

HoftSW Joint Committee

Meeting date – Friday 25th January 2019

HOTSW JOINT COMMITTEE GOVERNANCE REVIEW REPORT

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1. Summary

1.1. This report presents the conclusions of the governance review of the Joint Committee commissioned by the Joint Committee in October 2018. The report covers:

- (a) The role and functions of the Committee
- (b) The future meeting, budget and management support arrangements of the Committee.

2. Recommendations

2.1. **The Joint Committee is recommended:**

- (a) **Approve the amended Arrangements document – Appendix C attached – (new text in red) for recommendation to the Constituent Authorities for approval to include:**
 - **Revised role / functions of the Joint Committee**
- (b) **Approve the changes proposed to the Joint Committee's meeting arrangements**
- (c) **Approve in principle the changes proposed to the Joint Committee's management support arrangements noting that further work is required by the CEX's Advisory Group on the detail. Further recommendations will be brought to the JC in due course.**
- (d) **Note the position on the Joint Committee's budget and the actions proposed for 2019/20.**

3. Reasons for recommendations

3.1 The Joint Committee's role, functions, budget and management support arrangements required revisiting in the light of changes to the role of Local Enterprise Partnerships and the transition from developing the Productivity Strategy to its delivery working alongside and in collaboration with the HotSW LEP. The key drivers for the review are to ensure that the Joint Committee remains an appropriate and sustainable way of working 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 As members will recall a key driver for the review was the revised legal status of LEPs and their lead role for the approval and delivery of a Local Industrial Strategy (LIS). Local authorities are key consultees in the development of LISs, hence the recent recommendation to the Constituent Authorities to add the development of the HotSW LIS to the Joint Committee's delegated responsibilities. The LIS is critical to access direct Government support but is relatively narrow in scope. Beyond this the Joint Committee and LEP have complementary roles to deliver the HotSW Productivity Strategy which is wide in scope and content as evidenced by the Delivery Plan.

4.1.2 Another key driver has emerged from the work of the Committee over recent months where the Committee's ability to be the single 'voice' of the Devon and Somerset Councils in influencing Government and its agencies is building a HotSW profile in Westminster as already recognised by Ministers, local MPs and Government officials. This is a 'slow burner' in terms of delivering direct benefits particularly with the overwhelming current Government focus on Brexit but the indications are that ongoing engagement of this sort will directly benefit the area over time and help the partnership deliver its ambitions on productivity.

4.1.3 Most critically the Joint Committee must now move on from the planning and strategy stage of its work overseeing delivery of an extensive delivery plan by a range of partners.

Moving on from the success of recent months the Committee will focus on leading negotiations with and influencing Government and ensuring the Joint Committee delivers effectively on its offers to Government and responds appropriately to offers from Government.

The evidence is already building that the Joint Committee has a key role in adding value with a strategic status and profile that individual authorities or smaller groups of authorities cannot achieve. It is the sort of model that the Government wants to work with and through and without the Committee in place there is a likelihood the HotSW area will lose out to those sub-regions that are better organised and have formal strategic level structures to work through.

4.1.4 In the delivery phase, it is proposed that the Joint Committee's focus should be in the following areas:

1. Strategic policy development
2. Influence Government / key agencies to achieve direct intervention, support, funding and powers
3. Design and deliver strategic HotSW response to 'Government' offers
4. Design and deliver public sector reform where this will deliver

- improved productivity, eg in health and education
5. Deliver at scale –(beyond what individual councils can achieve)
 6. 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.

This approach is modelled as a diagram in Appendix A which shows the complementary roles (including ‘leadership’ and ‘subsidiary’) of the Joint Committee and the LEP for delivering the Productivity Strategy

It is not proposed at this stage to add to the functions where the Joint Committee has delegated authority to act.

4.1.5 This report argues the case in later paragraphs for additional budget and management capacity to be invested in the Joint Committee. The case for this is based on the outcomes that members will wish to see achieved as part of the move towards delivery. In terms of what you will wish to see in return for the investment made in the Joint Committee I would suggest that the outcomes will fall into the following areas:

- Housing – bid(s) for strategic housing deal(s) designed, submitted and agreed resulting in additional investment into HotSW
- Corridor Study agreed and completed
- Agreed HotSW LIS which meets our transformational objectives
- Enhanced engagement plan with MPs / Ministers funded and delivered
- Successful operational phase of the Brexit theme working on collaboration with Government
- Preparation for / response to offers of public sector reform to improve productivity
- Agreement and submission of Coastal Communities proposal to Government which achieves additional Government support for our coastal communities
- Develop the JC’s investment framework required to deliver the PS
- Develop and deliver Part 2 of the Communications Prospectus and the Delivery Plan
- Enable the partners to prepare for and respond to opportunities arising from the Comprehensive Spending Review and the Shared Prosperity Fund.

4.1.6 As part of the governance review the relationship of the Joint Committee with other local partnerships has been reviewed to look for opportunities to rationalise arrangements and ensure that there are appropriate reporting lines. The ‘joint committee’ model adopted is quite restrictive in terms of linking other governance arrangements directly to it. It is possible to have both decision making and advisory sub-committees reporting to the Joint Committee but there are restrictive membership restrictions for decision making sub-committees. For advisory committees the membership requirements are more flexible and can readily include members who are not voting members of the Committee.

For other groupings including:

- HotSW LEP Joint Scrutiny Committee
- Peninsula Transport

- Great South West Board
- HotSW LEP
- HotSW Local Transport Board

Reporting lines need to be established between the Joint Committee and these groups so that their complementary roles are acknowledged and understood.

4.2 Joint Committee membership

- 4.2.1** Two of the original Constituent Authorities – Taunton Deane Borough Council and West Somerset Council – cease to exist on 31st March 2019 and a new Council – Somerset West and Taunton Council will be established on 1st April 2019. The new Council will become operational immediately following the 2019 district council elections. Under the Local Government (Boundary Changes) Regulations 2018 the memberships of partnerships such as the Joint Committee which are held by the outgoing councils and any delegations made by them will novate to the new Council which will automatically become a Constituent Authority of the Joint Committee from the date of establishment. No formal decisions are required for this to happen. Therefore, an information note will be added to the Arrangements document to reflect the change.

4.3 Joint Committee Political Arrangements

- 4.3.1** How the Joint Committee has carried out its business has been reviewed by officers and some changes are proposed for the 2019/20 year and beyond. The key recommendation is for a better balance between formal decision making meetings (less of) and more opportunities for informal and private engagement sessions along the lines of the ‘Padbrook’ ‘devolution’ meetings. It is therefore suggested that:

- Formal Joint Committee meetings are reduced to 3 a year: in January, June and September
- In between the formal meetings there will be up to 3 informal Leaders engagement events
- Better and more formal use is made of existing Devon and Somerset Leaders (and CExs) meetings to support Joint Committee business.
- That two informal engagement sessions are arranged per annum for relevant Portfolio Holders and Directors to engage on Joint Committee business.

4.4 Joint Committee Management Support Arrangements

- 4.4.1** Under the political management arrangements changes are proposed to the officer support provided to the Joint Committee. The intention is to reduce the number of HotSW specific officer groupings and meetings at CEx level by making better use of existing arrangements in Devon and Somerset.

Beyond this, proposals are set out in the following paragraphs to increase

the direct support for the aspects of the Productivity Strategy which are the responsibility of the Joint Committee through:

- Better alignment with LEP management support arrangements currently being reviewed by David Ralph;
- Proper resourcing of programme management support for the Joint Committee's business to be funded from the Joint Committee budget;
- Consolidation of the current officer groupings into a single Policy Officer Group that is responsible for developing and supporting activity that will deliver the partnership's ambitions;
- Maintaining and where necessary increasing levels of 'in kind' officer support from across the partnership. This buy-in from the Constituent Authorities is essential across all tiers and geographies. Much of the burden to date has fallen on a few authorities and a wider spread of input is essential if this model is to be sustainable.

If this approach is supported then further work will be done on the detail working in collaboration with LEP management and overseen by the CEx Advisory Group.

4.4.2 At HotSW CEx level the following changes are proposed:

- Abolish the CEx Delivery Board (the meeting of all CExs across Devon and Somerset) as a standing group;
- Re-shape the CEx Advisory Group as the CEx Executive Group to involve the Senior Responsible Officer (SRO), the LEP CEx and task leads;
- The majority of the agenda-shaping and steering of Joint Committee business to take place through the existing Devon and Somerset CEx and Leaders groupings;
- We should leave scope for 1 x joint meeting per annum of the Devon and Somerset CEx Groups.

4.4.3 Underneath the HotSW CEx level the following management support arrangements are proposed:

- Funding for a properly resourced programme office, including a defined role to manage Joint Committee business based on an agreed role profile, expected time allocation, and work plan, initially for 2019/20, plus resourcing for thematic leads supporting Joint Committee business. The managing role would coordinate the input of the thematic leads and report directly to the new CEx 'Executive' Group.
- It is proposed that the cost of the programme management function (time requirements still to be defined) and thematic leads capacity is funded from a £20K allocation from the Administering Authority budget with the remainder drawn from the Committee's pooled budget -up to an absolute maximum of £70K incl. on-costs.
- Consolidation of a single Policy Officer Group providing in-kind capacity from a wider pool of Policy/Economic Development officers across all authorities. Need for clear roles, remits and in-kind contribution identified and agreed, potentially through Service Level Agreements with councils (or similar). The work of the Group to be

organised through the Programme Office in conjunction with the LEP.

- Clear links and interdependencies identified with the LEP Management Team that will help to shape the role and time requirements of the programme office role. Ideally a common work plan should be the basis of good collaborative working across the LEP and JC.
- The Administering Authority function would be restricted to providing a secretariat function for formal and informal meetings of the JC, not partnership development work.

The diagrams in Appendix B show the current and proposed governance arrangements of the Joint Committee.

4.5 Joint Committee Budget Position

4.5.1 The Joint Committee is currently totally reliant on the Constituent Authorities for its budget and there are no obvious sources of additional funding to boost the budget for running costs and to support delivery of its work programme.

The Constituent Authorities budget contributions for 2019/20 will total £48.6K based on the following contributions requested:

- County Councils - £10500
- Unitary Councils - £4000
- District Councils and National Park Authorities - £1400

Together with the current year underspend which currently stands at over £32K – this gives a maximum potential budget of £81K for 2019/20.

The officers' assessment is that this sum is a long way short of what will be required on an annual basis to fund the Joint Committee's support requirements including funding the programme office and the JC's work programme.

4.5.2 A realistic assessment is that the Joint Committee needs an operating budget of 3x the current sum collected from the Constituent Authorities giving a budget requirement of **£146k** per annum (rounded up from £145.8k).

This would cover anticipated expenditure of:

- £20K for the Administering Authority role
- £70K max for programme office support and thematic leads
- £56K to fund bespoke items in the JC work programme.

This leaves us with a potential shortfall for 2019/20 of up to £65K – if the full current underspend is available to carry forward into the next financial year.

In preference to asking all of the Constituent Authorities at this stage for additional contributions for 2019/20 beyond what has already been agreed, and for one year only it has been agreed by the two County Councils that they will work with colleagues from the other councils in their respective

areas to find ways to fund any budget shortfall arising in 2019/20. It is to be emphasised that this agreement only relates to 2019/20 and a new funding model will need to be agreed in time for the 2020/21 financial year with 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 Health and Well-being

No implications.

6.6 Health and Safety

No implications.

6.7 Sustainability

No implications.

6.8 Community Safety

No implications.

6.9 Privacy

No implications.

7. Background papers

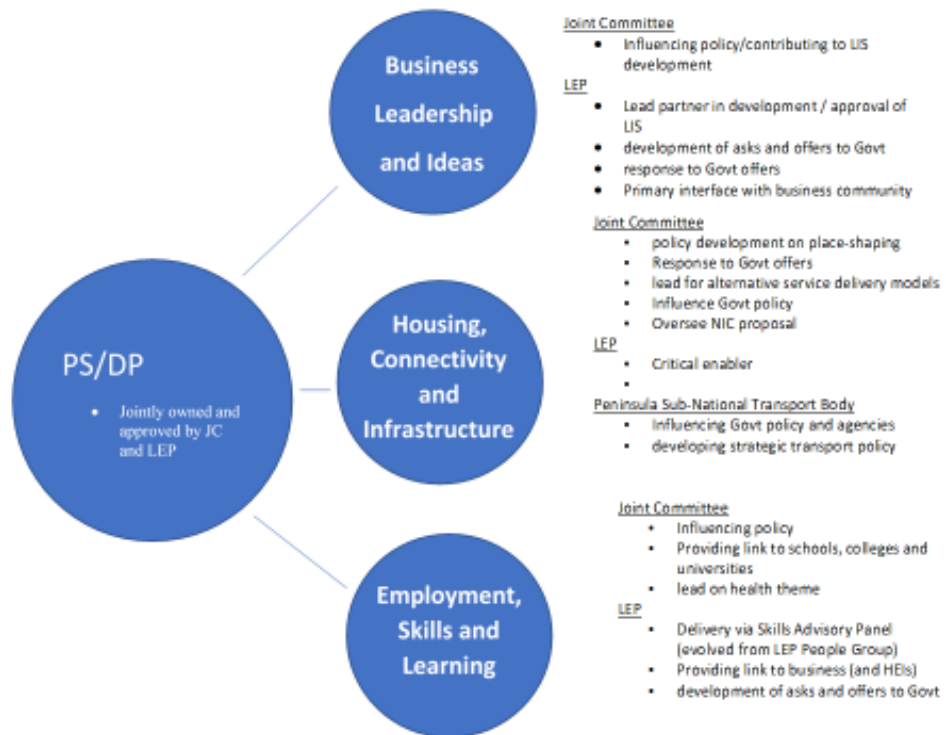
7.1 None

Note: For sight of individual background papers please contact the report author.

APPENDIX A

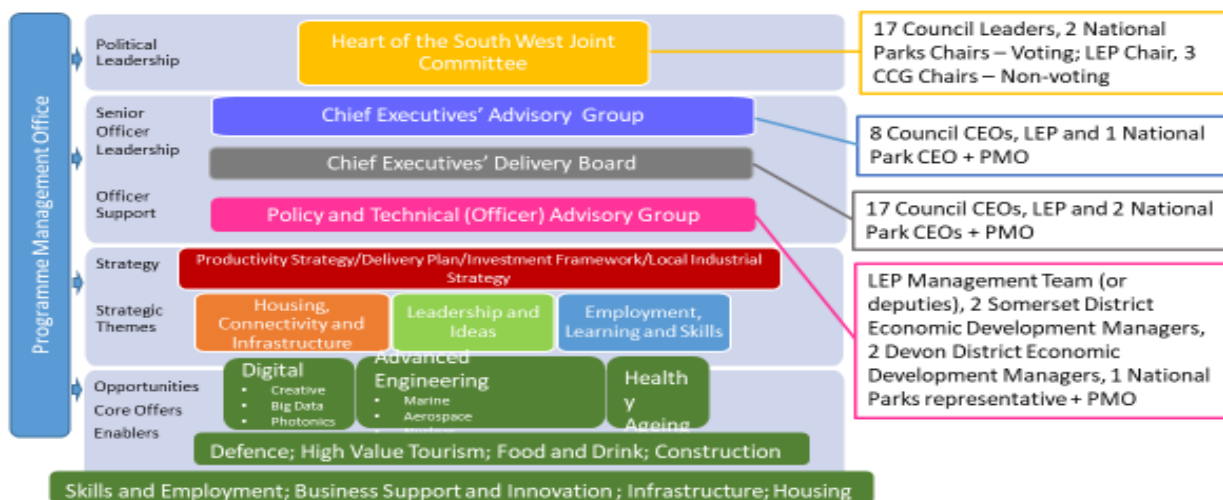
Future areas of work/link to LEP

Leaders
for the Heart of the South West



APPENDIX B

Heart of the South West Joint Committee Leadership and Management Structure (Current arrangements with membership)



Recommended Approach

