

<b>DECISION-MAKER:</b>	Cabinet		
<b>SUBJECT:</b>	Devolution and Local Government Reorganisation		
<b>DATE OF DECISION:</b>	7 January 2025		
<b>REPORT OF:</b>	Leader of the Council		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>	
NOT APPLICABLE	
<b>BRIEF SUMMARY</b>	
The Ministry of Housing Communities and Local Government (MHCLG) published a white paper on devolution on 16 December 2024	
Government has written to council leaders to formally invite unitary proposals from all councils in two-tier areas, and small neighbouring unitary councils in addition to an application to be included in a devolution priority programme.	
Devolution provides Hampshire and the Solent region with new opportunities for economic growth, as well as improved prosperity for Hampshire and Solent places and residents through investment in skills, housing, infrastructure and transport.	
<b>RECOMMENDATIONS:</b>	
	(i) To submit, with the agreement of Hampshire, Isle of Wight, and Portsmouth a joint expression of interest to be included on the priority programme for devolution.
	(ii) To work with Councils across the region to develop proposals that reflect the geography of Unitary authorities across Hampshire and the Solent.
	(iii) To report further to Cabinet and Council as proposals are developed.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	Clear intention of Government that all regions will be devolved.
2.	Recognition regionally that devolution is wanted.
3.	Government are clear on timelines and are bound by local election cycles.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
1.	Do nothing. This option had been rejected as Government have made clear their intention to progress devolution. The recent white paper suggests Government will pass a ministerial directive which means that if local areas cannot agree on a new model in time, Government will intervene and implement a new structure.
<b>DETAIL (Including consultation carried out)</b>	

1.	Following the general election in July 2024 regions were requested by MHCLG to submit an expression of interest (EOI) to create a combined authority. The leaders of Hampshire, Isle of Wight, Portsmouth and Southampton each submitted a joint EOI.
2.	Further to this submission leaders and chief executives have met with the minister and civil servants to further understand how a devolution could work in Hampshire and the Solent region and seek feedback on the EOI.
3.	<p>The publication of the devolution white paper in December has clarified that a combined authority consisting of Isle of Wight, Portsmouth and Southampton would be too small for Government to consider.</p> <p>The white paper made clear that new unitary councils must be big enough to achieve efficiencies, improve capacity and create financial stability.</p> <p>The white paper also details plans for wider local government reorganisation including the merging of two-tier district and county councils. Government has invited proposals for reorganisation for all areas this affects.</p>
4.	<p>The deadline for applications to the devolution priority programme is 10th January. Further to this, government has signalled it will let areas know early in the new year which have been successful. Subsequent to the necessary approvals both locally and nationally areas in the priority programme will be expected to have arrangements in place in time for May 2026 elections.</p> <p>Those areas will also be allocated capacity funding to support this process.</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
5.	There are no additional capital or revenue implications arising directly from this report.
<b><u>Property/Other</u></b>	
6.	None as a consequence of the recommendations contained within this report.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
7.	<p>A combined authority (CA) is a legal body set up using national legislation that enables a group of two or more councils to collaborate and take collective decisions across council boundaries. This structure provides a more robust, statute based, approach to joint working than informal partnerships or joint committees, allowing member councils to take advantage of powers and resources devolved from the national government.</p> <p>The Local Democracy, Economic Development and Construction Act 2009 introduced combined authorities in England outside Greater London. These authorities are created voluntarily, allowing a group of local authorities to pool appropriate responsibilities and receive certain devolved functions from central government to deliver transport and economic policy more effectively over a wider area.</p>
8.	The Levelling-up and Regeneration Act 2023 introduced a similar type of local government institution called a combined county authority (CCA). CCAs may only be formed by upper-tier authorities, such as county councils and unitary

	authorities. The members of a CCA are appointed by its constituent councils, and additional members may be appointed or nominated by other bodies, although these members are non-voting unless decided otherwise
9.	In summary, the creation of a combined authority currently (including as part of the Priority Programme described in this paper) involves: <ul style="list-style-type: none"> <li>• Voluntary collaboration between local authorities.</li> <li>• Pooling of responsibilities and receiving devolved functions from central government.</li> <li>• Formation under the Local Democracy, Economic Development and Construction Act 2009 or the Levelling-up and Regeneration Act 2023.</li> <li>• Appointment of members by constituent councils, with the possibility of additional non-voting members.</li> </ul>
10.	A new English Devolution Bill will be introduced to Parliament in the new year and , if approved, will enable wider powers for Government to introduce strategic and foundation combined authorities (with and without elected Mayors) and to tie the level of combined authority to the specific types of powers and finding they both receive and may exercise. This will require formal Statutory Designation Orders to bring into effect for each area and is likely to follow on from, and further develop, existing CA's and those introduced as part of the pilot programme.
<b><u>Other Legal Implications:</u></b>	
11.	None specific for making an Expression of Interest, however detailed consultation and Equalities Impact Assessments will be required if the Council moves forward onto the pilot programme together with supporting Orders from the Secretary of State to create any new Combined Authorities in time for elections in May 2026. The approval of new structures in the Southern Region will require further Cabinet and Council decisions in due course.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
12.	None
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
13.	None

<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>All</b>
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	None
<b>Documents In Members' Rooms</b>	
1.	<a href="#">English Devolution White Paper</a>
<b>Equality Impact Assessment</b>	
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	<b>No</b>

<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b> <b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.	None	