

City Council - 20 May 2024

Report of the Leader of the Council

Corporate Director/ Director:

Sajeeda Rose, Corporate Director for Growth and City Development

Report Author and Contact Details:

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Title: Establishment of the East Midlands Combined County Authority (EMCCA)

Does the report form part of the Budget or Policy Framework?

Yes No

Commissioner Consideration

Has this report been shared with the Commissioners' Office? Yes No

Any comments the Commissioners wish to provide are listed below.

Does this report contain any information that is exempt from publication?

No

Relevant Council Plan Key Outcome:

Green, Clean and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>

1. Summary

- 1.1 The first election for the new figure of Mayor of the East Midlands took place on Thursday 2 May 2024 and Claire Ward was elected. She will chair the newly established East Midlands Combined County Authority (EMCCA) that encompasses Nottingham, Nottinghamshire, Derby and Derbyshire.
- 1.2 The establishment of the EMCCA and the creation of the role of Mayor for the East Midlands is of fundamental importance to the sub-region, Nottingham and for the delivery of the City Council's vision for the City. The historic creation of the new mayoral combined county authority for the East Midlands unlocks the benefits of the agreed East Midlands devolution deal including a range of new powers and strategic new funding opportunities.

2. Recommendations

- 2.1 That Council notes:

- 2.1.1 The EMCCA was formally established on 27 February 2024, with the first formal board meeting held on 20 March 2024. EMCCA brings with it additional investment funding to the area alongside devolved powers around transport, housing, skills, adult education, economic development and net-zero.
- 2.1.2 The EMCCA is a new body that Nottingham City Council will work in partnership with. Achieving success in Nottingham's strategic priorities will require effective working with EMCCA and the new Mayor. This relationship, of fundamental importance to the Council, will be a priority for the foreseeable future.
- 2.1.3 The first election for the new role of Mayor of the East Midlands took place on Thursday 2 May 2024.

3. Reasons for recommendations

- 3.1 Devolution is an opportunity to bring decisions closer to where they have an impact, and to get a fairer share for the area to help to close the gap in public investment in the East Midlands so we can see more economic growth and new and better jobs. This report acknowledges progress to date and flags the opportunities for Nottingham in the coming years.
- 3.2 Over 2016, previous attempts to establish a Combined Authority for the area failed as not all councils in the area were persuaded by the benefits. The Council engaged with the other Constituent Councils positively and worked across party political lines to develop a collective vision in the knowledge that regional funding and policy decisions will better benefit local residents and businesses.

4. Other options considered in making recommendations

- 4.1 Not to report to Full Council on progress. This was rejected as the establishment of the EMCCA and the election of the Mayor for the East Midlands is of strategic importance for Nottingham.

5. Consideration of Risk

- 5.1 Risks were considered by Full Council on 7 December 2023 when the Council formally consented to the establishment of the EMCCA. Although this report recommends no changes to policy, the 7 December report highlighted risks around appropriate regulations coming into force, the need for all Constituent Councils to consent to the establishment of EMCCA and the loss of funding and new powers for the area if the EMCCA was not to be established. These risks have now passed as the EMCCA has been established.
- 5.2 At section 8 the 7 December Full Council report sets out financial risks to the Constituent Councils and the mitigations in place, noting that "the vast majority of the costs for running EMCCA are to be met from grant funding and associated revenue or capacity funding. This is the experience of MCAs in other areas and is what is currently expected for the EMCCA. However, Full Council are requested to note the above theoretical funding risk." And "There are no planned additional contributions to be made to the EMCCA in 2024/25 (or future years) from the Constituent Councils. Where funding lines are transferred to the EMCCA this will be done on a 'no net costs' basis and confirmed each year as part of the Council's usual budget setting process".

6. Best Value Considerations

- 6.1 Best Value was considered by Full Council on 7 December 2023 when the Council formally consented to the establishment of the EMCCA. Working in partnership with the other Constituent Councils has meant that Nottingham City Council has adopted a “Doing It With Others” (DIWO) approach to devolution. Constituent Councils have committed to developing a Constitution and Assurance Framework that seeks the best value for taxpayers money.

7. Background (including outcomes of consultation)

- 7.1 Securing a devolution deal has been a long-standing ambition for leaders in the area, in order to address the lasting impact caused by decades of under-funding when compared to other areas, improve living standards and deliver better opportunities and outcomes for residents, businesses and communities. EMCCA brings with it additional investment funding of £4billion agreed as part of the deal to the area alongside devolved powers around transport, housing, skills, adult education, economic development and net-zero. Alongside this, the establishment of the EMCCA will bring the governance that currently sits at national level down to the CCA area, so that decision-making is much closer to communities and businesses.
- 7.2 The vision outlined in the deal, and subsequently published in the Proposal for creation of the EMCCA, 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.
- 7.3 The four Constituent Councils agreed to formally consent to the establishment of the EMCCA in December 2023 following a statutory consultation which ran from November 2022 to January 2023. Overall, a total of 4,869 people took part in the consultation, which was open to residents, businesses, community and voluntary groups, as well as other organisations in the area.
- 7.4 EMCCA is a legal body with its own constitution. The election of the Mayor makes EMCCA part of the democratic landscape of the sub-region. As a Constituent Council of EMCCA, Nottingham City Council’s Leader and Deputy Leader sit on the Board. The first Board meeting took place in Chesterfield on 20 March 2024.
- 7.5 The establishment of the EMCCA and the first election to the role of Mayor of the East Midlands is the ‘start of the journey’ for Nottingham and the wider area. How constructively the Constituent Councils, including Nottingham City, work with the EMCCA and the Mayor will dictate a large part of the success of that organisation in its funding and policy priorities. Nottingham City Council has played a key role in the founding vision of the EMCCA and the City and Council stands to benefit from successful partnership working for many years to come.
- 7.6 The establishment of EMCCA as a new formal body is a significant milestone and change for the region. Nottingham City Council as a constituent member is represented in the formal governance and will need to ensure that it effectively engages and participates in the body to influence the organisation in terms of the needs of the City and its residents given significant funding and powers that it will hold.

8. Commissioner comments

8.1 The Commissioners note the content of the report and the importance of the Combined Authority to Nottingham City, and have no additional comments at this time.

9. **Finance colleague comments (including implications and value for money)**

9.1 As previously reported to the City Council extraordinary meeting in December 2023, the vast majority of the costs for running EMCCA will be met from grant funding and associated revenue or capacity funding. There is no separate funding for the cost of combined authorities provided by Government, other than the provision of mayoral capacity funding (confirmed in 2024/25 but thereafter subject to spending reviews) and the ability to utilise supporting revenue funding alongside capital allocations for core operational costs.

9.2 The costs of running a mayoral election are to be met fully by the EMCCA. The cost of the inaugural mayoral election is provisionally estimated to be between £3-4m. Wherever possible, efficiencies will be delivered through sharing infrastructure with Police and Crime Commissioner elections happening on the same day. The operational costs of the mayoral election will not fall to the Constituent Councils, as it has been agreed with government that funding for set up the new combined county authority and the early release of investment funds in 2023/24 can be used for this purpose. Anticipated amendments to the Combined Authority (Mayoral Elections) Order 2017 make provision for expenditure properly incurred by a Combined County Authority Returning Officer in relation to the holding of a mayoral election to be paid by the Constituent Councils, should this be necessary, and subsequently recovered from the Combined County Authority when established.

9.3 For 2024/25 (and future years) there are no planned additional contributions to the EMCCA from the Constituent Councils. Where funding lines are agreed to be transferred to the EMCCA, these will be done on a 'no net costs' basis and will be confirmed each year as part of the Council's usual budget setting process.

9.4 In line with Local Authorities, EMCCA will be required to set a balanced budget annually which will be approved by the agreed governance process including representatives of the four Constituent Councils. Should EMCCA require further funding beyond the agreed budget levels, additional funding will be split as agreed between the four Constituent Councils and in the absence of agreement, in equal shares. Any budget impact on the Constituent Councils will need to be formally agreed by the respective councils as part of their annual budget process.

Shabana Kausar, Director of Finance, 30 April 2024

10. **Legal colleague comments**

10.1 The Levelling Up and Regeneration Act 2023, which received royal assent on 26 October 2023, established a new type of combined county authority. In accordance with the legislation the four Constituent Councils agreed to formally consent to the establishment of the EMCCA. This followed a statutory consultation which ran from November 2022 to January 2023. The Combined Authority was formally established by the East Midlands Combined County Authority Regulations 2024.

10.2 The first EMCCA Mayor was elected on 2 May 2024. EMCCA is a legal body with its own governance arrangements and constitution. The Levelling Up and Regeneration

Act 2023 sets out a governance framework for membership of combined county authorities (constituent, non-constituent, and associate members) and provides powers to the Secretary of State to make regulations setting out the constitutional arrangements of the EMCCA. As a Constituent Council of EMCCA, Nottingham City Council's Leader and Deputy Leader will sit on the Board.

Beth Brown, Director of Legal and Governance and Monitoring Officer, 30 April 2024

11. Other relevant comments

11.1 None

12. Crime and Disorder Implications (If Applicable)

12.1 Not applicable

13. Social value considerations (If Applicable)

13.1 Not applicable

14. Regard to the NHS Constitution (If Applicable)

14.1 Not applicable

15. Equality Impact Assessment (EIA)

15.1 Has the equality impact of the proposals in this report been assessed?

No
An EIA is not required because no changes to Council policy are being proposed.

16. Data Protection Impact Assessment (DPIA)

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

No
A DPIA is not required because no personal data is affected by this report.

17. Carbon Impact Assessment (CIA)

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

No
A CIA is not required because no changes to Council policy are being proposed.

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

18.1 None

19. Published documents referred to in this report

19.1 [Devolution Deal – Consideration of Consultation Responses and Submission of the East Midlands Combined County Authority Proposal to Government](#)

19.2 [Consent to the East Midlands Combined County Authority Regulations 2023](#)

Leader of the Council