



West London Economic Prosperity Board

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Title	West London Economic Prosperity Board: Functions and Rules of Procedure
Report of	Dan Gascoyne
Status	Public
Urgent	No
Enclosures	Appendix 1: Functions and Procedure Rules Appendix 2: Special Representatives
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Recommendations

The West London Economic Prosperity Board is invited to note that the London Boroughs of Barnet, Brent, Ealing, Harrow and Hounslow have all formally agreed to the following:

1. Agreed to enter into arrangements to discharge certain functions jointly between the participating boroughs, following agreement by the individual authorities.
2. Agrees to adopt the arrangements attached as Appendix 1, "Functions and Rules of Procedure for the West London Economic Prosperity Board".
3. Agrees that the arrangements will consist of a Joint Committee (to be known as the West London Economic Prosperity Board or "WLEPB").
4. Instructs West London Alliance Growth Directors, in consultation with the Board, to identify and approach 'special representatives' from the list or sectors/organisations attached as Appendix 2 to join the WLEPB at its next and future meetings.
5. Notes that the functions to be discharged by the WLEPB will be with the intention of promoting economic prosperity within the local government areas of the participating boroughs.
6. Notes that the participating boroughs will initially be Barnet, Brent, Ealing, Harrow and Hounslow but that other WLA member boroughs (namely Hammersmith & Fulham and Hillingdon) are also invited to join or observe as

appropriate.

7. Notes that the WLEPB will not discharge any Borough's non-executive functions.

1. WHY THIS REPORT IS NEEDED

1. Reason for Decision and Options Considered

- 1.1. West London boroughs are already working in partnership, through the West London Alliance (WLA), whose area is acknowledged as a functional economic area. West London's functioning economic geography recognises the connections, alignment and interdependencies between constituent boroughs and the important relationships to the rest of London, surrounding council areas and the wider UK economy.
- 1.2. Working with the WLA enables councils to address issues relating to growth, jobs and skills which span across geographical boundaries; take advantage of economies of scale (e.g. in relation to bids for ESF and external funding); and increasingly to present a credible and substantial basis for devolved central government functions relating to growth, employment and skills within London.
- 1.3. The WLA boroughs have prioritised the growth and prosperity agenda, and developed a shared Vision for Growth, agreed in 2014. The rationale for a West London approach to delivery of the vision for growth is that the scale of the issues with boosting economic growth and delivering prosperity for all in West London is outside the scope of the capabilities of any one West London authority to deliver. The Vision for Growth is being delivered through a focus on six priorities. These are around growing business, developing skills, maximising young people's potential, building new homes, creating and maintaining thriving town centres and investing in infrastructure.
- 1.4. The suggestion for establishing the WLEPB came about through meetings of the WLA Leaders Group. It is possible that all WLA boroughs will choose to participate in due course. The proposal is that the establishment of the WLEPB to ensure appropriate, effective and formal governance is in place for the purposes of: delivering the West London Vision for Growth and advancing participating authorities' aspirations for greater economic prosperity in West London "the Economic Prosperity Agenda", in partnership with employers, representatives from relevant government agencies, and education and skills providers.
- 1.5. The Local Democracy, Economic Development and Construction Act ("the 2009 Act") enables, outside of London, the establishment of combined authorities and economic prosperity boards, facilitates the collaboration and joint working between local authorities to improve economic development, regeneration and transport in functional economic areas, thus promoting economic growth. Economic prosperity boards have functions in relation to economic development and regeneration only. The 2009 Act contains a

number of conditions which need to be met before the Secretary of State can make an order, subject to Parliament's approval, establishing a proposed combined authority or economic prosperity board. The 2009 Act does not permit the establishment of Economic Prosperity Boards within London, which is why it is proposed that the WLEPB will take the form of a Joint Committee. The WLEPB does not require approval by the Secretary of State.

- 1.6. This approach is also designed to support joint applications for funding such as the European Social Fund (ESF). The GLA has agreed with ESF co-funders to recognise the WLA boroughs, collectively, as a functional economic area for the purposes of commissioning ESF programmes 2014 – 2020. Sub-regional approaches to securing and governing such funds are increasingly more likely than individual borough funding bids to be successful.
- 1.7. In addition to specific functions relating to the delivery of the Vision for Growth, the Board will lead West London's engagement with London Councils, the GLA, the LEP and government departments in relation to the economic prosperity agenda; and pursue opportunities for devolution in relation to economic growth on the behalf of West London boroughs.
- 1.8. It is proposed that the WLEPB takes the form of a formal Joint Committee. The rationale for this approach is explained in the implications of the decision and legal implications sections below, and reflects the outcomes of discussions and evaluation of options by the Leaders of the local authorities which comprise the West London Alliance, in their meetings between December 2014 and March 2015. The selection of a Joint Committee model reflects appropriately the participating authorities' collective desire for formal governance arrangements to be in place to deliver the Vision for Growth, which stops short of the formation of a stand-alone statutory authority.
- 1.9. The draft arrangements in Appendix 1 would mean that the WLEPB would operate on the basis of a simple majority, and that the Chair would have a casting vote. The draft arrangements in Appendix 1 do not give any participating borough a right of veto. What this means in practice is that the potential will exist for one or more boroughs to be bound by decision that they are not happy about. However, it is considered that the likelihood of such a scenario arising is low and decisions will be sought on the basis of mutual agreement and consensus
- 1.10. It is anticipated that the authorities who will agree to discharge their functions jointly ("the Participating Boroughs") via the WLEPB will initially be Barnet, Brent, Ealing, Harrow and Hounslow. The two other WLA members (namely Hammersmith & Fulham and Hillingdon) have been invited to join and may do so in the future.

2. REASONS FOR RECOMMENDATIONS

- 2.1. The functions to be discharged jointly via the WLEPB will be:

- 2.1.1. Making funding applications and/or bids to external bodies, in relation to economic prosperity for the benefit of the local government areas of the participating local authorities
- 2.1.2. Allocating any such funding awards to appropriate projects for the benefit of the local government areas of the participating local authorities, including, where applicable, approving joint procurement.
- 2.1.3. Seeking to be the recipient of devolved powers and/or funding streams for the local government areas of the participating local authorities, which relate to the economic prosperity agenda
- 2.1.4. Exercising any such powers and allocating any such funding
- 2.1.5. Representing the participating local authorities in discussions and negotiations with regional bodies, national bodies and central government on matters relating to economic prosperity for the benefit of the local government areas of the participating authorities.
- 2.1.6. Representing the participating authorities in connection with the Greater London Authority, London Councils and the London Enterprise Panel, for the benefit of the local government areas of the participating authorities, in matters relating to the economic prosperity agenda.
- 2.1.7. Representing the participating local authorities in discussions and negotiations in relation to pan-London matters relating to economic prosperity.
- 2.1.8. Seeking to influence and align government investment in West London in order to boost economic growth within the local government areas of the participating authorities.
- 2.1.9. Agreeing and approving any additional governance structures as related to the WLEPB, or any sub-committees formed by the WLEPB.
- 2.1.10. Representing the participating local authorities in discussions and negotiations with the Secretary of State for Communities and Local Government to encourage legislative reform enabling Economic Prosperity Boards, as defined by the 2009 Act, to be established by groups of boroughs in London.
- 2.2. The WLEPB will be a joint committee set up to be a decision-making body which will discharge these functions. Decisions made by the WLEPB will be binding on the participating boroughs. Authorities will not, however, be prevented from discharging the above mentioned functions on their own account as well.
- 2.3. The proposed functions and rules of procedure for the WLEPB are attached as Appendix 1. These outline the membership of the WLEPB, the functions it will perform, and the procedures it will follow in relation to decision-making.

- 2.4. The proposal is that each participating borough will appoint one voting member of the WLEPB. The proposal is that the committee procedures for the WLEPB will include an arrangement that its chair will be one of these voting members. The voting member appointed by each of the participating boroughs will act as chair for 12 months at a time on a rotating basis.
- 2.5. Where a participating borough operates “executive arrangements”, then the appointment of a voting member of the WLEPB will be by the Leaders of the executive. It is anticipated that, where practicable, the leader will nominate himself or herself to the WLEPB. Where a participating borough does not operate “executive arrangements”, then it must follow its own procedures to appoint the voting member of the WLEPB, but it is envisaged that this will usually be one its senior councillors.
- 2.6. The WLEPB may also contain non-voting special representatives from business, education and skills sectors, the civil service and central government to make comments and to attend meetings.
- 2.7. This approach means that voting members of the WLEPB will be able to make binding decisions relating to the economic prosperity agenda in WLEPB meetings. As a joint committee, the WLEPB will be subject to the same rules as other committees in relation to admission to meetings, access to agendas, reports, background papers, minutes and other documents. Furthermore, for those authorities operating executive arrangements, decisions made by the WLEPB may be subject to the same overview and scrutiny requirements as executive decisions made by the borough solely

3. **ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 N/A

4. **POST DECISION IMPLEMENTATION**

- 4.1 Subject to the Board’s agreement, the Functions and Procedure Rules will become the rules of procedure for the Board. Any amendments to the Functions and Procedure Rules will need to be agreed by the Board.

5. **IMPLICATIONS OF DECISION**

5.1. **Priorities and Performance**

- 5.1.1 N/A

5.2. **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1. There are no financial implications arising directly from this report. Establishing and participating in the WLEPB does not require an immediate funding contribution from participating authorities, neither does it require transfer of budgets from participating local authorities to the Committee.

- 5.2.2. However, as one of its functions, the WLEPB will have the power to bid for third party funding in relation to the local government areas of the participating boroughs in order to advance progress towards delivering the WLA Vision for Growth and enhancing economic prosperity in West London, and make decisions about the allocation of these resources.
- 5.2.3. The WLEPB will also have decision-making powers to determine how any outcomes from decisions relating to devolution, which relate specifically to the economic prosperity agenda, impact on the local authority members of the West London EPB. Some of these outcomes may include financial implications – for example transfer of funding from central to local government to perform specific functions relating to the economic prosperity agenda.
- 5.2.4. The WLEPB, after taking advice from officers, will develop detailed procedures for dealing with financial matters.
- 5.2.5. Organisational and clerking support for the WLEPB, and accommodation for meetings, and any associated costs, will be provided by the Participating Borough whose representative is Chair unless otherwise agreed by the WLEPB.
- 5.2.6. There is a risk that decisions taken by the WLEPB could adversely impact on savings proposals either agreed or being considered by a Participating Borough. In practice, this is considered to be a low level of risk, and would be mitigated by undertaking due consultation on the relevant proposal to avoid any adverse impact.
- 5.2.7. The proposal is that support organisational and clerking support from officers to the WLEPB will rotate with the Chair. Similarly, the responsibility to accommodate meetings of the WLEPB will rotate with the Chair. The Chair will serve 12 months at a time, and will rotate between all participating boroughs. It is proposed that the chairmanship of the Board will rotate alphabetically (by borough name) after the appointment of the first chair
- 5.2.8. It is anticipated that the costs of the WLEPB will be borne within the existing resources of the hosting borough in any particular year. The WLEPB will maintain a watching brief over the arrangements for distributing costs associated with support and accommodation to the borough providing these from time to time.
- 5.2.9. Economic prosperity in any one West London Borough is influenced significantly by the broader economic activity of West London (one example being the significance of Heathrow in terms of local employment). It is a better use of resources to work in active, formal co-operation with West London authorities to ensure West London authorities' resources and strategies for boosting growth and prosperity are aligned, than for any borough to pursue the economic prosperity agenda alone.

- 5.2.10. Benefits over and above strategic alignment include the opportunities for economies of scale, for example through collaborative commissioning and procurement of goods and services to help deliver the WLA Vision for Growth.
- 5.2.11. Furthermore, for reasons set out earlier in this paper, there is more likelihood of boroughs attracting third party investment (e.g. in the form of ESF funding) if they can demonstrate that they are working in partnership with other local authorities, in particular neighbouring authorities / sub-regions.
- 5.2.12. The approach proposed in this report represents a strategic approach to delivering better value for money, when placed in the context of other strategic agendas. For example, the implications of the government's welfare reform agenda places an increasing focus on employability of a way of helping the most vulnerable in society; and there is a strong body of evidence to support the view that active economic engagement plays a key role preventing poor outcomes which result in dependency on costly public services, enhancing resilience and independence from state support, and improving health, well-being and quality of life.

5.3. **Social Value**

5.3.1 N/A

5.4. **Legal and Constitutional References**

- 5.4.1. Subject to the more detailed considerations mentioned below, two or more local authorities can arrange for any of their functions to be discharged jointly. If they wish to do so, the authorities can set up a joint committee in order to discharge these functions. Such a joint committee can set up a sub-committee (unless the participating authorities specify otherwise when making the arrangements). Where such a committee (or sub-committee) makes a decision, the decision is binding on the participating authorities. However, where an authority has made arrangements for one of its functions to be discharged by a joint committee, the authority still retains the ability to discharge that function itself.
- 5.4.2. The Local Government Act 2000 ("the 2000 Act") (section 9B) allows a local authority to operate (amongst other things) either a "committee system" (s 9B(1)(b)) or "executive arrangements" (s 9B(1)(a)). Operating a "committee system" means that the authority does not operate "executive arrangements" and instead arranges the discharge of its functions in accordance with Part 6 of the Local Government Act 1972 ("the 1972 Act"). Operating "executive arrangements" means that the authority must identify which of its functions are the responsibility of the executive (sometimes called "executive functions" or "cabinet side functions") and which are not (sometimes called "non-executive functions" or "council side functions").
- 5.4.3. Where at least one of participating boroughs is operating executive arrangements, then it is necessary to identify whether any of the functions which are to be discharged jointly are "executive functions" for any of the participating boroughs.

- 5.4.4. Brent, Ealing, Harrow and Hounslow each operate “executive arrangements”. Each has a leader and cabinet. Barnet operates a “committee system”.
- 5.4.5. The 2000 Act provides that the functions of a local authority which has chosen to operate executive arrangements must be executive functions unless either (i) legislation specifies that they cannot be executive functions or (ii) legislation specifies that they need not be executive functions, and the authority’s constitution has specified that the functions will not be executive functions. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (S.I. 2000/2853) (“the 2000 Regulations”) specify functions that are not to be the responsibility of an authority’s executive or are to be the responsibility of such an executive only to a limited extent or only in specified circumstances.
- 5.4.6. It would be possible, in principle, for a participating borough which operated executive arrangements to discharge some of its executive functions, and also some of its non-executive functions, via the same joint committee. If that were to be the case, then decisions would need to be made both by the Leader (or Cabinet) and by Full Council (or a council-side committee where allowed by the constitution), in relation to the arrangements for the joint committee.
- 5.4.7. It is also possible, in principle, for a participating borough which operates executive arrangements to discharge some of its executive functions only, (and none of its non-executive functions), via the joint committee. If that were to be the case, then decisions would only need to be made both by the Leader (or Cabinet) in relation to the arrangements for the joint committee (with Council being asked to note the consequential amendments to the council’s scheme of delegations in Part 3 of this constitution).
- 5.4.8. The current proposal is that Participating Boroughs operating executive arrangements will choose to discharge some of their executive functions only, (and none of their non-executive functions), via the WLEPB joint committee. Thus the WLEPB will not discharge any of the functions specified in Schedule 1 of the 2000 Act such as: certain decisions in relation to planning and development control; the granting of certain licenses; the power to promote or oppose local or personal Bills in Parliament; the power to appoint employees to the staff of any of the participating boroughs; and nor will it be responsible for making the arrangements for the proper administration of the financial affairs of any of the participating boroughs.
- 5.4.9. Since the WLEPB will be discharging functions on behalf of at least 5 local authorities, participating boroughs will only be able to appoint individuals to it who are elected members of that Council (including Cabinet members). This is due to the operation of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 (“the 2012 Regulations”), and Regulation 12(3) in particular.
- 5.4.10. Where a participating borough is not operating executive arrangements (i.e. Barnet Council), or else where a participating borough chooses to discharge

any of its non-executive functions (as well as some executive functions) via the WLEPB, that borough must follow its own constitution. The draft functions and rules of procedure attached at Appendix 1 indicate that such a borough will only appoint one of its elected members to serve on the WLEPB.

- 5.4.11. Sections 100A to 100D of the 1972 Act, in relation to admission to meetings, access to agendas, reports, background papers, minutes and other documents will apply to the WLEPB. Where an authority's executive functions are being exercised jointly, the executive function remains the responsibility of that authority's executive for the purpose of the overview and scrutiny requirements. See section 9E, 9EB and 9F of the 2000 Act.

5.5. **Risk Management**

- 5.5.1. The proposal to establish the WLEPB as a formal legal joint committee is significant step in terms of formalising joint work in relation to the economic prosperity agenda in West London.
- 5.5.2. The proposal to establish a WLEPB has been arrived at through discussions during the December 2014, February 2015 and March 2015 meetings of the West London Alliance Leaders Board. Individual West London Alliance councils have also individually endorsed the functions and procedure rules over summer and autumn 2015.
- 5.5.3. These discussions have been focused in part on evaluation of options for formalising governance arrangements around West London Alliance member authorities' aspirations for economic growth and prosperity.
- 5.5.4. Appendix 1 set out the proposals for the functions the WLEPB will perform , the process and procedure for taking decisions relating to those functions, and how the decision making process will operate (e.g. in terms of how votes are taken on decisions if necessary).
- 5.5.5. The WLEPB will incorporate a risk management approach to its oversight of delivery of the West London Vision for Growth. The performance management framework for the Vision for Growth will include a log of key risks; performance reports to the WLEPB will enable member authorities to focus on any emerging issues.]
- 5.5.6. The secretariat and strategic support for the WLEPB will undertake to enable members of the WLEPB to carry out an appropriate risk assessment of decisions, at an appropriate stage of the decision-making process

5.6. **Equalities and Diversity**

- 5.6.1. There are no implications for equalities, human rights and community cohesion arising directly from this report, as the report is not seeking decision on a specific programme of activity. However, it is set out in this report that the WLEPB will focus on delivery of the WLA Vision for Growth, which has a strong focus on improving the skills, employability and

prosperity of groups across West London including those who would fall into categories of vulnerability which would also place them within groups with “protected characteristics” in the Equality Act 2010.

- 5.6.2. As and when the WLEPB takes decisions, an appropriate assessment of impact on equalities and human rights will be carried out.

6. BACKGROUND PAPERS

- 6.1 None