

10 February 2016		ITEM: 17 (Decision 01104352)
Cabinet		
Combined Authority and South East Local Enterprise Partnership Update		
Wards and communities affected: All wards	Key Decision: Key	
Report of: Councillor John Kent, Leader and Cabinet Member for Finance and Education		
Accountable Head of Service: Matthew Essex, Head of Regeneration		
Accountable Director: Steve Cox, Assistant Chief Executive		
This report is public.		

Executive Summary

This paper provides an update on the Council's work with partners on devolution.

1. Recommendation(s)

To provide an update to Cabinet on the work with partners to develop a Greater Essex Devolution Bid as well as the progress on the partnerships within Thames Gateway and South Essex.

2. Introduction and Background

- 2.1 In October 2015 Cabinet agreed to continue its work with partners towards a devolution deal that is underpinned by a business case, has the support of local businesses and localises decision making. It also agreed that a deal would deliver outcomes for Thurrock that could not be achieved through other means.
- 2.2 Since October the Council has continued to work with Greater Essex partners and have attended various meetings, including of Council Leaders, chief executives and thematic workstreams such as skills and employability, growth and infrastructure, and governance. The planned submission of a formal draft deal document in December was postponed, instead an officer submission to civil servants was made. Since then meetings between workstream lead officers and civil servants have taken place.

- 2.3 In letters submitted to the Secretary of State on 4th September 2015, the Council's position, made jointly with Southend Council, was clear about three specific issues relating to a Greater Essex submission. Firstly that it must be based upon and structured around 'growth areas' which for Thurrock is South Essex; that the principle of subsidiarity must apply, i.e. decisions should be taken at the most local level possible; and thirdly there must be alignment between the submission and the current federated structure of SELEP.
- 2.4 The Council continues to play a central role, working with local authority and business colleagues, in preparing the economic growth strategy for South Essex. The strategy is being informed by the Council's own refresh of the Thurrock Growth Strategy which is elsewhere on this Cabinet agenda. The South Essex Growth Strategy is an important document that will be used to shape and guide the investment priorities across the area that will enable and support business growth. The South Essex Growth Partnership, its strategy and priorities will be the basis for seeking support and funding for projects through four principle routes set out below.
- 2.5 Firstly, through the South East Local Enterprise Partnership (SELEP) and its management of the Local Growth Fund. A third round of bidding to this fund is expected to be announced by Government shortly. Thurrock remains very concerned about the SELEP Board position of allocating funding on a per capita basis rather than in response to growth ambition and potential and a robust and comparable return on investment assessment of projects across SELEP.
- 2.6 Secondly, through SELEP and its management of European Investment Programmes. Thurrock is involved in three projects: it is leading 'LOCASE' an £18m SELEP wide business support programme promoting eco-innovative and low carbon solutions; a £6m programme to support growth in the Creative and Cultural Sector across SELEP; and 'On-track Thurrock' a £3.8m support programme for NEETs in Thurrock. The Council is also progressing a bid through the Community Led Local Development Fund focussed on Tilbury.
- 2.7 Thirdly, South Essex is one third of the wider Thames Gateway, alongside North Kent and East London, that is working with the Thames Gateway Minister, Mark Francois through the Thames Gateway Strategic Group on a prospectus for growth. Thames Gateway remains an important priority across Government and an important route for Thurrock to seek support for its growth ambitions and projects. While there is no direct funding yet available a strong Thames Gateway prospectus could be influential in decisions made through SELEP or devolution deals.
- 2.8 Fourthly, South Essex is one of the proposed 'growth areas' within the emerging Greater Essex devolution submission. A devolution deal has the potential to achieve greater influence over skills and transport funding as is being achieved elsewhere in the country. In exchange the Government is expecting to see a commitment to enhanced or accelerated job and housing growth and new governance mechanisms that demonstrate collaboration and

greater efficiency across the public sector. This is taking the form of new Combined Authorities.

- 2.9 Thurrock has an ambitious growth agenda the delivery of which depends upon its ability to work successfully in close partnership with businesses, other local authorities and Government. We have experienced considerable success through our partnership across South Essex, securing £97.5m through the Local Growth Fund for key projects, including the A13 widening. We have adopted a pragmatic and transparent approach of being clear about our growth projects and working with whichever partners and partnerships can best enable us to deliver them. At all times recognising the need for compromise.
- 2.10 The South Essex area is Thurrock's natural partnership. Not only is it coherent from a partnership and strategy perspective, crucially it is an economic geography that business recognises. When extended, via Thames Gateway, into East London and North Kent its position is strengthened as a pragmatic reflection of commuting patterns, markets and supply chains. It is the geographic area that remains consistent and prominent within SELEP and Thames Gateway.
- 2.11 Thus far, despite considerable work from officers in Thurrock and Southend, the Greater Essex devolution proposal does not adequately reflect the significance and importance of South Essex. Furthermore the initial work on governance is not yet addressing the principle of localised decision-making, which in short should ensure that all decisions affecting South Essex are taken in South Essex. Thurrock Council will not subscribe to a governance system that sees priorities reached in South Essex second guessed at the Greater Essex level.
- 2.12 This position was made clear in the September letters and frequently since. The Council will continue to seek the views of businesses in Thurrock and work with colleagues in Southend and across South Essex to identify whether elements of the emerging Greater Essex devolution deal is the best mechanism, underpinned by a strong evidence base and business case, to deliver any of Thurrock's growth priorities. That measure includes an assessment of the proposed governance arrangements.
- 2.13 Officers will keep the devolution work under weekly review and manage resources accordingly between the Thames Gateway Strategic Group, South Essex, SELEP and Greater Essex devolution work.

3. Issues, Options and Analysis of Options

- 3.1 This report is for noting only.

4. Reasons for Recommendation

- 4.1 To provide an updated position for Members regarding the ongoing devolution deal discussions and to invite comment

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 There have been on-going discussions with the Thurrock Business Board and the South Essex Growth Partnership on the matters contained in this report.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The formation of a combined authority and negotiation of a devolution deal with the Government may provide new powers and potentially new fiscal freedoms which accelerate the achievement of key economic and community priorities.

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Director of Finance and IT

At this stage there are no financial implications although as the deal develops it will be important to prepare a more detailed consideration of the likely 'fiscal freedoms' and the financial consequences of any offers. However, at this stage there isn't sufficient clarity to conduct a detailed analysis.

7.2 Legal

Implications verified by: **Vivien Williams**
Planning & Regeneration Solicitor

At this stage there are no legal implications. While the devolution deal seeks new freedoms and flexibilities these will be the subject of negotiation with Government.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development Officer

At this stage there are no Diversity and Equality implications.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

- None.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Report to cabinet

9. Appendices to the report

- None.

Report Author:

Steve Cox

Assistant Chief Executive