

# Cheltenham Borough Council

## Cabinet – 13 February 2024

### Gloucestershire City Region Board

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**Accountable member:**

Leader of the Council, Rowena Hay

**Accountable officer:**

Chief Executive, Gareth Edmundson

**Ward(s) affected:**

All

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**Key Decision:** No

**Executive summary:**

To consider the emerging form and function of the Gloucestershire City Region Board (GCRB), the nature of its authority, terms of reference, membership and joint scrutiny arrangements.

The overall aims of the new Board will be to develop and deliver a vision for the future growth of the economic success for the whole of the Gloucestershire economic area. The new City Region Board will also provide an opportunity to establish the City Region as a nationally defined area that is a single economic functional area.

A key function of the GCRB will be to take decisions on and administer the Strategic Economic Development Fund (SEDF). This important funding source created through pooling business rates across all authorities will allow the GCRB to make strategic investment in the County to help achieve the aims of a county-wide economic strategy – creating economic growth and helping to identify and address key gaps in education, skills and training.

**Recommendations: That Cabinet:**

- 1. Agrees to the establishment of the Gloucestershire City Region Board (GCRB, the Board)**
- 2. Delegates authority to the Chief Executive and Corporate Director in consultation**

**with the Leader, to finalise and complete the Inter-Authority Agreement and other key documentation and to take all necessary steps to create the GCRB, including finalising the terms of reference for the GCRB.**

**3. Agrees that the above recommendations will not be effective until all Gloucestershire Councils pass equivalent resolutions.**

**4. Upon the establishment of the GCRB:**

- 4.1 delegates this Council's functions to the GCRB as are necessary for the delivery of the functions identified in the Terms of Reference at Appendix 2 to this report;**
  - 4.2 confirms the appointment of the Gloucestershire County Council as the Administering Authority;**
  - 4.3 agrees to appoint the Leader of the Council to the GCRB as the nominated member of the Board. If the Leader is unable to attend a meeting of the GCRB the Leader will nominate an alternative member of the Cabinet to attend the Board as a substitute.**
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## **1. Implications**

### **1.1 Financial, Property and Asset implications**

The inter-authority agreement provides for a contribution towards the County Council's Administering Authority role, which includes committee administrative support together with the statutory officer responsibilities. Funding for GCC's administering role is drawn from the shared business rates pool funding as part of the GCRB.

The Gloucestershire County Council will act as Administering Authority in the overall management of the Board. This will involve Gloucestershire County Council's Democratic Services and its Legal team supporting the Committee formation process and ongoing Committee Secretariat function, plus additional lead officer input, including S151 and Monitoring Officer, as required, in support of the Council's role as Administering Authority.

Future resource requirements over and above these commitments will be duly considered through the Board.

**Signed off by:** Director of Finance and Assets, Gemma Bell [gemma.bell@cheltenham.gov.uk](mailto:gemma.bell@cheltenham.gov.uk)

### **1.2 Legal implications**

Section 101(5) of the Local Government Act 1972 enables two or more local authorities to discharge any of their functions jointly and arrange for the discharge of those functions by a Joint Committee.

Section 9EB of Part A Chapter 2 of the Local Government Act 2000 Act enables the Secretary of State to make Regulations permitting arrangements under Section 101 (5) where any of the

functions are the responsibility of the executive of the authority. The relevant regulations are the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012/1019 and Regulation 11 allows for a joint committee under Section 101 (5) of the 1972 Act.

The Council's constitution specifically allows Cabinet to enter into joint arrangements with one or more local authorities to exercise Executive functions. Details of any such arrangements will then need to be reflected in the 'Responsibilities for Functions' as set out in Part 3C of the Council's constitution.

**Signed off by:** Director of One Legal, Shahzia Daya [shahzia.day@onelegal.org.uk](mailto:shahzia.day@onelegal.org.uk)

### **1.3 Environmental and climate change implications**

There are no specific implications in relation to the above matters in establishing the Board. However, the Board will consider such implications in making its decisions and in administering the SEDF.

**Signed off by:** Executive Director of Finance, Assets and Regeneration, Paul Jones  
[Paul.jones@cheltenham.gov.uk](mailto:Paul.jones@cheltenham.gov.uk)

### **1.4 Corporate Plan Priorities**

This report contributes to the following Corporate Plan Priorities:

- Making Cheltenham the Cyber Capital of the UK
- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity

### **1.5 Equality, Diversity and Inclusion Implications**

There are no specific implications in relation to the above matters in establishing the Board. However, the Board will consider such implications in making its decisions and in administering the SEDF.

### **1.6 Performance management – monitoring and review**

Performance monitoring of the GCRB and specifically any investment of the Strategic Economic Development Fund will be undertaken by the GCRB supported by the Senior Officer Group. These will then be reported back to the GCRB and to Joint Scrutiny arrangements where appropriate.

**Signed off by:** Chief Executive, Gareth Edmundson, [gareth.edmundson@cheltenham.gov.uk](mailto:gareth.edmundson@cheltenham.gov.uk)

## **2 Background**

2.1 Gloucestershire local authorities have worked jointly together through membership of several Boards (Severn Vale, Rural Ambitions and Central Gloucestershire City Region) together with the Gloucestershire Economic Growth Joint Committee (GEGJC) for several years. Following a review of the joint working arrangements, Leadership Gloucestershire agreed that the three boards and the Joint Committee should be merged into a single forum under the name of Gloucestershire City Region Board serving the whole of the county. This report sets out the emerging form and function of the Gloucestershire City Region Board, the nature of its authority, terms of reference, membership and joint scrutiny arrangements.

## **3 The Gloucestershire City Region Board – overall structure and function**

3.1 The overall aims of the new Board will be to develop and deliver a vision for the future growth of the economic success for the whole of the Gloucestershire economic area. The new Board will also provide an opportunity to establish the City Region as a nationally defined area that is a single economic functional area. City Regions include urban and rural areas that have inter-related economic activities which have the potential for increased success through coordinated interventions which benefit the whole. Gloucestershire is a county with significant growth aspiration and ambition which integrate with and support the national and regional growth agendas.

## **4 Principles of the Gloucestershire City Region Board**

4.1 The proposed terms of reference set out in Appendix 2 provide details of the Board's purpose, powers and administrative arrangements.

4.2 The following detailed matters explain the nature of the authority given to the Board which 'empowers' the Board to make binding decisions but subject to the following governance arrangements:

- Whilst the Board's remit is as wide as possible, partner Councils will not delegate economic development or other functions to the Board.
- Leaders will still need to operate within the authority delegated to them by their own Councils when participating at the Board's meetings. Leaders and officers will therefore need to work with their own Councils to secure the necessary authority to facilitate the Board's decisions.
- A partner Council will be free to undertake any economic activity it deems necessary within its own area. Notwithstanding this, it will be necessary for partner Councils to agree a protocol that they will not decide or undertake any activity which is contrary to those decisions made by the Board.

- In order to protect the interest of partner Councils it will be necessary to agree a protocol that although the Board's decisions are by majority, the Board will not make a decision which impacts upon one council's area, without that council's agreement.

4.3 The following principles for the operation of the Gloucestershire City Region Board were developed, following consultation and engagement with Leadership Gloucestershire and all the Gloucestershire authorities:

- The proposed membership of the Board will be through elected representatives from each of the seven Gloucestershire local authorities. Each member will have an equal vote at the Board.
- The proposal is for the Chair of the Board to be a Gloucestershire County Council Cabinet Member. This supports the Governments arrangements through the levelling up agenda where the upper tier authority in a two-tier county, such as Gloucestershire, is given the lead role in negotiation of any county devolution deals. Therefore, Gloucestershire local authorities recognise the opportunity for a county deal is more about providing devolution from central government to Gloucestershire, rather than a mechanism for realigning and removing powers from an individual Gloucestershire local authority.
- Meetings will remain in public and external attendees will be invited to present and engage in the discussion about the economy and growth in Gloucestershire.
- The future development of the Board will be dependent on any County Deal that is negotiated and agreed with Central Government.
- The Senior Officer Group comprising of nominated senior officers from each of the seven Gloucestershire local authorities will continue to support the work of the Board.
- The County Council's GEGJC Scrutiny Committee will be re-constituted and reviewed to be re-focussed on having oversight if the activities of the GCRB. This will potentially include monitoring the delivery of projects that have received investment from the Strategic Economic Development Fund (SEDF) or making suggestions to the GCRB on potential areas of future investment of the fund.

4.4 The proposed Board's operational arrangements between the Gloucestershire authorities will be the subject of an inter-authority agreement. The agreement will include (amongst other things):

- the establishment of the Board (as a Joint Committee),
- agreed terms of reference set out in Appendix 2,
- the operational arrangements mentioned above,

- the Board's resourcing, the role of the County Council as administering authority
- business plan formulation
- the arrangements should the Board wish to widen its powers (which would require all the Gloucestershire authorities to agree such a change) and
- the overall constitutional arrangements for the Board

4.5 Article 11 of the Constitution already recognises the Cabinet's power to establish joint arrangements with other Local Authorities to exercise Executive functions, including the appointment of joint committees, whose members may include elected members of other Local Authorities. The exercise of powers will, as mentioned above, require each constituent council to provide the authority to exercise such powers at the Board.

4.6 Leadership Gloucestershire have considered and support the proposal to establish the Board.

## **5 Strategic Economic Development Fund**

5.1 The Gloucestershire local authorities established the Business Rates Pool which enabled part of the Pool to create the Strategic Economic Development Fund (SEDF). The former GEGJC administered the fund through an approved eligibility and project approval process in November 2018.

5.2 At the GEGJC's final meeting in September 2023, members welcomed the reported growth of the Business Rates Pool and fund. The GEGJC asked whether a more strategic approach could be taken when considering and allocating SEDF funding. The fund operated under the GEGJC on an ad hoc approach – on a first come first served basis. GEGJC noted that projects are not always strategic in nature which risks funding being allocated to projects that may not maximise economic benefit and growth to the county.

5.3 The proposal is for the Board to administer the SEDF. This will enable the Board to reconsider the approach to the allocation of bids by developing a longer vision and a portfolio approach to assessing funding bids in the pipeline. This will enable the Board to apply a more rigorous selection of projects that would deliver and add value in supporting the growth of the local economy through a more strategic approach.

5.4 The former GEGJC considered it was important to establish a new strategic process in advance of the inauguration of the Gloucestershire City Region Board. It was suggested that this strategic approach could be lined up with the Economic Dashboard data and the emerging Countywide Economic Strategy.

5.5 The former Joint Committee Senior Officer Group proposed an approach to the Board's administration of the SEDF Fund as set out in Appendix 3, which will be considered at the Board's inaugural meeting.

5.6 CBC and the Golden Valley Development has been a recipient of SEDF investment in the past which has made an important contribution to activities to promote the importance of Cyber and tech to create growth and prosperity in Gloucestershire. Therefore it is vital that a new joint committee is established to take decisions on SEDF investment and to ensure that timely and strategic investments are being made in development of the Gloucestershire economy. This investment is potentially more important to help invest in business, education and skills to help create growth following the impacts of both the pandemic and recent high inflation which have both acted as significant constraints on the economy.

## **6 Scrutiny Arrangements**

6.1 The activities of the previous GEGJC were scrutinised by the Gloucestershire Economic Growth Scrutiny Committee (GEGSC). This was a County Council scrutiny committee whose membership comprised seven County Councillors and 6 Co-opted District Councillors. Through consultation with all Gloucestershire authorities, it has been agreed that a joint scrutiny function will continue to exist to scrutinise the work of the GCRB. As before each local authority will be able to nominate a representative to that committee.

6.2 The creation of a new GCRB provides a timely opportunity to undertake an appropriate review of the scrutiny function for the new board to ensure that it aligns with the future activities of the GCRB.

6.3 The review of the scrutiny function is proposed to include (not an exhaustive list):

- Scope of the committee
- Review of scrutiny's oversight and monitoring of SEDF Bids
- Development of devolution and the implementation of any agreed County Deals
- Monitoring outcomes and benefits through the implementation of the Gloucestershire Economic Strategy

6.4 Following the review, the GCRB and Leadership Gloucestershire will be consulted on the future scope and activities of the County Council's Gloucestershire Economic Growth Scrutiny Committee. The recommendations from the GCRB and Leadership Gloucestershire will be referred to the County Council's Constitution Committee and full Council for consideration. Subject to the County Council's approval, the new scrutiny arrangements are likely to come into effect in the late summer of 2024 following the creation of the GCRB.

## **7 Alternative options considered**

7.1 As part of the development of the GCRB alternative options were discussed and discounted.

7.2 Retaining both a GCRB and a GEGJC was deemed to create significant duplication and would not be effective.

7.3 Disbanding any joint governance for Gloucestershire authorities to operate individually was also not considered as an option. Without a collective decision making forum to invest pooled business rates funding via the SEDF, Gloucestershire authorities would be

significantly financially worse off without a joint forum in place. In addition, disbanding a joint decision making forum and not proceeding with the GCRB would likely limit Gloucestershire's ability to proceed with and secure further devolution and county-wide powers.

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**Report author:**

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**Appendices:**

1. Risk Assessment
2. Terms of Reference and Constitution for the Gloucestershire City Region Board
3. Principles for the administration of the SEDF Fund

**Background information:**

Gloucestershire Economic Growth Joint Committee: 9 February 2023: [GEGJC Future Governance Update V2.pdf \(gloucestershire.gov.uk\)](#)

Gloucestershire Economic Growth Joint Committee: 25 September 2023: [GEGJC Pool Update Sept 2023.pdf \(gloucestershire.gov.uk\)](#)



**Appendix 1: Risk Assessment**

| Risk ref | Risk description   | Risk owner       | Impact score<br>(1-5) | Likelihood score<br>(1-5) | Initial raw risk score<br>(1 - 25) | Risk response | Controls / Mitigating actions  | Control / Action owner | Deadline for controls/ actions |
|----------|--|------------------|-----------------------|---------------------------|------------------------------------|---------------|--|------------------------|--------------------------------|
| S398     | If the GCRB is not established there will be no mechanism to take decisions on the investment of SEDF  | Gareth Edmundson | 4                     | 4                         | 16                                 |               | CBC, along with all Gloucestershire Authorities agree a new Inter authority agreement to establish a new joint committee with decision making power over SEDF investment | Gareth Edmundson       | July 2024                      |
| O399     | If the GCRB is not established it will limit Gloucestershire's potential for future devolution.  | Gareth Edmundson | 3                     | 3                         | 9                                  |               | CBC, along with all Gloucestershire Authorities agree a new Inter authority agreement to establish a new joint committee.  | Gareth Edmundson       | July 2024                      |
| O400     | If the GCRB is not established there will be no Gloucestershire-wide forum to support and drive and monitor the implementation of the Gloucestershire Economic Strategy. | Gareth Edmundson | 4                     | 3                         | 12                                 |               | CBC, along with all Gloucestershire Authorities agree a new Inter authority agreement to establish a new joint committee.  | Gareth Edmundson       | July 2024                      |