

<b>Report to:</b>	<b>Leader and Lead Member for Strategic Management and Economic Development</b>
<b>Date of meeting:</b>	<b>17 September 2024</b>
<b>By:</b>	<b>Chief Executive</b>
<b>Title:</b>	<b>East Sussex Devolution Proposal</b>
<b>Purpose:</b>	<b>To consider a draft response to Government's invitation to submit a devolution proposal for East Sussex</b>

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***RECOMMENDATIONS: The Leader and Lead Member is recommended to:***

- 1) Note the invitation from Government to submit a devolution proposal; and**
  - 2) Approve the draft letter (Appendix 3) and Expression of Interest (Appendix 4) which respond to the invitation from Government.**
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## **1 Background Information**

1.1 Devolution in England has been progressed by several successive Governments, and the previous parliament saw a significant expansion in the number of areas with devolved powers. In this context, devolution relates to the transfer of powers and funding from national to local government, ensuring that decisions are made closer to the local people, communities and businesses they affect. It works on the principle that decision making is better undertaken at local level so it can react and adapt to reflect local circumstances and need and deliver faster results for communities.

1.2 To date devolution has been delivered through negotiation between Government and local authorities to reach an agreed 'deal' which sets out the powers and governance model that would be taken on and associated funding arrangements. Devolution is separate from and does not require local government reorganisation to take place.

1.3 The most recent wave of newly agreed deals have each been based around the devolution framework first published in the 2022 Levelling Up the United Kingdom White Paper, which set out three different 'levels' of devolution, outlining the powers and functions available and the governance model required for each of these levels. Under this framework the broadest range of powers that a single county area could take on were set at 'Level 3' and were reserved for areas with a directly elected mayor or leader. Appendix 1 includes a summary of that devolution framework and a list of the existing deals.

1.4 On 16 July 2024, following the general election, the Deputy Prime Minister wrote to all upper tier local authorities without devolution deals inviting them to develop and submit an Expression of Interest for a devolution proposal. The letter also confirmed the Government's intention to publish a new devolution framework, setting out the new powers and flexibilities available to local authorities. A copy of the letter is included at Appendix 2 to this report.

## **2 Supporting Information**

2.1 The full details of the new devolution framework have not yet been set out, although some aspects are expected to remain unchanged, particularly the Government's strong preference for a mayoral governance model and the reservation of certain powers for areas with this model. The

English Devolution Bill, announced in the King’s Speech, will put this new framework into legislation.

2.2 The new Government has also indicated its intention to move away from the ‘deal-based’ approach to devolution. It is anticipated that the English Devolution Bill will enable local leaders to formally request additional powers from the devolution framework where they meet the governance conditions. Government will be required to assess any such request, and either devolve the powers or explain publicly why they have not been agreed.

2.3 The primary focus for devolution is the growth of the economy, and the new framework will aim to give local leaders enhanced powers over strategic planning, local transport networks, skills, and employment support, and the funding required to deliver them. Government is looking to devolve powers “tailored to sensible economic geographies so that local leaders can act at the scale needed to effectively deploy their powers” whilst taking into account “existing public service and partnership arrangements”.

2.4 East Sussex has a well-established and strong network of county-wide partnerships which work proactively and collaboratively in developing our local economy, making it the logical geography for devolution in those areas. Team East Sussex and its supporting partnerships, including Skills East Sussex and Business East Sussex, provide broad and effective partnerships with local stakeholders. The recent transfer of Local Enterprise Partnership functions to the Council and development of a new economic strategy for the county, currently in the final stages of agreement, provide further supporting reasons to progress devolution on an East Sussex footprint.

2.5 Furthermore, the strength of relationships and established mechanisms for collaboration between the County Council and the five district and borough councils within East Sussex would allow for devolution discussions to be progressed at pace and maximise opportunities to meet the needs of East Sussex residents and communities. In building on existing partnerships, an East Sussex grouping will be able to make the fastest progress, within the resources available, delivering our and the Government’s aspirations through devolution.

### Next steps

2.6 Upper tier authorities have been asked to respond to the invitation from the Deputy Prime Minister by the end of September 2024 to participate in the first set of devolution settlements. Responses are expected to follow a three question Expression of Interest template to formally set out their interest, the preferred geography and views on the different models of governance. A draft East Sussex County Council response, in the form of a cover letter and a draft Expression of Interest, are included at Appendices 3 and 4 respectively to this report.

2.7 The proposal, supported by the district and borough councils in East Sussex, reflects the strength of partnerships, assets and distinct nature – particularly the economy – of East Sussex. It:

- proposes an East Sussex geography, working with Transport for the South East as appropriate, to improve outcomes for our residents and communities;
- allows for further refinement of our position as further information emerges; and
- takes the opportunity to emphasise to Government the severe budgetary pressures councils are under and to note that devolution alone will not address these in the short-term.

2.8 Once we have a response from Government to the East Sussex proposal, and have been able to appraise the new devolution framework, we will then be in a position to confirm next steps and the timescales associated with them.

### **3 Conclusion and Reasons for Recommendations**

3.1 Government recently wrote to all upper tier authorities in England without devolution deals to invite them to consider a devolution proposal for their area, with the opportunity to submit an Expression of Interest by the end of September.

3.2 Whilst devolution has been progressed by previous Governments, new legislation will allow local areas to formally request additional powers, replacing the previous deal-based approach.

3.3 It is proposed that the County Council, with the support of the district and borough councils, submits an Expression of Interest for devolved powers based on the existing East Sussex geography.

3.4 Devolution provides opportunities to support medium and long term local economic growth through opportunities for funding and new powers in areas including transport, adult education, planning and economic development. However it is not anticipated that it would help to overcome the severe financial constraints faced by the County Council in the short term.

### **BECKY SHAW**

Chief Executive

### LOCAL MEMBERS

All

### BACKGROUND DOCUMENTS

None

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## Appendix 1

*Levelling Up Devolution Framework (2022)*: Three levels of devolution, with the greatest powers and the inclusion of a 30-year investment fund reserved for Level 3 deals requiring a directly elected Mayor/Leader. Deal areas “must have a combined population of at least 500,000”.

Level 1 (L1) - Local authorities working together across a Functioning Economic Area (FEA) or whole county area e.g. through a joint committee
<ul style="list-style-type: none"> <li>- Strategic role in delivering services</li> <li>- Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies</li> <li>- Opportunity to pool services at a strategic level</li> <li>- Opportunity to adopt innovative local proposals to deliver action on climate change and the UK’s Net Zero targets</li> </ul>
Level 2 (L2) - A single institution or County Council without a Directly Elected Mayor, across an FEA or whole county area
<p>Above, plus:</p> <ul style="list-style-type: none"> <li>- Supporting local business with LEP functions</li> <li>- Some local control of sustainable transport, including ability to introduce bus franchising</li> <li>- UK Shared Prosperity Fund planning and delivery at strategic level</li> <li>- Devolution of Adult Education functions and the core Adult Education Budget &amp; Providing input into Local Skills Improvement Plans</li> <li>- Homes England compulsory purchase powers</li> <li>- Clearly defined role in local resilience</li> </ul>
Level 3 (L3) - A single institution or County Council with a directly elected mayor, across a FEA or whole county area:
<ul style="list-style-type: none"> <li>• Directly Elected Mayor and Combined Authority or</li> <li>• Directly Elected Leader of a County Council or</li> <li>• Mayoral County Combined Authority (MCCA) which is an amended form of the Mayoral Combined Authority arrangement covering county areas where there are also neighbouring unitary local authorities.</li> </ul>
<p>Above, plus:</p> <ul style="list-style-type: none"> <li>- New rail partnerships with Great British Railways</li> <li>- Consolidation of existing core local transport funding</li> <li>- Long term investment fund and brownfield funding</li> <li>- Role in designing and delivering future contracted employment programmes.</li> <li>- Ability to establish Mayoral Development Corporations</li> <li>- Strategic partnerships with Homes England</li> <li>- Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align</li> <li>- Ability to introduce mayoral precept on council tax</li> <li>- Ability to introduce supplement on business rates</li> </ul>

*Deals Agreed to Date:* To date 22 devolution deals have been agreed (but not all ratified) with local areas. Some of these do not include Directly Elected Mayors, while other areas expect to elect mayors for the first time in 2025. Deals agreed since the publication of the February 2022 White Paper include:

<b>Deal Area</b>	<b>Level</b>	<b>Date agreed with Govt (not all yet consulted on)</b>
<a href="#">East Midlands</a>	Level 3	August 2022
<a href="#">York &amp; North Yorkshire</a>	Level 3	August 2022
<a href="#">Norfolk</a>	Level 3	December 2022
<a href="#">Suffolk</a>	Level 3	December 2022
<a href="#">Greater Manchester</a>	Trailblazer	March 2023
<a href="#">West Midlands</a>	Trailblazer	March 2023
<a href="#">Cornwall</a>	Level 2	November 2023
<a href="#">Greater Lincolnshire</a>	Level 3	November 2023
<a href="#">Lancashire</a>	Level 2	November 2023
<a href="#">Hull/East Yorkshire</a>	Level 3	November 2023
<a href="#">North East</a>	Level 3	December 2023
<a href="#">Devon and Torbay</a>	Level 2	January 2024
<a href="#">Buckinghamshire</a>	Level 2	March 2024
<a href="#">Warwickshire</a>	Level 2	March 2024
<a href="#">Surrey</a>	Level 2	March 2024



# Ministry of Housing, Communities & Local Government

**Rt Hon Angela Rayner MP**

*Deputy Prime Minister and Secretary of State for  
Housing, Communities and Local Government*  
2 Marsham Street  
London  
SW1P 4DF

16 July 2024

Dear Leader,

## **The next steps to devolution**

I am delighted to be writing to you with the weight of a new Labour government behind me, laser focused on pushing power out of Whitehall and lighting the touch paper of growth across our regions.

In my first correspondence to you, I would like to invite you to partner with this Government to deliver the most ambitious programme of devolution this country has ever seen. I know you agree that for too long, Westminster has hoarded power and held back towns, cities, and villages across the country from achieving their true potential.

Last week, the Prime Minister and I had the pleasure of meeting England's metro Mayors, a signal of intent about our desire to bring local leaders into the heart of our government. We discussed how to deliver sustained economic growth through better housing, more tailored skills, and decent, well-paid jobs, through both national and local levers.

This government has been elected on a manifesto to widen and deepen devolution across the country. I have seen first-hand the benefits of devolution, from better integrated transport and publicly controlled buses to new skills programmes and good, affordable housing projects.

But our ambitions go further. We will devolve new powers over transport, skills, housing, planning and employment support. As we have set out to Mayors, we want more regions to benefit from integrated settlements, with access to this important financial flexibility for mayoralities with capacity, strong accountability structures and exemplary track records of financial management.

We will move away from a deal-based approach, setting out clear conditions and a clear offer in return for places seeking devolution agreement, and will enshrine a presumption towards devolution, so places can take on new powers automatically if they meet certain conditions.

Devolution underpins our national mission to deliver economic growth for everyone, everywhere, raising living standards across the UK. This Government will work in partnership with local leaders to implement Local Growth Plans, and I am excited to establish a Council of Nations and Regions to bring together the Prime Minister, the leaders of the devolved administrations and metro Mayors. I want to see more places represented at that Council, with more Mayors at the table.

Together, we can drive growth in every corner of the country. That is why we are inviting more places to use these enhanced powers and play a leading role in our national renewal. Now is the time to come forward and work with this new Government to deliver growth in your area.

Many of you will have struggled to get devolution settlements over the line, or were in the process of negotiating a settlement before the general election. You may have been held up by lengthy negotiations over powers, geographies, or governance. This Government will begin to work with you to resolve those issues.

My Cabinet Colleagues and I also understand that all too many councils are facing financial strain and have been left balancing new obligations with higher costs and interest rates after a decade of financial mismanagement from the centre. Rest assured, we will ensure that you have the resources to deliver new devolved powers and functions.

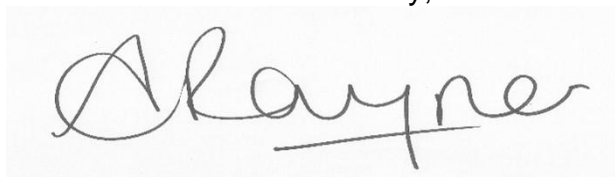
We know we will only be able to improve public services through economic growth, and it is critical you play a leading role in delivering it. But we also recognise this must be accompanied by reforms to local government and long-term funding settlements, providing you with the certainty to plan and provide the best possible value for money for residents.

In due course, the Government will publish a new devolution framework, setting out the new powers and flexibilities available to you. While we will not force places to take on a metro Mayor, we will not shy away from making the case for their huge advantages, with some powers continuing to be reserved for institutions with directly elected leaders, such as Mayoral Combined Authorities.

We continue to believe that new devolution settlements should be tailored to sensible economic geographies so that local leaders can act at the scale needed to effectively deploy their powers. In the majority of cases that will require local authorities to come together in new combined or combined county authorities. I encourage you to begin discussions with your neighbouring authorities on this basis.

The Minister for Local Government and my officials stand ready to meet to discuss proposals and to support you, so you are ready to board the train of devolution as we surge along this journey to give every community a voice in the future of Britain. I would welcome proposals by the end of September to participate in a first set of devolution settlements.

Yours Sincerely,

A handwritten signature in black ink that reads "Rayne". The signature is written in a cursive style with a horizontal line under the "e".

**RT HON ANGELA RAYNER MP**

Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government



## **Appendix 3**

Dear Deputy Prime Minister

### **East Sussex - Devolution**

Thank you for the invitation to submit an Expression of Interest in a devolution deal which is attached. We, the leaders of all the Councils in East Sussex and the Group leaders of all the parties on the County Council, welcome the Government's enthusiasm for devolution and the opportunity this gives us to build on existing relationships and strong foundations. We are proud of the strong collaboration between upper and lower tier councils that this letter reflects and are committed to using all possible vehicles to improve the quality of life of our residents, health of our businesses and vibrancy of our communities. This means we are particularly interested in greater local control to increase good job opportunities, skills, transport and infrastructure to support growth of suitable housing, action on climate change and resilience, our ability to increase the effectiveness of spatial planning and to explore innovative ways to meet the needs of our distinct local population. We await with great interest the Government's framework of powers to be devolved, and associated governance requirements.

We also await your view of "sensible economic geographies" for devolution and for future spatial planning and locally, we remain open to conversations with a range of partners about that. In East Sussex we have a proven strong network of partnerships that we have created, sustained and evolved. In seeking to develop our local economy the longstanding Team East Sussex and its supporting partnerships including Skills East Sussex and Business East Sussex provide strong and well-established broad partnerships with local stakeholders. We have a robust, recently renewed, economic evidence base and the new economic strategy will be agreed in September. We also have a proven track record of working at larger geographic scale when the issue makes that the most appropriate level.

Our experience and planning as a group of councils about how best to meet the needs of the residents, businesses and communities of East Sussex, all place a huge premium of the strength of the partnerships.

We know you are aware of the high level of pressure currently faced by councils particularly in relation to social care, special needs and homelessness, this means capacity to engage in work that does not have a short-term impact, however valuable in the medium term, is very limited.

East Sussex provides the best platform for devolution to be delivered at pace, with certainty and opportunity for future growth and we look forward to discussing this with you.

Yours

**Cllr Keith Glazier**  
**Leader of East Sussex County Council**

**Cllr Julia Hilton - Leader of Hastings Borough Council**

**Cllr Stephen Holt - Leader of Eastbourne Borough Council**

**Cllr Rachel Millward - Leader of Wealden District Council**

**Cllr Zoe Nicholson - Leader of Lewes District Council**

**Cllr Doug Oliver - Leader of Rother District Council**

**Cllr Chris Collier - Leader of ESCC Labour Group**

**Cllr Johnny Denis - Leader of ESCC Green Group**

**Cllr Stephen Shing - Leader of ESCC Independent Democrat Group**

**Cllr David Tutt - Leader of ESCC Liberal Democrat Group**



Ministry of Housing,  
Communities &  
Local Government

## DEVOLUTION DEAL EOI

<p><b>Preferred geography</b></p>	<p>East Sussex (Area cover by East Sussex County Council, Eastbourne, Lewes, Hastings, Rother and Wealden District and Borough Councils)</p>
<p><b>Initial preference on mayoral / non-mayoral devolution</b></p>	<p>The six councils are willing to explore all options once there is clarity about the added value of additional governance arrangements</p>
<p><b>Contact details (political and officer level)</b></p>	<p>Cllr Keith Glazier (Leader ESCC) <a href="mailto:Cllr.keith.glazier@eastsussex.gov.uk">Cllr.keith.glazier@eastsussex.gov.uk</a></p> <p>Becky Shaw (Chief Executive ESCC) <a href="mailto:Becky.shaw@eastsussex.gov.uk">Becky.shaw@eastsussex.gov.uk</a></p>

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