

Report to: Cabinet
Date of Meeting: 5 February 2020
Public Document: Yes
Exemption: None
Review date for release None



Subject:

Heart of the South West Joint Committee Governance Arrangements

Purpose of report:

This report provides an update for the Constituent Authorities on the Joint Committee's governance arrangements and budgetary position for 2019/20. The report contains recommendations for amendments to the Committee's Arrangements document following the governance review.

Recommendation:

Cabinet recommend to Council that it:

(a) approves the amendments to the Heart of the South West Joint Committee's list of functions in the Arrangements document (highlighted in red italics Appendix A attached) and note the updated budget position for 2019/20;

(b) approves the recommendation from the Joint Committee on 27th September 2019, to re-appoint Somerset County Council as the Administering Authority for the Joint Committee;

(c) makes provision of £2,800 as a contribution to the administration and work programme of the Joint Committee in the 2020/21 financial year (see paragraph 20) subject to all other Constituent Members making a financial contribution based on the methodology agreed in previous years.

Reason for recommendation:

In recent months the Joint Committee has reviewed and updated its governance arrangements in the light of experience since its establishment in early 2018 and in response to changing Government policy and local circumstances. Some changes are required to the Committee's Arrangements document as a result and these need to be formally agreed by the Constituent Authorities. It is essential that the Joint Committee remains: fit for purpose, represents a sustainable way of working into the future; and delivers value for the resources committed to it by the Constituent Authorities.

Officer:

Mark Williams, Chief Executive

Financial implications:

As stated in the report.

Legal implications:

The review of the role and functions of the Joint Committee have taken account of the legal framework within which the Joint Committee operates.

Equalities impact:

Low Impact

Climate change: Low Impact

Risk: Medium Risk

The key risk to the Constituent Authorities is a Committee without a clear role and functions and with unsustainable support arrangements which threaten the security and operation of the model. If the Committee cannot be sustained into the future then the momentum already achieved with Government will be at risk and the opportunity to realise additional funds, powers and responsibilities from Government for the benefit of the HotSW will be severely compromised. This in turn would compromise the ability to deliver the Productivity Strategy.

Links to background information:

- [Council meeting 13th December 2017](#)
- [Heart Of The South West \(Hotsw\) Joint Committee – current arrangements](#)

Link to Council Plan:

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

Report in full

Background

1. The Council has been a member of the Heart of the South West Joint Committee since its creation in August 2015. The Committee became a formal body in March 2018. The Committee has twenty-one members:
 - Devon County Council
 - Somerset County Council
 - Plymouth City Council
 - Torbay Council
 - All Devon and Somerset District Councils
 - Dartmoor and Exmoor National Park
 - Heart of the South West Local Enterprise Partnership
 - Devon and Somerset Clinical Commissioning Groups
2. The Committee acts as a single voice to Government on socio-economic and environmental issues and makes the case for additional powers and funding to be transferred to its individual members for the benefit of the people of Devon and Somerset.

Review of the role and functions of the Joint Committee

3. The Constituent Authorities have previously agreed one addition to the list of delegated functions by giving the Joint Committee the function of agreeing the local authorities' input into the development of the HoSW Local Industrial Strategy (LIS).

4. In addition to the above policy development, the need to review the governance arrangements arose from:
 - Changes in Government policy away from large devolution 'deals' to a more targeted dialogue on key themes of relevance to the local authorities and partners, e.g housing. The Joint Committee's influencing role has become increasingly important as recognised by Ministers, local MPs and Government officials. The ambition remains to draw down additional functions, powers and funding from Government.
 - The evolution of the Joint Committee's role from agreeing policy (the HotSW Productivity Strategy) to overseeing delivery of the Strategy alongside the LEP.
 - The developing relationships with other key local partnerships to ensure that there are appropriate reporting lines, ie, HotSW LEP Joint Scrutiny Committee, Peninsula Transport Board, Great South West, HotSW Local Transport Board.

5. Accordingly, the Committee has refined its focus into the following areas:
 - Strategic policy development
 - Influencing Government / key agencies to achieve direct intervention, support, funding and powers
 - Designing and delivering strategic HotSW responses to 'Government' offers
 - Designing and delivering public sector reform where this will deliver improved productivity, eg in health and education
 - Delivering at scale –(beyond what individual councils can achieve)
 - Oversight of the Delivery Plan – working with the HotSW LEP to ensure delivery of the HotSW Productivity Strategy.

6. It is not proposed at this stage to request the delegation of further functions from the Constituent Authorities to the Joint Committee.

7. These refinements to the focus of the Committee have been reflected in amendments to the list of functions contained in the Joint Committee's 'Arrangements' document – see Appendix A attached.

8. The subject matter focus for the Joint Committee will fall into the following areas of the Delivery Plan:
 - Housing – including bid(s) for strategic housing deal(s) designed, submitted and agreed resulting in additional investment into HotSW
 - Major Route Corridor Study agreed and completed
 - Agreed HotSW LIS which meets our transformational objectives
 - Successful engagement plan with MPs / Ministers
 - Successful operational phase of the Brexit work in collaboration with Government
 - Preparation for / response to offers of public sector reform to improve productivity
 - Agreement and submission of Coastal Communities proposal to Government seeking additional Government support for our coastal communities
 - Development of the JC's investment framework required to deliver the Productivity Strategy within a new national funding environment.
 - Enable the partners to prepare for and respond to opportunities arising from the Comprehensive Spending Review and the Shared Prosperity Fund.

9. The Committee has agreed to change its meeting arrangements to achieve a better balance between formal decision-making meetings (fewer) and more opportunities for informal engagement and challenge sessions.
10. In addition, two informal engagement sessions will be arranged per annum to engage relevant Portfolio Holders and Directors on Joint Committee business.

Appointment of Administering Authority to the Joint Committee

11. At the time of the establishment of the Joint Committee, the Constituent Authorities agreed to appoint Somerset County Council as the Administering Authority for a two-year period which ends on the 22 January 2020. With this appointment coming to an end early in the new year the Joint Committee endorsed appointing Somerset County Council for the next two-year period (as required by the Joint Committee's 'Arrangements' document).
12. The detail of the role is set out in the Arrangements document but in summary it includes:
 - Running the Joint Committee business and meetings;
 - Administration of the Joint Committee's budget;
 - Responsibility for the Committee's communications and engagement plan including maintaining the JC's website as hosted by SCC.
13. The authority undertaking the role currently receives a budget allocation of £20,000 as a contribution towards the costs of undertaking the role and it is proposed to maintain this allocation at this level for 2020/21.
14. It is recommended that this Council agree to the reappointment of Somerset County Council as the Administering Authority to the Joint Committee for the period from 22 January 2020 to 21 January 2022.

Joint Committee Management Support Arrangements

15. Comprehensive management support arrangements have been in place to support the partnership (and latterly the Joint Committee) since 2015. These have been recently reviewed and refined. To minimise direct support costs impacting on the Committee's budget, most of the officer resource is provided by the Constituent Authorities on an 'in-kind' voluntary basis. Other direct budget contributions towards the Committee support costs have been allocated to refund those Constituent Authorities who have provided officer resources for project management capacity and administrative support to the Brexit Resilience and Opportunities Group.
16. The diagram in Appendix B shows the revised management support arrangements of the Joint Committee.
17. The revised arrangements provide for:
 - A CEx Executive Group to lead the work of the Joint Committee and to include theme leads from the Delivery Plan. The membership of this Group is set out in Appendix B.

- Use of existing Devon and Somerset Chief Executives' and Leaders' meetings to support the work of the Committee;
- 1 x joint meeting per annum of the Devon and Somerset Chief Executives.
- Better alignment of the Joint Committee's support arrangements with the LEP.
- A Policy and Technical Officer Group of senior policy officers to focus on: delivery of the Delivery Plan; monitoring progress/measuring performance; and drafting responses to national policy changes.
- A dedicated and resourced programme management function, (funded from the Joint Committee's budget) to manage Joint Committee business on behalf of the CEx Executive Group and in addition to the Administering Authority role. This arrangement was initially agreed for 6 months (April to Oct 2019) pending a review of the work load.

Joint Committee Budget Position

18. The Joint Committee remains completely reliant on the Constituent Authorities for its budget and there are no obvious sources of additional funding to support running costs or delivery of its work programme.

19. The Joint Committee budget as at the end of March 2019 was as follows:

Constituent Authorities	Contributions – 18/19 £	Expenditure – 18/19 £
County Council x2	10,500	40,000 – Administering Authority costs (including staffing, venue hire, publicity costs) 16,346 – Brexit admin support costs 9750 – Housing audit 5000 – Housing conference 8759 - Transport consultancy 660 - Portfolio-holder event costs
Unitaries x 2	4,000	
Districts / National Park Authorities x 15	1,400	
Underspend carried forward from Devolution Budget	66838	
Total	116,838	

20. The Joint Committee budget covers the costs of running the Committee and the work programme. Contribution levels for each council tier are based on population levels. The Committee agreed earlier this year that a larger annual budget was likely to be required to fund work programme priorities in future years and approved 'in principle' to seek the agreement of the Constituent Authorities to double the 2018/19 core contributions as a one-year arrangement so giving maximum contributions in 2019/20 of:

County Council - £21,000

Unitary Council - £8,000

District Council / National Park Authorities – £2,800

21. For 2019/20 the Constituent Authorities have been invoiced for 50% of the amounts stated above. A second invoice was to be sent to each Constituent Authority for the other 50% in the autumn if the budget proved to be insufficient to fund the work

required in 2019/20 and only if fully costed work programme proposals were available to justify the request.

22. The overall budget position for 2019/20 is detailed in the table below. There are no plans to invoice the Constituent Authorities for the second budget contribution for 2019/ 20 because of the need to take stock of the direction of the Committee’s work programme following the recent elections and delays in progressing discussions with Government as a result of Brexit. As it stands the contributions collected from the Constituent Authorities (£48,600) together with the underspend carried forward from 2018/19 (£36,326) totalling £84,926 is sufficient to cover the planned and anticipated costs for 2019/20 of £60k. A key unknown aspect of the work programme is the preparations for Brexit and the budget impacts of any work which the Committee may wish to commission. This will be kept under review in the coming months as the position becomes clearer.

Income	£ (,000)
Constituent Authority contributions	48,600 - committed 48,600 – in principle
2018/19 underspend	36,326
<u>Total</u>	133.5 (of which 48.6k is in principle)

Expenditure	£ ,000
Administering Authority Programme Office	20 – committed (for the year) 10 – committed (April to Sept) (Oct to March 2020 tbc but estimated at £10k)
Brexit Resilience and Opportunities Group – officer support costs	10 – in principle (April to Sept) (Oct onwards tbc but estimated at up to £10k)
Housing Task Force	Tbc
Growth Corridor Work	Tbc
MP/ Ministerial engagement	Tbc
Brexit work programme	Tbc
Coastal Communities proposal	Tbc
<u>Total</u>	£60k (including anticipated commitments detailed above)

23. Further discussions are planned as to how to establish a financially stable Joint Committee budget for future years as a pre-requisite to preparing a budget proposal for 2020/21 for submission to the Constituent Authorities.

APPENDIX A – EXTRACT FROM THE JOINT COMMITTEE’S ARRANGEMENTS DOCUMENT

2. Joint Committee Functions:

2.1 The only delegated functions of the Joint Committee relate to:

- (a) the approval of the HotSW Productivity Strategy; and
- (b) *the development and endorsement of the HotSW Local Industrial Strategy (LIS) (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government.*

All other matters referred to in 2.3 below are ‘referred’ matters where the Joint Committee will make recommendations to the Constituent Authority or Authorities for decision. Additional delegated or referred functions may be proposed for the Joint Committee in the future by the Joint Committee or any of the Constituent Authorities but shall only be agreed if approved by all of the Constituent Authorities.

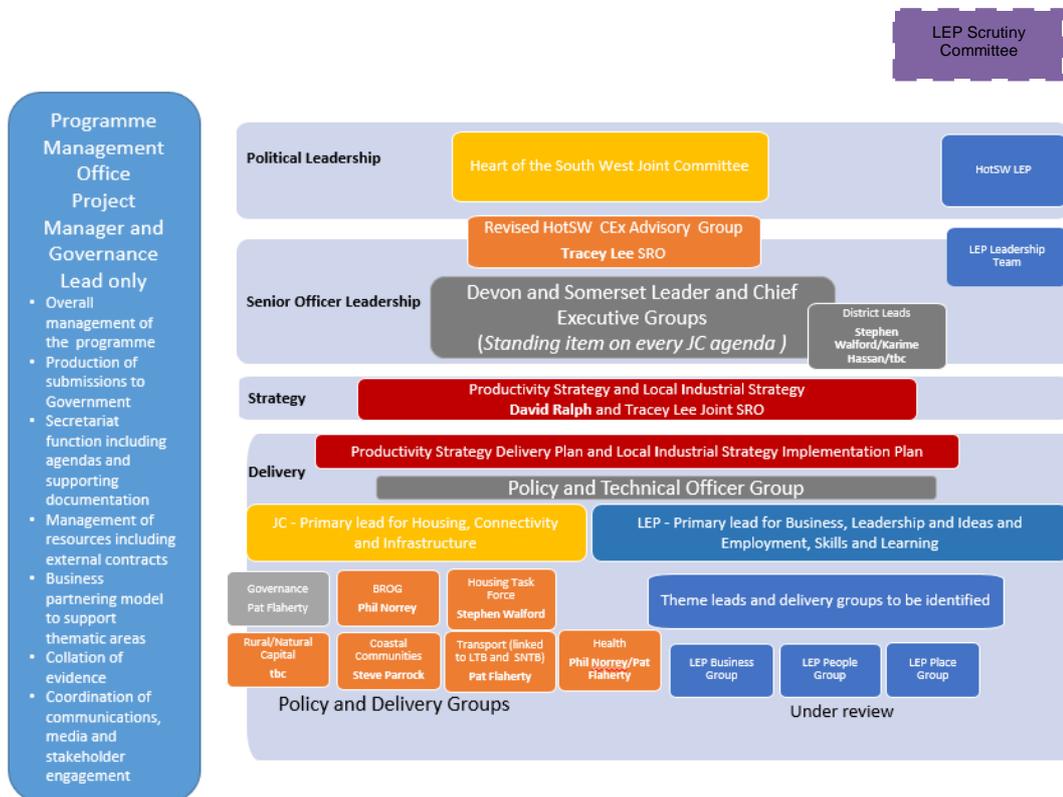
2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation to the other functions of the Joint Committee.

2.3 The Joint Committee shall:

- (a) Develop and agree the HotSW Productivity Plan in collaboration with the LEP.
- (b) *Maintain oversight of the HotSW Delivery Plan = working alongside and in collaboration with the LEP using each other’s strengths and roles to ensure delivery of the HotSW Productivity Strategy.*
- (c) *Continue discussions /negotiations with the Government and Government agencies to achieve direct intervention, support, funding and powers to the benefit of the HotSW and assist with the delivery of the Productivity Plan and the LIS, working with the LEP.*
- (d) Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government’s strategic infrastructure commitments, eg, strategic road and rail transport improvements.
- (e) *Design and deliver the strategic HotSW response to ‘Government’ offers and respond to Government calls for evidence if appropriate.*
- (f) *Design and deliver public sector reform where this will deliver improved productivity to the HotSW, eg health, education.*
- (g) *Deliver at scale (beyond what individual councils can achieve).*
- (h) Work with the LEP to identify and deliver adjustments to the LEP’s democratic accountability and to assist the organisation to comply with the revised (November 2016) LEP Assurance Framework. This includes endorsing the LEP’s assurance framework on behalf of the Constituent Authorities as and when required. However, this is subject to the Framework being formally approved by the LEP’s Administering Authority.
- (i) Ensure that adequate resources (including staff and funding) are allocated by the Constituent Authorities to enable the objectives in (a) to (e) above to be delivered.

APPENDIX B

HotSW Joint Committee Support Structure



Chief Executives' Executive Group Membership and Roles

Theme/Role	Lead	Body
HotSW Leaders SRO	Tracey Lee	JC (PCC)
Productivity Strategy SRO	Tracey Lee/David Ralph	JC (PCC)/LEP
LIS SRO	David Ralph/Tracey Lee	LEP/JC (PCC)
BROG	Phil Norrey	JC (DCC)
Governance lead	Pat Flaherty	JC (SCC)
Housing lead	Stephen Walford	JC (MDDC)
Transport lead	Pat Flaherty	JC (SCC)
Coastal Communities lead	Steve Parrock	JC (TC)
District Council Leads X 3	Stephen Walford (Devon - Rural) Karime Hassan (Devon - City/Urban) Stuart Brown (Somerset)	JC (MDDC/ECC/MDC)
Rural/Natural Capital lead	Kevin Bishop	JC (DNP)
Health theme	Via Phil Norrey and Pat Flaherty in the short term	JC (DCC/SCC)