

Meeting:	Cabinet	Date:	6 March 2024
Subject:	Gloucestershire City Region Board		
Report Of:	Leader of the Council		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	David Evans: City Growth & Delivery Manager		
	Email: david.evans@gloucester.gov.uk		Tel: 01452 396621
Appendices:	Appendix 1 - Terms of Reference and Constitution for the Gloucestershire City Region Board		
	Appendix 2 - Principles for the administration of the SEDF Fund		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To consider the emerging form and function of the Gloucestershire City Region Board (GCRB), the nature of its authority, terms of reference, membership and joint scrutiny arrangements.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** to:

- 2.2 Agree to the establishment of the Gloucestershire City Region Board (GCRB)

- 2.3 Delegate authority to the Managing Director in consultation with The Leader to finalise and complete the Inter-Authority Agreement and other key documentation and to take all necessary steps to create the GCRB, including finalising the terms of reference for the GCRB.

- 2.4 Agree that the above recommendations will not be effective until all Gloucestershire Councils pass equivalent resolutions.

Furthermore, upon the establishment of the GCRB:

- 2.5 Delegate this Council's functions to the GCRB as are necessary for the delivery of the functions identified in the Terms of Reference at Appendix 1 to this report;

- 2.6 Confirm the appointment of the Gloucestershire County Council as the Administering Authority.

- 2.7 Agree to appoint the Cabinet Member for Environment to the GCRB as the nominated member of the Board. If the Cabinet Member for Environment is unable to attend, the

Leader will nominate an alternative member of the Cabinet to attend the Board as a substitute.

3.0 Background

3.1 Gloucestershire local authorities have worked jointly together through membership of several Boards (Severn Vale, Rural Ambitions and Central Gloucestershire City Region) together with the Gloucestershire Economic Growth Joint Committee (GEGJC) for several years. Following a review of the joint working arrangements, Leadership Gloucestershire agreed that the three boards and the Joint Committee should be merged into a single forum under the name of Gloucestershire City Region Board serving the whole of the county. This Council has remained an active member of the GEGJC since its formation in 2018, having been represented by the Leader of the Council.

4.0 The proposed Gloucestershire City Region Board

4.1 The overall aims of the new Board will be to develop and deliver a vision for the future growth of the economic success for the whole of the Gloucestershire economic area. The new City Region Board will also provide an opportunity to establish the City Region as a nationally defined area that is a single economic functional area. City Regions include urban and rural areas that have inter-related economic activities which have the potential for increased success through coordinated interventions which benefit the whole. Gloucestershire is a county with significant growth aspiration and ambition which integrate with and support the national and regional growth agendas.

4.2 The proposed terms of reference set out in Appendix 1 provide details of the Board's purpose, powers and administrative arrangements.

4.3 The following detailed matters explain the nature of the authority given to the Board which 'empowers' the Board to make binding decisions but subject to the following governance arrangements:

- Whilst the Board's remit is as wide as possible, partner Councils will not 'delegate' economic development or other functions to the Board.
- Representatives will still need to operate within the authority delegated to them by their own Councils when participating at the Board's meetings. Member representatives and officers will therefore need to work with their own Councils to secure the necessary authority to facilitate the Board's decisions.
- A partner Council will be free to undertake any economic activity it deems necessary within its own area. Notwithstanding this, it will be necessary for partner Councils to agree a protocol that they will not decide or unilaterally undertake any activity which is contrary to those decisions made by the Board.
- In order to protect the interest of partner Councils it will be necessary to agree a protocol that although the Board's decisions are by majority, the Board will not make a decision which impacts upon one council's area, without that council's agreement.

4.4 The following principles for the operation of the Gloucestershire City Region Board were developed, following consultation and engagement with Leadership Gloucestershire and all the Gloucestershire authorities:

- The proposed membership of the Board will be through elected representatives from each of the seven Gloucestershire Local Authorities. Each member will have an equal vote at the Board.
- The proposal is for the Chair of the Board to be a Gloucestershire County Council Cabinet Member. This supports the Government's arrangements through the levelling up agenda where the upper tier authority in a two-tier county, such as Gloucestershire, is given the lead role in negotiation of any county devolution deals. Therefore, Gloucestershire local authorities recognise the opportunity for a county deal is more about providing devolution from central government to Gloucestershire, rather than a mechanism for realigning and removing powers from an individual Gloucestershire local authority.
- Meetings will remain in public and external attendees will be invited to present and engage in the discussion about the economy and growth in Gloucestershire.
- The future development of the Board will be dependent on any County Deal that is negotiated and agreed with Central Government.
- The Senior Officer Group comprising of nominated senior officers from each of the seven Gloucestershire local authorities will continue to support the work of the Board.
- The County Council's GEGJC Scrutiny Committee will be re-constituted and reviewed to be re-focussed on having oversight of the activities of the GCRB. This will potentially include monitoring the delivery of projects that have received investment from the Strategic Economic Development Fund (SEDF) or making suggestions to the GCRB on potential areas of future investment of the fund.

4.5 The proposed Board's operational arrangements between the Gloucestershire Authorities will be the subject of an inter-authority agreement. The agreement will include (amongst other things):

- the establishment of the Board (as a Joint Committee),
- agreed terms of reference set out in Appendix 1,
- the operational arrangements mentioned above,
- the Board's resourcing, the role of the County Council as administering authority
- business plan formulation
- the arrangements should the Board want to widen its powers (which would require all the Gloucestershire authorities to agree such a change) and
- the overall constitutional arrangements for the Board

5. Strategic Economic Development Fund

- 5.1 The Gloucestershire local authorities established the Business Rates Pool, part of which forms the Strategic Economic Development Fund (SEDF). The former GEGJC administered the fund through an eligibility and project approval process, which was approved in November 2018.
- 5.2 At the GEGJC's final meeting in September 2023, members welcomed the reported growth of the Business Rates Pool and fund. The GEGJC asked whether a more strategic approach could be taken when considering and allocating SEDF funding. The fund operated under the GEGJC on an ad hoc approach – almost on a first come first served basis. GEGJC noted that projects are not always strategic in nature which risks funding being allocated to projects that may not maximise economic benefit and growth to the county.
- 5.3 The proposal is for the Board to administer the SEDF. This will enable the Board to approach the allocation of bids by developing a longer term vision and a portfolio approach to assessing funding bids in the pipeline. This will enable the Board to apply a more rigorous selection of projects that would deliver and add value in supporting the growth of the local economy through a more strategic approach.
- 5.4 The former GEGJC considered it was important to establish a new strategic process in advance of the inauguration of the City Region Board. It was suggested that this strategic approach could be lined up with the Economic Dashboard data and the emerging Gloucestershire Economic Strategy (GES).
- 5.5 Officers of the City Council and of the other District Councils have advised the County Council on the drafting of the GES, and it is likely that each District will be invited to adopt the GES prior to it being presented to the GCRB. If that is the case, a report will be prepared summarising the implications of the County-wide strategy on the City.
- 5.6 The former Joint Committee Senior Officer Group proposed an approach to the Board's administration of the SEDF Fund as set out in Appendix 2, which will be considered at the Board's inaugural meeting.

6. Scrutiny Arrangements

- 6.1 The activities of the previous GEGJC were scrutinised by the Gloucestershire Economic Growth Scrutiny Committee (GEGSC). This was a County Council scrutiny committee whose membership comprised seven County Councillors and 6 Co-opted District Councillors. Through consultation with all Gloucestershire Authorities, it has been agreed that a joint scrutiny function will continue to exist to scrutinise the work of the GCRB. As before each local authority will be invited to nominate a representative to that committee.
- 6.2 The creation of a new GCRB provides a timely opportunity to undertake an appropriate review of the scrutiny function for the new board to ensure that it aligns with the future activities of the GCRB.
- 6.3 The review of the scrutiny function is proposed to include (not an exhaustive list):
 - Scope of the scrutiny committee
 - Review of scrutiny's oversight and monitoring of SEDF Bids

- Development of devolution and the implementation of any agreed County Deals
- Monitoring outcomes and benefits delivered through the implementation of the Gloucestershire Economic Strategy

7.0 Social Value Considerations

7.1 There are no direct and specific implications in relation to establishing the Board. However, the Board will consider such implications in making its decisions and in administering the SEDF.

8.0 Environmental Implications

8.1 There are no direct and specific implications in relation to establishing the Board. However, the Board will consider such implications in making its decisions and in administering the SEDF.

9.0 Alternative Options Considered

9.1 As part of the development of the GCRB alternative options were discussed and discounted.

9.2 Retaining both a GCRB and a GEGJC would create significant duplication and would be unlikely to be effective.

9.3 Disbanding any joint governance for Gloucestershire authorities to operate individually was considered as an option and rejected. Without a collective decision-making forum to invest pooled business rates funding via the SEDF, Gloucestershire Authorities would be significantly financially worse off. In addition, disbanding a joint decision-making forum and not proceeding with the GCRB would likely limit Gloucestershire's ability to proceed with and secure further devolution of powers from Whitehall.

10.0 Reasons for Recommendations

10.1 To enable the Council to play an active part in the formalisation of a new Gloucestershire Regional Board, and to support the development of a vision for the future growth of the economy of Gloucestershire.

10.2 Reports with similar recommendations are being taken to decision-making meetings of each principal Local Authority in Gloucestershire.

11.0 Future Work and Conclusions

11.1 The establishment of the GCRB should strengthen the profile of the County to Government and other regional authorities in making the case for additional funding and powers that will support the growth of the economy.

11.2 Should Cabinet along with each of the other local authorities in the County agree to the establishment of the GCRB, officers will liaise with their counterparts to ensure that a robust and accountable partnership is established.

12.0 Financial Implications

- 12.1 The inter-authority agreements provides for a contribution towards the County Council’s Administering Authority role, which includes committee administrative support together with the statutory officer responsibilities.

(Financial Services have been consulted in the preparation of this report)

13.0 Legal Implications

- 13.1 Section 101(5) of the Local Government Act 1972 enables two or more local authorities to discharge any of their functions jointly and arrange for the discharge of those functions by a Joint Committee.

- 13.2 Section 9EB of Part A Chapter 2 of the Local Government Act 2000 Act enables the Secretary of State to make Regulations permitting arrangements under Section 101 (5) where any of the functions are the responsibility of the executive of the authority. The relevant regulations are the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012/1019.

- 13.3 Regulation 11 makes provision for joint arrangements to involve a joint committee under Section 101 (5) of the 1972 Act and the Council’s constitution allow the decision to establish the Joint Committee and for Cabinet to delegate their Executive Functions to a Cabinet Member.

(One Legal have been consulted in the preparation of this report.)

14.0 Risk & Opportunity Management Implications

Risk	Mitigation
Decisions are taken by the GCRB that may have positive outcomes for the County overall, but negative impacts on the city.	<p>The City Council will have direct representation on the GCRB, and each authority will have an equal vote.</p> <p>The City Council will be represented by the Cabinet Portfolio holder for Environment who will be advised by the relevant senior officer, who themselves will be represented on a Senior Officer Group.</p>
Decisions are taken by the GCRB, particularly in relation to the SEDF, which derive from the priorities within the County-wide Economic Strategy.	<p>The City Council will have direct representation on the GCRB, and each authority will have an equal vote.</p> <p>The City Council has been invited to adopt the Gloucestershire Economic Strategy, and a report will be presented to Cabinet outlining the relevance and implications on the city.</p>

15.0 People Impact Assessment (PIA) and Safeguarding:

- 15.1 There are no specific implications of the establishment of the GCRB, however, the Board will take individual decisions on a range of relevant matters, including the allocation of SEDF monies. The implications on people and safeguarding will be considered in the drafting of reports to the Board and on a case-by-case basis.

16.0 Community Safety Implications

- 16.1 There are no direct and specific implications in relation to establishing the Board. However, the Board will consider such implications in making its decisions and in administering the SEDF

17.0 Staffing and Trade Union Implications

- 17.1 There are no direct and specific implications in relation to establishing the Board. The Gloucestershire County Council will act as Administering Authority in the management of the Board.

Background Documents: None