



Meeting: Council

Date: 21 July 2016

Wards Affected: All Wards

Report Title: Devolution for the Heart of the South West – Formal Devolution Bid

Is the decision a key decision? Yes

When does the decision need to be implemented? As soon as possible

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1. Proposal and Introduction

- 1.1 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 group are working towards a Devolution Deal with Government to secure greater powers, and control and to have a stronger voice with Government.
- 1.2 Our shared Devolution Statement of Intent was submitted to Government on 4 September 2015 in response announcements in the July Budget and a deadline set by the Chancellor of the Exchequer.
- 1.3 It should be noted that there is no intention for a new Combined Authority to take existing powers or funding from local authorities, or existing City Deal governance structures, without the explicit agreement of those constituent local authorities. Further detailed work will be undertaken to identify the decision making powers and the constitution of the Combined Authority, and all partners will be fully involved and consulted on these arrangements as they develop over the coming months.
- 1.4 Since September 2015, the partnership has strengthened and evolved, and jointly developed the HotSW Prospectus for Prosperity (Appendix 2). The Prospectus builds on the three basic ambitions: to raise productivity levels; improve health, care and wellbeing; and improve connectivity and resilience. A number of thematic groups were established to develop the detail for the proposition;
 - Health, social care and wellbeing
 - Skills and employment
 - Business support
 - Infrastructure, resilience and connectivity
 - Housing and planning
 - Governance.

- 1.5 Our Prospectus for Prosperity was submitted to Government at the end of February 2016. Since then the Partnership has pressed the Secretary of State to enter into discussion with its negotiation team to secure a Devolution Deal for the Heart of the South West area. Following an invitation from the Secretary of State, on the 25 May 2016, leaders from the upper tier authorities met with Greg Clarke, Secretary of State for the Department of Communities and Local Government, to seek his views on our next steps forward.
- 1.6 Following that meeting, he invited us to come forward with a proposal and the following points were clarified:
- **Geography** – the Devon and Somerset area is agreed as the appropriate scale. Our proposal will need clearly demonstrate why this is the right geography for the Devolution agreement and all councils and MPs must support the proposal.
 - **Combined Authority** – the Partnership will move forward into the negotiation process based on a Combined Authority model. A Mayor will not be imposed or be a pre-condition of any initial deal.
 - **Extent of the Deal** – areas that have agreed to have a Mayor will get more powers than a non-Mayoral Combined Authority. However, the negotiation process will be an opportunity to push the limits of this initial Deal, and the process should be viewed as being incremental.
 - **Timeline** – we need to work towards an Autumn Statement timeline for the announcement of an initial Deal.
 - **Growth Deal 3** – the LEP will not be penalised in Growth Deal 3 negotiations just because the area has decided to pursue a Devolution Deal based on a Combined Authority without a Mayor. The decision for allocation will be based purely on the quality of the Growth Deal bid.
- 1.7 The Secretary of State went on to advise that if the Partnership, backed by each Council and MPs, would sign up to the principle of creating a Combined Authority by the end of July 2016, he would arrange for HM Treasury to open up negotiations towards a Devolution Deal.
- 1.8 This report seeks approval to sign up '*in principle*' to the pursuit of a Devolution Deal and the creation of a Combined Authority for the Heart of the South West sub-region to administer the powers and funding devolved through the Deal. Such an '*in principle*' agreement from all of the local authorities, partners and MPs involved in the Heart of the South West devolution process will open up negotiations with HM Treasury which is the next necessary step in securing the Deal.
- 1.9 Any final Devolution Deal with Government will be subject to further approval/ratification by all partners individually. A Heads of Terms document will be used as a negotiating tool to draw down additional powers and funding to provide a significant boost to the Heart of the South West economy.

2. Reason for Proposal

- 2.1 The Council has an opportunity to benefit from devolution across a wide range of topics and services. The benefits of devolution are set out in Appendix 3.
- 2.2 Devolution has clear links to, and potential to enhance productivity for people, business and place and links to the council's corporate ambitions of improving prosperity and health for the people of Torbay.
- 2.3 The recommendations seek to gain authority to pursue solutions that help the Council maximise the opportunities of devolution. They do not commit the Council to a formal Devolution Deal, only to the principle of a Combined Authority to open up further negotiations with Government, and specifically the Treasury.
- 2.4 At this stage of the process the Council is not required to take decisions on the detail of future service provision but rather to be actively aware and involved in discussions.

3. Recommendation(s) / Proposed Decision

- 3.1 That the Council endorses the current approach to devolution and agree to sign up to the principle of creating a Combined Authority for the Heart of the South West, as set out in the Prospectus for Productivity, as the basis for negotiation with Government towards a Devolution Deal for the area; and
- 3.2 That the Council notes that giving this endorsement does not commit the Council to entering into a Devolution Deal or becoming a member of a Heart of the South West Combined Authority. This would be subject to future debate and agreement by the Council and subject to negotiations with Government.

Appendices

Appendix 1: Supporting Information and Impact Assessment

Appendix 2: Devolution for the Heart of the south West: A Prospectus for Productivity

Appendix 3: Benefits of Devolution – 'What Devolution will mean for my local authority area'

Appendix 4: Briefing note on Combined Authorities

Background Documents

None