

DERBYSHIRE COUNTY COUNCIL

D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY

Creating New Governance Arrangements for the Derby and Derbyshire Geography: Dissolving the D2 Joint Committee for Economic Prosperity

(1) Purpose of Report

- 1.1 The purpose of this report is to set out the proposals and timescales for formally dissolving the Derby and Derbyshire Joint Committee for Economic Prosperity and to outline the next steps required to create a new Strategic Leadership Board.
- 1.2 For members to consider the proposed draft Articles and Terms of Reference for a new joint committee and governance arrangements, following the Committee's earlier considerations in July and September 2023, to ensure continuation of the necessary strategic work.

(2) Discussion/ Decision Required by the Derby and Derbyshire Joint Economic Prosperity Committee (D2JC)

- 2.1 **The Joint Committee is required to consider the proposals set out in this report and make a decision on whether to progress with dissolving the current arrangements.**

(3) Information and Assessment

Context

- 3.1 The Derby and Derbyshire (D2) Joint Committee for Economic Prosperity was formally established in the Autumn of 2013 with membership constituted of the leaders of each of the 10 D2 local authorities:
 - Amber Valley Borough Council
 - Bolsover District Council
 - Chesterfield Borough Council
 - Derby City Council
 - Derbyshire County Council
 - Derbyshire Dales District Council
 - Erewash Borough Council

- High Peak Borough Council
- North East Derbyshire District Council
- South Derbyshire District Council

- 3.2 Since this time, the Committee has met frequently, originally on a monthly and now bi-monthly basis leading a range of strategic programmes to drive economic prosperity across the D2 geography. Key achievements and successes have been reported to the Committee and include (but are not limited to): establishment of a D2 investment pipeline; leadership of economic recovery from the COVID pandemic, targeted work on key sectors such as minerals/ quarrying, rural economy and low carbon transport; oversight on inward investment activity; skills and employment; support to businesses, development of key strategies (growth strategies, skills and employment, transport plans etc); delivery of regeneration programmes; and, management of the retained business rates pool and associated programmes. The development of strategic approaches in response to Government policies such as the Freeport, HS2 and combined authorities have also been considered, agreed and implemented through this D2 Joint Committee.
- 3.3 By way of exemplifying its achievement, the Committee will consider complementary update reports in relation to strategic skills & employment activity, alongside a report on the retained business rates at its meeting on 14 December.
- 3.4 More recently, the work of this D2 Joint Committee for Economic Prosperity has been undertaken in tandem with the Vision Derbyshire Joint Committee (constituted of a smaller group of D2 local authorities: Chesterfield Borough Council, Derbyshire County Council, Derbyshire Dales District Council and High Peak Borough Council) with a number of programmes such as support for business start-ups, the Festival of Business, development of Climate Change Strategy and new Planning Policy Guidance overlapping the work of the two committees.
- 3.5 The East Midlands Devolution Deal, signed and published on 30 August 2022, and the development of the proposed East Midlands Combined County Authority (EMCCA) are potentially changing the context in which local councils work and it is important to ensure that Derbyshire remains well positioned to maximise the benefits from the Deal in relation to our economic and sustainable growth priorities. Getting the interface right with the proposed CCA, if it proceeds, will be critical to success.

Current Position: Review of Arrangements

- 3.6 The Committee will recall that a review of existing governance arrangements has taken place over the course of this calendar year, with the roles and responsibilities of the Derbyshire Economic Partnership (DEP), the Derbyshire Economic Recovery Board (DERB) and this Economic Prosperity Committee being considered by the review. *(NB: a similar review of the Vision Derbyshire Joint Committee has taken place over the same period)*. Consultation with business representation organisations such as the Chamber of Commerce and Marketing Peak District and Derbyshire, as well as major businesses, universities and colleges took place as part of the review process.
- 3.7 Outputs from the review were shared with the Joint Committee at meetings in July and September 2023 and, in summary, confirmed the need to rationalise governance arrangements and requested that any new arrangements have a clear programme of work whilst being flexible enough to pick up new/ emerging themes. The Joint Committee agreed that the broad scope of activity for the new arrangements should reflect the economic challenges of the geography which are: skills and training; inward investment; investor development; sector development; economic development; strategy development; regeneration delivery; low carbon; strategic discussions on land use policy; and preparation for the proposed EMCCA.
- 3.8 At separate meetings on 28 September 2023, this Joint Committee and the Vision Derbyshire Joint Committee received reports which approved in principle, the merging of the two separate committees, the DEP and the DERB and establishment of a single, new joint committee for the D2 geography. In respect of arrangements to support economic growth, the creation of two distinct arenas were proposed within which issues could be explored, debated and decided upon: the first was a D2 Strategic Leadership Board, supported by a complementary D2 Business Advisory Panel* (*name to be finalised).
- 3.9 The remainder of this report deals with proposals that set out the formalities of closing down the D2 Economic Prosperity Committee. It also outlines the likely next steps for establishing the new Strategic Leadership Board and supporting arrangements.

Proposals

- 3.10 As the purpose of the new Strategic Leadership Board is primarily to avoid duplication, along with increasing efficiency, streamlining decision making and ensuring the new arrangements are inclusive and facilitate collaborative working across, the two existing joint committees need to be formally dis-solved. Although this has been tacitly agreed at previous

meetings, formal recommendations now need to be put forward and approved.

- 3.11 It is therefore proposed that this Joint Committee be dissolved and that all the current work and responsibilities of the D2 Joint Committee for Economic Prosperity (as set out in its original terms of reference agreed in September 2013 and summarised in paragraph 3.7 above) be carried forward into the new arrangements and included in the terms of reference and/ or articles for the new Strategic Leadership Board. *(NB: a separate meeting of the VDJC will take place on 14 December to deal with a similar set of proposals and recommendations for consideration).*
- 3.12 In summary, the role of the Board will be to determine its priorities, agenda and forward programme and it will have the ability to take decisions and discharge functions in relation to the agreed areas of work where a collective approach will achieve the best results and where single points of decision making are considered most effective. It should be noted that whilst it is proposed the new Board will have the ability to take decisions on agreed functions delegated to it, these will be concurrent with constituent councils' functions and will not to fetter the discretion of each council in the discharge of its own functions or in determining its own priorities. For avoidance of doubt, no authority represented on the Board will be able to participate in voting on, or discharging, a function for which it has no responsibility in law. *(NB: this is similar to the roles and responsibilities of the current EPC).*
- 3.13 The Committee will have already noted the update report on the programme of work delivered through the Retained Business Rates pot earlier on the agenda. Specifically, it is proposed that responsibility for overseeing spend on the remainder pot of funding be transferred to the new Strategic Leadership Board. The Committee is advised that spend against the RRB will need to be aligned to projects and proposals that support economic growth and/ or help sustain or increase the generation of business rates in the D2 geography, in line with Government's original criteria for the retained funding.
- 3.14 In preparation for the new joint committee, articles and terms of reference have been prepared for consideration (see Appendix 1). A short 'Guide to the Board' is attached at Appendix 2; the purpose of the latter is to provide a simple, accessible description of the Board's ambition and functions and how it will work in practice.
- 3.15 These are available as draft documents and views on their content is welcomed through discussion at the meeting on 14 December 2023; it is

proposed that any such documents be signed off at the first, formal meeting of the new Strategic Leadership Board.

3.16 In summary, the documents have been crafted using non-technical language as far as possible and articulate the overall ambition for the Board. It is considered the draft documents provide a sufficiently robust and flexible framework for the Strategic Leadership Board to operate as the future decision-making body for matters where the councils choose to work collaboratively:

- Providing collective leadership for Derbyshire
- Progressing shared ambitions for the area (with the aim of delivering improved, joined up local outcomes for residents)
- Working together to tackle common issues and challenges
- Enabling resources to be co-ordinated to enhance effective, clear, transparent and accountable decision making

3.17 Should the application for the proposed EMCCA be successful, it is anticipated that the new Strategic Leadership Board will have a supporting role for the EMCCA. If so, the Terms of Reference will be amended as necessary to articulate the nature of this relationship at the appropriate time.

Conclusion

3.18 In conclusion, it is proposed that members of this Committee agree to formally dissolve the D2 Joint Committee for Economic Prosperity. It is noted this is part of the journey towards establishing revised governance arrangements that are proposed to include a formal Strategic Leadership Board and associated supporting arrangements.

3.19 Comments and suggested amendments are invited in relation to the draft Terms of Reference with a view to the final version being signed off at the first meeting of the new Board.

3.20 Prior to any such Board meeting taking place, each constituent member of this Committee and the proposed Strategic Leadership Board will need to seek approval to establish the new Board through their respective decision-making processes, including consideration of the draft Articles and Terms of Reference attached to this report (or as subsequently amended).

3.21 To aid the approval process, a template report is being produced and will be made available for use by each council so that decisions can be progressed concurrently. It is proposed that councils be invited to

dissolve the existing arrangements (D2 EPC and VDJC (as appropriate)) and establish the new Strategic Leadership Board) as early as possible in the new year; the inaugural meeting of the new Board to be scheduled accordingly.

4.0 Other Considerations

4.1 In preparing this report, other matters have been given due consideration:

- **Alternative options:** the alternative to not dissolving the two separate committees and merging into a single, strategic decision-making arrangement is that duplication and inefficiency will continue and that opportunities to develop and consolidate approaches to tackling issues and challenges will be lost. This is not considered to be the most efficient or effective arrangements to undertake the functions of this Committee as described within the report.
- **Finance:** On establishment of the EPC, it was agreed that Derbyshire County Council would cover the administrative costs of the Committee. The costs of delivering areas of work in the workplan were agreed to be met by the local authority leading that work, unless the Committee agreed otherwise. Specifically, the EPC has responsibility for managing the Retained Business Rate pool. A separate update report has confirmed that the vast majority of the available funding has been spent on a number of successful projects, including capital grant and feasibility schemes, business start up support and the business festivals. Approximately £700,000 of the retained business rates remains and it is proposed this sum (or any such final sum that is confirmed) be transferred to the new Strategic Leadership Board and absorbed into its responsibilities. Spend against the remainder sum will need to be aligned to projects and proposals that support economic growth and/ or help sustain or increase the generation of business rates in the D2 geography, in line with Government's original criteria for the retained funding.
- Nine of the ten local authorities (not Derby City) currently support activity through the Derbyshire Economic Partnership (DEP). Although the DEP Board has now been stood down following completion of the review, the work programme of the DEP has effectively continued through the EPC. Going forward, this work will be delivered and resourced as appropriate through the new Board – e.g. through application of the retained business rates.
- **Legal:** The power to create the EPC was provided under section 6 of Local Democracy, Economic Development and Construction Act 2009,

supported by Government guidance from 2010. Within the original terms of reference for the D2 Joint Committee for Economic Prosperity no specific provision was made for its winding up or cessation of membership; however, it is advised that the body that approved the establishment of the committee would be the same body that would approve its disestablishment – cabinet, full council or policy committee as appropriate to each authority.

- **Human Resources:** A revision of current governance arrangements which looks to merge, collapse and/or revise existing committees and boards into a more streamlined structure will reduce duplication and support the most effective use of staff resources and the work of elected members.
- **Climate Change:** no direct implications, although the proposed Strategic Leadership Board is envisaged as a more effective arrangement for cross Derbyshire collaboration and leadership of the Climate Change agenda.
- **Equality and Diversity:** there are no Equality and Diversity issues relating to this decision.

5. Recommendations

5.1 That each constituent member of the D2 Joint Committee for Economic Prosperity:

- a) Agrees to the dissolution of the D2 Joint Committee for Economic Prosperity**
- b) Agrees that responsibility for managing the business of the current D2 Committee transfers to the new joint committee – including responsibility for the retained business rates fund - once the current D2 Joint Committee has been dissolved.**
- c) Provides comments and amendments as appropriate to the draft Terms of Reference and articles attached at Appendix 1.**
- d) Notes that the proposed Articles, procedures and Terms of Reference for the new Strategic Leadership Board will subsequently be put to the new Board for agreement.**
- e) Agrees that a report will be put to each constituent Council to consider the creation of a new joint committee as described within this report in accordance with their own governance arrangements.**

1.0 Purpose of the report

- 1.1 For Constituent Councils to consider the dissolution of the Vision Derbyshire Joint Committee.

2.0 Recommendations

- 2.1 Note the positive impact that the Vision Derbyshire Joint Committee has made since its establishment on the 4 April 2022.
- 2.2 Approve the dissolution of the Vision Derbyshire Joint Committee.
- 2.3 Agree that arrangements for managing the remaining residual business of the Vision Derbyshire Joint Committee be delegated to the proposed new Joint Committee once the Committees are dissolved.
- 2.4 Carry forward the decision for ratification by constituent member councils.

3 Reason for recommendations

- 3.17 To ensure that the governance across the County is inclusive, streamlined, fit for purpose and can work collaboratively across a range of issues.
- 3.18 To rationalise governance arrangements that will otherwise duplicate the business envisaged as being undertaken by the successor body, the D2 Strategic Leadership Board.

4 Report details

Background

- 4.17 On the 4 April 2022, the Vision Derbyshire Joint Committee was established by the current full member authorities Chesterfield Borough Council, Derbyshire County Council, Derbyshire Dales District Council and High Peak Borough Council.
- 4.18 Since that time the Joint Committee has convened seven times and there have been a number of achievements over this time of which Councils can be proud. These include providing leadership and driving forward the Vision Derbyshire Business Development programme, two annual Festivals of Business, the development of the Vision Derbyshire Climate Change Strategy and shaping Planning Policy Guidance. The creation of the Vision Derbyshire Joint Committee itself, and demonstrating such arrangements can work successfully as the basis for future collaboration moving forward, has been a significant achievement.

4.19 The East Midlands Devolution Deal, signed and published on 30 August 2022 and the development of the proposed East Midlands Combined County Authority (EMCCA) are changing the context in which local councils work and it is important to ensure that the Vision Derbyshire approach continues to evolve to ensure that Derbyshire remains well positioned to maximise the benefits from the Deal as it moves into implementation. Getting the interface right with the proposed CCA will be critical to success.

4.20 Extensive consultation has taken place with partners and key stakeholders on a revised approach to collaborative working in Derby and Derbyshire. Since July 2023 the Committee has received a number of reports on the future of the Vision Derbyshire and members have indicated their desire for a refreshed and fully inclusive approach to collaborative working.

4.21 On 28 September 2023, the D2 Economic Prosperity Committee (EPC) and this Joint Committee received reports which approved in principle the establishment of a new Joint Committee for Derby and Derbyshire, the Strategic Leadership Board. This Joint Committee is envisaged as a merger and reworking of the Vision Derbyshire Joint Committee and D2 EPC to provide more streamlined and effective leadership across agreed agendas, whilst additionally anticipating the role and types of functions necessary to support the sub-regional delivery of a County Deal.

4.22 As a consequence of this merger, it is recommended that the Vision Derbyshire Joint Committee is dissolved, for the purposes of establishing the Strategic Leadership Board.

4.23 It is proposed that arrangements for managing the remaining residual business of the Vision Derbyshire Joint Committee be referred to the D2 Strategic Leadership Board once the Committee is dissolved. It will be for the D2 Strategic Leadership Board, once established, to agree to its programme of work moving forward.

Next steps

4.24 All members being in agreement with the proposed decision, this will need carrying forward by constituent member councils.

4.25 A template report has been produced to support Derby and Derbyshire councils with the process of dissolving the Vision Derbyshire Joint Committee and establishing the Strategic Leadership Board so that these decisions can be progressed concurrently.

5.0 Alternative options

5.1 Not reviewing governance arrangements and continuing with the existing approach. This is not considered to be the most efficient or effective arrangements to undertake the functions of this Committee as described within the report.

6.0 Implications for consideration – Financial and value for money

6.1 Upon the Joint Committee's establishment, the constituent authorities agreed to a pooled programme resource budget of £331,400, contributions as follows:

- Derbyshire County Council £174,350
- Derbyshire Dales District Council £52,350
- High Peak Borough Council £52,350
- Chesterfield Borough Council £52,350

6.2 As at the dissolution of this Committee no commitments to this budget were made. There are no outstanding financial liabilities and therefore constituent Councils exiting this arrangement need to pay no outstanding amount to cover their share of the liability. The surplus outstanding funding will be returned to the constituent authorities on the basis from which they paid in.

7.0 Implications for consideration – Legal

7.1 Within the articles of the Joint Committee, 'Section 9 – Winding up of the Joint Committee and Cessation of Membership', on behalf of the participating authorities, the Joint Committee may be wound up immediately by a unanimous vote of all constituent authorities.

8.0 Implications for consideration – Human Resources

8.1 A revision of current governance arrangements which looks to merge, collapse and/or revise existing committees and boards into a more streamlined structure will reduce duplication and support more effective working by elected members and Officers.

9.0 Implications for consideration – Climate Change

9.1 No direct implications – though the proposed Strategic Leadership Board is envisaged as a more effective arrangement for cross Derbyshire collaboration and leadership of the Climate Change agenda.

10.0 Implications for consideration – Equality and Diversity

10.1 There are no Equality and Diversity issues relating to this decision.

11.0 Implications for consideration – Risk Management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
NA	NA	NA	NA	NA	NA

Document information

Report author
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Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.
None
Appendices to the report
None