

Dorset Council

12 October 2023

Devolution Deal for Dorset

For Decision

Portfolio Holder: Cllr S Gibson, Economic Growth and Levelling Up

Local Councillor(s): All

Executive Director: J Sellgren, Executive Director of Place

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Report Status: Public

Brief Summary: On 25 July 2023 Dorset Council's Cabinet considered a report on a Devolution Deal for Dorset. This report seeks to build on the Cabinet report and identify those matters relating to a Devolution Deal for Dorset which are pertinent to the Constitutional role of Council specifically with regard to the strategic policy objectives for the Council as set out in the adopted Council Plan 2022-2024 and the governance considerations.

Recommendation: That the Council confirms its approval to add the pursuit of a Devolution Deal for Dorset to all of the sections of the approved Council Plan

- Protecting our natural environment, climate, and ecology
- Creating stronger, healthier communities
- Creating sustainable development and housing
- Driving economic prosperity
- Becoming a more responsive, customer focused council

That the Council gives its support for the work which the Leader has progressed following the resolution made by the Cabinet on 25 July to secure a Devolution Deal for Dorset.

Reason for Recommendation:

In preparing the approved Council Plan it was considered at that time that a Devolution Deal would contribute to the “Driving economic prosperity” objective. Given the work which is being progressed to seek a Devolution Deal for Dorset as most recently expressed in the Cabinet report of 25 July, it is evident that a Devolution Deal would have the potential to play a more wide-ranging contribution and therefore this ambition should be expressed in the Council Plan. As the Council Plan is a document approved by Council it is important that Council is aware of, and gives it approval for, the addition of devolution to the full range of objectives described in the Council Plan.

Further, the delivery plan which sets the specific actions in pursuit of the Council Plan objectives refers to working with BCP Council on a Devolution Deal for Dorset. However, given more recent policy announcements by Government it is evident that deals based on large geographical footprints may be considered more favourably. For this reason and because Dorset Council has a population of less than 500,000, it is considered prudent at this early stage for Dorset Council to engage in informal discussions with all other councils within the immediate vicinity not already in a Devolution Deal negotiation.

At the Cabinet meeting on 25 July the Leader spoke about discussions he has been having with other councils about progressing a Devolution Deal for Dorset. Whilst the Leader has Cabinet approval for this work his ability to progress discussions which could be beneficial for Dorset Council would be strengthened by the support of the Council

1. Report

Dorset Council’s Council Plan identifies an ambition to seek a County Deal for Dorset in partnership with BCP Council. The specific aspiration being defined in the Council Plan as:

work with Bournemouth, Christchurch & Poole (BCP) Council and Dorset Local Enterprise Partnership (LEP) to bid for a County Deal agreement with the government which will enhance and drive economic development, the skills agenda, and attract additional government funding.

- 1.1 The report considered by Cabinet in July 2023 is the working through of the practicalities of seeking to progress such a County Deal under the prevailing Government policy on this matter.
- 1.2 In considering the July report, Cabinet noted that, based on current timetable, it was unlikely that a Devolution Deal of which Dorset Council was a part could be finalised before the next General Election. This being the case Cabinet specifically recognised that the preparatory work which was resolved to be taken forward would be working towards a Devolution Deal in the life of a future Parliament. It is recognised and accepted that Devolution Deals take a considerable period of time to develop and progress and it was for this reason that it was resolved that the Leader would write to the Secretary of State for Levelling Up, Housing and Communities to express an interest in seeking a Devolution Deal but on a timescale yet to be determined.
- 1.3 In July 2023 Cabinet specifically resolved to take forward discussions with a number of other local authorities given that under the current requirements Dorset Council does not have a sufficient population to seek a Devolution Deal on its own. The current threshold being a minimum population size of 500,000. However, it is understood that Government is attracted by size and scale based on earlier and currently negotiating devolution deals.
- 1.4 At the Cabinet meeting in July the Leader stated that at the LGA Annual Conference earlier that month he had spoken to the Leaders of number of other councils about the potential for joint working on devolution. These discussions have continued, and officers have advised that as the prevailing policy does not permit Dorset Council to progress a Devolution Deal on its own due to its population size, that it is therefore prudent to explore partnership with other councils. Indeed, it is the case that a number of Devolution Deals currently being negotiated with Government are on multi-authority basis. At this stage discussions between Dorset Council and other authorities are informal in nature and therefore the Leader is seeking the support of the Council to progress this work which is considered to be in the best interests of Dorset Council.
- 1.5 When the Dorset Council Plan and Delivery Plan were prepared a Devolution Deal was seen as something which would contribute towards the economic prosperity of Dorset and reference to it was only in the 'Driving Economic Prosperity' section of the document. The work which has been undertaken by officers subsequently has identified that a

Devolution Deal has the potential to make a more significant and wide-ranging contribution to Dorset Council's ambitions.

- 1.6 Given that the Council Plan is a document which is a policy statement of the Council it is considered that the wider potential of a Devolution Deal to support the objectives of the Council Plan needs to be considered by the Council as a body.
- 1.7 The objective of this report is therefore to clarify the contribution which a Devolution Deal could have for Dorset Council and the objectives in its Council Plan and secondly to confirm the potential governance implications of progressing a Devolution Deal in terms of the requirements set by Government at least in as far as current policy parameters dictate.
- 1.8 This report therefore draws from the July Cabinet report and specifically in those matters which relate to relevant considerations of the Council.

1.9 A Devolution Deal for Dorset

- 1.10 A Devolution Deal for Dorset Council has the potential to contribute across the range of priorities set out in the Council Plan
 - Protecting our natural environment, climate, and ecology
 - Creating stronger, healthier communities
 - Creating sustainable development and housing
 - Driving economic prosperity
 - Becoming a more responsive, customer focused council
- 1.11 In the current version of the Council Plan a Devolution Deal is identified only as supporting the objective to drive economic prosperity including skills. As indicated in the July Cabinet report a Deal for Dorset should also reflect and seek to drive forward the Council's Climate and Ecological Sustainability Strategy. Many of the Deals currently in discussion with Government contain objectives to improve environmental sustainability.
- 1.12 Further, and again as indicated in the Cabinet report, a Deal would assist in delivering the council's objective to create sustainable development and housing. Housing forms a key part of many existing Deals and in those currently in negotiation. A Devolution Deal could provide much needed additional funding to promote the development of housing and advance the aspiration set out in the council plan and detailed in the Housing Strategy which was approved by Cabinet in September this year.

- 1.13 Whilst health priorities have not featured widely in Devolution Deals agreed thus far, given the demography of Dorset it would be prudent to at least consider whether a Devolution Deal could provide a means to advance the council's aspirations to create stronger and healthier communities.
- 1.14 There continues to be an expectation by Government that public sector reform will continue to form part of devolutionary proposals. Whilst Dorset has already moved to a structure of unitary local government there is scope under a deal to improve public service responsiveness particularly in ensuring alignment of key local service priorities and that these respond to the needs of the local community. A Devolution Deal therefore has the potential to further develop the council's aspiration to be a more responsive, customer focused council.
- 1.15 It should be noted therefore that a Devolution Deal has the potential to assist in the delivery of a wide range of the council's priorities as set out in the Council Plan. As the Council Plan is a strategy approved by Council it is important that the Council is aware of and endorses the work which Cabinet has agreed to take forward to seek a Devolution Deal for Dorset.

1.16 The governance of Devolution Deals

- 1.17 In creating a unitary structure of local government from 1 April 2019, Dorset has already made a considerable move towards that joining up of public services. This contrasts very strongly and positively with those areas which are currently negotiating 'county Devolution Deals' based on the two-tier structure of local government. As the requirements stand the administrative area of Dorset Council alone does not have a sufficient population to meet the government population threshold requirement. In creating the new unitary council in 2019 a decision was taken to adopt the Leader and Cabinet model of local government for the new unitary Dorset Council.
- 1.18 The devolution framework is explicit in linking the extent of devolved powers and investment to the level of governance proposed by local areas, see Appendix 1. If an elected Mayor is not the preferred route, Dorset and a suitable partner(s) might consider an innovative 'front-runner' model which builds on the Local Government Reorganisation process and the unitary status of authorities who might partner with Dorset in a Devolution Deal.

1.19 The form and character of Devolution Deals

- 1.20 Devolution Deals are a part of the Government's Levelling Up agenda (as set out in the 2022 Levelling Up White Paper). The stated objective of Devolution Deals is "to spread opportunity equally across the UK" through greater devolution of powers and funding. The Government set a policy objective that by 2030, every part of England that wants a devolution deal, will have such a deal offering powers and funding over issues such as transport, skills and economic support. Within the White Paper there is also a strong emphasis on the importance of high profile, directly elected local leadership.
- 1.21 The Government's Devolution Framework is set out in Appendix 1 of this report. It describes 3 'levels' of local democratic organisation, with an escalating set of powers/investment expectation. From a 'level 1' scenario of local authorities working together under a loose but formalised arrangement for limited devolved power/investment through to a level 3 single institution with a directly elected mayor which brings with it the highest level of devolution and investment. In all of the models the sovereign powers of the local authorities who partner are not diminished.
- 1.22 It is accepted that following a General Election a new Government may revisit the policy regarding Devolution and Devolution Deals. However, it is generally acknowledged by those working in this field that devolution is a well-established concept in England and is highly likely to feature as a policy direction for any future Government although it is recognised that the detailed provisions could be modified.
- 1.23 Given that a number of Devolution Deals have been agreed and others are in the process of being formulated it is likely that these provide a degree of precedent for any devolution deals which may follow in the future. The devolution deals which have been created thus far typically have the following components:
- A long-term investment fund.
 - Devolution of the adult education budget.
 - An enhanced role in designing local employment programmes.
 - Increased powers over transport and bus franchising.
 - A greater role in business support and economic development, taking over the functions of Local Enterprise Partnerships.
 - Housing and planning functions, including compulsory purchase powers, the ability to establish development corporations, and the power to create a spatial strategy for the area.
 - Energy, environment and climate related areas.

2. Financial Implications

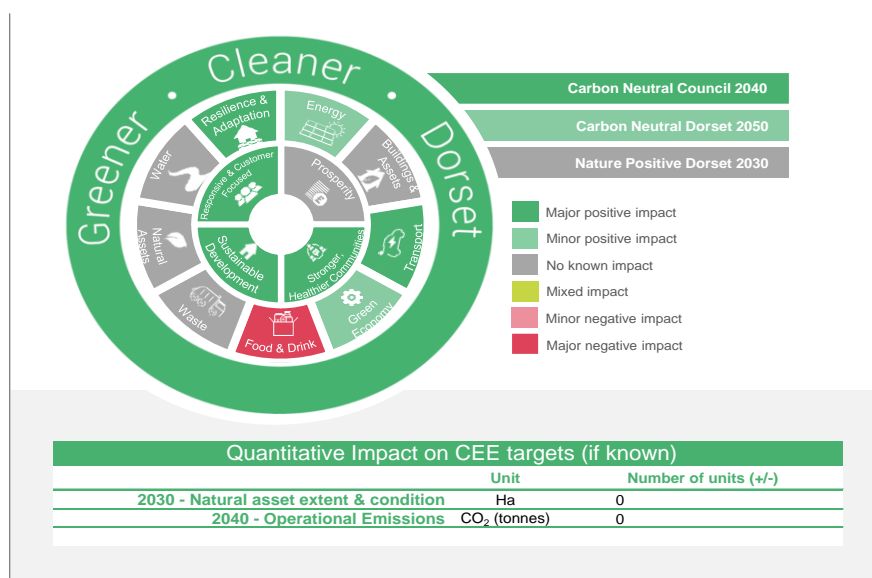
2.1 Existing Devolution Deals have included an investment fund. These have a value ranging from £15m to £38m per annum. By way of equivalent comparison, the Cornwall Deal has an annual investment fund of £12m, the Suffolk Deal £16m and the Norfolk one of £20m per annum. It should be noted that these have been subject to the required governance being in place.

There are no direct financial implications arising from this report. All the work described is capable of being delivered using officer time within existing committed resources.

3. Natural Environment, Climate & Ecology Implications

3.1 As indicated in the report, there is scope for a Devolution Deal for Dorset to support and accelerate the council's aspirations in respect of climate and environmental sustainability as set out in the Council Plan and detailed in the council's Making it Happen action plan.

3.2 There is a strong precedent for environmental and climate considerations to be built into these deals, especially given that there are often strong economic and social outcomes from the transition to a low carbon economy.



4. Well-being and Health Implications

- 4.1 As indicated in the report, there is scope for a Devolution Deal for Dorset to support the council's aspirations in respect of promoting health and well-being of the community in line with the Council Plan and Health and Wellbeing Strategy.

5. Other Implications

- 5.1 As indicated in the report, there is scope for a Devolution Deal for Dorset to support the council's aspirations in respect of promoting economic growth in Dorset in line with the Council Plan and Health and the Economic Development Strategy.

6. Risk Assessment

HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

7. Equalities Impact Assessment

As the report is concerned with the principle of progressing a Devolution Deal for Dorset an EqIA is not considered necessary at this stage. However, if this work progresses it is likely an EqIA will be required to consider the impact on national/local protected characteristics.

8. Appendices

Appendix 1

The Government's Devolution Framework

9. Background Papers

No background papers.