

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.

Information

2. The Government has confirmed a devolution deal for Derby, Derbyshire, Nottingham and Nottinghamshire which includes a range of powers and over £1.14bn investment over the next thirty years. The leaders of Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council signed up to the deal in principle at a launch event with Greg Clarke MP, the Secretary of State for Levelling Up, Housing and Communities, on 30 August 2022.
3. The deal will include the first of a new type of combined authority, designed for two-tier areas, which will be established through new legislation by central government. The legislation would enable the formation of an East Midlands Mayoral Combined County Authority (EMMCCA). The devolution deal is a 'level 3 deal', which offers the most local powers and funding. It would mean a new elected mayor, with elections currently expected to take place in Spring 2024.
4. The offer of a devolution deal marks 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. The deal offer includes:
 - A new guaranteed funding stream of £1.14 billion, or £38 million a year over the next 30 years, as well as an extra £16.8 million for new homes on brownfield land
 - £18m capital in this spending round period to support local housing and net zero priorities (subject to business case approval)
 - Control over a range of budgets at a local level to ensure they are better tailored to the needs of people in our communities. This includes the Adult Education Budget
 - Opportunities to deliver more and better jobs through investment in our area
 - New powers to improve and better integrate local transport and an integrated transport settlement starting in 2024/25
 - 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.

5. A summary of the opportunities and additional investment the deal offers is included as Appendix 1. The full deal text can be viewed here: [East Midlands devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/east-midlands-devolution-deal). The deal marks the culmination of an intensive period of negotiation between local partners, including District and Borough Councils, the LEP and 4 upper tier Councils.
6. 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.
7. There is now 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 will be subject to public consultation and ratification by the respective councils and are dependent on the passage through parliament of primary and secondary legislation to enable the EMMCCA to be established.
8. It is critical that residents, businesses and other organisations can have their say. Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council and partners are now working together to prepare a detailed proposal for public consultation later this year. Each council is expected to seek approval to consult at a Council meeting later this year. Subject to that approval, public consultation would take place over Winter 2022. The four councils are also jointly planning engagement activity between now and the launch of formal consultation to ensure that residents, elected members and key partners are kept up to date.
9. 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.

Other Options Considered

10. Do Nothing – A decision could have been taken to not 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.

Reasons for Recommendations

11. To ensure that Cabinet Members, other County Councillors, wider partners, and the public are kept up to date on the progress of the devolution programme.
12. To increase awareness of the potential benefits of the devolution programme and address misconceptions.

Statutory and Policy Implications

13. 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

14. The financial implications of producing 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.

Consultation

15. Public consultation proposals are currently being prepared, with consultation 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 and/or Council as appropriate.

Crime and Disorder Implications

16. The deal document sets out a commitment to develop, in partnership with the Government and the Police and Crime Commissioners (PCCs), appropriate arrangements to ensure close collaboration and joint working on public safety between the EMMCCA and PCCs.

Implications for Residents

17. 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

18. Enhancing and protecting the local environment and address climate change was identified as a priority from the start of this programme. The deal reflects this with £9 million capital made available during this Spending Review to drive forward net zero projects (subject to business case approval), alongside a range of other measures and commitments.

RECOMMENDATION/S

It is recommended that Cabinet:

- 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,

- 2) Agrees that the ongoing engagement activity with local communities and partners continues, ahead of the formal consultation process commencing.

**COUNCILLOR BEN BRADLEY MP
LEADER OF THE COUNCIL**

**For any enquiries about this report please contact: Adrian Smith, Chief Executive
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Constitutional Comments (HD – 6/9/22)

19. Cabinet has the authority to consider the report and determine the recommendations within it.

Financial Comments (NS 7/9/22)

20. As stated in the report this is the start of a journey that will lead to additional investment across Nottinghamshire and Derbyshire. Initial funding for 2023/24 will be provided by Government to cover the cost of establishing the East Midlands MCCA as well as ongoing capacity funding in future years.

21. The report to the City of Nottingham and Nottinghamshire Economic Prosperity Committee in October 2021 identified funding of £450,000 towards the case for devolution which will be funded through the National Non-Domestic Rates (NNDR) Pool Reserve.

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.

- [Devolution: a brighter future for the East Midlands webpages](#)
- ["£1.14 billion devolution deal for the East Midlands" – Press Release 30 August 2022](#)
- [Cabinet 14 July 2022 – Devolution Update](#)
- ["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