

## Report to Cabinet

**Subject:** East Midlands Devolution Deal

**Date:** 6 October 2022

**Author:** Chief Executive

### Wards Affected

Borough-wide.

### Purpose

To advise Cabinet about the devolution agreement that has been reached in principle between Government and the four upper tier authorities across Nottinghamshire and Derbyshire.

### Key Decision

This is not a key decision.

### Recommendation

#### THAT CABINET:

1. Note the progress to date on the devolution and joint working programme, including the announcement of a 'level 3' deal offer from Government on 30 August 2022.
2. Note the requirement for a formal public consultation process scheduled to take place over winter 2022.
3. Note the proposed formation of an East Midlands Mayoral Combined County Authority with a new elected Mayor, with elections expected to take place in Spring 2024.
4. Recommends that Council endorses the East Midlands devolution deal.

## 1 Background

- 1.1 As part of the Levelling Up White Paper that was published in February 2022, the Government committed to agree a devolution deal by 2030 with every part of England that wanted one.

- 1.2 Nine County areas were specifically named in the White Paper as places that Government wished to begin advanced negotiations with, including Nottingham and Nottinghamshire and Derby and Derbyshire.
- 1.3 The four authorities had expressed an interest the previous year in working together to progress a devolution agreement and began working towards an Autumn 2022 target date set by Government to agree a deal.
- 1.4 As things turned out, the so-named East Midlands Deal was put on an accelerated timetable which led to a flurry of activity over July and August and resulted in the Leaders of Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council signing up to a deal in principle at a launch event with Greg Clarke MP, the then Secretary of State for Levelling Up, Housing and Communities, on 30 August 2022.

## **2 Content of the East Midlands Devolution Deal**

- 2.1 The East Midlands Devolution 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).
- 2.2 The Devolution Deal is a 'level 3 deal', a reference to the different levels of deals offered through the Levelling Up White Paper, with level 3 offering the most local powers and funding in return for a new elected Mayor. Elections for the Mayor are currently expected to take place in Spring 2024. Governance and decision making for the EMMCCA is in the process of being determined.
- 2.3 The offer of a devolution deal, which is subject to ratification by all partners, will bring in much needed additional investment, funding and powers with more major decisions being made locally and a bigger voice for the region.
- 2.4 The headlines of the deal are set out below with the full East Midlands Devolution deal document being provided as an appendix to this report.
  - A new guaranteed investment fund of £1.14 billion, or £38 million a year over the next 30 years (50% capital, 50% revenue);
  - £18 million capital in this spending round period to support local housing and net zero priorities;
  - £17 million for the building of new homes on brownfield land in 2024/25;
  - 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;
  - 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.
- 2.5 The agreement entered into is subject to ratification by each of the four upper tier Councils who are signatories to the deal. A period of public consultation will take place afterwards, likely to be in winter (November / December 2022) and the deal will

also be dependent on the passage through Parliament of primary and secondary legislation to enable the EMMCCA to be established.

- 2.6 While the accelerated timetable had the advantage of cutting out some of the bureaucracy that might otherwise have taken place, it limited the opportunity for engagement with Borough and District Councils that had originally been planned. Frustratingly, Government policy also restricted the sharing of the deal document beyond the upper tiers until the day of the formal launch.
- 2.7 In spite of these constraints, regular briefings were held with Borough and District Leaders and a number of officers represented Boroughs and Districts in deal negotiations with Government officials and through various working groups. As a result, and in the words of the deal document itself, “the deal respects the importance of the continued role of the eight Derbyshire and seven Nottinghamshire District and Borough Councils.” This extends to the proposed governance of the Combined Authority which includes Borough / District representation. It is worth drawing attention to paragraph 22 of the deal in particular, which provides reassurance that *“no local authority functions are being removed from any local authority in the area, excluding transport functions as agreed with the Constituent Councils.”*

### **3 Proposal**

- 3.1 It is proposed that Cabinet note the progress of the devolution deal to date, the information in relation to consultation and the proposed establishment of the EMMCCA as detailed further in the deal document. It is also proposed that cabinet recommend to Council endorsement of the East Midlands Devolution deal.

### **4 Alternative Options**

- 4.1 To do nothing. There is no requirement for Borough and District Councils to endorse the devolution deal – the agreement is between Government and the four upper tier authorities. Nevertheless, the Borough and District Councils have contributed to the content of the deal and will have a relationship with the new Mayor and Combined Authority. The deal document respects and recognises the distinct responsibilities of Boroughs and Districts and our endorsement is considered an appropriate expression of support for the principle of devolution and the specific content of the East Midlands deal.

### **5 Financial Implications**

- 5.1 There are no financial implications arising from this report, though the Council and its communities may well benefit in due course from some of the additional investment referred to above.
- 5.2 Any invitation to the Council to bid for funds related to the East Midlands Devolution deal will require a financial appraisal before submission to ensure that any associated risks are recognised and that this is in accordance with Council priorities.

### **6 Legal Implications**

- 6.1 There are no legal implications arising out of this report. As the legislation is passed through Parliament and the new authority established, legal advice will be provided

as appropriate including in relation to consequential governance impacts for the Council.

## **7 Equalities Implications**

7.1 There are no equalities implications arising out of this report.

## **8 Carbon Reduction/Sustainability Implications**

8.1 There are no carbon reduction/sustainability implications arising out of this report.

## **9 Appendices**

9.1 Appendix 1: Devolution deal summary.

9.2 Appendix 2: East Midlands Devolution deal (in full).

## **10 Background Papers**

10.1 Various papers available on the public website for the City of Nottingham and Nottinghamshire Economic Prosperity Committee.

## **11 Reasons for Recommendations**

11.1 To advise Council about the devolution agreement that has been reached in principle between Government and the four upper tier authorities across Nottinghamshire and Derbyshire and next steps.

11.2 To increase awareness of the potential benefits of the Devolution programme.

11.3 To express the Council's support for the East Midlands Devolution deal.