



Council

Thursday, 29 September 2022

East Midlands Devolution Deal

Report of the Chief Executive

**Cabinet Portfolio Holder for Strategic and Borough-wide Leadership,
Councillor S J Robinson**

1. Purpose of report

To update Council on the progress of the East Midlands/ D2N2 Devolution Deal and allow opportunity for Council to debate the progress and content of the Deal so far.

2. Recommendation

It is RECOMMENDED that Council:

- a) notes progress to date on the devolution and joint working programme, including the announcement of a deal offer from Government on 30 August 2022
- b) agrees that the Leader and Chief Executive should continue to engage with the process in order to ensure that Rushcliffe Borough Council can be represented as far as possible in ongoing discussions; and
- c) receives a further update to be brought to Full Council on the completion of negotiations.

3. Reasons for recommendation

It is important that all councillors are sighted on the progress of the East Midlands/ D2N2 Devolution Deal and what it means for the region.

4. Supporting information

- 4.1. As part of the Levelling Up White Paper that was published in February 2022, the Government committed to agree a devolution deal by 2030 with every part of England that wanted one.
- 4.2. Nine county areas were specifically named in the White Paper as places that the Government wished to begin advanced negotiations with, including Nottingham and Nottinghamshire and Derby and Derbyshire.

- 4.3. The four authorities had expressed an interest the previous year in working together to progress a devolution agreement and began working towards an Autumn 2022 target date set by the Government to agree a deal.
- 4.4. As things turned out, the so-named East Midlands Deal was put on an accelerated timetable which led to a flurry of activity over July and August and resulted in the Leaders of Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council signing up to a deal in principle at a launch event with Greg Clarke MP, the then Secretary of State for Levelling Up, Housing and Communities, on 30 August 2022.
- 4.5. The devolution deal for Derby, Derbyshire, Nottingham, and Nottinghamshire includes a range of powers and over £1.14bn investment over the next thirty years.
- 4.6. 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.
- 4.7. The offer of a devolution deal marks a historic moment for the region and 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 (prior to April 2023) to support local housing and net zero priorities (subject to business case approval). Half of this is likely to go towards retrofitting work on residential properties and Rushcliffe will directly benefit from an allocation
 - 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.
- 4.8. A summary of the opportunities and additional investment the deal offers is included as Appendix 1. The full deal text can be viewed here: [East Midlands devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/1141143/east-midlands-devolution-deal-2022.pdf). The deal marks the culmination of an intensive period of negotiation between local partners, including District and Borough Councils, the D2N2 Local Enterprise Partnership and the city and

county councils. The city and county councils are referred to as “upper tier” authorities and are the signatories to the deal as will be required by the legislation. However, in the county areas, the County Council clearly does not deliver all services and districts and boroughs deliver key services too. The County Council is not for example, the Local Planning Authority. The powers and duties that rest with district and borough councils will stay with district and borough councils.

- 4.9. This offer of a devolution deal is not the end of the devolution journey. There will be opportunities to build and enhance the deal over time, as has happened in other areas. Local partners have secured a number of commitments to explore further devolution in the future as set out in the deal text. The Government has confirmed funding for the establishment of a new combined authority over the coming 2 years, and further funding would be considered as part of future national government spending reviews.
- 4.10. There is now a significant amount of work required to realise the aspiration to hold the first elections for a mayor for Derby, Derbyshire, Nottingham and Nottinghamshire in May 2024. The devolution deal proposals will be subject to public consultation and ratification by Nottingham City, Nottinghamshire County, Derby City and Derbyshire County councils and are dependent on the passage through parliament of primary and secondary legislation to enable the EMMCCA to be established. Whilst district and borough councils are not signatories to the deal, it is expected that they will play a key part in the governance of the East Midlands Mayoral County Combined Authority and have been requested to take the proposals through their councils with a view to providing endorsement.
- 4.11. It is critical that residents, businesses and other organisations can also have their say. Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council and partners are now working together to prepare a detailed proposal for public consultation later this year. Each of these councils is expected to seek approval to consult at a council meeting later this year (expected in November). Subject to that approval, public consultation would take place over Winter 2022. The four councils are also jointly planning engagement activity between now and the launch of formal consultation to ensure that residents, elected members and key partners are kept up to date.
- 4.12. Extensive discussions have been held with borough and district colleagues as the deal has progressed. Derbyshire and Nottinghamshire district and borough councils will remain critical partners as the deal moves into the next phase of the programme. The Leader and Deputy Leader of the Council and the Chief Executive have been involved in discussions. The Economic Prosperity Committee for Nottingham and Nottinghamshire is a public meeting which meets every two months to discuss progress and there have been joint leaders’ meetings for all the D2N2 leaders in order for them to be updated on discussions with government.

- 4.13. While the accelerated timetable which led to the signing of the “in principle” deal in August had the advantage of cutting out some of the bureaucracy that might otherwise have taken place, it limited the opportunity for engagement with borough and district councils that had originally been planned. Frustratingly, Government policy also restricted the sharing of the deal document beyond the upper tiers until the day of the formal launch.
- 4.14. In spite of these constraints, regular briefings were held with borough and district leaders and a number of officers represented boroughs and districts in deal negotiations with Government officials and through various working groups. As a result, and in the words of the deal document itself, “the deal respects the importance of the continued role of the eight Derbyshire and seven Nottinghamshire District and Borough Councils.” This extends to the proposed governance of the Combined Authority which includes borough / district representation. It is worth drawing attention to paragraph 22 of the deal in particular, which provides reassurance that “no local authority functions are being removed from any local authority in the area, excluding transport functions as agreed with the Constituent Councils.”

5. Alternative options considered and reasons for rejection

Do nothing. There is no requirement for borough and district councils to endorse the devolution deal – the agreement is between Government and the four upper tier authorities. Nevertheless, we have contributed to the content of the deal and will have a relationship with the new Mayor and Combined Authority. The deal document respects and recognises the distinct responsibilities of boroughs and districts and our endorsement is considered to be an appropriate expression of support for the principle of devolution and the specific content of the East Midlands deal. It is recommended that the final deal is brought back to Council for endorsement.

6. Implications

6.1. Financial Implications

There are no financial implications arising from this report, though the Council and its communities may well benefit in due course from some of the additional investment referred to above. The EMMCCA would have the ability to charge a precept. However the mayor would have to get agreement from his or her cabinet to do so. The Cabinet would include the upper tier councils and representatives from borough and district councils.

6.2. Legal Implications

The deal needs to go through parliament in order for an EMMCCA to be set up.

6.3. Equalities Implications

There are no equalities implications from this report.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no S17 implications from this report.

7. Recommendation

It is RECOMMENDED that Council:

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- c) receives a further update to be brought to Full Council on the completion of negotiations.

For more information contact:	Katherine Marriott Chief Executive 0115 914 8291 kmarriott@rushcliffe.gov.uk
Background papers available for Inspection:	N/A
List of appendices:	EMMCCA Brochure