

Report Title:	Establishment of a Joint Committee – the Berkshire Prosperity Board
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Simon Werner – Leader of the Council and Cabinet Member for Community Partnerships, Public Protection and Maidenhead
Meeting and Date:	Cabinet – 20 February 2024
Responsible Officer(s):	Stephen Evans, Chief Executive Officer
Wards affected:	All

REPORT SUMMARY

This report seeks to establish a Joint Committee (to be known as the Berkshire Prosperity Board) to enable the six Berkshire local 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 Berkshire Local Enterprise Partnership (LEP) and others to deliver core functions in response to the government’s review of LEPs, which will see functions and responsibilities pass to local authorities from 1 April 2024.
- 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. Providing for a Berkshire that is better able to efficiently, seize future opportunities and adapt to challenges.
- Jointly working to transform Berkshire’s productivity through, responsive, agile collaboration.
- The proposals with go to RBWM Full Council on 11 March 2024 for final approval. The other 5 Berkshire authorities are following a similar decision pathway during February and March.

DETAILS OF RECOMMENDATION(S)

RECOMMENDATION:

That Cabinet notes the report and recommends to Full Council:

- i. **To agree to 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.
- ii. That the proposed constitution for the Joint Committee as set out in Appendix A - Functions and Procedure Rules for a Joint Committee, Appendix B - responsibilities of the accountable body and Appendix C - governance structure is approved, subject to the Monitoring Officer being authorised to make minor amendments to the Functions and Procedure Rules in conjunction with the participating authorities.
 - iii. That the Chief Executive, in consultation with the Leader of the Council, be delegated to agree and enter into a legally binding agreement between the six 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 and go through the relevant democratic process if required.

1. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

Options

Table 1: Options arising from this report

Option	Comments
<p>That Cabinet agrees to 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.</p> <p>This is the recommended option</p>	<p>The lack of a fully constituted Joint Committee - working on a Berkshire-wide footprint and involving all Berkshire local authorities - would mean that the transfer of LEP functions to local authorities from 1 April will not take place and that the county misses out of wider opportunities which are likely to arise through greater joint working between the authorities.</p>
<p>Do Nothing</p>	<p>Failure to create a Berkshire-wide governance structure such as the one proposed will mean that the Berkshire councils would not be compliant with the government's decision to transfer economic development and prosperity responsibilities from LEPs to local authorities from 1 April 2024.</p>

2. BACKGROUND

- 2.1 Collectively, Berkshire Leaders and Chief Executives have been meeting to consider the challenges and opportunities faced by the Berkshire economy and the implications this has 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.
- 2.2 In order to respond to these challenges, work has been undertaken by Berkshire local authority Place Directors to explore options to create a vehicle to drive and deliver economic prosperity within Berkshire for the benefit of residents.
- 2.3 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, however, it was recognised that Berkshire's chance of securing a significant devolution deal was limited.
- 2.4 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 the option for a directly elected mayor.
- 2.5 At the same time that this conversation began, the government announced that it would be ending LEP funding from the end of March 2024, and transferring local economic leadership responsibilities and associated budgets back to local authorities. Hence, discussions have been ongoing as to the future of the Berkshire LEP.
- 2.6 As discussions progressed, Leaders recognised that the structure of six unitary authorities - which has provided 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.
- 2.7 Operating collaboratively will give Berkshire more bargaining power when negotiating for funds so that more investment is secured for key projects such as housing, transport, and skills. Collective lobbying will carry more weight and so help Berkshire secure better decisions from government. Shared problem solving should also produce more efficient and effective outcomes than if authorities tackle problems individually.
- 2.8 Through these discussions, the six Berkshire local authorities have set out their intention to develop a Joint Committee to help deliver this economic ambition. Collectively, the authorities have identified a programme that will focus on six thematic workstreams deemed key to the future prosperity of our local economy and residents, with progress overseen by the proposed new Joint Committee. These themes include health and inequalities, education

and skills, affordable housing, sector development, strategic infrastructure and net zero.

Berkshire's economy

- 2.9 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 with significant opportunities ahead. The county has three diverse sub-regional economies and strengths in growth sectors of the future, innovative and international businesses, a highly skilled workforce, and is well connected to London and other highly productive markets.
- 2.10 The Covid pandemic, Brexit, the impacts of the war in Ukraine and the Israel-Hamas war have hit the economy hard and the county is facing economic headwinds linked to changing trading relationships with Europe, labour market shortages and high inflation. Furthermore, as a region, Berkshire is disadvantaged when competing for the government's Levelling Up Investment programme. As such, although the Berkshire economy is mature, growth is lower than in the past, and we are moving into a period of further economic uncertainty.
- 2.11 It is also important to recognise that some of the county's 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 residents are facing increasing living costs, high levels of deprivation and poor health outcomes. Economic inactivity remains above pre-Covid trajectory, which is 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 needs.
- 2.12 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, with a risk of relocation to other parts of the UK or overseas. 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.
- 2.13 The development of the Joint Committee will allow Berkshire authorities to share and develop 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.

Key driver for change - responding to government changes to LEP funding and responsibilities

- 2.14 Government will cease funding LEPs from April 2024, with the core functions currently carried out by LEPs to 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:

- 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 in the future 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 would form part of a Joint Committee's governance arrangements) is due to be released by Government.
 - 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.
- 2.15 As part of this transfer of functions, local authorities will now be expected to take responsibility for commissioning the Growth Hubs and Skills Hubs previously provided LEPs.
- 2.16 Berkshire Leaders and the LEP have agreed that they want to continue working in partnership to support the Berkshire economy. As part of the new arrangement, the Berkshire 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 Berkshire LEP) to deliver outcomes.
- 2.17 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

- 2.18 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.
- 2.19 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.
- 2.20 Having a fully constituted Joint Committee will strengthen Berkshire's chances of being offered a devolution deal if government decides to accelerate the devolution process either in advance of or after the general election.

Benefits of Developing a Joint Committee – The Berkshire Prosperity Board

- 2.21 Establishing a Joint Committee and sharing common goals across a functional economic area will provide the six Berkshire authorities with exciting new

opportunities for collaboration on economic development. It also has the potential to 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.

2.22 In particular, Berkshire authorities - through collaboration – are likely to benefit from:

- Working together to 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 Chambers of Commerce and Berkshire LEP - and others - in response to the government's review of LEPs.
- 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 future 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.
- Developing approaches to improve Berkshire's productivity through more responsive, agile collaboration.

3. Joint Committee - constitution, secretariat and accountable body

- 3.1 The Joint Committee's role and purpose - on behalf of the six partner Berkshire 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 aspirations for greater economic prosperity.
- 3.2 Core members of the Committee – to be known as the Berkshire Prosperity Board - 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.
- 3.3 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 on a unanimous 100% basis.
- 3.4 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); and the proposed governance structure (Appendix C).

4. Other options that have been considered.

- 4.1 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 passing of LEP functions to local from April 2024, meaning that Berkshire authorities will not be compliant with the government's new approach. It also does not build a stronger voice for Berkshire and does not enable streamlined collective decision making.
- 4.2 The other main alternative option considered was to develop a Combined Authority/Mayoral Combined Authority and seek a formal devolution deal. However, there is currently no collective appetite across the Berkshire authorities to pursue a directly elected mayor model.

5. FINANCIAL AND LEGAL IMPLICATIONS OF THE RECOMMENDATION

- 5.1 Local authorities are empowered to set up Joint Committees by sections 101 and 102 of the Local Government Act 1972 and the Local Government Act 2000 to discharge functions.
- 5.2 Key legal elements that underpin the arrangement of the Joint Committee - such as indemnities, dispute resolution and financial responsibilities - will be agreed in a joint legal agreement. How the arrangements will work in terms of finances, dispute resolution and indemnities between the council are being developed and will be agreed by the member authorities.
- 5.3 Collectively the six Berkshire councils will receive £240k to provide the key functions outlined of Economic Strategy and Planning, Business Voice, and Government Programme Delivery. DLUHC have directly and expressly advised the authorities that the 240k can only be spent on these 3 functions.
- 5.4 It is envisaged that the total cost of the running the 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.
- 5.5 The following principles will be applied to the financial management of the Prosperity Board:
- Open book - transparently accounting for all costs including in-kind.
 - All costs will be shared equally by all participating unitary 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.
- 5.6 In the first instance, any additional funding required beyond the £60k initial estimate for year 1 - and in future years - will look to be drawn from funding

proposals such as the Shared Prosperity Fund in order to alleviate any further pressure on council budgets.

6. POTENTIAL IMPACTS

- 6.1 An EQIA screening form has been completed and is attached to this report.
- 6.2 Climate change/sustainability. We do not anticipate any adverse impacts to climate change and sustainability as a consequence of these proposals. Indeed, one of the key workstreams of the new Joint Committee is Net Zero, which aims to take a county-wide approach which should provide additional benefit to Berkshire by making local authorities and wider partners more joined up in their efforts to respond to the impacts of climate change and create more opportunities for reaching net zero.

7. CONSULTATION

- 7.1 Formal consultation on the proposals is not required. A briefing for all RBWM Councillors on the proposals was hosted by the Chief Executive on 22 January 2024.

8. TIMETABLE FOR IMPLEMENTATION

- 8.1 These proposals are being taken through all six Berkshire Local Authority Cabinets and Full Councils during February and March. It is expected that the first meeting of the Berkshire Prosperity Board will take place in May 2024.

9. APPENDICES

- 9.1 This report is supported by three appendices:
- Appendix A – Functions and procedure rules for the Joint Committee
 - Appendix B – Role of the accountable body
 - Appendix C – Governance structure

10. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory:</i>		<i>Statutory Officer (or deputy)</i>	
Elizabeth Griffiths	Executive Director of Resources & S151 Officer		
Elaine Browne	Deputy Director of Law & Governance & Monitoring Officer	30/01/24	01/02/24
<i>Deputies:</i>			

Andrew Vallance	Deputy Director of Finance & Deputy S151 Officer	08/02/24	09/02/24
Jane Cryer	Principal Lawyer & Deputy Monitoring Officer		
Helena Stevenson	Principal Lawyer & Deputy Monitoring Officer		
Mandatory:	<i>Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>		
Lyn Hitchinson	Procurement Manager		
Mandatory:	<i>Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>		
Samantha Wootton	Data Protection Officer		
Mandatory:	<i>Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>		
Ellen McManus-Fry	Equalities & Engagement Officer	09/02/24	09/02/24
Mandatory:	<i>Assistant Director HR – to advise if report has potential staffing or workforce implications</i>		
Nikki Craig	Assistant Director of HR, Corporate Projects and IT		
Other consultees:			
Directors (where relevant)			
Stephen Evans	Chief Executive	Report Author	
Andrew Durrant	Executive Director of Place		
Kevin McDaniel	Executive Director of Adult Social Care & Health		
Lin Ferguson	Executive Director of Children's Services & Education		
Assistant Directors (where relevant)			
External (where relevant)			

Confirmation relevant Cabinet Member(s) consulted	Leader of the Council and Cabinet Member for Community Partnerships, Public Protection and Maidenhead	Yes
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REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Key decision	No	No

Appendix A - Equality Impact Assessment

For support in completing this EQIA, please consult the EQIA Guidance Document or contact equality@rbwm.gov.uk

www.rbwm.gov.uk



1. Background Information

Title of policy/strategy/plan:	<u>Establishment of a Joint Committee – The Berkshire Prosperity Board</u>
Service area:	<u>Chief Executive</u>
Directorate:	<u>Chief Executive</u>

Provide a brief explanation of the proposal:

- What are its intended outcomes?
- Who will deliver it?
- Is it a new proposal or a change to an existing one?

The intended outcome is to set up a Joint Committee (to be known as the Berkshire Prosperity Board) to enable the six Berkshire local 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 Berkshire Local Enterprise Partnership (LEP) and others to deliver core functions in response to the government's review of LEPs, which will see functions and responsibilities pass to local authorities from 1 April 2024.

- 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. Providing for a Berkshire that is better able to efficiently, seize future opportunities and adapt to challenges.
- Jointly working to transform Berkshire`s productivity through, responsive, agile collaboration.

The Joint Committee and its outcomes will be delivered collaboratively by all six Berkshire unitary authorities.

Although the Joint Committee to be established will be a new committee it's role and purpose - on behalf of the six partner Berkshire 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 aspirations for greater economic prosperity. These are activities which would have been taking place within each authority individually and therefore is not a new proposal. Subsequent EQIAs will be undertaken for workstreams going forward where relevant.

2. Relevance Check

Is this proposal likely to directly impact people, communities or RBWM employees?

- If No, please explain why not, including how you've considered equality issues.
- Will this proposal need a EQIA at a later stage? (for example, for a forthcoming action plan)

No

An EQIA will be completed for any future commissioinging activities or decisions of the Joint Committee as required

If 'No', proceed to 'Sign off'. If unsure, please contact equality@rbwm.gov.uk

3. Evidence Gathering and Stakeholder Engagement

Who will be affected by this proposal?

For example, users of a particular service, residents of a geographical area, staff

Among those affected by the proposal, are protected characteristics (age, sex, disability, race, religion, sexual orientation, gender reassignment, pregnancy/maternity, marriage/civil partnership) disproportionately represented?

For example, compared to the general population do a higher proportion have disabilities?

What engagement/consultation has been undertaken or planned?

- How has/will equality considerations be taken into account?
- Where known, what were the outcomes of this engagement?

What sources of data and evidence have been used in this assessment?

Please consult the Equalities Evidence Grid for relevant data. Examples of other possible sources of information are in the Guidance document.

4. Equality Analysis

Please detail, **using supporting evidence**:

- How the protected characteristics below might influence the needs and experiences of individuals, in relation to this proposal.
- How these characteristics might affect the impact of this proposal.

Tick positive/negative impact as appropriate. If there is no impact, or a neutral impact, state 'Not Applicable'

More information on each protected characteristic is provided in the Guidance document.

	Details and supporting evidence	Potential positive impact	Potential negative impact
Age			
Disability			
Sex			
Race, ethnicity and religion			
Sexual orientation and gender reassignment			
Pregnancy and maternity			
Marriage and civil partnership			
Armed forces community			
Socio-economic considerations e.g. low income, poverty			
Children in care/Care leavers			

5. Impact Assessment and Monitoring

If you have not identified any disproportionate impacts and the questions below are not applicable, leave them blank and proceed to Sign Off.

What measures have been taken to ensure that groups with protected characteristics are able to benefit from this change, or are not disadvantaged by it?

For example, adjustments needed to accommodate the needs of a particular group

Where a potential negative impact cannot be avoided, what measures have been put in place to mitigate or minimise this?

- For planned future actions, provide the name of the responsible individual and the target date for implementation.

How will the equality impacts identified here be monitored and reviewed in the future?

See guidance document for examples of appropriate stages to review an EQIA.

6. Sign Off

Completed by: Elaine Browne	Date: 01.02.24
Approved by:	Date:

If this version of the EQIA has been reviewed and/or updated:

Reviewed by:	Date:
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