

Cabinet



Date of meeting:	08 February 2022
Title of Report:	A Devolution Deal for Plymouth, Devon and Torbay
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Tracey Lee (Chief Executive)
Author:	Alison Ward
Contact Email:	alison.ward@plymouth.gov.uk
Your Reference:	Click here to enter text.
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To update Cabinet on the invitation by Government to enter into negotiations for a Devolution Deal, and to seek endorsement for the current approach.

Recommendations and Reasons

That Cabinet:

1. Endorses the current approach to working with Devon and Torbay to negotiate a Devolution Deal with Government
2. Agrees that an internal cross-party working group is established to provide political leadership
3. Agrees for reports to be brought back to Cabinet and Full Council at key points for information and decision making

Strong political leadership is essential in order to provide confidence for Government and local partners, and to ensure transparency for the public. Devolution is a major strand of the Government's Levelling Up agenda to empower local government, and to bring decision-making closer to communities.

Alternative options considered and rejected

Plymouth City Council could opt out of negotiations with Government for a Devolution Deal, however empowering local leadership is one of the stated objectives of the Government's Levelling Up agenda and Devolution Deals are the means through which Government intend to deliver on this. Devolution Deals must be based on a coherent economic geography, and cover a population of at least 500,000. A Deal covering Plymouth, Devon and Torbay is the best fit under this criteria. Cornwall is the subject of a separate Devolution Deal negotiation with Government.

Relevance to the Corporate Plan and/or the Plymouth Plan

An aim within the Corporate Plan is to champion Plymouth regionally and nationally. Working with Devon and Torbay and building on the strong regional relationships we have built over many years, we are one of just nine areas nationally to be invited to negotiate an early Devolution Deal with Government. This opportunity will boost Plymouth's profile nationally and regionally. The Deal also builds on the ambitions in the Plymouth Plan and will include a strand on housing which is a key priority working across the Joint Local Plan area.

Implications for the Medium Term Financial Plan and Resource Implications:

None arising from the recommendations of this report. However there will be financial implications relating to the negotiation of the deal and the financial and resource implications of a deal would be considered as any proposal is developed.

Financial Risks

There is a risk that the financial implications of a prospective deal might not be fully understood unless the local authorities in the negotiating team draw on suitable professional advice from one of the Finance Departments of the authorities involved.

Carbon Footprint (Environmental) Implications:

Addressing the impact of Climate Change is one of the themes under the Devolution Deal. A Deal is therefore expected to include support from Government to adopt innovative local proposals to help achieve the UK's Net Zero targets.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

None arising from the recommendations of this report. Equalities and inclusive growth will be an integral part of any devolution deal that is considered and impact assessments will be developed alongside any proposals.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Levelling Up – Briefing Report							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)
----------------------------------	--

	<i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

Fin	ba.2 1.22. 254	Leg	LS/3 8042 /AC/ 7/2/2 2	Mon Off	Click here to enter text.	HR	Click here to enter text.	Asset s	Click here to enter text.	Strat Proc	Click here to enter text.
Originating Senior Leadership Team member: Tracey Lee, Chief Executive											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 07/02/2022											
Cabinet Member approval: Cllr Nick Kelly, Leader Date approved: 08/02/2022											

A Devolution Deal for Plymouth, Devon and Torbay

Briefing Report



KEY POINTS

The Government's long awaited Levelling Up White Paper was published on 2 February 2022. Devon, Plymouth and Torbay are included as one of nine areas to be invited to negotiate a Devolution Deal with Government.

This paper sets out the latest position.

- Devolution is the Government's primary route for transferring more power and decision-making down to the local level, which is an ambition under the Levelling Up agenda.
- In August 2021, Plymouth submitted an expression of interest to enter into a dialogue with government about a Devolution Deal. Devon also expressed an interest and this led to conversations between senior civil servants and Leaders from Devon, Plymouth and Torbay in early September, followed by a call with the Minister responsible for Devolution (County Deals) in November.
- Exploratory talks have continued between the Leaders and Chief Executives from Devon, Plymouth and Torbay councils to scope out the common areas for a Devolution Deal, and to consider potential governance models.
- There is an agreed principle to keep the governance strategic and streamlined, with a small group of Leaders from the principal local authorities being the group that engages with government on behalf of the whole area.
- Devolution Deals are generally negotiated with Government across regions, covering large populations and multiple local authority areas, rather than with individual councils.
- Mayoral Combined Authorities are the government's preferred governance structure for local councils to come together for a Devolution Deal. Previous work through the Heart of the South West Joint Committee, which also involves the Somerset councils, concluded that a directly elected mayor was a 'red line' for all councils (as was local government reorganisation in order to secure a Deal). This remains the case for Devon, Plymouth and Torbay.
- There will be different levels of powers available to areas depending on the governance model they select. Areas with a directly elected mayor are likely to get the best Deals.
- There are a range of alternative governance models that could be considered, including a Combined Authority without a directly elected mayor and this is being considered as a potential model for the Devon, Plymouth, Torbay Deal.
- A Combined Authority is a statutory partnership arrangement that any new funding or powers can be devolved to, delivery is through the constituent councils.
- A Combined Authority does not affect the sovereignty of the constituent local authorities. It is a strategic body where collective decisions can be made in relation to those things within the scope of the Deal.

POTENTIAL SCOPE OF A DEVON, PLYMOUTH, TORBAY DEAL

There are a number of distinct challenges that the pan-Devon area would look to address through a Devolution deal, including:

- Workforce - education, training and skills.
- Children and young people – aspiration and opportunity.
- Housing – affordability and availability.
- Social mobility – inequality and poverty.
- Health and social care – building a sustainable system.
- Connectivity – transport, digital and communities.
- Climate change – transition to zero-carbon economy.

There are also opportunities that a Devolution Deal would help the area exploit, through a joint vision: - *‘To capitalise on our distinctive strengths to achieve greater prosperity in a sustainable and inclusive way’*. This includes:

- Maximising the opportunities around the Freeport to drive greater innovation, delivering high value jobs, attracting investment and boosting the economy.
- Delivering the Ocean Futures programme to become a national centre of excellence for marine autonomy, and to pioneer cleaner and digitally-enabled marine operations
- Leveraging the exceptional research capacity and expertise around climate change at the Met Office and our Higher Education Institutions to drive innovation, increase business start-ups and scale-ups, and create more high value jobs.
- Capitalising on our international competitiveness in the photonics and microelectronics sector to deliver more well-paid jobs, and business growth.
- Becoming a national exemplar area for our approach to achieving net zero
- Creating a more sustainable health and care system that delivers for our population.

SPECIFIC BENEFITS FOR PLYMOUTH FROM THE DEAL

- A housing deal as part of the overall package of measures that helps us to fully deliver on the ambitions in the Joint Local Plan.
- Supporting city centre regeneration - developing homes, repurposing underused buildings and breathing new life into the city centre.
- Greater certainty regarding funding for major infrastructure projects: longer term funding to provide confidence, supporting the sequencing of major programmes and helping to attract external investment.
- Greater control over funding for adult skills to ensure local people have the right skills to match what our businesses need, particularly linked to the jobs that will be generated by the Freeport, and including new technologies linked with marine, health and digital.
- Investment of resources to further support improved educational attainment.
- Support to address climate change.

GOVERNANCE AND POWERS

Strong governance arrangements are a prerequisite for any Devolution deal. The most appropriate form of governance for a pan-Devon deal is likely to be a form of statutory board, which could include a non-mayoral Combined Authority. This would be a strategic decision-making body, potentially comprising at a minimum the Leaders of the three upper tier councils, plus one district council Leader representing all the Devon districts, and with other associated structures feeding into the board. The

board could include representatives from other bodies or sectors, and the nature of decision making in terms of voting/non-voting members would need to be determined.

Combined Authorities are established by the Secretary of State through a set process, which includes an area governance review and public consultation. The whole process can take up to 18 months.

NEXT STEPS

- Nothing has been agreed in terms of a Devon, Plymouth and Torbay Devolution Deal at this stage. There is a lot more work required to explore what is on offer from Government and what benefits that would bring, as well as what conditions the Government might set as part of the negotiating process.
- All of the constituent councils will be fully engaged in evaluating the benefits and opportunities of the Devolution Deal and in agreeing an appropriate form of governance. A report(s) will be presented to the council in due course.
- Further discussions are expected to take place with Government over the coming weeks and months regarding the shape of a Deal and the kind of powers and funding on offer.
- If there is an agreement to create a Combined Authority, the process could take up to 18 months.

FURTHER BACKGROUND

Plymouth City Council played a significant role in establishing the Heart of the South West (HotSW) Joint Committee which initially came together to pursue a Devolution deal with Government. This proposal included the potential for the Joint Committee to evolve into a Combined Authority should a deal be reached. In 2016, each of the HotSW councils (including Plymouth City Council) took an 'in principle' decision to agree to create a Combined Authority, should the conditions for a deal with Government be met.

The Government's appetite for Devolution deals waned following the EU Referendum but has been revived as part of the current Levelling Up agenda. However, over time factors such as the current local government reorganisation in Somerset and uncertainty over the future of Local Enterprise Partnerships nationally has made the Heart of the South West geography less compelling in terms of pursuing a Devolution deal. The new round of deals are primarily aimed at historic shire county geographies but can include neighbouring unitary councils, hence the current opportunity for Plymouth is a pan-Devon deal, working alongside Devon County Council and Torbay Council, with one district council Leader representing all of the Devon district councils.

Devon and Plymouth both expressed an interest in exploring a Devolution Deal in August 2021 (through separate expressions of interest). Leaders were then invited, together with Torbay, to meet with senior Government officials in early September. Work has continued between the Leaders and Chief Executives of the principal councils to develop ideas about the scope of a Deal, and how the governance might work.