



**Cabinet**  
29 July 2015

**Report from the Chief Executive**

For action

**Brent Council Membership of the West London Economic Prosperity Board**

**1. Introduction**

1.1 This report seeks Cabinet approval to establish a Joint Committee to be known as "West London Economic Prosperity Board," in partnership initially with Barnet, Ealing, Harrow and Hounslow (with other WLA members, namely Hammersmith & Fulham and Hillingdon also potentially joining later), and to note the Leader or person nominated by the Leader, will take up membership of the Board on the behalf of Brent.

**2.0 Recommendations**

2.1 Cabinet is recommended to note the following:

- (a) agree that Brent Council will enter into arrangements with some other West London local authorities for certain of their functions (as specified in the report) to be discharged jointly;
- (b) note that the Leader, having consulted the Chief Legal Officer, will agree the arrangements for functions and procedures (see Appendix 1) with the other authorities and/or their executives as appropriate;
- (c) agree that the arrangements will include a Joint Committee (to be known as "the West London Economic Prosperity Board");
- (d) note that the Leader (or suitable alternative chosen by the Leader) will be appointed as a voting member of the Joint Committee;
- (e) note that the functions to be discharged by the Joint Committee will be with the intention of promoting economic prosperity within the local government areas of the participating boroughs;
- (f) note that it is anticipated that the participating boroughs will initially be Barnet, Brent, Ealing, Harrow and Hounslow, but that other WLA members (namely, Hammersmith & Fulham and Hillingdon); are also invited to join and
- (g) note that any changes to the constitution resulting from this report will be reported to Full Council for approval.

### 3. Detailed Considerations

#### *Context for the Economic Prosperity Board*

- 3.1 Brent is a great place to live and do business in, as indicated by the significant population growth over the last 10 years, well above the London average. Our residents and our diversity are key borough assets with a wealth of talent and energy. Our businesses, over 96% of which are small or medium sized, play a crucial role in the borough economy and local employment. There are real opportunities to attract new investment and new business, especially in our growth areas and high streets. Our young people are achieving excellent results in school and we are determined to translate this into similar success in their future careers.
- 3.2 However there are many challenges still to be faced. Worklessness in Brent is higher than the London average, some communities and neighbourhoods still experience high levels of poverty and deprivation and many individuals face barriers to employment that we must help them overcome. Welfare reform has had a negative impact for many Brent families and even those who find a job may struggle to afford to live in a borough with high rents and house prices.
- 3.3 These challenges are recognised in the council's Borough Plan 2015 – 2019. The Borough Plan sets out three key priorities for the Council and its partners. Two of the three are particularly relevant to regeneration and economic prosperity. These are creating 'Better Lives' for our residents and working 'Better Locally'. Our aims under these priorities are:-

#### **Priority 1 - Better Lives**

This means:

- making sure that local people have the best possible life chances, regardless of their starting position
- supporting local enterprise, generating jobs for local people, helping people into work and promoting fair pay
- making sure that our schools are amongst the best and that our children and young people achieve to their potential;
- enabling people to live healthier lives and reducing health inequalities; and
- supporting vulnerable people and families when they need it.

#### **Priority 3 - Better locally**

This means:

- building resilience and promoting citizenship, fairness and responsibility amongst local people and strengthening the sense of community amongst the people who live and work here;
- promoting cohesion and integration amongst our communities;
- making sure that everyone has a fair say in the way that services are delivered, that they are listened to and taken seriously;
- making sure that inequalities in the quality of life in different parts of the borough are tackled by a stronger focus on local needs;

- 3.4 The ambitions of in the Borough Plan 2015 – 2019 are supported by Brent's established Regeneration Strategy (2010-2030) and its Employment, Skills, Enterprise Strategy, 2015-2020.

In terms of the Regeneration and Strategy. Strategic Priorities two and three are particularly relevant

Strategic priority two: To increase employment and income levels of Brent residents concentrating on those most in need.

Strategic priority three: To maximise investment in Brent from the private, public and community sectors in line with our regeneration priorities and ambitions.

3.5 The Employment, Skills and Enterprise Strategy 2015 – 2020 identifies specific goals that relate to driving local growth, creating jobs, enhancing local skills and promoting the regeneration of the borough.

Five objectives have been identified: that are particularly relevant.

- To promote economic growth through regeneration, increasing the number of local jobs and providing new opportunities for local businesses.
- To ensure that local education and skills provision is reflective of the demands of the labour market, providing a labour pool made up of well qualified and highly motivated individuals.
- To have a strong focus on addressing inequality by reducing economic and social polarisation within our most deprived neighbourhoods and amongst those residents who are furthest away from work.
- To reduce poverty through employment and progression in work.
- To secure increased local influence over national and regional employment programmes so as to deliver better outcomes for Brent residents.

3.6 In support of these goals, the council is working in partnership with other West London authorities, through the West London Alliance (WLA), whose area is acknowledged as a functional economic area. West London's functioning economic geography recognises the connections, alignment and interdependencies between constituent boroughs and the important relationships to the rest of London, surrounding council areas and the wider UK economy.

3.7 Working with the WLA enables Brent council to address issues relating to growth, jobs and skills which span geographical boundaries; take advantage of economies of scale (e.g. in relation to bids for ESF and external funding); and increasingly to present a credible and substantial basis for devolved central government functions relating to growth, employment and skills. In particular, establishing an Economic Prosperity Board would strengthen the negotiating position for greater devolution of key funding streams.

3.8 The WLA boroughs have prioritised the growth and prosperity agenda, and developed a shared Vision for Growth, agreed in 2014. The rationale for a West London approach to delivery of the vision for growth is that the scale of the issues in boosting economic growth and increasing prosperity for all in West London is beyond the capacity of any one West London authority to deliver.

3.9 The Vision for Growth is being delivered through a focus on six priorities. These are around:

- growing business
- developing skills
- maximising young people's potential
- building new homes
- creating and maintaining thriving town centres
- investing in infrastructure.

These priorities align not only with Brent's Borough Plan aspirations to build a better Brent borough, but also align well with the broader set of objectives captures in the themes:

Better lives  
 Better place  
 Better locally.

- 3.10 The suggestion for establishing the West London Economic Prosperity Board came about through meetings of the WLA Leaders' Group. It is possible that all WLA boroughs will choose to participate in due course. The proposal is that the establishment of the **West London Economic Prosperity Board (EPB)** to ensure appropriate, effective and formal governance is in place for the purposes of delivering the West London Vision for Growth and advancing participating authorities' aspirations for greater economic prosperity, as set out in West London "the Economic Prosperity Agenda", in partnership with employers, representatives from regional and central government, and education and skills providers.
- 3.11 Membership of the Economic Prosperity Board will not preclude each individual authority continuing to pursue borough specific regeneration, growth and employment proposals and initiatives where a local approach is more appropriate.
- 3.12 The Local Democracy, Economic Development and Construction Act ("the 2009 Act") enables, outside of London, the establishment of combined authorities and economic prosperity boards, facilitates the collaboration and joint working between local authorities to improve economic development, regeneration and transport in functional economic areas, thus promoting economic growth. Economic prosperity boards have functions in relation to economic development and regeneration only. The 2009 Act contains a number of conditions which need to be met before the Secretary of State can make an order, subject to Parliament's approval, establishing a proposed combined authority or economic prosperity board. The 2009 Act does not permit the establishment of Economic Prosperity Boards within London, which is why it is proposed that the WL EPB will take the form of a Joint Committee. The Joint Committee does not require approval by the Secretary of State.
- 3.13 This approach is also designed to support joint applications for funding such as the European Social Fund (ESF). The GLA has agreed with ESF co-funders to recognise the WLA boroughs, collectively, as a functional economic area for the purposes of commissioning ESF programmes 2014 – 2020. Sub-regional approaches to securing and governing such funds are increasingly more likely than individual borough funding bids to be successful.
- 3.14 In addition to specific functions relating to the delivery of the Vision for Growth, the Board will lead West London's engagement with London Councils, the GLA, the LEP and government departments in relation to the economic prosperity agenda; and pursue

opportunities for devolution in relation to economic growth on the behalf of West London boroughs.

- 3.15 It is proposed that the West London EPB takes the form of a formal Joint Committee. The rationale for this approach is explained in the Key Implications and Legal Implications sections below, and reflects the outcomes of discussions and evaluation of options by the Leaders and Chief Executives of the local authorities which comprise the West London Alliance, in their meetings between December 2014 and March 2015. The selection of a Joint Committee model reflects appropriately the participating authorities' collective desire for formal governance arrangements to be in place to deliver the Vision for Growth, which stops short of the formation of a stand-alone statutory authority.
- 3.16 It is anticipated that the authorities who will agree to discharge their functions jointly ("the Participating Boroughs") via the Joint Committee will initially be Barnet, Brent, Ealing, Harrow and Hounslow. The two other WLA members (namely Hammersmith & Fulham and Hillingdon) have been invited to join and may do in the future.
- 3.17 The functions to be discharged jointly will be:
- i. Making funding applications and/or bids to external bodies, in relation to economic prosperity for the benefit of the local government areas of the participating local authorities
  - ii. Allocating any such funding awards to appropriate projects for the benefit of the local government areas of the participating local authorities, including, where applicable, approving joint procurement.
  - iii. Seeking to be the recipient of devolved powers and/or funding streams for the local government areas of the participating local authorities, which relate to the economic prosperity agenda
  - iv. Exercising any such powers and allocating any such funding
  - v. Representing the participating local authorities in discussions and negotiations with regional bodies, national bodies and central government on matters relating to economic prosperity for the benefit of the local government areas of the participating authorities.
  - vi. Representing the participating authorities in connection with the Greater London Authority, London Councils and the London Enterprise Panel, for the benefit of the local government areas of the participating authorities, in matters relating to the economic prosperity agenda.
  - vii. Representing the participating local authorities in discussions and negotiations in relation to pan-London matters relating to economic prosperity.
  - viii. Seeking to influence and align government investment in West London in order to boost economic growth within the local government areas of the participating authorities.
  - ix. Agreeing and approving any additional governance structures as related to the Joint Committee, or any sub-committees formed by the Joint Committee.
  - x. Representing the participating local authorities in discussions and negotiations with the Secretary of State for Communities and Local Government to encourage legislative reform enabling Economic Prosperity Boards, as defined by the 2009 Act, to be established by groups of boroughs in London.
- 3.18 The **West London Economic Prosperity Board (EPB)** will be a joint committee set up to be a decision-making body which will discharge these functions. Decisions made by the West London EPB will be binding on the participating boroughs. Authorities will not, however, be prevented from discharging the above mentioned functions on their own account as well.

- 3.19 The proposed functions and rules of procedure for the West London EPB are attached as Appendix 1. These outline the membership of the Committee, the functions it will perform, and the procedures it will follow in relation to decision-making.
- 3.20 The proposal is that each participating borough will appoint one voting member of the West London EPB. The proposal is that the committee procedures for the West London EPB will include an arrangement that its chair will be one of these voting members. The voting member appointed by each of the participating boroughs will act as chair for 12 months at a time on a rotating basis.
- 3.21 Where a participating borough operates “executive arrangements”, then the appointment of a voting member of the West London EPB will be the Leader of the executive. Where a participating borough does not operate “executive arrangements”, then it must follow its own procedures to appoint the voting member of the joint committee, but it is envisaged that this will usually be one its senior councillors.
- 3.22 The joint committee may also contain non-voting special representatives from the business, education and skills sectors and observers or advisers from the civil service and central government to make comments and to attend meetings.
- 3.23 This approach means that voting members of the West London EPB will be able to make binding decisions relating to the economic prosperity agenda in West London EPB meetings. As a joint committee, the West London EPB will be subject to the same rules as other committees in relation to admission to meetings, access to agendas, reports, background papers, minutes and other documents. Furthermore, for those authorities operating executive arrangements, decisions made by the joint committee may be subject to the same overview and scrutiny requirements as executive decisions made by the borough solely.
- 3.24 It is critical that the work programme and agendas for the Economic Prosperity Board are shaped by the issues and priorities for Brent. All actions and decisions taken by the EPB will be reported back to Members in Brent on a regular basis.

#### **4. Financial Implications**

- 4.1 Organisational and clerking support for the Joint Committee, and accommodation for meetings, will be provided by the Participating Borough whose representative is Chair unless otherwise agreed by the Joint Committee. The costs of this will be reimbursed by contributions from the other Participating Boroughs as approved by the Joint Committee.
- 4.2 Apart from 4.1 above, there are no immediate financial implications arising directly from this report. Establishing and participating in the West London EPB does not require an immediate funding contribution from participating authorities, neither does it require transfer of budgets from participating local authorities to the Committee.
- 4.3 However, as one of its functions, the West London EPB will have the power to bid for third party funding in relation to the local government areas of the participating boroughs in order to advance progress towards delivering the WLA Vision for Growth and enhancing economic prosperity in West London, and make decisions about the allocation of these resources.
- 4.4 As the governance model proposed is one of binding decisions by majority voting, it follows that proper safeguards will need to be introduced to protect possible minority

interests, as would be the case with any joint arrangements that the council entered into. Otherwise, it would theoretically be possible for the joint committee to bind Brent (or any other single council) into onerous arrangements. With goodwill, of course, such circumstances should not arise, but it is always appropriate to introduce proper safeguards at the start of any such arrangement, including exit provisions.

- 4.5 The West London EPB will also have decision-making powers to determine how any outcomes from decisions relating to devolution, which relate specifically to the economic prosperity agenda, impact on the local authority members of the West London EPB. Some of these outcomes may include financial implications – for example transfer of funding from central to local government to perform specific functions relating to the economic prosperity agenda.
- 4.6 The Joint Committee will develop detailed procedures for dealing with financial matters.

## **5. Legal Implications**

- 5.1 Subject to the more detailed considerations mentioned below, two or more local authorities can arrange for any of their functions to be discharged jointly. If they wish to do so, the authorities can set up a joint committee in order to discharge these functions. Such a joint committee can set up a sub-committee (unless the participating authorities specify otherwise when making the arrangements). Where such a committee (or sub-committee) makes a decision, the decision is binding on the participating authorities. However, where an authority has made arrangements for one of its functions to be discharged by a joint committee, the authority still retains the ability to discharge that function itself.
- 5.2 The Local Government Act 2000 (“the 2000 Act”) (section 9B) allows a local authority to operate (amongst other things) either a “committee system” (s 9B(1)(b)) or “executive arrangements” (s 9B(1)(a)). Operating a “*committee system*” means that the authority does not operate “executive arrangements” and instead arranges the discharge of its functions in accordance with Part 6 of the Local Government Act 1972 (“the 1972 Act”). Operating “*executive arrangements*” means that the authority must identify which of its functions are the responsibility of the executive (sometimes called “executive functions” or “cabinet side functions”) and which are not (sometimes called “non-executive functions” or “council side functions”).
- 5.3 Where at least one of the participating boroughs is operating executive arrangements, then it is necessary to identify whether any of the functions which are to be discharged jointly are “executive functions” for any of the participating boroughs.
- 5.4 Brent, Ealing, Harrow and Hounslow each operate “executive arrangements”. Each has a leader and cabinet. Barnet operates a “committee system”.
- 5.5 The 2000 Act provides that all the functions of a local authority which has chosen to operate executive arrangements are executive functions unless either (i) legislation specifies that they cannot be executive functions or (ii) legislation specifies that they need not be executive functions, and the authority’s constitution has specified that the functions will not be executive functions. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (S.I. 2000/2853) (“the 2000 Regulations”) specify functions that are not to be the responsibility of an authority’s executive or can be by choice or are to be the responsibility of such an executive only to a limited extent or only in specified circumstances.

- 5.6 It would be possible, in principle, for a participating borough which operated executive arrangements to discharge some of its executive functions, and also some of its non-executive functions, via the same joint committee. If that were to be the case, then decisions would need to be made both by the Leader (or Cabinet) and by Full Council (or a council-side committee where allowed by the constitution), in relation to the arrangements for the joint committee.
- 5.8 The current proposal is that Brent will choose to discharge some of its executive functions only, (and none of its non-executive functions), via the joint committee. Thus the joint committee will not discharge any of the functions specified in Schedule 1 of the 2000 Regulations such as: certain decisions in relation to planning and development control; the granting of certain licenses; the power to promote or oppose local or personal Bills in Parliament; the power to appoint employees to the staff of any of the participating boroughs; and nor will it be responsible for making the arrangements for the proper administration of the financial affairs of any of the participating boroughs.
- 5.9 At Brent, Part 2, Article 12 of the constitution states that “The Cabinet may delegate executive functions to the Cabinet of another local authority or if the function is a non-executive function of the other local authority to that local authority” (12.6(b)) and it can also receive a delegation from another local authority (12.6(c)). It is also expressly stated that the Leader may establish joint arrangements with one or more local authorities and/or their Executives to carry out any of their functions and that the Leader has agreed to delegate his executive functions in this regard to the Cabinet (Part 2, 12.2(a)).
- 5.10 Since the joint committee (the West London EPB) will be discharging functions on behalf of at least 5 local authorities, Brent will only be able to appoint individuals to the committee who are elected members of Brent Council (including Cabinet members). This is due to the operation of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 (“the 2012 Regulations”), and Regulation 12(3) in particular. Appointments on behalf of Brent could be made by its Leader but he has decided to delegate this executive function to the Cabinet and hence the Cabinet will appoint members to the Joint Committee (although, where the Leader has not directed otherwise, the appointments could be made by Cabinet, a committee of Cabinet, or by another individual cabinet member).
- 5.11 Where a participating borough is not operating executive arrangements, or else where a participating borough chooses to discharge any of its non-executive functions (as well as some executive functions) via the joint committee (the West London EPB), that borough must follow its own constitution. The draft functions and rules of procedure attached at Appendix 1 indicate that such a borough will only appoint one of its elected members to serve on the Joint Committee. Barnet is the only WLA Council not operating executive functions.
- 5.12 Sections 100A to 100D of the 1972 Act, in relation to admission to meetings, access to agendas, reports, background papers, minutes and other documents will apply to the Joint Committee. Where an authority’s executive functions are being exercised jointly, the executive function remains the responsibility of that authority’s executive for the purpose of the overview and scrutiny requirements. See section 9E, 9EB and 9F of the 2000 Act.



## **6. Efficiency**

- 6.1 Brent's economic prosperity is influenced significantly by the broader economic activity of West London (one example being the significance Park Royal in terms of local employment). It is a better use of Brent's resources to work in active, formal co-operation with West London authorities to ensure West London authorities' resources and strategies for boosting growth and prosperity are aligned, than for Brent to pursue the economic prosperity agenda alone.
- 6.2 Benefits over and above strategic alignment include the opportunities for economies of scale, for example through collaborative commissioning and procurement of goods and services to help deliver the WLA Vision for Growth.
- 6.3 Furthermore, for reasons set out earlier in this paper, there is more likelihood of the council attracting third party investment (e.g. in the form of ESF funding) if it can demonstrate that it is working in partnership with other local authorities, in particular neighbouring authorities / sub-regions.
- 6.4 Finally, the approach proposed in this report represents a strategic approach to delivering better value for money, when placed in the context of other strategic agendas. For example, the implications of the government's welfare reform agenda places an increasing focus on employability of a way of helping the most vulnerable in society; and there is a strong body of evidence to support the view that active economic engagement plays a key role preventing poor outcomes which result in dependency on costly public services, enhancing resilience and independence from state support, and improving health, well-being and quality of life.

## **7. Equalities Implications**

- 7.1 There are no immediate equalities implications for equalities arising directly from this report, as the report is not seeking decision on a specific programme of activity. However, it is set out in this report that the West London EPB will focus on delivery of the WLA Vision for Growth, which has a strong focus on improving the skills, employability and prosperity of groups across West London including those who would fall into categories of vulnerability which would also place them within groups with "protected characteristics" in the Equality Act 2010.
- 7.2 As and when the EPB takes decisions, an appropriate assessment of impact on equalities and human rights will be carried out.

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## Background papers

- Capitalising on the Boroughs: Promoting growth through greater financial devolution in London' – A report from the Society of London Treasurers
- 'Consultation on proposals to amend legislation related to combined authorities and economic prosperity boards' (December 2014) – DCLG  
<https://www.gov.uk/government/consultations/proposal-to-use-a-legislative-reform-order-in-forming-a-combined-authority-or-economic-prosperity-board>
- 'English Devolution: Local solutions for a successful nation' – Local Government Association  
<http://www.local.gov.uk/documents/10180/6917361/L15-178+DevoNext+devolution+publication/7e036308-6ebc-4f20-8d26-d6e2cd7f6eb2>
- 'Financing English Devolution' – the Independent Commission on Local Government Finance  
<http://www.localfinancecommission.org/documents/iclgf-final-report>
- The Conservative Party Manifesto 2015  
<https://www.conservatives.com/manifesto>
- The West London Vision for Growth  
<http://www.westlondonalliance.org>