommendations going to the LEP Board for its October 2016 meeting. The Metz Way transport scheme was reviewed by the Investment Panel and recommendation for full funding made to the LEP

Board. The LEP Board approved this funding decision at its October meeting. The next Investment Panel meeting is on 22<sup>nd</sup> November and further details of the Panel members and future meetings can be found at <http://www.gfirstlep.com/gfirst-LEP/Our-Priorities/Projects/> Please follow the link to Infrastructure Investment Fund (GIIF) and the details of the Investment Panel can be found there.

The 'lessons learned' report prepared by the Programme Management Group (PMG) and shared with the LEP Board has been extended further by GFirst LEP staff by asking project promoters for further feedback for inclusion in the report. The final version of this report will be used to inform the LEP's 'Annual conversation' with the Cities and Local Growth team in BEIS in December, along with a range of other programme and project management process and reporting documents. The date for this meeting is still to be confirmed and the GFirst LEP Chair and programme management staff will attend, along with an officer from GCC as Accountable Body for the Growth Deal funding.

#### **e) Audit and project sampling**

As explained at the July meeting, GCC undertook an audit of the LEP and Accountable Body processes for Growth Deal. The results of this audit were very positive and findings have been used by the Programme Management Group (PMG) to inform its continuous improvement of the management processes for Growth Deal. In parallel with this audit, BEIS undertook project sampling work on three categories of Growth Deal projects for all LEPs. These were:

- One transport project above £5m (Gloucester Central Transport Hub)
- One transport project below £5m (Berkeley Bridges)
- One other project within the key LGF themes (housing, skills) (GREEN)

The findings of this review are likely to be shared with GFirst LEP and GCC at the Annual Conversation meeting in December.

#### **f) Growth Deal Round 3**

GFirst LEP submitted its Growth Deal Round 3 bid in July. This included details of all the proposed projects, projected leverage, outputs and outcomes as well as explanations of the 'fit' with Government priorities, how we are managing our current Growth Deal, etc. The bid document can be found at <http://www.gfirstlep.com/gfirst-LEP/Our-Priorities/Our-Vision/> Please click on 'Strategic Economic Plan' and the Growth Deal 3 Submission is near the bottom of the page.

We were expecting feedback from Government on our bid in September, negotiations over our Growth Deal in October and final confirmation of funds ahead of the Autumn Statement. However, nationally, bids into the Single Local Growth Fund were substantially greater than the money available so the Government has applied the following three criteria to each LEP to help in their decisions over allocations:

**Strategy** – The quality of the bid itself and its fit with the Strategic Economic Plan (SEP) and other local

strategies. We scored very well on this criterion.

**Governance** – Areas with metro mayors, combined authorities and devolution deals already in place scored higher than we did.

**Private sector match funding** – Even though several of our projects included substantial private sector follow-on investment, overall, we didn't score as strongly as some other areas on this criterion.

At the time of writing this report, we are still in negotiation with Government about the amount of funding we are likely to receive from the Single Local Growth Fund in our Growth Deal 3, the specific projects that Government will fund and the timing of the funding availability to support these projects. We now expect to have these three key things confirmed just after the Autumn Statement on 23<sup>rd</sup> November. We will inform the LEP Board, GEGJC members and project promoters as soon as we have these confirmed.

It is also not yet clear whether or not there will be a Growth Deal round four and we will be discussing this with BEIS at our Annual Conversation in December.

Pete Carr, GFirst LEP

20/11/16

# Agenda Item 5

## VISION 2050 AND 'FUTURE AMBITIONS' WORK

## AGENDA NO:

<b>Meeting</b>	Gloucestershire Economic Growth Joint Committee
<b>Report author</b>	Nigel Riglar  Tel no: 01452 328470  Email: nigel.riglar@gloucestershire.gov.uk
<b>Background documents</b>	(1) Local Government Association (LGA) Economic Growth Case Study; (2) Papers for GEGJC meeting of March 16 & July 8; (3) Final Gloucestershire Economic Growth 'Showcase' document; (4) Think piece – 'Gloucestershire – refreshing the ambitions: July 16'; (5) Gloucestershire Ambitions Roundtable – Workshop Report
<b>Location/Contact for inspection of background documents</b>	(1, 2, 3, 4) The paperwork for the GEGJC can be found on the County Council's website.  (5) The document is attached at Appendix 1.
<b>Main consultees</b>	GEGJC and Senior Officer Group representatives, including gfirst LEP.
<b>Planned dates</b>	As indicated in the report
<b>Purpose of report</b>	To provide insight on various strands of devolution work that will inform future Economic Development / Growth Strategies of partners.
<b>Recommendations</b>	1. To note the report; and to, 2. Submit to the Vision 2050 Steering Group for their consideration.
<b>Reasons for recommendations</b>	At the last GEGJC meeting members highlighted the need to take a long term view, potentially out to 2050, of economic growth in the County in order to inform short to medium term discussions and decisions around for example devolution, future rounds of Growth Deal, future reviews of the Strategic Economic Plan (SEP) and land use plans and business rates. A workshop of GEGJC members took place on September 30 <sup>th</sup> .
<b>Resource Implications</b>	Consultant fees – c. £2-4k.

## **CURRENT ECONOMIC GROWTH 'AMBITIONS' WORK**

1. At the last meeting it was explained that there are currently 4 pieces of work commissioned by Leadership Gloucestershire or the GEGJC that will inform the thinking of local partner bodies on devolution, public sector reform and economic growth. These include:
  - Following on from earlier work the GEGJC endorsed the County Council's proposal to commission '3<sup>rd</sup> Life Economics' to do a further piece of challenge work to stimulate debate amongst the Committee on economic growth ambitions with a particular emphasis on productivity, connectivity and a 'city-region' approach; and,
  - 2050 Vision – commissioned by Leadership Gloucestershire, gfirst LEP and consultants JBP are taking this project forward with the aim of bringing together a number of subject experts to populate a list of challenging propositions that could provide options for future economic growth.

## **SEPTEMBER 30<sup>th</sup> WORKSHOP**

2. The workshop report at Appendix 1 is the final outcome from challenge work done by the Committee. With members approval the report will now be submitted to the 2050 Vision Steering Group in order to inform their considerations.

### **Options**

3. Clearly, many options for the future are likely to emerge as a result of the various strands of work commissioned by Leadership Gloucestershire and will be subject to separate decision-making processes.

### **Risk assessment**

4. The main risk is that Gloucestershire does not successfully position itself in terms of its commitment to delivering economic growth and misses out on Government and private sector inward investment. The establishment of long-term ambitions and in due course realistic delivery plans will help mitigate this.

### **Officer advice**

5. To note the Workshop Report and to submit it to the 2050 Vision Steering Group for consideration.

### **Equalities considerations**

6. Not applicable – the outcomes from the further work will be needed before equalities can be considered. At this point in time it will be possible to identify whether the recommendations from the further work will be taken forward through existing policies and programme, which already have equalities processes in place, or whether further bespoke activity is required.

### **Consultation feedback**

7. The Workshop Report provides the Committees input to the Vision 2050 process.

### **Performance management/follow-up**

8. None at this stage other than to submit the Workshop Report to the Vision 2050 steering group.

## APPENDIX 1 - Gloucestershire Ambitions Roundtable – September 30<sup>th</sup> 2016

### Workshop report

**Introduction and purpose:** On September 30<sup>th</sup> 2016 Gloucestershire Economic Growth Joint Committee (GEGJC) convened a Round Table/Workshop with a small number of partners and officers. This considered the case for refreshing Gloucestershire's economic ambitions, and the potential content of such an exercise. The workshop discussed the July 2016 Ambitions thought-piece produced by David Marlow (DM) of Third Life Economics (3LE). DM facilitated the workshop sessions.

**Format and agenda:** The workshop was opened and closed by Cllr Hawthorne, Chair of GEGJC. DM presented a summary of the Ambitions paper - focusing on Gloucestershire's productivity challenges and the risks of being 'stuck in the middle' of UK local growth debates. In particular DM invited the workshop to consider and discuss six potential big ticket productivity transformers:-

- Growing a 'top 25' global research university over the next twenty years
- Focusing enterprise, innovation and skills support single-mindedly on "frontier firms" from whom most business and economic growth is likely to be delivered
- Positioning Cheltenham-Gloucester as a leading UK 'metro' anchoring the Gloucestershire 'city-region', and putting in place policies to make this a reality
- Promoting radical improvements in connectivity to London and Thames Valley
- Adopting a more striking goal for public services reform and fiscal devolution
- Developing one or two flagship signature investments of undisputed international significance with which to enthuse and engage proactive government support

Thereafter the workshop participants developed the presentation in plenary discussions. There was good involvement from all delegates, and the contributions were largely relevant, positive and stimulating.

**Developing the ambitions agenda:** The major points of discussion included:-

- A. There is a wish to couple productivity-driven agendas with a strong commitment to **wellbeing** (and sustainable, inclusive growth). Any refresh of goals and priorities should adopt a broader basket of indicators of success.
- B. There is recognition that Gloucestershire needs an informed, intelligent '**internationalisation**' strategy as it faces the challenges of UK changes globally. The strategy might include proactive measures like encouraging Gloucestershire presences overseas and vice versa (e.g. in incubator spaces).
- C. There is an enthusiasm to look afresh at the concept of the Cheltenham-Gloucester '**metro**'. This has both virtual (networking and behaving like a connected city) and physical manifestations. There was considerable discussion of potential for a major **new flagship investment** in a C-G metro - e.g. research campus and Medical School - and other investments - e.g. rapid transit.

- D. Any refresh needs to **look outward** to the relationships of Gloucestershire to neighbouring 'metros'. In particular, Gloucestershire is in the middle of a quadrilateral - Oxford/Bristol/Cardiff/Birmingham. How can it position itself to leverage the potential of this location? In a related transport point, can it encourage investments on the Birmingham - Cornwall, London - South Wales, and Cotswold rail lines that will significantly enhance connectivity with neighbours, and also London and Heathrow?
- E. This is a period where there are opportunities to **deploy assets and raise finance** aggressively for 'big ticket' change. There are major housing sites, infrastructure (e.g. a further bridge to unlock Forest of Dean) and energy (e.g. Oldbury Power Station) ideas that might be transformational if they can be realised well.
- F. The **process** of blue sky thinking needs to be accompanied by a pragmatic breaking down of big ideas into bite-size deliverable component parts.

**Possible next steps:** Gloucestershire is currently undertaking a consultation on developing a 2050 vision. The Ambitions thought piece and workshop discussions should feed into and complement this. DM understands that Gloucestershire is continuing to discuss devolution with Government, and has also been a phase one pilot in the HEFCE/LGA Leading Places programme. The big ticket transformers might contribute to and be a component of those exercises.

More directly, there may be a case for undertaking further high level definition work on the six transformers identified in the thought piece. In particular, GEGJC and partners might reconvene to agree short term action plans. This would help to determine which to progress, and how to feed the propositions into emerging Government policy and programmes.

**Concluding remarks:** This Ambitions exercise was a timely and interesting piece of work for GEGJC to undertake. If nothing else, the type of open debate at the workshop is an important illustration of the growing maturity of the leadership team.

David Marlow  
5th October 2016

## Gloucestershire Business Rates Pool Update

AGENDA NO:

<b>Meeting</b>	Gloucestershire Economic Growth Joint Committee, 30 November 2016
<b>Report author</b>	David Stanley – Accountancy Manager Stroud District Council Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a>
<b>Background documents</b>	<i>None</i>
<b>Location/Contact for inspection of background documents</b>	<i>N/A</i>
<b>Main consultees</b>	Gloucestershire Chief Financial Officers
<b>Planned dates</b>	<i>N/A</i>
<b>Purpose of report</b>	To update members of the committee on the 2016/17 financial performance of the Gloucestershire Business Rates Pool.
<b>Recommendations</b>	The Committee: 1. Note the forecast position with the Pool for 2016/17
<b>Reasons for recommendations</b>	The Business Rates Pool suffered a significant blow in 2014/15, although 2015/16 performance has recovered some of these losses. The Pool Management Team has taken steps to mitigate the risks of any future losses but the Committee needs to be mindful of the current risks.
<b>Resource Implications</b>	There are no resource implications to implementing this recommendation however, despite the mitigating action taken, Pool members must be aware of the risks associated with Pooling and make appropriate provision within their individual authorities.

## **Background**

1. The Gloucestershire Business Rates Pool (GBRP) was set up to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership.
2. In 2013/14, the first year of operation, the Pool reported a surplus of £0.775m of which £95k was paid to the Strategic Economic Development Fund supporting the work of the Joint Committee. In 2014/15, the pool suffered a significant loss due to the impact of backdated appeals on rateable values and in particular, the successful backdated appeal by Virgin Media, the largest valued business in Tewkesbury. The final pool position for 2014/15 published a deficit of £2.3m following a safety net payment to Tewkesbury of £3.9m.
3. The 2015/16 outturn position for the Pool reported a surplus of £1.129m. This is predominantly due to an improved position across the majority pool members (in particular Stroud, Gloucester and Cotswold) and the consequential impact of the lower pool levy rate
4. After accounting for a safety net payment to Tewkesbury of £252k, the remaining balance of £878k was distributed back to pool members pro-rata to 2014/15's deficit in accordance with the governance arrangements.
5. With the ongoing risk associated with the VM issue and following the Committee's agreement, the Pool was dissolved and a new Pool was formed excluding Tewkesbury from April 2016.

## **Forecast for the Pool 2016/17**

6. Following the completion of the Government returns which set the level of Business Rates income for each authority for the 2016/17 year, it was estimated in January 2016 that an additional £2.516m will be retained in Gloucestershire as a result of pooling.
7. An update on the 2016/17 forecast was considered by the Gloucestershire CFOs at their meeting in September. The mid-year update (based on information up to the beginning of September 2016) has, in common with previous years, has seen this forecast revised down to £1.983m
8. Based on the current governance arrangements, the Strategic Economic Development Fund would receive around £200k. This assumes that the remaining losses incurred by pool members in 2014/15 (£934k) will be recovered from the pool surplus (as per the forecast in paragraph 7) in 2016/17 and whether a Pool Reserve is held.
9. Members may be aware that NHS Trusts are continuing to look to be classified as charitable bodies and therefore qualify for mandatory charitable business rates relief of 80% of their business rates. This issue has recently come to the fore again, with several local authorities receiving correspondence from agents acting on behalf of NHS Trusts. In the event they are successful with this application, it would have a significant impact on the new pool in 2016/17.

## **2017 Revaluation**

10. New rateable values (RV) have been issued by the Valuation office and come into effect on 1 April 2017. This has seen the RV for Gloucestershire increase from £524.8m to £556.9m representing an increase of £32.1m or 6.1%. This compares to an increase of 4.0% across the South West and 9.6% nationally (although the national picture is somewhat skewed by the RV gains in London).
11. However, whilst there is a positive change in the RV across the county the revaluation should be fiscally neutral. Under rating statute, the amount of revenue collected across England cannot increase as a result of revaluation. The Government will adjust tariff and top-up payments to ensure that baseline funding levels remain the same.
12. In addition, Transitional relief, multipliers and other elements need to be finalised before there is any certainty about the business rate income, particularly given the extension of small business rate relief thresholds announced in the 2016 Budget.
13. Some risk may remain that the new rating list may lead to an increase in appeals activity; although the Government is due to tighten up the process to prevent speculative appeals from April 2017.

## **Risk Assessment**

14. Some risk remains from the Business Rates Pool should there be significant backdated appeals settled. The issue of NHS Trusts requesting charitable status is the most significant financial risk to the pool and pool members.

## **Officer Advice**

15. No officer advice required

## **Equalities considerations**

16. There are no equalities considerations associated with this decision. It is purely a financial consideration.

## **Consultation feedback**

17. Each of the Business Rates Pool members has been consulted about this report and support the recommendation.

## **Performance Management/follow-up**

18. A report on the performance of the Business Rates Pool will be presented to a future meeting of the Joint Committee. Between now and then, Chief Financial Officers will keep Chief Executives and Leaders apprised of any developments

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