

Meeting: Cabinet

Date: 22 March 2022

Wards affected: All

Report Title: Devon, Plymouth and Torbay County Deal – Current position and appointment of Advisory Board

When does the decision need to be implemented? Immediately – requirement for call-in period waived

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1. Purpose of Report

- 1.1 This report provides the current position in relation to the development of a County Deal for Devon, Plymouth and Torbay and sets out how members of the Council will be involved as discussions and negotiations continue over the coming months.

2. Reason for Proposal and its benefits

- 2.1 The proposals in this report help us to deliver our ambition of a Thriving Torbay by ensuring that members across the Council are aware of the progress being made towards a County Deal for Devon, Plymouth and Torbay. Working with our upper tier neighbours as we develop a County Deal prospectus will provide Torbay with further opportunities to meet the ambitions set out in our Community and Corporate Plan.

- 2.2 The reasons for the decision are to ensure that all members are kept informed and have an opportunity to influence the Torbay Council position within the County Deal discussions and negotiations.

3. Recommendation(s) / Proposed Decision

- 3.1 That a County Deal Advisory Board is established in accordance with the terms of reference as set out at Appendix 1.
- 3.2 That the Chief Executive and Divisional Director – Environment, Economy and Infrastructure provide regular updates as negotiations progress with the Government towards a County Deal with any final decision being subject to formal agreement by lead authorities later in 2022/2023

Appendices

Appendix 1: Terms of Reference – County Deal Advisory Board

Background Documents

None

Supporting Information

1. Introduction

- 1.1 The Levelling Up White Paper was published on 2 February 2022, setting out the Government's preferred approach to pursuing devolution across England over the next decade.
- 2.2 The White Paper is the latest addition in an ongoing process of reform and reshaping of subnational devolution which began with the abolition of the regional tier in 2010. Through successive waves of policy, Government has sought to reinforce local controls and powers over issues such as economic development, transport or housing, through the introduction of devolved mechanisms and approaches such as City Deals, Local Growth Funding, and Mayoral Combined Authorities ('MCAs').
- 2.3 The effectiveness of these measures however has often been highly dependent on the geography, political make-up and status of the area.. In part, this was due to the Government's previous insistence that devolution be conditional on a shift towards 'improved' or 'strengthened' local governance, preferably through an area adopting a multi authority mayoral model or shifting towards a unitary local government.
- 2.4 In many areas of England however, such an approach has proven neither practical, desirable nor deliverable. Given the scale and political / social diversity of much of the Country, particularly County areas and their districts, a single mayoral model or other reforms of local government have been non-negotiable. Whilst various combinations of County, District and Unitary collaborations have explored the potential for additional devolution of powers over the past 5-7 years with Government, only those who have been willing to adopt a mayoral model have progressed, with mixed success in some areas as this reshaped governance approach has been adopted. This includes initial discussion with Torbay, Plymouth and Devon and its Districts around a joint devolution approach in 2017/18, which ultimately did not progress due to the Government's then insistence on a mayoral model.
- 2.5 The new Levelling Up White Paper however seeks to reset the Government's approach to devolution and sub-national development and thinking. Moving away from a focus on governance arrangements alone, the White Paper sets out a renewed focus on 12 overriding 'missions' to be pursued over the next two decades, which can be broadly aligned into four core themes:
- Boosting productivity and living standards by growing the private sector, especially in those places where they are lagging;
 - Spreading opportunities and improving public services, especially in those areas where they are weakest;

- Restoring a sense of community, local pride and belonging, especially in those places where they have been lost; and
- Empowering local leaders and communities, especially in those places lacking local agency.

2.6 To achieve this approach, the White Paper sets out a reinforced framework for devolution across England, seeking to provide a route forward for every area regardless of status. Whilst the Government retains its preference for rewarding Mayoral approaches where they are deliverable, the White Paper introduces two new options for devolution across the Country:

- **‘Enhanced Joint Committees’** which offer additional opportunities for pooling of strategic functions across local areas (such as taking forward joint nature and planning strategies), but with no immediate potential for devolution of additional powers or funding from Government
- **‘County Deals’** which offer a watered-down mixture of devolved powers and funding opportunities around socio-economic development in return for a cabinet style joint governance approach (with local governance arrangements and leadership to be agreed on a place-by-place basis). This would also include the establishment of a combined delivery body to take forward any additional activity devolved to the area by Government.

2.7 In bringing forward this renewed approach, the Government has shifted from an inflexible requirement for mayors or other governance towards a more graduated offer, which provides a menu of devolved powers and funding dependent on the level of joint working areas are willing to agree to. At the heart of this new governance approach are four fundamental principles that Government intends to judge local offers upon moving forward:

- Effective Local Leadership
- Appropriate Accountability for the Powers on Offer.
- Sensible Geography
- Flexibility

3. A County Deal for Devon, Plymouth and Torbay

3.1 The Levelling Up White Paper identifies the Devon, Plymouth and Torbay area as one of the Government’s 10 proposed ‘County Deal’ pilots, alongside Cornwall; Derbyshire and Derby; Durham; Hull and East Yorkshire; Leicestershire; Lancashire; Norfolk; Nottinghamshire and Nottingham; and Suffolk.

3.2 This announcement follows a period of two years of discussion with Government and the eleven Devon, Plymouth and Torbay authorities around devolution with a non-mayoral approach. The offer to become a pilot also follows directly on from the area’s formal Expression of Interest from Devon, Plymouth and Torbay to the Local Government Minister in August 2021, and through the joint meeting with the Minister in November 2021.

- 3.3 In the shared expression of interest, local authority partners across Devon, Plymouth and Torbay agreed to work together to explore devolved opportunities that might allow them to achieve greater shared prosperity, through:
- Securing new freedoms and flexibilities – Coming together to secure additional powers and funding that could assist the area to overcome its shared barriers;
 - Improved collaboration – Exploring ways in which authorities might better align and use existing funding to make the most of their services; and
 - Improved accountability through a strengthened governance approach – Providing a stronger partnership mechanism through which every authority might be able to work with Government, as well as Government work with us.
- 3.4 In bringing forward our Expression of Interest, partner authorities identified 7 specific areas that they wished to collectively advance through any ‘County Deal’ approach:
- Improving access to education and raising standards across the system
 - Working with business to improve skills and assist individual to access the labour market
 - Identifying the new homes and transport infrastructure we need and working with Government to secure investment to deliver it
 - Finding new ways to support residents to access good quality, affordable homes
 - Working with business, high education and other partners to create the right environment for innovation
 - Working together to ensure over villages, towns and cities are thriving and sustainable places to live, work and visit, and
 - Working together to deliver effective and efficient public services.

4. Current Status and Offer

- 4.1 As a pilot area, Devon, Plymouth and Torbay area have been offered the opportunity to negotiate a new style County Deal with Government over the next few months. The deal would focus upon agreeing devolution of a range of new powers and funding opportunities in return for the establishment of strengthen governance between the local authority partners involved.
- 4.2 As set out through the White Paper, this strengthened governance approach would focus on Devon, Plymouth and Torbay being amongst the first areas to take forward a new type of combined body / authority.
- 4.3 This new governance model would see authorities come together to form a new shared delivery body, led by a cabinet style group of leaders, that would provide oversight and accountability for any additional devolved functions passed down by Government. The ‘cabinet’ would agree a leader from within its own ranks who would act as the key point of contact with Government over devolved functions, but the combined body would in effect be

a partnership-based delivery organisation day to day. Its core mission would be to add value to existing authority activity and take forward areas of genuine additionality across the 11 partner authorities involved, rather than replace or seek to amalgamate existing functions and governance (unless there was unanimous agreement to do so).

4.4 In return for this strengthened governance approach, the Government would designate the Devon, Plymouth and Torbay area as a Level 2 devolved area, with the ability to draw down funding and powers as set out on pg140 of the Levelling Up White Paper. This would include (alongside existing annual budgets):

- **Enhanced alignment of the Shared Prosperity Funding and other place-based investment** (circa £10-15m per annum);
- **Devolution of skills and employment funding and powers to the local area** (circa £15m per annum);
- **Additional control over public transport commissioning and infrastructure funding** (circa £15-20m per annum);
- **Folding in of the LEPs existing functions, and its business voice** (circa £3-5m per annum);
- **Additional / dual control over housing powers and funding** (circa £5-10m per annum);

4.5 An initial review of the options put forward by Government suggest a relatively strong level of alignment with Devon, Plymouth and Torbay's previous 'asks', with housing, transport, economic development and skills and employment highlighted.

4.6 Initial discussions with the Department of Levelling Up, Housing and Communities (and as set out on pg141 of the White Paper) also suggest that Government is open to discuss wider areas for inclusion, including additional power and asks around the core themes outlined, and wider themes such as health, education, digital delivery and investment.

5. Next Steps / Timetable

5.1 Initial discussions with Government suggest it is now seeking to advance negotiations with the intention that the first round of County Deal pilots be in place by late 2022 / early 2023.

5.2 For its part, Government is keen to establish a joint work programme with pilot areas and move forward County Deal arrangement at pace. This includes bringing together local authority and Government colleagues around core themes, with a preference to have the first outline deals complete by early summer if possible. This process will begin with the provision of an outline template for completion by local partners in early March, which will ask each pilot area to set out the themes it now wishes to pursue through any Deal approach.

- 5.3 There is therefore now a pressing need to agree across the Devon, Torbay and Plymouth area our intention on the County Deal process. Whilst any decision to negotiate is non-binding, and any outcome subject to a later decision, it is highly likely that Government will seek to move on a first come first served basis.

6. Options under consideration

- 6.1 The discussions and negotiations could continue with the Leader of the Council continuing to hold discussions with the Leaders of Devon County and Plymouth City Councils. However, it is felt that the establishment of an Advisory Board provides a framework to ensure that all members of Torbay Council are able to provide advice and guidance throughout the negotiations. This formal framework will also be used to keep all members briefed.
- 6.2 Ultimately, Torbay Council could determine to not be involved in the negotiations around a Devon, Plymouth and Torbay County Deal but this would have significant risks to the organisation, not least the ability to secure additional powers, flexibilities and funding to assist in meeting our ambitions as well as the reputational damage.

7. Financial Opportunities and Implications

- 7.1 At the current time, there are no direct additional financial implications from the negotiation process, with resources to be secured from within existing joint working arrangements and in house provision across the partner authorities. Discussions are ongoing on how best to meet these.
- 7.2 Any wider financial or resourcing implications emerging from the County Deal, benefits or costs, will be subject to detailed work through the negotiation process, and would form part of any final decision on adopting a deal and related structures in late 2022/2023. This will include the fact that any combined authority will be a new legal entity and as such will require its own governance (including a budget).
- 7.3 It is worth noting however that, given Torbay will want to have a strong voice in the negotiations and be an active partner, there will be significant involvement from officers across Torbay Council (including leadership of the emerging “place” theme). Given the Government timescales, this is likely to lead to a re-prioritisation of work in specific parts of the Council.

8. Legal Implications

- 8.1 At the current time there are no direct legal implications from the negotiation process. Any wider legal implications emerging from the County Deal, including the establishment of any Combined Authority, will be subject to detailed work through the negotiation process, and

would from part of any final decision on adopting a deal and related structures in late 2022/2023.

9. Engagement and Consultation

- 9.1 The County Deal process covers a wide range of topics and will need to involve extensive engagement and consultation with partners across the area over the next few months. This will include working closely with the business community; university, further education and training provider sector; health and care partners; transport providers and strategic organisations; housing associations and sector representatives; and wider stakeholders across the public, private and third sector.
- 9.2 The Programme Office is currently developing our approach to how we will take forward this engagement process, with more information to come over the next few weeks.

10. Purchasing or Hiring of Goods and/or Services

- 10.1 Not applicable

11. Tackling Climate Change

- 11.1 One of the thematic areas within the emerging County Deal proposals is Climate Change and how we can work together and align national funding and activity to accelerate our progress towards net zero.

12. Associated Risks

- 12.1 The risks of the proposal within the recommendations not being implemented is that there is no cross-party political oversight of the progress towards achieving a County Deal.
- 12.2 The overall risks to Torbay Council associated with the County Deal are held in a Risk Register by the Divisional Director – Environment, Economy and Infrastructure. These will be reviewed on a regular basis and escalated to the Strategic Risk Register, if and when appropriate.

13. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			It is expected that there will be a neutral impact of this recommendation

			on people with this protected characteristic.
People with caring Responsibilities			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
People with a disability			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
Women or men			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
Religion or belief (including lack of belief)			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
People who are lesbian, gay or bisexual			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
People who are transgendered			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
People who are in a marriage or civil partnership			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
Women who are pregnant / on maternity leave			It is expected that there will be a neutral impact of this recommendation

			on people with this protected characteristic.
Socio-economic impacts (Including impact on child poverty issues and deprivation)			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			It is expected that there will be a neutral impact of this recommendation on people with this protected characteristic.

14. Cumulative Council Impact

14.1 The impact of this recommendation will have no cumulative council impact.

15. Cumulative Community Impacts

15.1 The impact of this recommendation will have no cumulative community impact.