

8 March 2023

Report of	Deputy Chief Executive	Author	Lindsay Barker
Title	Devolution and Proposals for North Essex Authorities		
Wards affected	All Wards		

1. Executive Summary

- 1.1 This report sets out the latest position in relation to the devolution discussions that leaders have been having in Greater Essex on preparing for a possible devolution bid to government.
- 1.2 It recommends proposals for North Essex Authorities (NEA) to work more closely together following the approach as set out in the draft Memorandum of Understanding.

2. Recommended Decision

- 2.1 Cabinet is not being requested to take a final position or decision on devolution.
- 2.2 Cabinet is requested to note this report.
- 2.3 Cabinet is requested to agree to progress the current work taking place to the next stage.
- 2.4 To progress the work to the next stage, Cabinet is asked to agree:

A. That the Chief Executives be commissioned to draft an ambitious devolution pitch to Government – this should rule out a Level 1 devolution deal but explore the options and benefits around a Level 2 and Level 3 devolution deal, noting that the most extensive powers and new investment are only available at Level 3 as set out in appendix A, p17/25.

B. That leaders meet to review the pitch document and agree the level of deal to pursue.

C. That at that meeting, leaders confirm the timing for submitting our proposals to open dialogue with Government.

D. That the high level approach to engagement set out on pages 13/21-14/22 is correct.

E. That a standard factual briefing should be issued to MPs following this discussion, following up the briefing issued earlier in the year.

F. That a letter to the DLUHC SoS should be sent following this meeting from Cllr Neil Stock, leader of Tendring District Council, and upper tier leaders (on behalf of all leaders), setting out the basis of the Greater Essex leaders' collaboration, the work done to date, and next steps.

3. Reason for Recommended Decision

- 3.1 In England, devolution is the transfer of powers and funding from national to Local government.
- 3.2 It is important because it would ensure that decisions would be made closer to the local people, communities and businesses they affect.
- 3.3 A key purpose of devolution is economic growth, jobs growth and skills development.
- 3.4 It would also enable efficient use of increasingly scarce resources across local authorities in Essex.
- 3.5 Devolution investment would also enable Colchester and its partners to compete effectively with devolution arrangements elsewhere in the UK.

4. Alternative Options

- 4.1 There are no alternative options.

5. Background Information

- 5.1 On the 11 May 2022 the Levelling Up and Regeneration Bill had its first reading in Parliament. The Bill provides the legislation necessary for some of the ambitions set out in the Levelling Up White Paper.
- 5.2 A core element of the White Paper and Bill is the creation of a framework to support the greater devolution of powers from central government – supporting the commitment 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’.
- 5.3 In June 2022 Essex Leaders and Chief Executives Group (ELCE) agreed an approach to exploring the potential for a devolution deal within the terms set out in the Devolution and Levelling Up White Paper.
- 5.4 It was agreed to establish three Greater Essex devolution working groups to consider options and opportunities offered by the new framework and, based on the principle that ‘form follows function’ to consider what “the size of the prize” could be in terms of improving outcomes for our residents ahead of any discussion on governance.
- 5.5 Workstreams have been led by the Leaders of Essex, Southend and Thurrock Councils and supported by CEOs from other authorities. Leaders and CEOs from across Greater Essex have participated in the workstream meetings. The workstreams have met twice.
- 5.6 The leader of Tendring District Council has led on the approach to communication and engagement throughout this process.

5.7 Principles for a Devolution Deal

Any devolution deal will need to comply with the four principles that the government set out in the White Paper. They are:

- i. *Effective Leadership* – powers will be devolved to areas that have ‘the necessary structures and leadership for clear, strong local decision-making’ (White Paper p.137). In practice this means some form of Combined County Authority and, for the highest levels of devolution deal (Level 3), a directly elected mayor.
- ii. *Appropriate geography* – devolution deals should be based on geographies that cover functional economic areas; are ‘locally recognisable’ in terms of identity, place and community; and cover at least a whole county council area. Scale is also an important factor and new deals will need to support a population of at least 500,000.
- iii. *Flexibility* – the framework set out in the White Paper is not supposed to be prescriptive. The government expects deals to be tailored to the needs of local areas and to be built on and extended over time.
- iv. *Appropriate accountability* – local leaders and institutions must be transparent and accountable; work closely with local businesses; seek the best value for taxpayers’ money; and maintain strong ethical standards.

These themes, and what they could mean to the group of North Essex Councils, have been set out in appendix A: Greater Essex Devolution: Report to Essex Leaders and Chief Executives.

There are three levels of devolution possible with benefits rising incrementally at each level.

5.8 Memorandum of Understanding (MoU)

Leaders of the nine local authorities covering North Essex (Tendring, Colchester, Braintree, Maldon, Chelmsford, Uttlesford, Harlow, Epping Forest and Essex County Council) have met to discuss ways in which we might work closer together in the future.

A draft MoU from these local authorities, collectively the Association of North Essex Local Authorities (NEA) has been drawn up and a copy is attached to this report (appendix B).

The MoU has been unanimously agreed by the Chief Executives of the nine North Essex Councils.

6. Equality, Diversity and Human Rights implications

- 6.1 Devolution is not Local Government reform. District, Borough and City Councils’ sovereignty is retained in any model.
- 6.2 Any devolution deal must bring additional funding and powers into the Greater Essex system for the benefit of residents and businesses.
- 6.2 An Equality Impact Assessment will be prepared before a deal is agreed if one is reached..

7. Standard References

- 7.1 There are no particular references to the Strategic Plan; publicity considerations or community safety implications.

8. Consultation

- 8.1 An outline approach to engagement and consultation is set out in in appendix A: Greater Essex Devolution: Report to Essex Leaders and Chief Executives, p13/21.
- 8.2 A draft devolution deal will be negotiated, will be taken to all nine Councils for agreement in principle and that draft will precipitate public consultation which is anticipated to take place between November 2023 and February 2024.
- 8.3 The results of the public consultation will be submitted to the Secretary of State and constituent Councils will need to consider the deal in the light of the consultation responses and take a decision as to whether to proceed.

9. Publicity Considerations

- 9.1 There are no publicity considerations at this stage.

10. Financial implications

- 10.1 A devolution deal will unlock new monies for Greater Essex as well as provide the opportunity to influence spending within Greater Essex more directly.
- 10.2 The main source of additional funding will be the gainshare deal which is only available at the Level 3 devolution option.
- 10.3 The gainshare range that has been negotiated into deals to date would see the Greater Essex window as being between £0.6 - £1.9bn.

11. Health, Wellbeing and Community Safety Implications

- 11.1 Because of their work on the wider determinants of health, the Chairs/CEOs of the Integrated Health Partnerships have been engaged to explore ways in which a devolution deal could deliver better long-term health outcomes for residents.

12. Health and Safety Implications

- 12.1 There are no health and safety implications.

13. Risk Management Implications

- 13.1 There are no risk management implications at this stage.

14. Environmental and Sustainability Implications

- 14.1 There are no environmental and sustainability implications at this stage.

Appendices

Appendix A Greater Essex Devolution: Report to Essex Leaders and Chief Executives.

Appendix B Association of North Essex Local Authorities Memorandum of Understanding.