

## Input by Hastings Borough Council on the 3SC Devolution Proposal – The Cost of Success

### Introduction

1. Hastings Council welcomes the opportunity to comment on the draft prospectus and supports the principle of seeking a place in the Devolution programme in England. There are however significant issues not yet addressed in the proposals that merit consideration if it is to represent the interests of the whole area.

### General Comments

2. There are a number of broad points. The first is that this cannot be an offer based on a concept of place as are both Manchester and Cornwall in different ways. It is challenging to create a sense of drive and vision that might attract a wide ownership. This might be addressed through an additional strand looking at the delivery of services and activity on a more local basis, to complement the more strategic initiatives proposed.
3. The region is not uniformly wealthy, though you would look hard to learn this in the current draft. There is a lack of emphasis on the east of the proposed area as against the west and north of the area and this needs to be addressed, particularly in terms of transport and other infrastructure. There are particular challenges in Hastings and elsewhere that need including. The coastal areas are substantial and sometimes quite different from areas closer to London. We would seek the identification of these issues at a strategic level (not referenced to as “pockets” of deprivation) and an active commitment to stimulating growth there. Transforming communities is an ambitious and attractive agenda and could be made far more of in the prospectus. This sense of mission and vision cannot help but convince Government of a real sense of purpose behind the submission.
4. We are unclear on the relationship between the proposed new combined Authority structure and the current LEP arrangements. Hastings Council has been committed to SELEP and its Coastal Communities Group. The Combined Authority will clearly be intended to steer many of the infrastructure, skills and housing issues essential to economic growth and it seems challenging to have LEP structures that are unrelated to what is now proposed. We would like to see this explored and clarified. Hastings is committed to continuing our work with the coastal partners in Kent and Essex under any new arrangements.
5. We would like to see Brighton and Hove within any such structure given its importance as a significant area of coast and hinterland. Sussex with a gap where its most significant city is located cannot be desirable and Brighton’s urban experience will echo with many of the smaller towns along the coast.
6. In terms of the impact on District/Borough Councils we would support earlier observations made by colleagues in West Sussex.
  - a) Borough/District Councils cannot be financially disadvantaged by proposals
  - b) Borough/District Councils must be seen as equal partners

- c) There should be appropriate Borough/District representations inside Combined Authority structures and this should include their involvement in the negotiation of the devolution prospectus with Government.

### Governance

7. The initial approach to governance is unclear and an insufficient basis to give adequate comment.
  - a. It isn't clear which functions (in practical terms) will move from Councils to the new Combined Authority. It's difficult to see which District functions would be moved to a Combined Authority as most services are local, often regulatory and specific to a small area. Strategic County level functions transferring is more easily understood. Strategic Transport and Housing policy are functions which could be done at regional level as they were in the past.
  - b. It isn't clear what the phrase "effective alignment" means with regard to remaining functions.
  - c. It's not clear who will be exercising both executive responsibilities and collective responsibilities.

No Council should sign up to this process without a clear picture of what it will be asked (in general) to give up and the benefits that will accrue from this. It is appreciated this is difficult work but needs to be progressed further before the submission.

### A 3SC Infrastructure Strategy

8. It makes sense to have an infrastructure strategy if the Combined Authority is to add significant value to the work of existing LEPs and Local Authorities. However, we have significant questions:
  - a. It is unclear to us what the true value of the stamp duty and business rate income which is sought might be. Our estimate is that stamp duty alone is just under £700m. Together with business rates this is a considerable fund.
  - b. We are unclear how this income would be sourced and distributed. We are unclear which services/projects government would expect this to fund given the loss of income to the Exchequer.
  - c. Given the lack of reference to regeneration or the weaker economics of the coast we would be concerned how this resource could be used in economically less advantaged areas.

An initial view is that the weight of this funding is likely to come from sources close to London and the M25. Before supporting the principle of pooling this money with other local funding streams the Council would wish to understand the principles intended in its application.

### A Modern Transport System

9. There is no mention of transport infrastructure required to stimulate growth in less active local economies.
10. In particular the Council is concerned that the document identifies M25, M3/A3, A27 and other proposed projects without reference to the very clear need to address slow and inadequate road and rail transport serving the coast of East Sussex. This may be because these schemes also

impact Kent and are not in the “sights” of colleagues focused on the west of the area. In particular it is essential that reference is made to:-

- a. The need to bring HS1 rail services via Ashford to Hastings and Bexhill. A study commissioned by Mott MacDonald by Hastings, East Sussex and Rother Councils has illustrated the strong economic case for this and there is significant political and rail industry support. Currently journey times at peak hours to Charing Cross or Victoria can be between 1¾ and 2 hours.
- b. The need to dual the A21 from Tunbridge Wells into East Sussex. Although a limited missing section of dual carriageway at Pembury is currently being constructed Hastings and its surrounds are still served by single carriageway road for much of the way from the M25 and London.
- c. The need to improve the A259. It is vital that links along the coast are improved both for the sake of the local economy and to take the pressure off London bound roads and the M25 now often used.

#### Road and Rail Infrastructure

11. No one can help but sympathise with a wish to improve rail performance and investment in the area. These services are both shared with central and suburban London. Before Councils assume the risk of being held accountable for rail performance we need to assure ourselves we have the means to achieve improvement. We would like to understand how the relationship with both the rail industry but also the Mayor of London might operate in this context and how it is envisaged this is linked to regional or national decisions on rail investment.

#### Pool Transport Fund

12. This is dependent on the stamp duty issue above. At present LEPs also have an involvement in transport schemes. We believe this needs careful working up to assess if there will be real value gained.

#### Establish Priorities for Highways England

13. This must seem attractive, provided that these can be agreed over such a large area. In particular how will the governance structure work to ensure that “end of the road” locations on the coast share the benefit. Regeneration may be dependent on this but the “bangs for bucks” arrangements in terms of direct economic benefits may not support this as against schemes closer to London. Again we would like discussion about how such issues would be addressed.

#### Digital

14. The need to roll out superfast broadband is supported. We would urge that if pilots are to be developed that at least one should be within Hastings or a similar community to explore how faster services might encourage growth in areas currently economically underperforming.

#### Universities

15. Whilst welcoming the University of Surrey’s lead in development of advanced digital we were surprised that the Sussex HE Sector is not more prominent. Hastings would support the concept of a University Enterprise Zone approach and would hope that it could be extended beyond the main sites of the major institutes.

### Skilled Workforce

16. The question here is if an area as large as 3SC could in fact be more responsive to local conditions than the current arrangements. Local employment requirements and skills vary very widely and it is important there is sufficient devolution to respond to this. The bid would be strengthened by a proposal for a more localised delivery within the new structure.

### Housing

17. It is not clear which mechanisms will encourage the development of new large amounts of housing where residents (and councils) may not wish to see further development, often in the very places which are prospering and demand for labour is high.
- a. The prospectus appears silent on the return government might seek in terms of increased housing numbers and affordable homes. Will this need to be firmed up before submission?
  - b. Is there any indication where the free or cheap land for starter homes proposed is and that Councils will part with it? If so this would help the case. Is this sufficient to have a meaningful impact on issues of homelessness and labour mobility.
  - c. Is it realistic to expect capped rents over long periods of time. It doesn't seem clear how housing would be kept affordable in the longer term.
  - d. The Government is likely to want to know how many affordable homes might be created.
  - e. There is a need to address issues caused by part of the private rented sector. In Hastings and elsewhere this has developed a direct linkage to the benefit economy resulting in low investment, bad housing and communities that lack cohesion. Pilot projects in Hastings, Thanet and Tendring have developed models for intervention in the market and to develop the skills and potential of residents.

### Troubled Families

18. The success of the Troubled Families Scheme in East Sussex is obviously well known and warmly welcomed. The question about this proposal is how this would improve good performance. We know that locally the scheme faced challenges of very low job density, large numbers of small employers and significant numbers of people facing real challenges looking for work. We would welcome more involvement in these discussions and the opportunity to link this with the economic development work of the Council.

### Social Care

19. The Council welcomes initiatives to improve social care and the ideas in the initial documents for a social care academy and Kitemark seemed interesting. However, these would not be sufficient and in our view supplemented further.
- a. Poor care standards are not confined to areas where the labour market is tight. It's difficult to attract people partly because it's often demanding work in comparatively poor pay and conditions. The real benefits for employees need to be properly considered if standards are to improve.
  - b. In areas where there are also a shortage of potential staff is it envisaged encouraging any element of mobility. In which case this proposal might be strengthened by support in terms of accommodation and transport. The wage rates are such that current

mobility is limited by cost and additionally split shifts and high number of working days mitigate against this being easy.

### Conclusion

20. The Council is happy and willing to participate in these discussions and it would expect at the appropriate stage to be able to do so directly and not through others.
21. We are keen that issues in relation to economic and social inclusion are not lost and that there is a further debate about how “upwards” shift around strategic issues can be balanced with an approach that supports more localised delivery and decision making at the other.
22. The issues of governance are not clear and will need to be resolved. Full participation is essential and this must be tackled in terms of sector and geography.