

DECISION-MAKER:	COUNCIL		
SUBJECT:	NEGOTIATION AND AGREEMENT OF A DEVOLUTION DEAL FOR A COMBINED AUTHORITY		
DATE OF DECISION:	16 MARCH 2016		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Denise Edghill	Tel: 023 8083 4095
	E-mail:	Denise.edghill@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

In December 2015, Council received a report delegating authority for the Chief Executive, after consultation with the Leader of the Council, to conduct negotiations with the Government and with the other Hampshire and Isle of Wight councils and partners, and to agree a devolution deal for Hampshire and the Isle of Wight (HIOW). The conclusion of a Deal for all HIOW constituent parties of fifteen local authorities, two Local Enterprise Partnerships and two national parks has proved challenging within required the timescales. Therefore, alternative possible local geographies are being considered. Negotiations between the Government and affected public bodies are on-going, and the Leader of the Council will give detail at Council of the geographical area and aspects of the proposed final options(s) and recommended way forward. The Government has advised that the Council must advise their intentions (subject to formal ratification later) by 16th March 2016 whether or not to be a part of any Combined Authority arrangements.

RECOMMENDATIONS:

	(i)	That following consideration of the updated position as provided at Council on 16 th March 2016 the Council resolves whether in principle to be a party to any Combined Authority arrangements and on what principle terms.
	(ii)	Council delegates authority to the Leader of the Council, following consultation with the Chief Executive and Group Leaders, to undertake detailed negotiations with relevant government departments and public bodies in respect of a proposed devolution deal and to agree final terms.

REASONS FOR REPORT RECOMMENDATIONS

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| 1. | If the Council is to take advantage of the benefits of devolved powers and funding to the area to underpin economic growth and public service transformation, it is important that the Leader of the Council and Chief Executive have the opportunity to continue to work flexibly and quickly with other authorities to conduct negotiations with Government. The Leader, by virtue of the Council's Constitution, has the authority to lead on negotiations on behalf of the Council. This report gives the Chief Executive appropriate delegated powers to work in support of the Leader. This will enable Southampton City Council to shape any deal and take advantage of devolved powers and responsibilities agreed through the deal. |
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

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| 2. | All options relating to devolution and the potential establishment of a Combined Authority will be considered as this work progresses. |
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DETAIL (Including consultation carried out)

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| 3. | The Government expects combinations of authorities to be able to respond at pace to agree the final content a deal document ahead of a deal announcement, which could be at short notice. |
| 4. | The report to Council, December 2015, give an update on the national context to date, the Cities and Local Government Devolution Bill, and progress with the HIOW proposals. The Bill has now received Royal Assent and is now the Cities and Local Government Devolution Act 2016. |
| 5. | Given the difficulty in the fifteen HIOW local authorities, two Local Enterprise Partnerships and two National Parks reaching agreement, alternative options have emerged including a smaller number of local authorities in the Hampshire and Isle of Wight area. All parties, including Government, have recognised the importance of securing a deal at the earliest timescale, in order to maximise the powers, funds and outcomes to the local area. Therefore, detailed negotiations have commenced on the alternative local boundaries. |
| 6. | Negotiations are yet to conclude. However, the following summary proposals are under consideration: <ul style="list-style-type: none">• A new, directly elected mayor, to act as chair of a newly formed Combined Authority;• A consolidated, integrated devolved transport budget with multi-year settlement;• Responsibility for franchised bus services;• Responsibility for management of a new Key Route Network of roads;• Powers over strategic planning, including a Joint Investment Assets Board;• Control over a thirty year capital allocation to boost growth;• Retention of Business Rates to the local area;• Devolved funds to deliver programmes to support unemployed residents to gain work; |

	<ul style="list-style-type: none"> • Devolved 19+ skills funding to the area; • Enterprise, innovation and business support funds; • Flexibility to invest in, and develop innovative approaches to delivering public services.
7.	The current position on the detailed negotiations is ongoing . The Leader of the Council will provide an update on progress at the Council meeting.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
8.	There are no additional financial implications arising directly from the recommendations contained within this report. Any associated financial implications will be reported as far as is known at Council and in greater detail to a future Council meeting.
<u>Property/Other</u>	
9.	There are no immediate property implications arising from the recommendations contained within this report.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
10.	<p>The existing power to establish a Combined Authority is set out in Section 103 of the Local Democracy, Economic Development and Construction Act 2009 . Changes to the law around Combined Authorities further empowers those seeking to enter into such arrangements. Based on the Cities and Local Government Devolution Act 2016, and the Legislative Reform (Combined Authorities and Economic Prosperity Boards) (England) Order 2015 the changes :</p> <ul style="list-style-type: none"> • 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 do not 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 a Mayoral Combined Authority to precept for its funding. • Provide that the consent of relevant local authorities and public bodies is needed in respect of any changes. • Allow for the possibility of 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 the 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)
<u>Other Legal Implications:</u>	
11.	There are no other immediate legal implications arising from the recommendations contained within this report.
POLICY FRAMEWORK IMPLICATIONS	
12.	There are no policy framework implications arising from the recommendations contained within this report.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
2.	
Documents In Members' Rooms	
1.	None
2.	
Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
Other Background Documents	
Equality Impact Assessment and 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.	None
2.	