

DARTMOOR NATIONAL PARK AUTHORITY

1 July 2016

HEART OF THE SOUTH WEST DEVOLUTION BIDReport of the Chief Executive (National Park Officer)Recommendation: **That Members:**

- (i) **Agree to support the principle of creating a Combined Authority for the Heart of the South West as a basis for negotiation with Government towards a Devolution Deal for the area.**
- (ii) **Note that this in principle support does not commit the Authority to entering into a devolution deal or becoming a member of a Heart of the South West Combined Authority. This would be subject to a future Authority report setting out in detail the nature of the deal and the financial and governance arrangements of a Combined Authority.**
- (iii) **Indicate the preferred status for Dartmoor National Park Authority within the potential Combined Authority.**
- (iv) **Comment on the potential basis for a devolution deal and identify any other additional 'offers' and 'asks' that would be of direct relevance and assistance to the National Park and the work of the Authority.**

1 Background

- 1.1 In July 2015 the Government published "Fixing the Foundations: Creating a more prosperous nation" which sets out a long-term agenda for economic, and wider reform, to support economic growth and improved productivity. This Command Paper, presented to Parliament by the Chancellor of the Exchequer and the Secretary of State for Business, Innovation and Skills makes the case for a national recovery that benefits all parts of the country and recognises the need for the devolution of powers and responsibilities to English cities and non-metropolitan areas to help drive the growth and productivity agenda but at the same time providing financial savings or at least being 'fiscally neutral'. The current 'devolution programme' has strong political leadership from within Whitehall, it originates from the Chancellor of the Exchequer's proposals for a 'Northern Powerhouse' and is still being actively 'managed' by HM Treasury. The Government have also been consistent in seeking to link serious devolution of powers and budgets to new forms of visible, accountable leadership, namely elected mayors; though this position (as noted below) maybe becoming more flexible.
- 1.2 Devolution for the Heart of the South West (HotSW) is being led by the Leaders of Somerset and Devon County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, the Local Enterprise Partnership (LEP) and the three Clinical Commissioning Groups. Dartmoor and Exmoor National Park Authorities have been an integral part of what has become an informal partnership working towards a devolution deal with Government to secure greater powers and control and to have a stronger voice with Government.

- 1.3 An initial Devolution Statement of Intent was submitted to Government on 4 September 2015 and since this date the partnership has jointly developed the HotSW Prospectus for Productivity which was submitted to Government in February 2016.
- 1.4 Leaders of the upper tier authorities met with Greg Clarke, Secretary of State for Communities and Local Government, in May 2016 to seek his views on the next steps forward. Following this meeting, the following points were clarified:
- **Geography** – the Devon and Somerset area is agreed as the appropriate scale. The Devolution proposal will need to clearly demonstrate why this is the right geography for the agreement and all councils and MPs must support the proposal.
 - **Combined Authority** – the Partnership will move forward into the negotiation process based on a Combined Authority model. The Mayoral issue may be considered at a later stage, within the timeline agreed by our Partnership. A Mayor will not be imposed or be a pre-condition of any initial deal.
 - **Extent of the Deal** – areas that have agreed to have a Mayor will get more powers than a non-Mayoral Combined Authority. However, the negotiation process will be an opportunity to push the limits of this initial Deal, and the process should be viewed as being incremental
 - **Timeline** – we will still work towards an Autumn Statement timeline for the announcement of an initial Deal
 - **Growth Deal 3** – the LEP will not be penalised in Growth Deal 3 negotiations just because the area has decided to pursue a devolution deal based on a Combined Authority without a Mayor. The decision for allocation will be based purely on the quality of the Growth Deal bid.
- 1.5 The Secretary of State went on to advise that if the Partnership, backed by each Council and MPs, would sign up to the principle of creating a Combined Authority by the end of July 2016, he would arrange for HM Treasury to open up negotiations towards a devolution deal. Thus, this report seeks approval to sign up *‘in principle’* to the pursuit of a devolution deal and the creation of a Combined Authority for the Heart of the South West sub-region to administer the powers and funding devolved through the Deal.
- 1.6 Any final devolution deal with Government will be subject to further approval / ratification by all partners individually. A Heads of Terms document will be used as a negotiating tool to draw down additional powers and funding to provide a significant boost to the Heart of the South West economy by creating new jobs, accelerating the delivery of new homes, and raising skills levels.

2 **Prospectus for Productivity and potential scope of a ‘devolution deal’**

- 2.1 As noted above, the [Prospectus for Productivity](#) was submitted to Government in February 2016. It is shaped around three ambitions: to raise productivity levels, improve health, care and well-being; and improve connectivity and resilience.
- 2.2 The [Prospectus for Productivity](#) provides a foundation for a potential Devolution Deal focused on six ‘Golden opportunities which will be used to drive the productivity and economic growth agenda, namely:

- Marine
- Nuclear
- Aerospace and advanced engineering
- Data analytics
- Rural productivity
- Health and care

2.3 Appendix 1 outlines the potential devolution deal – summarising the offer from the HotSW and our asks of Government. Many of the offers and associated asks are not directly relevant to the role and work of the Authority but they will influence the framework within which we operate. In supporting the devolution deal process we have been careful to consistently remind our HotSW colleagues that Dartmoor is a ‘National Park’ designated ‘by the nation, for the nation’. Any devolution deal should not alter this but does provide an opportunity to maximise the value of Dartmoor to the HotSW both in environmental, economic and social terms.

2.4 The Rural Productivity ‘Golden Opportunity’ provides a clear link to the proposed Rural Productivity Network proposal that has been developed jointly with Exmoor NPA and submitted to Defra in May (at the time of writing this report we are still awaiting a response from Defra). Also included in the [Prospectus for Productivity](#) is a specific ‘ask of Government’ to use the National Parks to test integrated land management and rural productivity.

2.5 Members are invited to consider other areas of ‘devolution’ pertinent to the National Park that should be considered as part of a potential devolution deal.

3 Proposed Heart of the South West Combined Authority

3.1 Combined authorities (CAs) were introduced under the Local Democracy, Economic Development and Construction Act 2009 (subsequently amended by the Cities and Local Government Devolution Act 2016). A CA can be set up by two or more local authorities. It is a formal structure with a recognised legal status. It usually has one representative from each of the constituent authorities, and operates on either a Leader and cabinet or Committee structure. A mayoral CA also has a directly elected Mayor who is the overall Leader or chair.

3.2 The HotSW partnership is considering establishing a non-mayoral combined authority (CA) in order for detailed discussions about a potential Devolution Deal to commence. Whilst the partnership is not seeking to establish a mayoral CA, it is keeping its options open to see what additional powers this could unlock in the future.

3.3 It should be noted that there is no intention for a new CA to take existing powers or funding from local authorities, or existing City Deal governance structures, without the explicit agreement of those constituent local authorities. Appendix 2 provides a list of powers that could be devolved to a new HotSW CA. Further detailed work is to be undertaken to identify the decision making powers and the constitution of the Combined Authority, and all partners will be fully involved and consulted on these arrangements as they develop over the coming months.

3.4 We understand that National Park Authorities (NPAs) do not fall within the definition of 'constituent authorities' as defined in the legislation that establishes the legal basis for CAs. This means that NPAs can not automatically have a vote on the CA. However, once established a CA can decide the circumstances in which non-voting members can have a vote and Members are invited to consider the degree of representation that they would prefer for the Authority. Assuming that Members are supportive of establishing a CA then options might include:

- Membership and participation but no vote.
- Membership and participation jointly with Exmoor NPA and a single vote for both NPAs.
- Membership and full vote for each NPA (ie a status equivalent to that being indicated for the Heart of the South West Local Enterprise partnership and the three Clinical Commissioning Groups).

3.5 There is a commitment from the partnership that each of the organisation's legal teams will be involved in the development of the structure of a CA for the HotSW.

4 Financial Implications

4.1 To-date the Authority has contributed £5,000 to the costs of the Devolution Programme Office.

4.2 Each of the partner bodies Section 151 Officers (or equivalents) will be involved in the development of the draft Deal and the investment framework that would support a CA. This will allow each partner, and the partnership as a whole, to understand the financial implications of a CA and any devolution deal.

5 Conclusion and Next Steps

5.1 The invitation by the Secretary of State for Communities and Local Government for the HotSW to agree in principle to the establishment of a CA in order to start formal discussions and negotiation of a Devolution Deal is an important milestone. A Devolution deal for the HotSW provides an opportunity for a localised approach to the productivity and economic growth agenda. Subject to the content and detail of any 'deal' this could be of benefit to Dartmoor National Park and the communities who live and work within the National Park.

5.2 If HM Treasury agree to open up negotiations towards a Devolution deal then further work will be required on:

- Productivity Plan – this will focus on the six 'Golden Opportunities' identified in the Prospectus for Productivity. Detailed 'sub-plans' will be developed for each of these 'Golden Opportunities' identifying ambitions for the region and how these are to be realised. Leaders have already agreed that they will work on this irrespective of any deal as a refresh to the LEP's current Strategic Economic Plan.
- Governance review – this has commenced and is examining current structures and developing options for the best governance structure for the HotSW. The review will address issues such as:
 - Extent of decision-making powers to be vested in the CA.

- What decision-making structures or advisory committees (including place-based arrangements) will be required under the CA.
- Proposed voting arrangements.

5.3 The timescales for delivering a devolution deal by the Autumn Statement are very tight and our ability to resource this are limited. If agreement in principle is forthcoming for the establishment of a CA, it is anticipated that a further report on the content of the proposed deal and the form and function of a CA will be brought to Authority prior to the Autumn Statement.

KEVIN BISHOP

**Attachments: Appendix 1 – Potential scope of a ‘Devolution Deal’ for the Heart of the South West
Appendix 2 – Potential Powers for a new HotSW Combined Authority**

Potential scope of a 'Devolution Deal' for the Heart of the South West

Proposed Deliverables:	Our Offer:	Our ask of Government:
<p>PEOPLE</p> <p>Strategic Labour Market Plan:</p> <ul style="list-style-type: none"> • skilled labour market meeting businesses' employment priorities • planning and management of phased devolution of post 19 public sector adults skills budgets – leading to full local commissioning and funding of providers from 2018/19 • chairing and facilitation of successful Area Reviews of post 16 education and training, implementation of review recommendations and reshaping provision where required • co-design of apprenticeship reforms including introduction of the levy and deployment of Apprenticeship grant for employers • co- design of future employment support programmes with DWP and performance management regimes 	<p>CA will take responsibility for:</p> <ul style="list-style-type: none"> • reshaping the skills and employment system • delivery through formulation, agreement, resourcing and delivery management of a business led Strategic Labour Market Plan. 	<ul style="list-style-type: none"> • Full devolution of powers to the CA- phased over a number of years, with relevant skills, education and employment budgets brought into the Single Investment Framework • government depts. and agencies to co- design and co-deliver the Strategic Labour Market Plan • specification and delivery management of careers, education information, advice and guidance in schools and colleges • support from Govt to deliver a wider Higher Education Offer for Somerset, including a new university. <p>Next steps - request Government to establish a Joint Skills Commission to oversee national policy developments and localising these.</p>

Proposed Deliverables:	Our Offer:	Our ask of Government:
<p>HEALTH AND SOCIAL CARE INTEGRATION</p> <ul style="list-style-type: none"> • demographic pressure • bring together resources across the public sector to deliver systematic reform (engaging communities and the voluntary sector) • focus on prevention and early intervention • rethink approach to mental health and wellbeing 	<p>Build on NHS 5 Year Forward View to deliver 'whole system' approach to health and care to include:</p> <ul style="list-style-type: none"> • devolved commissioning of primary and associated specialist care services including mental health • flexible regulations and budgets / freedom to pool resources • greater emphasis on public health and link between health and housing • capitation based payments • support to address skills shortages 	<ul style="list-style-type: none"> • devolution of 5 year place based budgets for health to the level of our existing health and care economies

Proposed deliverables:	Our Offer:	Our ask of Government:
<p>BUSINESS GROWTH AND INNOVATION</p> <ul style="list-style-type: none"> • need to develop local support for business growth following closure of the Business Growth Service and input into national research and innovation led growth priorities • to be achieved through scaling up reach and impact of our Growth Hub • already operate /performance manage the Growth - Hub, support shaping of national agency .(eg UKTI) access and support to HotSW business • have responsibility for strengthening the coherence and effectiveness of our local innovation eco-systems eg marine cluster, Met Office environmental futures, hydrographic, nuclear, aerospace 	<ul style="list-style-type: none"> • scale up and assure a Growth Hub to provide a seamless approach to business growth support • strengthen the network and cluster of 'innovation eco-systems' linked to Golden Opps 	<ul style="list-style-type: none"> • increased devolved revenue pot for at least 5 years which can draw as required on the Single Investment Framework • co-commissioning of all remaining national business growth and internalisation services • Commitment to bespoke agreements with national agencies to realise the UK and local growth dividends of each of the Golden Opps underpinned by an early Science and innovation Audit undertaken by a consortium of south west LEPs and universities

Proposed deliverables:	Our Offer:	Our ask of Government:
<p>PLACE</p> <p>Government expectations of local leadership teams- 2016 – 2020</p> <ul style="list-style-type: none"> • delivery of Local Plans (with collaboration across functional economic areas) to drive physical investment • performance regime to accelerate housing and employment growth • devolved local transport budgets and plans to improve local performance and add value to national infrastructure investment programmes • contributions to specific national and pan-regional infrastructure priorities - energy, peninsula rail • delivery management of starter homes, housing investment pots and LA contributions to new housing • superfast broadband infrastructure completion and increase take-up • LA/ public sector land disposal, development and rationalisation • Strategies 	<p>Establishment of a Joint Infrastructure Commission to formulate a new Strategic Infrastructure Plan with implementation overseen by the CA</p>	<ul style="list-style-type: none"> • Help to develop, fund and deliver the Strategic Infrastructure Plan (SIP) • To include a commitment to create a flexible funding model to support • accelerated housing delivery in locally identified growth areas <p>To include Govt commitments to:</p> <ul style="list-style-type: none"> • infrastructure development- major highways and rail - new and existing • to deliver 100% superfast broadband coverage • Use the NPs to test integrated land management and rural productivity • Include Plymouth on the Strategic National Corridor network • Devolved air passenger duty from Exeter airport • Support to develop and sustain new energy initiatives including wind, sub-sea and grid improvements • National policy statement for renewable energy generation in the Bristol channel and Severn Estuary

Potential Powers for a new HotSW Combined Authority

The Government has not published a list of 'core' powers that can be expected in every Devolution Deal. Every deal is a bespoke negotiation; however, there are indications from several deals that have been agreed as to what might be assumed for areas without a Mayoral Combined Authority.

These include areas like Cornwall that have a deal based on just being a unitary authority; West Yorkshire which has a Combined Authority but has resisted a directly elected mayor; some of the London boroughs that have put forward sub-regional devolution proposals within London; and early city region deals for Sheffield (SCR) and Liverpool (LCR).

	Assumed Core Offer	Possible through negotiation	'Gold standard' and Government challenges
Finance and Funding			
IB status for EU funding	Whilst this power would be available, there is no intention to draw it down as it is considered to be too onerous and risky.		
Investment fund per year (Gain share model – an annual amount from Government split into revenue and capital)			This <u>may</u> be negotiable as in recent deals the power sits with the CA not the Mayor, however Government would be looking for a very high level of accountability and confidence.
Single Funding Pot (pooling and alignment of funding streams)		The power sits with the CA and as this is about influence rather than direct control – It may be possible	
Retention of 100% Business Rates growth		This area is not in scope due to the imminent reforms of Business Rates and 100% retention	
Pilot retention of 100% Business Rates revenue			
Business Rates supplements			Levy additional 2p in the £ - generally only a power available to a Directly Elected Mayor.
Housing and Planning			
Public land commission/joint assets board	We already have the ability to do this under the One Public Estate programme		
Housing Loan Fund			These powers are typically only available to Mayoral Combined Authorities and exercised by the Mayor. If we were to pursue these powers we may be required to produce a spatial plan – however in practice, this may be very similar to our Single Infrastructure Plan that we are proposing to create as part of the productivity Plan.
Compulsory Purchase Orders (Mayoral) Development Corporations	(We are asking for this – but we need to check if we can already do it.)		
Planning call-in powers			
Consultation on strategic planning applications			
Housing Grant Fund			
Spatial Strategy			
Planning reforms	We are asking for the ability to influence planning reform and for various flexibilities		

	Assumed Core Offer	Possible through negotiation	'Gold standard' and Government challenges
The Connected Economy			
▪ Transport			
Devolved consolidated transport funding	We don't currently have an Ask around devolved transport funding but we could explore the Cornwall Deal to 'pool and devolve relevant central funding for local transport and provide a multi-year settlement'		
Bus franchising (determining bus route networks and to letting franchises to private bus companies for operating services on those networks)	There was some appetite for this on a case by case basis across HotSW		
Joint working with Highways England and Network Rail			MoU with Highways England and Network Rail on maintenance, operations and investment. Probably depends on setting up a new transport body.
Local Roads			Not in the HotSW Prospectus. This is the responsibility for a Key Route Network of local roads managed and maintained by the CA (Mayoral)
Smart ticketing	Not currently in the HotSW Prospectus		
▪ Digital			
Completion of Broadband and Mobile	Various Asks involving investment, influence and test bed		
Flood Defence and Coastal Management			
Completion of Broadband and upgraded mobile connectivity	Various Asks involving investment, influence and being used as a test bed		
Learning and Skills			
HE Provision (Somerset) and access to funding	Support from Government should be forthcoming - funding more difficult		
Careers Advice	Cornwall Deal includes the ability to improve careers advice through a number of initiatives. Later deals have 'feed local priorities into provision of careers advice'		Our Ask: Specification and delivery management of Careers, Education, Information, Advice and Guidance in schools and colleges.
Redesign of 16+ Further Education	This follows on from the outcome of the Area Based Reviews		
Influence over Area Based Reviews		Our Ask: Chairing and facilitation of successful Area Reviews, implementation of the recommendations and reshaping provision where required.	
Devolution of the Adult Education Budget, Adult Community Learning, and discretionary support for 19+ learners	Our Asks: Planning and management of a phased devolution of post-19 public sector		

	Assumed Core Offer	Possible through negotiation	'Gold standard' and Government challenges
	adult skills budgets leading to full commissioning and funding of providers from 2018/19. Including: - <ul style="list-style-type: none"> ▪ Travel discounts for people to access training and employment opportunities (Apprentices and Traineeships) ▪ Skills Bank for joint investment in funding for skills 		
Devolution of the Apprenticeship Grant for Employers	Our Ask: Co-design of apprenticeship reforms including around the introduction of the levy and deployment of the Apprenticeship Grants for Employers (or its replacement).		
Potential discussion on the Apprenticeship Levy/Advanced Learner Loans			
Employment Support			
Joint commissioning of support for harder to help claimants		Our Ask: Co-design of future employment support programmes with DWP and performance management regimes.	Further negotiations would be required to secure ongoing influence and potential future co-commissioning
Possible full joint commissioning from 2017	Time- limited offer due to the re-tendering of the new DWP Work and Health Programme	Our Asks: <ul style="list-style-type: none"> ▪ Local control over performance measurement and target derivation ▪ Sufficient and appropriate technical assistance resource and funding to help with running budgets 	
Business Support			
Growth Hub to align local and national business support services	Our Ask (broadly): The Heart of the South West Combined Authority, the Local Enterprise Partnership and Government will work together to integrate local and national business support services , to make it easier for local businesses to find the support they need to grow.		
Joint working with UKTI			
Devolved approach to business support services from 2017			
Public Services			
Planning for health and care integration	Already doing collectively		Any further integration of funding and delivery would require negotiation