

HotSW Joint Committee

Meeting date – 12 July 2019

HotSW Joint Committee – Governance Arrangements and Budget summary

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1. Summary

- 1.1. This paper summarises the Joint Committee's governance and budgetary arrangements for the benefit of new members of the Committee. It includes recommendations to the Constituent Authorities to endorse some changes to the Committee's governance arrangements.

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>

2. Recommendations

- 2.1. **The Joint Committee is asked to recommend the changes to the Committee's list of functions in the Arrangements document (see Appendix A - as already agreed by the Joint Committee and the updated budget arrangements for endorsement by the Constituent Authorities, as required.**

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 the experience since its establishment in early 2018 and in response to the changing Government agenda. Some changes are required to the Committee's Arrangements document as a result and these need to be referred to the Constituent Authorities for approval.

4. Background

4.1 **Devolution partnership**

4.1.1 The partnership was established in 2015 as an informal meeting of Council Leaders and key partners (Local Enterprise Partnership, National Park Authorities and Clinical Commissioning Groups) to seek devolution of Government functions, powers and funding to the Heart of the South West area. The key aim was to achieve a step change in productivity across the area. At that time a combined authority model of governance was investigated through which powers, funding and responsibilities could be devolved.

4.1.2 The combined authority model option was not been pursued because of the Government's insistence at the time that this would have to include the election of a directly elected mayor. Combined authorities are also expensive to establish and run as they are separate legal entities able to commission activity, let contracts and employ staff. As an alternative the partnership agreed to establish a local authority based joint committee. It was recognised from the outset that this couldn't provide all the benefits of a combined authority but it could undertake functions on behalf of the Constituent Authorities and provide a base to establish a combined authority if that is the wish of the partners at some point in the future.

4.1.3 The Joint Committee was established in January 2018 to exercise functions delegated by the Constituent Authorities. Key principles underpinning the work of the Joint Committee are:

- The sovereignty and functions of the Constituent Authorities are protected.
- The principle of 'subsidiarity' applies requiring decisions to deliver the Productivity Strategy to be taken at the most local and appropriate level. The Joint Committee's purpose is to add value through strategic decisions and oversight of local delivery arrangements.

4.2 **HotSW Joint Committee governance arrangements:**

4.2.1 The Constituent Authorities established the Joint Committee by formally adopting:

- (a) A Joint Committee Arrangements document – a brief constitutional document detailing the functions of the Joint Committee, the membership requirements and how it would operate – *this is available to view as a background document – see section 11.1.*
- (b) An Inter-Authority Agreement detailing how the Committee would be supported and funded. *This is available to view as a background document – see section 11.1.*

4.2.2 The Joint Committee has met formally 4 times and has had several informal engagement sessions for Joint Committee Members and Chief Executives. The need to review the governance arrangements arose from:

- A move in Government policy away from large devolution 'deals' to a

more targeted dialogue between the Joint Committee and the Government on key themes, eg, housing, with a view to achieving delegation of powers, funding and influence. The Joint Committee's influencing role has become increasingly important as recognised by Ministers, local MPs and Government officials.

- The Government allocating to LEPs the lead role in developing and agreeing Local Industrial Strategies in consultation with local authorities as key stakeholders.
- The Joint Committee's evolving role away from agreeing policy (the HotSW Productivity Strategy) into 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.

4.2.3 Accordingly, Joint Committee agreed in advance of the May elections a slight refocusing of its role to cover 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.

4.2.4 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.

4.3 **Joint Committee management support arrangements**

4.3.1 Comprehensive management support arrangements have been in place to support the partnership (and latterly the Committee) since 2015. 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 have been made to fund project management support and administrative support to the Brexit Resilience and Opportunities Group from within the partnership.

4.4 **Outcomes from the Joint Committee's governance review**

4.4.1 The Joint Committee agreed revised partnership management support arrangements at its meeting in January 2019. These are set out in the

diagram in Appendix B.

4.4.2 The new arrangements provide for:

Political Leadership

- Less formal and more informal opportunities for Joint Committee members to meet;
- Two informal engagement sessions per annum for relevant Council Portfolio Holders and Directors on Joint Committee business.

Officer management arrangements

- A revised 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' groupings 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, (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 is initially for 6 months (April to Oct 2019) pending a review of the work load.

4.5 **Joint Committee Budget Arrangements**

4.5.1 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	80513 36,325 (carry forward to 2019/20)

4.5.2 The budget covers running costs and funds the work programme with contribution levels for each council tier based on population levels. Key issues are the adequacy of the budget and its sustainability as the

Constituent Authorities are the sole source of the funding. 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 double the core contribution for all Constituent Authorities as shown in the table above for 2019/20 as a one-off arrangement. At this stage in the year all of the Constituent Authorities have been invoiced for the core contributions as indicated in the table in 4.5.1 above. If required, a second invoice for a repeat of the core contribution will follow in the autumn if the budget is insufficient to fund the work required in the current financial year and only if fully costed work programme proposals are available to justify the request. The overall budget position for 2019/20 is summarised in the table below in 4.5.3. The need to take stock of the direction of the Committee’s work programme following the recent election outcomes and the heavy dependence on progress with discussions with the Government make it seem unlikely that the full contributions will need to be drawn down from the Constituent Authorities during 2019/20. This position will be kept under review during the autumn and members advised accordingly. Unknown aspects of the work programme include Brexit preparations and the budget impacts of any work which the Committee may wish to Commission are unknown at this stage. However, some funding has already been allocated to all of the councils for Brexit preparations and it may be possible for some of this to be made available for this collective Brexit work, subject to the agreement of the Constituent Authorities.

4.5.3

Income	£ (,000)
Constituent Authority contributions	48,600 - committed 48,600 – in principle
2018/19 underspend	36,326
	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

4.5.4 Discussions will follow in the autumn 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.

6. Equalities Implications

6.1 There are no equalities implications associated with the recommendations.

7. Financial Implications

7.1 As set out in this report.

8. Legal Implications

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

9. Business Risk

9.1 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.

10. Other Implications: Health and Well-being; Health and Safety; Sustainability; Community Safety; Privacy

10.1 There are no other implications

11. Background papers

11.1 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.

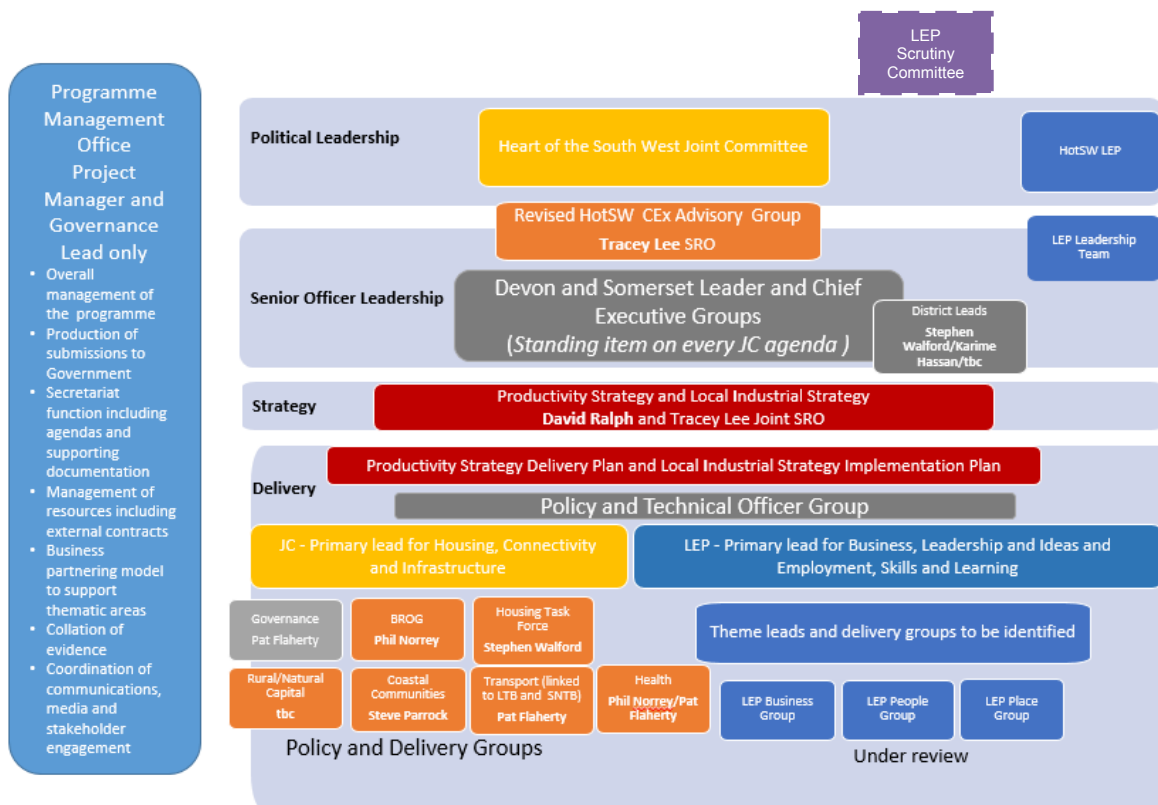
2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation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



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)