

READING BOROUGH COUNCIL

REPORT BY HEAD OF CUSTOMER SERVICES

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| TO: | CITY DEAL JOINT COMMITTEE | | |
| DATE: | 21 st March 2014 | AGENDA ITEM: | |
| TITLE: | City Deal Performance Monitoring | | |
| LEAD COUNCILLOR: | CLLR LOVELOCK | PORTFOLIO: | LEADERSHIP |
| SERVICE: | ECONOMIC DEVELOPMENT | WARDS: | BOROUGHWIDE |
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The City Deal is focused on increasing the participation of 16-24 year olds in education, training and work, to develop work-related skills and to streamline the pathway to employment for young people. This is linked directly to a broader objective of delivering economic growth locally, and to address local concerns about the number of young people Not in Employment, Education or Training.
- 1.2 This report outlines the performance monitoring arrangements for the City Deal and is submitted for endorsement of the proposals at this stage.

2. RECOMMENDED ACTION

- 2.1 That the proposals are agreed.
- 2.2 That quarterly progress monitoring reports are received by the Committee from July 2014.

3. POLICY CONTEXT

- 3.1 City Deals are special arrangements negotiated between the Government and urban areas in England, by which the Government gives the City Deal area powers and tools to drive local economic growth. They invite urban areas to make and compete for deals with the Government by which the Government will devolve powers in exchange for the City Deal partners taking responsibility for delivering growth locally.
- 3.2 The Cabinet Office has made a key requirement to set up governance arrangements for the City Deal - a decision making body across boundaries linked to the relevant LEP and with decision making powers bestowed on it.
- 3.3 The key features of the Cabinet Office's approach to the governance of City Deals are:
 - The City Deal will have a lead local authority which will be the accountable body;

- Any resultant Central Government funding will be directed to the lead local authority as accountable body; and
- Each City Deal will have a formal governance arrangement for the exercise of decision-making, with a joint committee of local authorities as the *de minimis* requirement.
- Monthly progress updates and the completion of a quarterly monitoring and evaluation tracker

4. CITY DEAL PROPOSAL

Background

- 4.1 The proposal was accepted by government and the Thames Valley Berkshire City Deal was launched on 28 October with a start date of 1 April 2014 running for a period of 3 years.
- 4.2 The Thames Valley Berkshire City Deal aims to address the skills gaps and unemployment and underemployment of the 16-24 year old population. Overall the aim is to deliver employment and skills support for 4,500 young people. The deal will deliver improvements in existing schemes:
- Generate 1,300 new employment opportunities for young people including helping 800 sustain work for at least six months;
 - 1,500 work experience placements
 - 300 additional apprenticeships
 - 800 new Youth Contract wage incentives
- New approaches will also be developed to help more young people into sustainable employment ensuring 900 young people do not make a repeat claim within 9 months of their last, and increasing the earnings of 450 young people;

Performance monitoring arrangements

- 4.3 It is proposed that the LEP Joint Committee receive quarterly reports in the form of a grid showing overall progress to date against the Berkshire wide targets listed in Para 4.2. The first quarterly report is submitted to the Joint Committee on 18th July. Further detail can be supplied by contacting the lead for each area.
- 4.4 Detailed progress will be monitored monthly at the City Deal Officer Steering group via highlight reports for each project and a spreadsheet detailing spend against outputs.
- 4.5 Monthly progress updates and a quarterly monitoring and evaluation tracker will be submitted to the Cabinet Office.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The focus on NEET and skills fits with the Council's strategic aim of establishing Reading as a learning City and a stimulating and rewarding place to live and visit
- 5.2 The City Deal directly links to the Reading 2030 Sustainable Community Strategy key priority 'skills for all'.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 In developing the City Deal proposal stakeholder groups have been involved in workshops to identify the key priorities which will support economic growth.

7. LEGAL IMPLICATIONS

Joint Committees

- 7.1 Local authorities may delegate the discharge of any of their functions to a joint committee. This may be done under Sections 101(5) and 102(1) (b) of the Local Government Act 1972. The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 and 2012 also apply to authorities which operate executive arrangements.
- 7.2 As a general rule, economic development functions are not listed in Schedule 1 of the Local Authorities (Functions and Responsibilities) Regulations as being functions that cannot be exercised by an authority's executive. Therefore the working presumption should be that the functions covered by the City Deal agreement will be the responsibility of the authority's executive, unless the authority has adopted a committee system form of governance (as in Reading).
- 7.3 Joint Committees are Committees of Councillors with equal voting rights. Co-opted Members may be appointed under Section 102(3) of the 1972 Act. However, Co-opted (non-Councillor) Members cannot have voting rights under Section 13 of the Local Government & Housing Act 1989.
- 7.4 The Thames Valley Berkshire City Deal is underpinned by the deal document which is a joint arrangement between all the participating local authorities and the Thames Valley LEP. Each partner formally entered into this agreement when representatives from each of the six Berkshire Unitary Authorities and the LEP formally signed the document on 28 October 2013.
- 7.5 The Local Authorities (Arrangements for the Discharge of Functions)(England) Regulations 2012, prescribe the process by which local authorities may set up a joint committee for the discharge of any of their functions under Section 102(1)(b) of the Local Government Act 1972. Regulation 11(5) requires such decisions to be made in relation to the authority by the authority. In the case of Reading, which has adopted a committee system form of governance, this means the decision has to be taken by full Council and cannot be exercised by a committee. This requirement has been continued into Article 4 of the Council's constitution ("The Full Council"), which states that only the Council may enter into joint arrangements with other local authorities under Sections 101 and 102 of the local Government Act 1972.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 8.2 In this regard you **must** consider whether the decision will or could have a differential impact on: racial groups; gender; people with disabilities; people of a particular sexual orientation; people due to their age; people due to their religious belief.
- 8.3 The City Deal agreement has a specific focus on addressing the skills gap and employment chances of young people, aged 16-24 years. In this and other regards, it will be the responsibility of the LEP Board - including the Councillor Representatives

on it - to ensure that decisions on individual proposals coming before the Board are taken in compliance with all aspects of the public sector equality duty, as contained in the Equalities Act 2010, wherever this is applicable.

9. FINANCIAL IMPLICATIONS

9.1 The following funding streams will apply to delivery of the City Deal:

- i) Provision of grant funding (£2.4m) to support proposed single access points for employment and skills opportunities from the national budget for Youth Contract wage incentives (that is under spending);
- (ii) Provision of match funding of £2.4m from Berkshire's allocation of the EU Structural and Investment Funds;
- (iii) Growth Hub - the Government has committed to provide investment funding for the Thames Valley Berkshire Business Growth Programme;
- (iv) The Cabinet Office's Behavioural Insights Team will work with Thames Valley Berkshire to develop and test new techniques to engage young people and businesses. This support will be provided to the value of £150,000 per year over two years (again funded from the Youth Contract wage incentive under spend).

9.2 The Youth Contract funding will be held by and dispersed by Reading Borough Council as the accountable body in accordance with decisions made by the City Deal Joint Committee

9. BACKGROUND PAPERS

9.1 Thames Valley Berkshire Local Enterprise Partnership City Deal