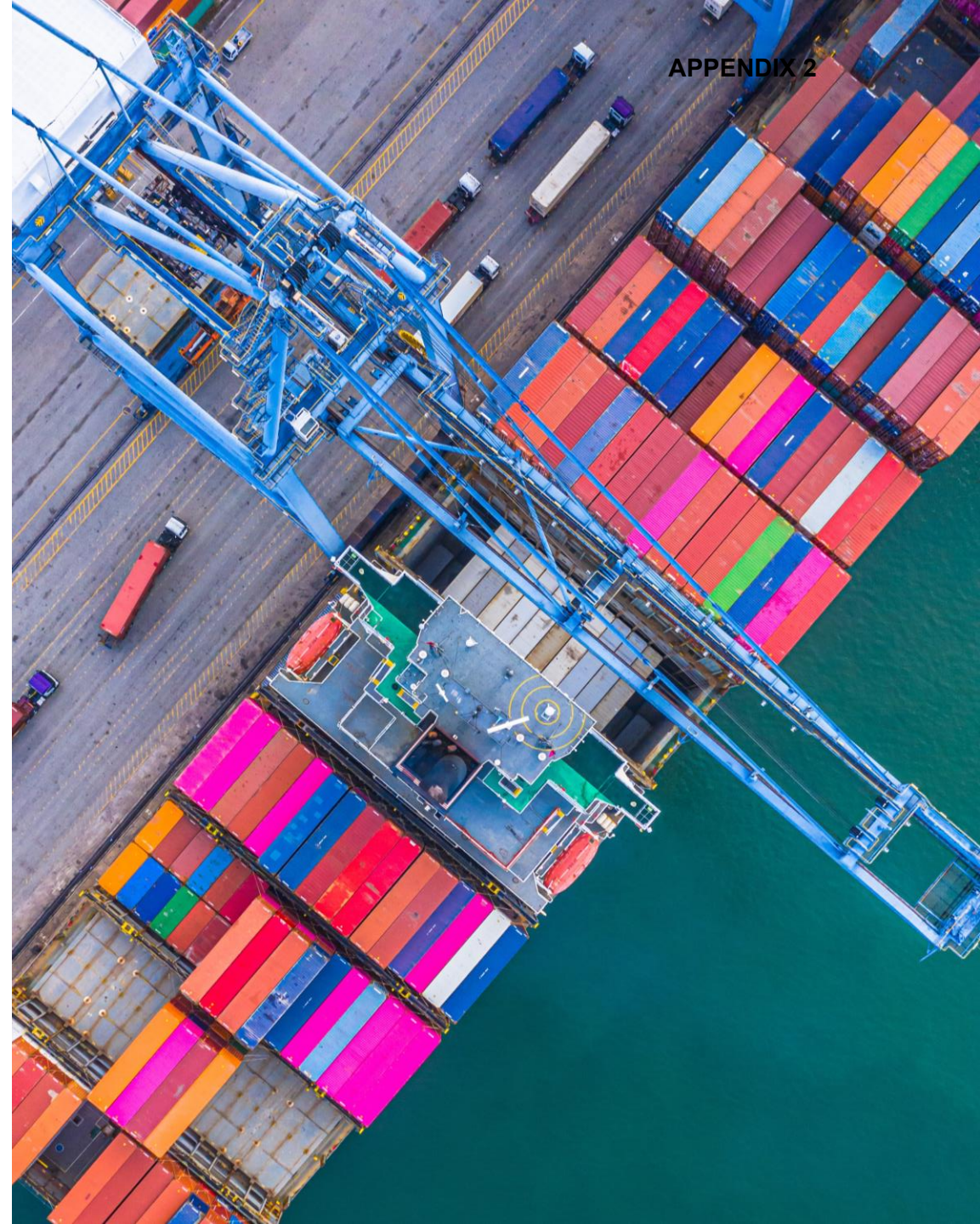


Greater Essex Devolution and Economic Development

MP Background Briefing

29 September 2023

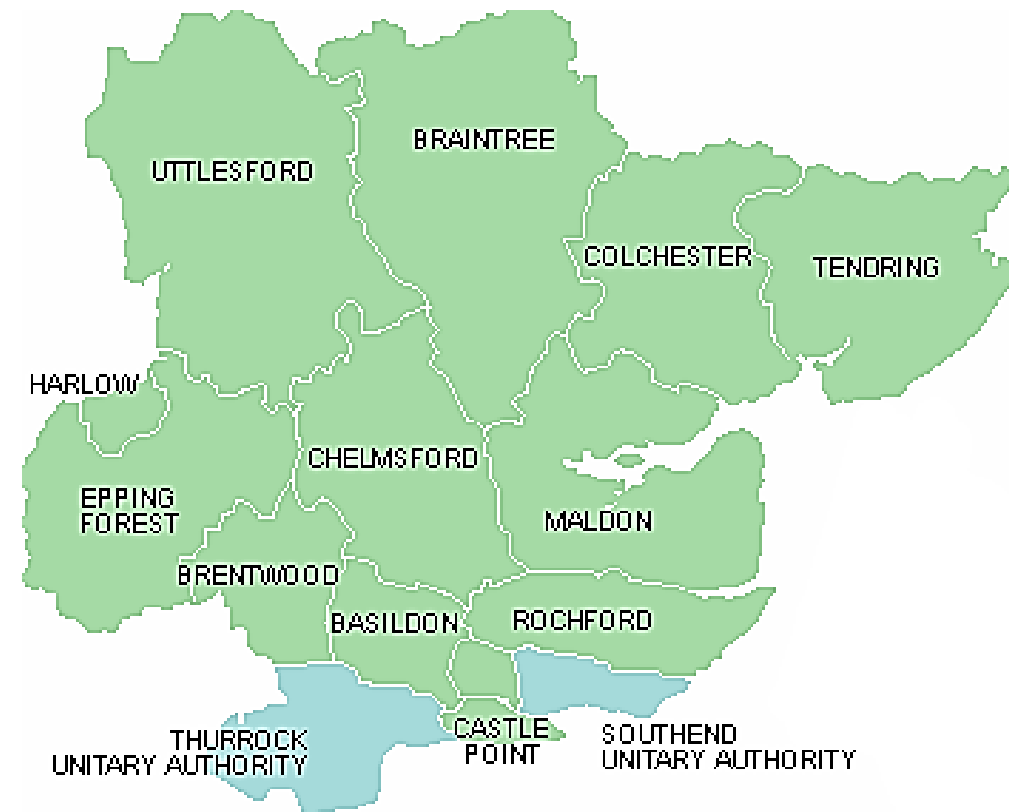


What do we mean by devolution?

The Levelling Up White Paper is focused on the decentralisation of powers, decision making and funding away from Central Government to local democratically elected & accountable bodies elsewhere in England.

It is not about local government reform or reorganisation, taking funding from existing councils,
or becoming a contracted delivery agency for the government.

Devolution from central government means that local authorities will have more power and funding locally to focus on tackling strategic priorities of sub-regional importance



Why? What is the problem we are trying to fix in Greater Essex?

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Drive economic growth,
higher productivity,
better jobs

Underpowered system

LEP abolition

Weak voice in HMG

Being left behind

Scarce resources

Lack of strategic
planning



The national picture

As the map on the right shows, approximately 50% of the population in England - over 20 million people - are now covered by a devolution deal that is either in place or has been announced. In the last year, despite other pressures, the government has agreed devolution deals with:

York & North Yorkshire	1 st August
East Midlands	30 th August
Cornwall	2 nd December
Suffolk	8 th December
Norfolk	8 th December
North East	28 th December

In a Ministerial Statement on 8th December, government said that discussions with places to identify potential candidates for the next set of new devolution deals will start in early 2023.



Source: Local Government Chronicle, 03 July 2023

Key principles for a devolution deal

Any devolution deal will need to comply with the **four principles** that the government set out in the White Paper. They are:



Effective Leadership: Powers will be devolved to areas that have ‘the necessary structures and leadership for clear, strong local decision-making’. In practice this means some form of Combined Authority and, for the highest levels of devolution deal, a directly elected mayor.



Sensible Geography: Devolution deals should be based on geographies that cover functional economic areas; are ‘locally recognisable’ in terms of identity, place and community; and cover *at least* a whole county council area. Scale is also an important factor and new deals will need to support a population of at least 500,000.






Flexibility: The framework set out in the WP is not supposed to be prescriptive. The government expects deals to be tailored to the needs of local areas and to be built on and extended over time.



Appropriate Accountability: Local leaders and institutions must be transparent and accountable; work closely with local businesses; seek the best value for taxpayers’ money; and maintain strong ethical standards.

Levels of deals on offer

If a proposal comes forward that satisfies the 4 principles, there are 3 levels of deal on offer, which serve as the starting point for negotiations. The requirements of the levels are as follows, with Level 3 offering the greatest powers and funding:

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

Level 2 powers from the devolution framework

Policy area	Power the framework allows to be delegated
Giving adults the skills for the labour market	Devolution of Adult Education functions and the core Adult Education Budget
	Providing input into Local Skills Improvement Plans
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies
	Opportunity to pool services at a strategic level
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets
Supporting local businesses	LEP functions including leading strategic business engagement
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans
	Ability to introduce bus franchising
Investment spending	UKSPF planning and delivery at a strategic level
Local control of infrastructure decisions	Homes England compulsory purchase powers (held concurrently)
Keeping the public safe and healthy	Clearly defined role in local resilience

LEP and North and South Essex councils



The South East Local Enterprise Partnership (SELEP) is being abolished in March 2024 with functions returning to Greater Essex.



We need to reset our strategic relationship with businesses to drive growth. The Chambers of Commerce has already taken on lead for the Essex Local Skills Improvement Plan with our support.



The North and the South of Essex are very different – we will have federated arrangements of some sort.



Greater Essex Devolution Ambitions

Our ambitious devolution deal will unleash growth and transform lives. We aim to be the fastest growing economy outside of London by 2040 and make Greater Essex once again one of the most competitive places in Europe.



ATTRACTING INVESTMENT

A multi-billion Investment Fund will be part of our deal and will enable us to crowd in additional private sector funding – turbocharging the scale of investment we are able to make in our job-creating economic assets.



MODERNISING SKILLS AND TRAINING

We have a historic skills deficit which affects productivity. Taking control of adult education will enable us to match skills provision to the needs of our businesses and create a more joined-up and integrated skills system.



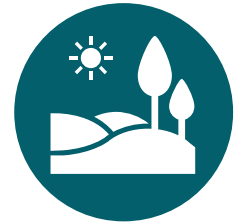
CONNECTING TRANSPORT & DIGITAL

Transport and infrastructure drive economic growth, health and well-being, access to jobs and services, education and social connectedness. A strategic transport authority with powers over roads, buses, and rail will support 21st century infrastructure.



ENRICHING ARTS, CULTURE, & TOURISM

The identity of our places and the pride we take in them are key strengths of Greater Essex – we want to build on our assets and boost the tourism economy in Greater Essex.



INSPIRING PLACES AND SPACES

Running through our Deal is a strong commitment to enhancing our environment. We are seeking new monies and powers to ensure that the landscape of Greater Essex is protected and enhanced as we unleash the economic growth we need.

Support from Businesses and Institutions

Since January, partner councils have been engaging with Business Groups across the county to share our emerging proposals and seek their views on the outcomes that they would like a devolution deal to help deliver for the county. We have also received letters in support of a deal from a number of key local businesses and employers including:

Metal Culture	Thames Estuary Growth Board	Thames Freeport
Signals Media Arts Centre	Teledyne UK Ltd	Anglia Ruskin University
Essex Cultural Diversity Project	Ford	Writtle College
Mercury Theatre	Freeport East	University of Essex
Confederation of British Industry (CBI)	London Stansted Airport	Mid and South Essex Integrated Care Board
Essex Chambers of Commerce	London Southend Airport	Suffolk and North East Essex Integrated Care Board
C2C	Port of Tilbury	

Agreeing a deal for Greater Essex



Cllr Kevin Bentley, Leader of Essex County Council, said:

"This is a game-changer for Greater Essex, will serve to further strengthen the Essex economy and improve public services for the benefit of residents and businesses across Essex, Southend and Thurrock. "There is a way to go before the deal is finalised and we will be working hard over the coming weeks to ensure we achieve the best possible outcome for Greater Essex ahead of the Autumn Budget Statement. We will be pushing for the best deal possible for Greater Essex."

Cllr Andrew Jefferies, Leader of Thurrock Council, said:


"We are keen to explore the opportunities and can see the potential of devolution. We'll be entering negotiations with a focus on making sure any deals brings benefits for all in the county and be good for our residents in Thurrock."

Cllr Tony Cox, Leader of Southend-on-Sea City Council, said:

"This marks a significant milestone for devolution locally. We look forward to taking part in further negotiations with the Government on their proposed level 2 deal and then talking to our local communities about these proposals via public consultation."

Myth busting: a combined authority for Greater Essex

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1. This is not a merger between Essex, Southend and Thurrock – each authority remains independent. This is not local government reform.
 2. The Combined Authority created is a separate legal entity, of which the three upper tier authorities act as the “shareholders”.
 3. A Level 2 Combined Authority is different to the GLA model, in that the board appoints a chairperson (not a Mayor), who will be a member from one of the constituent authorities. The final operating model has to be agreed by central government, but we get to devise and propose it to them.
 4. Unless the 3 authorities decide to devolve up some of their existing powers, the combined authority will deal with new business. However, upper tier authorities may choose to operate some shared services.
 5. The combined authority will predominantly be leading strategic functions and will not duplicate existing roles or create new layers.
 6. Our Level 2 deal is still in negotiation stage – a full public consultation with residents and businesses will take place before any final deal text is signed off.

Work programme

To manage the planning and delivery of this work, we have broken down activities into the following workstreams:



Policy and negotiating brief: This is about agreeing the negotiating objectives for the policy elements of the deal and then negotiating them with upper tier partners and Govt to secure the right deal for Greater Essex.



Combined Authority Governance: This is about agreeing the governance model for the CA to secure a model that will be effective and fair.



Internal governance pathway: This is about having a clear internal governance pathway for the key decisions across ECC, Southend, and Thurrock – so we can manage governance effectively and in a co-ordinated way.

Type of institution: This is about agreeing what we want a Combined Authority to do, how it might evolve over time, and how it needs to be set up to deliver that.



Finance: This is about having visibility and effective decision making over all of the financial elements of the devolution deal.

Comms and engagement: This is about ensuring we have a proactive and co-ordinated programme of activity to engage the public, Members, MPs, and key partners.



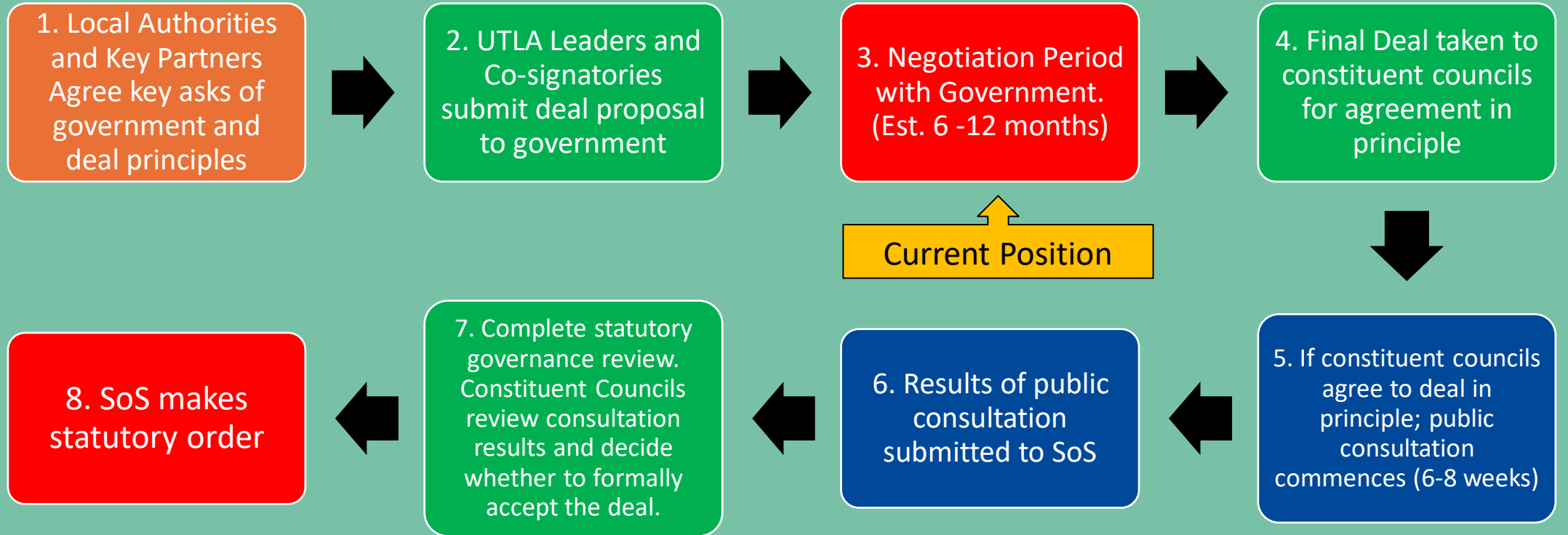
Public consultation: This is about determining whether a devolution deal has public and partner support, and ensuring we meet the DLUHC statutory tests for the deal to be implemented in law.

Policy implementation: This is about putting in place an implementation plan so that the CA, constituent authorities, and partners are ready to implement the new policy responsibilities.

Typical 1st Devolution Deal Process

Process for all deal levels

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Additional process for devolution deals with a directly elected Mayor

