

**To: Scrutiny Committee**

**Date: 6 March 2018**

**Report of: Assistant Chief Executive**

**Titles: Scrutiny review of devolution plans for Oxfordshire – 12 month progress update**

| <b>Scrutiny recommendation</b>  | <b>Agree?</b> | <b>City Executive Board response provided by the Leader of the Council (January 2017)</b>  | <b>Progress update provided by the Assistant Chief Executive (February 2018)</b>   |
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| <p>1. That the City Council, in partnership with the Oxfordshire County and District Councils and the Oxfordshire Local Enterprise Partnership, prioritises securing a devolution deal with government as soon as practicably possible within the current potential window of opportunity, based on an updated and refocused version of the proposal that was agreed by the leaders of all Oxfordshire councils in February 2016, with the addition of a directly elected mayor as a key line of accountability to a combined authority structure. (paragraphs 16–26)</p> | Yes           | <p>Agreement to proceed on this basis was reached at the LEP Board meeting on 6 December, and each local authority is now taking the in principle proposal through their own democratic structures. Work is being undertaken by a number of officer groups on the key elements of the proposal – most importantly, the powers and functions of the Combined Authority and the Mayor.</p> | <p>In June 2017 The City Council, in partnership with West Oxfordshire and Cherwell District Councils submitted a proposal to the SoS in response to the Unitary submission submitted by other Oxfordshire Authorities. This proposed devolution to Oxfordshire with Growth Board / Combined Authority Governance.</p> <p>Following the General Election in May 2017 Government have not progressed with any further Devolution Deals. Though it has made it clear that it is not currently supporting further Elected Mayors at present. Government policy on future devolution is not yet clear, though it has committed to produce a “Devolution Framework”</p> <p>In the meantime, the City Council in partnership with all the authorities in</p> |

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|  |     |   | Oxfordshire has successfully negotiated a Housing and Growth Deal with Government which, whilst not as extensive as a Devolution Deal does secure funding for infrastructure and housing and secures a number of the flexibilities we were seeking through a Devolution Deal. This will put us in a strong position to argue for further devolution when government's direction of travel becomes clear.                    |
| 2. That a refreshed devolution proposal is refocused on making the strongest possible case for unlocking the Oxfordshire's economic growth potential through devolved powers and budgets for transport infrastructure, housing (including the delivery of significant new social and affordable housing), planning for sustainable development and skills. <i>(paragraphs 27-28)</i> | Yes | This is well described in the updated SEP which will be published in the next few weeks and will form the basis for the substantive elements of the devolution proposal.                                      | This was clearly articulated in both the submission to the SoS in response to Unitary proposal and in the submission for a Housing and Growth Deal.   |
| 3. That a refreshed devolution proposal is aligned to and strongly supports the delivery of the Oxford-Milton Keynes-Cambridge 'growth corridor', including the proposed Oxford to Cambridge expressway, and reflects the high priority government attaches to local and regional sustainability, infrastructure and housing growth. <i>(paragraph 29)</i>                           | Yes | The Growth Corridor has a high priority in the NIC recommendations and in the work of the Treasury and the Dept of Industry on the government's Industrial Strategy. Discussions with the NIC are continuing. | The City Council engaged closely with the NIC work on the Corridor particularly on governance and to make the case for investment in first/last mile transport infrastructure in Oxfordshire.<br><br>The recommendations of the NIC report and response from Government position reflected the need for investment in infrastructure and housing in Oxfordshire as is reflected in the Autumn statement announcement of the |

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|  |     |  | Oxfordshire housing and Growth Deal (the first in the country) as a “down-payment” .   |
| 4. That a refreshed devolution proposal supports the delivery of improved sustainable transport corridors and connectivity with neighbouring combined authority areas, such as the West Midlands, with an Oxfordshire Combined Authority providing a vehicle for joint working with other regional strategic bodies. <i>(paragraph 30)</i>   | Yes | The potential role of the England’s Heartlands group in coordinating the transport infrastructure developments and the relationship with the combined authorities (actual) in Peterborough and Cambridgeshire and ( potential ) in Oxfordshire will be explored. | Importance of connectivity and engagement with neighbouring areas was a feature of our submission to the SoS and we have pursued this through discussions with other areas of the Ox-Cam corridor. The NIC report and Housing and Growth Deal both recognise the Oxfordshire Growth Board as a sound basis for this. |
| 5. That consideration is given to how a refreshed devolution proposal could facilitate the development of local solutions to macro-economic government priorities, such as productivity and housing delivery. As a potentially highly productive part of the UK, Oxfordshire is in a unique position to be an exemplar for sharing the benefits of enhanced productivity, knowledge and innovation across the country. <i>(paragraphs 31-32)</i> | Yes |  | This is reflected in the Productivity strand of the Housing and Growth Deal, particularly the development of a Local Industrial Strategy in Oxfordshire (one of only 3 in first wave in the country).  |
| 6. That devolution to an Oxfordshire Combined Authority is treated as an opportunity to forge a new relationship with government (as well as other national and international actors) that ensures Oxfordshire is at the forefront of government thinking in terms of trade and inward investment post-Brexit. <i>(paragraph 33)</i>   | Yes |  | The Housing and Growth Deal has established a new relationship with government and includes a commitment that they will continue to work with us to secure investment and tackle barriers to Growth.   |

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| <p>7. That given the challenges to the sustainability of health and social care services, the ambition to create a more integrated approach to health and social care should not be lost and the City Council should seek to play a full and active role in the consideration of what a new model for health and social care in Oxfordshire should look like, once the fundamental implications of the Buckinghamshire, Oxfordshire and Berkshire West NHS Sustainability and Transformation Plan (STP) become clearer. <i>(paragraphs 34-38)</i></p>  | <p>Yes</p> | <p>The crisis in health and social care has been well documented and is a core issue for the LGA in its dealings with central government. The £2 billion deficit in social care funding by 2020 and the growing deficits in most Health Trusts can only be dealt with by new funding arrangements and (potentially) new organisational structures. The City Council will play its full part in whatever arrangements emerge from the current debate around the STPs, and would want to be involved in the debate as an active participant to represent the specific interests of Oxford's citizens.</p> | <p>The national direction of travel and taking forward STPs remains unclear. The City Council remains keen to be an active participant in discussions as this develops.</p> |
| <p>8. That the role and powers of an elected mayor for Oxfordshire, together with associated checks and balances, should be carefully considered by the City Council, other Oxfordshire councils and the LEP, with reference to existing models such as the Cambridgeshire and Peterborough Combined Authority. An elected mayor would Chair the Combined Authority and as a minimum should:</p> <ul style="list-style-type: none"> <li>a) Assign clear cabinet portfolio responsibilities to members of the combined authority; <i>(paragraph 42)</i></li> <li>b) Propose annual spending plans for devolved funding, economic strategies, transport plans and non-statutory spatial plans; <i>(paragraph 44)</i></li> <li>c) Be a member of Oxfordshire Local Enterprise Partnership. <i>(paragraph 45)</i></li> </ul> | <p>Yes</p> | <p>The precise powers of the elected mayor will be a key part of the negotiations around a devolution agreement with central government.</p>  | <p>Following the General Election in May 2017 it is clear that Government is not supporting new Mayoral Combined Authorities</p>  |

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| <p>9. That the constitution of a combined authority, including provisions for ensuring transparency and effective accountability, should be agreed prior to the election of a mayor following careful consideration by the City Council, other Oxfordshire councils and the LEP, with reference to existing models such as the Cambridgeshire and Peterborough combined authority. We suggest that the constitution of a combined authority would include:</p> <p>a) Tight controls around how the constitution could be amended once adopted, for example requiring unanimous agreement amongst the constituent authorities; (<i>paragraph 47</i>)</p> <p>b) Powers to reject proposals put forward by the mayor on some form of majority basis (e.g. a 2/3 majority); (<i>paragraph 48</i>)</p> <p>c) Equal votes for all members, including the representative of Oxfordshire Local Enterprise Partnership and the elected mayor; (<i>paragraph 49</i>)</p> <p>d) A principle of subsidiarity so that powers and responsibilities devolved from government are discharged at the lowest appropriate level, bringing governance closer to the people; (<i>paragraph 50</i>)</p> <p>e) An overview and scrutiny committee that includes at least one (preferably two) non-executive members from each constituent council, taking proportionality across the county into account; (<i>paragraphs 51-52</i>)</p> <p>f) A rule that if the Mayor is independent,</p> | <p>Yes</p> |  | <p>Following the General Election in May 2017 it is clear that Government is not supporting new Mayoral Combined Authorities</p> |
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| <p>the Chair of Scrutiny can't be from the majority party on the combined authority; <i>(paragraph 53)</i></p> <p>g) Provisions for promoting openness and transparency including scrutiny of decisions in public before they are taken; <i>(paragraph 54)</i></p> <p>h) Provisions for non-constituent members, including specifying any circumstances in which constituent members could give voting rights to non-constituent members; <i>(paragraph 55)</i></p> <p>i) Mechanisms for reporting back to constituent authorities. <i>(paragraph 56)</i></p> |     |  |  |
| <p>10. That consideration is given by the City Council, other Oxfordshire councils and the LEP as to how the administrative running costs associated with a mayoral combined authority (which would come with significant new investments and additional responsibilities for local government) could be met without increasing the overall running costs of local government in Oxfordshire. <i>(paragraphs 57-58)</i></p>   | Yes |  |  |
| <p>11. That elected members and the public should be engaged with about what a mayoral combined authority model for Oxfordshire would look like, as well as the various benefits that securing a devolution deal would bring, before a proposal is submitted to government. <i>(paragraph 59)</i></p>   | Yes | The scope for very extensive public engagement prior to the initial submission may be limited since the aim is to move ahead as quickly as possible, but there will be adequate time before any devolution agreement is reached for a well structured public engagement exercise |  |
| <p>12. That the City Council continues to work with the other Oxfordshire councils to</p>   | Yes |  |  |

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| <p>unlock efficiencies through joint working between infrastructure and planning functions, making better use of council assets and exploring how district functions such as housing could help to reduce pressure on adult social care services. <i>(paragraph 60-61)</i></p>                     |            | <p>This work is under way</p>  |  |
| <p>13. That ideally collaborative working between councils aimed at releasing efficiency savings should result in a jointly developed and agreed plan for efficiencies and service transformation that can be delivered without local government reorganisation. <i>(paragraphs 62-63)</i></p>     | <p>Yes</p> | <p>This is the philosophy informing the joint working referred to in recommendation 12</p>   |  |
| <p>14. That collaborative working on devolution and identifying efficiencies are created as opportunities to build a consensus among the Oxfordshire councils and strategic partners around what the shared strategic priorities and outcomes for Oxfordshire should be. <i>(paragraph 64)</i></p> | <p>Yes</p> |  |  |
| <p>15. That any future governance model for local government in Oxfordshire should be designed to facilitate the achievement of shared priorities and outcomes, not simply to deliver cash savings or to engineer political outcomes. <i>(paragraph 66)</i></p>                                    | <p>Yes</p> | <p>The purpose of devolution and the governance arrangements associated with a devolution agreement is precisely this ie to more effectively deliver jointly agreed outcomes in transport, housing, economic prosperity and skill development.</p> |  |
| <p>16. That the work the Review Group has undertaken in identifying the strengths and weaknesses of different governance models (see Appendix 2) should be used as part of an evidence base to inform any future consideration of local government</p>   | <p>Yes</p> |  |  |

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| reorganisation in Oxfordshire. ( <i>paragraph 67</i> )  |     |  |  |
| 17. That the evidence base that informs any future decisions about local government reorganisation in Oxfordshire includes an economic assessment of different governance models. ( <i>paragraph 68</i> )   | Yes |  |  |
| 18. That the net savings estimates from any future reorganisation of local government in Oxfordshire, together with projections for the long term sustainability of unitary authorities, would need to be re-considered in light of changes to local government finance settlements (i.e. Business Rates retention), any changes to local government responsibilities and any new models for delivering social care and health services. Any future decisions on local government reorganisation should also take into account the revenue generation potential of the different unitary authorities and the potential for achieving efficiencies to deliver service transformation. ( <i>paragraph 69-73</i> ) | Yes | The devolution of business rates, partially replacing the revenue support grant mechanism for local authorities, is a major unknown in planning for the future in local government. Once the new system is finalised, it will be important to integrate the potential financial flows into the structures at county and district levels. |  |
| 19. That any future governance model for local government in Oxfordshire that impacts the city and the wider city-region should have strategic and operational layers and facilitate the following things over the longer term:<br>a) Strong, democratically accountable decision making at strategic and local levels that minimises logjams in decision   | Yes |  |  |



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| <p>making; <i>(paragraph 75)</i></p> <p>b) The sustainable economic growth of the city and wider city-region that capitalises on the unique assets of the city; <i>(paragraph 76)</i></p> <p>c) Accountable representation that reflects the urban geography and demographics of the city; <i>(paragraph 77)</i></p> <p>d) The continuation and enhancement of historical preferences and decision-making legacies in the city and other parts of the county, such as different approaches to social housing, trading, outsourcing, etc. <i>(paragraph 78)</i></p> <p>e) The protection and growth of local government revenues from non-government sources (e.g. traded services, commercial property rents, etc.) <i>(paragraphs 72 &amp; 78)</i></p> <p>f) Closer working that overcomes silos and unlocks efficiencies in areas where synergies exist, such as housing and social care, trading standards and environmental health, customer services, etc. <i>(paragraph 79)</i></p> <p>g) Effective engagement and strong relationships between local government, strategic partners and key stakeholders, including government and business, together with powerful, coherent advocacy for Oxfordshire on the international stage to attract inward investment; <i>(paragraph 80)</i></p> <p>h) Aligned strategic planning for economic</p> |  |  |  |
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| <p>growth, transport, infrastructure, housing, skills and jobs at county-level that joins up local plan making over district-area footprints; (<i>paragraph 81</i>)</p> <p>i) Aligned strategic planning for a better integrated approach to health and social care services that is sensitive to the particular needs of place, especially areas with high levels of health inequality and deprivation; (<i>paragraphs 34-38 &amp; 82</i>)</p> <p>j) The safe and resilient delivery of children’s services over a county-footprint that reflects the socio-economic benefits of preventative-led delivery and is sensitive to localities with concentrated demographic need; (<i>paragraphs 83-84</i>)</p> <p>k) The delivery of quality council services at the most appropriate scales; (<i>paragraph 85</i>)</p> <p>l) Savings from reductions in duplication of back office functions, management costs, democratic costs, contracting at scale, etc. (<i>paragraph 86</i>)</p> |  |  |  |
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