

**CABINET
23 NOVEMBER 2017**

HEART OF THE SOUTH WEST – JOINT COMMITTEE

Cabinet Member(s): Clive Eginton (Leader) and Richard Chesterton (Planning and Economic Regeneration)

Responsible Officer: Stephen Walford, Director for Growth and Chief Executive

Reason for Report: To consider and approve the establishment of a Joint Committee and the arrangements to support its future working as set out in the Report and the documents referred to within it.

RECOMMENDATION: that the Cabinet recommends to Full Council that it:

1. Approves the recommendation of the HotSW Leaders (meeting as a shadow Joint Committee) to form a Joint Committee for the Heart of the South West;
2. Approves the Arrangements and Inter-Authority Agreement documents set out in appendices A and B for the establishment of the Joint Committee with the commencement date of Monday 22nd January 2018;
3. Appoints the Leader of the Council and the Cabinet Member for Planning and Economic Regeneration as the Council's named representative and substitute named representative on the Joint Committee;
4. Appoints Somerset County Council as the Administering Authority for the Joint Committee for a 2 year period commencing 22nd January 2018;
5. Approves the transfer of the remaining joint devolution budget to meet the support costs of the Joint Committee for the remainder of 2017/18 financial year subject to approval of any expenditure by the Administering Authority;
6. Approves an initial contribution of £1,400 for 2018/19 to fund the administration and the work programme of the Joint Committee, noting that any expenditure will be subject to the approval of the Administering Authority;
7. Agrees that the key function of the Joint Committee is to approve the Productivity Strategy (it is intended to bring the Strategy to the Joint Committee for approval by February 2018);
8. Authorises the initial work programme of the Joint Committee aimed at the successful delivery of the Productivity Strategy; and

9. Agrees the proposed meeting arrangements for the Joint Committee including the timetable of meetings for the Joint Committee as proposed in para 2.14 of the attached Background Report.

Relationship to Corporate Plan: In the Corporate Plan, the Council commits to working “in partnership with the Heart of the South West Local Enterprise Partnership, Devon County Council and Exeter, East Devon and Teignbridge on projects that will support and grow the local economy”. The Joint Committee will extend such working to a wider area.

Financial Implications: These are considered in Part 9 of the Background Report. The Council, if it approves the recommendations, will commit to the level of funding in recommendation 6 above for 2018/19 and future financing of the Joint Committee will be subject to a separate report at a later date.

Legal Implications: Part 8 of the Background Report and the previous report considered by members in February 2017 looks at the legal implications. The Monitoring Officer has liaised with her counterpart in Somerset County Council and previously provided legal advice on powers and arrangements whilst herself a lawyer at Somerset County Council.

Risk Assessment: Part 7 of the Background Report addresses risk.

Equality Impact Assessment: Part 5 of the Background Report addresses Equalities issues. The Productivity Strategy itself identifies ‘inclusive growth’ as a key principle behind productivity growth in which everyone has the opportunity to benefit from, and contribute to, our productivity growth, regardless of status or location

1.0 Introduction

1.1 On 22 February 2017, the Council approved “in principle” the establishment of a Joint Committee with other authorities lying within the area of the Heart of the South West Local Enterprise Partnership (“the LEP”). Work has since continued on preparing the formal arrangements under which the Joint Committee would operate.

1.2 This report is an overview and summary of the key points explained in more detail in the attached Background Report, together with Appendix A (Arrangements) and Appendix B (Inter-Authority Agreement) to the Background Report. The latter is a standard report which has been prepared by the Monitoring Officer for Somerset County Council in consultation with the monitoring officers of the constituent authorities. Subject to a few changes and some further discussions with Exeter City Council, the draft report was agreed at a meeting of the Shadow

Joint Committee in September 2017 as the basis for circulation to the constituent authorities for a decision.

2.0 Key purpose, aims and objectives

2.1 The key purpose of the Joint Committee is to increase productivity across the area. It aims to do this by providing a single strategic partnership between local authorities and public sector partners which will produce and deliver the Productivity Strategy (see 2.2). The overarching objectives are that such a strategy, when implemented, will:

- (a) improve the economy and the prospects for the region by bringing together the public, private and education sectors;
- (b) increase our understanding of the economy and what needs to be done to make it stronger;
- (c) improve the efficiency and productivity of the public sector; and
- (d) identify and remove barriers to progress and maximise the opportunities /benefits available to the area from current and future government policy

2.2 The Productivity Strategy is “a common vision for increased prosperity through economic growth informed by a local evidence base and engagement with local stakeholders. It will also link to Government policy initiatives, particularly in relation to the Industrial Strategy, and will form the basis for developing our collective ‘ask’ of Government”.

2.3 The draft Productivity Strategy is currently out to consultation, due to end on 30 November 2017. It was considered by the Economy Policy Development Group on 9 November 2017 (Minute 49/17). The outcome of the discussion was:

*“In conclusion, it was **AGREED** that officers would respond to the consultation with comments from the Group summarised as follows:*

- *It was important not to miss out on opportunities for spins offs from economic growth taking place in other areas of the region.*
- *Improving skills was crucial to achieving greater productivity.*
- *Digitalisation was a key factor.*
- *Fostering and encouraging aspiration and ambition was vitally important and seen as fundamental to the success of the region”*

3.0 Very limited delegation

3.1 It is important to note that the only matter which is formally delegated to the Joint Committee is responsibility for approving the Productivity Plan. Everything else (see 3.2) is 'referred' – this means that whilst the Joint Committee is tasked with taking the referred matters forward, a final decision on such matters rests with the constituent authorities.

3.2 The referred matters are the following:

- Ensure delivery of the HotSW Productivity Strategy in collaboration with the LEP and the Constituent Authorities.
- Continue discussions /negotiations with the Government on the possibility of achieving devolved responsibilities, funding and related governance amendments to assist with the delivery of the Productivity Strategy. Joint Committee proposals arising from these discussions /negotiations would require the formal approval of the Constituent Authorities / partner agencies.
- Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government's strategic infrastructure commitments, e.g., strategic road and rail transport improvements
- 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.
- Ensure that adequate resources (including staff and funding) are allocated by the Constituent Authorities to enable the above matters to be delivered.

3.3 It is important therefore to note that the Joint Committee has a much more limited role than a Combined Authority – giving the go-ahead to the Joint Committee does not commit the Council to a path which leads inevitably to a Combined Authority. Any proposal for a Combined Authority which may emerge in future will be for the Council to consider entirely on the merits of the case at that time.

4.0 Administration of the Joint Committee

- 4.1 Somerset County Council has agreed to act initially as the Administering Authority. SCC has considerable expertise in such roles – acting as such for the LEP, Somerset Rivers Authority, Somerset Waste Partnership and a number of other similar partnerships over the years. The Administering Authority provides legal, democratic services, financial and communications support to the Committee.
- 4.2 The Joint Committee’s Forward Plan of business and papers for its meetings will be published on the Administering Authority’s website with links provided to the websites of the other Constituent Authorities and partner organisations.
- 4.3 The Arrangements document (Appendix A) and the draft Inter-Authority Agreement (Appendix B) provide more detail on how the day-to-day arrangements of the Joint Committee will be run. For example, Members may wish to note Part 12 of the Arrangements which sets out who can put items on the agenda of the Joint Committee.
- 4.4 The meeting dates for 2018 are set out in paragraph 2.14(b) of the Background Report.

5.0 Funding

- 5.1 It is estimated that the operating cost of a Joint Committee will be £89,000 in 2018/19 (and to cover the remainder of 2017/18) excluding any in-kind support. Members are referred to paragraph 2.11 of the Background Report. If £42,000 of the remaining budget for the Combined Authority is put into the Joint Committee, this leaves a shortfall of £47,000. The proposed contribution for district councils for 2018/19 is £1,400.
- 5.2 The future budget will be a matter for agreement in line with the Arrangements and the Inter-Authority Agreement following a recommendation of the Joint Committee.

6.0 Options

- 6.1 The Council should always consider the alternative options available to them. The Background Report contains an assessment of the options at paragraph 10.

7.0 Getting in (and getting out)

- 7.1 In order to participate in the Joint Committee, the Cabinet is asked to recommend to Full Council the recommendations 1-9 above. These are the same recommendations that each Constituent Authority is considering, subject to local changes in the amount of the financial contribution and the identity of the representatives. If the Council approves the recommendations, the first meeting of the Joint Committee is scheduled for Friday 26th January 2018.
- 7.2 As with any such arrangements (if approved), whilst the Cabinet and the Council will no doubt be fully committed to making the Joint Committee successful, it remains open to Members to scrutinise the arrangements from time to time to see whether they are delivering desired outcomes and remain in the best interests of the Council. If the Council concludes in future that it no longer wishes to participate, a minimum period of 6 months' notice in writing is required. However, given the positive purpose of the Joint Committee and its limited remit, there seems to be very much a lot to gain by participation.

Contact for more Information:

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Circulation of the Report: Cllr C Eginton (as Leader of the Council), Cllr R Chesterton (as Cabinet Member for Planning and Economic Regeneration) and the Chief Executive

List of Background Papers: Reports to and minutes of the following meetings:

Cabinet – 2 February 2017

Council – 22 February 2017 (in principle decision)

Economy Policy Development Group – 9 November 2017 (draft productivity plan)