

Wiltshire Council

Cabinet

10 December 2024

Subject: Devolution Update

Cabinet Member: Cllr Richard Clewer - Leader of the Council

Key Decision: Non-Key

Executive Summary

Since the last update on devolution provided to Cabinet in October 2024, further discussions have taken place with Dorset and Somerset councils and we have amended our Expression of Interest (EoI) for the proposed 'Heart of Wessex' devolution deal.

Government has made it clear that it intends all devolution deals to culminate with Mayoral Combined Authorities and so we have amended our EoI to reflect this. We have written to the Deputy Prime Minister requesting that the Heart of Wessex be considered in the first tranche of devolution deals.

The revised submission reflects our shared vision for unlocking significant opportunities and funding for our communities through local empowerment and collaboration.

The offer to Bournemouth, Christchurch & Poole Council (BCP) and Swindon Borough Council (SBC) to join the Heart of Wessex partnership remains open.

Proposals

That Cabinet note:

- 1) The revised expression of interest submitted to government as set out in **Appendix 1**.
- 2) The intention to continue discussions with neighbouring councils and government as appropriate, particularly following the publication of the English Devolution White Paper

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

Cabinet

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Purpose of Report

1. To update Cabinet on the revised expression of interest in devolution submitted to government by Dorset, Somerset and Wiltshire councils.

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 Deputy Prime Minister wrote to council leaders in July 2024, 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". This stated an intention to devolve new powers over transport, skills, housing, planning and employment support. Expressions of Interest (Eols) for preferred geographies and preferred governance model for devolution were invited on this basis.
4. The Ministry of Housing, Communities, and Local Government (MHCLG) have emphasised the need for geography 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*'. Dorset, Somerset and Wiltshire agreed in their Eols that a 'Heart of Wessex' footprint would make good sense but that the door would be kept open to Swindon Borough and Bournemouth, Christchurch and Poole councils to join.
5. The three councils also agreed in September that '*at this time the Leaders of the councils involved do not think a mayoral system would be right for our communities*'. A Combined Authority was suggested as the preferred form of governance. A Combined Authority is not a merger – individual councils would continue to exist with their own separate budgets– and each council leader would have a vote on what would be a separate legal body.

6. Since the general election, and following submission of the EoI, the government have continued to emphasise what it sees as the importance of establishing Mayoral Combined Authorities (MCAs). This has included:
 - Reiterating that there will be a 'mayoral premium' – additional long-term funding for areas that agree to a directly elected mayor
 - Establishing a Mayoral Council for England and a Council of Nations and Regions to bring together the Prime Minister and devolved leaders on their work to drive growth
 - The Local Government Minister Jim McMahon MP stating that he wants all areas to have a mayor and that ultimately '*it is not acceptable to have parts of England not part of that*'
 - Agreeing new MCAs for Lincolnshire and Hull and East Yorkshire and exploring MCAs for Cumbria and Cheshire. A 'foundational' Combined Authority has also been agreed for Lancashire with the proviso that serious consideration is given to a mayor over the coming year. The entirety of the north of England may soon have complete coverage of MCAs.
 - Publishing a draft Industrial Strategy which emphasised the role of mayors in creating a pro-business environment and supporting key sectors
 - Announcing in the Get Britain Working White Paper that MCAs would trial and lead new approaches to tackling worklessness
 - Announcing in the Budget that core Local Enterprise Partnership funding would end and a consultation take place on ending funding for Pan Regional Partnerships, given the emphasis on MCAs
 - Announcing in the Budget 'Integrated Settlements' for Greater Manchester and West Midlands MCAs next year, with other MCAs following suit the year after. This would enable MCAs to vire funding between regeneration, housing, skills and other funding streams. It was also announced that MCAs will have borrowing powers in future.
 - Announcing in the Budget that government will be '*working with councils to move to simpler structures...with efficiency savings from council reorganisation*'.
7. Government has recently ruled out mayoral deals for single councils or county councils so reorganisation is thought to be aimed at two tier areas such as Norfolk and Suffolk in the first instance (and Essex, Kent, Hertfordshire and Surrey etc), to enable MCAs to be established more easily.
8. Council leaders (and potentially other council representatives) retain a vote on MCAs alongside the mayor, who would chair the meetings of the body. As with a non-mayoral Combined Authority, individual council budgets would not be merged for councils sitting on an MCA. A public consultation on the governance of any MCA or CA is required in existing legislation ahead of its establishment.
9. An English Devolution White Paper is expected this year, ahead of further legislation being laid in parliament.

Main Considerations for the Council

10. Informal feedback on the initial EoI from government was that 'the scale is right' for enabling delivery of strategic economic development functions.

11. It is the view of the council leaders involved that, with a population of approximately 1.5 million, the Heart of Wessex presents a realistic and ambitious offer which can redefine local decision-making and partnership across the patch, offering the Government an opportunity to showcase what devolution can offer to the region and to the wider UK. The Heart of Wessex has real strengths in sectors such as defence, digital, life sciences and clean energy, and devolution will help ensure the success of these sectors in kickstarting economic growth, making Britain a clean energy superpower and breaking down barriers to opportunity.
12. Whilst the council's preference would be for not having a mayor, Government has made it clear that all devolution deals will end up with Mayoral Combined Authorities. Ultimately, this model will help secure better funding deals for the Heart of Wessex; therefore, our revised proposal aligns with this approach, and we have set out our commitment and intent for a directly elected mayoral governance system. This proposal ensures clear, accountable leadership to drive economic growth, improve public services, and invest in vital infrastructure across the region, working closely with the leaders of the constituent councils.
13. A copy of the letter to the Deputy Prime Minister is attached as **Appendix 1**. This has made clear our strong desire to be considered in the first tranche of devolution deals, recognising the commitment of our councils to lead change in local government and move forward as swiftly as possible.
14. Dorset, Somerset and Wiltshire councils remain open to the possibility of working with BCP Council and Swindon Borough Council, however, BCP and Swindon have submitted expressions of interest with their own preferred arrangements.

Safeguarding Implications

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

Public Health Implications

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

Procurement Implications

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

Equalities Impact of the Proposal

18. 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

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

Workforce Implications

20. 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 the recent 'Get Britain Working' white paper has confirmed that Wiltshire Council will lead on the delivery of a new Connect to Work programme for DWP across Wiltshire and Swindon.

21. Shared policies are also 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. Whilst it is not yet fully clear what the impact will be there may be opportunities for the secondment of staff or joint working depending on the nature of functions an MCA 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 revised its EoI then the area would miss out on the significant 'mayoral premium' associated with devolution to an MCA.

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, including other programmes Wiltshire delivers for DfE and DWP. 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), although some of these do match up to MCA boundaries in other parts of the country. Commuter flows between Swindon and Wiltshire are more significant than between Swindon and other areas and it could be beneficial to the ongoing delivery of skills, employment and other programmes if Swindon concluded that this should be reflected in the partnership arrangements they wish to pursue.
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, as envisaged in the draft Industrial Strategy. 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 MCA 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 via an Integrated Settlement

tailored to local needs and if there was agreement to investment in significant infrastructure.

Financial Implications

27. In the recent Budget it should be noted that funding for Wiltshire Council under the UK Shared Prosperity Fund was confirmed only for a further 'transitional' year at a 40% reduced rate for 2025/26, ahead of wider local growth funding reform taking place alongside further rollout of devolution.
28. The detail of future funding through devolution to a Heart of Wessex MCA would be explored through discussion with the government. An MCA is expected to attract a significant funding premium with a 30-year investment fund (which so far have been between £377 and £815 per capita and lately seem to have settled to around £650 per capita with a 60/40 revenue/capital split) – which would equate roughly to £30-40m a year for a Heart of Wessex MCA with a population of 1.5m.

Table 1: Investment funds as agreed in initial devolution deals

Devolution deal	Year of deal	Total 30 year investment fund amount (£ in prices of the year the deals were proposed/ signed)	Total 30 year investment per person (~£ adjusted to ~2023 prices)
Greater Manchester	2014	£900,000,000	£434
West Yorkshire	2015	£1,140,000,000	£588
South Yorkshire	2015	£900,000,000	£769
Tees Valley	2015	£450,000,000	£886
Liverpool City Region	2016	£900,000,000	£764
West of England	2016	£900,000,000	£818
West Midlands	2016	£1,095,000,000	£377
Cambridgeshire and Peterborough	2016	£600,000,000	£698
York and North Yorkshire	2022	£540,000,000	£713
North East	2023	£1,400,000,000	£711
East Midlands	2024	£1,140,000,000	£518
Hull and East Yorkshire	Tbc	£400,000,000	£655
Lincolnshire	Tbc	£720,000,000	£654
Cornwall	Xx	£360,000,000	£631
Norfolk	Tbc	£600,000,000	£655
Suffolk	Tbc	£480,000,000	£630

29. Apart from its size, much of the value of a 30-year Investment Fund would be the stability it would provide, allowing long term regeneration and infrastructure projects to be planned without the risk of sudden changes to government funding schemes and with the ability to lever in significant amounts of private sector investment.
30. Alongside the 30-year Investment Fund there would be the prospect of additional or devolved funding for brownfield regeneration, the affordable homes programme, consolidated road funding, strategic planning, decarbonisation, bus services, business rates retention, adult skills, employment support ... and a single 'integrated settlement'

and borrowing powers in due course. Details of amounts awarded to other areas under these headings are available on the gov.uk website.

31. The trailblazer single integrated settlement for Greater Manchester (which has a population of 2.95m – roughly twice that of the three-council Heart of Wessex) is to be designed in the mould of government departments' budgets: set at Spending Reviews and based on thematic functions. As well as the Investment Fund, this includes:

- An extension of GMCA's 100% business rates retention pilot for 10 years and designation of specific growth zones with additional flexibility.
- A new rail partnership with Great British Railways which will see full multi-modal fares and ticketing integration
- Local leadership of the Affordable Homes Programme, worth £400 million to Greater Manchester, with greater powers and flexibilities over time
- devolution of £150 million brownfield land funding and local retention of additional funding for housing investment,
- Devolution of non-apprenticeship adult skills functions and grant funding and co-design of employment support programmes
- Net zero funding for retrofit, funding from the British Business Bank, a cultural partnership to align funding, and digital infrastructure.

Legal Implications

32. 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.

33. 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. It would be important to give careful thought to how the governance of a mayoral combined authority would ensure a cooperative relationship between a mayor and leaders of the councils. Typically the Leader of each council will have a vote (with potential additional council representatives) alongside the mayor, who would chair the meetings of an MCA.

34. At this time, however, there are no legal implications from the submission of the EoI. Legal implications of devolution would be addressed in detail in any future paper outlining a more specific proposal once formal feedback from government has been received.

Overview and Scrutiny Engagement

35. 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 an MCA were to be

established then it would establish its own scrutiny and audit arrangements involving the constituent councils.

Options Considered

36. Wiltshire has held discussions with neighbouring councils and is progressing the proposal for a 'Heart of Wessex' Mayoral 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 or that this is significantly delayed.

Conclusions

37. Wiltshire is keen to explore with government the benefits of an MCA 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 - Revised expression of interest

Background Papers

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