

Wiltshire Council

Cabinet

8 October 2024

Subject: Devolution

Cabinet Member: Cllr Richard Clewer - Leader of the Council and Cabinet Member for Military-Civilian Integration, Health and Wellbeing, Economic Development, Arts, Heritage, and Tourism

Key Decision: Non Key

Executive Summary

The Deputy Prime Minister wrote to council leaders in July, following the King's Speech, inviting councils to "partner with Government to deliver the most ambitious programme of devolution this country has ever seen". The letter stated an intention to devolve new powers over transport, skills, housing, planning and employment support.

Since receipt of the letter Wiltshire has held a range of discussions with neighbouring areas to understand their preferences and where there are shared aspirations. Expressions of interest in devolution were requested for the end of September.

Dorset, Somerset, and Wiltshire Councils have now submitted expressions of interest in devolution for the 'Heart of Wessex', in response to a request from government, seeking to unlock greater powers and resources for the area.

The leaders of the three councils have acknowledged the varying goals and priorities of their respective areas but believe there are important synergies to explore under one umbrella. The councils are committed to driving regional growth, improving public services, and ensuring greater local decision-making.

Proposals

That Cabinet note:

1. The expression of interest submitted to government
2. The intention to continue discussions with neighbouring councils as appropriate

Reason for Proposals

Devolution should provide greater freedoms and flexibilities allowing councils to work more effectively to improve services for local residents.

Lucy Townsend
Chief Executive

Wiltshire Council

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Purpose of Report

1. To update cabinet on the expression of interest in devolution submitted to government.

Relevance to the Council's Business Plan

2. The Business Plan has as guiding themes 'understanding communities' (where we ensure our dialogue is in the right place and at the right time) and 'working together' (where we design and deliver our services in partnership with service users, local communities and other public sector partners where appropriate), both of which are relevant to achieving devolution of funding and functions from central government.

Background

3. The previous government introduced the Levelling Up White Paper which outlined a deal-based framework for devolution deals. This included an expectation that councils would work together in 'sensible economic geographies'. The approach offered additional funding and powers to areas that already had or took on directly elected leaders (either as part of Mayoral Combined Authorities or as council leaders) and offered some funding such as the adult education budget to areas that established a single institution to work together without a directly elected leader. This approach was taken forward in legislation.
4. The Levelling Up and Regeneration Act 2023 also ended Local Enterprise Partnerships as a means of distributing government funding for infrastructure and growth, with government stating that this should be led by democratically accountable bodies.
5. The Deputy PM wrote to council leaders in July, following the King's Speech (which included an English Devolution Bill), inviting councils to "partner with Government to deliver the most ambitious programme of devolution this country has ever seen". The letter (attached as **Appendix 1**) stated an intention to devolve new powers over transport, skills, housing, planning and employment support and that these should be tailored to sensible economic geographies. Strategic planning is an addition to the list previously set out in the Levelling Up White Paper. The Government have also established a Council of Nations and Regions to bring together the Prime Minister, the leaders of the devolved administrations and Mayors (from Mayoral Combined Authorities and London) to drive growth.

6. The Government have committed to publishing a new devolution framework, setting out in detail the new powers and flexibilities available. Whilst this 'will not force places to take on a metro-Mayor', government 'will not shy away from making the case for their huge advantages'.
7. Government has since agreed to pursue new Mayoral Combined Authorities for Lincolnshire (the county and two unitary authorities) and Hull and East Yorkshire. Similar arrangements are being explored for councils in Cumbria and Cheshire. Nearly all of the north of England will now be covered by Mayoral Combined Authorities given arrangements already in place for the North East, Tees Valley, South Yorkshire, North Yorkshire, Liverpool and Greater Manchester. In other parts of the country there is already a Mayor for the West Midlands and West of England.
8. The government has indicated it is 'minded' to progress four non-mayoral devolution agreements with Cornwall Council, Buckinghamshire Council, Warwickshire County Council, and Surrey County Council, (essentially amounting to the Adult Education Budget). The government described these deals as a "down payment in good faith" with the expectation the four areas will continue "working to explore the next steps towards deeper and wider devolution". Some of those councils are now also understood to be considering wider geographies as government has ruled out mayoral deals on single county council geographies (with deals recently cancelled for Norfolk and Suffolk). Lancashire (one county and two unitary authorities) are pursuing a non-mayoral deal in the first instance and Devon and Torbay also have approval from government to proceed with a non-mayoral combined authority (without Plymouth City Council).

Main Considerations for the Council

9. Following receipt of the letter from the Deputy PM the Chief Executive was written to by MHCLG officials. This letter (attached as **Appendix 2**) noted that expressions of interest in devolution should be short and that council preferences for geography and governance should:
'be informed by the need for devolution agreements to be tailored to sensible economic geographies, taking into account available data such as travel to work and advanced travel to work areas. Existing public service and partnership arrangements are another relevant factor. We would further welcome your initial views on adopting the mayoral model, noting the case that the Deputy Prime Minister made for its significant advantages'
10. Since receipt of the letters, the Leader and Chief Executive have held a range of discussions with neighbouring areas to understand their preferences and where there are shared aspirations.
11. Dorset, Somerset, and Wiltshire Councils have now submitted expressions of interest in devolution for the 'Heart of Wessex', in response to the request from government, seeking to unlock greater powers and resources for the area. This geography takes account of economic geography such as travel to work areas. Dorset, Somerset, and Wiltshire Councils are keen to explore how together they may better meet residents' needs and align with the Government's vision for devolution. Each council has submitted its own expression of interest but are all agreed that we wish to explore the Heart of Wessex concept and work together moving forwards.

12. The leaders of the three councils have acknowledged the varying goals and priorities of their respective areas but believe there are important synergies to explore under one umbrella. The councils are committed to driving regional growth, improving public services, and ensuring greater local decision-making
13. Discussions to date have also included BCP Council and Swindon Borough Council. Dorset, Somerset and Wiltshire councils remain open to the possibility of working with these councils across the Wessex region, however, BCP and Swindon will be submitting expressions of interest with their own preferred arrangements.
14. It has been noted that we would ideally like clearer guidance from the Government on how it intends to complete the devolution process in full, providing more details on the desired minimum population for any devolution footprint (this was 500,000 under the previous government but there now appears to be a preference for larger areas to be covered). Clarity on the functions to be devolved would also help refine our approach and whilst we are open to exploring the right decision-making framework, at this time, we do not think a mayoral system would be right for our communities.
15. Once any proposals have been agreed with central government these will be communicated with our residents and any options will be consulted on before being taken forward.

Safeguarding Implications

16. There are no direct safeguarding implications in the expression of interest.

Public Health Implications

17. There are no direct public health implications in the expression of interest.

Procurement Implications

18. There are no direct procurement implications in the expression of interest.

Equalities Impact of the Proposal

19. There are no direct equality impacts, although one of the aims of devolution would be to secure funding to improve social mobility and tackle inequalities.

Environmental and Climate Change Considerations

20. There are no direct environment and climate change impacts.

Workforce Implications

21. Wiltshire Council leads on delivery of several economic or skills programmes across Swindon and Wiltshire under the governance of the Functional Economic Market Area in place following the transfer of the Local Enterprise Partnership (LEP) functions. This involved the transfer of staff into Wiltshire Council and we currently lead on the delivery of functions such as the Business and Growth Unit, Careers Hub and DfE Skills Bootcamp. A Local Skills Improvement Plan is also being developed on a Wiltshire and Swindon footprint and shared policies are being developed in areas such as nature recovery, energy and transport. Shared delivery across the functional

economic area will need to be a consideration and any material impact on staff will be considered as the route forward is confirmed by government.

22. The establishment of a combined authority may require secondment of personnel or transfer of staff depending on the nature of functions it would take on. This will need to be considered as part of the development of detailed proposals.

Risks that may arise if the proposed decision and related work is not taken

23. No formal decision is required in this paper however it should be noted that if Wiltshire had not submitted an expression of interest then there is the possibility that proposals for the area would be developed by government without taking full account of local views, or that the area would miss out on the potential benefits of devolution.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

24. Proceeding without Swindon Borough Council as part of the proposed 'Heart of Wessex' area may require a disaggregation of staff and expertise for delivering legacy LEP and functional economic area activity. Funding is not currently confirmed beyond March next year but, should it be agreed, there would need to be an extension and amendment to the memorandum of understanding in place, ensuring this covers how staffing would be handled if government agree to Swindon participating in devolution arrangements covering another geography. Partnership working with Swindon Borough Council would be likely to continue in a range of other areas. Public service administrative geography is already different for Police (Wiltshire and Swindon), Fire (Dorset, BCP, Wiltshire and Swindon) and Health (B&NES, Swindon and Wiltshire).
25. As a larger area, it will be important to communicate a clear proposition on how the Heart of Wessex arrangement will help to deliver priorities relevant to government, especially economic growth. There are significant opportunities to build on strengths in the sustainable economy and key sectors such as defence, life sciences, agri-food and energy.
26. There are also opportunities to spell out our long-term investment priorities for north-south and east-west infrastructure. It will be important in doing so to mitigate against any risk of losing local responsiveness of key functions such as transport. In this context, there would need to be consideration as to whether the proposed combined authority for the Heart of Wessex would take on the role of Sub-National Transport Body as well as whether other highways functions would be held concurrently with individual councils; whether there would be multiyear funding available tailored to local needs and if there was agreement to investment in significant infrastructure.

Financial Implications

27. The potential for future funding through devolution would be explored through discussion with the government. Non-mayoral combined authorities which recently received the go-ahead from government, such as Devon and Torbay, received £16m of capital funding for local priorities as well as a promise of control of the Adult Education Budget, alongside £1m in capacity funding over three years. A Mayoral Combined Authority would attract a significant funding premium with a 30-year investment fund (which so far have been between £329 and £815 per capita, per year)

but at this time the Leaders of the councils involved do not think a mayoral system would be right for our communities.

Legal Implications

28. Combined authorities are a legal structure that may be set up by local authorities in England. Under current legislation, they can be set up with or without a directly-elected mayor and with bespoke voting arrangements for council representatives on the authority. Councils wishing to establish a Combined Authority must carry out a governance review and publish a scheme recommending creation of the combined authority. This scheme would be subject to public consultation and the Secretary of State may then agree to its creation via secondary legislation. Alternatively, the Secretary of State may decide to establish a combined authority with the consent of the councils in the relevant area. In such a case, a public consultation would be held and the Secretary of State must be satisfied that the establishment of a combined authority is likely to “improve the exercise of statutory functions” in the area in question.
29. At this time, however, there are no legal implications from the submission of the expression of interest. Legal implications of devolution would be addressed in detail in any future paper outlining a more specific proposal once feedback from government has been received.

Overview and Scrutiny Engagement

30. At this stage there has not been any engagement with the Overview and Scrutiny Management Committee. Should proposals with government progress then input into the development of any detailed arrangements will be sought. If a combined authority were to be established then it would establish its own scrutiny and audit arrangements involving the constituent councils.

Options Considered

31. Wiltshire has held discussions with neighbouring councils and is progressing the proposal for a ‘Heart of Wessex’ combined authority as this has the support of the councils involved. Other options were not the clear preferences of our neighbouring councils. Doing nothing would potentially mean Wiltshire misses out on devolution of funding and functions from government.

Conclusions

32. Wiltshire is keen to explore with government the benefits of a combined authority for the Heart of Wessex and the funding and functions that would be devolved.

Lucy Townsend (Chief Executive)

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Appendices

- Appendix 1 – Letter from the Deputy PM
- Appendix 2 – Letter from MHCLG
- Appendix 3 – Our Expression of Interest

Background Papers

[Devolution to Local Government in England](#): House of Commons Library