

REPORT TO: East Lothian Council

MEETING DATE: 31 October 2017

BY: Chief Executive

SUBJECT: Edinburgh and South East Scotland City Region
(ESESCR) Deal – Governance and Project
Management Arrangements

1 PURPOSE

1.1 This report:

- i. seeks approval to establish a joint committee for the purpose of progressing and implementing the Edinburgh and South East Scotland City Region Deal, and to delegate authority to the Chief Executive to enter into a minute of agreement; and
- ii. updates Council on Project Management Office (PMO) arrangements to support the continued development of the Deal.

2 RECOMMENDATIONS

2.1 It is recommended that the Council:

- i. agrees to establish a Joint Committee under Section 57 of the Local Government (Scotland) Act 1973 with City of Edinburgh Council, Fife, Midlothian, West Lothian and Scottish Borders Councils, representatives from the higher education and further education sector, and business, to oversee the governance arrangements for the Edinburgh and South East of Scotland City Region Deal;
- ii. approves the arrangements that will inform the proposed Minute of Agreement establishing the Joint Committee as detailed in the appendix to this report;
- iii. agrees that the Leader of the Council or Depute Leader in his absence, be appointed to represent the Council on the Joint Committee;
- iv. delegates authority to the Chief Executive, in consultation with the Leader/Depute Leader of the Council, to negotiate and agree the

Minute of Agreement establishing the Joint Committee, in line with the principles stated in the appendix to this report, and any financial and resource contributions, if they are required; and

- v. notes that the Project Management Office is being enhanced as partners enter the Implementation Phase and that contributions will be sought from Councils to fund this.

3 BACKGROUND

3.1 In June 2016, the six local authorities agreed to the principle of establishing a joint committee for the City Region Deal programme. Shadow delivery governance has been established, with the Leaders from the six partner local authorities providing strategic direction for the negotiations with the UK and Scottish Governments to secure agreement of the Heads of Terms in July 2017.

3.2 The role of the committee was highlighted as:

- determining strategic focus;
- agreeing investment priorities;
- overseeing planning and implementation activity; and
- monitoring impact.

3.3 Although a joint committee has been meeting on a shadow basis (as the Leaders' group) since June 2016, it has not been established formally and the next steps are to establish this committee, its remit and membership.

3.4 The Local Government (Scotland) Act 1973 gives power to local authorities to discharge their functions either by delegating power to a committee, sub-committee, officer, or to another local authority in Scotland. This includes the power to appoint a joint committee made up of two or more local authorities.

3.5 The Joint Committee will aim to deliver increased value for money from the Edinburgh and South-East Scotland City Region Deal and wider regional collaboration and provide the appropriate oversight and strategic direction.

Remit

3.6 The local authority partners to the deal have the power to delegate which decisions they feel necessary for the joint committee to be able to progress work streams. The remit contained in the appendix provides decision making powers but would require any decision to commit funds and resources, to be undertaken by individual governing bodies rather than the joint committee. Significantly, the delegation of powers to a joint committee does not preclude the individual local authorities from still making those decisions.

- 3.7 The proposed powers are outlined in the appendix to this report.
- 3.8 Constituent councils will be able to add further powers to the remit of the Joint Committee at a later date if this is felt necessary. Non-Council members will be able to delegate further powers to their representatives when required.

Membership

- 3.9 It is proposed that the membership includes a representative from each local authority. Fife Council who have two co-leaders will have two members, although they will only have one vote between the two members.
- 3.10 The Local Government (Scotland) Act 1973 also allows the committee to contain members who are not councillors. The committee must consist of two-thirds councillors, but if the committee regulates or controls the finance of the local authority or its area then only councillors are permitted to be voting members.
- 3.11 The joint committee is a local authority decision making body but the remit of the Joint Committee outlined in the appendix allows non-Council members to have full voting rights on an equal footing with Council members. These members would make up three of the ten members and would include a minimum of one business representative and one higher education/further education representative.
- 3.12 It would be a decision for the higher education/further education and business member organisations whether they were content to empower their representatives on the committee to commit their organisations to the decisions made at the Joint Committee.

Minute of Agreement

- 3.13 It is proposed that a minute of agreement is produced that will set out arrangements of the Joint Committee and how it will operate. These will include amongst other things the membership, voting rights, period of office, quorum and who would chair the meeting. The details laid out in the appendix to this report would form part of this minute of agreement.
- 3.14 It is proposed that the power to finalise and agree the Minute of Agreement is delegated to the Chief Executive, in consultation with the Leader/Depute Leader of the Council, to allow for the details of the minute of agreement to be drafted in October but for there to be no delay in the creation of the Joint Committee. The Chief Executive will report to Council upon the signing of the Minute of Agreement establishing the Joint Committee.
- 3.15 Progress with implementing the Edinburgh and South-East Scotland City Region Deal and the work of the Joint Committee will be reported to meetings of East Lothian Council on a regular basis. Engagement with

the UK and Scottish Governments continues as a key element of this workstream.

Wider Arrangements

3.16 The wider regional governance model to deliver the Edinburgh and South East of Scotland Deal will also include:

- a new cross-regional Business Leadership Forum to bring together voices from across the private sector to play a full role across the City Regional development and delivery process (as approved by Council on 22 August 2017);
- an Executive Board comprising the six regional local authority chief executives, six regional local authority directors with a remit for the economy, plus a representative for the region's universities and colleges, and a programme management officer function. Its remit will be to support the Joint Committee in the delivery of the City Deal Programme; and
- a Programme Management Office (PMO). Experience from other City Region Deals has suggested that a well-resourced and led PMO that provides a central point of contact for all parties is essential. Councils will be expected to contribute staff or financial resources to the PMO. The Executive Board has agreed that each Council will contribute up to £28,000 in 2017/18 to enhance the PMO so that it can deliver the documents required by Governments before any funding is released. The level of funding will be reviewed in 2018/19.

4 POLICY IMPLICATIONS

4.1 Agreement on a deal for the Edinburgh and South East Region would support delivery of the Council priorities in respect of Growing our Economy, People and Communities as set out within the Council Plan and the SOA. Any such deal will have significant implications for the Council's Financial Strategy and its future Capital Plans.

5 INTEGRATED IMPACT ASSESSMENT

5.1 Inclusive growth is a shared policy objective of the Council and national governments. The interventions identified within the Heads of Terms Agreement aim to reduce inequalities across the city region and by definition within East Lothian. The integrated regional skills programme in particular will work to ensure that all residents throughout the region have the ability to share in future success.

5.2 A City Region Deal would also provide a mechanism to help drive forward investment in sustainable place making. A holistic approach to sustainable growth is at the heart of the City Region Deal.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - The Programme Management Office for the Edinburgh and South East Scotland City Deal will be supported by contributions of £28,000 from the six city region partners for the next 12 months. Costs will be reviewed thereafter. This expenditure can be met from the funding set aside for supporting the City Deal at Council in June 2017.
- 6.2 Personnel – Council officers will continue to service the Executive Board and supporting workstream project groups. The Council will explore the secondment of resources into the PMO in conjunction with other partners.
- 6.3 Other – none at this time.

7 BACKGROUND PAPERS

- 7.1 Edinburgh and South East Scotland City Region Deal – Report to East Lothian Council 28 June 2016 and 22 August 2017.
- 7.2 Heads of Terms Agreement signed by UK/Scottish Governments and Partner Authorities on 20 July 2017.
- 7.3 East Lothian Council Summer Recess Arrangements – Standing Order 15.5 Members Library Report – Edinburgh and South East Scotland Region - City Deal Proposition.

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Appendix 1 - Joint Committee Arrangements

Membership

There will be one representative from each council, except in the case where there are joint leaders, where two will be permitted. There will be three non-Council representatives (including a minimum of one business and one regional higher and further education representative from the Edinburgh and South East Scotland city region). Each representative organisation will be allocated one vote.

Period of Office

The period off office will be determined by each individual member authority, but must not extend beyond the next local government elections.

Meetings

There will be a minimum of six meetings per annum.

Convener and Vice-Convener

The chair and vice-chair will be rotated annually.

Quorum

The quorum will be three elected members and three councils, plus one non-council representative.

Remit

- Oversee the implementation of the Edinburgh and South East Scotland City Region Deal programme;
- Monitor the impact of the Edinburgh and South East Scotland City Region Deal Programme;
- Build and support inclusive growth focusing on the needs of the local area and strengthening the partnership between public, private and third sectors;
- Improve business involvement from the Edinburgh and South East Scotland city region in local decision making;
- Collaborate and work in partnership to assist in delivering regional planning and transport policy linking the Edinburgh and South East Scotland City Region Deal to SESTRAN and SESPlan; and
- Work in partnership on other initiatives across the Edinburgh and South East Scotland city region with the explicit support of individual constituent members.

Standing Orders

The Joint Committee should adopt its own Standing Orders.

Meeting Arrangements

Any minute of agreement should include the arrangements for the location of meetings and which constituent council will administer the meeting.

Timescales

These arrangements will be reviewed by the members after the first six and twelve months. After partners enter the delivery stage, this will be reviewed periodically as deemed appropriate.