



1. **PURPOSE OF REPORT**

- 1.1 To seek approval for the approach to be adopted by Hinckley and Bosworth Borough Council in its discussions with partners in Coventry and Warwickshire, regarding the governance arrangements for the City Deal and, potentially, a broader partnership.

2. **RECOMMENDATION**

That the Executive endorse the options for further discussion, as set out in section 3.11 of this report.

3. **BACKGROUND TO REPORT**

- 3.1 Members will recall previous reports regarding our membership of the Coventry and Warwickshire City Deal, agreed in December 2013. The purpose and aims of the Deal were set out in the report of 22 January 2014, which referred to the intention to move to an Economic Prosperity Board form of governance as soon as possible. This Council has consistently given full support to that membership, which has been welcomed by our partners in Coventry and Warwickshire.
- 3.2 Economic development and regeneration are key planks in Government plans to continue and accelerate recovery from the recession which began in 2007/08. In relation to City Deal area regeneration more generally, the arrangement is the foundation for promoting necessary growth in this area, which Members have accepted is a functional economic area. (See Appendix A).
- 3.3 However, it has been recognised also by all the partners that these loose arrangements are only a beginning and that further steps are needed as soon as possible to deliver 'strong governance across the functional economic area, so that decisions necessary for the growth of the area as a whole can be taken quickly and effectively'. Indeed, Government expects 'political commitment and readiness to put resources into delivering the City Deal'.
- 3.4 The options available for governance are:
- * A Joint Committee - already in place, with equal voting rights.
 - * An Economic Prosperity Board (EPB) - in 'shadow' form, confirmed in January 2015.
 - * A Combined Authority.

- 3.5 The current Joint Committee/'Shadow' EPB has no corporate or binding status and is not a separate legal entity. As such, it cannot hold property or directly employ staff. To adopt formally either an EPB or Combined Authority requires considerable consultation, which has yet to begin and the consideration of this report is an early (but informal) element in that process.
- 3.6 The main difference between an EPB and a Combined Authority is that the latter can include the significant additional responsibility for transport arrangements in its area, including the power to levy for transport functions and to borrow for transport purposes.
- 3.7 Whilst all partners have expressed a commitment (as part of the formal City Deal) to move towards an EPB, at minimum, there is considerable and increasing pressure to consider a move to a Combined Authority. This is a move being proposed or taken in a number of areas across the country, most notably in Birmingham and the Black Country.
- 3.8 As part of this latter initiative, it has been indicated that other authorities would be welcome to join a 'Greater Birmingham' and some authorities in the Coventry/Warwickshire City Deal are contemplating whether to accept this invitation. As it stands, the official position of all City Deal members is to keep an open mind; however, a decision will be necessary at some point and we need to be prepared for that eventuality.
- 3.9 At the last meeting of the Joint Committee (16 January), it was agreed that the title be extended to 'Joint Committee/Shadow EPB', as an indication of positive intent. In addition, it was agreed that all constituent member authorities give consideration to their view of the membership of a Combined Authority, should a decision be made to move in this direction sooner rather than later. Each Council has been asked to consider its top three options.
- 3.10 Whilst in many respects Hinckley and Bosworth can keep its options largely open, and whilst being a *formal* part of a 'Greater Birmingham' might lead to a loss of local, as well as regional/national influence and benefit, it is suggested that links to Birmingham need to be developed and maintained in some form and that a Combined Authority is likely (of necessity) to be of a greater size than the current City Deal area.
- 3.11 As a consequence, the following options are proposed as this Council's contribution to the wider consideration:
- i) Coventry, Warwickshire, Leicester and Leicestershire.
 - ii) Coventry, Warwickshire and 'South Leicestershire' *(HBBC, Oadby and Wigston, Blaby, Leicester City and - possibly - Harborough).
 - iii) Coventry, Warwickshire and HBBC (as now).

[* Consultation with the 'South Leicestershire' authorities has yet to take place]

None of the above would preclude Solihull being a member of an agreed relationship and all would be based on forging a strong link with 'Greater Birmingham' and further discussion with them, Leicester City, Leicestershire County Council and other Leicestershire Districts.

4. **FINANCIAL IMPLICATIONS (KP)**

- 4.1 The cost of the original City Deal initiative and the associated set up of the Growth Hub/Clearing House was estimated to be between £2.75m-£3.75m. The majority of this cost was financed from external funding, with the balance shared between all involved parties. The cost for this Council was £16,290 and was paid in full in 2014/2015.
- 4.2 There are no other direct financial implications resulting from this report; however, further initiatives arising from the City Deal will be considered upon approval.

5. **LEGAL IMPLICATIONS [EH]**

- 5.1 The [Localism Act 2011](#) introduced the Core Cities Amendment. This allows local councils to make the case for being given new powers to promote economic growth and set their own distinct policies.
- 5.2 City Deals are agreements between government and a city and its wider economic areas which aim to give cities the power and tools to drive local economic growth, unlock projects and initiatives to boot their economies and strengthen the governance arrangements. This process is not about acquiring city status; it is, rather, about accelerating the pace of growth in jobs, housing and economic development. The deals seek to give the city control to:
- * take charge and responsibility of decisions that affect their area
 - * do what they think is best to help businesses grow
 - * create economic growth
 - * decide how public money should be spent
- 5.3 The method of governance of the delivery body for the City Deal chosen will have separate legal implications. Should the Council ultimately decide to move forward with any of the options, the details for any governance arrangements will need to be subject to review by the legal department.

6. **CORPORATE PLAN IMPLICATIONS**

- 6.1 The initiatives discussed in this paper would support the following elements of the Corporate Plan:
- * Creating a vibrant place to work and live
 - * Empowering communities
 - * Supporting individuals

7. **CONSULTATION**

7.1 The City Deal was agreed following a lengthy process of negotiation between the eight partner councils and Government. Further consultation on potential options will be undertaken with a wider group of stakeholders, once these have been considered and consolidated by the joint Committee/Shadow EPB.

8. **RISK IMPLICATIONS**

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Not giving proper consideration to and putting forward options to our partners would potentially weaken the perceived commitment of this council to progressing stronger arrangements for governance and any future influence over actions and resources	Agree a set of options/priority arrangements to submit to the next meeting of the joint Committee/Shadow EPB	Chief Executive

9. **KNOWING YOUR COMMUNITY - EQUALITY AND RURAL IMPLICATIONS**

9.1 The purpose of the content of this report is to enable this Council to shape future governance arrangements so as to secure the maximum influence and longer term benefit for Hinckley and Bosworth, its residents and businesses. In putting forward options to the Joint Committee/Shadow EPB, it is acknowledged that the distributional ramifications will need to be addressed as part of the normal business of the Council. The options put forward aim to strike the balance between securing external investment and effective economic planning as against having the maximum influence over the allocation and use of such funding.

10. **CORPORATE IMPLICATIONS**

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: Report to Executive - 22 January 2014

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