

# **BRIEFING PAPERS**



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## INTRODUCTION TO THE BRIEFING PAPERS



### Welcome to Assembly South!

Congratulations on becoming a member of Assembly South!

Over the next few weeks, you will get to debate some very important issues to do with how the Hampshire and Isle of Wight area will be governed in the future. The results of your discussions will be closely followed by local politicians and officials in national government, who are currently deciding about new governing arrangements, as well as the local media and other organisations.

There is a second Assembly looking at South Yorkshire – Assembly North. Together the Assemblies are an important experiment in a new way of doing democracy – asking citizens themselves to discuss and decide on how we should be governed.

We hope you will find this experience valuable and enjoyable.

### What are these briefing papers?

These briefing papers are designed to help you get the most out of the Assembly. They give introductions to the issues that you will be discussing. They set out some of the debates and arguments that you will hear during the weekends.

For some of the briefing papers we have also produced short [video summaries](#) on the website.

### How should I use the briefing papers?

You are welcome to use the briefing papers in whatever way you wish. We will not be setting you any required homework!

We hope you will find it useful to read the papers between the two weekends when Assembly South meets. They might answer questions that you have been confused about. They might refresh your memory of what you heard. They might help you think about the decisions that Assembly South will be making.

Each set of papers starts with a brief introduction that summarises the main themes of the paper. So, if you are pressed for time, you could focus just on these short summaries.

If you have any questions or comments about the papers, you can contact us through the Assembly South Facebook Group. This group is open only to Assembly members, but, if you are not a member, you can still get in touch, through the [submission form](#) on our website.

### What topics do the briefing papers cover?

The briefing papers are divided into five sets:

- **Set 1: Local Government Today.** These papers introduce you to the current local government arrangements in the areas of Assembly North and Assembly South. They also outline the system of local government in England as a whole.
- **Set 2: Reform Options.** These papers introduce three possible alternatives to the current arrangements. The first of these is the reform package that the government is pursuing at the moment. The others present alternative options for reforms.
- **Set 3: Building Blocks.** These papers look at the building blocks that make up each of the reform packages. We outline three building blocks: what issues are decided at different levels; who is involved in making decisions; and what geographical areas are covered.
- **Set 4: Criteria for Judging Options.** These papers set out some of the criteria you could use to weigh the strengths and weaknesses of the options. We introduce criteria relating to democracy, the quality of public services, the efficiency of public services, prosperity, and well-being.
- **Set 5: Background.** These papers give you some background information on other issues such as how citizens can participate in politics and how local councils are funded. These aren't necessarily so central to the discussions in the Assembly, but you might still find them useful.

## Why do the papers mention Yorkshire as well as Hampshire?

You might notice that the papers mention South Yorkshire as well as Hampshire and the Isle of Wight. That is because there are two Assemblies: Assembly North is happening at the same time in Sheffield.

You can just ignore the materials relating to Yorkshire. Or you might find it interesting to see how the issues are being discussed in another part of the country. It's up to you!





## BRIEFING PAPER SET 1: LOCAL GOVERNMENT TODAY

### Introduction and Summary



Assembly North and Assembly South are debating whether it would be good to make any changes in how their local areas are governed.

Before we can think in detail about whether there should be changes, it is useful to understand the current system.

The papers in this set outline the existing local government arrangements.

The first paper sets out the current local government structure in **South Yorkshire**, which includes Barnsley, Doncaster, Rotherham, and Sheffield. This is the area that Assembly North is considering. This area is shown in the map on the right.



The second paper sets out the current local government structure in **Hampshire and the Isle of Wight**. This is the area that Assembly South is considering. It is shown in the map on the left.

The third paper outlines the current system of local government in **England as a whole** in a little more detail.

The next page summarises each of these papers.

## Summaries of the Papers in Set 2

### Paper 1:1 Local Government in South Yorkshire

South Yorkshire has four 'unitary' councils: Sheffield, Barnsley, Doncaster and Rotherham. These councils are responsible for providing local services in their areas.

The Sheffield City Region covers South Yorkshire, and also parts of Derbyshire and Nottinghamshire.

Under a new 'devolution deal', some powers will be transferred to the Sheffield City Region from central government in London.

### Paper 1:2 Local Government in Hampshire and the Isle of Wight

Most of Hampshire has two-tier local government, with county and district councils. Portsmouth and Southampton have their own 'unitary' authorities and are not governed by Hampshire County Council.

The Isle of Wight also has a unitary local authority.

Councils across the whole area have recently applied for a 'devolution deal' that would transfer some powers here from central government.

### Paper 1:3 The Local Government System in England Today

This paper sets out the general system of local government in England today.

Much of England has county and district councils. Elsewhere, there is just a single tier of unitary authorities. Various other bodies are also involved in providing services.

On many issues, while local government delivers the services, it is central government in London that decides what the services should be.

## BRIEFING PAPER SET 1: LOCAL GOVERNMENT TODAY

### Paper 1: Local Government in the Sheffield City Region



#### In this paper:

- This paper sets out current local government arrangements in the area in and around Sheffield.
- South Yorkshire has four 'unitary' councils: Sheffield, Barnsley, Doncaster and Rotherham. These councils are responsible for providing local services in their areas.
- The Sheffield City Region includes Sheffield, Barnsley, Doncaster and Rotherham, plus four councils in Derbyshire and one in Nottinghamshire.
- A new 'devolution deal' for the Sheffield City Region has just been agreed, which means some powers will be transferring from central government in London to this region.

#### Local councils in South Yorkshire

**South Yorkshire** is made up of four unitary authorities – Sheffield, Barnsley, Doncaster and Rotherham. From 1972 to 1986, the area was also covered by the South Yorkshire County Council.

- **Sheffield** and **Barnsley** councils operate with a council leader and a cabinet. The Labour Party is in the majority in both councils, and thus all of the leaders and cabinet members are drawn from Labour.



- **Doncaster** has an elected mayor. The current Mayor is from the Labour Party. Labour also have a majority on Doncaster council, and hence the Mayor's cabinet are also drawn from the Labour Party.
- **Rotherham** normally has a council leader and a cabinet, like Sheffield and Barnsley. Labour has a majority on the council, and the leader and cabinet are therefore from the Labour Party. At the moment, however, the council is being run by five Commissioners appointed by the government, in the wake of the recent child abuse scandal. They are expected to be in post until April 2019. During this time, the council leaders have only an advisory role. This is a very unusual situation.

### What do the councils do?

The councils are responsible for providing a wide range of local services. In some policy areas – such as provision of libraries and leisure centres – they have considerable power to decide the level of the service that they want to provide. In other areas – such as waste collection, education, and social services – they have to meet service standards that are set down by central government.

For further details on the services provided by local councils, see Paper 1.3.

### Other bodies delivering local services in South Yorkshire

The South Yorkshire Fire Service and South Yorkshire Police cover the same area as the four unitary authorities. The area is also covered by the South Yorkshire Passenger Transport Executive, which is responsible for bus services, park and rides, concessionary fares and the South Yorkshire Supertram.

There are four Clinical Commissioning Groups (the basic building blocks of NHS services), covering the same areas as the four local authorities.

Local councils do not control these various bodies. But they do exert influence on them through a range of boards and partnerships.

The area is covered by a Local Enterprise Partnership (LEP), which is a partnership between councils and local business with a role in promoting economic development. The LEP covers the whole of the Sheffield City Region – see below.

Rural parts of South Yorkshire also have another layer of councils below the unitary councils. These are called either parish or town councils. They have very

limited powers, and there are no such councils at all in the main built-up parts of the region. For more information on these councils, see Paper 2.3.

### Sheffield City Region Combined Authority

The current government believes that local councils, particularly in large urban areas such as South Yorkshire, are too small to promote regional development effectively or to deliver the best public services. As part of this, ‘combined authorities’ are being established that link local councils together. These combined authorities receive extra powers from central government.

As part of this move, the **Sheffield City Region Combined Authority (SCRCA)** was established on 1 April 2014. Sheffield, Barnsley, Doncaster and Rotherham are full members of the SCRCA. The SCRCA absorbed responsibility for the Passenger Transport Executive. Four district councils in Derbyshire are ‘associate members’ of the combined authority: Bolsover, Chesterfield, Derbyshire Dales, and North East Derbyshire. So is Bassetlaw in north Nottinghamshire.



Sheffield City Region. Source: [South Yorkshire Local Transport Plan](#).

The Sheffield City Region includes all of these nine council areas. This area crosses over ‘traditional’ county boundaries. This particular area was selected when proposals for Local Enterprise Partnerships (LEPs) were put forward in 2010 (see Paper 1.3). The proposal said that the area reflects local commuting patterns and trade connections, which cut across the old boundaries.

The Sheffield City Region currently has powers as agreed in the Sheffield Devolution Deal of 2014.

### The Sheffield Devolution Deal, 2014

The government wants city regions such as Sheffield to take on new powers and responsibilities, particularly to promote economic development. In December 2014, the Sheffield City Region combined authority became the second area

(after Greater Manchester) to agree a ‘devolution deal’ with government transferring such powers. This includes:

- joint working with the Skills Funding Agency to distribute the Adult Skills Budget and the Apprenticeship Grant for Employers for the city region
- exploring joint commissioning of the Work Programme – to provide welfare-to-work schemes – between government and SCRC
- business support funding and advice, which are currently provided both locally and by the government
- greater control over local transport schemes, including the Rotherham tram-train pilot
- work towards the creation of a ‘smart ticketing’ system (like London’s Oyster Card)
- a joint assets board formed by SCRC and the Homes and Communities Agency (HCA) to take decisions over the disposals of land and buildings owned by the HCA.

### More devolution for the Sheffield City Region

The powers announced for the Sheffield City Region in 2014 were less broad than those that the government had offered to Greater Manchester a few months earlier. But SCRC made a bid for further powers in August 2015, and a new deal was announced on 2 October. This forms the basis for the first of the reform options that Assembly North will consider. For further details, see Paper 2:1.

#### Where to from here?

- The Sheffield City Region Combined Authority agreed to an initial Devolution Deal with the government in December 2014.
- It agreed a further deal this October. This means that some powers will be transferred to the Sheffield region from central government, though these powers won’t be as extensive as those offered in the Greater Manchester.
- A condition of the agreement is that an elected mayor will be introduced for the entire city region. That is despite two thirds of voters in Sheffield rejecting an elected mayor in May 2012.
- For further details on Devolution Deals, see Paper 2:1.

## BRIEFING PAPER SET 1: LOCAL GOVERNMENT TODAY

### Paper 2: Local Government in Hampshire and the Isle of Wight

# DEMOCRACY MATTERS ASSEMBLY SOUTH↓

#### In this paper:

- This paper sets out the current local government arrangements in Hampshire and the Isle of Wight.
- Most of the traditional county of Hampshire has a two-tier system of local government, with county and district councils.
- Portsmouth and Southampton are not governed by Hampshire County Council. Instead, they have their own 'unitary' authorities.
- The Isle of Wight also has a unitary local authority.
- Councils across the whole area have recently applied for a 'devolution deal' that would transfer some powers here from central government.

### Local councils in Hampshire and the Isle of Wight

Local councils are organised differently in different parts of Hampshire and the Isle of Wight:



Hampshire and the Isle of Wight. Source:  
[www.snipview.com](http://www.snipview.com).

- Most of the traditional county of Hampshire has a two-tier system of local government. It is governed for some local issues by Hampshire County Council, and on other issues by eleven district councils. The district councils are New Forest, Test Valley, Basingstoke & Deane, Rushmoor, Winchester, East Hampshire, Havant, Hart, Eastleigh, Fareham, and Gosport.
- The cities of Portsmouth and Southampton are not governed by



Hampshire County Council. Instead, they have their own single-tier unitary authorities, which deal with all of the matters that are organised elsewhere by the county and district councils.

- The Isle of Wight also has a unitary local authority.

All but one of the councils in the area have a council leader and cabinet responsible for making key decisions. The exception is Gosport, which operates a committee system (see Paper 1:3). The Conservative Party has a majority and runs the cabinet in Hampshire, New Forest, Test Valley, Basingstoke & Deane, Rushmoor, Winchester, East Hampshire, Havant, and Fareham. The Liberal Democrats do the same in Eastleigh, and Labour the same in Southampton. Hart has a Conservative leader and an all-party cabinet; Portsmouth has a Conservative minority cabinet; and the Isle of Wight has a minority cabinet run by the Island Independents party.

### What do the councils do?

The councils are responsible for providing a wide range of local services. In some policy areas – such as provision of libraries and leisure centres – they have considerable power to decide the level of the service that they want to provide. In other areas – such as waste collection, education, and social services – they have to meet service standards that are set down by central government.

For further details on the services provided by local councils, see Paper 1.3.

### Other bodies delivering services in the area

Hampshire and the Isle of Wight are covered by a single police force, the Hampshire Constabulary. Hampshire and the Isle of Wight have separate fire services: the Isle of Wight fire service is part of Isle of Wight Council.

There are eight Clinical Commissioning Groups (the basic building blocks of NHS services), including single ones covering Portsmouth, Southampton and the Isle of Wight.

Local councils do not control these various bodies. But they do exert influence on them through a range of boards and partnerships.

The area is covered by two Local Enterprise Partnerships (LEPs), which are partnerships between councils and local business with a role in promoting economic development:



- The Solent LEP covers the Isle of Wight, Southampton, Fareham, Gosport, Portsmouth, and Havant, as well as parts of Eastleigh, Winchester, Test Valley, East Hampshire and New Forest. This area is also covered by the [Partnership for Urban South Hampshire \(PUSH\)](#), a membership organisation for the relevant local authorities.



Solent LEP. Source: [Solent LEP](#)

- The Enterprise M3 LEP covers the remainder of Hampshire, as well as parts of Surrey.

Before 1995, Portsmouth and Southampton were lower-tier councils, existing beneath Hampshire County Council. The Isle of Wight had a single county council and two district councils.

The Isle of Wight and parts of Eastleigh also have another layer of councils below the unitary or district councils. These are called either parish or town councils. They have very limited powers, and there are no such councils at all in the other parts of the Assembly South area. For more information on these councils, see Paper 2.3.

## Devolution for Hampshire and the Isle of Wight?

The current government believes that local councils, particularly in large urban areas, are too small to promote regional government effectively or to deliver the best public services. As part of this, 'combined authorities' are being established that link local councils together. These combined authorities receive extra powers from central government.

Initial discussions regarding how to respond to this within Hampshire primarily focused on the Urban South Hampshire area. But this subsequently expanded to cover the whole of the county and the Isle of Wight.

In September 2015, the two LEPs and the local authorities in the area submitted the [Hampshire and Isle of Wight \(HIOW\) devolution prospectus](#) to the government for consideration. This requests the transfer of a range of powers

to a HIOW combined authority. It also says that HIOW will consider the election of a mayor for the whole area if its bid is successful.

These proposals form the basis of the first of the reform options to be considered by Assembly South. For further details, see Paper 2:1, on Devolution Deals.

#### **Where to from here?**

- In September 2015, the local authorities in Hampshire and the Isle of Wight, together with the two Local Enterprise Partnerships (LEPs) submitted a 'devolution prospectus' to the government.
- This prospectus sets out proposals for a 'devolution deal' that would involve creating a a combined authority and a mayor for the whole area. These would not take powers from existing councils, but would gain powers from central government.
- For further details of Devolution Deals, see Paper 2:1.

## BRIEFING PAPER SET 1: LOCAL GOVERNMENT TODAY

### Paper 3: The Local Government System in England Today



#### In this paper:

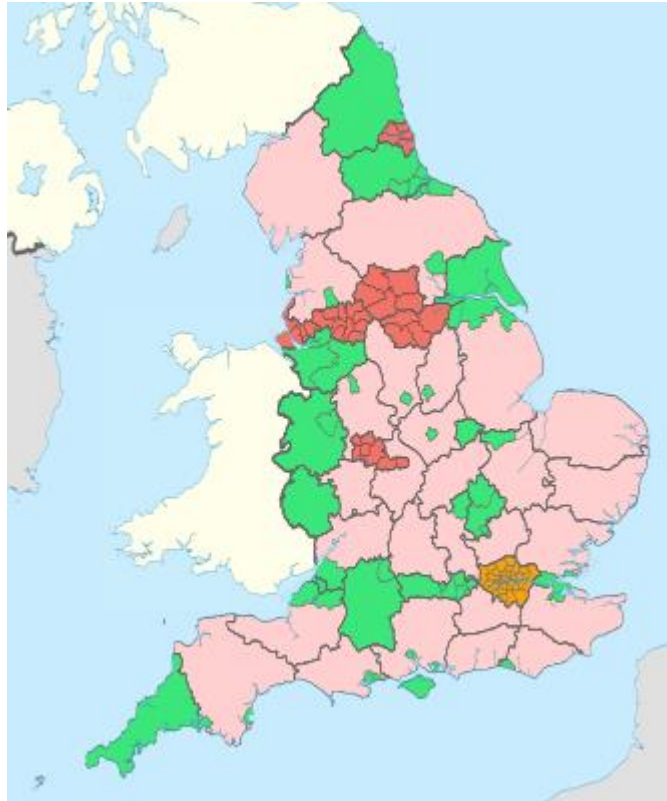
- This paper sets out the system of local government as it exists in England today. For details on arrangements in your area, see the separate papers on local government in the Sheffield City Region and in Hampshire and the Isle of Wight.
- In much of England, there are county and district councils. Elsewhere, there is just a single tier of unitary authorities.
- County councils take responsibility for things like social services, education, roads and waste disposal.
- District councils take on roles such as housing, planning, parking and street cleaning.
- On many issues, while local government delivers the services, it is central government in London that decides what the services should be.
- Supporters of devolution want more local control of these services.

### The local government system in England

The term 'local government' refers to the councils that deliver local services in each part of the country. The current system of local government is quite complex, with different arrangements in place in different parts of the country:

- In some parts of England there are two tiers of local government: county councils and district councils. Counties have some functions and districts have others (with a small amount of overlap). Counties are bigger than districts. So, in each county council area, there will be several district councils – normally between 5 and 12.
- In other areas there are single-tier 'unitary authorities', which have all the functions of counties and districts.

For the most part, larger cities have unitary authorities and rural areas have two tiers. For example, in Hampshire, the cities of Portsmouth and Southampton have unitary authorities, but the rest of the county has a two-tier system. In Yorkshire, similarly, Sheffield, Barnsley, Doncaster and Rotherham are all unitary authorities, whereas most of North Yorkshire has both a county council and district councils. But this is not a universal pattern. For instance, the Isle of Wight, Wiltshire, and the East Riding of Yorkshire all have unitary authorities even though they are mainly rural.



Local government structures in England. The light pink areas have two-tier systems. The green, orange, and red areas have different types of unitary authorities. Source: Wikipedia.

Councils cover widely differing areas in terms of geography and population. In recent years, governments of all colours have sought to promote fewer, larger councils. They have believed that abolishing several small districts and replacing them with a unitary authority would bring 'economies of scale'. The evidence of this is variable from across the country, but it is fair to say that merging councils tends to save only a very small percentage of costs, probably less than 1%.

County councils generally cover populations of between 500,000 and 1.2 million. District councils tend to cover populations of 70,000 up to 180,000. Unitary authorities typically cover populations of 100,000 up to 1 million.

### How councils are organised

Councillors are elected to each of these types of authority, for four-year terms. Different councils have different arrangements for making decisions:

- In some councils, committees of councillors run the main council services and make all the major decisions on budgeting and priorities.

- Other councils have a ‘cabinet’ system, where councillors choose a leader for a four-year term and this person then appoints a series of ‘portfolio holders’ – similar to government ministers. The rest of the councillors organise themselves into committees, monitoring the performance of the portfolio holders.
- In sixteen councils in England, instead of a council leader chosen by councillors, a directly elected mayor appoints a cabinet.

### Other local bodies

Every part of England is covered by a Local Enterprise Partnership (LEP). These are small, business-led partnership bodies that are intended to lead on business development and economic growth in their area. They also apply for funding from a number of government programmes and distribute this to businesses in their area. The largest LEPs can be responsible for distributing up to £100 million per year.

Most local councils have close working relationships with the LEPs in their area. There will normally be some local councillors on the LEP board, and councils will often provide administrative support to LEPs.

All parts of England are covered by fire and rescue authorities. In some areas these are integrated parts of the county council. In others, they are run by joint boards, with the local authorities in their area represented on the boards.

All parts of England are also covered by directly-elected Police and Crime Commissioners. They are accountable for the police service in their area, though operations are still run by the Chief Constable.

In some areas, there is another layer of councils below the district or unitary councils. These are generally called either parish or town councils. They have very limited powers in their local areas. For more information on them, see Paper 2.3.

### What do councils do?

The responsibilities of councils are set out below. It might be imagined that the law sets out clearly which public services councils provide and what other responsibilities they have. The reality is much more complex than this.

- **County functions** include education; social services; public health; roads and other transport; registration of births, deaths and marriages; libraries; trading standards and consumer protection; waste disposal; emergency planning.
- **District functions** include administering elections; community safety; coastal protection; collecting council tax and business rates; housing; environmental health; licensing; parking; planning; sports, leisure centres, parks and recreation; waste collection and street cleaning.

Some functions can be carried out by either of the tiers of government (known as ‘concurrent functions’ in the jargon). These include arts, galleries, economic development, and tourism.

Where there are unitary authorities, they carry out all of these functions.

There are a number of public services that are administered locally but are not under the control of local government. For instance, councils have no control over the NHS, trunk roads, further education colleges and universities, or most benefit payments.

In other public services, whilst councils have some functions they must work with other public bodies, or there are restrictions on what they themselves can do. For instance:

- Whilst county councils are nominally responsible for education, in practice almost all funding for schools goes directly to schools. Similarly, county councils must design a local flood strategy, but they are reliant on other bodies like the Environment Agency to put it into practice.
- Whilst district councils are responsible for housing, funding for new housebuilding is provided by the Homes and Communities Agency (HCA). Many districts have sold their entire housing stock to housing associations, which can themselves receive funding directly from the HCA.
- Whilst both tiers have responsibility for economic development and business support, in practice the government provides funding direct to the Local Enterprise Partnerships (LEPs) that is considerably more than councils spend.

A good deal of the debate over ‘devolution’ focuses on making the case for local councils taking over powers, and/or budgets, from other public bodies, including central government. Councils argue that their local knowledge would allow them to use such powers and money more effectively; and that this would also

reduce the number of different public bodies interacting and possibly clashing in their actions.

### Who oversees councils?

In general, if a council makes a decision, it will not be automatically reviewed and overruled by another authority. Councils are independent of government. However, they do not have a free hand in deciding what to do. For instance, councils must perform their 'statutory duties' – hundreds of requirements, across many laws, for them to do specific things. They are monitored by bodies such as Ofsted and the Care Quality Commission to make sure they are fulfilling these duties.

Councils are also subject to strict limits on how they raise money (see Paper 5:2 for more on this). Although they are allowed to borrow money, they have to balance their budget each year – that is, they cannot run a deficit. They have to produce annual accounts which are subject to audit.

The government does have reserve powers to take over council functions when it sees fit. These reserve powers are currently being used in Rotherham, where all of the council's powers are in the hands of a team of 'Commissioners' appointed by the government. The plan is to gradually return powers in Rotherham to the elected councillors after the 2016 elections. The reserve powers are normally only used where there is a long record of concerns over council behaviour. The government does not monitor council decisions or overturn them at will on a daily basis.

### Combined authorities

Some parts of England also have 'combined authorities' that bring local councils in the area together. Existing local councillors make up the combined authorities – citizens do not vote directly on who they are. The Greater Manchester combined authority was set up on 1 April 2011. Combined authorities were set up in April 2014 in West Yorkshire, Sheffield, Liverpool and the North East.

Each combined authority is created through a deal negotiated between the local councils and the government – known as a 'city deal'. The deals struck have been somewhat different from place to place, but the main areas of focus are economic development, regeneration and transport.

The government now want to extend the roles of combined authorities further through ‘devolution deals’. The government’s argument is that local government is currently too fragmented and that development can be pursued more effectively with combined authorities headed by directly elected mayors (elected by citizens in that area).

The creation of stronger combined authorities such as these is the first of the reform options that Assembly North and Assembly South will discuss. For further details, see Paper 2:1, on Devolution Deals.

#### **Where to from here?**

- Currently, local councils are the key bodies that provide public services in local areas.
- Under the government’s plans, many parts of England will get new ‘combined authorities’, which will be particularly focused on economic development, regeneration, and transport.
- These combined authorities will be established through ‘devolution deals’, which will also introduce directly elected mayors.
- For further information on these Devolution Deals, see Paper 2.1.



## BRIEFING PAPER SET 2: REFORM OPTIONS

### Introduction and Summary



Assembly North and Assembly South are debating whether it would be good to make any changes in how their local areas are governed.

To help you think about what changes are possible, the papers in this set outline three reform options.

- The first paper sets out the option of a **Devolution Deal** – an agreement between the government and the local councils in an area.
- The second paper sets out the option of a **Regional Assembly** – an elected body who make decisions about issues across a wider geographical area.
- The third paper sets out the option of **Decentralisation to Local Neighbourhoods** – bringing local government closer to the people.

These three options are not fixed packages from which you have to choose one. The Assembly can be creative and recommend something completely different or a combination of these different proposals.

These papers are intended just to help you begin your thinking about what might be possible.

The next page summarises each of these papers.

## Summaries of the Papers in Set 2

### Paper 2:1

#### A Devolution Deal

A devolution deal is an agreement between the government and a group of local councils.

As a result of the deal, the councils form a combined authority and gain new powers, as well as extra funding. This authority has an elected mayor who forms a cabinet.

A deal for the Sheffield City Region was announced on 2 October. A proposal for a deal covering Hampshire and the Isle of Wight has been submitted to the government.

### Paper 2:2

#### A Regional Assembly

Regional assemblies would sit below central government and above local councils. People from each region would elect these assemblies, which might each have 30 to 40 members. Each assembly would choose a first minister.

Assemblies might have powers on matters such as policing, healthcare, transport, and economic development.

Local councils would continue to exist and have roughly the same responsibilities as they do now.

### Paper 2:3

#### Decentralising to Local Neighbour- hoods

This option involves decentralising some powers to neighbourhoods below the level of existing councils.

Local councils often cover large populations. On some issues, people living locally may be best placed to make local decisions. On other issues, decision-making on a larger scale might be more effective.

There are various ways in which power might be devolved down to more local neighbourhoods.

## BRIEFING PAPER SET 2: REFORM OPTIONS

### Paper 1: A Devolution Deal



#### **In this paper:**

- A devolution deal is an agreement between the government and a group of local councils.
- As a result of the deal, the councils form a combined authority and gain new powers, as well as extra funding.
- This authority has an elected mayor who forms a cabinet.
- On the surface, these deals are like the City Deals that started in 2011. But they transfer more powers to the combined authorities and create new structures.
- A devolution deal for the Sheffield City Region was announced on 2 October. A proposal for a deal covering Hampshire and the Isle of Wight has been submitted to the government.

### What's the basic idea?

'Devolution deals' form a cornerstone of the government's current policies for breathing new life into the English regions. A devolution deal is an agreement between the government and a group of local councils and other bodies. Certain powers are passed from central government to this local grouping (called a 'combined authority').

There is wide agreement that the economic and cultural activity in England is too focused on London and the South East. Many people want to see efforts to rebalance things to provide a more even spread of activity. But there is concern that other cities and areas outside London cannot rival the capital because they

are too fragmented: they have many small local authorities that are not large enough to plan strategically.

The devolution deals are designed to overcome that by creating 'combined authorities' that join together the local councils and other bodies in an area. The idea is that these combined authorities will help local councils to work together. There will be a directly elected mayor for the whole area, who will appoint a 'cabinet' made up of the leaders of the local councils. The joint authority will take on powers from central government in London. Local councils will continue to exist and will have roughly the same responsibilities as now.

### How is it happening?

The process of negotiating and agreeing devolution deals has already begun. Deals were announced for Manchester in November 2014 and for Cornwall in July 2015. The government set 4 September 2015 as the deadline for groups of local authorities to submit their proposals, and, by that time, [38 proposals](#) had been lodged.

The government is now negotiating with the areas that made these proposals. The first new deal was announced on 2 October, with the Sheffield City Region.

Aspects of these deals can't come into effect until a new law is passed by Parliament. This law – the *Cities and Local Government Devolution Bill* – is currently being debated. It is likely to pass into law by Christmas.

The deals are made between government and the councils. Local people have very little role in the process. For example there is no local referendum to ensure public support. It is expected, however, that a consultation on the proposals for the Sheffield City Region will shortly be announced. The discussions in Assembly North will feed directly into that. Assembly South will feed into any similar consultation that takes place in Hampshire and the Isle of Wight.

### How would it work?

A new combined authority would be formed with members from all the local councils that sign up to the deal. There are differing ideas on what areas should be covered:

For **Assembly North**, the deal that was announced on 2 October includes the whole of the Sheffield City Region. Within that are the four local authorities of South Yorkshire (Barnsley, Doncaster, Rotherham, and Sheffield), four local authorities covering central Derbyshire (Bolsover, Chesterfield, Derbyshire Dales, and North East Derbyshire), and one local authority from Nottinghamshire (Bassetlaw). Others have argued that it would be better to focus only on the local authorities in South Yorkshire.



The Sheffield City Region. Source: [South Yorkshire Local Transport Plan](#).

For **Assembly South**, a proposal has been submitted to government by the local authorities covering the whole of Hampshire and the Isle of Wight. Another idea is for an authority covering only the urban area of South Hampshire: Southampton, Eastleigh, Fareham, Gosport, Portsmouth, and Havant. A third idea also includes other areas in the Solent region – the Isle of Wight, southern parts of the Test Valley, Winchester, and East Hampshire council areas, and the east of New Forest – but excludes north Hampshire.



Hampshire and the Isle of Wight. Source: [www.snipview.com](http://www.snipview.com).

Under the government's proposals, each combined authority will have a directly elected mayor (elected by local citizens). The government has indicated that it will not devolve the full range of powers available unless a mayor is put in place. It has been agreed that there will be a mayor for the Sheffield City Region, to be elected in 2017. If the proposal for an authority covering Hampshire and the Isle of Wight is accepted, this area will have a mayor too. The mayor will appoint a 'cabinet' made up of all the local authority leaders in the area. They will be scrutinised by a group of councillors drawn from councils in the area. Staff and

programmes will transfer from existing bodies, so there will be little new bureaucracy.

### What powers would transfer from existing bodies?

The government's approach is that devolution deals in different parts of the country can involve the transfer of different powers. So the powers that will be transferred to Manchester are different from those to be transferred to the Sheffield City Region.

In Manchester, the following powers are to be transferred:

- employment support and the Work Programme
- further education and skills
- police and fire services
- public transport, including buses and 'smart ticketing'
- housing funding
- integrated health and social care
- decisions on how to use EU structural funds
- economic development and business support
- sale of land that is currently owned by public sector bodies

The powers that have been agreed for the Sheffield City Region are slightly more limited, and focus mainly on transport, skills, and economic development. The main area that is missing from the Sheffield deal when compared with the Manchester deal is that there is nothing on health and social care in Sheffield. In addition, there will continue to be a separate Police and Crime Commissioner for South Yorkshire, as at present.

Other policy areas that could also be transferred in this model include education funding; skills funding; trunk roads; arts, sport and heritage; and environmental protection.

The prospectus for a Hampshire and Isle of Wight devolution deal asks for, amongst other things, the devolution of the following powers to the HIOW region as a whole:

- business support funding and advice, which are currently provided both locally and by the government
- control over the distribution of European Union structural funds

- funding for adult skills provision, currently managed by the Skills Funding Agency
- distribution of the Apprenticeship Grant for Employers and careers service funding
- exploration of joint commissioning or devolution of the Work Programme, providing welfare-to-work schemes, from 2017
- establishment of a Housing Delivery Fund to purchase and prepare land for new homes.

## Funding sources

Funding under these devolution deals would consist of grants from government linked to the powers devolved. The mayor would have the power to add a small amount to council tax bills. Under an announcement made by George Osborne (the Chancellor of the Exchequer) in early October, the mayor would also be able to raise business rates by 2%. In addition, the new body would be able to borrow a small amount of money.

## How are those in charge held to account?

The mayor would be directly elected by the voters of the region every four years. On some matters, the mayor could be outvoted by the remainder of the combined authority's cabinet, consisting of local council leaders. The work of the combined authority would be scrutinised by a group of councillors drawn from the councils in the area.

## What are the concerns?

Many people welcome devolution deals because they recognise the need for greater coordination among local councils to promote economic development and efficient service delivery.

But there are also concerns:

- Some people are worried about the processes through which devolution deals are being agreed: closed-door negotiations between local councils and the Treasury in London, from which local people are excluded.
- In addition, the process is taking place in a piecemeal fashion, with different powers agreed for different places at different times. The basic

plan that the government is pursuing was original designed for large cities such as Manchester. Whether it is also suitable for more rural areas is less clear.

- Others are concerned that the systems created by these deals are not democratic enough – that it will be difficult to hold mayors properly to account between elections.

#### **Where to from here?**

- Recently, the government signed a devolution deal with the nine local authorities in the Sheffield City Region.
- It is currently considering a proposal for a further deal in Hampshire and the Isle of Wight.
- However, there remain important unanswered questions.
- What areas will the deals cover and what exact powers will be devolved?
- How will elected mayors and combined authorities be held accountable?
- How will different deals with different combined authorities impact on the services provided to the public?



## BRIEFING PAPER SET 2: REFORM OPTIONS

### Paper 2: A Regional Assembly



#### In this paper:

- This paper sets out ideas for new regional assemblies in England. These would sit below central government and above local councils.
- People from large regional areas would elect these assemblies, which might each have 30 to 40 members. Each assembly would elect a first minister and cabinet.
- Regional assemblies in England would probably have fewer powers than those in Scotland or Wales. They might take on powers from central government over matters such as policing, healthcare, transport, and economic development strategies.
- Local councils would continue to exist and would have roughly the same responsibilities as they do now.

#### What's the basic idea?

The basic idea behind regional assemblies is that government in England is too centralised. Scotland can make its own decisions on matters such as education and healthcare, and it has a population of 5.3 million people. Wales can also make many of its own decisions, with a population of 3.1 million. But for England, most decisions are made by central government in London, covering a population of 53 million. The same decisions made in London affect everyone in England, whether they live in the South East, the South West, Yorkshire, or anywhere else.

People who support a regional assembly believe the regions of England differ in terms of what they want and need. They accept that devolution deals (see Paper 2:1) increase local control, but they think these deals don't go far enough and

give too much power to local elites rather than ordinary people. They think that elected regional assemblies would be more democratic.

### How would it work?

A regional assembly would be elected by people in the area. In order to take on significant powers from central government, it is generally agreed that these regions would need to be quite large:

For **Assembly North**, the region that is normally suggested is the whole of Yorkshire. For example, the Yorkshire First political party calls for ‘a Parliament for Yorkshire with similar powers to the Scottish Parliament’. An alternative could be to have an assembly for South Yorkshire. A third option would be to use the Sheffield City Region, which includes parts of central Derbyshire and northern Nottinghamshire (see Paper 2.1).

#### Yorkshire FactFile

The population Yorkshire and the Humber in 2011 was 5.3 million people – the same as the population of Scotland.

The population of South Yorkshire is 1.4 million. That includes about 238,000 people in Barnsley, 304,000 in Doncaster, 260,000 in Rotherham, and 564,000 in Sheffield.

The population of the Sheffield City Region, which also includes Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, and North East Derbyshire is 1.8 million.

#### Hampshire/loW FactFile

The population of the South East region in 2011 was 8.6 million – much more than the population of Scotland.

The population of Hampshire is 1.8 million – about the same as that of Northern Ireland. The population of the Isle of Wight is about 138,000.

For **Assembly South**, the region that has in the past been suggested is the South East, which stretches from Kent in the east to Hampshire in the west, and from Oxfordshire and Buckinghamshire in the north to the Isle of Wight in the south. Alternatives could include an assembly for Hampshire and the Isle of Wight or for Central South area covering West Sussex, Hampshire, Dorset and the Isle of Wight.

The regional assembly would appoint a First Minister and a cabinet, who would (like the UK, Scottish and Welsh governments) be responsible for devising a policy programme and putting it into effect. The assembly would form committees to represent local interests and policy areas and hold the cabinet to account. Staff and programmes would transfer from existing bodies. That means

that there should not be much new bureaucracy: it would just be in a different office.

### What powers would transfer from existing bodies?

There are many options for the powers that a regional assembly could have.

The Yorkshire First party and some other groups propose a **full devolution** model, where the powers of the regional assembly would be the same as those of the Scottish Parliament. That would mean that the assembly could pass new laws and would have complete control over matters such as healthcare, education, policing, transport, urban planning, and rural affairs. The assembly might even have powers to set a regional rate of income tax.

The goals of this approach would be to bring politics closer to the people, tailor decisions to fit local needs and wishes, and encourage regional development.

Critics argue that would be going too far. Scotland has always had separate arrangements for many issues. There are also concerns that regional autonomy could lead to a 'postcode lottery', where different regions have different levels of services.

A **partial devolution** model would be an arrangement where fewer powers would be transferred to the regional assembly and more control would stay with central government. This would be more like the devolution deal (see Paper 2.1) than Scottish devolution, but with an elected assembly added in.

Regional assemblies on this approach would not be able to pass their own laws. But they might have powers similar to those recently offered to the Greater Manchester area (see Paper 2.1). These include responsibility for police and fire services, integrated health and social care, and a range of measures aimed to encourage economic development.

The goals of this approach would be similar to those of full devolution. But the degree of local control would be more limited.

This option has some similarities to devolution in Wales. In Wales, however, the UK government doesn't intervene in devolved matters. That is not likely to be so true in English regions. The government is likely to want to continue to control overall policy and funding in a way that it does not in Wales.

## Funding sources

On the **full devolution** model, much of the funding for regional assemblies would come in the form of a 'block grant' from central government. This would be a block of money that the assemblies would be able to spend as they decided. The assemblies might also be allowed to raise or lower tax rates in their area. If they raised taxes, they would be allowed to keep the money to spend in their area. If they lowered taxes, they would have less money to spend on services.

On the **partial devolution** model, funding for regional assemblies would consist mainly of grants from government linked to the functions devolved. The assembly could also have the power to add a small amount to council tax bills. The assembly would depend upon the attitude of the government to funding its programmes in the future.

## How are those in charge held to account?

The First Minister in the region would be held accountable by the assembly's committees, and via media coverage and transparency of proceedings – as with Parliament in London. The full assembly would be elected on a regular basis by citizens in the region.

## Haven't regional assemblies been tried before?

The government of Tony Blair came to office in 1997 promising to create regional assemblies. This policy was championed by John Prescott, the Deputy Prime Minister. In 2004, however, when a referendum was held on whether to establish a regional assembly in the North East of England, the idea was rejected by 78 per cent of those who voted, and the government abandoned the idea. Some people think the proposal was defeated because people did not want more politicians and another tier of government. Others think it was because the proposed assembly would have had few powers, so people couldn't see the point of it.

Very limited regional chambers were set up in 1998. But they had only a few powers to do with regional development. And they were not elected: they included councillors from local authorities and representatives of businesses and other groups. They were disbanded between 2008 and 2010.

## What are the concerns?

Supporters of regional assemblies argue that they would strengthen democracy, increase local control, encourage development in the English regions, and allow policy to reflect local needs.

But opponents have two main concerns. First, they say that regional assemblies would create another layer of government, with more politicians and more bureaucracy. Second, critics argue that England is a nation and that few people identify with the English regions. They argue that it is important to have common standards for services across the country, rather than different standards depending on where you happen to live.

### **Where to from here?**

- A referendum on regional assemblies in the North East failed in 2004.
- This has not stopped different groups advocating regional assemblies.
- Supporters say regional assemblies would encourage development and allow policy to reflect local needs.
- Opponents do not want more politicians and more bureaucracy.

## BRIEFING PAPER SET 2: REFORM OPTIONS

### Paper 3: Decentralisation to Local Neighbourhoods



#### **In this paper:**

- In addition to proposals for new bodies operating above the level of local councils, some people argue for decentralisation of some powers to neighbourhoods below the level of existing councils.
- Local councils often cover large populations. This means that those influenced can be distant from their decisions.
- On some issues, the people who live in a local community may be best placed to make local decisions. On other issues, decision-making on a larger scale might be more effective.
- There are various ways in which power might be devolved down to more local neighbourhoods.

The main ideas for reforming local government that you will hear about in the news at the moment focus on creating new bodies that are larger than existing councils. But some people think we should go the opposite way, decentralising power from local councils to even more local neighbourhoods, such as towns, villages, or suburbs.

Not everything can be decentralised to more local levels: decentralisation of powers can be combined with keeping some powers at local council level and developing larger city (or even bigger) regions to deal with other issues.

#### **What's the basic idea?**

Local councils often cover large areas or large populations, which means that decision-making can often seem very distant from local communities.

In the Assembly North region, for example, the Sheffield city council covers a population of over half a million people and includes places like Stocksbridge and Dore as well as Sheffield itself. Barnsley council includes Penistone in the west and Bolton upon Dearne in the east. Doncaster council stretches from Mexborough to Thorne. Precise population figures are given in the box on the right.

#### Local Council Populations: Assembly North

Barnsley: 238,000  
Doncaster 304,000  
Rotherham 260,000  
Sheffield 564,000

#### Local Council Populations: Assembly South

Southampton: 254,000  
Eastleigh: 129,000  
Fareham: 114,000  
Gosport: 84,000  
Portsmouth: 209,000  
Havant: 122,000  
Isle of Wight: 138,000

In the Assembly South area, the Isle of Wight council covers the whole island, which stretches around 20 miles from west to east and 10 miles from north to south. Eastleigh includes Hedge End and Hamble-le-Rice. Fareham includes Locks Heath and Stubbington. Havant includes the whole of Hayling Island. Full population figures are in the box on the left.

People who favour decentralisation to local neighbourhoods argue that some matters could better be dealt with at a more local level. They argue this would make it easier for local people to get involved in decision-making and for decisions to reflect particular local needs and priorities.

There are various different ideas about how power could be decentralised further. We set these out in the following sections.

### Creating smaller local authorities

The most radical option would be to create new, smaller local authorities to replace the existing councils. If new 'combined authorities' are created to take over large-scale issues, the case for smaller local authorities looking after more local issues may be stronger.

Many of the current local authorities have been created by combining council areas that were previously separate.



- In the Assembly North area, for example, places like Penistone, Wath-upon-Deane, and Mexborough all once had their own councils within the West Riding of Yorkshire.
- In the Assembly South area, the Isle of Wight is particularly notable. Until 1995, it had two districts: Medina and South Wight. These were created in 1974 from six even smaller districts.

### Giving more powers to parish and town councils

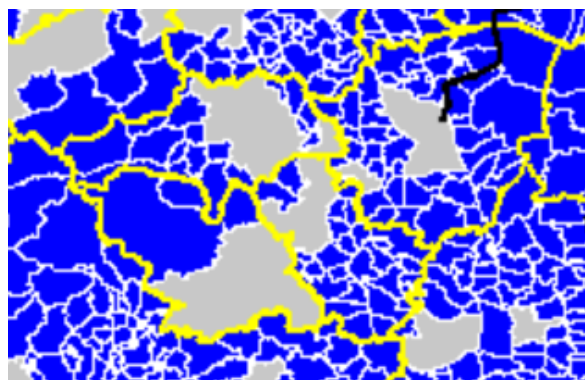
The second option is to give greater powers to parish and town councils. In other briefing papers, we have outlined the main elements of the current local government system: unitary councils in some areas, and district and county councils in other areas. But many parts of the country also have a lower tier of government that currently is very weak.

Parish councils represent villages or rural areas and town councils cover towns. They can also be called community, neighbourhood, or village councils. Note that 'parish' councils are not connected to the church.

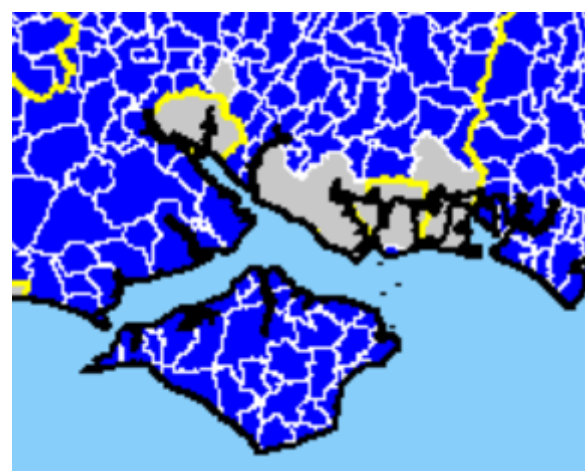
Some parts of the country do not have parish or town councils: they are called 'unparished' areas. In general, larger urban areas are unparished, while rural areas and smaller towns have parishes.

The maps on the right show parished areas within the Assembly North and South regions in blue and unparished areas in grey.

In South Yorkshire, the main population centres of Barnsley, Doncaster, Rotherham, and Sheffield are all unparished, as are Mexborough and Dearne. Other, more rural areas all have parish or town councils, the largest of which are Ecclesfield, Maltby, Thorne, and Hatfield.



Parished areas (blue) and unparished areas (grey) in South Yorkshire. Source: Wikipedia



Parished areas (blue) and unparished areas (grey) in the Solent region. Source: Wikipedia



Most of urban south Hampshire is unparished. The exception is Eastleigh, most of which does have parishes. The whole of the Isle of Wight is also covered by parish or town councils.

Parish and town councils currently have limited powers and limited budgets. According to the [National Association of Local Councils](#), which represents parish and town councils, these councils:

‘provide and maintain a variety of important and visible local services including allotments, bridleways, burial grounds, bus shelters, car parks, commons and open spaces, community transport schemes, community safety and crime reduction measures, events and festivals, footpaths, leisure and sports facilities, litter bins, public toilets, planning, street cleaning and lighting, tourism activities, traffic calming measures, village greens and youth projects’

One option for reform would be to give extra powers to existing parish and town councils and to create new community councils in areas that do not currently have them.

### Decentralising powers to local area committees

A third option is to stick with existing councils (unitary councils, district councils, and county councils), but decentralise the way in which they work. Some councils make some decisions through neighbourhood committees whose members are the councillors from each particular area.

[Eastleigh District Council](#), for example, organises some of its activities through six ‘local area committees’. According to the council, these deal with ‘local matters including planning applications and planning enforcement, traffic management, environmental improvements, leisure facilities, local refuse collections and recycling’. Money is devolved to each area committee to perform these functions.

Most of the areas covered by Assembly North and Assembly South do not have neighbourhood committees. Eastleigh is the only part of the Assembly South area that has such committees. In the Assembly North area, only Barnsley currently has local area committees. These have budgets, but they have fewer powers than the area committees in Eastleigh.

Some other areas – such as Sheffield have had area committees in the past, but have abandoned them in the face of the need to make budget cuts. This reflects the fact that decentralising power in this way does generate some costs.

One reform could be to introduce local area committees where they do not currently exist. Another would be to increase the powers of local area committees.

### Holding local consultations and deliberative events

A final way of decentralising power to local neighbourhoods would be to require councils to hold more events such as the one you are taking part in now, where local people can get together and participate in decision-making.

Many local areas – not just in the UK, but also around the world – have experimented with giving local voters a direct say in decision-making in their areas.

One option is to hold meetings that anyone can attend in order to decide certain matters. Some local councils – such as Sheffield and Rotherham – have tried this approach. It has the advantage of allowing anyone how wants to take part to do so. The disadvantage is that the people who are able and willing to attend a meeting may not be representative of the whole local population.

Another option is a gathering such as Assembly North or Assembly South, where people are invited to participate and the organisers work to ensure that the people who take part are as representative of the community as possible.

You will find more details of these kinds of arrangements in Paper 5:1, on Citizen Participation in Decision Making.

### Advantages and disadvantages of decentralisation

Decentralising decisions to neighbourhoods has the advantage of giving greater local control. On some issues, the people who live in a local community will be best placed to make decisions that reflect their needs and wishes. Making decision-making more local makes it easier for people to get involved.

On the other hand, some local decisions – such as decisions on building new roads or houses – typically affect a much wider area, so need to be considered more strategically. Some services are best organised on a larger scale so that

they can be provided efficiently and effectively. And decentralisation may mean that the process of decision-making itself costs a little more to run.

#### **Where to from here?**

- If more combined authorities are created, then one option will be for smaller authorities to replace local councils.
- A second option is to give more powers to parish and town councils.
- Another option is for local councils to devolve more decisions to neighbourhood committees.
- Still another option is for councils to hold more citizens' assemblies like this one in local communities.



## BRIEFING PAPER SET 3: BUILDING BLOCKS



### Introduction and Summary

Reform proposals and existing council arrangements are made up of three different elements: issues, geographical areas and decision-making. Each possible way of structuring local government puts these elements or building blocks together in different ways.

The papers in this set outline these different building blocks:

- The first paper considers the question **What issues should be decided at what level of government?** Government takes place on several levels: national, regional, in counties and districts, and in towns and parishes. What services should be delivered at what level?
- The second paper considers the question **Who exercises power?** Ordinary citizens, elected politicians, businesspeople, trade unionists, and representatives of many other groups could have a say. What powers should they have? And is it better to elect a single figure such as a mayor or to elect a collective body such as a council or regional assembly?
- The third paper considers the question **What areas should local councils or regional authorities cover?** They could follow traditional boundaries, such as counties, or cover areas that are based on current patterns of commuting and business links. The areas could be small – focusing on local neighbourhoods – or much larger.

The next page summarises each of these papers.

## Summaries of the Papers in Set 3

### Paper 3:1

#### Issues: Which Issues are Decided at Which Level?

The issue of what powers should be held by different levels of government involves two questions:

First: Which issues should be decided nationally and which locally? What should 'locally' mean: in current local authorities, larger regions, or smaller neighbourhoods?

Second: When issues are decided locally, how much autonomy should councils have? Should central government set minimum standards and other rules?

### Paper 3:2

#### Governance Structures: Who Exercises Power?

Decision-making can involve ordinary citizens, elected politicians, and representatives of business, trade unions, and other groups.

Structures for making decisions include traditional local councils, combined authorities (with and without mayors), regional assemblies, and direct democracy.

These have varying implications for the power that different groups have in determining what happens.

### Paper 3:3

#### Areas and Area Boundaries

Councils or regional authorities could cover areas that vary widely in scale, from local neighbourhoods to large regions.

There are different ways of working out what the boundaries of these areas should be, based either on traditional or identity-based boundaries, or on current economic connections.

There are several options for boundaries, both in Hampshire and the Isle of Wight and in South Yorkshire.

## BRIEFING PAPER SET 3: BUILDING BLOCKS

### Paper 1: Policies: Which Issues Are Decided at Which Level?



#### In this paper:

- One issue the assemblies will consider is what powers should be held by different levels of government. That involves two questions.
- The first is: Which issues should be decided nationally (by central government in London) and which should be decided more locally? What should 'more locally' mean (in current local authorities, larger regions or smaller neighbourhoods)?
- The second is: When issues are decided locally, how much autonomy should councils have? Should central government set minimum standards and other rules?

#### Which issues are dealt with where?

The image on the next page lists some of the issues that are decided – or might in future be decided – by different bodies at different levels of government.

The image simplifies a very complex reality. Decisions have to be made on many more issues than we have space to include – the [Local Government Association](#) estimates that local councils provide over 700 services! If you click on the link, you will see a more detailed listing of these services.

On many issues, different levels of government and other bodies have important roles to play. For example, in the area of planning, while local councils set local plans and decide on planning applications, these must fit with the government's National Planning Policy Framework. And the central government also makes the key decisions on what it calls 'nationally significant infrastructure projects', such as power stations and major transport schemes.

## A rough guide to policy decisions taken at different levels of government

Issues decided by central government in London	<u>national</u> economic policy <u>most</u> tax rates <u>foreign</u> and defence policy National Health Service <u>most</u> education matters	<u>welfare</u> benefits <u>law</u> and order <u>national</u> transport issues <u>minimum</u> wage <u>constitutional</u> matters
Issues that could be decided by regional authorities under devolution deals	<u>regional</u> economic development <u>further</u> education, skills, and apprenticeships <u>employment</u> support and the Work Programme	<u>police</u> and fire services <u>housing</u> and planning <u>public</u> transport and transport infrastructure <u>integrated</u> health and social care
Issues that are dealt with by local councils	<u>schools</u> (but not academy or free schools) <u>social</u> services <u>local</u> roads and other transport <u>waste</u> disposal	<u>collecting</u> council tax and business rates <u>planning</u> and housing <u>sports</u> , leisure centres, parks, libraries, arts <u>trading</u> standards
Bodies other than councils that deliver services in local areas	Clinical Commissioning Groups (the local building blocks of the NHS) Jobcentres Plus Local Enterprise Partnerships (linked to councils)	<u>police</u> forces, accountable to Police and Crime Commissioners Environment Agency <u>academy</u> and free schools <u>universities</u>



## Degrees of local autonomy

Councils have varying amounts of autonomy in their decision-making on different issues.

There is a basic distinction between ‘mandatory’ and ‘discretionary’ activities:

- **mandatory** services are those that councils are required by law to provide
- **discretionary** services are those that councils can choose to provide or not provide

There is also a large grey area in the middle, where councils have to provide a service, but have some discretion in deciding the level of that service. This is how the Local Government Association puts it:

‘Most council services are mandatory. This means that the council must do them because they are under a duty to do so by law (e.g. to operate an alcohol licensing regime under the Licensing Act 2003). Some mandatory functions are tightly controlled by central government, resulting in a similar level of service across the country (e.g. the administration of housing benefit). Other mandatory requirements (e.g. the library function) leave councils with some discretion over the level and type of service they provide.

Some council services and functions are discretionary. These are services a council can choose to provide but does not have to. They range from large economic regeneration projects, to the removal of wasp nests. Councils have a general power to charge for discretionary services provided they are not prohibited by other legislation and the council does not make a profit. Councils can charge for arts and entertainment activities, sport and recreational facilities and some pest control services, under Acts of Parliament.’

So, in addition to thinking about which policy areas local or regional authorities should be involved in, Assembly North and Assembly South might also want to consider the degree of autonomy councils should have in these areas.

## How can we decide on these matters?

You will find more guidance on the criteria you could use to help you think about which policy areas are best decided at which level of government and on how much autonomy councils should have in Set 4 of these briefing papers.

All of the criteria set out in those papers are relevant. For example:

- Certain services are better if they are tailored to local needs and wishes. For example, local communities might be best placed to know the kinds of parks and recreational services that are suited to their area.
- Other services are better if they are delivered on a larger scale. That will allow staff to develop experience and expertise and will allow specialist equipment to be bought in a more cost-effective way. If administrative functions can be shared, that may improve efficiency. An example might be specialist hospital services.
- Decision-making might be more democratic if it is more local, as that allows the people most affected by the decision to have the greatest say.
- But if local decisions affect people in a much wider area, it might be more democratic for a wider range of people to be involved. An example could be a decision on whether to build a road that people from outside the area would use.
- If you identify with particular local or regional communities – the Isle of Wight, say, or Yorkshire – you might think that these communities should have the power to make decisions for themselves.

## BRIEFING PAPER SET 3: BUILDING BLOCKS

### Paper 2: Governance Structures: Who Exercises Power?



#### **In this paper:**

- This paper describes the different structures for decision-making in local government.
- Decision-making can involve ordinary citizens, elected politicians, and representatives of business, trade unions, and other groups.
- Structures within decisions can be made include traditional local councils, combined authorities (with and without mayors), regional assemblies, and direct democracy.
- These have varying implications for the power that different groups have in determining what happens.

This paper sets out some of the options for the basic structures for decision-making and for holding decision-makers to account within local areas.

#### **Who makes decisions?**

There are basically three types of people who might be involved in decision-making and in holding decision-makers to account:

- ordinary voters from the local area
- politicians who have been voted in by the public
- businesspeople, trade union representatives, and leading figures from other local organisations

There are also many civil servants and others involved in administration and service delivery. But they are responsible for implementing the key decisions rather than making them.

## Basic structures

There are five basic kinds of structures that are being discussed at the moment:

- **Traditional local councils:** These are made up of councillors elected by local voters. They can be organised in several different ways, as discussed below.
- **Combined authorities:** These are groups of councils. Decisions of the combined authority are made by the leaders of the councils meeting together, generally also with local business representatives.
- **Combined authorities with mayors:** Concerns have been expressed that combined authorities are not directly accountable to voters. The government now proposes that each combined authority should have a mayor, who is directly elected by local voters and works with the ‘cabinet’ of local council leaders.
- **Regional assemblies:** A regional assembly is rather like a local council, but on a larger scale (or like Parliament, but on a smaller scale). Voters elect the assembly members directly. A leader and cabinet are then formed within the assembly.
- **Mechanisms for direct democracy:** In all of the arrangements mentioned so far, voters are involved only in electing the politicians who make the decisions. But it is also possible for ordinary local people to be involved in decision-making more directly. This can be through referendums or through citizens’ assemblies – such as the one you are part of now!

In what follows, we flesh out each of these structures a little bit more.

## Traditional local council structures

Local councils consist of councillors who are elected by local voters. Councils vary in how exactly these councillors are involved in decision-making. As set out in Paper 1:3, there are three basic structures:

- In some councils, committees of councillors run the main council services and make all the major decisions on budgeting and priorities.
- Other councils have a ‘cabinet’ system, where councillors choose a leader for a four-year term and this person then appoints a series of ‘portfolio holders’ – equivalent to government ministers. The rest of the councillors organise themselves into committees, monitoring the performance of the portfolio holders.

- In sixteen councils in England, instead of a council leader, a directly elected mayor appoints a cabinet.

## Combined Authorities

Since 2011, ‘combined authorities’ have made decisions on certain matters. Combined authorities consist of several local councils, and generally also include local businesspeople and organisations such as health boards.

Where a combined authority exists, most decisions are still taken by the local councils in the traditional way. But combined decisions on issues that cross council areas are taken by a committee of the leaders of the local councils, business representatives, and others.

This arrangement has the advantage that it allows the coordination of strategic decision-making across local council areas without requiring the creation of a whole extra group of politicians or a whole new layer of bureaucracy.

On the other hand, it is criticised for lacking accountability to local people. The negotiations leading to the creation of a combined authority have tended to take place behind closed doors. Even after a combined authority has been established, its leaders operate outside direct public scrutiny. The public do not get to vote on who the members of combined authorities will be.

## Combined authorities with mayors

In part because of these concerns over the accountability of combined authorities, the government is currently promoting a model where each combined authority has a mayor who is directly elected by local voters. The devolution deals that have been agreed with councils in Greater Manchester and in the Sheffield City Region both involve the election of a mayor who will cover these areas.

The mayor will lead a ‘cabinet’ of decision-makers for the combined authority, consisting of the leaders of the local councils as well as some business and other representatives. In addition, other councillors will be selected from the local councils who will scrutinise the work of the mayor and cabinet.

The mayoral model is intended to enhance accountability without creating a whole new layer of politicians. In addition, the government hopes that the

mayor will give a sense of strategic direction for each combined authority that a collection of council leaders cannot provide.

On the other hand, some people worry that it will be difficult to hold such mayors to account. The London mayor, for example, is held accountable by the elected London Assembly. But no such assembly is currently proposed by the government for other areas.

### Regional assemblies

A regional assembly would be a body of directly elected politicians responsible for decision-making across a region. This could be in areas such as South Yorkshire, the Sheffield City Region, or the Solent region. Or it could involve larger areas such as Yorkshire, Hampshire and the Isle of Wight, or even the whole of the South East.

Such an assembly could take two forms:

- It could be combined **with a directly elected mayor**. On this model, the mayor would set the strategic direction, while the assembly would hold her or him to account. This is the model of the London mayor and London Assembly.
- It could exist **without a directly elected mayor**. Instead, the assembly would choose a leader, who would tend to be the leader of the largest party in the assembly. This leader – who might be called the region's mayor or First Minister – would then form a cabinet from the assembly, while other assembly members would hold the mayor and cabinet to account. This is closer to the model of the UK Parliament and government, as well as the Scottish Parliament and the Welsh Assembly.

The assembly structure provides stronger forms of accountability than in combined authorities without such assemblies. On the other hand, there may be concerns about creating a new layer of politicians. And an assembly might over time lead to the development of new layers of bureaucracy as well.

### Mechanisms for direct democracy

The debates taking place at the moment about new structures for local government mostly focus on the roles of politicians and the ways in which other powerful local figures – particularly leading businesspeople – can be brought in.

There is less attention on whether ordinary local people could also play a greater part.

But many people are dissatisfied with how politics works today and would like to have more influence themselves. There are various ways in which ordinary citizens could have a stronger direct say over decision-making:

- **Referendums:** Referendums could be used to decide important local matters. A referendum is now required if a local council wishes to raise council tax by more than 2% in a year, and various other public votes have also been held. This could be used on a range of other local issues.
- **Neighbourhood decision-making:** Decision-making over some matters could be devolved to very local neighbourhoods, where one option would be to invite people to neighbourhood meetings where decisions are made collectively. Or the powers of existing parish and town councils could be increased.
- **Citizens' assemblies:** Assemblies like the one you are taking part in now could become regular features of local decision-making. Local citizens would be selected at random to take part and would be provided with detailed briefings. They would consult widely and deliberate carefully before reaching conclusions.

While many people might welcome such arrangements, they also raise important concerns. Many people might vote in referendums without really understanding the issues. Others might not be willing to take part in any of these processes. For many people, we elect politicians so that they can do the complex and time-consuming job of deciding public issues on our behalf.

## BRIEFING PAPER SET 3: BUILDING BLOCKS

### Paper 3: Areas and Area Boundaries



#### In this paper:

- What areas should our local councils or regional authorities cover? This paper considers this question.
- It deals with the kinds of areas that local government structures can cover and the options for working out what the boundaries of these areas should be.
- It considers both traditional or identity-based boundaries, and boundaries based on economic ties.
- It also presents possible future boundaries for larger authorities in Hampshire and the Isle of Wight and in South Yorkshire.

Government always takes place at different levels: some issues are decided by the UK government, others by various types of local government. Some people would like some issues to be decided by regional bodies, covering areas much smaller than the UK, but bigger than current local councils. Other people would like some matters to be decided at a very local level, in villages or neighbourhoods.

What should be the areas on which local and regional government is based?

#### Types of Area

We all have a postal address, which is a list of ever-larger areas through which we help the Post Office to find us. We start with our house number or name. Then most of us have a street name. Many people need then to add the name of a village or small town, before getting to the main town, and then perhaps the county. If we need to be reached from abroad, we will add 'England' or 'United Kingdom' at the end.



Government structures follow the same pattern:

- At the most local level, many places (but not all) have neighbourhood committees or parish or town councils.
- Then all areas have local authorities. Some areas – such as South Yorkshire, Southampton, Portsmouth, and the Isle of Wight – have one, unitary local authority. Others – including Hampshire except for Southampton and Portsmouth – have two: a district council and a county council (see Papers 1:1 and 1:2).
- Some parts of the UK – London, Scotland, Wales, and Northern Ireland – then have a regional level of government.
- Finally, we have the national government for the UK as a whole.

The current debates about how local areas should be governed in England refer to five different levels:

- **neighbourhoods:** local areas such as villages, small towns, and suburbs of larger towns and cities
- **districts:** larger towns and cities, as well as more rural areas including one or more smaller towns and the areas around them; these are the areas currently covered by district councils and unitary councils in the areas of Assembly North and Assembly South
- **city regions and counties:** these areas include traditional counties as well as the ‘combined authorities’ that are being created in many areas; in the Assembly North area, that might mean South Yorkshire or the Sheffield City Region; in the Assembly South area, it might mean the whole of Hampshire and the Isle of Wight, or just the Solent region or the built-up area of South Hampshire
- **large regions:** for several decades, England has for various purposes been divided into nine regions; Assembly North is taking place within the region of Yorkshire and the Humber; Assembly South is taking place within the South East region
- **nations:** the United Kingdom is an unusual country, in that it is a nation that is itself made up of nations; so the national level can refer to England, Scotland, Wales, and Northern Ireland, or to the UK as a whole

It is important to think about the sorts of decisions – if any – that should be made at each of these levels and about what structures, covering what areas, should exist at each level.

## Thinking about boundaries

Whichever level of government we are considering, there are choice to make about what the boundaries of each area might best be. We are unlikely to get into discussions about the boundaries of neighbourhoods or districts during the assemblies, and the boundaries of England and the UK are fixed. So what we really need to be thinking about are the boundaries of possible city regions, combined authorities, or regional assemblies.

The question of what area should be covered by a local or regional authority is not an exact science. There are basically two approaches:

- Areas can be determined by reference to **traditional boundaries**. In England, this has normally meant traditional county boundaries. These are familiar to people, and some may inspire feelings of pride, belonging, or identity. For example, many people are proud to live in Yorkshire, or in Cornwall.
- The main alternative to this is the use of **‘functional economic market areas’ (FEMAs)**. A FEMA can be defined in relation to common commuting patterns, or shopping or house-moving patterns. FEMAs will often take no account of traditional boundaries.

In practice, many administrative boundaries take account of both of these considerations, and are a compromise between them. It should also be remembered that, whatever boundaries a local council uses, it will always have working relationships with its neighbours. Boundaries do not entirely ‘cut off’ the people on the other side of them.

## Traditional boundaries

England has been divided into county areas, for various purposes, for hundreds of years. These counties included Hampshire and Yorkshire. When elected local councils were



English counties immediately before 1974.  
Source: Wikipedia.

introduced, in the late 19<sup>th</sup> century, the traditional county boundaries were used.

Although traditional boundaries may weigh strongly with many people, they have been adjusted or changed in the recent past. For instance, in 1974 a wholesale reform of local council areas took place in England. Whilst this respected many county boundaries, there were changes. Some have become accepted (for instance, Bournemouth was moved from Hampshire into Dorset). Others were very unpopular (for instance, the creation of Humberside) and have since been reversed.

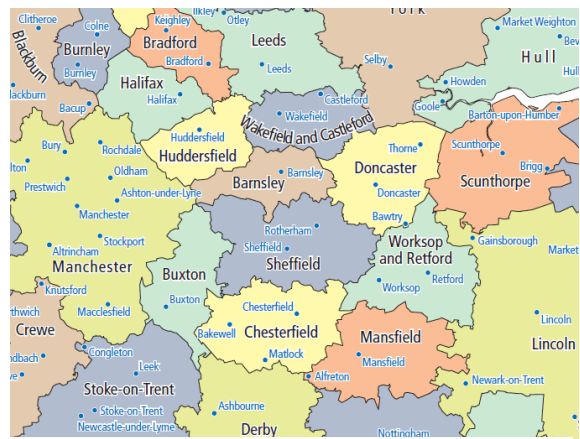
The map on the previous page shows England's counties as they existed immediately before the reforms of 1974.

### Functional economic market areas

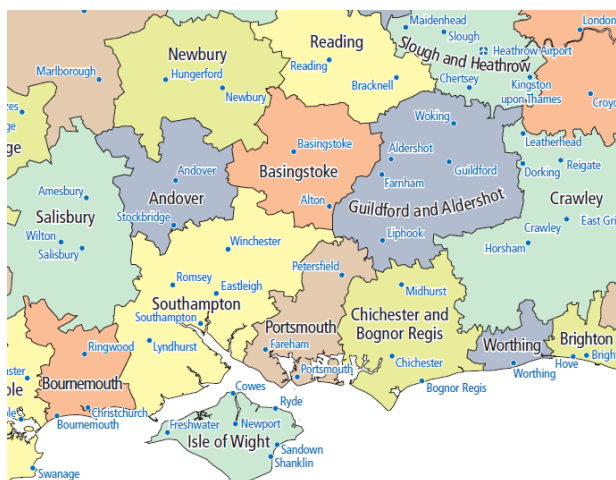
A 'functional economic market area' ('FEMA') is one that is based on the flows of economic activity and economic linkages between areas.

The most common way to establish a FEMA is via the 'travel-to-work area'. A travel to work area is normally defined as an area where three quarters of the journeys to work are within the area, rather than to somewhere outside it. FEMA's can also be measured via consumer service markets, or 'shopping areas'. A shopping area is the area from which a large retail centre (for instance, a city) draws its customers. Another measure that can be used is the 'housing market area'. A housing market area is one in which most house moves take place within the area, rather than into it or out of it.

There are endless debates about how a FEMA should be defined. Experts have produced a large number of different maps of England based on these ideas. We show here and on the next page maps with 2011 travel-to-work areas for the Assembly North and Assembly South regions. Particularly in the Assembly South area, they bear little relation to traditional council boundaries.



Travel-to-Work Areas in the Assembly North region. Source: see Paper 3:4.



Travel-to-Work Areas in the Assembly South region. Source: see Paper 3:4.

The case in favour of having council areas covering FEMAs is that they reflect the realities of how people live and work, maybe better than traditional boundaries do. Councils based on FEMAs would be able to manage economic growth, and plan housing and transport supply, for a cohesive area, without needing to work jointly with other councils in the same economic area.

## Local Enterprise Partnerships and

### City Deals



Sheffield City Region LEP. Source: [South Yorkshire Local Transport Plan](#).

covers two unitary authorities, five district councils, and parts of four other district councils, whilst the rest of Hampshire is part of the 'Enterprise M3' LEP alongside western parts of Surrey. In Sheffield, the LEP covers Sheffield, Barnsley,

The current government has been willing to move away from traditional boundaries. In 2011 they encouraged the establishment of Local Enterprise Partnerships (LEPs), to manage economic growth policy and business support at a local level.

LEP areas often follow FEMAs rather than administrative boundaries. They use larger FEMAs than the travel-to-work areas. In Hampshire, the Solent LEP



Solent LEP. Source: [Solent LEP](#)

Doncaster and Rotherham, but also northern parts of both Derbyshire and Nottinghamshire.

The Sheffield LEP region is the area of the Sheffield City Region, for which a 'devolution deal' has been announced (see Paper 2.1). There was initial interest in a devolution deal for the Solent LEP region, but the proposal that has been put to government instead covers the traditional counties of Hampshire and the Isle of Wight.

## Options for Assemblies North and South

Three main alternatives for regional authorities covering larger areas than the current local authorities have recently received attention in each of the Assembly North and Assembly South areas.

For Assembly North, these are:

- South Yorkshire: the areas covered by the Barnsley, Doncaster, Rotherham, and Sheffield local authorities (the dark green area on the first map on the previous page)
- the Sheffield City Region: South Yorkshire, plus four local authorities in central Derbyshire and one in north Nottingham (the whole area on the first map on the previous page)
- Yorkshire and the Humber: the whole of the traditional county of Yorkshire, as well as north Lincolnshire (shown on the map on the right)



Standard regions of England. Source: Wikipedia

For Assembly South, they are:

- the Solent LEP area: see the second map on the previous page
- the whole of Hampshire and the Isle of Wight
- the South East: the South East region as generally defined extends from Kent in the east to Hampshire in the west and from Oxfordshire and Buckinghamshire in the north to the Isle of Wight in the south (see the

map on the previous page); alternatively, a narrower Central South region might be created, covering West Sussex, Hampshire, the Isle of Wight, and Dorset.

South Yorkshire, Yorkshire and the Humber, and Hampshire and the Isle of Wight are all based roughly on traditional county boundaries. The Sheffield City Region and the Solent area are both FEMAs that cut across traditional boundaries, and the South East region, depending on how it was defined, might do the same.

Of course, the assemblies are welcome to consider other options besides those just listed.



## BRIEFING PAPER SET 4: CRITERIA FOR JUDGING OPTIONS

### Introduction and Summary



There are many possible options to choose from when thinking about reform of local government.

In trying to choose between these, it is important to think about what we want from local government. We can then have a set of *criteria* to use in judging different options.

The papers in this set explore three broad criteria. You may well think of others:

- The first paper explores the idea of **democracy**. If we want local government to be democratic, we will be concerned with issues of representation, accountability and local autonomy.
- The second paper looks at the **quality and efficiency of public services**. Quality and efficiency might be affected by the size of local government areas and whether it is possible to coordinate different bodies with different responsibilities.
- The third paper looks at **prosperity and other aspects of well-being**. The current government's policies on decentralisation in England focus heavily on economic development. You might think other aspects of well-being matter as well.

There are many possible criteria for judging local government arrangements. If you are reading this after the first assembly weekend, you might have discussed other criteria.

The next page summarises each of the papers in this set.

## Summaries of the Papers in Set 4

### Paper 4:1 Democracy and Local Autonomy

Democracy involves representation and accountability.

Representation refers to whether people making decisions are like the people affected by those decisions, in terms of political views and, e.g., gender, age, class, or ethnicity.

Accountability refers to whether citizens can hold decision-makers to account, both at elections and between them.

The paper also explores the related idea of local autonomy.

### Paper 4:2 Effective Services and Value for Money

Most people would like to see good quality public services. Local government structures can have an important impact upon that quality. In particular, the size of local authorities can make a difference. So can whether connected issues are decided at the same level.

At the same time, most people do not want to pay more taxes. So thinking about efficient provision of services also matters. The size of local councils matters here too.

### Paper 4:3 Prosperity and Well-Being

One of the government's main reasons for devolving power to cities and regions is the desire to promote economic development across different parts of England.

This is because it is generally agreed that recent growth has been too concentrated in London and the South East.

While economic prosperity is important, it is not the only measure of a healthy society. Others might include better services, equality, and well-being.



## BRIEFING PAPER SET 4: CRITERIA FOR JUDGING OPTIONS

### Paper 1: Democracy and Local Autonomy



#### **In this paper:**

- This paper considers the basic building blocks of democracy: representation and accountability.
- It also introduces the related idea of local autonomy.

Our democratic system is primarily based on representation. In a representative democracy, voters do not make policy decisions themselves: they give that power to elected representatives.

In this paper, we introduce features of representative democracy, in particular representation and accountability. We also discuss the related idea of autonomy.

### **What is democracy, and what is representative democracy?**

The concept of democracy has its origins in ancient Greece. Translated from Greek, the word literally means ‘government by the people’.

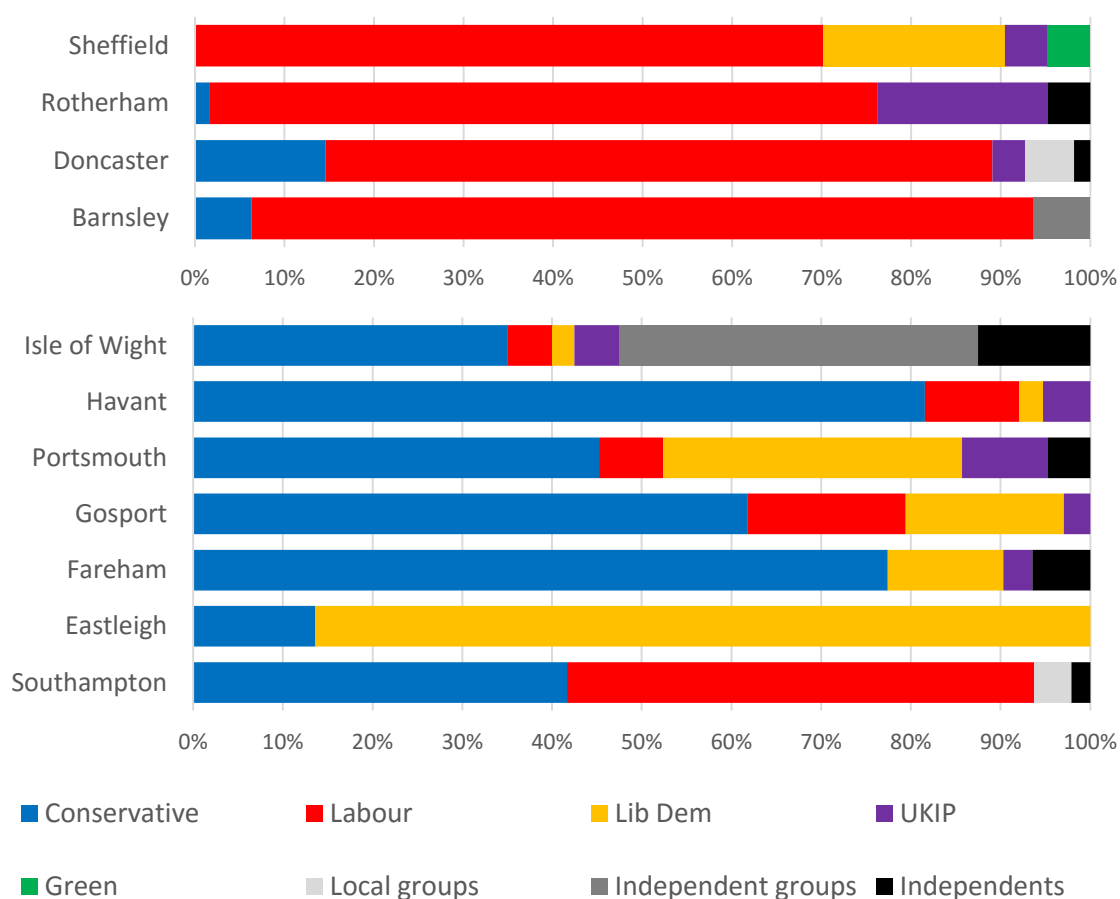
In cities like ancient Athens, ordinary people gathered together regularly to make the decisions about what should happen. We refer to this now as direct democracy.

Decisions in the UK and other modern democracies are not made by the people directly, apart from occasional referendums and assemblies like the one you are involved in. Critics argue that direct democracy is too time consuming and most people don’t want to be that involved in politics (for more on direct democracy, see Paper 5:1).

Rather, decision-making is generally left to elected representatives whom we expect to act on our behalf. Most of our representatives belong to political parties. This can cause tensions: should representatives follow party policy or the interests of their local area? They are not always the same.

Parties are particularly dominant in national politics: of the 650 current Members of Parliament (MPs), only two were not elected as party representatives. In local politics, there is often a greater role for independents, but in most places, local councillors still represent established political parties.

### Party composition of councils in the Assembly North and Assembly South areas



The charts above show the political make-up of the councils in the Assembly North and Assembly South areas. The councils vary widely in their party composition. Only the Isle of Wight council has the majority of elected representatives not from the main political parties in the UK.

## What is representation?

Representative democracy has two key elements: representation and accountability.

Local councillors represent their ward and all the people who live in that area. But some people do not always feel that their elected representative really represents them. Our electoral system means that councillors will often be elected without winning a majority of the vote and the very low turnout in local elections (often less than 30 per cent) means that most citizens have not voted for any candidate. There are also concerns that councillors often have a very different life experience and background from many of the people they represent. It is rare for councillors to reflect the proportions of women, ethnic minority groups, age groups and social classes in the broader population.

## What is accountability?

Representative democracy provides opportunities for citizens to hold their representatives to account:

- **At election times**, citizens are able to use their vote to support or punish their local councillors for their own actions or the actions of the council as a whole.
- **Between elections**, councillors are often required to explain their decisions publicly. This is particularly true for council leaders and mayors. The local media often plays an important role in holding representatives to account.

## Representation and accountability in local politics

Those who believe in local democracy are often concerned that many of the decisions made in local areas are by bodies that are not elected. They worry that many of the policies of recent governments have not been concerned with promoting local democracy, and have been driven only by the desire to promote economic development.

Local Enterprise Partnerships (LEPs), for example, made up of representatives of local councils and businesses, cannot easily be held accountable by local people.

There are similar democratic concerns about combined authorities without any elected mayor or assembly (as in city deals). While people get to vote for their

local councillors, they do not have a direct vote for who runs the combined authority. Voters cannot hold the authority to account directly. Others argue that we should be more worried about efficient service delivery rather than democratic accountability.

The choice between a single directly elected mayor and a full assembly raises interesting democratic questions.

- A single person, such as a mayor, cannot represent the diversity of different political views, ages, ethnicities and genders in a community.
- But a mayor will be much more visible than most local councillors and there are much clearer lines of accountability to the people.
- In areas where one party always dominates, it may be very difficult for voters to remove a mayor from the dominant party, even if he or she is doing a poor job.

### What about local autonomy?

Democracy implies that people are able to govern themselves. Where there is a strong sense of community and shared identity, there is often an argument for more autonomy. This is a hotly contested issue in Scotland today where many people now favour creating an independent country. They identify more strongly with Scotland and feel less connection to the UK as a whole.

In England, some people identify strongly with traditional counties, such as Yorkshire or Cornwall. Other people identify more strongly with their local communities in towns and villages. It might be that democracy will work better if such counties and communities can make more of their own decisions.

Local autonomy can clash with the desire for common standards of services across the country. There is often concern about 'postcode lotteries' where services vary from place to place. Should local areas be able to make their own decisions about the quality of services or should there be national standards so everyone is treated the same?

Local autonomy may also not be the most efficient way of delivering services. Different issues may be best resolved at different levels of government (see Paper 4:2).

## BRIEFING PAPER SET 4: CRITERIA FOR JUDGING OPTIONS

### Paper 2: Effective Services and Value for Money



#### In this paper:

- One of the key criteria for judging whether to change how we are governed is whether doing so would improve public services.
- At the same time, most people do not want to pay more taxes. So thinking about efficient provision of services also matters.
- There are also important questions relating to how the money to pay for local services is raised.

Most people want local councils and other government bodies to provide high quality public services. But most people also don't want to have to pay too much tax to pay for these services.

That means we are concerned not just about the *effectiveness* of services, but also about their *efficiency*: whether they represent good value for money.

#### Thinking about effective services

Most people care about the quality of public services.

There may be different aspects to that quality. For example, there could be a trade-off between having a small number of large hospitals that can provide high-quality specialist care and a larger number of small hospitals offering more local, generalist care.

Effectiveness can be influenced by many things that the assemblies are unlikely to focus on, such as the quality and number of staff and equipment.

But two features of local governing structures that can influence effectiveness will be particularly important for the discussions in the assemblies:

One of these is the scale on which services are provided:

- Working across a larger area might promote more effective services – for example, there might be cases where good services rely on experienced experts. If services are provided in a very local area, some issues might come up too rarely for the people responsible for responding to develop relevant experience.
- But in other cases it might be more important to tailor services to local needs and wishes.

The second feature is the degree to which service provision is unified in one body or spread out across many.

- There are many cases where outcomes are likely to be better if several services run by different bodies are connected together.
- That applies, for example, to health and social care, to the various educational, health, and social services that engage with families in trouble, and to the different bodies that can help prevent re-offending.
- Creating structures where such services are coordinated by a single organisation may therefore be important.
- That raises big questions for the assemblies. If it would be desirable, for example, to integrate health and social care, would that mean that health and social care should be coordinated by the same organisation? If so, should health move from unelected bodies (as now under the NHS system) to elected bodies, or should social care be transferred away from elected councils (as now) to unelected bodies?

### Thinking about efficient services

The concepts of 'efficiency' and 'value for money' refer to whether inputs are used in a way that maximises outputs. Is a given level of service provided for the lowest possible cost?

Debates about delivering efficient services are complex, and the assemblies will not have time to go into all aspects. But three features of local government structures might have a particular impact.

One is what we have already mentioned: the scale of public services.

- It is often argued that working in larger units allows services to be delivered for lower cost because back-office functions can be combined. Indeed, some councils have merged certain functions, such as maintaining their websites, in recent years, even when the councils themselves have remained separate.
- On the other hand, evidence that merging councils leads to substantial savings is actually quite limited – it seems that the savings are generally only around 1%.
- Indeed, it is also possible that, as organisations get larger, they can become *less* efficient, as they develop extra layers of management.

The second issue to consider is whether different structures are better or worse at encouraging innovative thinking on how to achieve better value for money.

- The smaller a council area is, the less diverse it is likely to be. That could make it a stronghold for one of the political parties, such that the same people remain in power for a long time. That can lead to inefficient ways of working and even, in the worst cases, to corruption. [Recent research](#) by the Electoral Reform Society suggests that councils dominated by one party tend to be less efficient.
- On the other hand, if councils are smaller, that means there are more of them, so there are more opportunities for innovative ways of working to be tried. If new ideas are found to work in one place, they might then spread elsewhere.

The third issue is the number of layers of local government and the nature of decision-making processes:

- Adding extra layers of government is likely to increase costs. The differences will often be small. But, in an age of austerity, they might still cause concerns.
- As we mentioned in Paper 3:3 on ideas about decentralisation to local neighbourhoods, some forms of decision-making may be more expensive than others. Holding local assemblies, for example, costs money: dates have to be advertised, venues have to be hired and heated, staff need to be on hand to present options and listen to the views that are expressed, records have to be kept, and so on. Such events might strengthen democracy, but they do so at a cost. What price democracy?

## BRIEFING PAPER SET 4: CRITERIA FOR JUDGING OPTIONS

### Paper 3: Promoting Prosperity and Well-Being



#### In this paper:

- One of the government's main reasons for devolving power to cities and regions is the desire to promote economic development across different parts of England.
- This is because it's generally agreed that recent growth has been too concentrated in London and the South East.
- While economic prosperity is important, it is not the only measure of a healthy society. Others might include better services (see Paper 4:2), equality, and well-being.
- This paper explores these issues.

The government is currently trying to spread prosperity more evenly around the country. The Chancellor has talked about Greater Manchester being part of a 'Northern Powerhouse'. Can changes in local government structures affect prosperity and well-being? This paper outlines some of the issues.

#### Economic prosperity

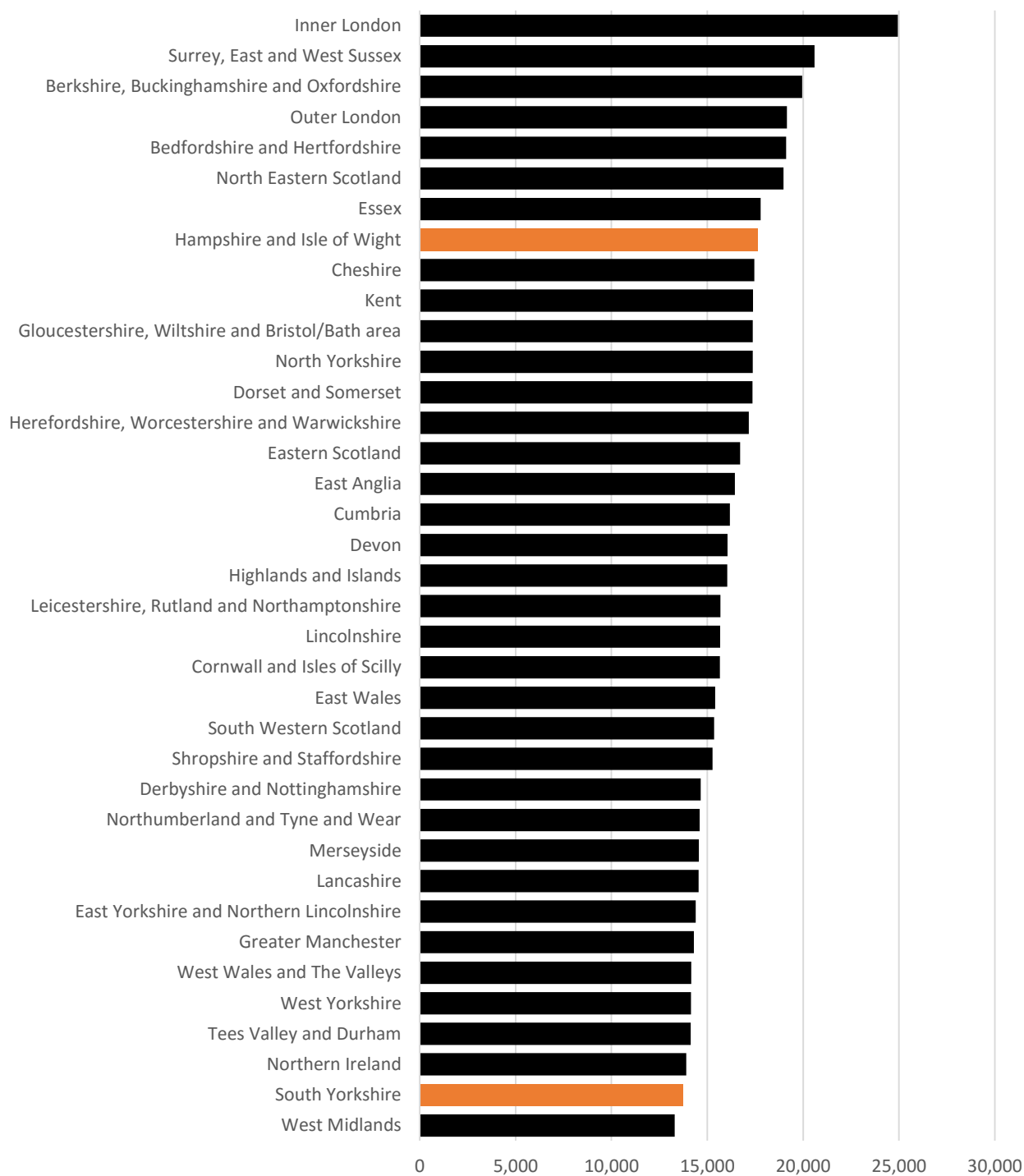
At present, as the chart on the next page shows, there are big differences in people's incomes between different parts of the country. People living in Inner London earn on average just under £25,000 pounds a year. In the West Midlands, people earn on average about half that amount: £13,300 a year.

Assembly South is in one of the more prosperous parts of the country: average incomes in Hampshire and the Isle of Wight are £17,602 a year. But that is still less than in most of the rest of the South East of England.



Assembly North is in the second poorest part of the country: average incomes in South Yorkshire are £13,742 a year.

### Household Incomes per head, 2012



Source: [Office for National Statistics](#)

Governments have tried to promote the prosperity of different parts of the country through different approaches, often requiring local authorities to work with business partners. The previous Labour governments established Regional Development Agencies. The current government was involved in establishing Local Enterprise Partnerships (see Paper 1:3). These are partnerships between local councils and businesspeople, aimed at fostering economic development.

The government believes that larger authorities such as city regions led by elected mayors with new powers will help spread prosperity. This is based on evidence – such as from the independent [RSA City Growth Commission](#) – that the areas with the fastest growth and innovation around the world tend to have

- large populations
- good connectivity
- high skill levels
- good infrastructure (including housing)
- strong higher education institutions
- empowered local leadership

The powers that the government would like to devolve to city regions are therefore focused mainly in areas such as business support, infrastructure development, and training.

## Economic Equality

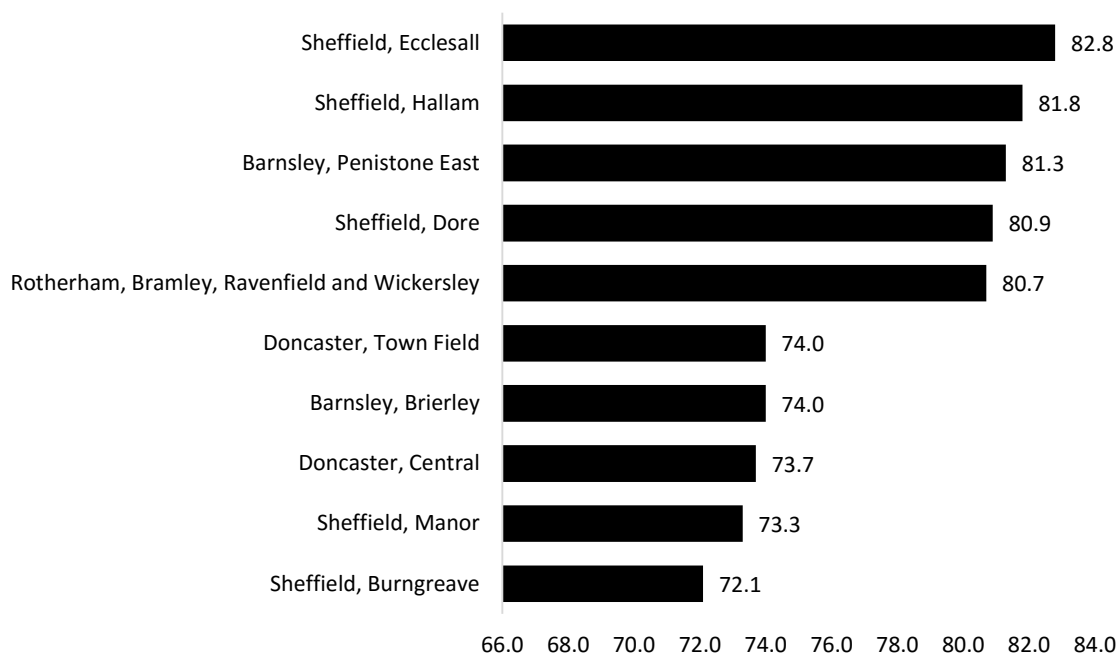
Almost everyone agrees that economic prosperity is important. But is that the only thing that matters? Should we also care about the level of inequality: the difference between the richest and the poorest people in society?

The government's proposals aim to tackle inequalities between regions. But there are also inequalities within regions. To illustrate this, the charts below show, for both Assembly North and Assembly South, the five wards with highest life expectancy and the five wards with lowest life expectancy. In each case, there is a difference of more than ten years, indicating high levels of inequality between these areas.

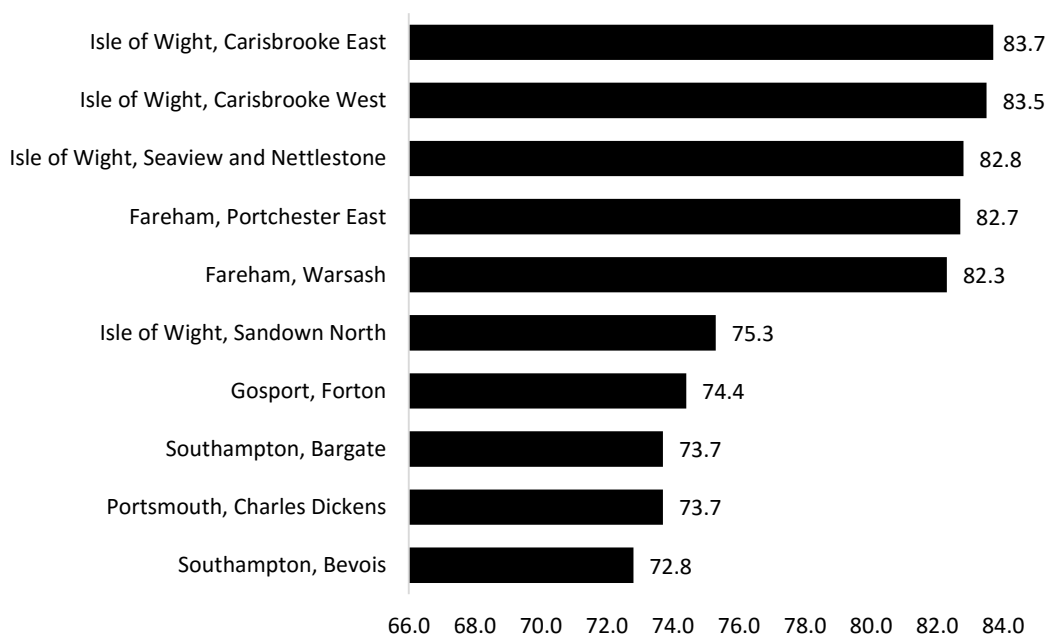
There are differences in opinion about the best way to respond to these inequalities. One view is that more local council structures can respond more effectively to local needs. But this would require more funding to poorer areas. Another view is that a larger authority can take a more strategic view, moving

resources around to focus on different needs. Indeed, many combined authorities are likely to want to focus on reducing disparities between different places within their areas.

### Wards with highest and lowest life expectancy: Assembly North area



### Wards with highest and lowest life expectancy, Assembly South area



Life expectancy is measured here at birth. The estimates are for 1999–2003. Source: [Office for National Statistics](#)

## Other aspects of well-being

Well-being is about more than just level of income, although there is a close relationship between income and life expectancy.

Our quality of life is affected by a whole range of different things. Local councils and public bodies have some influence through matters such as the quality of social services and schools, libraries, leisure centres, and parks, how clean the streets are, and whether town and city centres are well maintained (see Paper 4.2). The role of government at all levels in promoting well-being is about more than just economic development.

## BRIEFING PAPER SET 5: BACKGROUND



### Introduction

This final set of papers includes background material that you might find useful. The papers are on subjects that might not be central to the discussions in the assemblies. But the topics are relevant, and you might find the information in the papers helps you think through the issues.

At the moment there are two papers:

- The first paper looks at ways in which citizens might be given opportunities to take part more actively in local decision-making.
- The second paper looks at how local councils are funded – through council tax, business rates, grants from government, and charges for certain services.

We hope to be able to add a few more papers to this set over the coming weeks. If there are any topics on which you would be interested in seeing a paper, please let us know!

## BRIEFING PAPER SET 5: BACKGROUND

### Paper 1: Citizen Participation in Local Governance



This briefing paper gives a quick overview of different ways that local councils could involve citizens more regularly in the decision making process. It offers introductions to petitions, referendums, participatory budgeting and citizens' assemblies.

One of the criticisms of the current process of establishing Devolution Deals is that there is no involvement of local people. It is a decision made by central government having received a bid led by local councils. Local citizens will be able to decide who will become the mayor of the region, but cannot decide whether there should be a mayor in the first place! Critics argue that there is a democratic deficit in local and national politics.

#### Is there any interest in participation?

Are citizens simply not interested in what happens locally? After all, turnout at local elections rarely makes it above one third of the electorate and the turnout for the new Police Commissioners was even lower.

But perhaps the problem is that there are very few opportunities for citizens to participate in decisions that affect their lives. If meaningful opportunities existed, citizens would be more likely to engage.

#### Beyond traditional consultation

Councils often hold consultations over local decisions. Citizens are invited to send an email or attend a meeting. But very few do; and even when they do engage, they feel that their views are not listened to. An alternative is to use opinion polls. But very often people don't know much about the questions they

are being asked. How could local citizen participation be organised better by local councils?

## Petitions

Until recently, local councils were required to have a petition system. That rule was abolished by the Localism Act 2011. But many local councils still have a petition process in place.

Petitions allow people to gather signatures in support of a proposal asking the council to take action on a local issue. Some petition systems only require one signature; others require a percentage of the local population to support the proposal. Local councils consider a petition and explain how they are going to act. They do not have to follow the petition proposal. The only area where councils are required to act on a petition is if 5 per cent of the local population request a referendum on a directly elected mayor (see next section).

Petitions are a relatively simple form of participation, but they can put issues on the council agenda that have been overlooked.

## Referendums

Referendums put proposals to a vote across the entire local electorate. Most referendums that take place in the UK are advisory: the local council does not have to follow the result. That said, it is quite hard to ignore a referendum result where there is a clear majority vote.

There are some areas where councils are required to hold referendums and are required to act on the outcome:

- if 5% of local electors petition the council for a referendum on whether there should be an elected mayor
- if the council wishes to raise council tax 2% or more above the level of the previous year

A referendum can be organised by a parish council (with the support of a local council) where it is demanded by not less than ten, or one-third, of the local government electors present at a parish council meeting.

## Participatory budgeting

Participatory budgeting (PB) enables local people to decide on the distribution of parts of the council budgets. PB was first established in the Brazilian city Porto Alegre in 1989, but has spread all over the world. A number of PBs have been run in England, including in parts of Hampshire and Yorkshire. Currently the Scottish Government is promoting a programme of PB across local areas.

In Latin America, local people often make decisions on significant proportions of the council budget (around \$160 million in 2000 in Porto Alegre, with thousands of people participating). In comparison, PB in the UK has typically been rather limited: with local voluntary groups competing for funding of a few thousand pounds for local improvements.

## Citizens' assemblies

One of the criticisms of traditional consultation is that only the 'usual suspects' (those particularly interested in local politics) bother to engage. Citizens' assemblies, like the one you are participating in, change that by selecting participants by random selection. This means that a more diverse group of people that is very similar to the broader population come together to learn about, discuss and make recommendations on a particular issue of local concern. Some local councils have experimented with citizens' juries – a very similar method. Citizens' assemblies are ways of finding out the considered views of local people, rather than their raw opinions through opinion polls.

## The impact of new technology

The internet could make democratic participation easier. But evidence suggests that it has not yet had much effect – we are much more interested in using the internet for entertainment or service delivery.

## A duty to encourage participation?

Many local councils have experimented with different ways of engaging local citizens, but it is not done consistently. Local councils could be required by law to use one or more of these mechanisms on a more regular basis.



## BRIEFING PAPER SET 5: BACKGROUND

### Paper 2: How Is Local Government Funded?



This paper sets out how local government is funded in England today. We do not expect to go into these matters in much detail during the Assembly, but you might find that the information provided here gives useful background for discussions.

#### Sources of local government funding

Local councils have four main sources of funding:

- Central government grants
- Business rates
- Council tax
- Fees and charges

There are also a wide range of additional central government grants for local bodies which sit outside local council control. Some of these go to local councils, but the councils are required to pass them directly on to others (e.g. funding for primary and secondary schools), or can only spend them in line with national requirements (e.g. housing benefit).

Other national funds are spent locally without any involvement from councils: for instance, NHS funding; funding for further education colleges; and funding for trunk roads and motorways.

For many decades, the bulk of councils' income (on average) came from a combination of government grants and business rate income, the latter being redistributed by the government to take some account of need. Because of large reductions in government grants since 2010, this is no longer as true as it was.

Under the existing system, as a general rule, the less deprived an area, the less government grant it is likely to receive. That is because richer areas can raise more funding via council tax and business rates. This is not an exact link, but it is a useful rule of thumb. For many decades, all governments used the grant to ensure as far as possible that local councils could provide an equal level of service across the whole country. However, since 2010, on average, deprived areas have seen their grants cut more than less deprived areas.

The following sections explain how the four sources of funding work.

### Central government grants

Central government grants for local councils are set each financial year in an annual funding round (the 'Local Government Finance Settlement'). Since 2010, grants have been cut dramatically – by 37% across England between 2010 and 2015.

There is no clear 'formula' that can be used to explain how much money an individual council gets, or should get, in grant – though there are formulas for some elements of it. The annual funding round takes the previous year as its starting point, so grant levels result from the build-up of different decisions, large and small, over many years.

### Business rates

Business rates are paid by businesses to their local councils.

Before 2013, all of the income from business rates went to the government, which then redistributed it to councils, taking some account of individual councils' needs. Business rate revenue under this system was indistinguishable from government grant.

Since 2013, councils have been allowed to keep half of the money gathered through business rates in their area. The idea of this change was to give councils an incentive to encourage new businesses to set up locally.

Earlier in October, the government announced that, by 2020, this will be extended so that councils will keep all the money raised in business rates in their area. Councils will be allowed to cut business rates. Places with a 'devolution deal' and an elected mayor will also be able to raise rates by a small amount.

The Local Government Association welcomed this. But critics worry it will make it harder to redistribute money from richer to poorer areas. There are also concerns about a 'race to the bottom', as councils try to attract businesses to their area by cutting the tax.

## Council tax

Council tax funding is collected by district councils and unitary authorities. County councils also set an amount (a 'precept') that is collected alongside this as part of council tax. Police and fire authorities, and transport authorities, also collect shares. Each council keeps all of the council tax revenue that it collects (none is redistributed between councils).

Since 2012, councils have not been able to raise council tax by more than a set level each year without a referendum approving the rise. In the last three years this level has been 2%. Before this, there was a system called 'capping', where the government would decide each year to stop particular councils increasing their council tax by too much.

## Fees and Charges

Fees and charges can be put on a large number of local council services. Some fee levels are fixed by the government – such as planning and licensing fees – whilst councils have control over others, such as parking charges and leisure centre charges. There are a small number of services for which they are not allowed to charge – for instance, school education, elections and libraries. Some councils (usually small districts) make more from fees and charges than they do from council tax.

## How do councils spend this money?

Most of the money from these four sources is brought together into a single funding pool and can be spent as the council wishes. There are a few small exceptions to this. This is known as 'ring-fenced' or 'hypothecated' funding. For instance, the government provides a Public Health Grant, which has to be spent on public health. But other grants can be spent more freely (even if they have names that suggest they are supposed to be spent on a specific function).

Councils can borrow money for capital investment projects – e.g. to build a new road or a new leisure centre. But they can't borrow in order to plug gaps in their everyday spending on services. They can borrow money from the government, from banks, or by issuing bonds. The main limit on council borrowing is how far they can guarantee future income to pay off the debt. This means that how much councils can borrow is closely linked to the amount they bring in through council tax and business rates.

### How could councils obtain more money?

Councils today have, on average, less money available than in 2010. Most have much less: between 20% and 40% (see figures for local areas). Many people within the council sector have called for councils to have more ways of raising their own money. This is known in the jargon as 'fiscal devolution'. The main ways in which this could be done are as follows:

- **More government grant funding.** Councils are expected to see their grants go down by at least 15% by 2020, on top of the 37% reduction since 2010. The reductions have been greatest for councils in urban and deprived areas. So increased government grant is unlikely in the near future.
- **Raising more council tax.** In real terms, council tax has been reduced by 10% since 2010 thanks to the referendum law (mentioned above). Councils have called for this to be removed.
- **Higher council tax bands.** New, higher council tax bands could be introduced for more valuable properties. This could cause unhappiness amongst those paying more; but, depending on how it was done, bills for smaller and medium-sized houses could go down. Wealthy areas, with large numbers of valuable properties, could gain a lot more income if this were done.
- **Business rates.** By 2020, the government says that councils will retain all of the revenue from business rates in their area. But this will increase funds available to councils only if grants from central government are not cut.
- **Fees and charges.** Councils could be given more control over the levels of fees and charges. Many of these are fixed by the government. Some councils complain that in some cases, the fixed fees do not cover the costs

of providing the service (e.g. planning fees). On the other hand, this could lead to some types of fee rising considerably.

- **New local taxes.** Small local taxes, such as a tax on hotel beds, could be introduced. This type of tax probably would not raise much money.
- **Investment.** Some councils, e.g. Eastleigh Borough Council, have built up a property portfolio and can now use the income from it to supplement their other sources of income. In 2011, Eastleigh owned £188m of commercial property, giving a net annual profit of £2.5m (in the context of an overall budget of about £14m).
- **Local income tax or VAT.** The Scottish Parliament is to have the power to set its own income tax and to retain a percentage of VAT receipts (VAT cannot be devolved, under European Union law). In the past, some academics have proposed giving councils the power either to retain some income tax locally, or to set an extra income tax rate locally. The best estimates are that it would take 4–5 years to change the income tax system so that this could be done. As with council tax above, the prospect of higher taxes is likely to be unpopular amongst the public; and wealthier areas would raise more revenue than less wealthy areas.

Any proposals to give councils more means of raising money would inevitably be described, in the media and political debate, as potential tax rises. This discourages politicians from taking action. For instance, council tax bands are still based on house prices in 1991 in England. This means a lot of property valuations will be a long way out of line with the current value of the property. If a new valuation took place, some people's council tax bills would fall and some would rise, in line with movements in property values since 1991.

### Do Combined Authorities have more funding?

As Papers 1:3 and 2:1 set out, there have been moves in recent years to establish 'combined authorities' that pool certain activities across several local councils.

So far, where combined authorities have been offered extra powers by the government, they have taken on the funding to go with these extra powers. This has taken the form of government grants. However, there is no guarantee that the same amount of funding will be available in future years. No formula exists to guarantee a certain level of government funding year after year, for any local services or councils.

The government is currently seeking to pass a new law (the *Cities and Local Government Devolution Bill*) that will make it possible for combined authorities to receive new powers. Under these arrangements, combined authorities will have the power to set their own share of council tax (the 'precept'), but only if they have a mayor, as in Greater Manchester.

There is also the possibility of 'pooling budgets'. This is going to happen in Greater Manchester with the devolving of the National Health Service. There, local health bodies will combine their budgets with councils' social care spending. The idea is that sharing budgets will make it easier to coordinate services across health and social services, with less spending on administrative costs and less duplication. We don't know, however, how much money, if any, could be saved in this way.

## Additional Briefing Paper 1

### Where does devolution policy come from?



*Adapted from: House of Commons Library (2015). [Devolution to local government in England](#).*

Following the 'no' vote in the September 2014 Scottish independence referendum, the Prime Minister announced proposals for additional devolution to Scotland, Wales and Northern Ireland. But he also said:

It is also important we have wider civic engagement about how to improve governance in our United Kingdom, including how to empower our great cities.<sup>1</sup>

A number of reports in the lead up to the independence referendum had made proposals for the transfer of additional powers to local authorities or to local areas in England. The 2012 report [No Stone Unturned: in Pursuit of Growth](#) ('the Heseltine report') recommended the merging of various funding streams to provide much greater local responsibility for economic development. Other reports highlighted the need to improve efficiency in public service provision given continuing reductions in local government funding. Proposed changes include:

- Giving new powers in specific policy areas to local authorities;
- The transfer of additional budgets alongside those powers;
- Enhanced power over local taxes (council tax and business rates), additional local taxation powers, and more flexibility around borrowing and financial management;
- The creation of combined authorities and/or directly-elected mayors.<sup>2</sup>

The first 'devolution deal' was announced by the Government and the Greater Manchester Combined Authority in November 2014 (see Additional Paper 2 for more details). Further deals followed with Sheffield (December 2014 and October 2015), West Yorkshire (March 2015) and Cornwall (July 2015). Additional powers for Greater Manchester were also announced in February 2015 (relating to health and social care) and in July 2015.

Following the 2015 General Election, the Chancellor, George Osborne, gave a speech on 14 May in which he said that a 'Cities Devolution Bill' would feature in the 2015 Queen's Speech:

... a central part of our Queen's speech will be a bill to enable a radical new model of city government.

Here's the deal:

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<sup>1</sup> See BBC, [David Cameron's statement on the UK's future](#), 19 September 2014

<sup>2</sup> See the Library briefing papers on [combined authorities](#) and [directly-elected mayors](#).

We will hand power from the centre to cities to give you greater control over your local transport, housing, skills and healthcare. And we'll give the levers you need to grow your local economy and make sure local people keep the rewards.

But it's right people have a single point of accountability: someone they elect, who takes the decisions and carries the can.

So with these new powers for cities must come new city-wide elected mayors who work with local councils.

I will not impose this model on anyone. But nor will I settle for less.

London has a mayor.

Greater Manchester has agreed to have a mayor as part of our Northern Powerhouse - and this new law will make that happen.

My door now is open to any other major city who wants to take this bold step into the future.

This is a revolution in the way we govern England.<sup>3</sup>

The *Cities and Local Government Devolution Bill 2015-16* will put various aspects of the devolution deals into law.

The Government continues to place a priority on devolution:

3.15 The government is committed to building strong city regions led by elected mayors, building on the ground-breaking devolution deal with Greater Manchester in November 2014. The Chancellor has asked all relevant Secretaries of State to proactively consider what they can devolve to local areas and where they can facilitate integration between public services.....

3.16 As part of the Spending Review, the government will look at transforming the approach to local government financing and further decentralising power, in order to maximise efficiency, local economic growth and the integration of public services.<sup>4</sup>

### **Why this matters for Hampshire and the Isle of Wight?**

The government required local areas to make their proposals to government by early September to have them taken into account in the Autumn 2015 Spending Review. The Leaders of the various local councils in Hampshire and the Isle of Wight, the Chairs of the two Local Economic Partnerships and the two National Parks met this deadline. They jointly submitted [\*Devolution for the People of Hampshire and the Isle of Wight: A Prospectus for Discussion with Government\*](#) (more details in Additional Paper 3).

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<sup>3</sup> HM Treasury, ["Chancellor on building a Northern powerhouse"](#), 14 May 2015

<sup>4</sup> HM Treasury, [A country that lives within its means](#), 2015, p. 15



## Additional Briefing Paper 2

### The Greater Manchester Devolution Deal



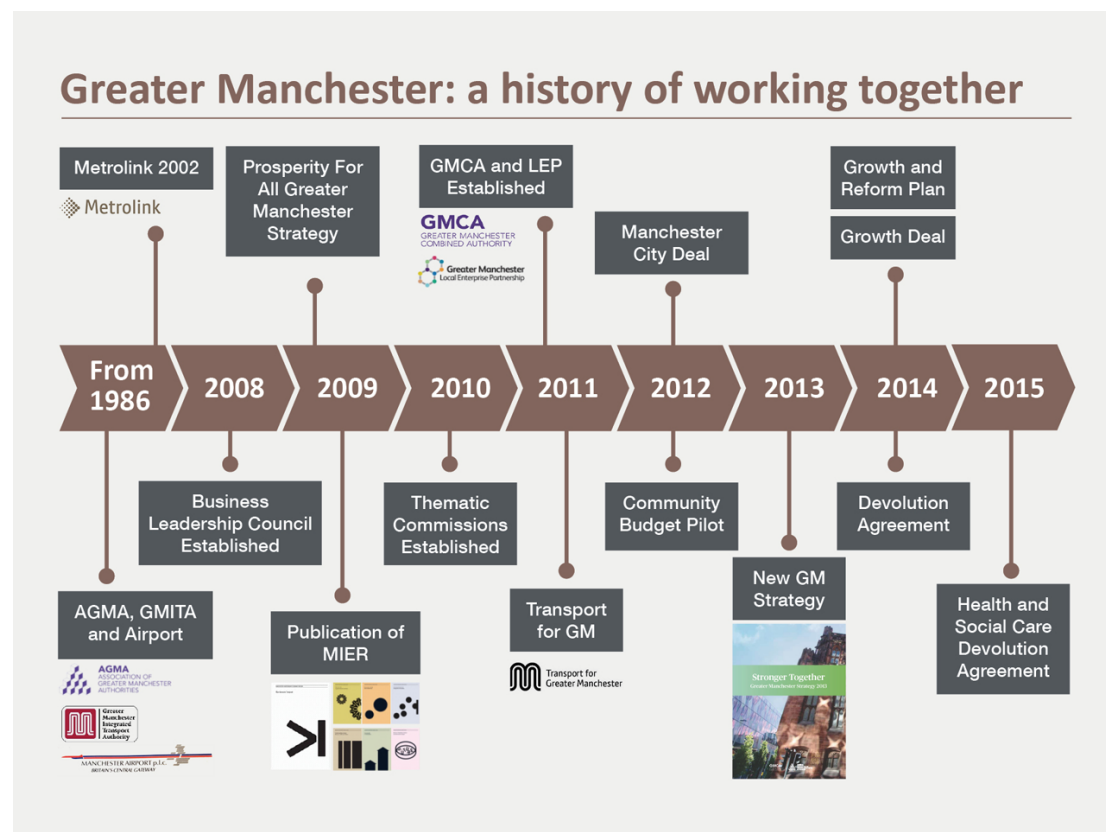
Adapted from: House of Commons Library (2015). [Devolution to local government in England](#).

#### Summary of paper

- Greater Manchester is leading the way in devolution in England
- It has had a Combined Authority (leaders of local councils) since 2011
- It has an interim mayor – elections will take place in 2017
- The government will devolve a number of powers and budgets to the mayor to promote coordination and investment in areas such as transport and infrastructure, planning, economic development, training and education.
- The government will devolve powers and budgets to promote coordination of health and social care. But this is not under the control of the mayor.

The Government is in the process of transferring a number of powers and funding streams to the [Greater Manchester Combined Authority](#) (GMCA) and other bodies in the Greater Manchester area, together with the creation of a directly-elected mayor.

#### 2.1. Comparing Greater Manchester and Hampshire and the Isle of Wight



Source: <http://www.oldhampartnership.org.uk/wp-content/uploads/2015/01/GM-Devolution.ppt>

The local councils in Greater Manchester have a longer and more established history of working together than the councils in the Hampshire and Isle of Wight (HIOW) region. They formed a Combined Authority in 2011 following collaboration on a number of economic and transport projects. There is no Combined Authority across HIOW.

## **2.2. The Greater Manchester Agreement (published on 3 November 2014)**

The [Greater Manchester Agreement](#) sets out new powers for the Greater Manchester Combined Authority (GMCA).<sup>1</sup> A directly-elected mayor will be established in 2017 for the whole Greater Manchester area. The elected mayor will receive the following powers and resources:

- A consolidated, multi-year transport budget;
- Responsibility for franchised bus services, railway stations, and 'smart ticketing'
- A Housing Investment Fund of £300m over 10 years (should be self-sustaining over time)
- The power to produce a statutory spatial strategy, equivalent to the power of the Mayor of London: this would be subject to unanimous approval by the 'combined authority cabinet';
- An enhanced form of the Manchester 'earn-back' agreement – the GMCA invests in infrastructure and is rewarded by government if local economy grows.
- The elected mayor will also become the Police and Crime Commissioner for GM.<sup>2</sup>

Meanwhile, the GMCA will receive the following additional powers and resources:

- Devolved business support budgets: the Growth Accelerator, Manufacturing Advice Service and UKTI Export Advice;
- Power to restructure further education in Greater Manchester, plus control of the Apprenticeship Grant for Employers;
- Joint commissioning, with the Department for Work and Pensions, of the next stage of the Work Programme;
- The opportunity to plan the integration of health and social care (see below).<sup>3</sup>

The new elected mayor will be subject to scrutiny by the existing scrutiny committee of the GMCA: the '[GMCA Scrutiny Pool](#)', made up of 30 non-executive councillors drawn from the ten Manchester boroughs.

An 'interim mayor', Tony Lloyd, currently Greater Manchester Police and Crime Commissioner, was appointed to the post (by the existing members of the GMCA) on 29 May 2015 until the 2017 elections.

## **2.3. Health devolution in Greater Manchester**

The Government published the [Greater Manchester Health and Social Care Devolution Memorandum of Understanding](#) on 27 February 2015.

A new Greater Manchester Health and Social Care Partnership Board (GMHSPB) will produce a joint health and social care strategy for Greater Manchester. It will have two sub-groups:

- a Greater Manchester Joint Commissioning Board (JCB) made up of the 12 Clinical Commissioning Groups (CCGs) in Greater Manchester; the 10 Greater Manchester boroughs; and NHS England.

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<sup>1</sup> See also a Written Ministerial Statement at HCDeb 3 Nov 2014 c36-7WS

<sup>2</sup> HM Treasury, Greater Manchester Agreement, November 2014, p. 1

<sup>3</sup> Ibid., p. 1

- an Overarching Provider Forum made up of service providers: acute care trusts, mental health trusts, ambulance trusts, LMCs (local medical committees), and others.

The JCB will commission health and social care services across Greater Manchester on behalf of its constituent organisations, pooling the pooled commissioning budgets of the CCGs and the social care budgets of the boroughs. These budgets make up the bulk of the “£6 billion” that has been advertised as being devolved to Greater Manchester under these proposals.

At local (borough) level, Health and Wellbeing Boards, made up of representatives from CCGs and boroughs, will ensure that health and social care services are provided in a joined-up fashion, in line with the GMHSPB’s Strategic Sustainability Plan. The proposals will not lead to a wholesale transfer of functions or funds from the NHS to local authorities, or vice versa. Chris Ham, chief executive of the Kings Fund, stated:

Devolution to Greater Manchester should enable decisions to be taken much closer to the population being served, with councillors having a bigger influence on future decisions. ...The unanswered question is how much freedom public sector leaders will have to depart from national policies in taking greater control of NHS resources.<sup>4</sup>

The proposals are to be implemented with a minimum of institutional and legal change.

There is no mention of the elected mayor in the February proposals. The elected mayor will not have any executive or budgetary control over the integration of health and social care. The GMHSPB will appoint its own chief executive and staff team. An interim chief executive, Ian Williamson, was appointed on 14 April 2015.

## **2.4. Further proposals: July 2015 budget**

The July 2015 Budget made additional proposals for devolution of power to Greater Manchester:

- The Greater Manchester Fire Service will be abolished and its functions transferred to the Mayor.<sup>5</sup>
- A Greater Manchester Land Commission will be established to take a more strategic approach to the management of public sector land.
- The Mayor is to be given powers to introduce Mayoral Development Corporations, similar to those which exist in Greater London; and to make Compulsory Purchase Orders, with the agreement of the borough in which a CPO is made;
- Further discussion regarding joint working between central government and Greater Manchester on children’s services and employment programmes;<sup>6</sup>
- The Government has published a consultation on the devolution of powers over Sunday trading hours to elected mayors and/or local authorities.<sup>7</sup>

The Government also agreed, on 12 August 2015, to pass control over European Union structural funds to the GMCA.<sup>8</sup>

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<sup>4</sup> Chris Ham, “What Devo Manc could mean for health, social care and wellbeing in Greater Manchester”, [Kings Fund](#), 2 March 2015

<sup>5</sup> See HM Treasury, [Further devolution to the Greater Manchester Combined Authority and directly-elected Mayor](#), July 2015, p. 3

<sup>6</sup> Ibid., p. 4

<sup>7</sup> DCLG / BIS, [Consultation on devolving Sunday trading rules](#), July 2015

<sup>8</sup> See David Paine, “Greater Manchester to get control of £300m European funding”, [Local Government Chronicle](#), 12 August 2015

## Additional Briefing Paper 3

### The Hampshire and Isle of Wight proposals



Source: Hampshire and Isle of Wight Partnership (2015). [\*Devolution for the People of Hampshire and the Isle of Wight: A Prospectus for discussion with Government.\*](#)

#### Summary of paper

- The 15 Councils, 2 Local Enterprise Partnerships and 2 National Park authorities in Hampshire and the Isle of Wight (HIOW) have submitted a prospectus for devolution to the government for its consideration.
- The Prospectus proposes a range of powers and responsibilities to be devolved to HIOW in areas such as business and skills; housing delivery; infrastructure investment; and public service transformation.
- The Prospectus makes no commitment to how HIOW area would be governed.

In September 2015 the Hampshire and Isle of Wight (HIOW) partnership (15 Councils, two National Park Authorities and two Local Enterprise Partnerships) submitted its proposal for devolving powers and spending to the region, [\*Devolution for the People of Hampshire and the Isle of Wight: A Prospectus for discussion with Government.\*](#) These proposals will be taken into account by the government in its autumn 2015 Spending Review and are the starting point for negotiation between the partnership and government over a final devolution deal for Hampshire and the Isle of Wight.

#### 3.1 Devolution of which powers?

The HIOW devolution prospectus is organised around four themes: business and skills; housing delivery; infrastructure investment; and public service transformation. HIOW is the largest 'county area' economy in the UK, close in scale to Wales and to Greater Manchester.

Some of the specific proposals for the transfer of powers and responsibilities to the region in the prospectus include:

- HIOW local authorities will forego their Revenue Support Grant (RSG) and other Government grants in exchange for the retention of 100% business rates generated within the HIOW area;
- All business support programmes and associated resources;
- Adult skills funding and provision;
- Apprenticeships funding;
- First call for HIOW on released public sector land, and realistic asset valuations
- Green belt planning powers;
- Statutory area-wide Strategic Infrastructure Delivery Plan to which all infrastructure providers must contribute;
- 10-year HIOW Transport Investment Fund to support economic growth and housing development;
- Pooling of local expertise and capacity to support integrated management of HIOW's road network;

- Extension of the Superfast Cities (broadband) programme in Southampton and Portsmouth across the whole HIOW area.

The Prospectus also asks central government commitment to:

- Explore devolution of responsibility to HIOW to commission and deliver the Work Programme (or its successor);
- Infrastructure support, some amendments to planning regulations, supporting additional capacity in planning services and facilitating engagement by statutory bodies to enable accelerated housing delivery.

### **3.2 Governance and public consultation**

It is not yet known whether the devolution of powers to the region will include a directly elected mayor and/or executive. In its prospectus, the HIOW partnership commits to:

undertake a full governance review, exploring all options including a Combined Authority with a directly elected mayor as well as other forms of democratic governance, such as committee governance and executive arrangements, to determine the most appropriate, robust and cost-effective governance solution for the HIOW area.

It also has stated:

We are committed to engaging the public and all relevant local partners in our governance review, including our eight Clinical Commissioning Groups and wider health partners, Hampshire Constabulary and the Police and Crime Commissioner, Fire and Rescue services, parish and town councils and the voluntary and community sector. Should our proposals be agreed as part of Spending Review 2015 we would expect to conduct a full public consultation in the spring of 2016.