



Title of meeting: Cabinet
Date of meeting: 10th September 2024
Subject: Devolution deal for Portsmouth / Hampshire and the Solent
Report by: The Chief Executive
Cabinet Member: The Leader of the Council
Wards affected: All
Key decision: No
Full Council decision: No

1. Purpose of report

1.1 To update Cabinet on the latest position on local devolution and to seek permission for the Leader and Chief Executive to maintain the dialogue with neighbouring authorities and the Government to understand whether there is a devolution opportunity that would be for the benefit of the people of Portsmouth.

2. Recommendations

2.1 Cabinet is recommended to:

2.1.1 Note that there are currently discussions underway to explore the potential for a devolution deal for local authorities across Hampshire & the Isle of Wight (including sub-regional geographies such as the Solent).

2.1.2 Agree that delegated authority be given to the Leader of the Council and the Chief Executive to engage with Government, and neighbouring authorities, to understand whether there is a devolution deal that would be worth bringing back for Cabinet and Full Council to consider.

3. Background

3.1 Over the last 10 years there have been a number of different attempts to take forward a devolution opportunity that would involve Portsmouth City Council. This has included two attempts at a whole Hampshire & Isle of Wight approach, which have never led to an actual formal application to Government, and three attempts at a Solent devolution deal. One of the Solent deals led to a signed agreement which was pulled at the last minute. One of the other Solent proposals led to formal approval by each of the three Solent unitary councils to make a formal application to Government requesting that a Solent Mayoral Combined Authority should be established. The Government did not approve the application, stating that the withdrawal of Hampshire County Council from the proposals meant that they could not support it although Hampshire County



Council were not part of the application to Government nor was their permission required by law.

- 3.2 Despite these numerous failed attempts at devolution, the potential prize on offer is still significant. Under the last Government, a number of funding streams were allocated to areas with Mayoral Combined Authorities whilst other areas were subjected to expensive competitive bidding processes. As part of any devolution deal there is scope to negotiate a sizeable 30 year investment fund for the local area as well as having more flexibility, including funding, for a wide range of policy areas. This means for example that there could be a single transport settlement for the area or there could be local responsibility for the design and delivery of unemployment support programmes or the use of the adult skills budget. Whilst an initial deal can often be quite limited in its scope, it is a door opener for wider and more extensive devolution of powers and funding. It is worth noting that whilst devolution is mostly about government functions being delivered at the regional level there are likely to be some current local functions that would be delivered at a sub-regional level including, for example, some transport, planning and economic development functions.
- 3.3 The new Labour Government has said that it is committed to devolution and within a week of the General Election the Prime Minister and Deputy Prime Minister met with all the Elected Mayors to talk about how to take forward further devolution and how Elected Mayors can help drive local economic growth to contribute to a national Industrial Strategy. The Government has also set up a Council of Nations and Regions to allow for shared decision making between central government and local areas. This new body will be chaired by the Prime Minister but will also include the First Ministers of the Devolved Nations and all the Directly Elected Mayors.
- 3.4 There is considerable interest locally to explore whether a devolution deal can be agreed which would work for all the local authorities in the area. This will require a new mindset that ignores the issues from the previous attempts and looks to positively explore what can be achieved in the future. The Leaders of the four upper tier local authorities (Portsmouth, Southampton, IOW and Hampshire) have met, with a collective appetite, to explore whether a devolution deal for the Solent and Hampshire local authorities can work for the benefit of their residents and businesses.
- 3.5 It will be important, however, to make sure that any deal protects the interests of Portsmouth and the Solent sub-region and helps ensure that our economic potential is fulfilled. It will be possible to build protections into the Governance framework for any Combined Authority that would allow this to happen. Whilst there is a clear preference for any deal not to have an Elected Mayor, it may be that this will be required to achieve any sort of meaningful devolution. If this is the case a decision will then need to be made about whether having a Mayor is a price worth paying to achieve the devolution offers that have been negotiated.
- 3.6 There is currently no devolution deal within the South-East region and civil servants are very keen to see a deal agreed for the Hampshire & Isle of Wight area. Legislation introduced by the last Government, in 2023, does not allow for districts and boroughs to be constituent Members of any Combined Authority.



There is however legislation that is still current, that would allow districts and boroughs to be constituent Members. This could either happen with the agreement of Hampshire County Council or the three unitaries could form a Combined Authority which subsequently a district or borough could apply to join, subject to their own governance review, without the agreement of Hampshire County Council.

3.7 It will be important that all local authorities in the area are fully supportive of any devolution deal and so it will be important that any deal builds in the importance of the role of the Districts and Boroughs, particularly as they are the Planning & Housing authorities and drive most localised work on economic investment and addressing deprivation - which will be key outcomes from any deal we would want to see. This is in line with statements from the current Minister responsible for devolution.

3.8 If a deal can be negotiated, and agreed locally by Leaders and with Government, then a formal proposal will come back to Cabinet and then Full Council for debate and agreement. This process will be followed by all relevant local authorities in the area. There is a genuine opportunity at the moment to work with our neighbouring local authorities to negotiate a devolution deal for the area. The Leader of the Council and the Chief Executive need to be given permission to continue these discussions and to negotiate the best possible deal for the area and also to be given permission to leave the discussions if it is clear that any possible deal will not be in the interests of Portsmouth or its communities. The deal needs to consider all possible options and discount those that are not possible or do not deliver on meeting the needs of the area. Any negotiated deal will be brought back to Full Council for approval. With a potential deal having a significant lasting impact it is suggested that there should be regular meetings of a cross-party group leaders' working group with all councillor briefing sessions held whenever a significant milestone is met.

4. Reasons for recommendations

4.1 Initial discussions have taken place locally to explore whether there is an opportunity to agree a devolution deal with Government. To get to the next stage, discussions and negotiations will need to take place with Government and simple pro-forma needs to be returned to the Ministry of Housing Communities and Local Government (MHCLG) by the end of September stating whether this is something that the local authority wishes to pursue. At this time, it is only an 'expression of interest' indicating to the Government that there is a wish for a devolution deal to be explored in this area. This paper has been prepared so that Cabinet is aware of discussions that are taking place and also to get agreement that the Leader of the Council and the Chief Executive can act on behalf of the Council to negotiate a devolution deal that works for Portsmouth and which can be brought back to the Council for formal approval.

5. Integrated impact assessment

5.1 There is no need for an integrated impact assessment at this stage. If there is a devolution deal that is agreed, there will be a requirement for an assessment as the different elements of any deal are implemented.



6. Legal implications

6.1 There are no direct legal implications in terms of the negotiation phase for a devolution deal. Depending on what is agreed as part of the deal there could be significant Governance changes that will need to be incorporated into our overall Governance framework.

7. Director of Finance's comments

7.1 There are no direct financial implications at this stage of the process nor with the recommendations in this report. A future deal could have significant financial implications but this would be subject to a future report to Cabinet and Full Council.

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Signed by:
Natalie Brahma-Pearl
Chief Executive

Appendices:
None

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: