

REPORT TO: EXECUTIVE
Date of Meeting: 8th October 2019
Report of: Chief Executive & Growth Director
Title: Heart of the South West (HoTSW) Joint Committee
Governance Review and Financial Update

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

An update on the Joint Committee's governance arrangements and budgetary position for 2019/20. The report includes recommendations for amendments to the Committee's functions following a governance review.

2. Recommendations

That members:

1. Approve the proposed amendments to the Joint Committee's list of functions.
2. Note the updated budget position for 2019/20.

3. Reasons for the recommendations

In recent months the Joint Committee has reviewed and updated its governance arrangements in the light of experience since its establishment in early 2018 and in response to changing Government policy and local circumstances. Some changes are required to the Committee's Arrangements document as a result and these need to be formally agreed by each constituent authority. It is essential that the Joint Committee remains fit for purpose, retains a sustainable way of working into the future and delivers value for the resources committed to it by the constituent authorities.

4. What are the equality and diversity impacts of this decision?

The amended functions have no equality and diversity impacts,

5. What are the resource implications including non-financial resources?

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

The Committee agreed earlier this year that a larger annual budget was likely to be required to fund work programme priorities in future years and approved 'in principle' to seek the agreement of the Constituent Authorities to double the 2018/19 core contributions as a one-year arrangement so giving maximum contributions in 2019/20 of:

County Council - £21,000
Unitary Council - £8,000
District Council / National Park Authorities – £2,800

As there is a surplus budget in the current year, all members' contributions have been reduced by 50%. Further discussions are planned as to how to establish a financially stable Joint Committee budget for future years as a pre-requisite to preparing a budget proposal for 2020/21 for submission to the Constituent Authorities.

6. Section 151 Officer comments

The amount set out above is within budget and has been paid for 2019/20. Any further amounts above the budget set will require Council approval.

7. What are the legal aspects?

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

8. Monitoring officer's comments

There are no issues of concern for the Monitoring Officer.

9. Report details

In December 2017, Exeter City Council agreed to become a member of the Heart of the South West (HoTSW) Joint Committee. The Committee, established under the Local Government Act 1972, is a single strategic public sector partnership providing cohesive, coherent leadership and governance to ensure delivery of the Productivity Strategy for the HoTSW area. The Leader of the Council is a member of the Joint Committee. The overall 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.

10. Review of the role and functions of the Joint Committee

The Constituent Authorities have previously agreed one addition to the list of delegated functions by giving the Joint Committee the role of agreeing the local authorities' input into the development of the HoSW Local Industrial Strategy (LIS).

The need to review the governance arrangements has arisen from:

- Changes in Government policy away from large devolution 'deals' to a more targeted dialogue on key themes of relevance to the local authorities and partners, e.g., housing. The Joint Committee's influencing role has become increasingly important as recognised by Ministers, local MPs and Government

officials. The ambition remains to draw down additional functions, powers and funding from Government.

- The evolution of the Joint Committee's role from agreeing policy (the HotSW Productivity Strategy) to overseeing delivery of the LIS alongside the LEP.
- The developing relationships with other key local partnerships to ensure that there are appropriate reporting lines, i.e. HotSW LEP Joint Scrutiny Committee, Peninsula Transport Board, Great South West, HotSW Local Transport Board.

Accordingly, the Committee has refined its focus into the following areas:

- Strategic policy development
- Influencing Government / key agencies to achieve direct intervention, support, funding and powers
- Designing and delivering strategic HotSW responses to 'Government' offers
- Designing and delivering public sector reform where this will deliver improved productivity, eg in health and education
- Delivering at scale –(beyond what individual councils can achieve)
- Oversight of the Delivery Plan – working with the HotSW LEP to ensure delivery of the HotSW Productivity Strategy.

These amendments have been added to the list of functions in the Joint Committee's 'Arrangements' document – see **emboldened text** at Annex A. It is not proposed at this stage to request the delegation of further functions from the Constituent Authorities to the Joint Committee, which would require Council approval in any event.

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

Further discussions are planned as to how to establish a financially stable Joint Committee budget for future years as a pre-requisite to preparing a budget proposal for 2020/21 for submission to the Constituent Authorities.

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

The work of the Joint Committee has the potential to contribute indirectly to: tackling congestion and accessibility, promoting active and healthy lifestyles, building great neighbourhoods and leading a well-run council.

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

The key risk to the Constituent Authorities is a Committee without a clear role and functions and with unsustainable support arrangements which threaten the security and operation of the model. If the Committee cannot be sustained into the future then the momentum already achieved with Government will be at risk and the opportunity to realise additional funds, powers and responsibilities from Government for the benefit of the HotSW will be severely compromised. This in turn would compromise the ability to deliver the Productivity Strategy.

- 13. What is the impact of the decision on health and wellbeing; safeguarding children, young people and adults with care and support needs, economy, safety and the environment?**

There are no impacts.

- 14. What other options are there, and why have they been dismissed?**

There are no other options.

Chief Executive & Growth Director

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:

Democratic Services (Committees)

Room 2.3

01392 265115

ANNEX A – EXTRACT FROM THE JOINT COMMITTEE’S ARRANGEMENTS DOCUMENT (NEW FUNCTIONS INDICATED IN BOLD)

2. Joint Committee Functions:

2.1 The only delegated functions of the Joint Committee relate to:

- (a) the approval of the HotSW Productivity Strategy; and
- (b) **the development and endorsement of the HotSW Local Industrial Strategy (LIS) (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government.**

All other matters referred to in 2.3 below are ‘referred’ matters where the Joint Committee will make recommendations to the Constituent Authority or Authorities for decision. Additional delegated or referred functions may be proposed for the Joint Committee in the future by the Joint Committee or any of the Constituent Authorities but shall only be agreed if approved by all of the Constituent Authorities.

2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation to the other functions of the Joint Committee.

2.3 The Joint Committee shall:

- (a) Develop and agree the HotSW Productivity Plan in collaboration with the LEP.
- (b) **Maintain oversight of the HotSW Delivery Plan = working alongside and in collaboration with the LEP using each other’s strengths and roles to ensure delivery of the HotSW Productivity Strategy.**
- (c) **Continue discussions /negotiations with the Government and Government agencies to achieve direct intervention, support, funding and powers to the benefit of the HotSW and assist with the delivery of the Productivity Plan and the LIS, working with the LEP.**
- (d) Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government’s strategic infrastructure commitments, eg, strategic road and rail transport improvements.
- (e) **Design and deliver the strategic HotSW response to ‘Government’ offers and respond to Government calls for evidence if appropriate.**
- (f) **Design and deliver public sector reform where this will deliver improved productivity to the HotSW, eg health, education.**
- (g) **Deliver at scale (beyond what individual councils can achieve).**
- (h) Work with the LEP to identify and deliver adjustments to the LEP’s democratic accountability and to assist the organisation to comply with the

revised (November 2016) LEP Assurance Framework. This includes endorsing the LEP's assurance framework on behalf of the Constituent Authorities as and when required. However, this is subject to the Framework being formally approved by the LEP's Administering Authority.

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