



**Council**

**Thursday, 3 March 2022**

**Levelling Up White Paper and Devolution Opportunities**

## **Report of the Chief Executive**

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

### **1. Purpose of report**

- 1.1. The Government published its Levelling Up White Paper on 2 February 2022, and this included a set of ambitions around “levelling up” as well as guidance on options for the devolution of powers and budgets to areas of the country which do not as yet have a devolution deal. Any area which would like a devolution deal is to be offered one by 2030.
- 1.2. This report and appendix give an update on the Levelling Up White Paper in particular how it could affect district councils and suggests some timescales and next steps.
- 1.3. The Council is a member of the Nottingham and Nottinghamshire Economic Prosperity Committee (EPC), alongside all the local authorities in Nottingham and Nottinghamshire. The Leader attends this meeting on behalf of the Council. The contents of the Levelling Up White Paper and the potential for a county deal, or combined authority for the area has, and continues to be, considered by the EPC.

### **2. Recommendation**

It is RECOMMENDED that Council

- a) acknowledges the opportunities for enhanced devolution contained within the Levelling Up White Paper; and
- b) asks the Leader and Chief Executive to continue working with the other local authority leaders and chief executives in Nottingham and Nottinghamshire on any devolution bids and brings an update to a future Council meeting for further debate.

### **3. Reasons for recommendation**

To ensure that all Councillors are sighted on the potential opportunities contained within the Levelling Up White Paper and that Council is kept updated on any future bids to government around devolution.

## 4. Supporting information

- 4.1. Appendix A is a summary of the Levelling Up White Paper issued by the District Councils Network which provides a factual overview of the key points that affect district councils. This report does not attempt to precis the White Paper but instead directs readers to the useful overview in Appendix A.
- 4.2. Over the last few months, the Leader and Chief Executive have been working with leaders and chief executives from the eight other Nottingham and Nottinghamshire local authorities on a bid for a “County Deal” as invited by the former Minister Robert Jenrick.
- 4.3. The work undertaken includes investigation and proposals as to how the local authorities could work together more collaboratively on various strands of work including the environment, economy, skills, land, and housing, supporting young people and transport. It was anticipated that a business case would then be presented to government for a “County Deal” for Nottingham and Nottinghamshire.
- 4.4. Following the appointment of Michael Gove as Secretary of State for Levelling up, Housing and Communities on 15 September 2021, government officials have been reviewing the proposals for county deals and other forms of devolution and the published White Paper included the table set out in Annex 1 of Appendix A.
- 4.5. This table makes it clear that there are different opportunities for devolution as part of a county deal, with three levels available. It is very likely that the highest level of devolved powers (level three) which involves having a Directly Elected Mayor, across a functioning economic area, will bring with it the biggest opportunity for investment in the area. The table below sets out the amount of funding that has been given with devolution deals to combined authority areas. The figures for East Midlands region include Notts, Leics and Derby.

## Combined Authorities Comparison

	Greater Manchester	Liverpool City	West of England	West Midlands	Sheffield City	Cambs/ Peterboro'	Tees Valley	North of Tyne	East Midlands
Membership (not inc. mayor)	10	6 + LEP	3	20 (7 const, 10 non const, 3 LEPs)	10 (4 const, 5 non const + LEP)	8 + LEP	5 + LEP	3 + LEP	–
Population	2,798,000	1,507,000	908,000	2,808,000	1,819,000	937,000	701,000	846,000	3,335,000
Geographical Area	1,272 km <sup>2</sup>	724 km <sup>2</sup>	982 km <sup>2</sup>	899 km <sup>2</sup>	1,548 km <sup>2</sup>	3,386 km <sup>2</sup>	811 km <sup>2</sup>	5,258 km <sup>2</sup>	6,925 km <sup>2</sup>
Economic Output	£56.3bn	£29.5bn	£26.7bn	£59.3bn	£27bn	£22bn	£11.4bn	£18.6bn	£74.3bn
Investment Fund (30 years)	£900m	£900m	£900m	£1.1bn	£900m	£600m	£450m	£600m	£0

- 4.6. There is no clear proposal yet for a county deal for Nottinghamshire and Nottingham, as the work that has been undertaken so far will be revisited in the light of the White Paper, but Nottingham and Nottinghamshire were mentioned in the Levelling Up White Paper as a pathfinder for the first round of county deals to be agreed. The government has said it will agree deals with the first areas by the end of 2022.
- 4.7. There are several areas for consideration to be debated and agreed, not least the geography of a deal and the scope of what it would cover. The table below sets out some thoughts on whether the N2 local authorities should join with the D2 authorities on a joint bid – covering the same geography as the Local Enterprise Partnership (D2N2).

## Mapping the Devolution Framework

<b>D2N2</b>	<ul style="list-style-type: none"> <li>Wider geography builds on existing positive and successful D2N2 collaboration to date.</li> <li>However, reduced powers available under Level 2 would be more difficult to implement across a wider geographical area.</li> <li>Nevertheless, opportunity to build up to Level 3</li> <li>Level 2 incurs risk of being left behind other areas and unable to access the full range of powers and devolved funding.</li> </ul>	<ul style="list-style-type: none"> <li>Takes advantage of full powers on offer.</li> <li>Opportunity to take control of a range of levers with a view to securing own accelerated sustainable growth.</li> <li>Larger functional economic area will give us greater political leverage with government – potentially leading to a larger drawdown of resources</li> <li>Potential for greater impact on addressing shared, cross cutting challenges e.g. air quality, integrated transport system, housing markets, major regeneration opportunities.</li> </ul>							
	<ul style="list-style-type: none"> <li>Natural geographical area makes devolution with fewer powers feasible.</li> <li>However, benefits will be considerably reduced due to limited devolution.</li> <li>Nevertheless, opportunity to build up to Level 3</li> <li>Level 2 incurs risk of being left behind other areas and unable to access full range of opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Takes advantage of full powers on offer.</li> <li>Fewer voices: more chance of being heard.</li> <li>But smaller economic area would mean that our impact with government will be a lot less...</li> </ul> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>N2:</td> <td>1.2m</td> </tr> <tr> <td>D2N2</td> <td>2.2m</td> </tr> <tr> <td>West Midlands Comb Auth</td> <td>2.9m</td> </tr> <tr> <td>Gtr Manchester Comb Auth</td> <td>2.8m</td> </tr> </table>	N2:	1.2m	D2N2	2.2m	West Midlands Comb Auth	2.9m	Gtr Manchester Comb Auth
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	<b>Level 2</b>	<b>Level 3</b>							

- 4.8. One of the selling points of a Directly Elected Mayor for the region is for them to act as a single point of contact for key strategic initiatives such as the Development Corporation or the Freeport. Businesses would have one obvious office to deal with rather than the myriad of public sector organisations in place now. However, there is no instruction that local government reorganisation should occur alongside a bid for a Mayoral Combined Authority. A Mayoral Combined Authority could also include LEP powers and Police and Crime commissioner powers.
- 4.9. One example of a Mayoral Combined Authority is that of the West Midlands where there are 18 local authority and three LEP members with full or partial voting rights. This includes district, county, and unitary members.

### WMCA members with full voting rights

These local councils have full voting rights on any decision WMCA makes:

- Birmingham City Council
- City of Wolverhampton Council

- Coventry City Council
- Dudley Metropolitan Borough Council
- Sandwell Metropolitan Borough Council
- Solihull Metropolitan Borough Council
- Walsall Council

WMCA members with reduced voting rights

Some local councils and LEPs have reduced voting rights. They are:

- Cannock Chase District Council
- North Warwickshire Borough Council
- Nuneaton and Bedworth Borough Council
- Redditch Borough Council
- Rugby Borough Council
- Shropshire Council
- Stratford-on-Avon District Council
- Tamworth Borough Council
- Telford and Wrekin Council
- Warwickshire County Council
- Black Country LEP
- Coventry and Warwickshire LEP
- Greater Birmingham and Solihull LEP

4.10. It should be said that the power to request and negotiate any of the county deal options set out in the annex lies with the upper tier authorities. District councils do not have the power of veto. So far, conversations and discussions have been constructive and amicable across all the councils and the leaders of Nottinghamshire County and Nottingham City Councils have expressed their desire to carry on full engagement with district councils who can bring their influence and expertise to the table.

4.11. It is expected that the first areas to agree a county deal will be asked to put forward proposals later this year with agreement by the end of the year. In the case of a new Mayoral Combined Authority, elections could be as soon as May 2023.

## **5. Alternative options considered and reasons for rejection**

5.1. Rushcliffe Borough Council could choose not to participate in future devolution and collaboration discussions with County, City, and the other districts. This is not a recommended way forward because Rushcliffe has a long-held commitment to partnership working and to looking to achieve the best outcomes for its residents.

5.2. Whilst not all members of the Council may support all the options put forward, it is strongly recommended that the best way to participate and influence the future shape and structure of a county deal is to be part of the discussions.

## **6. Risks and uncertainties**

6.1. Is it really “devolution” if the proposal adds another layer of government? Government is keen to have single points of contact in the regional areas which

is one reason it is keen on the mayoral model. In reality, a combined authority model is most likely to have devolved powers from government linked with some of the more strategic powers of the upper tier (county and city) councils. Districts would still deliver local services but would hopefully have some influence at a combined authority similar to the way the West Midlands Combined Authority operates.

- 6.2. This is one reason it is so important that districts remain part of the discussions so that we can continue to link the local issues to the more strategic and regional ones. It will be strongly encouraged that County and City leaders continue to engage with districts and that a role for districts is written into any combined authority constitution. This is particularly key due to our statutory housing and planning responsibilities.

## **7. Implications**

### **7.1. Financial implications**

7.1.1. There are no financial implications from this report.

7.1.2. Whatever proposals are submitted to government will need to be costed and considered in a way that does not add to the local taxation burden on residents. It should be expected that efficiencies in existing models and government funding will cover any additional costs and that the additional funding secured from government will provide a compelling argument for pursuing a county deal.

### **7.2. Legal implications**

7.2.1. There are no legal implications from this report.

7.2.2. There may be legal implications arising from any proposals put to government for a county deal and these will be considered at that time.

7.2.3. If agreement is made for a Mayoral Combined Authority to be set up there would need to be elections held for the Directly Elected Mayor.

### **7.3. Equalities implications**

There are no equalities implications from this report.

### **7.4. Section 17 of the Crime and Disorder Act 1998 implications**

There are no crime and disorder implications from this report.

## 8. Link to corporate priorities

Quality of Life	“Levelling Up” is around ensuring that all residents can enjoy a good quality of life with access to opportunities.
Efficient Services	The White Paper looks to secure efficient forms of local government.
Sustainable Growth	This is a key theme with both “pride in place” and “housing” included in the Levelling up white paper missions
The Environment	This is a cross-cutting theme that supports health, wellbeing and pride of place.

## 9. Recommendation

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<b>For more information contact:</b>	Katherine Marriott Chief Executive 0115 914 8349 <a href="mailto:kmarrriott@rushcliffe.gov.uk">kmarrriott@rushcliffe.gov.uk</a>
<b>Background papers available for Inspection:</b>	
<b>List of appendices:</b>	Appendix A: Levelling Up White Paper, DCN Summary