

27 January 2023

Agenda Item: 5

REPORT OF THE LEADER OF NOTTINGHAMSHIRE COUNTY COUNCIL

JOINT WORKING AND DEVOLUTION PROGRAMME: NEXT STEPS

Purpose of the Report

1. This report summarises work to date and seeks approval for a further allocation of £450,000 funding in 2023-2024 to resource the work of the joint working and devolution programme team, using the National Non-Domestic Rates (NNDR) Pool Reserve.
2. Further progress of the devolution aspect of the programme is subject to the relevant approvals, the outcome of the consultation, as well as primary and secondary legislation passing through Parliament. However, it should be acknowledged that without the appropriate resource in place, it will not be possible to analyse and consider the consultation responses, review the draft Proposal for consideration by the 4 Constituent Councils, or drive forward any other next steps required.

Information

Programme Team

3. Nottingham and Nottinghamshire councils (City, County, Districts and Boroughs) have been working together for over a year to identify areas for greater collaboration and opportunities to make an even bigger difference for our residents. Securing a devolution deal has been central to this work.
4. In October 2021, the EPC resolved to establish a joint working and devolution programme team and budget to drive forward work and provide much needed capacity. The EPC approved an annual budget of £450,000 for the programme, funded through the shared NNDR pool. This constitutes £180,000 from Nottinghamshire County Council and £38,571 per District and Borough Council. The EPC agreed that Nottinghamshire County Council should be asked to act as the host organisation and be the employing body. Approval was given to establish this new team in December 2021, with all posts filled by June 2022.
5. The team comprises the following roles:
 - One Programme Manager (Hay Band D)
 - Four Project Officers (Hay Band A)

- One Senior Communications Business Partner (Hay Band C)
- One Business Support Administrator (NJE Grade 2)

In addition to the above roles, the programme team also benefitted from a full time graduate trainee through Nottinghamshire County Council's graduate scheme between April and October 2022, at no cost to the programme.

6. Previous reports to the EPC on 17 June 2022 and 18 March 2022 noted the decision to work together with Derby and Derbyshire councils on a devolution deal across a wider geography. This followed Nottingham and Nottinghamshire, and Derby and Derbyshire being named as pathfinder areas by the Government in the [Levelling Up White Paper](#), and invited to apply for a devolution deal.
7. The team have worked closely with colleagues from across councils, the Local Enterprise Partnership (LEP) and other partners in a "virtual team" approach. The team resource has been complemented by in kind contributions and senior oversight from across city, county, district and borough councils. The team has also worked closely with specialist external support, where internal capacity or expertise was not available:
 - Deloitte: strategic advice, bringing their experience of Government devolution negotiations and the establishment of combined authorities elsewhere in the country,
 - Browne Jacobson: specialist additional legal capacity and,
 - Ipsos UK: consultation and analysis specialist, providing rigour and independence to the consultation process.

Progress to date

8. The EPC's investment in a programme team has enabled extensive collaborative work and the delivery of major milestones over the last six months including the signing of a devolution deal, the development of a complex draft Proposal and the launch of public consultation. The following sections outline these milestones, and the team's role in more detail.

East Midlands Devolution Deal

9. On 30 August 2022, Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council ("four upper tier councils") signed a [£1.14 billion devolution deal](#) with the Government.
10. The signing of the deal will, subject to relevant approvals, the outcome of the consultation, and primary and secondary legislation passing through Parliament, establish the first ever Mayoral Combined County Authority in the country. The offer of a devolution deal marked a historic moment for the region and if approved, will bring in much needed investment, funding and powers. More major decisions would be made locally and the region would have a bigger voice. The £1.14 billion can be used to draw in new additional public sector investment, meaning the true benefit of the deal could potentially be significantly higher.
11. It is proposed that the Combined County Authority (CCA) will be known as the East Midlands Combined County Authority (EMCCA). It would cover the geographical areas of Derbyshire

County, Derby City, Nottinghamshire County and Nottingham City Councils, which together form the Constituent Councils of the CCA.

12. The devolution deal and the EMCCA (if established) will provide the area with:
- Control of a £38 million per year allocation of investment funding over 30 years (50% capital, 50% revenue), to be invested by East Midlands CCA to drive growth and take forward its priorities over the longer term.
 - New powers to improve and better integrate local transport, including the ability to introduce bus franchising, control of appropriate local transport functions, e.g., local transport plans, and control of a Key Route Network.
 - An additional £500,000 of revenue funding in both 2023/24 and 2024/25 to accelerate work on a provisional area wide local transport plan and implement quantifiable carbon reductions.
 - An integrated transport settlement starting in 2024/25.
 - A commitment to explore a local partnership with Great British Railways so that the EMCCA mayor can help to shape and improve the local rail offer.
 - New powers to better shape local skills provision to meet the needs of the local economy, including devolution of the core Adult Education Budget, as well as input into the new Local Skills Improvement Plans.
 - New powers to drive the regeneration of the area and to build more affordable homes including compulsory purchase powers and the ability to establish Mayoral Development Corporations.
 - Over £17 million for the building of new homes on brownfield land in 2024/25, (at the time of writing subject to sufficient eligible projects for funding being identified). This funding will be open to bids from District and Borough Councils, as well as provide opportunities to support local developers.
 - £18 million capital funding in this Spending Review period (up to 2024/25) to support the delivery of housing priorities and drive Net Zero ambitions in the East Midlands area, subject to Government agreement of relevant business cases. £6.96m of business cases have already been approved, and decisions on the remaining bids are expected by the end of January 2023. A proposal currently being considered by Government for this funding seeks just over £9m to retrofit homes. This funding would be divided equally across the entire area of the proposed combined authority. If approved, each unitary, district or borough council would access circa £536,000 each to complete retrofit works on properties where the Energy Performance Certificate rating can be improved.
 - A key role in planning and delivering the East Midlands area allocation of the UK Shared Prosperity Fund (UKSPF) from 2025/26.
 - The integration of D2N2 Local Enterprise Partnership into the East Midlands CCA. This will ensure there continues to be a strong and independent local business voice which informs local decision making and strategic economic planning. In absorbing the role and functions of D2N2 LEP, the East Midlands CCA will deliver a number of functions on behalf of central government departments.
 - A commitment to developing, in partnership with the Government, an arrangement which ensures close cooperation with the Police and Crime Commissioners (PCCs).
 - The Government commits to work with the region to explore initiatives that improve delivery of public services jointly with Constituent Councils such as how best to support residents with multiple, complex needs.

- A key leadership role for the mayor in local resilience and civil contingency planning, preparation and delivery.
- Public health powers to enable the EMCCA to complement and support the action already being taken by Constituent Councils to improve people’s health and well-being across the Area. This will allow health and wellbeing to be consider throughout the EMCCA’s activities as well as enable work on local issues where health plays a role, for example, tackling homelessness and rough sleeping.
- Mayoral Capacity Funding to support the EMCCA in its early stages, including £500,000 in 2023/24 – once the establishing legislation is made and the Assurance Framework confirmed with the Government, and £1 million in 2024/25. Any future capacity funding will be subject to Spending Review, in line with arrangements for other devolution deals. Additional activities or capital allocations from Government will be supported by revenue allocated to the EMCCA in line with practice for areas with existing devolution deals.

Figure 1: Devolution Deal Funding Summary



Draft Proposal Development and Public Consultation

13. To progress the area’s devolution deal, under the Levelling Up and Regeneration Bill, a consultation is required on the EMCCA Proposal (“the Proposal”).
14. The draft Proposal sets out the context, vision and priorities for the new EMCCA – “Our vision is for the 2.2 million people who live and work here to enjoy better health, greater prosperity and an increased sense of wellbeing through the opportunities available to them within an inclusive and competitive CCA Area at the heart of the country”. Four priority areas have been put forward to support delivery of the vision – homes, skills, transport and net zero (reducing carbon emissions). These align with the priorities Nottingham and Nottinghamshire leaders jointly set out in the original Nottingham and Nottinghamshire [“Case for Devolution”](#), published in October 2021.
15. Significant work was required to move from the deal document to a draft Proposal – this was a new process with no previous template to follow. The draft Proposal is a complex document created with the input of multiple stakeholders working collaboratively across organisations, geographies, and specialist technical subjects against a challenging timetable. This work included an initial Equality Impact Assessment (EIA) developed to support proposal and consultation development. This provided a focus for development of a programme of engagement during the consultation period. Project officers within the team

supported work to engage hard to reach groups across the area during the consultation period, and continue to work alongside consultation and equality leads to refine the initial EIA published in October 2022.

16. A series of Full Council meetings held by city and county councils during the week commencing 31 October 2022 approved [the draft Proposal](#) and agreed to launch formal consultation. The consultation ran for a period of eight of weeks from 14 November 2022 to 9 January 2023. As well as seeking the views of district and borough leaders who have been key partners from the outset, the consultation looked to enable wider consultation with local people, businesses, wider public sector partners, the voluntary and community sector, and other stakeholders. Whilst the consultation is now closed, the website can still be accessed to read a summary of the proposals, the full proposals and the FAQ on devolution: [Have Your Say – East Midlands Devolution](#)
17. The consultation responses are now being analysed. The results of the consultation will be considered as part of decisions yet to be taken by all four upper tier councils on the final Proposal for submission to government after the relevant primary legislation is enacted. The deal Proposal would then need approval and new secondary legislation from central government (supported by the four upper tier councils) to create the East Midlands Combined County Authority.

Impact of the joint working and devolution programme team

18. The delivery of the achievements outlined above would not have been possible without the team established through the EPC. In February 2022 when the decision was taken progress a joint D2N2 deal, there was an urgent need to form a collective team able to rapidly join two separate devolution proposals (D2 and N2) together and meet a demanding schedule from central Government. The team led the adoption of a single team approach through coordinating work at every stage of the process, building relationships with and managing the expectations of multiple stakeholders including DLUHC, the Department for Transport, nineteen councils, the LEP, blue light services, health partners, universities, colleges, major employers and business organisations. The dedicated flexible resource provided by the team meant the programme could deliver to the tight timescales and facilitate the level of complex stakeholder engagement needed.
19. The original negotiation timeframe included a series of themed negotiation sessions with government colleagues, with anticipated deal agreement in October 2022. Changes at a national level meant that this deadline was brought forward to the end of August 2022. To facilitate this, Government colleagues provided us with a deal framework to review and amend, running a constant feedback loop with DLUHC. Suggested changes and commentary were made through the theme groups, with representation from district and borough colleagues and wider partners, to ensure that we were able to provide as holistic (and robust) a response as possible. Project Officers from the team supported each theme group, coordinating and supporting meetings, making connections across workstreams, and ensuring the input of these groups was fed into the negotiations and subsequently the draft Proposal.
20. The programme team drove forward the in-year capital funding process. Approval of the £9.12m business case to retrofit housing across the geography would see each district and

borough council access c. £536,000 each, representing a significant return on investment from the £38,571 invested to date by each Nottinghamshire district and borough in the programme team.

21. The Senior Communications Business Partner role has provided specialist input on media, stakeholders and events, and digital communications. This resource has enabled the creation of shared communications materials, toolkits, coordinated press releases, and the establishment of a weekly communications group across city, county, district and borough councils, as well as D2N2 LEP colleagues. This has helped to establish and maintain a single voice, manage communication issues effectively and promote a proactive approach where possible.
22. The team has played a critical role in delivery and has demonstrated great flexibility and tenacity, working in an intense environment. The team has only been working at full capacity for six months, with huge potential to deliver even further in the future, taking forward the skills and knowledge developed to date.

Spend to Date

23. The EPC resolved on 29 October 2021 to delegate authority to the Nottinghamshire Chief Executives Group to oversee expenditure of the budget allocation. A high level summary is set out below.
24. The spend in 2021-22 was £23,000 (£20,000 on staffing and £3,000 on programme costs) as reported to the June 2022 EPC meeting. The remaining £427,000 was set as the budget for the 2022/23 financial year.
25. The total spend to date (as of December 2022) is £317,758, with the majority of spend (£217,959) relating to employment of the programme team. The current forecast and commitments indicate the full £427,000 allocation will be used in 2022/23. In addition to the staffing resource, the programme budget supports delivery of:
 - Specialist strategic and legal advice as required
 - Independent consultation expertise to develop and oversee the consultation process and subsequent analysis
 - Communications activity and materials including promotion of the consultation
 - Day to day working budget for the programme
26. Derby City Council, Derbyshire County Council and Nottingham City Council have also all provided a mix of cash and in kind contributions to support the programme, alongside the NNDR allocation.

Next Steps

27. Following the consultation exercise, the four upper tier councils will need to decide on submission of their final Proposal to Government, which will take account of the outcome of the consultation, and which may, if appropriate, formally propose the creation of the EMCCA. The timescale for this is dependent on the passage of the Levelling Up and Regeneration Bill through Parliament. At the time of this report, the UK Parliament website reports that the Levelling Up and Regeneration Bill is due to have its second reading in the House of Lords

on 17 January 2023. Its progress can be tracked here: [Levelling-up and Regeneration Bill - Parliamentary Bills - UK Parliament](#).

28. There is the risk that the relevant provisions of the Bill may be subject to change prior to Royal Assent. However, the four city and county councils will remain in close dialogue with Government to understand any impacts this may have and ensure that partners are in the best position to respond to them as the Bill progresses.
29. It is important not to pre-empt the outcome of the consultation process or decisions yet to be taken by councils on the formal submission of a final Proposal to Government or the passage of the Bill through Parliament. Having said this, an indicative direction of travel might look like this:

Stage 1: Developing a framework for transitional arrangements – now to Spring 2023

- Consideration and analysis of consultation responses
- Review and consideration of any revisions required to the draft Proposal
- Final Proposal and consultation responses considered by four Constituent Councils
- The programme team to support established thematic groups on land and housing, net zero, skills and transport to progress strategy, a pipeline of potential projects and continued collaborative working. New theme groups may also be required to explore public health, social care, collaborative working opportunities and other priorities as they emerge. The devolution and joint working programme team would be expected to support the development and inclusion of Nottinghamshire schemes as part of the pipeline work.
- Collaborative working across the partnership to shape the key roles and activities needed during any transitional arrangements and how these could be delivered

Stage 2: preparing for an operational MCCA – Spring 2023 – Spring 2024

- Subject to passage through parliament, bill becomes law following Royal Assent being given
- If approved by Constituent Councils the final Proposal is completed and submitted to Government
- Proposal considered by Government and subject to agreement, the process of developing secondary legislation commences
- Transitional arrangements designed, agreed and established (this may include formation of a “Shadow authority” and allocation of interim Leadership roles and responsibilities)
- Accountable body confirmed for transitional/shadow period and preparation for formal EMCCA begins, development of interim and longer-term management structure and the integration of the LEP moved forward
- Thematic groups outlined above continue, supported by the programme team
- Draft formal constitutional arrangements developed
- Secondary legislation confirmed by Councils

Stage 3: Formal establishment of EMCCA - May 2024 onwards

- Secondary legislation complete

- Mayoral elections concluded
 - Constituent Council and non-Constituent Membership and constitutional arrangements confirmed
 - Thematic groups as outlined above to continue, supported by the programme team
 - Transition to formal EMCCA, including the implementation of the operating model and governance model, and the scaling up of EMCCA functions and core competencies.
 - EMCCA 'live' and operational.
30. In order to deliver the ambitions for the area, the constituent councils will seek to organise resources in the best possible way. To ensure that the challenging timescales for establishing an EMCCA can be met, in the event that a proposal is approved by the four Councils, it is necessary for some advance activity to be undertaken. Further work on the devolution aspect of the joint working and devolution programme is subject to the relevant approvals, the outcome of the consultation, as well as primary and secondary legislation passing through Parliament.
31. As part of the overall programme planning, work is in train to scope the skills, capability and capacity required. This will set out the scale of the resource requirement in both officer capacity and cash resources to fund external specialist commissions. The programme team has been supporting the programme planning and are well placed to play a key role in delivering the next phases of the programme.
32. Collaborative work at this scale requires resources. It is proposed that the existing Programme Team, funded through the NNDR pool, be extended to support work required in the forthcoming financial year, with future decisions required ahead of the 2024/25 financial year. The established Programme Team have made a significant contribution in securing the devolution deal and driving progress in the wider programme. The Team have developed knowledge and expertise which enables them to continue to play an important role, complementing the input from the specialist commissions. There will also be additional opportunities for secondments from partner organisations to fulfil additional roles that may be required across stages 1 and 2.
33. Wider partners will also continue to commit cash and in kind contributions to the devolution programme. The intention is to agree a cross D2N2 approach, with each area taking reports to their relevant committees to obtain approval for resources. This is in advance of the Government releasing mayoral capacity funding (dependent on the outcome of the consultation and relevant approvals) and the significant investment a devolution deal would provide.
34. In addition to the above work programme is the opportunity to review and/or accelerate the collaborative working opportunities identified across Nottinghamshire during the last year. Where there are programmes of work to be progressed, support could be made available through the Programme Team.
35. Potential areas of focus for the programme team include:
- Workforce Planning: addressing skills shortages, recruitment, and retention
 - Collaborative use of public land and assets
 - Net Zero programmes and Waste Reform linked to Environment Bill

- Health and Social Care: addressing health inequalities, working effectively with Integrated Care Boards and partners
- Pooled budgets and shared services

Leaders' views are sought on where best to focus to deliver real and tangible benefits.

36. This is just the start of a journey towards devolution proposals and there is a significant amount of work ahead to realise our region's potential. The EPC's continued commitment to support a joint working and devolution programme team will sustain momentum and ensure the opportunities collaborative working and devolution may bring are optimised for the benefit of Nottinghamshire residents and the wider region.

Other Options Considered

37. Do Nothing - Nottingham and Nottinghamshire Councils could decide to not fund the team for a further year. However, this option is not sustainable in the short and medium term because resources and capacity to deliver identified programmes of work are not sufficient. This option was therefore rejected as all councils have agreed to progress joint working at pace. Early collaborative work and preparation for a devolution deal has stretched existing resources and demonstrates the need for additional capacity.

Reason/s for Recommendation/s

38. To ensure there is sufficient capacity to help drive the delivery of collaborative projects and devolution proposals in a way that meets residents and business needs and aspirations. The joint working and devolution programme aspirations are central to the economic prosperity of the County and work needs to progress at pace.
39. It is expected that all partners working on the devolution programme will contribute further through in kind or cash contributions. Without funding through the NNDR pool, the dedicated Devolution and Joint Working Programme Team would be scaled down.

Statutory and Policy Implications

40. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

41. As determined at the 29 October 2021 EPC, the costs and funding of the joint working and devolution programme team are to be reviewed annually. An allocation is sought from the NNDR to fund the costs of up to £450,000 in 2023/24, as outlined in the table below.

Council	£
County Council 40% split	180,000
District and Borough Councils 60% split	270,000 (38,571 per District/Borough Council)

42. The NNDR pool as of December 2022 stands at a total of £1.038m (£0.227m unallocated funding and £0.811m in a volatility reserve). Discussions with senior financial officers have confirmed that should the decision to be taken to approve the allocation, there would be sufficient funds available to resource the team in 2023-2024. This would leave £588,000 within the Volatility reserve. S151 Officers across the County view that this is a sufficient level for the Volatility reserve to remain at.
43. It is proposed that reporting on the £450,000 allocation for the joint working and devolution programme team is provided by exception to chief executives, to provide oversight and monitoring of the funding. An annual update would then be provided to the EPC
44. These resourcing proposals represent the anticipated requirements over the next twelve months. Delivering on a successful devolution deal and discharging additional powers to deliver benefits to local people will, however, be a complex undertaking. Resource requirements will continue to be reviewed by the programme team and any additional resource requirements requested from the appropriate committee.

Consultation Implications

45. A public consultation ran from 14 November 2022 to 9 January 2023. Details on the consultation approach are set out in the 4 November 2022 Full Council report and on the [consultation website](#).

Human Resources Implications

46. Seven fixed term roles are currently hosted by Nottinghamshire County Council, utilising existing job descriptions from the centralised Transformation and Change team. The requested resource allocation will cover the costs of the team, as well as providing a working budget for the programme. It is proposed that members of the team continue on current contractual arrangements, with posts extended to 31 March 2024.

Public Sector Equality Duty implications

47. The four City and County Councils had due regard to their Public Sector Equality Duties under the Equalities Act 2010 when taking their decisions regarding the draft Proposals. The four City and County Councils will continue to evaluate equality impacts now the consultation has closed and in reaching their decisions in respect of a final proposal. When allocating resources from the NNDR pool in to fund the programme team, no specific impacts on those with protected characteristics have been identified.

Implications for Residents

48. The establishment of an EMCCA would result in a significant uplift in the powers and funding available to the area. It would mean at least an additional £1.14 billion of investment in the area's economy over the next 30 years.

Implications for Sustainability and the Environment

49. The programme at this stage will not directly affect carbon emissions in a material way. If subsequently established, it is anticipated that the EMCCA will develop its own plans and strategies to reduce carbon emissions which will be subject to its own approval processes and approaching the issues from a wider strategic and geographic position may beneficially impact the development of more consistent and measurable carbon reduction measures.

RECOMMENDATIONS

It is recommended that the Economic Prosperity Committee:

- 1) Endorse progress made to date on the devolution and joint working programme.
- 2) Approve the allocation of £450,000 from the NNDR pool to support the work of the devolution and joint working programme in 2023-2024
- 3) Advises on any additional areas of focus beyond those listed in paragraph 34 for collaborative working opportunities
- 4) Agrees to reporting by exception on the £450,000 allocation to Chief Executives, to provide oversight and monitoring of the funding.

Councillor Ben Bradley MP
Leader of Nottinghamshire County Council

For any enquiries about this report please contact:
Adrian Smith, Chief Executive, Nottinghamshire County Council, Tel: 0115 9773582

Constitutional Comments (HD – 19/1/2023)

50. The Economic Prosperity Committee can prioritise and make decisions on the use of funding within its control including the spending priorities for the Nottinghamshire Business Rates Pool, subject to any further necessary approvals by individual Councils regarding their specific allocations. The programme of work relating to the Devolution proposals are subject to consideration of the outcome of consultation, further approvals by all four upper tier Councils and government and by the passage through parliament of primary and secondary legislation.

Financial Comments (SES 17/01/2023)

51. The financial implications are set out in paragraphs 41 to 44 of the report.
52. An allocation of £450,000 is sought from the National Non-Domestic Rates (NNDR) Pool Reserve.

53. The NNDR pool as of December 2022 stands at a total of £1.038m. Discussions with senior financial officers have confirmed that should the decision to be taken to approve the allocation, there would be sufficient funds available to resource the team in 2023-2024. This would leave around £588,000 within the volatility reserve.

HR Comments (JP 17/1/23) The HR implications are contained at paragraph 45. The extension of contracts will be in line with the Authority's relevant policies and procedures

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- [Levelling-up and Regeneration Bill](#)
- [East Midlands Devolution Deal](#)
- [East Midlands Devolution Webpages](#)
- [Full Council 4 November 2022 Papers](#)
- ["£1.14 billion devolution deal for the East Midlands" – Press Release 30 August 2022](#)
- [Cabinet 13 October 2022 – Devolution Update](#)
- [Cabinet 14 July 2022 – Devolution Update](#)
- [The City of Nottingham and Nottinghamshire EPC 17 June 2022 – Joint Working and Devolution Programme Update](#)
- [The City of Nottingham and Nottinghamshire EPC 18 March 2022 – Joint Working and Devolution Programme Update](#)
- ["East Midlands council leaders consider options for new devolved powers and resources" – Joint Statement 23 February 2022](#)
- [Levelling Up White Paper 2 February 2022](#)
- [The City of Nottingham and Nottinghamshire EPC 29 October 2021 – Nottingham and Nottinghamshire Case for Devolution Resourcing Requirements](#)

Electoral Division(s) and Member(s) Affected

- All