

Report of the Chief Executive

DEVOLUTION1. Purpose of Report

To update Council on the progress of the Derby, Derbyshire, Nottingham and Nottinghamshire Devolution programme.

2. Recommendation

That Council NOTE the following:

- 1. The progress to date on the devolution and joint working programme, including the announcement of a 'level 3' deal offer from Government on 30 August 2022.**
- 2. The requirement for a formal public consultation process scheduled to take place over winter 2022.**
- 3. The proposed formation of an East Midlands Mayoral Combined County Authority with a new elected Mayor, with elections expected to take place in Spring 2024.**

3. Detail

The Government has confirmed a devolution deal for Derby, Derbyshire, Nottingham and Nottinghamshire which includes a range of powers and over £1.14bn investment over the next thirty years. The leaders of Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council signed up to the deal in principle at a launch event with Greg Clarke MP, the Secretary of State for Levelling Up, Housing and Communities, on 30 August 2022.

The deal will include the first of a new type of combined authority, designed for two-tier areas, which will be established through new legislation by central government. The legislation would enable the formation of an East Midlands Mayoral Combined County Authority (EMMCCA). The devolution deal is a 'Level 3 Deal', which offers the most local powers and funding. It would mean a new elected mayor, with elections currently expected to take place in Spring 2024. Level 1 or 2 Deal options that do not involve a new elected mayor and have reduced devolved powers and funds have been considered with the (Nottingham and Nottinghamshire) Economic Prosperity Committee favouring the higher Level 3 Deal.

Governance and decision making for the EMMCCA is in the process of being determined.

The offer of a devolution deal, if approved, will bring in much needed investment, funding and powers with more major decisions being made locally and a bigger voice for the region.

The deal offer includes:

- A new guaranteed funding stream of £1.14 billion, or £38 million a year over the next 30 years, as well as an extra £16.8 million for new homes on brownfield land
- £18m capital in this spending round period to support local housing and net zero priorities (subject to business case approval)
- Control over a range of budgets at a local level to ensure they are better tailored to the needs of people in our communities. This includes the Adult Education Budget
- Opportunities to deliver more and better jobs through investment in our area
- New powers to improve and better integrate local transport and an integrated transport settlement starting in 2024/25
- A commitment from Government to work jointly with the EMMCCA and other relevant partners to tackle homelessness, domestic abuse, community safety, social mobility and to support young people through their journey to adulthood.

The full deal text can be viewed here: [East Midlands Devolution Deal \(www.gov.uk\)](http://www.gov.uk)

The deal marks the culmination of an intensive period of negotiation between local partners, including District and Borough Councils, the Local Enterprise Partnership (LEP) and four upper tier Councils. The appendix sets out some opportunities for Broxtowe which exist within the deal.

The agreement entered into is subject to ratification by each of the four upper tier Councils who are signatories to the deal. A period of public consultation will take place afterwards, likely to be November / December 2022 and the deal will also be dependent on the passage through Parliament of primary and secondary legislation to enable the EMMCCA to be established.

This offer of a devolution deal is deemed to be the beginning of the journey, not the end with opportunities to build and enhance it over time. Local partners have secured a number of commitments to explore further devolution in the future as set out in the deal text. Government have confirmed funding for the establishment of a new combined authority over the coming two years, and further funding would be considered as part of future national government spending reviews.

Principles of governance are set out in the deal document – four of which are already contained in the Levelling up legislation – effective leadership, sensible geography, flexibility and accountability. However, an additional four principles will be reflected in the new EMMCCA structure. These are set out below and reflect the unique nature of this deal in that it is designed to respect the existence of the district and borough councils within the deal area.

Principle 5: Inclusivity – The East Midlands Constituent Councils have committed to creating as inclusive a model of governance as possible, in pursuit of agreed outcomes. Devolution of power and responsibilities will be to the Constituent Councils, however, the importance of the continued role of the eight Derbyshire and seven Nottinghamshire district and borough councils will be respected.

Principle 6: Subsidiarity – 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 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.

Principle 7: Commissioning – The East Midlands MCCA will develop strategy across the geography, dealing with issues as diverse as economic growth and nature recovery. Programmes of interventions will be developed against these strategies.

Principle 8: Choice – The preferred governance model for the East Midlands MCCA will identify a mechanism for including district and borough councils in the geography. This model will respect the existing sovereignty of these lower tier local authorities. Individual councils will also be able to continue to exercise choice about participation at sub-CCA tiers of partnership working.

Discussions continue to be held with borough and districts as the deal is progressed.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

Financial implications for the Nottinghamshire and Derbyshire area as a whole are set out earlier in the report. Individual financial implications for Broxtowe are not yet known.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

There is no requirement for borough and district councils to endorse the devolution deal as the Agreement is between Governments and the four upper tier authorities. The deal needs to go through parliament for primary and secondary legislation to be established, in order for an EMMCCA to be set up.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

Any new EMMCCA will require its own staffing structure. However, it is not proposed that any existing local authority will be changed as part of the proposals.

7. Union Comments

The Union comments were as follows.

N/A

8. Data Protection Compliance Implications

N/A

9. Equality Impact Assessment

No adverse implications

10. Background Papers

Nil.