

**16 September 2015**

**Ordinary Council**

**Greater Essex Devolution Update**

**Report of:** Philip Ruck- Head of Paid Service

**Wards Affected:** All

**This report is:** Public

## **1. Executive Summary**

- 1.1 This report provides a background to the discussions being held in relation to achieving greater economic growth across the Greater Essex area (comprising the twelve district/borough/city councils, Essex County Council and Southend and Thurrock unitary councils).

## **2. Recommendation(s)**

- 2.1 That the Council continues to participate in discussions with the Greater Essex area Councils;**
- 2.2 That a further contribution of £10,000 to support the devolution programme be agreed (to be met from the Organisational Transformation Reserve);**
- 2.3 That the Head of Paid Service and Leader of the Council be granted delegated authority (after first consulting with opposition Group Leaders) to sign off the submission to Government in October as the start of the negotiations, including developing an appropriate governance model. A full report of the outcome of those discussions with Government will come back to Full Council in due course.**

## **3. Introduction and Background**

- 3.1 The Council's current Corporate Plan (2013/16) set out the vision to create opportunity for the residents, communities and businesses in the Borough. At the heart of the Corporate Plan was recognition that the economic prosperity of the Borough is key for future success and that the

right mix of economic, environmental and social action would deliver improvements to the quality of life in the Borough. It recognised the need to support business to make sure the Borough lived up to its potential for employment and prosperity and that the regeneration programmes for the Borough benefitted local people.

- 3.2 The Corporate Plan also articulated the intention to work together with partners, local people and everyone who has a stake in the Borough area to create the environment where everyone can thrive.
- 3.3 As consideration is given to the next corporate plan, the focus on economic growth and prosperity is expected to be even greater.

#### **4. Devolution**

- 4.1 The Government in the Queen's Speech (27 May 2015) and Summer Budget (8 July 2015) outlined a number of measures to further promote economic growth, including the government's intention to extend local decision-making to towns and counties as well as large conurbations by way of devolution deals.
- 4.2 In anticipation of this continued direction of travel, which commenced under the previous coalition government, the Leaders and Chief Executives of local authorities in the Greater Essex area, comprising twelve district/borough/city councils, Essex County Council and Southend and Thurrock unitary councils, have held a number of workshops and discussions that seek to establish what opportunities the devolution of powers might present. The meetings have been held since November 2014.
- 4.3 On the 4<sup>th</sup> September, to meet the timetable set by government, the 15 Leaders of the Greater Essex local authorities submitted an expression of interest letter. A copy of this letter is included with this report. The letter only commits the Leaders at this stage to work with each other and with government to develop more specific devolution proposals. The letter states that the ambition is for Greater Essex to become the fastest growing UK economy outside London, which delivers the opportunity of a high quality standard of living for our residents, with increased and accelerated local and national dividends which are re-invested into world-class public services and infrastructure. More specifically it identifies that with the right devolution deal in place, including financial and regulatory freedoms and flexibilities, the Greater Essex authorities would work together to:

- bring productivity into line with comparable areas,
- accelerate economic growth,
- close the gap between current rates of house building and the level required to meet needs within our communities,
- improve skills levels to better meet the needs of business now and in the future,
- attract foreign investment,
- increase the resilience and robustness of Greater Essex to adapt to economic shocks and shifts in the future,
- and enable strategic planning and investment in infrastructure, including attracting more private sector investment.

4.4 It is anticipated that in October, a submission will be made to Government (including more details of the governance approach) to commence further in depth negotiations with Government; if this submission is made it will need the consideration and approval of individual authorities, which in terms of Brentwood will be done under delegated authority to the Head of Paid Service and Leader of the Council.

## **5. Combined Authorities**

5.1 Combined Authorities are recognised by central government as the preferred model for the devolution of powers, but there are other models available. Whilst work on the governance model for a Greater Essex devolution deal has not concluded yet, the following outlines the key attributes of a Combined Authority (CA):

- Allows for local authorities to work together on certain functions that can be more effectively delivered together
- CA's do not replace or merge existing councils
- CA is a new authority controlled by the democratically elected leaders of each member council based on one member one vote.
- They are legal bodies with powers of decision making granted by Parliament and Government
- They are one vehicle through which Government can pass down wider decision making powers and funding

5.2 It should be noted that if there is a proposal for a CA, the councils involved have to produce and agree a 'Scheme'; no council can be included in the proposal unless they have been party to discussions and each council must approve its membership of a CA before it can be formed. Greater Essex authorities are not at this stage yet.

- 5.3 Members may be aware that Southend and Thurrock unitary councils have indicated an early intention to form a CA but have now written to the Secretary of State indicating that a Greater Essex Combined Authority is their preferred model.

## **6. Issue, Options and Analysis of Options**

- 6.1 The only practical option is for BBC to continue to participate in discussions about potential future partnership arrangements. This will enhance the opportunities around economic growth and prosperity. It is clear that Government will not devolve further powers and funding to individual councils and therefore BBC should continue to discuss with the Greater Essex councils on a no risk basis, ensuring that Council is informed of progress.

## **7. Reasons for Recommendation**

- 7.1 Economic growth and prosperity which promotes inclusive growth for the benefit of all of the current and future residents of the Borough will continue to be the focus of the Council's policies and strategies for the remainder of the decade. The Government's approach to devolution to accelerate and assure delivery of economic growth, in principle, is entirely compatible with the Council's aspirations for the Borough. The detail of any specific devolution deal will be carefully evaluated to ensure that it is in the best interests of the residents and businesses within the Borough of Brentwood, including the governance model to support delivery. Discussions around the country are moving at a pace and it is important that Greater Essex maintain pace in exploring the opportunities in this agenda and it is essential that Brentwood Borough Council remains engaged in the debate and design of any potential deal. Such engagement does not commit the Council to any particular outcome but not being a party to the discussion could exclude the Council from later being a party to a combined authority 'scheme'.
- 7.2 Further reports will be provided to the Council, as appropriate, as the work progresses.
- 7.3 The Cities and Local Government Devolution Bill currently proceeding through Parliament will provide the statutory framework for one of the potential strategic collaboration models in the form of combined authorities.

7.4 Section 2 of the Local Government and Public Involvement in Health Act 2007 sets out the process by which the Secretary of State may issue an invitation to the council to form a single tier of local government.

7.5 Discussions about opportunities to enhance economic growth are consistent with the Council's corporate plan to create opportunity.

## **8. References to Corporate Plan**

8.1 Discussions about opportunities to enhance economic growth are consistent with the Council's corporate plan to create opportunity

## **9. Implications**

### **Financial Implications**

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9.1 There are no financial implications arising from this report. It should be noted that a contribution of £5,000 has been made by the Council to the Essex Chief Executives Association to support the cost of developing the discussions, workshops, etc. to date and a further contribution of £10,000 will be required in the near future. The funds will be drawn from the Organisational Transformation Reserve.

### **Legal Implications**

**Name & Title: Saleem Chughtai , Governance Officer**

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9.2 Combined authorities are a legal structure that may be set up by local authorities in England seeking a statutory order from the Government. The creation is voluntary and must have the support of the constituent authorities. Following consultation on a proposed statutory scheme and subject to the approval of the Secretary of State for Communities and Local Government the authority is established, amended and dissolved by statutory instrument.

9.3 The Cities and Local Government Devolution Bill had its third Reading in the House of Lords and First Reading in the House of Commons in July 2015. The Bill intends to allow the introduction of directly elected Mayors to Combined Authorities in England and allow the devolution of policing powers and local authority functions generally in addition to integrated transport and economic development. An enabling order may allow for functions to be exercised solely by the Combined Authority or concurrently.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

9.4 None at this stage

**10. Background Papers** (include their location and identify whether any are exempt or protected by copyright)

10.1 None

**11. Appendices to this report**

11.1 Appendix A – Expression of Interest Letter

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