

Title of report: Devolution update - options for Herefordshire

Meeting: Scrutiny Management Board

Meeting date: Monday 28 October 2024

Report by: The Chief Executive

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To provide the Scrutiny Management Board with an update on the latest position on the devolution options being considered by Government.

To highlight Herefordshire Council's response to the expression of interest regarding the devolution options being considered by Government.

Recommendation(s)

That:

- a) **The committee notes this report.**

Alternative options

1. There are no alternative options. It is within the remit of the Scrutiny Management Board to undertake a scrutiny role in relation to areas which are cross cutting in nature. Devolution is likely, in the near future, to have a material impact on Council policy and strategies.

Key considerations

1. In July, the Deputy Prime Minister wrote to all Council Leaders and Chief Executives who do not have a devolution deal in place to invite them to partner with the Government to deliver a new programme of devolution in England.
2. Devolution is an evolving flagship policy area for Government. The latest position was set out on 21 September, 2024 where it was announced that it is prioritising four areas for new arrangements and agreements for regional mayors. The stated objectives of Government are to widen and deepen devolution to drive economic growth through devolved powers over transport, skills, housing, planning and employment support and integrated funding settlements.
3. Importantly, devolution is not about forcing Local Authorities to merge or to work together if they do not wish to do so. Councils that do choose to formally work together can form new administrative areas known as combined authorities. Devolution is about transferring of powers and funding from national to local government in those areas. Councils choosing to do this often do so on the basis that shared objectives, for improvements to infrastructure, economic growth, for example, can be more ambitious and mutually beneficial than would otherwise be the case.
4. The three levels set out in the devolution framework are:
 - a. Level 3 – a single institution or County Council with a directly elected mayor (DEM), across a functional economic area (FEA) or whole county area;
 - b. Level 2 – A single institution or County Council without a DEM, across a FEA or whole county area; and
 - c. Level 1 – Local authorities working together across a FEA or whole county area e.g. through a joint committee.
5. An initial expression of interest questionnaire has been sent to all English upper tier authorities seeking their views in two key areas. Herefordshire's position was informed by discussions with group leaders on the proposals from government, limited as they are at the current time, as follows.

Q1: Preferred geography (upper-tier local authorities in the area)

Herefordshire Council's Response: *Our preference is devolution at a single county level. However, we are open to explore what it means for Herefordshire to work with our neighbours, subject to further information and details about a devolution framework that defines the powers and flexibilities available to areas entering into such agreements and future timescales, and*

Q2: Initial preference on mayoral / non-mayoral devolution

Herefordshire Council's Response: *Non-Mayoral Devolution*

What is happening in other areas?

6. There are new agreements will give local leaders the power to make decisions in matters relating to transport, adult education, housing, and economic growth within their devolved

geographies mayoral elections in Greater Lincolnshire and Hull & East Yorkshire from May 2025.

7. For Devon & Torbay and Lancashire, combined county authorities will be established, in an anticipated timeframe of early 2025. Devolved powers will include responsibility for adult education^[1]; however, the Government is encouraging local leaders to deepen their devolution options to also include establishing mayoral arrangements.
8. Each of these devolution deals will be subject to parliamentary approval and local consent. The stated intention being to create devolution deals giving local leaders more powers to roll out local growth plans.
9. The government is also minded to progress with the four non-mayoral 'Level 2' Single Local Authority devolution agreements with Cornwall Council, Buckinghamshire Council, Warwickshire County Council, and Surrey County Council, subject to further statutory tests being met^[2]. The government is also encouraging these areas to continue working to explore the next steps towards deeper and wider devolution.
10. The government will therefore not proceed with the mayoral deals with Norfolk County Council and Suffolk County Council agreed with the previous government in December 2022 and instead intends to continue discussions over devolution in line with the emerging devolution framework.
11. As a general principle – the Council has adopted a position that devolution has the potential to ensure Herefordshire benefits from any additional Government funding that may be available. We are keen to explore what new powers may be devolved to drive economic growth in the City and the market towns across the County and build more affordable homes.
12. To put this into the context of devolution, we would want to look to those areas that would help Herefordshire achieve our ambitions for the county whilst also looking for opportunities to strengthen the economy and skills, across the whole region. When thinking about any devolution deal opportunity we must act positively and progress all the options to ensure that Herefordshire isn't left behind or is the subject of an arranged fit/deal by the Government.
13. Our starting position is that any devolution deal must strengthen the council's focus on 'Delivering the best for Herefordshire in everything we do' - through our stated Council Plan objectives:
 - **People** - We will enable residents to realise their potential, to be healthy and benefit from communities that help people to feel safe and supported
 - **Place** - We will protect and enhance our environment and ensure that Herefordshire remains a great place to live. We will support the right housing in the right place and do everything we can to improve the health of our rivers
 - **Growth** - We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development along with providing the right infrastructure
 - **Transformation** - We will be an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money

^[1] The government will devolve non-apprenticeship adult skills functions and grant funding to eligible institutions. This is subject to the implementation of the trailblazer deals in GMCA and WMCA and the institution satisfying readiness criteria.

^[2] The Secretary of State must be satisfied that the establishment of a combined authority is likely to "improve the exercise of statutory functions" in the area in question. An existing combined authority may be changed into a mayoral combined authority via a further Order made by the Secretary of State.

14. We are well placed to engage with others and set the framework for a devolution deal, as well as having very clear ambitions to deliver the infrastructure needed. For example:

- **Roads** – The New Road Strategy, adopted by our Cabinet earlier this year, sets out the need for a Growth Corridor for the County, that will open up the land needed to deliver essential new housing and employment land.
- **Rail** – With Government funding, we are delivering a new Transport Hub in Hereford, that will become the gateway for everyone visiting the City by rail, with connectivity to Bus and Active Travel measures. In addition, the Council has set aside funding to develop the Business Case for a new station at Pontrilas (The Golden Valley Parkway) which is an essential new station between Hereford and Abergavenny.
- **Rivers** – You will be well aware of the challenges we have faced due to the level of Phosphates in our rivers which has held back essential development in the north of the county. We have worked with partners across the region, and the Council has delivered the ground-breaking Luston Wetlands. This has freed up several hundred new homes through the Phosphates Credit system, whilst improving the quality of the water in our rivers and protecting the natural environment.

15. Any new devolution deals will be subject to parliamentary approval and local consent. The stated intention being to create devolution deals giving local leaders more powers to roll out local growth plans.

16. A White Paper is expected (timetable to be confirmed) setting out a new Devolution framework that defines precisely the powers and flexibilities available to areas entering into an agreement. These will be put into legislation via the English Devolution Bill which is expected to be introduced in the first session of Parliament. The current indicative timeframe is as follows:

- a. Expressions of Interest to be submitted by end of September – **completed**.
- b. Further details on the new devolution framework will be set out in the White Paper - **awaited**
- c. Proposal submitted to Government – Summer 2025
- d. Consultation of proposal – Autumn / Winter 2025
- e. Government approval of Deal – Spring 2026

Community impact

17. The Government is seeking to widen and deepen devolved powers to drive economic growth, address transport infrastructure, skills, housing, planning and employment support through integrated funding settlements.

18. As a Local Authority with a clear focus on delivering the best outcome for our residents, we have recently adopted a new Council Plan, with the overarching vision of '*Delivering the best for Herefordshire in everything we do*'.

19. It is the intention of the Council to adopt a negotiating position with Government which underpinned by the objectives set out in the Council Plan – 2024 to 2028. These are:

- I. **People** - We will enable residents to realise their potential, to be healthy and to be part of great communities who support each other. We want all children to have the best start in life.
- II. **Place** - we will protect and enhance our environment and ensure that Herefordshire is a great place to live. We will support the right housing in the right place, we will support access to green spaces and we will do everything we can to recover the health of our rivers.
- III. **Growth** - We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development along with providing the right infrastructure, and
- IV. **Transformation** - We will be an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money.

Environmental Impact

20. There are no specific environmental impacts as a result of this briefing paper. Environmental impacts will be given through investigation and consideration as, and when, more details on the devolutions deals becomes clearer .

Equality duty

21. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
22. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have low impact for equality.
23. Due to the potential impact of this decision being low, a full Equality Impact Assessment is not required

Resource implications

24. There are no direct resource implications resulting from this report. Resource implications will be considered in greater detail as, and when, more details of the devolution options for Herefordshire come forward.

Legal implications

25. There are no legal implications resulting from this briefing paper.

Risk management

26. There are no direct risks to manage resulting from this report. Risk will be considered in greater detail as, and when, more details of the devolution options for Herefordshire come forward.

Consultees

Consultation was undertaken with all of the Council's Political Group Leaders

Appendices

Appendix 1: DISCUSSION PAPER: Devolution update and options for Herefordshire

Background papers

See: [Four devolution agreements signed off and others progressing - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Report Reviewers Used for appraising this report:

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