

REPORT OF THE LEADER OF THE COUNCIL

DEVOLUTION UPDATE

Purpose of the Report

1. To update Cabinet on the progress of the Joint Working and Devolution programme, and devolution discussions with Government.
2. To agree to further reports to Cabinet on the progress of devolution discussions with Government, as work on a deal document and high-level governance arrangements develops

Information

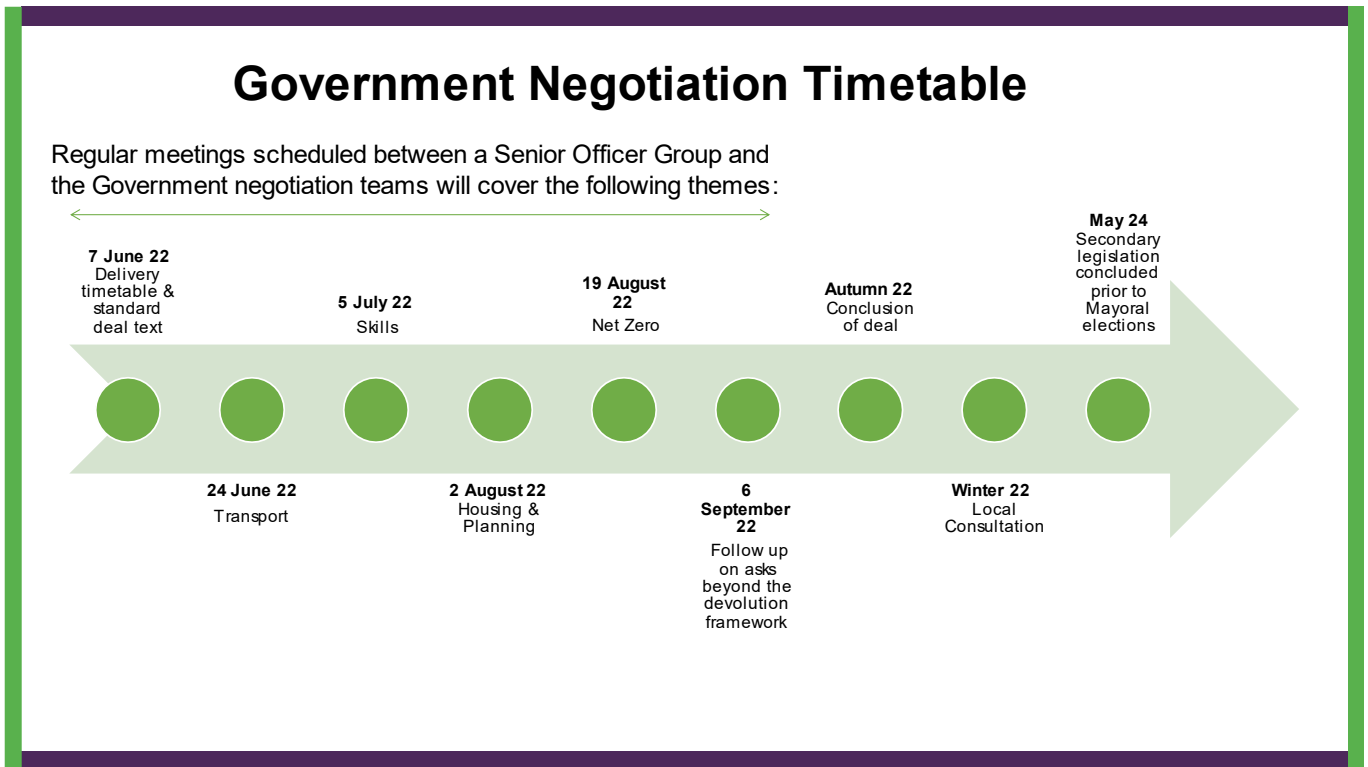
Discussions with Government

3. 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. This would mean the transfer of powers and funding from national to local government. To maximise the benefits for residents, Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council are now working together with district and borough councils to develop proposals for a new [Level 3](#) combined authority with a directly elected mayor across this geographical footprint.
4. Devolution is an opportunity to deliver more for all our residents and address sustained low levels of investment in our region. That said, it is important that any deal is comparable to deals done previously elsewhere. A successful devolution deal would mean:
 - Significantly more funding for services in our region
 - More major decisions made locally, near the people they affect
 - Our region has a bigger voice. Derby, Derbyshire, Nottingham, and Nottinghamshire are home to 2.2 million residents, which would make a future combined authority with a directly elected mayor one of the largest in the country.
5. The excellent collaborative work the City of Nottingham and Nottinghamshire Economic Prosperity Committee (EPC) is leading between city, county, district, and borough councils is integral to Nottingham and Nottinghamshire's devolution ambitions, and wider discussions with Derby and Derbyshire. Government has been clear that deals will be negotiated with

upper tier councils, but they expect meaningful engagement with all councils. Local partners understand the inclusion of district and borough councils in the development of proposals is vital to success. Nottinghamshire County Council's 24 March 2022 Policy Committee gave unanimous approval to a recommendation to recognise the importance of and endorse the continuing inclusion of Nottinghamshire's district and borough councils in the ongoing discussions about devolution

6. Nottingham City Council, Nottinghamshire County Council, Derby City Council and Derbyshire County Council returned an initial devolution deal proposal template to Government on 25 March 2022. The Government's template, discussed at the 18 March 2022 EPC meeting, requested information on the level of devolution deal being sought; the geography, the leadership and governance model; powers, functions and flexibilities being pursued from the Devolution Framework; and other innovative ideas. Responses provided the starting point of negotiations for a devolution deal, where proposals will be examined in more depth. Submission of this template does not commit any council to a single course of action.
7. The leaders of Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council had a very positive meeting with Minister Neil O'Brien MP on 21 March 2022. Minister Neil O'Brien MP subsequently wrote to these leaders on 13 May 2022 welcoming the ambitious proposals outlined in the March 2022 template as making the most of the opportunities devolution offers local people. The Minister strongly welcomed the commitment of the four leaders to closely involve districts of both counties in the deal.
8. Government's aim is for a number of devolution deals to be agreed in principle by Autumn 2022. The 13 May 2022 letter from Minister Neil O'Brien MP indicates that the first mayoral election would be likely to be held in May 2024. This is dependent on the legislative timescale for the Levelling Up and Regeneration Bill which will enable a new type of combined authority. Our ambition is to secure the earliest possible deal.
9. Work to negotiate a deal by Autumn 2022 is now moving at pace, with fortnightly discussions arranged between a cross organisational senior officer group (see paragraph 11) and Government negotiation leads. A high-level negotiation timetable is shown in Figure 1. These sessions will develop the framework of a draft devolution deal, for consideration by leaders in September 2022.
10. We are working with Government to understand the timetable and milestones for the deal. It is likely that the deal document and high-level governance arrangements will require consent of either Cabinet or County Council. These details will be confirmed as part of the negotiations with Government over the summer of 2022 and reported to Cabinet as soon as possible.
11. Figure 1 reflects current understanding that consultation is likely to take place during Winter 2022. Discussions are ongoing with Government officials to understand the nature and timing of any consultation with the public and stakeholders. Details in respect of consultation will be clarified in further reports to Cabinet.

Figure 1: Government Negotiation Timetable



12. Contributions from a wide range of members and officers will be required to ensure the relevant political steer and technical expertise is considered at each stage of the negotiation. The Senior Officer Group will maximise use of existing expertise and capacity across councils and partners with engagement aligned to the negotiation timetable. Existing regional partnerships and working groups will be used wherever possible.
13. The leaders of Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council are meeting on a fortnightly basis to direct the programme, supported by chief executives. These discussions are informed and complemented by a regular rhythm of meetings being established to support the programme.
 - The D2N2 Leaders Board, which comprises of all leaders of district, borough, city and county councils across Derby, Derbyshire, Nottingham, and Nottinghamshire, met on 17 May 2022. Leaders were positive about the opportunities devolution could bring. The Board will be meeting more frequently as the details of the deal are developed. The next meeting on 20 July 2022 will consider governance principles and a communications plan. Chief executives across the region met on 27 May 2022 and committed to monthly meetings, aligned to the D2N2 Leaders Board.
 - The EPC, and the equivalent Derby/Derbyshire joint committees, will continue to play a crucial role in the development of a deal, ensuring that Nottinghamshire district and borough councils are fully engaged in the devolution programme and driving forward collaborative work across a range of priorities.
 - A cross-organisational Senior Officer Group has been established to oversee the delivery of the programme and act as the negotiation team in discussions with Government. The

senior officer group includes the Place Directors from the upper tier authorities, chief executive representatives from Nottinghamshire and Derbyshire district and borough councils, and the chief executive of the Local Enterprise Partnership (LEP).

- Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council chief executives will be meeting with the Senior Officer Group on a fortnightly basis to offer support and additional capacity.

Future work programme

14. The EPC led the development of six draft outline business cases for identified priority themes for Nottingham and Nottinghamshire. These business cases provided critical input to the March 2022 Government devolution template submission and provide an excellent starting point for future work across Nottingham and Nottinghamshire, and the wider region. The Government negotiation timetable (Figure 1) includes sessions that will touch on all six original Nottingham and Nottinghamshire priority themes, albeit worded slightly differently:

Negotiation Session	Priority Themes
Standard devolution deals text	All
Transport	Connectivity & Infrastructure
Skills	Education and Skills
Housing and Planning	Land and Housing
Net Zero	Environment
<p>Follow up on asks beyond the framework</p> <p>The March 2022 template submission also included a range of innovative ideas for powers and funding not specified in the devolution framework, including:</p> <ul style="list-style-type: none"> • support young people • enhance social mobility • reduce homeless • improve digital connectivity • enhance the visitor economy, heritage, and culture • community safety. 	<p>Supporting and enabling young people through their journey to adulthood</p> <p>Connectivity and Infrastructure (Digital connectivity aspect)</p> <p>Long list Nottingham and Nottinghamshire themes: Community safety and cohesion Visitor economy, heritage, and culture</p>

15. It is a requirement of Government that each devolution proposal is accompanied with an expression of interest as to which powers and resources might be utilised by the eventual Combined Authority. In our case, having submitted an expression of interest in March 2022, we are negotiating with Government about which of these powers and resources could be included in our draft deal document. These negotiations are ongoing and will focus, primarily, on the main powers for areas such as skills, transport, housing, climate change

etc. Although the majority of devolution deals include, as standard, the option to use a Mayoral Precept, this is rarely taken up and there is no appetite amongst local partners to use a Mayoral Precept in our deal. Whilst the detailed arrangements for the application of powers and resources in our deal have not yet been agreed (it is part of the negotiations), the County Council has made it clear that it would not support the use of a Mayoral Precept.

16. Government has indicated that it is likely there will need to be a prioritisation of our template proposals that sit outside of the standard devolution framework, as it might not be possible to take all of these requests forward in an initial deal. Government will want to see evidence and more detail on any areas that are requesting powers and flexibilities beyond those already granted to existing combined authorities. The process for prioritisation of proposals across Derby, Derbyshire, Nottingham, and Nottinghamshire priorities is to be determined. It is important to note however that collaborative work across Nottingham and Nottinghamshire, and the wider geography can still progress regardless of any devolution deal.
17. The changing context requires the work programme to be refreshed, building on the strong foundation of collaboration developed through the EPC. Maintaining momentum following submission of the Government template, the senior officer group are meeting regularly to agree a joint programme covering identifying key milestones, stakeholder mapping, residents' engagement, securing the deal, developing our priority themes, and developing an implementation plan to enable the combined authority with a directly elected mayor to be effective from the outset.
18. A programme initiation document (PID) is being developed that will bring all this work together. Four priority work areas have been identified:
 - Negotiating the deal
 - Agreeing a governance framework
 - Communications and engagement
 - Organisational design of a future combined authority so it is effective from day one

Chief Executive sponsors have been identified for each workstream and regular progress updates will be provided to the EPC and Cabinet.

19. The Nottingham and Nottinghamshire joint working and devolution programme team will start to work across the wider geographical area to ensure best use of resources and delivery of benefits for residents. These include close working with complementary teams in Derby and Derbyshire to ensure a coordinated programme and avoid duplication of effort.
20. Meetings are being arranged with the Greater Manchester and West Midlands Combined Authorities to learn from their experiences. A session for leaders and West Midlands elected members will be arranged as soon as possible.
21. Collaborative work across Nottingham and Nottinghamshire will continue regardless of the form of any future devolution deal. Progress in recent weeks includes:
 - Positive discussions have been held with the Department for Digital, Culture, Media, and Sport regarding a Youth Investment Fund (YIF) bid in Nottinghamshire. This will support the work developed under the "Supporting and enabling young people through their journey to adulthood" theme

- An initial meeting between the chairs of the Safer Nottinghamshire Board and Nottingham Crime and Drugs Partnership meeting has been held. This has led to a meeting being arranged between the chief constable and Police & Crime Commissioner to explore joint working in relationship to community safety and cohesion.
 - An officer workshop was held for the N2 Environmental Strategy Group on 11 March 2022. Projects being explored include a central overarching work plan to achieve net zero ambitions, a Local Area Energy Plan across Nottingham and Nottinghamshire and development of the Local Nature Recovery Strategy, including the Trees for Climate project to develop 250 hectares of woodland across Nottinghamshire over five years.
22. The Government has issued [guidance on integrating Local Enterprise Partnerships \(LEPs\)](#) into local democratic institutions, which is being considered as part of a LEP options appraisal. Government has set out two windows for submission of an implementation plan for LEP integration, the first ending on 29 July 2022.

Governance

23. High level principles and a governance framework are in development. It will be important that these are aligned to the governance principles and options discussed at previous EPC meetings. Given the now wider geographical footprint, this needs to be explored together with Derby and Derbyshire partners, with a jointly agreed timeframe and approach.

Resources

24. Project costs to date have been lower than originally expected. An underspend is reported for the financial year 2021/22 - £23,093 has been spent of the £150,000 mid-year budget set for 2021/22 (£450,000 spend agreed on an annual basis at the 29 October 2021 EPC). Unspent funds are returned to the business rates pool at the end of the year.
25. The underspend is reflective of the time taken to recruit the programme team, which is now complete with all seven posts within the team filled as of 8 June 2022:
- 1 Programme Manager
 - 1 Senior Communications and Marketing Business Partner
 - 4 Project Officers
 - 1 Business Support Administrator
26. Interim programme arrangements have remained in place whilst recruitment was completed and wider partnership discussions continue, including support from officers of all nine of Nottingham and Nottinghamshire's Councils. A nine-month placement from Nottinghamshire County Council's graduate scheme will provide additional capacity up to December 2022 at no cost to the programme budget.
27. Work is underway, led by the current Senior Officers Group, to map existing skills and capacity and to identify gaps. This will ensure the existing expertise and capacity across partners, including the programme team established by the EPC, is used effectively. This includes consideration of whether any external support is required, with Derby, Derbyshire, Nottingham and Nottinghamshire city and county councils considering resource implications.
28. A procurement exercise has been undertaken to secure external programme management resource; Deloitte UK were successful, and a contract awarded on 20th June 2022. This

contract is jointly funded by Derby, Derbyshire, Nottingham and Nottinghamshire city and county councils from existing resources which does not include business rates pool.

Communications

29. Successful recruitment of the Senior Communication Business Partner will now provide the capacity and expertise to deliver a proactive communication strategy, keeping stakeholders engaged and up to date and taking advantage of opportunities to achieve media coverage of our objectives and priorities for devolution.
30. A communications plan outlining key messages and a set of FAQs has been prepared and was discussed by Derby, Derbyshire, Nottingham, and Nottinghamshire leaders on 10 June 2022. It will subsequently be presented to the next D2N2 Leaders Board on 20 July 2022. The communications plan will be shared with Cabinet, the EPC, and wider partners to help ensure consistent messaging and briefing of all elected members. A supporting piece of work on developing the rationale for and benefits of establishing a combined authority with a directly elected mayor has been completed and informed the development of draft communications materials.
31. A joint press release, ["Government welcomes bid for new East Midlands combined authority"](#) was issued on 14 June 2022. This included messages of support from the East Midlands Chamber of Commerce, and universities in Derbyshire and Nottinghamshire.

Next Steps

32. The next steps for the programme are to:
- progress political discussions locally, with a joint meeting of all councils to take place on 20 July 2022;
 - share and implement a communications plan;
 - jointly develop governance options with partners across the wider geography with an early draft coming to the EPC; and,
 - work collaboratively across Nottingham, Nottinghamshire, Derby and Derbyshire to agree a PID, which will set out a joint work programme, timeline and roles and responsibilities across the partnership.

Other Options Considered

33. Do Nothing – A decision could be taken to not to respond to the invitation in the Levelling Up White Paper to negotiate a devolution deal with Government. This option has been rejected as it would prevent the benefits and opportunities of devolution from being achieved. Likewise, Government's commitment to progress deeper devolution deals with areas such as the West Midlands and Greater Manchester emphasises the importance of achieving a successful devolution deal for our area, to avoid being left behind.

Reason for Recommendations

34. To ensure that Cabinet Members, other County Councillors, wider partners, and the public are kept up to date on the progress of the Devolution deal.

Statutory and Policy Implications

35. 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

36. The financial implications of producing a devolution proposal for Government were considered at the 29 October 2021 EPC. This report contains no further financial implications.

Consultation

37. The Government negotiation timeline indicates that public consultation on a devolution deal is likely to take place over Winter 2022. Discussions are ongoing with Government officials to understand the nature and timing of any consultation with the public and stakeholders. Details in respect of consultation will be clarified in further reports to Cabinet.

Implications for Residents

38. The joint working and devolution programme is ultimately about changing things for the better for local people and giving all our residents and businesses the best possible opportunities and experiences. The programme continues to be developed with this primary objective in mind.

Implications for Sustainability and the Environment

39. Enhancing and protecting the local environment and addressing climate change was identified as a priority theme from the inception of this programme. This remains the case with achieving net zero ambitions mutually identified as a crucial element of negotiations between local councils and Government.

RECOMMENDATIONS

It is recommended that Cabinet:

- 1) Notes progress to date on the devolution and joint working programme and ongoing discussions about a devolution deal on a Derby, Derbyshire, Nottingham, and Nottinghamshire footprint; and,
- 2) Receives further reports on the progress of devolution discussions with Government, as work on a deal document and high-level governance arrangements progress.

Cllr Ben Bradley MP
Leader of the Council

**For any enquiries about this report please contact:
Anthony May, Chief Executive Nottinghamshire County Council, Tel: 0115 9773582**

Constitutional Comments (HD 29/06/2022)

40. Cabinet has the authority to consider the issues within the report.

Financial Comments (SES 27/06/2022)

41. 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.

- ["Government welcomes bid for new East Midlands combined authority" – Press Release 14 June 2022](#)
- [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](#)
- [The City of Nottingham and Nottinghamshire EPC 17 December 2021 – Joint Working and Devolution Programme Update](#)
- [The City of Nottingham and Nottinghamshire EPC 17 December 2021 – Nottingham and Nottinghamshire Case for Devolution – Development of Priority Themes](#)
- [Policy Committee 2 December 2021 – Nottingham and Nottinghamshire Case for Devolution Resourcing Requirements](#)
- [Policy Committee 2 December 2021 – Appendix 1 Case for Devolution](#)
- [The City of Nottingham and Nottinghamshire EPC 29 October 2021 – Case for Devolution](#)
- [The City of Nottingham and Nottinghamshire EPC 29 October 2021 – Nottingham and Nottinghamshire Case for Devolution Resourcing Requirements](#)

Electoral Divisions and Members Affected

- All