

## **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 a further update for the Constituent Authorities on the Joint Committee's pooled budget for 2020/21. The report follows from the report in October 2020 and contains some revised recommendations for budget allocations from the available budget. It also sets out updated proposals for a draft 2021/22 budget.

### **2. Recommendations**

**2.1. It is recommended that:**

**(a) as part of continuing to support economic recovery work that further funding is allocated and Somerset West & Taunton Council are re-appointed for 2021/22 until 22 January 2022 to provide staff resources to support the HEROG work (see section 4.4 and table in 4.5.1);**

**(b) the bulk of the 2020/21 funding already allocated for project officer resources to support and develop the Housing Task Force priorities is deferred to provide funding in 2021/22 due to the impacts of Covid 19 emergency work (see tables in 4.5.1 and 4.6).**

**(c) the revised draft 2021/22 Budget is endorsed (see section 4.6)**

### **3. Reasons for recommendations**

- 3.1** 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. To that end it is important that the Committee reviews its funding allocations and proposed future funding commitments and makes any appropriate adjustments in order to support the delivery of its priorities.

## **4. Background**

**4.1** The Joint Committee approved the 2020/21 budget at its meeting in September 2019. At the same meeting 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.

**4.2** In October 2020, the Committee reviewed and approved a series of funding allocations for 2020/21 and a proposed draft budget for 2021/22, within the envelope of budget contributions from Constituent Authorities and carry over funding from previous financial years.

**4.3** Officers maintain a regular review of budget allocations and funding commitments to ensure that the budget is used efficiently and to recommend any appropriate adjustments as a result of changing circumstances or other external factors e.g. Covid 19 pandemic.

**4.4** Work on some of the proposed funding allocations, such as the Housing Task Force, has been affected by the councils' collective support towards the Covid 19 emergency response and addressing the impact on the local economy. Some work has been undertaken, particularly in preparing a Joint Committee response to consultations. Additional work is partially dependent on the government's timeline for policy development around housing and planning.

### **4.4 HEROG support**

**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 and 2020. 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 HEROG.

**4.4.2** 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 and 2020/21). Following review by HEROG it is recommended that a further funding allocation is made for 2021/22 to support this work. It is recommended therefore that funding is allocated and Somerset West & Taunton council continue to provide staffing resources until 22 January 2022 (same date as the review of the Administering Authority and project management office).

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

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

|  |   |  |
|--|---|--|
|  | £ |  |
|--|---|--|

|   |                       |  |
|---|-----------------------|--|
| <b>Income</b>                               |                       |  |
| 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)            |  |
| <b>Expenditure</b>                          |                       |  |
| <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                  | £3000 (see 4.3 above) |  |
| 2020/21 Residual Budget unallocated         | £47,000               |  |

#### 4.6 Joint Committee 2021/22 Draft Budget

Each year the Joint Committee needs to consider and approve a draft budget. The Joint Committee budget covers the costs of running the Committee and funding priority projects within its work programme.

A key unknown aspect of the future work programme is the Committee's response to the anticipated Government White Paper on Devolution, together with specific project support for its Investment Priorities and associated lobbying. This will be kept under review during 2021 as the position becomes clearer.

The Joint Committee endorsed a draft 2021/22 budget at its meeting in October 2020. **Since then this has been reviewed and minor revisions to budget allocations (shown in red below) are proposed.** The proposed draft budget for 2021/22 is therefore as follows:

|   | £                                |
|---|----------------------------------|
| <b>Projected Income</b>   |                                  |
| Carry-over from 2020/21   | (£47,000)                        |
| 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)   | (£144,200)                       |
| <b>Forecast Expenditure</b>   |                                  |
| <u>Allocated funding</u>  |                                  |
| Administering Authority and meeting support   | £27,200                          |
| Plymouth City Council (PMO support)   | £20,000                          |
| Devolution lobbying and project funding support   | £50,000                          |
| Housing Task Force support  | £17,000                          |
| <u>Recommended funding allocations</u>  |                                  |
| <b>HEROG work</b>   | <b>£20,000 (see 4.4.2 above)</b> |
| 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 and the partner contributions are maintained at 2020/21 levels. 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 and beyond 2021/22 and whilst the above

assumptions may appear prudent there is a risk that the ambitions of the Joint Committee may subsequently require additional funding to be made available from constituent authorities and / or other sources.

## **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 potentially the need for additional partner contributions during 2021/22 and/or future years in order to the delivery of the Committee's ambitions and plans.

### **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 and Budget Update report in October 2020

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