

A County Deal for Pan-Hampshire

**Policy and Resources Select Committee
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County Deal Context

- Has the potential to **strengthen the economic recovery** across Hampshire as a whole and deliver major strategic economic initiatives and programmes.
- Opportunity for **public services reform** including securing new functions, powers and resources to enhance place leadership at regional, sub-regional and local levels for the **benefit of local residents**.
- A **Statement of Common Ground** was agreed by all Leaders in Nov 2021, setting out the ambition to **collaboratively explore opportunities** for a potential County Deal.
- A draft **County Deal prospectus**, was endorsed by Cabinet in Dec 21. This outlines and evidences:
 - a **clear functional socio-economic geography** of a Pan-Hampshire region;
 - a strong economic foundation as a **net contributor to the UK economy**; and
 - a **range of opportunities** and associated strategic proposals that would have a measurable positive impact on the lives of residents.

Best
Deal for
Pan-Hampshire

A prospectus
for change

Large, innovative and well defined economy – A major asset for Global Britain



Gross Domestic Product (GDP) of **£67.2bn** (3% of the UK economy)



40% of inputs sourced from local supply chain



Over **1 million** jobs in Pan-Hampshire



Almost **50%** of the workforce in high-skill occupations, higher than the national average



Nine of the top ten destinations for residents moving house are also in Pan-Hampshire



Population of **2 million**



Strong **transport links** by road, rail and water



86% of working residents work within Pan-Hampshire



Total exports value of **£25.6bn**, with ports supporting UK supply chains



A **distinct sector mix** with shared specialisms across the county including maritime, IT and professional services

With a set of strong assets



Strong transport links
by road, rail and water



**The heart of the UK
defence sector** - across
armed, naval, and air forces



**The UK's principal
maritime economy** – core
to Global Britain



**Housing development
opportunities** with 46,000
outstanding permissions



**A world class higher
education offer** with four
universities



A prime international gateway
centred on the two major ports
and international airport



**Significant environmental
assets** – with two national
parks, 3 AONBs, and 290 miles
of coastline

Development of proposals

8 thematic workshops facilitated in November and December 2021, to begin the process of **collaboratively developing the detail** behind proposals and engaging with key stakeholders. The workshops have so far identified and agreed the following specific ambitions:

- **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 Solent 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.

There is a **next level of specificity we need to get to** through further development of proposals from the current asks.

Engagement with Partners

- **Workshops** – Final round of workshops completed in March to support the finalisation of the draft a prospectus endorsed by Cabinet in Dec 2021. All workshops well attended by Districts, Unitaries and wider stakeholders such as Local Enterprise Partnerships (LEPs) and Further Education representatives.
- Continued positive engagement with wider regional partners **Bournemouth, Christchurch and Poole Council** and **Surrey County Council**.
- Approach for local place-based **Regeneration and Growth Partnerships** agreed by Cabinet in March 2022, and work underway with Districts to now formally establish these.
- A desire by Councils to the South of Hampshire to explore alternative economic geographies for any deal.

The graphic features a dark blue background with a silhouette of the United Kingdom. Behind the map, there are radiating lines of light in shades of blue and red. The words 'LEVELLING' and 'UP' are written in large, bold, white capital letters, with horizontal lines extending from the ends of 'UP'.

LEVELLING — UP —

Levelling Up the United Kingdom

Levelling Up White Paper

- Much anticipated White Paper published on 2nd February.
- Commitment to **Extending, Deepening and Simplifying Devolution.**
- 9 new “**Wave 1**” County Deals will be negotiated with Cornwall; Derby and Derbyshire; Devon, Plymouth and Torbay; Durham; Hull and East Yorkshire; Leicestershire; Norfolk; Nottinghamshire and Nottingham; and Suffolk.
- Commits to establishing a new model of Combined Authority, that would **enable devolution deals agreed by County Councils and Unitaries, encouraging collaboration with Districts.**

White Paper – Levels of Devolution

The White Paper sets out a new framework for devolution, with Level 3 being the most powerful and Level 1 being the least powerful.

- **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.

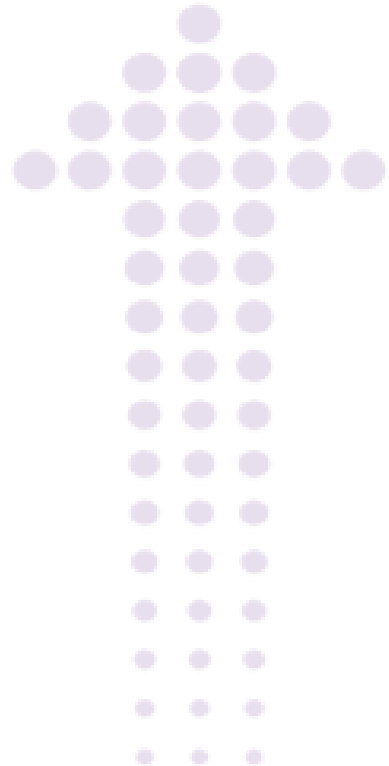
Function	Detail	L1	L2	L3
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
Supporting local businesses	LEP functions including hosting strategic business voice		✓	✓
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
Investment spending	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
	UKSPF planning and delivery at a strategic level		✓	✓
Giving adults the skills for the labour market	Long-term investment fund, with an agreed annual allocation			✓
	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
Local control of infrastructure decisions	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
Keeping the public safe and healthy	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
Financing local initiatives for residents and business	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align^			✓
	Clear defined role in local resilience*		✓	✓
Financing local initiatives for residents and business	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

* refers to functions which are only applicable to combined authorities

^ refers to functions which are currently only applicable to mayoral combined authorities

What are the next steps?

- **Continuing to watch the Wave 1 negotiations with interest** – what can we learn about governance, scope of a deal and approach taken.
- Delivery of the February 2022 Cabinet decision which **endorsed the continued work and direction of travel** for a Hampshire County Deal, to include the Unitary Authorities should they wish.
- **Finalisation of the prospectus by May 2022**, reflecting the learnings and clarification from the Levelling Up White Paper and outputs from the final rounds of workshops.



Questions

