



The purpose of this paper is for Members to consider if there is any action they should take in connection with the developing Devolution Deal for the proposed Combined Hampshire and the Isle of Wight authority.

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**No. DETAIL**

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**1) BACKGROUND**

- a) The proposals for the establishment of a Combined Hampshire & Isle of Wight authority set out in the Devolution Prospectus issued in September and accepted by government as the basis for discussion are progressing.
  - b) If adopted the outcome will be a new Combined Authority under the Cities and Local Government Devolution Bill currently completing its progress through Parliament and consisting of the 15 existing Local Authorities in the area, both the Local Economic Partnerships and two National Parks.
  - c) Although the development currently envisages the continuation of the all the existing Local Authorities, the proposals represent radical changes to the long established framework of local government and its funding.
  - d) Sections 2 – 4 below identify the emerging concerns about both the proposals and the process for progressing them based on an assessment by Professor Bob Hudson of the Centre for Public Policy and Health at the University of Durham in a recent London School of Economics Blog available [here](#).
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**2) DEMOCRATIC DEFICIT**

- a) Bob Hudson describes these Devolution Deals as being conducted on:  
*a case-by-case basis with local political and business elites. There is no place here for public discussion and challenge. This secrecy in decision-making has been matched by the opaqueness of the regional negotiating bodies, the 'combined authorities' of contiguous local authorities. These increasingly powerful statutory bodies are governed by a committee or board comprising the constituent local council leaders. At best, their democratic mandate is indirect and in reality few members of the public will even be aware of their existence.*
  - b) Although the Isle of Wight Council has signed up to membership of the Combined Authority it has yet to communicate in writing with Town and Parish Councils or even to indicate a commitment to or process for engagement with them.
  - c) It is clear from the Cities and Local Government Devolution Bill that there will be a requirement for each Combined Authority to have an elected Mayor with considerable powers including the appointment of his own Deputy.
  - d) Although the Bill contains provisions for an Overview and Scrutiny Committee, it will only be allowed to consider decisions already taken with no power to discuss or influence future decisions.
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**3) CENTRAL CONTROL**

- a) Although often presented as a significant move to decentralise governance, the fact that the Secretary of State will determine who will Chair the Overview and Scrutiny Committee and an enabling power will enable the Secretary of State to block the disclosure of information to the committee are indications to the contrary.
  - b) Bob Hudson's conclusion is that  
*The current proposals in England fail [the devolution] test on two counts: that power is still effectively retained at the centre; and that residual powers are concentrated in a small number of hands in the regions.*
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#### 4) FINANCIAL RISK

- a) The move to allow local authorities to retain 100% of the Business Rates they collect by 2020 announced by the Chancellor in October as the basis for the removal of the current central grant has been welcomed by those authorities keen to sign up to the new Combined Authorities.
- b) The risk, identified by Bob Hudson among many other commentators, is that *the measure contains severe restrictions and is likely to benefit wealthy areas at the expense of areas that find it difficult to attract business.*
- c) The Isle of Wight Council Leader has stated that unless the proposals don't at least retain the current level of funding for the Island then the Council will not join the Combined Authority, the fact is that simply retaining the existing level will do nothing to secure that Council's longer term survival

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#### 5) RECOMMENDATION

The Town Council is recommended to consider the current proposals and process for the Island's inclusion in a Combined Hampshire and the Isle of Wight Authority and agree its response.

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