



**Rochford District  
Council**

<b>REPORT TITLE:</b>	<b>WITHDRAWAL FROM OPPORTUNITY SOUTH ESSEX (OSE)</b>
<b>REPORT OF:</b>	<b>Executive Lead Member for Resources, Climate Change and Economy, Cllr Michael Hoy</b>

### **REPORT SUMMARY**

This report recommends that the Council withdraws support and funding for the federated business board Opportunity South Essex (OSE) from 31<sup>st</sup> March 2024, in light of the discontinuation of Local Enterprise Partnerships from that date and the opportunity this presents to introduce a better aligned business engagement structure for South Essex and Greater Essex.

### **RECOMMENDATIONS**

- R1 -** That the Council withdraws its support to Opportunity South Essex (OSE) from 31<sup>st</sup> March 2024, under the terms of the relevant agreement.
- R2 -** That the Council withdraws its £12,500 annual commitment to OSE from 31<sup>st</sup> March 2024

### **SUPPORTING INFORMATION**

#### **1.0 REASON FOR RECOMMENDATIONS**

- 1.1 From 1<sup>st</sup> April 2024, the functions of Local Enterprise Partnerships (LEPs) will be transferred to upper-tier authorities. Under this new structure, there is an opportunity to establish a better aligned business engagement structure to replace the existing federated board Opportunity South Essex (OSE). In order

to introduce a better aligned structure, the South Essex Councils Joint Committee has formally recommended that each constituent authority withdraws its support and funding from OSE.

## 2.0 BACKGROUND INFORMATION

- 2.1 Local Enterprise Partnerships (LEPs) were set up in 2011 to identify and support strategic growth priorities, encourage business investment and promote economic development. Rochford District falls within the South East Local Enterprise Partnership (SELEP) which also covers the remainder of Essex, East Sussex, Kent, Medway, Southend and Thurrock.
- 2.2 Opportunity South Essex (OSE) acts as a federated board for SELEP and is a long-standing partnership consisting of twenty businesses and Local Authority members across South Essex. OSE has an annual budget of £154,000 p/a of which local authorities contribute a combined £104,250.
- 2.3 The Council is a signatory to the agreement which established OSE and defines its functions. Under this agreement, the Council currently contributes £12,500 annually towards a Growth Partnership Director post who leads OSE.
- 2.4 OSE is responsible for:
  - i. **Collaboration:** playing a role in managing intelligence and coordinating actions between public and private sector member organisations to address critical issues.
  - ii. **Leveraging Investment:** as the federated board of the LEP, OSE prioritises and promotes projects for investment, supporting delivery of major projects in South Essex.
  - iii. **Influencing / lobbying / advocacy:** providing a business voice on major issues and playing a key role in championing priorities and raising / maintaining the profile of South Essex.
- 2.5 The Government has announced the discontinuation of the LEP structure with LEP functions to be transferred to upper tier authorities after 31<sup>st</sup> March 2024.
- 2.6 As a consequence of this fundamental restructure, an opportunity has arisen to redefine arrangements for the delivery of a sub-regional business partnership. The ambition for any new arrangement is to enable businesses and councils to collaborate more closely and deliver better value for money for the taxpayer, given OSE has historically operated separately to the Association of South Essex Local Authority / South Essex Councils structure, and as such there has not always been clear alignment of either economic strategy or delivery, despite the authorities providing the majority of its funding.
- 2.7 The South Essex Councils Joint Committee meeting of 28 September 2023 agreed to recommend that each constituent authority withdraws its financial

subscription to OSE at the end of the 2023/24 financial year to coincide with the transfer of LEP functions to local government.

- 2.8 The expectation is that the existing OSE structure will be replaced with a new structure which allows business leaders and public sector leaders of Greater Essex as a whole and in South Essex to work more closely to harness collective power around a shared set of priorities. Options to be considered as part of a future structure include new business boards at a Greater Essex and sub-regional level, complemented by effective engagement with local business groups in each district and borough.
- 2.9 A report is to be brought to the South Essex Councils Joint Committee meeting in December 2023 which will set out further details of a recommended replacement structure for OSE. Recommendations for any proposed replacement structure will be announced in due course, with local governance and consultation undertaken as appropriate.

### **3.0 OTHER OPTIONS CONSIDERED**

- 3.1 Alternative options include continuing to support the functions of OSE. This option is not recommended as it is considered incompatible with the transfer of LEP functions to upper-tier authorities and would forego the opportunity to establish a business engagement structure which is better aligned on strategic and delivery matters.
- 3.2 In addition, there is considered no material advantage to withdrawing support from OSE sooner than 31<sup>st</sup> March 2024 as all costs will still need to be covered over this period.

### **4.0 RELEVANT RISKS**

- 4.1 There is a risk that withdrawal of support from OSE, and its dissolution as expected, will lead to the loss of business engagement structures for South Essex. However, as set out in this report, the expectation is that the existing OSE structure will be replaced with a new structure which will allow for strategies and delivery to be better aligned. As a consequence, this risk is considered wholly mitigatable.

### **5.0 ENGAGEMENT/CONSULTATION**

- 5.1 Necessary engagement with members of OSE has been undertaken.
- 5.2 Further consultation and engagement with the business community will need to be carried out when proposals for new business engagement structures are being developed, to ensure these meet the needs and expectations of these communities.

### **6.0 FINANCIAL IMPLICATIONS**

- 6.1 A direct consequence of this decision will be to retain the £12,500 annual contribution currently paid to OSE.

- 6.2 Any costs involved in the dissolution of OSE, including redundancy costs for the Director role, will need to be borne by the member authorities of OSE if not coverable by existing OSE balances and reserves. The Council's contribution to these costs is considered to be coverable by its annual contribution.

**7.0 LEGAL/GOVERNANCE IMPLICATIONS**

- 7.1 Engagement and funding of OSE is at the discretion of individual authorities. The Council can choose to withdraw its support and funding for OSE under the terms of agreements.

**8.0 EQUALITY & HEALTH IMPLICATIONS**

- 8.1 There are no direct equality or health implications arising from this report.

**9.0 ENVIRONMENT & CLIMATE IMPLICATIONS**

- 9.1 There are no direct environment or climate implications arising from this report.

**10.0 ECONOMIC IMPLICATIONS**

- 10.1 The economic implications of the recommended decision are set out in the report.

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**APPENDICES**

**BACKGROUND PAPERS**

**N/A**

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
South Essex Councils Joint Committee	28 <sup>th</sup> September 2023