

STROUD DISTRICT COUNCIL

COUNCIL

THURSDAY, 25 APRIL 2024

Report Title	Gloucestershire City Region Board
Purpose of Report	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.
Decision(s)	<p>The Council RESOLVES to:</p> <ul style="list-style-type: none">a) Agree to the establishment of the Gloucestershire City Region Board (GCRB; the Board)b) Delegate authority to the Chief Executive and Monitoring Officer, in consultation with the Leader of the Council, 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 GCRBc) Agree that the above resolutions will not be effective until all Gloucestershire councils pass equivalent resolutions.d) Upon the establishment of the GCRB:<ul style="list-style-type: none">i) 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;ii) confirm the appointment of Gloucestershire County Council as the Administering Authority;iii) agree to appoint the Leader of the Council to the GCRB as the nominated member of the Board. If the Leader is unable to attend a meeting of the GCRB the Leader will nominate an alternative member of the administration to attend the Board as a substitute.
Consultation & Feedback	All Group Leaders.
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Options	<p>As part of the development of the Gloucestershire City Region Board (GCRB) alternative options were considered.</p> <p>Retaining both a GCRB and a Gloucestershire Economic Growth Joint Committee (GEGJC) was deemed to create significant duplication and would not be effective.</p> <p>Disbanding any joint governance and Gloucestershire authorities instead operating individually was also discounted, as without a collective decision making forum to invest pooled business rates funding via the Strategic Economic Development Fund (SEDF), Gloucestershire authorities would be significantly financially worse off. In addition, disbanding a joint decision making forum and not proceeding with the GCRB would limit Gloucestershire's ability to proceed with and secure further devolution and county-wide powers.</p>

Background Papers	Gloucestershire Economic Growth Joint Committee: 9 February 2023: GEGJC Future Governance Update V2.pdf (gloucestershire.gov.uk)			
	Gloucestershire Economic Growth Joint Committee: 25 September 2023: GEGJC Pool Update Sept 2023.pdf (gloucestershire.gov.uk)			
Appendices	Appendix 1 – Terms of Reference and Constitution for Gloucestershire City Region Board Appendix 2 – Principles for the administration of Strategic Economic Development Fund (SEDF)			
Implications (further details at the end of report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. Introduction / Background

- 1.1 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.
- 1.2 This report sets out the emerging form and function of the Gloucestershire City Region Board, the nature of its authority, terms of reference, membership and joint scrutiny arrangements.

2. The Gloucestershire City Region Board – overall structure and function

- 2.1 The overall aims of the new Board will be to develop and deliver a vision for the future economic success for the whole of the Gloucestershire economic area.
- 2.2 The new 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 with the potential for increased success through coordinated interventions which benefit the whole. Gloucestershire is a county with significant aspiration and ambition which integrate with and support the national and regional economic development agendas.

3. Principles of the Gloucestershire City Region Board

- 3.1 The proposed terms of reference set out in Appendix 1 provide details of the Board's purpose, powers and administrative arrangements.
- 3.2 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 have 'delegated' economic development or other functions to the Board.
 - Leaders will still need to operate within the authority delegated to them by their own councils when participating at the Board's meetings. Leaders 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 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.

3.3 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 if 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.

3.4 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 2
- 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 were to widen its powers (which would require all the Gloucestershire authorities to agree such a change), and
- the overall constitutional arrangements for the Board.

3.5 Article 10 of the Constitution recognises the Council's power to establish joint arrangements with one or more other local authorities to exercise functions and any such arrangements which may involve the appointment of a joint committee with these other local authorities. The exercise of powers will, as mentioned above, require each constituent council to provide the authority to exercise such powers at the Board.

3.6 Leadership Gloucestershire has considered and supports the proposal to establish the Board.

4. Strategic Economic Development Fund (SEDF)

- 4.1 The Gloucestershire local authorities established the Business Rates Pool which enabled part of the Pool to be used to create the Strategic Economic Development Fund (SEDF). The former GEGJC administered the fund through an eligibility and project approval process approved in November 2018.
- 4.2 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 – 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.
- 4.3 The proposal is for the Gloucestershire City Region Board to administer the SEDF. This will enable the Board to reconsider the approach to the allocation of bids by developing a longer 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.
- 4.4 The former GEGJC considered it was important to establish a new strategic process in advance of the inauguration of the Gloucestershire City Region Board. It was suggested that this strategic approach could be lined up with the Economic Dashboard data and the emerging Countywide Economic Strategy.
- 4.5 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.
- 4.6 Stroud District has been a recipient of SEDF investment in the past to support the development of the Low Carbon Training Centre skills at SGS's Berkeley Green campus, which has made an important contribution to activities to promote the importance of retrofit and green skills in Gloucestershire. It is important that a new joint committee is established to take decisions on SEDF investment and to ensure that timely and strategic investments are being made to develop the Gloucestershire economy. SEDF is important to help invest in business, education and skills to help create growth following the impacts of both the pandemic and cost of living crisis, including high inflation rates, which have acted as significant constraints on the economy.

5. Scrutiny Arrangements

- 5.1 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 able to nominate a representative to that committee.
- 5.2 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.
- 5.3 The review of the scrutiny function is proposed to include (not an exhaustive list):
 - Scope the 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 through the implementation of the Gloucestershire Economic Strategy.

5.4 Following the review, the GCRB and Leadership Gloucestershire will be consulted on the future scope and activities of the County Council's Gloucestershire Economic Growth Scrutiny Committee. The recommendations from the GCRB and Leadership Gloucestershire will be referred to the County Council's Constitution Committee and full Council for consideration. Subject to the County Council's approval, the new scrutiny arrangements are likely to come into effect in the late summer of 2024 following the creation of the GCRB.

6. Implications

6.1 Financial Implications

The inter-authority agreement provides for a contribution towards the County Council's Administering Authority role, which includes committee administrative support together with the statutory officer responsibilities. The funding for this support will be taken from the Business Rates Pool.

SDC support for the Board will include undertaking the role of administering authority for the Gloucestershire Business Rates Pool. SDC Officers will be the main liaison with Central Government for the Pool and will prepare monitoring reports for the City Region Board. The cost of this is through officer time and no funding is drawn from the Pool to support this cost.

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6.2 Legal Implications

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.

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 and Regulation 11 allows for a joint committee under Section 101 (5) of the 1972 Act.

Article 10 of the Council's constitution specifically allows the Council to enter into joint arrangements with one or more local authorities to exercise functions. Details of any such arrangements will then need to be reflected in Article 8 of the Council's constitution "Statutory, Regulatory and Other Committees".

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6.3 Equality Implications

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

6.4 Environmental Implications

There are no specific environmental implications in establishing the Board. However, the Board will consider environmental implications in making its decisions and in administering the SEDF.