

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Corporate Director for
Place

to
Cabinet

on
22nd September 2015

Report prepared by: Emma Cooney, Group Manager
Economy and Tourism

Devolution Proposal

Place Scrutiny Committee
Executive Councillor: Councillor Ron Woodley
Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 To consider recommendations regarding the progression of a devolution deal and combined authority.

2. Recommendations

- 2.1 That Cabinet agree to support the Essex, Southend and Thurrock October submission to the Secretary of State subject to it reflecting the Council's governance and economic growth ambitions.
- 2.2 That authority to submit the proposal be delegated to the Corporate Director for Place in consultation with the Leader of the Council, Chief Executive and Group Leaders.

3. Background

- 3.1 In January 2015 Cabinet considered and agreed a report recommending a response to the Legislative Reform Order consultation and the progression of initial work in partnership with Thurrock Council explore a combined authority for South Essex.
- 3.2 Following this decision Councils from across Essex signalled their intention to pursue a devolution deal for Greater Essex.
- 3.3 Since then the Leader of the Council and officers have actively participated in a range of meetings developing the concepts and thinking for both a South Essex and an Essex, Southend and Thurrock devolution deal.

- 3.4 Southend and Thurrock Councils have openly shared their twin track approach which seeks to understand which model derives the greatest benefit for residents and businesses in South Essex. The legislation would not currently allow a South Essex proposition to be delivered but we understand that this is under consideration.
- 3.5 The Essex, Southend and Thurrock discussions are being developed on the basis of thematic workstreams: economic growth, homes and communities, connectivity, fiscal, skills and employment, and health and social care. An additional governance workstream is to be introduced. Underpinning this, and now as a foundation for the devolution discussions, is an approach based on the growth areas in Essex, Southend and Thurrock. For Southend this is the long established Thames Gateway South Essex (TGSE) area.
- 3.6 Work has also been underway specifically in relation to the TGSE area to fully understand the opportunities and implications of a devolution deal for South Essex. This will be used to ensure a robust position for South Essex within the Essex, Southend and Thurrock work but also to inform the most appropriate geography for any devolution deal to be progressed.
- 3.7 The importance of TGSE has been reiterated by the private sector via the Growth Partnership which is the private sector led board for South Essex. It is also recognised within Whitehall as a national regeneration priority with its own Ministerial role in Government.
- 3.8 A letter of intent was submitted to the Secretary of State on 4th September 2015 outlining the Essex, Southend and Thurrock proposal in order to meet Government's deadline. A joint letter from Southend and Thurrock was also sent outlining the Councils' position regarding the Essex, Southend and Thurrock proposal. These letters can be found in **Appendices 1 and 2** respectively. This is not a binding commitment but an update for the Minister and a request for on-going dialogue with both Ministers and civil servants around this agenda.
- 3.9 The next stage will be a fuller submission by the end of October, ahead of the Comprehensive Spending Review, to explain in more detail what the 'asks' and 'offers' to Government are of a devolution deal. This will not bind any authority to finalising the discussions but will mark the start of a negotiation period with Government ahead of a deal being agreed. This would be anticipated in spring/summer 2016. This would be subject to the ambition exciting Government and meeting its growth agenda. This would then require the full commitment of all partners.
- 3.10 The detail of a devolution deal is emerging from the work undertaken to date, however further development is required to establish greater clarity regarding the asks, offers, governance and implications for all authorities involved.

4. Other Options

- 4.1 A twin track approach is currently being explored.

- 4.2 Alternatively the Council could withdraw from the current devolution discussions pending any new announcements. This could carry the risk of deals being agreed excluding Southend.

5. Policy Implications

- 5.1 The on-going discussions summarised in this paper refer to both devolution and a Combined Authority.
- 5.2 Devolution is a negotiation process with Government, similar to that experienced through the City Deal process. It requires an area to agree an ambition, the economic growth which could be delivered there and the freedoms, flexibilities and funding needed to be devolved in order to deliver it. This is over and above anything that Councils can already deliver.
- 5.3 Combined Authority is a legislative process which sees a new authority formed alongside existing local authorities. It has the specific purpose of allowing government to devolve decisions and funding to an area in line with its ambitions which usually include skills, transport, housing and economic development.
- 5.4 A Combined Authority does not replace or merge existing Councils, nor is it a reorganisation of local government. It is a mechanism via which Councils can work together, empowered by devolved decision making and funding, with democratic and robust governance.

6. Corporate Implications

5.1 Contribution to Council's Vision & Corporate Priorities

- 5.1.1 The development of the growth agenda supports the Council's prosperous and excellent priorities.

5.2 Financial Implications

- 5.2.1 There are no immediate financial implications however the fiscal asks and offers are a key element of the on-going discussions.

5.3 Legal Implications

- 5.3.1 There are no legal implications at this time. These would be fully addressed during the process of preparing the case for a combined authority.

5.4 People Implications

- 5.4.1 The on-going commitment of officer time to developing the devolution deal.

5.5 Property Implications

- 5.5.1 There are no property implications in relation to the recommendations.

5.6 Consultation

5.6.1 Some businesses and education providers have been involved with the discussions to date and will be discussed at the Growth Partnership meeting on 15th September.

5.7 Equalities and Diversity Implications

5.7.1 There are no equalities and diversity implications.

5.8 Risk Assessment

5.8.1 The level of commitment sought to reach the October submission and resulting discussions is not binding. Not actively participating in the discussions at this stage could prevent Southend's involvement in broader devolution discussions going forward. It could also have a negative impact on partnership working.

5.8.2 The October submission must reflect an agreed position among all participating authorities. This must accord with Southend's growth priorities, fiscal plans and governance arrangements so as not to jeopardise the ambitions shared by the public and private sectors for the borough in the short and long term.

5.9 Value for Money

5.9.1 There are no value for money impacts as a result of this report with regards to Council expenditure.

5.10 Community Safety Implications

5.10.1 There are no community safety implications as a result of this report.

5.11 Environmental Impact

5.11.1 There are no environmental impacts as a result of this report.

7. Background Papers

7.1 Combined Authority / Economic Prosperity Board Consultation 20th January 2015

7.2 Economic Development Partnerships Update 23rd June 2015

8. Appendices

8.1 **Appendix 1** - Essex, Southend and Thurrock letter to the Secretary of State 4th September 2015

8.2 Appendix 2 - Southend and Thurrock letter to the Secretary of State 4th September 2015