

Heart of the South West Joint Committee

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Cabinet Member: David Fothergill

Division and Local Member: All

1. Summary

- 1.1 Members who were here during the last quadrennium will recall the work done over the last two years across the Devon and Somerset authorities to seek a devolution deal for the area to bring down Government powers, functions and funding to improve productivity for the area. Against a backdrop of policy shifts at Government level the partners worked as one voice for the region but ultimately came up against a Government requirement that the area would need to have an elected mayor led combined authority established in order to achieve a worthwhile financial deal. The elected mayor requirement was a major stumbling block for many authorities in the partnership and earlier in the year the authorities agreed to move ahead incrementally with a less restrictive model and gave an ‘in principle’ agreement to establish a HotSW Joint Committee to progress our productivity strategy and put in place a formal mechanism to take forward negotiations with government on a range of policy agendas with a view to achieving additional benefits for the region. The Joint Committee model was designed to add additional benefit to the constituent authorities and not take powers away from the constituent authorities. The ‘in principle decision to establish a Joint Committee was not then taken forward on the planned timetable as planned because of the County and General Elections.
- 1.2 Following the elections, the plan to establish the Joint Committee has been reinvigorated and on the 22nd September a shadow Heart of the South West Joint Committee meeting was held at which Leaders from across the Heart of the South West agreed to move forward with the establishment of a Joint Committee. The primary purpose of the Joint Committee will be to agree and oversee implementation of the emerging Productivity Strategy for the area. It also has the potential to provide a formal mechanism to negotiate with Government on a range of policy areas to bring additional benefits to the area.

- 1.3 The shadow Joint Committee meeting on the 22nd followed a meeting with a Government Minister involving David Fothergill and other representatives of the partnership at which a clear indication was given that there is scope to potentially negotiate a devolution deal for the HotSW partnership and establish a Combined Authority without the need for a mayor. This welcome clarity together with the removal of the elected mayor requirement is likely to be attractive to the partners but much work needs to be done to move this agenda forward to agree a proposal to Government and take forward the possible establishment of a Combined Authority. The latter, if eventually established, would be a new and separate legal entity and would be on a different scale to the Joint Committee. However, moving to a Joint Committee at this stage has the advantage of creating a relatively simple formal model of governance that could be developed into a shadow Combined Authority at a point in the future if agreed by the partners.
- 1.4 A series of recommendations required to establish the Joint Committee will now be taken through the constituent authorities over the autumn period via a template report to ensure consistency with a view to the Joint Committee being established by January 2018. These recommendations will be taken through SCC's Cabinet and Full Council in November 2017.
- 1.5 The template report will be accompanied by an 'Arrangements' document outlining the legal status, purpose, aims and objectives, membership and functions of the Committee. In summary the body established by this process will be a formal joint committee of the 17 councils and two National Park authorities. Each constituent authority will have one 'seat' on the Committee and it is anticipated that these will be filled by Council Leaders. The LEP and the CCGs will have non-voting representation.
- 1.6 There will also be an inter-authority agreement that each constituent authority will be asked to agree. This covers the administrative arrangements for the Joint Committee, its operating and support budgets, the roles and responsibilities of the constituent authorities, and other provisions to ensure the smooth running of the Committee.

2. **Action Required of Scrutiny**

- 2.1 Committee members are asked to consider and comment on the Joint Committee proposal.

3 Functions of the Joint Committee

3.1 The proposed list of functions for the Joint Committee is set out in 3.3 below. The list of functions can be expanded at any time with the agreement of the constituent authorities so the list agreed at this meeting should be regarded as the starting point. The list below remains a draft list at this stage and subject to further discussion within the partnership before being finalised for consideration. .

3.2 The principle of subsidiarity will apply to the operation of the Joint Committee. In this regard the functions and powers of the constituent authorities will be protected under these Arrangements as indicated in the list of functions that follows:

3.3 Accordingly, it is proposed that the Joint Committee shall:

- (a) Develop and agree the HotSW Productivity Strategy in collaboration with the LEP.
- (b) Ensure delivery of the HotSW Productivity Strategy in collaboration with the LEP and the constituent authorities
- (c) 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.
- (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) Work with the LEP to identify and deliver improvements 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, the framework must be formally approved by the LEP's Administering Authority
- (f) 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.

3.4 A key requirement of the recommendations is to appoint an Administering Authority to run the Joint Committee and, in particular, provide financial, legal and democratic services support. The shadow meeting on 22nd September agreed to recommend the appointment of Somerset County Council as the Administering Authority for a two year period. This complements the Chief Executive's role as the governance lead for the devolution project on behalf of the partnership.

4. Background to the Joint Committee

- 4.1 The 19 authorities gave 'in principle' agreement to the establishment of a HotSW Joint Committee over the February to April 2017 period. Only one authority did not sign up to the full list of proposed functions of the Joint Committee at that stage: Exeter City Council had reservations about the wider ability of the Joint Committee to negotiate with government for powers and funding. Discussions are on-going with Exeter with a view to finding a form of words that is likely to be acceptable to that Council and indeed all of the constituent authorities as the overriding intent is to keep all of the partners on board and involved in the Joint Committee. In negotiations with Government it is clear that there is considerable strength in our partnership's ability to speak with 'one voice'.
- 4.2 The 'in principle' approvals given were subject to each authority approving documents detailing the Joint Committee's Arrangements and the Inter-Authority Agreement confirming how the Joint Committee will operate and be supported. The plan at that stage was to bring these documents through the summer 2017 democratic cycle but this was put on hold pending the outcome of the County Council and then the General Elections.
- 4.3 The HotSW Chief Executives Group (which includes Somerset County Council's Chief Executive) now considers that the time is right to move forward with the proposal to establish the Joint Committee with a view to having it in place by January 2018. The Shadow Joint Committee meeting on the 22nd September was called on the back of this initiative and the actions resulting from that meeting are detailed at the front of this report.

4.4 Background to the HotSW Productivity Strategy

The key function of the Joint Committee is to agree and ensure the implementation of the HotSW Productivity Strategy. This aims to narrow the 'productivity gap' evident in the HotSW LEP area, driving up prosperity and living standards for all, as well securing the resources needed to do so:

- The overarching ambition of the Productivity Strategy is to double the size of HotSW economy in Gross Value Added (GVA) terms by 2036.
- It will also act as a basis for any future negotiations with Government, whether related to devolution or other activities, such as the UK Industrial Strategy, or making the case for investment in our area.
- It has been prepared in partnership between all HotSW district, county and unitary authorities, national parks and the LEP, and in wider partnership with CCGs, private and third sector partners and central government.
- It is a successor document to the LEP's Strategic Economic Plan which was published in 2014.

The Productivity Strategy is currently going through public and stakeholder consultation and will eventually be considered by the Cabinet alongside the Joint Committee proposal. The intention is for the Joint Committee to approve the Productivity Strategy on behalf of the partners in January 2018.

4.5 **Consultation and Implications**

These aspects will be fully covered in the decision report to be brought to Cabinet in due course.

A key issue will be a budget for the Joint Committee. This is being developed but is likely to be in the region of £89,000 in 2018/19 which includes a sum of £40,000 to the Administering Authority to run and support the Committee and £49,000 to fund the Committee's work. These are draft figures and will require revisiting once the Committee is in place and has developed a work programme. It will be proposed that all of the constituent authorities contribute to meeting these costs on the basis of the following formula for 2018/19.

- County Councils - £10,500
- Unitary Councils - £4,000
- District Councils and National Park Authorities - £1,400

These proportions are based on those used in 2015 to support the devolution project. The actual amounts above are calculated on the basis that all authorities agree to become members of the Joint Committee. The sums would be recalculated should less than 19 authorities become members of the Joint Committee. It is also based on the constituent authorities maintaining the current levels of 'in-kind' officer support to the Joint Committee as has been the case during the course of the devolution project.

Background papers

Heart of the South West Productivity Strategy and consultation:
www.torbay.gov.uk/devolution