HIGH PEAK BOROUGH COUNCIL

The Executive

8th December 2022

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

Appendices Attached:
Appendix A – East Midlands County Combined Authority – Proposal for Consultation
Appendix B - East Midlands Devolution Frequently Asked Questions (FAQs)

1. Reason for the Report

1.1 The purpose of the report is to provide a summary of the East Midlands County Combined Authority (EMCCA) Proposal and the associated consultation process following the devolution deal offer from government that was announced on 30th August 2022.

2. Recommendations

It is recommended that the Executive:

2.1 Note the proposal for the creation of the East Midlands County Combined Authority (EMCCA) as set out at Appendix A and summarised in Sections 9 and 10 of the report.

2.2 Note the consultation process as detailed in Section 11 of the report.

2.3 Consider the issues highlighted in Section 13.3 and identify any other issues that should be included in the Council's formal response to the consultation.

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 A report was presented to the Corporate Select Committee on 26th September and the Executive on 6th October which gave details of the proposed deal. The report also outlined details of the process for its development, the principal element of which was the publishing of a proposal document that will be used for consultation with residents and other stakeholders. The proposal document has now been approved and published by the four upper tier authorities and a process has been established to consult upon it with the residents and other stakeholders of Derbyshire and the wider EMCCA area for a period of 8 weeks between 14th November 2022 and 9th January 2023.

3.3 The results of the consultation will be considered when the upper tier councils are asked to agree the final proposal for submission to Government in the first quarter of 2023. It is anticipated that further meetings of the upper tier councils in or around March 2023 will consider the results of the consultation and agree whether or not to formally submit the final proposal to Government.

3.4 The proposal for consultation (attached at Appendix A) sets out the context, vision and priorities for the new EMCCA and outlines that the establishment of an EMCCA would result in a significant uplift in the powers and funding available to the area.

3.5 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 throughout the development of the deal. 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 EMCCA.

3.6 The governance arrangements for the EMCCA are set out in the proposal. It is outlined that the EMCCA will have up to 17 Members in total, comprising:

- The directly elected Mayor;
- 8 Constituent Members (members appointed by the constituent (upper tier) councils, with each constituent council appointing 2 members);
- 4 Non-Constituent Members nominated by the district and borough councils within the Area (with 2 non-constituent members to be nominated by Derbyshire district and borough councils, and 2 non-constituent members to be nominated by Nottinghamshire district and borough councils);
- Either a non-constituent or associate member who can represent the views of business on the CCA.
- Up to three further non-constituent or associate members. These three further memberships will not be nominated/appointed to initially. It will be for the CCA to determine whether the three additional memberships will be used, and if so, what interests those memberships should seek to represent on the CCA.

3.7 The process for the appointment of the 2 district and borough non-constituent members of the EMCCA has yet to be determined and will be subject to ongoing discussions between the Leaders. There are also further discussions to be had around the role of Vision Derbyshire and how that will fit into the future arrangements. In order to ensure that the Vision Derbyshire approach is fit for purpose for the future, the Vision Derbyshire Joint Committee have recently approved proposals to undertake a light touch review of current arrangements.

3.8 The methodology for consultation has been agreed by all upper tier councils and includes:

- An online survey with alternative options available to meet the needs of participants (available at www.eastmidlandsdevolution.co.uk);
- Engagement with businesses, the voluntary and community sector and other stakeholders identified; and
- Public events to engage residents of the EMCCA.

3.9 The proposal sets out the transition to a formal CCA in May 2024 which would have three stages:

- Stage 1: Establishing a shadow authority (by April 2023)
- Stage 2: Operationalising the shadow authority – April 2023 to May 2024
- Stage 3: Formal establishment of the CCA – May 2024 onwards

3.9 When the outline of the deal was considered by councillors in September / October there were a number of issues and concerns raised. These were passed on through the Derbyshire Leaders and Chief Executives networks prior to the finalisation of the proposal. It is important consider these issues further and formulate a formal response to the consultation.

3.10 The suggested issues that should be included in the response are highlighted in section 13.3 of the report. Members' views on these issues and any additional issues to be highlighted are invited. Following this a response will be drawn together and formalised through the consultation channels that have been established.

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 14th November 2022 and 9th January 2023.

6.8 Risk Assessment
Not applicable at this stage

ANDREW P STOKES
Chief Executive

Web Links and Background Papers	Location	Contact details

Andrew P Stokes
Chief Executive

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

www.eastmidlandsdevolution.co.uk

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, and 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 was 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 A report was presented to the Corporate Select Committee on 26th September and the Executive on 6th October which gave details of the proposed deal. The report also outlined details of the process for its development and implementation. The key elements of the process were outlined 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

7.5 The proposal document has now been published and approved by the four upper tier authorities. The purpose of this report is to update councillors with details of the proposal and the consultation arrangements that have been agreed by the upper tier councils.

8 Progressing the Devolution Deal

8.1 The Levelling-up and Regeneration Bill will (subject to its passage through Parliament and Royal Assent) allow for the devolution of powers and funding

through the creation of new Mayoral Combined County Authorities that require the agreement of upper-tier local authorities.

8.2 In order to progress Derbyshire and Nottinghamshire's devolution deal, under the Levelling-up and Regeneration Bill, a consultation is required on a draft East Midlands Combined County Authority (EMCCA) Proposal.

8.2 Following consultation, the four upper tier councils will need to submit their final proposal to Government, which will take account of the outcome of the consultation, and which, if appropriate, formally proposes the creation of the EMCCA.

8.3 The four upper tier Councils approved the draft proposal in early November and agreed to formally consult upon it with the residents and other stakeholders of Derbyshire and the wider EMCCA area for a period of 8 weeks between 14th November 2022 and 9th January 2023.

3.4 The results of the consultation will be considered when the upper tier councils are asked to agree the final proposal for submission to Government in the first quarter of 2023. It is anticipated that further meetings of the upper tier councils in or around March 2023 will consider the results of the consultation and agree whether or not to formally submit the final proposal to Government.

9 Summary of the Proposal

9.1 The proposal for consultation has been developed (attached at Appendix A), which sets out the context, vision and priorities for the new EMCCA. The vision is as follows:

"Our vision is for the 2.2 million people who live and work here to enjoy better health, greater prosperity, and an increased sense of wellbeing through the opportunities available to them within an inclusive and competitive CCA Area at the heart of the country".

9.2 Four priority areas have been put forward to support delivery of the vision:

- ***Our Homes*** *- we would work with local authorities, landowners, developers and the full range of housing providers to create affordable, good quality housing options and to retrofit existing homes to be more environmentally sustainable.*
- ***Our Skills*** *- we would work collaboratively with employers, skill providers and local authorities to ensure our citizens have the opportunity to develop key skills and access opportunities to work well and build fulfilling careers. This would also help the creation of a strong and sustainable local economy.*
- ***Our Transport Infrastructure*** *– we would work with transport providers inside and outside the Combined County Authority area to develop our collective infrastructure and create the best possible public transport*

system for our citizens, reflecting the strengths already within Constituent Councils to set our aspirations.

- ***Our net zero ambition*** *- we would work across the area to lead the way in moving from fossil to fusion and play our part in achieving our national ambition to achieve net zero by 2050. Our ambition is that the Combined County Authority area will be a leader in pioneering new forms of clean energy generation and will act as an exemplar for climate change adaption.*

9.3 The proposal outlines that the establishment of an EMCCA would result in a significant uplift in the powers and funding available to the area. It would mean at least an additional £1.1 billion of investment in the area's economy over the next 30 years. It would create a directly elected mayor across the East Midlands area to champion its interests, deliver on local priorities and provide greater local accountability and decision-making power, working in partnership with the EMCCA and its Constituent Councils (upper tier councils), and more widely with other public service providers including district and borough councils.

9.4 The proposal outlines that the devolution deal and the EMCCA (if established) will provide the area with:

- Control of a £38 million per year allocation of investment funding over 30 years (50% capital, 50% revenue), to be invested by East Midlands CCA to drive growth and take forward its priorities over the longer term.
- New powers to improve and better integrate local transport, including the ability to introduce bus franchising, control of appropriate local transport functions, e.g. local transport plans, and control of a Key Route Network.
- An integrated transport settlement starting in 2024/25.
- A commitment to explore a local partnership with Great British Railways so that the EMCCA mayor can help to shape and improve the local rail offer.
- New powers to better shape local skills provision to meet the needs of the local economy, including devolution of the core Adult Education Budget, as well as input into the new Local Skills Improvement Plans.
- New powers to drive the regeneration of the area and to build more affordable homes including compulsory purchase powers and the ability to establish Mayoral Development Corporations.
- Over £17 million for the building of new homes on brownfield land in 2024/25, (at the time of writing subject to sufficient eligible projects for funding being identified).
- £18 million capital funding in this Spending Review period (up to 2024/25) to support the delivery of housing priorities and drive Net Zero ambitions in the East Midlands area. This investment is subject to agreement of the relevant business cases.
- A key role in planning and delivering the East Midlands area allocation of the UK Shared Prosperity Fund (UKSPF) from 2025/26.
- The integration of D2N2 Local Enterprise Partnership into the East Midlands CCA. This will ensure there continues to be a strong and independent local business voice which informs local decision making and

strategic economic planning. In absorbing the role and functions of D2N2 LEP, the East Midlands CCA will deliver a number of functions on behalf of central government departments.

- A commitment to developing, in partnership with the Government, an arrangement which ensures close cooperation with the Police and Crime Commissioners (PCCs).
- A commitment from the Government to work with the region to explore initiatives that improve delivery of public services jointly with Constituent Councils such as how best to support residents with multiple, complex needs. A key leadership role for the mayor in local resilience and civil contingency planning, preparation and delivery.

10 Governance Arrangements

10.1 As outlined in the report to Corporate Select Committee and the Executive in September / October, 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. 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 for the development of the deal throughout August.

10.2 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 EMCCA.

10.3 The governance arrangements for the EMCCA and the role of the district and borough councils will be of particular interest. An agreed set of principles of governance was adopted as part of the initial deal submission:

<u>Government requirements</u>
Principle one: Effective leadership - Elected mayor
Principle two: Sensible geography
Principle three: Flexibility
Principle four: Appropriate accountability

<u>Local principles</u>
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.

10.4 The EMCCA will have a directly elected Mayor who will be elected by the voters within the CCA Area. The Mayor will be a Member of the CCA, as well as having a number of powers and functions which may be exercised exclusively by the Mayor.

10.5 The Proposal outlines that the EMCCA will have up to 17 Members in total, comprising:

- The directly elected Mayor;
- 8 Constituent Members (members appointed by the constituent councils, with each constituent council appointing 2 members);
- 4 Non-Constituent Members nominated by the district and borough councils within the Area (with 2 non-constituent members to be nominated by Derbyshire district and borough councils, and 2 non-constituent members to be nominated by Nottinghamshire district and borough councils);
- A key area of focus for the CCA will be economy, industry and business, where Government are clear that the independent business voice for the area must be given sufficient prominence in governance arrangements. As a result consideration is being given to appointing either a non-constituent or associate member who can represent the views of business on the CCA.
- Up to three further non-constituent or associate members. These three further Memberships will not be nominated/appointed to initially. It will be for the CCA to determine whether the three additional memberships will be used, and if so, what interests those memberships should seek to represent on the CCA.

10.7 The process for the appointment of the 2 district and borough non-constituent members of the EMCCA has yet to be determined and will be subject to ongoing discussions between the Leaders.

10.8 There are also further discussions to be had around the role of Vision Derbyshire and how that will fit into the future arrangements. Through the Vision Derbyshire arrangements the councils in Derbyshire developed a shared set of principles and a case for change. From this emerged an implementation plan which focused on a number of key projects and programmes and the creation of the Vision Derbyshire Joint Committee.

10.9 The work undertaken on Vision Derbyshire has been a fundamental driver and uniquely positioned Derbyshire and Derby, as one of the first pathfinder areas to progress devolution proposals alongside Nottinghamshire and Nottingham. Whilst the approach has been successful and been taken forward by both participating and non-participating councils, there have been some challenges which have led to a number of councils not being in a position to formally sign up to the approach.

10.10 As work progresses on the Devolution Deal and the new EMCCA emerges, it will be important to ensure that the Vision Derbyshire approach continues to evolve to meet new demands. This will be critical in ensuring that Derbyshire

remains well positioned to maximise the benefits from the Deal as it moves into implementation. In order to ensure that the Vision Derbyshire approach is fit for purpose for the future, the Vision Derbyshire Joint Committee have recently approved proposals to undertake a light touch review of current arrangements. Derbyshire Councils and has appointed East Midlands Councils to take forward the review.

10.11 The key aims of the review are to:

- Confirm the appetite to continue with the approach established and identify the level of ambition for future collaboration
- Develop a shared understanding of key achievements and successes, identifying what has worked well over the last three years
- Identify key challenges and opportunities in taking forward the approach, developing a shared understanding of potential improvements that could be made to current arrangements
- Review and confirm existing Vision Derbyshire principles, to ensure these are fit for purpose.
- Identify and agree the conditions which would need to be in place to support the future collaboration of Derbyshire Councils.
- Identify and scope further work that may be required over the coming period.

11 Consultation

11.1 The methodology for consultation has been agreed by all upper tier councils to address the requirements of the Levelling-up and Regeneration Bill. The agreed consultation methods include:

- An online survey with alternative options available to meet the needs of participants;
- Engagement with businesses, the voluntary and community sector and other stakeholders identified; and
- Public events to engage residents of the EMCCA.

11.2 The public consultation was launched on Monday 14th November and runs until the 9th January. HPBC along with other districts and borough is encouraging residents to take part in the consultation. There are

- The online survey, available at www.eastmidlandsdevolution.co.uk
- Residents can also request a paper copy to complete by contacting eastmidlandsdevolution@ipsos.com or 0800 260 0536.

11.3 Residents can find out more about devolution and the proposals at the East Midlands devolution website:

www.eastmidlandsdevolution.co.uk

12 Proposed Transition to the EMCCA

12.1 In order to deliver the ambitions for the area, the constituent councils will seek to organise the resources of the CCA in the best possible way. Work is currently underway to define the 'operating model' for the EMCCA which will describe how it will work, the functions, people, processes, systems and organisational structure.

12.2 It is important to note that transition to the CCA is dependent on a number of factors:

- The proposal being accepted as a result of public consultation;
- The proposal then being accepted by Government; and
- The passing of the Levelling Up and Regeneration Bill into law and the approval by Parliament of the necessary secondary legislation implementing the deal.

12.3 The proposal sets out the transition to a formal CCA in May 2024 which would have three stages:

- Stage 1: Establishing a shadow authority (by April 2023)
- Stage 2: Operationalising the shadow authority – April 2023 to May 2024
- Stage 3: Formal establishment of the CCA – May 2024 onwards

13 Council's Response to the Consultation

13.1 The public consultation on the devolution is not only encouraging responses from residents but is seeking the views of all stakeholders including representations from businesses and other stakeholders. When the outline of the deal was considered by councillors in September / October there were a number of issues and concerns raised. These were passed on through the Derbyshire Leaders and Chief Executives networks prior to the finalisation of the proposal.

13.2 Despite this it is important for the Council to consider these issues further and formulate a formal response to the consultation.

13.3 The suggested issues that should be included in the response are as follows:

Governance

- Clarification of the role of districts and boroughs as Non-Constituent members
- Fair process to select the 2 Derbyshire borough / district representatives and the consolidation of pan-Derbyshire work
- Transparency of decision making by the EMCCA – including the input from communities including CVS

Funding

- Transparent process for funding decisions
- Locality input into decision making

Climate Change

- Links to local climate change action plans
- Identification of common challenges e.g. planning; housing etc.

Housing

- Complimentary to Local Plans

Transport

- Links to the arrangements in Greater Manchester for rail, road infrastructure, and public transport

Public Health

- Various issues around public health have been a late addition to the consultation document following discussions with DLUHC.

13.4 Members' views on these issues and any additional issues to be highlighted are invited. Following this a response will be drawn together and formalised in the consultation channels that have been established.