Heart of the South West

Statement of Intent
Towards a devolution deal
September 2015
Heart of the South West...

GVA £30bn
Population 1.7m
Area 4,000 sq miles

Outcomes we want by 2030

- £163,000 new jobs
- 179,000 new homes
- 3%+ annual growth
- Improved journey times to the South West

Public sector challenges

- Over £4bn net local government and health spend
- 186,620 people provide unpaid care every week
- Integration of health and social care
- 12% of working age people have a long-term health condition

By 2035

- 31% of residents aged over 65
- 7% aged over 85

Golden opportunities:
1. Marine: Plymouth, Torbay & Appledore
2. Hinkley
3. Yeovil Aerospace
4. Innovation Exeter and Science Park
We are successful, we are ambitious, we are ready:

...we are the Heart of the South West.

Our ambitions are clear for us and our nation’s economy:

➢ To unlock productivity: creating the right conditions for growth, developing our workforce and capitalising on our assets
➢ To improve health, care and wellbeing: we will deliver a world-class integrated health and care system within our communities
➢ To improve connectivity and resilience: we will ensure our businesses are not hampered by poor infrastructure or extreme weather

Our Statement of Intent has these three ambitions at its core, and builds on strong existing relationships and a track record of collaborative working. It is a joint document by all 17 local authorities, our National Parks and our Heart of the South West Local Enterprise Partnership.

Why do we need devolution for the Heart of the South West?

The Heart of the South West is home to economic opportunities of global significance, including new nuclear, environmental science, marine industry and aerospace. Yet these once-in-generation opportunities may pass us by if we do not deliver what our workforce and businesses need to expand and grow.

We have already achieved much together, and we can do more through greater collaboration, greater efficiency, simplified communications and relationships, greater freedom and flexibility, with decision making controlled and delivered locally.

We are signalling our offer to contribute more to the nation’s economic success and become the Heart of the South West Powerhouse.
…unlocking productivity

Devolving the powers and resources to those best able to tackle our challenges and maximise our opportunities will release the productivity, competitiveness and growth that we and the nation need.

Successes…
➢ An acknowledged strong Local Enterprise Partnership (LEP)
➢ Hinkley New Nuclear
➢ Exeter and East Devon Growth Point
➢ Relocation of the Meteorological Office
➢ Innovation Exeter, the Science Park and university growth
➢ Plymouth and South West Peninsula City Deal
➢ Cross-boundary working on tourism and inward investment
➢ Delivering public sector efficiencies and savings

…and challenges
➢ Comparative productivity is 29th out of 39 LEP areas
➢ An aging workforce and major skills shortages reported in every sector of the local economy
➢ Our performance remains low on key productivity measures: wages, innovation, inward investment exports and global trade.

We will...
➔ Develop and deliver a clear business-led strategy for skills and apprenticeships
➔ Deliver single, simple and easy to access business support
➔ Review how our property portfolios can be used to drive growth more effectively

What we need...
➔ Joined-up locally accountable funding for education and skills
➔ A flexible single funding pot for investment
➔ Discussion with Government on fiscal reforms that incentivise investment
➔ A single public estate aligning national and local resources
Heart of the South West...

...improving health, care and wellbeing

We want to change the system so our priority becomes keeping people as healthy as possible for as long as possible, so we can reduce dependency on the state. This means more prevention and early intervention, person-centred care and outcome-based commissioning. Success means savings to the public purse and greater productivity in our economy. Our work is well under way: devolution will help us finish the job.

Successes...
➢ A good record of integrating health and social care
➢ Torbay’s Integrated Care Organisation and Pioneer Bid status
➢ A £426m integrated ‘One System One Budget’ fund between Plymouth City Council and ‘NEW Devon’ Clinical Commissioning Group
➢ NHS Vanguard status for Somerset’s ‘Symphony’ health and social care integration pilot project
➢ ‘Integrated Care for Exeter’, an innovative project to bring together health and care services
➢ Solid progress towards outcomes-based commissioning

...and challenges
➢ Disproportionate growth in our older population is placing unsustainable burdens on our services
➢ An increasing proportion of our population have long-term conditions which seriously impacts on the local economy and people’s lives.

We will...
➔ Increase productivity by reducing ill-health and reliance on the state
➔ Reduce overall need for formal health and social care services
➔ Reduce the cost of health and social care
➔ Help more people with long-term illnesses or mental ill-health start or return to work

What we need...
➔ Freedom to pool budgets and direct resources to local need
➔ Freedom to develop a commissioning framework that supports local decision-making
➔ Freedom to establish effective, integrated governance and delivery structures
➔ Freedom to develop local metrics and incentives
Heart of the South West...

...improving connectivity and resilience

We will build on our proven track record of growth based on targeted investment and deliver more cost effective, innovative and focused investment. This will increase our contribution to the national economy, accelerate housing delivery and respond to environmental challenges.

Successes...

➢ Key infrastructure projects including the South Devon Link Road and dualling the A303/A358/A30
➢ High levels of house building, for example in Exeter, Taunton, Cranbrook and Sherford
➢ Infrastructure investment agreed as part of the Hinkley Deal
➢ Somerset Levels and Moors Flood Action Plan
➢ Connecting Devon and Somerset broadband programme
➢ Peninsula Rail Task Force working on a 20-year improvement plan
➢ Balancing protection of our environment with sensitive investment

…and challenges

➢ Strategic infrastructure has good coverage, but is incomplete
➢ Insufficient capacity of the road network and motorway junctions
➢ Uncompetitive travel times to London and the South East
➢ Incidents and extreme weather threatens transport resilience
➢ Housing supply not keeping up with demand
➢ Threats to our National Parks and Areas of Outstanding Natural Beauty.

We will...

➜ Improve delivery of infrastructure through better coordination with local growth
➜ Deliver a clear and stretching programme of investment, including additional housing and economic infrastructure
➜ Improve coordination and delivery of flood and coastal defence, protection and prevention infrastructure

What we need...

➜ Exploration of additional powers to support our growing population and economy
➜ Locally pooled funding and greater financial independence and certainty
➜ Greater local control over infrastructure and resilience budgets and decision-making
➜ Extension of the Strategic National Corridor to include Plymouth
Devolution to the Heart of the South West area must be built on principles that all can sign up to. It is essential that local authority partners, other public sector and commercial stakeholders and Government share a common approach and are clear how to proceed.

To achieve that, we have drafted eight key principles that are central to our approach to devolution:

- **A politically-led process** without local government reorganisation
- Powers devolved to councils collectively working with the Heart of the South West Local Enterprise Partnership, then passported to the appropriate level
- Space for collaborative propositions with other authorities within the wider South West, on issues where it would make sense
- **Equal voice** for all of the local authorities involved
- A pragmatic and flexible, mutually supportive approach, ensuring that no authority would be disadvantaged, even if they would not directly benefit
- Arrangements focussed on gaining new powers that are currently unavailable to local authorities and will deliver benefits for all.
- Wherever possible, partners will use or adapt existing arrangements to manage and deliver on proposals to avoid extra layers of bureaucracy
- Cost-effective solutions, pursuing fiscal neutrality in line with Government expectations.

We will use these principles to develop governance arrangements to support our devolution deal.