

## BABERGH DISTRICT COUNCIL and MIDSUFFOLK DISTRICT COUNCIL

<b>From: Chief Executive – Charlie Adan</b>	<b>Report Number: R48</b>
<b>To: BDC Council MSDC Council</b>	<b>Date of meeting: 22 September 2015 24 September 2015</b>

### DEVELOPING SUFFOLK'S DEVOLUTION PROPOSAL

#### 1. Purpose of Report

- 1.1 This report sets out Suffolk's ambition for and approach to devolution based on the Expression of Interest submitted to Government on 4<sup>th</sup> September 2015. This was developed by Babergh and Mid Suffolk Councils, other Councils in Suffolk and Public Sector Partners in response to the Government's invitation as part of the Spending Review to submit formal, fiscally-neutral proposals for devolved arrangements to the Treasury by 4 September 2015.
- 1.2 The Government invitation builds on the commitment to enhance local autonomy through devolution, reflected in the *Cities and Local Government Devolution Bill* currently before Parliament. The Bill does not impose devolution but offers the opportunity to put forward locally-developed proposals to the government.
- 1.3 From the outset, Babergh and Mid Suffolk's Leaders, together with other Suffolk Leaders have been eager to make the most of this opportunity and have worked together to develop a shared ambition for devolution and this was reflected in the Strategy and Executive Committees' discussions in July 2015. This has been built on Suffolk's strong track record of collaboration and innovation and will serve as the basis for negotiation with the Government for a robust deal that will deliver better outcomes for local people.

#### 2. Recommendations

- 2.1 To agree Suffolk's ambition and approach to devolution.
- 2.2 To note and endorse the Expression of Interest (attached as Appendix A) submitted to Central Government on 4 September 2015 and to agree that it will provide a strong democratic mandate for future negotiation with Government.
- 2.3 To agree that the Expression of Interest (Appendix A) be adopted as the basis for future detailed negotiation with Government throughout the autumn.
- 2.4 That the Chief Executive, in consultation with the Leader of the Council(s), is given delegated authority to agree to any future changes to the Devolution Proposal.

### **3. Financial Implications**

- 3.1 It is difficult to anticipate financial and resource implications prior to negotiation with central Government. However, any proposal would need to maximise joint resources, deliver public spending savings and deliver better outcomes for Suffolk as a whole; and Babergh and Mid Suffolk in particular, recognising the need to give and take to achieve a better deal for all.

### **4. Risk Management**

- 4.1 There is a risk that by not pursuing a Suffolk devolution proposal a new Government would impose solutions that may not be as relevant for local people.

### **5. Consultations**

- 5.1 Discussions have taken place within the Suffolk Public Sector Leaders' Group and have resulted in this report's proposals. Wider engagement and consultation will follow.

### **6. Equality Analysis**

- 6.1 The proposals within this report have no direct equality implications, but equality analysis is likely to be extremely important if a more detailed case is developed.

### **7. Shared Service / Partnership Implications**

- 7.1 Partnership / collaborative working is at the core of the proposals and builds on the investment that Suffolk's public sector partners have put into their relationships; and the respect held for Suffolk as a place for innovation, collaboration and delivery.

### **8. Key Information**

- 8.1 Babergh and Mid Suffolk Leaders together with other Suffolk Leaders are keen to proactively influence and negotiate with Government as early as possible in order to secure the best possible outcomes for their residents, businesses and communities. Therefore, it is important that to enter negotiations with Government as soon as possible, the ambition and approach is democratically agreed and endorsed.

- 8.2 Devolution: National Context:

The Scottish independence referendum in September 2014 and publication of the Smith Commission report in November 2014 on further devolution to Scotland, promoted wide-ranging debate about similar devolutionary measures in England, at both national and sub-national levels. After the General Election in May 2015, the new Government emphasised its commitment to devolution by swiftly introducing Cities and Local Government Devolution Bill to Parliament on 28 May 2015.

- 8.3 Initially, the Government's focus was on continuing the devolution of powers and/or funding to large urban areas, particularly to the five existing combined authorities. This included a devolution deal for the Sheffield City Region and the Greater Manchester Health and Care Deal that sees the authorities take control of £6 billion of health and social care spending overseen by a new statutory body from April 2016.

8.4 However, as support for devolution grew, the Government announced that all areas were encouraged to come forward with proposals for a devolution deal. As a result, many areas across England have submitted or intend to submit such proposals to the government. An outline deal has already been concluded with Cornwall, and other proposals have come forth such as Gloucestershire.

#### 8.5 Devolution: Local Context:

In recent years, Suffolk Councils and wider Public Sector Partners have worked collaboratively on a number of projects, and continue to do so. These include strategic approaches, such as the Suffolk Growth Strategy which, working with partners and New Anglia LEP to secure the Gt Yarmouth and Lowestoft Enterprise Zone and Ipswich City Deal; the Business Rates Pool, and the Single Public Sector Estate, as well as local examples of integrated working such as Connect Sudbury and Lowestoft Rising.

8.6 This means that nationally, Suffolk has come to be respected as a place for innovation, collaboration and delivery. This was further recognised in 2014 by the granting of £3.3m from the government's Transformation Challenge Award for the further development of Suffolk's approach to innovation and shared delivery.

8.7 However, Suffolk's Public Sector Leaders agreed that as well as collaborating and working in a more integrated way, there was a need for more radical change in order to meet forthcoming financial challenges and continue to effectively support communities. This led to consideration of the potential benefits of devolution for Suffolk.

8.8 As part of his Summer Budget on 8 July 2015, the Chancellor announced that 'significant' devolution deals would need to be submitted to the Government by 4 September 2015 if they were to inform the Spending Review in November. However, it was explained that the September deadline was not absolute and that the Government would continue to consider proposals submitted after that date.

8.9 In order to maximise influence over devolution discussions with Government, Babergh and Mid Suffolk Leaders together with Leaders from other Suffolk Councils, Clinical Commissioning Groups, the Constabulary and the Police and Crime Commissioner agreed to submit an Expression of Interest to Government on 4<sup>th</sup> September 2015. The Expression of Interest is attached as Appendix A.

8.10 It was agreed this would emphasise Suffolk's ambition for devolution, along with its credibility for delivery and signal that Suffolk is ready to begin negotiations with Government.

8.11 The *Cities and Local Government Devolution Bill* will provide the legal framework for devolution. The Bill does not impose devolution but gives the Secretary of State the necessary powers to agree bespoke deals with local areas.

### **9. Suffolk's approach to negotiating a devolution deal with Government:**

9.1 As stated above in Paragraph 8.9 an Expression of Interest was submitted to Government on 4<sup>th</sup> September 2015 by Babergh and Mid Suffolk Leaders as part of the Suffolk's Public Sector Leaders (Appendix A). That Expression of Interest will

form the basis for negotiation of more detailed proposals with Government throughout the autumn. Once concluded these would be subject to further discussion by Council and the appropriate decision making bodies of Suffolk Public Sector Partners.

- 9.2 Any specific requests to the Government for the devolution of powers, responsibilities or funding from national to local level will be supported by business cases and/or cost benefit analysis to demonstrate the benefits to Suffolk residents and advantages for central Government.
- 9.3 Such proposals will be subject to considerable further work and negotiation. Changes to powers, responsibilities or funding arrangements would require the approval of all Suffolk Councils and other public bodies as well as engagement with residents.

**Background documents**

- a) Cities and Local Government Devolution Bill, 28<sup>th</sup> May 2015  
<http://services.parliament.uk/bills/2015-16/citiesandlocalgovernmentdevolution.html>
- b) The Case for Cornwall, July 2015  
<https://www.cornwall.gov.uk/council-and-democracy/council-news-room/case-for-cornwall/>
- c) 'A Country that Lives Within its Means' 21<sup>st</sup> July 2015  
<https://www.gov.uk/government/publications/spending-review-2015-a-country-that-lives-within-its-means>
- d) 'We are Gloucestershire' August 2015  
<http://www.gloucestershire.gov.uk/article/119533/We-are-Gloucestershire>

**10. Appendices**

Title	Location
a Outline for Suffolk's Devolution Case (Expression of interest)	Attached

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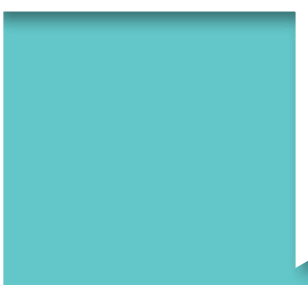
Chief Executive Charlie.adan@babberghmidsuffolk.gov.uk

# A Devolved Suffolk

Working for a better future

September 2015

A practical route map to progress



# Leaders Statement

We need a step change. We want to work more effectively together with Government to achieve a radically re-set relationship between central and local public services and local people. One that is enabling and responsible; one that is adaptable and progressive and one that works in driving growth, enabling opportunity and delivering a more efficient public sector that influences better outcomes.

## What's Best for Suffolk

We want the best possible outcomes for Suffolk and have already started to transform public services into a **sustainable, relevant, more productive and enabling body** that is better for Suffolk, better for the UK and fit for the future.

We are not looking to recreate Westminster or Whitehall. We are not recentralising at county or district levels. We are starting from our people, values and assets; from the beauty and resources of our land, the strengths and capabilities of our businesses, residents, families and communities.

*Our vision and plans for devolution have been guided by the following principles:*

- *What's right for Suffolk – locally appropriate, not a single imposed solution*
- *Integration and whole system thinking across public services, not just local government*
- *Letting go of organisational boundaries while respecting individual identities*
- *Efficient and effective approaches, simpler and joined up working*
- *Subsidiarity – devolution of powers and decisions to the most appropriate level and area*
- *Better accountability and transparency*

## Devolution

This is Suffolk. Greater local autonomy and control over resources and decision making is a natural development of this stewardship. As a result, we are confident devolution will deliver the following economic and social dividends – raising revenues and reducing costs:

1. **70,000 homes by 2031**
2. **Improved educational provision and outcomes, for example: at least 65% A\*-C GCSE passes by 2017**
3. **Working with districts, boroughs, public, private and voluntary and community partners there will be stronger communities and families, with greater democratic participation**
4. **Improved health, with reduced demand for health, care and safety services – with better supported families and less child poverty**
5. **Significant reduction in the £430 million spent on DWP and work related benefits in Suffolk (2013-14) through better paid jobs**
6. **A more skilled workforce including at least 5,000 new apprenticeships by 2020 and a further 2,500 in Suffolk by 2025**
7. **Greater productivity and growth of over £18 billion total GVA per year by 2025**

We are clear that our devolution proposal is far beyond a simple shopping list of requests from central government. It is the next step in a maturing relationship between different legitimate levels of government with an open door for ongoing negotiations of further freedoms and flexibilities; offering the basis of a template for other two-tier areas.

***We commend this proposal to you.***



**Cllr Jennie Jenkins**  
Leader  
Babergh District Council



**Cllr Derrick Haley**  
Leader  
Mid Suffolk District Council



**Cllr James Waters**  
Leader  
Forest Heath District Council



**Cllr Ray Herring**  
Leader  
Suffolk Coastal District Council



**Mark Pendlington**  
Chairman  
New Anglia Local Enterprise Partnership



**Cllr Colin Law**  
Leader  
Waveney District Council



**Cllr David Ellesmere**  
Leader  
Ipswich Borough Council



**Cllr John Griffiths**  
Leader  
St Edmundsbury Borough Council



**Cllr Colin Noble**  
Leader  
Suffolk County Council



**Cllr Alan Murray**  
Chairman  
Suffolk Health and Wellbeing Board



**Tim Passmore**  
Police & Crime Commissioner



**Gareth Williams**  
Temporary Chief Constable



**Deborah Cadman OBE**  
Chief Executive  
Suffolk County Council



**Stephen Baker**  
Chief Executive  
Suffolk Coastal and Waveney District Councils



**Russell Williams**  
Chief Executive  
Ipswich Borough Council



**Ian Gallin**  
Chief Executive  
St Edmundsbury Borough and Forest Heath District Councils



**Charlie Adan**  
Chief Executive  
Babergh and Mid Suffolk District Councils



**Dr Mark Shenton**  
Chairman  
Ipswich and East and West Suffolk Clinical Commissioning Groups



**Julian Herbert**  
Chief Officer  
Ipswich and East and West Suffolk Clinical Commissioning Groups



**Dr John Stammers**  
Chair  
Great Yarmouth and Waveney Clinical Commissioning Group



**Andy Evans**  
Chief Executive  
Great Yarmouth and Waveney Clinical Commissioning Group

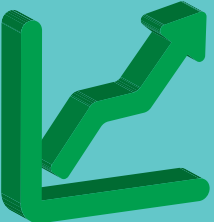


**Mark Reeve**  
Chair of Greater Cambridge and Greater Peterborough Local Enterprise Partnership



**Dr Christopher Browning**  
Chair  
West Suffolk Clinical Commissioning Groups

# Our Ambition



## 33%

Increase in total GVA per year by 2025



## £43 million

10% reduction of cost of unemployment & low pay

Over **£18 billion**



Total GVA per year by 2025



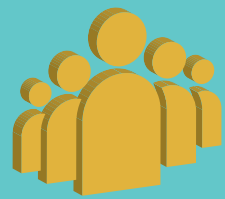
## 70,000

New homes by 2031



Increase the

## 45%



young people helped to find work since MyGo opened Dec 14



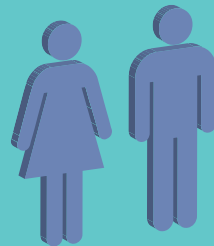
## 7,500

New apprenticeships by 2025



## 65%

A\*-C at GCSE by 2017



Improved health and care for

## 31.1%

of people aged 65+ by 2037



# Suffolk today

**£489.50**  
average weekly wage – 6%  
Lower than national average (£520.8)



**£250 million**  
Received in Business Rates



**76.3%**  
Employed



**23%**  
projected increase  
of people aged over  
85 by 2020

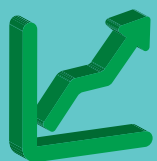


**1300**  
Jobs in Gt Yarmouth &  
Waveney Enterprise Zone



**447,100**  
working age population

**738,512**  
Population



**£2.7 billion**



Total public sector spend

**£18.5 billion**  
Inward investment in  
offshore energy sector



**6%**  
Workforce qualifications  
below national average  
at Level 4 and above

**£430 million**  
Spent on DWP work  
related benefits



**6.9%**  
of adults with a learning  
disability paid employment



**87%**  
love to live  
in Suffolk

**£176,235**  
July house price index



**145,039**  
aged 65 and over  
in 2011



# A Devolved Suffolk: Working for a better future, a summary

## Ambition

- 1 Suffolk is a strong county, with a proud heritage, enviable natural resources and established industries. As a net contributor to the UK economy, a thriving Suffolk is good for the country as well as good for the people of Suffolk.
- 2 Our ambition is that the quality of life for residents will be good and our communities strong. We are working hard to promote their ambitions and help them secure the outcomes they seek for themselves and their families in the decades to come.

The people of Suffolk want to see this beautiful county, its culture and heritage preserved for enjoyment by future generations. They want the best start to life for their children, raised in stronger families, receiving better education in a safe environment. They want the right homes in the right places; to be part of supportive, active communities and working in more rewarding jobs. They want to know that they can live independently, healthily and safely for as long as possible and if needed, that they can quickly access excellent help and support throughout their lives.

- 3 To do this, ***we need to change the role and approach public services take to shaping the future of Suffolk.*** We need decisions that determine our future to be taken in a way that reflects Suffolk's unique circumstances and priorities, through integration across Suffolk and through devolution of power to the most appropriate level within the Suffolk system – whether county, district, or community. We need these to reflect and respect the strong local identities across the county.

- 4 Our devolution proposals are shaped by four themes: Place, People, Productivity and Progress. Strengthening and investing in the county and its people will raise economic and public sector productivity, yielding growth and reduced public service costs. This golden thread also informs a service focus on economic and social outcomes, not systems, structures and policies that create silos and undermine effectiveness. This summary document gives examples of some of the areas where devolution is proposed.



# A devolved Suffolk: Working for a better future

## Place

- 5 Suffolk's strong economy, heritage, values and quality of life not only means that people born here often stay but that many people are drawn to live here. Set to continue, this brings pressure on infrastructure, and the challenge of accommodating large scale new development in our communities.
- 6 Devolving further place-shaping powers and freedoms to Suffolk will mean better planning for and integration of new development. It will bring certainty to rural areas and help Ipswich develop as a regional "city". For example:

➤ *More autonomy and certainty across local public resources such as New Homes Bonus receipts and retention of capital receipts that enables more rational, medium term planning to drive growth and reduce dependency on central grants;*

➤ *Devolution of funding and decision making for investment in a modern transport system with a secure future, based on local economic priorities that will develop employment and housing sites across the county;*

➤ *Further Enterprise Zones focussed on agri-tech, food and drink and ICT and enhancement of the Growth Hub; and*

➤ *A joined up Suffolk Strategic Plan which aligns and integrates all the different strategies, supported by local delivery plans – so that decision making on developments can be made closer to the communities they are part of*



## People

- 7 Suffolk's communities are built on strong foundations of family and community networks, ties to local places and an entrepreneurial spirit. An approach to working with local people and communities in a joined up way in one of our major towns (known as 'Lowestoft Rising') has reduced costs of high demand services by £400,000 and reduced the number of street drinkers crime and ASB reported incidents. Our Suffolk Family Focus (Troubled Families) Team successfully met its phase 1 targets early, meaning around 1,150 families were turned around by May 2015. The DCLG community budget pilot in Haverhill has released £138,000 savings (through £117,000 short term investment) - largely in reduced Job Seekers Allowance and reduced costs to the criminal justice system along with £440,000 additional productivity for businesses and levers £50,000 volunteer time.
- 8 However, we recognise that there are still pockets of rural and urban poverty. We want to address the child poverty in particular that is applying a brake on life outcomes, recognising the importance of a good home, an education, a strong family and ensuring a working household, alongside income. We want to ensure people have the opportunity to maximise their potential.
- 9 Meanwhile, our health, care and safety services are innovating and improving outcomes in the face of ever-increasing demand. Great Yarmouth and Waveney Clinical Commissioning Group is pursuing an integrated care system with the local authorities across its borders. With its joined up out of hospital team has improved patient satisfaction and reduced emergency admissions to hospital by over 10% in its first year bucking the national trend and winning the HSJ 'improved partnerships between health and local government' award last year. In East and West Suffolk the local hospitals have successfully co-ordinated 7 day working in hyper acute stroke services – and now deliver some of the best stroke outcomes in the country.

- 10 We are proposing that Suffolk takes responsibility for its own future through:

- ☛ *Devolved multi-year settlements for health, care and safety that will better align planning to need and enable independence;*
- ☛ *Devolved responsibility for the Apprenticeship Grant and successor schemes; and*
- ☛ *Designing a new local employment service that helps people to progress into work and reduces dependency on benefits*



# A devolved Suffolk: Working for a better future

## Productivity

11 Suffolk's strengths in its places and people are the foundations for greater productivity in the local economy, public sector and community.

## Economy

12 Suffolk's diverse economy, includes some world-leading sectors (for example, biotechnology, ICT, energy, ports and logistics, food, drink and agriculture and equine industries) and has a proven ability to grow and attract investment, supported by the two Local Economic Partnerships (New Anglia and Greater Cambridge, Greater Peterborough Local Economic Partnerships). For example, since the opening of the Great Yarmouth and Lowestoft Enterprise Zone in 2012, 30 companies with 1,300 jobs are based there, following almost £29m of private sector capital investment (exceeding its target of £20m by May 2015).

13 But Suffolk needs to continue growing, and to raise skills and wages. We have already seen success delivered through the Greater Ipswich City Deal for example, a new approach to employment services which provides a blueprint for future integrated employment support for young people and adults. The MyGo service aims to ensure that all young people can access the support they need to get into work, education or training and progress their careers. Since becoming fully operational in January 2015, over 1,500 young people have registered with MyGo, 750 have received support from a dedicated coach and nearly 45% have secured work. We propose:

☛ *The devolution of decision making over European Structural Funds;*

☛ *Freedom to establish a new local employment service which can deliver Universal Credit; and*

☛ *5,000 new apprenticeships by 2020 and a further 2,500 in Suffolk by 2025*



# A devolved Suffolk: Working for a better future

## Productivity

### Public Sector

- 14 We will build on our history of collaboration and integration to deliver a more productive public sector within Suffolk. For example, our shared services partnerships have already saved £11.4m, and our One Public Sector Estate work with Government and Norfolk, £12m. And through Suffolk and Norfolk Constabularies' extensive collaboration we have achieved the second highest % level of savings for police collaboration for 2014-15 in England and Wales. At the same time Suffolk Constabulary remains an independent proud and efficient force - the third lowest cost per head of the population in the country. Overall, public services in Suffolk have delivered in excess of £150m in savings through their collaboration and innovation.
- 15 Services are working towards further integration, organising within localities and orienting around residents. The County Council, police, CCGs, District and Borough locality teams in Suffolk are exploring ways to organise a more joined up local presence, foster and support community led initiatives. We are continuing to drive out inefficiency and to simplify our systems to provide value for money to taxpayers. All this is funded by £3.3m from the Transformation Challenge Award.
- 16 Devolution is the next step in our journey of public sector reform. We are therefore proposing more powers and freedoms to enable this next generation public sector model, including:

☛ *A radically different approach to local public service finances where greater local autonomy creates an environment that supports investment and is more sustainable and less reliant on central grants; and*

☛ *First rights on government estates in Suffolk enabling local autonomy over all (including NHS) local public sector estates. This will result in more effective and joined up planning so we can use assets to invest in growth and transformation*



# A devolved Suffolk: Working for a better future

## Progress

17 Allowing Suffolk the powers and freedoms to reform its public services, to shape its place, support residents and strengthen communities, will give greater certainty and control over actions and will create a more prosperous and resilient county, making fewer demands on the public purse at both local and national levels.

### Under a devolved model in Suffolk, we will deliver:

- 👉 70,000 new homes by 2031;
- 👉 Increase Suffolk's total annual GVA by a third - over £18 billion total GVA per year by 2025; and
- 👉 Invest in infrastructure to stimulate growth such as delivering on our commitment to 100% coverage of superfast broadband by 2020



## Delivery

### Governance

- 18 We believe that these proposals will pay dividends at both the local and national levels. Key to its delivery is a new way of working in Suffolk – underpinned by a new, stronger system of governance that is accountable both locally and to Westminster and reflects the diversity of areas within the county and the interests of residents.

### Public Sector Board

- 19 This will be characterised by the leaders of the Suffolk system entering into a **new relationship with central Government**. The future of Suffolk will rest with a new Public Sector Board, a simple development and continuance of the current Suffolk Public Sector Leaders Group. This board will work together across the individual sovereign bodies, designing and agreeing solutions that take account of local contexts. This is the foundation from which our future governance will evolve.

### Accountability

- 20 We recognise that Government wants an accountable person or body that can exercise devolved powers, speak for and commit to Government to deliver our 'deal' and local devolution arrangements. The Suffolk Public Sector Leaders can provide that single accountable body whilst long term sustainable arrangements are developed with Government.

### Residents

- 21 For **residents and communities in Suffolk**, who want a better future for themselves and their families the Devolution proposals for Suffolk offers more control and support for the things that will help them and their families thrive. This approach will cost them less and give them more access to the decisions that matter most.





## Delivery Continued

### Councils and Councillors

- 22 For **elected Members in Suffolk**, who want to serve their communities better, the Suffolk Devolution proposal offers greater control and accountability over the decisions that shape their divisions, wards, communities and the lives of their residents. Unlike two-tier or unitary systems of local government focused on structures, processes and 'remote' decision making, the approach will put more resources, control and responsibility into the hands of Members to work with residents.

### Public Sector Professionals

- 23 For **public sector professionals** who want to deliver excellent public services the Suffolk Devolution proposal offers more local certainty, better integration and joined up strategy that will promote early, effective, locally sensitive service delivery. Unlike siloed, top-down ways of working the approach has "no boundaries" and understands residents "produce" economic and social goods as well as consume public services.

### Beyond Suffolk's Borders

- 24 Suffolk has a strong history of working beyond its borders, for example with Norfolk, Essex and Cambridgeshire, in particular through the LEPs and Clinical Commissioning Groups (e.g. Great Yarmouth and Waveney). The ability of our Constabulary to ensure our County is a safer place to live, work, travel and invest in has been significantly enhanced through collaborative operational and IT ventures with the five other forces in the Eastern Region and beyond. The proposed governance model respects identities and could therefore be extended within reason, beyond Suffolk allowing for cross-boundary working with Counties or Boroughs and Districts within them. It does not assume consensus on all aspects of a devolution deal, but could focus on particular aspects, such as economic growth and is important in ensuring we maximise the success of transport infrastructure in maximising growth.



## Delivery Continued

### Local Enterprise Partnerships and Businesses

- 25 We are building on a sound economic foundation. Our employment figures at 76.3% of 16-64 year olds are among the best in the country; and working closely with the New Anglia and Greater Cambridgeshire and Greater Peterborough LEPs. However, our productivity levels are below the national average. To tackle this problem head on, we will work with local businesses, partners, communities, Government and LEPs to secure long term investment in: infrastructure, skills and knowledge, promoting a dynamic economy and enhancing our inwards investment.

