

Gloucester City Council

Meeting:	Council	Date:	24 September 2015
Subject:	Progress Report on Devolution Proposal to Government		
Report Of:	Managing Director		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Jon McGinty, Managing Director		
	Email: jon.mcginty@gloucester.gov.uk	Tel: 39-6200	
Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To provide Members with information relating to a devolution proposal submitted to Government by Leadership Gloucestershire.

2.0 Recommendations

- 2.1 Council is asked to **RESOLVE** that

- (1) The devolution proposal be noted;
- (2) The relevant Cross-Party Members Working Group continues to monitor the development of the devolution proposal, prior to any decisions being brought back to this Council.

3.0 Background and Key Issues

- 3.1 Shortly after the Scottish independence referendum in 2014, the Coalition Government announced an agreement to devolve a range of powers to the Greater Manchester Combined Authority, giving local representatives there control over decisions which had until then been taken at a national or regional level. This included the devolution of powers for significant areas of spending such as transport, planning, housing and health and social care.
- 3.2 The Queen's Speech announcing the programme for the new Conservative Government in May 2015 highlighted that legislation would be introduced to provide for the devolution of powers to cities with elected mayors. Subsequent Government statements made clear that they would also consider devolution of powers to non-metro areas including shire counties. These messages were reinforced and repeated in the summer Budget statement and supporting documents in July, which also announced the launch of a Spending Review to be concluded and published in November 2015.

3.3 Supporting guidance indicated that areas interested in seeking devolution of powers should submit proposals by 4th September 2015, if they wished these to be considered as part of Spending Review 2015.

3.4 Leadership Gloucestershire (LG) was established in January 2011, bringing together those public sector organisations which allocate and spend significant resources in Gloucestershire. Its role is to provide vision, leadership and strategic direction in those areas where it is vital for organisations to work together to meet the needs of the people and communities of Gloucestershire in the most cost effective way. The core membership of LG is:

<ul style="list-style-type: none">• Leader and Chief Executive, Cheltenham Borough Council• Leader and Chief Executive, Cotswold District Council• Leader and Lead Director, Forest of Dean District Council• Leader and Managing Director, Gloucester City Council• Leader and Chief Executive, Gloucestershire County Council• Police and Crime Commissioner for Gloucestershire	<ul style="list-style-type: none">• Chief Constable, Gloucestershire Constabulary• Chair, Gloucestershire Clinical Commissioning Group• Accountable Officer, Gloucestershire Clinical Commissioning Group• Leader and Chief Executive, Stroud District Council• Leader and Chief Executive, Tewkesbury Borough Council• Chair and Chief Executive GFirst LEP
---	---

3.5 LG met in July 2015, shortly after the Government Budget announcement, and agreed to submit a devolution proposal for Gloucestershire to Government. The Leaders of all the public organisations are enthusiastic about the opportunities devolution may bring for Gloucestershire. They believe more can be achieved for Gloucestershire through having greater local power and decision-making. A statement of intent for devolution was submitted to Ministers on Monday 27 July and can be accessed here:

https://wearegloucestershire.files.wordpress.com/2015/09/gcc_1298_gloucestershire_county_council_devolution_statement_of_intent.pdf

3.6 Government gave LG the go-ahead to submit a detailed bid, and this was submitted on Friday 4 September and can be accessed here:

https://wearegloucestershire.files.wordpress.com/2015/09/we_are_gloucestershire_devolution_bid.pdf

3.7 The government will now select and negotiate on bids in time for the Chancellor of the Exchequer to announce further devolution deals in his spending review statement on Wednesday 25 November.

3.8 It is important to note that the bid proposal submitted by LG does not create binding commitments on behalf of all the member organisations, and there will still be a democratic debate on the proposals at a later date. What was submitted to Government was a set of devolution ‘asks’ and ‘offers’ as a basis to begin negotiations with Whitehall Departments and Ministers in order to secure agreement to a devolution deal. Those negotiations will likely result in revision and reconsideration of the set of asks and offers. Ultimately, any proposal to transfer

City Council powers to a Combined Authority or elsewhere would be brought back to this Council for discussion, debate and resolution.

- 3.9 Gloucester City Council agreed in July 2015 to set up a cross-party working group to consider the devolution proposals developed by LG and to influence the Council's contribution to those proposals. The group would also consider the impact of devolution on the City Council and make recommendations to full Council as appropriate.
- 3.10 The cross-party working group met once to consider the draft bid submission to Government, and agreed that Council should receive a progress report, highlighting for all Members the key pertinent aspects of the devolution bid proposal.

Selected key aspects of the Gloucestershire devolution proposal

1. Governance

The proposal sets out that LG's preferred model of governance and accountability for a devolution deal is to create a Combined Authority, but offered to test this by carrying out a Governance Review by April 2016. The Combined Authority would include the Leaders of the seven local authorities as constituent members, and co-opt the following non-constituent members: the Police and Crime Commissioner, the Chair of GFirst LEP and the Chair of the Gloucestershire Clinical Commissioning Group. There would be voting rights for all, which would be set out as part of the Governance Review.

The combined authority would not replace existing councils, which would remain autonomous bodies. The expectation is that any functions that would be transferred to the Combined Authority would be supported by the pooling of associated resources into the control of the Combined Authority, subject to developing business plans which address the current statutory responsibilities.

In addition to the Combined Authority, there would be an Audit Committee and an Overview and Scrutiny Committee both comprising non-executive Members and co-opted non-executive members from the CCG, OPCC and LEP.

2. Economic Growth

The proposal offers closer working and cooperation between councils to achieve the adoption of all core strategies and local plans by 2017 and coordination of plan reviews by 2020. It commits to coordinating strategic planning and infrastructure decisions to deliver housing and employment growth. It offers to develop a single county-wide evidence base covering common elements of housing, infrastructure, employment needs and transport. And it offers to integrate leadership and direction of the planning workforce across all agencies and to appoint a Strategic Planning Commissioner for Gloucestershire to lead this work.

The proposal also offers to develop by 2017 a framework to pool Community Infrastructure Levy (CIL) funding to meet the costs of major infrastructure projects, and to create a single infrastructure investment fund (business rates pool surplus, CIL funding, etc).

In many respects, these offers to Government represent no more than extensions of the direction of travel that Gloucester City Council has already

started upon, through its development of a joint core strategy with two neighbouring councils.

In return for these offers, the proposal seeks devolution of fee setting powers for planning and licensing, and a veto over current Permitted Development Rights to provide greater protection for key employment sites from being converted to residential use where this will damage the local economy.

The proposal seeks devolution of all non-devolved local transport funding, adult skills and community learning budgets and apprenticeship grants to the Combined Authority, and asks for Gloucestershire to retain 100% of any future business rates 'uplift' for 25 years to support housing schemes and infrastructure.

It also asks for the Environment Agency to bring forward a £25 million River Severn flood alleviation programme to provide protection for historic and future regeneration schemes, including Blackfriars, and other existing areas of economic activity.

3. Health and Care

The proposal asks for the devolution of integrated and place-based health and social care budgets for Gloucestershire with a minimum five year settlement. It also seeks delegation of powers and funding to commission other primary care services (including pharmacy, optometry, dental, immunisation and screening services).

In return for these asks, it offers to manage spending within existing allocations in spite of future demand pressures, whilst also improving health outcomes and reducing health inequalities.

4. Community safety

The proposal offers to improve the integration and collaboration between agencies to achieve safer communities. There may be some integration and pooling of resources although the intention remains to maintain distinct Community Safety Partnerships to set priorities for places.

5. Finance and Assets

In addition to the retention of business rates 'uplift' mentioned above, the proposal asks for five year financial settlements for the organisations and responsibilities covered in the devolution bid, and more freedom and flexibility around the use of capital receipts. In return, it offers a more joined-up approach to the allocation of resources, the pooling of certain budgets, and greater collaboration in the use (and disposal) of public sector property and assets.

4.0 Asset Based Community Development (ABCD) Considerations

4.1 There are numerous references to asset based community development approaches throughout the bid document, e.g. "We will...support a strength based approach to community safety" and "We will encourage schools and academies to be part of the process to reshape post-16 vocational training" and "We will deliver a step change in engagement with the voluntary and community sector through our

Enabling Active Communities Programme...[resulting in] reduced demand for public services support...[and putting] more people in control of their own care.”

4.2 These general statements of approach need to be built upon and developed as part of the next stage of work.

5.0 Alternative Options Considered

5.1 Gloucester City Council representatives on LG could have decided to withdraw their support for the devolution proposal submitted to government. However, they concluded that this would not be in the best interests of the people of Gloucester City.

6.0 Reasons for Recommendations

6.1 The Leaders of all the public organisations within LG are enthusiastic about the opportunities devolution may bring for Gloucestershire. They believe more can be achieved for Gloucestershire through having greater local power and decision-making.

7.0 Future Work and Conclusions

7.1 At the time of writing, LG are waiting for Ministers and Central Government Departments to indicate whether the Gloucestershire proposal has been selected for consideration as part of Spending Review 2015.

7.2 If the Gloucestershire bid is one of those selected for consideration, there will be an intense period of work over the next few months as negotiations take place between LG and Central Government representatives. LG agreed that the lead negotiation team should be Pete Bungard (representing local government), David Owen/Diane Savory (representing the LEP), Mary Hutton (representing the CCG) and Richard Bradley (representing the PCC), with Mark Hawthorne and Steve Jordan providing Member representation for the two tiers of local government respectively.

7.3 In parallel, there will be work associated with the proposed governance review. The outline timetable for this work is:

- A review of evidence - September-October 2015.
- Desk based research on possible future governance structures and summary of advantages and disadvantages - September-October 2015.
- Consultation and engagement with stakeholders on a preferred option (including all seven councils, the health community, the OPCC and the Constabulary, the LEP), parish and town councils, other local organisations, audit and governance Committees, the public - November-December 2015.
- Draft scheme prepared, including the detailed functions and responsibilities which would transfer – end-January 2016.
- Presented to individual councils and organisations for resolution - February-April 2016.
- Submit to government – end April 2016.
- Shadow arrangements – from May 2016.

- 7.4 It is proposed that the cross-party working group meet periodically during this period to monitor progress across all these elements of work.

8.0 Financial Implications

- 8.1 The financial implications of devolution are not yet known, as proposals are only at an early stage of discussion and development. The bid submitted to Government makes clear our expectation that any devolution deal (including any new governance arrangements) would have to be economically prudent, and capable of being delivered at no net additional cost to the taxpayer.
- 8.2 A number of officers and members have been involved in the development of the submitted bid proposals, and this contribution of time and effort is expected to continue over the next few months as proposals get refined and developed.

(Financial Services have been consulted in the preparation this report.)

9.0 Legal Implications

- 9.1 The current legislation for establishing a combined authority is the Local Democracy, Economic Development and Construction Act 2009. A Cities and Local Government Devolution Bill is currently before the Houses of Parliament, when enacted this would provide enabling powers to permit the establishment of Combined Authorities with a greater range of powers than those that can be created under existing legislation.
- 9.2 It is expected that if a devolution deal is agreed, Government would need to bring forward a Statutory Instrument to create a new Combined Authority for Gloucestershire.

(One Legal have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

- 10.1 These will be considered as part of the next stage of development of proposals.

11.0 People Impact Assessment (PIA):

- 11.1 A PIA Screening Stage has not yet been completed as proposals are only at an early stage of discussion and development.

12.0 Other Corporate Implications

Community Safety

- 12.1 See detailed text in the bid proposal document.

Sustainability

- 12.2 Some benefits would accrue through the 'asks' in the bid document relating to bringing forward flood alleviation programmes and schemes. Other benefits would

be achieved through greater collaboration around the use of public sector property and assets across the county.

Staffing & Trade Union

- 12.3 Staff have been briefed about the development of the bid proposals, at the same time as Members. Any staffing implications arising from the proposals are not yet known.

Press Release drafted/approved

- 12.4 A press release to coincide with the submission of the bid document was issued by Leadership Gloucestershire.

Background Documents: Web-links to relevant background documents included above.