



Update on Strategic Partnerships

SUMMARY

- 1.1 To update members on the progress of the North Midlands devolution agreement.
- 1.2 To update members on the Metropolitan Strategy 2030, developed with Nottingham City Council, which is currently out for consultation

RECOMMENDATION

- 2.1 To note the progress on devolution.
- 2.2 To consider the Metropolitan Strategy, which comprises a vision statement and action plan, and agree feedback from the Board as part of the consultation process.

REASONS FOR RECOMMENDATION

- 3.1 The Regenerating our City Board has requested an update on progress on devolution.
- 3.2 The Regenerating our City Board will wish to consider the Metropolitan Strategy and to decide if it wishes to submit comments as part of the consultation process.

SUPPORTING INFORMATION

- 4.1 **North Midlands Devolution Deal**
On Tuesday 5 January 2016 the North Midlands proposal was published. This set out the negotiating position of the 19 Councils and received public backing from private sector leaders. At this time Government had been clear that they expected the vehicle for delivery of a devolution deal to be through a Mayoral Combined Authority.
- 4.2 Earlier this year therefore, clarification of the geography of the devolution deal was required as this would form the basis of the constituent members of the Mayoral Combined Authority (MCA). Government wanted Mayoral elections in May 2017.
- 4.3 Bassetlaw District Council and Chesterfield Borough Council voted to apply for full constituent membership of the Sheffield City Region (SCR) Combined Authority and to ratify the Sheffield City Regional Devolution Agreement. The two Local Authorities recommended that non-constituent membership of the North Midlands MCA would be sought when formed.

The following Councils agreed to move forward with the North Midlands deal:

- Ashfield District Council
- Bolsover District Council (and non-constituent members of SCR)
- Broxtowe Borough Council
- Derby City Council
- Derbyshire County Council
- Derbyshire Dales District Council (and non-constituent members of SCR)
- Gedling Borough Council
- Mansfield District Council
- Newark and Sherwood District Council
- North East Derbyshire District Council (and non-constituent members of SCR)
- Nottingham City Council
- Nottinghamshire County Council
- Rushcliffe Borough Council

The following Councils rejected the North Midlands deal:

- Amber Valley Borough Council
- Erewash Borough Council
- High Peak Borough Council
- South Derbyshire District Council

- 4.4 These outcomes clearly required time for the 19 Local Authorities to assess and consider. Alongside this, the implications of the newly passed Cities and Local Government Devolution Bill needed to be understood. However, the process deadlines required as part of establishing an MCA, to allow for Mayor election in May 2017, had no room for any delays and thus further development was paused.
- 4.5 Recent months have seen significant change following the European Union referendum and, while those deals already announced are following processes, it is not yet clear what impact this may have, for instance recent media reports have suggested that there may be softening in the requirement for a directly elected Mayor. It is hoped that this will become clearer through the party conference period and beyond.
- 4.6 **Next steps**
Leaders and Chief Executives, including D2N2 Local Enterprise Partnership, will be meeting over the coming months with Ministers and civil servants to better understand the Governments position and what may be the most appropriate next steps locally. They will also review together the lessons learnt from process to date and monitor the development of Mayoral Combined Authorities and devolution deals in neighbouring Greater Lincolnshire, South Yorkshire and the West Midlands to inform the next steps.
- 4.7 **Metropolitan Strategy and Action Plan**
In its original format the Devolution Deal set out a framework to drive economic growth around four targeted geographies:
- City/ metro areas
 - Rural communities
 - Former coalfield and industrial areas
 - Market towns

The draft 'Metro' Strategy 2030, which consists of a vision statement and supporting action plan, aims to articulate the first of these (*appended to this report*). Setting out a vision for our urban area and recognising our common city interests and ambitions.

The strategy recognises that combined, the city areas give scale with significance. Nottingham and Derby individually are ranked outside the top 100 population centres in Europe – yet together the Nottingham-Derby area is one of the top 30. By taking advantage of this, the cities could be more strongly positioned to establish the national presence and international reputation required to make best advantage of future opportunities, such as Midlands Engine and foreign trade and investment. If done effectively, this should increase the metro contribution to the wider economy adding value to our broader D2N2 collective efforts.

4.8 It is important to state that the Metro Strategy is positioned within this broader strategic framework:

- Midlands Engine which brings together East and West Midlands LEPs and Local Authorities
- our own D2N2 Strategic Economic Plan
- a suite of geographic/local authority area specific economic and growth plans and strategies

The strategic themes (such as jobs, productivity, promotion, innovation and connectivity) are aligned, but it is recognised that issues should be tackled at the most appropriate level. The Metro Strategy establishes the Nottingham-Derby area at the urban centre of a prospering region.

4.9 The short, draft vision statement has been jointly produced and centres on:

- *Enterprise*: to promote Nottingham/Derby internationally to promote trade and attract new investment; to support businesses to innovate, diversify and find new markets; to increase productivity and strengthen supply chains.
- *Talent*: to enhance leadership, knowledge and creativity of skilled workers (especially those required for key sectors); to support young people to be ready for work; to tackle barriers to employment and progression.
- *Connectivity*: to strengthen connections across the Midlands and beyond; to improve connectivity between the two cities; to develop sustainable transport options; to maximise the advantage of key assets (e.g. East Midlands Airport) and opportunities (e.g. HS2).
- *Liveability*: to develop a joint leisure and cultural offer for residents and visitors; to showcase how urban areas can apply information technologies to improve the efficiency of infrastructure; to develop green infrastructure to improve quality of life.

4.10 While it is deliberately outward-facing in order to position the Metro area nationally and internationally - a compelling future vision is needed to present to our citizens. The *Liveability* theme particularly aims to capture elements of quality of urban life for city residents, employees and visitors, as an essential element of a Metro 'offer'.

4.11 The supporting draft action plan seeks to identify areas for collaboration between the two cities through the four themes. For the first year it is by nature more focused on sharing knowledge and exploring potential opportunities rather than harder outcomes, as the two cities develop their understanding and build relationships. It is anticipated that the action plan in particular will be strengthened through the contribution of our neighbours and partners and will be refreshed more regularly in the first year.

4.12 Consultation and next steps

The draft vision and action plan have initially been developed in-house between the two local authorities. The next phase is to engage with D2N2 local authority partners and get the strategy more widely discussed and improved through public and partner experience and insight. This will test the approach and direction of travel and open new conversations in how we can work together more effectively to the benefit of our urban area. To achieve this, a public consultation was launched on 21 July and will end on 19 September 2016. Website link: www.derby.gov.uk/metro

- 4.13 Following the consultation the strategy will be revised and proposals developed for joint governance and monitoring. The Board may wish to consider a view on appropriate joint scrutiny arrangements to feed into the consultation processes. The aim would be to have a formal launch of the final documentation later this year.

OTHER OPTIONS CONSIDERED

- 5.1 Not applicable.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu, Head of Legal Services Martyn Marples, Director of Finance Diane Sturdy, Organisational Development Manager David Cox, Head of HR Tim Clegg, Director of Strategic Partnerships, Streetpride and Planning
For more information contact: Background papers: List of appendices:	Verna Bayliss 01332 643034 verna.bayliss@derby.gov.uk Appendix 1: Implications Appendix 2: Draft vision statement Appendix 3: Draft action plan

IMPLICATIONS

Financial and Value for Money

- 1.1 A future operating model for a Combined Authority and the introduction of an elected mayor and how it will be financed was not determined as part of previous processes. This would need to be completed if a Devolution Deal were announced.
- 1.2 Existing internal resources have been used to support the development of the devolution deal. Additional resources may be required to manage the work plan of the Combined Authority if it were to be established. This would be met from the Economic Growth Reserve.
- 1.3 Existing internal resources have been used to support the development of the Metro Strategy jointly with Nottingham City Council. It is not anticipated that additional resources would be required to manage the action plan. Under the strategy however we would aim to explore the potential of any opportunities that increase value for money.

Legal

- 2.1 From a governance perspective, any combined devolved authority would require a fully compliant constitution to accommodate the decision making powers of a future directly elected Mayor and the role of each Member appointed to the devolved authority to ensure, amongst other considerations, that possible conflict issues are addressed. The mayor and the combined authority would be subject to Overview and Scrutiny arrangements.
- 2.2 The Metro Strategy governance and monitoring arrangements will be developed over the coming months and will need to include both officers and members. Further detail of this will be brought back to members for consideration over the coming months.

Personnel

- 3.1 The future operating model for a Combined Authority and the introduction of an elected mayor and how it would be serviced was not determined as part of previous processes. This would need to be completed if a Devolution Deal is announced, including review of any possible implications on staffing issues, will be undertaken once a model is proposed.
- 3.2 Existing internal resources have been used to support the development of the Metro Strategy jointly with Nottingham City Council. It is not anticipated that additional resources would be required to manage the action plan. Under the strategy however we would aim to explore the potential of any opportunities that increase value for money.
- 3.3 The talent element will need to integrate with the Organisational Development Action Plan for Derby City Council, to meet the requirements of Delivering Differently for the three year DCC plan.

IT

- 4.1 None arising directly from this report.

Equalities Impact

- 5.1 As a statutory body, the Combined Authority would have to comply with the requirements of the Public Sector Equality Duty of the Equality Act and these will be taken into account when drawing up the constitution. Effective scrutiny benefits all Derby people and the very nature of the Board ensures that it looks in depth at equality in all its investigations.
- 5.2 An Equalities Impact Assessment will be carried out on the Metro Strategy as part of the development process.

Health and Safety

- 6.1 None arising directly from this report.

Environmental Sustainability

- 7.1 None arising directly from this report.

Property and Asset Management

- 8.1 None arising directly from this report.

Risk Management

- 9.1 The Combined Authority would hold its powers concurrently with Local Authorities and thus is likely to have governance arrangements which will make some matters subject to enhanced voting rights which may include the need for unanimity amongst members before a decision is passed by the Combined Authority.
- 9.2 The actions that are developed from the Metro Strategy Action plan will need to be considered for risk individually, at this early stage the focus is on discussion and information sharing.

Corporate objectives and priorities for change

- 10.1 The Devolution Deal would bring opportunities for the devolution of more economic powers and resources to the constituent area. The ambitions of the Devolution Deal and the vision of the Metro Strategy will support the Council's objectives for growth of our local economy and prosperity for our residents and enterprise.
- 10.2 The Metro Strategy also supports the Council's Delivering Differently programme and should add value by increasing opportunities for efficiency and effective use of our collective resources.