

## CABINET 17 OCTOBER 2019

### HOTSW JOINT COMMITTEE GOVERNANCE REVIEW REPORT

Cabinet Member: Leader, Cllr Bob Deed

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#### **1. Summary**

- 1.1. 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.

#### **2. Recommendations**

- 2.1. **That Cabinet recommends the following to Full Council:**

- **To approve the amendments (shown in red) to the Committee's list of functions in the Arrangements document – Appendix A attached.**
- **To recommend the approval of Somerset County Council as the administering authority for the Joint Committee.**
- **To note the updated budget position for 2019/20.**

#### **3. Reasons for recommendations**

- 3.1 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.

#### **4. Background**

##### **4.1 Review of the role and functions of the Joint Committee**

- 4.1.1 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 HotSW Local Industrial Strategy (LIS).

- 4.1.2 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, eg, 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.

**4.1.3** 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.

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

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.

**4.1.4** The subject matter focus for the Joint Committee will fall into the following areas of the Delivery Plan:

- Housing – securing a commitment from Government to work with HotSW partners on accelerating housing delivery including potential bid(s) for strategic housing deal(s) designed, submitted and agreed resulting in additional investment into HotSW
- 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.

## **4.2 Joint Committee Political Arrangements**

- 4.2.1** 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.

In addition, two informal engagement sessions will be arranged per annum to engage relevant Portfolio Holders and Directors on Joint Committee business.

## **4.3 Joint Committee Management Support Arrangements**

- 4.3.1** 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. In addition, Somerset County Council was appointed as the Administering Authority to the Joint Committee to support and run the Joint Committee and its meetings. SCC has been paid for undertaking this role from the Joint Committee budget. 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.

- 4.3.2** The diagram in Appendix B shows the revised management support arrangements of the Joint Committee.

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.

#### 4.4 Appointment of Administering Authority

4.4.1 At the time of the establishment of the Joint Committee, the Constituent Authorities agreed to appoint Somerset County Council as the Administering Authority for the Joint Committee for a two-year period from 22 January 2018. With this appointment coming to an end early in the new year the HotSW Chief Executives’ Executive Group has considered an appointment for the next two year period (as required by the Joint Committee’s ‘Arrangements’ document).

The detail of the Administering Authority role is set out in the Joint Committee’s Arrangements document but in summary it includes:

- Running the Joint Committee business and meetings;
- Administering the Joint Committee’s budget;

Responsibility for the Committee’s communications and engagement plan including maintaining the Joint Committee’s website.

4.4.2 The view of the HotSW Chief Executives’ Executive Group is that Somerset County Council has done an excellent job of supporting the Committee and their recommendation is to reappoint the County Council to the Administering Authority role for a further two year period from 23 January 2020 to 22 January 2022.

The Joint Committee have agreed a budget allocation of £20,000 to the Council appointed as the Administering Authority.

#### 4.5 Joint Committee Budget Position

4.5.1 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.

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)
Unitaries x 2	4,000	
Districts / National Park Authorities x 15	1,400	
Underspend carried forward from Devolution Budget	66838	16,346 – Brexit admin support costs 9750 – Housing audit

		5000 – Housing conference 8759 - Transport consultancy 660 - Portfolio-holder event costs
Total	116,838	80513 36,325 (carry forward to 2019/20)

**4.5.2** 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

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.

The overall budget position for 2019/20 is detailed in the table in 4.5.3. 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.

**4.5.3**

<b>Income</b>	<b>£ (,000)</b>
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)

<b>Expenditure</b>	<b>£ ,000</b>
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)

**4.5.4** 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.

## **5. Equalities Implications**

**5.1** There are no equalities implications associated with the recommendations.

## **6. Other Implications**

### **6.1** Legal:

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

### **6.2** Financial:

As stated in the report.

### **6.3** HR

As stated in the report.

### **6.4** 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.

## **6.5** Climate Change

The work of the Joint Committee is increasingly focused on delivering the productivity strategy and emerging Local Industrial Strategy that has clean growth at its core. Working collaboratively with Government through the Joint Committee will improve all Constituent Authorities' ability to deliver carbon reductions while growing the economy and raising productivity.

## **7. Background papers**

### **7.1** Link below to the HotSW Joint Committee Arrangements document as agreed by all of the Constituent Authorities



Annex A Heart of the  
South West Joint Con

Link below to the HotSW Joint Committee Inter-Authority Agreement as agreed by all of the Constituent Authorities



Annex A Heart of the  
South West Joint Con

## 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.

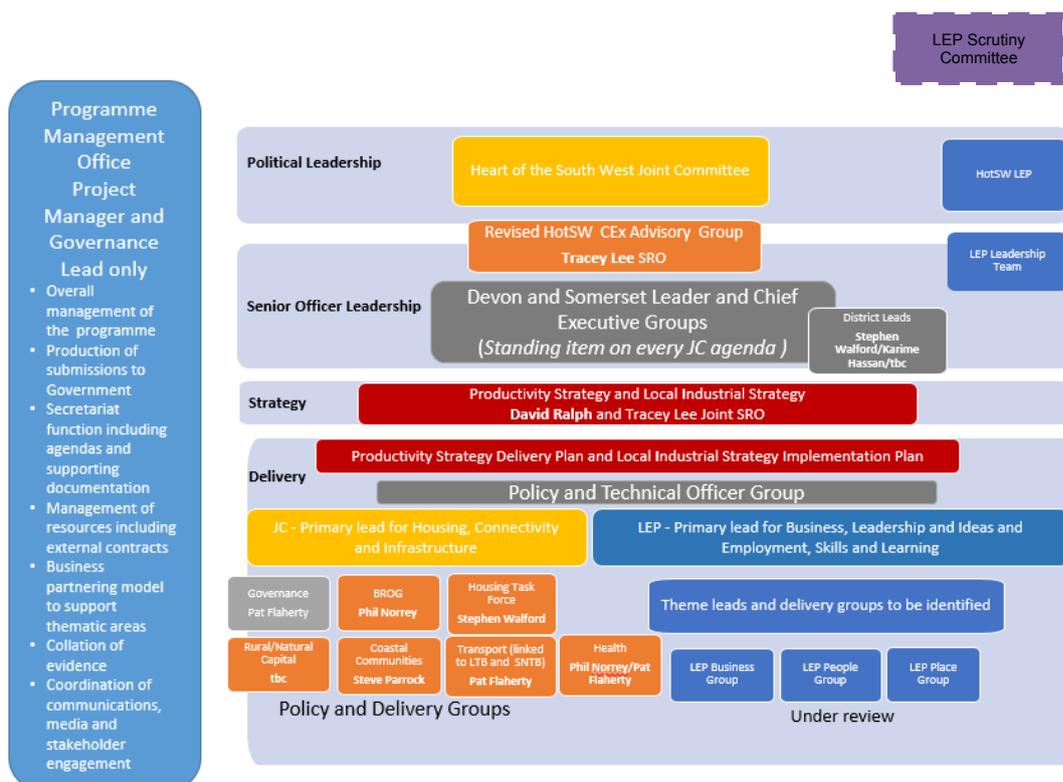
2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation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