

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 2 FEBRUARY 2016

Title:

UPDATE ON 3 SOUTHERN COUNTIES DEVOLUTION PROPOSALS

[Portfolio Holder: Cllr Robert Knowles]

[Wards Affected: All]

Summary and purpose:

The purpose of the report is to advise the Executive on the '3SCs' (3 Southern Counties) proposals for devolution and how these might affect this Council.

How this report relates to the Council's Corporate Priorities:

Through devolution, Central Government aims to improve the economic vitality of the country and to share some of those benefits directly with participants. Any agreed arrangements could potentially help the Council deliver its corporate priorities.

Financial Implications:

There are no specific financial implications at this time. One of the important aims of devolution will be to secure an improved financial position from Government over that which would otherwise be available to Waverley. The Council will be looking to ensure that potential financial gains outweigh the costs of any devolution arrangements.

Legal Implications:

There are no legal implications at this time. However, if the Government support a Devolution arrangement the Council and other partners will be asked to formally support the 3SC deal. The ability for individual Councils to be included or not included in a devolution deal will be provided for by the Cities and Local Government Devolution Bill which is currently progressing through Parliament.

Background

1. The Government is keen to devolve further powers to local authorities to boost productivity and economic growth throughout the country. Although called 'devolution', it is very unlike the Scottish experience. In the summer of 2015 the Government asked authorities to submit proposals for devolution. The timescales allowed for submission were extremely short. Thirty eight submissions were made including those from Manchester, Liverpool, the West Midlands and Sheffield. The leading submissions have now been formally agreed by Government.
2. Locally, the three southern counties of East Sussex, Surrey and West Sussex submitted a Devolution Prospectus involving the County Councils and all the Districts and Borough Councils titled '3SCs' (3 Southern Counties) which can

be found online at:

http://www.surreycc.gov.uk/_data/assets/pdf_file/0005/66911/WS31256-Three-Counties-DEVOLUTION-Prospectus-v2.pdf.

The Prospectus does not commit any partner at this stage but allows councils to envisage what changes might be possible and how these might benefit local residents. The 3SCs prospectus document outlined how devolution across the three Counties might allow for a greater degree of coordination and control over road and rail networks in the area, speed up housing development, pioneer new digital technology and launch University Enterprise Zones to support high-tech business. There are 44 Partners in total, including Local Enterprise Partnerships and Clinical Commissioning Groups, two police forces, as well as the South Downs National Park and East Sussex Fire & Rescue Service. A formal concordat with neighbouring Brighton and Hove Council is also being drawn up.

3. Two key workstreams feature in the Prospectus:
 - Economic growth and enhanced productivity; and
 - Public service transformation
4. These workstreams are intended to help the 3SC realise the potential of the area by:
 - Investing in a long-term infrastructure strategy;
 - Increasing housing delivery and land supply;
 - Increasing productivity; and
 - Re-imagining public service delivery.
5. The proposals are ambitious but certainly not straightforward. Given that the authorities involved cover a wide range of authorities, the appetite for growth, for example, varies immensely and this will need to be recognised in any final agreement reached.
6. So far, the Government has received the Prospectus favourably and two meetings have been held between Baroness Williams, a Junior Minister at the DCLG and a number of County and District Leaders. A letter from Baroness Williams to the Leader of West Sussex County Council following the most recent meeting is attached as Annexe 1. Further meetings are planned including one with the Secretary of State. The Government's timetable in respect of devolution bids remains challengingly tight. It wishes to sign off any deals by the end of March 2016.
7. It is clear that Waverley's participation is dependent on Waverley receiving benefits from any devolution deal.

Financial Benefits

8. It is not exactly clear what benefits will accrue to authorities although earlier Bills have allowed authorities to keep a greater share of Business Rate growth on the condition that they can demonstrate to Government that growth is promoted. The Draft Local Government Settlement contains a number of

adverse changes which impact negatively on Waverley's business rate income so potential benefits will need to be considered carefully.

Governance

9. Whilst no formal governance arrangements have been agreed, the combined authority model is being used in a number of other devolution areas. Waverley's position to date in respect of any governance proposals reflects our position to date on the entirety of the proposals – that any change should only be endorsed if it is in the best interests of Waverley's communities. In terms of governance, this effectively means it is essential that Waverley's sovereignty be protected and that decisions are not taken away from democratically elected local Waverley Members.
10. In Metropolitan areas the Government has been keen to have locally elected mayors although there is some indication that the Secretary of State may be prepared to reconsider this.
11. Although an amended Cities and Local Government Devolution Bill was produced in 2015 it seemed that local authorities would be wholly free to enter into any devolution deal. However, the latest update suggests that the Government could allow local wishes to be over-ridden.

Conclusion

12. Waverley is operating in an extremely difficult financial environment and, as such, has a duty to consider any and every opportunity to maintain and improve the value for money provided to the Borough's residents. Accordingly, Waverley will continue to remain engaged in discussions and explore the potential opportunities provided by the 3SCs deal. However, as of today's date, Waverley, nor indeed any other council has signed up to any proposal. Like Waverley, all councils will be looking to identify and secure benefits to accrue to their residents before taking that step.

Recommendation

It is recommended that the Executive

1. note and provide any comment in respect of the submission of the 3SCs Devolution Proposal; and
- 2 include '3SC devolution proposals' on the Executive's Forward Programme as a potential key decision.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

CONTACT OFFICER:

Name: Paul Wenham

Telephone: 01483 523238

E-mail: paul.wenham@waverley.gov.uk