

A Prospectus
for discussion with
Government

DEVOLUTION FOR THE PEOPLE OF HAMPSHIRE AND THE ISLE OF WIGHT

September 2015





Front cover: Aerial view of Port of Southampton, image courtesy of Destination Southampton

Inside cover: Farnborough Airport, image courtesy of TAG Farnborough Airport

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OUR SHARED AMBITION FOR HAMPSHIRE AND ISLE OF WIGHT

Dear Ministers

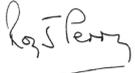
The 15 local authorities, two Local Enterprise Partnerships and two National Park Authorities in the Hampshire and Isle of Wight area, together with our many partners, have worked collaboratively and successfully over a long period to foster a prosperous economy that supports a high quality of life in one of England's most attractive regions. However, there is more we want to do, and there are challenges we need to address. We are now taking a momentous step together in seeking devolution, to gain greater control of the decisions that affect the residents and businesses whose interests and wellbeing we put first. We are doing so in order to increase the **productivity** of our economy and our public services.

To achieve our dual ambition of raising the standard of living for all our residents while protecting the unique character of Hampshire and the Isle of Wight, we need to help our businesses to thrive. To achieve this, and generate the wealth the UK economy needs, we must give our young people the education and skills they need to find good jobs; build high-quality homes that local people can afford; and fund the essential infrastructure that supports their lives and helps businesses to grow. This requires long-term planning and investment and sustained local commitment that is not dependent on changing national priorities – which is why we are asking to be entrusted by Government with a radical degree of freedom and responsibility.

This Prospectus is our offer for a devolution deal with Government. If we can reach agreement, we will see new powers and investment transferred from Whitehall to Hampshire and the Isle of Wight, so that we can manage our area's affairs locally and engage our communities more closely. This will simplify our accountability, and give residents and businesses more control over the issues that matter to them. There will be no expensive reorganisation. We have agreed that new powers will be exercised transparently and through existing bodies as far as possible, with area-wide arrangements only used where this will promote strategic working or reduce bureaucracy and cost.

As leaders of local government and business in Hampshire and the Isle of Wight we have big, long-term ambitions. We want to be in the vanguard of English devolution for years to come, so that we can help our area benefit from every opportunity to grow and prosper. We recognise that there will be further negotiations, which we will enter in a positive spirit; but as a first step on this journey, we hope that this document demonstrates our commitment, credibility, imagination and ability to deliver.

The Hampshire and Isle of Wight offer is a **golden opportunity** for Government and the whole UK, and we believe you will not find a better place to achieve growth and increase productivity. We look forward to discussing our proposals with you.



Councillor Roy Perry

Leader of Hampshire County Council



Councillor Jonathan Bacon

Leader of Isle of Wight Council



Councillor Donna Jones

Leader of Portsmouth City Council



Councillor Simon Letts

Leader of Southampton City Council



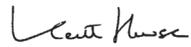
Councillor Clive Sanders

Leader of Basingstoke & Deane Borough Council



Councillor Ferris Cowper

Leader of East Hampshire District Council



Councillor Keith House

Leader of Eastleigh Borough Council



Councillor Seán Woodward

Leader of Fareham Borough Council



Councillor Mark Hook

Leader of Gosport Borough Council



Councillor Stephen Parker

Leader of Hart District Council



Councillor Michael Cheshire MBE

Leader of Havant Borough Council



Councillor Barry Rickman

Leader of New Forest District Council



Councillor Peter Moyle

Leader of Rushmoor Borough Council



Councillor Ian Carr

Leader of Test Valley Borough Council



Councillor Stephen Godfrey

Leader of Winchester City Council



Geoff French

Chair of Enterprise M3 Local Enterprise Partnership



Gary Jeffries

Chair of Solent Local Enterprise Partnership



Oliver Crosthwaite-Eyre

Chair of New Forest National Park Authority



Margaret Paren OBE

Chair of South Downs National Park Authority

The following partners have indicated their support for the Hampshire and Isle of Wight devolution bid and their wish to work collaboratively with us:



Simon Hayes

Police and Crime Commissioner for Hampshire and Isle of Wight



Andy Marsh

Chief Constable, Hampshire Constabulary



Councillor Chris Carter

Chair, Hampshire Fire and Rescue Authority



Councillor Charles Chapman

Chair, Isle of Wight Fire and Rescue



Dave Curry

Chief Fire Officer, Hampshire Fire and Rescue and Isle of Wight Fire and Rescue

EXECUTIVE SUMMARY

The Hampshire and Isle of Wight (HIOW) partnership consists of the 15 councils, two National Park Authorities and two Local Enterprise Partnerships (LEPs) in Hampshire, the Isle of Wight, Portsmouth and Southampton. We represent the largest 'county area' economy in the UK, close in scale to Wales and Greater Manchester. Together we commit to working with Government to **maximise our productivity potential**, delivering a £3 billion boost to the UK economy.

Our devolution proposals are structured around four themes – business and skills; housing delivery; infrastructure investment; and public service transformation. They will clearly deliver on the Government's productivity plan and rural productivity plan: more homes built, a more efficient local planning system, further expansion of broadband, better mobile connectivity, improved transport connections, a higher-skilled workforce with employers setting the skills agenda locally, higher employment and better wages.



We will live within our means

- HIOW will forego Revenue Support Grant and other grants in exchange for retention of 100% business rates generated within the area, ensuring fair distribution locally and securing the financial sustainability of the Isle of Wight. This will deliver local jobs and homes and reduce the national welfare bill.



We will build more homes

- In return for sufficient commitment from Government on infrastructure and land release, HIOW will accelerate housing delivery, completing two years early our Local Plan commitment of 76,000 homes by 2026. As part of this deal we will also go further and increase delivery by an additional 500 homes a year in priority categories: rural affordable, low-cost starter, council new-build and extra care, making use of exception sites and prioritising redundant public land.



We will boost enterprise, skills and employment

- HIOW will deliver locally designated and funded Enterprise Zones, a Catapult to exploit our technology strengths; a devolved arrangement with the Skills Funding Agency to provide an integrated business-led skills and training system; and integrated services to move NEET (Not in Education, Employment or Training) young people and economically inactive residents into sustained employment.



We will help businesses expand

- HIOW will deliver an integrated business support service; work with UK Trade & Investment (UKTI) to directly support international growth businesses; and secure transport improvements to capitalise on our unique marine and aerospace assets and connectivity to London.



We will invest in infrastructure

- HIOW will deliver a 10-year Transport Investment Fund; a closer partnership with Network Rail and Highways England; integrated road network management; better public transport and faster broadband; and planning powers to make development acceptable to local communities.



We will transform public services

- HIOW will share core capacity to reduce the cost of service outcomes; develop transformative digital platforms; reimagine public services; deliver a single adoption service; and pursue innovative approaches to health and social care integration and 'blue light' collaboration.



We will bring decision-making closer to communities

- HIOW will widen and deepen devolution locally, seeking opportunities for district and parish councils to take on functions and co-design/co-deliver services with communities.



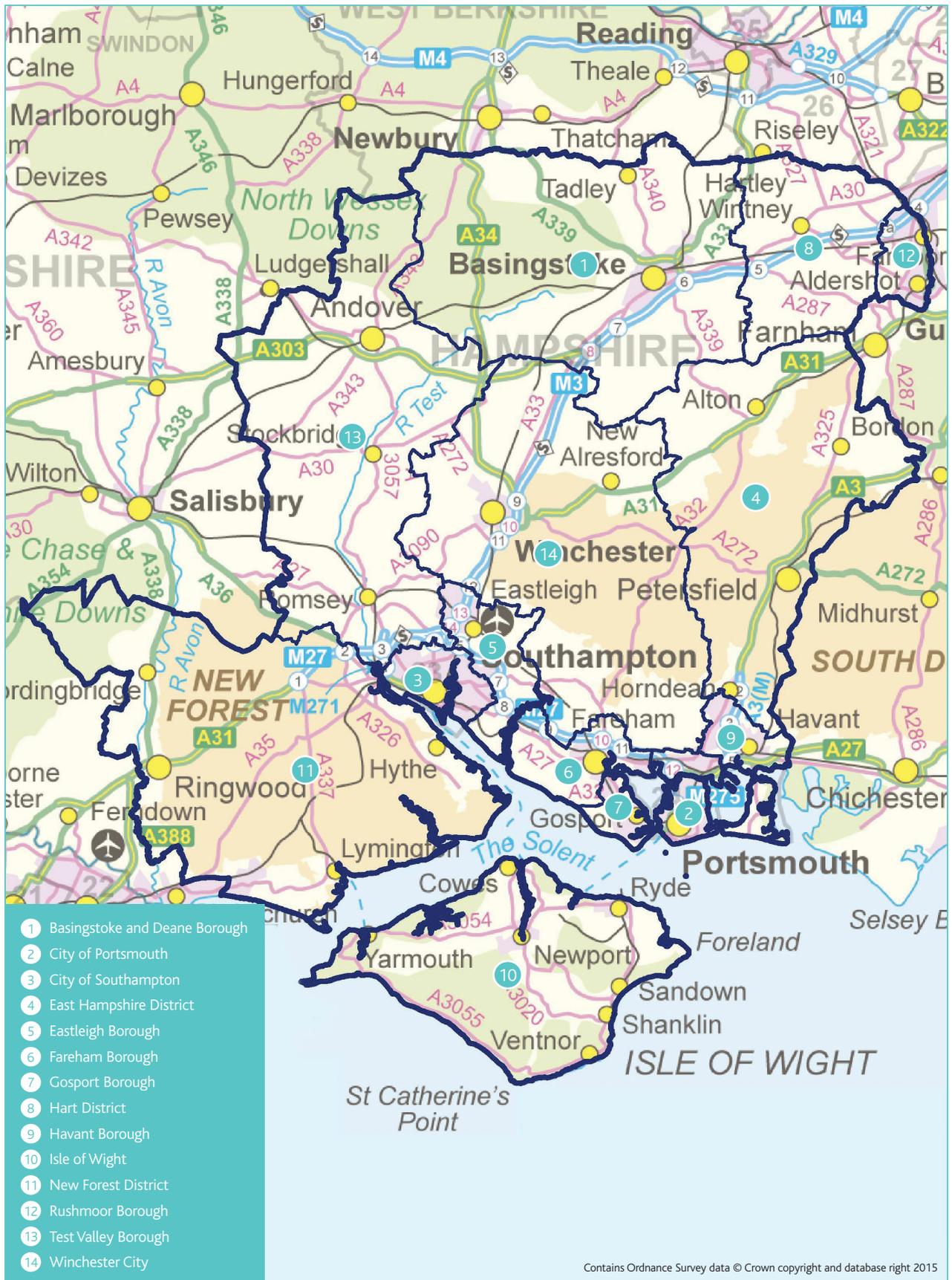
We will protect the local character of our diverse area

- HIOW will grow the economy in urban and rural areas without destroying what makes them special; maintain valued open spaces through measures such as greenbelt; and work hard to bring local people more into the design of their own communities.

Our strong tradition of collaboration brings together many high-performing bodies as well as our extended public sector family, including Health bodies, Hampshire Constabulary and Hampshire and Isle of Wight Fire and Rescue Services. This broad and capable partnership provides a platform for the successful delivery of our devolution proposals.

This devolution Prospectus is the start of our journey with partners and with Government. The scale and complexity of our area will put us in the forefront of devolution during the current and following Parliaments, as we work to realise our vision of ambitious and independent local people and businesses, shaping their own future in globally competitive cities, prosperous towns, sustainable villages and productive countryside.

Hampshire and the Isle of Wight



A large industrial crane stands prominently in the upper right quadrant of the image, its long jib extending across the sky. Below it, a vast lot of cars is visible, stretching towards the horizon. In the background, there are industrial buildings and a tall chimney stack. The scene is set at a port, likely Southampton, as indicated by the caption.

CHAPTER 1

THE CASE FOR HAMPSHIRE AND THE ISLE OF WIGHT

HIOW is a nationally significant local economy, with clear room to grow. Our proposals are ambitious and aimed at reducing the productivity gap between HIOW and neighbouring areas, and also address national priorities. We propose a radical new funding settlement that incentivises growth and offers the prospect of financial sustainability across the area. HIOW is an ambitious, credible and sustainable partner with whom the Government can do business, and we invite Government to support our efforts.

Cars being delivered at the Port of Southampton

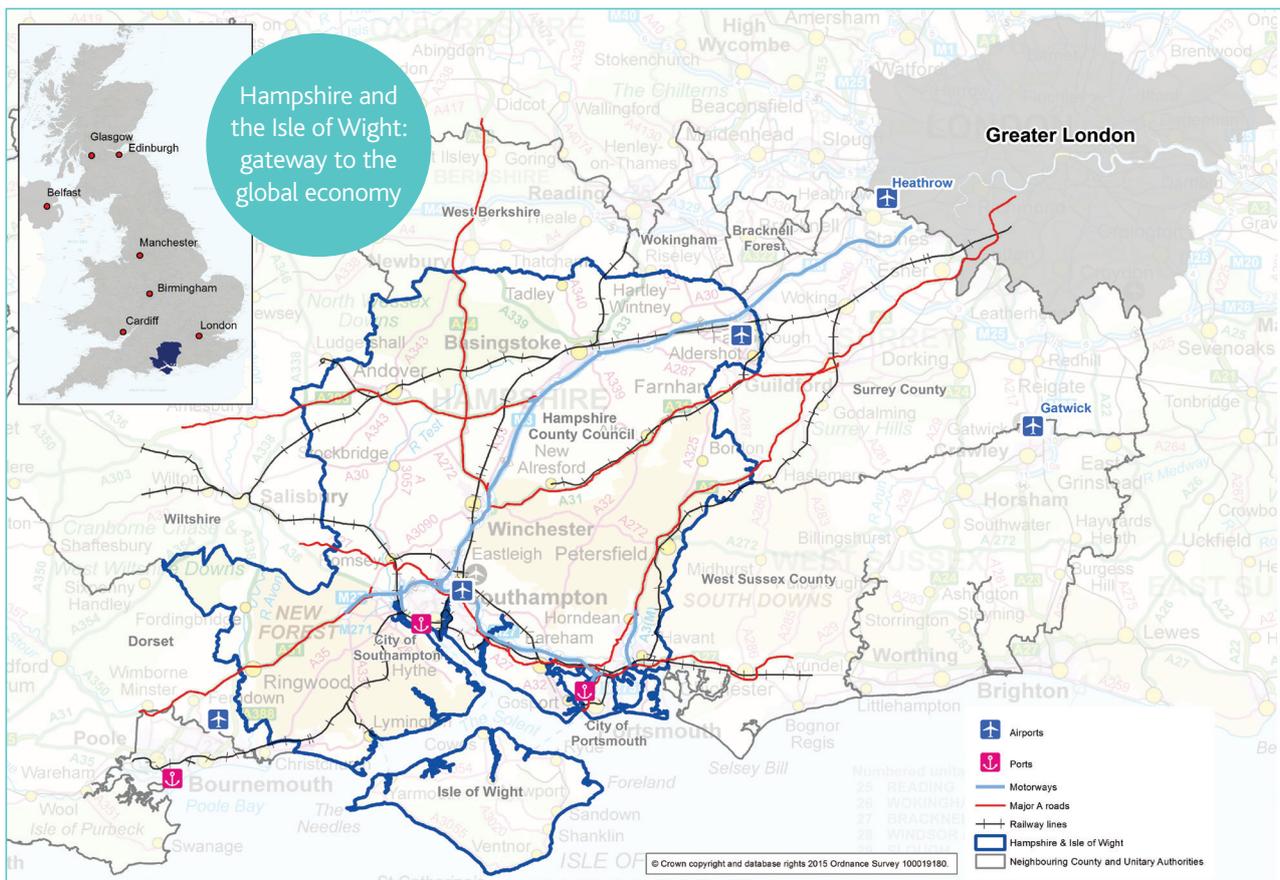
The UK's Golden Opportunity

HIOW's devolution proposal is a tremendous strategic opportunity, shared by the whole area, to **increase productivity by attracting long-term investment in our competitive strengths.**

The combination of HIOW's importance as a vital global trade gateway, the scale of its economy and its productivity gap means that targeted investment in this area will deliver a bigger boost to national output than could be achieved in other regions. HIOW's latent potential is such that raising GVA per head to the South East average would add **an additional £3 billion a year** to the UK economy.

This is a national opportunity that can be led locally. Low productivity has been recognised as a national issue by the Government in Fixing the Foundations. HIOW's sizeable rural economy also makes it an ideal pioneer for initiatives set out in Towards a One-Nation Economy, the Government's rural productivity plan.

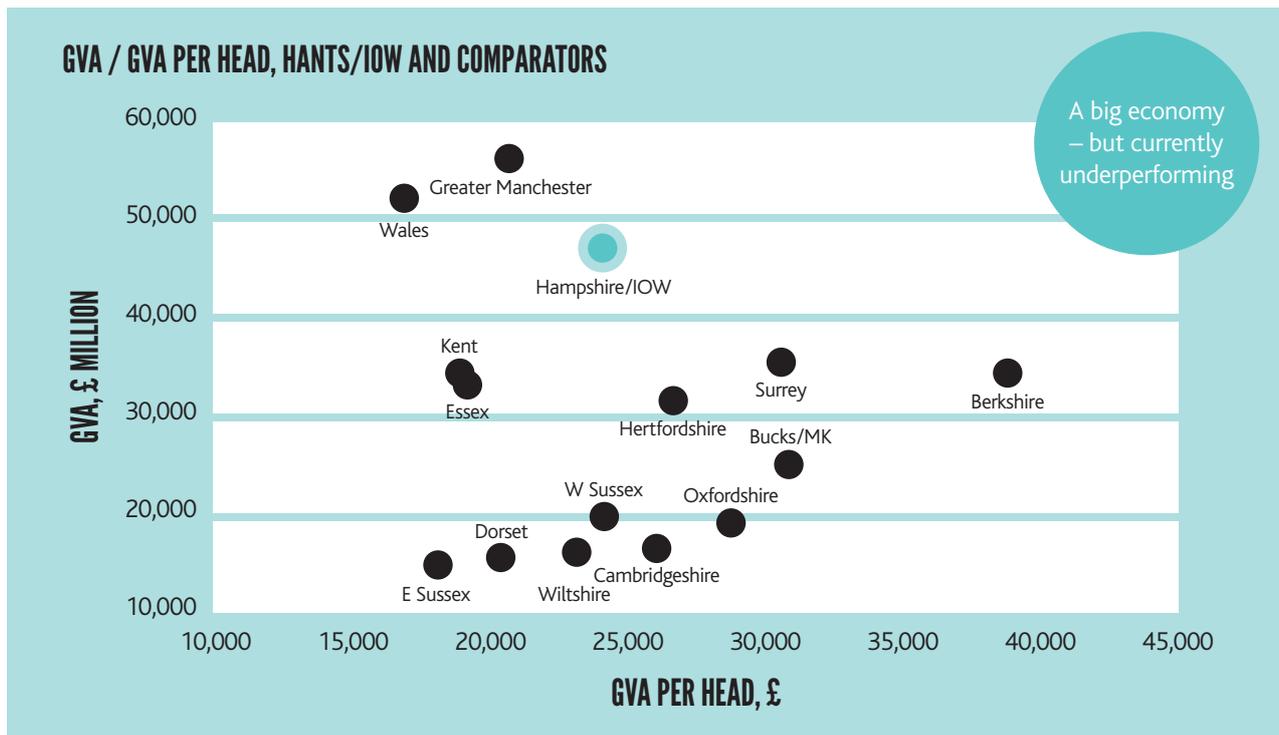
The HIOW area, including the cities of Portsmouth and Southampton, is strategically located between England's south coast and the M4 corridor. It is a vitally important gateway for UK trade, boasting a unique combination of deep water seaports, close proximity to London and outstanding connections to Europe and the rest of the UK. Nearly two million people and over 80,000 businesses call HIOW their home, and with a GVA of £47 billion it is **the largest 'county area' economy in the UK**, closer in scale to Wales and Greater Manchester than to other South East counties.



Given its scale, HIOW has a complex economic geography. Substantial urban settlements, primarily in the south and north, contrast with large open areas interspersed with market towns and villages. This diversity gives our area great strength, but also means that there are variations in productivity, educational attainment, employment, housing and health; for example, between north/south, urban/rural and Island/mainland. Our two LEPs (Enterprise M3 and Solent) share the same goal of fostering growth, with different emphases reflecting the diversity of the area: specialisms such as aerospace and defence are shared while others such as marine and pharmaceutical are more locally clustered.

Room to grow

The HIOW economy represents over 20% of South East output, but on average is 6% less productive per head – a trend that has worsened since 2009. Despite common perceptions the area is not uniformly prosperous; it is a patchwork of prosperity interlaced with more deprived areas, particularly (but not only) in urban centres, southern Hampshire and the Isle of Wight.



The area also faces a tightening labour market, an ageing workforce in some key sectors, long-term shortages in skills (including Science, Technology Engineering and Mathematics (STEM) and construction), high house prices, traffic congestion, broadband 'not-spots' and other infrastructure deficits. A significant problem for the Isle of Wight is the limited accessibility of the mainland and particularly the associated extra cost of doing business¹. Removing these constraints would allow HIOW to reach its full potential, to the benefit of the whole UK economy.

Taking responsibility

Closing these gaps will not happen by itself: a higher standard of living requires local economic growth to create income for investment, and investors in HIOW will need confidence that the right combination of labour, skills, housing, land, infrastructure and democratic commitment is available over the long term. Public money and planning must be unified and co-ordinated through **radical devolution from national government**. Through devolution the strong sustainable growth that is good for our quality of life – for example building homes in the right places for a younger and more skilled workforce – can be planned in our local area, by local people and businesses who take more responsibility for lifting local performance and investing local resources.

HIOW is now in an unrivalled position to become the first large urban/rural area in England to realise meaningful devolution. The scale of the opportunity in our area makes sense at a national level, and the 15 councils, two LEPs and two National Park Authorities in the area are united in their ambition.

¹ The annual cost of cross-Solent travel ranges from £1,700 to £2,500 for an adult foot passenger

Our deal with Government

In return for devolution of the right package of powers and funding from national government, HIOW will make bold commitments on **business and skills for work, housing, infrastructure and public service transformation**. These commitments are detailed later in this document and include amongst others locally designated Enterprise Zones, delivery of 80,000 homes, a 10-year Transport Investment Fund and 'deeper devolution' to community level.

In order to radically incentivise the delivery of significant increases in economic growth and productivity, and to demonstrate the partners' absolute commitment and faith in driving this agenda, we propose **a fundamental change to the way in which local government is funded** across our geography. Our proposal is to seek greater local control over our individual and collective financial sustainability by offering Government a proposal whereby HIOW local authorities would forego Revenue Support Grant (RSG) and other Government grants in exchange for the retention of 100% business rates generated within the HIOW area.

In making this offer, we recognise that we will need to agree with Government a series of caveats to protect both parties from changes to the National Non-Domestic Rates (NNDR) system. It will be for the HIOW local authorities to design and agree a local distribution scheme with the right checks, balances and rewards. We propose that a fair distribution methodology is one that makes no authority any worse off (in relative terms) than the current funding system; strongly incentivises both economic and housing growth as a means to increase prosperity generally; provides the necessary funding to sustain quality public services across the area; adequately reflects relative need; and provides protection against 'financial shocks'.

WHAT HIOW WILL DO

Relinquish Government grants to a value equivalent to 100% of business rates.

Provide a locally determined funding system under which:

- No HIOW authority is worse off in relative terms
- Economic growth and housing delivery are rewarded
- Proceeds of growth are allocated to sustain vital public services across the whole area.

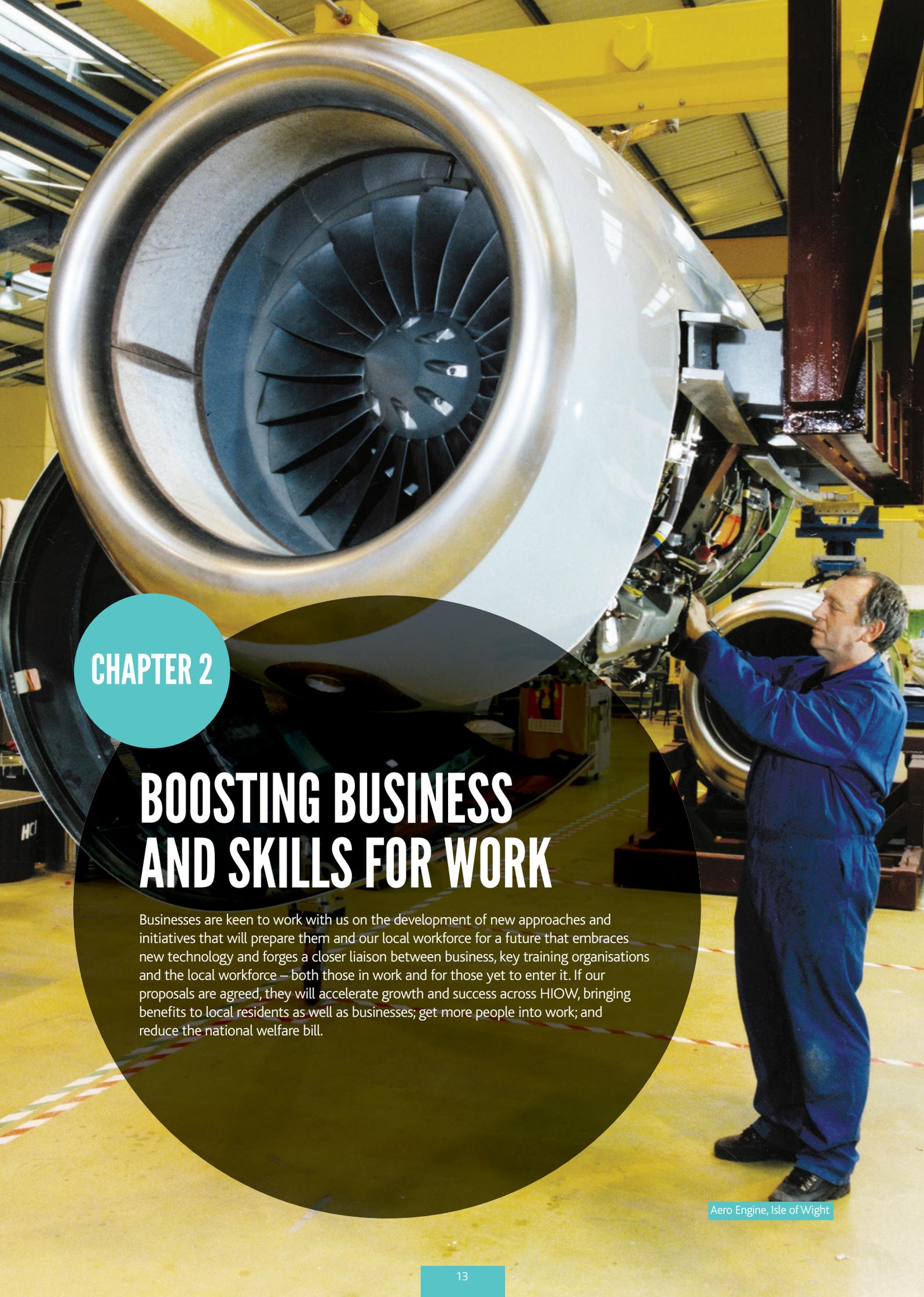
WHAT WE ASK IN RETURN

100% retention of business rates, with freedom from resets.

Ongoing adjustments to reflect Government changes to NNDR including:

- National revaluation
- Transfers from Local Rating Lists to the Central Rating List.

Power to precept / levy against constituent authorities for the purpose of raising productivity, exempt from the calculation of Council Tax referendum thresholds.

A large jet engine is shown in a factory setting, with a technician in blue overalls working on it. The engine is the central focus, with its fan blades visible. The technician is positioned to the right, looking at the engine. The background shows industrial equipment and a yellow overhead crane.

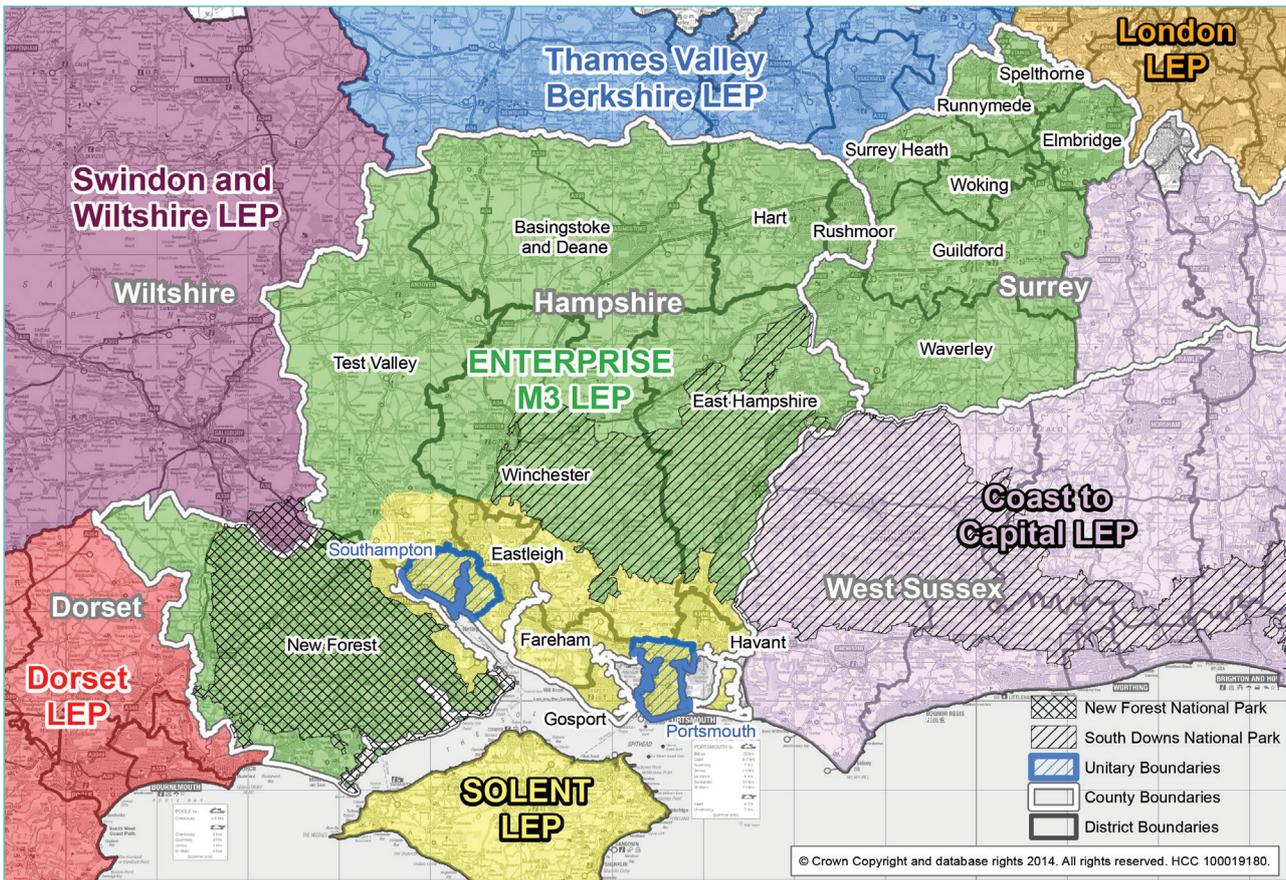
CHAPTER 2

BOOSTING BUSINESS AND SKILLS FOR WORK

Businesses are keen to work with us on the development of new approaches and initiatives that will prepare them and our local workforce for a future that embraces new technology and forges a closer liaison between business, key training organisations and the local workforce – both those in work and for those yet to enter it. If our proposals are agreed, they will accelerate growth and success across HIOW, bringing benefits to local residents as well as businesses; get more people into work; and reduce the national welfare bill.

Aero Engine, Isle of Wight

Enterprise, innovation and skills are all **key drivers of productivity and economic growth** and our approach is centred on fostering start-ups and high growth potential businesses, helping to develop the capacity of businesses to innovate and export, develop and find skilled talent. Much work has been done with partners by both Enterprise M3 and Solent LEAs to identify business strengths and weaknesses and this is set out in the Strategic Economic Plans for the HIOW area².



We must **support businesses** in achieving productivity growth across the whole of our economy including rural as well as urban and suburban enterprises, promoting high-speed connectivity, diversification, adoption of new technologies and opening up of new markets.

The area has considerable **innovation** strengths in our key business sectors, our universities and other centres of research excellence. Our underlying strength is not only particular sectors across HIOW such as marine, aerospace, life sciences and ICT/digital, but also diverse sectors such as pharmaceuticals and business services in the Enterprise M3 LEP area and transport, logistics and the low-carbon economy in the Solent LEP area.

We have a **strong research base** with four local universities³ and a further four⁴ on the doorstep. Despite this Cambridgeshire has 558 patent applications per million population, while HIOW has 171. This shows a significant gap with one of the top-performing areas⁵.

As enterprise and innovation are critical for growth it follows that businesses require a **highly skilled workforce**. Skills shortages in key areas, such as STEM (including construction) qualifications and skills, are a barrier to growth particularly within higher-value sectors. Economic recovery is resulting in a tightening of the labour market, making the search for talent highly competitive.

² See <http://www.enterprisem3.org.uk/strategic-economic-plan/> and http://solentlep.org.uk/uploads/documents/Solent_Strategic_Economic_Plan.pdf

³ Southampton, Winchester, Portsmouth and Southampton Solent

⁴ Surrey, Royal Holloway, Reading and Bournemouth

⁵ OECD data

Employers have indicated that this situation will worsen in the future with the pipeline of skills remaining a cause for concern: a 15% rise in employment in some key sectors, including science, engineering and technology, is forecast by 2022⁶, alongside rising needs in the health and social care area.

Driving forward our ambitious proposals will only be possible with the active engagement of the private sector. Successful delivery will only happen if the private sector has a key role in influencing priorities and investment for future growth.

Enterprise and Business Support

Recent research in HIOW has revealed a general consensus that there is a confusing business support landscape both for public bodies and businesses: there are hundreds of different business support schemes at local and national level, with organisations doing their own promotion and competing for the same business⁷.

Enterprise M3 and Solent LEPs have already prioritised business support as a key economic growth priority and are leading the delivery of a more co-ordinated, simplified and tailored business support service with a central role for their Growth Hubs. Devolution now provides an opportunity to take this further, making business support services even more effective and easier to use with greater collaboration and integration across the HIOW area, whilst retaining flexibility to respond to specific local needs and circumstances such as significant local job losses.

WHAT HIOW WILL DO

Deliver a more integrated and cost-effective business support approach that reduces complexity and more closely aligns business activities and related skills activities.

Pool specialist economic development resources to increase capability and efficiency in addressing key agendas and enabling us to have a more effective interface and engagement with national agencies, e.g. Homes and Communities Agency (HCA), UKTI and Innovate UK.

Continue the Enterprise M3 and Solent LEP Growth Hubs, with strong private-sector leadership provided through the LEP Boards, working closely to target support for high innovation/growth Small and Medium Sized Enterprises (SMEs) that have the potential to deliver most to our productivity ambitions.

Align local funding including working with Managing Authorities on focus on EU programmes across HIOW.

Consider innovative business investment initiatives requiring critical mass across the HIOW area - e.g. a Regional Investment Bank or through an expansion and Equity Fund.

Align Local Growth Fund, European Regional Development Fund (ERDF) and European Agriculture Fund for Rural Development (EAFRD) focussed on key sectors, innovation and export support.

WHAT WE ASK IN RETURN

Devolution of all business support programmes and associated resources, including the national Business Growth Service and potentially local elements of the UKTI's trade services and Innovate UK schemes aimed at supporting SMEs.

Certainty of budgets for local Growth Hubs to 2020.

UKTI (Trade): a joint Export Plan that prioritises and ring-fences budgets for HIOW.

Joint commissioning for HIOW and UKTI (Inward Investment) for national programmes to ensure that they provide for local needs.

Intermediary Body (IB) status for the EU (ERDF, European Social Fund (ESF) and EAFRD) programme for 2021-2028, giving HIOW control of the EU programme.

⁶ See Working Futures report at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/298510/working-futures-2012-2022-main-report.pdf

⁷ See Working for a Smarter Future report at <http://www.enterprisem3.org.uk/uploads/02ad4b9715009d04e2bf6664efe1d45671b37c8e.pdf>

WHAT HIOW WILL DO

Build on the contract with UKTI on export services for additional trade advisor resources to support the strategic growth of target businesses in international markets particularly in cyber security, 5G enablement and the marine/maritime sector.

Locally designate, promote and underwrite new Enterprise Zones that serve place and sector priorities, and link with Assisted Areas on the Isle of Wight and around Portsmouth Harbour to create networked centres of excellence.

WHAT WE ASK IN RETURN

100% business rate retention (see Chapter 1).

Innovation

The Enterprise M3 and Solent LEP areas share common priority sectors, identified in their Strategic Economic Plans, characterised by their ability to deliver levels of growth through innovation that give the HIOW area genuine competitive advantage and opportunities for cross-sectoral working (e.g. digital technologies and autonomous systems).

Business research and development is the foundation of productivity and growth and collaborations with universities provide business with new processes and technologies, highly skilled staff and access to world-leading experts. Our devolution proposals for innovation are focussed on realising the commercial potential of our universities' research, knowledge and expertise.

WHAT HIOW WILL DO

Support a Science and Innovation Audit as part of the Government's One Nation Science initiative, by bringing together a consortium of higher education and research institutions, local partners and business. This will allow us to align local resources and partner organisations, EU Structural and Investment Funds (ESIF) available for R&D, sector development and export support.

Develop a full business case for a locally focussed but nationally significant Catapult in one of our key technological specialisms by the end of 2016. Areas of focus will be identified through the Science and Innovation Audits and local sector investment plans. Expected areas of focus are large composite structures, autonomous systems/ vehicles, life sciences and digital technologies.

Further develop and build on flagship initiatives such as the Solent Centre for Maritime Intelligence Systems and the 5G Innovation Centre based at the University of Surrey, but with links to innovation centres in Growth Towns such as the 5G centres at Basingstoke run by SETsquared, and supporting the innovation of new products and services ready for next-generation mobile.

WHAT WE ASK IN RETURN

Support for Science and Innovation Audit.

Radical simplification of the number of innovation schemes and initiatives open to business and universities, including greater freedom over Local Growth Fund (LGF) for LEPs.

LGF delivered as a single pot rather than aligned to particular projects by Government to allow HIOW to decide on local priorities. This 'ask' also applies to the enterprise and skills sections.

Commitment to a new locally focussed Catapult.

Identification of science and capital funds to support emergence of key sectors/needs identified through the Science and Innovation Audit and LEP Strategic Economic Plans.

Skills and Employment

The **availability of skilled people** continues to be the top issue for many HIOW employers, who are demanding more high-level skills and a greater influence on the type of training available. The HIOW workforce is relatively highly skilled overall, but this disguises stark contrasts, with central Hampshire districts being above the South East average and other HIOW areas below. Today's shortages in areas including STEM, construction and health and social care are forecast to worsen, with up to 500,000 new people to be recruited into the workforce by 2020, yet the working age population will remain static. HIOW is also in the fourth quintile for many measures on the national NEET scorecard. Skills development for our present and future workforce will positively impact productivity, so our programme of activity has to be shaped to reflect the differing demands of our employers across the area.

Responding to employer skills needs, now and in the future, will depend on our ability to reshape the local post-16 education and training sector. We seek immediate devolution of the adult skills budget of the Skills Funding Agency (SFA), but in the future we will be seeking greater influence over the Education Funding Agency (EFA), who fund the significant majority of 16-18 provision.

Our ambition is that HIOW will lead the commissioning of all education and training for young people and adults so that we can create a **world-class education and skills system in HIOW** which supports high levels of investment, innovation and productivity. As a starting-point we will take forward a devolved arrangement with the SFA, LEPs and local authorities from 2016/17 to deliver an integrated skills and training system across HIOW. This will be driven by the needs of the economy and led by the private sector, giving local businesses the skilled labour they need to grow and maximising the potential of the local population.

We want to support increased take-up of and investment in apprenticeships, higher-level apprenticeships and degree apprenticeships, as well as level 4 and 5 skills training. We will bring forward a pipeline of skilled labour at all levels through integrated programmes. Working through existing employment and skills structures we want to extend the principles of the existing Solent Employer Ownership fund⁸ to the Enterprise M3 LEP area, aligned with Strategic Economic Plan criteria. Funding will be routed directly to employers, putting them directly in control of choosing the training that they need.

WHAT HIOW WILL DO

Deliver an integrated skills and training system across HIOW, led by the private sector.

Continue to work through the existing Solent Employment and Skills Board and Enterprise M3 Global Competitiveness Through People Board, sharing best practice and aligning resources on projects of common interest.

Co-ordinate activity and initiatives around careers and links to employers.

We will lead and work with our local employers and education providers to carry out the area-based post-16 education and training reviews, customising responses based around outcomes rather qualifications in line with our businesses' and Government's aspirations.

Develop business cases for at least two new prestigious sector-based Institutes of Technology and delivery by 2017.

WHAT WE ASK IN RETURN

Devolution of responsibilities for adult skills funding and provision to a devolved arrangement with the SFA, LEPs and local authorities which will commission provision from 2017, moving to employer-led and needs-led commissioning.

Greater influence for HIOW over the EFA leading ultimately to a devolved system.

Support for the development and working in partnership.

Devolution of skills capital to provide for at least two new Institutes of Technology by 2017.

⁸ Agreed as part of the Southampton – Portsmouth City Deal

WHAT HIOW WILL DO

Create integrated HIOW Inspire services to increase awareness, choice and progression for young people aged 16-24 in learning and work, equipping them to compete with the very best in a global economy.

Work in partnership with the various organisations in the careers arena, including businesses, at a national and local level to improve linkages and activities between education and skills institutions.

Increase apprenticeships by 5% pa (an additional 1,000 apprentices pa) towards the Government's target of 3m apprentices by aligning local apprenticeship brokerage services and resources and integrate provision.

Enable NEET young people to progress to learning and work, more than halving the HIOW NEET figure to 2% of the population, by commissioning integrated and targeted support.

WHAT WE ASK IN RETURN

Devolution of funding to a local level to create integrated HIOW Inspire services.

Improved linkages and activities with National Careers Service, the Careers and Enterprise Company, Department for Work and Pensions Information, Advice and Guidance resource, Education Business Partnerships and local groups.

Devolution of Apprenticeships funding (Apprenticeship Grant for employers; local proportion of Apprenticeship levy; Trailblazer funds for higher level Apprenticeships) to enable integrated local apprenticeships services.

Devolve SFA and EFA funding for local integrated commissioning of targeted activities to engage and progress NEET young people.

Welfare to Work

Employment across HIOW is 76%, which is the same as the South East rate and above the national rate of 72%. However, both the Isle of Wight and Southampton have rates around 70%, the lowest in the area. We will maximise the HIOW economy's productivity potential by supporting all our residents in **contributing to, and enjoying the benefits of, local economic growth**. We will do this by helping those who are furthest from the labour market find and sustain employment.

Across HIOW, 52,460 people are long-term unemployed and in receipt of Employment Support Allowance (ESA). At February 2015, 37,100 ESA claimants had been claiming for over one year. These people often experience higher levels of disadvantage through urban deprivation, Island or rural isolation, and consequently often face multiple, complex challenges in accessing work.

Through successful local implementation of the Government's Troubled Families programme and the Portsmouth and Southampton City Deal Solent Jobs Pilot, our authorities have made good progress in helping families facing multiple disadvantages into sustained employment.

We want to go further under devolution, building on success to date and extending new models of locality working based around community hubs. We will develop a three-year, targeted programme that brings together a wider range of speciality providers and agencies to provide wrap-around employment-related support to long-term ESA and incapacity benefit (IB) clients. This will be delivered on a risk and reward model that recognises the wider outcomes of employment and is underpinned by a five-star evaluation framework.

By supporting more of the hardest to reach into work, we will reduce the welfare bill, reduce demand on health and care services and raise our local economic performance, boosting productivity.

Based on proof of results, we seek a commitment from Government to explore localised arrangements for commissioning and delivery of the Work Programme, or its successor, as part of future phases of devolution. We also want to explore an innovative earn-back model, recognising that the return on our investment will primarily flow to central Government and our public sector partners.

WHAT HIOW WILL DO

Deliver a three-year targeted, multi-agency programme to support the hardest to reach long-term unemployed to find and sustain employment.

Develop a five-star evaluation framework to evidence outcomes.

Based on proof of results, in time we will deliver localised arrangements for commissioning and delivery of the Work Programme, or its successor.

WHAT WE ASK IN RETURN

Commitment to a three-year risk and reward model based on evidence of agreed outcomes.

Commitment to exploring devolution of responsibility to HIOW to commission and deliver the Work Programme, or its successor.

Commitment to exploring an innovative earn-back model so that a proportion of the return on investment accrued by Government is returned to HIOW to reinvest locally.

CHAPTER 3

ACCELERATING HOUSING DELIVERY

These proposals commit HIOW to a challenging programme of housing delivery that will outpace performance to date, and open up new opportunities for enhancing provision through Housing Growth Zones, rural exception sites and the unlocking of vacant public sector land.

In return for certainty over infrastructure funding, allowing councils to re-invest locally generated receipts and providing flexibility in planning procedures, we will work in partnership with councils, LEPs, the HCA and housing providers to maximise delivery.

HIOW councils will take a proactive approach to identifying and bringing forward those sites most likely to make a significant contribution to housing growth to meet local needs, protect the distinctiveness of local areas and ensure a good quality of life for people who live and work in Hampshire and the Isle of Wight.

Aerial view of Whitehill and Bordon

Housing in Hampshire and the Isle of Wight

We recognise that providing adequate, suitable housing to meet the current and future needs of our growing population and workforce is an important component of maintaining prosperity in HIOW. It can be done in a manner that also enables us to protect and where possible enhance the natural assets that help attract investment in this part of the country, and that our communities understandably want to maintain.

It is vitally important to residents and businesses that new housing is supported by well-planned, adequate infrastructure that is delivered in advance of development, rather than expensively retrofitted. Infrastructure provision is often the difference between new housing being strongly supported locally and being equally strongly opposed. Our proposals for housing are therefore conditional on receiving a sufficient Infrastructure Guarantee from Government (see Chapter 4).

It is also important to local communities that development is balanced across cities, towns and villages so that all remain sustainable and retain their distinctive character. It will be important to accelerate both Housing Growth Zones such as Manydown in Basingstoke and Welborne in Fareham, which provide the potential for around half of future housing supply at consistent delivery rates over the longer term, as well as smaller sites, which when aggregated provide the remaining half of future supply.

HIOW local authorities have already planned for substantial housing through Local Plans, which will remain the paramount drivers of development across the area. **In return for sufficient commitment from Government on infrastructure and land release, HIOW will accelerate housing delivery, completing two years early our Local Plan commitment of 76,000 homes by 2026.** We will deliver this through a mix of Housing Growth Zones, re-use of vacant land and steps to speed up planning and implementation of sites. Local Plan targets will also be kept under review over the period in question.

As part this deal we will also go further and increase delivery by an additional 500 homes a year in priority categories: rural affordable, low-cost starter, council new-build and extra care, making use of exception sites and prioritising redundant public land.

We are conscious that to sustain this acceleration over the long term will require certainty over the supply of labour and construction skills to meet demand. This is one of the reasons why we are seeking devolved control of adult skills funding and responsibilities (see Chapter 2: Boosting Business and Skills for Work).

Accelerating delivery

Local authorities in HIOW currently plan to deliver 76,000 new homes in the next 10 years, and have performed strongly in granting permission for 30% of these and allocating a further 50% through the Local Plan process. However, since 2002 the rate of delivery has been below what we would want, exacerbated by the recession⁹. Simply to get back on track we need to deliver around 7,600 for each of the next ten years, working together more effectively on a local level and supporting the delivery of our priority sites with a clear 'Infrastructure Guarantee' from Government. However, we want to go further and achieve our targets ahead of time.

To accelerate housing delivery we need to overcome four barriers to the successful development of sites:

- The timely provision of physical and community **infrastructure** is a challenge when the investment needed to unlock some larger sites can be significant.
- **Land availability** constrains growth, particularly with limited brownfield sites coming forward and widespread opposition to greenfield development. Where opportunities present themselves, land assembly can be difficult and expensive – a mechanism for close collaboration between local planning authorities will help here.
- The **specialist capacity** to bring sites to market and take them through to delivery is limited, notably in commissioning surveys and assessments, and capacity in planning and supporting teams to bring larger sites forward for decision and implementation faster.
- The occasional unwillingness of developers to **progress development in a timely fashion** once planning permission has been granted. With the Government's support we want to work closely with the housebuilding sector to minimise delays in sites being developed, and bring in new incentives to encourage timely completion.

Accelerating housing delivery will offer three key benefits:

- We will be able to meet the known high demand for housing, both forecast and hidden, helping to make local communities both stable and sustainable.
- We will be able to ensure that HIOW can meet the existing and future demands from those seeking to work in established and growing sectors of the economy. A lack of suitable housing for workers remains a prime concern for both LEPs in the area.
- Councils across the area will be able to promote and encourage types and tenures of housing which meet local needs, for example low-cost starter homes for first-time buyers, key worker housing, affordable housing to rent or specialist housing for the frail elderly.

Our housing proposals balance the delivery of additional housing with powers to protect the unique character of our area, and prioritise types of housing that are locally important.

WHAT HIOW WILL DO

In return for sufficient commitment from Government on infrastructure and land release, HIOW will accelerate housing delivery, completing two years early our Local Plan commitment of 76,000 homes by 2026. As part of this deal we will also go further and increase delivery by an additional 500 homes a year in priority categories: rural affordable, low-cost starter, council new-build and extra care, making use of exception sites and prioritising redundant public land.

WHAT WE ASK IN RETURN

Commitment of infrastructure support, some amendments to planning regulations, supporting additional capacity in planning services and facilitating engagement by statutory bodies to enable accelerated housing delivery – see proposals below and Chapter 4 for Infrastructure Guarantee.

⁹ Between 2002 and 2015 the average number of homes completed per annum in HIOW was 5,800

WHAT HIOW WILL DO

Establish a local Housing Delivery Fund to support sites being brought forward by funding land acquisition, investigations and other preparatory work where those costs are unlikely to be met by the market. The Fund would be made up of retained Right to Buy receipts, HCA support and localisation of other local housing funding streams, with matching contributions from local authorities and LEPs where appropriate.

Address **land availability** and other barriers to housebuilding by establishing an area-wide mechanism that allows local planning authority, LEP, HCA and housing sector representatives to work together to accelerate housing delivery.

Through new ways of collaboration, this mechanism will support local planning authorities in overseeing use of devolved Government funds and providing a focus for local prioritisation to maximise delivery rates.

In this way we will ensure a more efficient approach to:

- unblocking public land and co-ordinating and planning how both publicly and privately owned land can be packaged up and brought to the market;
- maintaining an overview of the pipeline of sites and the type, tenure and location of homes delivered to ensure they matched local need;
- co-ordinating commitments by the respective authorities on housing delivery and infrastructure in current Local Plans;
- overseeing the provision of funds through the proposed Housing Delivery Fund to support the acquisition of land, provide additional professional planning resources and support some preparatory surveys or assessments required to de-risk and bring forward priority sites likely to maximise delivery;
- taking a strategic approach to the provision of mitigation for smaller sites.

Deliver a 10% annual increase in public sector land holdings for disposal or redevelopment (see also Chapter 5: Transforming Public Services).

WHAT WE ASK IN RETURN

Devolution of funding to a local Housing Delivery Fund.

Commitment to unblock the Government-owned sites that we need to deliver increased housing.

First call for HIOW on released public sector land in our area, and realistic asset valuations through:

- Support from Department of Communities and Local Government's national Asset Pathfinder programme;
- Work with NHS property services to review land holdings throughout the area;
- Agreement with Ministry of Defence on a programme for the release of unused assets.

WHAT HIOW WILL DO

Speed up the build-out of **sites that already have permission** with a 'carrot and stick' approach.

Offer incentives to commence and progress development; for example, HIOW authorities could defer payment of CIL until the property is sold. This is conditional on the 'ask' described opposite.

Address **capacity** and speed up the planning process to accelerate sites becoming available by enhancing local authority capacity and facilitating swift responses from statutory agencies.

Work together to accelerate the completion of Local Plans across HIOW and support the regular review of Plans, respecting the primacy of local planning authorities.

Deliver at least 200 new rural affordable homes a year for those with a local connection in market towns and villages for each of the next ten years.

Ensure we plan to meet local demand for other priority types of home, including at least 300 additional low-cost starter, council new-build and extra care homes a year beyond those already planned.

Discuss with the Council of Mortgage Lenders possible 'niche' products to support first-time buyers, rural buyers etc.

WHAT WE ASK IN RETURN

Provision for the imposition of penalties where permissions are not being implemented; for example, HIOW authorities could begin to charge a proportion of council tax if sites are not progressed quickly enough.

Agreement to local planning authorities having local control over planning fees so that they can be reinvested to add skills and capacity and speed up Plan preparation and planning decisions.

Discussion with HIOW about a mechanism for relevant statutory agencies (including Heritage England, Natural England, Environment Agency, Highways England) to engage with and offer a rapid response to proposals for the development of priority sites.

Changes to regulations governing the planning process so that CPO procedures are simplified where they are necessary to deliver infrastructure or enable land assembly.

Commitment of resources from the HCA to support an expanded HARA¹⁰ programme.

Exemption rural exception sites from Right to Buy. These sites are only supported locally because they are intended for people with local ties. They will not be supported under Right to Buy because local communities will be concerned that the homes will be sold on the open market, and landowners will not sell.

Commitment of resources from the HCA to support these programmes.

Agreement to permitting Housing Revenue Account (HRA) borrowing to fund new council homes on a prudential basis and therefore exempt from the current HRA Debt Cap regime.

Freedom from the requirement to reduce council and housing association rents, with revenues from any increase ringfenced for affordable housing.

Support from the Department of Health to facilitate development of extra care schemes.

¹⁰ The Hampshire Alliance for Rural Affordable Housing has delivered an average of 50 homes per year in rural exception sites across five Hampshire districts.

Infrastructure Guarantee

Developer contributions and local authority capital can unlock many sites, but the largest sites such as Manydown or Welborne can struggle to fund the major infrastructure investment required, while the medium and small sites that are expected to deliver up to half our future supply can be held back for want of relatively modest investment. Our proposals to address infrastructure to support housing will give the confidence that investors need, and will reassure local communities that necessary infrastructure to support new housing will be provided. **These proposals are set out in Chapter 4.**

Maintaining Community Identity

The cities and many towns in HIOW are tightly bounded, and dependent on strategic gaps of open land to maintain individual settlement identity. Concern over the erosion of these spaces and the coalescence of settlements is a significant source of opposition to development.

There are also concerns over the unfettered extension of some of the larger settlements into the countryside. Despite common perception there is almost no greenbelt in HIOW. The designation of new greenbelt or similar measures to protect the settlement pattern, when undertaken alongside the planning and delivery of new homes, would provide re-assurance and protection and build support for the additional development we are proposing as it will be seen to be concentrated in the most appropriate places.

Equally, we can build support by widening local engagement and helping people design the future of their own community. **These proposals for 'deeper devolution' are set out in Chapter 5.**

WHAT HIOW WILL DO

Prepare an area-wide green belt plan to reassure our communities that valued strategic gaps and open spaces will remain as a balance to housing growth.

WHAT WE ASK IN RETURN

Green belt planning powers enabled at the HIOW level.

CHAPTER 4

INVESTING IN INFRASTRUCTURE

Investment in infrastructure supports everything else we are seeking to achieve through devolution. By de-risking investment and development for both communities and developers we will create more certainty about infrastructure provision, and ensure that the infrastructure of the area is able to support, enhance and facilitate economic growth, boost productivity and improve the standard of living in HIOW.

Infrastructure in Hampshire and the Isle of Wight

Infrastructure in its broadest sense¹¹ is an essential component for, and an enabler of, a successful and competitive economy. However, alongside skills shortages infrastructure capacity is consistently identified as a major constraint on housing delivery and economic development in HIOW. It is also regularly cited in objections to new developments, by local communities, and the wider public. This curtails employment opportunities and improvements in productivity, eroding competitiveness and prosperity across the HIOW area. The view of both our LEPs, as set out in their Strategic Economic Plans, is that **major infrastructure in the HIOW area has been under-invested**.

What sets investment in infrastructure apart from other types of investment is its high-risk, long-term, capital-intensive nature, reflected in the creation of long-lived assets with high sunk costs. This can constrain viability and restrict private sector-led growth opportunities, as a cash-flow that is required to fund the infrastructure investment cannot be achieved until the infrastructure is delivered.

Critical to the whole HIOW devolution proposal is an Infrastructure Guarantee from Government to provide certainty for investors, councils and local communities.

WHAT HIOW WILL DO

Establish an 'Infrastructure Guarantee' which would provide certainty on Government planning for transport, schools, health and other infrastructure (e.g. HM Treasury's annual Infrastructure Plans) over at least a 10-year period.

The Guarantee would provide forward commitment on Government infrastructure funding to effectively underwrite public/private funding sources, all of which provide a level of certainty for the accelerated delivery of locally-led very large sites (Housing Growth Zones).

WHAT WE ASK IN RETURN

Commitment to our proposed Infrastructure Guarantee over at least a 10-year period to ensure that locally-led large sites can be progressed with confidence, and to provide a catalyst for development on medium and small sites where such investment will assist in bringing them forward.

Powers for HIOW councils to prepare a statutory area-wide Strategic Infrastructure Delivery Plan to which all infrastructure providers must contribute.

This Guarantee is necessary to support the housing delivery and economic growth described in this document. It will enable us to go further and use devolution as a platform for future discussions about the major transformative projects that our area will need if it is to continue to strengthen the UK economy in the decades ahead. We are gathering evidence to support the feasibility and wider economic contribution of schemes such as direct rail access to Heathrow, universal ultrafast broadband, an affordable connection to the Isle of Wight, new capacity on the freight route north to the Midlands¹², major coastal flood defences and a fast connection between Portsmouth and Southampton.

Strategic transport connections

Transport in HIOW is vitally important to UK domestic and international trade. HIOW has **globally important transport hubs** within or adjacent to the area, such as the Port of Southampton and the nearby Heathrow and Gatwick airports. Southampton Airport and Portsmouth ferry port connect HIOW to Europe, while there are strong strategic road and rail links to London, the South West, the Midlands and the North. The connectivity, condition and capacity of our transport network are therefore critical to productivity growth.

¹¹ Including highways and transport to schools, open spaces, leisure and culture facilities, technical infrastructure capacity such as foul water drainage, Habitat Regulations requirements for mitigation land, energy and water supply, connections to superfast broadband and green and blue infrastructure.

¹² 750,000 UK-built cars are exported through the Port of Southampton every year.

Transport has a vital role to play in connecting people to jobs and products to markets, fostering the agglomeration that makes our cities and towns work. Proximity to London, Heathrow and the Thames Valley are a key part of the area's economic competitiveness and attraction, and improved rail services to London from Portsmouth and Southampton are important to the cities' future success.

Strategic **freight movement** is also a competitive advantage for HIOW, particularly the links between the South Coast Ports and the Midlands, so we place high priority on the electrification of the Basingstoke/Reading and Salisbury freight lines, and on the improvement and upgrading of the A34 corridor, our principal link to the north – in particular the A34/M3 junction at Winchester, and the M271/M27 junction and access to the Port of Southampton.

Through devolution we would like to work more closely with Network Rail and the relevant Train Operating Companies to help secure delivery of the required improvements to the South West Main Line at Basingstoke, Woking, Clapham Junction and Waterloo, and a fairer distribution of Government rail support; similarly we would like to secure greater collaboration with Highways England and greater influence over their strategic investment and improvement programme on the critical HIOW routes.

WHAT HIOW WILL DO

Create a 10-year HIOW Transport Investment Fund to support economic growth and housing development.

WHAT WE ASK IN RETURN

Forward commitment of funding such as Local Transport Plan and LGF, including from Network Rail and Highways England, into a 10-year Infrastructure Guarantee for road and rail improvements and access to development areas.

However we also recognise that we need to look beyond the area to address strategic transport considerations properly, and we are keen to work with the Greater London Authority and Transport for London (especially in relation to the emerging London Plan) and build on work and links already in place with Surrey, West and East Sussex and the Thames Valley authorities. Work is already under way on reviewing strategic transport priorities between the Enterprise M3, Coast to Capital, Solent and Thames Valley Berkshire LEPs, led by the Chair of Enterprise M3.

Local transport opportunities

HIOW has a very strongly **road-based economy**, with two-thirds of commuter journeys made by car. Our opportunity is to provide better east-west connectivity (especially in the south), greater public transport integration in the urban areas, better connections with local community transport feeder services in rural areas, and improved bus/rail/ferry integration for business and communities on the Isle of Wight.

In southern Hampshire, short east-west movements along the M27 corridor are critical to economic productivity and access to employment, education and services. The M27 functions as a sub-regional distributor, more linked to the surrounding county road network than the national system. We propose to integrate management of the whole network to bring greater capacity to the system:

WHAT HIOW WILL DO

Pool local expertise and capacity to support integrated management of HIOW's road network including the M27/M271/M275 (and its relationship with the southern M3) – and graduate to taking over maintenance of the M27 to deliver efficiency savings to support investment in improvements.

Implement a 'managed motorway' regime fully and earlier than currently planned, with hard shoulder peak-hour running and variable speed limits.

WHAT WE ASK IN RETURN

Better collaboration with Highways England on integrated highway network management on the M3 and their trunk road network, and the potential local management of the M27 and feeder motorways (M271 and M275), with devolved improvement and maintenance funding.

Across HIOW, the capacity of the strategic transport networks to accommodate more local journeys and traffic generation from development are critical challenges for growth areas. **Public transport** has a key role to play, and targeted improvements on strategic corridors like the A325 through Whitehill and Bordon have potential to free up road capacity to accommodate additional traffic from new development. Improvements to the poor rail service between Southampton and Portsmouth would provide a more realistic way of broadening the cities' labour pool, and link up with the Bus Rapid Transit system at Fareham and the A3 strategic Bus route into Portsmouth, as well as ferry routes to the Isle of Wight, where the critical challenge is connectivity both to and from the mainland and within the Island.

We propose that devolution will support improved public transport through the creation of an effective 'Passenger Transport Executive' ('PTE') for HIOW.

WHAT HIOW WILL DO

Increase mobility by establishing a Passenger Transport Executive in HIOW, and pool technical support and expertise between Transport Authorities to improve public transport and connections with community transport.

WHAT WE ASK IN RETURN

Support establishment of a 'PTE' model and engage with its development and operation including:

- Mandatory operator collaboration on smart-ticketing;
- A more progressive financial regime to support better long-term planning for bus operations, including local franchising;
- Greater HIOW influence over rail franchise awards and collaboration with Network Rail on local rail service improvements.
- A structure to work more closely with cross-Solent transport providers to increase opportunities for growth on the Island.

Within the HIOW area spending on the National Concessionary Travel scheme is significantly higher than on bus subsidies. A recent Hampshire County Council consultation on bus subsidy reductions indicated that concessionary passholders would potentially be happy to contribute to the cost of their journeys if that directly supported **wider availability of bus services** that they could use.

WHAT HIOW WILL DO

Establish a new local bus fund hypothecated to supporting socially necessary bus services, with emphasis on evening, weekend and weekday access in areas where the commercial service is very limited.

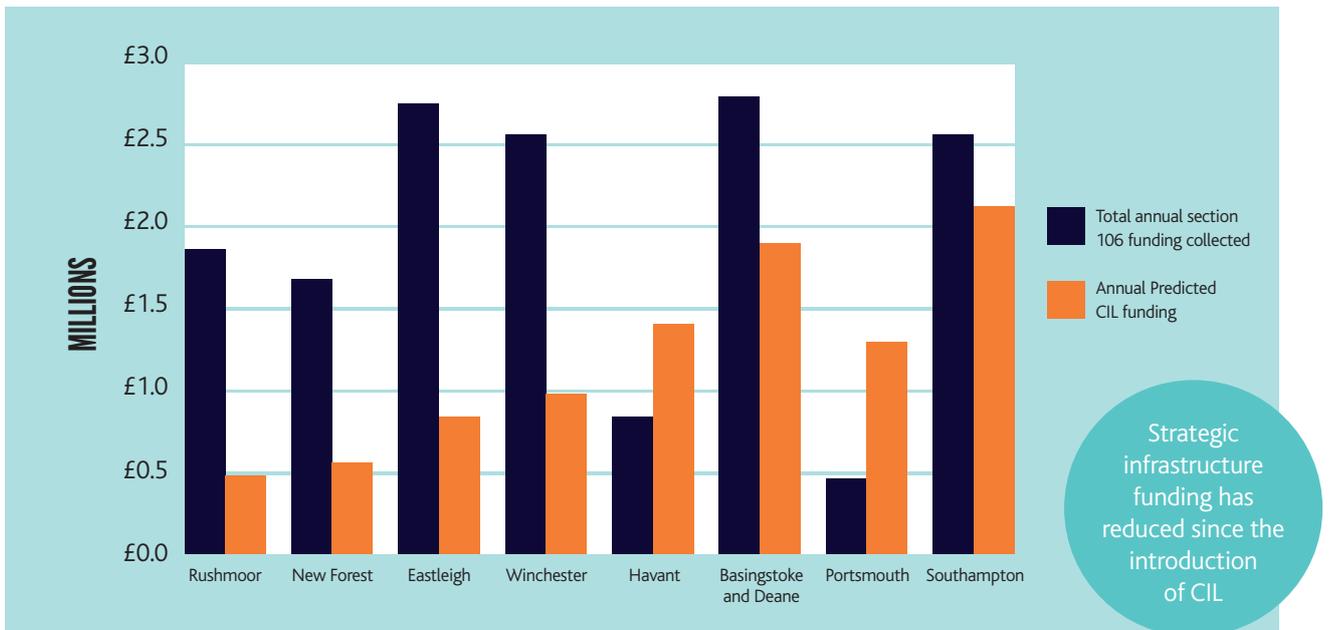
WHAT WE ASK IN RETURN

Localise the national Concessionary Fares scheme in HIOW to support a new fund for wider bus service subsidies in areas where the commercial service is very limited.

General Infrastructure

The proximity of many HLOW settlements to the coast and major rivers mean that otherwise suitable infill sites (for example the Qinetiq site at Eastney in Portsmouth) can be constrained by the need for flood defences to be in place before development can be considered. Securing the necessary comprehensive coastal or other flood defence infrastructure via Community Infrastructure Levy (CIL) or Section 106 financial contributions is difficult to achieve when considering individual smaller-scale sites. The same issues apply in relation to off-site mitigation or compensation habitat to meet HRA requirements, a significant constraint on development in the Solent area, and in relation to the Thames Basin Heaths and New Forest strategic planning authorities.

The dispersed development pattern also creates problems in relation to securing developer funding towards the provision of school places and off-site transport infrastructure. Medium and smaller sites have a cumulative impact on local services and infrastructure, which is difficult to adequately mitigate. Following the introduction of CIL in some areas, developer contributions per dwelling are lower than pre-recession levels; contributions for school places and transport are significantly reduced and there is a growing funding gap for strategic infrastructure which will constrain the scale and pace of new development¹³.



We will therefore develop local proposals for discussion with Government to address the growing deficit in funding for the essential infrastructure that residents and businesses in our area need and depend on.

¹³ For example the requirement to deliver 18 new primary schools with 7,745 additional places, and five new secondary schools with 2,460 additional places, by the early 2020s. The costs of this level of provision are well beyond the expected public sector funding and likely yield from developer contributions under current arrangements.

Broadband and utilities

"Reliable and high quality fixed and mobile broadband connections support growth in productivity, efficiency and labour force participation across the whole economy. They enable new and more efficient business processes, access to new markets and support flexible working and working from home." Fixing the Foundations, July 2015

Getting sites connected to essential **utility services** and **superfast broadband** remains problematic. A recent appeal in Basingstoke¹⁴ found against the local planning authority on broadband, with the Inspector determining that broadband connection is a matter for prospective householders, and not a planning consideration. In reality the failure to get sites connected at construction simply leads to resident pressure on the local authorities to secure access and extended cost on the public purse for more expensive retrofitting at a later date. We propose some positive changes to the planning system to address these issues and would like to be an early and constructive participant in Government programmes to realise its national commitments on digital access.

More widely, building on our local centres of excellence we want to develop a 'Digital First' strategy that looks at how we adopt new technologies and data approaches across HIOW. We see this as key to enabling transformation, higher productivity and skills regeneration, as well as supporting new ways of delivering housing and integrated transport and care polices.

WHAT HIOW WILL DO

Proactive planning authority work to develop and implement policies to support broadband provision.

Develop a 'Digital First' strategy to inform economic development and public service transformation.

WHAT WE ASK IN RETURN

Identification of superfast broadband and mobile / 5G+ infrastructure as planning considerations.

HIOW to be named as one of the first areas that will benefit from Department for Culture, Media and Sport's imminent 'final 5%' funding round, once state aid issues have been addressed.

Extension of the Superfast Cities programme in Southampton and Portsmouth across the whole HIOW area.

The difficulty of securing meaningful engagement from utility companies at the early stages of the planning process has been recognised by Government. Companies' preference for later engagement results in extended delays in development because the suitability of the current network was not fully considered at an early stage. Constraints on the electricity grid connection to the Isle of Wight are a limiting factor on the Island's ability to deliver economic and housing growth.

WHAT HIOW WILL DO

Encourage early developer engagement and proactive planning authority work with utilities.

WHAT WE ASK IN RETURN

Identification of utility companies operating in HIOW as statutory consultees within the planning process.

¹⁴ Appeal Ref: APP/H1705/A/14/2219718)

Energy

A reliable and sustainable energy supply is crucial to the delivery of our ambitions on business growth, housing delivery and infrastructure investment.

HIOW is keen to contribute to UK carbon reduction targets, reduce energy costs and retain a greater proportion of the value of the energy economy within the area. There is an opportunity to create significant **low-carbon, decentralised energy infrastructure** across public and private sectors in our diverse area, enabling large-scale energy investments which exploit new resources and smart technologies, and helping the most vulnerable households to heat their homes adequately.

Many of the requirements are already in place for us to realise our ambitions including a number of freedoms and flexibilities. However, in order for us to build on this further we request the following from Government as part of a devolution deal.

WHAT HIOW WILL DO

Deliver greater local collaboration and pooling of interest and expertise to galvanise and focus local input and ambition, with the longer-term aim of developing a local Energy Services Company.

WHAT WE ASK IN RETURN

Strategic advice and support from Department of Energy and Climate Change, Cabinet Office and other Government departments.

Support through collaborative procurement and access to finance, including possible Power Purchase Agreements, sleeving arrangements and access to EU and other energy efficiency funding to build greater capacity and delivery capabilities.

Devolved funding for Energy Company Obligation and local arrangements for related funding streams, to deliver local solutions for improved domestic energy efficiency and help in tackling fuel poverty.

Greater influence for HIOW over future investment decisions on electric supply.

CHAPTER 5

TRANSFORMING PUBLIC SERVICES

Our proposals will accelerate the transformation of public services to deliver better value for our residents and businesses. At the heart of our model for transformation is the commitment, built on mature collaboration, for greater efficiency, the ability to scale up successful businesses processes and platforms, the pooling of resources and risk-taking, recognising communities, neighbourhoods and localities which will enable 21st century public service infrastructure, capable of doing more for less.

Public Service Productivity

Improving the efficiency and effectiveness of local public services in HIOW is central to our plans to maximise the productivity potential of our area and deliver better value for our two million residents and 80,000 businesses. Public service transformation will be at the heart of our proposals to:

- Change the model(s) for integrated health and social care provision to better recognise prevention and early help;
- Extend the reach of broadband technology and digital access for economic, service and education outcomes;
- Extend the collaboration with Hampshire and Isle of Wight Fire and Rescue Services and Hampshire Constabulary to improve the wellbeing of residents and support improvement in children’s and health and social care services;
- Deliver a new Adoption model for the area;
- Integrate Public Health services for improved early help outcomes at a lower cost;
- Further exploit the asset base of partners with the ‘One Public Estate’ initiative to provide a base for new and reablement provision and the promotion of regeneration and redevelopment for economic growth.

We will commit to work with our health partners locally and nationally to develop and co-design with Government and its agencies a business plan to integrate health and social care that will result in health improvements and contribute to our shared productivity challenge.

We want to make the most of this opportunity and propose to deliver a single adoption agency for HIOW that will drive excellence and innovation in child-centric adoption recruitment, assessment and support activities to meet the challenges of adopting children with complex needs.

We are committed to identifying and agreeing opportunities for ‘deeper devolution’ bringing service decisions closer to communities and service users.

Transforming Health and Social Care

We will maximise our productivity potential and make a direct contribution to the £22 billion NHS gap by accelerating **innovative approaches to health and social care integration**. Our devolution proposals build on our existing Vanguard pilots¹⁵ and relate to expenditure of £2.7 billion per annum.

HIOW is home to large and growing elderly and ageing populations and this cohort is increasing pressure on health, care and other services. The demographics for the area will present further challenges in the years ahead, particularly to meet an increasing population with multiple morbidities and the demand for locally-based community health and social care services.

As part of a devolved approach the local authorities and other agencies and Trusts will work with NHS England and the relevant Clinical Commissioning Groups will work together to address these problems.

WHAT HIOW WILL DO

Work with other agencies, Trusts, NHS England and the relevant Clinical Commissioning Groups to lead accelerated development and co-design of a business plan for integrated health and social care services across HIOW.

Design and deliver an integrated Public Health service for the area at lower cost.

WHAT WE ASK IN RETURN

Support and engagement of Government and other national partners in accelerated development and co-design of a business plan for integrated health and social care services across HIOW.

Agreement from Public Health England to the redesign of the service.

¹⁵ Isle of Wight’s ‘My Life a Full Life’ vanguard, Hampshire County Council’s Integrated Personal Commissioning vanguard, Southern Health NHS Foundation Trust’s Better Local Care Multi-speciality Community Provider vanguard and North East Hampshire and Farnham Clinical Commissioning Group’s vanguard.

Our business case for health and social care will:

- Recognise existing operations and developments around the **Better Care Fund** and the **Vanguard pilots**;
- Have **cost reduction** as its principal purpose through proposals that increase the provision for early intervention and prevention; and
- Develop a plan for health and social care outcomes to be linked to:
 - **The growing need for a skilled health and social care workforce.** Locally we will convene a conversation about how we can increase workforce capacity to meet growing demand for care and support. In addition we want to explore with national colleagues opportunities to locally align nationally controlled skills and training investment. Our skills proposals (see Chapter 2) will promote this further.
 - **Recognition of the interconnections between health, wellbeing, housing, employment and other public services.** Our wider devolution proposals underpin our ambitions to improve the health and wellbeing of our population by tackling the wider determinants of poor health outcomes and raising our performance on key health indicators. In addition, we want to explore how we can work more closely with our Fire and Rescue Services as a key health asset to reduce fire risk, deliver timely health and wellbeing interventions, strengthen community cohesion and build the volunteer workforce.
 - **Development of a rationalisation programme for NHS sites and assets.** In keeping with our ambitions to bring services closer to communities, we will explore how we can further the development of single, locality based 'public service' hubs and 'pump prime' service reconfiguration through estates development funds. In addition, we want to explore a new relationship with NHS Property Services.
 - **Exploring the opportunity for multi-year budget allocations.** We will lever local investment and capital capability to support transition to new models of integrated care and support based in communities. In addition, we want to explore with NHS England, the Department of Health and Treasury the opportunity to align national and local budget setting processes and allocation periods for health and social care.

Our proposal, while recognising the need to reduce pressure on A&E admissions, and the speed of and requirement for improved hospital discharge arrangements, will be the mechanism and plan around which NHS England, our Clinical Commissioning Groups (CCGs) and local authorities would pool resources across the area. It will provide the basis for the development of a shift of health and social care resources towards locally-based community services and early intervention and prevention strategies.

Ultimately we believe that our plan will require greater local control of existing social care and health budgets in return for improved health and wellbeing outcomes across the area.

Percentage of the population aged 65+



ONS sub-national population projections

Bringing services closer to communities

Our devolution deal will bring decision-making closer to communities and service users and deepen the benefits of devolution, making sure they are felt locally as well as across the whole area.

We will ensure that devolution is not being 'done to' local people and will engage residents in the co-design and co-production of locality-based services to improve the responsiveness of services to local need, increase early support and build community resilience. Our commitment is that this 'deeper devolution' will improve service quality, reduce cost and simplify provision.

WHAT HOW WILL DO

Identify and agree opportunities to delegate or devolve functions from county to district councils, parish councils or community groups, in keeping with the principles of subsidiarity and local customer focus.

WHAT WE ASK IN RETURN

The support of Government Departments and agencies in developing co-location and recycling of assets to deliver community and locality-based initiatives which strengthen local democracy and collaboration.

We are already exploring opportunities for deeper devolution and more flexible local collaboration; but a devolution deal will enable us to go further. 'One size' does not fit all and so deeper devolution will vary according to place and the issues being addressed.

- **Creation of community hubs led by localities:** we will explore opportunities to co-locate multi-disciplinary teams to deliver a mix of targeted and universal services in community buildings that are relevant to communities. This will extend existing and planned pilots in Havant, Gosport and Fareham. This is not just about achieving efficiencies, but improving outcomes for service users through better co-ordinated, earlier intervention and prevention and closer collaboration across county and district services, community and voluntary sector organisations and central government.
- **Devolution of community transport to district councils:** in addition to the public transport proposals set out in Chapter 4, we will explore opportunities for our district councils to shape community-based transport provision at local level where it makes sense to do so. This provision is a lifeline for our most isolated, often rural residents, and in some cases can be the difference between being able to work or not.
- **Tackling the wider determinants of poor health and wellbeing:** we will explore integration beyond health and social care to ensure Occupational Therapists work with Social Services, Hospital discharge teams and local Environment teams to maximise the value of limited funding from home adaptations. We will explore how we can work with Housing Association providers to ensure that properties are recycled where possible.
- **Management of local assets:** we will explore local solutions to better manage built and green assets to enhance and maintain access.
- **Closer engagement:** as described in Chapter 3, we will help local people play a bigger role in the design of their own communities.
- **Wider influence:** we will explore ways to give communities greater say in identifying what matters to them and prioritising what happens in their area.

Transforming Adoption

Under a devolved approach the four HIOW local authority adoption agencies will deliver **a single adoption agency for HIOW** covering all adopter recruitment, matching and support functions, as an early adopter under the Government's Regionalising Adoption programme.

A single, joint commissioning approach will encourage innovation in the delivery of adoption support. Building on our track record of support services that make a demonstrable difference to children's lives and low disruption rates, we will exert a powerful force to drive excellence and innovation in practice. In particular, we want to deliver new child centric models for recruitment, assessment and support activities so to meet the complex needs of children who are considered 'hard to place'. These models can be better enabled and will have greater reach across a four authority model and the development of a more rigorous shared infrastructure will enable timeliness of all activities and swift placements of children with their adoptive families.

This wider HIOW service will increase:

- The number of adopters available to cover the range of children in need of permanent adoptive families;
- The potential for appropriate matches between the widened pools of children and adoptive families;
- The speed at which adoptive families are approved, and reduce the time children spend waiting for adoption.

WHAT HIOW WILL DO

Deliver a single adoption agency for HIOW.

A new model that drives excellence and innovation in child centric adoption recruitment, assessment and support activities to meet the challenges of adopting children with complex needs.

Economies of scale in resource management, contractual arrangements and functionality, creating opportunities for new ways of working and provide engagement.

Increase by 5% our adoptive placements over the existing increases already forecast by each agency.

Increase timeliness and reduce children waiting by meeting the scorecard target of 426 days.

WHAT WE ASK IN RETURN

A proportion of the Department for Education's £4.5m transforming funding for early adopters to support:

- A project manager to scope the viability of new models
- Backfill costs to support the transform agenda
- Costs for data analysis and management costs.

Support from the Department for Education to develop our ideas and implementation plans, enabling us to accelerate development and achieve early implementation.



CHAPTER 6

GOVERNANCE AND CONSULTATION

The HIOW partners will 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.

This will be developed on the basis of partners' agreement to support proposals for a HIOW Combined Authority, building on partners' existing powers, responsibilities and boundaries, and the outcome of our negotiations with Government. The role of the LEPs in the governance arrangements will be considered as part of the governance review on the basis of the LEPs' agreement to support proposals for a HIOW Combined Authority, building on the LEPs' existing powers, responsibilities and boundaries. The LEPs will rightly play a key role in influencing proposals and funding related to the economic prosperity of HIOW.

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.



Entrance to Portsmouth Harbour

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