

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Chief Executive	Report Number: R21
To: Strategy Committee Executive Committee	Date of meeting: 9 July 2015 13 July 2015

DEVELOPING SUFFOLK'S DEVOLUTION PROPOSAL

1. Purpose of Report

- 1.1 To seek agreement to work with local partners to develop a robust proposal for devolution to Suffolk that can be used as a basis for discussion with the new government.
- 1.2 The proposal will build on Suffolk's successful collaborative work to better integrate particularly public sector approaches.
- 1.3 In working up the case for Suffolk, the Strategy and Executive committees are also asked to agree that the proposal will seek a broad set of flexibilities, local autonomy and powers as well as establishing appropriate local governance.

2. Recommendations

- 2.1 That Babergh and Mid Suffolk District Councils:
 - a) Work with local partners in developing a devolution proposal for Suffolk
 - b) With local partners, use the proposal to influence the new government's approach to local public services.

The Committee is able to resolve this matter.

3. Financial Implications

- 3.1 It is difficult to anticipate financial and resource implications prior to developing the proposal and negotiation with central government. However, any proposal would need to maximise joint resources, deliver public spending savings and deliver better outcomes for Suffolk as a whole; and Babergh and Mid Suffolk in particular, recognising the need to give and take to achieve a better deal for all.

4. Risk Management

- 4.1 There is a risk that by not pursuing a Suffolk devolution proposal a new government would impose solutions that may not be as relevant for local people.

5. Consultations

- 5.1 Discussions have taken place within the Suffolk Public Sector Leaders' Group and have resulted in this report's proposals. Wider engagement and consultation will follow.

6. Equality Analysis

- 6.1 The proposals within this report have no direct equality implications, but equality analysis is likely to be extremely important if a more detailed case is developed.

7. Shared Service / Partnership Implications

- 7.1 Partnership / collaborative working is at the core of the proposals and builds on the investment that Suffolk's public sector partners have put into their relationships; and the respect held for Suffolk as a place for innovation, collaboration and delivery.

8. Key Information

Key issues

- 8.1 There are a number of key issues that the Strategy and Executive committees may wish to consider:
- a) Whether a Suffolk proposal for devolution is the best way of proactively influencing the new government following the 7 May general election
 - b) The extent to which a proposal developed collaboratively with local partners would be more compelling across central government departments and more effective in delivering improved outcomes and financial efficiencies
 - c) That Suffolk would be able to build on existing good practice in collaborative working
 - d) That a devolution proposal for Suffolk would improve outcomes for Suffolk's people
 - e) How benefits can be achieved for Suffolk and Babergh / Mid Suffolk – achieving a win-win situation.

Devolution: National Context:

- 8.2 The return of a 'no' vote in the Scottish independence referendum on 19 September 2014 paved the way for reform of the way the UK is governed.
- 8.3 This movement for change was consolidated by the Chancellor of the Exchequer's announcements in November 2014 and in the subsequent Autumn Statement that a devolution deal had been negotiated with the Greater Manchester Combined Authority.
- 8.4 One of the most radical elements of the Greater Manchester arrangements was the announcement of the Greater Manchester Health and Care Deal that sees the authorities take control of £6 billion of health and social care spending overseen by a new statutory body from April 2016. A draft memorandum of understanding between NHS England, the local authorities and clinical commissioning groups sets out plans to put the Greater Manchester Strategic Health and Social Care Partnership Board on a statutory footing by the end of 2015/16.

- 8.5 As a result, there has been significant debate nationally and a ground swell of support for different governance arrangements between central government and local areas including more powers to be devolved locally.
- 8.6 There have been a number of national commissions and policy reports each advocating the merits of more locally devolved powers and decision making. The most influential include:
- a) 'Devolution to Non-Metropolitan England: seven steps to growth and prosperity' (the Peace Commission)
 - b) 'The State of Care in Counties' by the County All Party Parliamentary Group
 - c) The Independent Commission into Local Government Finance report 'Financing English Devolution'
 - d) County Devolution Our Plan for Government 2015-2020 by the County Councils Network.
- 8.7 The Chancellor's devolution announcements continued in the March 2015 budget where a pilot to retain 100% Business Rates (above set targets) was announced for Cambridgeshire.
- 8.8 Following the general election, the Cities and Local Government Bill is before Parliament. This provides a flexible framework for county / district areas to develop devolution proposals provided all parties agree and the power for the Secretary of State to agree those proposals and implement changes through delegated legislation.

Devolution: Local Context:

- 8.9 For some time Suffolk's public sector partners have been investing in their relationships. Strategically, for example, a set of collaboration principles were agreed by local authority leaders as a result of 'Future Councils' work with the New Local Government Network and this has manifested itself in joint working such as the Suffolk Growth Strategy and the pooling of business rates.
- 8.10 There have also been numerous joined up approaches in places across the county including: Neighbourhood Budget Pilot in Haverhill; Lowestoft (reducing street drinking and hospital admissions); integrated approaches focussing on health and care in Sudbury, the Ipswich City Deal and work with local communities to develop a vision for Newmarket.
- 8.11 Nationally, Suffolk is respected as a place for innovation, collaboration and delivery. This credibility was further endorsed last November by the Department for Communities and Local Government's award of £3.3 million Transformation Challenge Award (TCA) funding.
- 8.12 The successful bid that was committed to by leaders of all Suffolk local authorities, the Constabulary, the Police and Crime Commissioner and the clinical commissioning groups was founded on integration, transformation and a relentless focus on what's best for Suffolk's citizens.

8.13 The principles of the TCA bid are based on long term, transformational change whereby public services become more integrated and able to provide sustainable models of support for those most in need whilst delivering the spending reductions that will be required over the next five years.

Devolution: Suffolk's Forward Plan:

8.14 There is consensus amongst Suffolk's leaders that the shared financial challenges and delivering a sustainable model of support for local communities needs something completely different – a step change.

8.15 Given the radical nature and scale of this ambition, Suffolk's leaders want to maximise all of the opportunities and levers available. Consequently, it would be prudent to explore the benefits of devolution and how it could enhance economic and social value for central government, local partners and Suffolk's people.

8.16 Leaders are also clear that devolution is a means to improving outcomes for Suffolk, not an end itself. As such, models of decision making (for example, establishing a Combined Authority) are not the focus: strategic priorities for Suffolk's public services are.

8.17 Leaders have already discussed the potential for devolution in Suffolk and presented a case to the Minister for Local Government prior to the election moratorium. In a short submission, they explained that: "There are a number of critical factors that mean Suffolk would make a particularly beneficial partner for developing robust devolution mechanisms:

- i) There is a shared ambition and commitment amongst public sector leaders to focus on integrated approaches that maximise local assets
- ii) A consensus that a transformational, long term change is needed to create sustainable, 21st century public services in Suffolk
- iii) A track record of innovation, shared leadership and management and strategic acceptance that 'not one size fits all'
- iv) Positive relationships with local communities and therefore, a sound basis for devolving to local communities, town/parish councils where appropriate
- v) Consensus that outcomes and impact must outweigh structures. Integration, prevention and maximising assets underpin our public service re-design; therefore, structures need to enable and enhance this
- vi) Seeking long term, sustainable public service models and firm local governance on which to build this
- vii) The scale of our ambition and the pace required to achieve it means that we welcome the opportunity to work with Government on how best to achieve this."

8.18 Therefore, it is proposed that a more detailed case is developed focusing on the following areas as a framework for developing Suffolk's proposal with partners:

- a) **Economic growth, housing, infrastructure and transport** – a key priority for partners across the public, VCS and private sector. Greater local control of infrastructure would enable more effective delivery of a coherent Suffolk spatial plan.
- b) **Education and skills** – Skills are a significant part of Suffolk’s growth strategy and we are keen to explore how higher education resourcing and school place planning could be more closely linked into economic growth and strategic land use.
- c) **Health and Care** – The largest area of public service spend in Suffolk that faces the greatest spending and demographic pressure. A single Suffolk-wide health and care budget would be the most efficient and sustainable way to ensure integrated health and care is appropriately delivered.
- d) **Benefits and Welfare** – Greater local control over these resources would enable work in an integrated way with those in greatest need and help them to become more independent by drawing on individual and local assets.
- e) **Fiscal devolution** – we are seeking as much local autonomy as possible including: the ability to raise, allocate and borrow resources and will use that greater autonomy to support integrated medium term financial planning.

8.19 Suffolk partners have been exploring with national and local networks opportunities that devolution would provide to enhance outcomes against these themes. Some thought has been given to the kind of economic and social benefits which could be offered. It is essential that any case is balanced in terms of being clear about the benefits for Suffolk, but also the benefits to national government. Examples could include:

8.20 Economic:

- a) Economic growth beyond the 2.5% average growth since 2012 and increased GVA for 2017 beyond predicted £14.6 billion
- b) £950,400 additional growth in business rates as a result of 1200 new jobs created by unlocking employment sites
- c) £4,508,400 extra New Homes Bonus from increasing the new homes build rate by 7.5% resulting in 3,000 homes per year over 10 years
- d) More efficient public services that would increase the £5.5 million savings through the better use of public estate and £8.1 million management savings already expected due to better local public service integration.

8.21 Social:

- a) Greater community resilience and therefore, sustained reduction in demand for public service support
- b) More opportunity to invest in preventative measures that require long term, locally sensitive action

- c) More integrated and coherent decision making, priority setting and implementation enabling simpler dialogue with central government and other external stakeholders
- d) Enhanced local democracy as more decisions are made closer to the communities affected by them and enabling more proactive, impactful neighbourhood planning
- e) More opportunity for local innovation.

8.22 So that Suffolk is best placed to establish a dialogue with the new government that will negotiate mutually beneficial outcomes locally and for central government, it is recommended that the Strategy and Executive committees agree that Babergh and Mid Suffolk district councils work with local partners to develop a Suffolk devolution proposal. An outline framework for developing this proposal is included at Appendix A.

8.23 Suffolk public sector leaders have a shared aim to submit proposals to government in September.

9. Appendices

Title	Location
A DRAFT Outline for Suffolk's Devolution Case	Attached

10. Background Documents

- a) The Independent Commission on Economic Growth and the Future of Public Services in Non-Metropolitan England: 'Devolution to Non-Metropolitan England: Seven Steps to Growth and Prosperity'. 5th March 2015
<http://www.local.gov.uk/documents/10180/6869714/Devolution+to+Non-Metropolitan+England+-+Seven+steps+to+growth+and+prosperity.pdf/d2154c5b-230d-4680-905f-6c06b49e268c>
- b) The County All Party Parliamentary Group: 'The State of Care in Counties: The Integration Imperative' 4th March 2015
<http://www.lgiu.org.uk/report/the-state-of-care-in-counties/>
- c) The Independent Commission on Local Government Finance: 'Financing English Devolution' 18th February 2015
<http://www.localfinancecommission.org/documents/iclqf-final-report>
- d) County Devolution: 'Our Plan for Government 2015-2020' 26th March 2015
www.countycouncilsnetwork.org.uk/library/july-2013/file80
- e) The 2015 Budget:
<https://www.gov.uk/government/topical-events/budget-2015>
- f) The 2014 Autumn Statement:
<https://www.gov.uk/government/topical-events/autumn-statement-2014>
- g) Greater Manchester Agreement: devolution to the GMCA and transition 3rd November 2014
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/369858/Greater_Manchester_Agreement_i.pdf

- h) Cities and Local Government Devolution Bill and explanatory notes.
<http://services.parliament.uk/bills/2015-16/citiesandlocalgovernmentdevolution/documents.html>
- i) Joint statement issued by the DCN and the CCN on Devolution, Growth and Public Sector Reform: County and District Collaboration CCN/DCN.
<http://districtcouncils.info/files/2015/05/DCN-and-CCN-Offer-2015-130515.pdf>
- j) Economic Development and Growth- The role of District Councils and the DCN: Presented by Tony Curtis, Basingstoke and Deane Borough Council and Sandra Dinneen, South Norfolk District Council
<http://districtcouncils.info/files/2013/06/Growth.pdf>
- k) English Devolution Local Solutions for a successful nation
<http://www.local.gov.uk/documents/10180/6917361/L15-178+DevoNext+devolution+publication/7e036308-6ebc-4f20-8d26-d6e2cd7f6eb2>

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DRAFT Outline for Suffolk's Devolution Case

A. Exec Summary - 1-2 sides of headlines (for example: evidence, outcomes, recommendations)

B. Why Suffolk

1. AMBITION

- Eastern powerhouse!
- Hotbed of innovation
- Vision for system leadership

2. Track record and credibility

- People at the heart of delivery
- Pragmatic, outcome focussed, collaborative, what's best for Suffolk people as well as innovative and ambitious - Our strengths based approach.
- Current approach to public sector reform

3. The Suffolk Unique Selling Point

- Cross public sector
- Developing a better ongoing relationship with central government
- Marrying top down and bottom up approaches to devolution
- Offers a credible option for county (including two tier areas) devolution

4. Evidence of the need for change:

- National and local public spending projections (across public sector) to highlight biggest pressures locally
- Suffolk's theory of change that the Transformation Challenge Award was based on and demonstrate that Suffolk is well on journey to fundamental re-design of public services in Suffolk as a result
- Population size and clear functional economic area(s)
- Examples of where already realising benefits in the context of 'we could do much more' with greater local autonomy across public services

5. Core principles:

- Cross public sector not simply local government
- Focussed on economic and social benefits (outcomes not structures)
- Services delivery that is as integrated as possible and focused on what people/communities need
- Promoting self-sustainability and independence for local people and communities
- Early intervention to prevent crisis and enable return to independence

C. Suffolk's case for change

1. *Headline overall economic and social benefits* – What would be better?

- Economic and social benefits

2. Governance, accountability and risk/reward – why better for all stakeholders?

- How it will offer more accountability and facilitate better (and cheaper) decision making

D. Detailed business cases The conditions for success, current barriers to achieving them and how devolution would unlock or enhance them to deliver greatly improved outcomes

Economic growth, housing, infrastructure and transport

1. Opportunity (theme/policy area/specific service)
2. Why current state isn't working and what detrimental impacts it has
3. What would improve current state (the ask)
4. Why can't currently take the actions to improve – the current barriers to implementing actions described in B
5. What would be the positive impact (what would there be more/less of) in economic and social terms

Education and skills

1. Opportunity (theme/policy area/specific service)
2. Why current state isn't working and what detrimental impacts it has
3. What would improve current state (the ask)
4. Why can't currently take the actions to improve – the current barriers to implementing actions described in B
5. What would be the positive impact (what would there be more/less of) in economic and social terms

Health and care

1. Opportunity (theme/policy area/specific service)
2. Why current state isn't working and what detrimental impacts it has
3. What would improve current state (the ask)
4. Why can't currently take the actions to improve – the current barriers to implementing actions described in B
5. What would be the positive impact (what would there be more/less of) in economic and social terms

Benefits and welfare

1. Opportunity (theme/policy area/specific service)
2. Why current state isn't working and what detrimental impacts it has
3. What would improve current state (the ask)
4. Why can't currently take the actions to improve – the current barriers to implementing actions described in B
5. What would be the positive impact (what would there be more/less of) in economic and social terms

Fiscal

1. Opportunity (theme/policy area/specific service)
2. Why current state isn't working and what detrimental impacts it has
3. What would improve current state (the ask)
4. Why can't currently take the actions to improve – the current barriers to implementing actions described in B
5. What would be the positive impact (what would there be more/less of) in economic and social terms

E. Proposed plan (roadmap)

- Phasing/timescales
- Key conditions needed (e.g., single budget for health and care etc.) both nationally and locally
- Benefits realisation (if can project) – economic and social

F. Appendices

- References (national and local)
- Evidence