

Heart of the South West Joint Committee Budget Update - 2020/21 and draft budget for 2021/22

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1. Summary

- 1.1.** This report provides an update for the Constituent Authorities on the Joint Committee's pooled budget for 2020/21. The report contains recommendations for budget allocations from the available residual budget. It also sets out proposals for a draft 2021/22 budget and partner contributions to recommend to Constituent Authorities.

2. Recommendations

2.1. It is recommended that:

(a) funding is allocated and Plymouth City Council are re-appointed to provide Officer support for the Project Management Office for 2020/21 and until 22 January 2022 (see section 4.4 and table in 4.5.1);

(b) funding is allocated and Somerset West & Taunton Council are re-appointed for 2020/21 to provide staff resources to support the HEROG work (see section 4.4 and table in 4.5.1);

(c) funding is allocated for project officer resources to support and develop the Housing Task Force priorities during 2020/21 (see table in 4.5.1).

(d) the draft 2021/22 Budget is considered in section 4.6 together with recommending to the Constituent Authorities that the Joint Committee budget contributions for 2021/22 should be:

- County Councils - £21,000**
- Unitary Councils - £8,000**
- District Councils and National Park Authorities - £2,800**

Note: see para 4.6 for the detail behind this recommendation

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** The Joint Committee approved the 2020/21 budget at its meeting in September 2019. The Committee also re-appointed Somerset County Council as the Administering Authority until 22 January 2022.
- 4.2** The Joint Committee 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.
- 4.3** The subject matter focus for the Joint Committee falls 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

4.4 Joint Committee Management Support Arrangements

- 4.4.1** Comprehensive management support arrangements have been in place to support the partnership (and latterly the Joint Committee) since 2015. These were reviewed and refined in 2019. 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. 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.
- 4.4.2** In 2019/20, Plymouth City Council were appointed to provide a dedicated and resourced programme management function, (£20,000 per annum 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 function and resource is still required in 2020/21 and therefore approval is sought to continue this appointment in 2020/21 and 2021/22 (until January 2022 to align with the review of the Administering Authority function).
- 4.4.3** Devon County Council have provided resources in kind to support the HEROG work of the Committee and this has been supplemented by officer resources from Somerset West & Taunton (£20k in 2019/20). This work and support are still priorities for 2020/21 and therefore funding is required for the seconded officer resources (£20k in 2020/21). It is anticipated that there will not be a requirement for funding seconded officer resources in 2021/22.

4.5 Joint Committee 2020/21 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. Joint Committee members' costs and expenses are funded and administered by each respective Constituent Authority.

The latest position with the 2020/21 Joint Committee budget is as follows:

	£	
Income		
Carry-over from 2019/20	(£17,768)	
2020/21 Contributions		
County Council x2	(£42,000)	

Unitaries x 2	(£16,000)	
Districts / National Park Authorities x 14	(£39,200)	
Total contributions	(£97,200)	
Total 2020/21 budget (including carry over)	(£114,968)	
Expenditure		
<u>Allocated funding</u>		
Administering Authority and meeting support	£24,968	
<u>Recommended funding allocations</u>		
Plymouth City Council (PMO support)	£20,000	
Somerset West & Taunton (HEROG support)	£20,000	
Housing Task Force support	£20,000	
2020/21 Residual Budget unallocated (assuming recommended funding allocations are approved)	£30,000	

4.5.2 The Joint Committee budget covers the costs of running the Committee and funding priority projects within its work programme. Contribution levels for each council tier are based on population levels. In 2019/20, the Committee agreed that a larger annual budget was required to fund work programme priorities in future years and sought the agreement of the Constituent Authorities to double the core contributions as a one-year arrangement so giving maximum contributions in 2020/21 of:

County Councils - £21,000

Unitary Councils - £8,000

District Council / National Park Authorities – £2,800

All Constituent Authorities have been invoiced in July for their 2020/21 contributions.

A key unknown aspect of the future work programme is the Committee's response to the anticipated Government White Paper on Devolution in Autumn 2020 and support for its Investment Priorities and associated lobbying. This will be kept under review in the coming months as the position becomes clearer.

The table above sets out several funding allocation approvals for

consideration. Subject to those approvals then the 2020/21 residual budget would be £30,000.

4.6 Joint Committee 2021/22 Draft Budget

Each year the Joint Committee needs to consider and approve a draft budget for consideration by each of the Constituent Authorities ahead of the next financial year.

To support this, the views of the HotSW Chief Executive Group has developed the draft 2021/22 Budget for consideration by the Joint Committee at its meeting on 9 October in order to feed into partners' annual budget setting by early 2021. The draft budget for 2021/22 has been developed as follows:

	£
Projected Income	
Carry-over from 2020/21	(£10,000)
2021/22 Contributions (if at 2020/21 levels)	
County Council x2	(£42,000)
Unitaries x 2	(£16,000)
Districts / National Park Authorities x 15	(£39,200)
Total contributions	(£97,200)
Total 2020/21 budget (including carry over)	(£107,200)
Forecast Expenditure	
<u>Allocated funding</u>	
Administering Authority and meeting support	£27,200
<u>Recommended funding allocations</u>	
Plymouth City Council (PMO support)	£20,000
Devolution lobbying and project funding support	£50,000
2021/22 Residual Budget unallocated (assuming recommended funding allocations are approved)	£10,000

The above draft budget projection assumes that partners continue to

provide most of the staffing resource support in kind, the partner contributions are maintained at 2020/21 levels, specific funding support for HEROG work (£20k per annum) is no longer required and the introduction of a notional funding allocation for devolution lobbying and project development of £50,000. Those assumptions would leave a residual unallocated budget of £10,000 to carry over into 2022/23 as a contingency / reserve.

At this stage there is a lot of uncertainty regarding the scope and scale of activity requiring funding in 2021/22 and whilst the above assumptions may appear prudent there is a risk that the ambitions of the Joint Committee may require additional funding to be made available from constituent authorities. There are several options available for 2021/22 budget planning with regards to constituent authorities budget contributions:

- 1) Maintain the 2020/21 level of contributions
- 2) Increase partner contributions

Chief Executives recommend to the Joint Committee that Option 1 (maintain contributions at 2020/21 levels) :

County Councils – each council contributes £21,000

Unitary councils – each council contributes £8,000

Districts / National Park Authorities – each council contributes £2,800

This would provide total contributions of £ 97,200 for 2021/22

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 setting an unsustainable annual budget for 2021/22 which does not support the delivery of its ambitions and weakens the ability to attract investment into the area. This in turn would compromise the ability to deliver the Productivity Strategy.

- 6.5** Other Implications: Health and Well-being; Health and Safety; Sustainability; Community Safety; Privacy
No implications.

7. Background papers

- 7.1** Heart of the South West Joint Committee Governance Arrangements – 27
September 2019

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