

**City of Nottingham and Nottinghamshire Economic Prosperity Committee –
21 July 2023**

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------|
| Subject: | Devolution and Joint Working Programme Progress Report | | |
| Presenting authority / representative): | Adrian Smith – Nottinghamshire County Council | | |
| Report author and contact details: | Chennour Wright – Nottinghamshire County Council chennour.wright@nottscc.gov.uk | | |
| Other colleagues who have provided input: | Sajeeda Rose, Corporate Director for Growth and City Development, Nottingham City Council Hannah Barrett, Programme Manager (Devolution) – Nottinghamshire County Council | | |
| Key Decision | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | Subject to call-in <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Value of decision: Not applicable | <input type="checkbox"/> Revenue <input type="checkbox"/> Capital | | |
| Authorities affected: | Date of consultation with relevant authorities: Not applicable | | |
| Summary of issues (including benefits to citizens/constituent authorities): <p>The establishment of an East Midlands Mayoral County Combined Authority (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. Further details are set out in the Proposal approved at the Full Councils in March 2023 of Nottingham City Council, Nottinghamshire County, Derby City Council and Derbyshire County Council.</p> <p>This report covers the period from March to July 2023. It highlights key strands of work, how they have developed since the previous formal City of Nottingham and Nottinghamshire Economic Prosperity Committee (EPC) report, as well as plans moving forward.</p> | | | |
| Exempt information: None | | | |
| Recommendation(s): | | | |
| <p>The recommendation for the City of Nottingham and Nottinghamshire Economic Prosperity Committee (EPC) is:</p> <ol style="list-style-type: none"> 1) To consider and comment on progress to date on the devolution and joint working programme 2) To advise whether any further actions are required. | | | |

1. Reasons for recommendations

- 1.1 To ensure that the EPC have an up to date understanding of the devolution programme since the previous meeting on the 3 March 2023.
- 1.2 To ensure that the EPC are aware of Government capacity funding expected this financial year, which is intended to support the resourcing and capacity requirements needed to deliver the devolution programme.

2. Background (including outcomes of consultation)

Information

- 2.1 The EPC has been central to plans to secure a devolution deal for our region, with local leaders recognising it has the potential to address the lasting impact of decades of low Government investment in the East Midlands.
- 2.2 The EPC discussed on 9 December 2022 and 3 March 2023 the [£1.14 billion devolution deal](#) agreed between the four “Constituent Councils” (Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council), and the Government, on 30 August 2022. The signing of this deal marked the start of a journey that, subject to the progression of legislation and further approvals, will lead to significant additional investment across Derby, Derbyshire, Nottingham and Nottinghamshire.
- 2.3 Following approval from each of their respective Full Councils in November 2022, Nottinghamshire County Council, Derbyshire County Council, Derby City Council and Nottingham City Council undertook statutory consultation on a Proposal to establish the East Midlands Combined County Authority (“EMCCA”) across Nottinghamshire, Derbyshire, Derby and Nottingham. This consultation ran from 14 November 2022 to 9 January 2023.
- 2.4 There were 4,869 participants in the consultation which was open to residents, businesses, community and voluntary groups, and other organisations in the region. The majority (4,751) participated online via the official response form. Responses to the consultation came from residents from all areas in Derbyshire, Nottinghamshire, Derby, and Nottingham. The consultation survey was self-selecting, therefore no area was specifically targeted, however there was a good split of responses from all areas of the four Constituent Councils and no one area was over represented. The consultation responses showed broad support for the benefits a devolution deal would provide. Please refer to the [Consultation - Devolution Deal Consultation Report](#) published as part of the full council report for each constituent council.
- 2.5 All four Constituent Councils approved the Proposal to create the EMCCA for submission to the Secretary of State, together with relevant delegations to the Chief Executive in March 2023. Further information on the Proposal, the consultation findings and next steps are detailed in the Full Council reports. The Proposal cannot be submitted to government until the enabling legislation, the Levelling Up and Regeneration Bill (LURB) receives royal assent. The LURB is currently at the report stage in the House of Lords. Its progress can be tracked on the UK Parliament website here: [Levelling-up and Regeneration Bill - Parliamentary Bills - UK Parliament](#) .

3. Meeting Government requirements for the creation of the EMCCA

3.1 Central government have outlined in the deal the conditions and deliverables they require prior to the EMCCA being created. These include:

- Developing a full implementation plan covering each policy agreed in the Deal, to be completed ahead of implementation and approved by Government.
- Developing a Local Enterprise Partnership (LEP) Integration Plan, outlining how the new East Midlands MCCA will take on the functions and roles of the D2N2 LEP in line with the published guidance.
- Creating an investment strategy for the fully devolved funding programme, covering all budgets for devolved functions (the “East Midlands Investment Fund”).
- Developing an East Midlands MCCA Assurance Framework in line with Government requirements.
- Work to meet the Government’s readiness conditions for devolving the Adult Education
- Budget (AEB) from academic year 2025/26 – it is estimated that the devolved AEB for our region will be approximately £50 million.
- Developing a pipeline of housing sites across the MCCA area, supported by £918,000 of capacity funding in 2023/24 and 2024/5, in order to identify eligible projects for the
- £16.8 million of devolved capital funding in 2024/25 allocated to support the building of new homes on brownfield land.
- Developing a provisional area-wide local transport plan
- Delivery of £18m capital funding projects in this Spending Review period to support the delivery of housing priorities and drive Net Zero ambitions in the East Midlands area.

3.2 The Department for Levelling Up, Housing and Communities (DLUHC) has provided an initial £250,000 mayoral capacity funding in 2023-2024. The funding is being provided to support local partners in creating joint capacity and capability to implement the devolution deal, prior to the establishment of the EMCCA, and in anticipation of the LURB receiving Royal Assent. A further payment of £250,000 mayoral capacity funding is then expected later in 2023-24, subject to the ongoing viability of the deal and satisfactory progress with the development of the local assurance framework.

3.3 Government set out in the Deal that it would provide transport and housing capacity funding in 2023/24 as follows:

- an additional £500,000 of revenue funding in both 2023/24 and 2024/25 to accelerate work on a provisional area-wide local transport plan by March 2024 and implement quantifiable carbon reductions to the higher standard recommended in related guidance.
- It is also expected that the Government will provide £918,000 of capacity funding to the East Midlands MCCA across 2023/24 and 2024/25 to support development of a pipeline of housing sites across the MCCA area, supported by Homes England £0.459m 2023-2024 housing capacity funding,

Discussions are ongoing with DLUHC officials to confirm the timetable for release of the remaining 2023/24 capacity funding. Further resource requirements may then need to be considered as additional Government capacity or implementation funding becomes available.

Table 1: Summary of 2023/24 and 2024/25 Capacity Funding included in the East Midlands Devolution Deal

| | 2023/24 £m | 2024/25 £m |
|--------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Mayoral Capacity Funding | 0.5 | 1.0 |
| Capacity funding for pipeline of housing sites *Assumed equal split across 2023/24 and 2024/25 – to be confirmed. | 0.459 | 0.459 |
| Provisional area wide local transport plan funding | 0.5 | 0.5 |
| Total | £1.459 | £1.959 |

- 3.4 As we move into the next phase of the programme, constituent councils increasingly need dedicated leadership and technical support to be able to maintain momentum and meet Government's requirements. As a result, six interim posts have been proposed to provide local authorities with the initial capacity and capability needed to prepare for and meet the Government's requirements for an East Midlands devolution deal. These are:

Interim Chief Officer: This post will work alongside Leaders and Chief Executives to provide clarity, strategic direction, vision and leadership to drive forward the work to prepare the ground for EMCCA working across the constituent councils, the wider partnership, the region and with government.

Interim Director (Devolution): This role will be responsible for leading the work required to establish a new county combined authority and meet the requirements of Government set out in the deal document. This will include leading colleagues from the constituent councils to deliver the work required.

The Interim Senior Leadership role and Interim Director (Devolution) will be supported by the following roles:

Interim Investment Strategy Lead: will be accountable for developing the wider investment strategy and investment plans for the proposed EMCCA.

Interim Transport Plan Lead: will be accountable for the design and development of the proposed EMCCA transport function, including the development of a combined Local Transport Plan and a proposed transitional plan for Public Transport functions.

Interim Operations and People Lead: will be accountable for the development of the draft operating model and transition plan for the proposed EMCCA.

Interim Strategy and Delivery Lead: will be accountable for the design and development of a draft EMCCA overarching strategy and corporate business plan, based on its vision and mission to deliver on its priorities as set out in the proposal document. This draft deliverable would then be considered and adopted or amended by the Mayor and any permanent team established once the EMCCA is in operation.

In addition, a Strategic Communications Manager post to work across the EMCCA geography was recruited to in April 2023 and starts in August 2023. The intention is for all posts to be appointed to by August 2023.

3.5 A report to Nottinghamshire County Council's Cabinet on 22 June 2023 agreed to establish these six interim roles, funded through Government capacity funding, with Nottinghamshire County Council to act as the host organisation and the employing body on behalf of the four constituent councils. A flexible resourcing strategy has been agreed which will enable the effective management and mitigation of financial risk as the staffing resources can be scaled up or down and ceased quickly if required. For example, if there was any delay or change to capacity funding.

3.6 Establishing the initial interim roles is a crucial step towards meeting Government's requirements. An update on progress will be available at the meeting.

4. Devolution Deal Capital Funding

4.1 The deal included £18m of capital funding to support housing and net zero priorities across the EMCCA geography. The seven selected projects have now been approved by DLUHC, including the approval on 31 May 2023 of £9.9m to retrofit homes across our region. This will provide circa £580,000 per district and borough for retrofit works.

4.2 In addition, other Nottingham and Nottinghamshire projects approved include addressing homelessness in Nottingham City, improving the region's connectivity through the installation of gigahubs and the development of a flagship skills centre with the growth through green skills project (A summary of each project is attached as Appendix A).

5. Other options considered in making recommendations

5.1 This report is to provide the EPC with an update on the progress of the devolution programme since the last formal EPC 9th December 2023. There are no other options to consider in relation to the recommendation stipulated.

6. Consideration of Risk

6.1 The Levelling Up and Regeneration Bill seeks to establish a new type of combined county authority. This is distinct from a combined authority that can be created under the Local Democracy, Economic Development and Construction Act 2009. Whilst the

Constituent Councils agreed a devolution deal with Government and have since undertaken public consultation on a draft Proposal and obtained approval to submit a final Proposal, the creation of a new combined county authority remains subject to the passage and coming into force of the combined county authority provisions in the Bill, and the consent of the Constituent Councils affected to relevant secondary legislation to establish an East Midlands Combined County Authority

- 6.2 The passage of the LURB through Parliament is not subject to the control of the Constituent Councils. Significant delay to the enacting of the Bill carries the risk of undermining the confidence of local business and communities in the devolution programme. It would also further delay the delivery of any benefits achieved through the additional investment offered through the devolution deal.
- 6.3 It is possible that the LURB may not receive Royal Assent or that the provisions upon which the Proposal relies are amended. The Proposal cannot be progressed unless the Bill passes with substantially similar provisions.
- 6.4 The four Constituent Councils will remain in close dialogue with Government to understand any potential impacts and to ensure that the Councils are in the best position to respond to them as the Bill progresses.
7. **Best Value Considerations, including consideration of Make or Buy where appropriate**
- 7.1 None
8. **Finance colleague comments (including implications and value for money/VAT)**
- 8.1 (To follow)
9. **Legal colleague comments**
- 9.1 (To follow)
10. **Other relevant comments**
- 10.1 Not applicable
11. **Equality Impact Assessment (EIA)**
- 11.1 Has the equality impact of the proposals in this report been assessed?
- | | |
|-----|-------------------------------------|
| No | <input checked="" type="checkbox"/> |
| Yes | <input type="checkbox"/> |

An [Devolution Equality Impact Assessment](#) was undertaken for the development of the EMCCA Proposal. The programme must have due regard to this report. In addition to the consideration of Protected Characteristics and/or Groups within the EIA, as required by the Equality Act 2010, the programme has also considered the impact of the Proposals on other groups and individuals, in certain cases in line with other statutory duties, including care experienced people and armed forces. Further detail is set out in the March 2023 Council reports approved by each constituent council, including the City Council report approved by Nottingham City Council on 23 March 2023.

An initial DLUHC equality analysis for the East Midlands devolution deal as a whole concluded no disproportionate impact on any of the groups with protected characteristics. As such no adverse quality impacts are anticipated from this programme. Nottinghamshire County Council will act as the host organisation for the interim roles, and its agreed HR policies and procedures were the subject of Equality Impact Assessments at the point of development and agreement.

12. **Data Protection Impact Assessment (DPIA)**

12.1 Has the data protection impact of the proposals in this report been assessed?

No ☒

A DPIA was carried out in regards to the consultation.

Yes ☐

13. **Carbon Impact Assessment (CIA)**

13.1 Has the carbon impact of the proposals in this report been assessed?

No ☒

A CIA is not required because: This is a progress report on the devolution programme and does not include any proposals that would directly affect carbon emissions in a material way. Net zero is a priority area set out in the Proposal and it is anticipated that the EMCCA would develop its own plans and strategies to reduce carbon emissions. CIAs will be completed in the future as the work programme progresses.

Yes ☐

14. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 N/A

15. Published documents referred to in this report

15.1 [Levelling Up White Paper](#)

15.2 [East Midlands Devolution deal](#)

15.3 [Consultation - Stakeholder Engagement Summary](#)

15.4 [Consultation - Devolution Deal Consultation Report](#)

15.5 [Nottinghamshire County Council's Cabinet - 22 June 2023](#)

15.6 [Devolution Equality Impact Assessment](#)

Appendix A: Capital Funding Projects - Summary Update

| No. | Project Type (Housing and/or Net Zero) | Project | Project Description | Capital requested | Status |
|-----|-------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------|
| 1. | Both | Boosting Retrofit in EMMCA | Current retrofit schemes are competitive with strict criteria. Local Authorities require additional flexibility from currently available funding to resolve place-based challenges. Government funding for retrofit projects currently results in delivery gaps across neighbourhoods and households benefiting from funding as they fall outside of a schemes strict criterion. Additional funding to enable area-based delivery, increasing provision. | £9.9m | Approved |
| 2. | Net-zero | D2N2 GigaHubs | Increase access to digital connectivity in the D2N2 Combined Authority area, by connecting public service buildings (such as rural schools, doctors' surgeries and libraries) to gigabit broadband. £1.2m funding here is in addition to £6.8m from BDUK as part of the Midlands Gigahubs programme and widens the range of locations, adding up to 118 additional premises to the 235 previously identified. | £1.2m | Approved |
| 3. | Housing | Shortage of affordable housing - Derby City. Reducing use of B&B's. | Development of 15 additional social houses to be let at an affordable rent in Derby City. To reduce placements into temporary accommodation and B&Bs and reduce waiting lists for more suitable longer-term accommodation. | £1.1m | Approved |
| 4. | Housing | Addressing homelessness – long term private rental scheme, reducing use of B&B's. | Acquire 12 properties (6 per LA) for Temporary Accommodation use in Nottingham City and Derby City areas to reduce reliance on B&Bs for homeless families. Reducing incidence of Councils' breaching of statutory time limit. | £2.0m | Approved |
| 5. | Net-zero | Growth Through Green Skills | Development of a flagship skills centre and demonstrator site for low carbon construction and retrofit in the D2N2 LEP region, operated by West Notts College | £1.5m | Approved |
| 6. | Net-zero | Derbyshire LCWIP | Introduction of a new 3m wide 2km inter-urban off-road pedestrian and cycle route between Markham Lane (Markham Vale) and Seymour Link Road (Staveley). | £750,000 | Approved |
| 7. | Housing | Fairfield Roundabout and Link Roads | Construction of a roundabout on the A6 at Fairfield, Buxton to open up access to 20 ha of housing development land, 13.7 ha of which is brownfield. | £1.5m | Approved |
| | | | | Total: £18m (figures rounded) | |