

Policy Committee

19 February 2024



Reading
Borough Council
Working better with you

Title	Establishment of a Joint Committee - Berkshire Prosperity Board
Purpose of the report	To make a decision
Report status	Public report
Report author	Chief Executive, Jackie Yates
Lead Councillor	Councillor Jason Brock. Leader of the Council
Corporate priority	Inclusive Economy
Recommendation	<p>That Policy Committee agrees and recommend to Council:</p> <ul style="list-style-type: none">a) the establishment of a fully constituted Joint Committee (to be known as the Berkshire Prosperity Board) from May 2024 to deliver a Berkshire-wide vision for inclusive green and sustainable economic prosperity;b) the proposed constitution for the Joint Committee as set out in Appendix A; andc) the responsibilities of the accountable body set out in Appendix B <p>That the Committee note:</p> <ul style="list-style-type: none">a) the draft Governance structure set out in Appendix C <p>That the Assistant Director of Legal and Democratic Services, in consultation with the Director of Finance, the Chief Executive and Leader of the Council be delegated to reach a legally binding Agreement between the member Authorities setting out the supporting arrangements and responsibilities between the Authorities, particularly that between the Lead Authority, known as the Accountable Body and the other member Authorities.</p>

1. Executive Summary

1.1. This report seeks to establish a Joint Committee (to be known as the Berkshire Prosperity Board) to enable Berkshire Authorities, through collaboration, to benefit from:

- Working to a shared vision of inclusive, green and sustainable economic prosperity to address challenges and meet opportunities whilst retaining the sovereignty of each local authority.
- Presenting a strengthened case to Government and private investors for greater investment into strategic projects, service delivery and initiatives across Berkshire.
- Acting as a vehicle to commission the Thames Valley Berkshire Local Enterprise Partnership (LEP) and others to deliver core functions in response to the Government's review of Local Economic Partnerships.

- Having a stronger, collective voice in lobbying Government and other agencies. Taking a collaborative mindset in targeting external bodies effectively for the benefit of Berkshire
- Advantageously position Berkshire in readiness for potential devolution proposals to benefit from additional responsibilities and funding opportunities. Setting up a Berkshire that is better able to efficiently, seize future opportunities and adapt to challenges.
- Transforming Berkshire`s productivity through, responsive, agile collaboration

2. Policy Context

- 2.1 The Government announced in its 2023 Spring budget that it was minded to transfer the functions of Local Enterprise Partnerships (LEP's) to local authorities. They confirmed their intention in August 2023 and from April 2024 local or combined authorities where they exist, will take on those functions. In areas without a devolution deal, functions must be exercised by upper tier authorities working across a functional economic area. For Berkshire this means a county wide footprint rather than individual local authority area.
- 2.2 Government is increasingly signalling that funding will be allocated on a functional economic area basis. Without the mechanism to facilitate receipt and management of such funding, or speak with a collective voice, residents in Reading will potentially be disadvantaged.
- 2.3 The establishment of a Joint Committee under ss101 & 102 of the Local Government Act 1972, enables the Berkshire authorities to address this issue whilst retaining their own individual sovereignty.

3. The Proposal

- 3.1. Collectively Berkshire Leaders and Chief Executives have been meeting to consider the challenges and opportunities faced by the Berkshire economy and the implication for residents. Leaders recognised that although the Berkshire Economy is comparatively strong, it faces a number of threats and has been experiencing declining productivity for several years. In order to respond to these challenges work has been undertaken by Place Directors to explore options to create a vehicle to drive and deliver economic prosperity within Berkshire for the benefit of residents.
- 3.2. Initial discussions explored the option of a devolution deal with Government and how Berkshire might benefit from the financial and decision-making powers a deal might bring. Early on in the process it was recognised that Berkshire`s chance of securing a significant devolution deal was limited. Berkshire is disadvantaged by both the Government's Levelling Up agenda and because of priority being given to Local Authority areas with a Combined Authority and/or a directly elected mayor. The Berkshire Leaders have agreed not to pursue a directly elected mayor.
- 3.3. At the same time that this conversation began, the Government announced that it would be ending Local Enterprise Partnership (LEP) funding from the end of March 2024, and transferring local economic leadership and budgets back to local authorities. Hence, discussions have been ongoing as to the future of Thames Valley Berkshire LEP.
- 3.4. As discussions progressed, Leaders recognised that the structure of six unitary authorities, which has provided so much benefit to the Berkshire area, could be better harnessed to promote Berkshire collectively and overcome the disadvantage Berkshire has in comparison with other larger counties and metropolitan areas, that speak with a single voice. It is acknowledged that by working in partnership, Berkshire Authorities can benefit from greater scale, and with that, have increased influence and a greater ability to develop solutions through collaboration.
- 3.5. The six Berkshire Leaders have stated their intention to develop a Joint Committee to help deliver this economic ambition.

- 3.6. Collectively the Leaders have identified a programme that will focus on six thematic workstreams deemed key to the future prosperity of our local economy and residents. Including, health and inequalities, education and skills, affordable housing, sector development, strategic infrastructure and net zero.

Berkshire's Economy

- 3.7. To date Berkshire is an economic success story – no other region in the UK has played a bigger role in driving the UK economy in recent decades. And as the UK's Silicon Valley, nowhere has the potential to add more value to UK plc. We have three diverse sub-regional economies and strengths in growth sectors of the future, innovative and international businesses, a highly skilled workforce, and are well connected to London and other highly productive markets.
- 3.8. The Covid-19 pandemic, Brexit, the impacts of the war in Ukraine and the Israel-Hamas war have hit our economy hard and we are facing economic headwinds linked to changing trading relationships with Europe, labour market shortages and high inflation. Furthermore, as a region, we are disadvantaged when competing for the Government's Levelling - Up Investment programme. We therefore cannot be complacent – our economy is mature, but growth is lower than in the past, and we are moving into a period of further economic uncertainty.
- 3.9. It is also important to recognise that some of our communities have not been able to contribute to and benefit from Berkshire's economic success. Wage growth has not kept up with economic growth and many of our residents are facing increasing living costs, high levels of deprivation and poor health outcomes. Economic inactivity remains above our positive pre-Covid trajectory, exacerbating labour market pressures. Housing is a particular issue, with median house prices costing almost 11 times more than median earnings, acting as a constraint to recruiting and retaining graduate talent and people with the skills our economy need, both now and in the future.
- 3.10. The Berkshire economy is mature, but the strains of growth are showing. Many of the companies headquartered in Berkshire face re-investment decisions post Covid-19 and Brexit. We know that some of them are not as committed to a future in the UK as we would want.
- 3.11. There are many opportunities with growing industries such as the film industry in and around Reading University and Bray, but the need to act to secure Berkshire's long-term future is clearly evident. The development of the Joint Committee will allow Berkshire Authorities to share and effect an economic vision to collectively address challenges and seize opportunities working collaboratively with other key parties. Thereby providing a greater voice, than each Council would have individually, helping to lobby Government and secure more finance from both public and private investors, and to be an attractive location for inward investment.

Responding to Changes to the Thames Valley Local Enterprise Partnership

- 3.12. Government will cease funding Local Economic Partnerships (LEPS) from April 2024. The Government requires that the core functions currently carried out by LEPS be transferred to local authorities in a bid to empower local leaders and communities. Local authorities will receive the funding for and core responsibilities for delivering these functions from April 2024. The core functions are as follows:
- Economic Strategy and Planning - This function is needed in the future to continue to provide evidence bases, data, and a Berkshire-wide economic strategy so that collective action can be prioritised and needs-led.
 - Business Voice - This is a core function required by Government going forward in each functional economic area. This function is needed to embed a strong, independent, and diverse local business voice into local decision-making on economic development issues. New guidance on setting up a Business Board (which will form part of a joint committee's governance arrangements) has recently been published.

- Government Programme Delivery - This function is needed in the future to continue to monitor the final stages of government programmes at the Berkshire level and ensure compliance with programme guidelines.
- 3.13. Local authorities will also be expected to take responsibility for commissioning the Growth Hubs and Skills Hubs.
 - 3.14. Berkshire Leaders and the LEP have agreed that they want to continue working in partnership to support the Berkshire economy. The LEP will remain an independent company. Berkshire Leaders have agreed that funding received from Government for the core functions will be used to commission specialist organisations (such as the LEP and Thames Valley Chamber of Commerce) to deliver outcomes.
 - 3.15. The development of a Berkshire Joint Committee with a nominated accountable body will allow Berkshire to accept funds from Government and commission the core functions to address collective priorities.

Devolution

- 3.16. The Government's 2022 Levelling Up White Paper set out plans for encouraging local areas to apply for a devolution deal – called 'County Deals'. These agreements devolve funding, additional responsibilities and decision making with a view to stimulating local economic growth.
- 3.17. Prior to local Elections in May 2023 Berkshire Leaders submitted to Government an expression of interest in becoming a devolved Deal area, setting out the opportunities that Berkshire offers the national economy given the right support and investment.
- 3.18. Having a fully constituted Joint Committee will strengthen Berkshire's chances of being offered a Deal if Government decides to accelerate the devolution process in advance of the General Election. With the prospect of a general election in 2024, Government is likely to change its approach, therefore at this stage devolution is not the driver to move forward with a Joint Prosperity Board.

Benefits of Developing a Joint Committee – the Berkshire Prosperity Board

- 3.19. Establishing a Joint Committee and sharing common goals across a functional economic area will provide Berkshire Authorities with exciting new opportunities for collaboration on economic development. Provide more flexibility and influence than a single council would have on its own and enable local authorities to speak with one voice to Government and other agencies/organisations to secure funding to help get key projects and initiatives off the ground.
- 3.20. In particular, Berkshire Authorities, through collaboration, will benefit from:
 - Working together to create a shared vision of inclusive and sustainable economic prosperity through working together to address challenges and meet opportunities whilst retaining the sovereignty of each local authority.
 - Having a strengthened case to Government and private investors for funding and greater investment for strategic projects across Berkshire.
 - Acting as a vehicle to commission the Thames Valley Berkshire Local Enterprise Partnership (LEP) and others in response to the Government's review of Local Economic Partnerships.
 - Having a stronger, collective voice in lobbying Government and other agencies. Taking a collaborative mindset in targeting external bodies effectively for the benefit of Berkshire
 - Advantageously positioning Berkshire in readiness for potential devolution proposals to benefit from additional responsibilities and funding opportunities. Setting up a Berkshire that is better able to efficiently, seize future opportunities and adapt to challenges.

- Working on six shared themes: health and inequalities, education and skills, affordable housing, sector development, strategic infrastructure and net zero.
- Transform Berkshire`s productivity through, responsive, agile collaboration.

Constitution, Secretariat and Accountable Body

- 3.20 The Joint Committee`s role and purpose on behalf of the partner local authorities relates to ensuring that appropriate, effective and formal governance is in place for the purposes of delivering a Berkshire wide vision for economic growth and advancing partner local authorities aspirations for greater economic prosperity.
- 3.21 Core members of the Committee will include Bracknell Forest Council, Reading Borough Council, Slough Borough Council, the Royal Borough of Windsor and Maidenhead, West Berkshire Council and Wokingham Borough Council.
- 3.22 It is proposed that each local authority will decide whether a decision made at the Prosperity Board is a key decision and treat it according to the criteria within its own Constitution. Voting on all decisions will be by majority vote, albeit the Board will seek as far as possible to make unanimous decisions.
- 3.23 The structure and constitution of the Joint Committee will need decisions to be approved through each of the participating local authority`s democratic decision-making groups. Details of the draft Constitution and structure of the Joint Committee is contained in: Functions and Procedure Rules for a Joint Committee (Appendix A), Responsibilities of the accountable body (Appendix B) along with the draft governance structure (Appendix C).

Other options that have been considered:

- 3.24 The main alternative approach is to continue to work on economic development in each unitary area as exists at the moment. This no change approach does not resolve matters relating to the functions passing to Local Authorities with the end of Government LEP funding which takes place in April 2024. It also does not build a stronger voice for Berkshire and does not enable streamlined collective decision making.
- 3.25 The other main alternative option considered was to develop a Combined Authority/Mayoral Combined Authority and seek a formal Devolution Deal. The Berkshire Leaders have agreed not to pursue a directly elected mayor.

4. Contribution to Strategic Aims

- 4.1. The Council`s vision as set out within the Corporate Plan is:
 “To help Reading realise its potential and to ensure that everyone who lives and works here can share in the benefits of its success”.
- 4.2. Work to deliver the vision is grouped under the following three themes:
- Healthy Environment
 - Thriving Communities
 - Inclusive Economy
- 4.3. The themes are underpinned by “Our Foundations” explaining the way we work at the Council:
- People first
 - Digital transformation
 - Building self-reliance
 - Getting the best value
 - Collaborating with others

Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#).

- 4.4. The setting up of a Berkshire Prosperity Board, by way of a Joint Committee supports delivery of the Council's vision and Corporate Plan work programme. It is also consistent with our underpinning themes of working in collaboration with others to drive best value.

5. Environmental and Climate Implications

- 5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 5.2. One of the six key work strands of the Berkshire Prosperity Board will be collaboration on delivering Net Zero.

6. Community Engagement

- 6.1 The Berkshire Prosperity Board will be a formally constituted Joint Committee. It will have a published forward plan and meetings will be held in public on a quarterly basis as a minimum. Decisions will be subject to call in arrangements (in those council's operating executive arrangements) as well as Scrutiny by each of the six member authorities.
- 6.2 The Committee will establish a Business Group in accordance with government guidance to act as a sounding board and inform the work programme.

7. Equality Implications

- 7.1. There are no equality impacts arising from this report.

8. Other Relevant Considerations

- 8.1. There are no other relevant considerations in relation to this report

9. Legal Implications

- 9.1. Local Authorities are empowered by Part 6 of the Local Government Act 1972 to discharge their functions with other local authorities and to set up Joint Committees in order to do so.
- 9.2. Key legal elements that underpin the arrangement of the Joint Committee, such as indemnities, dispute resolution and financial responsibilities between the councils will be agreed in a joint legal agreement. This will also detail the specific responsibilities of the Accountable Body.
- 9.3. A report recommending the implementation of the proposed arrangements will be presented to the appropriate decision making forums within each authority. The adoption of a joint committee, its terms of reference, procedure rules and membership are decisions reserved to meetings of Council in each Authority. The broader decisions relating to the collaborative arrangements will be reserved to each individual Authority under which ever delegation they deem appropriate.

10. Financial Implications

- 10.1. Collectively the six local authorities will receive £240k to provide the key LEP functions which are transferring to local government: Economic Strategy and Planning, Business Voice and Government Programme Delivery. The Ministry for Housing Communities & Local Government have directly and expressly advised that the £240k can only be spent on these areas.
- 10.2. It is envisaged that the total cost of running the Joint Prosperity Board in the first year will be in the region of £60K. In the first year the costs of managing the Berkshire Prosperity Board will be contained within existing budgets and using an element of grant

funding such as the shared prosperity fund. The following principles will be applied to the financial management of the Berkshire Prosperity Board:

- Open book- transparently accounting for all costs including in-kind.
- All costs will be shared equally by all participating authorities and billed quarterly on estimate with final settlement on actuals after year end.
- That all participating authorities have a suitable liability or indemnity arrangement to ensure risks is shared.

10.3. Wokingham Borough Council will act as the Accountable Body for the Prosperity Board, the responsibilities of which are set out in Appendix B attached.

11. Timetable for Implementation

11.1. The table below sets out the meeting dates for each of the Berkshire authorities regarding approval for the setup of the Joint Committee to be known as the Berkshire Prosperity Board. It is anticipated that the first meeting of Board will be in May 2024.

Authority	Cabinet Policy Cttee	Council
Bracknell Forest	6 th February	7 th March
Reading	19 th February	19 th March
Wokingham	22 nd February	21 st March
Slough	26 th February	11 th March
RBWM	28 th February	11 th March
West Berkshire	14 th March	26 th March

12. Background Papers

12.1. There are none.

Appendices

1. Appendix A- DRAFT Functions and Procedure Rules for a Joint Committee
2. Appendix B- DRAFT Responsibilities of the accountable body
3. Appendix C- DRAFT Governance structure

