

Cabinet

10 March 2022

Developing A Devolution Deal for Warwickshire

Recommendation(s)

That Cabinet

1. Supports and commissions the development of a Devolution Deal for Warwickshire
2. Authorises the Chief Executive to develop a Devolution Deal for consideration by Cabinet, engaging with key stakeholders and the Department for Levelling Up, Housing and Communities and to take such other steps as she considers necessary in consultation with the Leader

1. Background

- 1.1 On 2nd February 2022 the Government published the Levelling Up White Paper. The White Paper outlines the Government's strategy to "spread opportunity and prosperity to all parts of [the country]". It will take until 2030 and aims to improve services such as education, broadband and transport.
- 1.2 The paper takes a long-term view of the challenges faced by different parts of the country setting out four core objectives:
 1. Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging;
 2. Spread opportunities and improve public services, especially in those places where they are weakest;
 3. Restore a sense of community, local pride and belonging, especially in those places where they have been lost; and
 4. Empower local leaders and communities, especially in those places lacking local agency.
- 1.3 This report sets out a summary analysis of the key elements of the White Paper, providing linkages to our new Council Plan, approved by full Council on 8 February 2022, and the supporting State of Warwickshire report. It is informed by work from the Local Government Association (LGA) and the County Councils Network as well as our own Corporate Policy Team.

- 1.4 The report also provides a summary of the devolution framework within the White Paper and sets out a proposed direction of travel and next steps to ensure Warwickshire is best positioned to benefit from this change in policy.
- 1.5 The Department for Levelling Up, Housing and Communities (DLUHC) executive summary of the White Paper is attached to this report at Appendix 1.

2. Headline messages from the White Paper

- 2.1 The new policy framework set out in the White Paper is based on five pillars, one of which relates to the setting by Government of 12 clear and ambitious medium-term missions to deliver the four core objectives (set out at paragraph 1.2) by 2030. Each mission is linked to a particular area of policy development at a national level.
- 2.2 Aligned to the 12 missions are 4 other supporting pillars:
- Central government decision making to be fundamentally reorientated;
 - Empowering decision makers in local areas;
 - Transforming the approach to data and evaluation; and
 - A new Government regime to oversee the levelling up missions.
- 2.3 Our Council Plan was produced in anticipation of the publication of the White Paper and contains specific references to Levelling Up. The Council's Priorities and Areas of Focus map well to the 12 missions. The Council Plan made a commitment, following publication of the White Paper, to develop – with our partners – a countywide approach to Levelling Up with the aim of publishing this by July 2022. The Council Plan also contains, as one of its key underpinning themes, a commitment to build on the progress we have made, with our delivery partner New Local, on a Community Powered Warwickshire approach, which resonates with the core objectives set out in the White Paper and the drive to build strong community infrastructure and social capital, especially in areas where this is considered to be weaker. An invitation has been extended to District and Borough Council partners and other stakeholders to take this work forward with a view to developing a 'Community Powered offer' for Warwickshire.
- 2.4 Levelling Up is an underpinning theme to the work of local government and the White Paper contains references to further, related White Papers which are likely to impact on the Council including on Education, Schools/Multi-Academy Trusts, Health Disparities, Community Power and rural proofing.
- 2.5 Notably this is also not the only White Paper to be published recently and the two Health & Social Care and Integration White Papers also have significant relevance for levelling up health inequalities.
- 2.6 Additionally, the White Paper introduces a suite of core indicators to measure the impact of levelling up locally and nationally. This will be supported by increased accountability of local authorities and regions to

demonstrate impact and overseen by a new unit producing nationally comparable data on the performance of local authorities.

- 2.7 Our State of Warwickshire report and supporting analysis provides a basis for understanding what this will mean for Warwickshire and will help us to identify priority communities of place and communities of interest as we take forward the Levelling Up aspirations for Warwickshire as signalled in our Council Plan. Early analysis of Warwickshire's performance at a county and district level (where possible) has been undertaken and will be further refined.

3. Devolution Framework

- 3.1 The White Paper also contains a Devolution Framework which outlines the different 'tiers' of devolution, together with associated powers and functions which are available to local areas through a negotiated process with Government. The White Paper says that "By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified long term funding settlement". There is intended to be scope to negotiate powers on a case-by-case basis, and an opportunity to adopt innovative local proposals to address specific challenges and opportunities - for example the improvement of health and social care outcomes.
- 3.2 There are four principles underpinning the framework which will guide future devolution deals in England:
- Effective leadership - strong local leadership as essential for delivering better local outcomes and more joined up public services;
 - Sensible geography - based on geographies that are locally recognisable in terms of identity, place and community, as well as being sensible economic areas that join up where people live and work; and for any tier of devolution, having a combined population of at least 500,000;
 - Flexibility – devolution deals tailored to each area, with not every area necessarily having the same powers and enabling areas to deepen devolution over time; and
 - Appropriate accountability - with mechanisms to be put in place to strengthen local accountability as part of the broader Local Government Accountability Framework.
- 3.3 The White Paper provides a 'menu' of devolution options in the form of a 'Devolution Framework' with varying opportunities (powers/ functions/ resources) which increase from Level 1 to Level 3. Attached at Appendix 2 is an extract from the White Paper which further explains the levels and functions available at each level, however a summary of the levels is set out below:

Level 3 – A single institution or County Council with a directly elected mayor (DEM), across a Functional Economic Area or whole county area;

Level 2 – A single institution or County Council without a DEM, across a Functional Economic Area or whole county area ; and

Level 1 – Local authorities working together across a Functional Economic Area or whole county area e.g. through a joint committee.

- 3.4 Some of the existing Combined Authorities, along with 9 other areas with proposals for devolution deals, are due to start negotiations with the Government on their devolution offers as part of the first wave.
- 3.5 The White Paper has also outlined how we can expect the UK Shared Prosperity Fund to be organised and allocated, this being devolved to either Combined Authorities or District and Brough Councils.

4 Our response

- 4.1 To ensure we maximise the benefits and opportunities of the White Paper for our residents, businesses and communities, and for Warwickshire it is proposed that work now begins on developing a Devolution Deal for Warwickshire, signalling our intent to Government to negotiate such a deal and identifying the most appropriate level of devolution for the county.
- 4.2 Although the White Paper expects ‘deals’ to be negotiated and agreed over a whole county geography, and/or a functional economic area, crucial to the successful development of a Devolution Deal will be close working with our partners. Working closely with our District and Borough colleagues will be key as will engagement with our health, police, university, Local Enterprise Partnership and other sub-regional partners.
- 4.3 The White Paper has set out the Government's intention to open negotiations on a trailblazer, deeper devolution deal with the West Midlands, which the West Midlands Combined Authority (WMCA) has welcomed. We will seek to engage with the WMCA and explore opportunities for closer alignment and synergy of respective devolution deals. Warwickshire is unusual as a county in also being a non-constituent member of the Combined Authority and will look to maximise the benefits of that status and work collaboratively to ensure the best possible outcomes for Warwickshire.

5. Financial Implications

- 5.1 There are significant long term financial implications of a Devolution Deal for Warwickshire that would potentially involve the devolution of greater powers, functions and funding. However, there are no direct financial implications of this report.

6. Environmental Implications

- 6.1 Climate Change and Sustainability will be a critical part of any Devolution Deal for Warwickshire, linking to the contribution the county can make to the national Net Zero strategy, and our own Council and county net zero ambitions as set out in the Council Plan.

7. Timescales associated with the decision and next steps

- 7.1 It is proposed that work is now started on developing a Devolution Deal for Warwickshire based on the following indicative timeframes
- Submit to DLUHC our interest in developing a Devolution Deal for Warwickshire – March 2022
 - Engage with District and Borough Councils and wider group of partners/ stakeholders – to commence in March and ongoing through April
 - Further report on progress to be brought back to Cabinet in May 2022.

Appendices

Appendix 1 – Levelling Up the United Kingdom – Executive Summary

Appendix 2 – Devolution Framework (extract from the Levelling Up White Paper)

Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): N/a - county wide

Other members: