

To: **Executive**  
**6<sup>th</sup> Feb 2024**

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**Establishment of a Joint Committee – The Berkshire Prosperity Board**  
**Executive Director: Place Planning and Regeneration**

**1. Purpose of Report**

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. Recommendation**

- 2.1 Executive agree 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.
- 2.2 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 review by each member Council within 6 months.
- 2.3 That the Chief Executive 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 and go through the relevant democratic process if required.

### **3. Reasons for Recommendation**

- 3.1 Developing 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. Providing more flexibility and influence than a single council would have on its own. Helping local authorities speak with one voice to secure more funding from Government and other agencies and sources to help get key projects and initiatives off the ground.
- 3.2 In particular, Berkshire Authorities, through collaboration, will 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 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.
- 3.3 The first official board would take place in April following the decision making for each of the six Unitary Council's to establish the Board. The Board would meet four times a year. Each Council would lead on one of the six themes, with Bracknell Forest leading on Climate Change, and assisting on the Affordable Housing theme.

### **4. Alternative Options 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 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.
- 4.2 the other main alternative option considered was to develop a Combined Authority/Mayoral Combined Authority, and seek a formal Devolution Deal. Berkshire Leaders have agreed not to pursue a directly elected Mayor.

### **5. Supporting Information**

- 5.1 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 Berkshire Place Directors to explore options to create a vehicle to drive and deliver economic prosperity for Berkshire.

- 5.2 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 agreed not to pursue a directly elected mayor.
- 5.3 At the same time as this conversation began the Government announced that it would be ending Local Enterprise Partnership (LEP) funding from the end of March 2024, therefore discussions have been ongoing as to the future of the Berkshire LEP as part of this process. Berkshire authorities also discussed the future partnership arrangements with the LEP, in light of Government plans to transfer local economic leadership and budgets back to local authorities.
- 5.4 As discussions progressed leaders recognised that the structure of six unitary authorities, which has provided so much benefit to the Berkshire area, could be 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 was acknowledged that by working together Berkshire Authorities can benefit from greater scale, and with that, more influence and greater ability to develop solutions through collaboration.
- 5.5 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 around. Shared problem solving will produce more efficient and effective outcomes than if authorities tackle problems individually.
- 5.6 Berkshire Leaders have stated their intention to develop a Joint Committee to help deliver this economic ambition.
- 5.7 Collectively the Leaders have identified a programme that will focus on six thematic workstreams deemed key to the local economy. Including, health and inequalities, education and skills, affordable housing, sector development, strategic infrastructure and net zero.

#### *Berkshire's Economy*

- 5.8 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.
- 5.9 Since 2008, our economy has experienced a financial crisis, the Covid-19 pandemic and the impacts of the war in Ukraine and the Israel-Hamas war. 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 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.

- 5.10 Some of our communities, however, have not been able to contribute to and benefit from Berkshire's economic success, and wage growth has not kept up with economic growth. Many of our residents, including some in Bracknell Forest are facing increasing living costs, high levels of deprivation and poor health outcomes. Economic inactivity remains elevated 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 needs.
- 5.11 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. It is clear that some of them are not as committed to a future in the UK as the six Unitary Councils would want.
- 5.12 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 the Berkshire Unitary Authorities to share and effect an economic vision to collectively address challenges and seize opportunities. 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 LEP*

- 5.13 Government will cease funding Local Economic Partnerships from April 2024. The Government requires that 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. These 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 in the future to provide representation to embed a strong, independent, and diverse local business voice into local decision-making on economic development issues. New guidance how 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.

- 5.14 Local Authorities will also be expected to take responsibility for commissioning the existing Growth Hubs and Skills Hubs.
- 5.15 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 TVB LEP) to deliver outcomes.
- 5.16 The development of a Berkshire Joint Committee with a nominated accountable body will allow Berkshire to accept funds from Government and together commission the core functions to address collective priorities.

#### *Devolution*

- 5.17 In the 2022 Levelling Up White Paper the government 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.
- 5.18 Prior to the May 2023 local Elections, 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.
- 5.19 Having a fully operational 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. Although, as things currently stand, Berkshire will need to become a Combined Authority with limited concessions or a Mayoral Combined Authority to receive any significant investment from Government. However, with the likelihood of a general election Government may change its approach, therefore at this stage Devolution is not the driver to move forward with a Joint Prosperity Board.

#### *Constitution, Secretarial and Accountable body*

- 5.20 The Joint Committee’s role and purpose on behalf of the Partner Local Authorities relates to ensuring 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.
- 5.21 Core members of the Committee include, Bracknell Forest Council, Reading Borough Council, Slough Borough Council, The Royal Borough of Windsor and Maidenhead, West Berkshire Council and Wokingham Borough Council.
- 5.22 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 on a unanimous 100% basis.
- 5.23 The structure and constitution of the Joint Committee will need a decision to be approved through each of the participating Local Authority Democratic decision-making groups. Details of the draft Constitution and structure of the Joint Committee is contained in (Appendix A) along with responsibilities of the Accountable Body (Appendix B) and the Governance Structure (Appendix C).

- 5.24 One of the Authorities will take on the function of the Accountable Body. Bracknell Forest is likely to undertake the secretariate role, which is an extension of existing arrangements supporting Berkshire Leaders and Chief Executive meetings.

#### *Funding*

- 5.25 Collectively the six Unitary Council's will receive £240k to provide the key functions outlined of Economic Strategy and Planning, Business Voice and Government Programme Delivery.
- 5.26 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. The following principles will be applied 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.

## **6. Consultation and Other Considerations**

### Legal Advice

- 6.1 The body of the report and its recommendations has been shared with, and agreed by, Members of the Berkshire Monitoring Officers Group ("the Group"). The constitutional documents of the Joint Committee will, as set out in the recommendations, be subject to further review and agreement by the Group prior to adoption. The proposals do not envisage the setting up of a statutory Economic Prosperity Board as such a body would exist as a separate corporate entity to each of the participant authorities. Instead a Joint Committee is proposed which can be set up under statutory powers namely, the Local Government Act 1972 in relation to non Executive functions and the Local Government Act 2000/ Local Authorities (Arrangements for the Discharge of Functions (England) Regulations 2000 in relation to Executive functions.
- 6.2 It is noted that 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 full Council in each Authority. The broader decision relating to the collaborative arrangements will be reserved to each individual Cabinet/Executive
- 6.3 A legal agreement will be entered into between the participating authorities setting out their respective rights and responsibilities under the arrangement, and detailing the specific role of the Accountable body.
- 6.4 The latest draft was discussed at our monthly MO meeting today and I got the sense that others may want to update the recommendations including the following;  
Delegated authority to MO to make minor amendments to the joint committee constitution

### Financial Advice

- 6.5 The financial implications for the first year of the board are set out in para's 5.25 – 5.26 cost will be met from a mixture of internal budgets and the Shared Prosperity Fund, costs there after will be subject to review.

Other Consultation Responses

- 6.6 None at this time.

Equalities Impact Assessment

- 6.7 The Board proposes to look at inequalities as one of its themes, however the setting up of a joint Committee is not considered to require an impact assessment at this time.

Strategic Risk Management Issues

- 6.8 None

Climate Change and Ecological Impacts

- 6.9 The recommendations in Section 2 above are expected to reduce emissions of CO<sub>2</sub> across Berkshire considering opportunities to respond to Climate Change at a strategic level, creating impact by working at scale.

Health & Wellbeing Considerations

- 6.10 Health and Inequalities form none of the themes to be covered by the Prosperity Board, these will be considered at a strategic Berkshire level.

Background Papers

Appendix A – Functions and Procedures for the Joint Committee

Appendix B – Role of The Accountable Body

Appendix C - The Governance Structure

Contact for further information

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