

Mayoral Combined Authority Board

Tuesday, 10 September 2024

English Devolution Bill

Is the paper exempt from the press and public? No

Reason why exempt: Not applicable

Purpose of this report: Governance

Is this a Key Decision? No

Has it been included on the Forward Plan of Key Decisions? Not a Key

Decision

Portfolio: Policy, Engagement & Impact

Portfolio Holder: Mayor Oliver Coppard

Lead Chief Executive: Martin Swales

Director Approving Submission of the Report:

Clare Monaghan, Executive Director - Policy and Strategic Development

Report Author(s):

Andy Gates, Director – Development, Collaboration and Culture Andrew.Gates@southyorkshire-ca.gov.uk

Danny Leach — National Management Trainee Danny.Leach@southyorkshire-ca.gov.uk

Executive Summary

This paper updates Board Members on the process the MCA is progressing to ready itself for deeper and broader devolution, the unlocking of greater freedoms and

flexibilities and stronger South Yorkshire and national government partnerships. The paper includes a summary of the Government's English Devolution Bill and other Bills relating to devolution, including the Planning and Infrastructure Bill and the Better Buses Bill, as set out in the King's Speech.

What does this mean for businesses, people and places in South Yorkshire?

The devolution of further powers and resources to the MCA provides the Mayor and Leaders with more flexibility to deliver locally developed programmes and to better influence national programmes that deliver in South Yorkshire. This includes investing in infrastructure and housing, supporting transport improvements, business investment and support programmes and better aligning skills supply with demand. It will also support a long-term growth plan, covering many areas of the MCA's remit and aligning with the Mayor's ambition to make South Yorkshire a prosperous region with dynamic businesses.

Recommendations

Board members are asked to:

- 1. Note the publication of the English Devolution Bill and the opportunities this presents South Yorkshire.
- 2. Note the work underway to prepare the work on a Local Growth Plan.
- 3. Note the work being undertaken to ensure the MCA is prepared for the devolution of new powers and resources.
- 4. Note the intention to develop a submission to the spending review focused on securing resources to deliver agreed MCA priorities, based on a one-year settlement for 2025-26, then a three-year single settlement deal from 2026.

Consideration by any other Board, Committee, Assurance or Advisory Panel n/a

1. Background

1.1 In the King's Speech, on 17th July 2024, the Government announced its intention to publish an English Devolution Bill, a Better Buses Bill, and a Planning and Infrastructure Bill.

The English Devolution Bill will strengthen the presumption for devolving powers through a new framework. It will establish a new framework for MCAs to implement Level 4 Devolution powers and move towards Trailblazer powers and single-settlement funding. A working group has been established to manage the practical implications of accepting further devolution and a single funding settlement.

The Planning and Infrastructure Bill is intended to streamline planning applications for critical infrastructure and accelerate progress on the national missions to decarbonise the national grid, and to build 1.5m homes. It will also

provide guidance on the role of the MCA in developing a Spatial Development Strategy.

The Better Buses Bill will allow local authorities to establish municipally owned bus companies and will seek to safeguard local bus networks by giving transport authorities more powers to hold bus operators accountable for performance. Local leaders will be given greater flexibility over bus funding to develop longer term plans.

In addition, the Government has asked Combined Authorities to begin preparing local growth plans. By September, the MCA will be expected to have a preliminary set of priorities, which will feed into the spending review process. This preparatory work is currently ongoing.

It is expected that the final growth plan will be published early next summer.

The indicated English Devolution Bill is a welcome stepping stone to further devolution; the adoption of these new arrangements will provide benefits to the MCA and enable the region to unlock greater rewards in the future, including the single funding settlement, which will support the strategic priorities of South Yorkshire.

2. Key Issues

2.1 Overview

The planned English Devolution Bill is not finalised, but the indication is that the Government wants to move away from bespoke deals and towards a more uniform framework approach.

The Planning and Infrastructure Bill has not been published yet, and the precise role of MCAs in the planning process has also not been decided.

The deadline for submission of initial priorities for the growth plan is October 2024. MHCLG and relevant Government Departments are now working with the MCA to develop the outline plan. This will be driven in part by the Plan for Good Growth and Skills Strategy.

2.2 Analysis

The King's Speech and the Government's other announcements contain many elements which should be welcomed. There is a strong commitment for a move towards a single funding settlement, and a clear intention to codevelop policy with MCAs. These were key tenets of the MCAs L4 Devolution Deal agreed with the previous Government in March 2024. It is expected that the English Devolution Bill will be the route through which the new Government enacts elements of the agreed L4 deal.

As a mature combined authority, with a record of project delivery, good use of public money, and strong accountability arrangements, the MCA is well placed to take on new responsibilities and flexibilities.

Working at pace

The Government have set out their intention to work at pace to bring both the legislation and the development of new Local Growth Plans forward. This sits alongside the announcement from the Chancellor to deliver a 1-year Spending Review for the financial year 25/26 with a subsequent three-year Spending Review for the years 26/27 onwards.

It is expected that the MCA would be in a position to agree a Single Settlement with the Government in that three-year Spending Review process.

2.3 Implementation

In order to be on the front foot, the MCA has established a Devolution Organisational Readiness Leadership group. This group will co-ordinate the various programmes of work to ensure that our response to the Government's Spending Review, our Local Growth Plan development, and contributions to the Government's legislative agenda. The group will also work to ensure that the MCA is in a position to meet any requirements / readiness conditions to access the benefits of further devolution.

It is understood that local growth plans will be broad and long-term, encompassing housing, transport, skills, and culture alongside growth.

In the short term, initial priorities for the growth plan will need to be decided ahead of the spending review. Following the spending review, specific targets will be set against these priorities, with a final growth plan to be published in Summer 2025. The Growth team are working on the preliminary phase of the growth plan now.

It is not yet clear to what extent the Planning and Infrastructure Bill will place responsibilities on the MCA. However, the MCA has been proactive in developing a housing pipeline across South Yorkshire and engaging with Homes England in a Strategic Place Partnership.

3. Consultation on Proposal

3.1 This paper seeks support to continue formal engagement with Government on the development of the English Devolution Bill. The MCA will work with MHCLG through the UK Mayors network on the development of the Bill.

As the Government has signalled it will use primary legislation to bring forward the policy intent, formal consultation may not be required to adopt these powers.

Ongoing discussions have taken place with colleagues in our Local Authorities to shape the response to the English Devolution Bill to ensure we are able to maximise the opportunities available for the region.

4. Timetable and Accountability for Implementing this Decision

4.1 The pace of implementation will vary between different elements of the English Devolution Bill, depending on resource availability and complexity. This will be driven primarily by strategic priority and level of impact.

The MCA will work with the Government on a phased implementation of the English Devolution Framework in South Yorkshire.

The MCA Devolution Organisational Readiness Leadership group will steer the implementation through strategic prioritisation. There will be clear lines of accountability in the devolution working groups.

5. Financial and Procurement Implications and Advice

5.1 There are several elements of the English Devolution Bill that have financial implications.

Most notably, there is a commitment to access the single funding settlement at the Spending Review in 2026/27 (contingent on successful delivery of the consolidated pots and learning from the trailblazers).

The rationalisation of existing funding regimes could allow for a more efficient approach to financial management and move away from competitive funding bids through automatic inclusion of relevant funding streams in the consolidated pots and ultimately the single settlement.

There remain significant discrepancies between MCAs due to the previous Government declining to offer Business Rate Retention (BRR) pilots in the Level 4 Framework. It is not yet clear whether this Government will offer BRR pilots.

6. Legal Implications and Advice

6.1 The process undertaken at this stage does not constitute a binding agreement nor form part of the statutory process.

The legal implications of specific elements of the English Devolution Bill will be fully assessed to ensure any statutory process under the Local Democracy, Economic Development and Construction Act 2009 are followed.

7. Human Resources Implications and Advice

7.1 Any arising human resource requirements will be considered as necessary as work progresses through the usual business planning process.

8. Equality and Diversity Implications and Advice

8.1 As work progresses equality and diversity implications will be actively considered.

9. Climate Change Implications and Advice

9.1 An Impact Assessment is not required for this activity. Further devolution of powers and/or resources may support the region to achieve our net zero ambitions.

10. Information and Communication Technology Implications and Advice

10.1 There are no information and communication technology implications relating to this activity.

11. Communications and Marketing Implications and Advice

11.1 Any arising communications and marketing requirements will be considered as necessary as work progresses through the usual business planning process.

List of Appendices Included: None