

HAMPSHIRE COUNTY COUNCIL

Report

Committee:	Policy and Resources Select Committee
Date:	21 April 2022
Title:	County Deal
Report From:	Gary Westbrook – Assistant Chief Executive

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Purpose of this Report

1. This report sets out the continuing work and positive direction of travel of a potential County Deal for Pan Hampshire and the surrounding area.

Recommendations

2. The Policy and Resources Select Committee is recommended to:
 - Note the opportunities contained in the White Paper and the current progress being made across Pan-Hampshire and the wider area.
 - Provide any feedback on the draft Prospectus and the options currently being considered.

Context

3. In July 2021 the Prime Minister announced that new “County Deals” would be negotiated with county areas, aligned to the Government’s Levelling Up agenda. These deals are a proposed mechanism to deliver sub-regional devolution in England, with specified powers and funding being transferred from central government to local areas and regions.

Development of a Pan-Hampshire County Deal

4. In Hampshire, a County Deal is seen as a significant opportunity to strengthen economic recovery across the County as a whole and also deliver major strategic economic initiatives and programmes. It is also an opportunity

for major public services reform, including securing new functions, powers and resources to enhance place leadership at a regional, sub-regional and local level for the benefit of local residents.

5. A draft County Deal prospectus (**Appendix A**), endorsed by Cabinet in December 2021, forms the foundation of work performed to date. This evidences a clear functional socio-economic geography of a Pan-Hampshire region and a strong economic foundation as a net contributor to the UK economy. Crucially the draft prospectus outlines a range of opportunities and associated strategic proposals that would have a measurable positive impact on the lives of residents and would form the basis for further discussions with stakeholders and Government.

6. A Statement of Common Ground (**Appendix B**) was also agreed by Leaders across Unitary Councils, District and Borough Councils setting out the ambition to explore opportunities for a County Deal. This was agreed by:

Hampshire County Council – Cllr Keith Mans
Basingstoke and Deane Borough Council – Cllr Ken Rhatigan
Bournemouth Christchurch and Poole Council – Cllr Drew Mellor
East Hampshire District Council – Cllr Richard Millard
Eastleigh Borough Council – Cllr Keith House
Fareham Borough Council – Cllr Seán Woodward
Gosport Borough Council – Cllr Graham Burgess
Hart District Council – Cllr David Neighbour
Havant Borough Council – Cllr Alex Rennie
Isle of Wight Council – Cllr Lora Peacey-Wilcox
New Forest District Council – Cllr Edward Heron
Portsmouth City Council – Cllr Gerald Vernon-Jackson
Rushmoor Borough Council – Cllr David Clifford
Southampton City Council – Cllr Dan Fitzhenry
Test Valley Borough Council – Cllr Phil North
Winchester City Council – Cllr Lucille Thompson

7. In accordance with the principles set out in the Statement of Common Ground, 8 thematic workshops were facilitated in November and December 2021, to begin the process of collaboratively developing the detail behind any proposals and engaging with key stakeholders in advance of any wider public engagement or negotiation with Government. These workshops have included:

- All District and Unitary Councils;
- Local Enterprise Partnerships (LEPs);
- Higher and Further Education Sectors;
- National Park Authorities;
- Homes England;

- Clinical Commissioning Groups (CCGs);
 - Hospital Trusts and Community Healthcare Providers.
8. The workshops have so far identified and agreed the following specific ambitions, which, along with the draft prospectus, will form the basis of on-going engagement with stakeholders and Government, to continue to develop the specific detail underpinning these high-level strategic proposals:
- **Accelerating housing delivery** – in exchange for the powers to increase the rate of delivery.
 - A **single investment fund** to grow the economy and transition to net zero.
 - **Net Environmental Gain Pathfinder Deal** with Government – trialling the devolution of Environment Agency functions, innovative financing and investment for decarbonisation and bio-diversity offsetting, and nature recovery strategies.
 - **Investment and devolved skills funding** to support to key sectors and projects – developing the Freeport to benefit the Pan-Hampshire economy, marine, advanced manufacturing, engineering, digital.
 - **Greater strategic transport power** through a Passenger Transport Executive (PTE) structure to respond to changing travel patterns and environmental imperatives.
 - **Devolved skills funding to reduce inequalities** in employment and income.
 - **Pooled and joint oversight of NHS community care and adult social care budgets**, building a joint approach to improving the wider determinants of health, piloting reforms to strengthen the adult social care workforce, and maximising the impact of health innovation with a Health and Care Innovation Hub in the area.
9. Alongside the Pan-Hampshire County Deal discussions, the County Council is also directly exploring further place based economic development partnerships which could complement any wider County Deal and potentially extend beyond the Pan-Hampshire geography involving bordering areas. These include the exploration of a wider regional Economic Prosperity Board (EPB), primarily at this stage with Surrey County Council and discussions on potential collaboration with Bournemouth, Christchurch and Poole Council, alongside our Pan Hampshire Unitary colleagues from the Cities and Isle of Wight, and more localised place-based Regeneration and Growth Partnerships at a District Council level.
10. Leaders across Pan Hampshire also continue to be engaged and bilateral individual meetings were offered to every District and Unitary Council Leader

in January, prior to a wider collective Leaders' meeting on 18 January. Key areas of agreement were:

- Proposals must be both bold and practical, ensuring necessary steps are taken to build trust.
- Through the collective development of the proposals so far, there are significant opportunities in the potential asks of Government, and work needs to continue to further develop and shape the detail around these priorities.
- Officer groups will continue working together to further develop the ambition and detail around the high-level proposals. This will involve the continued engagement of a range of key stakeholders such as the LEPs, the Further Education Sector, the National Parks and Health colleagues in helping to shape and co-develop the detail behind the proposals.
- Work will continue to explore the significant place-based opportunities of Regeneration and Growth Partnerships at a District Level, which will continue to shape the thinking around the development of a wider regional Economic Prosperity Board, potentially incorporating wider regional opportunities with Surrey County Council and Bournemouth, Christchurch and Poole Council.

Levelling Up White Paper

11. In February 2022, Government released the much-anticipated Levelling Up the United Kingdom White Paper, setting out an ambition to extend, deepen and simplify devolution across the country, and committing to establishing a new model of Combined Authority that would enable devolution deals agreed by County Councils and Unitary Councils, encouraging collaboration where relevant with District Councils.
12. Within the White Paper the Government announced 9 Wave 1 areas which will be negotiated first. These are:
 - Cornwall;
 - Derby and Derbyshire;
 - Devon, Plymouth and Torbay;
 - Durham;
 - Hull and East Yorkshire;
 - Leicestershire;
 - Norfolk;
 - Nottinghamshire and Nottingham; and
 - Suffolk.

13. Notably these areas include a range of potential deals for single County Council areas (e.g. Leicestershire), single Unitary areas as well as those encompassing multiple authorities (e.g. Devon, Plymouth and Torbay).
14. The White Paper also sets the framework levels for devolution against a range of potential functions, with Level 3 being the most powerful and Level 1 being the least powerful, but noting that there will also be scope to negotiate further powers, on a case-by-case basis, and an opportunity to adopt innovative local proposals to address specific challenges and opportunities.
 - **Level 3:** A single institution or County Council with a directly elected Mayor (DEM), across a Functional Economic Area (FEA) or whole county area.
 - **Level 2:** A single institution or county council without a DEM, across a FEA or whole county area.
 - **Level 1:** Local authorities working together across a FEA or whole county area e.g. through a joint committee.

Climate Change Impact Assessment

15. The tools to assess impacts on climate change adaptation and mitigation are not relevant to this report, on the basis that this is an update on the emerging approach and scope of a potential County Deal. As noted in the draft prospectus (Appendix A) and paragraph 8, this work does present a strategic opportunity to enable and contribute to net environmental gain, net zero ambitions and environmental enhancement, with these opportunities subject to further exploration at this stage.

Conclusions and Recommendations

16. This report sets out the progress to date of the development of a County Deal for the County Council, noting the recent Cabinet decision in February 2022 to:
 - Note the opportunities that were set out in the Levelling Up the United Kingdom White Paper and the continuing work and direction of travel of a Pan Hampshire County Deal and aligned devolution opportunities potentially beyond the Pan-Hampshire geography involving bordering areas, as set out in the White Paper, the draft County Deal Prospectus attached at Annex 4 and the further opportunities developed through workshops with key stakeholders in November and December and recommends that the County Council note and endorse the continuing work and direction of travel of a Pan Hampshire County Deal, and

aligned devolution opportunities potentially beyond the Pan-Hampshire geography involving bordering areas, as set out in this report and in line with the White Paper.

- Following the publication of the Government's White Paper for Levelling-Up, the Cabinet endorses the continued work and direction of travel for a Hampshire County Deal, to include the Unitary Authorities should they wish. In addition, that the County Council will continue the work that has been carried out towards the creation of an Economic Prosperity Board which will ideally include Surrey and the Unitary Authorities.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Cabinet - Learning to live with Covid-19 and working towards Economic Recovery	<u>Date</u> 7 Dec 2021
Cabinet - Learning to live with Covid-19 and working towards Economic Recovery	8 Feb 2021
Direct links to specific legislation or Government Directives	
<u>Title</u> Levelling Up the United Kingdom White Paper	<u>Date</u> 2 Feb 2021

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

See guidance at <https://hants.sharepoint.com/sites/ID/SitePages/Equality-Impact-Assessments.aspx?web=1>

As detailed in the draft prospectus, a County Deal presents a significant opportunity to have a positive impact on the lives of residents and communities across Hampshire. At this stage there are no negative impacts identified for groups with protected characteristics.

Appendix A – Draft County Deal Prospectus

- [COVID-19 Annex 4.1 County Deal.pdf \(hants.gov.uk\)](#)

Appendix B - County Deal - Statement of Common Ground

1. The local authorities are keen to explore the opportunities provided by a county deal.
2. It is commonly held by the local authorities that the interests of the residents and businesses of the HIOW area would be better served by greater devolution of power and funding from central government to local government (and potentially other locally controlled agencies), working under formal arrangements that bring public services together with a shared agenda. This transfer should embody the principles of subsidiarity and local accountability.
3. The purpose of pursuing devolved powers from Government (more recently termed 'county deals') is to secure such powers and funding in order to level up and improve access to, and the quality of, services and opportunities for everyone across the area. In so doing, it will reduce inequalities and improve the well-being of our residents and communities across a range of service areas, potentially including transport, economic development, environment, housing, health welfare, education, trade, energy, employment and skills and parallel government deals such as the recent Solent Freeport agreement.
4. HIOW contains a number of different socio-economic geographies and 'journey to work' catchments that will need to be reflected within any deals sought. The recent HIOW Leaders meeting reflected this through discussion of the different socio-economic geographies (including at a north Hampshire, central Hampshire and the southern or Solent and Isle of Wight level). There was also agreement that consideration should include the strong links and partnership discussions that have been developed with Bournemouth, Christchurch, and Poole (BCP) Unitary Authority since its inception.
5. Across the geography of HIOW and BCP, four separate expressions of interest for 'county deals' have been submitted to DLUHC. The expressions of interest reference a range of potential geographies for a deal, including the 'historic' county of Hampshire, the unitary councils, and the Solent region (including BCP). HMG convened meetings with the council chief executives to discuss potential county deals in both BCP and HIOW areas. HMG confirmed in the HIOW meeting their willingness to consider a deal on the HIOW geography or sub-geographies, and in the BCP meeting a deal that enabled BCP to be part of a deal within the HIOW area.
6. All of the local authorities hold a genuine interest in exploring whether a worthwhile deal can be secured that brings net benefits for each area as well as the whole, acknowledging that different councils have different

priorities for their communities, that some options may serve their priorities better than others, but equally that all will strive to find the maximum common ground.

7. Any successful deal(s) will be the product of genuine co-production by equal partners, with the proposals and process for developing them owned and shaped by all, with the final proposals reflecting an equitable distribution of influence and responsibility, including in any voting regime that may be required. It is recognised by Leaders that the HIOW area already has 'best practice' examples such as the successful Partnership for South Hampshire (PfSH) which has delivered effective co-produced growth and attracted funding over a 20-year period for the benefits of the partnership area.
8. It is recognised that a deal will comprise 'asks and offers' from both HMG and the local authorities. The greater the asks, the greater the expected offer. From HMG perspective, certainty, consistency, accountability, and mandate in terms of HMG (single) point of contact with the area of the deal is key. Gains in efficiency and effectiveness in the delivery of public services are also important. To secure this, HMG may be willing to offer a range of freedoms, funding, and powers.
9. Ongoing conversations with surrounding areas will continue as we explore the range of options available.