

REPORT TO EXECUTIVE

Date of Meeting: 12 December 2017

Report of: Chief Executive and Growth Director

Title: Joint Committee for the Heart of the South West

Is this a Key Decision?

No

Is this an executive or council function?

Council.

1. What is the report about?

To seek agreement to the council becoming members of a Heart of the South West (HotsW) joint committee.

2. Recommendations:

That the Council is recommended to:

- 1) Note the content of the 'Heart of the South West Devolution Update' report and progress on the preparation of, and consultation on, a HoTSW Productivity Plan;
- 2) Approve the recommendation of the HotSW Leaders (meeting as a shadow Joint Committee) to form a Joint Committee for the Heart of the South West;
- 3) Approve the Arrangements and Inter-Authority for the establishment of the Joint Committee with the commencement date of Monday 22nd January 2018;
- 4) Appoint The Leader and Deputy Leader as the Council's named representative and substitute named representative on the Joint Committee;
- 5) Appoint Somerset County Council as the Administering Authority for the Joint Committee for a 2 year period commencing 22nd January 2018;
- 6) Approve the transfer of the remaining joint devolution budget to meet the support costs of the Joint Committee for the remainder of 2017/18 financial year subject to approval of any expenditure by the Administering Authority;
- 7) Approve an initial contribution of £1,400 for 2018/19 to fund the administration and the work programme of the Joint Committee, noting that any expenditure will be subject to the approval of the Administering Authority;
- 8) Agree that the key function of the Joint Committee is to approve the Productivity Strategy (it is intended to bring the Strategy to the Joint Committee for approval by February 2018);
- 9) Authorise the initial work programme of the Joint Committee aimed at the successful delivery of the Productivity Strategy;
- 10) Agree the proposed meeting arrangements for the Joint Committee including the timetable of meetings for the Joint Committee as proposed in para 2.14.
- 11) Agree that this approval is subject to:

- i) Membership of the joint committee not committing the council to supporting, or becoming a member of a HoTSW Combined Authority, which would in any event be subject to future debate and agreement by the council.
- ii) The Leader of the Council or nominated representative participating in all meetings or negotiations attended by any members of the Joint Committee, including meetings with Government members and officials that relate to the HoTSW joint committee, the productivity plan, growth deals or any business of the joint committee.
- iii) Membership of the Joint Committee not precluding the council from pursuing all opportunities that would benefit and/or improve the economic growth of Exeter.
- iv) The council maintaining the ability to resign from the Joint Committee in line with the assurance provided by the chair (see para 8 below).

3. Reasons for the recommendation:

The HotSW productivity Plan will be a key strategic document for the partners to engage with Government on a range of investment opportunities and powers emerging from the Industrial Strategy and the National Infrastructure Fund.

With no response from government on the HoTSW's proposals for a devolution deal, a joint committee is an alternative, formal collaboration to maintain a focus on the devolution agenda and to agree and deliver the Productivity Plan.

4. What are the resource implications including non financial resources.

An initial contribution of £1,400 for 2018/19 to fund the administration and the work programme of the Joint Committee plus staff time.

5. Section 151 Officer comments:

If approved, the small amount will be added to next year's budget. It is assumed that this would increase in future years and therefore an early indication of any additional cost will be useful for planning purposes.

6. What are the legal aspects?

The HotSW Joint Committee is a Joint Committee of the local authorities that comprise the HotSW area and established under Sections 101 to 103 of the Local Government Act 1972 and all other enabling legislation to undertake the functions detailed the Inter Authority Agreement, which is attached in the appendices.

7. Monitoring Officer's comments:

The Deputy Monitoring Officer has considered the proposals.

The key issue is that the proposed Joint Committee's functions are to be initially limited to approval of the Productivity Strategy which will be followed by a work programme aimed at the successful delivery of the Productivity Strategy. Further and more detailed information on the Joint Committee functions is set out in the Heart of the

South West (HOTSW) Joint Committee – Draft Arrangements (Appendix A) at Paragraph 2.

The Draft Template Report prepared by Julian Gale, Monitoring Officer at Somerset County Council, envisages that the Joint Committee will take on additional functions. For example, at paragraph 2.3, the possibility of the future expansion of the remit of the Joint Committee is addressed and at paragraph 2.6 the issue of moving 'swiftly towards a Combined Authority model in the future' is addressed. It will be noted that any expansion of the remit of the Joint Authority and any move towards a Combined Authority will require approval by each of the Constituent Authorities. Accordingly, approval of Exeter City Council and the other Constituent Authorities would be required before such steps could be taken.

The HOTSW Joint Committee Draft inter Authority Agreement (Appendix B) at paragraph 7 is headed 'Withdrawal from/dissolution of the JC'. This states, inter alia, that Constituent Authorities may only withdraw from the Joint Committee by giving a minimum of 6 months' notice in writing to the other Combined Authorities via the Administering Authority (Somerset County Council). There is no mechanism to allow unilateral withdrawal from the Joint Committee without notice. However, as stated above, the Chair has confirmed to the Leader that in the event Exeter City Council wanted to immediately withdraw from the Joint Committee then he would 'strongly recommend' that Exeter City Council's resignation be accepted by the other constituent authorities.

Exeter City Council will have no right of veto concerning the decisions of the Joint Committee. In the event that consensus cannot be reached by the Constituent Authorities, then decisions will be made by simple majority of those present and voting (Appendix A at paragraph 9).

8. Report details:

The HoTSW Programme Office has prepared a template 'Heart of the South West Devolution Update' report (See Annex 1) and asked all sixteen local authorities to submit this to their executives and councils. The content of the annexed report is detailed and self-explanatory. In summary, the report:

- Provides an update on progress with devolution in HoTSW.
- Outlines proposals for the preparation and approval of a HotSW Productivity Plan.
- Seeks agreement to the creation of a formal HotSW Joint Committee of the local authorities, national park authorities and partners to take forward the Productivity plan.

The HoTSW template is attached as annex as the recommendations to the City Council are subject to a number of additional conditions (See Recommendation 11 i) to iv)). At its meeting on 14th November 2017, the shadow joint committee agreed to conditions i) to iii). Whilst Paragraph 7 of the Inter-authority agreement will not be amended to accommodate Exeter's condition on 11 iv) the Chair has confirmed to the Leader that: *"We would like Exeter to give the six months' notice to leave the Joint Committee should you so choose, but in the event that you feel that an issue is so important that you need to withdraw immediately, then I would personally explain this to the Committee and strongly recommend that your resignation be accepted on that basis."*

9. How does the decision contribute to the Council's Corporate Plan?

This decision helps to ensure the delivery of the council's purpose 'Well Run Council'.

10. What risks are there and how can they be reduced?

The conditions have been included to protect the council's position at this point. A proposal for a Combined Authority would present additional risks to the council, but membership of a Combined Authority would need further consideration by the council.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

There is no adverse impact.

12. Are there any other options?

1. To not agree in principle to the establishment of the HoTSW joint committee.
2. To agree to unconditional membership of the joint committee.

These options are not recommended to be in the best interests of the council.

Chief Executive and Growth Director

Heart of the South West – Joint Committee – DRAFT TEMPLATE REPORT

Report of the Chief Executive

Please note that the following recommendations are subject to consideration and determination by the Cabinet and County Council (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendations: That Cabinet recommends the Council to:

- a) Approve the recommendation of the HotSW Leaders (meeting as a shadow Joint Committee) to form a Joint Committee for the Heart of the South West;
- b) Approve the Arrangements and Inter-Authority Agreement documents set out in appendices A and B for the establishment of the Joint Committee with the commencement date of Monday 22nd January 2018;
- d) Appoint ? and ? as the Council's named representative and substitute named representative on the Joint Committee;
- c) Appoint Somerset County Council as the Administering Authority for the Joint Committee for a 2 year period commencing 22nd January 2018;
- e) Approve the transfer of the remaining joint devolution budget to meet the support costs of the Joint Committee for the remainder of 2017/18 financial year subject to approval of any expenditure by the Administering Authority;
- f) Approve an initial contribution of X for 2018/19 to fund the administration and the work programme of the Joint Committee, noting that any expenditure will be subject to the approval of the Administering Authority;
- g) Agree that the key function of the Joint Committee is to approve the Productivity Strategy (it is intended to bring the Strategy to the Joint Committee for approval by February 2018);
- h) Authorise the initial work programme of the Joint Committee aimed at the successful delivery of the Productivity Strategy;
- i) Agree the proposed meeting arrangements for the Joint Committee including the timetable of meetings for the Joint Committee as proposed in para 2.14.

1. Introduction

1.1 Since August 2015, Devon and Somerset County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks, the Local Enterprise Partnership (LEP) and the three Clinical Commissioning Groups have worked in partnership to progress towards securing a devolution deal for the HotSW area focusing on delivering improved productivity. Since that time the partnership has continued to progress its objectives in spite of policy shifts at a national level.

1.2 On 16 February 2017 (Minute ?? refers) **insert own Council date and minute reference** the Council gave 'in principle' approval to the establishment of a HotSW Joint Committee, subject to approving the Joint Committee's constitutional arrangements and an inter-authority agreement necessary to support the Joint Committee. This report sets out the

necessary documents which, if agreed, will enable the Joint Committee to be formally established.

1.3 Since then the General Election has further shifted the national policy position. On the 13th October representatives of HotSW (from the Somerset, Devon, Plymouth and Torbay upper tier authorities) met Jake Berry MP, Minister for devolution to clarify the position of the Government and the HotSW Partnership on the devolution issue. The meeting was very positive and although no agreements were reached at the meeting, the partnership's representatives were given a clear message that the Government would welcome a bid from the partnership to progress our productivity ambitions by identifying areas where we can work together with Government. Importantly the Minister indicated that there would be no requirement to have an elected mayor for Devon and Somerset as a condition of any deal. This statement has removed one significant blockage to moving our ambitions forward and we now need to agree what we want from this initiative and then find practical ways to work with the Government on delivery.

1.4 There is now no doubt that the Government is keen to engage with wider areas that can demonstrate:

- Unity, clarity of purpose and a shared, ambitious vision built on local strengths
- Strong partnership between business and the public sector with solid governance arrangements that provide assurance in capacity to deliver
- Compelling ideas that can help to deliver Government objectives
- Clarity about the offer to Government in terms of savings and is prepared to take hard decisions based on a robust analysis of risk and benefits.

The Joint Committee will provide the ideal governance framework at this stage to take forward this dialogue with Government.

1.5 The key role of the HotSW Joint Committee is to develop, agree and ensure the implementation of the Productivity Strategy. This can only be achieved by working, where appropriate, in collaboration with the individual constituent authorities and the LEP. The Strategy will agree a common vision for increased prosperity through economic growth informed by a local evidence base and engagement with local stakeholders. It will also link to Government policy initiatives, particularly in relation to the Industrial Strategy, and will form the basis for developing our collective 'ask' of Government.

2. HotSW Joint Committee Proposal

2.1 The detail of the proposed functions of the Joint Committee and how it will operate are set out in appendix A attached – the Arrangements document. Appendix B attached sets out an Inter-Authority Agreement for consideration which details how the Joint Committee will be supported and sets out the obligations of the Council if it agrees to become a constituent member.

2.2 The documents detail the Administering Authority functions in support of the operation of the Committee including the provision of financial, legal, constitutional and administrative support to the Committee.

2.3 At this stage the Arrangements and Inter-Authority documents have been 'scaled' to fit the functions of the Joint Committee and the limited liabilities that each authority faces in

signing up to be a Constituent Authority. In the event that the remit of the Joint Committee expands to take on more decision-making responsibilities and functions of the constituent authorities, the Arrangements and Inter-Authority agreement will be revisited to ensure that they remain fit for purpose and proportionate. Any expansion of the functions and responsibilities would require the approval of the Constituent Authorities.

2.4 The Joint Committee has a much more limited role than a Combined Authority. It does not have the statutory or legal status of a Combined Authority and cannot deliver the full range of benefits that a Combined Authority can, but it does have the potential to provide cohesive, coherent leadership and a formal governance structure. Its role will focus on collaboration, negotiation and influencing with full decision making responsibilities limited to developing and agreeing the Productivity Strategy. The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions to deliver the Productivity Strategy and decisions necessary as a result of the other functions of the Joint Committee being taken at the most local and appropriate level.

2.5 The aim of the Joint Committee through the delivery of the Productivity Strategy will be to:

- Improve the economic prosperity of the wider area by bringing together the public, private and education sectors;
- Work together to realise opportunities and mitigate impacts resulting from Brexit;
- Increase understanding of the local economy and what needs to be implemented locally to improve prosperity for all;
- Ensure the necessary strategic framework, including infrastructure requirements, is in place across the HotSW area to enable sub-regional arrangements to fully deliver local aspirations; and improve the efficiency and productivity of the public sector. This work will be supported by a Joint Committee budget based on an agreed work programme.

2.6 The creation of a single strategic public sector partnership covering the HotSW area will: facilitate collaborative working; help us to remove barriers to progress; as well as provide a formal structure to engage with Government at a strategic level on major areas of policy. It also has the potential to enable the Constituent Authorities and partners to have discussions with neighbouring Councils / Combined Authorities / LEPs on South West peninsula priorities and issues as well as the ability to move swiftly towards a Combined Authority model in the future (by potentially acting as a shadow Combined Authority) if the conditions are deemed acceptable to the Constituent Authorities.

2.7 Critically, the Joint Committee will also provide a formal mechanism for the Constituent Authorities to engage effectively with the LEP across common boundaries and agendas. District Council partners, in particular, might view this as an opportunity to engage more effectively with the LEP. The LEP, which will sit alongside the Joint Committee, has recently adopted new governance requirements to ensure greater transparency and accountability and wishes to further improve its democratic accountability in discussion with HotSW partners. The Joint Committee will provide a formal structure to take these discussions forward and for the Constituent Authorities to have greater influence over the activities of the LEP on our common agendas.

2.8 Although the Joint Committee is a cost-effective formal structure, some provision needs to be made to meet the support costs of what will be a fully constituted local authority joint committee. It is proposed that Somerset County Council (who have provided the lead for the governance workstream of the devolution project over the last two years) takes on the support role (with the option of rotating the role after 2 years of operation), to provide the financial, legal, democratic support to the Joint Committee from 22nd January 2018.

2.9 There is currently the remainder of the joint devolution budget raised from an initial contribution from all Authorities and the LEP in 2015. It is recommended that the remaining funds from this budget - £42,000 - are transferred to the Administering Authority and the budget is used to support the costs of the Joint Committee for the remainder of 2017/18 financial year and for some of 2018/19.

2.10 In addition, the Joint Committee will need a budget to undertake its work programme in order to oversee the implementation of the Productivity Strategy. The overall budget required to support the Joint Committee and enable it to undertake its work programme will be dependent, to an extent, on the level of 'in-kind' officer resources provided to the Committee by the constituent authorities. The Administering Authority will review the in-kind support which has been provided for the devolution project in consultation with the constituent authorities and bring forward revised budget figures as part of a budget and cost sharing agreement as necessary in due course to the Joint Committee for consideration and recommendation to the Constituent Authorities. The budget figures set out in this report in paragraph 2.11 are therefore provisional at this stage. The initial Joint Committee work programme is set out in section 3 below for approval.

2.11 Through work undertaken by the partners it is estimated that the operating cost of a Joint Committee will be £89,000 in 2018/19 (and to cover the remainder of 2017/18) excluding any in-kind support. This estimate is made up of the following:

- £40,000 for the Administering Authority to undertake its duties. This is seen as a minimum cost and assumes that 'in-kind' officer resource remains in place at the same level; the Joint Committee meeting venues are provided by partners as 'in-kind' contribution
- £25,000 (estimate) for work the Joint Committee would wish to commission
- £24,000 for the Brexit Resilience and Opportunities Group Secretariat.

2.12 The Shadow Joint Committee recommends the budget is met by contributions from the Constituent Authorities. This would exclude the LEP and the CCGs from contributing as non-voting partners. As stated above it is estimated there will be a funding carry forward of £42,000 from the 2015 devolution budget. This would leave a shortfall of £47,000 to meet the total estimated budget requirement of the Joint Committee in 2018/19. Using the formula of contributions agreed in 2015 to support the devolution project the contribution requested of each Constituent Authority for 2018/19 is set out below. This assumes that all authorities agree to become members of the Joint Committee and would have to be recalculated should fewer than 19 Authorities become Members.

- County Councils - £10,500
- Unitary Councils - £4,000

- District Councils and National Parks £1,400

2.13 Under this formula it is recommended this Council contributes X for 2018/19 as a Constituent Authority. Any expenditure against this budget would be subject to the formal approval of the Administering Authority.

2.14 In terms of the proposed meeting arrangements for the Joint Committee, it is recommended:

- (a) That the Joint Committee should meet formally immediately after the LEP Board meetings to assist with engagement and co-operation between the bodies and allow co-ordination of the respective work programmes.
- (b) That the following dates are reserved for meetings of the Joint Committee in 2018:
 - Friday 26th January
 - Friday 23rd March
 - Friday 25th May
 - Friday 20th July
 - Friday 28th September
 - Friday 30th November
- (c) That the Joint Committee meetings should start at 10am with the venues rotated throughout the HotSW area. The assumption will be that the host authority for that meeting will provide appropriate accommodation and facilities ‘in kind’.

3. HotSW Productivity Plan and the Joint Committee Work Programme

3.1 The Partnership has, since its inception, been focused on working together to tackle low productivity as this is seen as the key to future economic growth. The academic research undertaken in the HotSW Green Paper on Productivity - <http://www.torbay.gov.uk/council/how-the-council-works/devolution/productivity-plan-green-paper/> highlighted that whilst Devon and Somerset have one of the highest employment rates in the country too many of those jobs are part-time and low paid. This means that our area has one of the lowest productivity rates in the Country and this is a major barrier to future prosperity.

3.2 The Partnership has continued to lobby Government to work more closely with our area in order to make good on its promise to spread economic growth across the Country and we now need to build on the recent meeting of the Minister and the momentum achieved. This work is urgently needed to ensure that areas such as the Heart of the South West don't get left behind as Government look to focus investment in areas where there are strong, cross boundary strategic partnership arrangements such as the six Mayoral Combined Authorities.

3.3 The Productivity Strategy is being developed through an academic evidence base and engagement with stakeholders and the community. The draft plan is currently out to consultation (<http://www.torbay.gov.uk/devolution>). The deadline for response is 30th November 2017. Members are encouraged to respond to the draft strategy.

3.4 In summary the Strategy proposes to deliver prosperity and productivity across the entire HotSW and to do so in an inclusive way. It proposes to build on existing strengths such as aerospace, advanced manufacturing, nuclear energy and agri-tech as well as exploiting new opportunities and releasing untapped potential.

The Strategy is built around three key objectives:

- Developing **leadership and knowledge** within businesses in our area;
- Strengthening the **connectivity and infrastructure** our businesses and people rely on; and
- Developing the ability of people in our area to **work and learn** in a rapidly changing economy.

	Leadership and knowledge	Connectivity and infrastructure	Working and learning
Aspiration	To substantially improve the productivity of businesses in the area.	Improve our physical and natural assets to support wellbeing and economic opportunities.	Meet the potential of every individual within the area to work and contribute to our shared prosperity.
High-level aim	Help develop innovative, ambitious, growing businesses that can compete internationally.	Create vibrant places that are attractive to skilled people and new investment, with infrastructure to support productivity growth.	Develop, attract and retain a highly skilled and adaptable workforce.
Strategic objective	Programmes <ul style="list-style-type: none"> • Management excellence • New markets, new opportunities • Remove barriers to expansion • Attract talent and investment 	Programmes <ul style="list-style-type: none"> • Clean energy infrastructure • Connectivity and resilience • Land for business and housing needs • Natural capital to support productivity 	Programmes <ul style="list-style-type: none"> • Skills for a knowledge-led economy • Pathways to success • Access to work and opportunities • Skills for our ‘golden opportunities’

3.5 It is recommended that one of the first tasks of the Joint Committee will be to approve the Productivity Strategy early in the New Year;

3.6 The Partnership has been meeting as a Shadow Joint Committee since 22nd September 2017. Its focus is to ensure the Joint Committee can immediately move into action and take advantage of major funding streams, national policy debates and lobbying around the

economy. The Partnership will be working with the LEP to deliver the Productivity Strategy and will be supporting a joint work programme which initially will involve:

- Developing and recommending a delivery and investment Framework, to implement the Productivity Strategy and demonstrating our capacity to deliver. This will complement the LEP's Strategic Investment Panel which oversees the LEP's investments;
- Investigating ways to complement existing work to draw out opportunities to attract infrastructure investment in line with the Productivity Strategy aims, building our track record for ambitious and compelling propositions;
- Investigating ways to complement existing work on improving the delivery of skills in line with the Productivity Strategy aims
- Investigating ways to complement existing work on strengthening leadership & knowledge within the area's SMEs in line with the Productivity Strategy aims;

3.9 Any Joint Committee expenditure on the joint work programme will be subject to approval by the Administering Authority.

4. Consultation, communication and engagement

4.1 Members, partners and the public have been kept informed of developments of the HotSW Devolution Partnership and the Productivity Strategy through press releases, newsletters, presentations, workshops and publications. This information flow will be maintained by the Joint Committee. In addition, all of the Authorities within the Partnership have taken formal decisions as required during the various stages of consideration of devolution proposals and the proposed creation of the Joint Committee.

4.2 A draft Productivity Strategy has been released for public consultation . To complement the on-line consultation there will be; Council-based briefings and targeted key stakeholder events through 6 sub-regional roadshows held in Plymouth, Northern Devon, Cullompton/Exeter, Torbay, Taunton/Bridgwater and Yeovil/Shepton Mallet. The consultation will end on 30th November 2017 and feedback will influence the final strategy which is due for approval in early 2018.

5. Equality Considerations

5.1 The Inter-Authority Agreement requires all Constituent Authorities to support, promote and discharge its duties under the Equality Act through the work of the Joint Committee. The Partnership is developing an Equality Impact Needs Assessment to inform the development of the Productivity Strategy. The Joint Committee will consider this assessment alongside the Productivity Strategy before adoption.

6. Public Health Considerations

6.1 There is a strong correlation between economic prosperity and health of the population. Public Health specialists will be key stakeholders within the consultation process and will be asked to advise on ways in which the Productivity Strategy could be connected to public health strategies to maximise the benefits to our communities.

7. Risk Management Considerations

7.1 The creation of a Joint Committee will place a formal governance structure around the preparation and implementation of the Productivity Strategy. The Strategy will be used as a tool to attract a greater share of Government funding around the Industrial Strategy to mitigate the risk of Devon and Somerset being left behind other areas of the country.

7.2 Without a Productivity Strategy and Joint Committee in place, the Council and its partners will lack credibility and be at a disadvantage in negotiating and lobbying Government on a range of policy initiatives including the growth agenda and are likely to miss out on potential funding streams.

7.3 The individual financial risk to the individual Constituent Authorities of establishing the Joint Committee is limited to their financial contributions to the running and operational costs of the Joint Committee. The risk is shared between all of the Constituent Authorities.

8. Legal considerations

8.1 Each of the partners' legal teams and Monitoring Officers have been involved in the development of the Arrangements and Inter-Authority documents set out as Appendices A and B. The documentation also aligns to the LEP's Assurance Framework.

8.2 This simple documentation sets out the functions, membership and operations of the Joint Committee and the requirements upon the constituent authorities in supporting it.

9. Financial considerations

9.1 The costs associated with the early work on the Productivity Strategy preparation largely relate to officer time which is being provided 'in kind' by the authorities and partners. Specifically the LEP has met some direct costs.

9.2 The establishment of the Joint Committee provides a low cost option compared to a Combined Authority model of governance. As part of the Inter-Authority Agreement the assumption is that the Constituent Authorities will continue to provide in-kind support although this will be reviewed by the Administering Authority to ensure that the levels of support are appropriate, sustainable into the future and acceptable to the authorities providing the support. The direct running costs of the Joint Committee will be limited to providing officer support for the meetings, if there is insufficient 'in-house' capacity, and the costs of the meetings themselves. At this stage direct support costs will be kept to a minimum and for 2017/18 and some of 2018/19 will be covered by the residual joint devolution budget established in 2015.

9.3 In addition to the direct costs of administering the Joint Committee there is also the issue of a budget to fund its Work Programme. Further details of the provisional budget requirements are set out in section 2 together with the proposed funding mechanism for contributions from individual Constituent Authorities.

9.4 In coming to their decision about a Joint Committee and whether the potential costs provide good value for money, Members might like to consider the potential cost/impact of

not working in this way and the potential loss of influence with the Government and investment to the area. Through recent funding initiatives and policy – including through the recent meeting with the Minister, it is clear that Government is looking for areas to come together and articulate their vision and priorities across footprints wider than their organisational boundary or sub-regional areas.

9.5 The proposal put before Members sets out a low risk, low cost option to work in a more formal way to capitalise on opportunities arising from future Government strategies, funding announcements and in preparation for Brexit.

10. Options/Alternatives

10.1 There are two options and alternatives that Members might consider:

Option 1 – Do nothing and continue with informal arrangements within the Partnership. As set out above the feedback from Government is they prefer to work ‘at scale’ and are looking more favourably at areas that have a unity of vision and purpose.

Option 2 – move to a Combined Authority. The Partnership now need to review the option of establishing a Combined Authority at some point following the indication from the Minister that there will be no requirement to have an elected mayor in order to pursue our ambitions. Establishing a Combined Authority requires a substantial lead in time to allow for the Parliamentary approval process and would inevitably require the creation of a shadow Combined Authority to test and confirm the concept. The potential benefits of moving to a Combined Authority model will have to be judged against the implications of doing so, including the cost implications. The Joint Committee has the benefit of allowing the Partnership to move relatively quickly to establish a Combined Authority if that is the wish of the partners.

11. Reason for Recommendation/Conclusion

11.1 Working together will deliver better results if we are to help our businesses improve their productivity levels and deliver greater prosperity across the Heart of the South West. By collaborating across local geographies we will strengthen the area’s voice to Government and strengthen the actions the area can take to improve productivity.

11.2 The Productivity Strategy will replace the Local Enterprise Partnership’s Strategic Economic Plan. It will be the key strategic document for the partners to engage with Government and each other on a range of investment opportunities and powers emerging from the Industrial Strategy, Brexit and other policy opportunities.

11.3 The HotSW Joint Committee will provide a formal strategic partnership to complement and maximise the ability of individual authorities and sub-regional arrangements to deliver their aspirations. It will provide the formal arrangements for collaboration on productivity.

11.4 Through the Joint Committee the partners can test and improve their ability to work together as a potential precursor to the possible establishment of a Combined Authority at some point in the future. It will also provide a mechanism to further strengthen democratic

input and influence with the LEP and align more effectively with the LEP's new model of governance and accountability.

11.5 Without a Joint Committee in place, the HotSW area will continue to struggle to position itself to be able to take advantage of Government policy initiatives and new funding opportunities compared to those areas that have and are establishing formal strategic partnerships.

Julian Gale
Monitoring Officer
Somerset County Council

30th October 2017

APPENDIX A

HEART OF THE SOUTH WEST (HOTSW) JOINT COMMITTEE – DRAFT ARRANGEMENTS

1. Introduction:

1.1 Legal status: The HotSW Joint Committee is a Joint Committee of the local authorities listed in 1.5 below that comprise the HotSW area and established under Sections 101 to 103 of the Local Government Act 1972 and all other enabling legislation to undertake the functions detailed in section 2 of this Agreement.

1.2 Key purpose: The key purpose of the Joint Committee is to be the vehicle through which the HotSW partners will ensure that the desired increase in productivity across the area is achieved.

1.3 Aims and objectives: The aim is to provide a single strategic public sector partnership that covers the entire area and provides cohesive, coherent leadership and governance to ensure delivery of the Productivity Strategy for the HotSW area. The specific objectives of the Joint Committee are to:

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

1.4 Commencement: The Joint Committee will be established in accordance with the resolutions of the Constituent Authorities listed below in paragraph 1.5 with effect from the Commencement Date (22nd January 2018) and shall continue in existence unless and until dissolved by resolution of a majority of the Constituent Authorities.

1.5 Membership: Each of the Constituent Authorities listed below shall appoint 1 member and 1 named substitute member to the Joint Committee on an annual basis. Each member shall have 1 vote including substitute members. For the Councils, the member appointed shall be that Council's Leader except in the case of Torridge District Council where the member appointed by the Council shall have authority to speak and vote on matters on behalf of the Council. Political balance rules do not apply to the Joint Committee membership. The substitute member shall also be a cabinet member where the Council is operating executive arrangements. For the National Park Authorities the member appointed shall have authority to speak and vote on matters on behalf of the Authority:

- Dartmoor National Park Authority
- Devon County Council
- East Devon District Council
- Exeter City Council
- Exmoor National Park Authority

- Mendip District Council
- Mid Devon District Council
- North Devon Council
- Plymouth City Council
- Sedgemoor District Council
- Somerset County Council
- South Hams District Council
- South Somerset District Council
- Torbay Council
- Taunton Deane Borough Council
- Teignbridge District Council
- Torridge District Council
- West Devon Borough Council
- West Somerset Council.

1.6 In addition to the Constituent Authorities the partner organisations listed below shall each be invited to appoint 1 co-opted representative and 1 named substitute co-opted representative to the Joint Committee. Co-opted members shall not have voting rights:

- Heart of the South West Local Enterprise Partnership (the LEP)
- NHS Northern, Eastern and Weston Devon Clinical Commissioning Group
- NHS South Devon and Torbay Clinical Commissioning Group
- NHS Somerset Clinical Commissioning Group

1.7 The Joint Committee may co-opt further non-voting representatives from the private, public and/or voluntary sectors at any time.

1.8 Each appointed member / representative shall remain a member of the Joint Committee until removed or replaced by the appointing authority / organisation. Appointments to fill vacancies arising should be notified to the Joint Committee Secretary as soon as possible after the vacancy occurs.

1.9 Standing Orders / Rules of Procedure: Outside of the contents of this 'Arrangements' document, the Standing Orders and Rules of Procedure for the Joint Committee shall be those contained in the Constitution of the Administering Authority to the Joint Committee, subject, in the event of any conflict, to the provisions in the Arrangements document taking precedent.

1.10 Administering Authority: A Council shall be appointed by the Constituent Authorities as the Administering Authority for the Joint Committee and shall provide legal, democratic services, financial and communications support to the Committee. The Joint Committee's Forward Plan of business and papers for its meetings shall be published on the Administering Authority's website with links provided to the websites of the other Constituent Authorities and partner organisations.

2. Joint Committee Functions:

2.1 The only delegated function of the Joint Committee relates to the approval of the HotSW Productivity Strategy. All other matters referred to in 2.3 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 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 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.
- (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. Funding

3.1 The Constituent Authorities shall agree each year and in advance of the start of the financial year (except in the year of the establishment of the Joint Committee) a budget for the Joint Committee in accordance with a Budget and Cost Sharing Agreement to cover the administrative costs of the Joint Committee and costs incurred in carrying out its functions. All funds will be held and administered by the Administering Authority on behalf of the Constituent Authorities and spent in accordance with that Authority's financial regulations and policies.

3.2 In the Joint Committee's first year of operation, the budget will be approved by the constituent authorities on the recommendation of the Joint Committee as soon as possible after the establishment of the Joint Committee.

3.3 Joint Committee members' costs and expenses will be funded and administered by the respective Constituent Authority.

4. Review of the Joint Committee Arrangements

5.1 The Joint Committee may at any time propose amendments to the Arrangements document which shall be subject to the approval of all of the Constituent Authorities.

5.2 Any Constituent Authority may propose to the Joint Committee amendments to the Arrangements. Such amendments shall only be implemented if agreed by all of the Constituent Authorities on the recommendation of the Joint Committee.

5. Members' Conduct

5.1 All members of the Joint Committee shall observe the "Seven Principles of Public Life" (the 'Nolan' principles) and will be bound by their own authority's code of conduct in their work on the Joint Committee.

5.2 Joint Committee members / representatives shall be subject to the code of conduct for elected members adopted by the Constituent Authority that nominated them to be a Joint Committee member or to the conduct requirements of the organisation that appointed them. This includes the requirement to declare relevant interests at formal meetings of the Joint Committee.

6. Requirements of Joint Committee members

6.1 Joint Committee members shall:

- (a) Act in the interests of the Joint Committee as a whole except where this would result in a breach of a statutory or other duty to their constituent authority or would be in breach of their Constituent Authority's Code of Conduct.

- (b) Be committed to, and act as a champion for, the achievement of the Joint Committee's aims.
- (c) Be an ambassador for the Joint Committee and its work.
- (d) Attend Joint Committee meetings regularly, work with others to achieve consensus on items of business and make a positive contribution to the Committee's work.
- (e) Act as an advocate for the Joint Committee in any dealings with their organisation including seeking any approvals from their Constituent Authority/partner organisation to Joint Committee recommendations.
- (f) Adhere to the requirements of the 'Arrangements' document and maintain high ethical standards.

7. Appointment of Chairman and Vice-Chairman

7.1 The Joint Committee shall elect a Chairman and Vice-Chairman from amongst the voting membership as the first items of business at its inaugural meeting and at each Joint Committee Annual General Meeting thereafter. The appointments shall be confirmed by a simple majority vote of Constituent Authority members. If a deadlock occurs between two or more candidates a secret ballot shall immediately be conducted to confirm the appointment. If there is still deadlock following a secret ballot then a further meeting of the Joint Committee shall be held within 14 days and a further secret ballot shall be held to resolve the appointment.

7.2 A vacancy occurring in the positions of Chairman or Vice-Chairman between Annual General Meetings shall be filled by election at the next meeting of the Joint Committee. The person elected will serve until the next Annual General Meeting.

7.3 The Chairman and Vice-Chairman shall, unless he or she resigns the office or ceases to be a member of the Joint Committee and subject to 7.5 below, continue in office until a successor is appointed.

7.4 In the absence of the Chairman and the Vice-Chairman at a meeting, the voting members of the Committee present shall elect a Chairman for that meeting.

7.5 The Chairman or Vice-Chairman may be removed by a vote of all of the Constituent Authority members present at a meeting of the Joint Committee.

8. Quorum

The quorum for any meeting of the Joint Committee shall be 9 Constituent Authority members. The Chairman will adjourn the meeting if there is not a quorum present. In the absence of a quorum, the meeting shall be adjourned to a date, time and venue to be agreed by the Chairman.

9. Voting

9.1 Wherever possible the elected and co-opted members of the Joint Committee shall reach decisions by consensus and shall seek to achieve unanimity.

9.2 In exceptional circumstances where a formal vote is required, the proposal will be carried by a simple majority agreement of the voting members present and voting by a show of hands. The Chairman of the Joint Committee shall not have a casting vote in the event of a tied vote.

10 Decision making Arrangements

10.1 Only the Joint Committee shall approve the Productivity Strategy.

10.2 The Joint Committee may at any time appoint working groups consisting of Joint Committee members and/or co-opted representatives / officers to consider specific matters and report back / make recommendations to the Joint Committee.

11 Formal Meeting Arrangements

11.1 The Joint Committee will hold an Inaugural Meeting within 30 days of the agreed commencement date and thereafter shall meet on a regular basis as agreed by the Joint Committee annually at its Annual General Meeting.

11.2 The Chairman or in his/her absence the Vice-Chairman, may call a special meeting of the Joint Committee following consultation with the Chief Executives' Advisory Group to consider a matter that falls within the Committee's remit but cannot be deferred to the next scheduled meeting, provided that at least ten clear working days notice in writing is given to the Joint Committee membership.

11.3 Formal meetings of the Joint Committee shall normally be held in public, in accordance with the Access to Information Rules and the Standing Orders / Rules of Procedure of the Administering Authority.

11.4 Meetings of any working groups or task groups established by the Joint Committee shall, unless otherwise agreed, be held in private.

12. Who can put items on the Joint Committee's agenda?

- (a) The Joint Committee itself;
- (b) Any of the members of the Joint Committee appointed by the Constituent Authorities
- (c) A Constituent Authority by way of a formal resolution
- (d) The Chief Executives' Advisory Group
- (e) The Monitoring Officer and / or the Chief Finance Officer of the Administering Authority.

13. Reporting Arrangements

13.1 In addition to any ad hoc reports to the Constituent Authorities, the Joint Committee shall supply an annual report of its activities to the Constituent Authorities in May of each year.

13.2 The Joint Committee shall co-operate with the public scrutiny arrangements of the Constituent Authorities.

14 Record of attendance

14.1 All members present during the whole or part of a meeting are asked sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.

Julian Gale
Monitoring Officer
Somerset County Council

30.10.17

APPENDIX B

HOTSW JOINT COMMITTEE DRAFT INTER – AUTHORITY AGREEMENT

1. Commencement and Duration:

1.1 This Agreement (and the obligation of the Constituent Authorities [CAs]) shall take effect on the agreed Commencement Date – Monday 22nd January 2018 - and shall continue until the Joint Committee (JC) is dissolved.

2. Formation provisions:

2.1 The CAs agree to form the JC from the agreed Commencement Date and to delegate / refer the functions specified to the JC from that date as set out in section 2.3 of the Arrangements document.

2.1 The JC shall operate in accordance with the Arrangements document and the Standing Orders and Rules of Procedure of the Administering Authority (AA).

3. Administering Authority (AA) arrangements

3.1 The AA shall be appointed by resolution of the CAs for a 24 month period (24 months is considered as appropriate to provide sufficient continuity but also to provide the option to rotate the role on a regular basis).

3.2 The AA shall provide:

- Financial, legal, constitutional and administrative support to the JC and its meetings
- An on-line presence for the JC via the AA website with links to the CAs / partner organisations websites.
- Ensure it has appropriate insurance arrangements in place to cover the AA role.

3.3 The AA may resign from the role by giving 6 months' notice to the CAs.

3.4 The AA may be removed and replaced by a majority vote of the CA members at a formal meeting of the JC.

3.5 The JC shall cease to exist in the event that no CA or organisation can be identified to undertake the AA role.

4. JC Finance

4.1 The JC's budgetary arrangements shall be detailed in a budget and cost sharing agreement (to be drafted) to be agreed by all of the CAs 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 CAs for approval at the first opportunity following its establishment.

4.2 The budget and cost sharing agreement shall cover:

- (a) The responsibilities of the CAs 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 CAs
- (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 CAs 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.

5. Roles and responsibilities of the CAs

5.1 The CAs shall:

- (a) Appoint Members and named substitutes to the JC in accordance with the 'Arrangements'.
- (b) Undertake to share the costs of the JC in accordance with the budget and cost sharing agreement and pay their contribution to the JC to the AA in good time.
- (c) Make appropriate arrangements for recommendations of the JC to be considered and decisions made by the CA.
- (d) Support the work of the JC by offering services, resources or other 'in kind' support to assist with JC projects and activities.
- (e) Within the terms of the Inter-Authority Agreement, agree to share information to support the work of the JC.

6. Chief Executives' Advisory Group

6.1 The Group shall:

- (a) Ensure that the JC fulfils its functions and responsibilities and in accordance with all legal and constitutional requirements.
- (b) Plan and co-ordinate the JC's activities to ensure the achievement of its aims and objectives
- (c) Consider the performance and effectiveness of the JC on an on-going basis and make recommendations for changes for consideration by the JC and CAs as necessary.
- (d) Ensure that professional advice is available and provided as necessary to the JC to enable it to carry out its functions.
- (e) Rigorously monitor and scrutinise the JC's budget.
- (f) Consider disputes between the CAs over the application or interpretation of this Agreement together with any potential breaches of this Agreement.

7. Withdrawal from / dissolution of the JC

7.1 A CA wishing to withdraw from the JC shall give a minimum of 6 months' notice in writing to the other CA via the AA. The CAs shall co-operate with any such request.

7.2 If two or more CAs give notice of withdrawal from membership of the JC in the same Financial Year, the JC shall consider and make recommendations to the remaining CA as to the future operation of the JC and, if appropriate, recommend any necessary amendments required to the JC's functions and operating arrangements.

7.3 Where a majority of the CAs at any time agree (via formal resolutions) that the JC should be dissolved or terminated on a specified date then the JC shall cease to exist from that date.

8. Accounts, Audit and Reporting arrangements

8.1 The AA's accounts and audit arrangements will apply to JC business.

8.2 The AA will ensure appropriate reporting arrangements are in place for the JC.

9. Review of Inter-Authority Agreement

9.1 At any time one or more of the CAs may seek a review of this agreement and the operation of the JC by giving notice to the CAs via the AA.

9.2 The review shall be undertaken by the Chief Executives Advisory Group for report to the JC. Any recommendations for changes to the agreement from the JC shall only be implemented if agreed by all of the CAs.

10. Insurance, Indemnities, and Conduct of Claims

10.1 The JC as a scrutiny and policy making group rather than a commissioning body undertakes administrative functions and therefore carries relatively little risk.

10.2 Each authority's insurance cover will automatically extend 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.

11. Information Sharing, Data Protection, Confidentiality, Publicity and Freedom of Information (FOI) Requests

11.1 The CA shall share information about their organisations where that information is relevant to the aims and objectives of the JC.

11.2 Where such information is confidential or privileged, for example for reasons of commercial, customer or client confidentiality, the CA concerned shall seek to provide the information in such as form as to assist the JC whilst maintaining confidentiality, for example by the use of statistical and other non-identifiable forms of data. If confidential information is provided by a constituent authority to assist the work of the JC, then each CA will respect that confidentiality and shall not use or disclose such information without the permission of the authority that provided the information.

11.3 In respect of FOI requests, the AA will ensure that the requirements of the FOI Act 2000 are met in respect of the activities of the JC. In particular the AA will consult the officers of the CA as necessary regarding any potentially contentious enquiries and will then respond to them accordingly on behalf of the JC.

11.4 The JC and the CAs shall at all times abide by the requirements of the Data Protection Act.

11.5 All press releases and public statements to be sent out on behalf of the JC shall be the responsibility of the press office of the administering authority.

12. Promoting Equality, Diversity and Social Inclusion

12.1 All CAs will support and promote the principles of inclusiveness and equality for all through the work of the JC.

13. Extent of obligations and further assurance

13.1 Nothing in this Agreement is to require any of the CA to act in any way that is inconsistent with its obligations or duties as a local authority.

14. Variations of the Agreement

14.1 Subject to the express provisions of this Agreement, no variation of this Agreement will be valid or effective unless agreed by formal resolution of all of the CA.

15. Dispute Resolution / Breach of this Agreement

15.1 In the event of a dispute arising from the interpretation and operation of this Agreement or a breach of this Agreement by any CA or JC member, the matter shall first be considered by the Chief Executives' Advisory Group. The Group shall seek to resolve the matter by discussion and mutual agreement and report to the JC and CA as necessary.

15.2 Where this fails to achieve a resolution, then the JC may give formal consideration to further action. Such action may include:

- (a) A request to a CA to replace a JC member;
- (b) A request to a CA to withdraw from the JC;
- (c) A recommendation to the other CAs for the termination of the participation of a CA.

Julian Gale
Monitoring Officer
Somerset County Council

30.10.17