



## Chelmsford City Council Cabinet

14<sup>th</sup> March 2023

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### Greater Essex Devolution

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Report by:

Leader of the Council

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Officer Contact:

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#### Purpose

To consider the attached report that sets out the proposal for a devolution deal for Greater Essex which is the geographical area of Essex. The three upper tier authorities within Essex plan to submit an expression of interest for Greater Essex to enter negotiations with the Government for either a level 2 or level 3 devolution deal.

#### Options

1. Note the report

#### Preferred option and reasons

Option 1 is the preferred option as the report is just for noting.

#### Recommendations

Cabinet to note the report

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### 1. Background

- 1.1. The attached report (Appendix 1) from Essex County Council sets out the proposal for Greater Essex (i.e. the geographical area of Essex) to seek a devolution deal with Government.

1.2. In summary the Government aim to devolve more powers to upper tier authorities and in doing so are offering both additional functions currently provided by other agencies known as a level 2 deal or a level 3 deal which gives the additional functions together with new funding and further flexibilities.

1.3. It is important to note that only upper tier authorities are able to submit a devolution proposal to Government so in the case of Essex such a proposal has to be submitted by Essex CC, Southend CC and Thurrock. However, the three upper tier authorities have involved the District Councils fully in their discussions even though such a deal can be submitted without District support.

1.4. The attached report covers the key points together with the functions that will form part of the bid. At this stage the upper tier authorities are only submitting an expression of interest to government with the aim of entering into more formal talks later in the year. If a level 3 deal were to be agreed, it is anticipated that additional funding in the region £1billion over 30 years would be available to invest in the delivery of services for the residents of Essex. If a level 3 deal is agreed however there is a requirement to have a directly elected mayor for Greater Essex.

1.5. If a Mayoral model is adopted the Mayor may also be able to levy their own precept which in part will be required to meet the costs of their support unless any efficiencies can be found from elsewhere within the upper tier authorities to meet this.

## 2. Conclusion

2.1 The upper tier authorities intend to submit a proposal to Government for a Greater Essex devolution deal and if successful detailed negotiations will be held with Government in the autumn to shape the deal.

### List of appendices:

Appendix 1 – Greater Essex Devolution Report from Essex County Council

### Background papers:

None

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## Corporate Implications

### Legal/Constitutional:

None

### Financial:

None

Potential impact on climate change and the environment:

None

Contribution toward achieving a net zero carbon position by 2030:

None

Personnel:

None

Risk Management:

None

Equality and Diversity:

None

Health and Safety:

None

Digital:

None

Other:

None

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Consultees:

None

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Relevant Policies and Strategies:

None

## Appendix 1

<b>Report title:</b> Greater Essex Devolution	
<b>Report to:</b> Cabinet	
<b>Report authors:</b> Councillor Kevin Bentley, Leader of the Council and Councillor Graham Butland, Cabinet Member for Devolution, the Arts, Heritage and Culture	
<b>Date:</b> 21 February 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Tom Walker, Executive Director for Economy, Investment and Public Health <a href="mailto:tom.walker@essex.gov.uk">tom.walker@essex.gov.uk</a> or Richard Puleston, Director of Policy Unit <a href="mailto:Richard.puleston2@essex.gov.uk">Richard.puleston2@essex.gov.uk</a>	
<b>County Divisions affected:</b> All Essex	

### 1. Everyone's Essex

- 1.1 The Levelling Up and Regeneration Bill sets out changes to the legislative framework to make it easier to seek a devolution deal that would enable greater local control over a range of powers and funding currently held by central government.
- 1.2 A significant proportion of the potential powers and funding on offer relate to skills, transport, infrastructure, the environment and the economy, all of which are key components of Everyone's Essex.
- 1.3 Everyone's Essex sets out an ambitious agenda to improve the lives of our residents. Devolution is a means of accelerating the County Council's ability to realise those ambitions by ensuring that we can tailor our approach to the particular needs of our population and communities.

### 2 Recommendations

- 2.1 Agree that the Council should submit an expression of interest to Government to begin the process of negotiating a devolution deal in the form appended to this report.
- 2.2 Agree that the Chief Executive may make amendments to the annexed Expression of Interest prior to its submission to government after consulting the Leader of the Council.

### 3 Background and Proposal

- 3.1 On 11 May 2022 the Levelling Up and Regeneration Bill had its first reading in Parliament. The Bill provides the legislation necessary for some of the ambitions set out in the Levelling Up White Paper.

- 3.2 A core element of the white paper and the Bill is the creation of a framework to support the greater devolution of powers from central government – supporting the commitment that ‘by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement’.

*The Strategic Case for a Deal*

- 3.3 The Expression of Interest at appendix 2 sets out why we want a devolution deal and the benefits, potentially, it will bring. Greater Essex is a large economy – similar in scale to Northern Ireland’s - with huge potential. We have a gross value added measure (GVA) of more than £47bn, and are home to c81,000 businesses, including some of the best known and most innovative companies in the world, employing more than 700,000 people.
- 3.4 We are also very diverse, with advanced manufacturing expertise in the south of the county, logistics hubs around our two freeports and airports; strategically located on the energy coast, with clean energy generation – through offshore wind, solar farms and a potential hydrogen hub; medical technology and life sciences; and digital clusters in some of our main cities and towns. We want to harness a devolution deal to help us build on our strengths, unlocking at least an additional 50,000 high quality new jobs and £5bn of added economic output to make Greater Essex once again one of the fastest growing economies in the UK.
- 3.5 To achieve that and to punch our weight, we need a devolution deal to help us address the challenges we face. For example, we have 101,000 fewer people with NVQ 4+ qualifications than the national average as a proportion of our population. We need to build a large number of new homes by 2040 and we want to do that in a way that is sustainable, creates thriving communities, and doesn’t add stress to our existing transport infrastructure. And we currently have 183,000 people living in the most deprived 20% of neighbourhoods in the country who we are focusing on through one of the most ambitious levelling up programmes in the country.
- 3.6 Devolution can help us address these challenges. The strategic case is built on five pillars.
- 3.7 Economic Case – Greater Essex will have a stronger economy with a devolution deal. A devolution deal will enable better join up and more coherence across key functions. It is a challenge for local places that funding streams from government are narrowly focused and poorly aligned, both with each other, and with local needs and priorities - devolution deals fundamentally are based on taking charge of budgets that are currently administered nationally and subject to national criteria and prioritisation – focusing money, and shaping priorities, based on local economic needs should drive stronger economic outcomes.

- 3.8 Financial case – There is new money on the table for a devolution deal – all devolution deals to date have secured a gainshare/investment fund which is a recognition from the Treasury that a devolved economic system will secure higher levels of growth and that the Treasury should share the proceeds of that growth with local places.
- 3.9 Democratic case – Decisions affecting Greater Essex should be taken in Greater Essex, by which we mean our area together with that of Southend and Thurrock. Responsibility for the success of Greater Essex should be held as much as possible within the boundaries of Greater Essex. Local politicians should be held accountable to local voters and taxpayers for this. A devolution deal is predominantly about localising the powers and funding that are currently exercised and held at a national level so that they are responsive and tailored to the needs of local people and economies – the approach we take to devolution should respect and enhance local identities rather than subsume them.
- 3.10 Efficiency case – We owe it to our residents to operate as efficiently as possible. The financial climate demands that we maximise the efficiency of our local operating environment. A devolution deal will support more efficient ways of working by: streamlining and joining-up funding streams; further strengthening collaborative working at a local level, building on the existing building blocks and alliances in the north and the south of the county; sharing of resources at a more strategic level where it makes sense to do so.
- 3.11 Competition case – We risk falling behind the rest of the country. Within our immediate geographical environment, London, Cambridgeshire and shortly Suffolk and Norfolk may all have devolved arrangements in place. As more than 50% of the country by population will shortly benefit from a devolution deal, and as more and more government funding is channelled directly to devolved areas, GE runs the risk of falling further and further behind the rest of the country.

#### *Levels of Deal*

- 3.12 There are three 'levels' of devolution deal on offer. Level 1 constitutes informal joint working between authorities such as through a joint committee arrangement. Level 2 requires a single lead institution or county council working across a functional economic area – in practice, for Greater Essex, this would mean the creation of a County Combined Authority. Level 3 requires a single lead institution or county council working across a functional economic area with a directly elected mayor. A Level 3 deal offers the greatest range of devolved powers and funding on offer through the framework and would require a mayoral county combined authority . The powers linked to each level of deal are set out in the table at Appendix 1.
- 3.13 It has been agreed with Southend and Thurrock that we should enter dialogue with government on the basis that we wish to explore the potential for a Level 2 and a Level 3 deal.

### *Process for Agreeing the Content of the Deal*

- 3.14 Under the terms of the proposed legislation and based on our functional economic geography, the devolution deal needs to be agreed by Essex County Council, Southend on Sea City Council, and Thurrock Council. The twelve district, city, and borough councils in our area and the PFCC do not need to sign off the devolution deal. However, given the impacts across all authorities, the leaders of Essex, Southend and Thurrock have taken the view that they wish to pursue a consensual and collaborative approach to devolution and have therefore developed the approach in dialogue, and with the support of, other authorities across Greater Essex. We are exploring with the PFCC how oversight of police and fire might work in a post devolution world; there are a number of options for this, ranging from the status quo to integration of PFCC role into a combined authority with a Deputy Mayor for Policing and Crime.
- 3.15 This process began in June 2022 - Essex Leaders and Chief Executives agreed an approach to exploring the potential for a devolution deal. It was agreed to establish three Greater Essex devolution working groups to consider options and opportunities offered by the new framework.
- 3.16 Workstreams were led by the Leaders of Essex, Southend and Thurrock Councils and supported by CEOs from other authorities. Leaders and CEOs from across Greater Essex have participated in the workstream meetings. The workstreams met twice and their deliberations fed into subsequent discussions by Leaders and Chief Executives on 8 December and on 30 January 2023. Leaders and Chief Execs have been shaping the EOI throughout this period and the current draft reflects that collaborative approach.

### *Content of the Deal*

- 3.17 The content of the proposed deal is set out in the expression of interest. The EOI is a starting point for the dialogue with government. We expect the content to change through that dialogue and therefore relevant councils will be asked to formally sign up to the content of the devolution deal only after those discussions have completed. Assuming we can open up dialogue with government in the next month or so, we expect that decision to come forward in the Summer. In summary, the EOI covers the areas described below.
- 3.18 *On skills*, this is an area where devolution could be a game changer for Greater Essex, enabling us to address long-standing issues with low skills and low productivity and make the transition to new fast-growing economic growth sectors. The skills devolution offer is very substantial and would give us control or much greater influence than we have now over a key economic lever. This includes control over adult education funding streams (currently £28-84m a year depending on precisely what is included in the deal); influence over the Local Skills Improvement Plan ensuring skills provision is matched to our local economy and the sectors where GE has the opportunity to see significant growth; and influence over DWP employment programmes.

- 3.19 *On the economy*, if we were to negotiate a level 3 deal, we could seek to access the gainshare/investment fund of approximately £1bn, alongside the new powers on skills, transport, and strategic infrastructure planning to transform the Greater Essex economy and make it the fastest growing in the UK outside London. Stronger strategic co-ordination would enable us to attract higher levels of inward investment (including FDI) through effective place promotion. Devolution would also enable us to absorb the LEP functions and therefore transform our strategic engagement with business - both businesses that are already here and new businesses we want to bring to Greater Essex.
- 3.20 *On the environment*, we could use devolution to accelerate our drive to net zero; make serious inroads into the large number of homes in Greater Essex that need retrofitting; create up to 19,000 local green jobs by 2030; and save consumers money by developing smart, local energy systems.
- 3.21 *On transport*, sustainable transport is key to energising and enabling many of our objectives: boosting economic growth, tackling disadvantage and inequality, boosting public health and improving the environment. Devolution would enable Greater Essex to become a strategic transport authority, giving us the levers to create a more integrated, connected and sustainable transport network. Potential powers include bus ticketing and franchising, forming rail partnerships, multi-year transport funding and more co-ordination over the key route network.
- 3.22 *On housing*, we face the challenge of having to build many more new homes to meet the needs of an increasing population and to improve the affordability, quality and carbon/climate challenges of housing. Devolution will give us new powers to do this, including the ability to be a stronger partner with Homes England, to accelerate and unlock building on brownfield sites, to take forward strategic planning ensuring an infrastructure first approach (driven by local control of infrastructure funding and delivery) and to boost regeneration where it makes sense to do so.
- 3.23 *On infrastructure*, if we negotiate a level 3 deal, we can seek to access the gainshare fund of approximately £1bn to significantly improve the county's infrastructure.
- 3.24 *On communities, community safety and public services*, devolution offers the opportunity to bring together on a common Greater Essex footprint, and in a much more integrated way, action on the wider determinants of health (such as employment, skills and housing), public health and community safety. This could enable us to strengthen community resilience and reduce health inequalities that widened during the pandemic and are likely to widen further as a result of the cost-of-living crisis. It will also help us address entrenched deprivation which in some parts of our geography is a significant and growing issue. Work in Glasgow and Greater Manchester highlights the benefits of this public health approach to community safety. Other devolution deals have also offered combined authorities the opportunity to work more closely with government agencies in supporting people with complex needs.



This is important as a relatively small number of individuals and families with complex needs drive significant demand and cost on the police, the criminal justice system, the benefits system, the health system and social care. We have also identified the scope for devolution to support our drive for more effective and efficient public services through better use of data and through moving to more integrated service delivery models across authorities where appropriate.

3.25 *Outside the devolution framework*, most places negotiating devolution deals have also sought to identify some opportunities outside of the formal devolution framework. We have identified through the workshops a wide range of proposals where we could go further than the Government's framework. These areas include: the devolution of powers to enable leadership of Local Area Energy and Heat planning, bringing systems thinking to the design of a net zero energy system that works for all; devolved capital funding to support the delivery of housing priorities in Greater Essex including new affordable homes, net zero ambitions and specialist housing; the ability to negotiate for Greater Essex to pilot new sustainable building standards that go beyond the bare minimum.

### *Engagement of Partners*

3.26 We are currently engaging with key partners. Engagement with the public will come later, is a formal part of the process, and is something we need to prepare for early and carefully assuming we think we are on course to agreeing a deal with government.

3.27 In terms of engagement already carried out, alongside the discussions with all local authorities and the OPFCC, we have held individual authority-level and all member briefings; we have discussed with the Health ICS Chairs and the Essex Health and Well-being Board; we have briefed MPs; we have met with businesses; we have engaged with the Universities; and we have an ongoing programme of discussions planned with key partners.

3.28 We are keen to develop the proposals and approach in an open and transparent way and will continue to engage and discuss with key partners across Greater Essex.

## **4 Links to our Strategic Ambitions**

4.1 This report links to the following aims in the Essex Vision

- Strengthen communities through participation
- Develop our County sustainably
- Share prosperity with everyone

4.2 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

- Greater control over environmental standards.

- Greater control over funding and powers related to public transport to encourage residents to make the switch to more sustainable forms of transport
- Greater control over funding and powers related to adult skills which could support reskilling into green economy job sectors
- Greater control over funding and powers to support inward investment and business development for green economy businesses

4.3 This report links to the following strategic priorities in 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high quality environment
- Health wellbeing and independence for all ages
- A good place for children and families to grow

## **5 Options**

5.1 Option 1: Endorse the submission of the expression of interest to government. This is the preferred option as it is the only basis on which Greater Essex can fully understand the potential benefits of devolution to its residents and communities.

5.2 Option 2: Do nothing. There is no legal requirement for areas to enter into a deal with government. However, not pursuing dialogue with government means that Greater Essex has effectively ruled out devolution without fully understanding and considering its potential benefits and risks falling further behind the growing number of other areas nationally, and within the region, who are benefiting from devolution deals.

## **6 Issues for consideration**

### **6.1 Financial implications**

6.1.1 There are no direct financial implications for the Council in respect of submitting the expression of interest to Government, other than the opportunity cost of existing officer time. If a deal with government is negotiated then the financial implications will depend on what is negotiated, but might include: new funding streams being made available; existing nationally directed funding being localised; increased freedoms and flexibilities on existing financial arrangements; and the costs associated with developing and implementing the deal.

6.1.2 If the Government responds positively to the Expression of Interest, full financial options appraisals will be undertaken at every stage of the developing arrangements and as part of formal decision making on whether to progress a deal.

## **6.2 Legal implications**

- 6.2.1 The Levelling Up and Regeneration Bill will need to be passed and brought into force before a county combined authority can be created, but this doesn't stop expressions of interest being submitted or a devolution 'deal' being announced, since such negotiations and deals are not legally binding. That said, by submitting an expression of interest we will create an expectation that we will take part and absent major difficulties we will be expected to take part in it.
- 6.2.2 Should a deal be announced there will then be a further decision and statutory consultation as well as the completion of a statutory document called a 'governance review'.
- 6.2.3 Any county combined authority will be created by statutory instrument and we will be consulted on that as it will have significant implications on our participation in the authority.
- 6.2.4 The county combined authority will be a new legal entity completely separate to ECC with its own decision making arrangements. ECC will have some ability to negotiate these. It is clear that ECC will be entitled to appoint at least one member to the county combined authority and other members will need to take part in the combined authority scrutiny function. There will also be legal agreements and arrangements for decision making that are needed.
- 6.2.5 The monitoring officers across the 15 local authorities and the Police, Fire and Crime Commissioner have met to have an initial conversation discuss how this would be co-ordinated and resourced.

## **7 Equality and Diversity Considerations**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 There are no equalities implications associated with the submission of this expression of interest. If a devolution deal is negotiated with government then the equalities implications of the deal will be considered further through a full Equalities Comprehensive Impact Assessment before a formal decision is made on whether to accept the deal or not.

## **8 List of Appendices**

8.1 Appendix 1: Table of powers for different levels of devolution deal – taken from the White paper: *Levelling Up the United Kingdom*

8.2 Appendix 2: Expression of Interest

## **Appendix 1: Devolution framework in the Levelling Up White Paper**

**Level 3** – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area

**Level 2** – A single institution or County Council without a DEM, across a FEA or whole county area

**Level 1** – Local authorities working together across a FEA or whole county area e.g. through a joint committee

<b>Function</b>	<b>Detail</b>	<b>L1</b>	<b>L2</b>	<b>L3</b>
<b>Strategic role in delivering services</b>	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
<b>Supporting local businesses</b>	LEP functions including hosting strategic business voice		✓	✓
<b>Local control of sustainable transport</b>	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			
<b>Investment spending</b>	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓

Function	Detail	L1	L2	L3
<b>Giving adults the skills for the labour market</b>	Devolution of Adult Education functions and the core Adult Education Budget	✓		✓
	Providing input into Local Skills Improvement Plans	✓		✓
	Role in designing and delivering future contracted employment programmes			✓
<b>Local control of infrastructure decisions</b>	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)	✓		✓
<b>Keeping the public safe and healthy</b>	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align <sup>^</sup>			✓
	Clear defined role in local resilience*			✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)	✓		✓
<b>Financing local initiatives for residents and business</b>	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

\* refers to functions which are only applicable to combined authorities

<sup>^</sup> refers to functions which are currently only applicable to mayoral combined authorities

# DEVOLUTION: DRAFT EXPRESSION OF INTEREST (VERSION 13.02.2023)

## **Section 1: Why do we want a Devolution Deal: Summary**

Greater Essex<sup>1</sup> is a dynamic, thriving, entrepreneurial and creative region with the potential to outpace the economic growth of other parts of the country. We see devolution as the key to helping us punch our weight and unlock that growth for the benefit of our residents and for the UK as a whole.

Over the past century, hundreds of thousands of people have come to Greater Essex to improve their lives. People have moved here to enjoy the quality of life offered in our villages, towns and cities, and to grasp new economic opportunities. While there is no single Greater Essex character, most of the 1.9m people who live in the area are here because they or their parents saw opportunity and seized it.

Greater Essex's hard-working residents have built up the area's economic position and have reaped their just rewards. Economic output in Greater Essex is similar in scale to that of Northern Ireland at c.£47bn per year. The region is home to c.81,000 businesses, including some of the best known and most innovative companies in the world, employing more than 700,000 people. We have a history of low unemployment<sup>i</sup> and average incomes exceed national and regional benchmarks.<sup>ii</sup> Leaders across Greater Essex today – whether in parliament, local government, wider public service or in business – share this same ambition and drive.

We have significant assets and opportunities that a devolution deal will help us capitalise on. We are a gateway to trade and investment with two international airports (Stansted and Southend) and two Freeports – Thames Freeport and Freeport East (Harwich). As well as being well connected to London, Cambridge and the M11 corridor. We have the opportunity to build on our assets to accelerate the pace of growth in key sectors of our economy (construction and retrofit; clean energy; advanced manufacturing; digitech; life sciences) to the tune of 50,000 additional jobs by 2030. And we have a strategy ready to implement this.

We have world class businesses with whom we have excellent relationships – including Manchester Airport Group and DP World on logistics; Ford, Raytheon and Teledyne on advanced manufacturing; Cell and Gene Therapy Catapult for life sciences; Kao Data and Global Marine Systems on digitech.

We have three universities, the University of Essex, Anglia Ruskin University, and Writtle College as well as some of the most outstanding schools in the country – four of which – the girls' and boys' grammar schools in Chelmsford and Colchester – regularly feature amongst the top 20 schools in the whole country.

<sup>1</sup> Greater Essex is the Administrative County of Essex as well as the two unitary areas of Southend and Thurrock.

We have opportunities to create new and thriving communities in Greater Essex with the need for 200,000 new homes by 2040 – we need the powers in respect of infrastructure and spatial planning to enable us to achieve that growth in a way that supports our wider economic ambitions for Greater Essex.

Our local authorities are typically low tax authorities and deliver high quality services. There is a strong record of partnership and sharing of services, including a powerful anchor network of our public service institutions. We have also collaborated strongly on the issues that Thurrock has faced showing the strength of our peer support and problem-solving approach.

Despite these strengths and successes, there is also untapped potential in Greater Essex that devolution can help to unlock. In recent years we have seen Greater Essex fall behind its neighbours in the wider South East in terms of the pace of economic growth and levels of productivity. A growing population, combined with relatively slow growth in the number of jobs, and particularly high-value jobs, across some of our towns and cities has fuelled high levels of commuting, placing a strain on our local transport infrastructure, and high claimant counts in some parts of the region, leading to lower financial resilience and reliance on support services such as food banks and emergency funding schemes.

Around 183,000 Greater Essex residents now live in areas that are amongst the most deprived 20% in England, compared to only 106,000 in 2007.<sup>iii</sup> The COVID-19 pandemic, shocks to the global energy market and food supply chains, and the current cost of living crisis risk further exacerbating these pressures and amplifying inequalities, including gender inequalities.

If we are to extend the opportunities that Greater Essex has enjoyed in the past to today's young people and to future generations, we will need to think differently, and work together in new ways.

We want Greater Essex to be the fastest growing UK economy outside London in the years to 2030. We see a thriving, inclusive, and sustainable economy as the strongest possible foundation for improvements in local living standards, health outcomes, educational attainment and the future viability of public services. We are seeking a Devolution Deal that will give local partners the resources, powers and policy levers to unlock Greater Essex's substantial and untapped economic potential and to share the proceeds of sustainable growth across communities – tackling disadvantage and spatial inequality and securing progress on the twelve levelling-up missions set out in the White Paper *Levelling Up the United Kingdom*.

Alongside boosting economic growth and Levelling Up, we also need to deal with climate change – a critical issue that requires urgent action now and into the future. Our residents and businesses are already facing impacts from flooding, coastal erosion, water scarcity, overheating: these impacts will increase year on year. Beyond this we are committed to lead the way in moving to a low carbon economy that will secure a long-term future for our businesses and residents.



Net zero and climate resilience principles underpin our vision for Greater Essex alongside action to secure and protect our natural environment and our agricultural productivity.

The right deal will help us to:

- a. Boost skills and productivity: the relative shortage of high skilled jobs in Greater Essex is a reflection of the skills base of the working-age population. A relatively low proportion of our local workforce is qualified to Level 4+, constraining labour productivity, sustainable business growth and inward investment. A further 101,000 workers qualified at level 4+ would be needed in Greater Essex just to bring the area into line with national averages.
- b. Deliver improvements in local infrastructure: historic growth in communities across Greater Essex, and increased freight movements, have not been matched with improvements in local transport infrastructure. This has impacted the resilience of key inter-urban road links across Greater Essex and fuelled congestion in our town and cities. Despite a reduction in rail journeys following the COVID pandemic, demand is expected to exceed the capacity of the network within the next decade. These factors place a constraint on future growth by increasing journey times, diminishing employers' access to customers and suppliers, and limiting the supply of skilled labour. A locally determined package of infrastructure improvement, including sustainable transport and digital connectivity, will be vital.
- c. Create and foster thriving communities: we need to build 200,000 new homes by 2040 to accommodate a growing population and workforce, whilst minimising stress on our transport infrastructure. We want these new homes to be environmentally sustainable and climate resilient, of a quality and price that attracts talented people to Greater Essex, and located in thriving communities. Achieving this means investing in the broader sustainability of our towns and cities, including the regeneration of our town centres, local schools and the local living environment. If we get this right, we can attract inward investment, retain growing firms, and ensure that the benefits of sustainable growth reach all parts of the region. And we want to do this in such a way that we are creating community capital and building not just housing and homes but social connections that strengthen the resilience and well-being of our residents.
- d. Take a Public Health approach to strengthening health and well-being: reversing the increase in inequalities across Greater Essex is a key priority for us, including reversing widening health inequalities which are putting unsustainable pressure on the health system and on other public services. Poor health also means that many people are unable to play their full role in the economy and society. The Health Foundation estimates that 40% of the burden on health services may be preventable and around 50% of health outcomes are shaped by the wider determinants of health, in particular people's access to good jobs, education, a healthy environment and good housing.

Devolution is therefore critical to tackling health inequalities in Greater Essex as it will give local leaders greater control over key levers on the economy, housing, skills, environment and transport. This will help Greater Essex to bolster the work of the NHS and our integrated care systems in promoting better population health – helping people to live longer, healthier, more productive lives. Devolution will enable us to join up interventions on these

issues in a way that is tailored to the needs of local places, and also to integrate more closely with the public health and prevention work that is being led by the Integrated Care Systems (ICS).

- e. Exploit the strengths of key sectors and maximise returns from our economic assets and the transition to net zero: Greater Essex has strengths in the med-tech and life sciences sectors and digital clusters in key cities. The growth of advanced manufacturing (particularly in south Essex), and in logistics (focused around our two freeports and airports) represents a major opportunity. There are also major opportunities in clean energy generation through hydrogen, solar farms and offshore wind – facilitated by our location on the energy coast.
- f. Accelerate our drive towards net zero: across Greater Essex there is an opportunity to create c.19,000 green jobs by 2030 – transitioning the workforce into growing sectors of the economy and reducing Greater Essex’s environmental impact. There are also significant opportunities to reduce energy consumption, ease financial pressures on residents and generate income through the development of smart local energy systems, and the roll out of retrofit programmes. An estimated 400,000 homes across Greater Essex are currently in need of retrofitting.
- g. Deliver a more integrated system of sustainable transport: this is key to energising and enabling many of our objectives: connecting residents with economic opportunities, removing constraints to growth caused by congested infrastructure, tackling disadvantage and inequality, improving public health and reducing our environmental impact. There are also significant opportunities to decarbonise the transport system to meet targets in the national transport decarbonisation plan.
- h. Take advantage of the power of data and digital technology: we want digital skills and technology to be a key strength of an inclusive Greater Essex economy. Central to this is the roll out of digital connectivity, including in remote and rural areas. This is a vital platform for future growth and improved productivity, and an essential element in promoting access to services, education and to social connections. We also want to help close the digital divide, equipping residents with the skills and tools they need for the digital age and to harness the power of data and digital technology to transform our public services so they are faster, better and cheaper. This builds on a wide range of existing work, including the Essex Centre for Data Analytics.

The right deal will position our investments in jobs, homes and infrastructure, within a policy framework that enables effective climate action to cut carbon and build resilience while unlocking improvements in the health of the population and in levels

of wellbeing, crime and community safety.

We want a Greater Essex Devolution deal to create new opportunities for local agencies to tackle entrenched social deprivation and to work closely with government to support people with complex needs – enabling them to take new opportunities and, wherever possible, reducing demand and cost on the wider system of public services – including the police, the criminal justice system, the benefits system, the health system and social care.

Crucially, the right deal will enable Greater Essex to secure these objectives within a governance framework that ensures accountability to local voters and taxpayers and which respects and enhances the distinct identities of communities across Greater Essex.

## **Section 2: Devolution Deal: Powers and Flexibilities**

### **Skills**

#### *What is the Proposition*

A key enabler of economic growth is a workforce with the skills to support the needs of the Greater Essex economy and our businesses into the future.

Greater Essex has 101,000 fewer people skilled to NVQ4+ than it should have (35% of 16-64 year olds are qualified to NVQ4+ - well below the Great Britain average of 43%). And is 8% below the national average at NVQ3+. We also have low levels of Traineeships and T-levels in England – meaning fewer progression routes into skills-based education and training. And these are aggregate figures for Greater Essex. Within our most deprived areas, the skills gap is even more stark.

In addition to this historic deficit, the Covid-19 pandemic had a significant negative impact on learning and skills. The OECD estimates that pandemic lockdowns decreased workers' participation in learning by an average of 18%, and in informal learning by 25%, and will have prevented unemployed adults from accessing upskilling and training opportunities. This 'lost learning', along with historically relatively low skills is a drag on productivity and an impediment to growth. Currently our workforce is over-represented in lower skilled occupations and under-represented in managerial and professional occupations – leading to lower workplace earnings than both regional and national averages. This is in spite of having some of the largest global businesses in Greater Essex. All sectors will require new skills to unlock the opportunities in the transition to a low carbon, sustainable economy.

We estimate that there are at least 40,000 new jobs in the key growth sectors that are vital to the future prosperity of Greater Essex.

#### *What will be Different*

Our approach is to adopt a more joined-up and co-ordinated approach across the skills system which incentivises skills provision more strongly to support the needs of

Greater Essex businesses, accelerating our progress to being a high wage, high skill, high productivity economy.

This will link with our focus on the key economic sectors that will drive the growth of the future and work with anchor organisations to address more comprehensively workforce needs now and for the future.

We think this will help young people to gain the skills they need to prosper in the modern workplace; enable businesses to find employees with the right skills to support their ambitions; and support UK plc by adding to the productivity and growth of the economy.

And importantly we see skills and wider economic prosperity not only as goods in their own right, but also as important in a range of other key strategic agendas for which a strong economy is foundational – not least the health challenges we face in certain parts of Greater Essex.

#### *What we are seeking*

We are seeking the ability to directly address our skills challenges both for the growth sectors of the future and the foundational economy. To achieve that we are seeking:

- Devolved responsibility for the commissioning and funding of education and training for 16–19-year-olds in further education and for adults aged 19+ through the application of the Adult Education Budget. This will enable us to ensure alignment of local provision to the needs of an expanding Greater Essex economy and link provision more tightly to future career opportunities based on the modernisation and expansion of key sectors – recognising the importance of the different economic needs of our functional economic areas. Engagement with business and the experience we have had with regard to this work is that we need to exercise greater control over the curriculum and nature of the provision if we are to be able to achieve our economic ambitions and deliver the outcomes that our businesses need which is young people with good core competencies around communications, maths and science skills, critical thinking, adaptability, and problem solving.
- Building on the recent example of the Multiply fund for adult numeracy, we are keen to explore with Government the scope for greater local flexibility to shape specific skills funding streams in the future, to match them to the current and future needs of residents and businesses in Greater Essex.
- Devolution of unspent Apprenticeships Levy funds from Greater Essex businesses<sup>iv</sup> into a single place-based budget, and the power to develop a strategy to deploy this budget to respond to local needs and priorities, and achieve a much improved, employer-led offer – including flexibility to support skills tasters, short courses, modules, and full vocational qualifications, not just apprenticeships.
- Powers and flexibilities for joint working with key agencies, for example, joint

working with the ESFA and FE Commissioners Office in undertaking FE institutions' reviews of how well the education or training provided meets local need, and joint working with the National Careers Service.

- Design and delivery of DWP contracted employment programmes – this should include working on careers education, Youth Hubs, and the vast range of adult upskilling/reskilling and employability support – ensuring this is fully joined up with vocational skills-based education to create viable pathways into future jobs. We would seek through our deal, the creation of employment and skills pathways into work for our most disadvantaged residents and the upskilling of workers on low incomes to attain better salaries and reduce the dependency on in-work benefits. The value of achieving this will be felt not only in economic but also in health outcomes and we would like to connect these discussions up with health colleagues' focus on the wider determinants of health to establish the potential for further pooling of funding to reduce health inequalities.
- Jobcentre Plus – We are keen to explore with government the scope for local strategic oversight of Job Centre Plus. This could enable Job Centres to become much more integrated into the local economy, public service provision and voluntary sector support. This would significantly improve outcomes both for those temporarily out of work and for those who face more entrenched obstacles to employment.
- The opportunity to extend Education Investment Area status to those parts of Greater Essex that fall below the national threshold (on a district rather than an LEA footprint). As part of our commitment to supporting excellent education for all pupils, we are keen to explore with Government the role that local authorities can play in supporting academies that are not delivering good or outstanding education.
- Funding to create innovative skills activity including Higher Education short courses and enhancements to school curricula to support work-ready training, testing and trialing new models of delivery, engaging non-traditional learners, increasing opportunity and participation and raising aspirations.
- We will establish a Greater Essex skills council (drawing together/consolidating the federations of colleges, training providers, and education groups) linked to the Local Skills Improvement Plan Board and the Business Advisory Board and convene North and South Local Skills Assemblies, reflecting local economic partnerships, through which educational, employer and local authority stakeholders can maintain influence and respond to needs.
- We will wish to play a full role in shaping and influencing the Local Skills Improvement Plan (LSIP). The LSIP is important because it sets out key priorities and changes needed in the local area to align post-16 technical education with business needs.

#### Local Enterprise Partnership (LEP) Functions

### *What is the proposition*

Our ambition is to be the fastest growing economy in England, outside of London. We are currently a member of SELEP, which does not represent a meaningful functional economic area. Disbanding the existing LEP and forming a new LEP as part of a Greater Essex Combined County Authority will enable us to build on our strengths and track record of collaboration. We want to support businesses across Greater Essex and encourage the growth and relocation of innovative, high productivity sectors that will benefit the wider economy. We will amplify and integrate the strategic voice of business across Greater Essex to turbocharge our economic interventions.

### *What will be different*

The integration of LEP functions will enable Greater Essex to develop propositions around sustainable business growth, innovation, skills, and regeneration linked to the needs of our local businesses, our understanding of the local economy and our commitment to key sectors that will deliver productivity improvements over the next 10 years. It will strengthen collaboration with businesses and create more opportunities to unlock, drive, support and fund sustainable growth across Greater Essex.

### *What we are seeking*

We are seeking responsibility to oversee the delivery of a comprehensive business support programme through a Growth Hub providing business advice, links to grant funding, access to private sector equity finance/angel investment, training and networking, particularly to key sectors that our evidence suggests will be the drivers of prosperity and enhanced economic growth in Greater Essex over the next decade. This will include:

- Grow the sectors of the economy that Greater Essex has underlying strengths in and maximise the economic assets in Greater Essex (such as Freeport East and the Thames Freeport) to boost local growth – creating more high-paying/high-skill jobs.
- Building on our recent proposals to Government for new investment zones across the Greater Essex area, we would like to explore the potential for new enterprise or investment zones type incentives in Greater Essex to allow for boosting of investment, economic growth, productivity and employment in those strategic locations.
- Designate relevant Customs Sites for Freeports: reducing barriers to international trade and investment for Greater Essex businesses.
- Create a business environment in Greater Essex which is successful in attracting domestic and international investment, and fosters a culture of innovation.

We are seeking direct engagement with the Department for International Trade to promote Greater Essex internationally and also to secure our portion of innovation funding from BEIS/Innovate UK so we can drive greater innovation in specific sectors of the local economy.

- Direct the development of high-quality, low carbon business accommodation to places where it is lacking, supporting clustering and agglomeration benefits, and align it with residential development and service provision (such as local schools) to create thriving communities.
- Create a Greater Essex workplace well-being offer with additional pump-priming funding from government to test our ability to improve the physical and mental wellbeing of the workforce with demonstrable benefits to the NHS.

### Strategic Economic Investment

#### *What is the Proposition*

We consider that the powers set out in the framework will enable us to achieve enhanced and sustainable economic growth across Greater Essex. We are keen to benefit locally from the proceeds of that growth, including from the transition to a net zero economy, and invest for the future to reinforce its momentum. A flexible local investment fund will enable us to make integrated, medium-term decisions about the needs of the Greater Essex economy, enabling a whole-system approach to inclusive and sustainable growth and development.

#### *What will be Different*

We are seeking a single long-term transformational investment fund with maximum flexibility because it will accelerate delivery of investment, and enable us to maximise strategic alignment with other funding and opportunities linked to our strategic economic objectives. The determination of the parameters of any fund will need to be agreed but we would see the fund as supporting our sector growth aspirations; the development of our innovation and R&D capabilities and linkages with Universities; strengthening better business collaboration; supporting the development of our digital capabilities and infrastructure particularly in support of some of our rural and coastal areas; and potentially contributing to the development of a public health approach to addressing the wider determinants of health to address spatial inequalities.

#### *What are we Seeking*

- Allocation of a multi-year investment fund for Greater Essex to include strategic pooling for our local delivery priorities.<sup>2</sup>
- Additional funding for Research and Development for Greater Essex aligned to supporting our strategic growth sectors.

- A single departmental-style settlement analogous to the settlements currently under discussion for trailblazing deals.
- A deal for future business rates retention for regionally important regeneration schemes.
- Planning and Delivery of UKSPF – this will enable us to exercise stronger local control and discretion over how we use these funds, the pace of spend and prioritisation. It will also enable greater join up of plans across Greater Essex to support business growth and productivity. We are keen to explore if there is scope to have greater local control over other funding pots to support regeneration and levelling up, to improve outcomes and reduce the inefficiencies of competitive bidding.

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<sup>2</sup> The size of the fund, based on the experience of other devolution deals, we expect to be in the region of £1.2bn over 30 years. This is new money that we will not get without a level 3 devolution deal.

- We wish to develop a local Low Carbon Investment and Business Strategy setting out short, medium and long term plans to decarbonise business and grow green opportunities in Greater Essex. As part of this we want to negotiate with government a new local revolving zero interest loan fund for SMEs to enable investment in energy efficiency.
- We want to work with Government to make Greater Essex a centre for net zero innovation, including on zero carbon energy: hydrogen, solar and wind. The existing energy infrastructure and two major ports within Greater Essex offer potential for the production of green hydrogen for clean energy.

The geographical positioning of the freeports with access to renewable energy from the North Sea and the fact that they could offer the space for electrolyzers mean they are well-placed, with the right support, to capitalise on the opportunity.

## Transport

### *What is the proposition*

Transport is a fundamental enabler of all strategic outcomes. Our current transport system is not working well enough. It is too reliant on car journeys and does not sufficiently enable active and sustainable travel, which leads to pollution, carbon emissions and congestion. It lacks capacity on some of our key road networks, such as the A12, A120, A127 and A13. It is poorly integrated across different modes and is also poorly connected. North-south travel (as distinct from in and out of London) is difficult and public transport and active travel needs to be better connected to areas of growth and economic opportunity. Some of our most deprived areas are also poorly connected with limited public transport, which entrenches lack of economic opportunity. We want to become a strategic transport authority and take control of local transport levers to enable us to build a more effective transport system.





### *What will be different*

Through local control of strategic transport, we will create a transport system for Greater Essex that is fit for the future. It will be better connected, more integrated, have more capacity, and be more sustainable. We will put a focus on expanding sustainable and active travel. A future transport system will therefore be better able to support economic growth, reduce deprivation and disadvantage, and promote a healthy environment and healthy and active lifestyles.

### *What we are seeking*

- Control of appropriate local transport functions e.g., local transport plans – we want to build a local transport plan at a Greater Essex level, enabling us to build a coherent transport network that works across the economic area, while also allowing for local delivery to meet the needs of local places. In order to support effective transport planning and delivery, we envisage creating a transport body empowered to deliver for Greater Essex in the same way as TfL for London or TfGM delivers for Greater Manchester.
- Ability to deliver a stronger and more sustainable bus network – the option of franchising powers would enable the commissioning of a fully integrated bus network across the whole of Greater Essex if it could secure sufficient revenue. This could include integrated ticketing; zonal fare structures; and its choice of vehicle standards (e.g., electric), fares, routes, and timetables. However, franchising will only work if it has sufficient funding to enable it to be delivered in practice, so we would need to be satisfied about financing before taking on bus franchising powers. If not, the scale of a Greater Essex transport authority would enable us to drive stronger Enhanced Partnership deals across the region, delivering better, lower carbon services and a more integrated network.
- Defined key route network – the combined county authority would have power over our most strategically important routes, enabling Greater Essex to deliver on wider cross-cutting transport priorities and make the changes that are necessary to ensure transport functions optimally across the region. We are developing a “place and movement” approach to ensure key transport routes support sustainable growth and place shaping.
- Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g., services and stations – This would enhance the ability to make the case for investments in Greater Essex based on improved passenger outcomes. This could include modest station access improvements (e.g., Wivenhoe); Flich line frequency; 2nd Stansted tunnel; integration with RTS; and freight improvements (various issues on lines outside Greater Essex such as track improvements around Leicester; and electrification on freight spurs to ports).
- Electric vehicle infrastructure – We note that the government is introducing a new £450 million local electric vehicle infrastructure (LEVI) scheme for local authorities to support local EV infrastructure delivery.

Greater Essex is keen to be at the forefront of EV delivery in the UK and we would welcome engagement with Government on how we can best achieve this – not only through the funding stream but also through the appropriate devolution of infrastructure powers.

## Housing and Infrastructure

### *What is the proposition*

We have a housing affordability challenge in Greater Essex, driven by insufficient supply, with 200,000 new homes needing to be built by 2040<sup>3</sup>. At the same time, we need to ensure that housing growth happens in a way that protects, preserves and enhances heritage and natural beauty; and that it is accompanied by the infrastructure and services required to support a growing population. We also need to improve housing security and quality for people on low incomes; and ensure sufficient specialist housing to meet the needs of a growing vulnerable population. New build and existing stock need to be made climate resilient and ready for net zero – we have developed an award-winning Essex Design Guide which sets out how this should be done.

We will ensure that our approach, under devolution, takes advantage of the benefits of strategic planning for housing and infrastructure development, economic corridors and accessible business clusters; but also preserves the benefits of a locally driven approach based around local place shaping.

We also need to acknowledge the clear link between infrastructure development and the wider determinants of health. A Population Health Management approach focuses on the wider determinants of health and the crucial role of communities, local people and public services including councils, the public, schools, fire service, voluntary sector, housing associations, social services, police and transport services. All have a role to play in addressing the interdependent issues that affect people's health and wellbeing.

### *What will be different*

We will start to turn around housing delivery and housing outcomes for Greater Essex, so that housing becomes an enabler of, rather than a barrier to, economic growth, levelling up, improved public health (through design that encourages active travel), net zero, climate resilience, and stronger communities. Infrastructure strategy and decisions will also seek to address the interdependent issues that affect people's health and well-being.

### *What we are seeking*

- Infrastructure Planning - we need to make sure that we can accommodate growth in Greater Essex in a way that is sustainable and enables our communities to prosper. We will consider whether a more strategic infrastructure plan, based on work previously done across Greater Essex to look at our infrastructure needs, will be helpful in enabling us to capture the full benefits of growth.

- Energy - we wish to explore the devolution of powers to enable leadership of local area energy and heat planning, bringing systems thinking to the design of a net zero energy system that works for all.

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<sup>3</sup> This figure is based on adopted and/or emerging Local Plans across Greater Essex.

- Partnership with Homes England and greater devolution of land holdings – building on our existing work with Homes England, we want to build a more strategic collaboration to ensure that there is a short, medium and long term view of land supply across Greater Essex. This could include direct funding to build local capacity and joint work with Homes England to drive forward the programme across Greater Essex to highlight viable investment propositions to unlock and accelerate stalled housing sites. We would also wish to explore taking control of Homes England land in Greater Essex to enable more successful land assembly to drive housing and employment site regeneration. This would include the Homes England portfolio of existing sites, including the legacy sites from SEEDA and the Commission for New Towns and would involve a presumption in favour of transfer of ownership to the combined county authority.
- House building on brownfield sites, inc. funding – we want to explore the feasibility and benefits of speeding up and simplifying the process for building on brownfield sites through locally led partnerships with a range of support measures including recoverable investment funding.
- Energy performance of new homes – we are seeking to negotiate for Greater Essex to pilot new sustainable building standards that go beyond the bare minimum as part of our shared commitment to tackling climate change; and the ability to set ambitious planning policies that go beyond the National Planning Policy Framework (NPPF) and Building Regulations.
- Opportunity area – we want to explore the ability to identify key locations with potential for new homes, jobs and infrastructure of all types. Examples in London are linked to existing or potential public transport improvements and typically have capacity for at least 2,500 new homes or 5,000 new jobs, or a combination of the two.
- Housing development sites pipeline - creating a pipeline over the short, medium, and long term will enable us to both offer the scale to seek strategic partnerships and investment from major developers as well as working with local SMEs, housing associations and LAs/LA housing companies on appropriate sites.
- Devolved capital funding – as other areas have done, we will seek the devolution of some capacity funding to support the delivery of housing priorities in Greater Essex including new affordable homes, net zero ambitions and specialist housing.
- Affordable Housing – we are keen to explore options for funding and flexibility to enable the expansion of delivery by local authorities and local housing associations.

- Retrofit - we wish to seek access to a proportionate share of the Government's Sustainable Warmth and energy company ECO funds, as well as the Social Housing Decarbonisation Fund. In addition, we want to secure the powers to implement a Landlord Registration Scheme to manage compliance with regulations including minimum EPC standards.
- Property Collaboration – we are seeking capacity funding from government to support Greater Essex consideration of a whole scale review of public sector assets with a view to rationalising and leveraging the use of our assets to underpin the delivery of more efficient public services.
- Capacity funding - currently Greater Essex authorities have the powers to enforce building standards and environmental health regulations but too often lack the resources to do so. Establishing shared resources, evidence bases and centres of excellence to ensure the quality of our housing stock would be an important step to empowering Greater Essex to deliver better housing outcomes for our residents. This could include shared resource to support viability assessments, strategic planning capacity, housing development capability, and joint procurement of temporary accommodation for homeless households.
- Land assembly and Homes England compulsory purchase powers – we are keen to explore taking on this power, subject to the agreement of the constituent councils over individual decisions.
- Digital Infrastructure - the government has indicated that engagement with local authorities on the delivery of digital infrastructure and potential economic and public service applications of data and data science is possible through a deal. The ability for us to agree our own contracts with BT Openreach and City Fibre, based on investment principles that recognise the increased cost of delivering to isolated rural areas but also the long-term economic and social benefit to bringing broadband to rural communities and businesses, would allow a step-change in outcomes for residents. It would allow Greater Essex to take a demand-led, responsive programme, delivered at a district level that focussed on quick delivery to targeted areas and may also support efforts to address digital poverty and vulnerability.

## Keeping the Public Safe and Healthy

### *What is the Proposition*

We believe it is essential that devolution supports the public health agenda – at a whole population level and in closing widening health inequalities that have been exacerbated by the pandemic. In the medium-term, we would like to explore social care and health integration as part of this process, along the lines of the Greater Manchester model.

In the shorter term, we believe a Greater Essex devolution deal can help boost the work of our integrated care systems, facilitating greater ability to collaborate and work together on a small set of strategic issues to improve population health and well-being and address the wider determinants of health. It will facilitate more joined-up and streamlined conversations in respect of economic development, skills, transport and strategic planning. In addition, building on established and successful examples of partnership working and collaboration we believe that a devolution deal could raise the profile of a public health approach to deliver additional community safety and well-being outcomes.

Essex Police and Essex County Fire and Rescue Service (ECFRS) are coterminous with Greater Essex, and we have already realised many benefits of a directly elected Police, Fire and Crime Commissioner for Essex, through strong partnership working and greater strategic planning. Building on our existing partnerships, we want to explore more opportunities to deliver services within a public health approach where the benefit derived reaches across systems beyond that of police and fire alone and contributes to their efficiency and effectiveness. Greater Essex, in partnership with Government, will work with the Essex Police, Fire and Crime Commissioner to agree an appropriate arrangement to ensure close collaboration and productive joint working on public safety, in a manner that learns the lessons of existing devolution models and which protects and preserves the operational independence, direction and control of relevant chief officers.

#### *What will be different*

This section highlights how devolution can help to build on and deepen local partnership working, and also strengthen collaboration with government on public service integration and reform.

The impact of air quality, housing, employment, early years, education and skills on health and wellbeing is well understood. Tackling the wider determinants of health delivers benefits not just to the individuals and their communities but will reduce demand on public services across the board. Learning from the work of the Essex Violence and Vulnerability Unit in developing a public health approach, we believe that this model could achieve additional benefits in other areas such as substance misuse, nutrition and obesity. In addition, greater collaboration would see an enhanced offer to key vulnerable groups.

Devolution provides the opportunity to join up our approach to delivering services more strategically across Greater Essex. Our ambition is to transform public service outcomes through this devolution deal and therefore we will wish to consider some of the fundamental elements of local delivery and how we can continue to improve the efficiency and effectiveness of our offer to local residents through this route.

#### *What are we seeking*

- Capacity funding to enhance and expand the progress that has already been made and to extend the public health approach to new areas as described above.

The Essex Violence and Vulnerability Unit is an example of this, having followed the example set by Glasgow. We could use devolution to build on and expand this approach.

- A data sharing pilot between partners with government support to be able to plan and deliver more targeted and effective interventions. Improved data sharing across areas will allow for more evidence-based approaches to targeting funding and services and analysing what works. It will enable detailed understanding of inequalities across areas with the power to direct funding and services where they are needed.

Through this devolution deal we are seeking enhanced dialogue with government and the ONS on establishing local data standards for all public service agencies to make the join up of data at a local level more straightforward and agreement regarding the granularity and timeliness of key data sets to make targeting interventions more evidence-led at the appropriate level.

- Devolution of health and justice budgets from NHS England to whichever directly elected individual exercises the PFCC's functions going forward would mean more targeted and effective health and wellbeing support for people in the criminal justice system. This builds on the work we are already doing through the Essex Integrated Criminal Justice Commissioning Group, which is having a positive impact on supporting vulnerable people in the criminal justice system and helping to reduce reoffending.
- We would also wish to explore whether there are key public health outcomes – for example obesity, healthcare for 0-19s – where devolution would enable us to take a stronger whole-system approach to not just addressing the presenting issue but also tackling the root causes. Building on our existing pilot with Sport England, we are particularly interested in building 'moving more' into the priorities of any future CCA – recognising that movement – especially walking and cycling – provides a range of physical and mental well-being dividends. We will be seeking to promote active workplaces; active schools; active travel; active places; and active communities to realise these benefits and also support our drive to environmental sustainability.

## The Environment

### *The Proposition*

Climate change is something that we all face and in Greater Essex we are committed to ensuring we lead the way in moving to a low carbon economy that will secure a long-term future for our businesses and residents. We are already dealing with the impacts from our changing climate and are seeing increasing coastal erosion, flooding, water scarcity, overheating and soil degradation. Our residents and businesses are directly affected and these impacts risk undermining our agricultural productivity and our plans for future development. We need to ensure that we support our communities to be climate resilient through a clear focus on green infrastructure and nature-based solutions.

Effectively addressing climate change is core to our vision for a successful Greater Essex. This underpins actions across all of areas of investment and development set out in these devolution plans. Alongside these proposals, a series of core actions are needed to secure our natural environment. These will ensure we can continue to have a successful agricultural sector while securing 30% green infrastructure critical to protect our soils, build climate resilience and providing a healthy environment for our wildlife and our residents.

We also want to lead the way in delivery of the 25 Year Environment Plan and the legislation in the Environment Act, balancing our growth ambitions with the nurturing and cherishing of wildlife and biodiversity on land and in the water.

### *What will be different*

Greater Essex is already a national leader on climate action. Through the Essex Climate Action Commission, we have developed and are delivering an ambitious programme of activity to transition to net zero. This involves bringing together action by public services, anchor institutions, businesses and communities. We will use devolution to accelerate progress on net zero across our whole region; to ensure that our natural environment is protected from the impacts of climate change; and to enhance the environment for the benefit of our residents, visitors and future generations.

### *What we are Seeking*

- Green Infrastructure - through a Local Nature Recovery Strategy, we want to bring green infrastructure planning across Greater Essex together in a more integrated way, using powers and funding from DEFRA, Natural England and the Forestry Commission.
- Sustainable farming – Greater Essex is a very rural area in parts and the Essex Climate Action Commission recommended a target of achieving net zero farming by 2050. We want the power to set local criteria that apply to funding of landowners through the national Environment Land Management Schemes. This will enable us to influence the development of more sustainable farming in parts of Greater Essex.

## Arts, culture, heritage, tourism and sport

### *The Proposition*

The creative industries are the UK's biggest growth sector, with 1.3 million people working in the creative economy across London and the South East. The UK Commission for Employment and Skills predicts 1.2 million new workers are needed in the sector over the next decade. Tourism and the visitor economy are crucial industries for Greater Essex, with the county attracting large numbers of leisure and business visitors every year. This is particularly important for many of our coastal areas, which include some of the areas of highest deprivation in the region, and therefore is a key element of Levelling Up.



The UK government wants to see a growing, dynamic, sustainable and world-leading tourism sector reaching its full potential and driving growth across all parts of the UK. We share this ambition.

Sport and active lifestyles play a powerful role in supporting mental and physical health and addressing disadvantage. Essex is one 12 national pilot areas that is working with Sport England on a comprehensive and community-led programme to boost physical activity.

### *What Will Be Different*

Devolution offers an opportunity to strengthen how we work with the Department for Digital, Culture, Media and Sport (DCMS), its arms-length bodies and other national bodies. This will enable us to significantly enhance Greater Essex's track record of developing and delivering ambitious place-based strategies to realise the region's rich cultural potential.

This will include looking across culture, heritage, sport and visitor economy initiatives and identifying opportunities for a joined-up, strategic approach. Building on Greater Essex's outstanding cultural strengths and assets, this collaborative strategic approach will support our cultural partners to deliver an exceptional cultural offer, thus maximising the contribution of culture and heritage to placemaking, local communities and sustainable economic growth across Greater Essex. For example, we will work with DCMS and Historic England on developing legacy investments, the protection and enhancement of Essex's castles and renewing the region's pride and place in further priority places.

Similarly, by building stronger strategic relationships with DCMS and Arts Council England regarding the Levelling up For Culture Places (CPP Project Thurrock) and Arts Council Priority Places (Basildon and Tendring) and the region's National Portfolio Organisations (such as the Focal Point Gallery and Metal Culture Ltd. in Southend), we can work more impactfully and ambitiously to deliver vital levelling up interventions.

Taking forward this work will have significant benefits for the region's economy, including in providing more jobs in areas with high levels of deprivation. Moreover, high quality, accessible cultural and sporting opportunities can act as levers to improve public health outcomes around activity levels, obesity, and mental health, and can also have a positive impact on community safety – for example, using sport to tackle crime, anti-social behaviour, gang-related activity and to help reduce reoffending.

### *What we are seeking*

- Powers to designate areas of Greater Essex as Creative Enterprise Zones where artists and creative businesses can find permanent, affordable space to work; are supported to start-up and grow; and where local people are supported to learn creative sector skills - understanding that arts and culture and the creative industry are important contributors to inclusive growth and placemaking.

The Creative Enterprise Zones model in London has helped local areas with accessing inward investment, enabling new and affordable workspaces for creatives, access to skills and training, and community engagement. We would like to build on this model in Greater Essex.

We want to increase investment in culture, heritage and sport in Greater Essex to boost the local economy and tackle health inequalities. This could include a redevelopment of key cultural infrastructure; investment in key creative industry skills across the county; and the development of support structures for the full range of creative industries e.g., film, gaming, architecture, fashion; artists' studios and gallery space; and continued investment and development of the region's museums and galleries. We want to work with Arts Council England to ensure Greater Essex gets its fair share of national funding, supporting delivery of a regional culture strategy.

- We want to work with DCMS through the accredited Local Visitor Economy Partnership for the region to help develop Greater Essex's visitor economy, with a view to harnessing our potential to grow domestic and international visitor spend, and encourage visits throughout the year rather than just during the traditional tourist season. This collaborative work, across those areas set out in the Government's Tourism Recovery Plan, could include the potential to expand major events and festivals and drive up the economic and place-making potential of these; expansion of business tourism by capitalising on our gateway links with Northern Europe; and harnessing Greater Essex's leading voice in delivering green tourism and its ambition to become England's first fully net zero visitor destination.
- We want to build on the work already in train across Greater Essex and review the region's offer regarding outdoor and leisure facilities, considering the challenges facing the leisure centre sector at present from the energy crisis and the impact of the pandemic, aiming to both reduce the carbon emissions from the leisure sector while matching leisure provision with better health outcomes.
- We are seeking continued investment and development of the Essex Film Office to further establish it as a recognised leader in the industry and strengthen the case for creative infrastructure (e.g., film studios, post production facilities and skills/learning facilities).
- Specific projects that we wish to take forward and that could benefit from support include:
  - The redevelopment at Roots Hall, Southend
  - Relocated stadium for Southend United Football Club
  - Recognition of the importance of Southend Pier and continued investment into it

- Development of artists' studios and gallery space, continued investment and development of the region's museums and galleries (particularly recognising the cultural importance of the Princely Burial and the London Shipwreck)
- Continued development of Southend Airport and the Launchpad
- Development and restoration of Essex's heritage include the development of the visitor experience at Cressing Temple Barns
- Restoration, preservation, recording and the interpretation of the cultural heritage of four registered parks and gardens (Belhus Park, Danbury Park, Thorndon Park, Weald Park); and key sites across the county including Saffron Hall Trust; Roman Wall in Colchester; Palace theatre Clacton, and Shire Hall in Chelmsford.

## Finance

### *What is the proposition*

Our goal is a system of funding for local government in Greater Essex that gives local leaders greater freedoms and flexibilities around resources and raising funding; greater certainty over funding sources so that we can plan effectively for the future; the capacity to fund strategic economic investment; and the capacity to drive even better value for money and outcomes for our residents, through better join up and strategic commissioning of services. Greater Essex leaders are committed to doing this in the most effective way possible, maximising the impact of the public pound and gearing and leveraging private investment into our growing economy. Scale and diversity of assets across Greater Essex presents a potent opportunity for private sector partners, together with our proximity to London and its eastward growth and expansion.

### *What will be different*

Devolution will bring in added investment to the region – principally through a long-term investment fund, but also through other investment propositions that we are putting forward. This is important because it will enable us to make the long-term investments that are critical to delivering against the Levelling Up missions. Greater local control of national funding programmes (as on adult skills) will enable better tailoring of investments to local needs and opportunities. This will include joining up funding in local places to deliver better outcomes and return on investment and working more closely with communities to ensure they own the solutions in their neighbourhoods.

### *What are we seeking*

- Mayoral precepting – should Greater Essex adopt a Level 3 devolution deal, we would look to have mayoral precepting powers to enable the Mayoral Combined County Authority to cover the costs of its operation.

- Business rates – we seek the power in the White Paper to levy a supplement on business rates to fund new infrastructure, subject to the support of the local business community. This will enable the combined county authority to have the power to fund local infrastructure projects that are considered necessary by local businesses and which are not funded by central government or already built into existing local capital plans.
- Alongside the above, we would seek wider flexibility to offer discounts on business rates to encourage certain sectors to relocate to Greater Essex.

We would also like to explore the option of retaining a greater share of business rates generated locally, as this will further strengthen the incentives to invest in promoting local economic growth.

### **Section 3: Leadership and Governance**

Greater Essex already benefits from strong local leadership and partnership working across our upper tier authorities, our cities, districts and boroughs, our Police, Fire and Crime Commissioner, our health and other partners. We also have an increasingly established way of working in our north and south sub-geographies, which enables us to benefit from working at scale across organisational boundaries, while at the same time tailoring approaches to Greater Essex's diversity.

Whilst our devolution bid is outcome, not governance, led, we are seeking discussions with Government on both a Level 2 and Level 3 deal. This means that we don't start with the question "what governance model do we want"; rather we start with the question "what will deliver the best outcomes for our residents and businesses". With this in mind, we want an ambitious devolution deal for Greater Essex that will enable us to fulfil the economic and social potential of the region and address the big issues that we have set out in this document. Essex and Thurrock are clear that the opportunities and ambitions of Level 3 are significant and would deliver material benefits to Greater Essex residents. Southend-on-Sea City Council passed a Motion in 2020 which stated that 'this Cabinet opposes a directly elected mayoral form of governance, or any form of governance that diminishes the powers of the Southend-on-Sea Borough Council as a unitary authority and the largest conurbation in Essex.' Therefore, understanding both the offer for a Level 2 deal alongside Southend and a parallel conversation on Level 3 elements of the framework is where we would like to begin negotiations in good faith with Government.

- The three upper tier authorities, Southend-on-Sea City Council, Essex County Council and Thurrock Council, would form by statute the founding constituent members of a combined county authority but through the detailed governance work we are keen to explore whether there are other constituting representatives that it would make sense to include in our arrangements.

- We are engaging with city, district and borough councils on the best way of ensuring their effective participation in a future combined county authority. The benefits of devolution cannot be delivered purely by upper tier authorities and requires close collaboration across tiers of local government; and we want to reflect this reality in the governance model for how a CCA will work.
- We are also working with wider public service partners, recognising that they will have a strong interest in shaping the Deal to secure the public service outcomes that are important to the people we serve.
- We are committed to the principle of subsidiarity – that is decisions should be made as close to residents as possible. We don't want to move away from an over-centralised Whitehall model to an over-centralised Greater Essex model. We are supportive an approach similar to that adopted by the East Midlands.<sup>4</sup>

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<sup>4</sup> Principle 6 of the East Midlands deal states: 'The East Midlands MCCA will perform a role that adds value to existing governance arrangements – primarily focused on strategic place shaping functions such as plan

- Discussions are continuing as to whether the PFCC role should be incorporated into a future Mayoral Combined County Authority. This would be facilitated by the fact that the PFCC footprint and the MCCA footprint will be co-terminous. However, we are committed to ensuring that a devolution deal for Greater Essex strengthens and doesn't undermine the success of the forward-thinking model we have had in place for policing and fire and rescue service governance across Greater Essex since 2017 and our collective capability to tackle crime and support community safety.
- The functions of the existing LEP as they relate to Greater Essex would transfer over to the Greater Essex CCA and we have been in discussions about this with the LEP and with Kent and East Sussex, our partners in the existing LEP.

Once the devolution deal starts to take shape, we will be able to confirm these and other details about how the governance model for the new authority would operate, applying the best lessons from existing combined authorities. We will seek to ensure that a combined county authority, however it is constituted, is lean, efficient, provides good value for money and does not duplicate decision making.

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making and strategic commissioning. The East Midlands MCCA will not create an additional layer of governance, but instead will bring the governance that currently sits at national government level down into the East Midlands, much closer to businesses and communities. Place making functions will be delivered through the existing local planning authority arrangements that are better placed to deliver functions for which they are statutorily responsible and as close to communities as is practicable.'

## The Greater Essex devolution bid and the Government's four tests.

Our approach to devolution meets the four tests set out by the Government as follows:

- 1) Effective Leadership – powers will be devolved to areas that have ‘the necessary structures and leadership for clear, strong local decision-making’ (WP, p.137).

*We have strong local leadership in Greater Essex and a strong track record of collaborating together across organisational boundaries. This was demonstrated for example during the pandemic, and is demonstrated in our thematic partnerships and how we are working together in our sub-geographies of North Essex and South Essex.*

*The governance section confirms that we recognise the need to put in place the necessary governance structures to implement the deal, according to the level of deal that is agreed.*

- 2) Appropriate geography – devolution deals should be based on geographies that cover functional economic areas; are ‘locally recognisable’ in terms of identity, place and community; and cover *at least* a whole county council area. Scale is also an important factor and new deals will need to support a population of at least 500,000.

*Our EOI is based on the geography of Greater Essex. It recognises that that is the appropriate footprint for devolution as it comprises the most significant functional economic area. Our pitch also recognises the diversity and economic distinctiveness of different parts of the area and we will be building in to our approach arrangements which preserve and enhance the characteristics and distinctiveness of the different parts of our area – particularly building on the arrangements that are in place across South Essex and are currently forming across North Essex.*

- 3) Flexibility – the framework set out in the WP is not supposed to be prescriptive. The Government expects deals to be tailored to the needs of local areas and to be built on and extended over time.

*We are ambitious for our residents and our place. Our EOI responds to the powers and functions set out in the devolution framework and also seeks to discuss and explore options around additional powers and responsibilities that are linked to the distinctive needs and opportunities of Greater Essex. We have set out some areas – for example around health and social care integration – where we do not expect to secure devolution in our first deal, but where we are signalling a medium-term ambition for further devolution in future.*

- 4) Appropriate accountability – local leaders and institutions must be transparent and accountable; work closely with local businesses; seek the best value for taxpayers’ money; and maintain strong ethical standards.

*A devolution deal will strengthen value for money, transparency and accountability over how money is spent locally. For example, there is currently no real visibility over how the national adult skills budget is spent in Greater Essex, nor the outcomes that are derived from it. We will change that and use this transparency and accountability to drive better performance. We are keen to develop ways to demonstrate our delivery against the Levelling Up missions in return for greater financial freedom and autonomy which will help secure those outcomes. We look forward to responding to the new accountability framework for devolved authorities.*

#### **Section 4: Engagement**

We are engaging on devolution with the PFCC and the PFCC's Office and with local Councillors from upper tier authorities and from district, city and boroughs. This is important because we want to ensure that locally elected politicians are fully informed about the details and implications of devolution and have the opportunity to shape the approach we are taking. So far, we have held general briefing sessions open for all Councillors, as well as specific briefing sessions for Councillors from individual authorities. These have been well attended and have seen a high level of engagement.

In addition, the three upper tier authorities have taken the proposal to submit an expression of interest on devolution to their Cabinets and Full Councils during February and March. [A sentence or two to be added re the response of Cabinet and Council discussions]. By taking it to our Cabinets and Full Councils we have also started a public conversation around devolution, which we will follow up on more substantively over the summer and autumn once we are clear on the Government's intention with regards to our proposal.

We have engaged wider system partners and businesses in the discussion. We have engaged Health partners from across the three ICSs. We are also doing the same with the Essex Association of Local Government (which represents our town and parish councils), the Vice Chancellors of the three universities in Greater Essex, representatives of local FE colleges and with the leaders of the main voluntary sector umbrella organisations.

We have held a roundtable event with Greater Essex businesses discussing devolution and what it means for local businesses, including the future of the LEP and support for our two freeports.

Overall, we are confident that at this stage, we have general support for our approach to devolution from local Councillors and from key system partners and businesses. Of course, this will need to be re-assessed through further engagement and in due course through a public consultation once the details of a devolution deal for Greater Essex become clearer.

## **Section 5: Working with MPs**

We recognise the importance of working with our 18 MPs as part of the development of these devolution proposals. In addition to the regular discussions we have with MPs, we have undertaken additional activity to make sure that MPs are engaged and able to influence the process and thinking.

At the outset of the process, we sent all MPs a briefing on the work that we were kicking off across leaders in Greater Essex, and we wrote to all MPs in December to update them on the discussions.

In January, we have held several briefing meetings on devolution, which have been attended by most MPs in Greater Essex, or representatives from their offices. This has enabled us to keep MPs up to date on progress and to ensure their views are reflected in our approach. We will continue to meet with our MPs and engage them in dialogue on these proposals as they are shaped.

## **Section 6: Timeline**

This sets out the timeline we are pursuing with respect to signing off the Deal and establishing new structures – subject to Leaders and Chief Executives agreeing to proceed with the Expression of Interest before the May local elections.

*Spring to Autumn 2023: deal refinement and negotiation with Government* - we would be seeking to start negotiations with the Government in Spring 2023 with the hope of having a draft deal agreed between Greater Essex Authorities and the Government by late summer/early autumn 2023. Based on reports from other areas we would anticipate this taking up to a maximum of 6 months depending on capacity on both sides and the complexity of the deal.

*Autumn 2023: Public announcement of deal and pre-consultation engagement with constituent authorities* - following conclusion of negotiations we would be aiming for a public announcement on the deal to be made in the Autumn of 2023 to give time for wider engagement with Greater Essex authorities and key partners ahead of launching a public consultation. As part of the pre-consultation engagement Councils would take the draft deal through their individual governance processes to agree in principle before the public consultation is launched.

*Winter 2023/24 Public Consultation* - an 8 week public consultation would take place commencing in late 2023 / early 2024 dependent on agreement of all constituent authorities. Consultation results will be submitted to the Government and reviewed by constituent authorities before they formally vote on the draft deal.

*Spring 2024. Constituent Authorities vote on the final deal.*

*Spring / Summer 2024. Government makes statutory order to devolve powers and funding* - the timing of this will be determined by the parliamentary timetable and agreed in principle during negotiations with the Government.



*Summer 2024 onwards.* Implementation of the deal according to the specifics of the deal that have been agreed.

This timeline is based on information provided from other devolution deal areas we have engaged so may be subject to change depending on specific arrangements and agreements made between Greater Essex Authorities and the Government once negotiations have commenced.

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<sup>i</sup> Between 2004 and 2020, unemployment rates in Essex were, on average, 1% lower than the average for England. Annual Population Survey, Office for National Statistics. Accessed via [www.nomisweb.co.uk](http://www.nomisweb.co.uk) in June 2021.

<sup>ii</sup> The median salary of a full-time worker in Greater Essex is £35,157 - higher than the average for the East of England and England. See Annual Survey of Hours and Earnings, Office for National Statistics. Accessed via [www.nomisweb.co.uk](http://www.nomisweb.co.uk) in June 2021.

<sup>iii</sup> ECC analysis of the Indices of Deprivation, 2019 available at <https://data.essex.gov.uk/dataset/2w89n/indices-of-multiple-deprivation-imd-2019-full-report>.

<sup>iv</sup> CIPD data shows that £1.999 billion of employers' levy funds expired and were returned to the Treasury between May 2019 and March 2021.