

<b>NAME OF COMMITTEE</b>	<b>COUNCIL</b>
<b>DATE</b>	<b>11 DECEMBER 2012 (WD)</b>
<b>REPORT TITLE</b>	<b>PLYMOUTH AND PENINSULA CITY DEAL</b>
<b>REPORT OF</b>	<b>CORPORATE DIRECTOR (AR)</b>
<b>WARDS AFFECTED</b>	<b>ALL</b>

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**Summary of report:**

Plymouth City Council and strategic partners within the sub-region have been invited to submit a bid to develop a "City Deal" with the Government which focuses on addressing economic challenges affecting the area.

**Financial implications:**

At this stage, there are no direct financial implications for either Council. However, if the bid is successful, in future both Councils may have to consider the benefits of partnership funding, including the potential pooling of some resources, to achieve economic outcomes.

**RECOMMENDATION (WEST DEVON)**

- 1. That the Chief Executive be authorised to support the submission to Government of the City Deal Expression of Interest, in consultation with the Leader on behalf of West Devon Borough Council.**

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## **1. BACKGROUND**

- 1.1 On 29 October 2012, twenty cities and their hinterlands were invited to bid for “radical new powers to boost economic growth”. Expressions of Interest must be submitted by 15 January 2013. The cities with the strongest proposals will be invited to negotiate a “Deal” with the Government to achieve key economic outcomes. The Government, at this stage, has not indicated how many bids it expects to take beyond the initial Expression of Interest stage. The Government intends to complete the City Deal negotiations by November 2013.
- 1.2 The time scale for submitting an Expression of Interest is extremely tight as set out in the appendix. As a consequence, this report has been submitted to both Councils as an urgent item to comply with the nationally set deadline.

## **2. KEY MATTERS FOR CONSIDERATION**

- 2.1 Partners that are currently involved in developing the submission include Plymouth City Council (lead agency), Plymouth University, Plymouth Chamber of Commerce and Industry, Devon County Council, Cornwall Council, Heart of the South West LEP and Cornwall and Isles of Scilly LEP. It is anticipated that private sector businesses will be invited to become involved in the partnership.
- 2.2 The City Deal is likely to have a strong urban focus without input from strategic partners representing the rural hinterland. The level of involvement by our two Councils will need to be determined in future. However, it is felt to be beneficial for those communities in the wider economic area if both Councils engage in the formulation of the Expression of Interest. The Government’s imposed deadline has limited the City Council’s opportunity for wider engagement with partners to date.
- 2.3 Initial ideas which might be proposed to ensure that there is a rural dimension to the bid that could secure benefits for communities in South Hams and West Devon are as follows:
  - Support for infrastructure and other investment to help achieve strategic delivery of housing and jobs at Sherford, Langage and Tavistock.
  - Across the wider economic area, the bid could include:
    - a housing and employment programme to support rural communities;
    - initiatives to grow the visitor economy by further enhancing the current branding of the coast, moor, countryside and city attractions to boost the local economy, in particular developing the profile of industrial heritage within West Devon, including the World Heritage status of Tavistock and the Tamar Valley.
  - Greater local influence/control over spending on transport schemes (e.g. greater priority for improvements to the A38 to support employment growth at

Langage, linking Tavistock to Plymouth by rail and reducing congestion on the A386).

- Low carbon energy/renewable energy. Although there is sensitivity about the location of wind turbines, there are opportunities for job growth in renewable energy in terms of research/development, manufacturing and distribution through the development of local supply chains.
- Improvements to rural connectivity, including prioritising the provision of superfast broadband in our part of the LEP area, enhancing mobile communication coverage and improving port, rail and road links to markets, particularly in view of the loss of Plymouth airport.
- Adding value to rural produce, including agricultural and fishery products, in tandem with significantly developing a “Made in Devon” brand.

### **3. LEGAL IMPLICATIONS**

- 3.1 None at this stage. However, both Councils will wish to be involved with partners in developing governance arrangements, if the bid is successful, to ensure that the needs of rural communities are taken into account within a “City Deal”.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 None at this stage. However, both Councils will need to consider the value for money of any future commitment of local resources, including staff time and funding.

### **5. CONCLUSION**

- 5.1 The view of both Leaders and senior officers is that the two Councils should support the submission of the Expression of Interest, as the objective of addressing economic challenges across the economic area could benefit rural communities. Even if the bid is not ultimately successful, engaging in the process of preparing the Expression of Interest could provide the catalyst for more effective future joint working within the sub-region.

### **9. RISK MANAGEMENT**

- 8.1 The risk management implications are appended to this report (Appendix 1)

## 9. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Primarily the Economy priority, but there is also potential benefits for Homes and Community Life.
<b>Statutory powers:</b>	General Powers of Competence under the Localism Act 2011
<b>Considerations of equality and human rights:</b>	At this stage, the details of the proposals have not yet been agreed. However, if the Expression of Interest is successful, the partners will need to take into account equality and human rights issues that arise from the City Deal.
<b>Sustainability considerations:</b>	At this stage, the details of the proposals have not yet been agreed. However, if the Expression of Interest is successful, the partners will need to take into account sustainability considerations that arise from the City Deal.
<b>Crime and disorder implications:</b>	At this stage, the details of the proposals have not yet been agreed. However, if the Expression of Interest is successful, the partners will need to take into account crime and disorder implications issues that arise from the City Deal.
<b>Background papers:</b>	None
<b>Appendices attached:</b>	Strategic Risk Assessment Table (Appendix 1) City Deal Timeline (Appendix 2)

## STRATEGIC RISKS

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Rural communities do not benefit from the City Deal	The City Deal does not benefit rural communities because South Hams and West Devon Councils have been unable to engage in developing the proposal, particularly in view of the constrained timeframe set by government to reach agreement	4	3	12	↔	Despite time pressures and capacity challenges, prioritise political and senior officers' engagement in developing the Expression of Interest	SH Leader, WD Leader and CD(AR)
2	Uncertain future commitments	No financial implications at this stage. However, potential future partnership funding requirement to achieve agreed economic outcomes	3	3	9	↔	Continue to engage in developing the Expression of Interest and review future resource commitment if the initial bid is successful and detailed proposals are subsequently developed	CD(AR)
3	Current vacuum in strategic liaison across the sub-region	Engagement in the Expression of Interest may provide a catalyst for more effective future joint working	3	3	9	↔	Continue to engage in developing the Expression of Interest and review future governance arrangements if the initial bid is successful and detailed proposals are subsequently developed	CD(AR)

Risk Score 20-25: very high; 12-19: high;

8-12; medium;

<8: low

Direction of travel symbols = ↓ ↑ ↔