



Council

Thursday, 7 December 2023

East Midlands Devolution Deal

Report of the Chief Executive

**Cabinet Portfolio Holder for Strategic and Borough-wide Leadership,
Councillor N Clarke**

1. Purpose of report

1.1. Council last considered the potential impact of a proposed devolution deal for the East Midlands (Nottingham, Nottinghamshire, Derby and Derbyshire) in September 2022 at which time Council agreed:

- to note progress to date on the devolution and joint working programme, including the announcement of a deal offer from Government on 30 August 2022;
- 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
- to receive a further update to be brought to Full Council on the completion of negotiations.

1.2. This report provides an update on the progress of the East Midlands Mayoral Combined County Authority following the passing of the Levelling Up and Regeneration Act.

2. Recommendation

It is RECOMMENDED that Council supports the ongoing involvement and engagement of Rushcliffe Borough Council in the development of the East Midlands Mayoral Combined County Authority and in the delivery of benefits that will come to the region through Devolution.

3. Reasons for recommendation

Whilst district and borough councils do not have to sign off the East Midlands Mayoral Combined County Authority deal (that being the responsibility of the city and county councils), it is clear that district and borough councils have a major part to play in the delivery of outcomes in the East Midlands. It is far better to be at the table in any devolution discussions than not, in order to make the case for investment in Rushcliffe and ensure the voice of Rushcliffe residents is heard.

4. Supporting Information

- 4.1. As part of the Levelling Up White Paper 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. A deal in principle was signed 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 £1.14 billion 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, and was included in the Levelling Up and Regeneration Act, which received Royal Assent on 26 October 2023. It will mean a new directly elected mayor, with elections currently expected to take place in Spring 2024 subject to secondary legislation coming into force shortly.
- 4.7. The deal offer includes:
 - A new guaranteed funding stream of £1.14 billion, or £38 million a year over the next 30 years.
 - A brand-new City Region Sustainable Transport Settlement of over £1.5 billion.
 - Devolution of Adult Education Budget to improve local skills worth approximately £50 million per year.
 - An East Midlands Investment Zone worth up to £160 million to unlock growth and jobs.
 - Significant additional funding – £18 million early investment into the area on housing and Net Zero. Of this, Rushcliffe and all other districts have been allocated £580,000 for housing retrofit work.
 - £17 million for the building of new homes on brownfield land.
 - 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. 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 or the Local Housing 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.
- 4.10. There has been 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 have been subject to public consultation and ratification by Nottingham City, Nottinghamshire County, Derby City and Derbyshire County councils.
- 4.11. Residents, businesses and other organisations have also been able to have their say. Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council and partners undertook a public consultation over winter 2022.
- 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. An interim team headed up by Mark Rogers (an experienced Local Authority Chief Executive who was involved in the creation of the West Midlands Combined Authority) has been put in place for the lead up to the May 2024 elections to put together a proposed initial work programme for the Mayor's office and the Combined Authority Cabinet.
- 4.14. An Executive Leaders Group is in place to oversee the preparation work. This is made up of the Leaders and Deputy Leaders of the City and County Councils. District and borough councils are now represented on this group with two leader representatives from Nottinghamshire and two from Derbyshire. These were selected by the district leaders and are:

Cllr Milan Radulovic, Leader
Cllr Tricia Gilby, Leader
Cllr Anthony McKeown, Leader
Cllr Paul Peacock, Leader

Broxtowe Borough Council
Chesterfield District Council
High Peak Borough Council
Newark and Sherwood
District Council

- 4.15. Once the Mayoral Combined County Authority is in place then a formal process will be undertaken to allocate representatives to the Executive Leaders Group or equivalent from May 2024 onwards.
- 4.16. More information about the work undertaken to date and next steps can be found here: www.eastmidlandsdevolution.co.uk
- 4.17. The city and county councils have to agree the wording of the Statutory Instrument that will lead to the specific secondary legislation to allow for the setting up of the East Midlands Combined County Authority. They will consider this at their respective council meetings on 7 December. Following agreement, the secondary legislation will go through Parliament.
- 4.18. Elections would then be held on 2 May 2024 for the new Mayor of the East Midlands.

5. Timeline

- **August 2022:** Devolution Deal agreed between HM Government Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council signed a £1.14 billion devolution deal with Government. The proposed deal would see our region become the first ever Mayoral Combined County Authority in the country.
- **March 2023:** A public consultation published, which showed broad support for the deal and the establishment of a Mayoral Combined County Authority.
- **November 2023:** Following passage of the Levelling Up and Regeneration Act 2023, the area's Proposal was submitted to HM Government for consideration by the Secretary of State.
- **7 December 2023:** *Subject to approval by the Secretary of State*, the four Constituent Councils decide whether to approve Statutory Instrument (legal basis).
- **December 2023:** Statutory instrument laid before Parliament before Christmas Recess.
- **February/March 2024:** Statutory instrument comes into force. East Midlands Combined County Authority comes into existence.
- **May 2024:** Inaugural mayoral election held.

6. Governance summary

- A new East Midlands Combined County Authority (EMCCA) comprising a directly elected mayor and a governing group of members from the constituent councils of Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council will come into force (subject to approvals).
- CCAs are a new model of devolution introduced in the Levelling Up and Regeneration Act 2023 to reflect the specific governance arrangements of areas with two-tier government.

- EMCCA will have non-constituent and associate members to reflect a variety of interests, including district and borough councils, and business groups.
- A system of informal nominations and representation has been put in place with district and borough colleagues for this current phase, before the EMCCA is established.
- EMCCA will have an Overview and Scrutiny Committee and an Audit Committee as required by the wider governance framework.
- It is expected that EMCCA will have a small number of advisory committees from its inception and principally focused on business representation, skills, transport, and investment.

7. Next steps

- Further work is underway to develop and improve the structures, arrangements, and practices for wider for district and borough involvement and that of key regional stakeholders in the work of the shadow EMCCA, once established.
- There are a range of governance issues that will need to be determined before the formal commencement of the EMCCA including the constitution, provisions around voting, quorum, involvement and role of non-constituent members – guided by the requirements of legislation.

8. Alternative options considered and reasons for rejection

Do nothing. There is no requirement for district and borough councils to be involved in the devolution work – 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 leaders of the city and county councils have been clear that without district and borough council involvement in the devolution work, the outcomes would be sub-optimal. In addition, Rushcliffe Borough Council has already been given access to £580,000 of housing retrofit funding through the deal. There may be further investment opportunities available for Rushcliffe once the Mayor is in place.

9. Risks and uncertainties

Now that the Levelling Up and Regeneration Act has been passed, this new form of Combined Authority exists in legislation. The secondary legislation required for the specific East Midlands Combined County Authority needs to be passed before elections can take place. That should be imminent subject to upper tier council sign off.

10. Implications

10.1. Financial Implications

There are no financial implications arising from this report. Rushcliffe has already accessed £580,000 retrofit grant funding as referred to above. The

EMMCCA could have the ability to charge a precept. However, the mayor would have to get agreement from their cabinet to do so. The Cabinet would include the upper tier councils and representatives from borough and district councils as is referenced in the forerunner to the Cabinet, the “Executive Leaders Group” – see paragraph 4.14.

10.2. Legal Implications

Now that the Levelling Up and Regeneration Act has been passed, this new form of Combined Authority exists in legislation. The secondary legislation required for the specific East Midlands Combined County Authority needs to be passed before elections can take place. That should be imminent subject to upper tier sign off.

10.3. Equalities Implications

There are no equalities implications from this report.

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

There are no S17 implications from this report.

10.5. Biodiversity Net Gain Implications

There are no specific biodiversity net gain implications from this report.

11. Link to Corporate Priorities

The Environment	So far, Rushcliffe has received £580,000 towards housing retrofit via this change in legislation
Quality of Life	Devolved powers and funds to the region should allow more targeted allocations of budgets and higher investment in the region.
Efficient Services	Closer working between public sector partners should lead to more efficient services.
Sustainable Growth	Environment and sustainability is a key strand of work in devolution and the Government is providing funding towards developing brownfield sites

12. Recommendation

It is RECOMMENDED that Council supports the ongoing involvement and engagement of Rushcliffe Borough Council in the development of the East Midlands Mayoral Combined County Authority and in the delivery of benefits that will come to the region through Devolution.

For more information contact:	Katherine Marriott Chief Executive 0115 914 8291 kmarriott@rushcliffe.gov.uk
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Background papers available for Inspection:	<i>Report to Council September 2021</i> <i>Report to Council September 2022</i>
List of appendices:	N/A