

# Cabinet

11 May 2023

## Developing a Devolution Deal for Warwickshire

### Recommendations

That Cabinet:

- 1) Notes the progress made to date on the development of options and priorities for a potential future Devolution Deal for Warwickshire and authorises further engagement with partners, based on the proposals set out in Appendix 2; and
- 2) Notes the content of the recently agreed West Midlands Combined Authority (WMCA) 'Deeper Devolution Deal' and the potential elements of interest and benefit for Warwickshire Councils as Non-Constituent Members and supports ongoing engagement with the West Midlands Combined Authority to maximise the opportunities for Warwickshire from the WMCA Devolution Deal.

### 1. Executive Summary

- 1.1 On 2 February 2022 the Government published the Levelling Up White Paper, followed by the Levelling Up and Regeneration Bill in May 2022. The White Paper outlines the Government's strategy to "spread opportunity and prosperity to all parts of the country" by 2030, through twelve national missions.
- 1.2 Levelling Up remains a key policy driver to the devolution agenda nationally and locally. The Countywide Approach to Levelling Up, approved by Cabinet in July 2022, has subsequently been enhanced further through development of draft levelling up plans (or equivalent) with all district and boroughs as well as a number of community level pilots and the establishment of the £2.5m Social Fabric Fund to invest in levelling up priority communities which was approved by Cabinet in April 2023.
- 1.3 On 10 March 2022 Cabinet considered the content of the White Paper and supported the development of a Devolution Deal for Warwickshire. A further update was provided to Cabinet in May 2022.
- 1.4 Subsequently a cross party group of Members was convened, chaired by the Leader of the Council. The group has met 6 times over the past year, working with senior officers to explore options for each of the different themes and elements of a potential devolution deal.

1.5 Throughout this process effective engagement with District and Borough colleagues and wider stakeholders has been paramount and has included:

- The headlines and emerging priorities have been shared in bilateral meetings with all District & Borough leaders and in two further meetings of the six Warwickshire Leaders
- Updates have also been provided at two Team Warwickshire sessions with wider strategic partners to engage with them and seek their initial views

1.6 The Leader of the Council wrote to the Secretary of State in March 2022 expressing the Council's interest in being invited to commence negotiations on a Devolution Deal for Warwickshire. Whilst we are aware that the Government has prioritised those deals in Wave 1, and those that are expected to come forward in Wave 2, it remains important to be ready should an invitation be received and the opportunity to pursue negotiations arise.

1.7 Subsequently three key streams of activity have been progressed in parallel:

- A number of devolution deals have been progressed across the country notably in Suffolk, Norfolk, and East Midlands, with further interest expressed by the majority of County Councils in pursuing a deal. This has created a rich source of learning and precedent to inform devolution priorities.
- The West Midlands Combined Authority (WMCA) has led the agreement of the West Midlands Combined Authority 'Deeper Devolution Deal'. The deal was launched in March 2023. As non-constituent members of the WMCA both the County Council and District & Borough Councils in Warwickshire could potentially benefit from elements of this deal, given the shared Coventry & Warwickshire functional economic geography and integrated care system.
- The WCC cross-party Member Working Group has developed a long list of options for a potential future Warwickshire Devolution Deal looking both at other deals and the specific offers and ask possible for Warwickshire.

1.8 This report presents Cabinet with a summary of the above activity and an indication of the proposed next steps. It also seeks Cabinet approval to commence further and deeper engagement with partners on a Devolution Deal for Warwickshire and engagement with the WMCA on maximising the opportunities for Warwickshire presented by the WMCA Devolution Deal.

## 2. Financial Implications

2.1 Devolution deals are fundamentally based on the devolution of either funding or powers.

- 2.2 In the current fiscal climate it is recognised that deals are less likely to provide access to new funds, but calculations based upon the population and single investment funds secured in other deals, suggest that a devolution deal for Warwickshire could deliver approx. £381m over 25 years, equivalent to £15m per year.
- 2.3 Similarly an opportunity exists through the devolution engagement to consider how funds are accessed and deployed across partner agencies in Warwickshire.

### 3. Environmental Implications

- 3.1 Although not featured in the White Paper as one of the 12 specific Levelling Up missions, the local definition of Levelling Up adopted for Warwickshire highlights the importance of climate change and net zero as a key element of Levelling Up and therefore devolution.
- 3.2 Negotiating a devolution deal presents opportunities to further Warwickshire's local climate change agenda through new powers and formal partnerships.
- 3.3 The Member Working Group discussed proposals presented on Climate Change Adaption and Net Zero (see Appendix 2 for more detail).
- 3.4 The West Midlands Combined Authority 'Deeper Devolution Deal' contains workstreams on housing retrofit, industrial decarbonisation and environmental financing that could be beneficial for Warwickshire and would be of interest to explore further with them.

### 4. Supporting Information

- 4.1 National picture
- The devolution framework offers three levels of devolution deal, with Level 3 offering the widest scope, but requiring a directly elected Mayor or a directly elected Leader governance model. Level 3 deals appear to remain the priority for Government, which is reflected in their priorities for negotiation to date.
  - Reading across the agreed deals there is a clear **standard menu** of proposals characteristic to all deals, supplemented by some local differences as summarised in the table below:

Themes	Deal aspects
<ul style="list-style-type: none"> <li>• Finance &amp; Investment</li> <li>• Labour market/Skills &amp; Education</li> <li>• Housing &amp; Land</li> <li>• Transport</li> <li>• Climate Change &amp; Environment</li> <li>• Digital connectivity</li> <li>• Culture/Heritage &amp; Tourism</li> <li>• Innovation, Trade &amp; Investment</li> <li>• Rural service provision</li> <li>• Resilience &amp; Public Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Fully devolved budgets</li> <li>• Devolved long-term investment fund</li> <li>• Local Improvement plans</li> <li>• Central – local government partnerships</li> <li>• Relocation of government departments</li> </ul>

- It is also clear that some themes that are mission-critical in terms of Levelling Up are less likely to be central to devolution, e.g., education/early years and health, and are potentially better progressed through ongoing collaboration with relevant partners, VCSE bodies and communities. However, there are health related aspects of the WMCA Devolution Deal that officers are exploring in the context of the integrated care footprint of Coventry and Warwickshire and the ongoing collaboration across the Integrated Care System.
- It is also clear from the deals agreed so far that the first deal is only the start of the process and the basis for future deals that build on the early ones e.g. the Deeper Devolution Deal will technically be the WMCA's fifth deal.

#### 4.2 West Midlands Combined Authority 'Deeper Devolution Deal'

- The deal was launched in March 2023.
- It is one of two national trailblazer devolution deals, both made with existing Combined Authorities (West Midlands Combined Authority and Greater Manchester Combined Authority).
- A summary of the main aspects of the deal is provided in **Appendix 1**.
- With the majority of Warwickshire Councils being non-constituent members of the West Midlands Combined Authority, the County and the Warwickshire's District & Brough Councils could potentially benefit from certain elements of the deal. This is yet to be explored with the West Midlands Combined Authority.

#### 4.3 WCC Cross Party Member Working Group

- The cross-party Member Working Group has been in operation throughout 2022/23 and been able to shape the content of a potential Warwickshire deal, whilst also watching activity in other areas and counties.

- The work of the WCC Member Working Group has focused on the following 6 themes:
  - Inclusive, green economic growth, good jobs, and skills for the future
  - Improving infrastructure, transport, and connectivity
  - Delivering net zero
  - Educational attainment
  - Improving health and well-being
  - Regenerating priority communities, planning & meeting future housing need
- For each theme senior officers have presented evidence and a range of options that have combined to form a long-list of potential 'asks'. A summary of the priorities identified by the Member Working Group is provided in **Appendix 2**. A more detailed report of the work of the Member Working Group is attached at Appendix 3.
- For a devolution deal, these asks would then be supported by a clear narrative setting out the unique attractiveness of Warwickshire's offer to Government. Key aspects would include growth potential, connectivity, culture, and overall impact on national Levelling Up missions.
- Links have also been made to key existing and emerging WCC strategies that relate to each of these themes, with both devolution and Levelling Up being key to join up across these themes.

#### 4.4 Further points

Some of the proposals coming out of the Member Working Group have the potential to be progressed outside a formal deal, either as partners within Warwickshire and/or as specific bilateral deals with Government. These include

- Strengthen partnership with external organisations such as Barnardo's
- Powers to provide wrap around support (e.g. mental health support) for those on out of work benefits with long-term sickness
- Seed funding to drive system change – focusing on preventative services and influencing the wider determinants of health
- Adapting to climate change
- Planning and resources for Sustainable Communities
- Electric Vehicle car clubs, bike hire (incl. e bikes), e-scooters, public transport and enhanced DRT

Strong partnership working locally would further support this approach.

## 5. Timescales associated with the decision and next steps

- 5.1 The work of the Member Working Group puts Warwickshire in a strong position. It provides a starting and reference point for further work and a

renewed round of formal engagement on the longlist of potential asks between May and September 2023:

**District & Borough Councils** – The current legislation means Government negotiates and agrees devolution deals with upper tier Councils but expects effective and open engagement with District and Borough Councils. This has been our approach in developing these priorities for future devolution for Warwickshire.

Warwickshire Council Leaders have discussed progress of the devolution deal twice and reaffirmed their mutual agreement to continue to develop options and thinking for a deal, but not to pursue a Level 3 deal given there is no political appetite for a directly elected mayor or leader at this time.

Following the outcome of the May 2023 elections in four of Warwickshire's district and boroughs we have an opportunity to actively re-engage on the devolution agenda, testing both direction and content of any potential future devolution deal for Warwickshire.

**Team Warwickshire partners** – For our wider strategic partners, devolution is critical to the wider work and commitments of the Levelling Up agenda. It has also informed both the Levelling Up work and the development of key related strategies such as Economic Growth and Sustainable Futures which will be presented to Cabinet later this year.

- 5.2 This engagement would be undertaken in preparation for, and in anticipation of, Government inviting Warwickshire to commence negotiations on a Deal, and so aims to put the County in the strongest possible position if and when an invitation is received from Government.
- 5.3 The County Council will continue to monitor and assess the national position, gauging both interest and viability for a future County Deal.
- 5.4 Public engagement will also be key and in the first instance there is an option to engage Warwickshire residents via Ask Warwickshire Survey & Voice of Warwickshire Residents' Panel. This will build upon earlier engagement on both Levelling Up and Sustainable Futures.
- 5.5 In the near-term emphasis will be placed on understanding the potential benefits and opportunities that the West Midlands Combined Authority 'Deeper Devolution Deal' can present for Warwickshire.

## Appendices

**Appendix 1** - Detail and analysis of the WMCA Trailblazer Devolution Deal

**Appendix 2** – Longlist of devolution options developed by the Member Working Group

**Appendix 3** – Report of the Member Working Group

## Background Papers

Developing a Devolution Deal for Warwickshire – Cabinet, March 2022

Levelling Up and Devolution for Warwickshire, - Cabinet, May 2022

A Countywide Approach to Levelling Up in Warwickshire, - Cabinet, July 2022

	<b>Name</b>	<b>Contact Information</b>
Report Author	Gereint Stoneman	<a href="mailto:gereintstoneman@warwickshire.gov.uk">gereintstoneman@warwickshire.gov.uk</a>
Assistant Director	Sarah Duxbury, Assistant Director of Governance and Policy	<a href="mailto:sarahduxbury@warwickshire.gov.uk">sarahduxbury@warwickshire.gov.uk</a>
Strategic Director	Rob Powell, Strategic Director for Resources	<a href="mailto:robpowell@warwickshire.gov.uk">robpowell@warwickshire.gov.uk</a>
Portfolio Holder	Cllr Izzi Seccombe Leader of the Council	<a href="mailto:isobelseccombe@warwickshire.gov.uk">isobelseccombe@warwickshire.gov.uk</a>

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

Local Member(s): None.

Other members: None.