

 Executive 13th November 2013		Agenda Item No. 7
Title: City Deal governance and the establishment of a sub-regional Joint Committee		
For further information about this report please contact	Bill Hunt	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	None	
Background Papers	Briefing notes to City Deal Leaders' Board	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	24/10/13	Chris Elliott
Heads of Service		n/a
CMT	24/10/13	
Section 151 Officer	24/10/13	Mike Snow
Monitoring Officer	24/10/13	Andy Jones
Finance		
Portfolio Holder(s)	28/10/13	Councillor Doody
Consultation & Community Engagement		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 This report sets out the proposal to establish a Joint Committee of all the local authorities across the Coventry & Warwickshire City Deal area to drive, and provide sub-regional governance, to the economic development and prosperity agendas.

2. RECOMMENDATIONS

- 2.1 That Executive agree that Warwick District Council becomes a member of a Joint Committee to oversee the sub-regional economic development and economic prosperity agendas.
- 2.2 That Executive agree 'in principle' to the proposed Terms of Reference for the Joint Committee, as set out at Appendix One.
- 2.3 That Executive delegate authority to the Chief Executive and Deputy Chief Executives, in consultation with the Leader of the Council and Development Services Portfolio Holder, to finalise the Terms of Reference, with a retrospective report brought back to members.
- 2.4 That Executive agree that the Council's nominee to the Joint Committee will be the Council Leader or their nominee.
- 2.5 That Executive agree 'in principle' to the proposed sub-regional approach of moving as quickly as possible from a Joint Committee structure to an Economic Prosperity Board for the City Deal sub-region.
- 2.6 That Executive note that an immediate priority for the Joint Committee will be to inform and agree the Single Economic Policy (SEP) being developed by the Coventry and Warwickshire Local Enterprise Partnership (CWLEP).
- 2.7 That Executive agree that an annual report on the work undertaken by the Joint Committee (or any successor body) will be presented to the Overview & Scrutiny Committee

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 Members will be aware that the Council has been involved in the development of a City Deal proposal for the Coventry & Warwickshire (CW) sub-region, including the Hinckley and Bosworth Borough Council area. A report elsewhere on the agenda details the City Deal proposals. These focus on promoting economic development and business growth, particularly in the Advanced Manufacturing & Engineering Sector (AME), through integrating and co-ordinating business support and tackling barriers to growth across areas as diverse as skills and planning.
- 3.2 A key requirement from Government is that 'strong governance arrangements' are in place before any City Deal can be signed. During the development phase of the CW City Deal this has been provided by a Steering Group, comprising of all the Chief Executives of the 8 participating Councils, reporting to a Leaders' Board, comprising of the Leader (or their nominated deputy) of each Council.
- 3.3 However, Government has made it clear that these arrangements are not sufficiently robust to satisfy their governance requirements and allow a City

Deal to be signed. In addition, it has become clear to all the Councils involved in City Deal that stronger arrangements are required, not simply for City Deal, but to enable the delivery of a wider economic prosperity agenda that benefits the whole sub-region.

- 3.4 The Steering Group established a sub-group to assess governance options and this identified three possible models:
- Creation of a Joint Committee with delegated decision making powers
 - Creation of an Economic Prosperity Board
 - Creation of a Combined Authority
- 3.5 Further examination of the options revealed practical difficulties that would currently prevent the establishment of either a Combined Authority (CA) or an Economic Prosperity Board (EPB) for the City Deal area. In both cases the enabling legislation requires either entity to consist of two or more contiguous district/borough local authority areas, with those local authority's only permitted to be in one CA or EPB. Whilst it is possible for a CA or EPB to cover one or more district/borough council area without covering all of a county they must include the County Council for their area as a member. Unlike district/boroughs this enables a County Council to be a member of more than one CA or EPB.
- 3.6 Clearly, with Hinckley & Bosworth Borough Council an integral part of the CW City Deal this would mean that any CA or EPB that was established would have to include Leicestershire County Council as well as Warwickshire County Council, an arrangement that, even if considered to be desirable, is simply not feasible in the short term. An added complication of a CA is that whilst their remit, like an EPB, is to promote the economic development and regeneration of its area it also has to include the governance of Transport. This would add a further complication as there are currently separate Integrated Transport Authorities (ITAs) covering Warwickshire, Leicestershire and Coventry, with the latter being part of the West Midlands ITA.
- 3.7 A recent joint meeting of Leaders and Chief Executives of the 8 City Deal local authorities (Warwickshire County Council, Coventry City Council, the 5 district/borough councils in Warwickshire and Hinckley & Bosworth Borough Council) concluded that the only viable option was to establish a Joint Committee.
- 3.8 Terms of Reference for the proposed Joint Committee are set out at **Appendix One**. The Leaders and Chief Executive meeting considered these to be sufficient to allow each participating council to take the necessary report proposing the establishment of the Joint Committee through their respective governance structures but that further work would be required to agree the detail of the Committee's work.
- 3.9 Members are therefore requested to approve the establishment of the Joint Committee, and this Council's participation within it, on the principle of the Terms of Reference at Appendix One but to delegate authority to CMT, in consultation with the Leader of the Council and Development Services Portfolio Holder to finalise the detail of how the Joint Committee will operate and the specific responsibilities delegated to it, with a future report being brought back to members. Potential areas of work, the detail of which requires finalisation, are set out in **Appendix Two**.

- 3.10 Given the importance of the emerging governance arrangements to the future economic prosperity of the sub-region and this Council's ability to deliver that agenda within the district it is proposed that our representative on the Joint Committee is the Leader of the Council or their nominee.
- 3.11 The recent Leaders/Chief Executives meeting also concluded that the future intention should be to move as rapidly as possible to the establishment of an EPB, subject to agreement with Government and/or revised legislation that this could allow Hinckley & Bosworth Borough Council to become a member without the current membership requirement involving Leicestershire County Council. It is recommended that Executive agree 'in principle' to this proposed approach, whilst retaining the option of reviewing this commitment, if considered appropriate, once the Joint Committee is fully operational. Further information on Joint Committees and EPBs is set out at **Appendix Three**.
- 3.12 The creation of the Joint Committee will enable a new relationship to be established between the sub-regional local authorities and the CWLEP. The CWLEP Board currently contains 6 local authority representatives and the debate and collaboration that will be fostered by the Joint Committee will enable them to adopt a joined-up approach. This is particularly important at a time when LEPs have been charged by Government in developing Single Economic Policy's for their areas of operation, and for the strength or otherwise of those SEPs to be a significant factor in determining the future allocation of national and EU funding. A key initial task for the Joint Committee will therefore be to contribute to and influence the development of the SEP for the CWLEP area.
- 3.13 Members will note that the draft Terms of Reference include the provision (section 9 (6) of Appendix One) for the Joint Committee to produce an annual report of its work. It is proposed that this should be subject to scrutiny by the Overview & Scrutiny Committee.

4. **POLICY FRAMEWORK**

- 4.1 The City Deal itself and the proposed governance arrangements through a Joint Committee complement the Council's Sustainable Community Strategy and the delivery of enhanced prosperity for the district.

5. **BUDGETARY FRAMEWORK**

- 5.1 The recommendations have no direct financial implications

6 **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 Executive could determine it does not wish to participate in the proposed Joint Committee, either at all or on the principle of the Terms of Reference set out at Appendix One.
- 6.2 Both alternatives have been rejected. The need to establish a strong governance framework is a requirement if we are to persuade Government to sign a CW City Deal. Neither a CA nor an EPB is a realistic option for delivery in the timescale required and any arrangement less robust than a Joint Committee is extremely unlikely to satisfy the Government's requirement.

- 6.3 Strong partnership working will be required to deliver the economic prosperity agenda for this district and prosperity will not be delivered in isolation from what happens across the wider sub-region. The terms of reference are therefore considered the minimum needed to ensure such delivery.