



Report to the Partnership for Urban South Hampshire Joint Committee

Date: **18 November 2008**

Report of: **Stuart Jarvis: Managing Director**

Subject: **PUSH Governance**

SUMMARY

The Governance arrangements for PUSH have been reviewed in line with the commitment set out in the Business Plan. The report focuses on the key areas of the structure, the proposed appointments and terms of reference for the new Delivery Panels. Finally, there is an outstanding requirement to establish a set of financial protocols to govern the way PUSH budget and financial management and transactions take place

The proposals set out within the paper are considered to represent a progressive and proportionate response to the challenges posed by the need to re-focus PUSH away from policy development and onto delivery. It is important that any Governance structures are consistent with the longstanding PUSH principles of subsidiarity, democratic leadership and accountability.

RECOMMENDATION

It is recommended that the Joint Committee:-

- a) APPROVES the Governance Arrangements set out in the report, and illustrated in the diagram set out in Appendix Two;
- b) AGREES that a representative of the Business Group be co-opted onto the Joint Committee on the same basis as the SEEDA, SEERA and GOSE representatives;
- c) APPROVES the Delivery Panel Terms of Reference set out in Appendix One;
- d) APPROVES the recommended Member and Officer nominations set out in Appendix Three; and
- e) APPROVES the Financial Protocols set out in Appendix Four, which replace the interim arrangements previously agreed.

INTRODUCTION

1. Chapter 7 of the PUSH Business Plan proposed an evolution in PUSH's organisational structure to reflect the shift of emphasis from planning and strategy towards supporting delivery. The main features of these proposed changes were:
 - a. The Joint Committee to remain as the strategic leadership and decision-making body;
 - b. The creation of four Delivery Panels, to oversee and drive the delivery of the actions in the thematic chapters of the Business Plan;
 - c. The Working Group to evolve into a Programme Board, including representation from Job Centre Plus, Business Link, Learning & Skills Council, SEEDA, business and the universities;
 - d. Creation of a Business Group as an advisory and consultative means of engaging with business and the HFE sector.

2. The proposals were of necessity both high level, and put together at fairly short notice to ensure that the Business Plan, and in particular the MAA could proceed on the relatively tight timescales they required. The proposed new Governance model and structural arrangements have now been considered and worked through in more detail, and an opportunity provided for the PUSH Leaders to input their views to the Chairman, particularly with regard to the political arrangements. This paper describes these more detailed proposals and proposes terms of reference for the Delivery Panels. Governance arrangements are likely to need periodic review and updating, as PUSH evolves and the business plan develops and adapts to changing circumstances.

Legal Context

- 3 The constitutional arrangements for PUSH are set out in the formal legal agreement approved by each of the constituent authorities that established the Joint Arrangements, namely the governance structures, Joint Committee and Working Group. This Agreement provides that the Joint Committee and the Working Group were required to be established as set out in the Agreement, and that any proposed changes to those governance structures would constitute a variation to the Agreement, and require a formal procedure to change it. This process requires the formal agreement, generally through Council resolutions, of all the local authority partners. This is a lengthy and potentially uncertain process. Therefore a firm principle of PUSH, and one that has been reinforced in the Chairman's recent consultation with PUSH Leaders, is that the new arrangements must work within the existing constitution; there is no support or justification for changing the agreement at this time. PUSH was founded on the principles of democratic accountability and local political leadership as foundations for its existence. These principles cannot be compromised by any governance proposals.

- 4 In addition, PUSH has also operated from the start around the key principle of 'subsidiarity'. PUSH is a strategic partnership and deals with genuinely strategic/sub-regional matters, where it can add value to the efforts of the

individual partners. PUSH does not get involved in direct service delivery, or the statutory service roles of the partner authorities or indeed those of the wider partners. PUSH's key role is in co-ordination and oversight of both policy development and delivery at a strategic level, and the proposed new Governance structures and arrangements reflect these principles.

Delivery Panels

- 5 To date the Joint Committee has been supported by a mixture of arrangements for working on the various PUSH themes. These have mainly been officer structures, although Member Panels have been developed in some areas. The Delivery Panels will replace the existing Theme Groups. The existing Member Panels that have been created have been advisory, overseeing the work of officer theme groups and examining proposals before they are brought to the Joint Committee. Officer Groups, some involving key non local authority partners have carried out much of the policy development and evidence-building work for PUSH, and developed work programmes including commissioning research, and setting up task-and-finish sub-groups to carry out particular assignments, and submitting funding proposals or bids to the various agency programmes relevant to each theme.
- 6 There will continue to be policy, programme and project development work under each theme. But the emphasis for PUSH as a whole needs to shift from planning and strategy making to delivery, hence the most significant structural change is at this level of the organisation. It is also clear that as PUSH has evolved, and the officer structures in particular have developed in an 'organic' manner, there are areas of duplication, uncertainty and inconsistency in the methods of operation, and some evidence of occasional disconnection with the core PUSH mission. In establishing the Delivery Panels there is an opportunity not only to bring clearer accountability, closer co-ordination and consistent management across the range of PUSH activities, but also the chance to rationalise structures and ensure better cohesion and integration across the whole.
- 7 The Business Plan proposed four Delivery Panels:
 - Economic Development
 - Housing and Local Planning
 - Sustainability and Social Infrastructure
 - Creating Quality Places
- 8 The current exercise has provided an opportunity to review these proposals, and question whether these are still the appropriate themes, or whether there is a case for an additional/alternative theme. One issue that has emerged is the issue of boundaries, and the need to ensure management of overlaps between themes (e.g. the issue of design falls within the remit of both the Quality Places theme and Housing and Planning Theme. In order to address these concerns it is suggested that the second theme group/Delivery Panel should have a clear remit for all planning matters, rather than splitting local and strategic, and that the third theme should clearly be identified as dealing with 'community' scale infrastructure. Given the significance of the agenda, and the political priority attached to it, it is further proposed that strategic Infrastructure

matters would be the remit of the Joint Committee itself, with suitable working arrangements to be established to consider this topic in due course. However, there is general overall support for retention of the themes, provided there is some clarification of responsibilities as set out above.

9. In recent months, particularly in the context of the credit crunch, a significant emphasis has developed on efforts to secure external funding for South Hampshire. This has also highlighted the need for careful management of the resources at PUSH's disposal through the wider partnership. Therefore there is an additional proposal to the Business Plan model suggesting that a new fifth theme should be created based around external funding and resources. Therefore the recommended alternative Delivery Panel/Theme arrangement would be:-
 - **Economic Development**
 - **Housing and Planning**
 - **Sustainability and Community Infrastructure**
 - **Creating Quality Places**
 - **External Funding and Resources**
- 10 Each Panel would be responsible for overseeing and driving the implementation of the relevant chapter of the Business Plan. Transport for South Hampshire, as a separate Joint Committee lead on the implementation of transport infrastructure.
- 11 It is proposed that a member from one of the PUSH local authority partners, who is their authority's representative on the Joint Committee, would chair each Panel. There will be one additional Councillors on each panel except economy which would have two, reflecting its importance for PUSH. These Members would also be either Leaders/JC Representatives or Cabinet members/ portfolio holders or equivalent with responsibilities relevant to the Panel in question. Each Panel would also have a lead Chief Executive, and be supported by lead technical advisers. The remaining Panel members would be representatives/nominees from key stakeholders for that theme, with a direct interest in delivery of the Business Plan. It will be for the Chairman and lead Chief Executive of each Panel to invite appropriate stakeholder representation. The Delivery Panels will be advisory groups to the Joint Committee with no decision-making responsibilities, but they will oversee a work programme and budget for their theme, as determined by the Joint Committee.
- 12 The size of Panels will again be for each Chairman and lead Chief Executive to determine: they need to strike a balance between being sufficiently tight and focused to aid efficient conduct of business, and sufficiently inclusive to ensure the breadth of stakeholder expertise and perspectives are tapped effectively.
- 13 There will still be a need for officer working groups to be retained/convened, on a 'standing' or task-and-finish basis, for particular pieces of work or when issues are to be discussed that affect all authorities' areas. Similarly, there is likely to be a role for sub-groups (for instance dealing with discrete elements of the economic development strategy) operating under the supervision of the Economic Development Panel. These officer groups will be responsible to the

Delivery Panels, and have an advisory role. Whilst it is possible to split the PUSH work into themes, there are clearly cross cutting issues, and overlaps/fuzzy boundaries in any such exercise. Therefore there is a clear expectation that cross-cutting work, and robust lateral communications are built into the new officer structures, to ensure cohesion, integration and to maximise efficiency.

- 14 It will be important for lead Chief Executives to review the most appropriate arrangements that accord with the principle of streamlining and greater emphasis on delivery. The Delivery Panels are not meant to be an additional layer on top of existing arrangements: it will be for them to decide what additional groups are required to support the Delivery Panels. Proposed Terms of Reference for the Delivery Panels are set out at Appendix One.

Special Delivery Arrangements/Special Purpose Vehicles

- 15 The PUSH Business Plan envisages the possible creation, over time, of a number of other delivery arrangements. Where they perform an advisory or co-ordination role, they would also be overseen by and accountable to the relevant Delivery Panel.
- 16 There may also, in future be a requirement for further special delivery arrangements with an executive role. In these circumstances it is proposed that such Groups/Boards/SPVs should report directly to the Joint Committee (who will set and oversee the framework within which they operate) with appropriate involvement of the relevant Delivery Panel (e.g. through involvement of the Chairman).
- 17 The Training and Skills proposals in the MAA involved the development of an Employment and Skills Board (ESB) for South Hampshire. Work is currently progressing on the preparation of detailed Terms of Reference and proposed constitutional arrangements for the proposed ESB. These will be considered at a future meeting of the Joint Committee. It is however proposed that the Joint Committee should nominate two elected Members to serve on the ESB as part of its overall decision on the PUSH Governance at this stage.
- 18 The Business Group, a further key aspect of the Governance changes, has now had its inaugural meeting. The Forum is intended to provide an independent forum for business community and to represent the voice and interests of business within PUSH. The Forum, which links well with HEP, includes key business leaders from the various business groupings within South Hampshire, and senior representatives of the Higher Education Sector. The Business Group has established a small sub-group to develop ideas for how it might operate most effectively within PUSH, including how it interacts with the Programme Board and the Joint Committee. However, in order to secure every opportunity to ensure that Business has a voice at the heart of PUSH, it is proposed that a representative of the Business Group should be invited to nominate a representative to be co-opted onto the Joint Committee, on the same basis as GOSE, SEEDA and SEERA (i.e. non voting).

Programme Board/Working Group

- 19 The proposed Programme Board was intended to comprise the lead Chief Executives and technical officers for each of the theme groups, lead members

of the Core Team, and representatives from partner agencies and from the Business Group. In fact the Board has now been operating as a 'Shadow' Programme Board for some time, and therefore it is considered that it is sensible to draw upon the experience we have gained during this time to review the proposed arrangements.

- 20 The proposed Programme Board is an evolution of the former PUSH Working Group that operated successfully for several years in managing and co-ordinating work on the development of policy, confined to the local authority partners. The intention was that the PUSH theme leads and MAA partners would be the core of the Board. The representatives from the partner agencies were envisaged to be senior officers with responsibilities commensurate with the geographical area covered by PUSH. It was also intended that there would be representatives from the Business Group, including a Higher Education Sector representative. To ensure continued close collaboration on Transport matters, a representative from Transport for South Hampshire (TfSH) would also be invited to be a member of the Programme Board. Finally, following the establishment of the PUSH Core Team, it was also proposed that the PUSH Managing Director and Director of Economic Development would be Members of the Board.
- 21 The Programme Board's role was originally proposed essentially to provide overall management of PUSH's business, and performance management of the delivery of its Business Plan and the Multi Area Agreement. The Board was intended to manage the agenda for the Joint Committee and therefore shape most of the policy inputs and identify the matters for decision. It was intended to oversee the work of the Delivery Panels, and be responsible, directly or via the 'Core' Team, for delivery of the non-thematic parts of the Business Plan (e.g. governance, the ongoing business planning and financial management of PUSH, risk and performance management and for the partnership's development). The Programme Board was also proposed to be the place where the partners would hold one another to account for delivering their commitments under the Business Plan
- 22 Experience of operating the shadow Programme Board has highlighted a number of issues with this original proposed remit:-
- Confusion between the role of the Managing Director, the Core Team, Lead Chief Executives and the Programme Board
 - Inconsistency in the membership of the Board, for example not all MAA partners have yet been invited to join;
 - Size, the Board is already too large to be a truly effective forum for management tasks, and with the development of the lead Chief Executive and Lead technical advisor roles, this alone accounts now for 8 local authority reps.
 - Composition - with external partners drawn only from the economy theme, whilst this recognises the importance of the economic focus of PUSH it restricts the capacity of the Board to give comprehensive advice to the Joint Committee across all themes;
- 23 It seems clear that the Programme Board has become 'conflated' in the pjc-081118-r01-sja

development of the Governance model, trying to fulfil a number of different roles. With the development of the Delivery Panels, there is now a more focussed forum for detailed consideration of theme specific issues and activities, which should free up time at the Programme Board for more strategic and cross-cutting matters. The Delivery Panels will work directly to the Joint Committee, and therefore there is no role for the Board in 'overseeing' the Panels work. In addition, with the establishment of the Core Team, and a full-time MD, there is a more natural structure in place to manage PUSH, therefore it is suggested that the Board should focus more on its performance review role across the themes and in particular on the MAA; with a remit to complement the Core Team and support the Joint Committee in this regard.

- 24 It is also proposed that a small operational group, based on the lead technical advisors, and the Core Team, plus a SEEDA representative should meet to co-ordinate work across themes, and provide more detailed support to the Programme Board and Joint Committee. It is also proposed that the Local Authority PUSH Chief Executives Group should meet more regularly to support the operation of the partnership, and provide a mechanism and focus for local authority partners to engage with PUSH business.

Financial Protocols

- 25 As part of the development of comprehensive Governance arrangements for PUSH, it is necessary to develop a set of financial protocols, which will govern the way PUSH financial transactions and financial management operate. The protocols (set out in [Appendix 4](#)) have been prepared by the PUSH financial advisor in discussion with the PUSH legal advisor and discussed with partners and the Programme Board. It is recommended that the Joint Committee adopt the Protocols, to replace the interim arrangements approved by this Committee in September. The issues surrounding capital, and to a lesser extent revenue grant funding is a matter which may require development of further guidance, particularly in respect of issues such as risk assessment, and potential liabilities being incurred. It is proposed to ask the new External Funding and Resources Delivery Panel to consider this matter further, and advise the Joint Committee if any additional guidance is needed or if protocols require amendment. It is envisaged that the operation of the Protocols will be kept under review, and amendments brought before the Committee in due course if required.

CONCLUSION & RECOMMENDATION

- 26 The Governance Proposals set out in the report represent a proportionate and robust framework for managing the development of PUSH into a delivery focussed organisation. They reflect the views of the key partners, and have been considered and discussed by the Programme Board and the Chief Executives Group. The proposals are built on the key principles of the Joint Committee, and maintain the clear, democratic accountability of South Hampshire's political leaders, exercised through the Joint Committee. To support the new Governance arrangements nominations to the various bodies are set out in Appendix Three, with Financial Protocols to govern PUSH's financial arrangements set out in Appendix Four.

27 It is recommended that the Joint Committee:-

- a) APPROVES the Governance Arrangements set out in the report, and illustrated in the diagram set out in Appendix Two;
- b) AGREES that a representative of the Business Group be co-opted onto the Joint Committee on the same basis as the SEEDA, SEERA and GOSE representatives;
- c) APPROVES the Delivery Panel Terms of Reference set out in Appendix One;
- d) APPROVES the recommended Member and Officer nominations set out in Appendix Three; and
- e) APPROVES the Financial Protocols set out in Appendix Four, which replace the interim arrangements previously agreed.

Background Papers: -

Reference Papers:

Enquiries:

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APPENDIX ONE

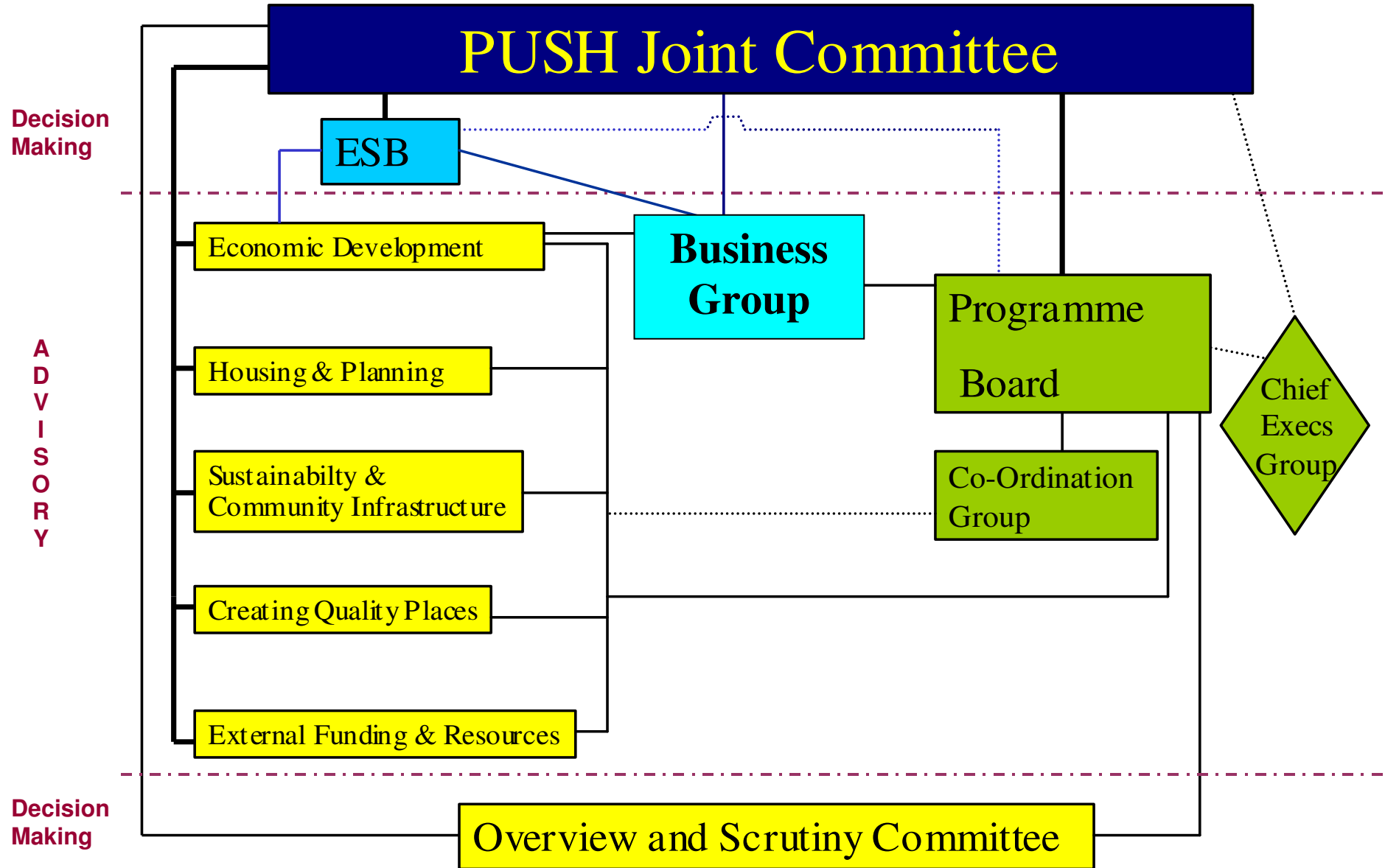
DELIVERY PANELS - GENERIC TERMS OF REFERENCE*

General Principles

- The primary objective of the Delivery Panels is to drive the delivery of activities set out in the PUSH Business Plan and, where appropriate, the South Hampshire Agreement (Multi Area Agreement).
- The membership of the Delivery Panels shall be determined by the Lead Chief Executive following consultation with the Chairman. It is for each Panel to identify and engage relevant stakeholders who have a role and interest in delivery of the objectives and outcomes of that Panel.

Operational Terms of Reference

1. To ensure the engagement of relevant stakeholders in the delivery of PUSH objectives and outcomes.
2. To support the Joint Committee through assuming management oversight of the specified PUSH theme, and by the preparation of advice to the Joint Committee on the policy development, delivery, performance and resourcing of the specified theme.
3. To advise the Programme Board on performance monitoring of the activities being carried out in the specified theme, and annually on recommended matters for inclusion in the PUSH Business Plan, including a programme of proposed actions to deliver the objectives of PUSH relating to the Panel's thematic responsibilities.
4. To drive the procurement, commissioning and initiating of actions to deliver the outcomes and targets of the Business Plan in relation to the specified theme.
5. To oversee and performance manage work on the particular PUSH theme, including the operation and contribution of subsidiary groups and bodies established to perform specific actions in the PUSH Business Plan.
6. To ensure programmes and projects for which the Panel is accountable are managed effectively, including their performance and financial management.
7. To commission research into matters relevant to the Panel's responsibilities in accordance with its agreed work programme.
8. To carry out such other activities calculated to facilitate, or which are conducive or incidental to the discharge of the PUSH's functions in implementing the Annual Approved Business Plan.



APPENDIX THREE – GOVERNANCE NOMINATIONS

Delivery Panel	Chairman	Other Member Representative	Officer Support	
			CX	Operational Leads
Economy ¹	Councillor Beckett (WCC)	Councillor Smith (SCC) GBC Nominee	Bernie Topham (EBC)	Dawn Baxendale (PUSH) Kathy Wadsworth (PCC) - Skills
External Funding and Resources	Councillor Thornber (HCC)	Cllr House (EBC)	Andrew Smith (HCC)	Jon Pittam/Tom Niedrum (HCC) Stuart Jarvis (PUSH)
Housing and Planning	NFDC JC Representative	Councillor Guest (HBC)	David Williams (PCC)	Stuart Roberts (HCC)-Planning Barbara Compton (SCC) – H’sg
Creating Quality Places	Councillor Vernon-Jackson (PCC)	Cllr Burrige (EHDC)	Simon Eden (WCC)	Tba -
Sustainability & Community Infrastructure	Councillor Hatley (TVBC)	Cllr Swanbrow (FBC)	Sandy Hopkins (HBC)	Frank Campbell (HBC) – Sust. Steve Lees (TVBC) – Comm. Infst.
Board	First Delegate	Second Delegate		
Employment and Skills Board (ESB) ²	Cllr Beckett (Economy Panel Chair)	Cllr Thornber (PUSH VC and Chair of External Funding & Resources)	Bernie Topham (EBC)	Dawn Baxendale (PUSH) Kathy Wadsworth (PCC) - Skills

¹ Proposed to have additional (i.e. third) Member to reflect primacy of economic considerations. Isle of Wight also to send a member

² Chair from Business Sector, Other delegates to be from private business, HE, SEEDA, JC+,LSC, Business Link.