

DERBYSHIRE COUNTY COUNCIL

D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY

8 June 2023

Governance Review and Proposals Going Forward

(1) Purpose of Report

- 1.1 The purpose of this report is to inform the D2 Joint Committee for Economic Prosperity on the outputs of the DEP review and set out proposed governance arrangements going forward.

(2) Discussion and decision required by the Derby and Derbyshire Joint Economic Prosperity Committee (D2JC)

- 2.1 **The Joint Committee is requested to note the content of this report and specifically the assessment of existing governance arrangements.**
- 2.2 **The Joint Committee is also requested to undertake a discussion regarding the proposed governance arrangements set out in paragraphs 3.8 to 3.13 and Appendix 1 and confirms its agreement, asking officers to prepare terms of reference to support the new governance arrangements as necessary.**
- 2.3 **The Joint Committee is asked to extend a formal note of thanks to Richard Horsley, Chair of DEP, for his dedication and achievements in the role over the past years.**

(3) Information and Assessment

Background

- 3.1 At a previous meeting of the D2 Joint Committee, members were advised of the review of governance arrangements relating to the growth agenda. It was noted that the intention of the Derbyshire Economic Partnership (DEP) Chair's to step down coincided with the accepted need to review existing arrangements that guide the growth agenda to ensure they were fit for purpose and capable of responding to the emerging East Midlands Combined County Authority (EMCCA). Running in parallel to this work, has been the review of the Vision Derbyshire arrangements.

3.2 Having regard to the above, it was agreed the work, purpose and terms of reference of the following Boards be evaluated as part of the wider governance review:

- The Derbyshire Economic Recovery Board (DERB)
- The Derbyshire Economic Partnership (DEP)
- The D2 Joint Committee
- The D2 Vision Derbyshire Joint Committee

3.3 The purpose of the review has been to ensure the most effective decision-making arrangements are in place to support future strategy development and delivery of key interventions that drive economic growth. Work has included a desktop analysis of meeting agendas, discussions with key stakeholders – including DEP Board and Joint Committee members, the Chamber of Commerce and others. It has also reviewed the terms of reference of existing boards and the EMCCA Proposals document. Work has sought also to examine the overlap, frequency and timing of meetings, membership and outputs with a view to refining the arrangements and addressing any apparent issues.

3.4 The existing terms of reference are summarised below:

Board or committee	Attendees	Purpose and focus
DEP	D1 (Derbyshire) geography only. Previously had all ten leaders – reduced following previous review. Currently made up of 4x elected members (covering HS2, rural, district LEP representative and accountable body); business rep organisations (Chamber, FSB, Institute of Directors); FE (Chesterfield College); HE (Derby Uni); Visit Peak District and Derbyshire (VPDD).	DEP sets work programme for 3 x DEP officers with a specific focus of work on: inward investment, skills & employment, rural economy
Derbyshire Economic Recovery Board	DERB operated over the D2 geography. It was made up of all ten local authority leaders; major business reps (Henry Boots, Toyota, Heights of Abraham, Longcliffe Quarries); Derby Uni and college reps; Chamber; Marketing Derby; Chair of VPDD.	DERB was developed as a task and finish group which focused on delivery of the COVID Recovery Strategy. This work is now complete and the Board stood down.
Derby and Derbyshire Joint Economic Prosperity Committee (D2JC)	D2JC is long standing and has been formally constituted since 2015. It covers the D2 geography and is made up of all ten local authority leaders with the DEP Chair as an observer.	Covers regional and sub regional issues, D2 economic strategy development, agreement and delivery of regeneration pipeline and growth priorities. Is responsible for retained business rates (circa £8m originally)
Vision Derbyshire	The Vision Derbyshire Joint Committee geography is D2 but only 4 local authority members formally take part	Agreeing the delivery of VD work programme made up of multiple projects including

Joint Committee		business start-up, planning, skills and climate change. Overlap/ links to work of D2JC above.
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3.5 Key objectives at the heart of the governance review were to:

- Work on a D2 geography
- Reduce the number of Boards and meetings – make best use of time and resources
- Reduce duplication of agendas and attendance at similar meetings (DEP, Derbyshire Economic Recovery Board (DERB), D2JC)
- Recognise the wider economic landscape has changed including Covid-19 recovery (completed) and the proposed East Midlands County Combined Authority (EMCCA) arrangements.
- Strengthen the focus on economic development, especially in light of the proposed EMCCA and develop a structure that generates a strong voice for D2.
- Retain the best of existing arrangements e.g. optimise contribution of private sector, access the voice of business.
- Retain and harness the good partnership working that had emerged from COVID recovery work – with the private sector and with the further and higher education sectors specifically.
- Rationalise officer groups – Economy & Business Workstream, Employment & Skills, Inward Investment & DEP groups
- Develop arrangements that have a clear scope of work to drive growth
 - Strong voice for the economy of the area
 - Place/ growth/ economic strategies – development and prioritisation of issues to be addressed
 - Flexible in responding to external factors – including access to funding
 - Responding to shocks – e.g. Covid-19 or cost of living, global downturn
 - Horizon scanning – new policy areas, new sectors
- Complement the outputs from Vision Derbyshire review

3.6 Through the process, feedback has been received from stakeholders on the shape of future arrangements. At the previous meeting of the Joint Committee, members were advised of – and endorsed - the following feedback:

- When businesses are involved in public/private partnerships, typically representatives don't get involved in undertaking work between meetings. It is generally left to the public sector to pick up the activity. This impacts on resources and prioritisation.
- The private sector is time poor and doesn't want to be involved in a talking shop. The private sector is more focused on business survival, this is particularly true now with the cost-of-living crisis.
- Original equipment manufacturer (OEM) and larger businesses are ok to be involved around the table. However, it may be better to involve medium/

smaller sized businesses that are the bell-weather of economic issues etc. This also reflects the bulk of the businesses operating within the D2 economy.

- If the future arrangements cover the D2 geography, then all D2 leaders need to be involved. This is particularly important given the significance of economic issues and the pending CA.
- If leaders are involved, it will need to be properly constituted.
- There needs to be a strong focus on decision making activity, this will ensure a clear purpose for leaders.
- Need to 'design in' opportunities for embedding partnership work with officers, building on existing Business and Economy Workstream + Skills Group.

3.7 Joint Committee members also endorsed the following guiding principles for the future arrangements:

- Reduce number of Boards from 4 to a maximum of 2, thereby reducing duplication and ensuring best use of resources.
- Ensure appropriate servicing and support for meetings and appropriate allocation/ dedication of resources for preparing and undertaking work.
- Allow arenas for discussion and decision – and be suitable for delivering/ managing activity over interim prior to the proposed EMCCA being operational.
- Structures will be required in some form beyond the EMCCA so need to be flexible enough to evolve into an appropriate shape.
- Have a clear scope of work but flexible to pick up new/emerging themes:
 - Be responsive to circumstance and able to flex to reflect conditions for example e.g. COVID, Cost of Living
 - Skills and training
 - Inward Investment
 - Investor Development
 - Sector development
 - Economic development
 - Economic Strategy – development and prioritisation of issues to be addressed
 - Regeneration delivery – sites and infrastructure
 - Low carbon
 - Supporting debates on land use policy
 - Preparation for MCCA

Proposals

3.8 Having regard to the above, and the previous discussions at the Joint Committee, governance proposals have now been developed that are capable of providing a strategic steer and decision making for the growth agenda across the D2 geography.

3.9 It is proposed to create two distinct arenas within which issues can be explored debated and decided upon: a D2 Growth Board supported by a complementary D2 Business Board/ Economic Advisory Board* (*name to be determined). This proposal reflects those in the emerging EMCCA governance arrangements.

3.10 A diagram of the proposed arrangements and inter-relationships is provided at Appendix 1 but in summary, it is considered the **D2 Growth Board** merges the existing boards into something manageable and provides a dedicated arena in which to garner business, FE, HE expertise. It would:

- Formally close down the DEP Board (but retain the work of DEP officers)
- Merge the DEP Board, the D2 Joint Committee and the 'emergency response' oversight of the DERB (now complete) into one arena
- Be a single decision-making arena made up of all ten local authority leaders
- Be formally constituted with relevant delegations confirmed
- Meet six times per year with 'project work' undertaken between meetings as required
- Receive intelligence and commission work/ interventions to drive forward the growth agenda - delivery likely through task & finish groups to be established as and when required
- Be a 'touchstone arena', bringing together leaders of place both in the private and public sector.
- Be responsible for remaining retained business rates, plus oversight of the package of Shared Prosperity Fund, Levelling Up and Multiply to ensure strong alignment with local growth priorities
- Maintain relationships with FE and HE reps and LEP Chair (over the interim period to MCCA).
- Be responsible for a scope of work, including:

3.11 The complementary **D2 Business Panel/ Economic Advisory Panel** would:

- Be made up of a selection of business leaders reflecting the economic sectors of the geography - including business representative organisations, further and higher education providers. Potential to also include cabinet portfolio holders from local authorities
- Draw on the input and expertise of business to assess and inform the economic priorities, project pipeline work, key issues and barriers to growth.
- Have a scope of work that covers: skills and training issues, investor and sector development, support to business, growth incentives, de-carbonisation, innovation, research and development etc
- Be topic focused at each meeting to provide clarity and purpose.
- Not be a decision-making arena – it is exploratory and 'advisory' with a focus on discussion around key issues, barriers to growth, good practice
- Meet four times per year
- Consideration to be given to the inclusion of the Growth Board chair or portfolio holder representative.

3.12 It is proposed the work of the Growth Board would be augmented by commissions to specific 'task and finish groups', made up of council officers and stakeholders from the Advisory Panel, depending on the issue. An example of where this has worked well is the Low Carbon Task Force which is currently developing strategic, hydrogen-based transport and travel solutions.

3.13 It is also proposed the existing local authority officer arrangements such as the Business and Economy Workstream, established as a COVID response, be rationalised and refreshed to help support the horizon scanning work and project delivery of the Growth Board. Such arrangements are highly effective and include officer representatives from across the ten local authorities – a recent example of joint working is the preparation of Shared Prosperity Fund projects (subject to a separate report).

4. Recommendations

4.1 It is recommended the Joint Committee:

- i) Notes the content of this report and specifically the assessment of governance arrangements**
- ii) Agrees to the proposed governance arrangements set out in paragraphs 3.8 to 3.13 inclusive and Appendix 1, and specifically to the closing down on the DEP Board**
- iii) Requests officers prepare terms of reference to support the new governance arrangements for consideration at the next Joint Committee meeting.**
- iv) Agrees to formally thank Richard Horsley, Chair of DEP, for his dedication and achievements in the role over the past years.**

Appendix 1

Proposed Governance Arrangements to Drive Economic Growth Across the Derby and Derbyshire Geography



