

North Somerset Council

Report to the Executive

Date of Meeting: 17th September 2024

Subject of Report: Devolution North Somerset Council's response to Government's Invitation around Devolution

Town or Parish: N/A

Officer/Member Presenting: Councillor Mike Bell, Leader of Council

Key Decision: Yes

Reason:

The approach to devolution would affect the whole of North Somerset.

Recommendations

That Executive:

- Approves the response to the government's request around North Somerset's approach to devolution, appendix 1.

1. Summary of Report

To report to Executive the recent request from government regarding devolution and the North Somerset Council's response.

2. Policy

The Council has a corporate plan ambition "Our council delivers consistently good services and value for money to support our community" which includes a commitment to strengthen our strategic partnerships to get the best deal for North Somerset, our residents, and communities.

This paper supports the action to Explore a devolution deal with government.

Details

2.1. Background

The King's Speech of July 2024 outlined plans to widen and deepen devolution across England through a new English Devolution Bill, which will transfer more power out of Westminster and into the hands of local people. The aim of the Bill is to boost regional growth, giving local leaders new powers over areas like transport, skills training and employment support and housing and planning.

The Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government wrote to the Leader of North Somerset Council following the King's speech inviting the council to "*partner with Government to deliver the most ambitious programme of*

devolution this country has ever seen". Government's aim is to widen and deepen devolution across the country, given the benefits they believe devolution has given around better integrated transport and publicly controlled buses to new skills programmes and good, affordable housing projects. They advised that their devolution ambition is to devolve new powers over transport, skills, housing, planning and employment support with more regions to benefit from integrated settlements based on certain mayoral conditions; to move away from a deal-based approach, setting out clear conditions and a clear offer in return for places seeking devolution agreement; a presumption towards devolution, so places can take on new powers automatically if they meet certain conditions. Government see a strong link between devolution and the delivery of economic growth for everyone, everywhere, raising living standards across the UK.

The Government have established a Council of Nations and Regions to bring together the Prime Minister, the leaders of the devolved administrations and metro Mayors to drive growth. There is a recognition that large parts of the country are not covered by a devolution deal with many struggling to land devolution settlements given lengthy negotiations over, powers, geographies, or governance. This has led to the invitation for councils to express their preference regarding geography.

Government have committed to publishing a new devolution framework, setting out the new powers and flexibilities available. We understand that whilst this *"will not force places to take on a metro Mayor, we will not shy away from making the case for their huge advantages, with some powers continuing to be reserved for institutions with directly elected leaders, such as Mayoral Combined Authorities. We continue to believe that new devolution settlements should be tailored to sensible economic geographies so that local leaders can act at the scale needed to effectively deploy their powers. In the majority of cases that will require local authorities to come together in new combined or combined county authorities."* The new devolution framework will define precisely the powers and flexibilities available to areas entering into an agreement and the expectation is that these will be put into legislation via the English Devolution Bill in the first session of parliament.

The council understands that Combined Authorities have been invited to share their ambitions for their places through a Growth Plan and that the West of England Combined Authority's response will be published at their next committee meeting 20th September 2024.

3.2 Main Findings

North Somerset is part of the West of England Functional Economic Area (FEA), whilst not being a constituent member of the West of England Combined Authority. North Somerset is however a member of the Joint Committee, which covers the four West of England local authorities, and cooperation has continued across the authorities at both member and officer level.

The Levelling-Up and Regeneration Act 2023 enshrined the end of Local Economic Partnerships and the funding that flowed through them, which North Somerset has benefitted from significantly over the last decade. The funding has supported critical investment in infrastructure and growth including for example improvements to motorway junctions, bus networks and sustainable travel, flood defences, development infrastructure, and the Foodworks innovation centre, as well as a wide range of programmes and initiatives to support employment and skills, business support and the creative industries and ongoing joint work and funding for the Metrowest scheme.

The critical point here is that North Somerset will no longer be able to access funding through this route, which over the past decade has run into hundreds of millions of pounds

and that both the previous and current government are clear that accessing similar funding will be through devolution. The initial impact of this loss has been mitigated and less notable during the early years of WECA due to 'legacy' funds that continued to be managed by the Joint Committee, however those sources are now ending. North Somerset will not be able to continue supporting growth across its area without access to this or other devolved funds. Already, officers are identifying important opportunities and needs that cannot be progressed due to a lack of access to such monies.

Given the ambition the council has for North Somerset in addressing inequality, promoting growth and opportunity, which will require investment in infrastructure, economy, housing and skills, it is recommended that the council pursues a conversation on devolution with the government and its neighbours.

The proposed response in appendix 1, using the government's template, outlines the ambition to look towards the West of England as a devolution geography and explore the benefits of a mayoral deal under the existing model. We recognise the need to make the case for additional funding and powers for the whole of the West of England in order to underpin any expansion to include North Somerset. It is unclear what timelines will be forthcoming with the new devolution bill, but together with partners we would be mindful of planned electoral cycles.

3. Consultation

Under the current legislation the process for North Somerset Council to progress devolution require a period of public consultation and we would expect to engage with partners, residents and businesses on any proposals.

4. Financial Implications

Costs

The current approach to devolution is covered by existing staff time and therefore contained within existing budgeted costs.

Funding

The potential for future funding through devolution would be explored through the discussions with government and partners, especially in the context of no further local economic partnership funding.

5. Legal Powers and Implications

There are no current legal implications from this paper. Legal implications of devolution would be addressed in any future paper outlining a proposal.

6. Climate Change and Environmental Implications

There are no climate change implications arising from this report.

7. Risk Management

Principal risks relate to securing political and government agreement within the required timescales and with the appropriate level of additionality from government. Using the council's agreed Risk Management Framework, there are no High risks associated with this paper.

8. Equality Implications

An Equality Impact Assessment has not been undertaken. However, one of the aims of progressing devolution would be to access additional funding to address inequality.

9. Corporate Implications

Exploring devolution is a commitment within the peer review action plan, which is incorporated in the Council's Performance Management Framework and reported on accordingly.

10. Options Considered

We have the option to respond declining the government's invitation for exploratory conversations, which is felt unviable given North Somerset's financial context and ambition. Alternative geographies have been considered, however the West of England is North Somerset's primary Functional Economic Area and is therefore being explored as our preferred option. We do not rule out alternative options in the event this becomes undeliverable. The benefits of a mayoral versus non mayoral model will be explored through dialogue with government.

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Appendix 1

Devolution Deal EOI North Somerset

<p>Preferred geography (upper-tier local authorities in the area)</p>	<p>West of England</p>
<p>Initial preference on mayoral / non-mayoral devolution</p>	<p>Mayoral, subject to further detail regarding the Devolution Bill outlining the merits and opportunities a mayoral deal would bring over and above a non-mayoral deal</p>

**Contact details (political
and officer level)**

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