

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>	Discretionary /	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	NO	
Lead Member: Cllr Nick Daubney E-mail: <i>cllr.nick.daubney@west-norfolk.gov.uk</i>		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Ray Harding E-mail: <i>ray.harding@west-norfolk.gov.uk</i> Direct Dial:01553 616245		Other Officers consulted: Management Team and Duncan Hall		
Financial Implications	Policy/Personnel Implications	Statutory Implications	Equal Impact Assessment	Risk Management Implications
NO	YES	YES	NO	NO

Date of meeting: 6<sup>th</sup> October 2015

## DEVOLUTION

### Summary

This report sets out Norfolk's ambition for and approach to the government's devolution proposals contained in the 'Cities and Local Government Devolution Bill' currently before Parliament.

The approach which has been taken thus far in Norfolk is set out in the letter 'Devolution – Letter of Intent' and associated paper 'The Norfolk Offer' (Appendix 1) which has been submitted by all of Norfolk's Council Leaders and the Chairman of the New Anglia Local Enterprise Partnership (LEP).

Norfolk Leaders were responding to an invitation for expressions of interest to be submitted to government by 4<sup>th</sup> September 2015. The Leaders have expressed a clear view that devolution proposals should, if at all possible, be based on the New Anglia LEP geography, i.e. for both Norfolk and Suffolk.

The initial submissions for both Norfolk and Suffolk have been well received in government and civil servants have made it very clear that going forward these two proposals would be greatly strengthened if they could be combined into a single 'devolution deal'.

### Recommendation

Cabinet is recommended to:

- 1) Note and endorse the submission of the Norfolk Letter of Intent.
- 2) Endorse the proposal to progress a joint Norfolk and Suffolk devolution deal.
- 3) Comment upon and support the proposed functions for inclusion in the

- devolution negotiations as outlined in Section 3 of the report.
- 4) To note that it will be a requirement that the Borough Council joins and participates fully in a 'Combined Authority' for Norfolk and Suffolk in the event that an attractive devolution agreement is reached.
  - 5) Authorise the Leader to pursue negotiations on behalf of the Borough Council to help to secure a devolution deal for Norfolk and Suffolk with Government.
  - 6) That a further report be brought forward on the matter for a decision to be taken by Council.

### **Reason for Decision**

To ensure that the Borough Council is able to play a full and active role in responding to the Government's devolution agenda, and to secure the most attractive deal achievable for the residents and businesses of the Borough.

## **1.0 Background**

- 1.1 Following the General Election in May 2015, the new Government emphasised its commitment to devolution by swiftly introducing the Cities and Local Government Devolution Bill to Parliament on 28 May 2015.
- 1.2 Initially, the Government's focus was on continuing the devolution of powers and/or funding to large urban areas, particularly to the five existing combined authorities. This included a devolution deal for the Sheffield City Region and the Greater Manchester Health and Care Deal that sees the authorities take control of £6 billion of health and social care spending, overseen by a new statutory body from April 2016.
- 1.3 As support for devolution widened, the Government further announced that it would not be confined to large urban areas. All areas were encouraged to come forward with proposals for a devolution deal. As a result, many areas across England have submitted or intend to submit such proposals. An outline deal has already been concluded with Cornwall, and other proposals are being developed across the country.
- 1.4 The *Cities and Local Government Devolution Bill* provides the legal framework for such devolution. The Bill gives the Secretary of State the necessary powers to agree bespoke deals with local areas.
- 1.5 As part of his Summer Budget on 8 July 2015, the Chancellor announced that 'significant' devolution deals would have to be submitted to the Government by 4 September 2015 if they were to inform and be agreed by the Comprehensive Spending Review in November.
- 1.6 In order to maximise influence over devolution discussions with Government, Leaders from all of Norfolk County, district, city and borough councils agreed to submit an Expression of Interest to Government by 4 September 2015. It was agreed this would emphasise

Norfolk's ambition for devolution, along with its credibility for delivery; and signal that Norfolk is ready to begin negotiations with Government. The Letter of Intent is attached as Appendix 1.

## **2.0 Democracy and Governance**

- 2.1 Whilst there is a clear preference from the Chancellor and the Treasury for devolved powers to be linked to the establishment of elected 'metro mayors' to provide London style Leadership and accountability, there is recognition that this model sits less well in shire areas. Nevertheless there is an 'entry level' requirement for a Combined Authority, to be established as a legal entity in its own right.
- 2.2 Within Norfolk and Suffolk the intention is to ensure that the design of the Combined Authority incorporates a model of clear and democratically elected governance which in turn reflects the nature of the distinct economic and social geography of the two counties. This will incorporate a form of double devolution whereby whilst some functions will be managed at the combined authority board level, others will be delegated to 'clusters' of districts.
- 2.3 All 16 authorities will be represented on the Combined Authority Board, together with the LEP to reflect business interests.

## **3.0 Functions**

- 3.1 The broad priority areas for Norfolk which we will seek to reflect in the devolution arrangements will incorporate the following areas:-
  - Economic Development
  - Infrastructure & Physical Assets
  - Skills and Worklessness
  - Strategic Planning & Housing Delivery
  - Health & Social Care
- 3.2 These are seen as powerful 'levers' which will enable us to boost growth and prosperity across New Anglia and help to both speed up and potentially exceed the targets set in the New Anglia Strategic Economic Plan.

### **Economic Growth & Productivity**

- A New Anglia LEP productivity commission with a 100 day challenge to examine the scale of the productivity gap and establish the root causes of the problem.
- A network of rural enterprise zones with innovation and improved productivity at their heart.

#### Coherent Planning & Housing

- A combined authority to provide a single vision to stimulate the growth, overcome blockages and provide better integration and efficiencies, with the appropriate cluster level democratic governance to ensure delivery.
- Work with Government to identify new settlements, utilising Homes and Communities Agency powers and resources to plan and deliver.
- Strengthened compulsory purchase powers to accelerate housing delivery.

#### Employment & Skills

- To work with Government on the roll-out of Universal Credit and test new approaches to providing in work progression to support raising incomes and reducing welfare dependency.

#### Physical Assets and Infrastructure

- A five year funding settlement for local transport schemes to fund an integrated investment package to deliver our local economic, housing and employment priorities. This will deliver better value for money and greater connectivity through integrated transport solutions.
- Direct influence over the new Greater Anglia rail franchise and accelerate much needed improvements on the Norwich to Liverpool Street (Norwich in 90) and King's Lynn to Cambridge King's Cross lines.

#### Action on Flood Risk

- Responsibilities, and associated budgets and funding, currently exercised by Environment Agency to transfer to the Combined Authority to meet local priorities.
- Improved Health & Social Care
- Integrated commissioning to tackle the challenges facing Norfolk's health and social care offer.

### **4.0 Negotiating the Norfolk and Suffolk (New Anglia) Devolution Deal**

4.1 It will be necessary, as a first step, to work quickly with our colleagues in Suffolk to secure agreement as to which functions we wish to see devolved to the proposed Combined Authority.

- a) Both Norfolk and Suffolk's Expressions of Interest were submitted to Government on 4 September 2015 by the public sector Leaders (see Appendix 1). These Expressions of Interest will form the basis for negotiation of more detailed proposals with Government throughout the autumn, with the expectation of some conclusions in 25 November 2015 Autumn Statement.
- b) Once concluded these will then be subject to further discussion by Full Council and the various appropriate decision making bodies of Norfolk's public sector partners.

- c) Any specific requests to the Government for the devolution of powers, responsibilities or funding from national level to local level will be supported by business cases and/or cost benefit analysis to demonstrate the benefits to Norfolk residents of any changes, and advantages for central Government.
- d) Such proposals will be subject to considerable further work and negotiation. Changes to powers, responsibilities or funding arrangements would require the approval of all constituent councils and other public bodies.

## **5.0 Options Considered**

5.1 There are in essence three options:-

- To respond positively to the first wave devolution opportunity (the option chosen).
- To take no action. The effect of this option would be that it would make it very difficult indeed for a Norfolk devolution deal to be concluded as this would considerably weaken the coherence of a Norfolk wide proposal. It would also deny the participating councils the opportunity to secure enhanced influence and powers needed to drive prosperity and growth.
- To respond at a later date. Whilst many councils have chosen to delay responding to devolution opportunities, there is a considerable amount of evidence that second wave City Deals were less extensive than those agreed in the first wave, hence this option was rejected.

## **6.0 Policy Implications**

6.1 The Devolution agenda represents a significant reversal of decades of centralisation in England and this represents an opportunity for local government to secure new functions for the benefit of local people and business.

## **7.0 Financial and Risk Implications**

7.1 It is difficult to anticipate the resource implications for the Council prior to any detailed negotiations with Government. The Treasury have stated, however, that any devolution proposals need to be fiscally neutral. There is a risk that by not entering into early negotiation with Government centrally developed, inappropriate and ineffective solutions could be imposed on the people of Norfolk and Suffolk.

## **8.0 Personnel Implications**

8.1 There are no personnel implications for the Borough Council at this stage.

## **9.0 Statutory Considerations**

- 9.1 Provision for the creation of Combined Authorities and devolution arrangements are included in the Cities and Local Government Devolution Bill currently before parliament.

## **10.0 Equality Impact Assessment (EIA)**

Attached as a background paper.

## **11.0 Declarations of Interest / Dispensations Granted**

None.

## **12.0 Background Papers**

- Cities and Local Government Devolution Bill
- Suffolk Devolution Expression of Interest
- New Anglia LEP Strategic Economic Plan