

Proposed Joint Committee or Economic Prosperity Board

1. Joint Committees

- 1.1 Councils can discharge their functions through joint committees. How the joint committee is formed depends on whether it is carrying out executive (Cabinet) functions or non-executive (Council or Committee) functions or a mixture of the two.

2. Main features of a Joint Committee

- 2.1 A joint committee and any sub- committees can appoint co-opted members but only if it is exercising non-executive functions.
- 2.2 A joint committee has no corporate status and is not a separate legal entity. It cannot therefore hold property. Any property must either be held by one of the member councils in trust for the others, or held jointly by all the member councils.
- 2.3 Expenses of a joint committee are met by the member authorities in such proportions as they agree. If they cannot agree, the apportionment is determined by an arbitrator agreed by the authorities or, in default of agreement, by an arbitrator appointed by the Secretary of State.
- 2.4 The constitution of a joint committee is generally contained in a formal agreement entered into by the authorities concerned. The agreement should cover:
- the number of members of the joint committee;
 - the number of members which each authority may appoint;
 - the terms of office, and other related matters.

3. Who Decides whether to Establish a Joint Committee?

- 3.1 The power to agree to establish a joint committee depends on whether the committee is exercising non-executive or executive functions or both.
- Where the functions are non-executive, full Council must establish the joint committee;
 - where the functions are executive functions, the power to enter into arrangements rests with the Council Leader, the Cabinet or Cabinet Member, depending on the arrangements made within the particular authority.
 - Where the functions to be exercised by the joint committee are both executive and non-executive, the appointment of the joint committee must be made by the Council but with the agreement of the Cabinet.
- 3.2 Where the functions to be exercised by a joint committee are executive functions in one authority but non-executive in another (either because they are local

choice functions, or the second authority is operating a committee system), then any arrangements for the discharge of the functions must be made with the full Council of the second authority.

4. Membership of Joint Committee

- 4.1 The rules for membership of a joint committee depend on what type of functions it is to discharge and also how many councils are to be members of the joint committee.
- 4.2 As the proposed Joint Committee will be exercising executive functions, every member appointed to the Joint Committee by an authority operating executive arrangements must be a member of that authority's executive (Cabinet). If a constituent authority is operating a committee system, their appointed member of the Joint Committee can be any member of the authority.
- 4.3 Where the Joint Committee comprises five or more local authorities the member of the Joint Committee may be either executive or non-executive members.
- 4.3 Political balance is not required in either case.

5. Terms of Reference of Proposed Joint Committee

- 5.1 Draft terms of reference for the proposed Joint Committee are attached for consideration. These are intended as a starting point for discussion among potential partner authorities.
- 5.2 It is also recommended that, once the principle of establishing a Joint Committee is agreed, a longer document should be produced setting out how the Committee will operate in practice. It would cover, for example, arrangements for administering the work of the committee and for meeting the costs of the committee.

6. Economic Prosperity Boards

The outline of the procedure involved in setting up an Economic Prosperity Board is set out below for information. This process could be started immediately although it is understood that it would take at least a year and might be further delayed by consultation on proposed legislative changes that the Government is considering.

6.1. *Main Features of an Economic Prosperity Board (EPB)*

An EPB:

- is a corporate body i.e. it has a separate legal identity from its constituent authorities, can undertake its own administrative processes and may have statutory powers and duties conferred on it which it can exercise in its own right.
- is a governance structure for sub-regional areas and can be established in England (excluding Greater London).
- can be given local authority functions (powers and duties) that relate to economic development and regeneration. Combined authorities can, in addition, be given transport functions that are available to integrated transport authorities.
- is funded by its constituent councils and does not have any tax raising, levying or borrowing powers.

6.2. *Procedure for Creating an EPB*

6.2.1 The Local Democracy Economic Development and Construction Act 2009 sets out a process for the creation of EPBs and principles as regards their constitution and organisation. However, their establishment is a local decision and any EPB should be tailored to the needs of its geographical area. The Act does not therefore set out in detail how the bodies will function or the specific activities they will carry out, as this is for local determination by the relevant authorities.

6.2.2 The process for establishing an EPB involves three steps:

- (a) a review by the interested authorities to assess existing governance arrangements and the scope to improve outcomes by changing them;
- (b) development by the interested authorities of a scheme setting out proposed constitutional and operating arrangements; and
- (c) consideration of the scheme by the Secretary of State and consultation followed by a draft order being laid before Parliament for a scheme that is considered beneficial.

6.2.3 The Secretary of State will only support the establishment of an EPB if it is likely to improve the exercise of statutory functions relating to economic development and regeneration and economic conditions in the target area..

6.2.4 Geographical conditions set out in the Act state that the EPB area must consist of two or more local government areas in England and be contiguous. No part of the area can be part of the area of another EPB.