

**PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE – PROPOSED
GOVERNANCE ARRANGEMENTS****1. PURPOSE OF REPORT**

- 1.1 This report requests the Cabinet to agree to the establishment of formal joint arrangements with 10 other local authorities in Hampshire to replace the existing informal arrangements of the Partnership for Urban South Hampshire (PUSH), and to make recommendations to full Council on those aspects of the proposed arrangements that are not a matter for the Executive.
- 1.2 The Totton and Waterside area of New Forest District is in the PUSH sub-region.

2. PUSH – BACKGROUND

- 2.1 In addition to this Council, the members of the informal PUSH partnership are:
Hampshire County Council
Southampton City Council
Portsmouth City Council
East Hampshire District Council
Eastleigh Borough Council
Fareham Borough Council
Gosport Borough Council
Havant Borough Council
Test Valley Borough Council
Winchester City Council
- 2.2 PUSH came together initially in 2003/04 with a common purpose of regenerating the sub-regional economy, addressing regional and sub-regional economic disparities, tackling pockets of deprivation and social exclusion, and securing the long term prosperity and quality of life of the residents of the area through ensuring South Hampshire had a strong and prosperous economy. With the advent of the South East Plan, PUSH's role embraced the sub-regional input to the Regional Spatial Strategy, and championed the cause of local determination of the area's future development.
- 2.3 PUSH has been widely acclaimed for its active and in-depth engagement with the South East Plan process, and helped to provide a model for the new sub-region dimensions to the planning system that were introduced in the Planning and Compensation Act 2004. PUSH is mentioned in Government publications as an example of good practice, and the South Hampshire sub-region was awarded growth point status in 2006 and secured just under £4 million of growth point funding for 2006/08. The area is also designated as a diamond for growth in the Regional Economic Strategy, in recognition of the economic-led sub-regional strategy proposed by PUSH.

3. CURRENT ARRANGEMENTS

- 3.1 Currently PUSH meets in private and has no formal democratic status. As it has developed and its role has become established, it has become increasingly apparent to its members that continuing as an informal partnership is no longer an option. The role of PUSH will also change as the policy framework is finalised, and delivery becomes the key focus of activity.

4. DEVELOPMENT OF NEW GOVERNANCE ARRANGEMENTS

- 4.1 Over recent months the PUSH Leaders' and Chief Executives' Panel has been considering a restructuring and formalisation of the governance arrangements to increase its accountability, effectiveness and ability to develop a "delivery" capability in order to maximise investment and co-ordination in the South Hampshire sub-region, and to secure local control and management of the implementation of the sub-regional strategy.
- 4.2 PUSH agreed an initial approach to governance on 30 January 2007, and officers then worked up more detailed proposals. These were agreed in principle by PUSH on 27 March 2007, subject to agreement on detailed proposals relating to the functions to be delegated, and overview and scrutiny arrangements. Further proposals on these two matters were the subject of a workshop in May 2007, and were agreed by PUSH on 7 June 2007.
- 4.3 The PUSH Leaders' and Chief Executives' Panel have unanimously agreed the proposed governance arrangements set out in this report.

5. PROPOSALS FOR FUTURE GOVERNANCE ARRANGEMENTS

- 5.1 The proposal is for the establishment of a Joint Committee, the principal role of which would be to implement the sub-regional strategy for South Hampshire. This aims to regenerate and develop the sub-regional economy, and deliver a strategy of managed growth conditional on the provision of infrastructure to ensure the development of sustainable communities and the protection of quality of life and the environment of South Hampshire over the next 20 years. An Overview and Scrutiny Committee to carry out overview and scrutiny functions in relation to PUSH is also proposed.
- 5.2 The proposed arrangements will also provide a governance basis for PUSH which increases transparency and local accountability, and provides a sound basis for engagement with Government and partner organisations, to secure investment and support for the sustainable development of the South Hampshire sub-region, accompanied by adequate and timely investment in infrastructure. The Joint Committee will work closely with Transport for South Hampshire in respect of sub-regional transport matters.
- 5.3 The broad structure is based on formalising the existing Leaders' and Chief Executives' Panel into a formal Joint Committee of 11 partners. Each authority would then nominate its Leader or an appropriate Executive member to sit and vote on the Joint Committee. The Joint Committee would retain the right to co-opt non-voting members.

- 5.4 PUSH recognises the importance of the principle of subsidiarity in the definition of its role and functions, and this applies to all matters relating to the operation of the Joint Committee. In other words, it is only matters of a sub-regional nature that would be within the remit of the Joint Committee. Local matters are better dealt with locally by the relevant authority.
- 5.5 It is proposed that an Overview and Scrutiny Committee be established to review any Joint Committee decisions that are called in, and that each authority appoint a non-executive member to sit on that Committee. (The establishment of this new Overview and Scrutiny Committee would not restrict the powers of this Council's Review Panels to carry out their existing scrutiny functions).
- 5.6 There are existing officer groups and member topic groups (housing, planning and sustainability) which would continue to operate as at present to consider topics in detail and act in an advisory capacity to the formal Joint Committee. Further topic based advisory groups may be established as required in the future.
- 5.7 An annual business plan would be agreed individually by each authority, and the Joint Committee would operate in its context. The Joint Committee would have delegated power to implement the business plan on behalf of the member authorities. Details of the proposed governance arrangements are set out in Appendix 1 to this report, based on what was agreed at the PUSH meetings in March and June 2007.
- 5.8 Both the Joint Committee, and the Overview and Scrutiny Committee, would consist of one member from each authority. Neither Committee would be required to reflect political proportionality across the member Councils as a whole.
- 5.9 It is proposed that the Joint Committee will operate on a simple majority voting basis, but that the three strategic authorities (Hampshire County Council, Southampton City Council, and Portsmouth City Council) would have to be within the majority. (In other words, each of these three Councils would retain a "veto").
- 5.10 It is also proposed that overview and scrutiny operates on a "light touch" basis, with at least two members required to trigger a call in. If the Overview and Scrutiny Committee disagreed with a Joint Committee decision that had been called in, then so long as the decision was consistent with the approved business plan the Overview and Scrutiny Committee's powers would be limited to requesting the Joint Committee to reconsider the matter.
- 5.11 A schedule of the scope of the functions it is proposed to delegate to the Joint Committee is set out at Appendix 2 to this report. Whilst it is acknowledged that these proposals form the basis for potential further exploration and development, this will only be done with the support of each partner.

6. FINANCIAL, CRIME AND DISORDER, EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 None arising directly from this report.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 The proposed new arrangements will enhance the ability and capacity of PUSH to deliver the sub-regional strategy which will contribute to quality of place and well-being of South Hampshire communities, through provision of employment, housing, infrastructure and facilities to meet social and community needs, whilst protecting the environment and delivering sustainable communities.

8. RECOMMENDATIONS

- 8.1 That the establishment of joint arrangements between this Council, Hampshire County Council, Southampton City Council, Portsmouth City Council, East Hampshire District Council, Eastleigh Borough Council, Fareham Borough Council, Gosport Borough Council, Havant Borough Council and Winchester City Council (together referred to as “the PUSH authorities”), based on the broad structure and functions described in section 5 and Appendices 1 and 2 of this report, be approved;
- 8.2 That the establishment of a Joint Committee of the PUSH authorities with delegated authority to discharge such Executive functions as are necessary to implement the PUSH business plan, subject to the business plan being approved on an annual basis by this Council, be approved;
- 8.3 That an Executive Member be appointed as the Council's representative on the Joint Committee, and that a second Executive member be appointed as deputy in the event that first member is unable to attend;
- 8.4 That the Chief Executive be authorised to finalise the detail of the joint arrangements, in consultation with the Head of Legal and Democratic Services, the Leader of the Council and the Council's representative on the Joint Committee, on the basis set out in section 5 and Appendices 1 and 2 of this report;
- 8.5 That it be recommended to Council:
- 8.5.1 That the establishment of joint arrangements as set out in 8.1 above, including the establishment of an Overview and Scrutiny Committee with authority to carry out overview and scrutiny functions in relation to matters delegated to the Joint Committee, be approved;
- 8.5.2 That a non-executive member be appointed as this Council's representative on the Overview and Scrutiny Committee, and that a second non-executive member be appointed to serve as deputy member in the absence of the appointed representative;
- 8.5.3 That the Chief Executive be authorised to finalise the detail of the joint arrangements in relation to the Overview and Scrutiny Committee, in consultation with the Head of Legal and Democratic Services, on the basis set out in section 5 and Appendices 1 and 2 of this report; and
- 8.5.4 That the Council's Constitution be amended so far as is necessary to give effect to these decisions.

Further Information:

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Background Papers:

Agendas and minutes of PUSH Leaders' and Chief Executives' Panel

Issues and Preferred Options

This table integrates the issues and options considered at the PUSH Leaders’ and Chief Executives’ meeting on 27 March and at the PUSH Leaders’ Workshop on 21 May. All agreed by the PUSH Leaders’ and Chief Executives’ meeting on 7 June.

Under these proposals, power to call-in decisions by the Joint Committee rests with the Overview and Scrutiny Committee, which would be able to refer decisions back to individual authorities only where these were held to be contrary to the approved business plan.

If individual authorities wish to revoke the delegation of functions to PUSH, their opportunity would be when annually considering the PUSH Business Plan.

ISSUES	PREFERRED OPTION/APPROACH	COMMENTS ON OPTIONS
<p>1. Precise functions that should be delegated to the Joint Committee.</p>	<p>Delegation of all relevant functions subject to these being discharged in accordance with a business plan and budget approved annually by each member authority.</p>	<p>Specific Functions are listed in Appendix 2.</p>
<p>2. How decisions are made by the Joint Committee on the exercise of the functions delegated.</p>	<p>Each authority has one representative on the joint committee and each representative has a vote. A simple majority is required, but must include the representatives of Hampshire County Council, Portsmouth City Council and Southampton City Council.</p>	<p>Each authority will nominate a member to the joint committee, normally expected to be the Leader, and also nominate a deputy to attend when the main nominee is unavailable. Other substitutes would not normally be acceptable.</p> <p>The Chairman and Vice-Chairman duties should be shared so that one is from a borough or district and the other is from the County or one of the Unitary Authorities.</p> <p>Only the nominated members will have a vote. The Joint Committee may co-opt non-voting members (such as representatives from SEEDA, GOSE, SEERA, business and other key sub-regional agencies). Others may be invited to meetings (eg for specific agenda items) but would not have voting rights nor be treated in the same way as co-optees.</p>

3. Liabilities	If the liability arises out of the action or inaction of one and only one authority, then that authority would be liable. Otherwise, liabilities will be met pro rata the budget formulation.	
4. Performance Management	Dedicated officer support will be performance managed by the Chief Executives' Working Group.	
5. The right of withdrawal and consequences, particularly how this affects funding of current commitments and liabilities	Any party can withdraw from the partnership at the end of a financial year provided at least six months' notice is given.	
6. How to exercise Overview and Scrutiny functions in respect of Joint Committee decisions, including call-in.	Establish one central Overview and Scrutiny Committee with delegated functions to scrutinise and call-in Joint Committee decisions. Each member authority will nominate a Scrutiny Committee member of their choice.	Nominees (and nominated deputies) to the Overview and Scrutiny Committee should be non-executive members of respective authorities
6.1. Is the Overview and Scrutiny Committee to be pro-active or re-active , and what are the consequences of each approach?	(b) Reactive: meeting either periodically (quarterly or less frequently) or only after a Joint Committee where an item is called in to offer comments on that issue.	The Overview and Scrutiny Committee's activities should be focused on Business Plan delivery. The Committee should meet infrequently, eg once to form the committee, annually in relation to business plan proposal / approval, and otherwise for call-in matters as necessary.
6.2. Composition of the Overview and Scrutiny Committee – is there to be a representative from each member authority of PUSH, and if the Committee is to be politically proportioned, who is to decide how that proportionality is allocated?	(a) Representation: One member nominated by each authority (b) Proportionality: Not politically proportioned	

<p>6.3. Where a decision is called-in by a member authority, what is the process for that, and may a decision be called-in by one authority acting on its own, or are there to be other arrangements?</p>	<p>Call-in may be triggered by two or more Committee members/authorities.</p>	<p>Compromise agreed. Any two members could trigger call-in: no special privileges for the Chairman.</p>
<p>6.4. Where a decision is called-in, what is the role of the scrutiny committee in considering that – is the decision to be referred either to member authorities and/or to simply be referred for reconsideration by the Joint Committee?</p>	<p>(a) <u>Role of Overview and Scrutiny Committee</u></p> <ul style="list-style-type: none"> • To review decisions and refer back to Joint Committee with comments for reconsideration; and • To have the option of referring back to individual authorities any decisions that are contrary to the approved business plan. <p>(b) <u>Remit of Overview and Scrutiny Committee</u></p> <p>To call in decisions by the Joint Committee only where the decision relates to actions or budgetary commitments not covered by the approved Business Plan</p>	<p>There seemed consensus around the suggestion that whilst the Overview and Scrutiny Committee could have the reserved right to call in any decision, it should concentrate on any departures from the approved Business Plan. If the Overview and Scrutiny Committee disagreed with a decision of the Joint Committee, but the decision is in accordance with the approved business plan, they could ask the Joint Committee to reconsider. The matter could be referred back to parent authorities (by the Overview and Scrutiny Committee) for decision if the decision was contrary to the approved business plan (and where the Overview and Scrutiny Committee disagreed with the decision). The Monitoring Officer would be empowered to determine whether or not actions accorded with the business plan.</p>
<p>6.5. Election of Overview and Scrutiny Committee Chairman</p>	<p>Overview and Scrutiny Chairman and Vice-Chairman should be elected by the Committee.</p>	<p>Agreement that the arrangements for Overview and Scrutiny Committee Chairman and Vice-Chairman should be the opposite of whatever is the arrangement in the Joint Committee</p>

7. Procedure for Urgent Business	Relevant papers should be cleared by the Chairman and Vice Chairman of the Joint Committee and the Chairman of the Officer Working Group; final papers should be copied to the Chairman and Vice Chairman of the Overview and Scrutiny Committee.	This arrangement is likely to be covered by a protocol.
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Specific Functions that could be delegated by councils to the PUSH Joint Committee

This table presents an indicative list of functions to be delegated to the PUSH Joint Committee.

FUNCTION	INDICATIVE SCOPE OF DELEGATION
Generic Functions	
Business Planning and Partnership Development	<ul style="list-style-type: none"> • Development, performance management, monitoring and evaluation of the PUSH business plan and its implementation. • Ongoing monitoring of key indicators. • Development, design and negotiation of longer-term delivery arrangements for the South Hampshire sub-regional strategy. • Engagement of other sectors and partners at the strategic level to support delivery of the business plan and PUSH strategy.
Information, studies and analysis	<ul style="list-style-type: none"> • Commissioning (through individual lead authorities) studies, consultancy work, research and analysis to support strategy development and implementation. • Providing public access to information about the sub-region.
External Relations and Communications	<ul style="list-style-type: none"> • Being the voice and champion for South Hampshire in dealings with Government, other National or Regional bodies and Agencies and networks (eg South-East Diamonds for Investment and Growth). • Preparing responses to national and regional policy initiatives on behalf of the sub-region. • Promoting public understanding and involvement in sub-regional issues, and of the work of PUSH and its partners through broadcast, internet and print media.
Knowledge Transfer	<ul style="list-style-type: none"> • Promoting and facilitating training and best practice/knowledge transfer for officers, members and other sectors on matters relating to PUSH's work programme.
Promoting delivery of infrastructure	<ul style="list-style-type: none"> • Analysis of infrastructure needs and support in negotiating delivery and financing options. • Monitoring delivery of infrastructure. • Development of policy approaches and priorities for implementation of sub-regionally important infrastructure.
External Funding	<ul style="list-style-type: none"> • Commissioning, coordinating and administration of external funding bids and negotiations relating to sub-regional projects or programmes (eg New Growth Point project funding, EU funding on cross-boundary schemes, funding delegated or allocated from National or Regional Agencies). • Coordinating inward investment into the sub-region and promoting inward investment opportunities.

Thematic Functions	
Economic Development	<p>Economic stewardship and development activity benefiting the PUSH sub-region, in particular:</p> <ul style="list-style-type: none"> • Strategy development relating to strategically important employment sites having a cross-boundary impact; • Promoting key sub-regional sites to avoid negative competition between authorities; • Ensuring effective programme management of strategically important economic development and regeneration schemes; • Facilitating support and capacity-building to individual authorities on smaller economic development schemes; • Working with other agencies operating at sub-regional level on a range of topics; and • Preparation of reports to inform monitoring, policy development and business planning.
Housing	<ul style="list-style-type: none"> • Development of consistent policy approaches, eg on Affordable Housing • Collaboration on relevant studies eg Housing Market Assessments. • Collaboration on nomination rights to social housing on strategically important development sites. • Development of a sub-regional housing strategy • Leading engagement with Housing Corporation/English Partnerships/Communities England on sub-regional strategic and resource allocation issues.
Planning	<ul style="list-style-type: none"> • Advising the Regional Planning Body and Government on the Regional Spatial Strategy and national planning policies impacting upon the sub-region. • Advising on local delivery frameworks (LDFs) and encouraging shared working where appropriate. • Preparation of consistent policy approaches (eg affordable housing [as above], consultation, sustainability) and consistent approaches to supplementary planning guidance (eg urban design). • Assisting and encouraging shared working on the Appropriate Assessment of LDFs. • Advising and supporting masterplanning, development briefs and local development documents relating to strategically important sites promoting consistency of approach in the PUSH context. • Automatic consultee on planning policies, proposals and applications relating to strategically important sites. • Supporting development of consistent approaches to Section 106 negotiations and the utilisation of developer contributions, particularly in relation to strategically important sites.

Sustainability	<ul style="list-style-type: none"> • Development of sub-regional strategies, consistent policy approaches, guidance and standards. • Collaboration on sub-regional projects, eg ESCo. • Capacity-building on sustainability issues. • Promoting sustainable waste management solutions across the sub-region.
Culture	<ul style="list-style-type: none"> • Developing policy approaches and parameters for enhancing the cultural assets of the sub-region. • Working with National and Regional Agencies to promote cultural opportunity across South Hampshire.