

**Meeting:** PUSH Joint Committee

**Date:** 2<sup>nd</sup> December, 2014

**Venue:** Fareham Borough Council

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## SUMMARY

Further to the letter from PUSH (dated 10<sup>th</sup> October) confirming its desire to move matters forward with regard to hosting a Solent Growth Forum on behalf of the Solent LEP, this report has been prepared by the Solent Local Enterprise Partnership (LEP) Executive, and aims to update the PUSH Joint Committee on governance requirements placed on LEPs by central Government in relation to the Solent Growth Deal and the European Structural Investment Fund (ESIF).

## RECOMMENDATION

The Joint Committee is asked to:

1. **Agree** the updated Joint Agreement (annex 5) in principle which provides for PUSH hosting the Solent Growth Forum on behalf of the Solent LEP as a separate Part B to the PUSH Joint Committee meeting, with the first meeting taking place in January 2015 and delegate its approval to the Monitoring Officer in consultation with the Chairman and acting Executive Director of PUSH in accordance with the arrangements set out in the Joint Agreement for its modification
2. **Note** that the Solent LEP is required to establish a Solent LEP Area European Structural Investment Fund (ESIF) Committee and **Agree** that this should convene following the PUSH Joint Committee meeting, with the first meeting taking place in January 2015 in shadow form

### 1. Introduction

The Solent Growth Deal (annex 1), published on 7<sup>th</sup> July, states that, to support growth, the Solent LEP will strengthen its local governance arrangements, creating the Solent Local Growth Forum (SGF), which will provide an important advisory role for the Solent LEP investment programmes and the delivery of the Strategic Economic Plan, and that the SGF will include amongst its membership all 12 local authorities of the LEP area, along with representation from higher education and colleges, business, trade unions, and government agencies (Highways Agency, Environment Agency and Network Rail). The Solent Growth Deal goes on to state that the Group be formalised with a joint agreement and will advise the Solent LEP Board directly.

More recent guidance from Government, identifies that Government want to be confident that there are strong underpinning local authority partnership arrangements in place to facilitate joint decision making and collaboration on growth and economic development between all local authorities in each LEP area and that it is important that local authorities across the LEP area don't just 'support' growth priorities but actively play a part in ensuring their delivery – by aligning strategic plans, through use of their powers and competencies and through pooling and aligning of local resources and effort.

Since the publication of the Growth Deal, the LEP has been working with central Government and local partners in a collegiate manner to ensure that the necessary architecture is in place for delivery and to comply with Government requirements around providing assurance to Government that robust local systems are in place, which ensure resources are spent with regularity, propriety and value for money.

The LEP Board is required to agree an assurance framework with Government covering all Government funding flowing through the LEP. It is the responsibility of the LEP's accountable body (Portsmouth City Council) to ensure that the assurance framework is in place, that it meets the standards set out in the guidance, and that all funding decisions are made in accordance with it. A component of the assurance framework is transparency and local authority partnership working across the LEP area. Following on from this, Members will be aware, following recent correspondence between PUSH and the Solent LEP (attached as annexes 2 and 3, respectively), that the LEP is to establish a Solent Growth Forum (SGF). In this regard the offer from PUSH in its letter dated 10<sup>th</sup> October to host the SGF on behalf of the LEP is welcome as it will provide an efficient and effective mechanism through which the LEP can comply with Government guidance.

In addition, as part of the Solent LEP EU Structural Investment Strategy, the LEP is required to establish a local forum to bring together local and national partners to ensure successful delivery of the Solent LEP Area EU Structural Investment Fund (ESIF) programme.

This report proposes utilising the PUSH Joint Committee meeting schedule as an efficient mechanism around which the SGF and the Solent LEP Area European Structural Investment Fund (ESIF) Committee could be convened.

## **2. Solent Growth Deal**

As stated above, the Solent Growth Deal requires the LEP to create the Solent Growth Forum (SGF) to provide an important advisory role for the LEP investment programmes and the delivery of the SEP, and identifies that membership should include all 12 Local Authorities of the LEP area, along with representation from higher education, colleges, business, trades unions and specified government agencies (see page 9 of the Solent Growth Deal, provided as annex 1). Since publication in July, all LEP's have received additional guidance on a range of aspects related to the Growth Deal, including an assurance frameworks (which LEPs and their accountable bodies are required to agree with Government), assessment of business cases for funded projects, monitoring, and evaluation.

The SGF will contribute to providing Government with the confidence that there are strong underpinning Local Authority partnership arrangements in place (over and above those that have already been established through Local Authority representation on the LEP Board and embedded within the LEP delivery panel architecture) to inform decision-making and collaboration on growth and economic development in the LEP area.

It is important that LEPs have clear arrangements in place that enable effective and meaningful engagement of local partners and the public, and have transparent practices in place, which give people confidence that decisions made are proper, based on evidence and capable of being independently considered. The SGF will provide this arrangement. The role of the SGF is set out in the terms of reference attached as Annex 4 to this report. Members are advised to note that the SGF terms of reference attached to this report as Annex 4 are those which were approved by the Solent LEP Board at its meeting held on 21 November 2014. The SGF terms of reference were used to inform the updated PUSH Joint Agreement (annex 5), and respond to Government guidance and have been agreed by the LEP Board as the basis for the operation of the SGF. They are therefore supplied for information for members of the Joint Committee.

It is recognised that PUSH provides a successful and mature cross-local authority basis for partnership working, which includes membership of all 12 Local Authorities of the Solent LEP area. As such, the PUSH Joint Committee meeting would provide an efficient mechanism around which the SGF could be convened. In addition, through the underpinning PUSH Joint Agreement, the SGF would provide the required standards of transparency and collective engagement of Local Authority Leaders on growth priorities. Accordingly, the LEP Board has welcomed the offer from PUSH to host the SGF on behalf of the LEP, and its commitment to review its Governance arrangements, to provide for this separate and distinct function.

As set out in the PUSH letter, the LEP Executive and its accountable body have been working closely with the PUSH Monitoring Officer and Executive Director. This work has identified that the Joint Agreement would need to be amended to provide for a separate "Part B" business, which would apply only to the SGF. This would result in the PUSH Joint Committee (Part A) being unchanged, with the changes responding to Government requirements of LEPs applying to Part B only. Examples of changes here would be the removal of the veto arrangement and a wider non-voting membership to reflect the breadth of the Solent Growth Deal, for Part B business only.

The LEP Executive would be responsible for setting the agenda for Part B of the PUSH JC in consultation with the Chairman of the Joint Committee (sitting for Part B business) in discussion with the acting Executive Director of PUSH. Fareham Borough Council, which provides the democratic support for the PUSH JC would continue to do so including publishing as legally required the Part B agenda and decisions and for ensuring that papers, decisions, minutes, agendas etc. are published in line with the legal requirements.

The LEP has begun recruiting the non-voting membership to be co-opted to the Joint Committee for Part B business in accordance with the list of co-optees set out in draft revised Joint Agreement for which approval in principle is now being sought, and which reflects the Solent Growth Deal.

To underpin the SGF business being undertaken by PUSH Joint Committee and to ensure it aligns with Solent Growth Deal requirements, it is recommended that the attached PUSH Joint Agreement (annex 5), which has been updated to enable SGF business to be undertaken as a discrete part of the PUSH JC business by the Monitoring Officer under delegated authority, as set out in the PUSH letter (annex 2), is agreed and adopted by the Joint Committee in principle, with delegated authority being given to the Monitoring Officer in consultation with the Chairman and acting Executive Director of PUSH and the LEP's accountable body to finalise it in accordance with the arrangements set out in the PUSH Joint Agreement. This will enable the first meeting of the SGF to take place as part B of the next PUSH Joint Committee on 27th January 2015. At the first meeting a Chairman for Part B Business will need to be agreed in accordance with the PUSH Joint Agreement.

### **3. Solent LEP Area European Structural Investment Fund (ESIF) Committee**

The LEP has been given strategic responsibility for the delivery of £36.7m (€42.9m) of European Social Fund (ESF) and European Regional Development Fund (ERDF) funding over the 2014 – 2020 period, alongside £2.49m (€2.9m) from the European Agricultural Fund for Rural Development (EAFRD). The LEPs European Structural & Investment Funds (ESIF) Strategy, sets out: how Solent intends to invest EU growth funds in the area; how this will contribute to our ambitions for local economic growth; the rationale for our proposed investments; how the Strategy will be delivered; and the anticipated impact.

To support the development and delivery of LEP EU funds, each LEP area is required to establish a local sub-committee. The terms of reference for these local sub-committees have been prescribed by the Programme Monitoring Committee, and are provided as annex 6.

The local sub-committee for the Solent will be the Solent LEP Area ESIF Committee and it will play an important role in ensuring operational delivery of activity supported by the Funds, overseeing the

development of an appropriate pipeline of proposals; agreeing investments; and monitoring performance against targets at the Solent LEP area level.

The Solent LEP Area ESIF Committee will provide a formal basis for this activity and must be chaired by a locally-determined partner organised through the LEP with Department for Communities and Local Government (DCLG) - who are the Managing Authority - providing a Deputy Chairman. Provided that the membership and functions meet the regulations for the programme, the exact form of the local sub-committee can vary with local need and therefore can be drawn from the membership of the SGF.

As a result, it is recommended that the Solent LEP Area ESIF Committee convenes following the SGF, as broadly the full membership would be present at the preceding SGF. The full membership of the Solent LEP Area ESIF Committee is provided in annex 6. Meetings are expected to be held quarterly.

It is proposed that the PUSH Joint Committee meeting schedule is used as the mechanism around which to convene the Solent LEP Area ESIF Committee. The alternative to this model is that the Solent LEP Area ESIF Committee is convened separately and each Local Authority would need to nominate a representative to attend this forum. If agreed, the first meeting, in shadow form, should follow the PUSH Joint Committee meeting in January 2015.

DCLG has prescribed the terms of reference, and will provide the secretariat for the Solent LEP Area ESIF Committee, managing dates, venues, minute taking, recording decisions and collating and circulating papers, working closely with the Committee and the Chairman. DCLG will provide a verbal update at the meeting.

#### **4. Conclusion**

The PUSH Joint Committee meeting is an efficient mechanism around which the Solent Growth Forum and the Solent LEP Area ESIF Committee could be convened. It is recommended that the Joint Committee agrees to host the Solent Growth Forum on behalf of the Solent LEP, and agrees the updated Joint Agreement (annex 5) in principle and delegates approval to finalise to officers in accordance with the PUSH Joint Agreement and in consultation with the LEP's accountable body. In addition, it is recommended that the Members agree to host the Solent LEP Area ESIF Committee at a meeting to follow the PUSH Joint Committee under separate Terms of Reference as prescribed by DCLG.