

A County Deal for Hampshire

Report of the Leader

Recommended:

That the “prospectus for change” document attached as an annex to this report be supported as the basis of an initial discussion with government about a potential County Deal for Hampshire.

SUMMARY:

- The Levelling Up and Regeneration Bill provides for a new model of Combined Authority that enables “devolution deals” to be agreed with government with county councils and/or unitary councils in collaboration with district councils.
- In Hampshire, the county council has led on the development of a prospectus. This could form the basis of an initial conversation with government about a potential county deal for the Hampshire area.

1 Introduction

- 1.1 The Levelling Up and Regeneration Bill provides for a new model of combined authority that enables “devolution deals” to be agreed by government with county councils and/or unitary councils in collaboration with district councils.
- 1.2 In Hampshire, the county council has led on the development of a prospectus, which is attached to this report. Their intention is that this will form the basis of an initial conversation with government about a potential county deal for the Hampshire area.
- 1.3 Within the White Paper the Government announced that areas could put forward expressions of interest to take part in “Wave 1” of the county deal process. Whilst Hampshire County Council did put forward an expression of interest in August 2021, it was not taken up by Government at that stage.

2 Background

- 2.1 The Government subsequently announced that 9 areas had been included in “Wave 1” county deal areas. These are currently being negotiated and are as follows:
 - *Cornwall;*
 - *Derby and Derbyshire;*
 - *Devon, Plymouth and Torbay;*
 - *Durham;*
 - *Hull and East Yorkshire;*

- *Leicestershire;*
- *Norfolk;*
- *Nottinghamshire and Nottingham; and*
- *Suffolk.*

2.2 The White Paper also set out the governance framework for devolution against a range of potential functions, with Level 3 being the most powerful and Level 1 being the least powerful but noting that there will be scope to negotiate further powers, on a case-by-case basis, and an opportunity to adopt “*innovative local proposals*” to address specific challenges and opportunities.

- **Level 3:** A single institution or County Council with a directly elected Mayor (DEM), across a Functional Economic Area (FEA) or whole county area.
- **Level 2:** A single institution or county council without a DEM, across a FEA or whole county area.
- **Level 1:** Local authorities working together across a FEA or whole county area e.g., through a joint committee.

2.3 In the discussions to date across the Hampshire area and beyond, the governance arrangements that relate to a potential deal are probably the most challenging. In particular Portsmouth City Council has indicated that is not supportive of a “*directly Elected Mayor or Leader across the whole of the H10W geography.*” Hampshire County Council argue however that in order to understand what is possible in terms of devolved powers and a potential County Deal, a constructive conversation with government is required.

2.4 From a TVBC and District perspective conversations about a County Deal have led to the establishment of a Regeneration and Growth partnership at district level across Hampshire. This has previously been endorsed by Cabinet and is a welcome development. It will provide a more local focus for partnership with Hampshire County Council (HCC) at district level.

2.5 A County Deal itself could help bring much needed further investment for Test Valley’s regeneration schemes for the towns of Andover and Romsey. In addition it will be an opportunity to promote other important agendas such as the rural economy and carbon reduction.

3 County Prospectus

3.1 The attached prospectus, which has been prepared by consultants engaged by HCC, identifies four thematic areas of:

- Sector Growth and Skills;
- Place Strategy;
- Net Zero and Net Environmental Gain;
- Integrated Transport.

- 3.2 The prospectus also highlights a proposal to create a Strategic Investment Fund for co-investment. The idea is to give a focus to allow funding from the private sector and Government up to c£1.2bn over 35 years. In addition, the proposal asks for a Business Rates deal with Government, setting out the potential to locally retain and strategically re-invest a significant proportion of economic growth receipts to catalyse and incentivise sustainable economic growth.
- 3.3 The prospectus is pitched at a high strategic level and does seek to commit partners to formal sign up at this point in time. However it will provide momentum to the process if HCC can gain support from district authorities, such as TVBC, for a conversation with government about a potential deal. This will help build a better understanding of what is on offer and for the Borough Council to understand the governance implications of any proposed deal.

4 Corporate Objectives and Priorities

- 4.1 At this point there are no clear details of how the proposed county deal would assist the council in the delivery of its corporate objectives and priorities. However, the process of discussion with government will help build a better understanding of what is on offer and how it will help the people of Test Valley.

5 Consultations/Communications

- 5.1 An all member briefing was held in July to bring TVBC councillors up to speed on the proposals contained in the attached prospectus.

6 Risk Management

- 6.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified related to supporting an initial conversation with government about a potential county deal for the Hampshire area, at this time.

7 Resource Implications

- 7.1 There are no resource implications arising from this report.

8 Legal Implications

- 8.1 There are no legal implications arising from this report.

9 Equality Issues

- 9.1 There are no equality issues arising from this report.

10 Conclusion

- 10.1 Hampshire County Council wishes to understand what is possible in terms of devolved powers and a potential County Deal. As a result, a constructive conversation with government is required. By supporting the “prospectus for change” document as the basis of an initial discussion with government TVBC

will assist in this process.

Background Papers (Local Government Act 1972 Section 100D)

Annexed to the report

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	1	File Ref:	N/A
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(Portfolio: Leader) Councillor P North

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Report to:	Cabinet	Date:	26 October 2022
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