
Establishment of Joint Committee – Berkshire Prosperity Board

Committee considering report:	Council
Date of Committee:	26 March 2024
Portfolio Member:	Louise Sturgess
Date Portfolio Member agreed report:	19 February 2024
Report Author:	Sam Robins / Clare Lawrence
Forward Plan Ref:	EX4499

1 Purpose of the Report

1.1 This report seeks to establish a Joint (Prosperity) 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 through working together collaboratively to address challenges and meet opportunities.
- Present a strengthened case to Government and private investors for greater investment into strategic projects, service delivery and initiatives across Berkshire.
- Act as a vehicle to commission the Thames Valley Berkshire Local Enterprise Partnership (LEP) Core functions and others in response to the Government's review of Local Economic Partnerships.
- Have a stronger, collective voice in lobbying Government and other agencies.
- Advantageously position Berkshire in readiness for potential devolution proposals to benefit from additional responsibilities and funding opportunities.

2 Recommendations

Council is asked to note the resolutions of the Executive dated 14th March 2024 to approve:

2.1 The establishment of a Joint Committee (to be known as the Berkshire Prosperity Board) from March 2024 to deliver a Berkshire-wide vision for inclusive green and sustainable economic prosperity.

2.2 A delegated authority for the Chief Executive, in consultation with the Leader of the Council, Executive Director of Resources and the Monitoring Officer to agree and

enter into an inter-authority agreement between the six Berkshire Local Authorities to facilitate decision-making by the Berkshire Prosperity Board (BPB)

- 2.3 The re-allocation of £10,000 of Council revenue funding and £20,000 UK Shared Prosperity Fund (UKSPF) funding in 2024/25, along with the collective allocation of £80,000 out of the shared £240,000 pot of grant funding that will be given to the 6 Berkshire Authorities from Government to replace LEP funding.

It is further recommended that Council:

- 2.4 Approve the terms of reference for the BPB as set out in Appendix A to be added to the Constitution.
- 2.5 Delegate authority to the Monitoring Officer, in consultation with the Leader of the Council, to amend the Constitution to make minor amendments to the terms of reference for the BPB and to amend Part 3 (meeting procedure Rules) and Part 6 (Council Bodies) to take account of the existence of the BPB.

3 Implications and Impact Assessment

Implication	Commentary
<p>Financial:</p>	<p>Government funding for Local Enterprise Partnerships (LEPs) ends from April 2024, and instead £240,000 in total of funding will be paid collectively to the 6 Berkshire Authorities. This report proposes for the 6 Authorities to commit £80,000 (in total) of that collective grant funding for the programme management of the Prosperity Board.</p> <p>Each Authority has been asked to re-allocate £10,000 of revenue funding in 2024/25, which was previously paid to the LEP, to the Prosperity Board to make progress against the 6 key themes. Previously £10,000 per year was added to the Economic Development Team revenue budget (13804 E086W) to be paid as an annual contribution to the LEP – the Prosperity Board is proposing that this contribution be re-allocated to the Prosperity Board.</p> <p>A further request is that £20,000 of UKSPF funding is allocated to support the administration and project management of the Prosperity Board in 2024/25. This will be a one-off payment making use of grant funding; it is not proposed at this stage that it be replaced by a revenue pressure in future years when the UKSPF is no longer in place. The £20,000 of one-off UKSPF funding will need to come from a corresponding reduction in budget for another UKSPF project. A separate paper is being drafted to confirm changes to the UKSPF investment plan which includes the</p>

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	<p>above funding.</p> <p>Details are provided in paragraphs 6.7 – 6.10.</p> <p>It is proposed that the Prosperity Board be set up with funding agreed for one year and reviewed prior to 2025/26.</p>			
Human Resource:	<p>The proposed Berkshire Prosperity Board will be programme-managed by consultants recruited for this purpose using the previously mentioned funding, therefore there are not significant Human Resource implications at this stage.</p> <p>Time will be required from the Executive Director – Place and the Economy Manager to attend the Prosperity Board. There will also be Resource implications in the delivery of projects / outcomes from the Board but this is not defined at this time.</p>			
Legal:	<p>The Executive has the power to enter a Joint Committee arrangement; Local Government Act 1972 s101/102. The Joint Committee will require a partnership agreement. It has been agreed that an independent firm of solicitors will be appointed to draft this on behalf of the Committee. This agreement will bind the Local Authorities in the decision making of the Joint Committee subject to the Governance of the individual Local Authority. Further details are provided in Paragraphs 6.2 – 6.6.</p>			
Risk Management:	<p>No risks identified in the setting up of a joint committee.</p>			
Property:	<p>There are no property related issues in the proposals in this report.</p>			
Policy:	<p>The Berkshire Prosperity Board is being set up in response to a change in Government policy on financial support for Local Enterprise Partnerships (LEPs), which has now been withdrawn and passed to Local Authorities to address local priorities for economic growth.</p>			
	Positive	Neutral	Negative	Commentary
Equalities Impact:		X		

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A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		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.
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		The setting up of a joint Committee is not considered to require an impact assessment at this time.
Environmental Impact:	X			While there will be no immediate impact from the creation of the Prosperity Board, it will work towards having a positive impact on climate change.
Health Impact:	X			Health and Inequalities form none of the themes to be covered by the Prosperity Board, these will be considered at a strategic Berkshire level.
ICT Impact:		X		The setting up of a joint Committee is not considered to require an impact assessment at this time.
Digital Services Impact:		X		The setting up of a joint Committee is not considered to require an impact assessment at this time.

Council Strategy Priorities:	X			<p>The work of the Prosperity Board will contribute positively across the Council Strategy priorities, but particularly towards:</p> <ul style="list-style-type: none"> - Tackling the Climate and Ecological Emergency - A Prosperous and Resilient West Berkshire - Thriving Communities with a Strong Local Voice
Core Business:		X		Potential for collaboration between Authorities to improve services but this is not known or definable at this time.
Data Impact:		X		There may be impactions for data sharing, but this is not known at this time.
Consultation and Engagement:	Berkshire Leaders, Chief Executives and Thames Valley LEP have been involved in the creation of the Prosperity Board.			

4 Executive Summary

- 4.1 This report proposes that a joint Committee is set up between the 6 Berkshire Local Authorities, to be known as the Berkshire Prosperity Board, and seeks to confirm how the Committee will be resourced and funded, along with defining its purpose and scope.
- 4.2 Berkshire Leaders and Chief Executives have collectively agreed to establish a Berkshire Prosperity Board to work collaboratively towards economic development, prosperity, health, and net-zero goals and provide a unified voice for Berkshire. The key specific proposals are:
- All 6 Berkshire Local Authorities will participate in the Prosperity Board.
 - It will focus across 6 priority subjects.
 - It will be a decision-making body, but decisions will be formally approved—by each Authority’s internal decision-making processes.
 - Wokingham Council will take on the function of accountable body.
 - Funding will be provided by Government funding, which was formally provided to the LEP, along with £10,000 of revenue from each Authority and £20,000 UKSPF funding in 2024/25 which was also previously provided to the LEP.

5 Supporting Information

Background

- 5.1 Collectively Berkshire Leaders and Chief Executives have been meeting to review the challenges and opportunities faced by the Berkshire economy. Leaders recognised that although, the Berkshire Economy is comparatively strong it faces several threats and has been experiencing declining productivity for several years. 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 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 latter being something that Berkshire Leaders did not wish to pursue.
- 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 Berkshire Leaders have stated their intention to develop a Joint Committee to help deliver this economic ambition.
- 5.6 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

- 5.7 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. 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.

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- 5.8 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 slower than in the past, and we are moving into a period of further economic uncertainty.
- 5.9 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. Despite Berkshire's overall economic success, communities in West Berkshire face significant challenges. Wage growth lags behind inflation, leading to financial constraints, and deteriorating health outcomes are evident; West Berkshire's health index value for "economic and working conditions" has fallen from 119.2 in 2015 to 116.0 in 2021. The local labour market has tightened since December 2021, with job vacancies rising by 26% and the economic activity rate declining by 1.6%. Housing affordability remains a major issue, with median house prices 10.5 times higher than median earnings, impacting the recruitment and retention of skilled individuals. These complex challenges underscore the need for a comprehensive approach to address issues related to wages, living costs, health outcomes, economic inactivity, and housing constraints in West Berkshire.
- 5.10 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.
- 5.11 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

- 5.12 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

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into local decision-making on economic development issues. New guidance on how to set up a Business Board 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.

5.13 Local Authorities will also be expected to take responsibility for commissioning the existing Growth Hubs and Skills Hubs.

5.14 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.

5.15 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

5.16 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.

5.17 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.

5.18 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.

6 Proposals and reasons for recommendation

6.1 It is proposed that a Joint Committee is established, known as Berkshire Prosperity Board, between West Berkshire and all 5 other local authorities in Berkshire, for the purpose of delivering a common vision for inclusive green and sustainable economic prosperity.

Constitution, Secretarial and Accountable body

6.2 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

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purposes of delivering a Berkshire wide Vision for economic growth and advancing partner Local Authorities aspirations for greater economic prosperity.

- 6.3 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.
- 6.4 The Joint Committee will be a decision-making body which will discharge the decisions made by the Berkshire Leaders (in respect of those decisions delegated to the Board) and will be binding on the participating boroughs. Authorities will not, however, be prevented from discharging any functions on their own account as well.
- 6.5 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 function and procedure rules of the Joint Committee is contained in (Appendix A) along with the governance structure (Appendix B).
- 6.6 Wokingham Council has offered to 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

- 6.7 The proposal is for the 6 Authorities to jointly fund the establishment and the running of the Berkshire Prosperity Board. All Authorities currently contribute £10,000 per year to the LEP – it is proposed that this funding be re-allocated to the Prosperity Board in 2024/25 and used collectively to progress work on the 6 themes. As with any revenue payment this will need to be approved by the Financial Review Panel. Other costs are not yet known, with authorities providing “in-kind” support to the project. Bracknell Forest will initially provide the Secretariat function, and this will be provided on an open book basis, so that actual costs can be recovered at the end of year one.
- 6.8 Collectively the six Unitary Councils are due to receive £240,000 per year from Government, which was previously paid to the LEP. It is proposed that £80,000 of this collective funding will be allocated to the programme management elements of the prosperity board, with the Accountable Body employing relevant staff for this purpose. This will be supplemented by each authority contributing £20,000 UKSPF funding in 2024/25.
- 6.9 This paper is therefore proposing that West Berkshire agree to the allocation of £80,000 of the collective grant budget, along with £20,000 UKSPF funding in 2024/25 to this purpose.
- 6.10 Total funding for the Prosperity Board will therefore be £260,000 in 2024/25 – which is split equally among all 6 Berkshire Authorities, as shown in the below table (the £13,333 figure is simply to demonstrate that the collective allocation of £80,000 of former LEP grant funding will be made equitably):

Authority	Central Government Funding (previously LEP funding)	Revenue Contribution	UKSPF Funding	Total
West Berkshire	13,333	10,000	20,000	43,333
Reading	13,333	10,000	20,000	43,333
Windsor & Maidenhead	13,333	10,000	20,000	43,333
Bracknell Forest	13,333	10,000	20,000	43,333
Wokingham	13,333	10,000	20,000	43,333
Slough	13,333	10,000	20,000	43,333
Total	80,000	60,000	120,000	260,000

6.11 It has not yet been decided how to use the remaining £160,000 of central Government grant funding that the Berkshire Authorities are due to collectively receive, in place of the LEP funding (£240,000, less then £80,000 provided to the Prosperity Board).

Reasons for the Recommendation

6.12 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.

6.13 Berkshire Authorities, through collaboration, will benefit from:

- Working to a shared vision of inclusive and sustainable economic prosperity through working together to address challenges and meet opportunities.
- Having a strengthened case to Government and private investors for greater investment into 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.
- Advantageously positioning Berkshire in readiness for potential devolution proposals to benefit from additional responsibilities and funding opportunities.
- Working on six shared themes: Including, health and inequalities, education and skills, affordable housing, sector development, strategic infrastructure, and net zero.

6.14 The first official board would take place in April 2024 following the decision making for each of the six local authorities to establish the Board. The Board would meet four times a year. Each Council would lead on one of the six themes, with West Berkshire

Leader and Chief Executive leading on the sector development theme, and officers assisting Reading Borough Council's Leader and Chief Executive to support the infrastructure theme.

7 Other options considered

- 7.1 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.
- 7.2 The other main alternative option considered was to develop a Combined Authority/Mayoral Combined Authority and seek a formal Devolution Deal. At this stage the Berkshire Leaders did not wish to pursue this option.

8 Conclusion

- 8.1 Creation of a Berkshire Prosperity Board Joint Committee will create opportunities for collaboration between the 6 Authorities in Berkshire to work towards economic development, prosperity, health, and net zero goals, along with ensuring a single influential voice for Berkshire is maintained. It will be achieved primarily by utilising Government funding that the Authorities are due to receive, which was previously provided directly to the Thames Valley LEP.

9 Appendices

- 9.1 Appendix A – Functions and Procedure Rules for a Joint Committee
- 9.2 Appendix B – Governance Structure

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only
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Wards affected: All of West Berkshire

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