

Supporting Information and Impact Assessment

Service / Policy:	Heart of the South West Formal Devolution Bid
Executive Lead:	Mayor Oliver, Mayor and Executive Lead for Finance and Regeneration
Director / Assistant Director:	Fran Hughes, Assistant Director of Community and Customer Services

Version:	1	Date:	28/1/16	Author:	Fran Hughes
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Section 1: Background Information

1.	<p>What is the proposal / issue?</p> <p>Devolution for the Heart of the South West (HotSW) is being 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 and the Local Enterprise Partnership. The aim is to move to an agreed position to open negotiations with Central government about a devolution deal for the Heart of the South West.</p>
2.	<p>What is the current situation?</p> <p>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.</p> <p>In general, devolution is expected to support the following areas of government policy:</p> <ul style="list-style-type: none"> • Increased productivity • Skills and employment • Housing • Reducing the cost of the public sector <p>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:</p> <ul style="list-style-type: none"> • 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 <p>Cornwall Council have also recently agreed a devolution deal to give them greater power and influence over business support, skills and employment</p>

	<p>support, EU funding, and health and social care integration. During tough negotiations with Government they demonstrated that an elected Mayor for Cornwall was not required for their area.</p> <p>During August, Heart of the South West Leaders 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.</p> <p>The Heart of the South West Devolution Statement of Intent was submitted to Government and made public on 4 September 2015.</p> <p>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.</p> <p>Government's expectation is that we will submit proposals in early 2016 and commence negotiations within a few months.</p>
<p>3.</p>	<p>What options have been considered?</p> <p>At a meeting on 5 October with partners it was agreed to write our Statement of Intent by 'themes' so partners could share the load of producing detailed proposals for the final bid document.</p> <ul style="list-style-type: none"> • One Chief Executive and one Leader are leading on each theme, driving development of proposals and liaising with other Heart of the South West partners. • Each theme group will produce a 'chapter' which will be written into a single bid document for submission to Government. These themes are: <ul style="list-style-type: none"> ○ Health, social care and wellbeing ○ Skills and employment ○ Business support ○ Resilience and connectivity ○ Housing and planning ○ A governance theme will ensure that governance for the devolution deal is acceptable and equitable to all partners. <p>A Programme Management Office has overseen each chapter and maintained communications between partners. It is important to note that each partner remains responsible for their own governance processes and public/in-house communications.</p> <p>Each theme 'chapter' will demonstrate a thorough understanding of the issues and the difference that devolved powers and funding would make, including:</p> <ul style="list-style-type: none"> • A robust evidence base • A series of 'offers' to government and 'asks' from government showing: <ul style="list-style-type: none"> – Stretching targets – Demonstrable outcomes for the Heart of the South West area • Resource requirements including an analysis of costs and benefits • Impact assessments • Proven capacity and capability to deliver

	<p>The results of this development have been incorporated into the prospectus for the Heart of the South West “A Prospectus for Productivity” which has been developed to commence this negotiation with government.</p>
<p>4.</p>	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan 2015-19?</p> <p>The devolution proposals seek to deliver priorities and targets across all parts of Torbay’s ambitions.</p> <p>Ambitions: Prosperous and Healthy Torbay</p> <p>Principles:</p> <ul style="list-style-type: none"> • Use reducing resources to best effect • Reduce demand through prevention and innovation • Integrated and joined up approach <p>Targeted actions:</p> <ul style="list-style-type: none"> • Protecting all children and giving them the best start in life • Working towards a more prosperous Torbay • Promoting healthy lifestyles across Torbay • Ensuring Torbay remains an attractive and safe place to live and visit • Protecting and supporting vulnerable adults <p>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.</p> <p>The devolution proposals seek to address the challenges we face in the Heart of the South West.</p> <p>The approach is detailed in the Prospectus for Productivity (Appendix 2):</p> <ul style="list-style-type: none"> • For people: we will build on Government’s own national reconfiguration of the skills system to supply business with the skills it needs and a labour market able to deliver productivity per job and per hour at ‘Greater South East’ levels (outside Inner London). Our plans for health and care integration will support a significant proportion of our non-working population into work. • For business: our Growth Hub will enable business growth and internationalisation following closure of the national Business Growth Service. We will augment this with specific policies and initiatives to realise national priorities implicit in our Golden Opportunities. • For place: we will provide the infrastructure and housing required and make the Heart of the South West investment ready. We also recognise that much of our growth will occur in specific sub-regional economic geographies. We will plan and manage change in these sub-regions to ensure their connectivity with each other, with the rest of the country and globally. We will make sure that rural areas access and leverage these opportunities and build on

	<p>Government's</p> <p>10 point plan for rural productivity geographies.</p>
<p>5.</p>	<p>Who will be affected by this proposal and who do you need to consult with?</p> <p>Somerset and Devon County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks and the Local Enterprise Partnership are all actively involved in the development of the final devolution bid.</p> <p>The whole population of our authority could be affected by a devolution deal. Any final devolution deal with government will be subject to further approval / ratification by all partners, and will require other implications and impacts to be considered at that stage.</p>
<p>6.</p>	<p>How will you propose to consult?</p> <p>Despite the Government's challenging timescales to date, efforts have been made to keep Members informed on the development of the proposals and this will continue going forward.</p> <p>The Heart of the Devolution Prospectus is a starting point for negotiation rather than a formal plan or strategy, therefore at this time there are no changes to council work which require public consultation. Any final devolution deal with government will be subject to further approval by all partners and appropriate consultation on delivery of the deal. Key stakeholders not already involved are being identified and engaged with as proposals take shape, including Members of Parliament.</p> <p>Throughout the development of the process Elected Members have been kept informed through the Devolution Working Party and regular member briefings.</p>

Section 2: Implications and Impact Assessment

7.

What are the financial and legal implications?

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

A financial assessment will need to be undertaken before the Council ratifies any devolution deal.

Legal Implications

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

HR Implications

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

8.

What are the risks?

There is strong competition for devolution deals and some bids are further advanced. Failure to secure a deal may affect delivery the council’s ambitions. Implications will be addressed as any devolution deal is developed and agreed.

Key risks have been identified and are being managed with Heart of the South West partners.

These key risks will be reviews once negotiations are underway and before the Council is asked to approve any deal.

9.

Public Services Value (Social Value) Act 2012

Not applicable at this stage.

10.

What evidence / data / research have you gathered in relation to this proposal?

Engagement with Members and partners

Producing the formal bid has been a fast moving process involving many organisations and individuals. In order to keep Members informed and provide background information for partners, the Devolution Programme Management Office have produced a weekly newsletter for all partners as well as more detailed updates as they become available. Leads for each theme have also engaged with their key stakeholders.

Torbay Council Members have been kept informed through the Devolution Working Party meetings and all Member briefings.

Governance

At the leaders meetings a number of options for the governance of any devolution deal have been considered. No decision will be made on a governance model until the deal is agreed however, a form of Combined Authority model is proposed, subject to the nature of the final devolution deal and a formal governance review. As any deal will need to be ratified by the Council, Members will have an opportunity to consider the detail of governance at this time.

One or more partners may choose not to proceed with a formal bid. This would be unfortunate as there is strength in all partners coming on board however it is possible for a devolution deal to go ahead even if one or more local authorities choose to opt out.

Furthermore the Statement of Intent working principles include an agreement that proposals will do no harm, even if a particular proposal offers no advantage to a given area.

<p>11.</p>	<p>What are key findings from the consultation you have carried out?</p> <p>Options considered and reasons for rejecting them</p> <table border="1" data-bbox="403 338 1441 819"> <thead> <tr> <th data-bbox="403 338 928 414">Alternative approach</th> <th data-bbox="928 338 1441 414">Reason for rejection</th> </tr> </thead> <tbody> <tr> <td data-bbox="403 414 928 600">Not to participate</td> <td data-bbox="928 414 1441 600">There is significant potential benefit to Torbay through devolution which can be explored with minimal risk.</td> </tr> <tr> <td data-bbox="403 600 928 819">To submit proposals based on a different geography</td> <td data-bbox="928 600 1441 819">Government has also confirmed that the preferred geography for proposals is based on Local Enterprise Partnership boundaries.</td> </tr> </tbody> </table> <p>Both of these alternatives have also been ruled out on the advice of senior civil servants.</p> <p>There is the potential for significant benefit to Torbay through devolution and this can be explored with minimal risk.</p> <p>Any comments and suggestions from Torbay Council elected members have been fed into the development of the Prospectus through the Executive Director, the Mayor and lead council officers.</p>	Alternative approach	Reason for rejection	Not to participate	There is significant potential benefit to Torbay 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.
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<p>12.</p>	<p>Amendments to Proposal / Mitigating Actions</p> <p>None currently.</p>						

Equality Impacts

13	Identify the potential positive and negative impacts on specific groups			
	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact	
Older or younger people	Increase opportunities for local people as outlined in the Productivity Prospectus			
People with caring Responsibilities	Increase opportunities for local people as outlined in the Productivity Prospectus			
People with a disability	Increase opportunities for local people as outlined in the Productivity Prospectus			
Women or men	Increase opportunities for local people as outlined in the Productivity Prospectus			
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>	Increase opportunities for local people as outlined in the Productivity Prospectus			
Religion or belief (including lack of belief)	Increase opportunities for local people as outlined in the Productivity Prospectus			
People who are lesbian, gay or bisexual	Increase opportunities for local people as outlined in the Productivity Prospectus			
People who are transgendered	Increase opportunities for local people as outlined in the Productivity Prospectus			
People who are in a marriage or civil partnership	Increase opportunities for local people as outlined in the			

		Productivity Prospectus		
	Women who are pregnant / on maternity leave	Increase opportunities for local people as outlined in the Productivity Prospectus		
	Socio-economic impacts (Including impact on child poverty issues and deprivation)	Increased through transformation opportunities for people, place and business		
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Increased through transformation opportunities for people, place and business		
14	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	N/A		
15	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	N/A		