

FAREHAM

BOROUGH COUNCIL

Report to Council

Date: 30 July 2015

Report of: Chief Executive Officer

Subject: Combined Authority

SUMMARY

The Cities and Local Government Devolution Bill aims to support the Government's manifesto commitment to devolve powers and budgets in England. The Government will only devolve powers on request, to a combined authority or the proposed formation of one. Council's across Hampshire are now considering how best to take advantage of the new powers, which could be devolved to the region, and the shape that a combined authority could take.

RECOMMENDATIONS

That the Council agrees:

- (a) to support pursuit of devolution through a combined authority based on the Wider Hampshire Model; and
- (b) that the Executive Leader and Chief Executive Officer are authorised to continue discussions with other local authorities and the Government in order to progress the possibility of devolution.

INTRODUCTION

1. The Cities and Local Government Devolution Bill aims to support the Government's manifesto commitment to devolve powers and budgets in England, in order to boost local growth. The Bill focuses mainly on devolution to large cities, but also makes provisions for devolution to combined authorities. The inclusion of combined authorities means that there is the potential for County, District and Unitary authorities to take advantage of the proposals.

SCOPE OF DEVOLUTION

2. Devolution from the Government to regions has been talked about as a possibility, for some services, for a number of years. The Local Democracy, Economic Development and Construction Act 2009 allows for combined authorities to take on responsibility for economic development, regeneration and development. The new Bill aims to remove the current restrictions, which will allow for combined authority areas to take on responsibility for other services such as social care.
3. The Government will only devolve powers on request and requires all of the constituent councils, which make up the combined authority, to support its creation. The other key element to devolution is that the Government has a preference for combined authorities to be led by an elected Mayor. If one or more of the Councils rejects a combined authority proposal the Secretary of State will consider whether the proposal is still acceptable with the relevant area or areas excluded.
4. The Bill includes scope for an elected Mayor of a combined authority to take on the responsibilities of the Police and Crime Commissioner. This responsibility can only be taken if the combined authority covers the entire area of responsibility for the Police and Crime Commissioner. Where these additional powers are taken on the Bill makes provision for the suspension of Police and Crime Commissioner Elections.
5. Neither the Government nor the Bill has set out detailed proposals for what will be devolved. As a result the specific arrangements will be based on the requests that are made and what the Government and the associated Departments agree to.

A COMBINED AUTHORITY

6. A combined authority provides the opportunity for powers to be devolved from the Government and decisions be made at a more local level; however there are a number of misconceptions about what it means for the Councils that are part of the area.
7. The creation of a combined authority is based on proposals put forward by the Councils that will make up the areas it covers. This means that there are no new structures, boundary changes or powers taken away from Councils, unless the proposal puts any such changes forward.
8. A combined authority is not an additional tier of government; it is model for taking certain decisions in partnership with other Councils. A combined authority also offers a mechanism through which the Government are comfortable in devolving powers and funding.

THE WIDER HAMPSHIRE MODEL

9. In recent years there have been a number of different discussions, across Hampshire, regarding different approaches for a combined authority. On 19 June, The Hampshire and Isle of Wight Local Government Association (HIOWLGA) unanimously agreed to support a proposal for the Wider Hampshire Model. The Wider Hampshire Model proposes a combined authority consisting of the following councils.
 - (a) All eleven District Councils
 - (b) Hampshire County Council
 - (c) Isle of Wight Council
 - (d) Portsmouth City Council
 - (e) Southampton City Council
10. The creation of a combined authority, using this model, represents a community of over 1.9 million people that contributes £47 billion annually to the UK economy.
11. The main opportunities for devolution are believed to be in:
 - (a) Infrastructure projects
 - (b) Economic development
 - (c) Skills and employment
 - (d) Health and social care
 - (e) Cultural activities
12. Alongside the potential to take on additional powers, there is also a need to consider funding arrangements. New funding streams will be required, for the additional services, but the retention of business rates will likely also be a key piece of any devolution arrangement.
13. At the meeting, on 19 June, HIOWLGA agreed that a combined authority would reflect the economic, social and environmental variations across the area. In addition, the County Council committed itself to “double devolution” with district councils. This would allow Fareham Borough Council, where it wishes and provided there is a strong case, for functions to be delegated from the County Council.
14. The Wider Hampshire Model does not propose any changes to powers and responsibilities or boundaries of the Councils involved. There is also no desire, from any of the Councils involved, for an elected Mayor. This is important, because it means that Fareham Borough Council will primarily continue to function as it does at the moment.
15. On 24 June Councillor Roy Perry, Leader of Hampshire County Council and Chairman of HIOWLGA, wrote to the Secretary of State for Communities and Local Government outlining the decisions reached on 19 June (attached as Appendix A). The letter was supported by the Leader of every Council that is part of HIOWLGA.

16. Before taking the idea of the Wider Hampshire Model further and to demonstrate the support the Government requires, a decision is needed from the Council. Any significant progress will be reported back to the Council to ensure that it remains up to date with key developments.

RISK ASSESSMENT

17. There are no significant risk considerations in relation to this report

CONCLUSION

18. The Cities and Local Government Devolution Bill offers the opportunity for local government to take on additional powers and make decisions at a level closer to local residents. The Government is not forcing devolution on councils, but is instead offering the opportunity, if a compelling case can be made.
19. Following a meeting on 19 June HIOWLGA agreed to pursue the idea of a combined authority, on the basis of the Wider Hampshire Model. Before taking the idea further the Council is asked to make a decision to confirm its support of this model and authorise the Leader and Chief Executive to undertake further work to develop more detail on how a combined authority could operate.

Background Papers: None

Reference Papers: Hampshire County Council report to Cabinet 22 June 2015:
Devolution – Positioning the County Council

Enquiries:

For further information on this report please contact Peter Grimwood (ext. 2301)