

# Agenda for Scrutiny Committee and Overview Committee Joint Meeting Wednesday, 2 December 2015; 3.00pm



[Members of the Scrutiny Committee](#)  
[Members of the Overview Committee](#)

**Venue:** Council Chamber, Knowle, Sidmouth, EX10 8HL  
[View directions](#)

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- 1 Election of Chairman
- 2 Appointment of Vice Chairman
- 3 [Public speaking](#)
- 4 Apologies
- 5 [Declarations of interest](#)
- 6 [Matters of urgency](#) – none identified
- 7 To agree any items to be dealt with after the public (including press) have been excluded. There are no items that officers recommend should be dealt with in this way.

## Matters for Debate

- 8 **The Devolution Debate for the Heart of the South West** (pages 3 -13)  
Report by the Chief Executive for debate.

## Voting on any proposed recommendations will be conducted separately for each committee.

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Mark Williams, Chief Executive  
Richard Cohen, Deputy Chief Executive

[Decision making and equalities](#)

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**Report to:** **Cabinet**  
**Joint Overview & Scrutiny**  
**Committees**



**Date of Meeting:** 02 December 2015

**Public Document:** Yes

**Exemption:** None

**Review date for release** None

**Agenda item:** 8

**Subject:** **The Devolution Debate for the Heart of the South West.**

**Purpose of report:** To report back on discussions to date regarding possible devolution of powers to the Heart of the South West and to seek approval to the next step

**Recommendation:**

- 1. That members note the progress to date regarding the devolution debate**
- 2. That the Leader have delegated authority to sign the proposed Devolution Bid on behalf of EDDC**

**Reason for recommendation:** The Leader and CEO, together with the Leaders and CEOs of the various authorities within the Heart of the South West area, have been debating the possible content of a devolution bid to Government. The next stage in the process is to submit the bid by the 18<sup>th</sup> December. As the final version of the bid has not yet been finalised, delegated authority is required.

**Officer:** Mark Williams  
Chief Executive

**Financial implications:** None at this stage

**Legal implications:** None at this stage

**Equalities impact:** Low

**Risk:** Assuming that a finalised version of a bid can be agreed, failure on the part of EDDC to sign the bid will mean that no bid from the Heart of the South West area can go forward

**Links to background information:** See previous e-mails to all councillors and also the newsletters issued by the Heart of the South West Devolution Programme Management Office

**Link to Council Plan:** All aspects

**Report in full**

1. Members will be aware that the Leaders of the various authorities in the Heart of the South West area have been debating a possible devolution bid to Government following its

expression of willingness to enter into a national debate. The geographical template for a devolution discussion has been the relevant Local Enterprise Partnership (LEP) area. This comprises the areas covered by Devon County Council, Somerset County Council, Plymouth City Council and Torbay Council.

2. The essence of the debate is twofold:
  - a) What is important to the area and what powers are sought?
  - b) Is the Government convinced that a local solution will deliver better results than the current 'centralist' approach?
3. A Statement of Intent was issued from the Heart of the South West area in September. A copy was forwarded to all Councillors by e-mail on the 7<sup>th</sup> September and a further copy is attached as Appendix 1. I further updated all Councillors by e-mail on the 19<sup>th</sup> October with confirmation that matters would be reported to Cabinet on the 2<sup>nd</sup> December. Further e-mails have provided appropriate updates and links to newsletters.
4. It is also relevant that Councillors are mindful of the Council's existing Council Plan and the discussions that have led to the proposed new plan which is also on the Cabinet agenda for the 2<sup>nd</sup> December. The contents of these 2 documents have informed the approach that the Leader and CEO have taken into the discussions with others since they confirm what is important for East Devon.
5. In terms of what has been happening elsewhere in the country, a number 'devolution deals' have been announced. A pattern of what the Government appears prepared to agree to is starting to emerge and the following link from our external auditors, Grant Thornton, provides a useful summary: <http://www.grantthornton.co.uk/en/insights/making-devolution-work/>
6. I would refer in particular to the PDF document and especially pages 13 to 15 which summarise 4 of the announced deals. Although more deals have since been announced, there is a pattern that is emerging with the extent of power and funding that the government is prepared to devolve being linked to the governance model the local area is prepared to entertain. The table on page 14 makes this clear and I would highlight in particular the contrast between the Greater Manchester and the Cornwall deals.
7. In terms of our own local debate we have been very mindful of the adage that 'devolution is a journey, not a destination'. The 'Heart of the South West' is a relatively new construct but already we are starting to see a consensus emerging around the fact that there are three economic power bases for the area. These are (working from south to north):
  - a) Greater Plymouth
  - b) Greater Exeter, and
  - c) Bridgwater/Hinkley Point/Taunton

This consensus has also influenced the debates to date and one of the key issues has been how we ensure all parts of the Heart of the South West can benefit. In addition our own partnership working with Exeter City Council, Teignbridge District Council, Devon County Council, and increasingly, the University of Exeter/Exeter College has been very informative.

8. In terms of the likely detail of a Heart of the South West devolution bid, work is ongoing and a number of discussion/drafting meetings will be taking place after this report is published. However, all the meetings and the various work themes are based around getting potential agreement on the following matters:

### **Productivity and economic growth**

Devolving powers over skills, apprenticeships, and business support, including more flexible, joined up funding and investment

Greater control over the public sector property portfolio

### **Health, social care and wellbeing**

Reducing ill-health and reliance on health and social care services

Support to deliver integration of health and social care

### **Improved connectivity and resilience**

Better coordination of infrastructure and local growth

More housing and economic infrastructure

Improved coordination and delivery of flood and coastal defence, protection and prevention infrastructure

### **Governance**

The expansion of existing arrangements to create a pan-local authority Leaders Group, Committee or Assembly that co-opts other key partners

Supported by a Chief Executives Group developed from existing groups to support the Joint Leaders Group / Committee / Assembly

'Passporting' of powers down to areas or themes using existing formal decision-making structures where possible

9. It is my intention to update members with more details of what has been further debated and/or provisionally agreed in respect of the matters referred to above with a presentation at the Joint Overview/Scrutiny meeting scheduled for the afternoon of the 2<sup>nd</sup> December, prior to the Cabinet meeting later that day. If any councillors have any queries before then, please do not hesitate to contact me.



# ① Heart of the South West

## Statement of Intent

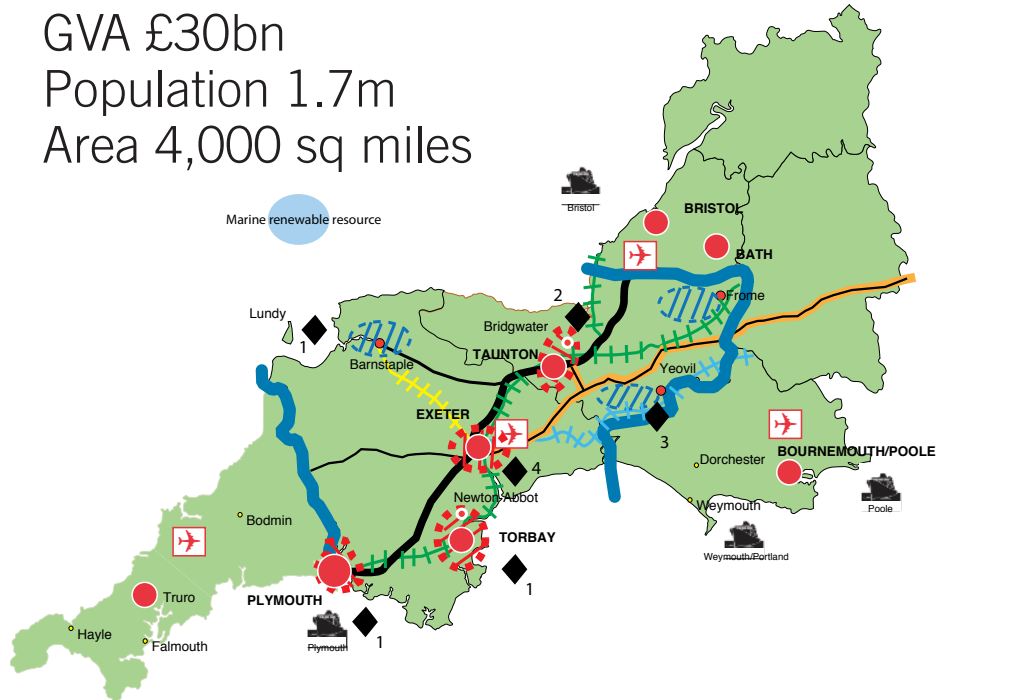
Towards a devolution deal

September 2015



# ② Heart of the South West...

GVA £30bn  
Population 1.7m  
Area 4,000 sq miles



- LEP Boundary
- Principal urban areas
- Principal growth areas for employment, housing and infrastructure
- Secondary growth areas for employment, housing and infrastructure
- Ports
- Airports
- A30/A303/A358 corridor improvements package
- Improvements to Waterloo to Exeter railway line
- M5 motorway/trunk road network and junction improvements
- Exeter to North Devon rail improvements
- Great Western rail improvements
- Golden opportunities: 1. Marine: Plymouth, Torbay & Appledore  
2. Hinkley 3. Yeovil Aerospace 4. Innovation Exeter and Science Park



## Outcomes we want by 2030

- £163,000**  
new jobs
- 3%+**  
annual growth
- Improved journey times to the South West
- GVA of £49bn**
- 179,000**  
new homes
- 



## Public sector challenges

- Over **£4bn**  
net local government and health spend
- 186,620**  
people provide unpaid care every week
- Integration**  
of health and social care
- 12%** of working age people have a long-term health condition



## By 2035

- 31%** of residents aged over 65
- 7%** aged over 85



# ③ We are successful, we are ambitious, we are ready:

## ...we are the Heart of the South West.

Our ambitions are clear for us and our nation's economy:

- **To unlock productivity:** creating the right conditions for growth, developing our workforce and capitalising on our assets
- **To improve health, care and wellbeing:** we will deliver a world-class integrated health and care system within our communities
- **To improve connectivity and resilience:** we will ensure our businesses are not hampered by poor infrastructure or extreme weather

Our Statement of Intent has these three ambitions at its core, and builds on strong existing relationships and a track record of collaborative working. It is a joint document by all 17 local authorities, our National Parks and our **Heart of the South West** Local Enterprise Partnership.

## Why do we need devolution for the Heart of the South West?

The **Heart of the South West** is home to economic opportunities of global significance, including new nuclear, environmental science, marine industry and aerospace. Yet these once-in-generation opportunities may pass us by if we do not deliver what our workforce and businesses need to expand and grow.

We have already achieved much together, and we can do more through greater collaboration, greater efficiency, simplified communications and relationships, greater freedom and flexibility, with decision making controlled and delivered locally.

We are signalling our offer to contribute more to the nation's economic success and become the **Heart of the South West** Powerhouse.

We invite the Government to work with us on a devolution deal to achieve our ambitions.





# ④ Heart of the South West...

## ...unlocking productivity

Devolving the powers and resources to those best able to tackle our challenges and maximise our opportunities will release the productivity, competitiveness and growth that we and the nation need.

### Successes...

- An acknowledged strong Local Enterprise Partnership (LEP)
- Hinkley New Nuclear
- Exeter and East Devon Growth Point
- Relocation of the Meteorological Office
- Innovation Exeter, the Science Park and university growth
- Plymouth and South West Peninsula City Deal
- Cross-boundary working on tourism and inward investment
- Delivering public sector efficiencies and savings

### ...and challenges

- Comparative productivity is 29th out of 39 LEP areas
- An aging workforce and major skills shortages reported in every sector of the local economy
- Our performance remains low on key productivity measures: wages, innovation, inward investment exports and global trade.



### We will...

- ➔ Develop and deliver a clear business-led strategy for skills and apprenticeships
- ➔ Deliver single, simple and easy to access business support
- ➔ Review how our property portfolios can be used to drive growth more effectively

### What we need...

- ➔ Joined-up locally accountable funding for education and skills
- ➔ A flexible single funding pot for investment
- ➔ Discussion with Government on fiscal reforms that incentivise investment
- ➔ A single public estate aligning national and local resources

# ⑤ Heart of the South West...

## ...improving health, care and wellbeing

We want to change the system so our priority becomes keeping people as healthy as possible for as long as possible, so we can reduce dependency on the state. This means more prevention and early intervention, person-centred care and outcome-based commissioning. Success means savings to the public purse and greater productivity in our economy. Our work is well under way: devolution will help us finish the job.

### Successes...

- A good record of integrating health and social care
- Torbay's Integrated Care Organisation and Pioneer Bid status
- A £426m integrated 'One System One Budget' fund between Plymouth City Council and 'NEW Devon' Clinical Commissioning Group
- NHS Vanguard status for Somerset's 'Symphony' health and social care integration pilot project
- 'Integrated Care for Exeter', an innovative project to bring together health and care services
- Solid progress towards outcomes-based commissioning

### ...and challenges

- Disproportionate growth in our older population is placing unsustainable burdens on our services
- An increasing proportion of our population have long-term conditions which seriously impacts on the local economy and people's lives.

### We will...

- ➔ Increase productivity by reducing ill-health and reliance on the state
- ➔ Reduce overall need for formal health and social care services
- ➔ Reduce the cost of health and social care
- ➔ Help more people with long-term illnesses or mental ill-health start or return to work

### What we need...

- ➔ Freedom to pool budgets and direct resources to local need
- ➔ Freedom to develop a commissioning framework that supports local decision-making
- ➔ Freedom to establish effective, integrated governance and delivery structures
- ➔ Freedom to develop local metrics and incentives



# ⑥ Heart of the South West...

## ...improving connectivity and resilience

We will build on our proven track record of growth based on targeted investment and deliver more cost effective, innovative and focused investment. This will increase our contribution to the national economy, accelerate housing delivery and respond to environmental challenges.

### Successes...

- Key infrastructure projects including the South Devon Link Road and dualling the A303/A358/A30
- High levels of house building, for example in Exeter, Taunton, Cranbrook and Sherford
- Infrastructure investment agreed as part of the Hinkley Deal
- Somerset Levels and Moors Flood Action Plan
- Connecting Devon and Somerset broadband programme
- Peninsula Rail Task Force working on a 20-year improvement plan
- Balancing protection of our environment with sensitive investment

### ...and challenges

- Strategic infrastructure has good coverage, but is incomplete
- Insufficient capacity of the road network and motorway junctions
- Uncompetitive travel times to London and the South East
- Incidents and extreme weather threatens transport resilience
- Housing supply not keeping up with demand
- Threats to our National Parks and Areas of Outstanding Natural Beauty.

### We will...

- ➔ Improve delivery of infrastructure through better coordination with local growth
- ➔ Deliver a clear and stretching programme of investment, including additional housing and economic infrastructure
- ➔ Improve coordination and delivery of flood and coastal defence, protection and prevention infrastructure

### What we need...

- ➔ Exploration of additional powers to support our growing population and economy
- ➔ Locally pooled funding and greater financial independence and certainty
- ➔ Greater local control over infrastructure and resilience budgets and decision-making
- ➔ Extension of the Strategic National Corridor to include Plymouth

## ⑦ Our working principles

Devolution to the **Heart of the South West** area must be built on principles that all can sign up to. It is essential that local authority partners, other public sector and commercial stakeholders and Government share a common approach and are clear how to proceed.

To achieve that, we have drafted eight key principles that are central to our approach to devolution:

- **A politically-led process** without local government reorganisation
- Powers devolved to councils collectively working with the **Heart of the South West** Local Enterprise Partnership, then passported to the **appropriate level**
- Space for collaborative propositions with **other authorities within the wider South West**, on issues where it would make sense
- **Equal voice** for all of the local authorities involved
- A pragmatic and flexible, **mutually supportive approach**, ensuring that no authority would be disadvantaged, even if they would not directly benefit
- Arrangements focussed on gaining **new powers** that are currently unavailable to local authorities and will deliver benefits for all.
- Wherever possible, partners will use or adapt existing arrangements to manage and deliver on proposals to **avoid extra layers of bureaucracy**
- Cost-effective solutions, pursuing **fiscal neutrality** in line with Government expectations.

**We will use these principles to develop governance arrangements to support our devolution deal.**





Working together

