

# STROUD DISTRICT COUNCIL

## COUNCIL

THURSDAY, 25 APRIL 2024

<b>Report Title</b>	<b>County Deal and Devolution Memorandum of Understanding</b>			
<b>Purpose of Report</b>	To note the emerging County Deal for Gloucestershire and to agree to the Leader of the Council signing the Devolution Memorandum of Understanding with Gloucestershire County Council on behalf of Stroud District Council.			
<b>Decision(s)</b>	<b>The Council RESOLVES to agree to the Leader of the Council, on behalf of the Council, signing the Devolution Memorandum of Understanding at Appendix 1 to this report with Gloucestershire County Council in respect of the proposed County Deal for Gloucestershire.</b>			
<b>Consultation and Feedback</b>	Leadership Gloucestershire, All Group Leaders			
<b>Report Author</b>	Kathy O'Leary, Chief Executive Email: <a href="mailto:Kathy.oleary@stroud.gov.uk">Kathy.oleary@stroud.gov.uk</a>			
<b>Options</b>	Gloucestershire County Council is seeking the support of all six district and borough councils to pursue a County Deal for Gloucestershire, and the Devolution Memorandum of Understanding provides reassurance to the districts and boroughs in respect of controls that the GCC intends to leave with the districts and boroughs. If the Council does not sign the MoU, it risks losing control of its UKSPF allocation when the County Deal is agreed.			
<b>Background Papers</b>	None.			
<b>Appendices</b>	Appendix 1 – District / Borough Devolution Memorandum of Understanding			
<b>Implications (further details at the end of report)</b>	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

### 1. Introduction / Background

- 1.1 Devolution is defined as the process of devolving powers and budgets from central government to localities. It enables decisions to be made closer to the local people, communities and businesses they affect.
- 1.2 There is a complex pattern of devolution of powers, budgets and responsibilities to mayors and through city deals to mostly metropolitan areas of England. The Levelling Up and Regeneration Act 2023 created a new type of Combined Authority for England, the County Combined Authority (CCA) designed for more rural areas. Like Combined Authorities, CCAs are made up of upper tier authorities only, although districts / boroughs can become non-voting members if certain conditions are satisfied.

- 1.3 The Government's Devolution Framework (Levelling Up White Paper) sets out three levels of devolution:
- Level 3 – a single institution (Combined Area or County Combined Area) or County Council with a directly elected mayor across a functional economic area or whole county
  - Level 2 - a single institution (Combined Area or County Combined Area) or County Council without a directly elected mayor across a functional economic area or whole county
  - Level 1 – local authorities working together across a functional economic area or whole county.
- 1.4 To date Gloucestershire has been operating at level 1, with the local authorities in the county working together as part of the Gloucestershire Economic Growth Joint Committee (GEGJC). Members will note that there is a related report on this agenda detailing the successor to the GEGJC, the Gloucestershire City Region Board, which will have a role in moving forward the County Deal and further devolution for Gloucestershire.
- 1.5 In the 2023 Autumn statement, the Chancellor announced the intention of the Secretary of State for Levelling Up, Housing and Communities to offer Level 2 devolution deals to seven county areas: Gloucestershire, Warwickshire, Surrey, Buckinghamshire, Somerset, Oxfordshire and Hertfordshire.
- 1.6 On budget day, Wednesday 6 March 2024, the Level 2 devolution county deals for Buckinghamshire, Warwickshire and Surrey were announced. The plan is for the others to follow rapidly, with the deals to be concluded this Spring.
- 1.7 Level 2 devolution county deals carry no requirement to have an elected mayor or create a combined authority. The deals effectively comprise 'off the peg' devolved powers and funding for the geographical counties named. County deals also do not necessitate local government reorganisation.

## **2. Gloucestershire County Deal**

- 2.1 The benefits to Gloucestershire of a county deal would be:
- Transfer of the Adult Education Budget (£10m, expected to take effect in 2026/27)
  - UK Shared Prosperity Fund (UKSPF) strategic oversight
  - Land assembly and compulsory purchase powers (between the local planning authority, county council and Homes England)
  - Local Skills Improvement Plans (from April 2024)
  - Integration of LEP functions (from April 2024 with the demise of the G First LEP)
  - Climate Change Responsibility (commitment from Government to work with local areas to explore approaches, from April 2024).
- 2.2 The six district / borough Leaders and Chief Executives in Gloucestershire raised some initial concerns about points 2 and 3 above. In respect of UKSPF, ostensibly the county deal would allow the County Council to take control of the UKSPF allocations for all six districts / boroughs for the remaining year of its allocation. Beyond the next year, the future of the UKSPF is uncertain and will be a matter for the incoming Government beyond the General Election. In respect of land assembly, there were again concerns that the wishes of the local planning authorities could be overridden.

### **3. Devolution Memorandum of Understanding**

3.1 However, the attached draft Devolution Memorandum of Understanding (MoU) helps to alleviate the initial concerns raised in the following ways:

- The aim of the MoU is that the county council will transfer the control of spending of UKSPF to districts/ boroughs – i.e. an allocation from UKSPF (using the proportions of the current allocation) from 2025/26 will be under the direct control of each council. The future of UKSPF beyond the next year is unknown.
- In line with the draft devolution deal document, under the MoU the county council will seek the agreement of the districts/ boroughs prior to working on land assembly or CPO for any land within district council areas or owned/controlled by each council.

3.2 The six District / Borough Council Leaders have been asked to sign the MoU as soon as possible given the Government's intention to conclude the county deal this Spring.

### **4. Implications**

#### **4.1 Financial Implications**

The MOU demonstrates a commitment by the County Council that the District will retain its current allocation of UK Shared Prosperity Fund, which lasts until the end of the 2024/25 financial year.

Information about the future of UKSPF after 2025 is not known but the MOU commits that SDC will still have oversight of a proportion of any funding received. This proportion will be calculated using the overall allocations for Gloucestershire in the initial UKSPF period of 2022-25.

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#### **4.2 Legal Implications**

Under the Constitution, Full Council is responsible for approving joint arrangements as necessary to carry out functions as it considers appropriate.

The MoU is as a reassurance statement from Gloucestershire County Council that the District will continue to have oversight of an appropriate proportion of the UK Shared Prosperity Fund from April 2025 and that the County will seek agreement from the District before they enact any power to access additional land for housing and regeneration purposes.

If the County Council do not adhere to the terms of the MoU the District will have no legal recourse to enforce these provisions.

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#### **4.3 Equality Implications**

There are no specific equality implications in noting the emerging County Deal and signing the Devolution Memorandum of Understanding. However, the new Gloucestershire City Region Board will consider equality implications in making its decisions in respect of the emerging County Deal and in administering the Strategic Economic Development Fund (SEDF).

#### **4.4 Environmental Implications**

There are no specific environmental implications in connection with this report. However, the emerging County Deal offers a significant opportunity in respect of discussions with Government about Climate Change Responsibilities (see paragraph 2.1 above). The new Gloucestershire City Region Board will consider environmental implications in making its decisions and in administering the Strategic Economic Development Fund (SEDF).