

Heart of the South West Joint Committee – Governance

Cabinet Member(s): Cllr David Fothergill - Leader of the Council and Cabinet Member for Customers and Communities

Local Member(s) and Division: All

Lead Officer: Patrick Flaherty, Chief Executive

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1. Summary / Background

- 1.1.** This paper provides an update on the Heart of the South West Joint Committee and the Council's role in supporting this key partnership committee.

Further documentation about the Committee is available on its website

<http://www.hotswjointcommittee.org.uk/>

Agendas/papers for its formal meetings can be accessed on Somerset County Council's website

<http://democracy.somerset.gov.uk/mgCommitteeDetails.aspx?ID=357>

- 1.2.** Similar reports are being considered by all Constituent Authorities on the Heart of the South West (HotSW) Joint Committee's governance arrangements and budgetary position for 2019/20. The report contains recommendations for amendments to the Committee's Arrangements document following a governance review.

2. Recommendations

- 2.1. It is recommended that the Cabinet:**

- (a) as a constituent member, approve the amendments (highlighted in italics) to the Heart of the South West Joint Committee's list of functions in the Arrangements document – Appendix A attached;**
- (b) notes the updated budget position for 2019/20 and that the County Council will continue as the Administering Authority for the Joint Committee;**
- (c) makes provision of £21,000 as a contribution to the administration and work programme of the Committee in 2020/21 financial year subject to all other Constituent Members making a financial contribution based on the methodology agreed in previous years.**

3. Reasons for recommendations

- 3.1** In recent months the Joint Committee has reviewed and updated its governance and budgetary 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 referred to the Constituent Authorities to be endorsed. 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. Other options considered

- 4.1.** The following options have been considered:

Option 1 – Not to make changes to the governance arrangements. This was rejected as it is essential that constituent members can regularly review and agree any changes to the Joint Committee to align with existing policy positions.

Option 2 – Recommended option as the proposals in this report deliver the recommendations agreed by the Heart of the South West Joint Committee in September 2019 and underpin this council's work and role as part of the HotSW Joint Committee.

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

- 5.1.** Increasing productivity, growing Somerset's economy and providing a mechanism through which the HotSW area may seek to draw down opportunities presented by government policy has clear links to all sections of the County Plan, in particular:
- Partnerships
 - "...closer working partnerships across the public sector, but also with the voluntary sector and private industry too in order to succeed."
 - Children's services / education
 - Opportunities for young people
 - A university for Somerset
 - Economic development
 - Helping small businesses
 - Helping business succeed
 - Infrastructure and workforce
 - Connecting our communities
 - Major infrastructure projects

- A sustainable council
 - Developing business
 - Living within our means.

6. Consultations and co-production

6.1. Members, partners and the public have been kept informed of developments of the HotSW Joint Committee and its work on the Productivity Strategy through press releases, newsletters, presentations, workshops and publications. In addition, all of the authorities within the Partnership will be considering this report and reporting back to the next Joint Committee meeting on 29 November.

7. Financial and Risk Implications

7.1. The financial considerations are set out in paragraphs 11.10 and 11.11 of this report. The Council makes a financial contribution as well as 'in kind' officer time to support the work of the Joint Committee.

7.2. The key risk to the Constituent Authorities is an unsustainable Committee without a sufficient budget to maintain the security and operation of the model. If the Committee cannot be sustained 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.

Likelihood	1	Impact	4	Risk Score	4
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8. Legal and HR Implications

8.1. The review of the role and functions of the Joint Committee has taken account of the legal framework within which the Joint Committee operates. The appointment of the Administering Authority rests with the Constituent Authorities under the Committee's Arrangements document.

9. Other Implications

9.1. Equalities Implications

There are no equalities implications associated with the recommendations.

9.2. Community Safety Implications

There are no implications associated with the recommendations.

9.3. Sustainability Implications

There are no implications associated with the recommendations.

9.4. Health and Safety Implications

There are no implications associated with the recommendations.

9.5. Health and Wellbeing Implications

There are no implications associated with the recommendations.

9.6. Social Value

No specific implications or opportunities are associated with the recommendations.

10. Scrutiny comments / recommendations:

- 10.1.** None. In addition to the Joint Committee, the Constituent Authorities formed a Joint Scrutiny Committee in 2018 to provide a strategic overview and scrutiny of the activities of the HotSW Local Enterprise Partnership.

11. Background

- 11.1.** 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:

- All Devon and Somerset District Councils
- Dartmoor and Exmoor National Park
- Devon and Somerset Clinical Commissioning Groups
- Devon County Council
- Heart of the South West Local Enterprise Partnership
- Plymouth City Council
- Somerset County Council
- Torbay Council

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.

11.2. Review of the role and functions of the Joint Committee

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

- 11.3.** In addition to the above 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.

11.4. Accordingly, the Committee has agreed that its focus will be in 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 alongside and in collaboration with the HotSW LEP using each other's strengths and role 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.

11.5. 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.

11.6. Joint Committee Political Arrangements

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.

11.7. Appointment of Administering Authority

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.

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.

The view of the HotSW Joint Committee is that Somerset County Council has done an excellent job of supporting the Committee and they agreed 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 approved this recommendation at its meeting on the 27th

September 2019. Cabinet is recommended to agree for Somerset County Council to undertake the Administering Authority role to the Joint Committee for the period from 22 January 2020 to 21 January 2022.

11.8. Joint Committee Management Support Arrangements

Comprehensive management support arrangements have been in place to support the partnership (and latterly the Committee) since 2015. These have been reviewed and refined. To minimise direct support costs impacting on the Committee's budget, most of the officer resource has been 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 meetings. SCC has been paid for undertaking the role from the Joint Committee budget. Other direct budget contributions towards the Committee support costs have been allocated to fund Constituent Authorities who have provided officer resources for project management and administrative support to the Brexit Resilience and Opportunities Group.

11.9. 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 also 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 and development of a common work plan.
- 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 office function (from Plymouth City Council), 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 has been in place already for 6 months (April to Oct 2019) and the Joint Committee endorsed this arrangement continuing at its meeting in September.

11.10. Joint Committee Budget Position

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 updated budget position for 2019/20 is detailed below. In summary, for 2019/20 the HotSW Joint Committee has contributions from the Constituent Authorities totalling £48,600 which together with the underspend from last year gives a total budget of £84,926. The Committee has not had cause to invoice the Constituent Authorities for the additional £48,600 agreed in principle as there are currently no work programme proposals requiring funding which cannot be met from the budget already in place. Of the total budget in place of £84,926, £60k is now committed for support costs (refunding officer secondments and meeting costs). As support costs are outstripping the Constituent Authorities base contributions in the medium term, the Joint Committee has been relying on the ever-reducing level of underspend to meet all of the support costs and work programme costs.

- 11.11.** The budget needs to cover running costs and work programme costs. Contribution levels for each council tier are based on population levels. Key issues are the adequacy of the budget and its sustainability into the future. The Joint 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 double the 2018/19 core contributions as a one-year arrangement.

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 and if required)
2018/19 underspend	36,326
<u>Total</u>	84,926 (+ 48.6k in principle and if required)
Expenditure	£ ,000
Administering Authority	20 – committed (for the year)
Programme Office lead officer role	10 – committed (April to Sept) (Oct

Brexit Resilience and Opportunities Group – officer support costs	to March 2020 tbc but estimated at £10k) 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)

Budget options considered by the Chief Executives' Executive Group included raising top slicing funding from external funding that may be made available to the Committee by the Government in the future under specific policy opportunities but this remains a longer term aim. In the short term the Group considered it important that the Constituent Authorities commit to sustaining the partnership by providing an adequate level of funding for 2020/21. Work programme developments remain some way away from being fully developed, mainly as a result of the Brexit situation, but discussions with civil servants continue and we need to plan ahead accordingly. The Chief Executives' Executive Group's recommendation was that a sustainable level of budget for 2020/21 would be achieved on the basis of 2 x the original level of contributions as follows:

County Councils - £21,000

Unitary Councils - £8,000

District Councils and national Park Authorities – £2,800

This would give a total budget of £97,200 (+ underspend carried forward from 2019/20) and this should be sufficient to cover support costs and work programme activity

The Joint Committee noted the budget position and agreed to recommend to Constituent Authorities the increased levels of contributions for 2020/21. In lieu of this, the Council is recommended to make a provision of £21,000 to fund its contribution to the Joint Committee budget 2020/21.

12. Background Papers

12.1. Governance arrangements report to Heart of the South West Joint Committee meeting on 27 September 2019

Report Sign-Off

		Signed-off
Legal Implications	Tom Woodhams	04/11/19
Governance	Scott Woodridge	04/11/19
Corporate Finance	Sheila Collins	04/11/19
Human Resources	Chris Squire	04/11/19
Property	Paula Hewitt	04/11/19
Procurement / ICT	Simon Clifford	04/11/19
Senior Manager	Patrick Flaherty, Chief Executive	04/11/19
Commissioning Development	Ryszard Rusinek	04/11/19
Local Member	All	
Cabinet Member	Cllr David Fothergill - Leader of the Council and Cabinet Member for Customers and Communities	04/11/19
Opposition Spokesperson	Cllr Jane Lock – Opposition Leader	04/11/19
Scrutiny Chair	Cllr Anna Groskop - Place Scrutiny	04/11/19

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:

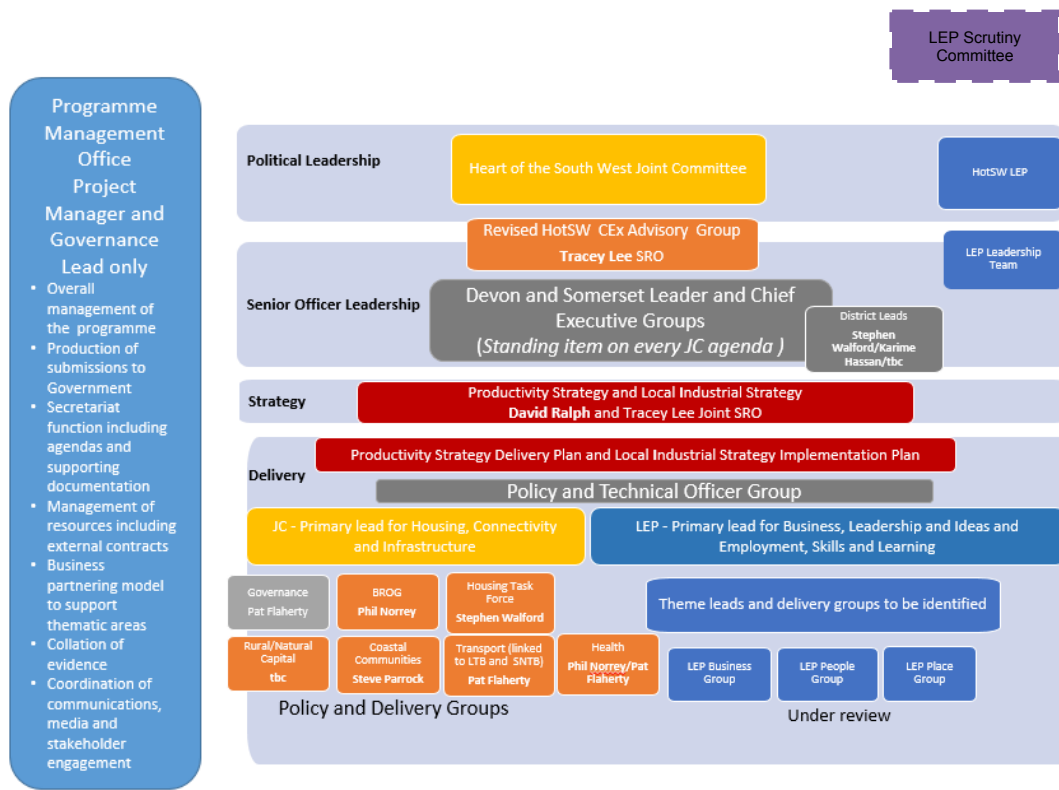
- (a) the approval of the HotSW Productivity Strategy; and
- (b) the development and endorsement of the HotSW Local Industrial Strategy (LIS) (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government.

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 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.
 - (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.
 - (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)