

Date of meeting:	16 December 2019
Title of Report:	Heart of the South West Joint Committee Governance Review
Lead Member:	Councillor Tudor Evans OBE (Leader)
Lead Strategic Director:	Tracey Lee (Chief Executive)
Author:	Alison Ward
Contact Email:	alison.ward@plymouth.gov.uk
Your Reference:	N/A
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report is based on a standard template intended to update each of the Constituent Authorities of the Heart of the South West (HotSW) Joint Committee regarding revised governance arrangements, and the budgetary position for 2019/20. The report contains recommendations for amendments to the Committee's Arrangements document following the governance review.

Recommendations and Reasons

That Council:

- a) as a constituent member, approves the amendments to the Heart of the South West Joint Committee's list of functions in the Arrangements document (highlighted in bold italics in Appendix A attached), and notes the updated budget position for 2019/20;
- b) as a constituent member, approves the recommendation from the Joint Committee on 27th September 2019, to re-appoint Somerset County Council as the Administering Authority for the Joint Committee for a further 2 years until January 2022;
- c) makes provision of £8,000 as the Council's contribution to the administration and work programme of the Joint Committee for the 2020/21 financial year, subject to all other Constituent Members making financial contributions based on the methodology recommended by the Joint Committee at their meeting on 27th September 2019.

Reasons

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.

Alternative options considered and rejected

The alternative would be to reject the proposed changes to governance, and financial contributions. This option is not recommended as this would ultimately undermine the role and sustainability of the Joint Committee and would not be consistent with the Council's desire to influence regional and national agendas. It is essential that the Joint Committee remains fit for purpose; that it represents a sustainable way of joint working into the future; and that it delivers value for the resources committed to it by the Constituent Authorities.

Relevance to the Corporate Plan and/or the Plymouth Plan

Plymouth City Council is taking a lead role in driving and managing the HotSW Leaders' programme. This includes leading and shaping the work of the partnership. As the largest city in the HotSW area, it is appropriate that Plymouth has a prominent role in the regional agenda, helping to raise the profile of the Heart of the South West with Government and enabling the area to compete regionally and nationally. This activity makes a significant contribution to the Council's Corporate Plan priority to 'create a strong voice for Plymouth regionally and nationally.'

Implications for the Medium Term Financial Plan and Resource Implications:**Financial Implications**

A full budget breakdown is set out in section 4.0 of the background paper including the schedule of contributions from the Constituent Authorities. In the case of Plymouth City Council, a contribution of £8,000 to cover the administration and work programme costs of the Joint Committee is requested for the financial year 2020/21.

Additionally, in recognition of the level of officer support that Plymouth City Council provides, the Council will receive £20,000 for the current financial year from the Joint Committee budget. This will offset the Council's contribution for 2019/20.

The Joint Committee continues to provide a relatively low-cost, effective governance structure for bringing partners together across a large dispersed geography into a single leadership body that promotes the interests of the HotSW area, as well as championing specific place-based priorities.

Legal Implications

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

HR Implications

None

Carbon Footprint (Environmental) Implications:

None

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Risk Implications

The key risk to the Constituent Authorities is a Committee without a clear role and functions and with unsustainable support arrangements. The Joint Committee has been acknowledged by Ministers and senior civil servants and as a valuable body that can represent the collective interests of the Heart of the South West area and which works effectively with the Local Enterprise Partnership. If the Committee cannot be sustained into the future then the momentum 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 area will be severely compromised. This in turn would compromise the ability to deliver the jointly adopted Productivity Strategy.

Equality and Diversity:

There are no equalities implications associated with the recommendations.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		1	2	3	4	5	6	7
A	Extract From The Joint Committee's Arrangements Document							
B	Joint Committee Support Structure							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 27/09/2019											
Cabinet Member approval: Councillor Tudor Evans OBE (agreed verbally)											
Date approved: 24/10/2019											

Background

1.0 Review of the role and functions of the Joint Committee

The Constituent Authorities have previously agreed one addition to the list of delegated functions by giving the Joint Committee the function of agreeing the local authorities' input into the development of the HotSW Local Industrial Strategy (LIS). Plymouth City Council approved this at their meeting on 28th January 2019.

In addition to the above policy development, the need to review the governance arrangements arose from:

- Changes in Government policy away from large devolution 'deals' to a more targeted dialogue on key themes of relevance to the local authorities and partners, eg, housing. The Joint Committee's influencing role has become increasingly important as recognised by Ministers, local MPs and Government officials. The ambition remains to draw down additional functions, powers and funding from Government.
- The evolution of the Joint Committee's role from agreeing policy (the HotSW Productivity Strategy) to overseeing delivery of the Strategy alongside the LEP.
- The developing relationships with other key local partnerships to ensure that there are appropriate reporting lines and communication channels, e.g. HotSW LEP Joint Scrutiny Committee, Peninsula Transport Board, Great South West, HotSW Local Transport Board.

Accordingly, the Committee has 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.

This does not involve the transfer of any functions from the Constituent Authorities to the Joint Committee.

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.

The subject matter focus for the Joint Committee will fall into the following areas of the Productivity Strategy Delivery Plan:

- Housing – including support for a more strategic dialogue with Government that complements the work of individual councils and joint working arrangements, and helps accelerate housing delivery across the area
- Support for a Route Based Corridor Study identifying key infrastructure requirements, to be agreed and completed (working with the Peninsula Transport body)
- An agreed HotSW Local Industrial Strategy which meets our transformational objectives, signed off by Government
- A 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 a Coastal Communities proposal to Government seeking additional Government support for our coastal communities
- Development of an investment framework to deliver the Productivity Strategy within a new national funding environment.
- Enabling partners to prepare for and respond to opportunities arising from the Comprehensive Spending Review and the Shared Prosperity Fund.

2.0 Joint Committee Political Arrangements

The Committee has agreed to change its meeting arrangements to achieve a better balance between formal decision-making meetings (fewer) and more opportunities for informal engagement and challenge sessions.

In addition, two informal engagement sessions will be arranged per annum to engage relevant Portfolio Holders and Directors on Joint Committee business.

3.0 Joint Committee Management Support Arrangements

Comprehensive management support arrangements have been in place to support the partnership (and latterly the Joint Committee) since 2015. These have been recently reviewed and refined. 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.

In addition, Somerset County Council (SCC) was appointed as the Administering Authority to the Joint Committee to support and run the Joint Committee and its meetings. SCC has been paid for undertaking this role from the Joint Committee budget.

Other direct budget contributions towards the Committee support costs have been allocated to refund those Constituent Authorities who have provided officer resources for programme management capacity, and administrative support to the Brexit Resilience and Opportunities Group.

The diagram in Appendix B shows the revised management support arrangements of the Joint Committee.

The revised arrangements provide for:

- A CEx Executive Group to lead the work of the Joint Committee and to include theme leads for the Delivery Plan. The membership of this group is set out in Appendix B.
- Use of existing Devon and Somerset Chief Executives' and Leaders' meetings 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.
- 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 management function, (funded from the Joint Committee's budget) to manage Joint Committee business on behalf of the CEx Executive Group and additional to the Administering Authority role.

4.0 Joint Committee Budget Position

The Joint Committee remains completely reliant on the Constituent Authorities for its budget and there are no other obvious sources of additional funding to support running costs or delivery of its work programme.

The Joint Committee budget as at the end of March 2019 was as follows:

Constituent Authorities	Contributions		Expenditure – 18/19	
	– 18/19	£	£	
County Council x2		10,500	40,000	Administering Authority costs (including staffing, venue hire, publicity costs)
Unitaries x 2		4,000		
Districts / National Park Authorities x 15		1,400	16,346	Brexit admin support costs
Underspend carried forward from Devolution Budget		66,838	9,750	Housing audit
			5,000	Housing conference
			8,759	Transport consultancy
			660	Portfolio-holder event costs
Total		116,838	80,513	
			36,325	(carry forward to 2019/20)

The Joint Committee budget covers the costs of running the Committee and the work programme. Contribution levels for each council tier are based on population levels. 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 seek the agreement of the Constituent Authorities to double the 2018/19 core contributions as a one-year arrangement so giving maximum contributions in 2019/20 of:

County Council - £21,000

Unitary Council - £8,000

District Council / National Park Authorities – £2,800

For 2018/19 only these contributions were split into two payments. Constituent Authorities have been invoiced for 50% of the amounts stated above. A second invoice was due to be sent to each Constituent Authority for the other 50% in the autumn if the budget proved to be insufficient to fund the work required in 2019/20 and only if fully costed work programme proposals were available to justify the request.

The overall budget position for 2019/20 is detailed in the table below. There are no plans to invoice the Constituent Authorities for the second budget contribution for 2019/ 20 because of the need to take stock of the direction of the Committee's work programme following the recent elections and delays in progressing discussions with Government, as a result of Brexit.

As it stands the contributions collected from the Constituent Authorities (£48,600) together with the underspend carried forward from 2018/19 (£36,326) totalling £84,926 is sufficient to cover the planned and anticipated costs for 2019/20 of £60,000.

A key unknown aspect of the work programme is the preparation for Brexit and the budget impacts of any additional work that the Committee may wish to commission. This will be kept under review in the coming months as the position becomes clearer.

Income	£
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Constituent Authority contributions	48,600 - committed 48,600 – in principle
2018/19 underspend	36,326
<u>Total</u>	133,500 (of which 48.6k is in principle)

Expenditure	£
Administering Authority Programme Office	20,000 – committed (for the year) 20,000 – committed (April 19 to April 20)
Brexit Resilience and Opportunities Group – officer support costs	10,000 – in principle (April to Sept) (Oct onwards tbc but estimated at up to £10,000)
Housing Task Force	Tbc
Growth Corridor Work	Tbc
MP/ Ministerial engagement	Tbc
Brexit work programme	Tbc
Coastal Communities proposal	Tbc
<u>Total</u>	£60,000 (including anticipated commitments detailed above)

Further discussions are planned as to how to establish a financially stable Joint Committee budget for future years.

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 Strategy Delivery 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’s 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 and the LIS, working with the LEP.***
- (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 and respond to Government calls for evidence if appropriate.***
- (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.

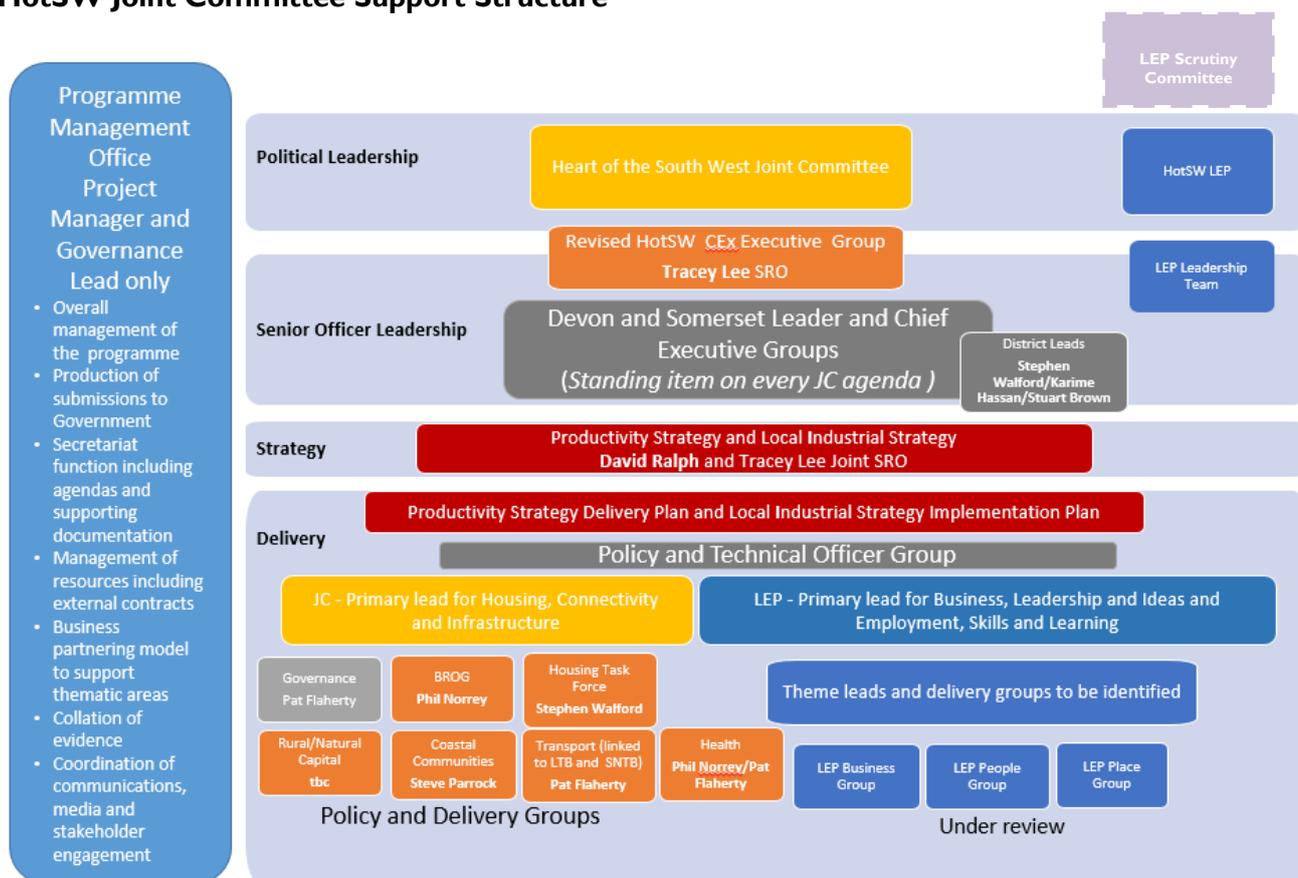
- (i) Ensure that adequate resources (including staff and funding) are allocated by the Constituent Authorities to enable the objectives in (a) to (e) above to be delivered.

The following clause was removed from the list of functions.

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.

APPENDIX B

HotSW Joint Committee Support Structure



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)