

EXETER CITY COUNCIL**SCRUTINY COMMITTEE – ECONOMY
9 JUNE 2011****EXECUTIVE
21 JUNE 2011****THE EXETER AND HEART OF DEVON GROWTH BOARD, THE LOCAL DELIVERY
BOARD FOR THE FUNCTIONAL ECONOMIC AREA****1.0 PURPOSE OF REPORT**

- 1.1 To inform the Executive of the decision of the Exeter and East Devon New Growth Point Steering Board to formally reconstitute itself from the 26th July 2011 as the Exeter and Heart of Devon Growth Board with extended terms of reference to specifically include economic development, and to inform the appropriate stakeholders that the Exeter and Heart of Devon Economic Partnership will cease to operate forthwith.

2.0 BACKGROUND

- 2.1 Members will be aware of the developments of the Local Enterprise Partnership for Devon and Somerset, known as the Heart of the South West LEP. The prospectus for the LEP identified a local delivery board for the Exeter economic area. On the 27th April the Exeter and East Devon New Growth Point Steering Board (NGPSB) considered the draft terms of reference for the proposed establishment and operation of a local delivery structure for the Exeter and Heart of Devon Economic Area.
- 2.2 In view of challenging resource issues and the need to grasp real opportunities to promote economic recovery, it is proposed to build on and replace both the current Exeter and Heart of Devon Economic Partnership (EHODEP) and the Exeter and East Devon New Growth Point Steering Board (NGPSB) with a new delivery governance structure that will encompass economic development, infrastructure planning, jobs growth and the delivery of housing. The proposed Growth Board is intended to function within the governance structure of the new Heart of the South West Local Enterprise Partnership.
- 2.3 Where issues and priorities are clearly of more widespread strategic importance and influence has to be exercised at least across the proposed LEP geography of Devon and Somerset, then the Delivery Board will work with other functional economic areas to support the LEP Board. The Delivery Board will provide a “sounding board” and contribute to the wider strategic role and deliberations of the LEP Board with reference to the important economic role of the Exeter and Heart of Devon functional economic area.
- 2.4 The suggested geographical area to be covered by the Board is the functional economic area covered broadly by the municipal local authority areas of East Devon District Council, Exeter City Council, and Teignbridge District Council. Devon County Council is a leading member of the Board and has a strategic and delivery role in the context of the Board.

3.0 TERMS OF REFERENCE

3.1 The purpose of the proposed Delivery Board and supporting structure is overcoming barriers to delivery of strategic projects and delivering the growth agenda for the Exeter and the Heart of Devon economic functional area. The Board has resolved to extend the current remit of the New Growth Point Board to encompass local leadership in supporting enterprise, innovation and skills development, coordinating approaches to investment and infrastructure planning, and promoting skills development.

3.2 The purpose is to -

- provide leadership and strategic direction for agreeing and delivering economic development priorities and programmes for growth;
- provide a coordinating vehicle for promoting economic development between the activities and resources of five local authorities and the private and other public sector agencies directed towards the development priorities of the area;
- coordinate and oversee major physical development projects;
- inform the development of and seek to make the most of the interrelationships between the development programmes covered by the Local Development Frameworks and Local Investment Plans;
- coordinate and make the most of the contribution of infrastructure providers;
- identify and set about unlocking barriers to economic growth;
- coordinate procurement of specialist advice/services from the private sector;
- identify opportunities associated with national funding streams and the programmes of other agencies to bring in resources;
- lead and articulate on behalf of business the transportation requirements of the economic area;
- coordinate the promotion of the area and bidding for major inward investments, events and projects;
- co-ordinate the delivery of services to support the development of new and existing businesses within the Exeter sub-region/functional economic area;
- act as a focal point for private sector engagement within the Exeter sub-region/functional economic area;
- monitor progress against strategic housing delivery targets;
- provide leadership and support in the transition to a low carbon economy.

4.0 MEMBERSHIP OF THE BOARD

4.1 A significant contribution to the success of the Exeter and East Devon New Growth Point Steering Board (NGPSB) has been the role of the private sector members and regional agencies. Representation on the Board has been selected on the basis that the key private sector partners have a direct interest in the development agendas being discussed. With the remit of the Board focused on delivery and not on policy formulation the Board has been able to facilitate frank and direct conversations between private sector partners and regional agencies at

a senior level. This has directly assisted delivery in identifying key obstacles and allowing frustrations and blockages to be brought to the attention of senior individuals in the local authorities, regional agencies and development companies.

- 4.2 Membership of the Exeter and Heart of Devon Economic Partnership (EHODEP) has always intended to be a combination of Leaders and Chief Executives from the four District Councils supported by senior officers, representatives of higher/further education, business across the patch (including chambers of commerce, tourism organisations and rural businesses), government agencies and the third sector. As a coordinating/lobbying/ strategy setting and monitoring group it has operated well until the last two or three years when other issues have led to less collaborative working. In these more difficult times, attracting investment and maintaining competitiveness across our sub regional economy is even more important. However, with more limited resources than before, there is a need to revisit our collective approach and work towards an even more collaborative approach that recognizes and pulls together the differing roles of both organisations.
- 4.3 Given the geography of the area it will be challenging to get all the key public and private sector and development companies to have a role in the combined Board. However it is possible to identify the significant parties for each of the local authority areas that could be invited to attend. The private sector participation on the Board needs to be broader than just development related companies and needs to ensure representation from the wider local business community as has been successfully achieved in Exeter and Heart of Devon Economic Partnership and the Exeter and the East Devon business forums. The NGPSB currently has on the Board the Chairman of Exeter Vision and the Chairman of the East Devon Business Forum. The Board has resolved Exeter Chamber of Commerce should also be on the Board. Teignbridge DC has been asked to nominate a business representative for Teignbridge.
- 4.4 The Board has resolved to draw from a pool of companies as appropriate to the work programmes, for example the current companies present on the NGPSB include: St Modwen, Eagle One and Exeter Airport.

5.0 POLITICAL REPRESENTATION

- 5.1 The Board has asked for senior level political representation from the local authorities. The Leader is the current chairman of the Board and in the past the Leader of the City Council has attended the Board meetings. The private sector does expect a high level political representation, such as Council Leaders and/or Portfolio Holders, and high level officer support such as Directors and Heads of Service. Whilst this may not always be possible, learning the lesson from other economic partnerships is that the private sector will be more willing to attend, if they believe decisions can be taken at the meeting that result in action. The suggestion is that there will be four local authority political members at leader or portfolio holder level and officer support as appropriate.

6.0 SIZE OF THE BOARD

- 6.1 A practical issue for the Board is the size of the meetings and whether the Board would wish to cap the total number of places. The Exeter and East Devon New Growth Point Steering Board has typically met with around 20 people present. So far the tone of the meetings has been business like. However, many more attendees could change the dynamic of the Board, making it less business like

and inhibiting candid conversation crucial to unblocking barriers to delivery. It practice not all members attend every meeting.

- 6.2 For the private sector members, it would be possible to have a duration period of the membership, or the Board could indicate that when delivery has commenced on identified projects the Board will naturally expect its focus to shift to other priorities and therefore will expect the private sector member to leave the Board.
- 6.3 The Board has resolved to invite as members of the Board the following:

Local Authorities (all attending as equals):

1. Devon County Council
2. East Devon District Council
3. Exeter City Council
4. Teignbridge District Council

Regional Bodies:

5. Homes & Communities Agency
6. Highways Agency

Private Sector:

7. East Devon Business Forum
8. Exeter Chamber of Commerce
9. Exeter Vision
10. *Teignbridge to suggest*
11. The representative on the Heart of South West LEP

12. University of Exeter

Pool from key developers/developments, such as:

13. St Modwen
14. Eagle One
15. Midas Group
16. Exeter Airport
17. Hallam land Properties
18. Persimmon Homes.

7.0 CHAIRING OF THE BOARD

- 7.1 The Board has resolved to continue with the current practice of having the chairman of the Board from one of the local authorities. Although there is a good argument that the private sector should chair the meetings and it is clearly open to the Board to bring this in line with the LEP where the private sector is running the Board. For LEPs to succeed they are expected to be business led and this approach could be expected to apply to any sub LEPs. However, the resolution is that the chairmanship of the Board continues with a local authority chair; this reflects the role of the Board in driving delivery. Arguably the main difference from the LEP is local delivery involving the district councils. The added value of the local set up is for key local partners involved in delivery having ownership of a shared agenda. The Growth Board fundamentally requires local authority buy-in to unlock barriers to delivery. This has worked effectively to date with the Growth Point Steering Board. The success of the current Board makes a good case to continue with the current practice.

8.0 EXECUTIVE OFFICERS GROUP

- 8.1 The proposal is that the format of the current Executive Officers group serving the New Growth Point Board remain and that the principal local authority lead officers and regional agency lead officers should meet frequently to drive the work programmes on behalf of the Board; ideally meeting on a 6 weekly basis if the Board meets quarterly.

9.0 WORKING GROUPS

9.1 A significant body of work will be undertaken outside the work of the Board meetings through established bodies or working groups that are based on clearly identified themes, such as:

- Low carbon and the green economy
- Employment and skills (Employment and Skills Board)
- Tourism (Heart of Devon Tourism Partnership)
- Strategic Sites and Infrastructure
- Market and coastal towns development
- Rural economy
- Housing & planning

10.0 OFFICER SUPPORT AND THE POTENTIAL ROLE OF A DELIVERY TEAM

10.1 Exeter and Heart of Devon Economic Partnership is supported by officers from the local authorities. Exeter City Council's Head of Economy and Tourism provides the principal officer secretarial support to the Partnership. The New Growth Point Steering Board is supported by the senior local authority officers and the Exeter and East Devon New Growth Point Delivery Team. It would be important for a delivery team to support a wider programme and to draw in officer support from all the local authorities to ensure a skill set and capacity to enable the Board to be effective. The types of skills that will be required include: project management, infrastructure planning and development expertise, learning and skills development, researching, marketing and handling inward investment. These skills are already held by the local authorities and the New Growth Point Delivery Team.

10.2 Each authority could agree to make available identified staff resources to work in a joint delivery team that would be accountable to the Board and steered by the Executive Group as necessary. Clearly funding is difficult in the current climate and there may be a need to retain some very local capacity to respond to important local issues and business relationships. The New Homes Bonus may offer some potential for local authorities to make a financial contribution, particularly if the outputs of the Board are measurable in terms of increasing the number of dwellings built.

10.3 As a short term initial step, the Exeter and East Devon New Growth Point Delivery Team could provide the basis of delivery team support, engaging with the economic development officers of the district councils depending on their capacity to do so. The model of an arms length set up working closely with the local authorities and developers appears to be an effective one. This alone would not however provide sufficient capacity to progress all the likely priorities. Someone would clearly also has a lead coordination/programme management role

10.4 The Board itself will require secretarial support, which can be supplied at least as it has been for the Exeter and Heart of Devon Economic Partnership and the Growth Point.

10.5 Other considerations that will need to be addressed include: the question which organisation(s) is to be recognised as the accountable body for the purpose of contracts and financial agreements? East Devon District Council currently is the

accountable body for the Exeter and East Devon New Growth Point Delivery Team. Any or all of the local authorities could play this role.

- 10.6 The Board has called for a report on the resourcing issue to be presented to the July meeting of the Board. The highest level of support for the proposal is needed from all the local authorities in the functional economic area as well as the primary business organisations.

11.0 RECOMMENDATIONS

- (i) That Scrutiny Committee welcomes the initiative to establish a local delivery board for the Exeter economic area that builds on the track record of good partnership working and effective delivery with the private sector;
- (ii) That Executive note and support the resolution of the Exeter and East Devon New Growth Point Steering Board to change its name to the Exeter and Heart of Devon Growth Board and with extended terms of reference to include economic development;
- (iii) That Executive recognize the delivery board as the local delivery structure for the Exeter economy in the context of the proposed governance arrangements for the Heart of the South West Local Enterprise Partnership;
- (iv) That Executive supports the decision to close down the Exeter and Heart of Devon Economic Partnership; and
- (v) That minutes of the new Exeter and Heart of Devon Growth Board be reported to Executive

**KARIME HASSAN
DIRECTOR ECONOMY AND DEVELOPMENT**

ECONOMY & DEVELOPMENT DIRECTORATE

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None