

## Briefing for Leaders and Chief Executives Discussion with Greg Clark MP, Secretary of State (DCLG)

June 2016

Since the submission of our Prospectus for Prosperity at the end of February 2016 we have pressed the Secretary of State to enter into discussion with our negotiation team to secure a deal for the Heart of the South West.

Following an invitation from the Secretary of State, on the 25th May 2016, leaders from the upper tier authorities met with the Greg Clarke to seek his view on our next steps forward.

We advised that our Partnership is committed to working together at a pace that, whilst capitalising on any opportunities a Devolution deal might bring, would not be at the expense of making early commitments to a particular model of governance that could damage relationships. We cited the examples of many deal areas that are struggling to hold their Partnerships together as a result of commitments made that could not be delivered.

We explained that working together across Devon and Somerset was the right scale to deliver on the big ambitions set out in our Prospectus. This footprint also makes sense to our business community as it mirrors the LEP boundaries and was indeed one of the key tests the Secretary of State said he would apply in considering any devolution proposals. We reiterated our principle of delivery at the lowest appropriate level within the wider partnership.

The Secretary of State made the following comments:

- **Geography** – the Devon and Somerset area is agreed as the appropriate scale. Our proposal must clearly demonstrate why this is the right geography for our Devolution agreement - and all councils and MPs must support the proposal.
- **Combined Authority** – the Partnership will move forward into the negotiation process based on a Combined Authority model. The Mayoral issue may be considered at a later stage, within the timeline agreed by our Partnership. A Mayor will not be imposed or be a pre-condition of any initial deal.
- **Extent of the deal** – areas that have agreed to have a Mayor will get more powers than a non-Mayoral Combined Authority deal. However, the negotiation process will be an opportunity to push the limits of this initial deal, and the process should be viewed as being incremental
- **Timeline** – we will still work towards an Autumn Statement timeline for the announcement of an initial deal
- **Growth Deal 3** – the LEP would not be penalised in Growth Deal 3 negotiations because we do not have a Devolution deal with a Mayor. The decision for allocation will be based purely on the quality of the Growth Deal bid.

We believe this is a very positive response from the Secretary of State who advised that if the Partnership, backed by each Council and our MPs, can sign up to the principle of a Combined Authority by the end of July 2016 he will arrange for the Treasury to open up negotiations towards a deal.

# Devolution

for the Heart of the South West

To achieve this, we will use the next meeting of the Leaders and Chiefs on **22 June 2016** to discuss and ratify our approach. Given the pressing timetable, we have set out the activities we believe each partner needs to undertake:

1. Secure an '*in principle*' agreement from your Council or Board in the July cycle of meetings to the creation of a Combined Authority Governance model, subject to a further report seeking final ratification in the Autumn. To assist with this task, the Programme Management Office will provide report templates for your use.
2. Develop and agree a draft Heads of Terms document that can be the basis of discussion with Treasury and our negotiation team. A draft document will be circulated prior to the Leaders and Chiefs meeting.
3. Consider and agree a Member Development Programme to be rolled out across all Councils to address some of the myths surrounding devolution and give a fuller explanation of the Combined Authority model.
4. Agree the messages for communication with key stakeholders including MP's

Since the formation of the Partnership back in August 2015 and through the various meetings we have had, we believe it is worth reflecting on our collective and individual reasons for involvement in this process:

- This is our opportunity to release powers and funding from Whitehall and enable us to have greater influence to deliver on the priorities we know are important to our region
- It places our Partnership into an exclusive club with the 10 other deal areas and the advantages this can bring in terms of incremental shifts of power from the centre to local areas
- It is the start of an ongoing process that will allow us to build on our track record and credibility for delivery that helps our communities

We recognise the question that may be posed by your individual councils and boards will be 'what's in it for us'? Obviously this is a question we hope you will take forward and debate at a local level but fundamentally it gives each partner a place at the table in making the transformational changes we need to address our demographic pressures, and secure our future prosperity.

If you have any query, please contact the Programme Management Office team members on [devolutionPMO@somerset.gov.uk](mailto:devolutionPMO@somerset.gov.uk). Below are the contact details of the PMO team.

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Signed: Councillor John Osman, Councillor John Hart, Councillor Ian Bowyer and Mayor Gordon Oliver