



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 6

Devolution Deal interim report

To: Overview and Scrutiny Committee

Meeting Date: 13th December 2021

Public report: Yes

From: Cllr Dupre
Chair – O&S Committee

The Overview and Scrutiny Committee is recommended to:

Recommendations:

- a) Note and comment on the report.
- b) Consider whether to make any recommendations to officers and to the Combined Authority Board prior to its consideration of an update report on the Devolution Deal initiatives in January 2022.
- c) Agree arrangements for ongoing scrutiny of the Deal.

Voting arrangements: Simple majority of all members

1. Purpose

1.1 This report has been developed in close collaboration with the Chair of the Overview & Scrutiny Committee and its purpose is to invite the Overview and Scrutiny Committee to:

- Review the current arrangements for monitoring the initiatives contained in the Devolution Deal agreed by Government and the constituent members of the Combined Authority in 2016 and consider whether these might be improved.
- Consider the potential for a refreshed Devolution Deal to reflect the changing priorities of the Government, Mayor, member authorities, and the public.
- Make recommendations to inform development and consideration of the regular update report on the Devolution Deal initiatives which the Board is due to receive in January 2022.

- 1.2 This report follows on from the Scoping Report received by the Overview & Scrutiny Committee in October 2021. Given the significance of the Devolution Deal document and the periodic nature of its review, it is intended that further scrutiny reports be presented in alignment with the timetable of reviews by the Board.

2. Background

2.1 Scope of the Devolution Deal

The Devolution Deal document consists of four sections.

- An overview specifying a strategic context of
 - Economic growth
 - Knowledge and innovation
 - Delivery of new homes
 - Public service delivery reform
 - Skills fit for business
 - 'World class' connectivity and transport systems
- A 'relationship' section specifying further work within six months on
 - A strategic economic and productivity plan
 - A fiscal plan
 - Priority proposals for infrastructure and transport
 - Proposals for a second Devolution Deal
 - Areas of joint collaboration with Norfolk and Suffolk
 - Arrangements with neighbouring authorities
- A 'summary' of the Deal itemising
 - Mayoral powers over
 - A devolved transport budget
 - A Key Route Network of local authority roads
 - Strategic planning, £100M for housing and infrastructure, a non-statutory spatial framework, and involvement in a Land Commission and a Joint Assets Board
 - Combined Authority powers over
 - £20M pa Single Investment Fund, and £70M for housing in Cambridge
 - An area-based review of 16+ skills provision, and devolved 19+ skills funding
 - (jointly with Government and a single Employment & Skills Board for the two Combined Authorities of Cambridgeshire & Peterborough and Norfolk & Suffolk) a new National Work & Health Programme
 - Agreement of a Joint Export Plan
- A series of chapter headings
 - Governance
 - Finance and funding
 - Homes and communities
 - Transport and digital connectivity
 - Learning and skills
 - Apprenticeships

- Employment
- Business support
- Public sector reform
 - Health and social care
 - Community safety
- 'Commitments'

2.2 It is not immediately apparent that the various parts of the Devolution Deal necessarily cohere. The overview does not point clearly to the contents of the summary. The summary does not obviously epitomise the content of the chapters that follow. And it is not clear that the initiatives in the summary are all ones on which the Mayor and Executive have predominantly focused.

What does seem clear however is that the scope of the Devolution Deal was intended to be transformational for Cambridgeshire and Peterborough, across a range of economic and social aspects—and that the Deal document does not obviously tell that story or enable ongoing monitoring of the Deal to draw it out.

2.3 Monitoring the Devolution Deal

2.3.1 The Devolution Deal itself sets down a Government expectation that the Combined Authority will 'monitor and evaluate their Deal in order to demonstrate and report on progress' (DD Section 72). This will be achieved using a 'locally resourced monitoring and evaluation framework that meets local needs and helps to support future learning'.

Specific requirements were laid down in the Devolution Deal to

- evaluate the £20M pa funding including the £70M for housing for Cambridge, with a quinquennial 'gateway' assessment to unlock further tranches of funding
- write a single local assurance framework for the Single Pot
- develop a full implementation plan 'covering each policy agreed in this Deal'.

A Monitoring & Evaluation Framework was produced and has been updated from time to time, most recently Version 1.6 issued in January 2021. This updates on

- key strategic documents produced by the Combined Authority
- progress on key projects
- funding streams and their individual monitoring and evaluation requirements
- project management and performance indicators
- evaluation plans and models

along with a series of appendices containing draft metrics, key project logic models, summary evaluation plans, a template for monthly project highlight reports, and a Local Growth Fund monitoring and evaluation plan.

Consultants were commissioned to produce a Complementary Report to support the Combined Authority's submission to the 'gateway' review at the end of 2020.

2.3.2 For ongoing review by the Combined Authority Board, content of the Devolution Deal document was also condensed into a table of 71 'Devolution Deal initiatives'. These were

drawn from the Devolution Deal, and are reported on biannually at Board meetings. The next reporting date is January 2022.

The '71 initiatives' are a selective list of what is in the Deal. Not everything in the Deal is included; the 'initiatives' are very different in nature, scope, and content; and the contents have been reordered away from the thematic chapter headings and into sections on the basis of responsibility.

- A: Key priorities and outcomes (1-6)
- B: Responsibilities devolved to the Mayor (7-14)
- B: Additional legislative powers given to the Mayor (15-16)
- C: Specific responsibilities of the Combined Authority (17-22)
- D(A): Specific commitments agreed by partners for the Mayor (23-24)
- D(B): ... for the Business Board (25-32)
- D(C): ... for Constituent Councils (33-38)
- D(D): ... for the Government (39-49)
- D(E): ... for the Combined Authority (50-71)

The subsequent columns in the table record Status (Completed, In progress, Decision taken to vary/postpone, and Not yet implemented) and Comment. At the last date of reporting (July 2021)

- 26 initiatives were reported as Completed
- 27 initiatives were reported as In progress
- 4 initiatives were reported as Decision taken to vary/postpone
- 14 initiatives were reported as Not yet implemented

2.3.3 This list of '71 initiatives' is not a method of monitoring delivery of the Devolution Deal that is owned or shared by the Government—and it is not clear that its characterisation of the Deal is one that the Government would necessarily recognise. Its overall effect is to distract from the overall themes of the Devolution Deal, converting them into a tick-list of unrelated items that look like projects. This project-based approach reflects the view which most partners to the Deal took of it, even while it was being negotiated.

Furthermore, many of the items reported as Not yet implemented seem unlikely ever to be implemented, given changes in Government policy and direction. This indicates that the Devolution Deal is not a deal of equals—the effect of Government deciding not to proceed with its commitments in the Deal is zero, while the effect of the Combined Authority or its partners deciding to do likewise would result in serious financial and reputational damage.

A significant number of the 'initiatives' on the list rely for their execution on funding additional to the £20M pa gainshare, or the specific funding for housing and infrastructure, which has not been secured from Government or elsewhere.

The emphasis on ownership of individual lines in the list could be argued to increase accountability and transparency. However, it could equally be said to underplay the need for collaboration and a shared sense of direction among all partners.

2.3.4 Finally, for Cambridgeshire and Peterborough as well as for the Government, things have moved on. A new Mayor has new priorities, just as Government priorities have shifted, and a new Sustainable Growth Ambition Strategy is being developed. The findings of some pieces of work, such as the Independent Economic Review, may point to a need for new approaches. Some events which have been assumed in the Devolution Deal, and on which some initiatives depend—such as the creation of a Combined Authority for Norfolk and Suffolk—have not happened. And most notably, a number of key issues, not least of them how to mitigate and adapt to climate change and increase biodiversity, have risen in prominence and significance but form no part of the Devolution Deal.

The current Devolution Deal refers to Cambridgeshire and Peterborough leaders and the LEP (now the Business Board) working together in the six months after the agreement of the first Deal to develop ‘proposals for a second Devolution Deal for Cambridgeshire and Peterborough—identifying additional areas for transfers of powers and funding that will further unlock economic growth’.

An option—indeed a commitment—may therefore exist to put the case for a second Deal which addresses these issues. However, this needs to be considered against the backdrop of the shift in Government focus from devolution to ‘levelling up’, which resulted in the cancellation of the long-awaited Devolution White Paper.

Conclusion

3.1 The first biannual review of the Devolution Deal since the election of a new Mayor with new priorities represents an opportunity to reconsider the primary vision and purpose behind the Deal.

Instead of reporting against 71 ‘initiatives’ plucked from the Deal and reordered in such a way as to obscure that vision and purpose, a more narrative report against the six themes in the overview section of the Deal could enable more strategic consideration of how the Deal was intended to transform Cambridgeshire and Peterborough, and the extent to which that vision has been implemented and has achieved its intentions. This could be accompanied by updates on the individual pieces of work in each chapter, demonstrating the contribution of each responsible partner as well as the level of collective progress.

An added benefit of this approach would be to balance the Combined Authority’s historic emphasis on GVA added with consideration of the other important themes in the overview, which contains the only reference to carbon in the entire Deal.

3.2 A revised reporting mechanism could also be more explicit about components of the Deal where the background has changed and proposals in the Deal will not come to fruition, or where their significance has shifted. This could contribute to a greater shared understanding of the deficits in the current Deal.

Partners to the Devolution Deal could then start to publicly consider the desirability and achievability of the second Deal referred to in the first, and to scope its possible contents. Climate change and biodiversity are obvious areas for potential focus, as is public health.

3.3 Meanwhile, the Combined Authority could consider a process of agreeing and articulating priorities for each year, so that partners and stakeholders could be clear about the key areas of focus, and about which elements of the Devolution Deal will be deliverable and when. There would be an obvious role for the Overview & Scrutiny Committee in this process, in pre-decision scrutiny and in holding the executive to account for delivery of the annual programme.

It is understood that work is already under way to consider the strategic context for the Combined Authority, including alignment of service plans and operational activity with the overall vision and priorities of the Combined Authority. There is potential for a role for the Overview & Scrutiny Committee in reviewing and making recommendations on this piece of work as it progresses.

4. Next steps

4.1 Scrutiny of such significant issues as the ambition and purpose of the Devolution Deal and the establishment of the Combined Authority will need to be ongoing, and cover a wide area. It would therefore seem appropriate to set out a number of further key lines of enquiry to be pursued by the Overview & Scrutiny Committee. These key lines of enquiry would include:

- the interpretation by the Combined Authority and its partners of the Devolution Deal and its translation into a plan to achieve the intended objectives of devolution
- the governance placed around the pipeline of projects derived from the Deal

5. Financial Implications

5.1 None

6. Legal Implications

6.1 None.

7. Appendices

7.1 Devolution Deal Scoping Document

8. Background Papers

8.1 Gateway review submission to HMG, November 2020