

BRIEFING PAPER

SUBJECT: DEVELOPING PROPOSALS FOR DEVOLVED POWERS AND RESPONSIBILITIES
DATE: 13 AUGUST 2015
RECIPIENT: OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

THIS IS NOT A DECISION PAPER

SUMMARY:

The Cities and Local Government Devolution Bill paves the way for the further transfer of powers to local areas, and offers an opportunity for Hampshire and the Isle of Wight to gain greater control over services and, potentially, devolved budgets in a number of key areas. Hampshire and Isle of Wight Local Government Association (HLOWLGA) have agreed to support the exploration of a Hampshire and Isle of Wight model as a basis for a Combined Authority covering the County Council, Hampshire's eleven District and Borough Councils, the two City Councils of Portsmouth and Southampton and Isle of Wight Council. Work has been undertaken to develop an initial Statement of Intent, with the aim of submitting a proposed devolution deal to Government in September, for consideration as part of the Spending Review. The Leader of the Council will present a formal resolution relating to a Combined Authority at the Full Council meeting in September 2015.

BACKGROUND and BRIEFING DETAILS:

1. The devolution agenda has been gathering pace since Greater Manchester Combined Authority secured the first 'devolution deal' in November 2014, which included increased powers over transport, planning, housing, and skills. This was later augmented by a memorandum of understanding around bringing together health and social care budgets totalling £6bn, to facilitate the continued integration of health and social care. The Chancellor's Budget on 8th July 2015 extended this, signalling further devolution around planning, fire and rescue services and children's services.
2. The Government is now working towards a second devolution deal for Sheffield, Liverpool City Region and Leeds and West Yorkshire, and Cornwall has secured the first 'county deal'. Derby and Derbyshire and Nottingham and Nottinghamshire are also progressing work to develop a deal, which will span two Combined Authority areas. Furthermore, in early July, seven authorities published their statement of intent to form a West Midlands Combined Authority.

Cities and Local Government Devolution Bill

3. A Cities and Local Government Devolution Bill is currently making its way through the House of Lords. This legislation paves the way for the further transfer of powers away from Whitehall to local areas. As it stands, the Bill primarily makes provisions for the setting up, governance and functions of Mayoral Combined Authorities, along the lines of the 'metro mayor' model agreed with Greater Manchester.
4. A Government briefing note, accompanying the Queen's speech earlier this year, said the Bill was intended to boost growth and increase productivity and efficiency in local government. In the July Budget, The Chancellor reiterated this message,

BRIEFING PAPER

placing devolution at the heart of his plans to revitalise the UK's local economies.

5. The Bill does not prevent non-metropolitan areas from devising quasi-mayoral propositions. Furthermore, it does not mandate a Combined Authority for every area and leaves open the possibility of alternative governance solutions. This point was underscored by the Secretary of State Greg Clark's comments at the Local Government Association conference earlier this month. He indicated other governance arrangements could be considered where three tests are met. First, unity between tiers of local government and closer partnership working; second, participation from local businesses, including a clear role for Local Enterprise Partnerships; third, local ambition to improve outcomes for local residents.

Wider Hampshire Devolution

6. On 19 June 2015, the Hampshire and Isle of Wight Local Government Association (HIOWLGA) agreed to support the exploration of a Wider Hampshire model as a basis for a Combined Authority covering the County Council, Hampshire's eleven District and Borough Councils, the two City Councils of Portsmouth and Southampton and Isle of Wight Council. The Solent and M3 Local Enterprise Partnership Boards, who are full partners in this initiative, have also discussed and supported the bid.
7. A first letter was sent to Greg Clark on 24 June 2015 confirming the above geography for the proposal and that formal authority would be sought from all respective authorities to develop a devolution bid for the Wider Hampshire area. At this point, over half of the councils have secured the necessary agreement, and the remainder have scheduled to do so. At the Full Council meeting on 15 July 2015, the Leader of the Council announced that a formal resolution relating to a Combined Authority will be considered at the Full Council meeting in September 2015.
8. The initial letter stated the intention to work together, building on existing strong partnership working. The aim is to design future governance arrangements that do not add another tier of Government, but take account of the functional responsibilities of the Combined Authority and reflect the economic, social and environmental variations across the area. The programme's aim is to deliver stronger collaboration, larger investment and deeper devolution, in order to achieve administrative efficiencies and economies for the public sector, and drive economic growth, delivering benefits to local residents, businesses and ultimately the wider Hampshire economy. In addition, Hampshire County Council committed itself to 'double devolution' with district councils, where they wished and where appropriate, for such functions to be delegated from the County Council.
9. Following on from submission of the initial letter, work was undertaken at a pace to prepare a more detailed Statement of Intent regarding proposals for a 'devolution deal', which was submitted to Government on 29th July 2015. This indicates the scope and scale of partners' ambitions for Wider Hampshire and is being developed collaboratively with the cross-Government Cities and Local Growth Team.
10. In summary, some of the areas discussed to date include:
 - Creation of a new joint planning forum to support an integrated approach to strategic planning and a new delivery mechanism for housing across the area
 - Development of a Public Sector Land Board for the use, deployment and regeneration of public assets

BRIEFING PAPER

- Delivery of new arrangements for developing skills and workforce improvement
 - Delivery of an integrated smart ticketing transport system and other digital applications to improve transport in the area
 - Alignment of our transport investment programme with Network Rail and Highways England
 - Delivery of local solutions for improved domestic energy efficiency using devolved funding for ECO, Green Deal and other privately funded initiatives
 - Delivery of increased productivity and economic growth through piloting 100% business rate retention
 - Delivery of a more integrated and efficiency health and social care offer.
11. A joint programme office has been established and a Chief Executives' Group meets weekly to oversee programme delivery. This involves representation from across all tiers of local government within Hampshire and the Isle of Wight as well as Solent and M3 Local Enterprise Partnerships and the Partnership for Urban South Hampshire (PUSH). A Leaders' Group has also been established, and meets regularly, with representation from Hampshire, Southampton, Portsmouth, Isle of Wight, Basingstoke, Fareham and Eastleigh. Wider partners, including health colleagues, are being engaged through individual workstreams, which will develop iteratively as proposals are refined over the coming weeks and months.
12. Over the summer, proposals will be developed in greater detail, under several workstreams to inform the content of a devolution proposal, which will be submitted to Government by 4th September 2015 for consideration as part of the 2015 Spending Review.

RESOURCE/POLICY/FINANCIAL/LEGAL IMPLICATIONS:

13. There are no resource, policy, financial or legal implications for consideration at this stage. A formal resolution relating to a Combined Authority will be considered at the Full Council meeting in September 2015.

OPTIONS and TIMESCALES:

14. All options relating to devolution and the potential establishment of a Combined Authority will be considered as this work progresses. As noted above, the next key milestone is the submission of a more detailed proposal to Government by 4th September 2015. If agreement is secured to progress, a full governance review will be required which explores all available options to determine the most appropriate, robust and cost-effective solutions for the Hampshire and Isle of Wight area.

Appendices/Supporting Information:

None

Further Information Available From:

Name: Emma Lewis

Tel: 023 8091 7984

E-mail: Emma.lewis@southampton.gov.uk