

Wiltshire Council

Cabinet

16 December 2014

Subject: Swindon and Wiltshire Local Enterprise Partnership Governance

Cabinet Member: Cllr Jane Scott OBE
Leader of the Council

Key Decision: No

Executive Summary

The Swindon and Wiltshire Local Enterprise Partnership (SWLEP) continues to develop and mature as an executive body for setting economic development strategy and for guiding growth and investment across the Swindon and Wiltshire area. The Swindon and Wiltshire Growth Deal announced in July 2014 allocates £129 million of Local Growth Fund resources to the SWLEP to support a range of capital investment projects throughout Swindon and Wiltshire between 2015 and 2021.

As a consequence of this increase in the scope and scale of the SWLEP role and associated activity, a new governance process has been developed with the collaboration and input of Wiltshire Council, Swindon Borough Council and SWLEP. The arrangements will strengthen the existing decision making process ensuring democratic accountability and scrutiny of SWLEP process and decision making whilst strengthening the strategic partnership between SWLEP and the two Unitary Authorities.

This report summarises these arrangements.

Proposals

- (i) That Cabinet notes and agrees the proposed governance structure for SWLEP activities, including the Swindon and Wiltshire Growth Deal as proposed by the Swindon and Wiltshire Local Enterprise Partnership Secretariat and presented to the SWLEP Board for approval on 9 September 2014.
- (ii) That Cabinet approves the Swindon and Wiltshire Local Enterprise Partnership Governance Structure as set out in **Appendix 1**.

- (iii) That Cabinet authorises the Director of Economic Development and Planning and the Monitoring Officer for Wiltshire Council, in consultation with the Leader of the Council, to undertake the necessary actions, including changes to the Council's Constitution, to enable the implementation of the governance structure set out in **Appendix 1**.
- (iv) That Cabinet agrees to consult Swindon Borough Council in the event of any changes to Wiltshire Council's constitution that may impact upon or affect their corporate or political structures and committees.

Reasons for Proposals

To:

- (i) Ensure that SWLEP activity is undertaken with robust and democratically accountable governance arrangements between the two Unitary Authorities and the SWLEP.
- (ii) Ensure that the decision making regarding allocations of funding and resources made available through the SWLEP Board is agreed in an open and transparent way.

Dr Carlton Brand
Corporate Director

Wiltshire Council

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Purpose of Report

1. This report invites Cabinet Members to review and agree the governance arrangements that have been developed by Wiltshire Council in partnership with Swindon Borough Council and the Swindon and Wiltshire Local Enterprise Partnership (SWLEP). The arrangements described in this report strengthen previous governance structures within the SWLEP. These arrangements have been developed in light of the significant increases in funding allocation and investment decision making which is now a regular feature of the SWLEP portfolio of activities. In particular, the governance structures support the delivery of the £129 million Swindon and Wiltshire Growth Deal.

Relevance to the Council's Business Plan

2. The following key actions and outcomes in the Council's Business Plan are relevant to this report:

Key Action Two: Stimulate economic growth in partnership with the SWLEP
Outcome One: Wiltshire has a thriving and growing economy
Outcome Three: Everyone lives in a high quality environment
3. The Swindon and Wiltshire Growth Deal provides much needed capital investment towards a range of infrastructure projects that underpin our economy, including highways improvements, urban regeneration and business and economic development.
4. In addition, the Local Growth Fund provides an opportunity to bridge viability gaps that exist to bring forward strategic housing sites identified in the Draft Wiltshire Core Strategy as well as other housing sites that increase the availability of affordable housing in Wiltshire.

Background

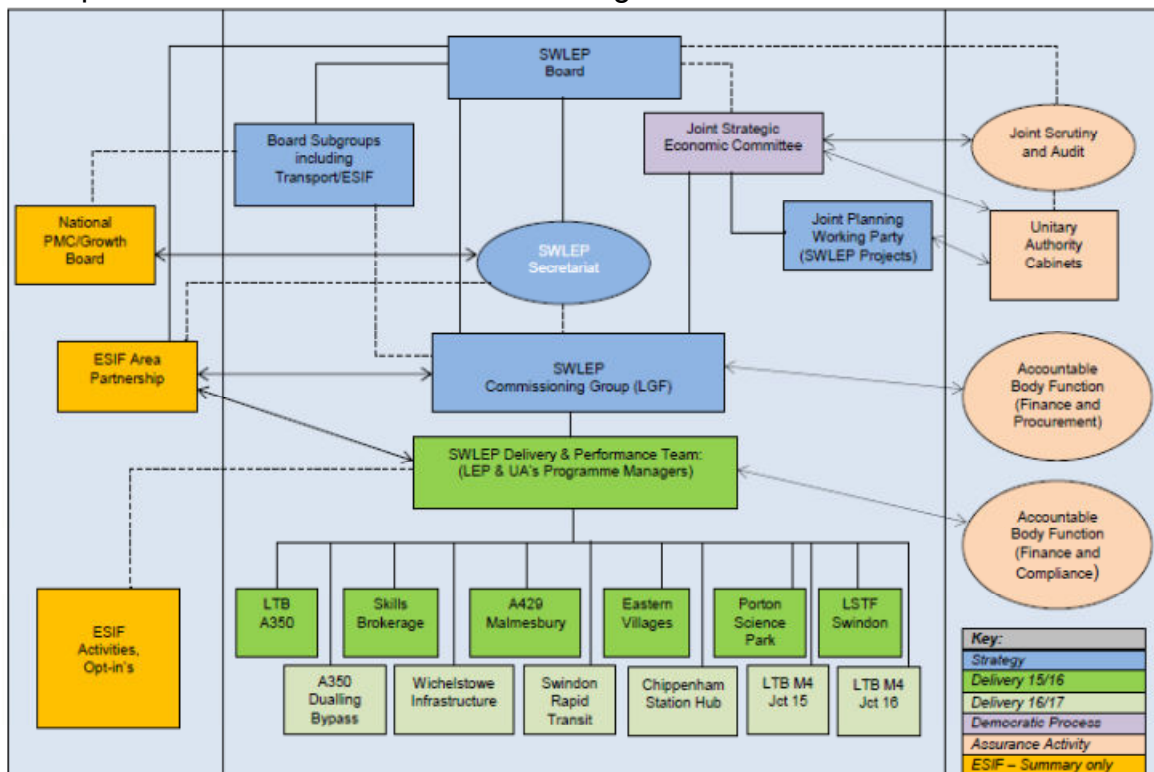
5. Building on the approach set out in the Local Growth White Paper (October 2010), Local Enterprise Partnerships (LEPs) have been central to the vision to ensure Local Authorities and the local business community work together to influence local economic growth strategy and the allocation of resources that stimulate

economic growth. This has been achieved through programmes such as the Growing Places Infrastructure Fund, The Growth HUB and the Swindon and Wiltshire Business HUB. The most recent and most significant of these funding mechanisms has been the £12 billion Local Growth Fund, allocated between LEPs in July 2014 as part of a 'Growth Deal' between the LEP and central government.

6. The Swindon and Wiltshire Growth Deal was announced by central government on 7 July 2014, allocating £129 million to a series of projects throughout Swindon and Wiltshire. As part of the allocation SWLEP were required to strengthen their governance arrangements ahead of the funding being made available.
7. Wiltshire Council officers from Economic Development and Planning and Legal Services have worked in collaboration with Swindon Borough Council and SWLEP to develop a robust and clear governance process. The process is designed to ensure that democratic accountability is maintained amongst the decision making structures of the SWLEP and that both finance and delivery of projects is controlled, monitored and reviewed.
8. A report detailing the governance arrangements was presented to the SWLEP Board and agreed on 9 September 2014. The arrangements have also been reviewed and accepted by the Cabinet Members of Swindon Borough Council.

Main Considerations for the Council

9. The remainder of this report will highlight the governance arrangements that have been developed as part of the collaborative process described above.
10. The image below shows the organisational structure that has been proposed as part of the SWLEP Governance arrangements. These are described below.



Swindon and Wiltshire Local Enterprise Partnership Board

11. The SWLEP Board of 14 members reflects HM Government's desire to ensure that business leaders are engaged and involved in setting local economic priorities. The SWLEP Board will remain the primary decision making body in taking the Growth Deal programme forward and will be supported by the SWLEP Secretariat and SWLEP staff. The SWLEP Director and staff are seconded to the SWLEP by Wiltshire Council. The SWLEP Board has primary responsibility for the development, review and refreshing of the Strategic Economic Plan (SEP) and the successful and effective delivery of the SEP and the Local Growth Deal. The Board will also have final responsibility for signing off transport schemes, on the basis of recommendations from the Local Transport Subgroup.

SWLEP Secretariat

12. The key source of advice to the SWLEP will continue to be the SWLEP Secretariat which comprises the SWLEP Director and the two Directors responsible for economic development in each of the two Unitary Authorities.

Joint Strategic Economic Committee

13. The formal Joint Strategic Economic Committee (JSEC) is set up under Sections 101(5), 102 of the Local Government Act 1972, Section 9EB of the Local Government Act 2000 and Regulation 11 of the Local Authorities (Arrangements for the Discharge of Functions (England) Regulations 2012.
14. The membership of the JSEC is comprised of six voting members, including the Elected Leader, Deputy Leader and the Cabinet Member holding the Economic Development Portfolio of each Unitary Authority. In addition, the Chair of the SWLEP and two other SWLEP Board members attend as non-voting members. In the event of any circumstance where the JSEC cannot reach agreement on an issue pertaining to the SEP, the issue in hand will be referred back to the SWLEP Board for review. The JSEC is chaired by the Elected Leader of one of the Unitary Authorities and will rotate annually between Swindon Borough Council and Wiltshire Council. The first chair role will be held by Wiltshire Council.
15. The primary tasks of the Joint Strategic Economic Committee will be to:
- Act as a single voice for Local Government in Swindon and Wiltshire in relation to the delivery of the SEP and Local Growth Deals;
 - Facilitate and enable collaboration between the two Unitary Authorities on economic development and related matters;
 - Provide local democratic accountability for the delivery of the SEP and the use of public resources to fund the implementation of the Strategic Economic Plan and Local Growth Deals (including supporting Wiltshire Council's role as the accountable body);
 - Provide political oversight of the marshalling and co-ordination of Local Government's contribution to the delivery of the SEP and Local Growth Deals;
 - Act as formal link between Local Government and the SWLEP.

16. The JSEC will operate as an open and transparent body and will be serviced by Wiltshire Council's Democratic Services team alongside Wiltshire Council as the delegated Accountable Body for the SWLEP. A key role of the JSEC will be to

formally agree and sign off key decisions and actions within the agreed terms of reference in an open, transparent and publically accessible environment, subject to the statutory provisions on access to information in relation to confidential or exempt items of business. The JSEC will operate alongside the SWLEP Board. The papers of the JSEC will be made public in the same way that other Council Committee papers are made public. This will again strengthen the public accountability element of the Growth Deal governance arrangements.

SWLEP Commissioning Group

17. The SWLEP Commissioning Group has a strategic oversight in ensuring the efficient delivery of the projects funded by the LGF and is comprised of SWLEP Chair, Vice Chair, Chief Executive Swindon Borough Council and Corporate Director Wiltshire Council supported by the SWLEP Secretariat.
18. This Commissioning Group is accountable to both the JSEC and the SWLEP Board and has responsibility for advising the SWLEP Board on future Local Growth Deal propositions supported by material provided through the officer of both Unitary Authorities and the SWLEP.
19. The Commissioning Group will ensure that:
 - The arrangements put in place conform to legal requirements with regard to freedom of information, equalities, the environment and other matters;
 - Public funds are used appropriately;
 - There is independence between scheme promoter and the decision making body in order to avoid conflict of interest;
 - Official records of proceedings relating to the investment decisions are maintained;
 - Regular progress reports and updates are scheduled with appropriate Government teams.

Joint Overview and Scrutiny Task Group

20. The Joint Overview and Scrutiny Task Group is comprised of four elected members from the two Unitary Authority Overview and Scrutiny functions and is understood to be the first of its kind in the country. The Task Group acts as a critical friend, developing an overview of strategies and plans and providing independent scrutiny of the work of the SWLEP Board and JSEC.
21. In order to maintain appropriate separation of responsibilities, Swindon Borough Council will assume the management of the joint scrutiny process, whilst Wiltshire Council acts as the Accountable Body for the SWLEP.

SWLEP Joint Planning Working Party

22. The existing Joint Planning Working Party will be strengthened and will develop a collaborative approach to spatial planning for the two Councils, in particular addressing planning for the longer term growth in the area and its environs. In addition, the two Unitary Authorities will adopt a joint approach to the duty to cooperate with neighbouring councils.

Subgroups and the Local Transport Body

23. It is proposed that the Local Transport Body (LTB) should become a Local Transport Subgroup of the SWLEP Board. Its role would be to advise the SWLEP on transport issues, including proposed schemes and relative priority and progress with the delivery of existing schemes. Responsibility for the final sign-off of transport schemes would sit with the SWLEP Board on the basis of recommendations from the Subgroup.

SWLEP Delivery and Performance Team

24. A Delivery and Performance Team has been established to lead the Programme Management activities of the Growth Deal. It will be chaired by the SWLEP Director of Programmes and Partnerships and will comprise a delegated Growth Deal Programme Manager from each of the Unitary Authorities and the SWLEP. This Team forms the key reporting mechanism on progress, risks, issues and benefits realisation and will provide bi-monthly highlight reports to the Commissioning Group. The Team will also provide the SWLEP Board with information and detail relating to future schemes and negotiations.

Safeguarding Implications

25. There are no safeguarding issues related to this report.

Public Health Implications

26. The local economy is a known contributor to the wider determinants of health. A struggling local economy can lead to higher unemployment throughout the local population. This in turn can impact on the mental and physical health of the population in terms of increasing levels of personal debt and associated mental ill health, fuel poverty, child poverty and homelessness.
27. The Strategic Economic Plan delivered through nationally competitive Growth Deals aims to deliver over 25,500 jobs in Wiltshire and attracts over £500 million of private sector investment to our economy. This will help ensure that Wiltshire's economy remains strong and resilient and that employment figures remain high.

Environmental and Climate Change Considerations

28. Through the development of the Growth Deal there will be an increase in demand for and consumption of energy in Wiltshire. However, these proposed developments also present opportunities for innovative and pioneering solutions in terms of meeting the challenges ahead of rising energy costs and disrupted supply.

29. The Growth Deal offers the chance to support the necessary transition to a low carbon economy which will reduce energy costs and consumption, as well as securing supply for businesses and residents. Through the Growth Deal Wiltshire can develop and grow into a low carbon business destination of choice.
30. The planned housing, road improvements, and business growth and expansion, provides an opportunity to embed the development of a low carbon infrastructure and sustainable building practices. This in turn will also support the local skills agenda offering opportunities for apprenticeships, up-skilling of the workforce and supporting emerging technologies and patent development.
31. The planned road and rail improvements will also ensure that innovative sustainable transport solutions and networks are fully explored. This will enable affordable low carbon travel throughout the county for business, domestic and tourism.

Equalities Impact of the Proposal

32. The Department for Business, Innovation and Skills published its Equality Impact Assessment (EQIA) for Growth Deals in July 2014. The report concludes that the Growth Deal programme has no adverse impact on any protected group and that the proposed funding decision is neutral in advancing equality of opportunity between persons who share the relevant protected characteristic and persons who do not share it.

Risk Assessment

33. The SWLEP Delivery and Performance Team have developed programme level risk registers and project level risk registers and have embedded a robust process for risk and issue monitoring and management based on PRINCE2 Best Practice Management.
34. This is reviewed and agreed by the SWLEP Commissioning Group at regular intervals in programme development and delivery.

Risks that may arise if the proposed decision and related work is not taken

35. Robust and accountable delivery and governance arrangements between the two Unitary Authorities and the SWLEP are a condition of the Growth Deal between central government and SWLEP. Failure to adopt developed and accountable governance process will limit the opportunities to leverage funds through the Growth Deal process and will potentially jeopardise future funding allocations.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

36. In accepting the proposed SWLEP governance arrangements Cabinet agree to decisions on economic growth and development within the scope of the governance framework to be passed on to the SWLEP Board with limited ability to influence decisions on inward investment and devolved funding use.

Financial Implications

37. Whilst there are financial implications linked with the Growth Deal and future development of the Strategic Economic Plan, there are no direct financial implications to Wiltshire Council through the agreement of the governance arrangements described in this report.
38. The Growth Deal sets out a clear framework for investment which is necessary for continued economic growth in Swindon and Wiltshire. In developing propositions brought forward to the SWLEP Board for review, a cycle of project development and benefits assessment will be carried out to ensure value for money. This process will be carried out in line with the processes and methodology for appraising and evaluating projects as set out in HM Treasury's "The Green Book".

Legal Implications

39. These governance arrangements have been developed with the input of legal officers from both Unitary Authorities and satisfy the necessary legal requirements. The statutory basis for the JSEC is set out in paragraph 13 above.
40. It has been agreed that Wiltshire Council will consult Swindon Council and the SWLEP on any proposed changes to its constitution that may materially affect the JSEC.
41. In order to establish the JSEC formally it is proposed that the Leader will delegate executive authority to the JSEC in accordance with the agreed terms of reference. As required under paragraph 9 of the Cabinet Procedure Rules in Part 7 of the Constitution this amendment to the scheme of delegation will be reported to the next ordinary meeting of the Council.
42. The governance framework will be kept under review to ensure that it remains fit for purpose.

Options Considered

43. To:
 - (i) **Do Nothing** – Without reviewing and strengthening the governance of the SWLEP the £129 million allocation may be withheld by central government stalling the projects that it is due to deliver.
 - (ii) **Accept proposed structure** – Accept and support the proposed governance structure as it is.
 - (iii) **Accept in part** – Elements of the structure could be accepted with a request to review part of the structure.
 - (iv) **Accept with future review** – Accept the proposed governance structure with agreement to a future review of practice and activity.

Conclusions

44. The proposed arrangements, subject to adoption, will provide the SWLEP with a clear, democratically accountable and robust decision making process with dedicated officer support, overview and scrutiny and partnership development between the two Unitary Authorities and SWLEP.
45. Ongoing engagement with the SWLEP meets core components of the current Wiltshire Council Business Plan, and is essential to unlock funding through future Growth Deals and other economic growth programmes that are delivered through the SWLEP.

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The following unpublished documents have been relied on in the preparation of this report:

Growth Deal and Local Growth Fund Governance and Delivery Arrangements – SWLEP Governance Paper issued to BIS Sept 2014

Appendix 1

Swindon and Wiltshire Local Enterprise Partnership Governance Structure