

## **Heart of the South West formal devolution bid**

**Cabinet Member**                      **Cllr Clive Eginton**  
**Responsible Officer**                **Chief Executive**

**Reason for Report:** To give Members the opportunity to formally consider and agree the prospectus for a devolution bid for the Heart of the South West (HotSW) to be submitted to central government.

### **RECOMMENDATION(S): that :**

- 1. Council endorses the submission to be presented to government as an invitation to commence further discussions;**
- 2. The Leader of the Council and Chief Executive be given delegated authority to continue further discussions, as necessary.**

**REASON FOR THE RECOMMENDATION:** The Council has an opportunity to benefit from devolution across a wide range of topics and services. Benefits may include increased powers over decision-making and funding, leading to decision-making that more closely reflects local needs, improves services and reduces costs.

**Relationship to Corporate Plan:** Devolution potentially covers a wide range of services and plans. The detail of these will develop as formal proposals are developed, negotiation with Government takes place, and the final devolution deal is put into place. Once these are more certain there may be a need to review the Council's corporate plan in the light of the changed circumstances.

**Financial Implications:** Until detailed devolution proposals are developed, financial implications can only be generalised. They fall into three categories:

- 1. The Government requires devolution to be a fiscally neutral process – power over funding may be transferred but no new government money will be made available except potentially for 'pump priming' activity**
- 2. There is potential for savings across the public sector in the Heart of the South West and proposals are being developed with this in mind**
- 3. The Government may however attempt to negotiate additional spending by the Council or other partners as a requirement of one or more parts of the final deal.**

**Legal Implications:** None at this stage. Implications will be addressed as any devolution deal is developed and agreed.

**Risk Assessment:** None at this stage although there is strong competition for devolution deals and some bids are further advanced. Failure to secure a deal may affect delivery of the Council's ambitions. Implications will be addressed as any devolution deal is developed and agreed.

## 1.0 Introduction

- 1.1 Devolution for the Heart of the South West (HotSW) has been led by the Leaders of Somerset and Devon County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks, the NHS and the Local Enterprise Partnership.
- 1.2 Our shared Devolution Statement of Intent was submitted to Government on 4 September last year in response to announcements in the July Budget and a deadline set by the Chancellor of the Exchequer. The Government received 38 'bids' from cities, towns and counties across England. There is strong competition for devolution powers and some bids are further advanced than HotSW. Nevertheless, the Government subsequently asked us to produce detailed devolution proposals by the end of 2015 with a view to negotiating a formal deal thereafter. That proposal is now ready for submission following agreement of all partners and is attached at Appendix A.
- 1.3 Also attached at Appendix B is a copy of the press release which has been issued by Devon County Council.

## 2.0 Our Devolution ambitions

- 2.1 Working with local authorities, National Parks, the NHS and the Heart of the South West Local Enterprise Partnership to deliver full proposals for devolution which will seek a formal agreement with Government on a formal devolution deal based around productivity for people, for business and for place:
- 2.2 Six 'golden opportunities' are identified in the prospectus that will be used to drive productivity and economic growth, whilst continuing to support our diverse economy and take advantage of new opportunities as they emerge. These focus on:
  - Marine
  - Nuclear
  - Aerospace and advanced engineering
  - Data analytics
  - Rural productivity
  - Health and care
- 2.3 The prospectus seeks to gain authority to pursue solutions that help the Council maximise the opportunities of devolution. It does not commit the Council to a formal devolution deal, only to make and negotiate on proposals.

## 3.0 National background

- 3.1 The Government has declared its desire to devolve powers and budgets from Westminster to local authorities, along Local Enterprise Partnership geographies. The Chancellor of the Exchequer is particularly interested in devolution as a driver of economic growth and reducing reliance on the public purse.

- 3.2 In general, devolution is expected to support the following areas of government policy:
- Increased productivity
  - Skills and employment
  - Housing
  - Reducing the cost of the public sector
- 3.3 Many devolution deals are being developed by consortia of local authorities and their Local Enterprise Partnerships. The largest agreed deal so far is the Greater Manchester Devolution Agreement. Known as the 'Northern Powerhouse' this deal will:
- Join up economic growth agendas and public service reform
  - Health and social care integration
  - Devolve business support and skills/training/apprenticeship budgets
  - Create a directly elected Mayor with transport, strategic planning, housing development and Police and Crime Commissioner powers
- 3.4 Cornwall Council has also recently agreed a devolution deal to give it greater power and influence over business support, skills and employment support, EU funding, and health and social care integration. During tough negotiations with the government, Cornwall demonstrated that an elected Mayor for Cornwall was not required for its area. .
- 3.5 Heart of the South West Leaders previously agreed to produce a high-level set of ambitions stating our desire to negotiate a devolution deal with government where we would make improvements to our area in return for increased powers and responsibilities.
- 3.6 The Heart of the South West Devolution Statement of Intent was submitted to Government and made public on 4 September 2015.
- 3.7 The Government praised our statement of intent for its clarity and ambition and asked us to move forward swiftly to produce detailed, formal proposals and begin negotiation with them on a formal deal.
- 3.8 Following considering of the prospectus, it is expected that the Government will wish to start more formal negotiations and a team representing the HoSW will visit ministers in due course.

#### **4.0 Consultation**

- 4.1 During preparation of the prospectus there have been several high level meetings involving the Leaders and Chief Executives (or their representatives) of each of the partner organisations.
- 4.2 In addition, a regular newsletter has been circulated giving up to date progress. This has been circulated to all Members to keep them informed.

## 5.0 Options considered and reasons for rejecting them

Alternative approach	Reason for rejection
Not to participate	There is significant potential benefit to Mid Devon through devolution which can be explored with minimal risk.
To submit proposals based on a different geography	Government has also confirmed that the preferred geography for proposals is based on Local Enterprise Partnership boundaries.

- 5.1 Both of these alternatives have also been ruled out on the advice of senior civil servants.
- 5.2 Members are therefore asked to consider the bid and agree the contents for submission to central government as soon as possible after all partners have agreed and if possible by the end of February 2016.
- 5.3 It should be noted that other partner organisations have already considered and agreed the submission.

**Contact for more Information:** Clive Eginton, Leader of the Council / Andrew Jarrett, Head of Finance

**Circulation of the Report:** Management Team, Cllr Clive Eginton