

Hampshire and Isle of Wight Devolution

The story so far....

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parish briefing

What is devolution?

Devolution is the redistribution of power and funding from national to local government.

The main focus of devolution is to enable local authorities, local people and local businesses to have more influence over how things are done. This will enable local priorities to be targeted, making the area an even better place to live and work.

Why are Hampshire and the Isle of Wight (HIOW) seeking a devolution deal?

This is a unique opportunity for the area to secure new funding and decision-making powers from Whitehall and enable important decisions to be made locally.

A 'combined authority', which is the legal term for local authorities working together, would have greater control over important decisions that affect the interests and wellbeing of residents and businesses in the area.

The combined authority would complement the local government arrangements already in place but enable collective decision-making on issues affecting the wider Hampshire and Isle of Wight combined area.

Who is involved in the bid?

The bid submitted in September 2015 involves Hampshire's 11 district councils, which are: Basingstoke and Deane, East Hampshire, Eastleigh, Fareham, Gosport, Hart, Havant, New Forest, Rushmoor, Test Valley and Winchester – together with Hampshire County Council, Portsmouth and Southampton City Councils and the Isle of Wight Council.

The 15 local authorities have joined with the two Local Enterprise Partnerships – Enterprise M3 LEP and Solent LEP – and the South Downs and New Forest National Park Authorities to progress the bid.

The bid also has the support of the Hampshire and Isle of Wight Fire and Rescue Services, Hampshire Constabulary and the Police and Crime Commissioner – all of whom are signatories to the



HIOW Prospectus for Devolution and keen to pursue negotiations with central government. The partnership is also working with health partners, including the area's eight Clinical Commissioning Groups.

The bid is also attracting support from local MPs, and there is also engagement, which will increase, with the wider 'public service family' – of which town and parish councils are key – providing a valuable role in being the closest link to local residents, and thereby providing crucial information on the needs of their local communities.

What has happened so far?

A considerable amount of work has taken place over the last few months. HIOW submitted a prospectus to government in time to meet its deadline of 4th September 2015. Negotiations are now taking place with central government and local partners.

It is expected that the bid will be considered as part of the government's spending review on 25th November, and we are expecting an announcement about a deal for Hampshire and the Isle of Wight in December.

What are the key advantages of devolution?

Devolution could present huge advantages leading to:

- Much needed homes being built
- Improved transport connections
- Improved broadband
- Better mobile connectivity

- Greater support for our businesses and a more highly-skilled workforce
- Better wages
- Ultimately better learning and employment opportunities

What does the HIOW bid include?

It focuses on the following main themes:

- Boosting business and skills for work;
- Accelerating housing delivery;
- Investing in infrastructure;
- Transforming local public services;
- 'Deeper devolution'

A brief outline of what each of these delivers is outlined below.

Boosting business and skills for work:

Devolution would enable the area to improve connectivity and address skills shortages – which are currently holding back the area's growth sectors. Key outcomes of devolution could include:

- Greater leverage over national funding – to consolidate and tailor business support services to meet the area's needs
- The retention of the area's global competitiveness and increased gross value added year on year
- More opportunities for university and private sector-based initiatives to drive growth
- Higher returns to the Exchequer and more secure high-value job opportunities for local residents
- Investment in career and enterprise services which inspire young people into work
- Ensuring that businesses, particularly in rural areas, have improved access to superfast broadband

Accelerating housing delivery: The bid outlines how a HIOW investment fund, backed by central government, could be created, enabling:

- Delivery of low-cost starter homes
- More affordable rural houses
- Faster delivery of the 76,000 homes already agreed in local plans across the area (any homes built in addition to this figure would be within specifically needed categories e.g. affordable homes for local people)

Investing in infrastructure: By securing greater influence over the area's share of national spending, including a longer term commitment to infrastructure funding, HIOW would be able to:

- Ensure that new housing development comes with necessary infrastructure such as roads and drainage
- Target more investment to the areas which need it
- Provide greater efficiency, coordination and integration of road, rail and ferry services
- Use digital information more innovatively – e.g. smart and multi-modal ticketing to improve travel for residents and visitors (this is where journey details are stored/updated electronically rather than traditional paper tickets being issued and where one ticket can cover multiple journeys on different transport modes)
- Secure government support for more investment in strategic transport e.g. better links to the area's ports and nearby airports – vital for businesses to access global markets

Transforming local public services:

By developing wider collaboration and developing a 'whole-place' approach to property and asset management, devolution could enable:

- Improved service delivery
- Efficiencies to be maximised– e.g. through shared premises
- Greater flexibility to design new models of health and care – which are resilient to budget and demographic pressures – and able to deliver improved health and wellbeing outcomes for residents
- Innovative funding mechanisms which would increase our self-sufficiency and help secure future public service delivery across the area
- A new public transport executive to be established which would improve public transport across the area in both urban and rural settlements

Deeper devolution: This is all about taking devolution to the next level – e.g. to the community level. Devolution could enable:

- More decisions to be taken closer to communities and service users
- Increase local engagement in the co-design and production of services,
- Deepen the benefits of devolution, making sure they are felt locally as well as across the whole area

What about business rates?

The Chancellor has said that councils will be able to retain millions of pounds worth of business rates which are currently collected by councils, handed over to central government and redistributed to other areas of need in the country. More detail about how this will work is awaited.

Are there any drawbacks to retaining business rates locally?

The HIOW deal offers a chance to retain 100% of business rates but this will have to be in exchange for finance that comes to councils via grants and incentives from the government. Relying more on income from businesses does mean a big emphasis on the economy doing well and on growing our business base. However, there are benefits in bringing public services and business closer together, and the Hampshire and Isle of Wight partners believe that retaining business rates may be less risky than relying on government funding.

Will rural areas benefit?

Yes – rural issues are high on the local political agenda. Devolution could enable the area to provide more affordable housing for rural areas, better support to rural businesses, improve connectivity, improve access to skills and training and ultimately create improved employment opportunities.

Will councils lose roles/responsibilities or decision-making powers to a combined authority?

No. Councils will not lose any of their current rights/powers– the combined authority will only exercise the new powers that are transferred from the government.

It's too early to say exactly what shape the new arrangements will take, but the aim will always be to focus on the best outcomes for communities, residents and businesses.

Will local people have a say about the proposed new arrangements?

Yes. A full governance review will need to be undertaken to consider the most efficient model to manage any newly devolved powers from central government to the combined area. This will be subject to a full public consultation which is likely to take place next spring.

More information:

For more information please find a link to the prospectus here:

<http://documents.hants.gov.uk/corporate/HIOWDevolutionProspectus-October2015.pdf>

If you would like to be involved in shaping how devolved powers can boost economic growth and skills across Hampshire and the Isle of Wight, then please contact the HIOW Devolution Programme Office: HIOW@hants.gov.uk

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