

Agenda Item 5

Hertfordshire Growth Board (HGB) Growth Board Joint Committee Establishment and Governance Framework

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1 Purpose of report

- 1.1 This report deals with the proposed Governance Framework and matters of relevance in moving the Growth Board to a Statutory Joint Committee with associated Scrutiny Function.

2 Background

- 2.1 The Hertfordshire Growth Board is currently operating to provide strategic co-ordination around growth and place leadership for the eleven councils and Local Enterprise Partnership in Hertfordshire. The Growth Board Governance is through an agreed Terms of Reference (TOR, latest version from March 2020) and a collaboration MOU (October 2019).

- 2.2 Hertfordshire Growth Board is in negotiation with HM Government to secure a Growth Deal which will require a formal governance model to provide accountability to government and good governance and transparency in the local management and use of any funds received under such an arrangement. In addition, the Growth Board model has served and is likely to continue to need to serve the aligned functions of:

- Strategic direction, monitoring, delivery and co-ordination of current and future Growth Board strategy, programmes and implementation of any Growth Deal
- Governance body that secures strategic collaboration and delivery across the councils and with the LEP on place, economic performance and infrastructure matters
- Acts as the place leadership body for Hertfordshire that provides a single voice to Government, also identifies, promotes, lobbies for Hertfordshire's interests and for funding
- Oversight, accountability for and prioritisation of the Growth Board Growth fund

- 2.3 At a workshop in late June Leaders agreed that a statutory Joint Committee was their preferred governance model for the Growth Board in the event that Hertfordshire was successful in negotiating a Growth Deal with HM Government.

- 2.4 At the Growth Board meeting on 4 August it was agreed to progress more rapidly with evolving the Growth Board into a joint (s.101 type) committee and for that to happen this year. This recognises the advantages for Growth Board partners in signalling the strong local commitment to the Growth Board work, its delivery programmes and co-ordinating role now and in the future (going above the commitments set out in the existing MOU) including:
- a) Early establishment of the formal governance structure for the Growth Deal and current Growth Board programmes will make it easier for that work to be kept separate from, and continue to make progress, whilst discussions about the implications of the forthcoming economic recovery and devolution white paper take place
 - b) Helps maintain government and investor confidence in the visible alignment of business, political and civic support to delivery commitments in Hertfordshire
 - c) Would aid openness and transparency in decision making for Leaders and councils whilst the Growth Deal negotiations move forward over the next 6 months

- d) Provides a governance vehicle that would not compromise, advantage or disadvantage any future devolution position or option but would allow Hertfordshire to pursue a Growth Deal within the current window of opportunity

2.5 Giving the Growth Board formal joint committee status under s.101 would require it to be appointed and empowered under the following legislative provisions. The Local Authority partners would be responsible for the formal establishment of the joint committee: -

- S.101(5) and S.102(1)(b) Local Government Act 1972
- S.9EB Local Government Act 2000
- Part 4 Local Authorities (Arrangements for Discharge of Functions) (England) Regulations (2012).

3 Establishing the Governance model for the Growth Board as a Statutory Joint Committee

3.1 The Hertfordshire Heads of Legal and Monitoring Officers group has supported the preparation of the Integrated Governance Framework which is attached at Appendix 1. This Framework sets out the proposed HGB Terms of Reference; HGB Standing Orders; HGB Scrutiny Committee TOR; and HGB Scrutiny Committee SO's. The Framework document has also been considered by the Chief Executives Co-ordinating Group.

3.2 The same but tracked version of the document at Appendix 2 and the paper at Appendix 3 shows the comments received as far as possible. Recognising that there will still be comments and (hopefully limited) tidying up work to do after the Growth Board it is recommended that the sign off of the final version of the document (the one that is then taken through all democratic processes across the Hertfordshire Councils) be delegated to the Growth Board Director and Chief Executives Co-ordinating Group to complete.

3.3 Also subject to the decision of the Growth Board on 8th September, a common committee report will be prepared and made available for all partners to use (appended to each councils standard report format) when taking this matter through cabinet and councils (and the equivalent arrangements at each authority and to update the LEP Board). This will be available from later in September, in time for the first meetings where this is needed.

3.4 As with the Growth Board Memorandum of Understanding that all partners committed to late last year, a Growth Board joint communications plan will be drawn up with pro-active media arrangements covering the first publication of papers dealing with this change and managing communications jointly on this issue until the final council decision is taken.

3.5 Summary table and specific procedural and other issues to highlight:

<p>The new Growth Board Joint Committee</p>	<p>The Committee will have 11 Local Authority Members and 1 co-opted member (Hertfordshire LEP) initially. Leaders are recommended to continue with the current membership arrangement but review inviting other co-opted members to join later e.g. Health, Government agencies, voluntary sector, Higher and Further Education. This change could be from the start of 2021/2022.</p> <p>The Growth Board meets roughly every 6 weeks at the moment, this cycle has enabled the business of the board to move forward with appropriate pace. Unless Leaders wish otherwise this cycle could continue in 2021, mirrored by the scrutiny function once established.</p> <p>The Joint Committee meetings will need to have a quorum – a sufficient majority of members (say 7) is suggested for this. Meetings</p>
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	<p>will also need to follow the Covid and post Covid legislative requirements to facilitate public attendance and participation.</p> <p>The Governance Framework suggests that the Growth Board chair and vice chair are selected for a term which could be two years with a maximum of two terms or the chairing/vice-chairing could be undertaken in rotation by all the partners.</p> <p>The governance model proposes that achievement of consensus is the preferred decision-making route. However, in the situation where (anticipated to be rare) Executive decisions cannot be agreed by consensus and require a formal vote, a simple majority voting system is recommended. It is also suggested that the chair has a casting vote. (N.b. other alternative voting models do exist should Leaders wish to consider those).</p> <p>Under the legislation the 11 Local Authorities have the formal voting rights. However, in recognition of the special relationship that the Hertfordshire LEP has with the Growth Board work, in those circumstances the board has to have regard to the advice of the LEP in the voting process. This is specifically highlighted in the document.</p> <p>It is also recommended that a dispute resolution function is included in the framework.</p>
Timeline for Implementation of the Joint Committee	Subject to all councils achieving support for the joint committee by the start of, or early December at the latest. The December Growth Board could be rescheduled to take place in its new joint committee format on (subject to agreement) Thursday 17 th December.
Accountable Body	<p>Hertfordshire County Council is the accountable body for the Hertfordshire Growth Board Growth Fund.</p> <p>Arrangements for the accounting of any future funding received as part of any Growth and Housing Deal can be considered later or continue with the current arrangement.</p>
Scrutiny Committee	<p>There are a range of scrutiny options, but the framework proposes a scrutiny committee of 11 members drawn from the local authority partners. Each council to be asked to nominate their representative (and substitute). The recommendation is that the chair of the scrutiny committee or equivalent at the parent council is asked to do this, but it will be for individual councils to decide how they deal with this.</p> <p>The number of Scrutiny Committee meetings will be established to match the Growth Board meetings in 2021, providing a pre-scrutiny approach. The first Growth Board Scrutiny Committee should take place in early 2021.</p> <p>If Leaders feel that this new scrutiny function will necessitate a special responsibility allowance, then that will need to be considered and the details of that determined separately.</p>
Secretariat	The Growth Board secretariat is currently funded from the Growth Board Growth Fund and provided by Hertfordshire County Council

	Democratic Services. The changes to the Growth Board and establishment of the aligned Scrutiny Committee will also need ongoing support and additional funding. The Growth Board Director and Chief Executives Group will ensure appropriate arrangements are put in place for this secretariat function to continue to be carried out.
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3.6 Once agreed by the Growth Board, the Integrated Governance Framework will need to be adopted in its final form by each of the authorities and the LEP this autumn. Given this, it is not practicable to make further changes to the document council by council at individual meetings without there then needing to be a further round of consultation with all partners on those changes. The common committee report will hopefully assist by setting out the drafting and consultation process that has taken place as well as the research into other similar governance arrangement that has informed the preparation of the new Integrated Governance Framework document.

7 Recommendations

7.1 That Leaders/LEP Chair agree:

- a. To ask all of the Hertfordshire Councils to support the establishment of the Growth Board Statutory Joint Committee and Scrutiny Committee this autumn, in time for the December Growth Board (as rescheduled) to take place under the new arrangements;
- b. The Growth Board Statutory Joint Committee and Scrutiny Committees are established using the Integrated Governance Framework attached at Appendix 1 (subject to c below);
- c. The Growth Board Director in consultation with the Chief Executives Coordinating Group to complete the preparation of the final version of the Integrated Governance Framework (to the extent of correction of any minor typographical, grammatical or other inconsequential matters to finalise the document) by the end of September;
- d. The Hertfordshire Monitoring Officers Group and the Growth Board Director in consultation with the Chief Executives Coordinating Group complete the preparation of the common committee report by the end of September.