



North Midlands Devolution Agreement

SUMMARY

- 1.1 To update members on the progress of the North Midlands devolution agreement with the Government.
- 1.2 The Board is asked to note that when it considered this item in November 2015 it was known as the 'East Midlands' devolution agreement. This has been changed in the interim to the North Midlands Devolution Agreement. This change is to the name only and not to the substance of the document itself.

RECOMMENDATION

- 2.1 To consider and note the progress on the North Midlands Devolution Agreement.

REASONS FOR RECOMMENDATION

- 3.1 On 11 November Cabinet resolved to delegate authority to the Chief Executive following consultation with the Leader of the Council to continue negotiations and to sign the proposed devolution deal, which would be subject to ratification by Council in due course.
- 3.2 The Integrating Communities Board considered a Council Cabinet report on 30 November 2015. This report updates the Board on progress as requested following the November report.

SUPPORTING INFORMATION

- 4.1 On Tuesday 5 January 2016 the North Midlands proposal was published on the newly established website www.northmidlands.org.uk. This set out the negotiating position of the Councils involved. It gave a strong message to Government of the readiness of the North Midlands to do a deal and provided transparency for residents, local businesses and communities on what was being discussed.

It was at this point that the term 'North Midlands' was adopted and negotiations have continued with Government over the last few months.

- 4.2 Since January a range of business leaders have given their public backing to the North Midlands deal including Sir John Peace, the founder of Nottingham based Experian, East Midlands Chamber of Commerce and the CBI as well as D2N2 Local Enterprise Partnership.
- 4.3 Government have been clear that they expect the vehicle for delivery of the devolution deal to be through a Mayoral Combined Authority. To meet Parliamentary timescales to lay an Order before Parliament to establish this body and hold Mayoral elections in May 2017, it was identified that initial set up processes would need to be commenced.
- 4.4 As part of these processes, clarification of the geography of the devolution deal was needed as this would form the basis of the constituent members of the Mayoral Combined Authority.
- 4.5 Only one of the 19 Local Authorities involved has yet to signal their position. Bassetlaw District Council has called an Extraordinary Council Meeting for Thursday 17 March to decide whether it should apply for full constituent membership of the Sheffield City Region (SCR) Combined Authority and ratify the Sheffield City Regional Devolution Agreement. An officer report recommends this approach along with non-constituent membership of the North Midlands Combined Authority once it is formed.
- 4.6 Chesterfield Borough Council had agreed to apply for full constituent membership of the Sheffield City Region Combined Authority and to ratify the Sheffield City Regional Devolution Agreement. It has also decided to apply to become a non-constituent membership of the North Midlands Combined Authority once it is formed
- 4.7 The following Councils have 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
- 4.8 The following Councils have rejected the North Midlands deal:
- Amber Valley Borough Council
 - Erewash Borough Council
 - High Peak Borough Council
 - South Derbyshire District Council
- 4.9 It is important to note that at this stage signing the deal is subject to due diligence, public consultation and final ratification by the constituent Authorities full Councils, as well as the required changes in legislation before it becomes binding on Authorities.

4.10 **The Cities and Local Government Devolution Bill**

This Bill which provides the legislative framework for devolution arrangements was passed by Parliament in January. This is an 'enabling' Bill which can be applied flexibly to different areas by secondary legislation. It aims to:

- to make provision for the election of mayors for the areas of Combined Authorities
- to confer additional functions on combined authorities established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009
- to make other provision in relation to bodies established under that Part;
- to make provision about local authority governance and functions;
- to confer power to establish and make provision about sub-national transport bodies

<http://services.parliament.uk/bills/2015-16/citiesandlocalgovernmentdevolution.html>

- 4.11 A meeting of Council Leaders was held on Friday 4 March 2016 and Leaders acknowledged the changing picture as Councils had clarified their position. However, they emphasised the positive distance travelled in working together across a very complex geography and the commitment to ensure that this was not lost.

Leaders re-stated their shared ambition to bring economic growth and jobs to the area and to strengthen the collective voice for the North Midlands in national initiatives such as the Midlands Engine for Growth. Those 13 authorities who had expressed support stated that they were keen to progress with a deal that would benefit residents and the need to talk to Government about what that could be.

4.12 **Next steps**

Council Leaders and Senior Officers are now working through the implications of the position and continuing a constructive dialogue with Government. A further meeting of those Leaders is likely to be called later this month to explore the options in more depth and agree a shared way forward.

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 Martyn Marples Diane Sturdy Tim Clegg Christine Durrant
For more information contact: Background papers: List of appendices:	Verna Bayliss 01332 643034 verna.bayliss@derby.gov.uk Appendix 1 – Implications

IMPLICATIONS**Financial and Value for Money**

- 1.1 The future operating model for a Combined Authority and the introduction of an elected mayor and how it will be financed has yet to be determined and will be a key part of the work that will be required following any announcement of a Devolution Deal. This will be set out in further reports as indicated.
- 1.2 Up to this stage existing internal resources have been used to support the development of the devolution deal with partner authorities. Additional resources may be required to manage the workplan of the Combined Authority when the full details are established. A further report may be required to allocate further resources.

Legal

- 2.1 There are a substantial amount of legal, constitutional and electoral issues highlighted within this report; each of which will require careful consideration as and when they arise and will be detailed in future reports as necessary. The details of the Cities and Local Government Devolution Bill, which is currently subject to parliamentary amendment, will need to be reviewed once the Bill becomes law and receives the Royal Assent.
- 2.2 From a governance perspective, it is envisaged that 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 that possible conflict issues are addressed. The mayor, and the combined authority generally, will be subject to Overview and Scrutiny arrangements.

Personnel

- 3.1 The future operating model for a Combined Authority and the introduction of an elected mayor and how it will be serviced has yet to be determined and will be a key part of the work that will be required following any announcement of a Devolution Deal. This will be set out in further reports as indicated.
- 3.2 A review of any possible implications on staffing issues, will be undertaken once a model is proposed.

IT

- 4.1 None arising directly from this report.

Equalities Impact

- 5.1 As a statutory body, the Combined Authority will 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.

- 5.2 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.

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 the 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 characteristics of mayoral powers and duties are the subject of several provisions in the Cities and Local Government Devolution Bill.

Corporate objectives and priorities for change

- 10.1 The Devolution Deal will bring opportunities for the devolution of more economic powers and resources to the constituent area. The ambitions of the Devolution Deal will support our objectives for growth of our local economy and prosperity for our residents and enterprise.