

Performance and Finance Scrutiny Committee

2 December 2021

Growth Deals Programme

Report by Lee Harris, Executive Director for Place Services

The Committee is asked to consider the attached report. Areas for scrutiny include:

- That the outcomes of the Growth Programme are clear, monitored and are being achieved.
- That the Growth Programmes meet the objectives of the Council Plan and the Economic Reset Plan to ensure the priorities and targets of the County Council can be met,
- That best practice is shared between the individual programmes, and
- That lessons have been learnt for the on-going, and any future, programmes

The Chairman will summarise the output of the debate for consideration by the Committee.

Proposal

1 Background and context

- 1.1 West Sussex County Council (WSSCC) has signed five-year tailor-made Growth Deals with each District and Borough areas, with the first deal signed in December 2016 in Crawley and the last deal agreed in Horsham in October 2018.
- 1.2 The deals each aim to develop the principles of closer working relationships to support our local places to continue to grow, develop, and meet the challenges of a changing economic landscape. The deals seek alignment of respective capital funding to unlock private sector investment and leverage government or third-party regeneration funds to invest in stimulating growth by the creation of new jobs, employment space and the delivery of sustainable homes. Each deal contains specific measures and investments to support growth and also to retain current markets.
- 1.3 In each area the Growth Deals identify how the County will work with Districts and Boroughs to deliver growth priorities. The Growth Deals include a range of projects and initiatives that have and will transform places in West Sussex including:
 - Major Town Centre redevelopment and regeneration proposals
 - Working with developers and funders to facilitate strategic housing development sites within respective Local Plans
 - Site acquisition and redevelopment to secure essential commercial space

- Securing key infrastructure (transport, health, digital, education etc.) to support the delivery of strategic development including substantial investment in public transport.
- Maximising growth outcomes from land in public ownership and supporting the aspirations of the Government's One Public Estate programme
- Focusing resources effectively and efficiently to attract investment
- Supporting the retention and creation of high value jobs

- 1.4 The Growth team is part of the Communities Directorate in Place Services and works with teams across the council, establishing effective relationships with District and Borough colleagues, and key local partners, to improve outcomes for all our residents.
- 1.5 The Growth Deals are not the only major projects the County Council delivers in localities and the Growth Deal projects continue to work alongside other major schemes to complement delivery, create efficiencies and proactively look at opportunities for collaboration to reduce costs.
- 1.6 As our communities continue to change, we need to be agile in responding to emerging priorities and take sound, pragmatic, evidence-based decisions, making the best use of limited resources available and maximising opportunities to support the delivery of area-based regeneration and growth in a defined area.
- 1.7 Our growth deal approach is designed to meet the following Corporate Priorities in the 'Our Council Plan';
- A sustainable and prosperous economy
 - Helping people and communities to fulfil their potential
 - Making the best of our resources

2 Meeting the objectives of the 'Our Council Plan'

- 2.1 The Economy Reset plan identifies a number of priority themes to support the West Sussex economy. The Growth Deals deliver targeted action against the specific economic challenges identified in the plan Further detail is set out in the background paper, Economy Reset Plan [Link](#).
- 2.2 As part of our Economy Reset Plan, engagement with Districts and Boroughs took place assessing the current projects within the deals and consulting with our partners and local stakeholders that the projects within the programmes continue to be priorities for the area. These discussions led to all District and Borough deals being maintained with a few areas, Arun and Chichester expressing a desire to refresh the programmes to take account of key activities within the area. Crawley also consider a need to work on a new deal, as the last deal was signed in 2016 and has seen many shared successes.
- 2.3 The renewal of the deals will continue to be underpinned by the following key outputs- sustaining and increasing Jobs, freeing up land for development, creating new homes and employment space, delivering improved sustainable transport and town centre public realm to support growth together with supporting the council's climate change, transport and economic recovery strategies.

- 2.4 Our activity is measured against the key performance indicators in the 'Our Council Plan' and specifically this is reported under the number of Growth Deals in place across the county with qualitative updates on projects within the programme quarterly. The programmes also contribute to four other KPIs in the corporate plan, length of new cycle paths, equivalent tonnes of CO₂ emissions from County Council activities, square metres of operational property that are in use and achieving social value in our tenders.
- 2.5 The programmes have also been successful with attracting funding from the Coast to Capital Local Enterprise Partnership's (LEP's). supporting new homes, creation of commercial space and jobs.

3 Current outputs from the Growth Deals

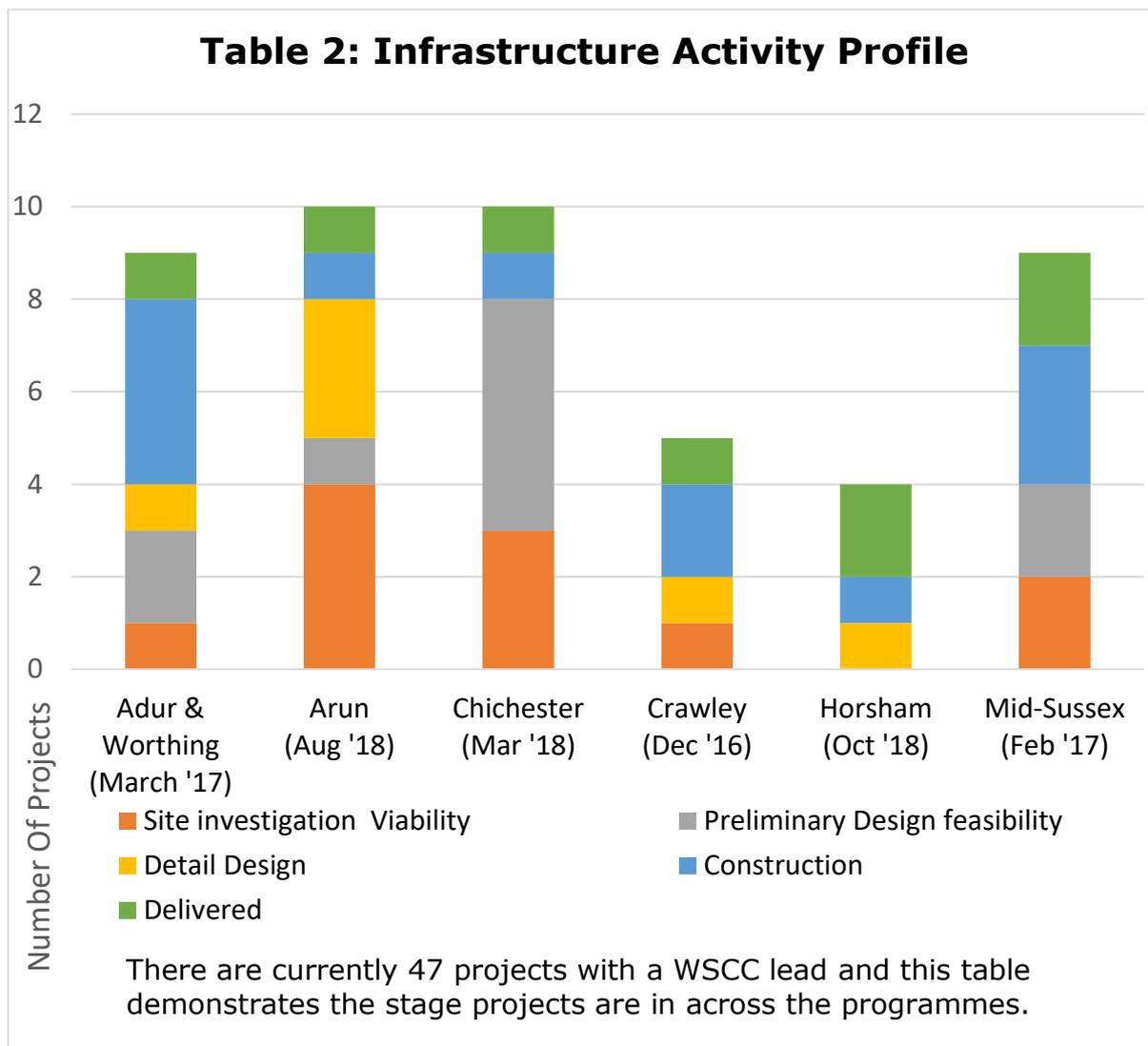
- 3.1 Across all the Growth Deals there are 88 projects within the County. These are assessed by the partnership and prioritised for delivery considering funds available, deliverability and benefits. To date the partnerships have been successful with attracting over £141m* of external funding for the programme together with capital investment from the County Council and partners. These funds will unlock significant developer investment projected to be over £4 billion.
- 3.2 The table below shows the high-level projected benefits for the overall programme;

Table 1: High Level benefits and funding information table								
		Arun	Adur and Worthing	Chichester	Crawley	Horsham	Mid Sussex	Total
1.	Homes	3,600	2,610	365	1,000	5450	5000	34,905
2.	Commercial Space	138.5k sqm	115k sqm	26k sqm	135k sqm	67k sqm	200k sqm	653.5k
3.	Jobs	5,337	6,595	250	7,000	5,000	5000	29,182
4.	Public Realm	2	3	0	3	0	4	12
5.	Length of new cycle paths	20km	5km	0	3.7km	1.8km	17km	47.5 km
6.	LEP Funding	£31.5m	£33.9m	£5m	£14.6m	£3.6m	£32m	£120.6m
7.	OPE Revenue	County Wide						£1.4m
8.	WSCC Capital	£38.1m	£5m	£0.6m	£7.9m	£45m	£2.8m	£99.4m

*includes local enterprise partnership funding and levelling up funding.

- 3.3 Where proposals are unable to progress the Partnership growth teams assess alternative options and consider investment priorities through established Governance structures, and seek to progress alternative projects with similar benefits, as part of ongoing Growth Deal refreshes.
- 3.4 With the Growth Deals being agreed at different points in time the infrastructure activity profile below shows the current phase of schemes within the programme for the projects led by the County Council. As expected, year one and two of the Growth Deal Programme is focused on viability and feasibility stages in a typical infrastructure scheme, year three sees most activity associated with design and planning, and years four and five sees the move into the construction phase.

- 3.5 Some projects have significant constraints and therefore have not progressed to delivery after feasibility is completed and could require further assessment, reprioritisation or recommended to be removed from the programme.



- 3.6 There have been a number of key milestones that have been achieved within the programme and these have been set out by area in Appendix A including the achieved benefits. A high-level overview of the current projects within the programmes is also available in Appendix B.

4. Consultation, engagement and advice

- 4.1 The deals are monitored and managed by Growth Boards consisting of lead officers and senior leadership representation. In addition, there are assigned Cabinet Members for both authorities, with regular briefings in place together with local member engagement taking place on a project and programme basis. Each project is subject to the relevant Governance processes of the lead authority to ensure the delivery and the objectives and outcomes identified within the respective Business Case are scrutinised.
- 4.2 Each project, where the County Council is the lead authority, goes through the normal County Council consultation process which includes resident, partners and local business engagement. Examples of public engagement and

consultations are available in Appendix C. Each project with capital investment, led by the County Council is also taken through the internal governance procedures.

4.3 Each deal has a communications plan, and the details are available on the County Council webpages. The team is currently developing a space for the deals on the new engagement hub pages, and this will go live later next year.

5. Finance

5.1 The deals have the following funding sources that have been used to develop and deliver the programme;

- Coast to Capital Local Enterprise Partnership Funding (LEP) (known as Local Growth Fund (LGF)
- West Sussex County Council Capital – identified for growth
- District and Boroughs funding
- One Public Estate Revenue Funding
- West Sussex County Council revenue funding
- Match funding, s106 & Community Infrastructure Levy (CIL)
- Business Improvement Districts (BID) and corporate partner investment
- Welcome Back Funds
- Government Levelling Up Fund (LUF)

5.2 The table below sets out the approved capital spend for projects within the programme. This only includes County Council capital and allocated LEP funds for project led by the County Council. Funds spent prior to the first deal being signed in 2016 were spent on projects that already had approval and became part of a deal. Currently there is also an unallocated £5m in the capital programme identified for growth projects.

	Prior to 2015/16	Years 2016/17	Years 2017/18	Years 2018/19	Years 2019/20
Capital budget	1,557	19,008	2,784	4,952	8,956
	Years 2020/21	Current Year 2021/22	Future Years	Total Approved in the Capital Programme	
Capital budget	24,436	29,372	51,261	142,326	
Remaining budget	£17.7m remaining with £5m of this currently unallocated.				

5.3 Revenue expenditure in support of projects.

5.4 To date revenue expenditure of £0.696m in support of Growth Deal projects has provided for master planning, feasibility studies, marketing and promotion. This has included £0.101m from the County Council's feasibility budget and £0.595m from economy reserves. The County Council led One Public Estate Partnership

has also secured revenue grant funding of £0.845m from central government for aligned projects

6. Lessons learnt for Future Programmes

- 6.1 The Growth Deals are overseen by Growth Boards consisting of lead officers and senior leadership representation. The boards manage the delivery and performance of the programmes and take a reflective approach sharing learning from the projects. This learning is shared across the programmes through a programme delivery meeting. The learning from the programmes can be broken down into the following themes.
- Partnership working.
 - Feasibility challenges with complex projects.
 - Local vision and plans.
 - Benefits realisation
- 6.2 The Growth Deals are strong economic partnerships that have aligned resources to promote mutual benefits working towards shared visions for local stakeholders, providing collective and joined up leadership that has built trust and developing a shared purpose and better utilisation of resources and risk management.
- 6.3 In a busy system of competing priorities, the deals have brought together fragmented delivery and provided a framework for partners to take coordinated actions, decisions and investment and agree priorities for delivery as well as hold each other to account. The regularity of engagement and commitment from the Districts and Boroughs has shown this remains to be a strong approach to partnership working in a two-tier system.
- 6.4 A number of projects included in the deals have been long term challenges for the area often with a complex make up of partners that stretch beyond the County Council and District and Borough partners. There have been specific challenges with competing priorities and timelines for different partners involved. The growth team have been successful with attracting revenue funding from funds such as the One Public Estates to undertake the necessary investigations to bring these projects to an informed position. This has helped with prioritising resources and bringing clarity to what needs to happen in order to move the projects forward or have an informed view that a project is unfeasible.
- 6.5 Another key lesson is how we have costed risk within projects. With a number of similar schemes, we have been able to share learning and have a more informed view of risks at early stages of projects that has allowed us to manage expectations and cost more efficiently.
- 6.6 Having plans in place at a local level is crucial to attracting and shaping investment, collaboration and aligning resources. As time has progressed some areas across the county currently do not now have up to date Local Plans in place and this has made it more difficult to link individual projects to a wider vision.
- 6.7 The timescale for understanding the full impact of the Growth Deals is a long-term one; HM Treasury Green Book appraisal recommends a 10-year period for

assessing the cost: benefit ratio of capital investments. With final current Growth Deal spend projected to continue into 2025/26 this means full monitoring would only be complete by the mid-2030s. At the moment Government reporting via Coast to Capital LEP is continuing up to 2024/25, although the LEP has conducted an interim evaluation of the programme from which many of the conclusions in this report are drawn, a fuller qualitative and quantitative evaluation would be possible around 2025 onwards.

- 6.8 Strategic influencing role - Given the limited public funds available to the West Sussex area for economic development, at national level, it becomes even more important to have a joined-up approach with local strategic partners and funding is only one part of the mix. The Growth Deals are about a whole range of initiatives and it has been beneficial to have clear visions and objectives and a pipeline of schemes that have agreement in local areas ready to action as opportunities become available.

7. Policy alignment and compliance

- 7.1 The Growth Deals align with the following West Sussex and Partner Authority policies and plans

- WSCC Our Council Plan
- WSCC Economy Reset Plan 2020-2024
- WSCC Climate Change strategy
- West Sussex Transport Plan
- WSCC Bus Improvement Plan
- District and Borough Local Plans and supplementary plans
- Digital – West Sussex Gigabit
- Coast to Capital Strategic Economic Plan

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Appendices

Appendix A - key outputs from the Growth Deals by area

Appendix B - workstream of projects with West Sussex County Council as the contractual lead

Appendix C – communication examples

Background papers

[Economy Reset Plan](#)