<table>
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<tr>
<th><strong>INDIVIDUAL CABINET MEMBER DECISION REPORT</strong></th>
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<tr>
<td>Published on 13 March 2014</td>
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<td>Gloucestershire Strategic Economic Plan</td>
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</tbody>
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| **Dates between which decision will be taken** | Earliest date: 21 March 2014  
Latest date: 31 March 2014 |
| **Leader of the Council**                     | Cllr Mark Hawthorne |
| **Key Decision**                              | Yes |
| **Background Documents**                      | Local Growth White Paper (October 2010)  
Government Response to Heseltine’s Review (March 2013)  
LEP Growth Statement (April 2013)  
Growth Deals Guidance for Local Enterprise Partnerships (July 2013)  
Strategic Economic Plan Governance Arrangements - Scoping Report and Recommendations (Leadership Gloucestershire 26th September 2013 and 9th January 2014)  
Cabinet Report 11th December 2013: Agenda Item 7 - Emerging Draft Gloucestershire Strategic Economic Plan  
Submitted Draft Strategic Economic Plan (December 2013) |
| **Location/Contact for inspection of Background Documents** | Growth Deal Guidance - https://www.gov.uk/government/publications/growth-deals-initial-guidance-for-local-enterprise-partnerships  
http://www.gloucestershire.gov.uk/extra/CHttpHandler.ashx?id=59110&p=0  
| **Purpose of Report** | To consider the form and content of the final draft version of the Gloucestershire Strategic Economic Plan (SEP), due for submission to the Government, by the Gloucestershire Local Enterprise Partnership on 28th March 2014, including likely resource requirements and the effect on capacity and future service planning within the authority.  

*Note – due to timeframe constraints, this report has had to be published without the final version of the SEP attached (link to draft plan from December attached only). The key consultation events, referred to above, will draw upon the final plan, which it is anticipated will be available on the 14th March, however it is not considered that the final version will be substantially different to the December draft. Therefore, it is proposed for authority to be given to the Commissioning Director: Communities and Infrastructure, in consultation with the Leader, to endorse the final version of the SEP.*  

It is planned that a linked report outlining the proposed governance arrangements, including the formal establishment of the Gloucestershire Economic Growth Joint Committee, will be presented to Cabinet. |
| **Main Consultees** | Leadership Gloucestershire/ Shadow Economic Growth Joint Committee  
GCC Member Briefing  
Shadow/ Group Spokespersons |
| **Planned Dates** | Leadership Gloucestershire – 28th November 2013  
Shadow Joint Committee - 27th February, 18th March 2014  
GCC Member Briefing - 3rd December 2013, 17th March 2014  
Shadow/Group Spokespersons Briefing – 19th March 2014 |
| **Divisional Councillor** | All |
| **Officer** | Any representations should be sent to:  
Nigel Riglar, Commissioning Director Communities and Infrastructure  
Tel: 01452 328470   Email: nigel.riglar@gloucestershire.gov.uk  
by 5.00pm on Thursday 20th March 2014. |
| **Recommendations** | It is recommended that the Cabinet Member endorses the final Gloucestershire Strategic Economic Plan, due to be submitted to the |
Government by the end of March 2014 and delegates to the Commissioning Director: Communities and Infrastructure the authority to approve the final version of the SEP for submission to central government by the 31 March 2014.

**Reasons for recommendations**

To enable Members to understand and engage with the process ahead of the formal submission of the SEP, at the end of March and the commencement of a period of negotiation with Government in order to secure a ‘Growth Deal’ for Gloucestershire, over the summer.

*Note:* The Council currently provides the Accountable Body role for the LEP which is likely to be broadened in support of the implementation of the SEP.

**Resource Implications**

The Final SEP is due to be submitted by 31 March 2014, however, lead Civil Servants have confirmed that, in Gloucestershire’s case, Ministers expect little change in the substance from the draft document submitted in December 2013.

This fact has helped the Council to determine its process for endorsing the SEP, as it complements the Council’s existing policy and budgetary framework. In terms of the latter, no additional budgetary contributions need to be agreed at this point in time. However, as a result of the post March 31 negotiations with Government on the ‘growth deal’, further clarity on new resource requirements may emerge and the Council will need to consider subsequent reports.

In view of this alignment between the SEP and the existing policy and budgetary framework, a number of Councils in Gloucestershire have decided that they will delegate the sign-off of the SEP to an appropriate officer, in consultation with the relevant elected Members. This report recommends a similar course of action.

A key component of the SEP, which will be explored in more detail during the ‘growth deal’ negotiation, is the extent to which public sector partners will be contributing towards the implementation process. This could be both financial contributions and commitments to improve the enabling and regulatory environment (eg. planning, business rates etc). In terms of Government expectations, this has been termed as identifying the ‘locality offer’ alongside the more direct ‘ask’ for Government funds.

From the County Council’s perspective, the more easily identifiable contributions which could make up part of the ‘local offer’ to the SEP, are outlined in the final plan and are associated with priority strategic transport schemes and infrastructure requirements, such as the progression of a nationally prioritised development programme for the Missing Link.

In addition, although less defined, recent discussion at Leadership Gloucestershire and more recently, the new Shadow Joint Committee, has been exploring the potential leverage which could arise from the emerging pooling arrangements for business rates, plus other capital and revenue
funding streams which could be aligned and re-focused, as part of the
‘locality offer’.

The challenge in negotiating with Government will be to find the right
quantum of ‘locality offer’ that attracts the scale of external funding required
to support the priority projects proposed.

In terms of other ‘resource implications’ associated with the SEP, it should be
noted that the County Council has already committed £250,000 (over a two
year period - 2012/14) as match, to enable the LEP to access core funding
allocated by DCLG to support its operational costs.

The Council has also approved £500,000 as a match funding opportunity for
the development of the case for the A417 “missing link”.

GCC officers (ED, planning, legal, democratic services and finance) have
been actively engaged in the process so far, working closely with the LEP on
the development of the SEP. It is also envisaged that officers will remain
actively involved in both the implementation planning and delivery phases of
the plan, moving forward.

The final position in relation to the resource implications for GCC will be
subject to the ‘growth deal’ negotiations with Government, during the
summer, but Members will be fully briefed and involved in any decisions.

The Council currently provides the Accountable Body role for the LEP, which
is likely to be broadened in support of the implementation of the SEP. Any
funding from GCC to the LEP will be covered by a formal funding agreement.
MAIN REPORT CONTENTS

1. Background

1.1 The Government’s emerging National Growth Strategy takes forward a number of priority themes from the original Local Growth White Paper (Oct 2010) and Lord Heseltine’s wealth creating review No Stone Unturned in Pursuit of Growth (Oct 2012)

1.2 Alongside these priority themes is a commitment to bring together the numerous Government funding streams, into a single pot. This will be complemented by further streamlining of EU Common Strategic Framework funding, available to communities in England from 2014, which collectively, could identify over £50 billion by 2015/16 – 2020/21 to help local areas forge their own economic futures in partnership with the centre.

1.3 In response, LEPs have been asked by Government to lead the development of strategic economic plans (SEPs) for local growth in line with national priorities. These multi-year plans will bring together local stakeholders and include co-ordination with existing public programmes, whilst also demonstrating how the creativity and support of key partners in both the public and private sectors has been harnessed.

1.4 The Gloucestershire Local Enterprise Partnership (LEP) has identified a number of flagship projects that it believes can form the core of the strategic economic growth plan (SEP).

These three core themes are:

1) Promotion - promote the County as having a quality of working life recognised as the best in Europe
2) Skills - a highly employable and economically productive population
3) Connection - an infrastructure that supports economic growth

For the purposes of developing the SEP, these themes have been extended to create a ‘flagship project’ in each case; Promotion – the ‘Business Accelerator’; Skills – the ‘Skills Pathway’ and Connection – the ‘M5 Innovation Zone’.

1.5 Each flagship project outlined in the plan is orientated towards the achievements of specific outcomes and includes a rationale, as well as the identification of linked priority activities and investments for delivery. Expert input, taken from the LEP’s existing networks, has developed the detail of the actions/plans for each flagship and provided the evidence and strategic oversight to ensure proposals are as well grounded in deliverability as possible.

1.6 Members were duly briefed about the emerging draft plan in December within both a Member briefing, as well as Cabinet and a first formal draft was submitted to Government, by the LEP, on the 19th December – view at http://www.gfirstlep.com/gfirst-LEP/Our-Priorities/Our-Vision/. In addition, on 22 January 2014, there was unanimous recognition by the full Council of the importance of developing and delivering a SEP for Gloucestershire and their businesses.

1.7 Following formal feedback from the Government on the initial draft, the LEP has been working with partners to refine the proposals in order to produce a finalised version for
consideration by the LEP Board and Shadow Joint Committee on 18th March (the Shadow Joint Committee comprises Leaders from each Gloucestershire local authorities, who are meeting on a shadow basis pending formalisation of the Committee by the constituent councils). Allowing for final amendments, the full and final version of the Strategic Economic Plan is intended to be submitted to Government on 28th March 2014. Thereafter, LEPs will be invited to enter into a competitive ‘negotiation’ with government to secure a ‘Growth Deal’, which ultimately will enable localities to draw down resources annually to support activity enabling local growth.

1.8 The timeline for the production of the SEP has been incredibly tight, from the outset, consequently, conventional widespread consultation processes have not been considered practical. Through Leadership Gloucestershire and the emerging new Joint Committee arrangements, local authority partners, in particular, have been actively encouraged to raise awareness of the SEP and Growth Deal negotiation process with their Members and ensure that consideration of the final plan and planned governance arrangements, as a priority, follows as formal a democratic process route as possible by April 2014.

2. Governance

2.1 The Government’s response to the Heseltine Review in March 2013 confirmed its commitment to focusing attention on the enablement of growth and within this objective, a particular expectation on the local authority members of LEPs to take up the challenge of putting economic development at the heart of all they do and to work more collaboratively.

2.2 One of the principal tests likely to be applied by Government, in considering the final SEP submissions therefore, will relate to the strength and local capacity of the underlying economic partnership. As a result the governance arrangements for the Gloucestershire SEP have been developed to provide strong local democratic and financial accountability, particularly with regard to the use of the Single Local Growth Fund. This resulted in a decision, by Leadership Gloucestershire, to support the formation of a Statutory Joint Committee to oversee collective effort to secure economic growth in the County and the management of government funds. Ref: Leadership Gloucestershire meeting 9th January 2014 Agenda Item 3c - http://www.gloucestershire.gov.uk/extra/CHttpHandler.ashx?id=59110&p=0. As part of this process, a cross county scrutiny committee is proposed to evaluate and monitor the work of the Joint Committee, including the delivery of the SEP.

2.3 Broadly, the remit for a Gloucestershire Joint Economic Growth Committee is likely to be:

- To facilitate and enable collaboration between Gloucestershire Local Authorities on economic development and associated activities.
- To provide democratic and financial accountability for the management and delivery of the strategic objectives of the SEP, monitoring the annual SEP budget, reviewing the annual SEP Report, including advising and making recommendations to the Accountable Body.
- To co-ordinate the contribution of all local authorities to the SEP.

However, work is ongoing to finalise the detail of the proposed arrangements.
2.4 The Joint Committee met for the first time, in Shadow form, on the 27th February, but a detailed paper outlining the full terms of reference and operating principles, including joint scrutiny arrangements, will be presented to Cabinet for approval on the 2nd April.

3. Options

3.1 The key principle is that Growth Deals will be a partnership between the Government and localities working through their Local Enterprise Partnerships (LEPs), where the Government will respond to the offers made by LEPs in pursuit of the shared objective of local economic growth. Each locality will then negotiate a ‘Growth Deal’ on the basis of the prepared Strategic Economic Plan (SEP). Government is decentralising a range of funding streams considered appropriate for devolution as part of the establishment of the Single Local Growth Fund. However, the Government contends that the Local Growth Fund is just one of the investment options available to localities, suggesting that LEPs will need to draw on a range of resources, including private sector investment and local authority funding to support the priorities identified in the SEP.

3.2 Gloucestershire will be unable to access Government funding for Growth if the LEP does not produce a SEP. Therefore, there is a clear opportunity for GCC to actively participate and provide a leadership role in ensuring all the local authorities in the County work collaboratively with the LEP to ensure Gloucestershire is as well positioned as possible to enter into a competitive negotiation process with Government, as well as potential other supporters such as the private sector, over the next few months.

4. Risk Assessment

4.1 The decision not to endorse the final version of the SEP would impact directly on the County Council’s ability to play a pivotal strategic economic development and planning and infrastructure role, working alongside the LEP, in supporting the growth of the local economy in the future. It would also seriously undermine the ability of Gloucestershire in presenting a compelling joint public/private sector story to the Government, as part of the negotiation on the local ‘growth deal’.

4.2 Further risk analysis and mitigation plans, as required, will be developed as part of the implementation planning phase, once the role the authority is likely to play, is better understood.

5. Officer Advice

It is recommended that the Cabinet Member endorses the final Gloucestershire Strategic Economic Plan, due to be submitted to the Government by the end of March 2014 and delegates to the Commissioning Director: Communities and Infrastructure the authority to approve the final version of the SEP for submission to central government by the 31 March 2014.

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1 Eg. Local Authority Transport Majors, Local Sustainable Transport Fund (Capital), Integrated Transport Block, Further Education Capital, European Social Fund Match and New Homes Bonus
6. Equalities Considerations

6.1 There is provision within the emerging SEP in support of improving economic opportunity for all and in particular, planned targeted provision for key vulnerable groups. See the attached Due Regard Statement.

7. Consultation Feedback

7.1 As the principal stakeholders in this process are principally Members and the Council’s local authority partners, all Members had an opportunity to attend a briefing on the emerging draft plan in December, which was complemented by full consideration of the draft SEP by Cabinet in December.

7.2 In addition, Leadership Gloucestershire have considered regular progress reports, on a monthly basis, whilst the new Shadow Joint Committee met recently and will also be considering the final version of the plan on the 18th March, alongside the LEP Board.

7.3 The Leader also plans to liaise with Shadow Members/Group Spokespersons, as part of the SEP finalisation process, alongside a further all Members briefing scheduled for the 17th March.

7.4 In parallel, the LEP has led directly on the engagement of the business, voluntary and community sectors, across the County.

8. Performance Management/Follow Up

8.1 Ultimately, GFirst LEP CIC will be responsible for the delivery of the SEP and will be required to report progress to both central government, as well as local stakeholders. The County Council Leader will remain active, in this process, as a member of the proposed GFirst LEP (CIC) Board of Directors.

8.2 More locally, it is envisaged that the established Statutory Joint Committee will perform a performance management role for the SEP, as well as oversee and manage the public sector input, co-ordination and interface with the LEP officer team and the LEP Board.

8.3 Within this management structure, provision will be made for a dedicated joint scrutiny function which will be complemented by the Council’s normal scrutiny arrangements.

Sustainability Checklist
<table>
<thead>
<tr>
<th>Report Title</th>
<th><strong>Gloucestershire Strategic Economic Plan</strong></th>
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<tbody>
<tr>
<td><strong>Statutory Authority</strong></td>
<td>Economic Development and Support for the Local Economy falls within the remit of the Strategic Commissioning Communities and Infrastructure Directorate and is a discretionary function.</td>
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<tr>
<td><strong>Relevant County Council policy</strong></td>
<td><strong>GCC Commissioning Plan</strong></td>
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<td></td>
<td>Gloucestershire and its communities are attractive places to live, work and invest: Enabling Economic Recovery, including the <strong>Grow Gloucestershire</strong> Campaign, Economic Commissioning function, Broadband Project and LAMS.</td>
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<td></td>
<td>Successful, coherent fulfilment of the Council’s Accountable Body Functions in relation Economic Development</td>
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<td></td>
<td><strong>Grow Gloucestershire</strong></td>
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<td></td>
<td>The investment priorities are:</td>
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<td></td>
<td>• Giving young people the right skills to get jobs</td>
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<td></td>
<td>• Helping first time buyers get on the housing ladder so keeping talent in Gloucestershire.</td>
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<td></td>
<td>• Connecting the county through improved infrastructure, from roads to broadband</td>
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<tr>
<td><strong>Resource Implications</strong></td>
<td>As outlined in the Cabinet Report</td>
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<tr>
<td><strong>Sustainability checklist:</strong></td>
<td><strong>Partnerships</strong></td>
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<td></td>
<td>GCC is one of the principal stakeholders and is a significant funding partner of the LEP, also performing an Accountable Body role/function. The LEP also works closely and engages with a broad and diverse number of public and private sector partners.</td>
</tr>
<tr>
<td><strong>Decision Making and Involvement</strong></td>
<td>Section 9 of the SEP for Growing Gloucestershire illustrates the Governance and delivery arrangements for the implementation of the plan. As part of this process, a Joint Statutory Committee is being established by the Local Authorities. This section also identifies the core functions of the committee which includes acting as the formal link between local government in Gloucestershire and the LEP Board</td>
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<tr>
<td><strong>Economy and Employment</strong></td>
<td>The preparation of the Strategic Economic Plan and associated EU Investment Strategy Fund priorities will enable the County to negotiate a Growth Deal with central Government and maximise funding from the Single Local Growth Fund pot. This will enable</td>
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the County to respond to needs and realise its aspirations to help stimulate and attract investment, generate economic growth and local business benefits. The SEP and economic vision for the county aims to grow the economy, so that by 2022 the county has world class companies, a diverse business portfolio and a reputation for starting and growing businesses. The overall ambition is to deliver a business plan to drive growth of 4.8% GVA per annum averaged over the period of the plan. To support such growth the county is seeking in the order of £400m from Government, in addition further resources locally from business and non SEP public resources. The proposals in the SEP will help to stimulate and attract investment, generating economic growth and local business benefits through ‘smart growth’. Funding will therefore contribute significantly to enabling an improved climate for growth, increasing employment prospects through improving skills and bringing forward sites for development in localities across the County. Associated infrastructure and highway improvements will also substantially improve the connectivity and the efficiency of the local transport infrastructure to support such growth.

<table>
<thead>
<tr>
<th>Caring for people</th>
<th>The SEP will contribute to an improvement in local job prospects and skill enhancement for individuals in the county. For example, one of the benefits will be that more young people will likely to stay in or move to Gloucestershire to start-up businesses and take up high-skill job opportunities in the County.</th>
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<tbody>
<tr>
<td>Built Environment &amp;</td>
<td>The overall impact on the built, natural, heritage and landscape environment for any physical growth investments will have to be assessed and be taken into account as part of the local planning process.</td>
</tr>
<tr>
<td>Natural Environment’ including Ecology (Biodiversity)</td>
<td>The overall impact on the natural environment, heritage and landscape of every location that has been identified as a potential areas of focus for growth, will have to be assessed as part of the relevant formal local planning process. This will be a pre-requisite for any subsequent investment.</td>
</tr>
<tr>
<td>Education and Information</td>
<td>Not directly applicable to the nature of the growth aspirations contained in the strategic economic plan and EU Investment Strategy, other than indirectly as a potential component of a broader employment and skills offer.</td>
</tr>
<tr>
<td>Tackling Climate Change</td>
<td>Any impacts such as carbon emissions/climate control, in relation to the various elements of the SEP, are likely to be formally considered as part of the relevant planning application process or engagement with statutory bodies on specific economic growth initiatives. Nonetheless, there is a major focus on climate change in the accompanying EU Investment Strategy and a low carbon theme/objective reflected in the SEP.</td>
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<tr>
<td>Due Regard Statement</td>
<td>Has a Due Regard Statement been completed?</td>
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<td></td>
<td>Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail:</td>
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<tr>
<td>Human rights Implications</td>
<td>It is not envisaged that any of the proposals in the SEP would have any significant human rights implications</td>
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<tr>
<td>Consultation Arrangements</td>
<td>See ‘main consultees’ section above</td>
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