

DECISION-MAKER:	COUNCIL		
SUBJECT:	DEVELOPING PROPOSALS FOR DEVELOVED POWERS AND RESPONSIBILITIES		
DATE OF DECISION:	16 SEPTEMBER 2015		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Emma Lewis	Tel: 023 8091 7984
	E-mail:	emma.lewis@southampton.gov.uk	
Director	Name:	Dawn Baxendale	Tel: 023 8083 2966
	E-mail:	dawn.baxendale@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
Not applicable	
BRIEF SUMMARY	
This report seeks to obtain approval from Members to delegate authority to the Chief Executive, following consultation with the Leader, to further develop proposals, and to lead on negotiations with Government, with the other Hampshire and Isle of Wight Councils, to bring about devolution of powers and responsibilities to the Hampshire and Isle of Wight area.	
RECOMMENDATIONS:	
(i)	That the Leader of the Council and Chief Executive continue to work with other authorities in the Hampshire and Isle of Wight area to further develop proposals and negotiate with Government in order to achieve devolved powers and responsibilities that will lead to better outcomes for local people.
(ii)	That the proposals should include a proposal for a new governance arrangement, covering the geographical area of Hampshire and the Isle of Wight that would enable binding decisions to be made.
(iii)	To delegate authority to the Chief Executive, following consultation with the Leader and after consultation with Group Leaders, to lead negotiations with, and approve proposals to, Central Government.
REASONS FOR REPORT RECOMMENDATIONS	
1.	If we are to take advantage of the devolution agenda, it is important that the Leader of the Council and the Chief Executive have the opportunity to continue to work flexibly and quickly with other authorities in the Hampshire and Isle of Wight area to develop proposals and negotiate with Government. This will enable Southampton City Council to influence the shape of any proposal and to take advantage of devolved powers and responsibilities agreed through the deal. Central Government will expect our proposal to include a new governance arrangement that will enable binding decisions to be made at the Hampshire and Isle of Wight level. It is worth stressing that this will be an iterative process and Members will have further opportunities to consider and shape the joint proposal either through consultation mechanisms or formal decision making as appropriate and necessary.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	

2.	All options relating to devolution and the potential establishment of a Combined Authority will be considered as this work progresses. If agreement is secured to progress, a full governance review will be required which explores all available options to determine the most appropriate, robust and cost-effective solutions for the Hampshire and Isle of Wight area
DETAIL (Including consultation carried out)	
3.	The devolution agenda has been gathering pace since Greater Manchester Combined Authority secured the first 'devolution deal' in November 2014, which included increased powers over transport, planning, housing, and skills. This was later augmented by a memorandum of understanding around bringing together health and social care budgets totalling £6bn, to facilitate the continued integration of health and social care. The Chancellor's Budget on 8th July 2015 extended this, signalling further devolution around planning, fire and rescue services and children's services.
4.	The Government is now working towards a second devolution deal for Sheffield, Liverpool City Region and Leeds and West Yorkshire, and Cornwall has secured the first 'county deal'. Derby and Derbyshire and Nottingham and Nottinghamshire are also progressing work to develop a deal, which will span two Combined Authority areas. Furthermore, in early July, seven authorities published a statement of intent to form a West Midlands Combined Authority.
5.	Cities and Local Government Devolution Bill 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 and paves the way for the further transfer of powers away from Whitehall to local areas.
6.	The government has indicated that it would welcome devolution proposals that include the development of a combined authority as they believe that these are appropriate governance structures to undertake a greater set of functions within their local area. 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. It is worth stressing that it is not the creation of a new super authority which takes over all the functions and structures of the authority within that area.
7.	However, the Bill does not mandate a Combined Authority for every area and leaves open the possibility of alternative governance solutions. This point was underscored by the Secretary of State Greg Clark's comments at the Local Government Association conference. He indicated other governance arrangements could be considered where three tests are met. First, unity between tiers of local government and closer partnership working; second, participation from local businesses, including a clear role for Local Enterprise Partnerships; third, local ambition to improve outcomes for local residents.
8.	It is also worth noting that, while the Government have made it clear that city areas seeking devolution deals will be expected to agree to the creation of an elected mayor, this is also not mandated for all deals. The Cornwall proposal contains no such commitment. Should Government agree to a devolution deal for Hampshire and the Isle of Wight, a full governance review will be required, to explore all options including a Combined Authority with an elected mayor, as well as other forms of democratic governance such as committee governance and executive arrangements. This will determine the most appropriate, robust and cost effective governance solution for the Hampshire and Isle of Wight area, building on partners' existing powers, responsibilities and boundaries, and the outcome of negotiations with Government.
9.	Hampshire and Isle of Wight Devolution On 19 June 2015, the Hampshire and Isle of Wight Local Government Association (HIOWLGA) agreed to support the exploration of a Hampshire and Isle of Wight model as a basis for a Combined Authority covering the County Council, Hampshire's eleven District

	and Borough Councils, the two City Councils of Portsmouth and Southampton and the Isle of Wight Council. The Solent and M3 Local Enterprise Partnership Boards, who are full partners in this initiative, have also discussed and supported the bid.
10.	The area covered by the Hampshire and Isle of Wight Local Government Association (HIOWA) is complex in governance terms. 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.
11.	<p>A first letter was sent to Greg Clark on 24 June 2015 confirming the above geography for the proposal and that formal authority would be sought from all respective authorities to develop a devolution bid for the Wider Hampshire area. The letter (attached in Appendix 1) set out the programme's aims to:</p> <ul style="list-style-type: none"> • Design future governance arrangements that do not add another tier of Government, but take account of the functional responsibilities of the Combined Authority and reflect the economic, social and environmental variations across the area • Deliver stronger collaboration, larger investment and deeper devolution, in order to achieve administrative efficiencies and economies for the public sector, and drive economic growth, delivering benefits to local residents, businesses and ultimately the wider Hampshire economy. • In addition, Hampshire County Council committed itself to 'double devolution' with district councils, where they wished and where appropriate, for such functions to be delegated from the County Council.
12.	Following on from submission of the initial letter, work was undertaken at pace to prepare a more detailed Statement of Intent (attached in Appendix 2), which was submitted to Government on 31 st July 2015. This outlined initial proposals which could form the basis of a deal with Central Government. It is worth stressing that any proposal would be about bringing new powers and responsibilities to the Hampshire and Isle of Wight area, but there is a need to provide something back to Government as part of this, to help achieve Government priorities.
13.	<p>The Statement of Intent outlined four key areas of focus, in terms of opportunities for Hampshire and the Isle of Wight to:</p> <ul style="list-style-type: none"> • Accelerate housing delivery, to support local people, including starter homes and rural affordable housing • Raise productivity, by supporting industry and investing in education to match skills to employment, creating high value jobs and opportunities • Invest in infrastructure, such as transport links to our global gateway ports and airports, as well as the Thames Valley and London, and improve digital connectivity for rural based businesses • Transform local public services, by working more closely to deliver smarter, more efficient services for residents and businesses.
14.	The Statement of Intent marked the start of the partnership's formal negotiations with Government, and committed us to submit more detailed proposals by the 4 September 2015. These proposals are not available at the time of submitting this report and do therefore legally constitute part of this report but will be made available to Members in advance of the Full Council meeting. In order to meet the deadlines required for submission and decision making within the council, these proposals have been approved by the Chief Executive under delegated powers but it is important that Council are fully aware of and able to comment on the content. It is anticipated that Government will confirm whether the proposals have been accepted in November, as part of the Autumn Spending Review.
15.	In order to take this work forward, a joint programme office has been established and a Chief Executives' Group meets weekly to oversee delivery. This involves representation

	<p>from across all tiers of local government within Hampshire and the Isle of Wight as well as Solent and M3 Local Enterprise Partnerships and the Partnership for Urban South Hampshire (PUSH). A Leaders' Group has also been established and meets regularly with representation from Hampshire, Southampton, Portsmouth, Isle of Wight, Basingstoke, Fareham and Eastleigh. Wider partners, including health colleagues, are being engaged through individual workstreams, which will develop as proposals are refined over the coming weeks and months.</p>
<p>RESOURCE IMPLICATIONS</p>	
<p><u>Capital/Revenue</u></p>	
<p>16.</p>	<p>There are no additional financial implications arising directly from the recommendations contained within this report. Any associated financial implications will be reported to a future Council meeting.</p>
<p><u>Property/Other</u></p>	
<p>17.</p>	<p>There are no property implications arising from the recommendations contained within this report.</p>
<p>LEGAL IMPLICATIONS</p>	
<p><u>Statutory power to undertake proposals in the report:</u></p>	
<p>18.</p>	<p>Two key proposed changes to the law around Combined Authorities will substantially empower those seeking to enter into such arrangements. Based on the current drafting of the Cities and Local Government Devolution Bill, and the draft Legislative Reform (Combined Authorities and Economic Prosperity Boards) (England) Order 2015 the changes will:</p> <ul style="list-style-type: none"> • Require the consent of local authorities making those arrangements • Enable local authorities that do not have contiguous boundaries to form Combined Authorities where the Secretary of State considers they can collaborate effectively in specified statutory functions. • Enable Combined Authorities to take on a broad range of functions, including functions which not only currently reside within individual local authorities, but also a range of public authority functions which go beyond those enjoyed by local authorities, and also to transfer property interests to the Combined Authority relating to those functions. • Allow the secretary of state to levy by way precept for its funding • Allow the secretary of state to make regulations to make changes to the governance arrangements in respect of matters to be transferred to a Combined Authority. • Provide that the consent of relevant local authorities and public bodies is needed in respect of any changes. • Provide for an elected mayor for the combined authority's area who would exercise specified functions individually and chair the authority; • Provide for the possibility for the mayor additionally to undertake the functions of Police and Crime Commissioner for the combined authority area (in place of the Police and Crime Commissioner); • Remove the current statutory limitation on functions that can be conferred on a combined authority (currently economic development, regeneration, and transport) • Provide for streamlined local governance as agreed by councils.
<p><u>Other Legal Implications:</u></p>	
<p>19.</p>	<p>There are no other legal implications arising from the recommendations contained within</p>

	this report.
POLICY FRAMEWORK IMPLICATIONS	
20.	There are no policy framework implications arising from the recommendations contained within this report.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	ALL

SUPPORTING DOCUMENTATION

Appendices	
1.	Letter to Greg Clark, 24 June 2015
2.	Statement of Intent, 31 July 2015

Documents In Members' Rooms	
1.	None

Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No

Other Background Documents
Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	