



Our ref: CP/jb

8th September 2016

David Williams
Chief Executive
Portsmouth City Council
Civic Offices
PORTSMOUTH PO1 2AL

Dear David

SOLENT DEVOLUTION DEAL

We note that you are currently consulting on plans to create a Solent Combined Authority which would help deliver the ambitious draft Devolution Deal for the Solent area. As a major employer based in Portsmouth we fully support the aims and objectives of the devolution deal to enhance productivity and growth in the Solent area and also the creation of the Solent Combined Authority to help deliver the deal.

We feel that we can play an important part in this agenda but we are also aware of some of the major challenges that this area faces including relatively poor rail journey times to London, a need for major investment in infrastructure to help improve access and the services that our customers and employees need, and the need to make sure that our education and skills system is focused on the needs of local employers.

We hope that you are successful in your plans and we would be grateful if you could keep us informed of progress.

Yours sincerely

Colin Paynter
Managing Director
Airbus Defence & Space Ltd.
Anchorage Road
Portsmouth, Hampshire, PO3 5PU
Tel: 023 92 70 8500
Email: colin.paynter@airbus.com

BAE SYSTEMS
INSPIRED WORK

16 September 2016

BAE Systems, Maritime Services
Victory Building
The Parade
HM Naval Base Portsmouth
Hampshire
PO1 3LS

David Williams
Chief Executive
Portsmouth City Council
Civic Offices
PORTSMOUTH
PO1 2AL

Dear David

SOLENT DEVOLUTION DEAL

We note that you are currently consulting on plans to create a Solent Combined Authority that would aim to deliver an ambitious draft devolution deal for the Solent area.

As a major employer in the Solent region, BAE Systems support the aims and objectives of the devolution deal to enhance productivity and growth in the Solent area. We also support the creation of the Solent Combined Authority to help deliver the deal, providing that the public consultation currently underway clearly demonstrates that it has the support of the local community.

We are aware of the major challenges that the Solent region faces and the benefits this deal could bring, including investment in infrastructure to: improve rail journey times to London; address congestion in the Southampton / Portsmouth A27 corridor and into and out of Portsmouth; and ensuring that our education and skills system is focused on the needs of local employers.

We hope that you are successful in your plans and would be grateful if you could keep us informed of progress.

Yours sincerely,

James Davis
Director Naval Base Services

Mr. David Williams
Chief Executive
Portsmouth City Council
Civic Offices
PORTSMOUTH
PO1 2AL
UK

Roscoff, 02 September 2016

Dear David,

SOLENT DEVOLUTION DEAL

We are aware that you are currently in consultation on the plans to create a Solent Combined Authority with the aim to deliver a devolution deal for the Solent area. One of the key objectives of this plan is the investment in infrastructure, for the combined area.

As the operator of the continental ferry link from Portsmouth we fully support this objective.

Furthermore, we feel that infrastructure development of the Solent area is imperative to even attempt to maintain a relative position and viable alternative to Dover – Calais, which continues to receive huge infrastructure investment. We believe that this is vitally important for two reasons: for the country as a whole which needs more than one option for imports and exports on the Channel and secondly for the long term economic outlook of the Solent area.

Additionally, as a major employer in Portsmouth, the wider goals of this deal will benefit our employees and clients in the short term, as well as ensuring future generations of employees are equipped with the education and skills required to meet the future needs of local, national and international businesses that trade in the area.

We wish you success in your endeavours and would be grateful if you could keep us informed of progress.

Yours sincerely,

Christophe MATHIEU

Chief Executive Officer

Copy to: Mr John NAPTON

Brittany Ferries

Siège social :

Port du Blosson - CS 60 072 - 29688 Roscoff Cedex

Tél. : 02 98 29 28 00 - Fax : 02 98 29 27 00

www.brittanyferries.fr



8 July 2016

David Williams
Chief Executive
Portsmouth City Council
Civic Offices
Guildhall Square
Portsmouth
PO1 2BG

283 Empress Road
Southampton
Hampshire SO14 0JW
Tel: 023 8071 4800
Fax: 023 8071 4863

Also emailed to paddy.may@portsmouthcc.gov.uk

Dear Mr Williams

Governance Review for South Hampshire & the Isle of Wight

Thank you for your letter of 1 July setting out your proposals for a combined authority and Metro Mayor. Whilst we can see potential benefits for the sub region from such an approach, there are proposals contained in this letter which we do not see working to the advantage of those who live and work in the South Hampshire area. In particular, I believe that we can continue to work with the three authorities (as we have with Solent Transport and its predecessors) to develop, through partnership, a better local bus network than would be provided under a franchised regime.

We provide local bus services throughout the urban areas of Portsmouth, Southampton and the Gosport/Fareham peninsula, and many surrounding parts of South Hampshire. Our track record of working together with the local authorities to deliver high quality public transport schemes that benefit all those who live in, work in or visit the region is exemplary. In the last five years we have jointly delivered, with the local authorities:

- smartcard based multi operator and multi modal ticketing with the Solent Go card, which is now available both in a regional format and also specifically in the two principal cities.
- the A3 bus priority corridor in Portsmouth which has seen passenger volume increases of 13% in its first year and 8 % over the past 3 years;
- the Eclipse busway linking Fareham with Gosport largely on dedicated bus-only roads which has seen passenger volumes grow by over 45% in the first four years of the service; has won several bus industry awards and has seen shared profits reinvested in further infrastructure improvements to provide an even better service to the customer;
- audio-visual next stop announcement equipment on all buses in Hampshire, a first for the UK outside London;
- Free to use, customer WiFi across all buses in Hampshire, which has recently been upgraded to 4G connectivity to provide an even better level of service.
- multi operator quality partnerships with local authorities combining commitments by all local bus operators to improve services with infrastructure investment plans by the Local Authorities.

We have a local modern fleet of 279 vehicles with an average age of 6.35 years. Our investment in new vehicles in the past 4 years in Hampshire is nearly £21m with a 129 new vehicles purchased. All of this investment is from the private sector.

In the light of this performance, typical of the bus operators in the Solent area, we question the benefits of the proposed franchised regime. The free market continues to provide for the needs of the travellers in the region and is quick to adapt to changes in demand and land use. Moving from a system of competition within the market to one of competition for the market will have the following disadvantages:

- Stifling of initiative by lack of competition
- Inability to react rapidly to change in demand, land use etc
- Increased costs due to the need for a contractual relationship and monitoring by both parties
- Additional need for local authority personnel to plan public transport services
- Loss of private sector incentivisation for service development
- Consequent potentially increased cost to local population through fares and/or council tax/business rates
- Reputational and financial risks shouldered by local authority rather than private sector
- A complex, time consuming, expensive and as yet undefined process for bringing the new regime to fruition

However, the private sector is perfectly positioned to deliver the stated benefits from any contracted or franchised regime. The model established to deliver the Eclipse busway in Fareham and Gosport is scalable and can be easily translated into a multi-operator voluntary partnership agreement where the private and public sector each accepts its share of risk and reward. A profit sharing mechanism was, at the time of signature, a ground-breaking feature of the legally binding Eclipse partnership, which gives both partners the certainty and stability they require to enable future investment decisions to be justified and protected.

Let me now consider the various points made about transport in the consultation document. I do recognise the vital role played in the region's prosperity by the means of getting people to their places of employment. Indeed, this is one of our principal sources of income. I would say that this is complemented by the need to get people to education, leisure, health and wider societal elements of the local community and that is where a strong, commercially focussed and adaptable local bus service plays a vital role. The document assumes a future "franchised" local bus service but pays no heed to the other mechanisms available to achieve this goal - the success of the past thirty years of a market-oriented system being cast aside without consideration. The particular transport issues identified at paragraph 2.19 are all internal to the authorities or government focused and none exposes a weakness or inability in the role of the private sector to deliver what is required. In fact, I strongly support the intentions set out in paragraph 2.21 to strengthen the integration of transport into the overall decision making and funding processes.

Paragraph 2.22 refers to the lack of a rapid transit system for the area - but Eclipse was established as the first phase of just such a system, and I would be pleased to enter into discussions on how future phases can be best planned, funded and delivered.

In paragraph 2.24 the rationale for the franchised approach is set out with the benefits being identified as:

- "1. Full control over all ticketing arrangements for franchised services – including fares, ticket types, branding and marketing;
2. Some flexibility to operators to set some or all aspects of ticketing arrangements commercially;
3. Cross-boundary operators will have the right to participate in the ticketing scheme and could be compelled to do so."

It is noted below at paragraph 2.26 that the SolentGo ticketing scheme already meets most of these requirements and the presence of local authority members on the Board of that

organization gives the authorities considerable influence over the operation of the scheme. If there is indeed an imperative to bring cross boundary operators into its scope (and there is nothing preventing that today) then making a statutory ticketing scheme which mandates participation is something already available under the Transport Act 2000.

Paragraph 2.25 additionally states that "franchising activity will enable the creation of a more integrated network. The [Mayoral Combined Authority] would work in partnership with rail and ferry operators to secure their further involvement". It is not clear what could be done under such a regime that cannot be done under existing voluntary arrangements given that the scope to integrate rail and ferry is unchanged under the proposals set out in the government's Bus Services Bill.

Paragraph 2.26 refers to the "...SolentGo scheme which has already secured the involvement of bus and ferry operators. This will be extended to other transport modes with the MCA having the ability to set the pricing of Solent Go products." A statutory ticketing scheme, established under the Transport Act 2000, or an Advanced Ticketing Scheme as envisaged under the Bus Services Bill, cannot mandate the involvement of a rail operator – so there is little benefit that could be obtained.

However, I am particularly interested in paragraph 2.48 which refers to "a significant Transport Infrastructure deficit across the region which is a barrier to productivity growth. The £30m per annum would, in part, be used to fund (or co-fund with partners) those schemes that would unlock the greatest return." In fact, I can see even greater potential benefits being unlocked through successful partnership working as the flexibility and readiness to adjust the local bus network can enable it to act as the "glue" which binds together all the economic, social and societal elements of the authorities' aspirations, without the associated cost and risk to the authorities. The existing Solent Transport Board provides the ideal opportunity to build upon existing successes and meet these aspirations.

Of some concern is the lack of reference to the adverse effects of congestion and what measures might be taken to overcome this. Local buses have their part to play in this and the success of the Eclipse project has seen 20% of users choosing the service over the use of their own private car. Replicated across the Solent area this would have massive benefits for accessibility and the environment. It is not just the public transport offer that must improve to achieve such results. There is also a need not only to address the integration of the transportation and planning functions, and to tackle parking policy and road-space allocation at a local level. As a multi-national business First can bring an array of experience to help address these issues and partnership working using a collaborative approach which can foster greater sharing of information, expertise and trust.

The transport offer from the private sector is agnostic of the local authority governance regime adopted. A Mayoral Combined Authority is not required to take "control" of local bus services and not obliged to apply for powers to "franchise" operations under the terms of the Bus Services Bill. It would be simple to transfer the existing partnership arrangements to any such revised local authority governance regime. Paragraph 5.4 refers to the powers available to such an authority including "2 Discharging duties common to Integrated Transport Authorities including coordinating action to meet transport requirements, commissioning of subsidised bus services implementing and enforcing the statutory concessionary travel scheme, setting a transport levy for the sub-region if required, providing information to the public in relation to public transport." Again there is nothing here which could not be delivered by the private sector under a partnership arrangement.

I am therefore, surprised to see your devolution deal wishing to use the powers of bus franchising, when bus operators, including myself, have delivered a vast array of improvements to the local public transport network, and remain open to discussing further transport initiatives as mentioned above.

I would therefore, be grateful for a further meeting to discuss the way forward.

Yours sincerely

Marc Reddy
Managing Director
Hampshire, Dorset & Berkshire



**THE
OUTWARD
BOUND TRUST**



Dear Dawn

Response to Proposal to create Solent Combined Authority

Thank you for your e-mail of the 1st July, in which you enclose details of proposals for a Solent Combined Authority. These are the initial comments from the Go! Southampton business improvement district steering group, which is working towards establishing the largest BID in the region, from April 2017. As a Top 20 national retail centre, the centre of Southampton has an impact over the Solent area and challenges such as transport, skills and infrastructure will have Solent dimensions. Therefore Go! Southampton would look to contribute to this debate as it unfolds. In this respect Go! Southampton recognizes this is at an early stage of development and as further proposals emerge, we anticipate that there will be more opportunity to comment.

The central issue is to seek to create a momentum in the South that reflects the initiatives in the North of England through devolved arrangements. Fundamental to this approach is to focus such initiatives around Functional Economic Areas. In that way travel to work, travel to learn catchment areas and transport, housing and land use patterns reflect natural business and economic activity areas. These initiatives have been studied by the Centre for Cities and the Core Cities and they are now becoming a reality elsewhere.

In the South of England, the Solent area has the base structure of two overlapping City areas around Southampton and Portsmouth, which reach to surrounding areas including the Isle of Wight. This is a genuine Functional Economic Area, along the M27 corridor, with the critical mass of population and business infrastructure. It therefore would be a definite candidate for becoming a Combined Authority (CA).

The benefits of devolution are based on the ability to shape public spending in the Combined Authority Area to better reflect actual needs. This creates a basis for shaping investments to promote the local economy and recognizing local market conditions, without the constraints of present administrative boundaries. The areas being postulated to be included in the Solent CA are considered to be those necessary to make a difference in this way. However it is also recognized that this would be further enhanced if the five District areas could be involved in setting up a Solent CA. That being said, with the devolution of Business Rates anyway by 2020, the Solent CA area is a natural framework to ensure that this particular change is both effective and transparent to businesses in the Solent area.

Behind this lies the matter of Governance and the need to create meaningful arrangements. The four options put forward are those that are germane, but the first two would not be sufficient to bring that clarity of decision making that will be intrinsic to creating an effective Combined Authority. Indeed although an Economic Prosperity

Board would streamline decision making, the final option of an CA Mayoralty achieves that with greater transparency and creates a champion for the Solent area, who is directly accountable to the public.

In summary the Go! Southampton BID Steering Group:-

- 1) Welcomes the initiative to create a framework to allow devolution to the functional economic area that the Solent represents.
- 2) Concurs that Southampton, Portsmouth and the Isle of Wight are the natural cornerstones of a Solent Combined Authority. However we encourage the active participation of Eastleigh, Fareham, Havant, Gosport and East Hampshire, so that natural economic activity areas are fully reflected in the Combined Authority.
- 3) Supports the governance option for a Combined Authority Mayoralty. However we would look for an inclusive approach, particularly with businesses and business organizations, to ensure that economic growth is the foundation of the Combined Authority.

Finally we would just make two additional points:-

- 1) The involvement of the Solent LEP is both noted and welcomed. We would hope that the work of the LEP will be recognized and continued as the Combined Authority is established
- 2) The relationship between the three unitary authorities the five district councils needs to remain cooperative and in so saying the need for comparable electoral cycles with those of the Combined Authority mayoralty, need to be considered.

On behalf of Go! Southampton, thank you again for the chance to comment and we look forward to being party to further discussions and developments.

Yours sincerely

Brad Roynon
Chair, Go! Southampton Steering Group

c/o Hampshire Chamber of Commerce, Southampton
Southampton Solent University, Business School, Sir James Mathews Building, 157-
187 Above Bar Street, Southampton SO14 7NN

A powerful voice for your businessPROVISIONAL COMMENT BY HAMPSHIRE CHAMBER OF COMMERCE
ON THE DRAFT STRATEGIC GOVERNANCE REVIEW FOR
THE PROPOSED SOLENT MAYORAL COMBINED AUTHORITY "SOLENT DEAL" - JULY 2016

Prior to a public engagement consultation, key stakeholders are asked to consider and give their provisional comment on whether they agree with the recommendation that a Mayoral Combined Authority (MCA) for the Solent area is the best option for the area?

Hampshire Chamber of Commerce would like to express its broad support for the devolution of powers from Westminster to local government in the form of a Solent Mayoral Combined Authority, provided that businesses are placed at the heart of the local growth agenda and that the business community has a voice in the decision making process on economic strategy for the Solent area, through ongoing engagement between local government and business representative organisations.

Local decision making has greater support if it means greater efficiency with better accountability. It is important that devolution does not add layers of bureaucracy, but rather streamlines it.

With the simplification of local government, a combined authority could bring about the greatest positive impact on issues of most importance to the growth of the local economy like:-

- transport investment for freight and passengers in "metro" local transport systems
- provision of sufficient land supply for logistics and employment use,
- apprenticeship funding and delivery, with incentives to businesses to employ apprentices.
- provision of skills training to bridge the gap between education and work
- local Higher Education programme to support the needs of local employers
- provision of incentives to empower local businesses to continue to export to Europe and build their export trade across the world, taking advantage of their easy access to Southampton International Airport and the ports of Southampton and Portsmouth.

Besides being able to contribute to consultation and influence decisions on local economic strategy and land use planning, Hampshire Chamber of Commerce would wish to see a means for business ratepayers to be consulted on all proposed changes to local business taxation, including changes related to transport investment. Future plans for the Solent area should have the support and input of the private sector business community through the 7 or 8 businesses on the Solent LEP Board, but also through HIBA, the Hampshire and Isle of Wight Business Alliance.

Under Hampshire Chamber of Commerce's lead, HIBA represents the private sector collaboration of two Chambers of Commerce, two local business networks, plus the local branches of 4 national business organisations, namely: Hampshire Chamber of Commerce, Isle of Wight Chamber of Commerce, Business South, Southern Enterprise Alliance (WSX Enterprise), plus British Marine Federation, EEF – the Manufacturers' Organisation, Federation of Small Businesses and the Institute of Directors.

A powerful voice for your business

It is noted in the Governance Review Page 13 – 2.18.6 that ways of raising funding additional to the government allocation may include “a business rates supplement to create an Investment Fund to enable consistent long term planning and programming of major infrastructure projects.” Further, on Page 36 5.3 -the Mayor has the autonomous authority to levy such a supplement on business rates to fund infrastructure “with the agreement of the local business community through the local enterprise partnership, up to a cap.”

Rather than outline obligatory Mayoral supplements on business rates, the Governance Review would gain more support from business if it set provision for incentives to business, so as to favour measures to grow the local economy such as the employment of apprentices, increased spending on skills and training appropriate to the local needs of business, investment in capital equipment and achievements in export trade.

With an estimated £386m currently paid as business rates by businesses in the Solent area (SCC News 8 June 2016), the business community expects the new combined authority for the Solent to look at ways of reducing this burden on business, so that it equates more to the lower level of business tax paid before profit in other European countries. Business rates hit companies hard in the UK before they make a single pound in profit. This discourages investment in plant and machinery and in improvements to premises, at a time when we should be encouraging investment to support the future growth we all expect to come from devolution of powers from Westminster.

To gain and keep the support of the business community and demonstrate the “economic affordability of the region” when using business rates income for non-business expenditure (page 19, 2.38), a combined authority would need to monitor and justify the expenditure of the 100% income retained from business rates, as well as the expenditure of the increased income collected in business rates year on year, resulting from improved growth in the local economy.

Since 2013 Councils have had the power to keep up to half of their business rates income and transfer half of it to central government for redistribution as Revenue Support Grant. The government made this change to give financial incentives to councils to grow their local economies and increase their income from business rates. The Solent Deal is another step in the right direction and Hampshire Chamber looks forward to playing its part with business support and innovation.

Stewart Dunn
Chief Executive
Hampshire Chamber of Commerce
Email: Stewart.dunn@hampshirechamber.co.uk
Tel: 01329 242420

A powerful voice for your business

Hampshire Chamber of Commerce is the Independent Voice of Local Business across the county and is one of the largest business representational groups in the UK. It brings together the combined influence, expertise and business support of the county's three former major Chambers of Commerce to represent the voice of local business to the Enterprise M3 LEP, the Solent LEP via the Hampshire & Isle of Wight Business Alliance of which it is the founding partner. The substantial Chamber business network engages businesses of all sizes and in all sectors, whether throughout Hampshire with its two sector committees for Planning & Transport and Tax Finance & Legal, or in local groupings via its Area Committees for Southampton, Eastleigh, Portsmouth, Rushmoor & Hart, Basingstoke, Andover and Winchester, as well as its affiliates in Romsey, Stockbridge and Alresford. It is also the lead organisation for Creative South and Future South.



By Email

Leaders of Isle of Wight Council,
Portsmouth City Council and
Southampton City Council

Chief Executive's Office
The Castle, Winchester
Hampshire SO23 8UJ

Telephone 01962 841841
Fax 01962 834523
Textphone 0808 100 2484
www.hants.gov.uk

Enquiries to John Coughlan

My reference JC/dlw

Direct Line 01962 845252

Your reference

Date 14 July 2016

E-mail John.coughlan@hants.gov.uk

Dear Leaders

Solent Governance Review Stakeholder Consultation July 2016

Response from Hampshire County Council

The County Council was invited on 1 July to respond as a key stakeholder to a pre-consultation engagement exercise in respect of the Solent Governance Review. This is a note of the County Council's response.

Summary

The County Council has noted that the Leader of Southampton City Council, one of the signatories to this exercise, has publicly quoted the Government as stating that the future of a Solent devolution deal is dependent on a new Prime Minister and that "there is no certainty on a decision". The County Council feels compelled to question whether this is a sound basis for proceeding with a consultation on a specific proposal that may not survive national political changes over the new few weeks.

As regards the review documents provided, we find the content is somewhat vague, with the core, structural proposals that should be driving and defining the discussion largely absent. Thus, for example, the documents simply describe, rather than critically analyse, current governance structures. The stated preference for a Mayoral Combined Authority (Mayoral CA) appears to be based on a series of assertions rather than evidence-based conclusions. Basic, essential information

Chief Executive
John Coughlan CBE

about how the proposed combined authority would work and develop is missing. There is no clear, coherent plan setting out the mechanics of how the proposal would be implemented, no proper description of the structures needed to effect implementation, no map of the division of functions — in short, the elements required for any form of functional governance are not satisfactorily presented.

The onus rests upon those proposing an alternative to set out the complete structure of the proposal before there can be any proper response. There is no point in the County Council responding with its own vague statements or to trying to respond to superficial and vague proposals. By way of example:

1. Is it the intention of the constituent councils of the proposed Mayoral CA to seek to expand its geographical area by inviting other local authorities to join as constituent members following the Mayoral CA's establishment?
Paragraph 5.11 suggests that the authorities listed will be invited to join only as non-constituent members, which would not affect the Mayoral CA's geographical area.
2. If the constituent councils are minded to expand the Mayoral CA, would any proposed extension only be pursued with the agreement of all Councils affected by that expansion?
3. While non-constituent members would be non-voting, is it proposed that they are able to fully participate in the business of the proposed Mayoral CA in all other ways?
4. The assumption that a devolution deal will be in place is a common thread running through the governance review despite no devolution deal having been announced by Ministers and reasonable doubt as to whether current Government policy on devolution will continue. Is it therefore appropriate to consult on a governance review built on assumptions that may not be reliable?
5. How and on what basis have the constituent councils of the proposed Mayoral CA, and Solent Local Enterprise Partnership, reached the conclusion that the area covered by Portsmouth, Southampton and the Isle of Wight is a functional economic area? Please can you provide the detailed analysis for us to consider.

6. What are the anticipated costs of creating and running the proposed Mayoral CA, and would non-constituent councils be expected to make a contribution?
7. Have the constituent councils of the proposed Mayoral CA considered the option of a non-mayoral combined authority, as is currently being proposed by councils in Leicestershire, Devon and Somerset, apparently with some likelihood of success?
8. How, in detail, does the provisional conclusion that a Mayoral CA is the best governance arrangement meet each of the evaluation criteria set out in paragraph 1.18? For example, no evidence is provided of likely efficiency savings, or that a Mayoral CA would not "create additional bureaucracy".
9. Is the proposed Mayoral CA based on an agreement not to be part of the new national business rates system currently being consulted upon by the Government?
10. Under the proposed business rates methodology, how would Hampshire County Council be compensated for any infrastructure burdens arising from decisions in Southampton, Portsmouth and the Isle of Wight?
11. What is the relationship between the proposed transport policy and delivery body outlined on page 13 and Solent Transport?
12. How have the constituent councils of the proposed Mayoral CA taken into account the fact that the official Travel To Work Areas for Southampton, Portsmouth and the Isle of Wight, as defined by the Office for National Statistics, extend well beyond the proposed Mayoral CA area?
13. Paragraph 2.46 states that the Mayoral CA proposal by the three unitary councils "includes the award of an additional £30m per annum for 30 years". Has this been confirmed by Ministers?
14. If it has been confirmed, what consideration has been given to the security of the funding regime over such an exceptional timeframe?

15. What is the evidence to support the assertion on page 35 that the proposed Mayoral CA has the most potential to “improve the exercise of statutory functions in the sub-region” – and does the “sub-region” extend outside the proposed Mayoral CA area?
16. Is it a requirement that the Interim Mayor described in paragraph 5.7 be a resident of the proposed Mayoral CA area?
17. Which “key public agencies” would form the Public Services Board described in paragraph 5.15, what would be the function of this Board and how would it work with existing collaborations?

These are just the questions that arose from an initial assessment and there are many more that will need to be answered. The County Council does wish to engage: the proposal has the potential to be profoundly important to the County Council. The purpose of this response is to urge you to put down something that is capable of being engaged with. The County Council quite understands that your position may evolve. Whether you prefer to meet the above questions by answering them or by going back to the drawing board is a matter for you. Once you have produced something that is capable of being consulted upon in a meaningful way, the County Council will be pleased to provide a full response to that consultation.

Yours sincerely

John Coughlan
Chief Executive



D1.1/pf/364

8 September 2016

Councillor Donna Jones
Leader
Portsmouth City Council

Councillor Roy Perry
Leader of Hampshire County Council
Council
The Castle, Winchester
Hampshire SO23 8UJ
Telephone 01962 847750
Fax 01962 845969
E-mail roy.perry@hants.gov.uk
www.hants.gov.uk

Dear Donna

I write further to the letter from David Williams dated 8 August which was sent by him at your request to respond to John Coughlan's letter of 14 July. John's letter of 14 July set out the County Council's genuine concerns about the consultation you were proposing to undertake. I am disappointed that the concerns expressed were far from adequately addressed in the formal consultation you launched. Neither did the response from David Williams deal specifically with the points set out in John's letter.

You will recall that the fundamental point made in John's letter was that in order to carry out consultation, those invited to participate must be given something concrete upon which to comment. John's letter of 14 July set out 17 examples of the inconsistencies and issues with the draft review and scheme.

Now that Officers have had more time to review your consultation documents, they have found that not only have those issues not been addressed, but that the content of your survey is superficial, misrepresents key aspects of your proposal and avoids consulting upon specific matters that should be addressed in any lawful consultation of this sort.

The on-line survey tool used for your consultation does not have the facility to capture the County Council's full response so, consequently, I attach with this letter, the County Council's formal response which should be read in conjunction with the on-line return.

You will see from the County Council's response, that there are serious concerns about your consultation exercise. You will appreciate that the County Council has a strong interest in any combined authority, formed by neighbouring authorities, being built on solid foundations. This is particularly important given the clearly expressed aspiration for that combined authority to add Hampshire districts to its membership and, by extension, to also add Hampshire County Council to its membership.

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To avoid raising these concerns in a more formal manner, I invite you to give serious thought to the points we have raised. There are profound implications for Hampshire residents in your current proposals and it is therefore crucial that appropriate processes are followed. As such, I believe that you should amend your draft scheme and survey to take account of the issues set out in our response and re-consult on your proposals accordingly. My officers would be very happy to meet and to provide more detail about our concerns, if that would be helpful.

In the event those concerns are not addressed I have little doubt but that officers will have to consider advising the County Council whether or not more formal action is required to protect the interests of Hampshire residents.

On a personal note, it is disappointing that we find ourselves in this position given that originally we were all agreed on a way forward. At a time when the Government would seem to be re-assessing its own position, particularly the requirement for Combined Authorities to have an elected Mayor, I think it would be good if we could find a means of getting back to the united proposal we unanimously agreed in September last year.

Yours sincerely

Councillor Roy Perry
Leader
Hampshire County Council

Enc

Cc: David Williams, Chief Executive, Portsmouth City Council

Solent Governance Scheme (as amended 26th July 2016)**Detailed response by Hampshire County Council**

Hampshire County Council has submitted an individual response to the online questionnaire. The online questionnaire is presented as the sole means of responding to the Solent Governance Scheme consultation. However, the structure of the online questionnaire does not allow for all our response and the County Council has therefore submitted this document as an additional response. We trust that you will take it into account; but if not, please advise us immediately by return, setting out all your reasons for refusing to do so.

In summary, the County Council believes the Solent consultation does not adequately set out the powers that are to be devolved and the mechanisms for their exercise: this makes it impossible for consultees to respond in a way that can influence the outcome on key issues. Put another way, the Solent consultation is not a consultation in the true sense of the word. The County Council made the same point in relation to the Governance Scheme document as it was at the launch of the consultation. We were disappointed to see that the amendments made on 26th of July did not remedy the process. As it stands, your draft Governance Scheme document with supporting material do not provide sufficient concrete proposals to which consultees can respond. Even such information as is in the document is ambiguous, at times contradictory, vague and uninformative. Whilst a bit of time would be lost by starting again but doing so on a proper footing, the time lost would be far less than persisting with a doomed process that concludes with a successful legal challenge.

General comments

1. The County Council is surprised by the degree to which, and the suddenness with which, the Constituent Authorities of the proposed MCA have changed the basis of the original Solent Deal and the Governance Review (circulated for comment in July) so that the directly-elected Mayor has almost no powers. As no change in Government policy has been announced that would support this, the County Council can only assume that the Constituent Authorities are consulting on proposals that do not have the Government's blessing. It is irresponsible and potentially very misleading to proceed on this basis, and it would undoubtedly be embarrassing and damaging if the proposals have to be withdrawn and amended following Government intervention. The consultation should be halted while Government advice is sought.
2. The County Council notes that the Governance Scheme document is poorly written. This is not being picky. A consultation document is the means by which those being invited to respond – residents and taxpayers – are told what it is they are to respond to. It must be drafted in such a way as to minimise the opportunity for misunderstanding. That can only be achieved by the careful use of language. Your consultation document is carelessly drafted. It is capable of being interpreted in widely different ways by different readers. A reader should not be forced to guess which meaning is meant only to suffer the consequences if the guess is wrong. The County Council

suggests that it would be better to withdraw the document and take the time to have it professionally corrected before being republished. Unless this is done the Solent Governance Scheme consultation cannot be considered a sound basis for decision-making.

3. We note that the Solent consultation asks respondents to complete an online questionnaire but, contrary to Government web accessibility requirements and the Equality Act 2010, offers no alternative means of responding or having access to the documents on which the consultation is based. This potentially disenfranchises many people who would wish to respond. As a matter of basic policy the County Council would have expected to see options including Braille, audio and large print option, as well as a means of responding by email, requesting a paper copy or information about locations where a paper copy may be inspected, for example a public library. The consultation should be halted to allow time for these essential measures to be implemented so that all residents have an equal chance to contribute.
4. Our detailed comments below show that the Solent consultation is repeatedly in violation of the Government's Consultation Principle C, updated in 2016:
 - *Consultations should be informative: Give enough information to ensure that those consulted understand the issues and can give informed responses.*
5. There is a fundamental conflict in the Scheme relating to the functions that are to be exercised by the Mayor. Clause 5 of the Scheme states that the Mayor will chair the Mayoral Combined Authority (MCA) and will exercise the powers of the MCA in accordance with this Scheme. The implication is that the Mayor will directly exercise all of the powers of the MCA. However the remainder of the Scheme seeks to set out a divide between the powers to be exercised by the MCA (the vast majority) and the powers to be exercised by the Mayor. The importance of clarity on the power to exercise functions can hardly be overstated.
6. A number of the statutory references are wrong: these lead the reader astray. While certain reference can be correctly identified with some educated guesswork, others are completely unintelligible. The consultation should be withdrawn and rewritten to ensure that people wishing to respond to the consultation can understand and have confidence as to the legal basis of the consultation, and that it does not make misleading references to legislation on which it claims to be based.
7. Highway powers are of central importance to any re-arrangement such as is being discussed. Despite this, no highway powers are claimed anywhere in the Scheme. The County Council is driven to conclude that any highway authorities joining the MCA at a later stage will therefore not have their highway powers affected in any way. Whatever the position is, this should not be a matter of guesswork.

8. Spatial plans and strategies are mentioned in various places throughout the Scheme. It is left to guesswork who would be responsible for a spatial strategy and the status it would have.
9. Similarly, development of the budget for the MCA has no specifics – it, too, is a matter to be guessed at.
10. The County Council has noticed the following inconsistencies with the Governance Review Description. There may be others.
 - a. No requirement in the Scheme for the Mayor to consult the Cabinet on his or her strategies;
 - b. No right for the Cabinet to veto plans and strategies if two-thirds of the members choose to do so;
 - c. No mention of the Mayor's responsibility for the multi-year transport settlement;
 - d. No specific mention of the Mayor's responsibility for franchised bus services;
 - e. No reference to the power to raise additional business rates.
11. None of the points raised by the County Council in its response to the stakeholder engagement on the Solent Governance Review in July 2016 have been addressed in the document put out for consultation. A letter from the Chief Executive of Portsmouth City Council was received on 8th August, well after the launch of the consultation, which fails to adequately answer the majority of the County Council's questions. Some of the information provided in that letter contradicts the Governance Scheme – for example the letter states that non-constituent members would not have a vote, but paragraph 17 in the scheme allows for voting members to be co-opted. Generic use of 'Member' in the document is confusing because of the different rights and obligations of Constituent and Non-Constituent Members. This should be rectified. Other information provided in the letter – for example confirmation that the £30m pa funding is not guaranteed as it is subject to gateway reviews – could affect people's views of the proposal and should have been included in the consultation document.

Comments on specific clauses

12. Clause 1 makes reference to a "Key Route Network of local authority roads" that will be "managed and maintained" by the MCA. A consultee needs to know the content of the "Key Route Network": plainly, depending on its content it will draw different response. Despite this, the term is subsequently not mentioned again in the document. Indeed, we do not know whether it is proposed to be the Mayor's or the MCA's responsibility and what statutory powers are claimed for its management and maintenance. Without these, it is not possible to respond.
13. Clause 3A states that the MCA "shall invite Members" from a number of local authorities, but does not say what they will be invited to do or on what

capacity they will be invited to act.

14. Clause 4 (4) does not clarify whether an Interim Mayor “shall” or “may” be appointed, nor how an Interim Mayor will be appointed if the three Constituent Authorities cannot unanimously agree on a suitable candidate.
15. Clause 5 does not clarify who will chair the MCA in the absence of the Mayor, or in the case of an Interim Mayor not having been appointed.
16. Clause 5 indicates that the Mayor will exercise the powers of the MCA including those powers “developed” to the MCA. The County Council does not understand what the verb means in this context, but self-evidently it has the potential to be extremely important. When and only when its meaning is made clear can the County Council properly respond.
17. Clause 6 states that prior to the Mayor taking office the powers of the MCA “shall be exercisable by the Members acting unanimously”. This contradicts the majority voting arrangements set out in paragraph 17. It also suggests that all Members – Constituent or otherwise – have a veto over the actions of the MCA during this period, and does not clarify whether the Interim Mayor is considered to be the Mayor for this purpose. Whatever was intended by clause 6 – which again is plainly important – needs to be made clear.
18. Clause 8 similarly does not clarify whether the inability of Constituent Authorities to terminate the appointment of the Mayor also applies to the Interim Mayor.
19. Clause 14 states that the Chair will have a casting vote. On the other hand, the note to Clause 17 states that it is not intended that the Chair should have a casting vote in the case of equality of voting. Only one of these statements can be correct and it would be helpful to those responding to the consultation to know which one.
20. The first half of Clause 15 makes sweeping statements about the matters on which Solent LEP may vote. On one reading of clause 15 this will encompass almost any aspect of the MCA’s business and, if so, it will lead to disagreement about the right of the LEP to vote on certain matters. A proper consultation requires this to be clarified, as must the status of any vote on statutory matters such as infrastructure and transport which may be outside the MCA’s remit.
21. The second half of Clause 15 is frankly, gibberish. The County Council does not see how people can be expected to respond meaningfully to the consultation when it includes language such as this.
22. Clause 17, fourth bullet point, suggests that only Constituent Authorities will fund the business of the MCA, despite the fact that the Solent LEP (which will not have to help fund the MCA) has extensive voting rights and provision is made for other voting members to join. This could be considered

inappropriate.

23. Clause 18 states that executive arrangements do not apply to the MCA but continues to use terminology consistent with executive arrangements. For example, clause 10 refers to the Mayor allocating 'portfolios' to members which is odd given that in a non-executive set up members cannot take individual decisions. It is not at all clear what the role of members in relation to their 'portfolios' would be. As it stands, it is impossible to give a response with the necessary degree of detail.
24. Clause 26 suggests that highway powers, which are not among those listed, are not "intended to be ceded to the Mayoral Combined Authority by the Constituent Authorities". It should be clarified that this applies to any highway authority joining the MCA at a later date.
25. Clause 30A makes a sweeping statement that the MCA will have "powers over strategic planning". The statutory basis for these powers is not provided and there is no clarity at all about the relationship of these powers to Local Plans. And, of course, the powers themselves are not identified: is it some; is it all; if some, which ones?
26. Clause 30A also states that the MCA will have the responsibility to propose "future special plans". The County Council's presumption is that this is supposed to read "future spatial plans", but as a matter of elementary courtesy to the reader this should be clarified.
27. Clause 31 covers the duty to co-operate but only amongst Constituent Authorities. It does not explain how this duty will work with regard to other local authorities. Consultees need this explanation if they are to respond to it.
28. Clause 33 describes the conditions under which responsibility for local functions may be ceded by Constituent Authorities and the Solent LEP. It should be clarified that this requires unanimous agreement; and further that any other local authorities joining the MCA at a future date would similarly not need to cede responsibilities unless they believe pooling responsibility would demonstrably improve economic conditions and wider service reform.
29. The remainder of Clause 33 makes extensive reference to "the sub-region". It is not clear what this phrase is intended to mean. In the Hampshire local government context it is widely understood to refer to the South Hampshire sub-region, for example as covered by the Solent LEP's geographical area, which includes parts of eight Hampshire districts. As the MCA has no powers, and does not claim any powers, beyond the geographical area of its Constituent Authorities, the word "sub-region" should be replaced by "MCA area".
30. Clause 34 states that the MCA will take the role of Local Transport Authority for each of the Constituent Authorities. This is a sweeping statement which leaves many questions unanswered. For example, will the transport staff, budgets and executive decision-making responsibilities of each of the

Constituent Authorities be transferred to the MCA?

31. Clause 36 does not describe how the MCA's Local transport Plan will interact with the Hampshire County Council LTP. This is critical and, until described, cll 34-36 cannot be responded to in a meaningful way.
32. Clauses 40 and 41, which describe the cost-sharing arrangements, are so vague as to preclude a valuable response. The most that can be said is that they will lead to disputes that could be avoided with a bit of clarity. The Dorset Combined Authority scheme, for example, is based on population and sets out to two decimal places each authority's precise share of the CA costs.
33. Clause 44 does not specify whether the statutory officers will be paid for their services. Consultees would want to know this before responding.
34. Clause 48 describes the almost non-existent powers of the Mayor. The County Council – like many other consultees - would like to understand:
 - Why these powers are so reduced compared to those set out in the Governance Review;
 - Why these powers are so reduced compared to all other devolution deals agreed across England, as well as the draft Solent Deal prepared by HM Treasury in March 2016;
 - Whether the powers as now described have been agreed with Government officials and are thought acceptable to Ministers, and if so why Ministers are prepared to agree such a substantial change;
 - Why, given that the proposed powers of a directly-elected mayor have been a matter of such controversy in Hampshire and the Isle of Wight, they have only proposed to reduce the powers at the point of public consultation?
35. Clause 50 (a) claims for the MCA the duty to consider the needs of its "district" with respect to the provision of new housing. It must be clarified whether this gives the MCA the right to allocate housing development anywhere within the MCA area as a whole rather than within each of the separate Constituent Authorities.
36. It should further be clarified whether the MCA will need to be a Local Planning Authority to undertake these duties, and if so how its responsibilities interact with those of the Constituent Authorities and neighbouring authorities with whom the MCA has a duty to co-operate.
37. Clause 51 (d) (iv) provides the MCA with the power to acquire land compulsorily, but does not state that it may only do so within its geographical area. This must be clarified.

The Survey

38. The Survey falls well short of constituting a lawful consultation. The issue being consulted upon is of constitutional importance with wide-reaching and

enduring consequences for all those living in and around the areas concerned. The consultation must reflect that. Asking consultees to spend "a few minutes" (page 2) answering the Survey does not reflect that.

39. But it is worse than just superficiality. The Survey conceals the importance of the change being consulted upon and the mechanisms by which it is proposed that this be secured; it misrepresents important aspects of the proposal; and it studiously avoids consulting upon specific matters that must be addressed in any proper consultation of this sort. The following are merely examples.

40. First, fundamental to the proposed combined authority is its membership. Page 5 of the Survey (entitled "The Solent proposal") asks consultees:

"To what extent do you agree or disagree with the principle of the Isle of Wight, Portsmouth and Southampton councils and the Solent LEP working more closely together?"

That is the closest that the Survey gets to describing the membership. There is nothing in the Survey itself to dispel the impression that membership will comprise Isle of Wight, Portsmouth and Southampton councils and the Solent LEP.

41. But in fact, the Survey misrepresents the membership of the Scheme. When §§3A and 4 of the Scheme are read closely, it is apparent that a member will be appointed by each of the nine councils listed in §3. The Survey repeats the misrepresentation at page 8, where it states:

"The mayor would be supported by a 'cabinet'. Each constituent council would have one representative on that cabinet who would be the leader of the council, deputy leader, directly elected mayor, or deputy mayor of that council. It is proposed that the Local Enterprise Partnership would have a non-constituent member who would also be a member of the cabinet."

This is irreconcilable with §4(5) of the Scheme.

42. Secondly, the Survey omits to provide any description of the voting system of the combined authority, including the voting entitlement of the Local Enterprise Partnership. Page 8 of the Survey gives the impression that although the LEP would be a member of the cabinet, as a non-constituent member it would not have any voting rights. In fact, as appears from §15 of the Scheme, the LEP may vote on matters relating to economic development, regeneration, infrastructure, transport and on the Growth Board and:

“on a given decision the Mayor votes the observe of all of the Constituent Authorities vote” (whatever that may mean).

43. Thirdly, the Survey does not give any indication that there are certain classes of decision that require unanimity of vote from constituent members voting: see §17 of the Scheme. This is important. It is being proposed that the combined authority take charge of important matters of governance, some of which are currently the responsibility of Central Government. It is self-evident that a requirement of unanimity presents the possibility of a single member frustrating decision-making in the list of matters in §17 of the Scheme. A Survey on a proposed new system of governance that conceal this from those Surveyed is not a “consultation” as the law understands it.

44. Fourthly, the Survey states (page 8):

“The draft Governance Scheme proposes that the mayor would be held to account through a formal ‘scrutiny committee.’ This is a committee, held in public, made up of existing locally elected councillors from different political parties who would like to challenge and shape policy decisions.”

This, too, misrepresents the position. Under the Scheme, it is not the mayor who is being scrutinised. Under the Scheme, executive arrangements would not apply to the combined authority (§18) and the Overview and Scrutiny Committee will have the power:

“to review or scrutinise decisions or other actions taken by the Mayoral Combined Authority” (§21)

45. Fifthly, page 6 of the Survey (entitled “What will it do?”) advises that the scheme will give the proposed combined authority greater funding and decision-making powers in four areas:

1. Supporting businesses growth
2. Skills and employment
3. Housing and infrastructure planning
4. Transport.”

This omits important decision-making powers that the Scheme would see transferred to the proposed combined authority, including:

- general powers of competence under Pt 1 of the *Localism Act 2011* (see §28 of the Scheme);

- the imposition of levies and other taxing matters (see §§36 and 38 of the Scheme);
- certain environmental functions (see §50(b) of the Scheme); and
- certain health functions (see §50(c) of the Scheme).

The Survey gives no indication of any of these. Significantly, the Survey makes it appear that the proposed arrangement will result in further funding allocation from Central Government and an entitlement to retain a greater proportion of business rates: there is no mention of any levy-raising power.

46. Sixthly, the Survey advises that the Mayor will “act as the chair of the combined authority” (page 8) and that the authority will “make joint decisions” (page 7). This, too, misrepresents the Scheme. It proposes that certain functions will be transferred to the mayor alone: see §48 of the Scheme.

47. It is clear that something has gone clearly and radically wrong in the consultation process. No hindsight was required to appreciate that a consultation on the Scheme needed to present the Scheme as it is, without the misrepresentations and omissions that pervade the Survey.

48. The Survey is not a lawful consultation. It does not redeem itself by hyperlinking to a document that enables someone to rectify the shortcomings in the text of the Survey and by including small options boxes. The Survey is fatally flawed.



Wates House
Ground Floor
Wallington Hill
Fareham
Hampshire
PO16 7BJ

Friday 23rd September 2016

David Williams
Chief Executive Officer
Portsmouth City Council
Civic Offices, Guildhall Square
Portsmouth PO1 2AL

Dear David,

Devolution in Hampshire

Hampshire and Isle of Wight Business Alliance (HIBA) represents the private sector collaboration of two Chambers of Commerce, two local business networks, plus the local branches of 4 national business organisations, namely: Isle of Wight Chamber of Commerce, Business South, Southern Enterprise Alliance (WSX Enterprise), Hampshire Chamber of Commerce plus British Marine, EEF – the Manufacturers' Organisation, Federation of Small Businesses (FSB) and the Institute of Directors (IoD) together we represent over 15,000 businesses in Hampshire and the Isle of Wight.

HIBA would like to express its broad support for the devolution in general terms, provided that businesses are placed at the heart of the local growth agenda and that the business community has a voice in the decision making process on economic strategy, through ongoing engagement between local government and business representative organisations.

Local decision making has greater support if it means greater efficiency with better accountability. It is important that devolution does not add layers of bureaucracy, but rather streamlines it. HIBA recognises that with the simplification of local government, a combined authority could bring about the greatest positive impact on issues of most importance to the

growth of the local economy such as transport investment for freight and passengers in "metro" local transport systems, provision of sufficient land supply for logistics and employment use, apprenticeship funding and delivery, with incentives to businesses to employ apprentices. Equally as important, skills and workforce development should also be a key priority for any combined authority in the South as the talent agenda underpins the economy in the region and act as a major catalyst for investment and growth - skills and training are crucial in bridging the gap between education and work.

However, whilst we fully support devolution, HIBA is concerned about the high level of confusion over the conflicting proposals for a Solent Combined authority or a Hampshire wide alternative, and potentially the heart of Hampshire proposal. Without the neighbouring authorities of Test Valley, Eastleigh, New Forest and Fareham, the Solent Deal will encounter great difficulty in achieving a strategic approach to business expansion; such as the Port of Southampton and Southampton Airport. Likewise without the unitaries of Southampton, Isle of Wight and Portsmouth, Hampshire would fall in its ambitions for the same reasons. It is imperative that we look at the bigger picture and return to the original plan that acknowledged Hampshire and the Isle of Wight as a whole with all its connections but acknowledges that the area is two economies, North and South.

It is vital that authorities are joined up and work together in delivering the larger economic picture – as to ensure the delivery of infrastructure, employment land and housing. Equally, we would ask you to pause and consider the larger impact on business of a divided Hampshire and Isle of Wight.

Hampshire and Isle of Wight Business Alliance board members would also like to receive further clarity with regards to the direct and clear benefits for the business community, and the wider consultation process, regarding the engagement with businesses on the matter so far.

The HIBA Board members have raised concerns about the following:

1. The consultation and timescale which contributed to the assessment of the Solent Deal.
2. The rotation of Mayors by District (suggested by the Solent Deal) – or indeed the need for an elected mayor at all.
3. The next steps for the Solent Deal if other Authorities do not join in.
4. The strategic authority approach to economic growth should be a priority, because without space from the districts in the proposed Southern Deal for employment land there will be no growth.
5. Business wishes to see the macro picture and joined up thinking to economic strategy on employment land, infrastructure, skills, and affordable housing.
6. The issue of the rural economy which has not been mentioned in proposals presented by the Solent deal.

Besides being able to contribute to consultation and influence decisions on local economic strategy and land use planning, Hampshire and Isle of Wight Business Alliance would wish to see a means for business ratepayers to be consulted on all proposed changes to local business taxation, including changes related to transport investment. Equally, to gain and keep the support of the business community and demonstrate the "economic affordability of the region" when using business rates income for non-business expenditure. A combined authority would need to monitor and justify the expenditure of the 100% income retained from business rates, as well as the expenditure of the increased income collected in business rates year on year, resulting from improved growth in the local economy.

HIBA board members are concerned that the current proposal for the Southern Deal is being rushed through without sufficient business consultation and without answers to many of the key issues raised by the business community. We seek clarity and answers on the concerns detailed above and suggest that further discussions regarding the proposals are held with the business community - for the greater good of economic growth and the electorate.

Hampshire and Isle of Wight Business Alliance look forward to playing its part with business support and innovation, and taking part in any future consultation.

We look forward to hearing back from you, and working together.

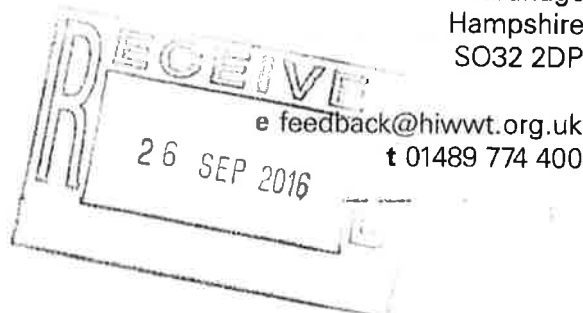
Robert Hillier, OBE, VMH.
Chair of Hampshire & Isle of Wight Business Alliance (HIBA)



September 2016

Cllr Donna Jones
Leader
Portsmouth City Council
Civic Offices, Guildhall Square
Portsmouth
PO1 2AL

Beechcroft House
Vicarage Lane
Curdrige
Hampshire
SO32 2DP



Dear Cllr Jones,

Solent Deal Consultation

Response from Hampshire & Isle of Wight Wildlife Trust

As the public consultation draws to a close on the devolution options for Hampshire and the Isle of Wight, on behalf of the Wildlife Trust I wish to highlight directly key issues which are important to our 26,000 members and the public alike. It has been starkly apparent that both the supporting documentation and the discussions have sidestepped the environment in general, and the region's pre-eminent wildlife in particular, and this is of serious concern to us.

Whilst we appreciate that the options presented are complex with diverse ramifications for services and governance, a high quality environment is fundamental to the vision and prosperity of a devolved Hampshire and Isle of Wight. Our natural environment both on land and at sea is an asset providing incalculable benefits for people, and is a reason why many people choose to live and work here. It should be invested in as an asset alongside other forms of infrastructure.

We also have grave concerns that the whole notion of devolved government is predicated on a level of housebuilding which is at odds with many people's vision for our natural environment – without sufficient investment in an ambitious new wave of attractive green infrastructure and effective mitigation for protected sites, these housebuilding targets are simply unsustainable. Furthermore they risk diminishing the very appeal of our area.

We therefore trust that you will openly and deliberately outline your vision for the natural environment and how this may be delivered as the preferred option becomes clearer. As ever we are willing to discuss how our vision for a wildlife-rich Hampshire and Isle of Wight may fit into the preferred option whether that be devolution or no devolution.

With kind regards,

Debbie Tann
Chief Executive

Solent Strategic Governance Review: Highbury College Response

Highbury College supports the conclusion from the Solent Strategic Governance Review that a Mayoral Combined Authority for the Solent area is the best option for the area. It welcomes the commitment set out in the Review to provide a shared programme of economic growth and public services reform which will contribute to productivity and growth across our region. It supports the conclusion that the Mayoral Combined Authority option will facilitate greater collaboration and advance the productivity and growth agenda by leveraging the region's collective assets. This reflects the outcomes of the recently concluded Solent Area-Based Review process and Highbury College's commitment to seek opportunities for collaborative working between our local colleges and universities to ensure a sustainable offer for students and employers across Portsmouth and the wider Solent region.

The Review acknowledges that the Solent region has 'several weaknesses in its skills base that have contributed to the widening of the productivity gap', and Highbury College is committed to playing its part in reducing this gap, and ensuring that skills development supports productivity, economic growth and enhances the life opportunities of our communities. We do this by working in partnership with schools and universities as part of a progression pathway for education and training; and we work with local employers, through a well established process of Employer Expert Advisory Boards, to ensure that our provision is demand-led and meets the current and developing needs of employers.

The College offers technical and professional provision from entry level to HE in all subject sector areas and its success rates at all ages are above the national average. Its Curriculum Strategy is well informed by Local Market Intelligence and is linked to Solent LEP priorities, local trends and market trends. For example, our STEM Strategy has been developed to respond to the LEP prioritisation of the STEM agenda and the development of a higher skilled workforce. The focus on higher level skills is also reflected in our Apprenticeship Strategy which further embeds our commitment to an employer-driven approach to skills and we support this focus in the Review. We welcome the Review's commitment to raising the human capital within our region and 'supporting the development of a highly skilled workforce, with employers in the driving seat'. Such ambitions align with Highbury College's mission and we warmly welcome the expression of the importance of skills development and technical and professional pathways which is set out in the Review.

The commitment to improving adult skills and reducing the skills gap of adults whose current level of qualifications is below the national average is one we support and we look forward to the opportunity for further consultation on how this will work. It will be important that the development of a strategic plan for skills delivery across the sub region maintains a strong focus on localism within the planned regional decision making framework, and ensures that we are able to accelerate the participation of those at the low end of the qualifications spectrum in the skills system and those in receipt of welfare benefits so that they can gain and sustain employment.

Highbury College has invested significantly in its technology infrastructure to ensure that its students are well equipped for the workplace and we welcome the statement to develop new and innovative ways of working through leveraging the potential of the region's digital infrastructure.

Finally, Highbury College looks forward to continuing to play its part in shaping the economic prosperity of our region. We consider the proposal for the Mayoral Combined Authority, which is set out in the Solent Strategic Governance Review, as providing the right platform to accelerate the growth agenda across our region and deliver economic opportunities and increased productivity, by putting in place mechanisms which will harness the individual and collective talents in our local communities within our wider region.

8 July 2016

ice | south east england

14 September 2016
Solent Local Enterprise Partnership
Second Floor, Building 1000
Lakeside North Harbour
Western Road
Portsmouth
PO6 3EN

Institution of Civil Engineers
One Great George Street
Westminster
London SW1P 3AA
United Kingdom

t +44 (0)20 7665 2362
e max.sugarman@ice.org.uk
www.ice.org.uk

Submitted electronically via:
www.solentdeal.co.uk/have-your-say

Dear Sir/Madam

ICE's Response to the Solent Deal Draft Scheme Consultation (September 2016)

Introduction

The Institution of Civil Engineers (ICE) is an international membership organisation that promotes and advances civil engineering around the world. ICE is a qualifying body, a centre for the exchange of specialist knowledge, and a provider of resources to encourage innovation and excellence in the profession worldwide.

ICE South East England welcomes the opportunity to respond to the consultation. Our State of the Nation: Devolution report, published in June 2016, provides a number of recommendations for combined authority devolution bids and this response has been developed through application of that report to the Solent area.¹

Our Response

1. What is a combined authority?

To what extent do you agree or disagree with the principle of moving power and funding for the economy, transport and jobs from central government to groups of local councils working together?

Strongly Agree

ICE South East England supports the devolution of decision-making powers, particularly over infrastructure policy. We support the 'no one size fits all' approach; that devolution deals must be made to reflect the area's unique needs and circumstances.

2. The Solent Proposal

To what extent do you agree or disagree with the principle of the Isle of Wight, Portsmouth and Southampton councils and the Solent LEP working more closely together?

Strongly Agree

The Solent Combined Authority area, made up of the Isle of Wight, Portsmouth and Southampton do make up a coherent and practical area which would benefit from the creation of a combined authority. The region also has

¹ [ICE State of the Nation 2016: Devolution, June 2016](#)

similar infrastructure needs, particularly marine and coastal engineering, and economic make-up, with shipping, manufacturing and maritime industries.

3. What will it do?

Do you agree or disagree with each of the areas the Solent Combined Authority is seeking to devolve powers as outlined in the draft Scheme?

Support for businesses to grow: Agree

Skills and Employment: Agree

Investment in people and training is necessary to support the engineering and infrastructure sectors. The development of STEM subjects (science, technology, engineering and maths) will be especially important to the Solent Combined Authority due to the type of industries in the region. To address the growing skills gap in the UK, the Solent Combined Authority should identify opportunities for government, industry and academic institutions to invest in training and skills. With two large universities and several large sectors, ICE South East England believes the region has the capability to deliver this, but that there needs to be a joined up approach to skills and training provision as indicated in the proposals.

Housing and infrastructure planning: Agree

The Solent Combined Authority must take a systems-based approach to infrastructure, looking at the region's requirements strategically and holistically. For example, the Solent Combined Authority's must consider the effect of coastal flooding on the transport network or the effect of new rail links on the energy system.

Transport: Agree

The Solent Deal sets out that the Solent Combined Authority will "fulfil directly or commission the role of Transport Authority". ICE South East England agrees with the creation of sub-national transport authorities and believes the Solent region could benefit from a joined-up approach to rail, bus and road services. ICE South East England suggests the Combined Authority works to examine how other Passenger Transport Executives/Integrated Transport Authorities, like Transport for London, Transport for Greater Manchester, South Yorkshire and West Midlands work to ensure best practice for the Solent region.

Are there any other powers that you think the Solent Combined Authority should seek to secure from government either now or in the future?

Digital infrastructure must be considered within the Solent devolution agreement, with the agreement including funding provision for the research, development and delivery of digital infrastructure. The Solent Combined Authority should also work with central Government departments to access any data that is currently or could be used to improve the delivery of infrastructure services.

To be fully effective at planning and delivering infrastructure, the Solent Combined Authority, should also seek greater powers to raise funds to pay for the infrastructure the area requires.

4. How will it work?

To what extent do you agree or disagree with the preferred option as set out in the draft Governance Scheme seeking to devolve powers to the Solent Mayoral Combined Authority?

ice | south east england

Strongly Agree

Do you have any comments on the proposal set out in the draft Governance Scheme?

ICE South East England supports Option 4, the preferred choice of the three local authorities, as it is the option with the greatest ability and scope to deliver the region's infrastructure requirements.

5. The Mayor

Do you have any comments on the governance or decision making arrangements outlined in the draft Governance Scheme?

ICE South East England believes that directly elected mayors should not be a pre-requisite for devolution deals, but Option 4 – the preferred option – does seem to offer the best opportunity for the region. It is crucial that whatever governance arrangements are made, there are the structures for clear leadership and accountability.

Other than the further scrutiny committee, do you have any further suggestions about how the new combined authority could be held to account?

NA

Final Views

Are there any impacts or alternatives you feel have not been considered in developing the proposals for a Solent Mayoral Combined Authority?

Devolution, particularly over infrastructure, offers a significant opportunity to not only rebalance the economy and increase growth, but also ensure future development of social and environmental benefits. The Solent Combined Authority should take a rounded approach to development, including social and environmental goals rather than only focusing on economic growth. This includes measurements like sustainability and quality of life.

Do you have any other comments or suggestions relating to the creation of a Solent Mayoral Combined Authority?

ICE South East England encourages the team behind the Solent Mayoral Combined Authority to examine the recommendations set out in our [State of the Nation: Devolution Report](#). As a membership organisation of 11,000 engineers across the South East of England, we offer our expertise in developing best practices and strategies, particularly in regard to the infrastructure sector.

Yours sincerely,

Suzanne Moroney
Director, ICE South East England



From: Michael Lane

Police and Crime Commissioner
St George's Chambers,
St George's Street, Winchester,
Hampshire SO23 8AJ

05 October 2016

To Whom It May Concern:

I am grateful for the opportunity to respond to your consultation on devolution and options for the Hampshire Constabulary Area, which I represent.

My commitment is to work to make all of the people in Hampshire, Isle of Wight, Portsmouth and Southampton safer. This translates for me into working to mitigate risk, whether economic, community or from criminals and those who wish us harm. It is also to be a partner with others in maximising opportunity to realise potential whether this is individuals, their family circumstances, their communities or more widely.

I wish to be and seek to be in partnership with all those with leadership roles in my area of responsibility, interpreted in the widest context of local, regional and national, as appropriate and as contributes to the outcome of making us safer.

In offering my comments as Police and Crime Commissioner, I recognise that it is for local authority leaders to decide on structure, governance and accountability in local government, in the best interests of the public. The arrangements that are pursued should be those that ensure the most efficient use of public funds, and maximise the benefits to our communities.

As PCC I consider that for policing:

- Operationally effective policing would be best delivered by Hampshire Constabulary remaining responsible for its existing boundary and geography.
- That a fundamental part of operational policing is sustaining a local and neighbourhood footprint that would continue to reflect support to local communities, much as today, and which would remain broadly consistent with any planned changes from a devolution agreement.
- That the PCC role and the Constabulary role would continue to engage from the strategic to the operational levels, responding via the Police & Crime Plan to the community's priorities and reflecting the most operationally effective and efficient delivery that can be delivered and sustained from the supporting budget.

As to accountability, I consider:

- The Police and Crime Commissioner is established in legislation and my authority comes from the electoral mandate given in May this year. It reflects a co-terminus footprint with the Constabulary Area and represents a mandate from elections held across the whole area, reflecting Hampshire's Districts and Boroughs, the Isle of Wight, Southampton and Portsmouth. This mandate would be unaltered by any decisions over devolution within that area.
- The role of PCC is evolving and a number of initiatives to extend the role are under active consideration nationally and subject in many cases to local agreement to pursue. This does not alter the mandate, but has the potential to change the nature of partnerships and require appropriate adjustment to reflect such changes. This is achievable, in the event of devolution initiatives being implemented, within the existing PCC remit and geography.

As a key partner and stakeholder in my area, I am clear that it is for Local Authorities, in consultation with their constituents, to determine structures and partnerships that best support and serve their communities. I therefore consider that I, as PCC, should restrict my views on options to reflect the delivery and accountability comments I have made above.

I continue to commit myself to partnership with the current Local Authority structure and bodies and, no less, with new arrangements if/when agreed. And I will continue to serve all my constituents with the ambition to deliver on my promise to keep them safer through local, regional and national efforts within my remit.

In the interests of transparency and as they have common themes to both consultations, this note is my response to both Hampshire County Council and the proposed Solent Mayoral Combined Authority requests for comment.

Yours sincerely

Michael G Lane
Police and Crime Commissioner for Hampshire

APPENDIX 4

Tackling Poverty
Portsmouth City Council
Guildhall Square
Portsmouth
PO1 2AL

David Williams
Chief Executive
Portsmouth City Council
Civic Offices
Guildhall Square
Portsmouth
PO1 2AL

16th September 2016

Dear David

Re: Solent Deal Consultation September 2016

This response to the Solent Deal consultation document is made with regard to Portsmouth City Council's Tackling Poverty Strategy 2015-20 (TPS 15-20).

The Vision for the Combined Authority has potential to align well with the Vision and Priorities outlined in the TPS 15-20, providing that the needs of our disadvantaged communities are taken into consideration in each area:

1. More skilled, better paid jobs

At present, average resident wages are lower than average workplace wages in Portsmouth, indicating that better paid jobs are taken by those living outside of the city. We must focus on enabling residents in poverty or at risk of poverty to increase their skills and take up better paid employment.

2. Bring investment into the area

The concentration of deprivation in Portsmouth puts us in the worst 14% of local authorities in England, highlighting the fact that there is significant inequality in the city, with pockets of deprivation that have remained unchanged over decades. Similarly, Southampton and Isle of Wight encompass areas of disadvantage as well as more affluent areas. It is essential that new investment focuses on the areas of greatest need, rather than leaving those residents further behind.

3. Reduce the region's welfare bill

Better paid employment will reduce residents' reliance on welfare benefits, but the other significant driver for poverty and need for financial support is high housing costs. Increasing the supply of housing above the increase in need will release some pressure on demand, but the greatest area of unmet need is for genuinely affordable rented housing, and increasing its supply should be an urgent priority for the Combined Authority.

4. Reform public services

Public service delivery should focus on what matters to residents, and its success should be measured on delivering the outcomes that residents require. It also offers opportunities to support digital transformation, but this requires resources to be put in place to ensure that vulnerable people are not excluded. The Voluntary and Community Sector has a key role to play in delivering public services, but the Combined Authority must ensure it supports sustainable development of this sector.

The four areas identified as the focus for the Combined Authority are all areas where devolving power and increasing investment could support action to tackle poverty. As this consultation comes ahead of more detailed negotiations, it is an opportunity to consider how key issues will be resolved to ensure that the work of the Combined Authority serves to reduce poverty and benefit those in greatest need:

- How will business rates be set, and how will revenue be shared between the three authorities, to ensure authorities inside or outside of the Combined Authority do not find themselves in competition with each other, for example by reducing business rates below the market level to attract business investment?
- How will bus franchising ensure a consistent, quality service that meets residents' needs, and prevent providers cutting services and quality to boost profits?
- How will we ensure that investment in transport supports those who do not drive, and connects people living in areas of deprivation with employment opportunities?
- How will we ensure that increased productivity will lead to increased investment and employment?
- How will support for local enterprise promote and increase social value?
- How will we ensure that we work in partnership across public services to improve the quality of the housing stock and reduce fuel poverty?
- How will the provision of adult education respond to the needs of residents, and also align with the needs of business to close the skills gap;
- Equality Impact Assessments should consider the impact on people living in poverty of key policy decisions;
- The terms of the Combined Authority should explicitly state that it aims to reduce deprivation and inequality (including health inequalities), for residents and the areas where they live.

If you require any further information in relation to the points raised in this letter, please do not hesitate to contact me.

Kind regards,

Mark Sage
Acting Tackling Poverty Co-ordinator

NHS
Portsmouth
Clinical Commissioning Group
NHS Portsmouth CCG Headquarters
4th Floor
1 Guildhall Square
(Civic Offices)
Portsmouth
Hampshire
PO1 2GJ
Tel: 023 9289 9500

8th July 2016

Cllr Donna Jones, Cllr Jonathan Bacon, Cllr Simon Letts
Members Services, Portsmouth City Council
Civic Offices
Guildhall Square
Portsmouth, PO1 2AL

Via email:

Paddy May, Corporate Strategy Manager,
Portsmouth City Council

Dear Colleagues

Governance Review for South Hampshire and Isle of Wight

Thank you for your letter of the 1st July regarding this aspect of The Solent Deal.

Whilst we acknowledge the complexities involved, NHS Portsmouth Clinical Commissioning Group are pleased to support the aims of The Solent Deal and the conclusions of the governance review.

The CCG and City Council has well established plans for the future of health & social care in the City and, whilst the Deal has broader strategic intent, we believe there are clear benefits to local health & care through the creation of a strong economy, enhanced business growth and education across the South Hampshire and Isle of Wight area.

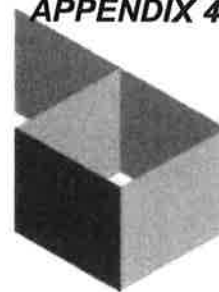
We believe the Deal is strongly supportive of the direction being developed through the Hampshire and Isle of Wight Sustainability & Transformation Plan (STP) which has built a strong case for considering how health & care needs to be considered and delivered not just at a local level but also across wider geographies.

Yours sincerely

Dr Jim Hogan
Clinical Leader & Chief Clinical Officer,
NHS Portsmouth Clinical Commissioning Group

cc: David Williams, Chief Executive, Portsmouth City Council
Innes Richens, Chief Operating Officer, NHS Portsmouth CCG
Tracy Sanders, Chief Strategic Officer, NHS Portsmouth CCG
Michelle Spandley, Chief Finance Officer, NHS Portsmouth CCG
Dr Elizabeth Fellows, Clinical Executive Member and Chair of CCG Governing Board

Portsmouth College



Paddy May
HR, Legal & Performance
Portsmouth City Council
Civic Offices
PORTSMOUTH
PO1 2AL

8th July 2016

Dear Paddy,

Solent Deal Strategic Governance Review

Thank-you for sending through the Solent Deal Strategic Governance Review documentation on 1st July 2016.

We note the extremely tight timeframes in which you would like our views on this material and feel that any expectation of a full and comprehensive response is not reasonable. We have not had the opportunity to discuss this formally at our board and an issue of such importance does need time for proper reflection and consideration. We do, however, acknowledge that there will be a full consultation programme over the Summer and early Autumn and we would welcome the opportunity to engage more fully as part of the formal consultation.

With all of the above caveats it is clearly to be applauded that a potential devolution deal could bring close to £1bn of investment into the Solent area. There is a clear need to improve the infrastructure in our area and this funding could make a significant contribution to overcoming these shortcomings. We also welcome that the deal is looking to increase productivity and provide more and better jobs. At Portsmouth College we feel that we, with our FE colleagues, have a clear role in helping to achieve these objectives.

We recognise that there is a requirement to change the governance to help implement the Solent Devolution deal and feel that creating a combined authority to help achieve this is a good idea. We look forward to the consultation on how a Solent Combined Authority will work in practice and it will be important that we get a chance to influence these arrangements. Clearly it will be very important that the combined authority has robust mechanisms in place to achieve good partnership working across the three unitary authorities of Portsmouth, Southampton and the Isle of Wight.

Yours sincerely

Steve Frampton
Principal, Portsmouth College

Nick Wynne
Chair of Corporation, Portsmouth College

Portsmouth College
Tangier Road
Portsmouth
PO3 6PZ

telephone
023 9266 7521

fax
023 9234 4363

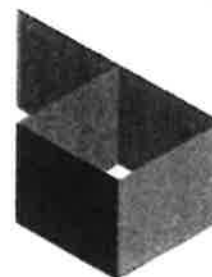
email
hello@tpc.ac.uk

web
www.tpc.ac.uk

Principal
Steve Frampton
BSc (Hons)



Portsmouth College



16th September 2016

David Williams
Chief Executive
Portsmouth City Council
Civic Offices
PORTSMOUTH
PO1 2AL

Dear David,

SOLENT DEVOLUTION DEAL

We note that you are currently consulting on plans to create a Solent Combined Authority. As with many consultations at present, and beyond your control, there seems to be due haste with this process, and it has been impossible to schedule a full Governor's meeting ahead of the deadline. However the Chair and Vice Chair do wish to give initial support for the Solent Devolution deal which would help deliver the ambitious draft Devolution Deal for the Solent area. We will of course be having a comprehensive briefing by Paddy at the end of the month for all Governors, to ensure we can continue to play a strategic role in the development of the exciting partnership.

As the major college for 16 to 18 year olds in Portsmouth, we support the aims and objectives of the devolution deal to enhance productivity and growth in the Solent area, and feel the creation of the Solent Combined Authority could help deliver these ambitions.

We feel that we can continue to play a critical part in the agenda of the Combined Authority and we are also aware of some of the major challenges that this area faces including education. We are keen to continue to work in partnerships with our local schools and Solent Sixth Form Colleges to improve educational outcomes and employability skills for young people. We would be committed to working with the Solent Combined Authority to help ensure that our young people have the skills needed to meet the needs of employers (locally and nationally) which would help enhance productivity and growth, develop their own businesses, contribute to the culture and creativity of our region, and be happy, productive and proactive citizens.

Portsmouth College
Tangier Road
Portsmouth
PO3 6PZ

telephone
023 9266 7521

fax
023 9234 4363

email
hello@tpc.ac.uk

web
www.tpc.ac.uk

Principal
Steve Frampton
BSc (Hons)



**Portsmouth
College**



We hope that you are successful in your plans and we would be grateful if you could keep us informed of progress.

Yours sincerely,

Steve Frampton

Principal and Governor

On behalf of the Chair of Governors, Nick Wynne and Vice Chair, David Carpenter



Red Funnel Group
12 Bugle Street
Southampton
SO14 2JY
Tel: 023 8024 8508
Fax: 023 8024 8502
Email: kgeorge@redfunnel.co.uk

30th September 2016



Ms Dawn Baxendale
Chief Executive
Southampton City Council
Civic Centre
Southampton
SO14 7LY

Dear Dawn

Re: Solent Deal

Please find below comments from Red Funnel in relation to the possible Solent Devolution Deal. Please accept these comments on the basis of reviewing the available documents. It is acknowledged that the documentation gives a relatively high level view of a possible deal.

1. The principle of devolving a number of functions, powers and responsibilities from central government to the Solent sub-region is to be welcomed, provided there is a robust governance structure within the region to manage these.
2. The Mayoral Combined Authority (MCA) appears to be the best option for providing the sub regional governance.
3. The role of the Solent LEP in the proposal is confused and unclear. It would appear the Solent LEP is proposed to be part of the constitution of the MCA while the range of responsibilities of the MCA appear to significantly overlap and could therefore possibly duplicate those of the Solent LEP.
4. One key element missing in the high level proposal is how the funding, under the control of the MCA, would be allocated within the sub-region. At the next stage of any consultation the principles by which the MCA would allocate funds should be illuminated. This is particularly important in relation to the IOW and the retention of 100% of Business Rates. The real benefit of retaining 100% of business rates comes from growth. There needs to be recognition that the growth potential on the Island is challenged by geography, transport, skills and housing. Some of these challenges can be overcome by appropriate funding to enable growth, which is why the principles and mechanism for allocating the £30m p.a. and the 100% business rates retention is absolutely fundamental to the future prosperity of the IOW and its ability to support the development of the region.

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IN PEOPLE



Southampton Isle of Wight and South of England
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5. The governance of the MCA is the fundamental issue in making it successful for the Solent sub-region. There are a number of examples of collaborative and cooperative working across the sub region. While many of these have had varying degrees of success, it is questionable that they have given a really ambitious strategic direction across the region. The proposal for the MCA needs to illustrate how it will learn from these examples and how it would be significantly better in delivery.
6. The proposed deal makes reference to the MCA taking responsibility for adult skills development. However, if the intent of the MCA is to guide strategic growth of the sub region in the medium term then there needs to be clarity on its role in relation to pre and post 16 education. The proposal is currently silent in this regard.

In summary Red Funnel supports the principle of the proposed Solent Deal and we look forward to participating further as the proposal develops, through further consultation.

Yours sincerely

—

Kevin George
Chief Executive
Red Funnel Group



Solent LEP Office
Second Floor
1000 Lakeside
Western Road
Portsmouth
PO6 3EN

Dawn Baxendale, Chief Executive, Southampton City Council
John Metcalfe, Chief Executive, Isle of Wight Council
David Williams, Chief Executive, Portsmouth City Council

16th September 2016

Dear colleagues,

Re: Solent Deal Consultation

Thank you for the opportunity to respond to the Draft Governance Scheme as part of the Phase 2 consultation on the recommendation to establish a Mayoral Combined Authority (MCA). This letter sets out the formal position of the Solent Local Enterprise Partnership (LEP).

The position has been considered and agreed by the Solent LEP Board of Directors. However, in formulating our response, the Solent LEP has undertaken considerable engagement with the wider business community and key stakeholders in the area and the feedback received during the course of this work has informed the position. For your reference, we are pleased to enclose with our response a report summarising the engagement undertaken by the LEP and feedback received at each stage. We hope that this is helpful in informing your response to the consultation and wider feedback that you receive through the public consultation.

Following consideration of the Draft Scheme and feedback received from the business community, the Solent LEP are pleased to confirm our support in principle for the establishment of a Mayoral Combined Authority with a Directly Elected Mayor.

Businesses recognised the potential opportunity that a Directly Elected Mayor for the area could bring; both as an ambassador for growth with key links to central Government to build momentum moving forward, similar to the impact which has been seen in other parts of the UK, and also as a focal point locally for key decision makers in the area to take forward growth plans which will benefit business. The benefits in relation to incentivising investment in growth are also clearly recognised and it is hoped that the proposed new structures will enable a transformational shift in attitude across all stakeholders to prioritise investment in infrastructure which enables business growth.

Regarding infrastructure, the Solent LEP has consistently stressed the importance of Transport, digital infrastructure, availability of land assets, housing, skills, maximising the benefit of our world class Universities, business support and innovation. Feedback received throughout the process has reinforced these assertions. In relation to infrastructure funding which it may be possible to secure through a Solent Deal we would encourage partners to adopt a flexible approach to this in order to ensure local creativity is not hampered in designing projects and programmes which will benefit business.

In addition to the above priorities, the feedback received suggests we need to increase our emphasis on international trade as we move forward; both in terms of assistance we can provide to support exporting to international markets, and also in attracting Inward Investment to the area.

Alongside the positive comments received and support for the proposals, there are areas which businesses are understandably concerned with which we want to flag for the consideration of all partners moving forward.

Businesses were clear that support for the proposal to establish an MCA is provided on the basis that the entity will operate in a simple, cost efficient manner and that additional layers of bureaucracy for business will not be put in place. We understand from our engagement with Local Authority Partners that this is the intention and we welcome this approach, however, the ongoing importance of monitoring this will be essential in ensuring the continued support of the business community.

Business rates were also raised and detailed consideration regarding the impact that any levy may have on the Solent business base highlighted as critical. The impact of proposals should not be considered in isolation and businesses are mindful that impacts must be considered in a cumulative manner (alongside cost increases coming as a result of the apprenticeship levy, for example). Cost increases will have an impact on our SME bases ability to remain competitive; however, long-term certainty around cost bases is also an important consideration for the larger multi-national employers based in the area.

In response to this, business engagement is seen as absolutely critical regarding any proposals on business rates. Support will only be achieved if proposals relate to truly transformational projects which have a tangible benefit to businesses. Smaller projects and / or addressing issues of short term funding gaps are unlikely to secure business support and should be funded from other sources.

Communications and business engagement with the new body has been one of the most regularly raised points of concern by the business community and, in relation to this, we have also taken the opportunity to consider the Solent LEPs position within the proposed new structure and how we interface with the MCA.

There is widespread support from the business community to support the recommendation within the review that the Solent LEP should work closely with the MCA, balanced with the need to maintain an independent voice for business.

On this basis, the Solent LEP can confirm its willingness to further explore the proposal regarding joining the MCA as a non-constituent member with voting rights on matters relating to economic development, infrastructure and transport.

We have also seen widespread support for the LEP to maintain its lead role for economic development in the Solent area, continue ownership of the economic strategy for the MCA and there was support for the Solent LEP to form the Growth Board to continue to ensure private sector influence over strategic growth matters as is proposed.

The close involvement of the Solent LEP within the MCA will ensure a strong business voice within the new entity, however, we remain mindful that wider business engagement will be absolutely essential to the success of the MCA moving forward. Building on the engagement the Solent LEP has undertaken during the course of this consultation, it is important that we continue to engage the business community in the proposals moving forward.

We look forward to working with you in the coming months to negotiate the best possible deal with Government for the Solent area.

Yours sincerely,

Gary Jeffries
Chairman
Solent Local Enterprise Partnership

TOGETHER.STRONGER



**SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP**

Solent Deal Business Engagement

Summary of Solent LEP activity and feedback received



1. Introduction

In order to help inform the Solent LEP response to the consultation on setting up a combined authority that would enable us to draw down new Government funding and pass significant decision making powers to the Solent area, the Solent LEP has undertaken significant consultation with local businesses. This has included:

1. A series of stakeholder meetings, including;
 - a. Business roundtable session during pre-consultation phase to seek initial views from key businesses and business organisations
 - b. Three business roundtable sessions, one in each relevant Local Authority area
 - c. Briefing and discussion session with all Solent LEP Delivery Panels
 - d. Key stakeholder meeting with the Hampshire and Isle of Wight Business Alliance Board
2. A dedicated business survey seeking views on the proposals administered in partnership with the Hampshire and Isle of Wight Business Alliance
3. Inviting direct written representations on an open basis, as well as specifically inviting these from Solent LEP Business Members

A total of 130 organisations have actively participated in the above engagement activity and the following report provides a summary of each element of the engagement activity and feedback received.

2. Stakeholder Meeting Summary

The Solent LEP has undertaken the following meetings with key businesses and stakeholders in relation to the Solent Deal proposal:

- Wednesday 13th July 2016: pre-consultation phase Business Roundtable - Cams Hall, Fareham
- Monday 25th July 2016: Meeting with Board of Hampshire and Isle of Wight Business Alliance - Hampshire Chamber of Commerce Offices, Fareham
- Friday 12th August 2016: Business Roundtable - 1000 Lakeside, Portsmouth
- Thursday 18th August 2016: Business Roundtable - KPMG Offices, Southampton
- Friday 9th September 2016: Briefing and discussion session with Solent LEP Panel Members - Solent Hotel, Fareham (including representatives from private, public and academic sectors)
- Tuesday 13th September 2016: Business Round Table - Northwood House, Isle of Wight

This series of meetings has resulted in direct engagement with representatives of 72 key businesses and wider stakeholders.

A list of organisations participating in the round tables is included below for reference:

3-Sci Ltd	Hampshire and Isle of Wight Business Alliance	RBS / NatWest
ABP Southampton	Hampshire Chamber of Commerce	Red Funnel
BAE Systems	Handelsbanken	Southampton Airport
BDO	IFPL	Southampton Business Improvement District
Betapak	IoD	Southampton City Council
BRI	Isle of Wight College	Southampton Solent University
British Marine	Isle of Wight Council	Southern Vectis
Business South	Isle of Wight Chamber of Commerce	St Maur Hotel
Christopher Scott Ltd	Isle of Wight Technology Group	Stagecoach
Coffin Mew	Isodo3d	Steve Porter Transport
Eclips UK	KPMG	The Marlands Shopping Centre
EEF	Mercator Media	Transformer Properties
Ernst & Young	MHI Vestas	Turley Associates
Fasset	Natural Enterprise	University of Portsmouth
First Hampshire & Dorset	Parity Trust	University of Southampton
FSB	Penny Mordaunt MP	Wightfibre
FSB - Isle of Wight Branch	Portsmouth City Council	WSX Enterprise
Future South	QinetiQ	
Green Marine		
Gurit		

The following organisations, represented on Solent Local Enterprise Partnership delivery panels, attended the LEP Panel session on Friday 9th September:

Arkenley Lane
Barclays
Boosting Business Performance Ltd
City College Southampton
Critical Software
Department for Work and Pensions
Dryad Maritime
EBP
Ellis Transport Services
Environment Agency
Fasset
GKN Aerospace
Hampshire and Regional Property Group

Hampshire Chamber of Commerce
Intraserve
Lambert Smith Hampton
Oxford Innovation
SETsquared
Solent Growth Hub
Solent Transport
Southampton City Council
UKTI
University of Portsmouth
University of Southampton
UTC - Royal Navy

During the course of the stakeholder meeting series, the significant majority of those involved have been supportive in principle of the recommendations in the Solent Deal Strategic Governance Review to establish a Mayoral Combined Authority with a Directly Elected Mayor.

A number of specific benefits in relation to this model have been recognised throughout the course of the consultation, including the following;

- The opportunity for the local area to pilot the new business rate system and feedback into the design of the new national system, including the importance of local tailoring.
- Incentivise Local Authorities to prioritise growth
- Opportunity to take a long-term view of the future as opposed to simply addressing short term public sector funding gaps
- Opportunity presented regarding planning to take a strategic approach, on a joint basis to accelerate growth
- The opportunity a Directly Elected Mayor presents to provide long-term leadership, and create momentum and ambition as a growth ambassador for the area
- Opportunity to increase business and political engagement through the model, including engaging the LEP in the prioritisation of projects

In addition to the positive response, a number of areas for consideration have been raised by the business community, including the following;

- Direct LEP representation within the structure is seen as critical
- The importance of business engagement and communication (including promotion of the opportunity to stand as a candidate for the DEM role) will be vital on an ongoing basis
- Need to ensure appropriate management of financial risk across the MA area - mitigating risk of any future down turn in business rates which may occur and risk relating to any potential resets
- Increasing Inward Investment, international trade and place based marketing on a Solent basis were flagged as particular priorities for the business community
- Business buy-in would be critical and, in order to achieve this, there should be a focus on transformational projects - whilst not forgetting the importance of SME businesses to the economy

- The need to ensure that processes are simple, efficient and that additional layers of bureaucracy are avoided
- The recognition of the Solent LEP as a functional economic area and importance of other district areas not in the phase 1 Geography (particularly in relation to issues such as transport and East-West connectivity which was seen as critical)
- The need to ensure accountability of the Directly Elected Mayor to the business community as well as the electorate
- The challenge of engaging businesses in relation to devolution alongside the focus on BREXIT (noting the potential opportunity to return powers to the local area from the EU rather than Westminster through devolution)
- Need to ensure "infrastructure" is not a limiting term for only transport investment which limits local creativity. Skills was seen as critically important, and the need to target local skills provision, as well as other infrastructure such as digital and energy
- Social Enterprise was highlighted as an important sector and any new system should seek to incentivise wider benefits for the local area
- Incentives should be put in place to business to bring vacant properties back into economic use
- Export support is an area requiring additional investment
- Concerns from private sector bus operators were noted and these are being directed towards dedicated engagement with Local Authority Partners

3. Business Survey Summary

As part of this engagement, in partnership with the Hampshire and Isle of Wight Business Alliance, the Solent LEP has undertaken a business survey seeking views on the proposals. The Business Survey launched on Wednesday 17th August 2016 and closed on Wednesday 7th September 2016.

A reference copy of the survey is available at the following link:
<https://www.surveymonkey.co.uk/r/HIBABusinessSurvey>

The following document summarises the responses received to this survey.

Question 1: Demographic Information

54 responses to the business survey have been received. All respondents are anonymous, however, information in relation to sector, employee numbers, location and annual turnover were requested to help inform analysis.

A diverse range of businesses have responded to the survey. Employee numbers range from 1 - 12,000 and annual turnover from £100k to £1bn. Geographically, 21 businesses have listed PO postcodes, 26 SO postcodes and a minority of other postcodes. Sectors are wide ranging and a summary table provided below for information.

Accountancy	1
Architecture and Urban Design	1
Banking	1
Business Advisory / Coaching / Consultancy / Support / Services	7
Café	1
Construction / Construction services	2
Cruise Vacation Travel	1
Digital / Software / Technology	3
Education/Teaching	3
Energy / Renewable Energy	2
Finance / Financial Services	2
Healthcare	1
Hospitality	2
Information Technology / Services	2
Land management and development	1

Local Government	1
Logistics	1
Manufacturing	1
Marine / Maritime	2
Marketing and Communications / Services	2
Port	1
Property	1
Publishing	1
Retailing	2
Surveyors	1
Town Planning	1
Transport	7
Wholesale	1
Not disclosed	2

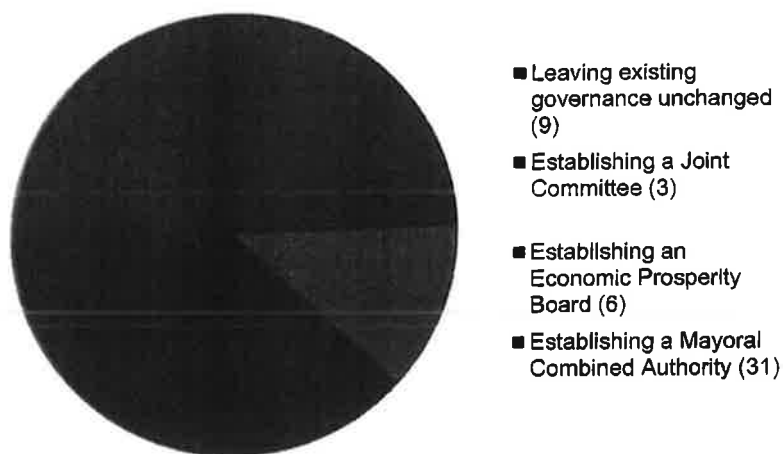
Question 2: The consultation includes four options for Governance Models. A summary of the preliminary findings of the review in relation to each option can be found on page 34 of the published Governance Review Document. Please rank the 4 options from 1-4 in order of preference.

1. Leaving existing governance unchanged
2. Establishing a Joint Committee
3. Establishing an Economic Prosperity Board
4. Establishing a Mayoral Combined Authority

The following table summarises the ranking provided in relation to each of the 4 options. Option 4 (establishing a Mayoral Combined Authority) was the Governance model favoured by respondents, with 31 of the 54 organisations ranking this as their preferred option. 78% of respondents (38) ranked establishing an MCA as either their first or second preference.

Ranking	Option 1	Option 2	Option 3	Option 4
1	9	3	6	31
2	5	12	26	7
3	8	25	12	2
4	26	7	5	10
No response	6	7	5	4

The following chart shows the top preference selections for each of the four governance models:



Question 3: If a Mayoral Combined Authority were to be established, how should the LEP interface with this?

1. As part of the Mayoral Combined Authority with a vote alongside other Local Authority Partners on matters relating to economic development infrastructure and transport
2. As an advisory committee to the Mayoral Combined Authority on matters relating to the economic development, infrastructure and transport
3. As a full member and forming a dedicated advisory committee (both option 1 and 2)
4. As an external partner to the MCA, interfacing with the new organisation on matters relating to the economy through a partnership approach, similar to the current working relationship between the LEP and existing Local Authorities
5. Develop an alternative relationship with the MCA, not included above. Please describe.

Respondents were able to select only one of the 5 options. The following table summarises the responses received.

1. As part of the Mayoral Combined Authority with a vote alongside other Local Authority Partners on matters relating to economic development infrastructure and transport	12
2. As an advisory committee to the Mayoral Combined Authority on matters relating to the economic development, infrastructure and transport	12
3. As a full member and forming a dedicated advisory committee (both option 1 and 2)	18
4. As an external partner to the MCA, interfacing with the new organisation on matters relating to the economy through a partnership approach, similar to the current working relationship between the LEP and existing Local Authorities	7
5. Develop an alternative relationship with the MCA, not included above. Please describe.	3
No response	2

The LEP interfacing with the MCA as a full member and forming a dedicated advisory committee (as is proposed in the Strategic Governance Review) was the narrowly favoured option with 18 of the 54 respondents selecting this option. However, it is clear that respondents favoured the LEP interfacing with the MCA in some form, with 78% (42) of respondents selecting one of the three options which involve the LEP directly interfacing with the proposed MCA in some form.

3 respondents provided comments relating to developing an alternative relationship with the MCA, not included above. The common theme in all responses focused on ensuring a lack of duplication of roles/responsibilities and simplification of processes for business.

Question 4: How important for business are each of the proposed areas of investment contained within the deal?

1. Business Support and Innovation
2. Learning, Skills and Employment
3. Transport
4. Housing and Planning

Respondents were able to rank each option from 1 (highly important) to 5 (not important at all). The following table summarises the responses received.

Ranking	Business Support and Innovation	Learning, Skills and Employment	Housing and Planning	Transport
1	28	29	27	30
2	18	23	13	13
3	4	0	8	7
4	1	0	3	1
5	0	0	0	0
No response	3	2	3	3

The table suggests all four of the proposed areas of investment contained within the deal are seen as important for business with no respondent selecting option 5 (not important at all) on any of the proposed areas.

Question 5: In addition to the initial potential powers to be identified, the Deal identifies that "further powers may be agreed over time and included in future legislation". Are there any specific further powers which Businesses would wish to see devolved to the local area?

This question was open and respondents were able to enter any further suggestions. 13 responses were received to this question. A range of responses were received with the further devolution of powers in relation to skills and education the most frequently occurring.

Question 6A: To what extent do you support or oppose the principle of tax-setting powers being transferred from central Government to the Local Area?

Respondents were able to record their support from 1 (strongly support) to 5 (strongly oppose). Overall, there was strong support for this principle with 61% (33) of respondents selecting either option 1 or 2. The following table summarises the responses received.

1 Strongly support	2	3	4	5 Strongly oppose	No feelings either way	No response
23	10	8	2	7	0	4

Question 6B: To what extent do you support or oppose the requirement for a combined authority mayor to have the support of the business community through the Local Enterprise Partnership in order to implement any business rate supplement?*

Respondents were able to record their support from 1 (strongly support) to 5 (strongly oppose). Again, there was strong support for this principle with 65% (35) of respondents selecting either option 1 or 2. The following table summarises the responses received.

1 Strongly support	2	3	4	5 Strongly oppose	No feelings either way	No response
20	15	8	3	4	1	3

Question 6C: What other considerations should LEP be aware of in relation to proposals regarding business rates?*

This question was open and respondents were able to enter any further suggestions. 15 responses were received to this question. Common themes included ensuring democratic accountability in decision making and increased business engagement through the LEP. A number of comments focussed on rates reduction in relation to two areas; for social enterprises and as a means of attracting additional inward investment to the area.

*In relation to question 6B and 6C, it should be noted that further information regarding national proposals relating to Business Rates have been made available since the production of this business survey and the Solent LEP will consider these in greater detail in the context of responding to the national consultation "*Self-sufficient local Government: 100% business rate retention*" to ensure wider issues are considered and views from the Solent business community are appropriately reflected.

Question 7: What Local Government behaviours would businesses in the Solent wish to see incentivised through a reformed local Government finance system?

1. Investment in Business Support and Innovation
2. Investment in Housing and Planning
3. Investment in Learning Skills and Employment
4. Investment in Transport
5. Investment in Public Services

Respondents were able to select as many of the 5 options as they wished. The following table summarises the responses received.

Investment in Business Support and Innovation	33
Investment in Housing and Planning	27
Investment in Learning Skills and Employment	38
Investment in Transport	40
Investment in Public Services	18

Private sector priorities clearly focussed on incentivising investment in growth, with Investment in Business Support and Innovation, Housing and Planning, Learning Skills and Employment and Transport all identified by 50% (27) or more of respondents, with investment in transport identified most frequently. Investment in public services was identified by 33% (18) of the 54 respondents.

In addition to selection of the above options, respondents were also able to provide any other suggestions on an open ended basis. 4 comments were received including long-term solutions for aging populations and joint planning strategy.

Question 8: Are there any Business behaviours which businesses in the Solent would wish to see incentivised through a reformed local Government finance system?

1. Job Creation
2. Employee Development and Training
3. Apprenticeship Creation
4. Productivity/Innovation Enhancements
5. Environmental improvements
6. Corporate Social Responsibility
7. None
8. Other (please specify)

Respondents were able to select as many of the options as they wished. The following table summarises the responses received.

Job Creation	30
Employee Development and Training	32
Apprenticeship Creation	28
Productivity/Innovation Enhancements	26
Environmental improvements	25
Corporate Social Responsibility	11
None	2

Job creation, employee development and training and apprenticeship creation were all identified by 50% (27) or more of respondents, with investment in employee development and training identified most frequently. Investment in Productivity/Innovation Enhancements (26), Environmental improvements (25) and Corporate Social Responsibility (11) were also identified by respondents.

In addition to selection of the above options, respondents were also able to provide any other suggestions on an open ended basis. No other comments / suggestions were received

Question 9: To what extent do you support or oppose the principle of the Solent LEP aligning its Infrastructure investment through the Growth Deal with wider infrastructure funding which may be secured through a devolution deal?

Respondents were able to record their support from 1 (strongly support) to 5 (strongly oppose). There was strong support for this principle with 69% (37) of respondents selecting either option 1 or 2. The following table summarises the responses received.

1 Strongly support	2	3	4	5 Strongly oppose	No feelings either way	No response
24	13	6	3	3	2	3

Question 10: Are there any other comments relating to the Solent Deal consultation which you would like to bring to the attention of the Solent LEP?

This question was open and respondents were able to enter any further suggestions. 17 responses were received to this question. Common themes included the importance of securing the involvement of neighbouring district authorities in the Solent.

Collaboration, communication, transparency and democratic decision making were highlighted as important, as well as reducing bureaucracy and increasing efficiency.

4. Written Response Summary

Under an initial phase of pre-consultation, the Solent LEP wrote to all Business Members of the Solent LEP and partners at the Hampshire and Isle of Wight Business Alliance to invite any initial responses to the strategic governance review and, during this initial engagement, 6 items of correspondence were received.

During the course of the full consultation period, the Solent LEP has accepted direct written feedback and established a dedicated email address (solentdeal@solentlep.org.uk) to manage any correspondence received during the period. Four items of correspondence have been received and these are recorded in the following table:

Sender:	Date Received:	General Comment:
Hampshire Regional and Property Group	4 th July 2016 (pre-consultation phase)	Supportive with comments
Stagecoach	8 th July 2016 (pre-consultation phase)	Supportive with comments
South Hampshire Bus Operators' Association	12 th July 2016 (pre-consultation phase)	Neutral with comments
First Group	14 th July 2016 (pre-consultation phase)	Not supportive
Corrotherm	12 th July 2016 (pre-consultation phase)	Neutral
Southampton Airport	11 th July 2016 (pre-consultation phase)	Neutral
West Quay Southampton (on behalf of Go! Southampton business improvement district steering group)	11 th August 2016	Supportive
Gosport Resident	22 nd August 2016	Not supportive
Hampshire County Council	8 th September 2016	Not supportive
ABP Southampton	8 th September 2016	Supportive

Pre consultation feedback

Three comments were received from bus operators and these focussed on a reference in the documentation to powers relating to franchising of bus services. As these comments are detailed and specific to a single issue, as opposed to general concerns relating to the MCA governance model being recommended, these have been dealt with by facilitating direct engagement with the Local Authorities for the Bus Operators to discuss these concerns during the period and the Solent LEP Chairman and Chief Executive will meet with SHBOA post the close of the period.

No other negative concerns were raised; however, two comments emerged as follows:

1. Strong support for the other district authorities of the Solent LEP functional Economic area to join the proposed MCA and;
2. The MCA should not increase costs and add another layer of bureaucracy

Full consultation feedback

Four further representations were received during the full consultation period at the LEP. In relation to the positive responses received, these have specifically highlighted the following points:

- Welcomes the initiative to create a framework to allow devolution to the functional economic area that the Solent represents.
- Concurs that Southampton, Portsmouth and the Isle of Wight are the natural cornerstones of a Solent Combined Authority. However we encourage the active participation of Eastleigh, Fareham, Havant, Gosport and East Hampshire, so that natural economic activity areas are fully reflected in the Combined Authority.
- Supports the governance option for a Combined Authority Mayoralty. However we would look for an inclusive approach, particularly with businesses and business organizations, to ensure that economic growth is the foundation of the Combined Authority.
- The involvement of the Solent LEP is both noted and welcomed. We would hope that the work of the LEP will be recognised and continued as the Combined Authority is established
- The relationship between the three unitary authorities the five district councils needs to remain cooperative and in so saying the need for comparable electoral cycles with those of the Combined Authority mayoralty, need to be considered.
- welcome the proposed Solent Deal on the basis that the combined authority has the ability to make strategic decisions in a timely manner whilst keeping costs and bureaucracy to a minimum
- The Solent maritime cluster would benefit from a cohesive combined local authority structure that has planning, transport and the economic as its principle strategic objectives.
- The ambitions of improving local public transport and connections to the national networks; road and rail networks to enhance access for goods to be transported, commuting and connectivity; attracting new employers to the area creating jobs and opportunities for local people; supporting economic growth by making suitable sites available for housing and employment developments; and making sure training is designed to provide the skills local employers need to aid business growth are supported.

In relation to other comments, one response from a resident has been received which was not supportive of the proposal and proposed resourcing arrangements. Local Authority Partners have responded directly to the points raised and the response will be considered directly as part of the formal public consultation. In addition to the above points, comments were received which related to the Solent Growth Deal 3 proposal being put forward by the Solent LEP. The LEP Executive has responded to these to clarify the separate process in relation to the Local Growth Deal.

Hampshire County Council have expressed concerns with the following areas:

- The nature and timing of the consultation with businesses

- Proposed geography, with specific concerns relating to key transport nodes outside of the proposed area and confusion with lack of alignment with Solent LEP geography
- Alternative opportunities under the Cities and Local Devolution Bill to support the establishment of regional transport organisations
- Limited ambition in relation to developing a simple and efficient planning system
- Delivering simple, accessible and efficient decision-making
- The balance between local community decision-making and control and the more strategic work of the combined authority
- lack of transparency over the conditions in which the creation of a directly elected mayor is required

Full copies of all correspondence received have been made available to Board Members on request.



Dawn Baxendale
 Chief Executive
 Southampton City Council
 Civic Centre
 Southampton
 SP14 7LY

29 September 2016

Dear Dawn,

Thank you for your letter dated 22nd September in regard to working with Portsmouth City Council, the Isle of Wight Council and the Solent Local Enterprise Partnership to agree a Solent Devolution Deal with central government.

I am fully aware of the consultation process and on-line questionnaire that commenced earlier in the summer and, as a major stakeholder, am fully supportive of the work being undertaken. I wish you a successful outcome and you have my full support for the proposed Solent Deal.

Yours sincerely,

Gareth Rogers
 Chief Executive Officer



2 September 2016

Dear Cllr Bacon, Cllr Jones, Cllr Letts, Cllr Perry,

I am writing in response to the two consultations on Hampshire devolution and to endorse the efforts being made to reform the current system. As Hampshire's main water and wastewater provider, Southern Water serves more than 700,000 people across the county. We play an important role in supporting the local economy and our services are an essential part of daily life for people who live and work in our region.

Over recent years we have invested many millions of pounds to improve our service and provide new infrastructure to these growing communities while continuing to protect the environment. Our current £3 billion investment programme is well under way and will deliver further enhancements across Hampshire and the rest of the South East, such as improving the quality of coastal and river waters.

We have a statutory obligation to serve new development and are fully committed to providing the right infrastructure in the right place at the right time. To achieve this, we work in collaboration with planning authorities and developers. As a major infrastructure provider we welcome any proposal that allows for greater integration of planning functions and wider certainty around priorities. This would bring increased efficiency and clarity to the way we work with local authorities and developers to deliver the infrastructure required for growth.

While we do not favour any of the proposals individually, we do welcome the move towards a more integrated, holistic approach to planning and development and a more co-ordinated approach to decision-making across the county.

We continue to watch the debate and developments with interest.

Yours sincerely,

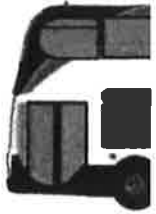
Matthew Wright
Chief Customer Officer

Mr A Cufley
Director of Transport, Environment and Business Support
Portsmouth City Council
Civic Offices
Guildhall Walk
Portsmouth
PO1 2AL

Bus Station
Southgate, Chichester
West Sussex
PO19 8DG

T 01243 755850
F 01243 528743

stagecoachbus.com



16th May 2016

Dear Alan

DEVOLUTION PROPOSALS FOR BUSES

Thank you for seeing Mark and myself today along with David, Pam and Paddy. As requested, I am following up in writing the concerns and points that we raised in the meeting.

Stagecoach has worked well with Portsmouth City Council over the years and we have been heavily investing in the local bus network with resultant significant growth in patronage currently running at 2% in adult fare paying passengers. Our entrepreneurial approach to our customers has resulted in value for money fares and we operate entirely commercial mileage within Portsmouth with not one tender operated under contract to Portsmouth City Council.

We have been aware for a while now regarding the provisions made within the Solent devolution prospectus for the proposed combined authority to gain powers for franchising bus services. Whilst disappointed, we accepted why you might want the powers although not necessarily use them, choosing to evaluate various options and at least initially continue to work in partnership with the bus operators in the way that has worked so successfully over recent years.

As you know, Mark Turner, our Commercial Director recently attended a consultation meeting hosted by the Solent LEP at which Donna Jones, the Leader of Portsmouth City Council answered a number of questions and made a number of representations in relation to the devolution proposals.

Mark was surprised when the Leader appeared to give a clear indication of the Councils intent to pursue Franchising as opposed to evaluating all the options associated within the forthcoming Buses Bill. The leader then expressed a desire to 'cross-subsidise' before referring to the benefits of operating with 'one big contract as opposed to lots of little ones'. A comment was then made that saving could be made on the £4.5m of funding spent on 'bus contracts'.

To clarify, as a private sector company, we already 'cross subsidise' in order to support the wider network and we are not sure what Portsmouth would be 'cross subsidising' given that your bus service contracts are of minimal value, none of which we operate on your behalf. You then suggested that cross subsidy could refer to a proposal for the elderly population of Portsmouth to pay a fare and the resultant reductions in the concessionary budget being used to support rural services outside of Portsmouth. If this is the case then I can't see such

a proposal being popular with the Portsmouth community. Furthermore, such a proposal would almost certainly result in a reduction in journeys being made by the elderly in Portsmouth, which could then negatively impact on the local economy.

As it stands, our 200 employee local business is now faced with a great deal of uncertainty and I need to try and avoid that affecting our staff morale and fleet and also our network investment plans for the coming years.

I would very much welcome the opportunity to meet with the leader, understand her concerns together with her aspirations for the local bus network and discuss how we can work together to achieve our common objectives to the benefit of everyone.

Thanks again for the meeting today and I look forward to hearing from you.

Yours sincerely,

Michael Watson
Managing Director

Professor Graham Galbraith BSc MSc PhD CEng MCIBSE FHEA MIOB
Vice-Chancellor

Direct line: +44 (0)23 9284 3191
Email: graham.galbraith@port.ac.uk
Wednesday, 06 July 2016

Paddy May
Corporate Strategy Manager
Portsmouth City Council
Civic Offices
Guildhall Square
Portsmouth PO1 2BG



University House
Winston Churchill Avenue
Portsmouth PO1 2UP
United Kingdom

T: +44 (0)23 9284 8484

Dear Paddy

Governance Review for South Hampshire and the Isle of Wight

I write in response to the email from David Williams on 1 July 2016 relating to a possible devolution deal with government for the South Hampshire region.

It is of course difficult in such a short timescale to fully assimilate the details. However, the University of Portsmouth is, in principle, content with the stated aims of the proposal and the conclusions drawn in the governance review document that the creation of a Combined Authority will help deliver improvements for the Solent economy and quality of life for local people.

Yours sincerely

Graham Galbraith
Vice-Chancellor

Professor Graham Galbraith
Vice-Chancellor
Direct line: +44 (0)23 9284 3191
Email: graham.galbraith@port.ac.uk

18 September 2016

Paddy May
Corporate Strategy Manager
Portsmouth City Council
By email: Paddy.May@portsmouthcc.gov.uk

Dear Paddy



University House
Winston Churchill Avenue
Portsmouth PO1 2UP

Switchboard: (023) 9284 8484
Facsimile: (023) 9284 3400

Solent Deal : Governance Review for Hampshire and the Isle of Wight

Thank you for visiting the University to explain the 'Solent Deal' and for us to discuss how the governance arrangements on which you are consulting might impact both on the University and the future prosperity of the Solent Region.

The University believes that effective and joined up decision-making arrangements are important within the Solent sub region in order to drive economic prosperity and ensure quality of life for its residents. In our view it is important to ensure that a strong and shared vision exists amongst all key stakeholders, that the needs of the sub region are clearly identified, that resources are prioritised appropriately and that barriers are not put in the way of delivery.

I can confirm that, having reviewed the options as set out in the consultation paper, the University supports the proposals for a Mayoral Combined Authority as the appropriate governance arrangements for the devolution of powers and responsibilities through the Solent Deal. It would appear that the history of collaborative working in the Solent area, via PUSH and the LEP, provides effective foundations for these arrangements. However, we do not have a view on the specific geographical basis of an MCA since we believe that this is a matter for the democratically elected authorities to decide.

Both as a major employer in the City of Portsmouth and through our role as a driver of economic growth as a major University, we believe that the Solent Region has significant potential to raise productivity and address the barriers which are holding back economic prosperity and quality of life. Innovation plays an important role in this and the universities in the region have the ability to make a greater contribution than has previously been recognised. The consultation paper recognises the importance of innovation and, if the Solent Deal is approved, we would want to understand how we could work with the new governing body to increase our participation and give the university sector a greater voice. In addition, we are interested to gain a better understanding of the opportunities presented by the devolution of post 19 funding for education and skills training.

The relationship between political decision-making and the devolution of business rates is an unknown. We would be concerned to ensure that, under any new arrangements, the growth potential of the University is given equal weight to the interests of the private sector in any development proposals.

Yours sincerely

Graham Galbraith
Vice-Chancellor

Cllr Simon Letts
Leader of Southampton City Council
Civic Centre
Southampton
SO14 7LY

07th July 2016

Dear Simon,

Solent Governance

Thank you for the consultation documents pertaining to Solent Governance. In principle we are supportive of the direction of travel outlined as Option 4 in the document titled "Solent Strategic Governance Review Summary Document" leading to the establishment of a Mayoral Combined Authority for Southampton, Portsmouth and the Isle of Wight.

We would like to remain closely involved in the process going forward particularly with regard to the development of transport plans and how this might impact UniLink, a key transport infrastructure for our students, staff and the local community.

As a world leading higher education establishment we are fully committed to supporting the development of the Solent as a vibrant, sustainable and economically successful region. We look forward to participating in the developing thinking for the region and would welcome the opportunity to strengthen business and infrastructure links, entrepreneurial activity and social wellbeing, along with our direct education and research offer, as part of the Solent Deal

Yours faithfully,

Ian Dunn
Chief Operating Officer

