

REPORT OF THE LEADER OF THE COUNCIL**THE NOTTINGHAM AND NOTTINGHAMSHIRE COMBINED AUTHORITY
AND THE D2N2 DEVOLUTION PROSPECTUS****Purpose of the Report**

1. The purpose of this report is to update Policy Committee on the latest developments in terms of the proposed Nottingham and Nottinghamshire Combined Authority and the Devolution Deal that will be negotiated by the D2N2 Local Enterprise Partnership and the incoming Government.

Nottingham and Nottinghamshire Combined Authority

2. Members will recall that they agreed to support the submission of a proposal for a Nottingham and Nottinghamshire Combined Authority at the Council meeting in January 2015. Since that time, Nottinghamshire's Leaders and Chief Executives have been working on the drafting of the required documentation with ongoing input from the D2N2 Local Enterprise Partnership (LEP) and the Department for Communities and Local Government (DCLG).
3. Combined Authority status can only be secured through the approval of the Secretary of State for Communities and Local Government. Given the General Election cycle this approval is not now likely to be forthcoming until the autumn.
4. A set of draft documents was submitted to DCLG in the middle of March. The documents that form the basis of the proposal are as follows:
 - The Combined Authority 'Scheme' – setting out what the Combined Authority's remit will be and how it will be governed
 - A Governance Review – demonstrating how the Combined Authority will improve local governance of economic development and transport-related issues
 - Evidence of the outcome of consultation by local parties on the proposals
 - A draft Statutory Instrument

The main changes since January are as follows:

5. Each Council has one vote and matters are decided by a simple majority. However some matters have reserved status which requires a special majority, this includes transport matters. For these matters the constituent council most affected by the decision must be part of the deciding vote's majority for the

decision to carry. In practice this will require for a vote on any transport matter for both the City Council and the County Council to form part of the deciding vote majority for that decision to carry.

6. In respect to Scrutiny arrangements, a Joint scrutiny committee will be established which will as far as possible reflect political balance across all constituent Authorities.
7. Initial feedback from civil servants on the draft set of documents has been positive but civil servants have made it clear that they will discuss any necessary amendments with N2 before its final sign off and formal consultation.
8. As noted above, there is likely to be little movement on the Combined Authority proposal until late summer due to the General Election however the intervening period will be used to discuss with civil servants any amendments or clarifications they require.

D2N2 Devolution Prospectus

9. Members will be aware that prior to the dissolution of Parliament the Government announced a number of new devolution deals with areas including Greater Manchester, Sheffield and Leeds/West Yorkshire. As Nottingham City has Core City status the Government invited D2N2 via the City Council to submit its proposals for a Devolution Deal.
10. Whilst Devolution Deals have been a priority for the Coalition Government, all of the main political parties have committed to further devolution after the General Election, particularly in relation to areas such as economic development and transport.
11. In light of the timescales between the invitation from Government and the presentation to Ministers a period of intensive work involving Leaders, Chief Executives, business representatives and stakeholders was undertaken. The result was the 'D2N2 Devolution Prospectus' (<http://www.d2n2lep.org/News/d2n2-devolution-prospectus>) which was presented to Government Ministers on 17th March before a formal launch on 23rd March.
12. Proposals within the prospectus are split into five broad headings as follows:

Enterprise

- Establishing a Free Trade Zone in conjunction with East Midlands Airport to attract new businesses and capture new foreign investment
- A new Investment Fund to bring together existing financial products and secure match through the European Investment Bank
- Local control over national business support programmes and budgets, including strengthening a local network of integrated Growth Hubs

Skills to employment

- Devolution of the Adult Skills Budget from the Skills Funding Agency and national grant schemes relating to apprenticeships; commissioning of the National Careers Service
- Responsibility for locally delivered Department for Work and Pensions services, including devolution of the Work Programme (or its successor) and programmes targeting youth unemployment

Built environment

- A devolved Housing Investment Fund, securing local control over funds and assets currently managed by the Homes and Communities Agency
- Lifting the borrowing cap on Housing Revenue Accounts to provide flexibility.

Transport

- The creation of an integrated transport system that includes powers for bus franchising to better manage and rebalance the network and the devolution of traffic management powers
- A 10-year transport funding allocation to create certainty and stability about long-term investment priorities
- Greater influence over the investment plans for strategic transport connections.

Smart infrastructure

- Develop a SMART Commission to drive improvements to telecommunications infrastructure to provide universal connectivity.
- Develop a localised energy strategy which would take control of energy efficiency funding and programmes to create a joined-up strategy for energy production and better resource efficiency

13. It is important to note that work will continue over the summer on “ the asks” within any Devolution Deal with a view to commencing early discussions with the new Government as soon as possible after May 7th.

Reason for Recommendation

14. The proposals for a Combined Authority and more recent formalisation of a D2N2 devolution prospectus will have significant implications for economic development and growth and transport in Nottinghamshire. It is considered essential to keep Policy Committee up-to-date with developments.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment

and ways of working and where such implications are material they are described in the body of the report.

Financial Implications

16. Under the current Economic Prosperity Committee arrangement, each of the constituent councils contributes £3,500 per year towards the secretariat costs. The scheme proposes that the costs of the Combined Authority are apportioned between all constituent councils on a per capita basis with County and District Councils apportioning their costs on a 75:25 basis. Informal discussions between Nottinghamshire County Council and the Borough and District Councils suggest that the contribution from the county area could be met from the business rates (NNDR) pool that each of the authorities is signed up to.

RECOMMENDATIONS

It is recommended that

- a) Policy Committee notes the content of this report.
- b) That a further report is brought to Policy Committee in October 2015 providing further update information on the progress of the Combined Authority status application.

Councillor Alan Rhodes
Leader of the Council

For any enquiries about this report please contact: Jayne Francis Ward, 9773478

Constitutional Comments [SLB 13.04.2015]

Policy Committee is the appropriate body to consider the content of the report.

Financial Comments [SES 13.04.2015]

The financial implications are set out in the report.

Background Papers

Proposals for a Nottingham and Nottinghamshire Combined Authority – report to Economic Development Committee, 18 November 2014, published.

Minutes of Economic Development Committee, 18 November 2014, published.

Establishment of the Nottingham and Nottinghamshire Combined Authority – report to County Council, 15 January 2015, published.

Minutes of County Council, 15 January 2015, published.

Various reports to the Nottingham and Nottinghamshire Economic Prosperity Committee, available here:

<http://committee.nottinghamcity.gov.uk/ieListMeetings.aspx?CommitteId=416>

Electoral Division(s) and Member(s) Affected

All