

9 December 2022

Agenda Item:4

REPORT OF THE LEADER OF NOTTINGHAMSHIRE COUNTY COUNCIL

DEVOLUTION AND JOINT WORKING PROGRAMME UPDATE

Purpose of the Report

1. To update the City of Nottingham and Nottinghamshire Economic Prosperity Committee (EPC) on the progress of the Joint Working and Devolution programme.
2. To promote engagement with the public consultation on devolution that is live from 14 November 2022 to 9 January 2023.

Information

3. The EPC has been at the forefront of plans to secure a devolution deal for our region, with local leaders recognising it has the potential to address the lasting impact of decades of low Government investment in the East Midlands. 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 value of this investment, in conjunction with extensive collaborative work across partners, can be seen in the delivery of major milestones including the signing of a deal and the launch of public consultation in recent months.
4. 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, after Nottingham and Nottinghamshire, and Derby and Derbyshire were named as pathfinder areas by the Government in the [Levelling Up White Paper](#), and invited to apply for a devolution deal.
5. 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. The signing of the deal, will, subject to relevant approvals, 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, with more major decisions being made locally and a bigger voice for the region. It is the culmination of an intensive period of negotiation between

local partners, including District and Borough Councils, the Local Enterprise Partnership, and the four city and county councils.

6. 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 the Derbyshire County, Derby City, Nottinghamshire County and Nottingham City Councils, which together form the Constituent Councils of the CCA.
7. 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).
 - £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. This investment is subject to agreement of the relevant business cases.
 - 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 considered throughout the EMCCA's activities

as well as enable work on local issues where health plays a role, for example, tackling homeless 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.

Public Consultation

8. To progress the area's devolution deal, under the Levelling-up and Regeneration Bill, a consultation is required on the draft EMCCA Proposal ('the Proposal'). Development of a draft Proposal and consultation preparation have been the focus of activity between September and November 2022.
9. 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.
10. 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. Nottinghamshire County Council's 4 November 2022 Full Council report is attached as Appendix 1 for further information.
11. The consultation went live on 14 November 2022. It will be for a period of eight weeks, closing on 9 January 2023. City, county, district and borough leaders have been key partners from the outset of deal development. The consultation will enable wider consultation with local people, businesses, wider public sector partners, the voluntary and community sector, and other stakeholders. Active steps are being taken to encourage participation and to ensure that the consultation is accessible to all (including, for example, the digitally disadvantaged, those with protected characteristics).
12. The consultation can be accessed via the following website (alongside information on how to request paper copies or copies in other formats and languages): [Have Your Say – East Midlands Devolution](#). Paper copies will also be made available at key public buildings in the area.
13. There will be a Teams live online public engagement meeting on Wednesday 7 December, 6pm -7.30pm, with an opportunity to hear about proposals from local council leaders and chief executives and a Q&A session. A further information event is being scheduled for January 2023. In addition, there are a series of local engagement events linked to existing forums being used to promote the consultation and encourage responses. A stakeholder conference is also taking place on Monday 5 December 2022, aimed at public sector and business

engagement. The event will include presentations on all aspects of the draft Proposal and break out sessions into the priority areas.

14. Further details on the draft Proposal and the consultation can be read in the 4 November Full Council report, its appendices and on the consultation website.

Legislative Timeline and Next Steps

15. Following consultation, the four city and county councils will need to submit their final Proposal to Government in the first quarter of 2023, which will take account of the outcome of the consultation, and which, if appropriate, formally proposes the creation of the EMCCA.

16. Subject to the passage of the Levelling Up and Regeneration Bill through Parliament, it is anticipated that a further series of Full Council meetings in or around March 2023 will consider the results of the consultation and decide on the submission of a final Proposal to Government.

17. This offer of a devolution deal is the beginning of the journey, not the end. There will be opportunities to build and enhance it 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. Government have 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.

18. Extensive discussions have been held with our borough and district colleagues as the deal has progressed. Derbyshire and Nottinghamshire district and borough councils will remain critical partners as we move into the next phase of the programme.

19. 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. Having said this, an indicative direction of travel might look like this (this is in no way definite and is only provided to indicate potential activities and timelines should a final Proposal be agreed:

Stage 1: Developing a framework for a Shadow MCCA – now to Spring 2023

- Public Consultation open 14 November 2022 – 9 January 2023
- Consideration and analysis of consultation responses
- Subject to passage through parliament, bill becomes law following Royal Assent being given
- Final Proposal and consultation responses considered by four Constituent Councils
- If approved by Constituent Councils the final Proposal is completed and submitted to Government
- Collaborative working across the partnership to shape key roles needed for a shadow authority, key activities it needs to fulfill both immediately and in future and how it will deliver those.

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

- Proposal considered by Government and process of secondary legislation commences
- Shadow authority formed – with interim Leadership roles and responsibilities

- Accountable body confirmed for shadow period and preparation for formal EMCCA begins, development of interim and longer-term management structure and the integration of the LEP moved forward
- Draft formal constitutional arrangements developed

Stage 3: Formal establishment of MCCA - May 2024 onwards

- Secondary legislation complete
- Mayoral elections concluded
- Constituent Council and non-Constituent Membership and constitutional arrangements confirmed
- 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.

At the time of this report, the UK Parliament website reports that the Levelling Up and Regeneration Bill has completed the report stage in its progression through Parliament. The next step is for a third reading in the House of Commons, at a date to be confirmed, after which the Bill will pass to the House of Lords

20. 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.
21. It is recognised that the proposed East Midlands Development Corporation and proposed Freeport, as well as the potential new Investment Zones, are also focussed at least to an extent on improving inward investment into the East Midlands, and on regeneration. This means that they have the potential to have overlapping areas of competence and interest. At the moment it is unclear how the relationship between them all will operate but Government are clear that there will need to be streamlined and integrated governance arrangements in place. Accordingly the Constituent Councils (and in time the Mayor and CCA) will engage with the organisations involved in each of the Development Corporation, Freeport and emerging Investment Zones to ensure that agreement can be reached which will best benefit the areas in question using the most appropriate powers and organisation to do so.
22. In order to deliver the ambitions for the area, the constituent councils will seek to organise the resources of the CCA 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 between now and next Spring. Therefore work is currently underway to define the "Operating Model" for the EMCCA which will describe how it will work, the functions, people, processes, systems and organisational structure.

Other Options Considered

23. This report is for the EPC to note progress with decision making and to support the formal consultation process by encouraging participation in it. Consultation is a required process if the area wishes to pursue the maximum level of devolved powers and funding (a "Level 3"

deal). Although members of EPC could decide not to support the consultation process or encourage participation in it, this would not optimise participation in the consultation process.

Reasons for Recommendations

- 24. To ensure that EPC Members are kept up to date on the progress of the joint working and devolution programme.
- 25. To increase awareness of the potential benefits of the devolution programme and address misconceptions.
- 26. To encourage as much engagement with the consultation process as possible, so comments and input from local people and stakeholders are considered prior to any approval of a final Proposal for submission to Government

Statutory and Policy Implications

- 27. 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

- 28. The financial implications of the collaborative working required to produce a devolution proposal for Government were considered at the 29 October 2021 City of Nottingham and Nottinghamshire Economic Prosperity Committee. This report contains no further financial implications. Further financial implications may arise to support the next stages of the collaborative work of the Councils in 2023/2024; any such resource requirements will be brought for discussion at a future EPC meeting.

Consultation Implications

- 29. Details on the consultation approach are available in the appended Full Council report and on the [consultation website](#).

Human Resources Implications

- 30. There are no direct HR implications arising from this report which relates to the decisions taken by Councils and the consultation exercise being supported. HR implications may arise from the need to support the next stages of the collaborative work of the Councils. Any potential future HR impacts will be managed in accordance with the established HR policies and procedures at each of the affected Councils.

Public Sector Equality Duty implications

31. The four City and County Councils had due regard to their Public Sector Equality Duties under the Equalities Act 2010 when taking their decisions. By encouraging participation in the consultation exercise members of the EPC support those duties and understands that the four City and County Councils will continue to evaluate equality impacts as the consultation progresses and in reaching their decisions in respect of a final proposal

Implications for Residents

32. 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 £1.1 billion of investment in the area's economy over the next 30 years. Further details are set out in the draft Proposal and appended report. Further details are set out in Appendix 1 and the draft Proposal,

Implications for Sustainability and the Environment

33. 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.

RECOMMENDATION/S

It is recommended that the EPC

- 1) Notes progress to date on the devolution and joint working programme, including the historic announcement of a deal offer from Government on 30 August 2022 and the launch of public consultation on 14 November 2022.
- 2) Welcomes the public consultation, with EPC members to encourage engagement within their local area.

**COUNCILLOR BEN BRADLEY MP
LEADER OF NOTTINGHAMSHIRE COUNTY COUNCIL**

**For any enquiries about this report please contact:
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Constitutional Comments (HD – 1/12/2022)

34. The report falls within the remit of Economic Prosperity Committee

Financial Comments (SES 30/11/2022)

35. There are no specific financial implications arising directly from this report.

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](#)
- [Devolution: a brighter future for the East Midlands webpages](#)
- [“£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](#)
- [“Council leaders bid for combined devolution deal for more funding and new local powers” – Press Release 25 March 2022](#)
- [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](#)

Electoral Divisions and Members Affected

- All