

HIGH PEAK BOROUGH COUNCIL

Report to the Corporate Select Committee

26th September 2022

TITLE:	East Midlands Devolution Deal
EXECUTIVE COUNCILLOR:	Cllr Anthony McKeown – Leader
CONTACT OFFICERS:	Andrew Stokes – Chief Executive
WARDS INVOLVED:	Non-Specific

Appendices Attached:

Appendix A – ‘A prospectus Devolution: A Brighter Future for the East Midlands’

1. Reason for the Report

- 1.1 The purpose of the report is to provide a summary of the East Midlands Devolution Deal offer that was announced on 30th August 2022.

2. Recommendations

- 2.1 It is recommended that the Committee note the summary of the East Midlands Devolution Deal as set out in the report

3. Executive Summary

- 3.1 On 30th August the Secretary of State for Levelling Up, Housing and Communities announced that a Devolution Deal is on offer for the East Midlands covering Derby, Derbyshire, Nottingham, and Nottinghamshire. The four upper-tier local authority (Derby, Derbyshire, Nottingham, Nottinghamshire) leaders have signed up to the deal.
- 3.2 Previous rounds of devolution deals, agreed by the coalition and Conservative governments since 2014, focused on transferring powers and budgets from Whitehall to metropolitan city regions. The Levelling-Up white paper set out the first tranche of county areas to be invited to begin negotiations on the new type of devolution deals. Derbyshire and Derby and Nottinghamshire and Nottingham were two of the areas identified.
- 3.3 In order to seek the maximum ‘Level 3’ powers and flexibilities available the four upper tier Councils in Derby, Derbyshire, Nottingham and Nottinghamshire submitted an initial devolution deal proposal template to

Government in March 2022. It is clear that Level 3 powers are reserved for areas that agree to establish the role of a directly elected mayor; as a result, the Leaders of the four upper tier councils agreed to develop proposals for an Mayoral County Combined Authority (MCCA) to that ensure maximum powers, freedoms and flexibilities are secured.

3.4 Districts and borough councils in Derbyshire and Nottinghamshire are not formal parties to the Deal. However, the upper-tier authorities have engaged with districts and boroughs through confidential (required by government) briefings to Leaders and Chief Executives throughout the negotiation process.

3.5 The deal document sets out the powers the Government will devolve to the East Midlands MCCA and outlines how the combined authority will work. The main headlines from the Deal are:

- An elected Mayor for the East Midlands advocating for the region and held accountable by the electorate.
- Devolved packages of funding for spending on local priorities.
- New devolved powers from Government including powers related to Skills & Education, Transport, Housing & Land, Net Zero, Innovation, Trade & Investment, Public Service Reform and Financing.
- Protection of powers currently held by upper-tier authorities and the district & borough councils.
- Integration of the current Local Enterprise Partnership (LEP) into the MCCA.
- Potential for more devolution of powers in the future

3.6 More detailed summary of the deal set out in 'A prospectus Devolution: A Brighter Future for the East Midlands' which is attached at Appendix A.

3.7 The signing of the document is the commencement of a process of establishing the East Midlands MCCA. The key elements of the process are as follows:

- September / October 2022 - Development of a proposal document that will be used for consultation with residents and other stakeholders
- November 2022 – Sign off of the proposal by the Full Council of each of the upper tier councils and approval to move to consultation.
- November 2022 to January 2023 - Consultation period
- April 2024 - New East Midlands Mayoral County Combined Authority officially comes into existence.
- May 2024 - Mayoral election for East Midlands Mayoral Combined Authority.

3.8 The Levelling up and Regeneration Bill which is currently proceeding through the parliamentary process, is required to receive Royal Assent to enable the creation of the County combined authority (CCA); and Mayoral county combined authority (MCCA).

3.9 There is a commitment by the upper-tier Councils to continue the engagement with district and borough Councils throughout the process of finalising the deal and the development of the MCCA.

3.10 As the proposals are developed progress will continue to be reported to the Executive and the appropriate Select Committees.

4. How this Report Links to Corporate Priorities

4.1 The devolved funding and arrangements have the potential to have of positive impact on the Council's priorities

5. Options and Analysis

5.1 There are no detailed options to consider

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)

The detail includes a commitment to work with national government on initiatives to address domestic abuse and community safety.

6.2 Workforce

None

6.3 Equality and Diversity/Equality Impact Assessment

None

6.4 Financial Considerations

None

6.5 Legal

None

6.6 Climate Change

The deal includes a commitment to:

- Work towards Net Zero and cleaner air with new low carbon homes, retrofit existing houses with external wall insulation, promote the use of renewable energy, and protect and enhance green spaces, such as areas for wildlife and green verges; and
- Build on the region's existing knowledge and expertise in green technology and promote the growth of a future low carbon economy by investing in related skills training at colleges and other training facilities.

- 6.7 External Consultation
A formal consultation will take place between November 2022 and January 2023.
- 6.8 Risk Assessment
Not applicable at this stage

ANDREW P STOKES
Chief Executive

Web Links and
Background Papers

Location

Contact details

East Midlands Devolution Deal
Offer:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1100741/East_Midlands_devolution_deal.pdf

Andrew P Stokes
Chief Executive

7 Introduction and Background

- 7.1 On 30th August the Secretary of State for Levelling Up, Housing and Communities announced that a Devolution Deal is on offer for the East Midlands covering Derby, Derbyshire, Nottingham, and Nottinghamshire. The four upper-tier local authority (Derby, Derbyshire, Nottingham, Nottinghamshire) leaders have signed up to the deal.
- 7.2 The Deal will see the devolution of powers and the funding to an Elected Mayor and the creation of a Mayoral County Combined Authority (MCCA) for the area.
- 7.3 Full details of the Devolution Deal offer have been published by the Government:
- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1100741/East_Midlands_devolution_deal.pdf
- 7.4 The upper tier councils will work on the details of the deal each will consider a report to approve a more detailed proposal for a consultation later this year, so that residents, businesses, and other organisations can have their say.
- 7.5 The purpose of this report is to update councillors with a summary of the deal and the agreed next steps.

8 Background to the Deal

- 8.1 Previous rounds of devolution deals, agreed by the coalition and Conservative governments since 2014, focused on transferring powers and budgets from Whitehall to metropolitan city regions. The first devolution deal in England was concluded in 2014 by the coalition government with local authorities from the Greater Manchester area.
- 8.2 Since then, eight further devolution deals have been agreed with local leaders in 'city regions' across England. These nine deals have all included the formation of a combined authority headed by a directly elected 'metro mayor'. The Levelling-Up white paper announced that negotiations will begin to form a tenth mayoral combined authority, covering York and North Yorkshire and a proposed devolution deal was recently announced.
- 8.3 Two county areas – Northumberland (a unitary council) and Cambridgeshire (a county council) – have been included in devolution deals centred on the cities of Newcastle and Cambridge respectively.
- 8.4 The Levelling-Up white paper set out the first tranche of county areas to be invited to begin negotiations on the new type of devolution deals. The nine areas were Cornwall, Derbyshire and Derby, Devon, Plymouth and Torbay, Durham, Hull and East Yorkshire, Leicestershire, Norfolk, Nottinghamshire and Nottingham, and Suffolk.

8.5 The White Paper set out a ‘devolution framework’, with three ‘levels’ of devolution.

- Level 1 constitutes informal joint working between authorities;
- Level 2 is a single institution without an elected mayoralty; and
- Level 3 is a single institution with a directly-elected mayoralty.

8.6 The paper set out that Level 3 bodies will be able to access the broadest range of powers.

9 Process for the Development of the Draft Deal

9.1 In order to seek the maximum ‘Level 3’ powers and flexibilities available the four upper tier Councils in Derby, Derbyshire, Nottingham and Nottinghamshire submitted an initial devolution deal proposal template to Government at its request in March 2022.

9.2 The Government’s template included 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. This provided the starting point of negotiations for a devolution deal, where proposals will be examined in more depth.

9.3 The Levelling up and Regeneration Bill was published in May 2022 and if it receives Royal Assent it enables the creation of a:

- County combined authority (CCA); and
- Mayoral county combined authority (MCCA)

9.4 It is clear that Level 3 powers are reserved for areas that agree to establish the role of a directly elected mayor; as a result, the Leaders of the four upper tier councils agreed to develop proposals for an MCCA to that ensure maximum powers, freedoms and flexibilities are secured.

9.5 Districts and borough councils in Derbyshire and Nottinghamshire are not formal parties to the Deal. However, the upper-tier authorities have engaged with districts and boroughs through confidential (required by government) briefings to Leaders and Chief Executives throughout the negotiation process.

9.6 In addition, the Chief Executives of Chesterfield Borough Council and Newark and Sherwood District Council were invited to represent the interests of district and borough councils throughout the detailed negotiations with civil servants, which took place as part of an accelerated timescale throughout August.

10 Summary of the Devolution Deal

- 10.1 The deal is one of the first of a new type of combined authority, requiring new legislation from central government. As well as the £1.14 billion, it includes an extra £17 million for new homes on brownfield land, and control over a range of budgets like the Adult Education Budget, which could be better tailored to the needs of people in communities.
- 10.2 The deal document sets out the powers the Government will devolve to the East Midlands MCCA and outlines how the combined authority will work. The main headlines from the Deal are:
- An elected Mayor for the East Midlands advocating for the region and held accountable by the electorate.
 - Devolved packages of funding for spending on local priorities.
 - New devolved powers from Government including powers related to Skills & Education, Transport, Housing & Land, Net Zero, Innovation, Trade & Investment, Public Service Reform and Financing.
 - Protection of powers currently held by upper-tier authorities and the district & borough councils.
 - Integration of the current Local Enterprise Partnership (LEP) into the MCCA.
 - Potential for more devolution of powers in the future
- 10.3 The devolution deal is a level 3 deal, which offers the most local powers and funding includes the proposed new elected regional mayor, like those in other areas such as the West Midlands and Greater Manchester, who would represent both cities and counties. The role of the mayor would be to look at major issues affecting the whole region, give the area more of a voice, and take advantage of local knowledge and expertise.
- 10.4 The deal means that a future mayor and combined authority could:
- Work towards Net Zero and cleaner air with new low carbon homes, retrofit existing houses with external wall insulation, promote the use of renewable energy, and protect and enhance green spaces, such as areas for wildlife and green verges.
 - Build on the region's existing knowledge and expertise in green technology and promote the growth of a future low carbon economy by investing in related skills training at colleges and other training facilities.
 - Set up and coordinate smart integrated ticketing and enhanced concessionary fares schemes.
 - Work with Homes England to build more affordable homes, by using new powers to buy land and housing (With district and borough council consent).
 - Enhance the region's economy by developing new commercial space to maximise opportunities. Work with national government on initiatives to address homelessness, domestic abuse, community safety, social mobility, and support for young people.

- Take advantage of economies of scale by using combined and devolved budgets to deliver more value for taxpayers and more cost-efficient services.

10.5 More detailed summary of the deal set out in 'A prospectus Devolution: A Brighter Future for the East Midlands' which is attached at Appendix A.

11 Next Steps

11.1 The signing of the document is the commencement of a process of establishing the East Midlands MCCA. The key elements of the process are as follows:

- September / October 2022 - Development of a proposal document that will be used for consultation with residents and other stakeholders
- November 2022 – Sign off of the proposal by the Full Council of each of the upper tier councils and approval to move to consultation.
- November 2022 to January 2023 - Consultation period
- April 2024 - New East Midlands Mayoral County Combined Authority officially comes into existence.
- May 2024 - Mayoral election for East Midlands Mayoral Combined Authority.

11.2 There is a commitment by the upper-tier Councils to continue the engagement with district and borough Councils throughout the process of finalising the deal and the development of the MCCA.

11.3 The governance arrangements for the MCCA and the role of the district and borough councils will be of particular interest. An agreed set of principles of governance have been adopted as part of the deal submission:

Government requirements

Principle one: Effective leadership - Elected mayor

Principle two: Sensible geography

Principle three: Flexibility

Principle four: Appropriate accountability

Local principles

Principle five: Inclusivity - as inclusive a model of governance as possible

Principle six: Subsidiarity - add value to existing governance arrangements not duplicate

Principle seven: Commissioning – individual or collective organisations commissioned to deliver functions on the MCCA behalf

Principle eight: Choice - respect the existing sovereignty of the lower-tier local authorities. It follows that they will have a choice about whether to participate.

There are also further discussions to be had around the role of the Vision Derbyshire and how that will fit into the future arrangements.

11.4 As the proposals are developed progress will continue to be reported to the Executive and the appropriate Select Committees.