

DEVOLUTION TO THE WIDER HAMPSHIRE – DEVELOPING PROPOSALS FOR DEVOLVED POWERS AND RESPONSIBILITIES

1. INTRODUCTION

- 1.1 With the return of a majority Conservative Government, there is a political commitment to further devolution, based on the model of a Combined Authority, but with much scope for local flexibility. This report outlines the discussion which has taken place across Hampshire, Southampton, Portsmouth and the Isle of Wight, and notes the work being undertaken with other local authorities to develop a model for devolution which meets our needs as well as the aims of Government.

2. BACKGROUND

- 2.1 Following the Scottish Independence referendum, English devolution became a significant issue and the importance of this issue increased during the General Election campaign. The "Manchester Deal" signalled what was possible, in terms of devolution to local areas, and following the General Election the new Secretary of State has signalled his willingness to receive devolution proposals from local areas across the country.
- 2.2 It is worth stressing that the proposals should form the basis of a deal between local areas and Central Government. This means that as well as seeking devolved responsibilities and powers from central government there is a need to provide something back to central government as part of a deal. Any proposal would be about bringing new powers and responsibilities to the wider Hampshire area but we will be expected to deliver appropriate governance arrangements and help achieve government priorities on issues such as delivering new houses.
- 2.3 Part 6 of the Local Democracy, Economic Development & Construction Act 2009 contains powers which enable the Secretary of State to make an order establishing a combined authority for an area which meets certain specified conditions. A combined authority is a corporate body which enables local authorities to work jointly to deliver improvements in economic development, regeneration and transport across a functional economic area. The Secretary of State has to be satisfied that the creation of the combined authority will improve the efficiency and effectiveness of transport and economic development in the area. It is worth stressing that a Combined Authority is not the creation of a new super authority which takes over all the functions and structures of the authority within that area.
- 2.4 The government has indicated that it would welcome devolution proposals that include the development of a combined authority because they believe that these are appropriate governance structures to undertake a greater set of functions within their local area. However, it would be possible to negotiate alternative governance models that met the requirement of government to have binding decisions made.

- 2.5 The Cities and Local Government Devolution Bill was introduced in the House of Lords on 28 May 2015. This signals the Government's commitment to devolution. This Bill proposes amongst other things that:
- There can be an elected mayor for a combined authority area who would exercise certain powers and chair the authority
 - An elected mayor for a combined authority area can undertake the role of the Police and Crime Commissioner for that area
 - The current statutory limitations on the functions of a combined authority (namely economic development, regeneration and transport) be removed
- 2.6 Whilst the Government have made it clear that City areas seeking devolution deals will be expected to agree to the creation of an Elected Mayor, it is currently thought that there will be no such requirement for devolution deals for the type of proposal which is being contemplated for the wider Hampshire area. Certainly the Cornwall proposal contains no such commitment and advice has been given that it is unlikely that such a stipulation would be made for the wider Hampshire area.
- 2.7 The area covered by the Hampshire and Isle of Wight Local Government Association (HIOWLGA) is complex in governance terms, with one County, eleven District Councils, two Unitary Cities and the Isle of Wight – a unitary County Council. There is, however, a good track record of joint working within this area and the area includes exemplary partnerships such as the Partnership for Urban South Hampshire (PUSH) and many examples of our local Councils working jointly with colleagues in other parts of the public and private sectors. There has been much discussion within the HIOWLGA area about developing a model with a suitable governance structure as the basis for a devolution proposal to present to Government.
- 2.8 It is worth emphasising that whilst much of the discussion so far has been about the structure that we would wish to present to government, our actual submitted proposal needs to have a focus on:
- What it is we want to achieve
 - What we want devolved
 - Why this will help
 - What problems this will sort out for Central Government. These problems are likely to be around, for example, using public resources more efficiently and providing more housing within the area

3. DEVELOPING A PROPOSAL FOR A HAMPSHIRE & ISLE OF WIGHT COMBINED AUTHORITY

- 3.1 There is no doubt that the Government's commitment to devolution offers an opportunity for the HIOWLGA Councils to gain greater local control over services and, potentially, devolved budgets in a number of key areas from Central Government. The Cities & Local Government Devolution Bill outlines a menu of options for devolution. There does appear to be a good deal of flexibility and local choice in the governance model brought forward, and the devolution package sought. But it is crucial that any proposal put to Government is supported by all councils in the area.

- 3.2 In response to this opportunity, the HIOWLGA Leaders have recently agreed in principle to developing a proposal to create a new governance structure that will create a devolved administration that covers the boundaries of Hampshire County Council (and the district councils within that area), Southampton City Council, Portsmouth City Council and the Isle of Wight Council. The details of any governance arrangements will be subject to discussion and negotiation locally and would need to be agreed with local partners (e.g. LEPs) and with Central Government.
- 3.3 As stressed earlier in this report, it will be important that our proposal concentrates on the policy issues that we would wish to see devolved and why this will be better for local people whilst also helping Central Government deliver their priorities. To this end there are a broad range of matters which may be included in the “ask” we make of Government and the HIOWLGA Leaders discussed, amongst other things:
- Local control over funding for skills, post-sixteen education, apprenticeships and lifelong learning;
 - More local control over national infrastructure spending on transport and housing;
 - A HIOWLGA wide “Better Care Fund” to better integrate health and social care across local government and the NHS;
 - Freedom to borrow against the forecast proceeds of local growth (to support enabling infrastructure);
 - A comprehensive public sector land bank, making surplus NHS and MOD land available for housing;
 - Ability to use public procurement and national business support budgets to support local business growth; and
 - Greater retention of growth in business rates.
- 3.4 Perhaps as important as the opportunities for devolution are the wider discussions surrounding a new governance structure and what that might offer HIOWLGA Councils to explore opportunities for closer working, shared service or service integration. All councils face the challenges posed by the ongoing pressures on budgets and, whilst there is a good record for sharing to drive efficiencies, we all need to recognise we could do more. Developing further our partnerships through a new governance arrangement could help reinvigorate that work.
- 3.5 There is already a rich mix of partnerships across the HIOWLGA area, and the formal governance structures arising from a new proposal could provide an umbrella for those partnerships to grow and develop. Thus, less formal joint working between clusters of authorities or bi-lateral relationships between councils should be encouraged alongside the formal governance structures set up as part of the devolved administration.
- 3.6 A central feature of HIOWLGA has been its willingness to work alongside town and parish councils and other non-council partners including: Hampshire Police, the voluntary and community sector, the business community and the Armed Forces. It is clear that Leaders do not want to see any new governance structure lead to the loss of these relationships. As they seek to develop an appropriate local response to the devolution agenda they will not want to lose those links.

4. CURRENT STATE OF PLAY

- 4.1 As circulated to all Councillors, a letter was sent on 25 June from all Hampshire Leaders to Greg Clark, the Secretary of State at the Department of Communities and Local Government indicating in principle the wish of all the authorities to develop proposals for a Combined Authority.
- 4.2 Further work has been undertaken during July with a view to submitting more detailed proposals by the end of the month. The Leader and Chief Executive will update Cabinet on what has emerged. The intention will be to have a full discussion on any proposals which have emerged at the Council meeting on 7 September.

5. PORTFOLIO COMMENTS

- 5.1 I am grateful to the Deputy Leader for representing this Council in these early discussions to develop this proposal.

6. RECOMMENDATIONS

- 6.1 That Cabinet notes the action taken so far to develop proposals for a Combined Authority for the Wider Hampshire, and the intention to bring forward proposals for discussion by Full Council in September.

For further information contact:

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Background Papers:

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