

**Report to:** Leader and Lead Member for Strategic Management and Economic Development

**Date of meeting:** 17 September 2024

**By:** Chief Executive

**Title:** East Sussex Devolution Proposal

**Purpose:** To consider a draft response to Government's invitation to submit a devolution proposal for East Sussex

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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