

PLYMOUTH CITY COUNCIL

Subject: Heart of the South West Joint Committee – Update Report
Committee: Council
Date: 28 January 2019
Cabinet Member: Councillor Tudor Evans OBE (Leader)
CMT Member: Tracey Lee, Chief Executive
Author: Alison Ward, Regional Partnerships Manager
Contact details: Tel: 01752 398084
e-mail: alison.ward@plymouth.gov.uk
Key Decision: N/A
Part: I

Purpose of the report:

This report is to update the Council on the progress of the Heart of the South West (HotSW) Joint Committee and to specifically extend the remit of the Joint Committee to include developing, endorsing and delivering a Local Industrial Strategy (LIS). The Local Industrial Strategy will build on the HotSW Productivity Strategy and the associated action plan which have been jointly developed by the Joint Committee and the Local Enterprise Partnership over the last 2 years. The LIS will be a strategy that is agreed with the Government and will provide a focussed, long term plan to guide future investment in the distinctive strengths of the Heart of the South West. The report also finalises some elements of the arrangements for the Joint Committee around budget and cost sharing.

The Corporate Plan 2016-19

The Productivity Strategy sets out the long term aspirations for the whole of the Heart of the South West area. Plymouth's priorities were fed into this strategy and are specifically reflected in terms of the sector strengths of marine, advanced engineering and nuclear expertise, and in the identification of the shared challenges of connectivity and skills. The Local Industrial Strategy will further refine HotSW's long term aspirations in agreement with Government. It is expected that the strategy will reflect Plymouth's advanced engineering expertise around marine, as well as nuclear in relation to the defence sector, and potentially support for our emerging expertise around medi-health.

Plymouth has taken a lead role in managing the HotSW Leader's programme which includes shaping and driving the work of the partnership. As the largest city in the HotSW area it is appropriate that Plymouth has a prominent role in the 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 role makes a significant contribution to the Council's Corporate Plan priority to 'create a strong voice for Plymouth regionally and nationally.'

Implications for Medium Term Financial Strategy and Resource Implications:

Including finance, human, IT and land:

I. Financial Implications

The direct costs to the Constituent Authorities are set out in Appendix 3. In addition to this the Constituent Authorities and partners continue to input considerable amounts of officer time into the partnership on an 'in kind' basis. The LEP also makes a significant contribution to the shared work of

the Committee and has met some direct costs. Plymouth City Council will seek to recover some of the costs of officer time for the significant levels of support that the Council provides in managing the programme office, and in supporting the development of the Joint Committee's Housing theme work. This will offset the Council's contribution for 2019/20.

The Joint Committee provides a relatively low-cost, effective option compared to the Combined Authority model, 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.

2. Legal Implications

The HotSW Joint Committee is a Joint Committee of the local authorities across Devon and Somerset that comprise the HotSW area, established under Sections 101 to 103 of the Local Government Act 1972 and all other enabling legislation. Other partner organisations, including the Local Enterprise Partnership and the three NHS Clinical Commissioning Groups are (non-constituent) members of the Joint Committee.

The Committee is a single strategic public sector partnership providing cohesive, coherent leadership and governance to ensure the delivery of the Productivity Strategy for the HotSW area. The specific objectives of the Joint Committee are to:

- Improve the economy and the prospects for the region by bringing together the public, private and education sectors;
- Increase our understanding of the economy and what needs to be done to make it stronger;
- Improve the efficiency and productivity of the public sector;
- Identify and remove barriers to progress and maximise the opportunities/benefits available to the area from current and future government policy.

3. HR Implications

None

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

1. Other Implications (including due regard implications)

None

2. Risk Implications

As one of the constituent Local Authorities in the Joint Committee, the main risk is that a failure to actively engage will mean that the Council is not aware of the opportunities presented through the Joint Committee, including a potential loss of the Council's influence at regional level and with Government. It would also weaken the wider partnership proposition, affecting the ability of the HotSW partnership to speak with one voice and to influence Government policy for the benefit of the whole area.

Equality and Diversity:

The Inter-Authority Agreement requires all Constituent Authorities to support, promote and discharge the duties under the Equality Act through the work of the Joint Committee. The Partnership has developed an Equality Impact Needs Assessment that sits alongside the Productivity Strategy.

Recommendations and Reasons for recommended action:

That Council:

- a) Note the progress report which sets out the work of the Heart of the South West (HotSW) Joint Committee since its establishment in March 2018;
- b) Confirms that the Leader is our representative on the Joint Committee and that through his membership of that body, the Council is able to endorse the Local Industrial Strategy;
- c) Note the budget statement for 2018/19 set out in Appendix 3 and that in accordance with the decisions taken at the time the Committee was established, the Council will be asked to make an annual budgetary provision to meet the support costs of the Joint Committee in line with the 2018/19 contribution. Final clarification on any additional 2019/20 budget requirement will be provided following the completion of the review of the Joint Committee's role, function and management support arrangements, and development of its work programme for 2019/20;
- d) Agree the Budget and Cost-sharing Agreement set out in Appendix 4 to this report.

Reasons

It is essential that all HotSW local authorities contribute to the development and endorsement of the Local Industrial Strategy, working in collaboration with the LEP. The LIS will be a natural evolution of the Productivity Strategy and Delivery Plan for which the Joint Committee already has delegated authority, and it is therefore appropriate to formally extend authority regarding the LIS to the Joint Committee, on behalf of the Constituent Authorities. It is also important that the Constituent Authorities are kept up to date on the Committee's budget situation, that provision is made for the 2019/20 budget commitment, and that the Budget and Cost Sharing Agreement is formally agreed by the Constituent Authorities as part of the Committee's governance arrangements.

Alternative options considered and rejected

This report is primarily an update report, but also seeks agreement for the Joint Committee, of which the Council is a founding member, to extend its remit to cover the development of a HotSW Local Industrial Strategy. The alternative would be to reject the proposal to extend the scope of the Joint Committee to cover development of the LIS, and to withhold funding contributions. This could 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.

Published work / information:

Heart of the South West Productivity Strategy
[Stepping up to the Challenge](#)

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Background Paper – Appendix I										

Sign off:

Fin akh.1 8.19. 184		Leg Lt/31 879/0 I		Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member: Giles Perritt													
Has the Cabinet Member(s) agreed the content of the report? Yes													

Background Summary

1. Introduction

- 1.1 In March 2018, the HotSW Joint Committee was formally established by the councils and organisations that had been involved since 2015 through the HotSW ‘devolution partnership’. The Committee is tasked with improving productivity across the HotSW area, in collaboration with the HotSW LEP and other organisations.
- 1.2 The Committee has met formally three times, in March, June and October 2018. In addition to this the management structure that sits behind the Committee and involves Chief Executives and senior officers from across the partnership has met regularly to drive the business of the Committee. The Committee is chaired by Cllr David Fothergill, Leader of Somerset County Council and the Vice-Chair is Cllr John Tucker, Leader of South Hams District Council.
- 1.3 This report summarises the progress made by the Committee over recent months in key areas of activity and sets out actions proposed in the coming months. As part of this report there are specific recommendations for the constituent authorities to consider.

2. Key achievements

- 2.1 At each meeting the Committee has been briefed on recent inward investment successes, achieved through the work of the local authorities and the LEP. The Joint Committee aims to build on these successes, in addition to raising the profile of the Heart of the South West and getting greater traction with Government.

(a) Influencing government

The partnership’s original focus in 2015 was to explore the opportunities on offer through the Government’s Devolution agenda to improve productivity. Over time, Government policy has shifted away from Devolution deals, and the Joint Committee has continued to exercise an influencing role through meetings with Ministers and senior civil servants to promote an agreed set of HotSW priorities. This approach is proving successful, demonstrating the benefits of presenting a single compelling partnership vision between the public sector and business community. The Committee is keen to demonstrate its ability to deliver Government objectives as well as local priorities, so accessing help beyond HotSW boundaries is critical to the success of the partnership. It is already apparent that effective partnership working between the Joint Committee and the LEP is viewed as a strength by Government. The most significant announcement that provides evidence of this is the inclusion of the HotSW LEP area in Wave 2 of developing a Local Industrial Strategy (LIS). This success is due in large part to the close alignment of the Joint Committee and the LEP in producing the Productivity Strategy [see (b) below].

(b) Approval of the HotSW Productivity Strategy

- (i) In March 2018 the Committee and the LEP Board endorsed the HotSW Productivity Strategy which sets an ambition of “Doubling the size of the Heart of the South West’s economy over 20 years” with a vision of “Productivity and prosperity for all”.
- (ii) The Strategy identifies three strategic themes to improve productivity by strengthening and developing:
 - a. the leadership and ideas within businesses in our area

- b. the housing, connectivity and infrastructure our people and businesses rely on for living, moving goods, accessing jobs and training, and exploiting new opportunities.
 - c. the ability of people in our area to work, learn and improve their skills in a rapidly changing global economy, and to maximise their economic potential.
- (iii) In addition, there are three cross-cutting themes, referred to throughout the Strategy:
- a. Inclusive growth for our people, communities and places
 - b. Capitalising on our distinctive assets
 - c. Maximising the potential from digital technology

The Strategy can be viewed at:

<https://heartofswlep.co.uk/wp-content/uploads/2018/04/HeartoftheSouthWestProductivityStrategy.pdf>

- (c) Endorsement of the Delivery Plan. This document is key to the delivery of the Productivity Strategy and will be further developed as explained below. It is a live action plan that will be used to track performance locally and may also form the basis of annual progress reports to Government, as required under the recent national review of LEPs. It is broadly divided into two sections – a ‘core offer’ focussing on programmes that deliver Business Support and Employment and Skills, as well as ‘enablers’ including housing delivery, transport, and other infrastructure that is essential to support economic growth. These activities apply across the whole of the HotSW area. A further section focuses on programmes of activity linked to the agreed set of ‘opportunities’ that are distinctive to the HotSW area. The Plan incorporates current as well as future, planned activity, and is being produced in stages depending on how well developed the programmes of activity for each theme are. The current version features the opportunities that are at the most advanced stage, namely: Digital (Photonics); Advanced Engineering (Marine and Nuclear); High Value Tourism; and Farming, Fishing and Food. By Spring 2019 it will be expanded to include: Healthy Ageing; Digital (Creative and Big Data); Advanced Engineering (Aerospace); Construction; and Defence. Place markers have also been included for inclusive growth and natural capital to be developed as part of the next phase of work.

The current version of the Delivery Plan can be viewed at:

<http://www.hotswjointcommittee.org.uk/wp-content/uploads/2018/10/HotSW-Draft-Delivery-Plan-October-2018.pdf>

- (d) An Opportunities Prospectus has been extracted from the Delivery Plan and will be used with local MPs, Ministers and senior Government officials as part of continuing to raise the profile of the HotSW area at a critical time ahead of the 2019 Spending Review and the anticipated launch of the UK Shared Prosperity Fund towards the end of 2019. The document was circulated to MPs prior to the Chancellor’s Autumn Statement 2018, as part of the influencing approach. To ensure that the Prospectus document has some longevity, the key strategic ‘Asks’ of Government have been set out in a covering letter, jointly signed by the Chairs of the Joint Committee and the LEP. As the Delivery Plan is developed further, more ‘Asks’ will emerge that will be used to influence Government. The list of ‘Asks’ submitted in October 2018 is attached as Appendix 2 to this report.

The Prospectus document can be viewed at:

<http://www.hotswjointcommittee.org.uk/wp-content/uploads/2018/11/HotSW-Prospectus-November18.pdf>

- (e) Housing is a key enabling opportunity for the Joint Committee. Following a housing audit to gauge Local Plan progress on targets and delivery rates, a HotSW Housing Summit was held in

September with key agencies including Homes England. The outcome of this successful event was an agreement to work closely with Homes England to develop a bespoke package of 'Offers and Asks' with Government which will help us to successfully deliver the ambitious housing programmes we have across our area. A Housing Task Force of strategic leaders and officers has been established to develop our proposition to Government and to work with Homes England and this will report to the Joint Committee.

(f) National Infrastructure Commission (NIC)

The Joint Committee is seeking to secure a growth corridor study following helpful discussions with the NIC. Initial discussions with the Chair of the Commission were well received and the Joint Committee was encouraged to submit a business case to the Chancellor who will ultimately make a decision as to whether to fund a study. A proposal was submitted to the Chancellor in October, however no announcement was made at that time. The study would be similar to the one conducted by the NIC for Cambridge-Milton Keynes-Oxford. A study would help the HotSW partnership to better understand the constraints to higher levels of productivity by highlighting where investment in strategic infrastructure could unlock faster growth over the long term. The initial focus for the study would be along the A38/M5 transport spine, recognising that investment would have benefits for the whole of the HotSW area and wider South West.

(g) Brexit Resilience Opportunities Group. The Joint Committee has consistently lobbied Government that any powers that move back from the EU under Brexit must not stop at Whitehall. This senior officer group was established by the Joint Committee to research and advise on the opportunities and risks to the HotSW area. The Group has been collating evidence on some of the key risks and opportunities for our economy and has conducted research in the following areas: workforce; construction industry; agriculture and land management; food and farming; fisheries; and post Brexit funding to support the economy. The Group is also collating the risk and impact analysis of Brexit on local government such as service delivery and community resilience. The Group has fed directly into the Local Government Association briefing papers and to key Government departments to raise the profile of the area. With the Brexit departure date looming and several 'deal' scenarios still possible, this work has become ever more important. A Brexit Joint Regional Sounding Board event was part of the 12th November LEP Conference. It was an opportunity for the business community and public sector to engage with Government representatives from BEIS and MHCLG on preparedness. In December the Joint Committee and LEP wrote to the SoS for Housing, Communities and Local Government to request additional resources to cope with the impact of Brexit. The Group is also working with Cornwall on issues of mutual interest and concern.

(h) Sub-National Transport Body. Linked to the Joint Committee's work on infrastructure is the establishment of the South West Peninsula Shadow Sub-National Transport Body (covering Devon, Plymouth, Somerset, Torbay and Cornwall) which will develop a transport strategy to deliver investment in major transport infrastructure. In the short-term this will be an informal partnership, however a current 'ask' of Government is that they endorse the creation of a statutory Sub-National Transport Body (SNTB) for the Peninsula, plus a separate statutory body for the South West, centred around Bristol and the east of the region. These two new transport bodies will provide a platform for strategic discussions with Government on priorities for the region over the long term and will complete the set of SNTBs across the country which will engage directly with Government on strategic transport matters.

2.2 Next steps

In addition to that outlined above, the Joint Committee, working closely with the LEP will:

- a. Develop an Investment Framework for the Delivery Plan so that priorities for delivery and project opportunities can be delivered via investment from a range of sources.
- b. Review the roles and functions of both bodies through a governance review, to acknowledge the revised and enhanced focus given to LEPs by the Government. This work will include a review of the management support arrangements. The Joint Committee and the LEP will continue to share responsibilities across the Productivity Strategy and the Delivery Plan, with the LEP leading on areas closely linked to the LIS, and the Joint Committee leading on other areas such as housing and infrastructure. The need for close collaboration between the two has never been more important as we look to further influence Government policy and actions over the next 12 months and beyond. Recommendations from the review are due to be considered in January 2019.

3. Local Industrial Strategy

- 3.1 The inclusion of the HotSW LEP area in the second wave of areas to benefit from working with the Government to develop their Local Industrial Strategy (LIS) is a considerable achievement for the Joint Committee and the LEP. The first wave 'trailblazers' were the urban conurbations of Greater Manchester, the West Midlands and Cambridge-Milton Keynes-Oxford. The partnership had been pushing to be in the second wave and had raised the request with Government Ministers and officials over a number of months. It was therefore very welcome that HotSW was announced in July 2018 as part of wave 2.
- 3.2 By working closely with Government to develop a Local Industrial Strategy the HotSW area will be able to jointly agree with Government the long term transformational opportunities that will deliver higher growth.
- 3.3 [Local Industrial Strategies](#) are part of the Government's approach in the Industrial Strategy published in November 2017. Every LEP area will need to produce one by 2020. They are strongly evidence-based long term strategies that focus on raising productivity. As the Joint Committee and LEP recently adopted a Productivity Strategy based on refreshed evidence the partnership is in a strong position to further refine this with Government into a LIS.
- 3.4 Final approval of the LIS rests with the LEP in conjunction with the Government; however Government guidance requires that LEPs collaborate with a wide range of stakeholders throughout the development and delivery. Local authorities are essential partners in this mix and in the case of the HotSW LIS, this report proposes that the primary engagement is through the Joint Committee.
- 3.5 The LEP's proposed timetable is to have the final LIS agreed between the LEP and the Government by the summer of 2019. Fortunately, HotSW partners are better placed than many areas to meet this timetable as the work done by the Joint Committee and the LEP to build and test the evidence base for the Productivity Strategy and Delivery Plan has set the foundation; the LIS will be a natural extension of this.
- 3.6 The Joint Committee is ideally placed to provide collective local authority input, and to facilitate individual council input into the development of the LIS, recognising that final approval rests with

the LEP. The validity and positioning of the final document will be immeasurably strengthened by the involvement and general endorsement of all the constituent authorities, and by other partners including the business community. To enable the development of the LIS to be taken forward at pace, and to demonstrate alignment with partners across the area, it is proposed that local authority input is developed, coordinated and signed off by the Joint Committee. The powers of (and delegations to) the Committee are tightly focussed around the Productivity Strategy under the current governance arrangements, so approval is being sought from the constituent authorities to formally extend the remit. To improve awareness and buy-in to the development of the LIS across the constituent authorities, a portfolio holder engagement event was held in November 2018, and with a plan for future events in 2019.

4. Budget and Cost Sharing Agreement

- 4.1 The Joint Committee has been kept informed of its budgetary position to provide assurance that it is operating within its budget. This section of the report includes:
 - (a) a summary of the Committee's current budget position for 2018/19, set out in Appendix 3
 - (b) a Budget and Cost Sharing Agreement (BCSA) which is a development of the Inter-Authority Agreement endorsed by the Constituent Authorities at the time the Joint Committee was established is attached as Appendix 4
 - (c) An indicative budget request for 2019/20 to the Constituent Authorities.
- 4.2 Appendix 3 summarises the position of the operating and support budget of the Committee. It shows a variation of the income for 2018/19 expected at the time of the Committee's establishment, with a larger than anticipated under-spend being carried forward from the budget raised through previous contributions.
- 4.3 In terms of the anticipated spend for 2018/19 the current position suggests that the Committee will be able to operate within budget and should achieve an under-spend to be carried forward to 2019/20 to help offset the future budget requirements. The current underspend is around £40k. It should be noted however that not all commitments for 2018/19 have yet been identified.
- 4.4 At the time of the Committee's establishment the Inter-Authority Agreement referred to the development of a Budget and Cost Sharing Agreement (BCSA) and included some headings to be included within it. Appendix 4 sets out the draft BCSA. It is a relatively simple document proportionate to the small size of the budget and the limited financial risk to each constituent authority. It explains the role of the administering authority as well as the responsibilities of the constituent authorities. The Joint Committee has approved the BCSA and all Section 151 Officers of the constituent authorities have been consulted on its contents. The document now requires the formal approval of the constituent authorities.
- 4.5 In terms of the Joint Committee's budget for 2019/20, the work programme is unknown at this Stage, although a busy year is expected for the Committee to respond to Government policy initiatives and to support the Delivery Plan. To assist the Constituent Authorities to plan budget commitments for 2019/20, the minimum contribution levels for 2019/20 are set out below and are at the same level as for 2018/19. These contributions will generate sufficient budget to cover the costs of the administering authority to service the Joint Committee, and leave a small surplus. Dependent on the underspend carried forward from the current year and the outcome of the review of the management support arrangements, this may not be sufficient to fully cover any

additional work, for example secondments, or externally commissioned work. The funding requirements will be clarified, as far as is possible, in advance of the 2019/20 financial year following the governance review and through a costed work programme, and applied on a pro-rata basis.

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

5. Consultation, communication and engagement

- 5.1 Under the Communications and Engagement Plan, members of the constituent authorities, partners and the public have been kept informed of developments with the Joint Committee through newsletters published after each formal meeting and press releases on significant issues of interest. Increasingly, the Committee's engagement plans will include seeking the support of relevant Ministers and all local MPs for the Opportunities document and specifically our 'Asks' of Government. This engagement campaign will continue and accelerate as we move through 2019 and the Government's full spending review.
- 5.2 In addition, the Committee has a website providing background information, links to latest news and publications, and details of the membership. This can be accessed at:
<http://www.hotswjointcommittee.org.uk/>

6. Conclusion

- 6.1 Since August 2015, councils, the LEP and other partners across the Heart of the South West have worked effectively together to present a stronger, unified voice to Government, and to promote the needs of the region. This approach has resulted in the successful development and agreement of a long term Productivity Strategy, with a shared commitment between the LEP and the Joint Committee to double the size of the HotSW economy over the next 20 years. The partnership also moved to a more formal footing with the creation of a Joint Committee in March 2018. These achievements were important factors in HotSW being selected as one of only 6 areas nationally to jointly develop a Local Industrial Strategy with Government. The opportunity to develop a LIS at this stage ensures that the partnership (the Joint Committee including representatives from the LEP, and working with the LEP Board) is at the forefront of developing a localised long term plan that locks-in a commitment with Government. The LIS will also inform, and be linked with the new UK Shared Prosperity Fund which will replace EU funding after the UK leaves the EU.

The progress in terms of setting out a clear HotSW position on housing, and articulating delivery programmes for skills and employment also means that the area is in a stronger position to promote our priorities with Government.

Heart of the South West Partnership's key strategic asks of Government (October 2018)

As part of the partnership's increased lobbying with MPs and with reference to the Great South West Partnership several 'policy Asks' of Government were identified to coincide with party conferences and the Autumn Budget. These will continue to be socialised over the next few months and are:

1. Recognition of the Great South West Partnership in the Autumn Budget Statement together with a commitment to co-design a Rural Deal - a 'Rural Productivity Partnership' with GSW following publication of Rural Productivity Commission Report earlier in the year
2. Strategic Connectivity
 - a. Confirmation of Sub National Transport Body/ (ies)
 - b. Peninsula Rail priorities – e.g. commitment for funding Dawlish
 - c. Funding commitment for A303 improvements
 - d. Superfast Broadband and 5G trials
 - e. Joint working with the National Infrastructure Commission on an A38/M5 corridor study to explore how we can unlock our full potential and accelerate growth to transform our region.
3. Transforming Cities and Strength in Places bids agreed
4. EU Fisheries underspend proposal: an offer to work with Government to develop a proposal to utilise the projected underspend in the current EU Fisheries budget.
5. Nuclear Sector Deal (and others specifically Maritime and Defence) to have clear place-based elements/funding, recognising the HotSW opportunities.
6. Local Industrial Strategy specific: encourage joint working with WECA on Wave 2 Local Industrial Strategies particularly around connectivity and Smart specialisations e.g. Nuclear and Aerospace.

BUDGET STATEMENT – 2018/19

Costs

At the time the Joint Committee was established it was estimated that its operating and support costs for 2018/19 (and to cover the remainder of 2017/18) would be £89,000 - excluding in-kind officer support. This estimate comprised:

1. £25,000 for work the Joint Committee would wish to commission to support the delivery of its work programme
2. £24,000 for the Brexit Resilience and Opportunities Group Secretariat
3. £40,000 for the Administering Authority to undertake its duties.

Budget

Current budget position summary:

18/19 Budget = <u>£117k</u> (an increase of £25k over the original estimate)	18/19 Expenditure - <u>£76.4k</u> (as at 24/10/18)
<ol style="list-style-type: none"> 1. £67k - devolution budget carry forward (as against the estimate of £42k) – transferred from PCC to SCC 2. £50k - funding contributions from the constituent authorities 	<ol style="list-style-type: none"> 1 £40k - for Administrative Authority costs including: direct meeting costs (including refreshments); staffing costs directly relating to HotSW meetings; JC communications and marketing; micro-site development 2 £11.3k - support costs of the Brexit Resilience Opportunities Group (BROG) including seconded part-time officer support (against an original budget allocation of £24k) 3 £6k – costs of Housing Summit 4 £9.8k – housing consultancy support 5 £9.3k – national infrastructure commission corridor consultancy support

(DRAFT) BUDGET AND COST SHARING AGREEMENT

As part of the new Joint Committee working arrangements, the following clause was agreed in relation to the costs of operation of the Joint Committee. This clause was in the Inter-Authority Agreement.

4.0 JC Finance

4.1 The JC's budgetary arrangements shall be detailed in a budget and cost sharing agreement to be agreed by all the Constituent Authorities (CA) annually on the recommendation of the JC and in advance of the financial year. The only exception to this will be in the JC's first year of operation when the JC shall recommend a budget and cost sharing agreement to the Constituent Authorities for approval at the first opportunity following its establishment.

4.2 The budget and cost sharing agreement shall cover:

- (a) The responsibilities of the Constituent Authorities for providing funding for the JC
- (b) The anticipated level of expenditure for the JC for the year ahead
- (c) The cost sharing mechanism to be applied to the Constituent Authorities
- (d) Details of how the budget will be set and agreed each year
- (e) Who is to be responsible for maintaining financial records on behalf of the JC (the 'accountable body');
- (f) What financial records are to be maintained;
- (g) What financial reports are to be made, to whom and when;
- (h) What arrangements and responsibilities are to be made for:
 - auditing accounts;
 - insurance including ensuring all partners have sufficient cover;
- (i) How any financial assets held by the JC on behalf of the Constituent Authorities will be redistributed to the CAs in the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA.

How is the budget set and agreed each year?

In the February preceding each financial year, in consultation with the Somerset County Council Finance Advisory Team, the SCC Strategic Manager - Partnership Governance on behalf of the PMO will detail a budget plan for the JC income and expenditure. This will establish estimated amounts for that financial year and the timing of those financial transactions. This will be submitted by the administering authority to the Joint Committee for recommendation to the Constituent Authorities (CA) for approval.

Each CA will pay their agreed contribution to the Administering Authority (AA) in a timely manner on receipt of invoice details.

Who is to be responsible for maintaining financial records on behalf of the JC?

SCC Finance Advisory Team – Ian Tier, Finance Manager.

What financial records are to be maintained?

Financial records, i.e. orders for supplies and services, payments made, invoices raised and receipts, will be kept electronically on the SCC financial system. This incorporates purchase orders, invoice scans, cashiers receipts and sales invoices.

What financial reports are to be made, to whom and when?

SCC Finance Advisory will present a quarterly income and expenditure report to the SCC Strategic Manager – Partnership Governance. This will be reported to the CEx Advisory Group for information. An income and expenditure report will be presented to the JC for information on at least an annual basis.

What arrangements and responsibilities are to be made for?

- Auditing Accounts: The AA's accounts and audit arrangements will apply to JC business.
- Insurance: Each CA will ensure that it has sufficient insurance cover in place to provide protection for their members and officers participating in the work of the JC and in their capacity as officers or members of that authority. The AA will ensure that it has sufficient insurance cover in place to cover the AA role.

How any financial assets held by the JC on behalf of the CA will be redistributed to the CAs in the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA?

Itemised records of contributions made by each of the CAs will be kept over the life of the JC. In the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA having given the required notice, financial assets will be returned to the CA or CAs on a proportionate basis.