

REPORT OF THE LEADER OF THE COUNCIL**ESTABLISHMENT OF THE CITY OF NOTTINGHAM AND
NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE****Purpose of the report**

1. To seek Council approval for the establishment of a Joint Committee of local authorities in the City of Nottingham and Nottinghamshire, (the Economic Prosperity Committee or EPC) to drive future investment in growth and jobs within the areas.

Information and advice

2. Councils across Nottinghamshire have recognised that there is an opportunity to strengthen joint working and decision making by establishing an Economic Prosperity Committee. In July 2013 the council Leaders and Mayor across Nottingham and Nottinghamshire made a commitment to work more closely together to drive future investment in growth and jobs.
3. The EPC will improve joint working and decision making, with better links to the D2N2 Local Enterprise Partnership (LEP), and in doing so maximise access to European and Government funding for growth, for the benefit of Nottinghamshire. In parallel, Derby and Derbyshire councils are establishing similar arrangements.
4. The role and responsibilities of LEPs have grown since their inception. Over the next few months, Local Growth Deals will be negotiated with all LEPs. These are the successor to City Deals, enabling access to investment and new powers. The Government will consider a range of factors when negotiating Deals, including the strength of local partnerships such as Joint Committees and the strength and alignment of local plans. LEPs have also been invited to develop their approaches for the European Structural and Investment Funds (SIF) for 2014-2020 - D2N2 is currently consulting on how to prioritise its notional allocation in excess of £210m.
5. The new governance arrangements will support the LEP in the following ways:
 - Enable full engagement with all district councils, strengthening the LEP's democratic mandate;
 - Ensure that growth plans realise the LEPs strategy for growth and its vision of creating a more prosperous, better connected, increasingly resilient and competitive economy;

- Demonstrate how local strategies and plans are aligned to maximise impact and fulfil Government funding criteria;
 - Recommend priorities for investment of some LEP funds (at present the single Local Growth Fund and the European Structural Investment Funds - variously contracted to SIF or ESI), based on local knowledge;
 - Help simplify the local government landscape for business because important investment decisions will be made in one place.
6. The LEP has endorsed this approach. Support to the LEP will be maximised by having such arrangements in both Nottingham/Nottinghamshire and Derby/Derbyshire.
 7. Further consideration will be given to a work programme for the EPC (and how that work programme will be supported), as Government policy is evolving. An example of such a consideration is how the EPC's work will link to wider activity on the skills agenda.
 8. The Economic Prosperity Committee is likely to have its first formal meeting in the early spring of 2014. A report on the outcomes achieved through the Economic Prosperity Committee and their implications for Nottinghamshire will be taken to the County Council's Policy Committee in April 2015 and annually thereafter. The report back to Policy Committee will focus on investment secured in Nottingham and Nottinghamshire through the Economic Prosperity Committee and the activities supported. The Economic Development and Highways and Transport Committees will consider specific projects the County Council has responsibility to deliver that are supported by investment through the Economic Prosperity Committee.

Consultation to date

9. D2N2 recommended this approach with its Board on 3 September. D2N2 consulted on SIF funding over the summer of 2013. The Nottinghamshire Leaders / Mayor were consulted on the formation of a joint committee on 6 September, following the Nottinghamshire Chief Executives being consulted on this approach on 23 August. Information was made available to all the relevant Legal and Democratic teams via a working group between 24 September and 8 November 2013.
10. The Leader, Deputy Leader and Chair of Economic Development Committee have been consulted on this report. The Chief Executive and relevant officers from Legal and Democratic Services have been actively involved in the development of these proposals. All of the constituent local authorities within the LEP are progressing the proposal through their individual governance structures and have contributed to the development of the terms of reference and constitution for the EPC. The D2N2 LEP Board have also discussed and approved the proposals to create a Joint Committee.

Other Options Considered

11. Do nothing. The LEP could maintain its current governance structure which has functioned effectively to date. However, more formal arrangements will ensure that decisions are made in a more co-ordinated way that achieves maximum benefit for the economic area. Also, it is clear from Government Guidance that: the LEP is less likely to be successful in any bid to the single Local Growth Fund without enhanced governance; and that it would be less able to negotiate a Growth Deal; and that its governance arrangements would not be seen as robust when taking decisions over significant levels of funding.
12. Alternative governance models such as a Combined Authority or a Prosperity Board have been considered, but at this stage a Joint Committee is regarded by the constituent authorities as the most appropriate option. It is the only option deliverable within the necessary timescales.

Reason/s for Recommendation/s

13. Proposals for the establishment of an EPC have been developed to further strengthen the current governance arrangements of the D2N2 LEP and provide the necessary democratic accountability for the management of LEP funding streams such as the single Local Growth Fund and for strategic decision making on investment in growth and jobs in the City and County. The proposal provides democratic decision making for the allocation of funds within the Nottingham and Nottinghamshire jurisdiction of the LEP.

Statutory and Policy Implications

14. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.
15. Section 101(5) 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.
16. Section 9EB of the 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.
17. Regulation 11 makes provision for joint arrangements to involve a joint committee under Section 101(5) of the 1972 Act. As all the functions being delegated to the EPC are executive functions, the Regulations and Council's constitution allow the decision to establish the EPC and determine the number of members to be appointed to the EPC and their terms of office to be made by the Leader or Executive Mayor or other relevant decision maker or body. The regulations also

require that the members appointed to the EPC should be members of the Executive.

18. Regulation 12 covers membership of joint committees and confirms political balance would not apply. Where, as in the case of the EPC, all the powers that are being exercised are executive functions, the regulations do not allow for any co-option by the constituent authorities operating under executive arrangements (although that power exists for the constituent authorities where the governance is by committee). A pragmatic approach would therefore be not to permit co-option to the committee. Where it is considered beneficial for non-members, for example a representative of D2N2 to contribute to the proceedings of the EPC, the Chair of the Committee may however invite members of the public to attend and speak.
19. Any FoI requests received by the EPC should be directed to the relevant constituent authority for that to deal with in the usual way, taking account of the relevant legislation. Where the request relates to information held by 2 or more constituent authorities, they will liaise with each other before replying to the request. The host authority will co-ordinate responses to ensure that legislative deadlines are met.
20. As part of the process of making decisions and changing policy, the EPC will be required by law, under the public sector equality duty, to think about the need to:
 - Eliminate unlawful discrimination, harassment and victimisation.
 - Advance equality of opportunity between people who share protected characteristics (as defined by equalities legislation) and those who don't.
 - Foster good relations between people who share protected characteristics and those who don't.

Financial Implications

1. The Joint Committee provides a mechanism through which its constituent authorities can engage with the LEP on investment priorities across the Nottinghamshire area. This will provide a mechanism for accessing funds earmarked for Nottinghamshire by the D2N2 LEP including £213.4m of EU growth funding and an amount yet to be received by D2N2 under the single Local Growth Fund element of the D2N2's Local Growth Deal.
2. It is proposed that the Joint Committee's secretarial, legal and financial support services will be provided Nottingham City Council with the resultant costs being shared equally between the member authorities. It is estimated that such services will cost approximately £30,000 leading to a cost per authority of around £3,300 per annum. Travel and subsistence costs relating to the Joint Committee will be met by individual constituent authorities.
3. It should be noted that these costs do not include any allowance for technical advice and support which, if provided on a central basis for the Joint Committee, would lead to additional costs being incurred. As the Joint Committee develops, it will need to be determined whether such costs will also

be shared equally between the constituent authorities or whether an alternate model, such as a management charge levied against individual schemes, would need to be introduced.

RECOMMENDATION/S

1. It is recommended that the Council:
 - (a) Agrees to the establishment of the Economic Prosperity Committee (EPC) as a joint committee of the following local authorities: Ashfield District Council, Bassetlaw District Council, Broxtowe Borough Council, Gedling Borough Council, Mansfield District Council, Newark and Sherwood District Council, Nottingham City Council, Nottinghamshire County Council and Rushcliffe Borough Council (“the constituent authorities”);
 - (b) Agrees the Constitution (Terms of Reference, Membership and procedures) of the Economic Prosperity Committee as set out at Appendix A;
 - (c) Notes that any relevant powers previously delegated by the Leader/Executive to individuals or bodies are not expressly withdrawn and will be held concurrently;
 - (d) Appoints the Leader of the Council as the Council’s representative on the EPC and the Chair of the Economic Development Committee to act as substitute;
 - (e) Agrees to Nottingham City Council hosting the Committee and providing all necessary secretarial, legal and financial support services, (including S151 and Monitoring Officer roles) and the annual costs involved (estimated to be around £30,000), to be met in equal share by the constituent authorities, until such time as that this can be recovered in part or in whole from external funding streams;
 - (f) Agrees that this Council’s annual contribution to the cost of servicing the Committee in the estimated sum of around £3,300 be met from the Economic Development Committee budget and that any expenses for subsistence or travel in relation to the attendance of Councillors at meetings on EPC business be met by the individual authorities from existing budget provision for Members’ allowances;
 - (g) Notes that an annual report on the Economic Prosperity Committee will be brought back to the Council’s Policy Committee commencing April 2015;
 - (h) Notes that, for the reasons set out in the report, the Committee will have no powers to co-opt.

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Constitutional Comments (SLB 07.01.2014)

21. Council is the appropriate body to consider the content of this report; it has responsibility for establishing committees and authorising appointments to any joint committees.

Financial Comments (SEM 07.01.2014)

22. The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- BIS:Growth Deals, Initial Guidance for Local Enterprise Partnerships, July 2013
- D2N2: DRAFT EU Structural and Investment Funds Strategy 2014-2020
- D2N2: DRAFT Strategic Economic Plan

Electoral Division(s) and Member(s) Affected

All

APPENDIX

Appendix A - The draft Constitution for the City of Nottingham and Nottinghamshire Economic Prosperity Committee.