

## **Report to Cabinet**

**Subject:** East Midlands Devolution Deal

**Date:** 12 November 2015

**Author:** Chief Executive

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### **Wards Affected**

Borough-wide.

### **Purpose**

To update Cabinet on the current position on the devolution deal negotiations with Government.

For Cabinet to recommend to Council that it delegates authority to the Chief Executive in consultation with the Leader of the Council to continue negotiating with Government and to enter into an “in principle” agreement.

For Cabinet to note that final ratification of the devolution deal will need the approval of the Full Council as well as changes in legislation currently included in the Cities and Local Government Devolution Bill.

### **Key Decision**

This is not a Key Decision.

### **Background**

- 1.1 On 4 September 2015, a joint bid on behalf of all 19 local authorities and the D2N2 Local Enterprise Partnership in the Derbyshire and Nottinghamshire area was submitted to Government for the devolution of more economic powers and resources and greater control over our own affairs. This followed on from discussions over the previous 12 months about the formation of Combined Authorities in Nottinghamshire and Derbyshire and a devolution prospectus which was sent to Government in March 2015. The constituent members of the D2N2 area are Amber Valley Borough Council, Ashfield District Council, Bassetlaw District Council, Bolsover District Council, Broxtowe Borough Council, Chesterfield Borough Council, Derby City Council, Derbyshire County Council, Derbyshire Dales District Council, Erewash Borough Council, Gedling Borough Council, High Peak Borough

Council, Mansfield District Council, Newark and Sherwood District Council, North East Derbyshire District Council, Nottingham City Council, Nottinghamshire County Council, Rushcliffe Borough Council and South Derbyshire District Council.

- 1.2 Negotiations with the Government on a devolution deal for the area have now reached an advanced state with more detailed discussions on the detail of the powers that would be devolved. These negotiations have also clarified that a significant devolution deal would require a single combined authority operating across Derbyshire and Nottinghamshire, giving the area sufficient scale to utilise the powers and resources available.
- 1.3 During the negotiations Government have commented that the name D2N2 is confusing and does not readily identify the areas covered by the deal. As a result of those concerns the Local Authority leaders have proposed that the deal should be renamed as “The East Midlands (Derbyshire Nottinghamshire) Deal” and all future publicity and correspondence on the deal would carry this name.
- 1.4 Devolution deals have already been announced for the Greater Manchester and South Yorkshire Combined Authorities and most recently the North East and Tees Valley Combined Authorities. All of these require directly elected mayors with elections scheduled for May 2017. All devolution deals and the powers and funding attached to them will be subject to the Comprehensive Spending Review, a full public consultation exercise with residents of the D2N2 area on the deal proposal and agreement from the local authorities. Deals will also be subject to enactment of the necessary legislation, including the Cities and Local Government Devolution Bill.
- 1.5 The D2N2 devolution prospectus, which was submitted to Government in March, outlined the type of powers and funding streams that partners would wish to be devolved in a deal in order to significantly improve economic growth. The five themes of the prospectus are Skills to Employment, Built Environment, Transport, SMART infrastructure and Enterprise. The March prospectus was reviewed and further detailed information and proposals have been negotiated and agreed across the 19 local authorities by leaders and chief executives and included as part of the September submission. The prospectus and a summary of the September submission have been circulated previously to elected members.
- 1.6 In addition to the five themes, and in line with proposals being developed in other parts of the country, public sector reform was added as a further theme for negotiation as part of the September submission. These reforms will be subject to further detailed negotiations. The deal is likely to simply state that these are possible options for future discussions. However early decisions will be required on the Police and Crime Commissioner responsibilities. If these are to

be devolved to any newly created Mayoral role, it is likely that Government will postpone the 2016 P&CC elections as a result.

- 1.7 Negotiations are continuing at pace with Government and details of the draft deal will be available in the coming days. The draft deal documentation is expected the week beginning 2 November and an announcement on the deal, if it is agreed, will be made in the run up to the Comprehensive Spending Review on 25 November 2015.
- 1.8 It is important to note that whilst deals are on offer the Government cannot deliver on the deal requirements until changes in legislation are made. The Cities and Local Government devolution bill is currently awaiting its third reading in the House of Commons.
- 1.9 The Government has explicitly stated that significant powers would only be devolved if a directly elected mayor is created as they are of the view that this ensures clear accountability over powers, functions and funding that is devolved from national government to the local level.
- 1.10 The directly elected mayor would act as Chair to a single Combined Authority for the area. The mayor, in conjunction with the Combined Authority, would exercise the powers and functions devolved from Government. The earliest a mayoral election could take place is May 2017, although this is subject to agreement and the implementation timetable. The electorate for the areas of the constituent councils across Derbyshire and Nottinghamshire would elect the mayor.
- 1.11 There is no intention to transfer existing powers from local authorities to the new Combined Authority. Combined Authority legislation allows for powers to be held concurrently by local councils and the Combined Authority and this is the preferred model for local councils across Derbyshire and Nottinghamshire. Local Government powers used by the Combined Authority are likely to be exercised by the local authority leaders rather than the mayor who will exercise powers devolved down from Government.
- 1.12 The mayor and the Combined Authority will be held to account by an Overview and Scrutiny Committee. He or she will be required to consult the Combined Authority on his or her plans, which the Combined Authority could reject if two-thirds of its members vote against the proposals. The Combined Authority would also examine the mayor's spending plans and could amend these if two-thirds or more of its members agree to do so.
- 1.13 Proposals for decision by the Combined Authority could be put forward by the mayor or any member of the Combined Authority. The mayor would have one vote as would other voting members.

## **Proposal**

- 2.1 It is proposed that Cabinet notes the progress so far and recommends to Council that delegated authority be given to the Chief Executive in consultation with the Leader of the Council to continue to negotiate with government to obtain the best deal possible for the Derbyshire and Nottinghamshire area and to sign any deal document prior to the expected 25 November announcements.
- 2.2 Cabinet should note that any deal document would be subject to ratification by the Full Councils of all 19 local authorities as well as the required changes in legislation before it becomes binding on authorities.

## **Alternative Options**

- 3 There are no Alternative Options.

## **Financial Implications**

- 4 None directly arising from this report.

## **Appendices**

- 5 None.

## **Background Papers**

- 6 Devolution Prospectus  
Bid Document

## **Recommendation(s)**

### **THAT Cabinet:**

- a. notes the progress towards a devolution deal for Derbyshire and Nottinghamshire;
- b. recommends to Council that delegated authority be given to the Chief Executive in consultation with the Leader of the Council to continue negotiations and to sign the devolution deal, subject to ratification of the deal by the Full Council;
- c. asks the Chief Executive to continue to provide regular updates to all Councillors on the progress of the deal; and
- d. notes that a report to consider the final agreement of the deal will be brought to Full Council after the necessary changes in legislation and conclusion of a detailed deal document.

## **Reasons for Recommendations**

- 7 To update Members on the current position and progress of the devolution deal negotiations with Government.

To ensure that in principle agreement to those negotiations can be given in a timely fashion and in accordance with the Government timetable.