

CABINET
5 APRIL 2022

Devolution and the County Deal

Cabinet Member(s): Cllr Bob Deed, Leader

Responsible Officer: Stephen Walford, Chief Executive

Reason for Report: To update cabinet on the status and progress of the county deal discussions for Devon.

RECOMMENDATION(S): That the Cabinet note the report.

Relationship to Corporate Plan: The purpose of entering into discussions with government about devolving greater influence and control is to achieve our corporate plan ambitions faster and more effectively. This is intrinsically linked to the government's levelling up agenda that seeks to reduce the gaps in attainment or quality of life outcomes for people across the country. A number of the areas of focus within our themes of Homes, Community, Economy and Environment, will be specifically addressed as part of the initial negotiations with government.

Financial Implications: At this point there are no financial implications beyond those of the officer time spent collaborating with partners to try and achieve a positive outcome for Devon. A future decision will be required on any action resulting in financial impact to the council.

Budget and Policy Framework: As per the above, once the government's position in these negotiations is understood, there will likely be a future decision for cabinet (and council) as to whether to progress with any deal or not.

Legal Implications: None at present.

Risk Assessment: The levelling up agenda is the government's flagship policy approach to reducing regional inequality of opportunity and outcome. The recent white paper made it clear that all areas of the country should have access to a devolution deal with a 'simplified, long-term funding settlement', should they want one. By being in the first grouping of pilot areas we get the opportunity to assess whether there is any significant advantage to doing so. At this point it is not clear how much centrally-prescribed decision making or control the government is going to be prepared to relinquish.

Equality Impact Assessment: Any future policy decision on a county deal would be subject to a full impact assessment.

Impact on Climate Change: Our ambitions around climate change and carbon reduction are explicitly set out as one of the emerging themes within the discussions in order to try and maximise progress in this area.

1.0 Context

1.1 Through the publication of the Levelling Up White Paper on the 2 February 2022, local authority partners within Devon, Plymouth and Torbay have been offered an opportunity to negotiate a new style of devolution deal ('County Deal') for the area.

1.2 A County Deal is a new devolution option for England, which offers areas with mixed governance (county/district/unitary) a pathway to securing additional powers and flexibilities without the need for a mayoral approach or other governance reforms. It attempts to answer the question of what devolution could look like in shire England where the existing city or metro-mayor model of governance doesn't feel 'right' to elected members or their communities. Importantly, it differs from previous devolution models in three critical ways:

- **Does not require a mayor** – Devolution through a County Deal does not require a mayor or other governance change to be agreed. Instead, Government seeks a formal partnership arrangement to work with more akin to a cabinet approach, with upper tier authorities representing their respective areas.
- **Operates in concert with the structure of multi-tier areas** – Unlike previous models, which were conditional on a single governance structure sitting above existing local government, County Deals structures sit alongside and integrate with existing unitary, county and district governance approaches. Governance is drawn from existing authorities, any new joint body does not replace existing functions (unless agreed between partners), and
- **Requires a joint delivery body, but only for additional devolved activity** – County Deals will require a body to take forward any devolved activity from Government. Unlike previous devolution models however, it is for local partners to determine the roles and scope of this local delivery mechanisms, which will be governed by local authority partners working together.

1.3 To enable this new model of working, Government intends to bring forward new legislation in the summer / autumn 2022 to enable the creation of a new type of 'County Deal Combined Authority'. This will allow local government partners in two tier and other areas additional opportunities to jointly deliver devolved activity, without having to agree to onerous governance reforms.

1.4 Within Devon, Plymouth and Torbay, this new model now offers local authority partners an opportunity to enter into negotiations with Government around the devolution of significant powers and funding without any commitment to future governance reshaping. Instead, the White Paper sets out a three-tier approach to devolution, offering a broader menu of options for local authorities who are willing to work together, with or without a directly elected mayor, to deliver devolved activity.

2.0 History of Devolution in Devon

2.1 The offer to begin negotiations with Government follows on from a decade of joint working across Devon, Plymouth and Torbay to secure further devolution

of housing, transport, economic development and skills power for the area. Working together, local authorities have approached Government multiple times to progress negotiations since 2010, including the production of a formal prospectus for devolution in 2015 and the establishment of the Heart of the South West Joint Committee, and area wide agreement by Local Authority Leaders to explore a combined authority with Government in 2017.

- 2.2 However, progress around devolution for the area has traditionally stalled due to the Government's insistence on the need for an elected mayor for conversations to progress. Within the Devon, Plymouth and Torbay area, this has never felt to be either appropriate or practical given its varied geographical, political and governance make up. The area has been keen to stress that any deal must retain the strong working between its unitary, county and district authorities, with the imposition of a Mayor or other governance approach unlikely to achieve this.
- 2.3 Following the change of Government in 2020 however, Ministers indicated that they were keen to revitalise progress on devolution across England as part of their wider Levelling Up policy. This included a shift away from the insistence of mayoral approaches / reviewed governance towards working with existing County Areas. The Prime Minister formalised this approach in July 2021, with the announcement of 'County Deals'.
- 2.4 The Levelling Up White Paper outlines the Government's proposed approach to enacting this shift in policy, putting in place a new menu of devolution options which cover the whole of England. Whilst Mayors are retained as the strongest option for devolution of powers, the new menu offers a graduated approach for all areas, including the provision of new non-mayoral 'County Deals' as a middle option.

3.0 Current Status

- 3.1 Government has indicated through its initial discussions with partner authorities that it is seeking to take forward negotiations on County Deals over the next 6 months, with the intention to have the first group of pilot deals agreed by Winter 2022. This may include shadow arrangements around governance and delivery whilst new legislation travels through parliament.
- 3.2 Local authority partners within Devon, Plymouth and Torbay have welcomed their inclusion in the list of County Deal pilot areas to date, though with an emphasis on a deal only being done once it is done. This includes reaching an agreement around appropriately flexible and representative governance that works for the Devon, Plymouth and Torbay area, as well as a suitable menu of devolved powers being on offer to make progression meaningful.
- 3.3 To facilitate discussions, local authority partners within Devon, Torbay and Plymouth have identified a number of initial thematic areas on which they now wish to focus:

- **Housing**, increasing the supply of affordable housing for key workers and local families, as well as using housing to drive economic growth in cities and towns.
- **Skills, Employment and Education**, better supporting young people and adults to learn, and providing the skills that the economy needs.
- **Transport and Infrastructure**, seeking to addressing the gaps in our public transport offer, and our broader transport, energy and digital infrastructure needs, supporting the area to thrive
- **Economic Development, Business Support and Innovation**, working with the business community to ensure that we can offer the support our economy needs.
- **Health and Care**, working together to better align national funding to support the health and care needs of Devon, Plymouth and Torbay's residents.
- **Climate Change**, working together and aligning national funding and activity to accelerate our progress towards net zero
- **Regeneration and Place**, securing the funding and flexibilities we need to accelerate levelling up, and ensuring that every place in Devon, Plymouth and Torbay can meet its potential.
- **Governance**, securing a governance approach for the County Deal that meets Government's requirements, but also builds upon our existing strong approach to collaboration and partnership working.

3.4 The area now intends to take forward the process through a joint negotiation team, led by Councillor John Hart (DCC leader), but bringing together the leaders of Plymouth City Council, Torbay Council and Mid Devon Council (in its rotating role as lead of the Devon District Forum). Partners within Devon are also seeking to work collaboratively through existing Team Devon arrangements to support the County's negotiation team through the process.

Contact for more Information: Stephen Walford, Chief Executive
swalford@middevon.gov.uk

Background Reading: Levelling Up White Paper, February 2022:
<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>

Circulation of the Report: Cabinet and Leadership Team