

Gloucester City Council

Meeting:	Cabinet	Date:	25 June 2014
Subject:	Gloucestershire Economic Growth Joint Committee - Establishment of Joint Committee and approval of Terms of Reference		
Report Of:	Cllr Paul James, Cabinet Member for Regeneration and Culture		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	1. Draft Terms of Reference		
	2. Diagram showing the overall proposed governance structure		

FOR GENERAL RELEASE.

1.0 Purpose of Report

- 1.1 To seek Cabinet approval for the establishment of a Gloucestershire Economic Growth Joint Committee, approval of the draft Terms of Reference for the Joint Committee and to make Council aware of the progress being made towards a Strategic Economic Partnership.

2.0 Recommendations

- 2.1 Council is asked to **RESOLVE** that the contents of the report be noted and to make any comments it wishes to make to Cabinet.
- 2.2 Cabinet is asked to **RESOLVE**, subject to any comments received from Council, that:
- (a) The Council becomes a member of the Gloucestershire Economic Growth Joint Committee (GEGJC) in accordance with Sections 101 and 102 of the Local Government Act 1972 and under Section 9EB of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions)(England)Regulations 2012;
 - (b) authority be delegated to the Corporate Director of Resources, in consultation with the Leader, to finalise and complete the Inter Authority Agreement (including the Constitution) and any other necessary documentation on terms to be approved by the Head of Legal and Policy Development and to take all necessary steps to create the GEGJC;
 - (c) the above recommendations will not be effective until equivalent resolutions have been passed by all the Gloucestershire Councils named in this report;

- (d) the delegation to the GEGJC of this Council's functions as described in Appendix 1 and subject to the protocols proposed, be authorized upon the establishment of the GEGJC;
- (e) the appointment of Gloucestershire County Council as Administering Authority be approved; and
- (f) the Leader be appointed to be the Council's representative on the GEGJC and that the Deputy Leader be appointed as his substitute.

3.0 Background and Key Issues

- 3.1 The government requires Local Enterprise Partnerships (LEP's) to prepare a Strategic Economic Plan (SEP) for their area which sets out the plans to deliver economic growth which exceeds that which would be delivered through existing plans. The SEP will then form the basis of a bid to government for funding under the Local Growth Deals programme. The government expects that the SEP will be supported by strong and effective partnerships between the LEP and local authorities and should include a single vision and priorities to deliver economic growth, which are shared by all partners.
- 3.2 A first draft of the Gloucestershire SEP was required to be submitted by the Gloucestershire LEP, GFirstLEP, to Government for comment by 19 December 2013. As part of the process, the Council made representations to the LEP (co-ordinated by the Leader, Head of Regeneration and Economic Development and Economic Development Manager) to strengthen the prominence of Gloucester, as a young, growing and ambitious city as part of the County's urban core, in the SEP, with particular emphasis on the economic benefits of regeneration schemes such as Kings Quarter and Blackfriars, as well as other opportunities for commercial development in and around the city. The SEP was submitted in time to meet the Government deadline.
- 3.3 The draft was produced through a series of joint LEP/Local Authority working groups. The Local Authority involvement has been overseen by Leadership Gloucestershire, at which the Council has been represented by the Leader. The draft submission has been seen by Ministers who support much of what is in the document. The LEP has received detailed feedback and the draft has now been re-worked accordingly.
- 3.4. As there is a significant amount of work involved in developing, supporting and implementing the SEP it is intended that a suitably qualified officer will be employed to provide the required support. It has been proposed that the costs should be shared by principal Local Authorities in Gloucestershire.

STATUTORY JOINT COMMITTEE (the Gloucestershire Economic Growth Joint Committee)

- 3.5 At its meeting in September 2013, Leadership Gloucestershire agreed in principle that the government's requirements in relation to a mechanism for "collective and binding decisions" between councils in a LEP area and for local democratic oversight of the use of the local growth fund should be met through the establishment of a statutory joint committee. It should be noted that the Leadership Gloucestershire Board is not a legal entity and cannot make binding decisions. Therefore, to demonstrate collective decision making within the County it is

recommended that a Statutory Joint Economic Growth Committee should be formed.

- 3.6 It is proposed by Leadership Gloucestershire that the core functions of the joint committee should be to:
- Provide local democratic and financial accountability for the SEP, the use of the single local growth fund and other streams;
 - Act as the formal link between local government in Gloucestershire and the LEP Board;
 - Co-ordinate the local government contribution to the delivery of the strategic economic plan and the local government contribution to the local growth deal; and
 - Facilitate and enable collaboration between the local authorities on economic development and associated activities.
- 3.7 In considering how these functions can be reflected in a set of terms of reference it is important to note that:
- The legal status of the joint committee means that it cannot be the accountable body, but it can provide political oversight of the accountable body function. It is proposed that the accountable body should be Gloucestershire County Council;
 - There is an appetite to explore the scope for greater collaboration between councils on economic growth, but there is a wide consensus that the scope of this collaboration should evolve over time.
- 3.8 The Statutory Joint Committee does not in any way reduce the importance of the Council's own Economic Development function, which will continue to be a priority in the new Council Plan, as the Joint Committee will deal with the strategic, countywide issues. Indeed, the Economic Development Team will play an important role in ensuring Gloucester achieves the maximum benefit from the new arrangements.
- 3.9 As a Joint Committee, resolutions will be passed by majority voting. It could be possible therefore, for the GEGJC to make a decision which affects a constituent Council's area without the agreement of that Council. To mitigate against this, it is proposed to include a protocol in the Inter Authority Agreement which will provide that a constituent Council must be in favour of a decision which has an impact in their area for the decision to be passed by the GEGJC.

GLOUCESTERSHIRE ECONOMIC GROWTH JOINT COMMITTEE (GEGJC) - GOVERNANCE

- 3.10 A Gloucestershire Economic Growth Joint Committee would comprise of 1 Member from each of Gloucestershire County Council, Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Stroud District Council and Tewkesbury Borough Council. The proposed Terms of Reference are set out in Appendix 1. All the other participating authorities have already approved similar recommendations to those contained in this report.
- 3.11 The Joint Committee would not only provide a framework for greater collaboration between councils and the LEP but also provide a mechanism through which the Local Authorities in Gloucestershire could jointly agree priorities for investment and

thus shape economic growth in the County. While the Joint Committee would be empowered to make decisions that help deliver the SEP vision its creation would not prevent Districts from undertaking individual projects that meet local need. The aim would be that each should complement the other.

SCRUTINY

3.12 The Council will continue to have power to scrutinize the GEGJC's business. However, it is proposed that a new Joint Scrutiny Committee be created by the County Council and that it be called the 'Gloucestershire Economic Growth Overview and Scrutiny Committee (GEGOSC). It is proposed that the GEGOSC will have power to:

- Review the decisions of the GEGJC and make recommendations about the GEGJC business
- Review the overall impact of the SEP delivery on the Gloucestershire economy and the bodies involved and to make recommendations to the GEGJC and LEP Board on issues and improvements.

3.13 At the AGM on 9 June 2014, Council nominated Cllr Mclellan to attend this Committee, with Cllr Haigh acting as substitute Member.

4.0 Alternative options considered

4.1 The Council could continue to be responsible for economic development within its own area alone and not participate in a wider economic partnership.

5.0 Future Work and Conclusions

5.1 Subject to Cabinet approval, work will continue on drafting the Inter-Authority agreement to ensure the necessary documentation is in place for the Joint Committee and its operation. The first meeting of the Joint Committee is due to take place on 3 July 2014.

5.2 Ongoing close collaboration is required with GFirst to promote Gloucester City's interests and contribution to the LEP. This will include activity to deliver the components of the Strategic Economic Plan that have the most significant impact on Gloucester City. This will need to be at a political, senior management and operational level. This engagement is important within the context of the emphasis being placed on the LEP as one of the primary vehicles for regeneration and economic growth activity.

6.0 Financial Implications

6.1 SEPs should set out each Local Authority's contribution to Growth. That contribution is both financial and non-financial.

6.2 It is likely, in time, that financial contributions may be required and officers from all Councils in Gloucestershire are working to develop options that might be considered. However, although financial support for the SEP may be needed at some point, in officers' view, resource contributions beyond the existing budget allocations need not be considered at this time.

7.0 Legal Implications

- 7.1 The GEGJC would be established under Section 101 and 102 of the Local Government Act 1972, section 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.
- 7.2 The relationship between the parties to the GEGJC will be set out in an Inter Authority Agreement (IAA), which will detail the responsibilities, the scope and the constitution of the GEGJC. This agreement is currently being finalised by legal representatives from each participant authority.

8.0 Risk & Opportunity Management Implications

- 8.1 If the Council does not work in partnership to ensure its success, the City may miss out on funding opportunities to support economic growth. The SEP should not be in conflict with the Joint Core Strategy as, should this be the case, the process of both plans will be threatened. Officers are working with GFirst and JCS partners to ensure both plans are complementary.

9.0 People Impact Assessment (PIA):

- 9.1 An impact assessment does not need to be completed at this stage.

10.0 Other Corporate Implications

10.1 Community Safety

None.

10.2 Sustainability

None.

10.3 Staffing & Trade Union

None.

Background Documents: None