



The purpose of this paper is for Members to agree a response to the current stage in the process for the proposed creation of a Solent Mayoral Combined Authority of the Unitary Authorities of Portsmouth, Southampton and the Isle of Wight.

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**1) BACKGROUND**

- a) A letter from the Isle of Wight Council's Chief Executive John Metcalfe of 1 July 2016 to the Isle of Wight Association of Local Councils (IWALC) invites a response as follows:  
*As one of our key stakeholders, we would be very grateful for your provisional views on whether you agree with our draft conclusion that the creation of a Combined Authority across the three councils [Portsmouth City Council, Southampton City Council and the Isle of Wight Council] will help deliver improvements for the Solent economy and quality of life for local people.*
  - b) The accompanying documentation consisted of a *Strategic Governance Review* of four sections:
    - i) the case for a Solent Mayoral Combined Authority
    - ii) current governance arrangements
    - iii) future arrangements
    - iv) proposed role and function of a Mayoral Combined Authority
  - c) A Summary document was also provided, a copy of which is attached to this Report; the full document has been previously circulated to Members and is available on the Town Council's web site.
  - d) IWALC has asked its member Town and Parish Councils to respond by 11 July as the matter is due to be determined at the meeting of the Isle of Wight Council's Executive on 14 July and a copy of the paper for that meeting on this matter has been previously circulated to Members and made available on the Town Council's web site.
  - e) Matching documentation has been made available within both Portsmouth City Council and Southampton City Council, both of which will also make their decision on this stage of the process during July.
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**2) PROCESS**

- a) Once the three Unitary Authorities have reached this stage – a *Governance Review* – they are required by law to consult with those organisations they have identified as key stakeholders for this process.
  - b) The purpose of the review is to determine whether the existing governance arrangements for economic development, regeneration and transport in the area are effective, or whether the area would benefit from changes, including the establishment of a new Combined Authority...the review is required to focus on the governance arrangements for local authority functions that might be addressed in the formation of a new sub-regional body and not the functions and performance of those other bodies.
  - c) If the conclusion of the Review is that the creation of a Combined Authority) would be likely to improve:
    - o the exercise of statutory functions relating to economic development, regeneration and transport in the area,
    - o the effectiveness and efficiency of transport in the area, and
    - o the economic conditions in the area,then the process will move to the next stage.
  - d) That next stage will be a major public consultation over six weeks in the early autumn before a final decision is made by all three Unitary Councils.
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### 3) RESPONSE

- a) The Town Council is asked to respond formally to IWALC, and through IWALC to the Isle of Wight Council, only to the *current* stage of the process.
- b) If the Isle of Wight Council's Executive decides to proceed to the next stage the Town Council will then have the opportunity to respond to the detailed proposals for the *Governance Scheme*.
- c) In preparing for agreeing its response the Town Council held an informal meeting on the *Governance Review* on Thursday 7 July.

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### 4) RECOMMENDATION

The Town Council is recommended to inform IWALC and the Isle of Wight Council that:

- i) after careful consideration of the fiscal restraints and significantly reduced and restricted resources of the Isle of Wight Council and the potentially significant opportunities available through the establishment of a Solent Mayoral Combined Authority, it agrees with the Isle of Wight Council's draft conclusion that the creation of a Solent Combined Authority will help deliver improvements for the Solent economy and quality of life for local people.
  - ii) the Town Council looks forward to the opportunity to contribute to the consultation on the draft *Governance Scheme* if the Isle of Wight Council decides to proceed to that stage of the process.
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# Solent Strategic Governance Review

## Summary Document

### **Purpose**

As part of the process of securing a Devolution Deal with central government, a formal review of strategic governance arrangements for the Solent area has been undertaken and is summarised in this document. The formal review was commissioned to ensure that sufficiently robust governance arrangements are in place to support the devolution of powers and responsibilities from central government to the Solent area. It has been prepared on behalf of the local authorities of the Isle of Wight, Portsmouth and Southampton, and the Solent Local Enterprise Partnership (SLEP).

### **Why this area?**

The three unitary authorities of the Isle of Wight, Portsmouth and Southampton are committed to improving outcomes for local people and working with the SLEP to help drive the economic growth that the area needs. With a population of more than 580,000 people within these three local authorities and more than 30,000 businesses, the Solent area is an internationally-recognised economic hub anchored around the Isle of Wight, the two cities of Portsmouth and Southampton, and the Solent waterway. The economic and communications inter-dependencies between the cities and the Isle of Wight are critical to our continued success.

The economy of the Solent area has a significance that extends beyond the locality, making an important contribution to the national economy. With about 95% of the total volume of UK import and export trade arriving by sea, the Solent's maritime services sector is vital to the UK. Our maritime and marine research base is also amongst the best in the world. We have a robust knowledge infrastructure with strengths in key economic sectors, road, port, rail and airport connectivity, internationally-renowned companies, world-class universities and a network of high quality Further Education (FE) colleges. The Solent therefore is a significant sub-regional gateway economy with strengths across a range of industries. This means that the three local authorities and Solent LEP, working together, provide a natural basis to drive the benefits of any devolution of powers and responsibilities to the area from central government.

### **The benefits of devolution?**

There is a draft devolution deal with HM Government that will provide amongst many other benefits, significant extra investment for the area (nearly £1bn over the next 30 years). This will help unlock additional funding to deliver the infrastructure that the Solent area needs to boost economic growth, create more jobs and build more homes. The deal also enables the three local authorities to pilot the local retention of business rates (earlier than the national scheme) to make sure that we have a real incentive to push economic growth. We see this first deal as a gateway to further deals with government that can bring improved services closer to the communities they serve. The deal also includes opportunities to improve services in business support and innovation; learning, skills and employment; housing and planning; transport; and public service reform.

## **The options**

The Leaders of the three authorities and the Local Enterprise Partnership recognise that to deliver on this agenda will require strong, visible, and accountable governance. While current arrangements have worked well to date, the governance review looked at how the current arrangements (including the extensive joint working arrangements that already exist) could deliver the opportunities afforded by the devolution deal.

The review considered the following 4 options:

- Option 1 - Leaving existing governance unchanged (the status quo);
- Option 2 - Establishing a Joint Committee;
- Option 3 - Establishing an Economic Prosperity Board; and
- Option 4 - Establishing a Mayoral Combined Authority.

The review concluded that;

- maintaining the status quo may not realise sufficient improvement in the economic conditions of the area. The existing and fragmented decision making processes would continue making it more difficult to drive decisions forward.
- a Joint Committee would address some of the governance and accountability issues around economic development and regeneration but would not dramatically improve the effectiveness and efficiency for transport and other service areas. Due to a lack of new powers, fragmented decision making structures would remain.
- an Economic Prosperity Board would address some of the governance and accountability issues around economic development and regeneration but, as above, would still leave the issues of transport and other service areas outside the formal joint arrangements, limiting the scope for increased effectiveness and efficiency.
- building on existing partnership arrangements and supporting the LEP, the creation of a Solent (Portsmouth, Southampton and the Isle of Wight Councils) Mayoral Combined Authority, with the alignment of accountability, governance and geographies for economic development, regeneration, transport and other service areas would provide the area with the best possible chance of securing significant and lasting improvements in economic development, regeneration and transport and increased efficiency and effectiveness of devolved public services. Acting across the administrative boundaries of the area in pursuit of common interests would enhance the area's economic growth potential.

## **What next?**

Further details are in the main document. As part of pre-engagement consultation, stakeholders are asked to consider whether they agree with the conclusion that a Mayoral Combined Authority (MCA) for the Solent area is the best option for the area. The Councils will be considering the Governance Review and any responses from stakeholders in July. If the Councils conclude that the MCA is the best option, they will consider and agree a draft scheme for consultation which will describe how the MCA will work in practice. This will be a full and thorough consultation programme, giving opportunities for further input.