

Housing and City Development Scrutiny Committee

19 February 2024

Preparedness for the East Midlands Combined County Authority

1. Background

1.1 In August 2022, Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council signed a £1.14 billion devolution deal with the Government. A public consultation, published in March 2023, showed broad support for the deal and the establishment of a Mayoral Combined County Authority (CCA). The primary legislation enabling the deal to proceed received Royal Assent in October 2023.

1.2 On 7 December 2023, an Extraordinary meeting of the Full Council agreed to the creation of the East Midlands CCA, with the Council as a constituent member. Full Council noted the holding of the inaugural Mayoral election for the CCA on 2 May 2024, subject to the passage of relevant secondary elections legislation.

2. Case for Devolution

2.1 This is a once-in-a-generation opportunity to secure more funding and powers for the local area. It transfers power from Westminster, placing more decisions at a local level. In effect, this is not a new tier of government, but is instead about bringing existing central Government powers and decision-making about funding to the people who know the area best.

2.2 The East Midlands has suffered from years of underinvestment. Devolution will bring more money into the region, resulting in a stronger local economy and better services for residents. An elected Mayor can focus on the strategic issues affecting the whole region, leading to more jobs, more provision for training and skills, better public transport, more investment in housing and action to protect the environment.

3. Benefits

3.1 Devolution helps to address historic underinvestment in the East Midlands, with benefits being:

- a £1.14 billion devolved investment fund for the region, with at least £38 million per year over 30 years, plus a brand-new City Region Sustainable Transport Settlement of over £1.5 billion;
- devolution of the Adult Education Budget to improve local skills, worth approximately £50 million per year;
- an East Midlands Investment Zone worth up to £160 million to unlock growth and jobs; and
- significant additional funding, with £18 million early investment into the area on housing and Carbon Net Zero, £17 million for the building of new homes

on brownfield land, and new funding for capacity-building as the new CCA is established.

4. Purpose and Vision

4.1 The vision outlined in the deal, and subsequently published in the proposal for the creation of the CCA, is for the 2.2 million people who live and work in the area 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. The key priority areas are:

- Our Homes
- Our Skills
- Our Transport Infrastructure
- Our Net Zero Ambition

5. Overview of Progress

5.1 The critical path to May's Mayoral election is now in place. In addition to the 7 December 2023 approval of the Full Council report by all constituent Councils, recent progress includes the laying of the CCA Establishment Order before Parliament, the acceptance of the Assurance Framework by the Department for Levelling Up, Housing and Communities plus consequent progress to the next stage of capacity funding, and the establishment of the CCA Shadow Board.

5.2 An evidence base has been developed for the strategy and delivery workstreams, and there is work underway to develop a regional investment strategy for the CCA. Successful and timely recruitment to provide the capacity required remains a key priority across several themes.

6. Housing and Land Theme

6.1 Early in 2023, as part of funding released as an element of the Devolution deal, a capital grant of £1.014 million was allocated to Nottingham to fund temporary accommodation. This is being used to buy homes to use to support families (currently four purchased and two pending).

6.2 Recruitment is underway for a Programme Manager for the Housing and Land theme for a two-year period. This post will manage the consultants and will support Council officers on the group with bids and business cases, as well as highlighting best practice from other Combined Authority areas.

6.3 A commissioning brief has been prepared to appoint a consultant to develop a pipeline list of investment sites across the CCA area, both for housing and commercial development, ready to take advantage of future funding. As a priority, this will also include identification of sites that can be put forward for the Brownfield Land Fund, which involves £16.8 million to be allocated to sites within the CCA area in 2024/25. This work is being done in partnership with Homes England, which has provided some capacity funding, alongside £459,000 of brownfield revenue funding paid from the Government to support this work.

6.4 Within the Council, officers have begun work to establish a list of priority investment sites within the city boundary. However, the tight boundaries and limited land availability leaves the Council with fewer opportunities that fit with the funding parameters. It is likely that elements of the Broadmarsh redevelopment will be put forward as priority investment projects for funding consideration from the Council.

7. Skills Theme

7.1 The current priority for the Skills theme is to achieve a regional Adult Education Budget, with a number of 'readiness conditions' to be submitted to Government in May 2024. There is one lead member from the Theme Group for each of the nine conditions. Recruitment is underway for an interim Skills Programme Manager to lead the theme.

7.2 Colleagues attend a monthly round-table with other areas in the same pre-Combined Authority position to share best practice. This is in addition to contacts with established Mayoral Combined Authorities to share best practice (the CCA's official 'buddy' is Liverpool, which has been very helpful).

7.3 Work is now starting to consider what role the CCA will play in economic development and regeneration across the area and, as part of the Council's readiness for this in Nottingham, the Nottingham Economic Plan will soon be launched. This is the product of months of workshops and discussions with partners, businesses, groups and organisations from across the city to ensure this reflects a Nottingham-wide Economic Plan. A further engagement event on business and innovation is being planned by the workstream.

8. Transport Strategy Theme

8.1 The new CCA will become the Local Transport Authority for the area. This includes preparation of a single Local Transport Plan. It will secure a multi-year funding settlement for local transport integrated transport measures, highway maintenance and potholes, plus access to a £1.5 billion City Region Sustainable Transport Settlement Fund to invest in public transport, active travel and new transport technologies. In addition to planning and funding, the CCA will be responsible for public transport, strategic transport and management of a Key Route Network.

8.2 The interim team is developing an operating modal that includes establishing a Transport Strategy Team from Day 1 of the CCA. An indicative scope and initial draft structure has been prepared and engagement with the four constituent Authorities is taking place to identify relevant resources and personnel that could potentially be transferred to the new CCA. There may be some risks to this from the Council's current 2024/25 budget proposals, which are being considered.

9. Public Transport Theme

9.1 The CCA proposal includes it taking over much of the public transport work currently undertaken by the constituent Authorities. This is a complicated task,

given the different approaches currently taken by the four constituent Authorities, and so the legislation has allowed for a two-year transition period for functions to transfer, with powers held concurrently in the meantime. There is a broad target for the transition to take place on 1 April 2025, with details firmed up over the 2024 calendar year. There may be some risks to this from the Council's current 2024/25 budget proposals, which are being considered.

10. Net Zero Ambition Theme

10.1 As part of the preparations for the CCA, £9.92 million was awarded for retrofit activities, equating to £580,000 for each lower-tier and unitary Local Authority. The programme is due to be completed in August 2024, and 16 out of 17 Local Authorities have received the 20% upfront funding. Local Authorities are in the process of getting contracts signed ahead of delivery, and 115 eligible homes have been signed up so far. The largest delivery window is anticipated to be March to June 2024.

10.2 Nottingham's scheme is in the process of awarding the contract following completion of procurement and aims to be completed by June 2024. The partnership of six Authorities is working on co-ordinating the delivery of a Local Area Energy Plan across the D2N2 geography.

10.3 Other projects being looked at under this theme:

- Waste Pilot for Recycling
- Nuclear Skills (this could compliment work funded by Midlands Net Zero Hub and delivered by Energy Research Accelerator, which is looking at this across the Midlands as a whole)
- Property Stock Review
- Climate Adaption Co-ordination (partnership with the Environment Agency)
- Group purchasing of Solar for Citizens