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**Chief Executive**

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Date: 19<sup>th</sup> February 2016

Dear Councillor,

**Council**

A Meeting of the **Council** will be held in the **Council Chamber**, on **Monday, 29 February 2016** at **18:00**. You are requested to attend.

Yours faithfully,

Chief Executive

To:- **Conservative Group**

Councillor Atkin (Chairman), Councillor Murray (Vice-Chairman) and Councillors Billings, Mrs Brown, Mrs Coe, Coe, Mrs Coyle, Mrs Farrington, Ford, Grant, Mrs Hall, Harrison, Hewlett, MacPherson, Muller, Mrs Patten, Mrs Plenderleith, Roberts, Smith, Stanton, Swann, Watson, Wheeler and Mrs Wyatt.

**Labour Group**

Councillors Bambrick, Chahal, Dunn, Pearson, Rhind, Richards, Shepherd, Southerd, Mrs Stuart, Taylor, Tilley, and Wilkins.

## AGENDA

### Open to Public and Press

- 1 Apologies
- 2 Presentation: Mr Terry McDermott, Chief Fire Officer
- 3 To confirm the Open Minutes of the Council Meeting held on 21st January 2016 (CL/85-CL/102).  
Council 21st January 2016 Open Minutes **5 - 12**
- 4 To receive any declarations of interest arising from any items on the Agenda.
- 5 To receive any announcements from the Chairman, Leader and Head of Paid Service.
- 6 To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 7 To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 8 COUNCIL TAX SETTING 2016-17 **13 - 31**
- 9 HERITAGE LOTTERY FUND PROJECT - SWADLINCOTE TOWNSCAPE **32 - 37**
- 10 COMBINED AUTHORITY AND DEVOLUTION DEAL **38 - 160**
- 11 INDEPENDENT REMUNERATION PANEL **161 - 162**
- 12 To receive and consider the Open Minutes of the following Committees:-

Etwall Joint Management Committee 11th January 2016 Open Minutes	163 - 166
Housing and Community Services Committee: Special - Budget 12th January 2016 Open Minutes	167 - 169
Finance and Management Committee: Special - Budget 14th January 2016 Open Minutes	170 - 173
Planning Committee 19th January 2016 Open Minutes	174 - 177
Overview and Scrutiny Committee 20th January 2016 Open Minutes	178 - 181
Housing and Community Services Committee 4th February 2016 Open Minutes	182 - 186
Licensing and Appeals Committee 9th February 2016 Open Minutes	187 - 188
Planning Committee 9th February 2016 Open Minutes	189 - 194
Finance and Management Committee 18th February 2016 Open Minutes	195 - 199
<b>13</b> To review the compositions of Committees, Sub-Committees and Working Panels for the remainder of the municipal year.	
<b>14</b> To review the compositions of Substitute Panels.	
<b>15</b> To review representation on Outside Bodies.	

**Exclusion of the Public and Press:**

- 16** The Chairman may therefore move:-
- That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the

paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

- 17** To confirm the Exempt Minutes of the Council Meeting held on 21st January 2016 (CL/103-CL/105).

Council 21st January 2016 Exempt Minutes

- 18** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.

- 19** COMBINED AUTHORITY AND DEVOLUTION DEAL - EXEMPT ANNEXES

ANNEXE C - Draft North Midlands Devolution Agreement - Version 26

ANNEXE D - Indicative Timescales

ANNEXE E - Anticipated Devolution Political Structures

- 20** To receive and consider the Exempt Minutes of the following Committees:-

Housing and Community Services Committee: Special - Budget 12th January 2016 Exempt Minutes

Finance and Management Committee: Special - Budget 14th January 2016 Exempt Minutes

Housing and Community services Committee 4th February 2016 Exempt Minutes

Licensing and Appeals Committee 9th February 2016 Exempt Minutes

Planning Committee 9th February 2016 Exempt Minutes

Finance and Management Committee 18th February 2016 Exempt Minutes

MINUTES of the MEETING of the  
SOUTH DERBYSHIRE DISTRICT COUNCIL  
held at the Civic Offices, Civic Way, Swadlincote  
on Thursday 21<sup>st</sup> January 2016  
at 6.00pm

**PRESENT:-**

**Conservative Group**

Councillor Atkin (Chairman), Councillor Murray (Vice Chairman), Councillors Billings, Mrs Brown, Mrs Coe, Coe, Mrs Coyle, Ford, Grant, Mrs Hall, Harrison, Hewlett, MacPherson, Muller, Mrs Patten, Mrs Plenderleith, Roberts, Stanton, Swann, Watson and Wheeler.

**Labour Group**

Councillors Bambrick, Chahal, Dr. Pearson, Rhind, Richards, Shepherd, Southerd, Mrs Stuart, Taylor, Tilley, Wilkins and Mrs. Wyatt.

CL/85 **APOLOGIES**

Apologies for absence from the Meeting were received from Councillor Mrs Farrington, Councillor Smith (Conservative Group) and Councillor Dunn (Labour Group).

CL/86 **PRESENTATION**

The Chairman welcomed Mr. John Everitt, the Chief Executive of The National Forest, to the meeting. Mr. Everitt gave a presentation to Members and spoke in particular about the Regeneration Scheme, which has been at the heart of the National Forest since 1996.

Queries and comments raised by Members were noted and responded to.

The Chairman thanked Mr. Everitt on behalf of Members, for his presentation.

CL/87 **PRESENTATION**

The Chairman welcomed Miss. Debbie Clark, the Corporate Affairs Manager at Sainsbury's, to the meeting. Miss Clarke outlined the background of the £10 million pledge by Sainsbury's to 'Waste Less Save More', where South Derbyshire had been successful, out of 189 applicants, to secure a £1 million grant. The target for the pledge is to help reduce household food waste by 50% in Swadlincote, thus becoming the first place to achieve the Global Sustainability Goal set by the UN by 2030.

Councillor Watson thanked Miss Clarke on behalf of Members, for the presentation.

**CL/88 OPEN MINUTES OF THE COUNCIL**

The Open Minutes of the Council Meeting held on 5<sup>th</sup> November 2015 (Minute Nos. CL/62-CL/80) were approved as a true record.

**CL/89 DECLARATIONS OF INTEREST**

No declarations of interest were made.

**CL/90 ANNOUNCEMENTS FROM THE CHAIRMAN, LEADER AND HEAD OF PAID SERVICE**

The Chairman of the Council outlined the various engagements he had attended since the last Council meeting on 5<sup>th</sup> November 2015, highlighting in particular the two school visits by students from Belmont Academy and Pennine Way Primary school, the visit by the Chinese Trade delegation, the Christmas Light's Switch on, his meeting with 7-year old Mia Parnell and his visit to the Royal Mail sorting office. The Chairman had also attended the service at Melbourne Church conducted by Reverend Dr. M Powell, who had, in October 2015, been appointed by HM The Queen, as Cannon at St. Georges Chapel at Windsor Castle. He extended his best wishes for Christmas and the New Year and congratulated South Derbyshire District staff for their work winning the £1 million Sainsbury's recycling bid 'Waste Less Save More'.

The Leader of the Council extended his thanks to Members for the support shown to Councillor Mrs. Farrington during her difficult time.

The Leader gave an update of the progression of the Devolution deal stating that shortly before Christmas D2N2 leaders agreed that the last draft of the proposals should go forward for discussion, which the Leader agreed with in line with the most recent Motion by Council. Since then there had been a number of statements sent from the Leaders of the two counties and cities, and communication from Nottinghamshire County Council, on behalf of the Core Group (the two cities and counties) to all our Parish Councils. The Leader clarified that not all of the 19 Local Authorities had agreed to the proposals and he was disappointed that the Core Group persisted in referring to them as an agreement since this is not the case. At the pre-Christmas D2N2 Leader's meeting, three Local Authorities were unrepresented and expressed no opinion, and Bassetlaw rejected the proposals outright, opposing them going forward to Government. The Leader was aware of only one Local Authority, namely Gedling, which had had early draft proposals agreed by their Council. The Leader made it clear that he could not commit South Derbyshire even if he had wished to do so. He hoped that this update added clarity to the current situation, and looked forward to the day when a final set of proposals could be put to Council.

The Head of Paid Service extended his thanks to the dedicated team at Sainsbury's, and especially Officers Gillian Coates, Business and Recycling Manager, Kate Allies, Environmental Development Manager and Nicola Lees,

Economic Development Officer for their work securing the £1 million grant to be invested in Swadlincote, which had sparked national media interests.

The Head of Paid Service informed Council the Budget meetings held for staff had been successfully delivered, and met with positive feedback.

CL/91 **QUESTIONS BY MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO. 10**

Council were informed that no questions had been received.

CL/92 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

The following question had been received, on notice, from Councillor Taylor to the Leader of the Council;

*“Is the Leader satisfied with the current allocation and process for the distribution and laying of Remembrance Day wreaths on behalf of South Derbyshire District Council?”*

For the benefit of recently Elected Members, the Leader of the Council explained the current allocation and process for the distribution and laying of Remembrance Day wreaths on behalf of the Council. He explained that they were laid by the Chairman or Vice-Chairman at Swadlincote, Melbourne and Overseal and by an Elected Member from whichever party had the majority in the unparished wards of the urban core, namely, Church Gresley, Newhall and Stanton and Woodville. In November 2015, therefore, the wreaths were laid by Councillors Southerd, Bambrick and Mrs Coe, respectively.

He further clarified that wreaths were supplied by the Royal British Legion, for a donation of £20 each, and those laid on behalf of the Council were paid for by the Council. He also informed Members that they were free to purchase their own wreaths through the Council or directly from The Royal British Legion; these wreaths would, however, carry their own messages rather than the Council’s crest. He advised that this was a very long established custom and practice, which had been followed for many years.

By way of a supplementary question under Rule 11.6, Councillor Taylor asked the Leader of the Council why a wreath had been laid at the War Memorial in Woodville, and not at the Memorial site on Granville Estate as in previous years.

The Chief Executive advised the matter would be reported back to Members.

CL/93 **SEALED DOCUMENTS**

27.10.15 11238 Transfer – 17 Brookdale Road, Hartshorne  
02.12.15 11253 Transfer – 8 Poplar Avenue, Midway  
16.12.15 11268 Transfer – 10 Appletree Road, Hatton

**RESOLVED:**

***That the Sealed Documents listed, for which there is no specific authority, be duly authorised.***

**CL/94 LOCAL PLAN PART 1 – MODIFICATIONS CONSULTATION**

The Planning Policy Manager provided Members with an up to date position on the Local Plan Part 1, which sought endorsement on the 81 necessary main modifications resulting from consultation responses and hearing sessions. Two of the main modifications had already been considered by the Council, the increase in housing target to a maximum of 12,618 dwellings and the additional strategic housing site at Land West of Mickleover. The employment site policies also had suggested modifications relating to land at Sinfen Moor and Dove Valley Park, offering greater flexibility for new employment sites coming forward in the District. The next steps will be to consult on the modifications document for a period of six weeks, this will involve contacting those on the database to inform them of the consultation which will be on the Council's website with notices published in the local press. The key to the acceptance of the modifications will be if the report from the Inspector confirming that the Local Plan is sound, it is then for the Council to formally adopt the Plan.

Questions asked and comments made by Members relating to the proposed increase in the housing target, the number of dwellings that had been completed, developers not developing, the procurement of necessary building materials and the financial implications for the Council were responded to and noted.

**RESOLVED:-**

***That Council agreed that the modifications to the Local Plan Part 1 were required in order to finalise the Plan (make 'sound') and that a consultation on the modifications could take place.***

**CL/95 COUNCIL TAX SCHEME REDUCTION REGULATION 2016**

The Director of Finance and Corporate Services introduced the Report to Council which outlined the regulations for the proposed Local Council Tax Reduction Scheme for South Derbyshire for 2016/17. The report was based on the recommendation of the Finance and Management Committee of 15th October 2015, which recommended that the scheme in place for 2015/16 should be continued into 2016/17, with no changes.

**RESOLVED:-**

***1.1 Under Section 10 of the Local Government Finance Act 2012, a Local Council Tax Support Scheme for South Derbyshire be adopted for the financial year commencing 1st April 2016.***

**1.2 Regulations be approved and cited as the Council Tax Reduction Scheme Regulations (South Derbyshire District Council Local Scheme 2016) and come into force on 21st January 2016.**

**1.3 These regulations amend the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013, as amended, set out in the Schedule to those Regulations for the purposes of paragraph 4 of Schedule 1A to the Local Government Finance Act 1992, by:**

- **Continuing the insertion of Section 18a Class G: exempt persons who are not pensioners.**
- **Continuing the insertion of Section 18b Class H: persons who are not pensioners.**
- **Continuing the amendment to Regulation 32 to vary the maximum entitlement in prescribed cases, i.e. to give effect to the designation of war pensioners and the disabled as protected groups (in addition to pensioners under the Prescribed Requirements) and to reduce benefit entitlement in non-protected groups by 8.5% for persons on passported benefit and by 10% in all other cases.**
- **Continuing the amendment to Schedule 8 (20) to ensure the disregard of war pensions, to include other payments made under the Armed Forces Compensation Scheme.**
- **Continuing the insertion at Part 12 Chapter 6 the provision to increase the period of extended payments (as defined in the Regulations) from 4 to 8 weeks.**

**1.4 That the amounts of pensions, tax credits, income related and non-income related social security benefits and allowances, component parts, applicable amounts, premiums and deductions be uprated in accordance with the 2013 Regulations in 1.3 above as set out in Circular A13/2015.**

## CL/96 COMMUNITY GOVERNANCE REVIEW – TERMS OF REFERENCE

The Chief Executive presented the Report to Council detailing the background of the review, which had been instigated following the submission of a valid petition from the Newhall and Stanton Parish Council Campaign Group requesting that a Parish Council be constituted for the area of Newhall and Stanton. Since the area does not already exist as a parish, the petition was treated to also include a request for a parish to be constituted.

The Chief Executive informed Council of the strict 12 month timetable and that reports would be referred back to Council for approval over this period.

Members questioned whether the residents of Newhall and Stanton would be eligible to vote for the proposal and asked for details of how petitions received

would be considered. The Chief Executive advised there was no individual voting process and residents would receive letters which would detail how they could respond to the consultation..

**RESOLVED:-**

***That Members approved the Community Governance Review Terms of Reference, as detailed at Appendix 1 to the Report.***

CL/97 **CONSTITUTION – UPDATED DOCUMENTS**

The Monitoring Officer presented the Report to Council detailing the Codes, Protocols, Responsibilities for Functions and Management Structure proposed as part of the Council's Constitution.

The Leader thanked The Monitoring Officer on behalf of Council for the extensive work which had been undertaken in relation to this item.

**RESOLVED:-**

***1.1 That Council approved and adopted the Codes and Protocols at Appendices A - E of the Council's Constitution.***

***1.2 That Council approved and adopted the Responsibilities for Functions (Committees) documents attached at Appendix F of the Council's Constitution.***

***1.3 That Council approved and adopted the current Management Structure document attached at Appendix G of the Council's Constitution.***

CL/98 **OPEN MINUTES**

Council received and considered the open minutes of its Committees.

**RESOLVED:-**

***That the open minutes of the following Committees be approved as a true record:-***

<b><i>Overview and Scrutiny</i></b>	<b><i>21.10.15</i></b>	<b><i>OS/17-OS/25</i></b>
<b><i>Planning</i></b>	<b><i>27.10.15</i></b>	<b><i>PL/94-PL/110</i></b>
<b><i>Licensing and Appeals Sub-Committee</i></b>	<b><i>10.11.15</i></b>	<b><i>LAS/24-LAS/27</i></b>
<b><i>Planning</i></b>	<b><i>17.11.15</i></b>	<b><i>PL/111-PL/124</i></b>
<b><i>Environmental &amp; Development Services</i></b>	<b><i>19.11.15</i></b>	<b><i>EDS/49-EDS/64</i></b>
<b><i>Housing and Community Services</i></b>	<b><i>26.11.15</i></b>	<b><i>HCS/44-HCS/55</i></b>
<b><i>Finance and Management</i></b>	<b><i>03.12.15</i></b>	<b><i>FM/72-FM/81</i></b>
<b><i>Standards</i></b>	<b><i>08.12.15</i></b>	<b><i>SC/1-SC/6</i></b>
<b><i>Overview and Scrutiny</i></b>	<b><i>09.12.15</i></b>	<b><i>OS/26-OS/35</i></b>
<b><i>Licensing and Appeals-Sub Committee</i></b>	<b><i>10.12.15</i></b>	<b><i>LAS/31-LAS/33</i></b>

<b>Planning</b>	<b>15.12.15</b>	<b>PL/127-PL/143</b>
<b>Licensing and Appeals Sub-Committee</b>	<b>18.12.15</b>	<b>LAS/35-LAS/37</b>
<b>Environmental and Development Services: Special – Budget</b>	<b>07.01.16</b>	<b>EDS/67-EDS/76</b>

**Area Forums**

<b>Repton</b>	<b>13.10.15</b>	<b>RA/10-RA/18</b>
<b>Melbourne</b>	<b>29.01.15</b>	<b>MA/11-MA/19</b>
<b>Newhall</b>	<b>04.11.15</b>	<b>NA/11-NA/19</b>
<b>Etwall</b>	<b>11.11.15</b>	<b>EA/11-EA/19</b>
<b>Swadlincote</b>	<b>12.11.15</b>	<b>SA/11-SA/20</b>
<b>Linton</b>	<b>18.11.15</b>	<b>LA/11-LA/19</b>

CL/99 **THE COMPOSITION OF COMMITTEES, SUB-COMMITTEES & WORKING PANELS FOR THE REMAINDER OF THE MUNICIPAL YEAR**

Council were informed that Councillor Watson would be the Member Champion for the Waste & Recycling Working Group. Councillor Wilkins would substitute Councillor Dr. Pearson on the Licensing and Appeals Committee.

CL/100 **COMPOSITION OF SUBSTITUTE PANELS**

Council were informed that no changes had been made to the composition of the substitute panels since its last meeting.

CL/101 **REPRESENTATION ON OUTSIDE BODIES**

Council were informed that Councillor Mrs Wyatt and Councillor Tilley would be the Council's representatives on the Swadlincote Shopmobility Scheme.

CL/102 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

***That in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined under the paragraphs of Part 1 of Schedule 12A of the Act as indicated in the reports of Committees.***

**EXEMPT MINUTES OF THE COUNCIL**

***The Exempt Minutes of the Council Meeting held on 5<sup>th</sup> November 2015, (Minute Nos. CL/81-CL/84) were approved as a true record.***

**EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NUMBER 11**

*Council were informed that no questions had been received.*

**EXEMPT MINUTES**

*Council received and considered the Exempt Minutes of its committees.*

**RESOLVED:-**

*That the Exempt Minutes of the following Committees be approved as a true record:-*

<i>Licensing and Appeals Sub-Committee</i>	<i>10.11.15</i>	<i>LAS/28-LAS/30</i>
<i>Planning</i>	<i>17.11.15</i>	<i>PL/125-PL/126</i>
<i>Environmental and Development Services</i>	<i>19.11.15</i>	<i>EDS/65-EDS/66</i>
<i>Housing and Community Services</i>	<i>26.11.15</i>	<i>HCS/56-HCS/57</i>
<i>Finance and Management</i>	<i>13.12.15</i>	<i>FM/82-FM/87</i>
<i>Licensing and Appeals Sub-Committee</i>	<i>10.12.15</i>	<i>LAS/34</i>
<i>Licensing and Appeals Sub-Committee</i>	<i>18.12.15</i>	<i>LAS/38-LAS/39</i>
<i>Environmental and Development Services: Special – Budget</i>	<i>07.01.16</i>	<i>EDS/77-EDS/78</i>

The meeting terminated at 7:35.pm

COUNCILLOR N ATKIN

CHAIRMAN OF THE DISTRICT COUNCIL

<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>29th FEBRUARY 2016</b>	<b>CATEGORY:</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF FINANCE &amp; CORPORATE SERVICES</b>	<b>OPEN</b>
<b>MEMBERS CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811)</b> <a href="mailto:kevin.stackhouse@south-derbys.gov.uk">kevin.stackhouse@south-derbys.gov.uk</a>	<b>DOC:</b> u/ks/council tax and precepts/council tax setting report 1617
<b>SUBJECT:</b>	<b>COUNCIL TAX SETTING 2016/17</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

## **1.0 Recommendations**

- 1.1 That the formal Council Tax resolutions for 2016/17 at **Appendix 1** are approved.
- 1.2 That the report of the Section 151 (Chief Finance) Officer at **Appendix 3** is noted.
- 1.3 That the Prudential Indicators governing Treasury Management as detailed in **Appendix 4** are approved.

## **2.0 Purpose of the Report**

- 2.1 To set out the statutory resolutions to enable the Council to calculate and set the Council Tax for 2016/17. This is in accordance with regulations under the Local Government Finance Act 1992, as amended by the Localism Act 2011.
- 2.2 In addition, the report also sets out a statement under Section 25 of the Local Government Act 2003 by the Section 151 (Chief Finance) Officer. This gives an overall opinion on the robustness of the estimates included in approved budgets and the adequacy of Council Reserves.
- 2.2 The Section 25 report was considered and noted by the Finance and Management Committee on 18th February 2016.
- 2.3 The report also sets out the Prudential Indicators required under the Code for Capital Finance including the Council's Statutory Borrowing Limit under Section 3 (1) of the Local Government Act 2003.

- 2.4 These indicators are those recommended by the Finance and Management Committee from its meeting on 18th February 2016. They form part of the Treasury Management (Borrowing and Investment) Strategy also approved by that Committee for 2016/17.
- 2.5 The Council Tax for District (South Derbyshire) Services is based on budgeted spending levels for 2016/17, as recommended by the Finance & Management Committee on 18th February 2016. The Finance and Management Committee have recommended a Council Tax increase of 1.95% for 2016/17, which has been reflected in the resolutions for approval.
- 2.6 The report is set out in the following sections / appendices:
- **Section 3: Executive Summary** – summarising the proposed Council Tax level for South Derbyshire residents including charges set by other precepting authorities, together with an explanation of the technical resolutions.
  - **Appendix 1:** The formal Council Tax resolution to meet statutory requirements.
  - **Appendix 2:** The detailed Tax Base, Precept and Band D rates for Parish Councils, together with the level of Council Tax Reduction Scheme (CTRS) Grant allocated to Parish Councils as approved by the Council on 21<sup>st</sup> January 2016.
  - **Appendix 3:** The report of the Section 151 (Chief Finance) Officer under Section 25 of the Local Government Act 2003.
  - **Appendix 4:** The Prudential Indicators as recommended by Finance and Management Committee which will govern the Council's Treasury Management activities for 2016/17.
  - **Schedules A to C:** These detail the level of Council Tax by preceptor and by band, aggregated for each part of the District.

### **3.0 Executive Summary**

- 3.1 The Council is required to calculate a Council Tax Requirement (CTR) for the forthcoming financial year, 2016/17. Not only is this the basis for the local Council Tax rate, the CTR is used to test whether an increase in Council Tax from year to year is excessive in accordance with criteria laid down by the Secretary of State.

#### **Precepts**

- 3.2 The precept levels of other precepting bodies have been received and these are detailed below.

#### **Parish Councils**

- 3.3 Parish Council precepts for 2016/17 as notified to the Council under Section 41 of the Local Government Finance Act 1992 are detailed in **Appendix 2** and total £679,280.

#### **Derbyshire County Council**

- 3.6 Derbyshire County Council met on 10th February 2016 and set their precept at £36,108,642. This results in a Band D Council Tax of £1,165.17 for 2016/17 (£1,120.46 in 2015/16). *This includes a specific Precept to fund Adult Social Care.*

#### **Police and Crime Commissioner for Derbyshire**

- 3.7 The Derbyshire Police and Crime Commissioner confirmed their precept on 16th February 2016 at £5,487,399. This results in a Band D Council Tax of £177.07 (£173.61 in 2015/16).

#### **Derbyshire Fire and Rescue Service**

- 3.8 The Derbyshire Fire and Rescue Authority met on 18th February 2016 and set their precept at £2,205,868. This results in a Band D Council Tax of £71.18 (£69.80 in 2015/16).

#### **Overall Council Tax Level 2016/17**

- 3.9 The recommendations of the Finance and Management Committee for District Council services are set out in the formal Council Tax Resolution in **Appendix 1**. If this resolution is approved, the total Band D Council Tax for 2016/17 will be as follows:

Overall Band D Council Tax	2015 /16 £:p	2016 /17 £:p	Increase £:p	Increase %
South Derbyshire District Council	150.25	153.18	2.93	1.95%
Derbyshire County Council	1,120.46	1,165.17	44.71	3.99%
Police and Crime Commissioner for Derbyshire	173.61	177.07	3.46	1.99%
Derbyshire Fire and Rescue Service	69.80	71.18	1.38	1.98%
<b>Sub-total</b>	<b>1,514.12</b>	<b>1,566.60</b>	<b>52.48</b>	<b>3.47%</b>
All Parish Councils (Average)	29.29	29.67	0.38	1.29%
<b>TOTAL</b>	<b>1,543.41</b>	<b>1,596.27</b>	<b>52.86</b>	<b>3.42%</b>

3.10 An explanation of the resolutions in **Appendix 1** is provided below.

### **Resolution 1 - Council Tax Base**

3.11 This is the District Council's Tax Base, which was approved by the Finance and Management Committee at its meeting held on the 14th January 2016. The Tax Base was set at **30,990** and is known as **Item T**.

### **Resolution 2 – The Council Tax Requirement (CTR)**

3.12 This is the amount of revenue expenditure to be met from Council Tax. It is the Council's Band D rate (excluding Parishes) multiplied by its Council Tax Base, as follows:

$$£153.18 * 30,990 = \underline{\underline{£4,747,048}}$$

### **Resolution 3 (a)**

3.13 This is the Council's estimated gross expenditure for 2016/17 including the Housing Revenue Account and Parish Precepts and totals £49,586,225.

### **Resolution 3 (b)**

3.14 This is the Council's estimated income for 2016/17. It includes all fees and charges, together with housing rents, specific government grants, contributions from reserves and declared surpluses on the Collection Fund. The total is £44,159,897.

### **Resolution 3 ©**

3.15 This is the difference between 3 (a) and 3 (b), i.e. £5,426,328 and is known as **Item R**. It represents the CTR for the year of £4,747,048 (Resolution 2) together with Parish Precepts of £679,280.

### **Resolution 3 (d)**

3.16 This is the basic amount of Council Tax for 2016/17, including Parish Precepts and is item R divided by item T. i.e.

$$£5,426,328 / 30,990 = \underline{\underline{£175.10}}$$

### **Resolution 3 (e)**

- 3.17 This is the total amount of Parish Precepts as detailed in **Appendix 2**, i.e. £679,280.

### **Resolution 3 (f)**

- 3.18 This is the basic amount of Council Tax for areas where no Parish Precept applies, i.e.

$$£175.10 - (£679,280 / 30,990) = \underline{\underline{£153.18}}$$

### **Resolutions 4 and 5**

- 3.19 These confirm the precepts levied by Parish Councils together with those notified to the Council by the County, Police/Crime Commissioner and Fire authorities. The equivalent tax rates by property band are shown in Schedules A and B.

### **Resolution 6**

- 3.20 This is the aggregate amount of Council Tax for South Derbyshire as detailed in **Schedule C**.

### **Resolution 7**

- 3.21 Schedule 5 of the Localism Act 2011, makes provision for a referendum to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State.
- 3.22 The Secretary has determined that for 2016/17, a Council Tax will be *deemed excessive* (and subject to a local Referendum) for shire district councils if the authority's relevant basic amount of Council Tax (i.e. Band D) for 2016/17 is:
- (a) *2% or more than 2% greater than its relevant basic amount of Council Tax for 2015/16; and*
- (b) *more than £5.00 greater than its relevant basic amount of Council Tax for 2015/16.*
- 3.23 As shown in the table in **paragraph 3.9**, the District's Band D rate will increase following the recommendation of the Finance and Management Committee on 18th February 2016, by 1.95%.
- 3.24 Therefore, under the principles set out by the Secretary of State, the Council's increase is not deemed excessive.
- 3.25 It should be noted that Parish Councils are not subject to these restrictions for 2016/17.

**The Council is recommended to resolve as follows:**

1. It be noted that on 14<sup>th</sup> January 2016, the Finance and Management Committee calculated the Council Tax Base 2016/17:
  - (a) For the whole area as 30,990 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended by the Localism Act 2011).
  - (b) For dwellings in those parts of its area to which a Parish Precept relates as 20,942.
2. Calculate that the Council Tax Requirement for the Council's own purpose for 2016/17 (excluding Parish Precepts) is £4,747,048.

3. That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 and 36 of the Localism Act 2011:

(a) £49,586,225

Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.

(b) £44,159,897

Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

(c) £5,426,328

Being the amount by which the aggregate of 3(a) above exceeds the aggregate of 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).

(d) £175.10

Being the amount at 3(c) above (Item R) all divided by Item T (1a above) calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).

(e) £679,280

Being the aggregate amount of all Parish Precepts referred to in Section 34 (1) of the Act.

(f) £153.18

Being the amount at 3 (d) above less the result given by dividing the amount at 3 (e) above by Item T (1a above) calculated by the Council in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.

4. To note that Parish Councils have issued precepts to the Council in accordance with Section 41 of Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Schedule A**
5. To note that the County Council, the Police and Crime Commissioner and the Fire and Rescue Service for Derbyshire, have issued Precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Schedule B**.
6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in **Schedule C**, as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings, this being the aggregate of Schedules A and B.
7. That in accordance with Section 52 (ZB) of the Local Government Finance Act 1992, the Council determines that the amount of council tax shown at 3 (f) of £153.18 **is not** excessive compared to 2015/16 and therefore there is no requirement for a local referendum.

## ANALYSIS OF PARISH PRECEPTS, TAX BASE AND BAND D RATES

Parish	Precept 2015/16 £	Precept 2016/17 £	Tax Base 2015/16	Tax Base 2016/17	Band D 2015/16 £	Band D 2016/17 £	LCTR Grant 2015/16 £	LCTR Grant 2016/17 £
Aston-on-Trent	30,000	30,000	676	673	44.38	44.58	1,317	1,317
Barrow-on-Trent	9,360	10,575	234	235	40.00	45.00	452	452
Bretby	3,000	3,000	408	413	7.35	7.26	73	73
Burnaston	10,000	7,000	687	687	14.56	10.19	148	148
Castle Gresley	18,389	19,306	485	518	37.92	37.27	2,876	2,876
Church Broughton	7,000	7,000	233	234	30.04	29.91	151	151
Coton-in-the-Elms	6,482	6,611	269	271	24.10	24.39	989	989
Dalbury Lees	1,500	1,500	122	123	12.30	12.20	102	102
Egginton	9,909	10,110	259	261	38.26	38.74	199	199
Elvaston	10,820	10,820	699	734	15.48	14.74	210	210
Etwall	36,891	38,328	985	992	37.45	38.64	2,751	2,751
Findern	18,000	18,180	624	636	28.85	28.58	1,135	1,135
Foston & Scropton	8,567	8,567	247	240	34.68	35.70	433	433
Hartshorne	7,800	7,800	1,057	1,060	7.38	7.36	1,783	1,783
Hatton	31,200	32,500	838	853	37.23	38.10	2,100	2,100
Hilton	165,000	165,000	2,584	2,581	63.85	63.93	5,484	5,484
Linton	30,545	30,850	641	645	47.65	47.83	3,325	3,325
Melbourne	63,026	65,100	1,875	1,869	33.61	34.83	2,568	2,568
Netherseal	9,540	9,600	319	321	29.91	29.91	1,141	1,141
Newton Solney	4,400	4,400	278	282	15.83	15.60	171	171
Overseal	27,000	27,810	787	787	34.31	35.34	2,801	2,801
Repton	14,746	15,026	1,007	1,022	14.64	14.70	693	693
Rosliston	5,950	7,500	256	256	23.24	29.30	378	378
Shardlow & Great Wilne	16,668	13,870	418	415	39.88	33.42	1,399	1,399
Smisby	4,190	4,764	122	125	34.34	38.11	164	164
Stenson Fields	3,350	3,000	1,094	1,099	3.06	2.73	736	736
Ticknall	11,850	12,450	294	300	40.31	41.50	822	822
Walton-on-Trent	5,649	5,705	298	303	18.96	18.83	607	607
Weston-on-Trent	13,000	13,000	474	477	27.43	27.25	535	535
Willington	36,608	37,944	878	909	41.69	41.74	4,392	4,392
Woodville	47,500	51,964	1,615	1,621	29.41	32.06	3,692	3,692
<b>TOTAL PRECEPTS / AVERAGE BAND D</b>	<b>667,940</b>	<b>679,280</b>	<b>20,763</b>	<b>20,942</b>	<b>29.29</b>	<b>29.67</b>	<b>43,627</b>	<b>43,627</b>

**Section 25 Report (under the Local Government Act 2003)**

1. In their role as the Council's Section 151 (Chief Finance) Officer, the Director of Finance and Corporate Services, is required to provide an overall opinion on the robustness of the estimates included in budgets and the adequacy of Council reserves. An assessment is set out in the sections that follow.

**Comments of the Chief Finance Officer**

2. This report, together with that considered on 14<sup>th</sup> January 2016, highlights the challenge that the Council now faces to ensure that its financial position remains robust and sustainable over the medium-term.
3. It is considered that estimates of income and expenditure included in the Base Budget and longer-term financial forecast are prudent. They provide for inflation and other known variations, together with provisions that recognise both current cost pressures and potential costs associated with growth of the District.
4. The Budget for 2016/17 and forward projections are based on the most up-to-date economic forecasts for inflation and interest rates, etc.
5. In addition, a realistic but prudent view has been taken regarding projected income levels from fees, charges and short-term investments. This also includes the likely effects of future funding in the form of Retained Business Rates, the New Homes Bonus and Council Tax receipts, based on provisional allocations (updated for local factors) from Central Government for the period ending in March 2020.
6. The compilation of detailed budgets has been undertaken in conjunction with service managers, including wherever possible, a zero based approach to compiling budgets. It is recognised that the Council has well established performance and budget monitoring arrangements in place to help ensure that Council finances are monitored effectively. This includes a quarterly report to this Committee.
7. The Council's Financial Strategy directs the Council to plan its spending over a 5-year rolling period for the General Fund and 10 years for the Housing Revenue Account. This provides an indication of the sustainability of spending plans and allows sufficient time in which remedial action can be implemented to address any issues in a planned and timely manner.
8. The following table shows the projected level of revenue reserves over the planning period, 2016 to 2021.

## Projected Level of Revenue Reserves

Revenue Reserves	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
General Fund	5,788	6,212	5,454	3,912	1,815	-568
Earmarked Reserves	4,476	3,606	2,451	1,542	1,347	1,417
HRA	2,067	1,748	1,102	1,242	1,338	1,317
<b>Estimated Balances</b>	<b>12,331</b>	<b>11,566</b>	<b>9,007</b>	<b>6,696</b>	<b>4,500</b>	<b>2,166</b>

9. The Council, based on the recommendation of the Chief Finance Officer, has approved to set a minimum (contingency) level of General Reserves of £1m on both the General Fund and Housing Revenue Accounts. This meets the requirements of the Local Government Act 2003.

### General Fund

10. The above table shows that the level of reserves on the General Fund is currently healthy compared to the minimum target of £1m. However, given the projected budget deficit from 2018/19, the level of reserves will ultimately become negative without corrective action being taken well before 2018/19.
11. Indeed, the projected level of the budget deficit and ultimately the General Reserve Balance, would not accord to legislative requirements or the Council's responsibility to set a balanced budget.
12. Although in budgeting terms expenditure is still greater than income over the medium-term, the Council does have a history of under spending on its General Fund. This is reviewed each year and budgets adjusted accordingly. However, future under spends are not guaranteed and therefore, should not be relied upon.
13. As a growth area, income from Planning Fees and the New Homes Bonus in particular, may increase above estimated levels. However, this cannot be guaranteed and this income can fluctuate over time.
14. The Base Budget will be reviewed when the impact of growth that arises from the emerging Local Plan is known. This may also bring additional expenditure as pressure on day-to-day service provision increases.
15. Future projections for core funding in the Business Rates Retention System, have taken into account current income levels, including a share of growth, based on provisional figures to 2020/21 issued by the Government.
16. This should continue to be enhanced by the Council being a member of the Derbyshire Pool. In addition, Central Government's proposals for further Business Rates retention could be positive for the financial position.
17. However, the Council is set to face a financial challenge to identify additional resources of up to £1.5m. Even if additional income is generated, it is

considered inevitable that this will also bring about additional expenditure at some point.

18. Therefore, the Council should commence a review of service expenditure at its earliest opportunity in order to maintain a sustainable financial position ahead of 2018/19.

### **Housing Revenue Account (HRA)**

19. The financial position has now become much tighter on the HRA with the reduction in overall rental income for the next 4-years. The on-going effects over the longer-term are significant.
20. In order to maintain a minimum working balance of £1m and to ensure that sufficient amounts are set-aside to repay debt, future allocations for capital expenditure to maintain properties at decent standards, have been reduced.
21. The reduction has meant that provision for a Phase 2 Programme of New Build/Property Acquisition can be accommodated.
22. Based on the updated projections, there is no pressing need to review day-to-day service expenditure. However, the Council should be mindful of reducing resources and that the later part of the Financial Plan assumes that the Government will return to rent increases after 2020.
23. In the meantime, this leaves limited scope for increasing the overall Base Budget of the HRA. Efficiencies/budget savings should be investigated wherever possible in order to sustain the longer-term financial position on the HRA.

### **Earmarked Reserves**

24. The Council also maintains various reserves that are used to meet one-off/known commitments or to defray expenditure over a number of years, for example, ICT upgrades, vehicle replacements, community development projects and grounds maintenance.
25. It is considered that current reserves will remain sufficient overall to meet commitments over the life of the current MTFP. Reserves held to finance on-going community and sports development spending, will need to be kept under careful review if external and partnership contributions significantly reduce.
26. A list of all other reserves and funds is detailed in **Appendix 4** showing current balances.

### **Risk Analysis**

27. The following table summarises the key risks and issues detailed in the report and during this particular Budget Round; it assesses the potential impact upon the Council's reserves as projected in the updated MTFP.

Factor	Potential Implications	Mitigation	Likely impact on Financial position
<b>Changes in Central Government Policy</b>	<ul style="list-style-type: none"> <li>Further reductions in core spending power (General Fund) and rent income (HRA) due to the national position or changes in redistribution systems.</li> </ul>	<ul style="list-style-type: none"> <li>The MTFP has analysed and built in provisional allocations for future years, informed by the Financial Settlement. These assume that proposals for reducing allocations of NHB from 2017/18 are implemented.</li> </ul>	<p><b>High</b></p> <p>Cumulatively, a 1% variance in core funding equates to about £1/2m over the MTFP; a ½% reduction in rents equates to £3/4m over 10-years.</p>
<b>Council Tax and the Collection Fund</b>	<ul style="list-style-type: none"> <li>Collection rates reduce due to the economic climate.</li> <li>Demand for Council Tax Support increases when resources are fixed.</li> <li>Empty properties increase reducing New Homes Bonus.</li> </ul>	<ul style="list-style-type: none"> <li>“In built” surplus in the Collection Fund.</li> <li>Local growth is continuing and even at a moderate pace is beneficial.</li> <li>Continued membership of the Derbyshire Business Rates Pool.</li> </ul>	<p><b>Medium</b></p> <p>Only 11% of the Collection Fund Balance is transferred to the Council’s General Fund. In addition, the effect is not immediate and costs can be spread.</p>
<b>Growth</b>	<ul style="list-style-type: none"> <li>A key factor influencing future levels of grant funding under the business rates redistribution system and NHB.</li> <li>The number of local businesses declines which reduces base income.</li> <li>Affects Council Tax income and other income streams such as Planning Fees</li> </ul>	<ul style="list-style-type: none"> <li>The MTFP projects some continuing growth in Business Rates but has not included funding from Section 31 Grants.</li> <li>Provisions made for appeals and bad debts.</li> <li>Council Tax Base only increased by 1.25% per year compared to 3% in Government forecasts.</li> <li>Future budgets for planning, land charges income, etc. are currently within actual levels for 2015/16.</li> </ul>	<p><b>High</b></p> <p>This could affect the MTFP either way. Growth is a determining factor for the Council’s income and expenditure and tends to be subject to external factors. This will directly impact on the General Fund.</p>
<b>Budget Overspend</b>	<ul style="list-style-type: none"> <li>Underlying cost pressures, due to growth, yet to surface.</li> <li>Unexpected costs. There are on-going cost pressures as identified in the Base Budget review for 2016/17.</li> </ul>	<ul style="list-style-type: none"> <li>Current level of general and specific reserves is healthy and the MTFP allows contingencies for inflation and growth, etc. The Base Budget of both the General Fund and HRA is assumed to increase by 2% per year.</li> <li>Monitoring arrangements in place allow early identification of issues.</li> </ul>	<p><b>Medium</b></p>

<b>Economic Conditions</b>	<ul style="list-style-type: none"> <li>Higher price increases on key costs such as fuel and utilities.</li> <li>Interest rates affect investment returns and debt payments.</li> </ul>	<ul style="list-style-type: none"> <li>Central inflation contingency held for price increases across these key areas.</li> <li>The General Fund is currently “debt free” and not subject to movement in interest rates. The HRA debt is largely fixed.</li> <li>Sufficient balances allow “internal borrowing” if required.</li> <li>Budgeted income from short-term investments is relatively low.</li> </ul>	<b>Low</b>
<b>Welfare Reform</b>	<ul style="list-style-type: none"> <li>In particular the implementation of Universal credit.</li> </ul>	<ul style="list-style-type: none"> <li>This could lead to more vulnerable residents have difficulty paying Council Tax and Rent if overall benefit is reduced.</li> <li>The Council could be left with staff that currently administer and process housing benefit locally.</li> </ul>	<b>Medium</b>  Although the full impact will not be known for the next 2-years

### Consultation and Provision of Information

28. The information and broad budget proposals, together with details on where the Council spends its money and how it is financed, have been presented across the District. This also explained the challenge that the Council faces over the medium-term and why this has arisen.
29. Specifically, this dissemination of information has been undertaken via:
  - Local Area Forums
  - Consultation with the local businesses, together with the Community and Voluntary Sector, including a presentation at the South Derbyshire Partnership on 20th January 2016.
30. In addition, the proposals have been subject to the Council’s scrutiny process and a report back from the Overview and Scrutiny Committee will be provided at the meeting.
31. Although there were questions and queries, no substantive issues were raised. A record of discussions has been minuted at each Area Forum, at the Overview and Scrutiny Committee on 20<sup>th</sup> January and 10<sup>th</sup> February 2016, together with the South Derbyshire Partnership on 20<sup>th</sup> January.

## LIST OF PRUDENTIAL INDICATORS 2015/16 to 2020/21

<b>External Debt</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Debt 1st April	57,423	57,423	57,423	57,423	57,423	57,423
New Debt	0	0	0	0	0	0
Maturing Debt	0	0	0	0	0	0
<b>Debt 31st March</b>	<b>57,423</b>	<b>57,423</b>	<b>57,423</b>	<b>57,423</b>	<b>57,423</b>	<b>57,423</b>
Annual Change in Debt	0	0	0	0	0	0
Long-term Investments	0	0	0	0	0	0
Short-term Investments	12,000	10,000	8,000	5,000	4,000	4,000

<b>Limits compared to Actual Debt</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Authorised Limit - General Fund	6,390	6,034	5,688	5,351	5,021	4,700
Authorised Limit - HRA	66,853	66,853	66,853	66,853	66,853	66,853
Financing Requirement	67,974	68,538	69,642	69,305	68,975	68,654
Operational Boundary	62,423	62,423	62,423	62,423	62,423	62,423
Gross Debt	57,423	57,423	57,423	57,423	57,423	57,423
Debt Less Investments	45,423	47,423	49,423	52,423	53,423	53,423

<b>General Fund - Net Indebtedness</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
CFR	6,390	6,034	5,688	5,351	5,021	4,700
Estimated Reserves	9,845	9,031	7,259	4,447	1,878	-493
<b>Net Indebtedness</b>	<b>-3,455</b>	<b>-2,997</b>	<b>-1,571</b>	<b>904</b>	<b>3,143</b>	<b>5,193</b>

<b>HRA Limit on Indebtedness</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
HRA Debt Cap	66,853	66,853	66,853	66,853	66,853	66,853
HRA CFR	61,584	62,504	63,954	63,954	63,954	63,954
Difference	5,269	4,349	2,899	2,899	2,899	2,899
HRA Debt (incl Internal Borrowing)	57,423	58,343	59,793	59,793	59,793	59,793
<b>Borrowing Headroom</b>	<b>9,430</b>	<b>8,510</b>	<b>7,060</b>	<b>7,060</b>	<b>7,060</b>	<b>7,060</b>

<b>Interest Payable and Receivable</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>General Fund</b>						
Interest Payable	0	0	0	0	0	0
Interest Received	39	47	68	68	74	74
<b>HRA</b>						
Interest Payable	1,685	1,687	1,838	1,888	1,888	1,888
Interest Received	-4	-4	-17	-20	-28	-28

## SCHEDULE A - DISTRICT COUNCIL TAX 2016/17

<u>Part of Council's area:</u> <u>Parish of</u>	<u>Valuation Band and Proportion to Band D</u>							
	A	B	C	D	E	F	G	H
	6/9 £:p	7/9 £:p	8/9 £:p	1.00 £:p	11/9 £:p	13/9 £:p	15/9 £:p	18/9 £:p
Aston - on - Trent	131.84	153.81	175.79	197.76	241.71	285.65	329.60	395.52
Barrow - on - Trent	132.12	154.14	176.16	198.18	242.22	286.26	330.30	396.36
Bretby	106.96	124.79	142.61	160.44	196.09	231.75	267.40	320.88
Burnaston	108.91	127.07	145.22	163.37	199.67	235.98	272.28	326.74
Castle Gresley	126.97	148.13	169.29	190.45	232.77	275.09	317.42	380.90
Church Broughton	122.06	142.40	162.75	183.09	223.78	264.46	305.15	366.18
Coton - in - the - Elms	118.38	138.11	157.84	177.57	217.03	256.49	295.95	355.14
Dalbury Lees	110.25	128.63	147.00	165.38	202.13	238.88	275.63	330.76
Egginton	127.95	149.27	170.60	191.92	234.57	277.22	319.87	383.84
Elvaston	111.95	130.60	149.26	167.92	205.24	242.55	279.87	335.84
Etwall	127.88	149.19	170.51	191.82	234.45	277.07	319.70	383.64
Findern	121.17	141.37	161.56	181.76	222.15	262.54	302.93	363.52
Foston and Scropton	125.92	146.91	167.89	188.88	230.85	272.83	314.80	377.76
Hartshorne	107.03	124.86	142.70	160.54	196.22	231.89	267.57	321.08
Hatton	127.52	148.77	170.03	191.28	233.79	276.29	318.80	382.56
Hilton	144.74	168.86	192.99	217.11	265.36	313.60	361.85	434.22
Linton	134.01	156.34	178.68	201.01	245.68	290.35	335.02	402.02
Melbourne	125.34	146.23	167.12	188.01	229.79	271.57	313.35	376.02
Netherseal	122.06	142.40	162.75	183.09	223.78	264.46	305.15	366.18
Newton Solney	112.52	131.27	150.03	168.78	206.29	243.79	281.30	337.56
Overseal	125.68	146.63	167.57	188.52	230.41	272.31	314.20	377.04
Repton	111.92	130.57	149.23	167.88	205.19	242.49	279.80	335.76
Rosliston	121.65	141.93	162.20	182.48	223.03	263.58	304.13	364.96
Shardlow and Great Wilne	124.40	145.13	165.87	186.60	228.07	269.53	311.00	373.20
Smisby	127.53	148.78	170.04	191.29	233.80	276.31	318.82	382.58

Stenson Fields	103.94	121.26	138.59	155.91	190.56	225.20	259.85	311.82
Ticknall	129.79	151.42	173.05	194.68	237.94	281.20	324.47	389.36
Walton - on - Trent	114.67	133.79	152.90	172.01	210.23	248.46	286.68	344.02
Weston - on - Trent	120.29	140.33	160.38	180.43	220.53	260.62	300.72	360.86
Willington	129.95	151.60	173.26	194.92	238.24	281.55	324.87	389.84
Woodville	123.49	144.08	164.66	185.24	226.40	267.57	308.73	370.48
All other parts of the Council's area	102.12	119.14	136.16	153.18	187.22	221.26	255.30	306.36

## SCHEDULE B - PRECEPTING AUTHORITIES COUNCIL TAX 2016/17

<b>Precepting Authority</b>	<b><u>Valuation Band and Proportion to Band D</u></b>							
	A	B	C	D	E	F	G	H
	6/9 £:p	7/9 £:p	8/9 £:p	1.00 £:p	11/9 £:p	13/9 £:p	15/9 £:p	18/9 £:p
Derbyshire County Council	776.78	906.24	1,035.71	1,165.17	1,424.10	1,683.02	1,941.95	2,330.34
Police and Crime Commissioner for Derbyshire	118.05	137.72	157.40	177.07	216.42	255.77	295.12	354.14
Derbyshire Fire and Rescue Service	47.45	55.36	63.27	71.18	87.00	102.82	118.63	142.36

## SCHEDULE C - AGGREGATED COUNCIL TAX FOR SOUTH DERYSHIRE 2016/17

<b>Part of Council's area:</b> <u>Parish of</u>	<b><u>Valuation Band and Proportion to Band D</u></b>							
	A	B	C	D	E	F	G	H
	£:p	£:p	£:p	£:p	£:p	£:p	£:p	£:p
Aston - on - Trent	1,074.12	1,253.13	1,432.17	1,611.18	1,969.23	2,327.26	2,685.30	3,222.36
Barrow - on - Trent	1,074.40	1,253.46	1,432.54	1,611.60	1,969.74	2,327.87	2,686.00	3,223.20
Bretby	1,049.24	1,224.11	1,398.99	1,573.86	1,923.61	2,273.36	2,623.10	3,147.72
Burnaston	1,051.19	1,226.39	1,401.60	1,576.79	1,927.19	2,277.59	2,627.98	3,153.58
Castle Gresley	1,069.25	1,247.45	1,425.67	1,603.87	1,960.29	2,316.70	2,673.12	3,207.74
Church Broughton	1,064.34	1,241.72	1,419.13	1,596.51	1,951.30	2,306.07	2,660.85	3,193.02
Coton - in - the - Elms	1,060.66	1,237.43	1,414.22	1,590.99	1,944.55	2,298.10	2,651.65	3,181.98
Dalbury Lees	1,052.53	1,227.95	1,403.38	1,578.80	1,929.65	2,280.49	2,631.33	3,157.60
Egginton	1,070.23	1,248.59	1,426.98	1,605.34	1,962.09	2,318.83	2,675.57	3,210.68
Elvaston	1,054.23	1,229.92	1,405.64	1,581.34	1,932.76	2,284.16	2,635.57	3,162.68
Etwall	1,070.16	1,248.51	1,426.89	1,605.24	1,961.97	2,318.68	2,675.40	3,210.48
Findern	1,063.45	1,240.69	1,417.94	1,595.18	1,949.67	2,304.15	2,658.63	3,190.36
Foston and Scropton	1,068.20	1,246.23	1,424.27	1,602.30	1,958.37	2,314.44	2,670.50	3,204.60
Hartshorne	1,049.31	1,224.18	1,399.08	1,573.96	1,923.74	2,273.50	2,623.27	3,147.92
Hatton	1,069.80	1,248.09	1,426.41	1,604.70	1,961.31	2,317.90	2,674.50	3,209.40
Hilton	1,087.02	1,268.18	1,449.37	1,630.53	1,992.88	2,355.21	2,717.55	3,261.06
Linton	1,076.29	1,255.66	1,435.06	1,614.43	1,973.20	2,331.96	2,690.72	3,228.86
Melbourne	1,067.62	1,245.55	1,423.50	1,601.43	1,957.31	2,313.18	2,669.05	3,202.86
Netherseal	1,064.34	1,241.72	1,419.13	1,596.51	1,951.30	2,306.07	2,660.85	3,193.02
Newton Solney	1,054.80	1,230.59	1,406.41	1,582.20	1,933.81	2,285.40	2,637.00	3,164.40
Overseal	1,067.96	1,245.95	1,423.95	1,601.94	1,957.93	2,313.92	2,669.90	3,203.88
Repton	1,054.20	1,229.89	1,405.61	1,581.30	1,932.71	2,284.10	2,635.50	3,162.60
Rosliston	1,063.93	1,241.25	1,418.58	1,595.90	1,950.55	2,305.19	2,659.83	3,191.80

Shardlow and Great Wilne	1,066.68	1,244.45	1,422.25	1,600.02	1,955.59	2,311.14	2,666.70	3,200.04
Smisby	1,069.81	1,248.10	1,426.42	1,604.71	1,961.32	2,317.92	2,674.52	3,209.42
Stenson Fields	1,046.22	1,220.58	1,394.97	1,569.33	1,918.08	2,266.81	2,615.55	3,138.66
Ticknall	1,072.07	1,250.74	1,429.43	1,608.10	1,965.46	2,322.81	2,680.17	3,216.20
Walton - on - Trent	1,056.95	1,233.11	1,409.28	1,585.43	1,937.75	2,290.07	2,642.38	3,170.86
Weston - on - Trent	1,062.57	1,239.65	1,416.76	1,593.85	1,948.05	2,302.23	2,656.42	3,187.70
Willington	1,072.23	1,250.92	1,429.64	1,608.34	1,965.76	2,323.16	2,680.57	3,216.68
Woodville	1,065.77	1,243.40	1,421.04	1,598.66	1,953.92	2,309.18	2,664.43	3,197.32
All other parts of the Council's area	1,044.40	1,218.46	1,392.54	1,566.60	1,914.74	2,262.87	2,611.00	3,133.20

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<b>REPORT TO:</b>	<b>FULL COUNCIL</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>29<sup>th</sup> FEBRUARY 2016</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF COMMUNITY AND PLANNING</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>NICOLA SWOROWSKI ext 5983</b> <a href="mailto:Nicola.sworowski@south-derbys.gov.uk">Nicola.sworowski@south-derbys.gov.uk</a>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>HERITAGE LOTTERY FUND PROJECT – SWADLINCOTE TOWNSCAPE</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>SWADLINCOTE</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

- 1.1 That Member representatives are appointed for the Grants Panel and the Project Board for the Heritage Lottery Fund supported project for the Swadlincote Conservation Area
- 1.2 That Members note the procedure and draft terms of reference for the Grants Panel and Project board

## **2.0 Purpose of Report**

- 2.1 This report clarifies the role and establishment of the Grants Panel and Project Board that are to be formed as part of the Heritage Lottery Fund Swadlincote Townscape Project and seeks the nomination of elected Members to support the work of those groups.

## **3.0 Detail**

- 3.1 At the Environmental and Development Services Committee on 19<sup>th</sup> November 2015 Members asked for clarification around the terms of reference of the Heritage Lottery funded Swadlincote Townscape Project and it was also recognised that Member nominations needed to be made by Council to allow the Grants Panel to be convened.
- 3.2 The persons and the number of people on the Grants Panel and Project Board was discussed with the Heritage Lottery and agreed as a requirement of their funding. These are detailed below.
- 3.3 The Grants Panel will include:
  - Three SDDC Councillors (change to be agreed with HLF)
  - DCC Councillor (change to be agreed with HLF)
  - Representative of Swadlincote Chamber of Commerce

- 2 Young Persons (aged 11-16)
- Magic Attic Representative
- Conservation and Design Section Manager (DCC project partner)

Other Attendees:

- Townscape Heritage Project Officer
- Conservation Officer
- Design Excellence Officer

3.4 Whilst the Project Board will include:

- Three SDDC Councillors (change to be agreed with HLF)
- DCC Councillor (change to be agreed with HLF)
- Townscape Heritage Officer
- Conservation Officer
- Design Excellence Officer
- Environmental Development Manager
- Conservation and Design Section Manager (DCC project partner)
- Representative from Town Team.

3.5 The Grants panel will meet twice a year to consider grants of over £5,000 and to make the final decision on grant awards. However, due to constraints that the County Council are facing there will possibly be a need to hold a Grants Panel before September 2016 which was the date planned for the first Panel. This is to ensure that money from the County Council is awarded prior to the end of the financial year.

3.6 The Grants Panel will be presented with papers and a presentation by the Conservation Officer/Townscape Heritage Project Officer/Design Excellence Officer to inform the Panel of the projects.

3.7 Grants under £5,000 will not be made by the Grants Panel but instead by officers based on the priority of the building, within the target area and/or its compliance with the theme for the year.

3.8 The theme's for each year are:

Year 1 – roofs, rainwater goods and original features

Year 2 – Joinery and shop frontages

Year 3 – Masonry and signage

3.9 The Project Board will oversee and steer the project and approve any significant changes to the project.

3.10 The changes suggested to the Panel and the Board are a reduction of the South Derbyshire Councillors by one and also the County Councillors by one. This means that there would be three South Derbyshire Councillors and one County Councillor sitting on both the Panel and the Board.

3.11 Draft terms of reference are attached at Appendix 1 & 2 which will need to be approved at the first meeting of the Panel and the Board.

#### **4.0 Financial Implications**

4.1 None arising from this report

#### **5.0 Corporate Implications**

5.1 This project falls under the sustainable growth and opportunity theme of the Corporate Plan as through the lifetime of the project there will be an economic boost to the Town Centre and also a greater interest in the history and the buildings that make up the Town Centre through the Activity Plan procedures to be followed. It should enable the author to identify the potential impact on current, prospective or future employees. The author should highlight equalities issues under this section.

## **6.0 Community Implications**

6.1 The project will continue with the work already undertaken in the Town Centre. The outcome of the project will be to have individual buildings enhanced, to have encouraged people to get involved in various activities but also to have publicised through the Conservation Area throughout the life of the project.

### Appendix

Appendix 1 – Draft terms of reference: Grants Panel

Appendix 2 - Draft terms of reference: Project Board

## Appendix 1

### **Draft Terms of Reference for Swadlincote Townscape Heritage Scheme Grants Panel February 2016**

#### **(A) Role and Purpose**

- A.1 The Swadlincote Townscape Heritage Scheme is a three year project for the Conservation Area that aims to build on a decade of investment, allowing Swadlincote to continue its journey of heritage-led regeneration.
- A.2 The Swadlincote Townscape Grants Panel shall determine whether grants of over £5,000 are awarded or rejected for buildings/projects within the Swadlincote Conservation Area.
- A.3 Decisions will be made on the basis of a stage 2 application that will include a full schedule of works, drawings and historical justification if required.
- A.4 As this is a Heritage Lottery Fund project their terms and conditions apply.

#### **(B) Members, Chair, Attendees, Secretary, Terms of Office**

- B.1 The Members of the Panel will be:
  - Three SDDC Councillors (changes to be agreed)
  - DCC Councillor (changes to be agreed)
  - Representative of Swadlincote Chamber of Commerce
  - 2 Young Persons (aged 11-16)
  - Magic Attic Representative
  - Conservation and Design Section Manager (DCC project partner)Other Attendees:
  - Townscape Heritage Project Officer
  - Conservation Officer
  - Design Excellence Officer
- B.2 Membership to the Panel will be for the lifetime of the project
- B.3 All Members of the Panel will be able to vote. Decisions will be made by the number of votes with the chair of the Panel having the casting vote if necessary.

#### **(C) Meetings: Frequency, Notice, Format**

- C.1 The Panel will be twice yearly with the exception of the first year which requires a third panel.
- C.2 The notice period for the meeting will be three weeks before the panel with papers sent round a minimum of 1 week before the panel is to meet by email.
- C.3 The Panels will be arranged and organised by the Townscape Heritage Project Officer.
- C.4 The chair of the panel is to be confirmed
- C.5 The grant applications will be presented to members of the Panel by the Townscape Heritage Officer and the Conservation Officer with other Officer input where appropriate.

#### **(D) Minutes and Reporting**

- D.1 Minutes will be taken by a South Derbyshire Officer and emailed round after the Panel meeting in a timely manner.

## Appendix 2

### **Draft Terms of Reference for Swadlincote Townscape Heritage Scheme Project Board February 2016**

#### **(A) Role and Purpose**

- A.1 The Swadlincote Townscape Heritage Scheme is a three year project for the Conservation Area that aims to build on a decade of investment, allowing Swadlincote to continue its journey of heritage-led regeneration.
- A.2 The Swadlincote Townscape Project Board purpose is to track progress and discuss future plans and also make any key decisions about the project and approve any changes to the scheme.
- A.4 As this is a Heritage Lottery Fund project their terms and conditions apply.

#### **(B) Members, Chair, Attendees, Secretary, Terms of Office**

- B.1 The Members of the Board will be:
  - Three SDDC Councillors (changes to be agreed)
  - DCC Councillor (changes to be agreed)
  - Representative from Town Team
  - Conservation and Design Section Manager (DCC project partner)Other Attendees:
  - Townscape Heritage Project Officer
  - Conservation Officer
  - Design Excellence Officer
  - Environmental Development Manager
- B.2 Membership to the Board will be for the lifetime of the project
- B.3 Should it be required then all Members of the Board will be able to vote except for the South Derbyshire Officers. Decisions will be made by the number of votes with the chair of the Board having the casting vote if necessary.

#### **(C) Meetings: Frequency, Notice, Format**

- C.1 The Board will be twice yearly or more frequently should it be required.
- C.2 The notice period for the meeting will be three weeks before the Board with papers sent round a minimum of 1 week before the panel is to meet by email.
- C.3 The Board will be arranged and organised by the Townscape Heritage Project Officer.
- C.4 The Chair of the Board is to be confirmed

#### **(D) Minutes and Reporting**

- D.1 Minutes will be taken by a South Derbyshire Officer and emailed round after the Board meeting in a timely manner.



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<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM: 10</b>
<b>DATE OF MEETING:</b>	<b>29 FEBRUARY 2016</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>FRANK McARDLE 01283 595702 frank.mcardle@south-derbys.gov.uk</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>COMBINED AUTHORITY AND DEVOLUTION DEAL</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

1.1 Members consider the report and resolve as to the Council's position in relation to the proposed Combined Authority and Devolution Deal.

## **2.0 Purpose of Report**

2.1 The Government is understood to be close to finalising the content of a North Midlands Devolution Agreement. The current draft is available at ANNEXE C (Draft: Version 26). Discussions are ongoing and it is anticipated that the final version of this document will be available on 2 March 2016. The Draft North Midlands Combined Authority Governance Review and Scheme is expected to be published on 15 March.

2.2 Confirmation of the District Council's position has been sought in advance of receipt of the final versions of these documents by the D2N2 Leaders & Chief Executives Group at the request of Government. It is understood that this is in order to meet the timescales for an Order to be laid before Parliament in October 2016, potentially followed by Mayoral elections in May 2017 (Indicative timescales can be found at ANNEXE D).

2.3 At this time, their request is for an agreement in principle from South Derbyshire District Council to be part of the geography of a proposed Mayoral Combined Authority for the North Midlands.

## **3.0 Detail**

3.1 At the Environmental & Development Services Committee on 30 January 2014, Members supported the establishment of a Derby & Derbyshire (D2) Joint Committee for Economic Prosperity. The Joint Committee undertook a Governance Review which concluded that a Combined Authority presented the

best option for “positively impacting on the economic conditions of the D2 area, and also in providing the best opportunities for improved efficiency and effectiveness of delivery in transport and economic development”. At Council on 9 February 2015, Members agreed in principle to support the establishment of a Derby & Derbyshire (D2) Combined Authority (Ref ANNEXE A).

- 3.2 A devolution prospectus was submitted to Government in March 2015 on behalf of all nineteen local authorities and the Local Enterprise Partnership in the D2N2 area (Derby, Derbyshire, Nottingham and Nottinghamshire). This outlined the type of powers and funding streams that D2N2 partners would wish to be devolved in a ‘Deal’ in order to significantly improve economic growth. In the course of the resultant discussion a number of significant changes to the previously envisaged proposals emerged including: The Combined Authority was likely to extend beyond Derby & Derbyshire, with the name changed to reflect this; Significant powers will only be devolved by Government if a directly elected Mayor was created; and, the scope of the Devolution Deal discussions with Government became broader and now included, for example, public sector reform.
- 3.3 To reflect these revised expectations with respect to the likely outcome, on 5 November 2015 Members authorised the Chief Executive in consultation with the Leader to continue to engage in discussions with the Government and to bring back to the Council any proposals put forward by the Government for a Combined Authority and Devolution Deal for the D2N2 area (Derby, Derbyshire, Nottingham and Nottinghamshire) (Ref ANNEXE B).

### **Cities and Local Government Devolution Act 2016**

- 3.4 In January 2016, the Cities and Local Government Act received Royal Assent. The Act is intended to support delivery of the Government’s manifesto commitment to “devolve powers and budgets to boost local growth in England”, in particular to, “devolve far reaching powers over economic development, transport and social care to large cities which choose to have elected Mayors”. The Act takes forward a number of reforms which are intended to allow for the implementation of devolution agreements with Combined Authority areas and with other areas. It is enabling legislation which provides a legislative framework which can be applied flexibly to different areas by secondary legislation. The Act includes generic provisions (to be applied to individual areas agreeing Deals by secondary legislation) which will:
- a. remove the current statutory limitation on functions that can be conferred on a Combined Authority (currently economic development, regeneration and transport);
  - b. enable local governance to be streamlined as agreed by Councils;
  - c. provide for fast track structural and boundary changes to non-unitary local authority areas;
  - d. enable public authority functions to be conferred on a Combined Authority or local authority;

- e. enable an Elected Mayor for the Combined Authority's area who will exercise specified functions individually and chair the Authority;
- f. enable the Mayor to undertake the functions of a Police and Crime Commissioner for the area (in place of the Police and Crime Commissioner); and,
- g. where a Mayor is to have functions of a Police and Crime Commissioner, cancel Police and Crime Commissioner elections that would otherwise have taken place and allow the current Police and Crime Commissioner's term of office to be extended until the Mayor's first term begins (where appropriate).

### **North Midlands Devolution Agreement**

- 3.5 The proposed Combined Authority and Devolution Agreement for Derby, Derbyshire, Nottingham and Nottinghamshire has been rebranded as 'North Midlands', replacing the previous 'D2N2' branding.
- 3.6 The Draft Devolution Agreement (Version 26) is subject to ongoing discussions but it is understood that the Government is close to finalising the content. The Agreement proposes the devolution of powers and responsibility from Government to a new Combined Authority and Elected Mayor, with possible further devolution anticipated in the future. The aim is that devolution will help the D2N2 Local Enterprise Partnership to deliver its Strategic Economic Plan. The current Draft Agreement can be found at ANNEXE C (Draft: Version 26).

### **North Midlands Combined Authority**

- 3.7 The Draft North Midlands Combined Authority Governance Review and Scheme is expected to be published on 15 March. A Governance Review and Scheme had previously been prepared for the D2 (Derby and Derbyshire) area. A Combined Authority is a legal structure that may be established, via an Order issued by the Secretary of State, at the request of two or more local authorities; A Mayoral Combined Authority includes the establishment of a directly-elected Mayor. It is anticipated that consultation on the North Midlands Combined Authority proposals and scheme will commence in May this year. The current indicative timescales for the creation of a North Midlands Combined Authority and anticipated Devolution Political Structures can be found at ANNEXE D and ANNEXE E respectively.

## **4.0 Financial Implications**

- 4.1 There are no financial implications for the District Council at this time beyond the transfer of the Council's current contribution to the Derbyshire Economic Partnership to the proposed Combined Authority. It is anticipated that in 2015/16 this contribution will be £15,000. However, a request for further expenditure is anticipated should matters proceed.

## **5.0 Corporate Implications**

- 5.1 The activities of the proposed Combined Authority would contribute to the Corporate Plan's vision to 'make South Derbyshire a better place to work, live and visit'.

## **6.0 Community Implications**

6.1 The activities of the proposed Combined Authority would contribute to the South Derbyshire Partnership's Sustainable Community Strategy vision of 'a dynamic South Derbyshire, able to seize opportunities to develop successful communities, whilst respecting and enhancing the varied character of our fast growing district'.

## **7.0 Conclusions**

7.1 This report seeks to establish whether or not Members wish to instruct the Chief Executive, in consultation with the Leader, to enter into an agreement in principle to establish a North Midlands Combined Authority. This would lead to public consultation on the principle of a Mayoral Combined Authority which would require a further report to Members seeking formal ratification. If ratified, South Derbyshire District Council would become a constituent council of the proposed North Midlands Combined Authority.

## **8.0 Background Papers**

8.1 South Derbyshire District Council report:

Environmental & Development Services (30 January 2014)  
Derby & Derbyshire Joint Committee for Economic Prosperity

**ANNEXE A:** South Derbyshire District Council report:  
Council (9 February 2015)  
Derby & Derbyshire (D2) Combined Authority

**ANNEXE B:** South Derbyshire District Council report:  
Council (5 November 2015)  
Devolution Deal

### **Exempt Items**

**ANNEXE C:** HM Treasury  
Draft North Midlands Devolution Agreement – Version 26

**ANNEXE D:** Indicative Timescales

**ANNEXE E:** Anticipated Devolution Political Structures

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<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>9 FEBRUARY 2015</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Frank McArdle, 01283 595702 frank.mcardle@south-derbys.gov.uk</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>DERBY &amp; DERBYSHIRE (D2) COMBINED AUTHORITY</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

- 1.1 Members are asked to agree in principle to support the establishment of a Derby & Derbyshire (D2) Combined Authority.

## **2.0 Purpose of Report**

- 2.1 Attached at Annex A is a report prepared by Derbyshire County Council which is being considered by local authorities in Derbyshire. Members are asked to consider this and to decide if they wish to resolve in principle to support the establishment of a Derby and Derbyshire (D2) Combined Authority.

## **4.0 Financial Implications**

- 4.1 There are no financial implications for the District Council beyond the transfer of the Council's current contribution to the Derbyshire Economic Partnership to the proposed Derby & Derbyshire (D2) Combined Authority. In 2014/15 this contribution is £15,000.

## **5.0 Corporate Implications**

- 5.1 The activities of the proposed Derby & Derbyshire (D2) Combined Authority will contribute to the Corporate Plan's vision to 'make South Derbyshire a better place to work, live and visit'.

## **6.0 Community Implications**

- 6.1 The activities of the proposed Derby & Derbyshire (D2) Combined Authority will contribute to the South Derbyshire Partnership's Sustainable Community

Strategy vision of 'a dynamic South Derbyshire, able to seize opportunities to develop successful communities, whilst respecting and enhancing the varied character of our fast growing district'.

## **7.0 Conclusions**

7.1 If Members are minded to proceed, then a decision may be made to support the proposal in principle only. This will not commit the Council until proposals are formally submitted for approval in detail.

## **8.0 Background Papers**

Annex A: Derbyshire County Council - Council Meeting 4 February 2015 – Proposal for Derbyshire County Council to be a Constituent Member of the Proposed Derby and Derbyshire (D2) Combined Authority

Appendix 1: Report of the Derby and Derbyshire Authorities' Statutory Governance Review Report:

Appendix 1: Outline of Option Appraisal Exercise

Appendix 2: Analysis of Public Consultation

Appendix 2: Draft Scheme for the Establishment of a Combined Authority for Derby and Derbyshire

**DERBYSHIRE COUNTY COUNCIL**

**COUNCIL**

**4 February 2015**

**Joint report of the Chief Executive and the  
Strategic Director - Economy, Transport and Environment**

**PROPOSAL FOR DERBYSHIRE COUNTY COUNCIL TO BE A CONSTITUENT  
MEMBER OF THE PROPOSED DERBY AND DERBYSHIRE (D2) COMBINED  
AUTHORITY**

**(1) Purpose of the Report**

To invite the Council to endorse the decision taken by Cabinet on 3<sup>rd</sup> February 2015 to submit to Government a scheme for the establishment of a Derby and Derbyshire Combined Authority.

**(2) Information and Analysis**

Strategic Policy Context

The last five years have set economic development in a context of political change and global recession. There is a strong desire nationally to re-balance the economy, and develop new, forward-looking economies that support growth and prosperity.

It is within this context the UK's 39 Local Economic Partnerships (LEPs) were created to bring together private and public sector skills – and purpose – to help address the economic challenges and drive regional growth; the D2N2 LEP is the relevant body for the D2 area.

Recent Government policies and funding announcements have sought to advance 'localism' and devolve decision making to LEP areas and local economic geographies, recognising the 'importance of place' in successful economic development and the need for local, distinct solutions to tackle the challenges of economic growth.

Within this context, the Greater Manchester area has led the way in securing devolution and stronger local governance to drive economic growth; other metropolitan areas such as Sheffield City Region, West Yorkshire and the North East have followed, building on existing platforms of 'city deals' to target their efforts.

There is now a significant opportunity for the D2 area and the wider D2N2 LEP region to put forward its own vision for growth and devolution which builds on the existing economic strengths and assets, maximises the latent potential for growth and ensures Derbyshire residents benefit from increased prosperity.

## Public

### Current Arrangements within the D2 Area

In September 2013, the Leaders of the County Council, Derby City Council and the eight district and borough councils in D2 agreed to establish a Joint Economic Prosperity Committee (Joint Committee) to support more effective and collaborative working across a range of functions and issues. Formal approval from each individual authority to establish the D2 Joint Committee was secured between December 2013 and March 2014.

Working alongside a similar Joint Committee arrangement for the Nottingham/ Nottinghamshire (N2) area, the D2 Joint Committee supports the work of the wider D2N2 LEP.

### The D2 Governance Review

A key area of work for the D2 Joint Committee over the last 10 months has been to undertake a governance review to determine whether the existing arrangements for economic development, regeneration and transport in Derbyshire are delivering the best results.

The review has been undertaken within the context of current policy and the aspirations of national government to devolve powers and resources to strong local governance structures; it was carried out under Section 108 of the Local Democracy, Economic Development and Construction Act, 2009 (LDEDC Act) and the Transport Act, 2008.

A simple, but robust review process was established which addressed three fundamental questions:

- Where are we now?
- Where do we need to be?
- How are we going to get there?

The purpose of the review has been to evaluate the effectiveness and efficiency of existing governance arrangements for economic development, regeneration and transport across the D2 area and test the scope for improving the economic conditions of the area; these are the statutory tests required to be applied.

Work involved evaluating current economic performance and considering options for strengthening local governance which included:

- Leaving existing arrangements unchanged or slightly extended (i.e. through the current Joint Committee);
- Establishing an economic prosperity board (EPB)
- Establishing a combined authority (CA)

The review also sought to recommend which option was likely to be most beneficial to strengthening the overarching governance arrangements across the wider D2N2 LEP.

Appendix 1 of this Cabinet report presents the Governance Review Report and sets out a detailed account of the current economic conditions across the D2 area, evaluates the existing Joint Committee and wider LEP governance arrangements and considers the potential options for improvement.

## Public

It concludes that a combined authority for D2 presents the best option for “positively impacting on the economic conditions of the D2 area, and also in providing the best opportunities for improved efficiency and effectiveness of delivery in transport and economic development”.

This conclusion complements the findings of the current N2 review which together, ensure the wider D2N2 LEP will benefit from strengthened governance, attracting greater freedoms, flexibility and funding from Government.

### The Proposed Derby and Derbyshire Combined Authority

The proposed D2 Combined Authority will be constituted of a Board, made up of the 10 Leaders from the D2 local authorities (constituent members). It will form an essential element of overall LEP-wide governance and, in so doing, will help strengthen local accountability and ensure transparency of decision-making.

Four of the Board’s proposed constituent members (Chesterfield Borough Council, North East Derbyshire District Council, Bolsover District Council and Derbyshire Dales District Council) are currently non-constituent members of the Sheffield City Region Combined Authority (SCR CA). This membership brings significant benefits to those authorities and it is proposed their relationship with the SCR CA continues, supported by a strong protocol of joint working with the D2 CA.

Protocols for collaborative working are also proposed with Greater Manchester (in particular recognition of the strong relationship with High Peak Borough Council) and the proposed N2 CA (adjacent to Erewash Borough Council).

Non-constituent membership of the D2 CA Board is proposed to be offered to the D2N2 LEP to ensure strengthened governance and relationship management. Observer status on the Board is proposed to be offered to the Peak District National Park.

As part of the new governance arrangements, it is proposed to create a ‘stakeholder forum’ which will facilitate strong, strategic dialogue with the private and third sectors focused around driving forward the ambitions and priorities of the CA; the forum will be an extension/ reshaping of the current Derbyshire Economic Partnership (DEP). It is proposed the Chair of this forum will be invited as an observer to the CA Board.

A new Joint Leaders Forum constituted of all 19 elected leaders from across the local authorities of D2 and N2 is also proposed as part of the wider LEP and combined authority arrangements and will help ensure strong collaboration and local government leadership around key areas of mutual concern and potential opportunity.

Further details of the overall arrangements and constitution of the D2 CA are set out in Section 3 of the attached Governance Review Report and in the Draft Scheme, attached at Appendix 2.

The D2 CA will be a decision making and accountable body responsible for developing, agreeing, implementing and monitoring: D2-wide strategies; clear

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programmes of activity and funding; and specific delivery projects. Specific roles and responsibilities of the D2 CA in relation to programmes and funding will link to the LEP-wide Single Assurance Framework and role of the LEP's Accountable Body.

One of the significant benefits of the proposed CA is that it will attract further devolved funding from Government with more local determination of priorities and alignment of resources. It will also attract the flexibility of 'programme funding' which is significantly different from the current project-by-project funding model offered to the D2N2 LEP. These current arrangements provide little or no flexibility for aligning and re-aligning resources based on need or changing local circumstances.

It is proposed the work programme of the D2 CA will be focused initially around the four main ambitions:

- Jobs and employment: focused on generating more and better quality jobs, supporting key economic sectors, strengthening the rural economy and growing new business.
- Skills: 'Developing a 21<sup>st</sup> Century Guildhall' which provides a step change in the way in which young and vulnerable people - and others - identify and secure education, employment and training opportunities, integrated with an approach that brings employers much closer to the available labour market.
- Transport: 'Ways to Work' which is the collective, priority issue for D2 and will underpin the above proposal by delivering a single transport plan and improving access to employment, training and education – removing one of the key barriers to work.
- Housing: developing a more co-ordinated and cohesive housing offer across the D2 area, encouraging more affordable housing and working creatively to bring forward stalled sites

A fifth area of work, 'Funding our Future', will explore more creative and innovative use of the general power of competence and other freedoms/ flexibilities to support the D2 economic development, regeneration and transport programme

Overall, it is considered these proposals will meet the statutory tests of the Local Democracy, Economic Development and Construction Act, 2009 and 2008 Transport Act by:

- Providing more effective and accountable decision making for D2, by bringing together the democratically elected leaders from all ten councils in a single formal body which is able to take decisions jointly.
- Strengthening the existing governance arrangements of the D2N2 LEP to deliver the wider ambitions of the Strategic Economic Plan, working alongside the N2 local authorities.
- Ensuring strong and effective working relationships with local, private sector businesses, the voluntary and community sector
- Attracting more freedoms and flexibilities from central Government – and ultimately more funding – to ensure the ambitions and improvements can be delivered to the D2 economy.
- Ensuring delivery of economic development, transport and regeneration activity will be more effective and efficient through a single, formal combined

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authority than 10 individual local authorities operating in an informal environment.

- Providing significant scope for reducing duplication in the work of the ten individual authorities.
- Ensuring the D2 area is able to collaborate and compete effectively with neighbouring areas that also have created combined authorities (e.g. Sheffield City Region and Greater Manchester).

### Public Consultation

As part of the governance review, the current D2 Joint Committee has undertaken a strong process of engagement with key stakeholders from across, and outside, the area. A major consultation exercise was undertaken between 2 January 2015 and 23 January 2015 to test local support on the proposal to create a D2 CA and the proposed ambitions outlined above.

In preparation for public consultation, a stakeholder 'map' of the different types of interests was developed and each of the 10 local authorities sent out information to specific agencies and organisations in their area. All council employees, elected members, parish councils have also been canvassed for views via an on-line questionnaire.

Information published to support the consultation exercise was specifically designed for different stakeholder groups to enable easier engagement with the process. The website was advertised through professional magazines, local newsletters, radio and social media; members of the two citizens' panels for Derbyshire and Derby City were invited to participate.

A range of stakeholders were consulted on the proposal which in summary, included:

- Local residents across the county
- Council employees across D2 authorities
- Elected members from across D2 authorities
- Members of key economic, regeneration or transport partnerships
- Organisations with an interest in rural concerns
- Derbyshire, Nottinghamshire and Leicestershire Chamber of Commerce (DNLCC)
- Federation of Small Businesses
- Private sector organisations and business/ economic networks, including the creative industries
- Transport providers and users
- Tourist organisations
- Housing providers and developers

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- Further and higher education providers, secondary schools and academies, Jobcentre Plus
- Voluntary sector organisations and umbrella groups
- Neighbouring local authorities and combined authorities
- Members of Parliament (D2 and N2)

In addition to the on-line survey, face to face sessions and workshops have been held to add qualitative content to the consultation process. This has included: direct discussion with the Chamber of Commerce; workshops with employers, education and training providers on the skills ambition; facilitated discussion with the Derbyshire Economic Partnership and D2N2 Local Transport Board; provision of a D2N2 LEP Board drop-in session for private sector members; and briefing session for MPs (attended by nine MPs from across the D2N2 area).

A total of 734 responses have been received to the online survey, along with 19 individual letters, emails or telephone calls providing more qualitative responses, mostly from parish councils, MPs and other public sector bodies such as the Derbyshire Fire and Rescue Authority, Derbyshire, Nottinghamshire and Leicestershire (DNL) Chamber of Commerce and adjoining combined authority or local authority areas.

The volume of response is very encouraging and indicates the level of interest in this issue.

Initial, headline analysis of the results confirms overall strong support (either 'strongly agree' or 'tend to agree') with the proposal to create a combined authority (67% in total), with many commenting it would help cut costs, reduce duplication and be a strong, strategic body to ensure comparable discussions with the Sheffield City Region and Greater Manchester Combined Authorities.

Strong support was also expressed for the proposed geographical area of the combined authority – i.e. Derbyshire and Derby City (D2) - with 70% in total either 'tending to agree' or 'strongly agreeing' to the proposal.

In relation to the ambitions, there was similar strong support for the proposals, with at least half of the respondents agreeing or strongly agreeing to all five (jobs, skills, transport, homes and investment); notably, 72% and 69% of respondents expressed support for the transport and investment ambitions respectively.

The consultation process also explored the potential relationship of the Combined Authority with other regeneration-focused organisations across the D2 area and the role that adjacent local authorities/ combined authorities might play in the D2 arrangements.

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Overall, 74% respondents “strongly agree” or “tended to agree” that the combined authority would build strong links with key organisations and 67% “strongly agree” or “tended to agree” with the proposal to allow adjacent authorities to play a role in the D2 Combined Authority.

One respondent summarises well the overarching principles of the proposal: *“...the proposal provides a simplified and elegant solution to the current situation, ensuring there is a single list of priorities .....removing confusion and complexity...”*

The DNL Chamber of Commerce believes the proposal for the ten D2 authorities to combine into an effective partnership *“will maximise the potential of the LEP and relationship with national Government. Co-ordinated local action will ensure the best use of scant resources and expertise and will provide an effective interface for joint working with the private and third sectors.”*

More detailed analysis of the consultation responses is currently being undertaken. It is anticipated that a full breakdown of the range of responses - both positive and negative, alongside more detailed consideration of qualitative comments - will be available for Member consideration in advance of the Cabinet and Council meetings on 3 and 4 February 2015 respectively.

This detailed analysis will form Appendix 2 of the Governance Review Report and will also include the draft response of the D2 Joint Committee to the issues raised.

### (3) Financial Considerations

It is anticipated the administrative costs of the D2 Combined Authority will not be any greater than those currently incurred in supporting the Joint Committee and D2N2 LEP arrangements.

Both financial and ‘in kind’ equivalent costs have been identified in relation to existing activity and these will continue to be directed towards the work of the LEP and D2 Joint Committee/ proposed Combined Authority to support the work and ambitions set out in this report and are confirmed as:

- Financial contribution from upper tier and unitary authorities (Derbyshire County Council and Derby City Council) to D2N2 LEP, currently part of core funding: **total £125,000 per annum** (NB: Derbyshire County Council financial commitment is £62,500 per annum)
- Financial support currently directed to facilitating and delivering work of Derbyshire Economic Partnership-related activity (including secretariat activity): £15,000 per each of 10 authorities: **total £150,000 per annum** (commitment to this arrangement has been extended through Derby City’s

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recent agreement to provide funding in recognition of the importance of activity). (NB: Derbyshire County Council financial commitment is £15,000 per annum)

- Financial support currently directed to facilitating D2 Employment and Skills Board: upper tier and unitary authority (Derbyshire County Council and Derby City Council) financial contribution of £12,500 each from the two local authorities to match fund LEP contribution of £25,000: **total £50,000 per annum**
- In kind contribution of key officers (excluding travel time and costs of officers, time equivalent of elected members and chief officers) currently directed at supporting wider D2N2 governance architecture (primarily LEP and aspects of D2 Joint Committee): **total equivalent financial contribution in kind across all D2 authorities of £550,120 per annum.**

**Total value of existing financial and in-kind contribution for the D2 local authorities is £875,120 per annum**

In addition to the above, and in line with statutory requirements for establishing a combined authority, the proposed D2 CA will nominate officers from the constituent authorities to undertake the following duties:

- D2 Combined Authority Head of Paid Service
- D2 Combined Authority Monitoring Officer
- D2 Combined Authority Chief Finance Officer (CFO)

It has been agreed through discussion at the D2 Joint Committee that nomination/appointment to these posts will not incur any additional expenditure to the proposed Combined Authority over and above existing costs.

As part of on-going work within each of the D2 authorities, the constituent authorities will continue to meet all costs reasonably attributable to the exercise of their own economic development, regeneration and transport functions.

The D2 CA will agree an annual budget for the purpose of the above range of expenditure; this expenditure is not expected to exceed that already incurred and will be apportioned appropriately across the ten constituent councils.

The financial affairs of the D2 CA will be conducted in accordance with the financial rules and procedures of the council from which the Chief Financial Officer is drawn.

#### (4) **Legal Considerations**

The power to create a combined authority is contained in Section 108 of the Local Democracy, Economic Development and Construction Act, 2009 (LDEDC Act) and Sections 84, 91 and 93 of the Local Transport Act, 2008.

The work of the D2 Joint Committee, in undertaking its governance review and the resulting proposal to create a D2 Combined Authority, is considered to meet the statutory tests.

## **Public**

Although Draft Statutory Guidance indicated an intention to amend the law to require a decision to support a combined authority to be a matter for local authorities' councils rather than cabinets, the current law requires this to be a decision of Cabinet. However, it is considered that the importance of the decision merits endorsement by Council.

### **5) Equality and Diversity Considerations**

In depth consideration has been given to equality and diversity and the proposals contained in the Governance Review Report include actions and priorities which will address the current economic conditions of the D2 area and thereby will help tackle financial exclusion and deprivation within communities. The proposal also includes actions and priorities to address strategic issues around public transport and the reliability of the highways network as part of wider regeneration considerations.

### **6) Human Resource Considerations**

There are no direct impacts, at this time, on human resources resulting from the proposal to create a D2 Combined Authority. As dialogue with Government and the D2N2 LEP continues over the coming months (and years) any such impacts will be highlighted and brought forward for consideration by elected members as appropriate.

### **Other Considerations**

In preparing this report, the relevance of the additional following factors has been considered: prevention of crime and disorder, human rights, environmental, health, property and transport considerations.

### **(7) Background Papers**

The agendas and minutes of the D2 Joint Committee

Other background papers held on file within the Economy, Transport and Environment Department.

Officer contact details - Joe Battye, extension 36574.

**(8) OFFICERS' RECOMMENDATIONS** That the Council endorses the decision taken by Cabinet on 3<sup>rd</sup> February 2015 to submit to Government a scheme for the establishment of a Derby and Derbyshire Combined Authority.

**Ian Stephenson**  
**Chief Executive**

**Mike Ashworth**  
**Strategic Director - Economy,**  
**Transport and Environment**

# **GOVERNANCE REVIEW: APPENDIX 1**

## **GOVERNANCE REVIEW REPORT FOR CREATION OF A DERBY AND DERBYSHIRE COMBIEND AUTHORITY**

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# **Report of the Derby and Derbyshire Authorities' Statutory Governance Review**

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**Undertaken in Accordance with  
Local Democracy, Economic Development  
& Construction Act, 2009**

## **EXECUTIVE SUMMARY:**

### **DERBY AND DERBYSHIRE (D2) GOVERNANCE REVIEW**

#### **Background**

The economic conditions across Derby and Derbyshire, Nottingham and Nottinghamshire (D2N2) are challenging and are likely to remain so for some time. Not all parts of the D2N2 area have benefited equally from recent improvements to the economy, or from the wellbeing and prosperity this brings.

At present, the D2 area, with a population of over one million residents, has an economy that is performing reasonably well and has shown some resilience during the recession. The area enjoys good connectivity, being well served by national transport networks and there are strong connections to neighbouring economies in Nottinghamshire, South Yorkshire and Greater Manchester; partner agencies across D2 have used these links to attract significant levels of investment to the area.

However, despite our strengths, we know we are not realising our potential. We are still a net spender of UK tax revenues and there is not enough local control over the policies which affect our economy. We believe that raising the economic performance of the D2 area to match the national average could result in:

- **An additional £2.6bn of GVA** (a measure of productivity and wealth)
- **41,100 more jobs**
- **4,400 more businesses**

Working closely with the D2N2 Local Economic Partnership (LEP), the ten local authorities of Derby and Derbyshire have set up a Derby and Derbyshire (D2) Joint Committee to help achieve this potential. However, there is scope to make even more and faster progress on economic growth and the Committee has prepared this document to set out its proposal for creating a combined authority for the D2 area.

#### **Proposal**

**It is proposed to create 2 combined authorities for the single, D2N2 LEP area.**

To succeed in the long term, we need to become more self-reliant and have the means to unlock our economic potential. Specifically in the Derby and Derbyshire area, we need to drive productivity and growth by investing in transport and digital infrastructure, job opportunities and skills. We need to make sure residents have access to housing that meets their needs and that they are able to live prosperous and fulfilling lives.

In order to fulfil our potential, the D2 councils are committed to focusing local leadership and service delivery on tackling a number of key challenges. These include shifting the economic base to be less reliant on the public sector; narrowing the skills gap to improve the competitiveness of the area; building on current sector strengths to provide wider employment opportunities, particularly for young people; and developing a transport and housing infrastructure that will continue to support and drive growth in the future.

We believe the ten partner authorities of D2, working with the private and third sector representatives of the D2N2 LEP, are best placed to take the tough decisions about where to focus the efforts and interventions to address these challenges, drive delivery and be accountable for the results.

This document provides an overview of the arrangements currently in place in the D2 area and makes the case for how a combined authority can improve the effectiveness and efficiency of local transport networks, drive economic development and regeneration and improve the overall economic conditions of the area.

To be successful, we have recognised there is a need to strengthen our governance arrangements so we can combine and coordinate our efforts more effectively and make more joined up, strategic decisions, whilst taking account of local circumstances. This will help strengthen governance within the wider Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) Local Enterprise Partnership, particularly as Nottingham and Nottinghamshire authorities are developing proposals for a separate combined authority that will complement the D2 approach.

Elsewhere in the country, combined authorities have been established to help groups of councils act more effectively in response to similar challenges to those outlined above. Central government has encouraged this approach and has devolved to combined authorities funding and powers that were previously held within Whitehall. In order to establish a combined authority, local councils need to carry out a review that will show how certain tests are met, including whether transport functions will be delivered more effectively and economic conditions improved.

Given the potential to improve the D2 economy and recent opportunities presented by Government, the D2 Joint Committee has carried out a formal governance review. We have considered the options of continuing to work together as a joint committee, setting up an economic prosperity board or establishing a combined authority to test which one provides the best solution for helping us achieve stronger economic growth.

The review shows the option of creating a combined authority provides the best opportunity for meeting the tests set out by Government. It also provides a stronger form of local governance for supporting the wider work of the D2N2 LEP, ensuring it continues to be an engine for growth in the East Midlands.

In particular, the review shows that a combined authority would:

- Lead to faster, more effective and accountable **decision making**, by bringing together the democratically elected leaders from all ten councils in a single formal body which is able to take decisions jointly.
- Enable councils in D2 to benefit from acting **strategically** across the whole economic area whilst still retaining the **local connection** provided by each individual council and **local control** as to how the powers conferred on the combined authority are used.
- Strengthen the **relationships** that D2 councils have with neighbouring economic areas, in particular by bringing a democratically accountable and single D2 view into the wider D2N2 Local Enterprise Partnership and the overlapping Sheffield City Region.
- Improve **implementation** by increasing coordination and reducing the potential for duplication and inefficient delivery.
- Underpin a strong case for **devolving more** powers and funding to the area over time and increase the attractiveness of the area for **investment**.

The proposals build on existing partnership working by ensuring non-constituent and observer representatives from the private and voluntary sectors. The review concludes by setting out the significant benefits (ambitions) that could be delivered through the proposed combined authority, in particular improvements to how we:

- Support our people to develop their **skills**, through a greater alignment of labour market, skills and education provision, working directly with employers.
- Shape our place, by delivering improvements to public **transport** networks and infrastructure in ways that enable, rather than constrain, our growth ambitions.
- Shape our place, through a strategic approach to delivery of more affordable **homes** in the right places to meet local needs and create sustainable communities.
- Support our businesses, by targeting the right support for the D2 economy that will secure more and better paid **jobs** for local people.
- Finance the future, through making the most of our collective strength and assets across the D2 area and **investing** strategically to unlock future growth.

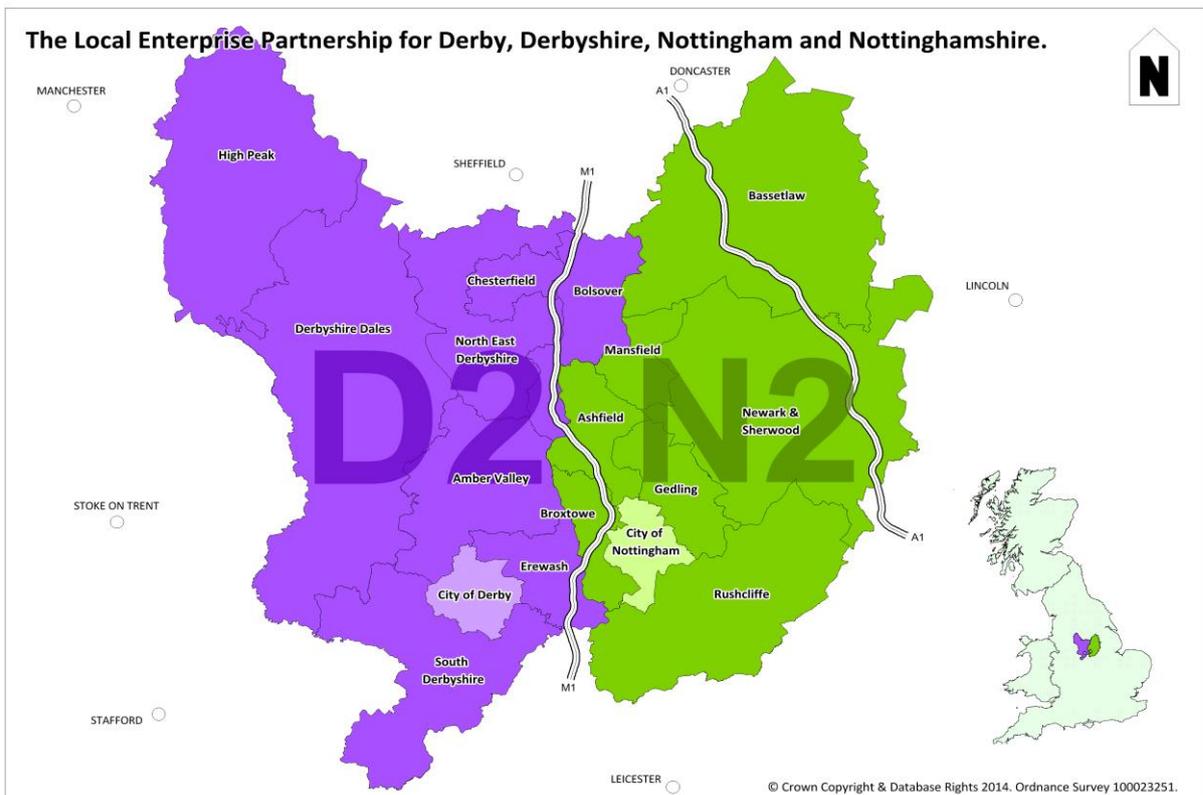
**By delivering these ambitions under a new combined authority, D2 will be able to realise its full economic potential and bring significant benefits to the people of Derby and Derbyshire, as well as the wider UK economy.**

# Proposal to Create a Derby and Derbyshire Combined Authority

## 1.0 Context for Derby and Derbyshire

### 1.1 Strategic Context

The county of Derbyshire (shown purple in Figure 1 below), including the city of Derby, numerous market towns and a substantial proportion of the Peak District, sits in the East Midlands at the heart of the UK. It joins the county of Nottinghamshire and core city of Nottingham (shown green) to form the D2N2 Local Enterprise Partnership (LEP) economic region, one of the largest LEP areas in the country.



**Figure 1: Regional Context of D2N2 Area**

The whole D2N2 area has a population of more than 2.1m people and a Gross Value Added (GVA) of more than £40bn; employment is concentrated in the area's two largest centres, Derby and Nottingham, which account for 36% of total employment and 26% of the population. Over 900,000 people are employed in the D2N2 area, making it the fourth largest of LEP economies.

The D2N2 economy has a strong track record of exports, with just less than 20% of employment in export-intensive industries, placing it in the top quartile of all LEPs nationally. In 2011/12, nearly 2,300 jobs were created by Foreign Direct Investment, the fifth largest of all LEPs.

## Transport

D2N2 enjoys good connectivity, being well-served by national north/south transport links such as the M1, A1 and rail networks via Midland Mainline and East Coast Mainline which connect to international destinations at St Pancras and Kings Cross. Regionally, the road network reflects the diverse geography of the area: the A42 and A38 connect to the West Midlands and the A50 connects to the North West via Stoke-on-Trent. These good connections are reflected in the concentration of retail distribution centres along the M1, A50 and A38 corridors.

Despite recent improvements to the A46 and planned improvements to the A61 and A453, major challenges remain to the effectiveness of the region's transport network, with high levels of congestion on the M1 north of junction 28, the A38 at Derby, A52 Nottingham Ring Road, A46 at Newark and A628/ A57 at Glossop in the north west of Derbyshire. The costs of congestion on the strategic road network in the East Midlands are forecast to rise to around £0.7bn by 2025 unless measures are put in place to address this.

The frequency and speed of rail connections to other parts of the country are variable; services to London via Midland Mainline are slower than those offered by the East Coast line. The planned electrification of Midland Mainline will provide an opportunity for improving service quality and efficiency but further improvements are required to significantly reduce journey times. A combination of limited capacity and poor journey times results in overcrowding on cross-country trains that connect the East Midlands with the North, South West and East Anglia; rail therefore offers a poor alternative to driving, exacerbating road congestion.

In the medium to long-term, the D2N2 area will benefit from its location on the HS2 route between London and the North, hosting one of the Midlands' key stations; however, significant investment and effort is needed to ensure the region harnesses the full potential of this new rail infrastructure and connectivity.

East Midlands Airport (EMA), located within 15 miles of Nottingham and Derby, is the UK's second largest air freight hub after Heathrow and is a critical economic driver for the region. The importance of the area for high value freight will be strengthened with the planned investment of a major inter-modal rail freight interchange at junction 24 of the M1 in the near future.

## Economic Base

From being the cradle of the industrial revolution and home to the world's first factory, the D2N2 area is a dynamic and diverse economy, with a global reputation for excellence in high-tech manufacturing - particularly transport - construction, medicine and bio-science. World-class universities and Tier 1, market-leading companies such as Rolls Royce, Toyota, Sygnature Discovery and Alliance Boots in the urban centres

provide the economic backbone from which supply chains and our numerous small and micro businesses can grow, many of which are located in rural areas.

Growth sectors such as transport equipment manufacturing, visitor economy, low carbon economy etc. employ over 150,000 and account for nearly 20% of the area's workforce.

Gross Value Added (GVA) per full time employee (FTE) is a standard indicator used to measure the level of wealth in an area. For the D2N2 area, GVA has increased year on year for the past four years following a slight decline in 2009, however, it is still only 80% of the England average and the gap with the rest of England has been widening recently. Whilst D2N2 has over 62,000 businesses, including over 54,000 micro businesses, the overall business base is low given the size of the population.

Over 71% of the working age population are employed or self-employed, although productivity and earnings are low. This is due to the occupational profile being predominantly aligned towards skilled trades and service occupations (low skill, low wage jobs). There is an under-supply, but growing number, of professional occupations. These are important to the future growth of the D2N2 economy.

Although over 400,000 people in the area are educated to degree level, at 30% of the population, this is lower than the England average (35%). Around 143,000 people of working age have no qualifications at all, which means they are at risk of poorly paid, insecure jobs and unemployment.

The D2N2 region has a diverse economy with specific strengths in 8 areas. These are:

- Transport equipment manufacturing: 20,300 employees (2013)
- Life sciences: 7,200 employees (2012)
- Food and drink manufacturing: 19,200 employees (2013)
- Construction: 36,500 employees (2013)
- Visitor economy: 73,300 employees (2013)
- Low carbon economy: 28,700 employees (2011/12)
- Transport and logistics: 29,800 employees (2013)
- Creative industries: 26,500 employees (2012)

## 1.2 Characteristics of the D2N2 Economy

The D2N2 area has four characteristic 'geographies' which, although broadly reflecting the county boundaries of Derbyshire and Nottinghamshire, also reflect the economic relationship between the two counties and with the surrounding metropolitan areas of South Yorkshire, Greater Manchester, Leicestershire and Staffordshire. These are:

- Nottingham city, south and east Nottinghamshire and east Derbyshire (purple)
- Derby city, south Derbyshire and the M1 corridor (green)
- North Nottinghamshire and north and east Derbyshire (pink)
- Wider Peak District (beige)

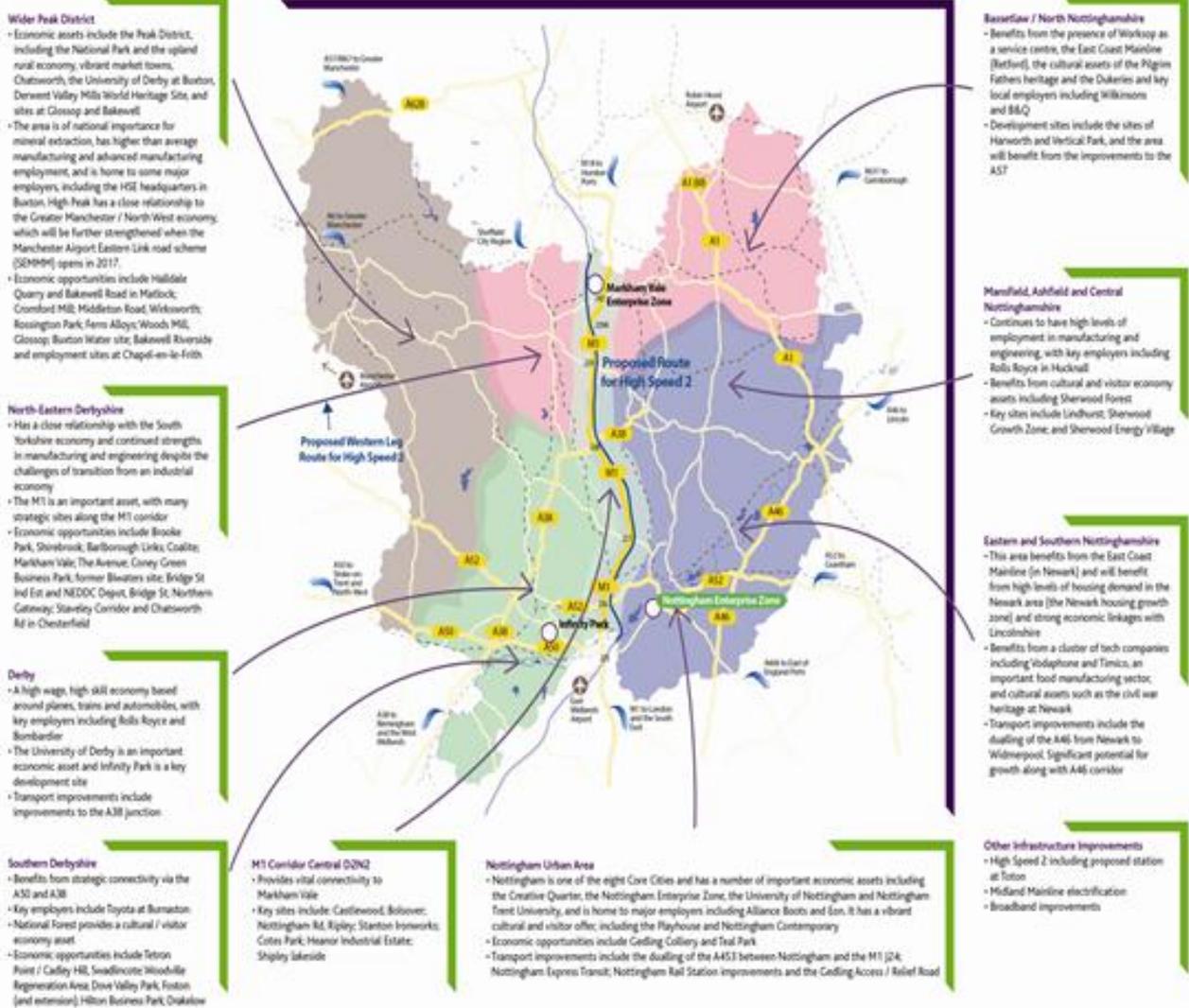


Figure 2: Spatial Relationship and Outline of Economic Characteristics

### 1.3 D2N2 Governance and Strategic Delivery

#### Existing Governance Arrangements

Strategic governance and oversight of the D2N2 economy is provided by the Local Enterprise Partnership (LEP). The LEP is made up of a leadership [Board](#), various delivery groups, and advisory arrangements.

The Board is chaired by a representative from the local business sector and has a total of 15 members, constituted of private sector representatives; three leaders from the D2 local authorities and three from the N2 authorities; the voluntary and community sector; and other public sector bodies such as education, training providers and health.

The D2N2 Board is responsible for setting the overall economic strategy for the LEP, including the development of priorities, performance management and oversight/endorsement of strategic projects, as well as monitoring expenditure and outputs across the D2N2 area. Full details of the LEP Board and its constitution are available on the D2N2 LEP website.

Supporting the Board are three strategic groups covering:

- Private sector business;
- Skills and employment; and
- Infrastructure and investment.

These groups are supported by a number of technical working groups and a range of advisory/ task and finish groups (24 in total currently). Work on European Strategy implementation sits alongside, but outside, these arrangements.

In addition to the core D2N2 LEP arrangements, two Joint Committees (one for each of the D2 and N2 areas) support the work of the Board by providing strategic co-ordination and delivery of relevant local government services. For D2, these arrangements include work with the private, voluntary and education sectors via the Derby Renaissance Board and the Derbyshire Economic Partnership. Further details can be found at:

[www.communityactionderby.org.uk](http://www.communityactionderby.org.uk) and

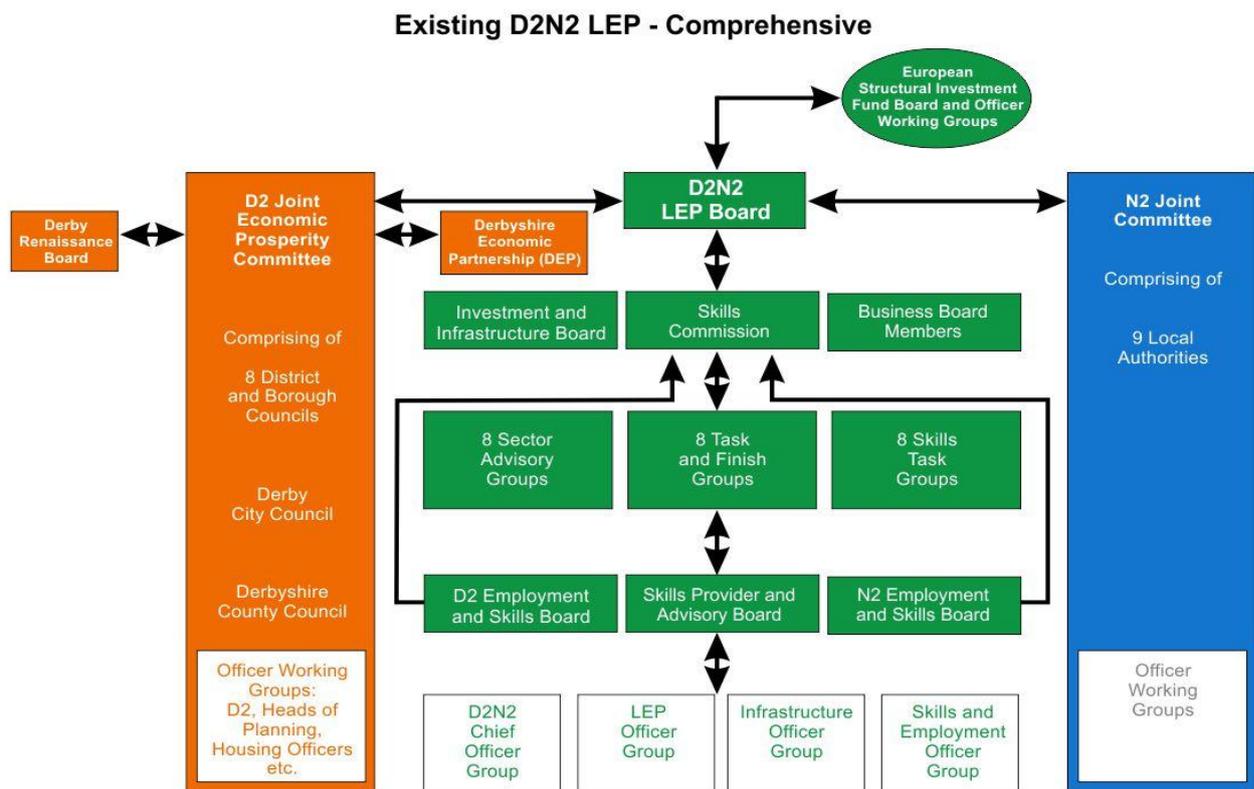
[www.derbyshireeconomicpartnership.org](http://www.derbyshireeconomicpartnership.org)

Figure 3 overleaf illustrates how the LEP's existing governance arrangements (shown in green) link with the existing D2 Joint Committee arrangements (shown in orange - N2 arrangements shown in blue).

In addition to those arrangements identified in Figure 3, Derbyshire Dales, Bolsover, North East Derbyshire and Chesterfield councils ('overlap' authorities within the D2 Joint Committee) also have strong relationships with LEPs in the wider economic areas of Staffordshire, Greater Manchester and South Yorkshire (Sheffield City Region). Bassetlaw District Council in Nottinghamshire has a similar relationship with the Sheffield City Region LEP.

Because the D2N2 LEP itself is not an accountable body, it had previously nominated different local authorities from across D2N2 to hold funds on its behalf. These arrangements are currently being refined and one Accountable Body (Derbyshire County Council) now has been identified to hold all the funding streams on behalf of the LEP. This will help simplify some aspects of the governance arrangements, particularly in relation to assurance processes and programme management.

Currently, the LEP has been scored 2 out of 4 by the Government's Department of Business, Innovation & Skills, suggesting there is scope to strengthen governance arrangements further. It is acknowledged that local authorities, through a combined authority or economic prosperity board, can bring greater transparency and democratic accountability to LEP governance and are being actively encouraged by Government.



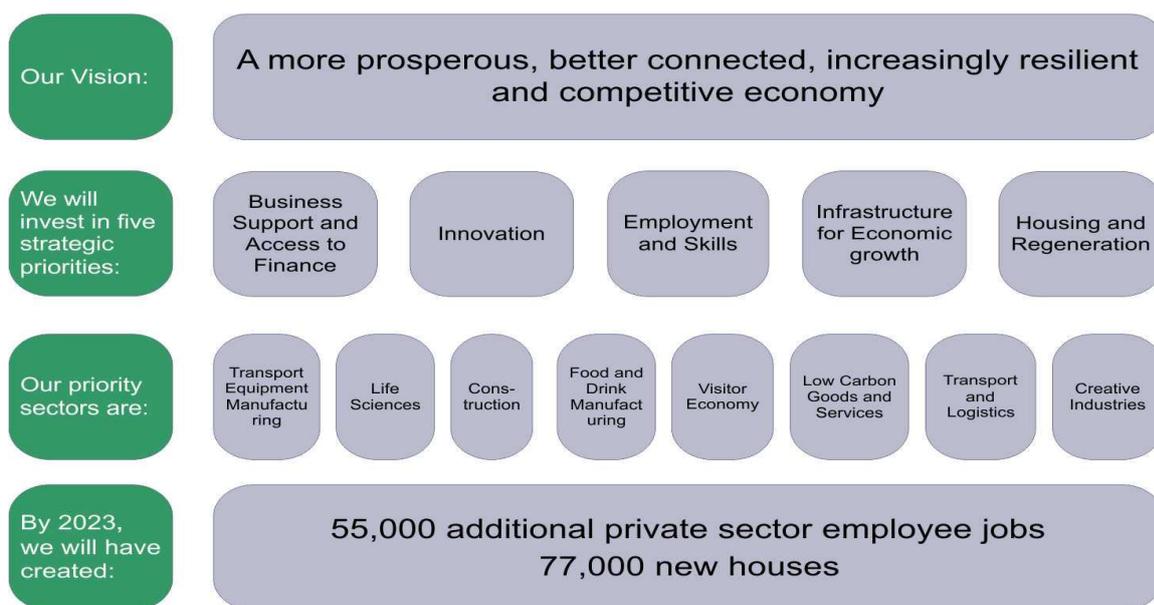
**Figure 3: Current D2N2 LEP Comprehensive Governance Arrangements**

### Strategic Delivery

The D2N2 LEP’s ambitions and priorities are set out in the D2N2 Strategic Economic Plan ([SEP](#)). The SEP was approved in early 2014 and confirms the following long term vision for the whole D2N2 region:

**“That D2N2 will become a more prosperous, better connected and increasingly competitive and resilient economy, at the heart of the UK economy, making a leading contribution to the UK’s advanced manufacturing and life sciences sectors and generating significant export earnings for UK plc. We will create a D2N2 which provides a great place to live, work and invest”.**

This vision is supported by the following themes, priorities and targets:



**Figure 4: The Vision, Priorities, Sectors and Targets of the Strategic Economic Plan**

As the overarching strategic body responsible for driving economic growth, it is important the D2N2 LEP arrangements are fit for purpose, agile and responsive to changing economic conditions. The strength of its governance and partnerships – particularly its sub-committees and working relationships across public/ private and third sectors - are critical to its success and, ultimately to the economic success of the region.

The work of this D2 governance review has sought to test the strength of these relationships and identify areas where this can be improved. Although the D2N2 economy has much strength, significant challenges remain and more has to be done across all partners and stakeholders to drive growth, employment and prosperity if the region is to regain competitive advantage over the rest of the UK.

## 1.4 D2 Governance and Delivery

### Existing D2 Governance

The D2 area is made up of ten constituent local authorities that provide a range of strategic and frontline services to local residents. Derby City Council is a unitary authority and Derbyshire County Council is an ‘upper tier’ authority; each provides a range of strategic functions including transport, highways, education and social care.

The remainder eight local authorities are either district or borough councils and provide functions such as planning and housing. All D2 authorities provide economic development services, aspects of inward investment support and relationship management with local businesses.

The ten constituent local authorities of the D2 (Derby and Derbyshire) area are:

- Amber Valley Borough Council
- Bolsover District Council
- Chesterfield District Council
- Derby City Council
- Derbyshire County Council
- Derbyshire Dales District Council
- Erewash Borough Council
- High Peak Borough Council
- North East District Council
- South Derbyshire District Council

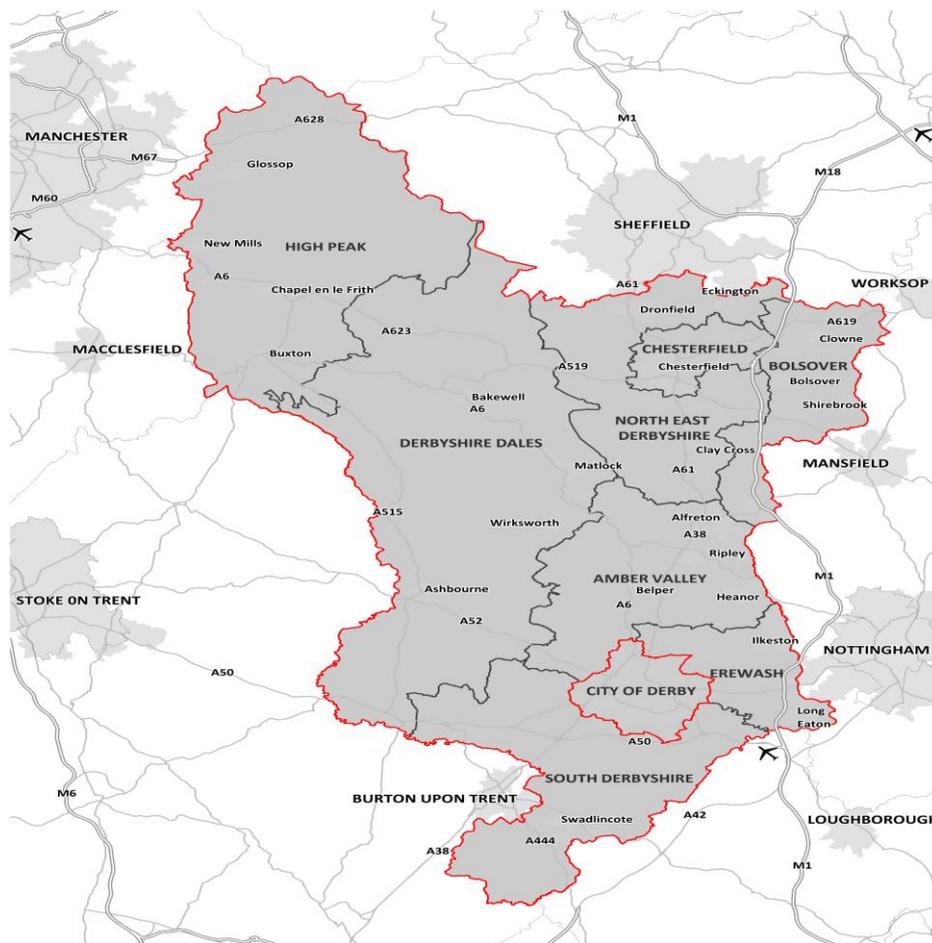


Figure 5: The Derby and Derbyshire (D2) Geography

The ten D2 authorities have a strong reputation for collaborative working both through formal partnerships such as the Derbyshire Economic Partnership (DEP), the Visit Peak District Destination Management Partnership, active participation on bodies such as Sheffield City Region LEP and the Combined Authority and Housing Market Area Partnerships that cover the D2 area.

This collaboration takes place alongside other less formal arrangements such as the D2 Housing Officers' Group and Planning Policy Managers' Group that support the wider objective of securing economic growth and success. These groups also provide input to discussions that cover the wider economic geography across the D2N2 area (Derbyshire and Nottinghamshire).

### **Progressing Governance Arrangements**

As part of an on-going and maturing process to strengthen collaboration and partnership working, the D2 authorities set up a formal Joint Committee, known as the D2 Joint Economic Prosperity Committee, in December 2013.

Membership of the Committee is made up of the Leaders of all ten D2 authorities, supported by Chief Executives and a number of working groups. (A similar arrangement has been set up with the nine Nottingham and Nottinghamshire (N2) local authorities).

Areas of work covered by the D2 Joint Committee include not only transport, skills and economic development, but other some aspects of Planning (particularly in relation to the statutory 'Duty to Co-operate'), assessment and delivery of key regeneration projects, co-ordination of business support and inward investment, tourism and marketing.

This work is undertaken with the support and co-operation of the business-led Derbyshire Enterprise Partnership (DEP) and the Derby Renaissance Board (DRB). Membership of both these partnerships consists of local businesses, developers, education and third sector representatives, in addition to local authority representatives.

The D2 Joint Committee meets on a regular basis and the meetings take place in public and agendas, minutes and the timetable of meetings are available. The aim of the Joint Committee is to continue to progress areas of joint working around economic development and growth, however, its ability to deliver significant and stretching improvements to the local economy is currently limited. It is not an accountable body in its own right, cannot hold money and therefore has no real power beyond the informal agreement of the ten local authorities.

To make a real and lasting difference to the local economy, the current D2 governance arrangements need to develop further and in particular, need to ensure stronger links with the existing arrangements of the D2N2 LEP around economic development, transport and skills.

## 1.5 Delivering for D2: Current Vision and Priorities

Just as the D2N2 LEP has set out its ambitions in the Strategic Economic Plan, the D2 authorities (via the D2 Joint Committee) have set out their vision, objectives and priorities in the draft Derbyshire Economic Framework. This Framework pulls together the Derbyshire Economic Strategy Statement (DESS) which was signed off by the D2 Joint Committee in summer, 2014 and the more established, Derby Economic Strategy (DES) 2011-2016.

Through this Framework, the D2 Joint Committee shares a vision to:

**“Support economic growth in tomorrow’s Derbyshire, preserving what makes the county special and promoting activity that is inclusive to all, regardless of geography or economic disadvantage”.**

The shared priorities of the D2 Joint Committee which cascade from this vision are set out in Figure 6 overleaf. In summary, these are:

- **Enterprise and business growth (supporting our businesses):** primarily around stimulating and developing an enterprising culture, making sure the D2 area is attractive to inward investors, diversifying the economy (more, new and different business), raising productivity levels, supporting businesses to grow and prosper, unlocking our potential, and strengthening our rural economy.
- **Workforce skills for growth (supporting our people):** raising the aspirations of young people, addressing barriers to employment, raising skill levels and ensuring they meet the demands/ needs of employers, connecting people to job opportunities.
- **Investment in place and quality of life (improving our place):** investing in transport infrastructure and networks (road, rail and bus), strengthening the visitor and heritage economy (cultural offer), increasing the vitality of market towns and urban and city centres, supporting sustainable communities.

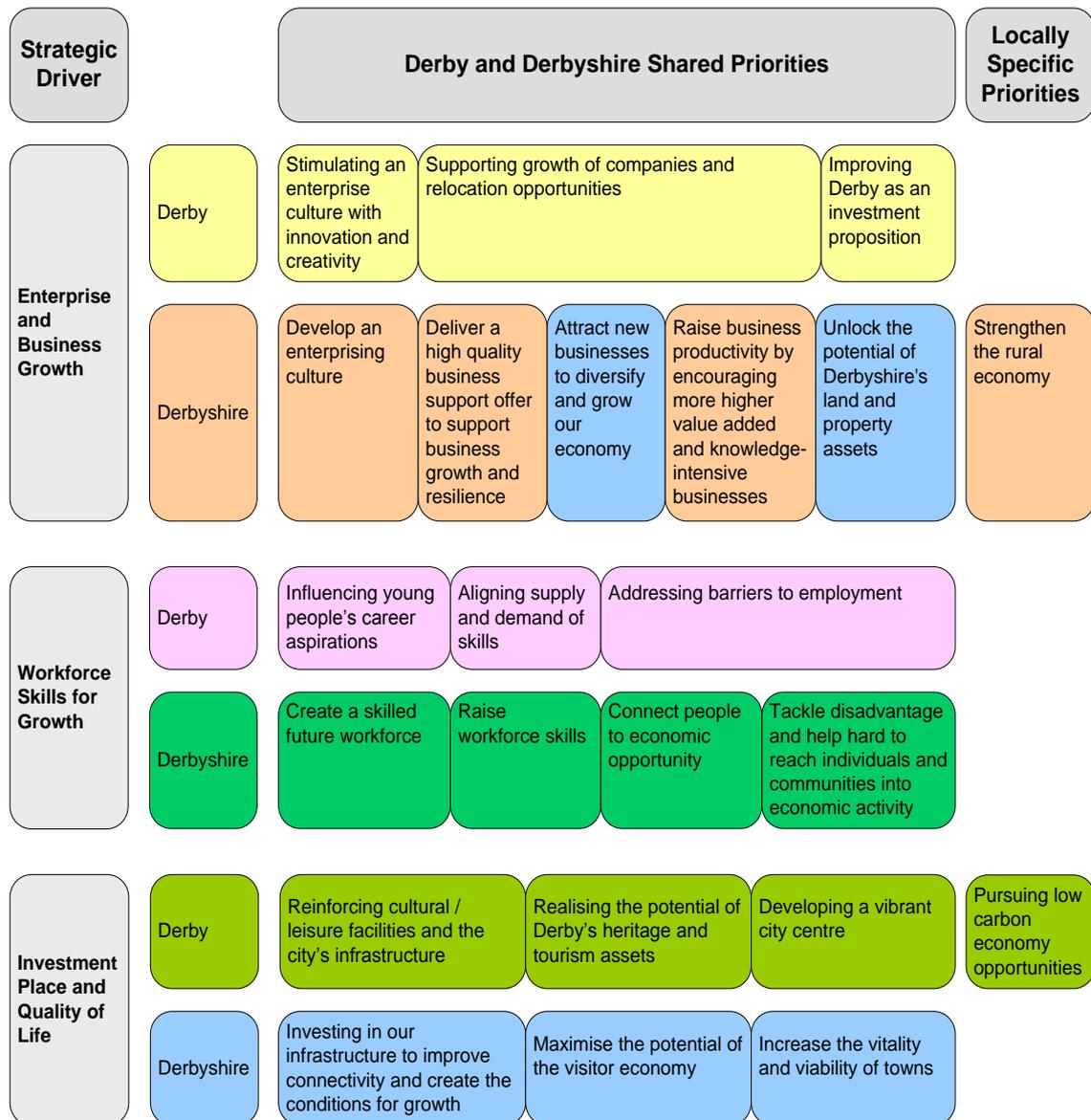


Figure 6: The Shared Priorities of the D2 Joint Committee

## 1.6 Current D2 Economic Conditions and the Potential for Growth

### Background

Within the overarching D2N2 area, there is a distinctive D2 functioning economic geography, strongly influenced by its location and relationship with neighbouring major urban centres and conurbations which is evident in the 'travel to work patterns' and 'housing market areas' that extend beyond D2's borders.

The D2 area has a population of over one million residents and includes the key city of Derby (largest settlement with over 251,000 people) and urban centres such as Chesterfield (104,000). The D2 area also contains numerous market towns and smaller villages which support a diverse rural economy and a high proportion of the D2

area is rural, with the Peak District National Park covering approximately a third of the area.

The rural geography incorporates much of the Peak District National Park but also includes the Derbyshire Dales and lowlands, and the National Forest in the south of the county. The high quality natural environment is a key economic asset and offers the potential for an excellent quality of life and an attractive location for new investment.

Connectivity across Derbyshire is supported by good road networks with the M1 providing a major spine through the east of the county and excellent north-south access. The A50 and A38 provide links to the North West and M6 corridor in the west, whilst the A61 links Chesterfield into the wider Sheffield City Region. High Peak and Derbyshire Dales have road and rail links into Manchester, Sheffield and Stoke on Trent. Erewash in the south-east has strong ties with Nottingham and forms part of the Nottingham Core Housing Market Area.

This inter-relationship with surrounding areas adds a level of complexity to the functioning economic geography but also brings considerable opportunity to drive increased employment and new economic growth, as well as to deepen and expand markets for local goods and services.

## **D2 Economic Characteristics**

A detailed economic analysis is available in the Draft Economic Framework (available from the D2 Joint Committee website) however in summary, key characteristics of the D2 economy are:

### Gross Value Added (GVA)

In total, the D2 economy generates around £19bn Gross Value Added (GVA) each year, and per head of population, it has grown faster here than the England average over the past nine years.

Growth has been supported strongly by the city of Derby where GVA is now 15.6% higher than the national average. Areas such as Bolsover also perform well but there is slower growth in the more rural and former industrial parts. There is potential for D2 to increase its output and contribute more to the UK's economy but this will not happen without significant interventions to improve the productivity and attract higher value businesses.

### Unemployment

Over 27,000 people aged 16-64 are unemployed in the D2 area, 5.4% of the economically active total. Particular groups are badly affected by unemployment: one quarter of the unemployed are aged under 25. Long-term unemployment has risen rapidly as a result of the recession nearly three in ten unemployed people have been claiming Job Seekers Allowance for more than a year.

There is nearly 2,000 young people aged 16-18 who are not in education, employment or training (NEET), with particular concentrations in Erewash, Bolsover and Chesterfield.

## Jobs

The local economy employs over 400,000 people and grew by 1.9% over the recession and recovery period (2009-2013) – compared to 2.5% nationally. But, performance is varied with Chesterfield, South Derbyshire and Bolsover all recording more than 5% increases; but again, overall employment growth has been slow - only 1.9% compared to 9% nationally over the last growth cycle (1998-2008).

Over 324,000 businesses provide employment opportunities in D2 and the proportion of the working age population who are in work is higher than the national average. The employment rate has risen from 73.8% in 2005 to 74.6% in 2013, whilst the England rate fell from 72.8% to 71.7% over the same period.

Forecasts suggest that recent growth will not keep pace with the national average and employment in a number of important, well-paid sectors, including manufacturing and mining and quarrying, is expected to decline. This will impact heavily on local economic prosperity.

Employment is heavily weighted towards the public sector, equating to more than one in five jobs in D2, although the proportion is slightly lower in Derby city. This presents major employment challenges in the light of public sector cuts and will be compounded by predicted job losses in manufacturing, mirroring the national picture.

D2 has a lower proportion of part-time jobs than is the case nationally, although nearly 30.0% of jobs are part-time. There are fewer full-time jobs in Derby city than other parts of D2.

The fastest growing sectors are expected to include professional, scientific and technical activities, as well as arts and entertainment; the wholesale and retail sector will create a large number of new jobs.

## Skills

The rate of increase in the proportion of the D2 population holding higher level skills has slowed in recent years and the gap with England average has widened. Fewer than 30% of working age people in the D2 area hold degree-level qualifications or their equivalent, compared to 35% nationally.

The proportion of working age adults who hold qualifications at level 2 or below (equivalent to GCSE level) had been falling but has now stalled in recent years. Nearly 50% adults in D2 hold qualifications at level 2 or below, compared to 44% in England. The proportion is higher in Derby (50.1%) than the rest of the D2 area.

## Economic Base

The D2 area is home to nearly 324,000 registered businesses, ranging from major multinationals with thousands of employees, to entrepreneurial start-up companies. Despite this, the D2 area has fewer businesses than would be expected given the size of its working age population, with 50 businesses per 1,000 working age residents, compared to 57 in England.

Business survival rates tend to be marginally higher in the D2 area than in England as a whole but business start-up rates have fallen behind the national level in recent years – this means there is a business ‘gap’ of some 5,400 businesses

Compared to England, D2 has a lower proportion of micro-enterprises, employing fewer than ten people, and a similar proportion of large businesses employing 250+. Small and medium enterprises (SMEs) employing 10-249 people (excluding microbusinesses) account for 12.3% of the business base, compared to 11.2% nationally.

The D2 area has a number of sectoral strengths and nationally competitive clusters:

- **Advanced manufacturing sector:** 7.1% of employment base is in manufacturing-nearly double the English average. Employees working in the sector are highly skilled and this is reflected in the high average wages they receive.
- **Visitor economy:** of growing importance to the D2 area with the Peak District National Park and National Forest complementing the numerous heritage, cultural, historical and leisure-based attractions. Although traditionally a lower wage, lower value sector, there is scope to secure further investment in the visitor economy in order to, attract more, higher spending visitors and create better quality jobs.
- **Aggregates industry:** including mining, quarrying and related support activities. As a high GVA and high wage sector, the aggregates industry makes an important contribution to the economy of the Peak District area in particular.
- **Contribution to UK export earnings:** skilled workforce in key sectors and availability of high quality sites for investment make D2 an attractive location for foreign direct investment.

## Prosperity and Financial Wellbeing

The earnings of residents in D2 are close to the English average, around £520 per week. However, there are differences across the area, with workplace wages considerably higher in Derby (27% above the England average) than the rest of Derbyshire.

Gross disposable household income levels per head are substantially lower than the England average in many parts of D2, at just over £13,000 in Derby and just under

£14,000 in East Derbyshire. Household income levels are significantly higher in South and West Derbyshire at £16,300, nearly 96% of the England average.

## 1.7 The D2 Functioning Economic Geography

The current Derbyshire Economic Strategy Statement defines D2 three distinctive economic geographies that recognise not only the commuter/ travel to work patterns for the area, but also the business supply chains and centre of economic activity. These geographies are shown in Figure 7 below.

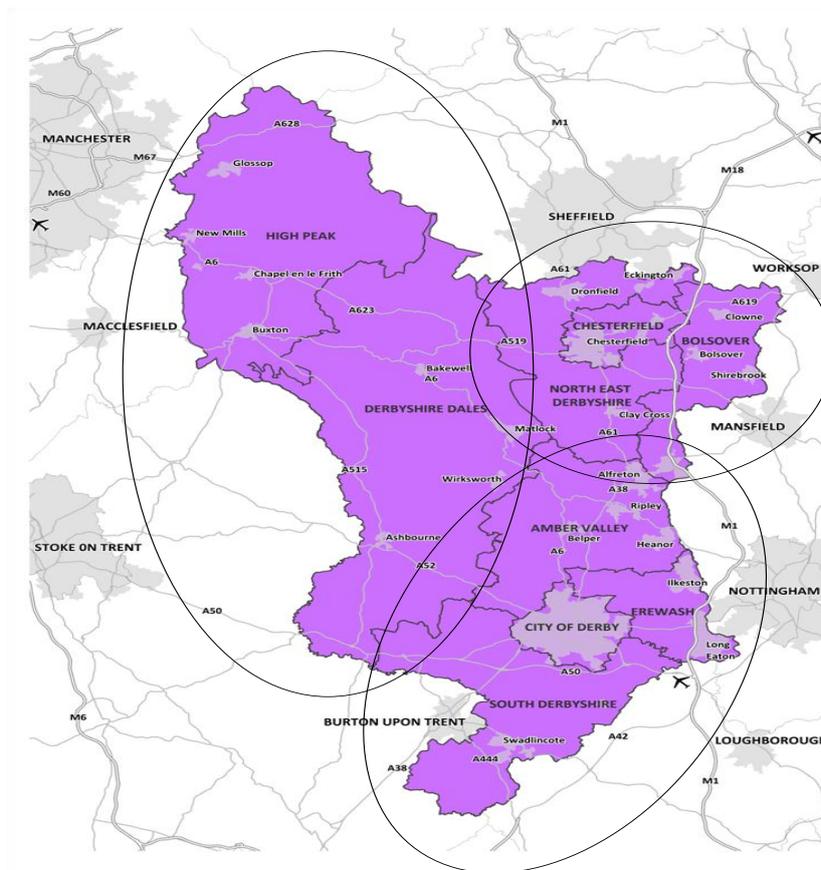


Figure 7: The Functioning Economic Geographies of the D2 Area

Although these geographies overlap with adjacent areas such as Nottinghamshire, Sheffield City Region and Greater Manchester, they present characteristics that are 'distinctively Derbyshire'. These characteristics provide not only the platform for further growth but also demonstrate why change in the form of renewed efforts and targeted economic interventions are needed.

## **Geography 1: The North East Economic Zone**

The North East Zone includes a significant part of the M1 Corridor from junction 26 (Ilkeston) to junction 30 (Barlborough), Bolsover, North East Derbyshire and Chesterfield. The Zone has a strong industrial heritage and its northern fringe is influenced by developments within the Sheffield City Region which attracts workers from Dronfield and surrounding communities. The geography of the area is diverse and characterised by contrasts; rural/ urban; affluence/ deprivation; high/poor accessibility. Securing growth whilst reducing disparities and improving economic prosperity through access to better – and better paid jobs - is a major development priority here.

The Zone is home to major employment sites and has high business density, with considerable potential for further growth at sites such as Markham Vale and along the A61 Corridor. Chesterfield presents significant investment opportunities around Waterside and Peak Resort. This Zone in particular has potential for significant contribution to future GVA growth given its economic diversity and critical mass of activity.

## **Geography 2: The North West Economic Zone**

This Zone primarily covers High Peak and Derbyshire Dales, extending into the rural areas of North East Derbyshire and the western fringe of Amber Valley. It is predominantly rural, includes parts of the unique Derwent Valley Mills World Heritage Site and benefits from high quality landscape; it is home to much of the Peak District National Park. Market towns are the main centres of population: Glossop, New Mills, Whaley Bridge, Chapel-en-le-Frith, Buxton, Matlock, Bakewell, Wirksworth and Ashbourne and provide opportunity for housing and economic growth.

The urban centres have relatively buoyant tourist economies which make them attractive to supply chain businesses. Land based industries (agriculture, mining and quarrying) along with micro-businesses, are also important here. The area is home to a large proportion of high earning, highly skilled residents but many commute out of the area for work as the Zone is characterised by a predominantly low wage economy. There is significant opportunity to build on the high levels of entrepreneurialism and maximise opportunities for economic diversification and transition to higher value added businesses. Heritage-led regeneration, for example Buxton Crescent, provides an exceptional platform for growth.

Land supply is unable to meet the needs of modern businesses or potential growth sectors and requires investment and innovative solutions to bring buildings back into use. Connectivity improvements are a key priority to address rural accessibility, congestion pinch points and broadband not-spots/connectivity speeds. Public transport is essential for helping people access employment and affordable housing, although rail links to Manchester are relatively good, improvements to key rail and bus services are essential to support sustainable local economic growth and prosperity.

## **Geography 3: The South Zone**

The Zone includes South Derbyshire, Erewash and Amber Valley. It has a relatively buoyant economy with considerable growth potential, particularly within high value added activities and supply chain development. The Zone is an area of engineering

excellence in the Aerospace, Rail and Automotive sectors. Derby City is an important asset in terms of flows of labour, goods and services

This south is an attractive place to live and has a relatively affluent and highly skilled workforce, although there are pockets of disadvantage and an ageing population. The Zone is planned to accommodate much of the future expansion of the city of Derby, including housing, employment and infrastructure.

A manufacturing growth corridor runs along the A38/A50/M1 and A52, the development of which has been supported by the availability of major brownfield sites and a highly skilled workforce. A key priority is to facilitate further high quality growth and maximise the proximity to East Midland's Airport and Nottingham Enterprise Zone, plus strong road and rail connections, to present an attractive proposition for businesses; road congestion is a key challenge to growth. There is also further scope to develop the rural and visitor economy and revive the prospects of post-industrial and market towns.

## **1.8 Economic Potential and the Case for Change**

Research by the OECD demonstrates that in areas such as D2, *'good infrastructure providing accessibility to markets, improving human capital by reducing the number of workers with low or no skills and increasing involvement in innovative activities are all associated with high levels of growth'*.

Evidence also shows that 'place matters'; because the barriers to growth faced by local communities and local economies vary, a place-based approach is needed with flexibility to adapt national policy to local circumstances, rather than a 'one size fits all' strategy.

Furthermore, the City Growth Commission suggests that 'the quality of governance [partnerships and partners] is a key issue and identifies that devolved finance and governance arrangements were critical success factors.

The three functioning geographies described in section 1.7 above, although having some distinct characteristics, are connected in many ways. Collectively, they contribute to the overall performance of the current D2 economy with many industries, economic sectors and supply chains spanning the three zones. One critical means of connection is transport and other infrastructure, but physical and social geography also play an important part in connecting economic wellbeing. For example, the visitor economy is strongly supported by attractive landscapes and rural areas that stretch from the Peak District in the Northern Zone, through to the Limestone platforms of the North West, along the central spine of the Derwent Valley down to Derby city and ultimately, the National Forest in the South Zone. The total Visitor Economy is worth £1.7bn to the D2 economy and all three economic zones play a significant part in this – and more importantly, offer significant potential for growth.

Another key area of connected economic policy is the ambition to make Derbyshire a 'living wage economy', supporting people to be more financial resilient through tackling

under-claiming of benefits (approx. £112m goes unclaimed each year), providing debt advice and ensuring ensuring appropriate and flexible childcare. Addressing these issues across the D2 area will help ensure parents and local people are able to take advantage of the opportunities and potential within the D2 economy.

Transport infrastructure and networks also provide strong connections across D2 - and linkages to the surrounding areas. The M1 which passes through the east of the county, provides a major spine to the north and south of the country, the A38 and A42/M42 provide connections to the West Midlands and the A50 links D2 to the North West. The economic importance and potential of our road networks are demonstrated in the number of retail distribution centres which have chosen D2 as their preferred location, and these road corridors also provide the location for many of the most important strategic development sites within D2.

The D2 area also benefits from good rail links. The Midland Mainline, although in need of upgrading to match the speed of service on the east and west coast mainlines, passes through Derby and Chesterfield and provides connections to London in the south and Sheffield and Leeds to the north. The main cross-country line links D2 to Leeds, York and Newcastle to the north east, and to Birmingham, Bristol and the far south west. The HS2 eastern line and new station offers the potential to not only improve links with the rest of the country but provides a platform for major new development and generating greater productivity and wealth for the D2 economy.

As the UK's second largest air freight hub, East Midlands Airport is a critical asset and provides access to customers and markets around the world. The potential development of a rail freight interchange linked to M1 J24 could generate a significant number of jobs that could be accessed by residents in the south of the D2 area and supporting supply chains across the wider economy.

Despite its many strengths, the D2 economy is not currently realising its economic potential and has scope to make a bigger contribution to the UK's economy, and specifically to the wider D2N2 economy outlined earlier in this report.

Building on the existing base of advanced manufacturing, pockets of highly skilled workforce and plentiful supply of sites and premises to attract and grow more highly productive businesses, D2 could regain its economic competitiveness and significantly improve the quality of people's lives in the area - if supported by appropriate investment and interventions.

If D2's economic performance could be improved to match national average, it is estimated it could deliver (source: draft Derbyshire Economic Framework):

- **An additional £2.6bn of GVA**
- **41,100 more jobs**
- **4,400 more businesses**

Based on the current levels of performance, there is clear scope to strengthen our approach to:

- **Supporting enterprise and business growth:** through investment in growing businesses in all key sectors; applying funds such as Global Derbyshire; supply chain development and stimulating innovation; inward investment and marketing.
- **Workforce skills and growth:** through joining up employment needs with skills supply to reduce unemployment and ensure the local economy is capable of growing.
- **Investment, place and quality of life:** through integrating transport with regeneration and economic development activity; investing to support key economic centres; tackling broadband connectivity to increase sustainable and high quality growth; establishing innovative mechanisms for securing funding for infrastructure and regeneration priorities.

Critical to tackling this latent growth potential is strong local governance, not only in the D2 area but across D2N2. Ensuring strong partnership working across the public, private and third sectors to facilitate the conditions that underpin economic success will be essential going forward and the D2 governance review has sought to identify and address the areas for improved joint working and delivery.

## 1.9 Developing Distinct Paths for Growth: Relationship with N2 Economy

The D2 and N2 economies share a number of headline challenges: the number of businesses is too low; start-up rates are below the national average; despite improvements, the qualifications held by residents are below the national average and, as a result, our GVA per head is only 80% of the England average and household levels are 86%.

However, despite these common issues, the **two economies are very different**, have followed different growth paths in recent years and need different plans to support future growth, based on distinct and differing drivers. Whilst there is much scope for strong joint working to support the wider D2N2 LEP, it is clear there is a need to develop bespoke interventions to tackle the distinctive challenges.

### Example: Economic Base and Skills Development

The D2 economy is heavily dependent on traditional, engineering-based industries and advance manufacturing (planes, trains and automobiles) whilst the N2 economy is much less dependent on this sector (it accounts for only 10% of employment and 11% of GVA, compared to 17% of employment and 23% of GVA in D2). The structure of manufacturing in N2 is also different, with relatively little employment in advanced engineering and a higher proportion in niche, but growing, sectors such as life sciences.

This difference in the fundamental economic base has a direct impact on work needed to support skills development, training and preparing the local labour market to take advantage of employment opportunities. More specifically, although both economies share a need for basic, work-ready skills to be developed within the labour market, the prevalent economic growth sectors of D2 (advanced manufacturing, visitor and rural economy, aggregates industry) require a very different thinking, different partnerships and different approaches to those needed to support the prevalent N2 economic base.

Furthermore, the service sector, particularly administrative and support services, is much more significant in N2, accounting for nearly three times the share of employment as it does in D2, and even higher in Nottingham city.

### **Example: Visitor Economy**

Whilst both areas have important and growing visitor economies, the cultural and tourism offers are also very different. In Nottinghamshire, the predominant destination offer is around the city, business and retail markets whilst Derbyshire's industrial heritage and cultural heritage provides a strong platform for national and international tourism through offers such as the Derwent Valley World Heritage Site, the Peak District National Park (80% of which is within the county) and historic houses and estates. This economic base also sets the framework for the wider economic supply chain, labour market skills and transport needs.

There are however, aspects of the visitor economy which link the two areas of N2 and D2 and illustrate the need for a strong and coherent D2N2 LEP. This is exemplified by the National Forest which sits across three LEP areas (D2N2, Leicestershire and Staffordshire) and three key local authorities (South Derbyshire, East Staffordshire and NW Leicestershire). The National Forest is not yet reaching its full economic potential and to do so, it is essential D2, working with the support of the D2N2 LEP, is able to influence and shape the future development of the Forest in terms of marketing, tourist offer and supply chain, to help drive the wider D2 (and N2) visitor economy.

### **Example: The Role of City Centres**

**The core city of Nottingham and the key city of Derby also demonstrate very different characteristics and play different roles in the D2 and N2 economies.** Nottingham (and N2 as a whole) has a larger population than Derby (and D2) and the population profiles are quite distinctive. In particular, Nottingham has a notably larger proportion of younger people aged 15-24 (23.2% of the city's population), compared to 14.5% in Derby.

This is largely a reflection of its two universities, one of which, the university of Nottingham, is recognised as a world-class, research institution and is ranked in the top 1% of universities in the world. It plays a critical role in the N2 economy, both as a high value employer in its own right and through the contribution it makes towards innovation, research and development activity to support businesses – in the local economy, particularly in relation to life sciences. Moreover, whilst Nottingham is a large

urban centre providing many and varied employment opportunities, economic activity rates in the wider N2 area are lower than in D2.

Nottingham city in particular has below average levels of economic activity, reflective of the large student population, and has significantly higher levels of long term unemployment (5% points higher than D2), particularly in its deprived neighbourhoods. It does not play the same critical role as Derby in providing high-paid, high quality jobs for local residents. For example, Derby draws over 70% of its workforce from within a 10 kilometre radius [2011 census], the vast majority of which falls within the City boundary or the adjacent Derbyshire districts. A similar pattern occurs in other main employment locations such as Chesterfield. Whilst some journeys to work are made over longer distances to and from other areas including N2, it is clear the D2 economy is to a very large extent self-contained.

These issues, challenges and drivers require distinct and targeted interventions that given the geographical size and disparity of the whole D2N2 area, are best dealt with at a local level; and at the very least, within the separate, recognised functioning economic geographies of D2 and N2. Indeed, the physical geography of the D2 and N2 areas present challenges of their own. Collectively, they cover an area of xx sq miles, the D2 area alone is xx sq miles; with a geography of that size, there is no single, identifiable labour market, or economy, that covers the whole LEP area and again, endorses a more localised approach based on a D2 or N2 geography.

## **2.0 The Review**

### **2.1 Policy Drivers**

The last 5 years have set economic development in a context of political change and global recession; Government policies are simultaneously about cutting costs, lowering debt and creating new opportunities. There is an increased awareness of labour market needs, a real sense of wage fairness and personal responsibility and the need to re-balance the national economy to make the most of local strengths and develop new forward looking economies.

It is within this context, the 39 UK LEPs (Local Economic Partnerships) were created to bring together private and public sector skills and purpose to help address the economic challenges and drive regional growth.

Lord Heseltine's 2012 report, 'No Stone Unturned in the Pursuit of Growth' emphasised the importance of place in economic development, highlighting the diverse opportunities and challenges faced by different local economies across the country. The report recommended that local places are given the initiative to generate local growth, along with incentives to encourage each area to play to its natural strengths and make the greatest possible contribution to national economic growth.

The Single Local Growth Fund and the role of LEPs in leading the development of the 2014-2020 European Programme highlight the enhanced responsibilities which are being devolved to local economic geographies. More recently, the referendum on

Scottish devolution and the raising of the 'English question' has given new impetus to rethinking regional economic geographies.

Within this context, the Greater Manchester area has led the way in securing devolution and stronger local governance to drive economic growth; other metropolitan areas such as Sheffield City Region, West Yorkshire and the North East have followed, building on existing platforms of 'city deals' to target their efforts.

There is now a significant opportunity for the D2 area – and the wider D2N2 region - to put forward its own vision for growth and devolution which builds on the existing economic strengths and assets, maximises the available potential for growth and ensures everyone benefits from increased economic prosperity, enabling the area

Any approach in the D2 area will necessarily need to address the economic conditions highlighted earlier in this report and will need to secure delivery and operate in challenging conditions such as:

- Significant reductions (37%) in public sector finance – and an estimated national local authority funding shortfall of £12.4 billion by 2020;
- Increasing demands and needs from service users –particularly in health and social care;
- Securing sustainable medium term financial strategies
- A fast-paced and changing global economy;
- The need for increasing agility and responsiveness to change.

Despite these challenges, the D2N2 LEP, supported by a new governance structure within the D2 area – now has a real opportunity to embrace a new phase of collaboration which will benefit local people and local business. By aligning resources, efforts and collective strength in the right areas, the scope for economic transformation is significant.

The Government's objective of achieving strong and sustainable economic growth has a strong focus on policies to promote innovation, business growth and skills; including the Industrial Strategy, Investing in Britain's Future and Skills for Sustainable Growth. The important contribution universities make to economic growth has been highlighted in the Witty Review; and it is evident that technological developments and innovation will be an important influence on the shape of future economies.

Alongside Government policy, there is a strong and growing cry from organisations such as the County Council Network for all local areas to have the right to a meaningful package of devolved powers, fiscal freedoms and budgets. This will bring decisions closer to the people they affect, boost economic output and help fundamentally reshape public services.

## **2.2 The Need for a Review**

Whilst increased coordination and collaboration is positive and leads to tangible benefits, it is clear the governance structures of the D2 area needed to be reviewed in

the context of the recent policy announcements and the aspirations of national government to devolve powers and resources to strong local governance structures.

It is important that any future arrangements support and strengthen the LEP in delivering its strategic priorities.

Derbyshire has a functioning economic geography that has strong alignment to the county area, its city, market towns and rural economy - but it also recognises the strength, pull and impact of surrounding conurbations such as Manchester, Sheffield, Nottingham, Birmingham and Leicester.

The relationship of Derbyshire's economy within this wider context is understood and is set out in the Local Economic Assessment and the emerging Derbyshire Economic Framework. In considering the future governance options for D2, regard has been given to this economic context.

Additionally, within D2, it is fully recognised that two tier government does, and needs to continue to, play a vital role in ensuring the delivery of effective, local services. It is responsive to local needs, but agile, strategic and capable enough of adapting to changing circumstances at regional and national level. The spectrum of delivery vehicles across parish, district, city and county council is its key strength and allows responses to be scaled up or down, according to issue.

The relationship with other existing governance arrangements such as N2 and the D2N2 LEP need to be seamless if they are to be successful in transforming economic performance within a complex and fast-paced policy environment. The D2 governance Review has been undertaken in the context of a continually maturing relationship between the D2 local authorities, strengthening relationships with the N2 Joint Committee and its constituent authorities and the on-going development of D2N2 LEP governance.

Accordingly, the question for the D2 governance review has not just been whether our governance arrangements are sufficient today, but whether they will be sufficient to deliver our medium to long-term ambitions.

### **2.3 The Review Process**

The D2 authorities recognise the value of leading and shaping the debate on devolution. Accordingly, D2 Leaders have embraced the opportunity to explore whether more substantial arrangements would provide better scope for tackling the current economic challenges (outlined in Sections 1.2 and 1.5).

To this end, at its meeting on January 2014, the D2 Joint Economic Prosperity Committee agreed to carry out a Governance Review under section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and under the 2008 Transport Act.

In accordance with statutory guidance the purpose of this Review has been to:

- Evaluate the effectiveness and efficiency of existing governance arrangements for economic development, regeneration and transport across the D2 area;
- Consider the options available for making changes to these governance structures and arrangements – such as leaving existing governance unchanged, strengthening or restructuring existing governance arrangements, establishing an Economic Prosperity Board (EPB), and establishing a Combined Authority;
- Recommend which option is likely to be most beneficial to the D2 area and strengthen the overarching governance arrangements across D2 and N2 in a seamless way and contributing to the effectiveness of the D2N2 LEP.

The work of the review has involved exploring and answering three questions:

- 1) Where are we now?**
- 2) Where do we want to be?**
- 3) How will we get there?**

Work has been undertaken by a working group of officers from across D2 authorities, under the direction of a district council Chief Executive. The D2 Chief Executives Group and D2 Joint Committee have been actively involved in the review work, receiving regular updates, challenging current economic performance and providing leadership and direction to the development of D2 economic ambitions.

Challenge and input throughout the review has been provided from the business community via the Derbyshire Economic Partnership; discussions with the third sector; business network organisations such as the Chamber of Commerce; training and education providers and Government departments.

The input and reflections of these stakeholders has helped shape review activity and recommendations, prior to wider public consultation.

### **1) Where are we now?**

Work at this stage involved all D2 authorities examining current strategies, priorities and work programmes to evaluate the level of economic performance across the area. Much of these findings in terms of economic performance are outlined in earlier sections of this report. Anecdotal and consultation feedback was also considered to test the wider stakeholder view of performance.

In addition, the value of economic activity and current funding streams was also evaluated to understand the level of external (Government and European) resource being targeted at the D2 area to help determine the level of effectiveness of current activity and interventions

The table below provides an estimate of the level of investment expected to be made across a range of identified D2N2 SEP themes over the six year period 2015/16 to 2020/21:

Investment in Strategic Priorities – Local Growth Fund							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Business support and A2F	18.6	22.9	26.6	26.6	24.7	24.7	144.1
Innovation	74.4	77.1	79.4	79.4	78.3	78.2	466.8
Employment and skills	93.2	77.2	72.4	71.0	71.0	69.2	454.2
Economic infrastructure	214.7	201.6	170.6	170.6	170.2	170.1	1,097.8
Housing and regeneration	23.3	31.6	32.4	32.7	33.5	34.0	237.0
<b>Total</b>	<b>424.2</b>	<b>410.5</b>	<b>381.4</b>	<b>380.3</b>	<b>377.7</b>	<b>376.3</b>	<b>2,400.4</b>

During the period 2015/16-2020/21, £2.4bn of public sector resources is planned to be invested in economic growth activities across the wider LEP area, including nearly £1.1bn of investment in transport and economic infrastructure; almost £500m in innovation and low carbon activities; over £450m in employment and skills; over £200m in housing and regeneration and more than £140m to support our businesses and ensure they are able to access the finance they need to grow and prosper.

This resource complements that already being invested by the private sector. It is essential that any future delivery arrangements within the D2 (and D2N2) area need to ensure they are appropriate for maximising access, allocation and spend of the available funding to drive growth and success.

An assessment of the level and amount of work undertaken by the ten D2 authorities in relation to activity such as land assembly, marketing, business support and engagement, town centre management, inward investment, strategic transport, housing strategy was also completed. This has helped to identify areas of potential shared activity (particularly around support to major regeneration projects) where greater efficiency and effectiveness of delivery can be achieved and also possible areas of duplication where there is scope to use existing resources differently and secure better value for money. The scope and drive for more joined up approaches and increased effectiveness within the climate reducing resources in local government was significant.

Work also looked at the strength and effectiveness of current working relationships with the area's Local Enterprise Partnership (D2N2), neighbouring combined authorities (e.g. Sheffield City Region [[link to SCR website](#)] and Greater Manchester City Region to determine what the best 'economic geography' was for the area

In particular, the overlap of four Derbyshire local authorities (Derbyshire Dales, Bolsover, North East and Chesterfield) with the Sheffield City Region Combined Authority was considered. Currently, these authorities are non-constituent members of the SCR Combined Authority and benefit from a strong relationship both with the other four South Yorkshire authorities and D2 councils in the Joint Committee.

These overlap authorities are able to vote at the SCR Combined Authority on agreed matters and have a full seat and voting rights at the SCR LEP Board. This is a reflection of the strong economic and transport links, particularly travel to work patterns, supply chains and inward investment. Our Governance Review has been constructed on the basis that these current arrangements in terms of membership, voting and funding for the overlap authorities will continue – and moreover that they will be actively supported and maintained as appropriate; in respect of notional allocation of Government and EU Funds this means a 50/50 split between the two LEP areas.

The Governance Review has also emphasised the need to maintain relationships with the N2 area, which is of significance for Erewash where the housing market area is part of Greater Nottingham. Economic relationships also exist with Greater Manchester, Cheshire, Staffordshire and Leicestershire reflecting cross-boundary travel to work patterns these relationships aren't formalised administratively but do reflect wider natural geographies. In pursuing economic prosperity in Derby and Derbyshire, future governance D2 Combined Authority arrangements will nurture and seek to develop these existing relationships.

Full regard was given to the current overlap areas, travel to work patterns, housing market areas, and economic patterns impacting on the D2 economy, however, the review still concluded the administrative boundaries of the ten D2 authorities provide the most appropriate geographical area for combined authority governance.

## **2) Where do we want to be?**

Activity here was focused on a number of strands:

### **Policy Review**

- Current and emerging Government policy helped provide challenge and direction to the emerging overall shape of D2 arrangements
- A review of existing economic strategies such as the Strategic Economic Plan (SEP) the Derbyshire Economic Strategy Statement (DESS) and the Derby Economic Strategy (DES) helped set the overall vision for what needs to be delivered for the area and builds on the ambitions, priorities and growth potential in D2 identified earlier in this report.

### **Governance**

- The current working arrangements of the wider D2N2 LEP and the potential for strengthening local governance to secure wider programme funding for the Single Local Growth Fund were explored through discussion with key LEP Board members.
- Detailed discussions with and presentations to, the N2 Joint Committee to explore the potential for developing similar and complimentary arrangements as part of the wider work to strengthen and support LEP governance.

## Comparison and Challenge

- Review work also sought to fully explore the ‘art of the possible’ and looked at the proposals and potential of combined authorities in other areas – particularly in Sheffield City Region, the North East and West Yorkshire.
- Independent economic analysis was also commissioned from Ekosgen to help provide objective challenge to the possible areas and focus for growth. Detailed evidence is available in the Economic Impact Assessment undertaken by Derbyshire County Council in June 2014 and the draft Economic Framework.

Issues and initial proposals were shared with the DEP, the D2 Joint Committee and LEP Board members to secure stakeholder input.

### 3) How do we get there?

Work at this stage involved an objective appraisal of different governance and delivery models such as continuing with the remit and scope of the existing D2 Joint Committee; extending the work of the Joint Committee; setting up an Economic Prosperity Board; setting up a Combined Authority.

All the above models seek to drive economic prosperity which, in the Government document *‘Transforming Places; Changing Lives: Taking Forward the Regeneration Framework’*, aim to tackle three priority outcomes for regeneration:

- 1) Improve economic performance and tackling worklessness, particularly in deprived areas
- 2) Create the right conditions for business growth which could include investment in infrastructure, land use, and a better public realm; and
- 3) Create sustainable places where people want to live and work and businesses want to invest.

## 2.4 Summary of Governance Models

An overview of each of the three main governance models considered as part of the review is set out below. More detailed considerations and evidence of the option appraisal exercise are provided in Appendix 1 of this report.

### Joint Committee

The current D2 governance arrangements are a Joint Committee which has been set up as a formally constituted body with some delegated powers; it is not a ‘body corporate’, but is an arrangement for collaborative working. These arrangements have not been set up on a permanent nor binding basis.

The Joint Committee cannot hold funding or functions in its own right, nor can it take on devolved powers from Government. It is not an accountable body within the definitions of the LDEDC Act 2009 and all decisions on proposed actions to drive economic growth, regeneration and transport still need to be taken through the ten individual, constituent local authorities, which can result in delay, ineffectiveness and duplication. Government has advised informally that joint committees are unlikely to be a convincing model for strengthening local governance and not 'strong enough' to respond to the potential freedoms and flexibilities offered through devolution.

### Economic Prosperity Board

An economic prosperity board is a legal entity and 'body corporate', created to promote the sustainable economic development and regeneration of an area. It is an accountable body, can have devolved powers and hold funding. However, there is no provision in the 2009 Act for EPBs to be given borrowing or tax raising powers, nor to have the power to issue a levy to constituent authorities, nor to retain business rates.

The LDEDC Act 2009 provides for an EPB's functions to be made exercisable generally or subject to conditions. It also enables functions to be made exercisable only by the EPB (i.e. the function to be transferred to the EPB) or by both the EPB and the local authorities (i.e. the function is shared). Notably, an EPB **does not** include the transport function undertaken by upper tier authorities and consideration was given to whether an EPB can be fully effective in securing the stated outcomes and demonstrating the statutory tests that will be applied by Government.

Government considers EPBs to be stronger models of governance than joint committees but possibly not be 'strong enough' to compete effectively with other combined authorities as they do not hold transport powers.

### Combined Authorities

As with economic prosperity boards, combined authorities are legal entities and may be given functions of the constituent local authorities in the same way as EPBs.

They may be delegated functions of local authorities and the Secretary of State and can have powers and transport functions transferred to it under the provisions of the Local Transport Act 2008. An advantage of combined authorities is that they attract certain, additional functions and powers in their own right, such as the general power of competence which allows them to do anything they believe will help achieve their stated objective; these powers are not available to an EPB.

The Localism Act 2011 also allows ministers to transfers any other public function to combined authorities which could include, for example, responsibility for skills, support for jobseekers or the ability to set variable business rates. It also provides combined authorities with similar financial powers to those available to Integrated Transport Authorities, including the power to borrow and the power to levy constituent authorities to meet costs that are attributable to transport activities and to fund transport projects.

A combined authority can also borrow for transport purposes but can't fund any activity whose overarching purpose is not to deliver transport objectives or functions by means of the levy or through borrowing.

## **2.5 Appraising the Governance Models**

An option appraisal exercise was undertaken of the governance models. It was led by the Officer Working Group, chaired by the Chief Executive of Bolsover and NE Derbyshire. All local authorities within the D2 area were represented and results were shared, challenged and refined through discussion at varying stages with the D2 Joint Committee, the Derbyshire Economic Partnership, the Chamber of Commerce and other key stakeholders via face to face meetings and workshops. This challenge to the delivery model also included discussion with Government departments.

Further objective challenge to the conclusions of option appraisal and the proposal to create a combined authority is being provided through the wider public consultation exercise.

As part of the option appraisal process, consideration was given to four variations of the three main governance models. These were tested against a number of impact considerations. The options evaluated were:

- 1) Remain as a Joint Committee for Economic Prosperity**
- 2) Extend the role and functions covered by the existing Joint Committee**
- 3) Develop an Economic Prosperity Board**
- 4) Develop a Combined Authority**

The considerations applied as part of the option appraisal work included, in the first instance, the ability of a governance model to meet the statutory tests which will be applied by the Secretary of State in determining whether arrangements will be satisfactory in improving:

- The exercise of statutory functions relating to economic development and regeneration in the area;
- Efficiency and effectiveness of transport in the area; and
- The economic conditions in the area

In addition, other considerations were applied as part of the appraisal process in relation to:

- Opportunities for improved efficiency and effectiveness of delivery
- Nature and impact on relationship with N2 arrangements, D2N2 LEP
- Ability to develop/ improve strategic relationships with other LEPs and combined authorities
- Nature of relationship and impact on transport function
- Impact on decision – making processes: e.g. streamlined/ simplified/ transparency
- Impact on levels of local accountability/ democracy
- Range of Government powers likely to be made available

- Impact on access to external funding
- Ability to take a comprehensive approach to ensuring economic activity is linked to wider ambitions to improve social outcomes across the county
- Sustainability for the long term – e.g. responsive to emerging policy developments
- Any other considerations

Option appraisal was undertaken through a facilitated workshop session. In summary, option 2 (extended Joint Committee) was not seen to be a worthwhile approach as there was little additional advantage to the current arrangements; there was however, strong support from the Working Group for the creation of either an economic prosperity board or a combined authority, although the clear benefits of the latter option were noted in so far as:

- A CA is comparable to the governance arrangements of our neighbouring LEPs and would allow/ support strong mutual dialogue;
- The financial opportunities and freedoms/ flexibilities to improve local economic outcomes are significant;
- Depending on the nature of the transport functions included in the CA, the actual shape and size of it may not necessarily be that different to an EPB.

Some of the additional checks and balances applied through this process included:

- Understanding the original core purpose of the D2N2 alignment at LEP level – ie why a LEP had been originally created covering the D2 and N2 area
- The functioning economic geography of D2N2 generally and of D2 specifically
- Which of the models enabled some of D2's most significant challenges to be tackled (e.g. routes to work, tackling youth unemployment, attracting inward investment, developing market towns, tackling rural disadvantage?)
- Relevance of the option post April 2015, within the context of continuing devolution
- Consideration of anything that is still best managed/ delivered/ negotiated at D2N2 level

More detailed feedback of the option appraisal considerations, pros and cons is included in Appendix 1 of this report.

## 3.0 Interim Findings

### 3.1 Summary

It was concluded that a combined authority presented the best option for D2 in **positively impacting on the economic conditions of the area, and also in providing the best opportunities for improved efficiency and effectiveness of delivery in transport and economic development.**

The strongest functioning economic geography was considered to be the area known as D2 – Derbyshire county, including Derby City - although the overlaps with N2 (Nottinghamshire and Nottingham City), Sheffield City Region and Greater Manchester in particular, as well as Leicestershire, Staffordshire and Lincolnshire, were fully recognised. These overlaps are acknowledged as being important to the economic future of the D2 area, particularly in relation to economic supply chain, travel to work patterns etc.

This proposed geographical area for the combined authority has also been informed by the simultaneous work of the Nottingham and Nottinghamshire local authorities (N2) in undertaking a similar governance review, whereby interim findings concluded that a N2 combined authority was the most appropriate model for tackling distinct N2 economic conditions.

Following immediate conclusion of the option appraisal work, discussion has taken place with Government to challenge whether 2 separate, but linked, combined authorities operating within the 1 D2N2 LEP area could satisfy the statutory tests to improve the overall effectiveness and efficiency of transport and the economy.

Having full regard to the current economic conditions set out in Sections 1 and 2 of this report and the scope for growth within both the D2 and N2 areas, it has been concluded that separate, combined authorities for both D2 and N2 represent the best and most realistic solution. The challenges of creating single approaches to tackling skills, transport, housing etc across a combined Derbyshire and Nottinghamshire county geography would be unlikely to be responsive enough to local need.

The proposal to create a D2 Combined Authority (alongside a separate N2 Combined Authority) will build on the existing collaboration in place across D2, formalising and strengthening this in a way that retains local political commitment. It will allow the area to retain the advantages of scale and impact that come from coordination across the LEP area, whilst recognising the distinct characteristics and challenges of D2 and N2. The proposal is a pragmatic way of strengthening governance, building on existing strengths in both D2 and N2 areas whilst also addressing identified challenges in improving the wider D2N2 LEP governance.

It is believed these proposals will meet the statutory tests of the Local Democracy, Economic Development and Construction Act, 2009 by:

- Providing more effective and accountable decision making for D2, by bringing together the democratically elected leaders from all ten councils in a single formal body which is able to take decisions jointly.
- Strengthening the existing governance arrangements of the D2N2 LEP to deliver the wider ambitions of the Strategic Economic Plan, working alongside the N2 local authorities [link to governance diagram]
- Ensuring strong and effective working relationships with local, private sector businesses, the voluntary and community sector [link to governance diagram]
- Attracting more freedoms and flexibilities from central Government – and ultimately more funding – to ensure the ambitions and improvements can be delivered to the D2 economy

- Ensuring delivery of economic development, transport and regeneration activity will be more effective and efficient through a single, formal combined authority than 10 individual local authorities operating in an informal environment
- Providing significant scope for reducing duplication in the work of the ten individual authorities
- Ensuring the D2 area is able to collaborate and compete effectively with neighbouring areas that also have created combined authorities (e.g. Sheffield City Region and Greater Manchester)

## 3.2 Proposed Governance Arrangements

### Key Principles

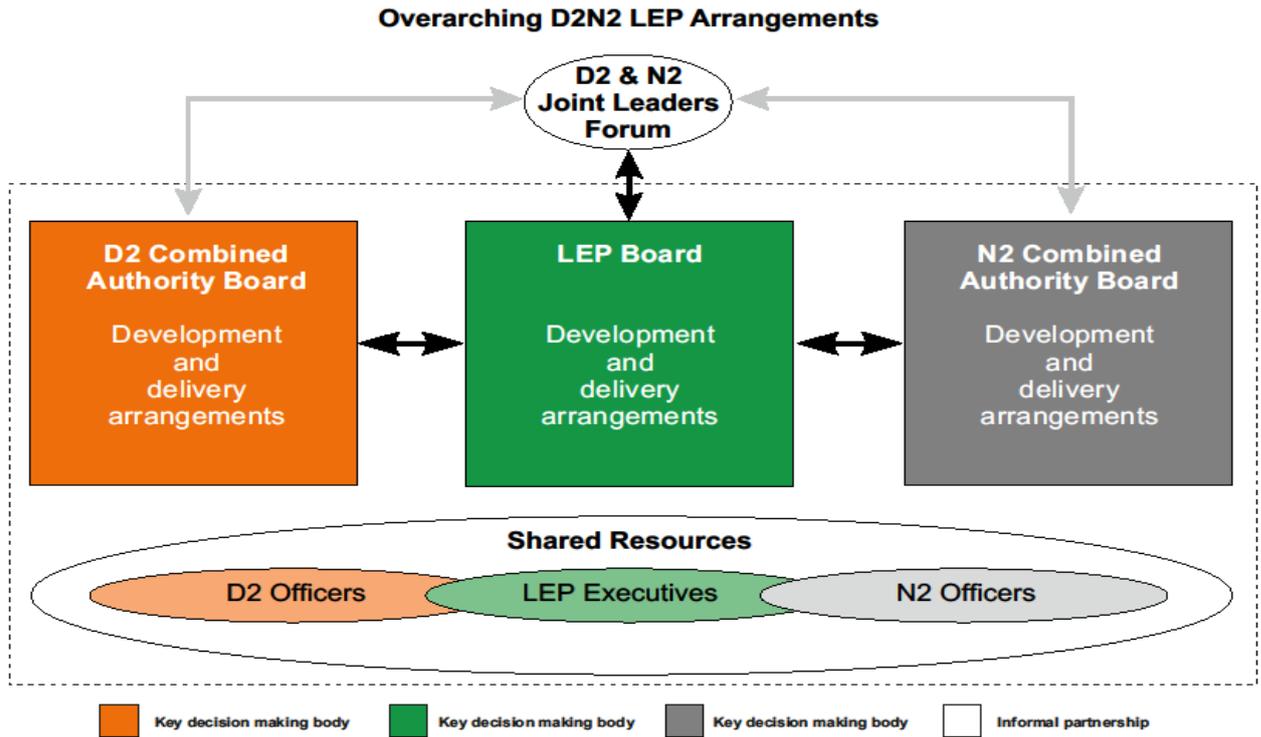
The proposed Derby and Derbyshire (D2) Combined Authority will form an essential element of the overall LEP-wide governance arrangements and will help strengthen accountability and ensure transparency of decision-making. The two new combined authorities will need to work seamlessly with the existing/ reshaped D2N2 LEP arrangements to ensure duplication of effort is reduced and the impact of activity in all areas is maximised.

A new Joint Leaders Forum constituted of all 19 elected leaders from across the local authorities of D2 and N2 is proposed and will help ensure strong collaboration and leadership around key areas of mutual concern and potential opportunity. It is proposed the Forum will meet twice each year – with the D2N2 LEP Board - to consider shared agendas for wider LEP consideration; identify joint areas of work; forward plans; and reflect on progress made. Outside the Forum and as part of the wider arrangements, opportunities for cross-LEP working will be explored and utilised where appropriate.

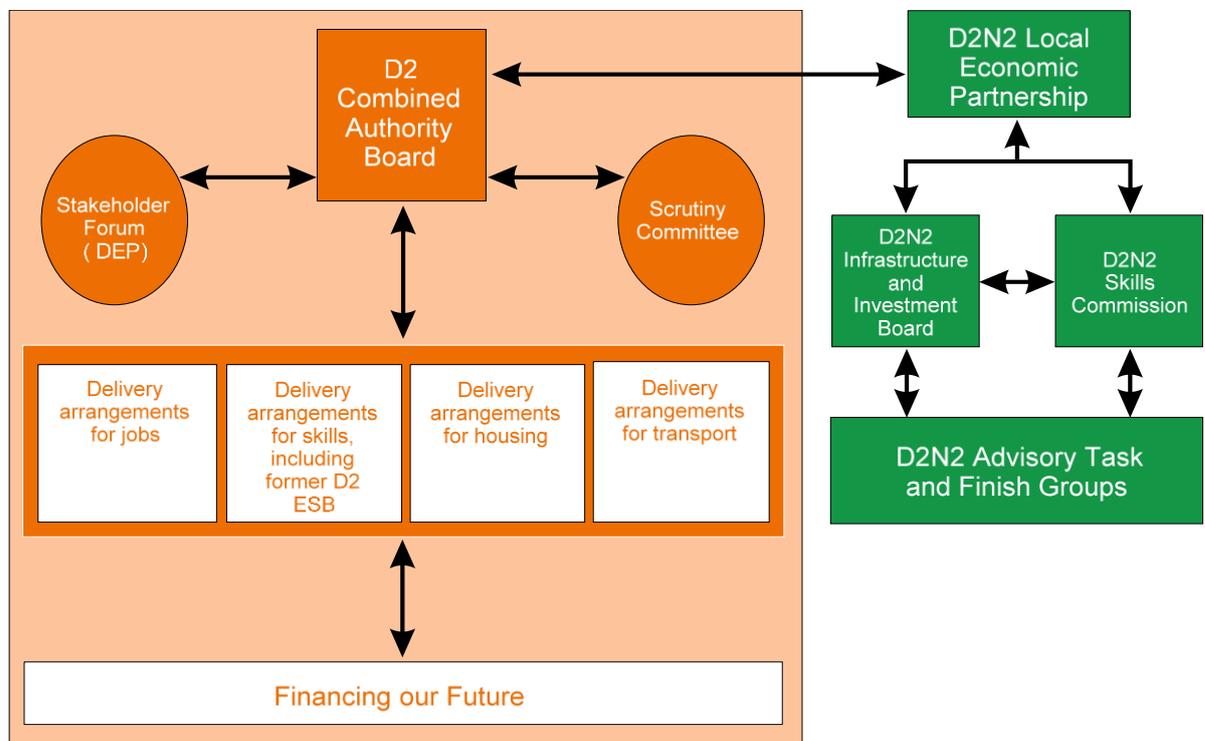
The D2 Combined Authority will play a critical role in ensuring delivery of the D2N2 LEP's agreed growth priorities by alignment of any future plans and strategic (e.g. the emerging draft D2 Economic Framework), with the Strategic Economic Plan.

Although the D2 Combined Authority will be a key decision making arena, it is essential that all parties (LEP Board, N2 Combined Authority) are in agreement with major proposals and a 'mutuality of views' between business sector and local government will be sought at all times.

The relationships of the D2 and N2 Combined Authorities with the D2N2 LEP Board are set out in the diagrams below.



**Figure 8: Overarching Governance Arrangements for the D2N2 LEP and the Combined Authorities**



**Figure 9: Proposed Structure for the Derby and Derbyshire Combined Authority Showing Relationship with LEP**

## **Role of the D2N2 LEP Board**

The LEP Board will continue to be responsible for developing and maintaining the Strategic Economic Plan and determining key funding priorities to which the Local Growth Fund and other resources should be directed, ensuring there is capacity to deliver against those priorities.

Democratic accountability of the LEP will still be secured through local authority leader representation; accountability to business community flows through business leaders on the Board.

The continuing roles and responsibilities of the LEP's Infrastructure and Investment Group will be a key relationship of the wider governance arrangements as the Group will sign off infrastructure proposals in the form of deal sheets for submission to Government and any will be one of the signatories to the Single Appraisal Framework (SAF) through which some future D2 funding priorities are determined.

## **Role of the D2 Combined Authority**

The detailed arrangements for the D2 Combined Authority are set out in the accompanying Scheme but in summary, will be constituted of all ten local authorities within Derby and Derbyshire and will invite a representative of the D2N2 LEP to be a non-constituent member of the CA Board.

Observer status on the Board is proposed to be offered to private and voluntary sector representatives and a Peak District National Park representative who will be encouraged to play an important role in the overall arrangements. Given the strength of relationship with neighbouring areas, observer status will also be offered to representatives from Sheffield City Region, Greater Manchester and N2 and will be supported by protocols or memoranda of understanding as appropriate to help facilitate strong relationship management.

The D2 CA Board will be a decision making and accountable body responsible for developing, agreeing, implementing and monitoring: D2-wide strategies, clear programmes of activity and funding and specific delivery projects. Specific roles and responsibilities of the D2 CA in relation to programmes and funding will link to the LEP-wide Single Assurance Framework and role of the LEP's Accountable Body

Prioritisation of key projects reliant on LEP-related funding will be undertaken using the D2N2 Single Appraisal Framework to secure consistency and certainty

It is proposed that the work programme of the D2 CA will be focused initially around the five ambitions:

- Jobs and employment: work on this ambition will retain/ develop strong links to any existing (and future) sector advisory groups/ task and finish groups of the LEP.
- Skills: it is proposed this will incorporate the work and activity of the D2 ESB. Key links will be developed and maintained with training and education providers,

- Housing: work will include development of strong links with housing providers, developers and the HCA at strategic level.
- Transport: will link closely with the Investment and infrastructure Board of the LEP.
- Finance and investment – this area of work will enable the other four ambitions and the nature, role and shape of activity will develop over time.

The work of the D2 Combined Authority will be undertaken by appropriate groups or committees framed around the five headline ambitions, namely: transport, housing, jobs, skills and investment. This work will be supported by the Derbyshire Economic Partnership (DEP) whose role will be reshaped to ensure the experience and skills of the private and third sectors are used to challenge and shape the work of the Combined Authority.

Achievements will be reviewed and scrutinised through a new Joint Scrutiny Committee which will be made up of elected member representatives of all D2 authorities and will be politically balanced.

The D2 Combined Authority will also consider the need for a separate Audit Committee to ensure probity and transparency in its activities.

### **Functions of the Combined Authority**

Based on the economic challenges within the D2 area and considering the ambitions and priorities of the SEP and the Draft D2 Economic Framework, the key functions proposed to be taken on concurrently by the local authority are listed in the draft scheme but in summary, are around transport strategy development and integrated transport funding; public transport network and facilities supported by a long term (10 year) funding commitment from Government; economic development including co-ordination and commissioning of skills and training and support to inward investment/ jobs growth; regeneration including major regeneration project and programme delivery.

A draft Scheme has been prepared to accompany this governance review and sets out the scope of powers and responsibilities it is proposed the D2 Combined Authority holds concurrently with the ten local authorities.

### **3.3 Resourcing the Combined Authority**

**It is proposed the administrative costs of the D2 Combined Authority will not be any greater than those currently incurred in supporting the Joint Committee and D2N2 LEP arrangements.**

Both financial and ‘in kind’ equivalent costs have been identified in relation to existing activity and these will continue to be directed towards the work of the LEP and D2 Joint Committee/ proposed Combined Authority to support the work and ambitions set out in this report and are confirmed as:

- Financial contribution from upper tier and unitary authorities (Derbyshire County Council and Derby City Council) to D2N2 LEP, currently part of core funding: **total £125,000 per annum**
- Financial support currently directed to facilitating and delivering work of Derbyshire Economic Partnership-related activity (including secretariat activity): £15,000 per each of 10 authorities: **total £150,000 per annum** (commitment to this arrangement has been extended through Derby City's recent agreement to provide funding in recognition of the importance of activity).
- Financial support currently directed to facilitating D2 Employment and Skills Board: upper tier and unitary authority (Derbyshire County Council and Derby City Council) financial contribution of £12,500 each to match fund LEP contribution of £25,000: **total £50,000 per annum**
- In kind contribution of key officers (excluding travel time and costs of officers, time equivalent of elected members and chief officers) currently directed at supporting wider D2N2 governance architecture (primarily LEP and aspects of D2 Joint Committee): **total equivalent financial contribution in kind of £550,120 per annum.**

**Total value of existing financial and in-kind contribution is £875,120/ annum**

In addition to the above, and in line with statutory requirements for establishing a combined authority, the proposed D2 CA will nominate officers from the constituent authorities to undertake the following duties:

- D2 Combined Authority Head of Paid Service
- D2 Combined Authority Monitoring Officer
- D2 Combined Authority section 151 (finance) officer

It has been agreed through discussion at the D2 Joint Committee that nomination/ appointment to these posts will not incur any additional expenditure to the proposed Combined Authority over and above existing costs.

As part of on-going work within each of the D2 authorities, the constituent authorities will continue to meet all costs reasonably attributable to the exercise of their own economic development, regeneration and transport functions.

To confirm therefore, the D2 Combined Authority will agree an annual budget for the purpose of the above range of expenditure; this expenditure is not expected to exceed that already incurred and will be apportioned appropriately across the ten constituent councils.

It is fully anticipated that as governance and delivery models for the Combined Authority are firmed up, then the alignment of available resources will be targeted appropriately, shifting from LEP-wide work to more targeted activity within the D2 area to ensure our plans for economic growth are delivered. The benefit of access to collective D2 resources within the combined authority arrangements means support to D2N2 LEP working groups/ activity etc can be maintained through single, nominated

D2 CA representatives rather than multiple representation from all 10 local authorities; this will be a clear area for increased efficiency and reduction in duplication.

This will be further supported through a nominated 'D2 co-ordinator' who will undertake responsibility for ensuring strong relationship management with N2 and the wider D2N2 LEP; a similar co-ordinator role is proposed by the N2 Combined Authority.

### 3.4 The Proposal

The D2 Joint Committee is ambitious for the prosperity of its residents and the wider region. It is proposing four key areas (ambitions) where targeted intervention at local level will secure significant improvement in either economic development terms, regeneration or transport in the area.

The four key ambitions are:

- **Supporting our People:** Skills – creating a 21<sup>st</sup> Century Guildhall
- **Shaping our Place:** Routes to Work – delivering improvements to public transport networks and transport infrastructure
- **Shaping our Place:** Homes – more homes in the right place to meet local needs and create sustainable communities
- **Supporting our Business:** securing more and better paid jobs for local people

A fifth area of activity, **Financing our Future**, is being developed to facilitate/ enable these interventions and improvements. It is focused on securing increased investment and local flexibility to support our wider growth and prosperity ambitions.

The tables which follow set out the four key delivery ambitions of the D2 Combined Authority and the rationale behind each proposal. Through targeted interventions such as these, it is considered the CA will be able to fundamentally address the economic challenges and barriers that are holding back growth and prosperity in the area.

#### Supporting our People: Skills – the 21st Century Guildhall

##### Rationale:

Local employers are clear that recruiting appropriately skilled people is the challenge to their sustainable growth. There is evidence of skills needs at all levels – ranging from entry level and employability requirements, to the availability of higher level skills in the areas relevant to our business base, (STEM-related skills at all levels).

The ability of our businesses to move up the value chain and increase productivity is dependent on their ability to access appropriately skilled workers.

Furthermore our efforts to tackle unemployment and achieve our ambition to become NEET-free will be undermined if appropriate skills and training, together with high quality careers advice and guidance, is not available and not accessible to all our residents, particularly young people.

### **Why a D2 Approach is Required:**

Having regard to evidence and working with local employers, residents and Government funding agencies we have identified there is a plethora of services [resourced by substantial amounts of government funding] delivered by multiple agencies and organisations.

The size and shape of the current skills and training environment is therefore complex, fragmented and difficult for employers, workers and residents, particularly young people, to navigate. A local response is needed that disaggregates national programmes to ensure local needs are met.

The labour market across the D2 area is not bound by the administrative boundaries of individual Derbyshire local authorities. For example, a substantial proportion of Derby's jobs are held by Derbyshire residents, whilst others commute out of the city to work in the surrounding districts and further afield. Chesterfield has a net in-migration of workers from other local authority areas (Bolsover, North East, Derbyshire Dales) in the north of the county to support its economic base. There is much interdependency, including relationships with other LEP areas such as the Sheffield City Region and Greater Manchester.

Strong and positive partnership relationships already exist between the Joint Committee and key partners such as our local colleges, local business leaders and major employers. These relationships have the potential for being further strengthened and focused on clear, shared objectives.

The complex environment of employer need, skills/ training provision and labour supply needs to be simplified as much as possible and a strategic approach taken to understanding the longer term opportunities of the D2 economy so that entrepreneurship can be encouraged, new skills can be learned and businesses can take advantage of future growth markets.

Our businesses need to know they can recruit appropriately skilled workers, and access relevant training provision, wherever in D2 they are located. Working together, we can influence the provision of education/ training and better shape it to the needs of our economy.

### **The Proposal:**

The D2 Economy needs a comprehensive and co-ordinated approach to working across the identified three strands:

- With schools, HE/FE and training organisations (providers)
- With employers (demand)
- With the active, inactive and potential labour market ( supply)

Our proposal is to develop a 21<sup>st</sup> Century Guildhall which will provide a co-ordinated and integrated approach across these three strands and address, simplifying access to information, ensuring provision is targeted at local need and maximising the effectiveness of available funding coming into the D2 area.

The Guildhall approach will provide a coherent and understood 'marketplace' for employment, skills and learning opportunities to all stakeholders. We understand this is a step change in the way such services are co-ordinated at present and our approach will be one that recognises the significant journey needed by all key stakeholders to fully reach our ambition.

The journey will be:

- Initially to use the brand of the guildhall as the vehicle to raise the profile of all existing services and improve the shared understanding of activity and the impact this has on the local economy. This will provide a clearer, more coherent, more high-profile and

more compelling 'offer' to the employers and young people in the D2 geography.

- But it is just not enough to just co-ordinate existing activity, we want our D2 Combined Authority to work with Government to make real changes to the employment and skills agenda which is currently letting down our businesses and residents./.

### **Data Sharing:**

Evidence suggests that meaningful data and intelligence sharing across the key partners is often difficult. To enable the D2 CA to fulfil its statutory duty on Economic Development there is a requirement to plan for immediate and future skills needs. This will only be achieved if a reliable and consistent approach to data sharing between the D2 CA, its partners and Government is developed.

### **Supply**

- **Careers Advice and Guidance:** nationally, the duty placed on schools via the Education Act 2011 to secure independent, impartial careers guidance for students has led to ambiguity and an incoherent approach to the provision of Careers Advice and Guidance offered to young people (Ofsted 2013); this is no different in the D2 area.
- **Workability/Employability Skills:** all evidence from employers, training providers and DWP Job Centre Plus suggests that even when employment opportunities are available, many of our residents are not "work ready" or in a position to secure and remain in meaningful employment (via the recruitment process) or training.

### **Demand**

- **Support to employers:** there is a need to support employers better by helping secure a ready supply of skilled labour, encourage more opportunities for apprenticeships around our key growth sectors or vulnerable market areas.
- **Joined up thinking:** ensure the provision of co-ordinated advice and guidance on funding streams to support growth - and ultimately create/ manage devolved funding, so that local business/ employer needs can be met.

### **Provider**

- **Employment and Skills:** the D2 local authorities have a number of statutory duties in relation to residents. These include raising the participation age, securing suitable education and training provision for all young people, and reducing youth disengagement among 16-19 year olds, including tracking young people. There is also a legal power to ensure we promote the social and economic wellbeing of residents which could, and should, include encouraging routes to prosperity.
- At present, the D2 partners have limited or no influence or involvement in the funding strategic of central government,, commissioning/contracting activity, or delivery and scrutiny of employment and skills funding activities in the D2 area.
- **DWP Work Programme:** the Work Programme model was designed, commissioned, implemented and delivered in isolation, preventing councils and local partners from offering localised knowledge and expertise. Although there has been improvement since the work programme inception, providers still often operate in isolation from each other and local partners which has led to inefficiencies in terms of Value for Money (VFM) and the actual number of participants finding employment.

**The Offer:**

The greater alignment of labour market, skills and education provision and work with employers will enable D2 to:

- Reduce the number of NEET young people, with an ambition to become NEET-free by 2021
- Bring about a substantial reduction in youth and long-term unemployment
- Ensure D2 businesses are able to access the skills they need to grow and increase productivity
- Ensure publicly funded employment and skills budgets provide better value for money
- Improve outputs across the range of 'destination' measures for young people and those seeking employment

**The Ask, Freedom and Flexibilities**

- Government endorses and supports 21<sup>st</sup> Century Guildhall proposal, and subject to a relevant business case and match funding commit £500k to the Guildhall development (D2 Transformation Challenge Fund)
- Government commits to working with the D2 Combined Authority to strengthen and shape the duty placed on schools regarding careers guidance. For example, Government works with the CA to create a relevant framework of Careers Guidance, along with innovative solutions to be inspected under the Ofsted Regime in D2 Schools.
- Government commits to the creation of a standardised D2 employability accredited qualification that will be developed in partnership with employers, training providers and DWP Job Centre Plus and allocates/ devolves suitable levels of funding from appropriate budgets for its delivery.
- Government commits to working with the D2 CA to agree a stronger approach to the joint collection and sharing of data on employment and skills and reinforces this commitment by entering into relevant data sharing agreements.
- Government commits to working with the D2 CA to identify how we can immediately become part of the commissioning process of central government funded employment and skills budgets.
- Government commits to working with the D2 CA to identify and implement suitable approaches to devolve appropriate Employment and Skills budgets and responsibilities for with an aim to devolved funding being in place 2017 – 2018.
- That the D2 Combined Authority provides Government with a scrutiny role on the Work Programme delivery in the D2 CA until the first round of Work Programme expires in March 2016 and has the opportunity to recommend and enforce changes to current delivery.
- That the D2 Combined Authority acts as the commissioning body for the next phase of the Work Programme in our area and works with Government to compile and commissions locally designed specifications, select and approve providers, and scrutinise local performance and hold providers to account.

## Shaping our Place: Transport– Improving Routes to Work

### Rationale:

D2 is a large area and has a distributed settlement and employment pattern. The majority of the population is concentrated in our city and urban centres and numerous market towns; however, many residents live in sparsely populated rural communities where access to public transport networks is extremely limited.

Many residents travel considerable distances to access employment, and some communities have seen much of the local employment they once relied upon decline or move elsewhere.

Large parts of D2 are rural and relatively sparsely populated, placing pressure on our public transport system.

Our housing and employment ambitions for the D2 economy will create additional demands for travel, putting further strain on our already stretched public transport network with congested roads. Unless action is taken to address current bottlenecks and facilitate access to key development sites the full potential of economic growth will not be realised.

### Why a D2 Approach is Required:

The Joint Committee is ambitious to improve the provision of public transport over the medium to long term but recognises that further investment into bus and rail services will be necessary to achieve this. Tackling road congestion will require a joined up approach between the upper tier authorities and the support/ co-operation of districts and boroughs. The journey for improving the effectiveness and efficiency of transport therefore is:

Our approach to improving public transport networks and the capacity of local roads needs to be fully integrated with our ambitions for increasing skills and employment across the county – and aligned to land use planning - if we are to secure sustainable growth.

Working together at D2 level on these issues means that for the first time, we will provide the joined-up plan that our businesses and residents need to make it easier for people to move around the county and access jobs and skills.

Developing a shared approach to transport improvement that involves all the D2 authorities, unconstrained by the administrative boundaries.

### The Proposal:

Our key priority is a transport system that supports our employment and skills strategy and will enable, rather than constrain, our economic growth ambitions. In order to achieve this, we will:

- Develop and deliver a joint Local Transport Plan for D2 for the first time ever
- Combine the two existing Integrated Transport Capital Grants (Derbyshire County and City) into one shared funding resource (approx. £5m each year) to tackle priorities that will have benefits across the whole of the D2 area cycle lanes
- Develop integrated smarter ticketing arrangements across all transport modes
- Work with Government to secure the designation of D2 as a Better Bus Area.
- Ask for the Combined Authority to be given a range of duties, powers and responsibilities for supporting further public transport improvement – alongside those

- powers held by Derbyshire County Council and Derby City Council.
- Work with the Department of Transport to agree more certainty over longer term funding (10 years) to improve transport infrastructure such as bus passenger facilities, tackling congestion, cycle lanes etc
- Maximise potential of blue and green infrastructure into regeneration proposals.

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- Work with Government to secure the designation of D2 as a Better Bus Area.
- Ask Government for a range of duties, powers and responsibilities to support further public transport improvement – alongside those powers held by Derbyshire County Council and Derby City Council.
- Work with the Department of Transport to agree more certainty over longer term funding (10 years) to improve transport infrastructure such as bus passenger facilities, tackling congestion, cycle lanes etc
- Maximise the potential of existing blue (waterways) and green {cycling and walking} infrastructure into regeneration proposals

#### **The Offer:**

- Improved road network management and road user information
- Improved reliability and accessibility of public transport – bus and rail
- Increase in sustainable travel - number of cycling trips as part of our broader ambition to improve sustainable routes to work

#### **The Ask:**

We are ambitious to create a more strategic and integrated approach between transport, economic development and regeneration. The greater freedoms and flexibilities we are seeking to secure as part of our move to a combined authority are:

- Government support to move from a three year programme of funding certainty to a ten year financial settlement.
- Continued, active and strategic dialogue with Government on how best to secure a sustainable model for bus provision across the D2 area.
- To designate D2 as a Better Bus Area.
- To secure Government funding to develop multi-operator, smarter ticketing arrangements for D2
- Government to apply an individual exemption should the Public Transport Block Exemption not be applicable to the D2 ticketing scheme
- To further develop and share public transport information.
- To develop and share a travel concessions scheme for the combined authority area.
- To facilitate stronger local influence over the work of the Highways Agency and Network Rail

- To use all grant and capital funding as part of a combined authority approach to programme funding to enable greater flexibility of funding allocation to support project delivery
- To use capital and revenue resources in the most appropriate way at local level

## Shaping our Places : Homes

### Rationale:

D2 is home to a population of over 1 million residents and significant population growth is expected over the next 25 years. As a Combined Authority, it is vital we plan and prepare for this growth to accommodate it in a sustainable way, preserving our excellent environment and quality of life whilst encouraging the economic and employment growth needed to support a growing population.

Accommodating housing and business growth is challenging in an area that incorporates both high quality and cherished green belt and open spaces, as well as a large number of former industrial sites which present re-development challenges.

A stronger and more cohesive approach is needed across all D2 authorities to jointly address these challenges.

### Why a D2 Approach is Required:

Many of our local areas faces similar challenges in terms of accommodating expected population growth, bringing brownfield sites back into use and coping with demand to develop greenfield sites.

Working collectively will result in a more integrated way that joins up economic development, transport and major regeneration delivery across both tiers of local government will help ensure D2's housing and employment land needs can be addressed.

To support this, there is a need for stronger strategic and operational intelligence and understanding which will facilitate shared objectives in the need for, and provision of, housing.

### The Proposal:

We will develop a strategic approach to identifying and meeting our housing and employment land requirements, balancing our economic development ambitions with our desire for successful and sustainable communities. This will include the delivery of new and affordable housing to support employment growth, and stimulating our weaker housing markets to ensure much-needed development can take place. We will:

- Prioritise work jointly to accelerate delivery of allocated/priority regeneration sites (Big List)
- Enable and provide more of the right types of dwellings to come forward, recognising that the market alone will not always meet our current and future housing needs.
- Package together stalled housing sites across D2 (through reviewing existing local infrastructure plans and from interventions with HCA), creating a more viable intervention proposition than many separate projects
- Explore the options for developing a joint approach to commissioning the assessment of housing need and private sector stock condition in order to achieve economies of

scale whilst recognising distinctive local market areas.

- Jointly commission affordable housing programmes, such as rural housing, as a county partnership to support the work of individual districts.
- Improve access to affordable homes, including consideration of an integrated D2-wide on-line choice based lettings scheme .
- Complement the development of housing schemes through a more formal partnership of public agencies that are essential to housing delivery, e.g. Highways Authority and work with the HCA at D2 area level to better compete for resources within the Midlands
- As a county partnership, develop closer links with housing associations (e.g. for s106 schemes, affordable housing schemes, rural and supported housing developments) to achieve greater certainty in the development process and ensure D2 benefits from working with housing associations with the greatest resources to invest in the county
- Improve efficiency and effectiveness in the use of resources by utilising staff and other resources to build up strong 'virtual' teams with specialist knowledge of niche issues. This will help develop improved and consistent relationships between housing teams across D2 and will secure a more integrated approach to meeting housing need e.g. through a cohesive approach with adult care, learning disabilities and mental health to ensure the housing needs of vulnerable people are addressed.
- Assess skills sets of strategic housing and enabling officers across the county to promote sharing resources, best practice and allow capabilities in one authority to be used to support needs in another authority.

**The Offer:**

- 5 year housing supply evident within local plans
- A new model for delivering more and affordable housing to meet local needs
- Combined authority to lead on the joint commissioning and delivery of resource
- Key procurement activity

**The Ask:**

- A new approach to working with HCA to unlock stalled sites
- Recognition of the agreed local joint approach to housing provision

## Supporting our Businesses: Jobs

### Rationale:

Nearly 90% businesses in D2 are micro businesses (fewer than 10 employees). Along with small and medium enterprises (SMEs) they are the lifeblood of the local economy. However, apart from signposting businesses towards commercial advisors, the D2N2 Growth Hub is planning little in the way of ongoing support for these businesses.

Micro and small/medium enterprises with growth potential have the capacity to generate new and better jobs, take on more employees, drive up skills and help the local economy prosper. The Combined Authority has the ability to fill a gap left by LEPs concentrating support on large firms and large employment sites.

Parts of D2 continue to have a high dependency on public sector employment. Providing sustainable private sector jobs is required to reduce the reliance on a shrinking public sector in order to prevent unemployment and underemployment problems in these areas.

Lower wage, lower skilled jobs dominate parts of Derby and Derbyshire (including the Peak District). In these areas, the need is less for more jobs and instead for better quality jobs.

### Why a D2 Approach is Required:

Support for growing micro, small and medium (MSM) enterprises is needed to unlock the significant jobs growth potential in this business segment.

Government and LEP support often gravitates towards the larger firms and employment sites, leaving a gap for D2 to fill. Better quality jobs are required and the support for businesses identified as key growth sectors in the D2 economy will be critical to future success.

### The Proposal:

We will

- Provide financial support to grow micro, small and medium sized (MSM) enterprises and start-ups – growing our business base by supporting firms with growth potential
- Unlock smaller stalled employment sites with planning consent by funding necessary infrastructure and remediation – enabling business and employment growth
- Seek better quality (higher wage) jobs to better retain local people in local jobs in the Derby and Derbyshire economy
- Reduce the heavy dependency on public sector jobs

### The Offer:

- Creating 800 new private sector jobs in firms with growth potential by providing financial support tailored to micro, small and medium sized businesses
- Target skills funding to intelligence-led initiatives (rather than provider-led initiatives) with an emphasis on higher-waged, higher-skilled roles; and use local knowledge to spot innovative opportunities
- Enabling new private sector jobs in those parts of Derby and Derbyshire most heavily dependent on public sector employment through focused initiatives including developing new jobs markets
-

**The Ask:**

- Regional Growth Fund finance to create a new Global Derbyshire support fund tailored to micro, small and medium sized businesses with solid growth plans
- Engagement from HCA on smaller scheme packages
- Transition funding for areas that suffer significant public sector job losses

**Enabling Delivery of Our Ambitions**

Despite some improvement in economic conditions, parts of the D2 area continue to face significant challenge. Poor financial viability means the development potential of some sites is difficult to achieve, constraining economic growth.

Over and above Government-funded programmes, additional investment is needed to pump prime regeneration and support the required infrastructure improvements that could unleash higher levels of economic growth in D2.

There is significant scope in the Localism Act and related Power of Competency for the D2 local authorities to create a range of innovative investment vehicles that could help generate funds by maximising the available assets within the public sector estate, increasing access to other public and private funding, providing opportunities for borrowing and re-investment and creating wealth in the local economy.

We will explore and develop a suite of appropriate mechanisms, including joint venture companies. Our approach will be supported by the creation of a list of priority projects and schemes developed using the D2N2 LEP single appraisal framework and related spatial map showing key sites and transport proposals to create a 'strategic plan' for driving our shared comprehensive regeneration programme

**3.5 Consultation on the Proposal to Create a D2 Combined Authority**

The D2 Joint Committee has undertaken a strong process of engagement with key stakeholders from across, and outside the area. A major consultation exercise has been undertaken between 2 January 2015 and 23 January 2015 to test local support on the proposal to create a D2 Combined Authority and the proposed ambitions outlined above.

In preparation for public consultation, a stakeholder 'map' of the different types of interests was developed and each of the ten local authorities has participated in sending out information to specific agencies and organisations in their area. All council employees, elected members, parish councils etc have also been canvassed for views via an on-line questionnaire. Information published to support the consultation exercise had different sections designed for different stakeholder groups and provided the reader options for how much detail to access. The site was advertised through magazines and social media and members of the two citizens' panels, one for Derbyshire and one for Derby city, were individually invited to participate.

The full list of the consulted groups is provided at Appendix 2; but in summary they include:

- Local residents
- Council employees
- Elected members
- Members of key partnerships
- Organisations with an interest in rural concerns
- Chamber of Commerce
- Federation of Small Business
- Private sector organisations and business/ economic networks including the creative industries
- Transport providers and users
- Tourist organisations
- Housing providers and developers
- Further and higher education providers, secondary schools and academies, Job Centre plus
- Voluntary sector organisations and umbrella groups
- Neighbouring local authorities and combined authorities
- Members of Parliament (D2 and N2)

In addition to the on-line survey, specific face to face sessions and workshops were held to add more qualitative content to the consultation processes. This has included: direct discussion with the Chamber of Commerce; workshops with education and training providers on the skills ambition; facilitated discussion with the Derbyshire Economic Partnership and D2N2 Local Transport Board; provision of a D2N2 LEP Board drop-in session for private sector members; and briefing session for MPs (attended by nine MPs from across the D2N2 area)

At the time of writing, almost 600 responses to the on-line questionnaire have been received showing overwhelming support (strongly agree or tend to agree) with the proposals to create a combined authority based on the Derbyshire and Derby city geography, tackling the five ambitions outlined above. An additional 180 qualitative comments have also been received raising a number of additional queries or comments (many of which have misunderstood the proposal as 'merger' of the ten local authorities, which is clearly not the case)

Once consultation has closed on the 23 January, more detailed analysis will be undertaken of the responses and reported verbally to Cabinet/ Council meetings. This analysis will be included as Appendix 2 to this review report.

## 4.0 Next Steps

Following completion of the public consultation exercise, the results will be analysed and used to inform any refinements or final amendments to this review report, the proposal to create a D2 Combined Authority and the draft Scheme as appropriate.

It is anticipated that a submission will be made to Government in mid-February 2015, alongside an accompanying and complementary submission by the N2 Joint Economic Prosperity Committee to create a N2 Combined Authority.

Government will then consider the proposals and undertake work to prepare a statutory, legislative order prior to conducting a formal, statutory consultation exercise.

During this time, and until such time as the D2 Combined Authority is enacted. It is proposed the D2 Joint Economic Prosperity Committee will continue to meet and undertake work around its shared priorities, in particular, any necessary preparation for the delivery of the five ambitions of the CA.

# Option Appraisal Exercise

## 1.0 Approach

Following the Joint Committee meeting in March 2014, D2 Leaders agreed to pursue a governance review to:

- Evaluate the effectiveness and efficiency of existing arrangements for economic development, regeneration and transport;
- Consider the options available for making changes to these governance structures;
- Recommending which option is likely to be most beneficial to the D2 area.

This work was strongly supported by the D2N2 LEP which encouraged the Joint Committee to consider all the possible options – including combined authority – for strengthening local governance.

The key driver for reviewing D2's governance arrangements was to consider whether there were more appropriate arrangements for delivering improvements to the economic wellbeing across Derbyshire and also to ensure the significant powers and funding potentially available for more local control and devolution could be drawn down in full.

The range of non-local authority funding available to the wider D2N2 area was recognised as substantial and noted to include (although not exclusively):

- **Funding to HE/FE** to support innovation (eg. Technology Strategy Board)
- **Skills funding** delivered through agencies such as UKCES (UK Commission for Employment & Skills) and the Skills Funding Agency (SFA).
- **HCA** has a number of funding programmes and tools responsible for the delivery of the Affordable Homes Programme, Get Britain Building and the competitive Local Investment Fund (LIF).
- **Regional Growth Fund:** part of Government's "Plan for Growth". RGF is part of Government's 'Plan for Growth' programme; it is a national £3.2bn fund established to help create private sector jobs throughout England. Derbyshire projects currently include: the Global Derbyshire Small Business Support Programme (£3m DEP programme); Unlocking Investment for Growth (UI4G) (£5m D2N2 scheme) aimed at unlocking £20m of direct investment creating over 200 jobs; Derby Enterprise Growth Fund (DEGF) part of the £40m award received as part of RGF2; Unlocking Business Investment" (£25m programme from SCR available in the northern overlap districts).
- **Single Local Growth Fund** - single pot of £1.6bn over the next spending round made up from: local Major Transport funding; local Sustainable Transport Fund;

Integrated Transport Block; FE Capital; HRA borrowing; ESF & RGF revenue match

- **Community Led Local Development (CLLD)** - £10m, model allows local communities to develop programmes to tackle specific issues.
- **Growing Places Fund (GPF)** - revolving £25m fund for D2N2) used to kick starting major physical regeneration projects.

## 2.0 Option Appraisal Methodology

An appraisal of the governance models was undertaken initially by the D2 Officer Working Group, with subsequent challenge to the results being provided by the Derbyshire Economic Partnership (including third and private sector partners); the Joint Committee (made up of all Leaders, the LEP Chair and LEP Chief Executive); Ekosgen (in terms of ability of the preferred option to drive economic improvement) and more latterly, by Government departments such as BIS and DCLG.

Three distinct governance models were considered as part of the option appraisal exercise and these are outlined below:

- **Joint Committee**
- **Economic Prosperity Board**
- **Combined Authority**

It was considered there were two variations for the first model (Joint Committee) and so a total of four options were appraised:

- **Status quo: retaining the current scope and remit of the D2 Joint Committee**
- **Extending the remit and scope of the current Joint Committee to include additional areas of work**
- **Economic Prosperity Board (economic development and regeneration functions)**
- **Combined Authority (economic development, regeneration and transport functions)**

Considerations employed as part of the appraisal methodology ensured compliance with the relevant LDEDC Act 2009 (and Local Transport Acts) therefore, specific attention was given to establishing and evidencing which model would bring about an improvement in the D2 area in relation to:

1. The **exercise of statutory functions** relating to economic development, regeneration and transport in the area;
2. The **effectiveness and efficiency** of transport and economic development and;
3. The **economic conditions** in the area.

The option appraisal exercise considered the above statutory tests against each of the options, noting that no clear definition has been provided of 'economic development and regeneration'.

*NB: Government guidance on undertaking governance reviews under the Local Transport Act has been available for some time. DfT has confirmed it is looking for the following headline issues to be addressed in the formulation of governance arrangements in order to be accountable for devolved major transport scheme funding:*

- *Effective alignment between decision making on transport and decisions on other areas of policy such as land use, economic development and wider regeneration*
- *Robust and streamlined decision making arrangements which allow necessary decisions to be taken on complex and difficult issues in a timely and transparent manner*
- *A real enhancement of delivery capability and capacity by taking a coherent and integrated approach to managing currently fragmented transport planning and delivery skills and capacity*

The approach also tested whether the following principles could be achieved:

- Add value to delivery of the wider D2N2 LEP economic outcomes contained in the SEP and specifically, those included in the DESS, DES – and more latterly in the draft D2 Economic Framework.
- Add value to, and strengthen, the working relationships between local government and the LEP – making them clearer and more transparent;
- Enable stronger local control over funding and powers which would otherwise be managed from Government;
- Enable more effective working with key partners and agencies – in the public sector, the private sector and the voluntary sector;
- Identify and consider opportunities to better manage infrastructure funding – specifically transport – but also digital;
- Enable strategic decisions on economic investment and business growth (and transport) to be made at the most appropriate administrative and geographic level;
- Create capacity for clear agreement to be reached on the most challenging strategic issues;
- Enable, where appropriate, efficiency savings to be realised, either financial savings from improved service delivery and co-ordination or time and transaction cost savings through reduced fragmentation of decision making and strategic planning; and
- Create the appropriate arena for strategic debate, thereby securing confidence in the scope for greater devolution and increased powers/ responsibility in the medium and longer term.

### 3.0 Governance Models

The following paragraphs provide an outline of the three governance models considered as part of the option appraisal exercise. These definitions were shared with the D2 Working Group, and in subsequent arenas such as the Joint Committee and DEP Board to ensure there sound understanding of the purpose, function and potential of each of the options.

#### Joint Committee

A joint committee is not a 'body corporate' but is an arrangement for less formal, collaborative working; as such, they are not set up on a permanent nor binding basis but are primarily a voluntary partnership of organisations focused around common objectives.

A joint committee cannot hold funding or functions in its' own right, nor can it take on devolved powers from Government.

It is not an accountable body within the definitions of the LDEDC Act, 2009 and as a result, all decisions need to be taken through the individual, constituent local authorities. Government has advised that joint committees are unlikely to provide a convincing delivery model or not be 'strong enough' to respond to the potential freedoms and flexibilities offered through devolution.

#### Economic Prosperity Board

An economic prosperity board (EPB) is a legal entity and 'body corporate' created for the express purpose of promoting the sustainable economic development and regeneration of its area. There is no legal definition of 'economic development and regeneration', nor the functions that relate to these activities.

An economic prosperity board **is an accountable body** and therefore can have devolved powers and hold funding. However, there is no provision in the LDEDC Act, 2009 for EPBs to be given borrowing or tax raising powers, nor to have the power to issue a levy to constituent authorities, nor to retain business rates.

Legislation permits any function of the participating local authorities to be granted to an EPB but any proposals to create such a board must make the case for how those functions will enable it to fulfil its purpose.

The LDEDC Act 2009 provides for an EPB's functions to be made exercisable 'generally' or 'subject to conditions'. It also enables functions to be made exercisable only by the EPB (i.e. the function to be transferred to the EPB) or by both the EPB and the local authorities (i.e. the function is shared).

Notably, an EPB **does not** include the transport function undertaken by upper tier/ unitary authorities and consideration must be given as to whether an EPB can be fully effective in securing the stated outcomes and demonstrating the statutory tests that will be applied by Government (if transport is not included).

Economic prosperity boards are funded by the constituent councils. The basis on which the contribution of each participating council is determined is not specified in the Act and is agreed locally when drawing up detailed proposals.

The Secretary of State may give funding to EPBs under section 31 of the Local Government Act 2003, although it is unlikely that Government will provide any additional funds to EPBs over and above those which would already be provided to the area for the activities being carried out.

Feedback from Government suggests that EPBs are considered to be stronger models of governance than joint committees. It should be noted that adjacent local authority areas in Sheffield City Region and Greater Manchester have combined authorities and consideration should be given to whether an EPB would be 'strong enough' to compete effectively with neighbouring areas.

### Combined Authorities

As with economic prosperity boards, combined authorities are legal entities ('body corporate') and may be given functions of the constituent local authorities in the same way as EPBs. It is for local authorities to propose the functions the new body will need and to justify this decision.

In addition, combined authorities may be delegated functions of local authorities and the Secretary of State and have powers and transport functions transferred to it under the provisions of the Local Transport Act 2008.

A clear advantage of combined authorities is that they attract certain, additional functions and powers in their own right, such as the general power of competence which allows them to do anything they believe will help achieve their stated objective; these powers are not available to an EPB.

The Localism Act, 2011 also allows ministers to transfer any other public function to combined authorities which could include, for example, responsibility for skills, support for jobseekers or the ability to set variable business rates. Although the Government could, in theory, devolve these responsibilities to individual local councils, ministers have made it clear they prefer to deal with combined authorities because the type of powers councils want would affect whole regions.

The LDEDC Act, 2009 provides combined authorities with similar financial powers to those available to Integrated Transport Authorities, including the power to borrow and the power to levy constituent authorities to meet costs that are attributable to transport activities and to fund transport projects. A combined authority can also borrow for transport purposes but can't fund any activity whose overarching purpose is not to deliver transport objectives or functions by means of the levy or through borrowing. These other costs would need to be met by constituent councils according to an agreed formula, as is the case for EPBs.

The Secretary of State has the power to give section 31 funding to a combined authority but does not expect to use this power to provide a level of funding over and above the

level previously awarded to the constituent local authorities for the activities that the combined authority carries out.

#### **4.0 Appraising the Options**

Analysis of the four governance options was undertaken ‘without fear or favour’ and within the context of existing national, regional and local economic and delivery challenges. The range of potential opportunities around enhanced freedoms, flexibilities and powers – and the scope for further devolution in the medium/ long term were inherent considerations.

##### **1) Status quo: Retaining Current D2 Joint Committee**

It was noted the current D2 Joint Committee had been set up to undertake the following activities:

- To act as the local public sector decision making body for strategic economic development at the D2 level (Derbyshire and Derby City)
- To develop and subsequently monitor investment plans utilising Government and EU funds for Derby and Derbyshire
- To own, monitor and review the Derby and Derbyshire Growth Plans and associated investment plans
- To maintain an on-going dialogue with the Derby and Derbyshire business community through the relevant economic advisory boards (ie DEP and DRB)
- To oversee the planning, alignment and performance of delivery partners and organisations in order to achieve more effective and efficient commissioning and ultimately better outcomes
- To hold to account relevant bodies whose work impacts on the economic wellbeing of Derby and Derbyshire

The remit of the Committee falls within the broader governance structure of the LEP and is required to work closely with the current N2 Joint Committee for Economic Prosperity and neighbouring authorities in the Sheffield City Region Combined Authority (SCRCA) and Manchester City Region Combined Authority (MCRCA) to ensure fully effective arrangements for the purpose of progressing economic development, regeneration and transport. There is no formal, statutory mandate for this partnership approach and much is undertaken on the basis of goodwill and a commitment to collaborate.

By and large, the existing D2 Joint Committee arrangement was considered fit for purpose as a strategic, but informal, partnership. The continuing maturity of the arrangements was recognised and it was noted that good progress had been made on

key issues such as collaboration around Growth Deal, developing broad thinking on HS2 and delivering digital infrastructure.

The Joint Committee was recognised as a key part of D2N2 LEP governance and delivery and in fulfilling a key role in activity such as Growth Deal around:

- Demonstrating wider commitment to growth;
- Aligning and pooling local authority capital and revenue spending on growth;
- Effective collaboration on economic development activities;
- Ensuring synergy with local growth programmes.

However, the option appraisal process also fully recognised that ‘firmer and stronger local governance arrangements’ – particularly in relation to accountability and transparency brought through the involvement of local government; this was considered critical if the D2N2 LEP is to improve governance and secure the greater confidence of Government for delivery and devolution of powers and funding.

In addition, it was recognised that to achieve the vision and priorities set out in the DESS and DES, stronger and more formal delivery arrangements would be needed to address current levels of fragmentation. For example, in providing advice and support to businesses; supporting inward investment and marketing; preparation, prioritisation and delivery of major regeneration programmes such as The Avenue.

Furthermore, it was acknowledged that the areas covered by functional economic markets (e.g. travel to work patterns) are typically significantly larger than individual local authority boundaries and through the option appraisal discussion, it was acknowledged there was scope for improvement to joint decision making and stronger co-ordination of activity to address such issues.

The need for more streamlined and accountable arrangements to make decisions, manage risk, delivery and performance was agreed to be essential to addressing the economic conditions of the D2 area.

It was considered that a joint committee arrangement would not fulfil this challenge and it was concluded the ‘status quo’ option was sub-optimal because relevant transport and economic development roles were currently fragmented and with the Joint Committee, there would be no single, accountable body to take strategic decisions. It would be likely therefore, that opportunities could/ would be missed for:

- Investment in major transport and other economic infrastructure
- Securing business investment
- Drawing down funding and devolved powers to support growth which would otherwise be controlled by Government

## **2) Improving the Existing Joint Committee**

The option to extend the scope and functions of the current Joint Committee was also considered.

The potential to include additional functions such as strategic planning, transport and housing and to extend the working arrangements of the Committee itself – perhaps through discussion with the LEP around matters of delegation and delivery – was noted.

However, it was considered the underlying issues and limitations of the Joint Committee would remain the same (see above) – with inherent advantages and disadvantages.

The issues around strategic fragmentation identified above would not be addressed and it was noted the functions, duties and powers which constituent members would be able to delegate – even to an extended Joint Committee – would remain limited. Where key decisions were needed, the Joint Committee would still need to refer decisions back to the individual district authorities to authorise.

It was also recognised that remaining as a Joint Committee would not enable D2 to compete effectively against other economic geographies and city regions for the Single Local Growth Fund for which Government will expect strong local governance to be in place *“manage and account for localised funds through binding and long lived decision making structures such as a joint leaders committee as a minimum, or combined authority (preferable), or other similar arrangement”*.

For similar reasons to those outlined above, it was considered that extending the joint committee arrangement remained a sub-optimal option; fragmentation because relevant transport and economic development roles were currently fragmented and with the Joint Committee, there would be no single, accountable body to take strategic decisions and opportunities to improve the overall economic conditions of the area would be missed.

## **3) Economic Prosperity Board**

As part of the wider discussion, it was noted there is no legal definition of ‘economic development and regeneration’, nor the functions that relate to these activities. Legislation allows for any function of the participating local authorities to be granted to an EPB and it is for local authorities to put forward which functions should be included.

In the overall ‘hierarchy’ of options, it was noted as being the first of the more formal vehicles for strengthening governance, improving confidence and credibility and providing a single arena for strategic decision-making.

It was also noted that as a statutory body, an EPB and shares many of the features of a combined authority in that it has legal status and would provide a strong basis for taking on devolved powers and funding around economic development and regeneration, e.g. accountable body for a Single Local Growth Fund etc.

Because an EPB does not include the transport function however, it was acknowledged that its ability to fully address to the prevailing traffic and transport conditions of the D2 area would be limited. Neither would it be able to address the DfT's requirements around ensuring: effective policy alignment in areas such as land use, economic development and wider regeneration; robust, streamlined and timely decision making; enhancement of delivery capability by integrating fragmented transport planning and delivery skills and capacity.

More specifically, because an EPB could not raise a levy, nor have borrowing powers to fund investment, it was not considered an appropriate governance model for the creation and management of the integrated transport fund.

Overall, it was felt there were obvious benefits to be gained from a more serious and coordinated approach to economic development, regeneration and transport and would avoid the need to create different decision making arrangements within D2 for economic development and transport.

In conclusion, it was considered that an economic prosperity board would go some way to addressing the governance deficit within the D2N2 and would provide the necessary strategic arena for economic development and regeneration. However, it would fail to integrate transport in any meaningful way and therefore, would not provide the best vehicle for addressing economic conditions.

Moreover, it would require some duplication of effort to facilitate separate transport discussions and decision making, failing to provide effective and convenient government.

#### **4) Combined Authority**

Of all the options, it was considered a combined authority presents the most comprehensive vehicle for supporting economic growth. Combined authorities may be given functions of the constituent local authorities in the same way as EPBs and it is for local authorities to propose the functions the new body will need and to justify this decision.

The three previous options all have considerable weaknesses, in particular in their fitness for purpose going forward; taking advantage of the growing devolution agenda; and facilitating parity of governance with adjacent areas.

It was acknowledged that a combined authority would provide visible, stable and streamlined arrangements in which Government can have considerable confidence for delivery and devolution. For example, it would be ideally placed to act as the accountable body for the integrated transport fund, and any agreed share of fiscal uplift created by locally driven economic growth. It would also significantly reduce any ambiguity, complexity and duplication in relation to aligning strategic transport regeneration and economic development.

Fostering stronger, shared objectives linked to the DESS and DES – and in delivering the SEP's ambitions – would bring clearer focus on regionally important issues such as Markham Vale and other Enterprise Zones, Midlands Connect and HS2. In providing a common governance platform with N2 and Sheffield City Region, a D2 Combined Authority would also support a strong counter-balance to any adverse impacts of the Leeds/ Manchester 'northern powerhouse' and moreover, would support a strong north Midlands economy.

Although the legislation does not suggest CAs are primarily aimed at producing efficiency, it is recognised that they need to operate in an environment of reducing public sector budgets. That is the financial reality in which any D2 governance body would be established.

In conclusion, the above analysis from the option appraisal exercise strongly suggests that a CA would present the optimal governance option for delivering more effective and efficient transport, regeneration and economic development functions, subject to the key issues being addressed around relationships with adjacent and overlapping areas (SCR, Greater Manchester and Nottinghamshire); finalisation of ambitions, offers and asks to Government; appropriate support/ secretariat structures being put in place; any other aspects of detailed design and constitution.

**ANALYSIS OF PUBLIC CONSULTATION**

## Analysis of Public Engagement Results for the Proposed Derby and Derbyshire Combined Authority

### Introduction

This appendix provides an overview of the engagement process and sets out a detailed analysis of consultation results, including initial responses from the Joint Committee to the issues raised, where appropriate.

The D2 Joint Committee recognises this is a complex proposal but believes that securing the genuine input of local residents, businesses and other stakeholders is critical to ensuring the final combined authority proposal is fit for purpose and has as much local support as possible.

First of all, the D2 Joint Committee would like to thank the 734 people who responded on line and the 24 who made direct contact by phone, visit, letter or e-mail. The volume of this response is very encouraging and indicates the local level of interest in this proposal. Headline results show that two thirds of all respondents support the combined authority proposal which gives the Joint Committee a strong mandate to go forward.

One person gave this advice about the way to proceed:

*“Working together can only be a good thing... the principles of working together should slowly evolve .....there should be no fear of having to get things right from the start.”*

In this spirit of collaboration and learning, this appendix summarises the consultation responses and acknowledges where issues/ concerns were raised; it lays the ground refinement to the proposals and for future engagement and cooperation in developing the D2 Combined Authority.

The Derby and Derbyshire local authorities have a strong history of partnership working and in engaging with stakeholders in a meaningful and genuine way. As work on the governance review progressed, proposals were shaped and enhanced through dialogue and challenge by key stakeholders; this is perhaps one of the key reasons for achieving such a high level of response.

## **Approach and Methodology**

The D2 Joint Committee has welcomed individual responses and reflections from its constituent member authorities as part of the consultation process. Derby City Council, Derbyshire Dales District Council and Chesterfield Borough Council all wrote to the Chair of the Joint Committee to express support and encourage continuing development of the detailed proposals in key areas, particularly in relation to the overlap with Sheffield City Region.

All ten local authorities have ensured good communication with staff, partners, employers and agencies across the county. Initially the sharing of information was informal but as the submission took shape, a formal process was planned and a website built, acting as the central point for information and participation.

A stakeholder 'map' of different interest groups was developed; each authority used existing, internal systems to contact the staff and elected members and external networks to reach key stakeholders.

The website was specifically developed to ensure information was presented in a way that was easily identifiable and accessible to the different stakeholder groups and gave options as to how much detail to access. All the windows led to the same questionnaire which had been designed to help evidence the statutory tests for a combined authority. Respondents were encouraged to make direct contact with named individuals or to seek help at a local library if they needed paper based information.

The website was advertised through magazines and social media; members of the two citizens' panels (Derbyshire county and Derby city) were individually invited to participate.

The main stakeholder groups targeted for consultation were:

- Local residents across the county and city
- Elected members from all D2 local authorities
- Members of key county and city partnerships (e.g. regeneration/ transport)
- Organisations with an interest in rural concerns
- Private sector organisations and business - including the creative industries
- Economic networks and umbrella organisations
- Transport providers and users
- Tourist organisations
- Housing providers and developers
- Further and higher education providers, secondary schools and academies
- Jobcentre plus
- Voluntary sector organisations and umbrella groups
- Neighbouring local authorities and combined authorities

- Members of Parliament for D2 and N2

The consultation period was open from 2<sup>nd</sup> – 23<sup>rd</sup> January 2015 which was in line with guidance from the Department of Communities and Local Government (DCLG) (i.e. minimum of three weeks).

It is fully recognised that DCLG will undertake a statutory consultation process for this proposal over a two month period. Together with the work undertaken by the Joint Committee (and the level of response) this is considered to be a significant period of time to test the level of local support.

Throughout the governance review process, the Joint Committee has worked closely with the D2N2 Local Economic Partnership (LEP) and the N2 Joint Committee; at national level, the Committee has sought regular guidance and feedback from the Department for Communities and Local Government, Department for Transport and department for Business, Innovation and Skills.

During this time, substantive discussion and sharing of ideas has also taken place with the East Midlands Chamber of Commerce, the Local Transport Board (which includes the Highways Agency) and the Homes and Communities Agency; more latterly, this has also included local Members of Parliament.

As a result of existing relationships between some D2 authorities, discussion with neighbouring combined authorities (Sheffield City Region and Greater Manchester) has also taken place throughout the governance review. Adjacent CAs and local councils were invited specifically to participate in the consultation exercise by the Chief Executive of Derbyshire County Council.

## **Headlines**

A total of 734 people responded to the on line questionnaire and a further 24 made direct contact by phone, face to face discussion, letter or e-mail

The 'survey monkey' tool was used to create the questionnaire because of the ease with which it could provide headline results. However, this tool allows users to skip questions although 734 people used the questionnaire, not all the questions were answered by everyone. In analysing the responses, care has been taken to identify the size of response for each question.

The questionnaire consisted of eight questions, the first was included to help categorise respondent type; six further questions were designed to specifically test the level of support for the D2 Combined Authority; and the final question provided the opportunity for qualitative comments or suggestions. Over 206 people provided comments, some in great detail; many of these were suggestions for things to be

considered in the future or statements about the conditions which they thought should apply to a future, wider combined authority.

Out of the total 758 responses, 30 commented that the consultation process and proposal was difficult to understand, that certain information such as savings and employment was not evident, and that the consultation period itself was too short.

## Detailed Response – by Individual Question

The sections that follow provide a detailed analysis of the questionnaire responses. Relevant, qualitative information from question 8 has been attached to each response to provide more detailed understanding of the headline figures.

### Question 1: Who are you?

The purpose of this question was to identify the key stakeholder groups from which respondents came; the Joint Committee was particularly interested to understand that the process had captured the views of local businesses, residents, elected members and parish councils.

A total of 702 respondents answered this question, although some people (37) took the opportunity to use the ‘other’ box to say they represented more than one interest.

A list of the organisations which responded to the consultation is provided at the end of this report.

Are you answering this questionnaire as: (please look at all of the options before selecting one):		
Answer Options	Response Percent	Response Count
A resident of Derby or Derbyshire	52.1%	366
A resident of another area	0.3%	2
A councillor, MP or MEP	1.6%	11
The owner of a business or local employer	2.6%	18
A representative of an education or training provider	0.6%	4
A trade union representative	0.4%	3
A representative of the transport sector	0.1%	1
A representative of a voluntary or community organisation	2.0%	14
A representative of the housing sector	0.6%	4
A representative of a public sector body (e.g. health, police, government department)	1.4%	10
An employee of one of the ten councils	38.3%	269
Other (please specify)		37
	<i>answered question</i>	<b>702</b>
	<i>skipped question</i>	<b>32</b>

## Question 2: Is a combined authority the best option for Derby and Derbyshire?

This question was asked to test the level of support for the review's recommendation to create a combined authority and had regard to the statutory test to demonstrate that the proposal would result in effective and convenient local government.

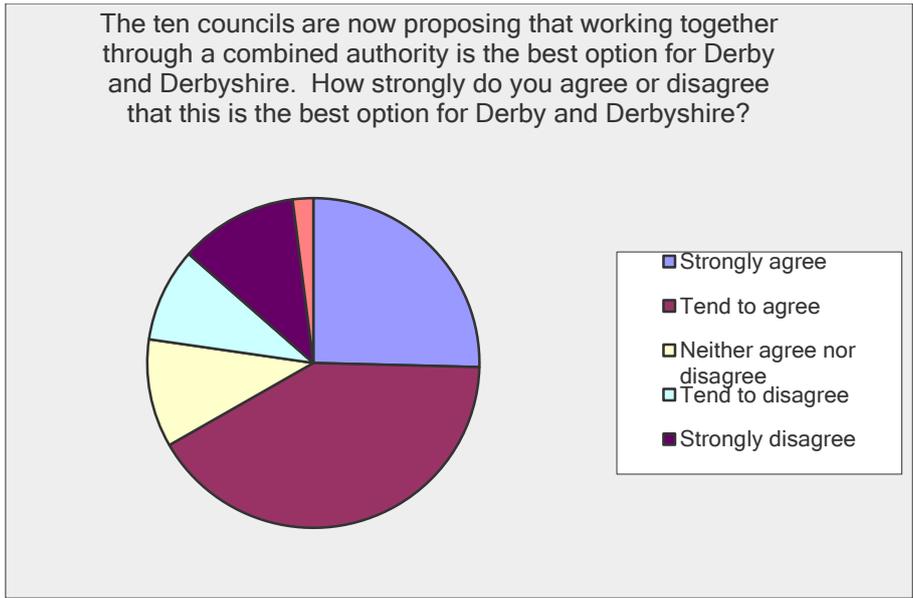
The table and pie chart below show the detailed question and the response rate. Overall, 66.7% either strongly or tended to agree that the proposed combined authority was the best option for D2. When the 'neutral' score is added, the overall total is 78.3%

*The ten Derby and Derbyshire councils have explored four options for working more closely together to create new jobs and investment, develop the skills of the local workforce help support more housing, improve transport and speed up decision-making. These four options are:*

- 1. Continuing with the current remit and scope of the Joint Committee*
- 2. Extending the scope of the Joint Committee to include other areas of work*
- 3. Setting up an economic prosperity board (not including transport)*
- 4. Setting up a combined authority (including transport)*

*Having looked at the options, the ten councils are now proposing that working together through a combined authority is the best option for Derby and Derbyshire. How strongly do you agree or disagree that a combined authority is the best option for Derby and Derbyshire? (Please select one option only)*

Answer Options	Response Percent	Response Count
Strongly agree	25.4%	163
Tend to agree	41.3%	265
Neither agree nor disagree	10.6%	68
Tend to disagree	9.2%	59
Strongly disagree	11.5%	74
Don't know	2.0%	13
	<i>answered question</i>	<b>642</b>
	<i>skipped question</i>	<b>92</b>



Analysis of relevant qualitative responses from question eight identified that of those in favour of the proposal, the main reasons were that it would;

- cut costs
- reduce waste and duplication
- hopefully, direct savings to frontline services
- encourage investment and prosperity
- be a strong, strategic body
- be in a position to negotiate with the neighbouring combined authorities in Sheffield, Manchester and Nottingham on an equal footing.

In a written response, the Chief Executive of **Nottinghamshire County Council** gives strong support to the proposal and comments on how closely the N2 and D2 authorities have worked together. Looking ahead, he says,

*“Nottinghamshire County Council recognises there are many overlapping and interdependent economies within the overall geography of Nottinghamshire and that many of our businesses and workers are reliant on supply chains, contracts and jobs in Derbyshire. We will therefore work closely with the new Derby and Derbyshire Combined Authority on issues that are cross-border, exploring how to deliver greater impact and economies of scale where possible. We have particular shared interests in the economic growth of districts along both sides of the M1 and A52 corridors and around the new HS2 East Midlands Hub and will ensure we have effective governance and working practice in place to address these major opportunities. Similarly, we will lead a coherent approach and one that is consistent with the Derby and Derbyshire Combined Authority in terms of our relationships with the Sheffield City Region”.*

.....

Similarly the Leader of **Nottingham City Council**, says the City Council offers its strong support and appreciation for the close working that has taken place on developing the proposals.

*“Given our proximity and the similarity of the challenges and advantages that D2 and N2 face, it is no surprise to see some read across between D2 and N2’s plans for their CAs. Your aims to support businesses and people, to shape place, and finance the future are key recognitions of what is needed to drive forward D2’s economy. It is clear to me, however, that D2 and N2’s distinctiveness are also best served - at the present time - by twin CAs and not a single CA coterminous with D2N2 LEP.*

*With D2 and N2’s proposed CAs working closely together, we can keep local decisions at the local level whilst enhancing D2N2’s governance, and improving on existing arrangements. I am pleased to see section 1.9 of D2’s governance review setting out the similarities that unite D2N2 LEP, while acknowledging the unique benefits that two, twin CAs can bring. D2 and N2 require a number of distinct, targeted interventions that are best dealt with at the local level.”*

.....

Eight **members of parliament** for Derby and Derbyshire constituencies have shared their views, either through discussion or letter; seven of them indicated their clear support for the proposal and one queried the constitutional arrangements. Through discussion, the issues explored with the MPs included:

- the prioritisation processes for D2 projects to ensure transparent decision making, particularly around the rural vs urban distribution
- parity between members of the combined authority so that all play an equal part in decision making
- tackling congestion and delivering integrated transport solutions
- delivering mixed markets of carefully planned, good quality housing – including opportunities for social housing
- the relationships between the two proposed combined authorities and the D2N2 LEP
- the support that has been given by government departments during the review process
- the need for ongoing dialogue with MPs as the combined authority develops and projects come forward

.....

Recent detailed discussions with the **D2N2 Local Economic Partnership (LEP)** Executive and D2N2LEP Board have confirmed its strong support to create a D2 Combined Authority, alongside a complementary Nottingham and Nottinghamshire

Combined Authority. This was strongly supported at the LEP Board meeting on 30<sup>th</sup> January 2015.

.....

#### **Qualitative Comments:**

**The Derbyshire Fire and Rescue Service, the Derbyshire Police and Crime Commissioner 's Office and the Derbyshire Community Health Services NHS Foundation Trust** all support the proposal and would seek to collaborate closely with the new structure.

The Fire Service states; *“Derbyshire Fire and Rescue Service (DFRS) fully supports the proposal for a Derbyshire Combined Authority. These proposals would provide a simplified and elegant solution to the current situation, ensuring there is a single list of priorities that DFRS can feed into and support, removing confusion and complexity. This will also provide clarity and certainty regarding our future strategic planning process.”*

.....

The **Derbyshire Economic Partnership (DEP)** has confirmed strong support for the Combined Authority. The DEP views its key role as providing expertise and strategic business advice to the Combined Authority Board in a structured way. The Partnership is keen to maintain dialogue with the current D2 Joint Committee over the coming months to refine its terms of reference and membership to create a wider, stronger and more representative forum for third and private sector stakeholders. The DEP would also like to ensure closer working ties with the Derby Renaissance Board and is looking for stronger collaboration in the future.

The DEP members share a view that the proposed ‘stakeholder forum’ is key to ensuring balanced governance within the combined authority. The Board believes that the local authorities should be represented on the DEP Board but should not dominate it; to ensure robust communication and relationship management, it has been proposed the chair of the DEP should attend the Combined Authority and that, reciprocally, a representative from the CA board should attend the DEP Board.

.....

The **Derby Renaissance Board (DRB)** has confirmed its support for the proposed Combined Authority.

*“The Board plays a key role in giving Derby City Council and our regeneration partners strategic advice about our interventions in the local economy, including taking ownership of our local economic assessment and our Economic Strategy.*

*The DRB intends to continue in its current form as it sees meaningful ways in which it can continue to maintain and monitor the highest economic interests of our city. However, the DRB would like to develop closer working ties with the Derbyshire Economic Partnership alongside the Joint Committee and the proposed Combined Authority.*

*The Chair and Chief Executive of D2N2 already attend DRB meetings, as member and observer respectively. The DRB would be pleased to invite the*

*Chair of DEP and a representative of the Joint Committee to attend our meetings in an observer capacity”.*

.....

**Marketing Derby** welcomes a combined authority which would facilitate the drawing down of powers and funding from Whitehall and recommends that a Derby City representative be involved in the DEP.

.....

**Ripley Town Council** wrote to say it welcomes the proposal and the potential benefits to Derbyshire. The Council goes on to identify issues around the relationship of the D2 CA with neighbourhood planning.

.....

The four main **Derbyshire based Clinical Commissioning Groups** also welcome the CA and hope it will bring even greater coordinated focus for the residents of Derbyshire adding,

*“We completely recognise that the NHS is organised on a different basis with populations registered with our GP practices rather than residents and hope that we can continue to work together flexibly to ensure these differences do not get in the way of what is right for all of our citizens”*

.....

The **Sheffield City Region Combined Authority** (SCR) is supportive of the proposals for Derby and Derbyshire and Nottingham and Nottinghamshire. However, SCR reserves its final position until invited to respond to statutory consultation. This is referred to again on page 16.

.....

The **Peak District Partnership** recognises the potential benefits of a combined authority and states that in the D2 area, a future combined authority would need to recognise and respond to the different challenges faced in each part of the county. The Partnership particularly notes the issues relating to rural areas such as the Peak District,

*“Key issues in rural areas such [as Derbyshire] include: creating more high value jobs (and ensuring our younger people have the skills to access them); helping small and micro-businesses to grow; accelerating the delivery of smaller employment sites to enable growth; and maintaining the delivery of affordable housing schemes.”*

.....

The **Highways Agency** welcomes the combined authority proposal as it will help to meet key local challenges particularly around developing transport and housing infrastructure and drive this growth forward.

.....

**Marketing Derby** identifies the need for Derby city representation on the Derby Economic Partnership and the **Federation of Small Businesses** similarly identified the need for small businesses through or on the Local Economic Partnership.

Of those who raised concerns with the proposal, analysis of the qualitative responses identified that many had mistaken the CA proposal to be a merger of existing local authorities – or a proposal to create a unitary organisation. Other comments included:

- a view the CA was an additional expensive tier of governance
- that executive activities were being created at the expense of frontline services
- the combined authority was potentially a ‘talking shop’
- concerns that certain parts of the combined authority area would benefit at the expense of others
- loss of local accountability, particularly in relation to local needs being regularly considered
- possible conflict between rural vs urban considerations and between Derby and the rest of the Derbyshire area

Additional comments were made asking for care in protecting the independence and character of Derby, and the towns and villages of Derbyshire against a bland ‘super-authority’. Similarly, a number of people and parish councils want to be assured the CA would replace decision-making at local level and take it away from local people or adversely impact on the capacity to respond to local needs.

Conversely, three respondents asked why these ambitions required a statutory change and a small number raised preferences for a more radical review of structures, suggesting unitary status, new regional government and stronger links with the core cities on the Derbyshire boundaries.

## **D2 Joint Committee Response:**

In considering all of the above the D2 Joint Committee is clear that the proposed D2 Combined Authority is focused on ‘making two tier government work’ and is not looking to create a unitary authority by stealth. To this end all the supporting information issued in briefings and as part of consultation, including the ‘frequently asked questions’ document, clearly stated this

The Combined Authority does not present an additional tier but is about creating an arena for sharper and more collaborative decision making on complex and cross boundary issues such as regeneration and transport; issues that extend beyond local authority boundaries and require more strategic, shared solutions. The five ambitions of the combined authority are fully focused on addressing frontline services and community issues such as more jobs, skills and homes.

Adoption of the LEP’s Single Appraisal Framework for the prioritisation of projects will ensure parity and transparency in decision making and will increase local

accountability; the checks and balances to such decisions will be secured through the D2 CA Scrutiny Committee.

In so far as demonstrating value for money is concerned, the cost of supporting the combined authority arrangements will be no greater than the current cost of supporting the wider LEP regeneration, economic development and transport arrangements. The required executive posts of the CA will be discharged as additional duties to existing post holders in the constituent authorities.

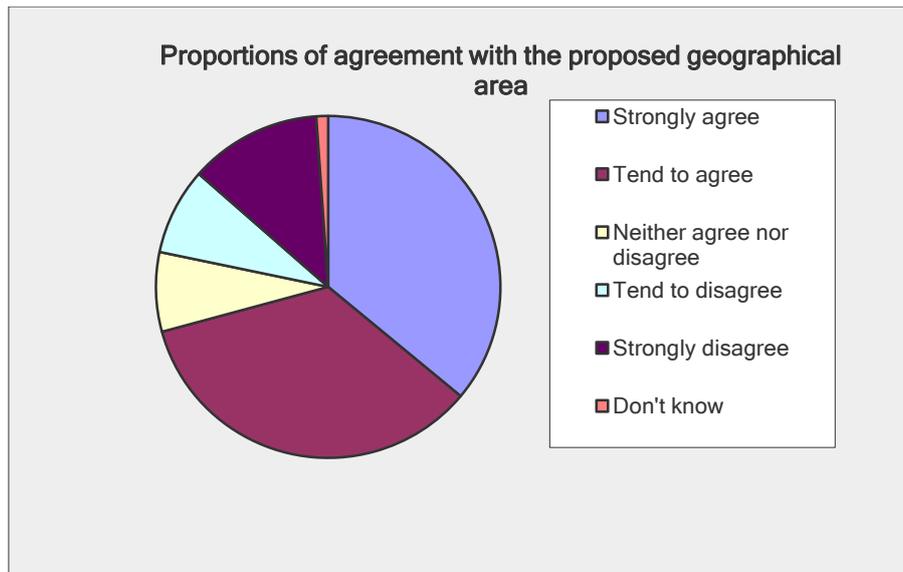
**Proposed Action:** undertake refinements to the narrative of the Review Report to make clear the role and purpose of the D2CA, clarify representation on key governance groups and emphasise how transparency and accountability in decision making will be secured.

### **Question 3: The geographical area of the proposed combined authority**

This question was asked to test the level of support for the recommendation to create a combined authority based on Derby and Derbyshire economic geography and provide evidence for the statutory tests related to ‘economic area’.

The table and pie chart below show the question and the response rate. Overall, 636 people responded, 70.7% of which ‘strongly or tended to agree’ with the proposed geographical area of the Combined Authority. A further 7.5% were neutral.

<i>The geographical area of the proposed Derby and Derbyshire Combined Authority is the whole county of Derbyshire, including Derby City. How strongly do you agree or disagree with this proposed geographical area for the Combined Authority?</i>		
<b>Answer Options</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	36.0%	229
Tend to agree	34.7%	221
Neither agree nor disagree	7.5%	48
Tend to disagree	8.2%	52
Strongly disagree	12.4%	79
Don't know	1.1%	7
	<i>answered question</i>	<b>636</b>
	<i>skipped question</i>	<b>98</b>



One individual said:

*“This is a fantastic idea building on the sense of identity within Derbyshire...”*

The **Federation of Small Businesses Nottinghamshire and Derbyshire** strongly supports the proposed economic geography but suggests its effectiveness will depend on local authorities’ ability to work across borders and at sub-divisional levels to support district level economies.

A total of 20 qualitative comments were received which drew out the relationship with existing neighbouring combined authorities in Sheffield and Manchester; 14 of these argued this was a missed opportunity to completely re-asses the boundaries and **only six suggested dividing Derbyshire between Sheffield, Manchester and Nottingham / Nottinghamshire.**

An additional 21 respondents (both residents and businesses) raised specific questions about the High Peak area and how this would affect the existing relationship particularly between Glossop, and Greater Manchester in relation to transport and travel to work patterns. The lack of connection between the High Peak area and Derby city was noted. One substantive response was received in relation to the tiers of administration operating in High Peak and the resulting complexity or lack of transparency for service delivery. Concern was expressed that a combined authority would add to this complexity.

A very small number of people (2) raised similar issues about Erewash and its ‘natural’ links with Nottinghamshire.

**Marketing Derby** agreed with the definition of the three functioning economic areas within the wider geography. More information was requested on how the overall D2 structure would relate to these.

## D2 Joint Committee Response

The D2 Joint Committee has carefully and thoroughly considered the economic geography of the D2 area and its relationship with adjacent local authorities and combined authorities. This work has been subject to challenge and analysis from Ekosgen and complements the economic analysis undertaken by the N2 Joint Committee. The Committee is therefore satisfied that the proposed D2 Combined Authority area reflects the natural geography and economic patterns and is the most pragmatic response to what otherwise would be a large and disconnected physical geography; it considers the proposal meets the relevant statutory tests.

Existing, cross boundary relationships, particularly with Greater Manchester, Sheffield City Region and the proposed Nottingham and Nottinghamshire Combined Authority, have been fully reflected in the detailed governance proposals. This includes relationship managers being nominated to ensure current relationships are not only maintained, but are enhanced and that residents of adjoining or overlapping local authorities continue to benefit from shared discussion and solutions. Progress has already been made on developing a Memorandum of Understanding with Sheffield City Region and similar protocols for N2 and Greater Manchester will follow.

### Question 4: the five main areas of ambition

This question was asked to test the level of support for the five ambitions for the Combined Authority and specifically, to help demonstrate whether they would improve the economic conditions of the area and the effectiveness of current arrangements.

There was similar strong support for the proposed ambitions, with at least half of respondents agreeing or strongly agreeing to all five (jobs, skills, transport, homes and investment); notably, 72% and 69% respondents expressed support for the transport and investment ambitions respectively.

*The ten councils have developed five main areas on which to focus their work if the Combined Authority goes ahead. For each of these areas, do you agree that a combined authority is likely to improve:*

- *Skills: provide better opportunities for improving the skills and training of the local workforce and closer working with local employers*

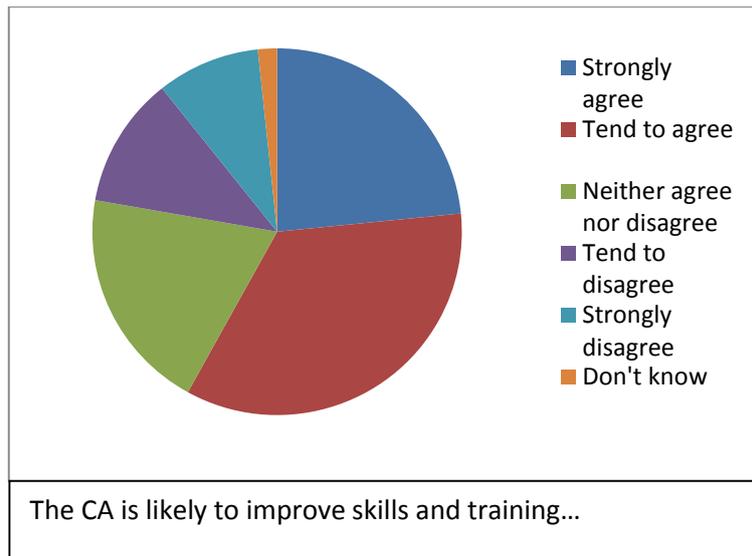
- *Transport: improve the efficiency and effectiveness of public transport so people can reach jobs and move around the county more easily*
- *Homes: increase the supply and affordability of housing to meet local needs*
- *Jobs: secure more and better paid jobs across all areas of the economy and improve access to employment opportunities*
- *Investment: attract investment, new development and grow our local economy*

The table below shows the level of support for each of the ambitions. Individual pie charts are provided for each specific area.

	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	Don't know	Total Respondents
Skills: provide better opportunities for improving the skills and training of the local workforce and closer working with local employers	23.45% 140	34.67% 207	19.77% 118	11.56% 69	9.05% 54	1.68% 10	597
Transport: Improve the efficiency and effectiveness of public transport so people can reach jobs and move around the county more easily	35.97% 214	36.30% 216	11.43% 68	7.39% 44	8.24% 49	1.01% 6	595
Homes: increase the supply and affordability of housing to meet local needs	21.12% 124	32.20% 189	21.98% 129	10.56% 62	10.90% 64	3.41% 20	587
Jobs: secure more and better paid jobs across all areas of the economy and improve access to employment opportunities	21.79% 129	27.53% 163	25.34% 150	13.01% 77	10.14% 60	2.53% 15	592
Investment: attract investment, new development and grow our local economy	33.05% 196	36.09% 214	14.17% 84	7.59% 45	7.25% 43	2.02% 12	593

### Skills:

Just over 58% strongly or tended to agree the CA will improve skills in the D2 area. Specifically, one training provider welcomed the opportunity to find ways to tailor programmes to local need. Fluidity in the system to work across boundaries, was also recommended, particularly between D2 and N2. Further consideration was requested to be given to the representation of the skills sector on the CA.

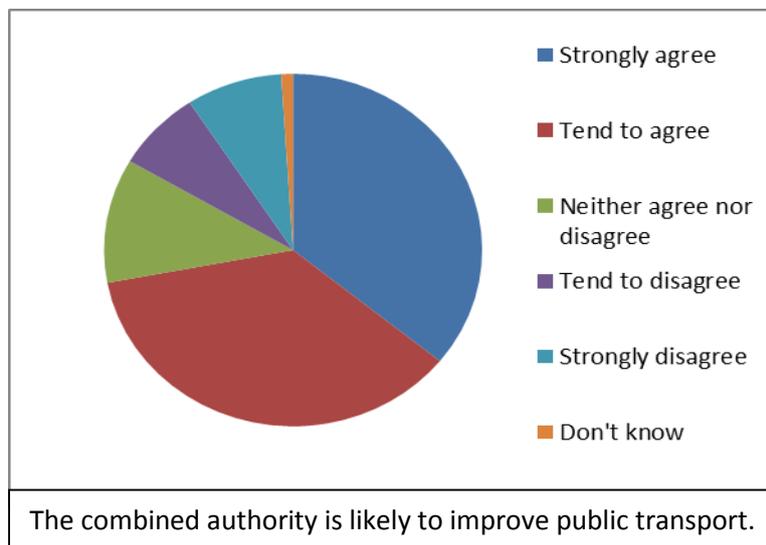


The **Peak District Partnership** wants young people from rural areas to have access to skills training in order to help them compete for good jobs.

**Marketing Derby** raises the issue of working with primary and secondary schools and asks how performance can be improved.

**Transport:**

Nearly three quarters of all respondents strongly or tended to agreed that the CA would improve transport.



Specifically, the **Highways Agency** wrote to say the combined authority proposal will help to simplify and deliver the SRN investment and allow a more strategic overview to effectively manage the network as a whole.

The **Federation of Small Businesses Nottinghamshire and Derbyshire** confirmed its broad support for transport improvements and commented it will improve the

quality, capacity and integration of Derby and Derbyshire's road, rail and air transport networks.

*“Transport issues are a recognised barrier to growth of small businesses and reaching agreement on resolving the problems with the region is essential for business and economic growth”.*

An individual commuter is enthusiastic about the opportunities for a combined authority to develop a transport plan to address commuter bottlenecks with incentives to use an improved public transport system.

A further 18 detailed comments were made on where and how improvements need to be made to public transport such as;

- needs to be improved to make it more accessible, convenient and cheaper
- needs to be better connected across boundaries and to be available for longer hours
- public transport in rural areas needs to be addressed

Specific issues in relation to High Peak were raised; one business respondent commented that Glossop needs better links to Manchester but also much better links to Sheffield and Derby. The reliance on train services to Manchester was highlighted. The respondent commented that transport is an impediment to business in High Peak which might be relieved by the Mottram by-pass.

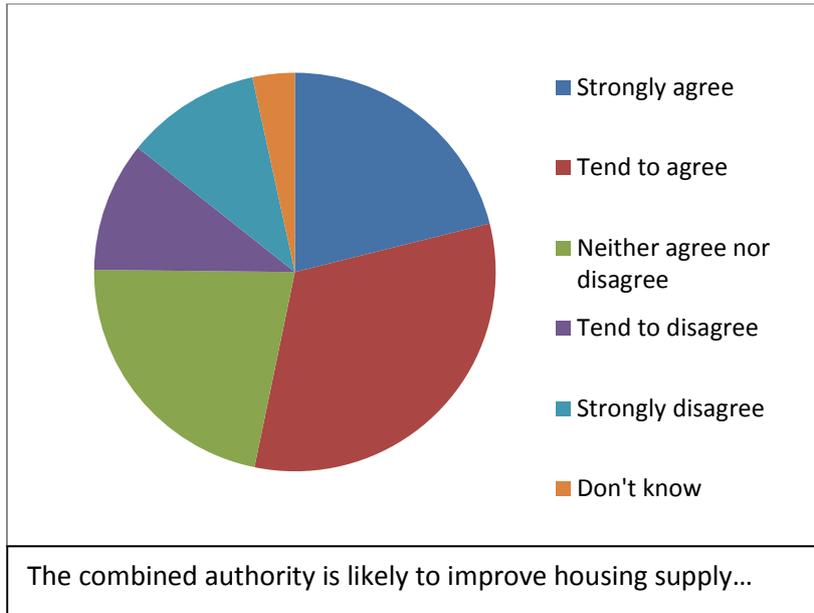
### **Homes:**

A total of 53.35% of respondents, providers and the **Housing and Communities Agency** (HCA) expressed agreement for this ambition.

A housing providing homes commented it welcomed a county approach.

Through detailed dialogue, the Homes and Communities Agency (HCA) that it welcomed the strategic approach afforded by a CA because it would;

- be a welcome strategic approach
- help create an opportunity to free up land across the D2 area
- help establish working arrangements with developers
- help match demand with supply



Further discussion with the HCA also confirmed it would like to be involved in developing more detail on how the authorities will work together to develop trusted relationships with registered providers and developers, incentives for cooperation, activities to reduce risk and increase viability and processes to harness private investment. Further clarity was also advised on how a mixture of open market and affordable homes will be developed.

**The Peak District Partnership** wants to see the delivery of affordable housing schemes in rural areas. Comments were also made about the nature of housing with suggestions that homes should be good quality, built to the industry standard, and help support sustainable communities by being 'life time homes'.

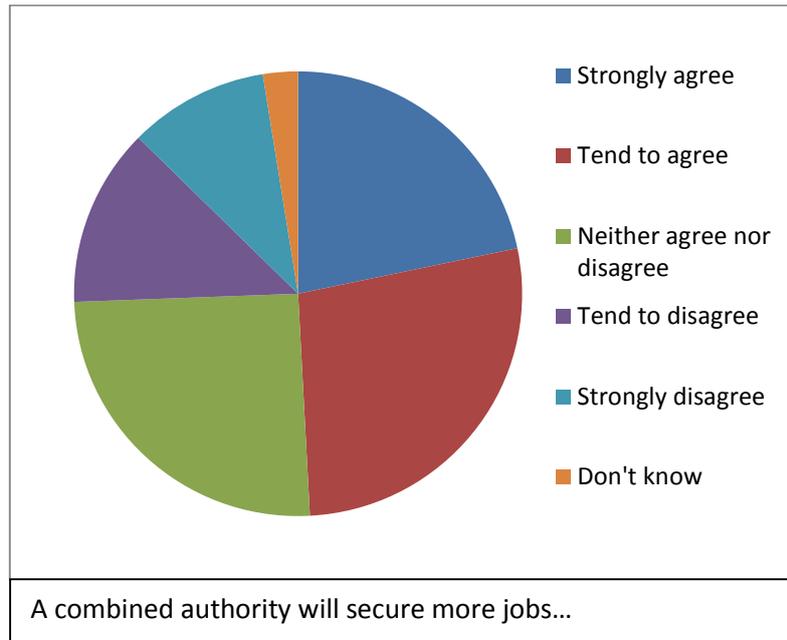
Some issues were raised around rural areas outside of the Peak District National Park Authority 'taking the brunt' of new development.

The need to link housing strategy with economic development and transport planning was strongly reflected in the comments received.

## Jobs:

Half of all respondents believe a combined authority would improve employment.

One Glossop based business said it, “*would put economic growth at the heart of regional decision making*”.



The **Midlands Trade Union Council** has expressed broad support for the proposal and wants to see trade union representation on stakeholder forums. The Midlands TUC welcomes the aspiration to create jobs and states these should be sustainable and of high quality, with a commitment to paying the living wage. The Combined Authority and D2N2 LEP should use their economic ‘clout’ to use procurement to drive better quality and better paid work throughout Derbyshire.

The **Peak District Partnership** wants to see more high value jobs in rural areas.

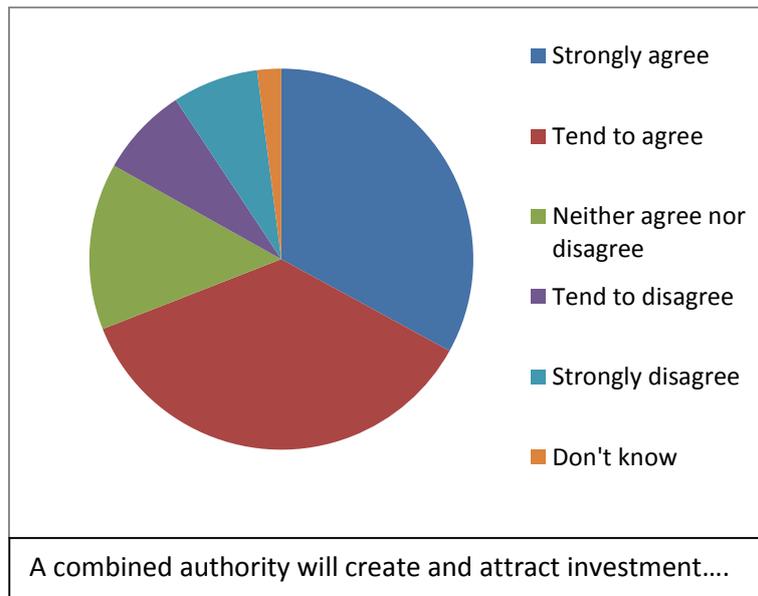
Comments received as part of more detailed, qualitative responses show that people believe that a combined authority will facilitate more government money into the local economy and will help create new enterprise. Support for smaller businesses and start ups was recognised as important and that regeneration should not just be focused on the ‘big sites’.

**Marketing Derby** asks for more detail on how the proposed CA would meet the new jobs target. More detail was also requested on the skills proposals, particularly around the performance of the secondary and primary schools.

There is some concern amongst local authority staff that the proposals will lead to staff cuts and that staff want support and training to make the transition.

### Creating and Attracting Investment:

A total of 69% of respondents strongly or tend to agree that a combined authority will improve the region's ability to attract investment and create a healthier economy.



### D2 Joint Committee Response

The ambitions of CA have been developed from a thorough appraisal of the LEP's Strategic Economic Plan and the current economic strategies of Derby and Derbyshire (DES and DESS respectively).

Issues and concerns raised through consultation and there is scope to clarify how some of the ambitions will work to address the prevailing economic conditions.

It is proposed the development of ambitions, priorities, asks, freedoms and flexibilities for the D2 CA will continue to be refined as the statutory process with Government roles out. This will build on the good foundation of active engagement with key stakeholders such as the Skills Funding Agency for developing education and training, with the Department for Transport and with the Homes and Communities Agency, alongside other local stakeholders through the DEP etc.

**Action:** Refine wording of review report where appropriate to ensure further clarity of proposals and draw out, as far as possible, how key concerns/ issues can be addressed.

### **Adding to the ambitions:**

One parish council, Stanton in Peak suggested a sixth ambition;

*“Support our environment - to sustain visitor income - by ensuring all agencies work together”.*

In addition, some qualitative responses indicate there is an appetite for the ambitions and work of the CA to go beyond the functions of regeneration, transport and skills. Health service providers recognised the strong link between homes, transport and jobs in terms of wellbeing and drew connections with mental health and adult social care.

### **The D2 Joint Committee Response**

The combined authority arrangements provide a strategic platform from which to better influence devolution and funding deals.

The current scope of functions proposed for the combined authority is restricted by statute. However, the D2 Joint Committee is ambitious to harness the synergy between its functions and those of other agencies in order to add real value and secure intelligent delivery – not just on current functions but across wider agendas in the future.

The D2 Joint Committee is fully aware of the relationship between the D2N2 LEP and the two Local Nature Partnerships (LNPs) for the Derbyshire area. There is a strong intention to encourage a more sustainable and environmentally friendly approach to economic development, particularly through new regeneration projects. The Committee recognises the need for more clarity and detail in the proposal in order to refine this intention and to state it clearly as a theme across the five ambitions.

**Action:** Ensure relationship with LNP and LEP is made clear in governance terms and that sustainability and environmental concerns/ issues and their contribution to driving economic growth, are emphasised throughout the review report and final ambitions (golden thread).

## Question five: supporting economic growth

This question sought to test the level of support for ensuring strong relationships with other organisations the support economic growth across Derbyshire.

The table below shows the breakdown of responses. A total of 580 people responded and overall, 74.1% strongly or tended to agree the proposal would support economic growth.

*The Derby and Derbyshire Combined Authority proposes to build strong links with other organisations that are critical to supporting economic growth. You can read more about this on our website. How strongly do you agree or disagree with this proposal?*

Answer Options	Response Percent	Response Count
Strongly agree	34.3%	199
Tend to agree	39.8%	231
Neither agree nor disagree	12.6%	73
Tend to disagree	5.9%	34
Strongly disagree	5.9%	34
Don't know	1.6%	9
	<i>answered question</i>	<b>580</b>
	<i>skipped question</i>	<b>154</b>

A number of key stakeholders gave qualitative responses to this question, providing comments and suggestions which are indicative of their valid contribution to the CA arrangements and which demonstrate how their expertise and peer challenge can ensure the work of the CA meets local need. A few examples are highlighted below:

The **D2N2 Local Economic Partnership** has been thoroughly engaged with the D2 Joint Committee on reviewing the context for economic growth and recommending the combined authority as the way forward.

The **East Midlands Chamber of Commerce** is very supportive of the proposal;

*“The Chamber has always been supportive of the LEP as a light-touch strategic body, business-led and seen to be independent of individual Local Authorities. However, it is abundantly clear that without effective partnerships ... in the two counties, there can be no democratic input or effective delivery of services.*

*The decision of the local authorities [D2 and N2] in both counties to [create] effective single bodies is warmly welcomed. The Chamber believes this will maximise the potential of the D2N2 LEP and the relationship with national Government. Co-ordinated local action will also ensure the best use of scant*

*resource and expertise and will provide an effective interface for joint working with the private and third sectors.”*

The **Federation of Small Business Nottinghamshire and Derbyshire** strongly agrees with the proposal and says that;

*“The issues that businesses face, and the requirements for the economic development and regeneration of our towns and cities, do not stop at the current local authority boundary lines. The collaboration of neighbouring local authorities would allow decisions on transport and economic investment to be discussed and agreed thereby providing consistency. However, FSB Nottinghamshire and Derbyshire would caution that economic investment must be fairly shared across the districts so that the specific economic priorities in one district can be met, even if there is no obvious advantage to another district. FSB Nottinghamshire and Derbyshire would not want to see strategically important projects in districts being compromised by lack of funding because of financial investment in projects that predominantly benefit one of the principal cities in the D2N2 LEP area.”*

**Peak District Partnership** has advised there needs to be development of small and micro businesses to accelerate the delivery of smaller employment sites.

The **National Forest Company, Stanton in Peak Parish Council** and the **Peak District National Park Authority** asked that development be mindful of environmental and sustainability concerns, particularly in relation to tourism. protection for ‘greenfield’ sites.

One housing provider says,

*“The county alone is not big enough to attract national/international attention”.*

### **The D2 Joint Committee Response:**

The Joint Committee believes that a combined authority will enable councils in D2 to benefit from acting strategically across the whole economic area, whilst still retaining the local connection provided by each individual council and its work with other partners. This will ensure strong local representation outside of public sector and the proposed ‘stakeholder forum’ (DEP) will ensure appropriate levels of challenge and expertise are utilised in the development of priorities and proposals, to the benefit of the whole D2 (and wider D2N2) area. Representation on the DEP is proposed to be extended to include stakeholders from all key areas.

Attendance at the CA Board is being offered to representatives of key stakeholder groups and relationship managers for adjacent CAs is also proposed.

The use of D2N2s Single Appraisal Framework will prevent any bias in the determination of priorities and projects and will ensure that relevant interests and impacts have been tested and balanced.

The central role of the D2N2 LEP and the more comprehensive stakeholder forums will lead to stronger relationships with business.

The D2 Joint Committee is fully aware of the relationship between the D2N2 LEP and the two Local Nature Partnerships (LNPs) for the Derbyshire area. There is a strong intention to encourage a more sustainable and environmentally friendly approach alongside economic development, particularly through new regeneration projects.

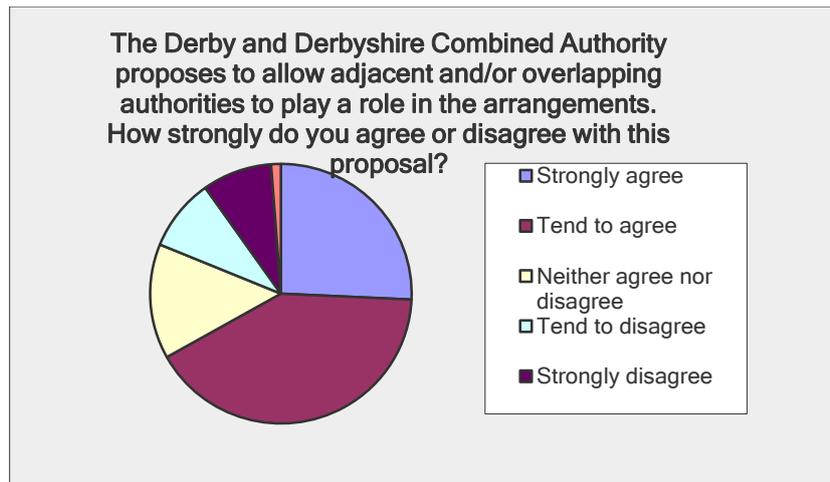
**Action:** Ensure clarity of role and representation for key stakeholders as part of the D2CA governance arrangements.

### Question 6: relationship with adjacent authorities

This question was asked to test the level of support for the D2 CA to form collaborative relationships with neighbouring or adjacent authorities.

The table and pie chart below show the breakdown of responses. Overall, 66.8% strongly or tend to agree with the proposal to allow adjacent authorities to play a role in the D2 CA.

The Derby and Derbyshire Combined Authority proposes to allow adjacent and/or overlapping authorities to play a role in the arrangements. How strongly do you agree or disagree with this proposal?		
Answer Options	Response Percent	Response Count
Strongly agree	25.7%	149
Tend to agree	41.1%	238
Neither agree nor disagree	14.3%	83
Tend to disagree	9.0%	52
Strongly disagree	8.6%	50
Don't know	1.2%	7
<i>answered question</i>		<b>579</b>
<i>skipped question</i>		<b>155</b>



In undertaking the governance review, the Joint Committee has been mindful of the existing, non-constituent membership some districts have with adjoining combined authorities (Sheffield City Region) and other informal, but nevertheless strong, relationships with Greater Manchester (High Peak) and Nottinghamshire (Erewash).

Of the 743 total respondents, 43 have made reference to the adjacent or overlapping authorities. Analysis of postcodes suggests the majority of these responses are from areas which share a boundary with other areas outside Derbyshire and where respondents have said they would like to see these connections supported. The High Peak area (Glossop) in particular,

The **Peak District National Park Authority** (PDNPA) has sent an interim response to say it welcomes the proposal and the invitation to take up observer status on the authority. It makes reference to the Environment Act and asks that the CA acknowledges its duty to have regard to the purposes of designation duties under the act. The PDNPA asks for more details on this to be agreed.

Respondents expressing rural concerns mention the inclusion of the PDNPA as a 'rural voice' in the north of the county.

A number of respondents provided a balance of views (positive and negative) about the involvement of the PDNPA.

In the south of the county, the National Forest Company welcomes opportunities for further discussions as the detailed shape of the combined authority develops.

The **Peak District Partnership** wants to see a combined authority working with and strengthening existing partnerships. They state the CA should,

“..recognise and encourage joint working across functional economic areas. Both the Derbyshire Dales and High Peak have economic ties with

neighbouring economies already operating Combined Authorities..... Cross boundary working with Staffordshire partners (through initiatives like LEADER) also remains essential to sustaining a healthy Peak District economy. Maintaining these important relationships will help support economic growth in the Derbyshire Dales and High Peak.”

Parish and town councils and voluntary sector organisations have asked for more information about how they will relate to the combined authority structures.

The **Sheffield City Region Combined Authority** (SCRCA) has written to ask for more formal working arrangements which allow the overlapping district members to have an ‘equal relationship’ with the two combined authorities. Currently, the SCRCA is seeking, through legislative reform, for a change to the membership rules of combined authorities. In the meantime they seek:

- protocols within the combined authority documentation to allow the full participation of the four Derbyshire districts in the SCR combined authority where they are non-constituent members.
- commitment from the proposed combined authority to continue to work constructively with the SCRCA on the delivery of shared priorities.

The SCRCA request further clarity on the relationship with the LEP and who/ how to engage best on overlap issues.

### **The D2 Joint Committee Response:**

Work on the governance review and the resulting D2 CA proposal has continuously emphasised the need and desire to protect and enhance the existing relationships with other CAs. There is a clear aspiration to strengthen these arrangements and improve co-operation and mutual prosperity.

The principle of ‘overlapping’ with the Sheffield City Region Combined Authority was accepted from the start and has been carefully considered. There is a strong intention by the Joint Committee that the future CA should work towards strengthening the economy of the whole ‘north Midlands’ region, in collaboration with other combined authorities and that the cross boundary concerns of transport and housing should be planned together.

The Combined Authority will make partnership working more streamlined by improving strategic focus and targeting communication and discussion through nominated relationship managers from the D2 CA Board.

In preparing the review, the Committee has presented all constituent members with the current legislative framework; the Committee will continue to monitor changes in legislation and be guided by its members on future development.

**It is acknowledged that journey to work patterns linking to other CAs (SCR, GM and N2). D2 Joint Committee have a strong track record of working**

**constructively with adjacent authorities – as a CA, we will be in a much stronger position to influence DM.**

**Action:** continue to prepare Memoranda of Understanding for the adjacent combined authorities.

Continue to monitor any proposed legislative changes to related statute and ensure discussion at the Joint Committee accordingly.

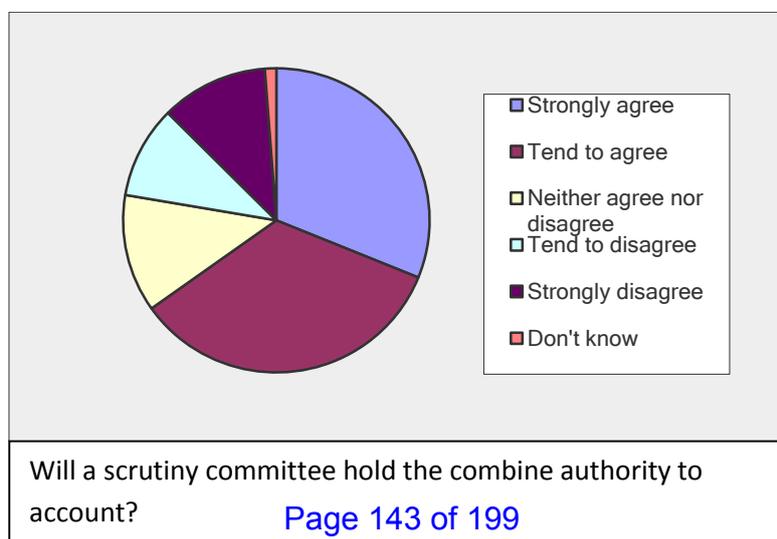
**Question 7: Holding the Combined Authority to Account**

This question was asked to test the level of support for the recommendation to create a D2 Scrutiny Committee.

The table and pie chart below provide a breakdown of the responses. Overall, 65.1% strongly or tended to agree with the proposal.

**We are proposing that the Derby and Derbyshire Combined Authority is held to account by a 'scrutiny committee' made up of an elected member (councillor) from each of the ten councils. How strongly do you agree or disagree that these arrangements will ensure that the combined authority is held to account?**

Answer Options	Response Percent	Response Count
Strongly agree	31.1%	181
Tend to agree	34.0%	198
Neither agree nor disagree	12.5%	73
Tend to disagree	9.8%	57
Strongly disagree	11.3%	66
Don't know	1.2%	7
<i>answered question</i>		<b>582</b>
<i>skipped question</i>		<b>152</b>



This was an important issue for those providing specific qualitative comments on this question. A total of 20 respondents suggested that scrutiny should include other stakeholders with relevant experience and knowledge. Analysis shows these comments came from residents, the voluntary sector, training and business representatives. The need for political impartiality was also raised.

One MP queried what the make-up of Scrutiny would be and how party representation would be determined.

The **Federation of Small Businesses** advised:

*“...we would advocate the membership going above and beyond non-executive members from each council. In keeping with other council Overview and Scrutiny Committees, FSB Nottinghamshire and Derbyshire firmly believes the Scrutiny Committee must consist of local business representatives and members of the public as well as non-executive Councillors from each local authority.”*

From the qualitative comments received there is a clear desire for transparency, that scrutiny should be meaningful (have teeth) and there should be well informed objective challenge.

### **The D2 Joint Committee Response**

The Joint Committee has set out its broad proposals for Scrutiny in the draft Scheme. Beyond political membership, other proposals to co-opt relevant stakeholders will continue to develop and will be related to the scrutiny area under consideration at any given time.

In particular arrangements for scrutiny will ensure transparency, parity, best use of intelligence and experience and redress.

**Action:** No further action at this time.

### **Conclusion.**

The consultation process has demonstrated strong and wide ranging support for the proposal to create a Derby and Derbyshire Combined Authority and there is a clear

mandate to submit the proposal to DCLG. The response of the Joint Committee to the issues raised has been identified, along with actions to refine and reshape specific proposals.

On that basis, it is considered the public consultation exercise has been both valid and meaningful. In direct response to the comments received, additional information will be included that: emphasises the importance of the rural economy and the need to embed environmental concerns in all aspects of economic activity; clarifies and secures the input/ expertise of key stakeholders; that ensure governance is appropriate and that local decision making is enhanced; that relationships with adjacent and overlapping CAs are strengthened and that priority setting and decision making is transparent.

In going forward, there is more to consider and consultation results have provided food for thought and positive challenge to our preparations and the longer term ambitions of the CA. A continuing process of meaningful engagement and collaboration is proposed with all relevant stakeholders and it is fully appreciated this period of engagement is only the beginning.

In the short term, all ten authorities are seeking approval for the D2 CA through individual council meetings. This contents of this appendix will be reported to council meetings and will ensure elected members are able to make robust and considered decisions on the proposal to create a D2 Combined Authority.

This consultation report will be made available on the website and those who have asked for feedback will be made aware by e-mail.

## **Summary of Stakeholders Providing Qualitative Responses.**

An asterisk \* shows that the response was made directly, not through the survey.

### **Parish and Town Councils**

Alfreton Town Council  
Castle Gresley Parish Council  
Chelmorton Parish Council  
Chinley, Buxworth and Brownside Parish Council  
Codnor Parish Council  
Draycott Parish Council  
Grassmoor Parish Council  
Matlock Town Council  
Marston Montgomery Parish Council  
Ripley Town Council \*  
Sandiacre Parish Council  
Stanton in Peak Parish Council

### **Adjacent authorities and Public Sector Organisations**

Nottingham City Council \*  
Nottinghamshire County Council\*  
Sheffield City Region\*  
Peak District National Park Authority\*  
National Forest Company  
Derbyshire Fire and Rescue Service\*  
The Derbyshire Police and Crime Commissioner's Office

### **Business**

East Midlands Chamber of Commerce\*  
The Derbyshire Federation of Small Businesses\*  
The Derbyshire Economic Partnership\*  
The D2 Local Economic Partnership\*  
Marketing Derby\*  
Peak District Partnership\*

### **Trade Unions**

The Midlands Trade Union Council

### **Transport**

The Department for Transport\*  
Local bus operator\*  
The Highways Agency\*

### **Housing**

Homes and Communities Association\*  
Derwent Living

## **Health**

North Derbyshire CCG,  
Erewash CCG,  
Hardwick CCG  
Southern Derbyshire CCG  
Derbyshire Community health Services NHS Foundation Trust

## **Education**

Skills Funding Agency (declined to comment formally on a submission to another government department but keen to be kept abreast of the development)\*  
A local training provider

## **Members of Parliament\***

Derby and Derbyshire:

Margaret Beckett (Derby South)  
Andrew Bingham (High Peak)  
Pauline Latham (Mid Derbyshire)  
Patrick McLoughlin (Derbyshire Dales)  
Nigel Mills (Amber Valley)  
Dennis Skinner (Bolsover)  
Heather Wheeler (South Derbyshire)  
Chris Williamson (North Derbyshire) - letter

Nottingham and Nottinghamshire:

Graham Allen  
Ken Clark  
Vernon Coaker

**GOVERNANCE REVIEW:  
APPENDIX 2**

**DRAFT SCHEME FOR THE  
ESTABLISHMENT OF A COMBINED  
AUTHORITY FOR DERBY AND  
DERBYSHIRE**

**SCHEME FOR THE ESTABLISHMENT OF  
A COMBINED AUTHORITY FOR  
DERBY & DERBYSHIRE**

**Establishment of the Authority**

A Combined Authority shall be established pursuant to Section 103 of the Local Democracy, Economic Development & Construction Act 2009 (LDEDCA).

**Name of the Authority**

The name of the Authority shall be The Derby & Derbyshire Combined Authority.

**Area of the Authority**

The whole geographical county of Derbyshire incorporating the City Council, County Council and all District and Borough Councils of Derbyshire.

**Constitution**

**Membership of the Authority**

Membership of the Derby & Derbyshire Combined Authority will be drawn from the constituent Councils listed below:

- Amber Valley Borough Council
- Bolsover District Council
- Chesterfield Borough Council
- Derby City Council
- Derbyshire County Council
- Derbyshire Dales District Council
- Erewash Borough Council
- High Peak Borough Council
- North East Derbyshire District Council
- South Derbyshire District Council

In addition non-constituent membership will be drawn from the D2N2 Local Enterprise Partnership.

Each constituent Council shall appoint one of its elected Members to be a member of the Combined Authority, and in addition shall appoint a substitute (there will be a protocol that each constituent Council appoint its Leader to the Combined Authority).

The Local Enterprise Partnership shall nominate one of its Members to be a non-constituent Member of the Combined Authority, and in addition shall nominate a substitute.

The Combined Authority shall appoint a Member and substitute nominated by the Local Enterprise Partnership as a non-constituent Member of the Combined Authority.

A Member ceases to be a Member or substitute Member of the Combined Authority if they cease to be a member of the constituent Council or the Local Enterprise Partnership that nominated them.

To resign, the Member or substitute Member has to give written notice to the Proper Officer of the constituent Council or the Local Enterprise Partnership that nominated them.

Where the Member or substitute Members appointment ceases, the constituent Council shall give notice of the appointment of another of its elected Members in that persons place as soon as possible. The Local Enterprise Partnership shall nominate another of its Members in that persons place as soon as possible. The Combined Authority shall appoint such a Member at the next meeting of the Combined Authority.

Constituent Councils may terminate and replace a Member or substitute Member at any time but must give written notice to the Combined Authority with a period of a week to a month for the changeover to take effect.

The Local Enterprise Partnership may terminate and replace a Member or substitute Member nominated by it to the Combined Authority at any time but must give written notice to the Combined Authority with a period of a week to a month for the changeover to take effect.

### **Chairman and Vice Chairman**

Appointment to be the first business at the Annual Meeting and to be made from amongst the Combined Authority's members.

There will be an annual election of the Chair and Vice Chair. Incumbents will be eligible for re-election.

A person ceases to be Chair or Vice Chair if they cease to be a member of the Combined Authority.

Any vacancy must be filled at the next ordinary meeting of the Combined Authority unless such meeting is within 14 days, when it will be the meeting following.

### **Proceedings**

The following decisions require a unanimous vote in favour by all 10 constituent Council members or substitutes:

- Adoption of, and any amendment to, or withdrawal of any Strategy or Plan and associated schemes/programmes for which the Combined Authority has functions, powers or duties to produce

- Approval of the Combined Authority's annual budget including decisions on any levies, precepts or other demands for financial contribution from constituent authorities
- Approval of borrowing limits, Treasury Management Strategy including reserves, Investment Strategy and Capital Budget of the Combined Authority
- Adoption of and any amendment to or withdrawal of any Local Transport Plan under Section 108(3) Transport Act 2000
- Allocation of Local Transport Plan funding to individual constituent authorities
- Approval of the Combined Authority's Constitution and any changes thereto
- Adoption of any freedoms or flexibilities offered by Government
- Future expansion of the Combined Authority's functions, including but not limited to the transfer of any functions by the constituent authorities to the Combined Authority and/or the devolving of powers from Government
- The use of the general power of competence by the Combined Authority beyond the powers provided within the Localism Act 2011

All other decisions to be by a majority of those present and voting.

Quorum is 6 voting Members or nominated substitute members.

Each Constituent Council Member to have one vote<sup>1</sup>.

There is no casting vote.

If a vote is tied it is deemed not to have been carried.

Proceedings are not invalidated by any vacancy amongst its Members or by any defect in the appointment or qualification of any Member.

### **Executive Arrangements**

Executive arrangements (within the meaning of the Local Government Act 2000) shall not apply to the Combined Authority. However, the discharge of the functions of the Combined Authority will be subject to the scrutiny arrangements set out in this scheme.

### **Committees**

The 10 Local Authorities of Derbyshire will establish a joint Overview & Scrutiny Committee to exercise scrutiny functions over the Derby & Derbyshire Combined Authority.

Each constituent Council will appoint one elected Member to the joint Overview & Scrutiny Committee.

Overview & Scrutiny membership not to include a Combined Authority member.

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<sup>1</sup> It will be open to the Combined Authority, at its discretion, to extend voting rights to non-constituent Members following the formal establishment of the Authority.

Each member on the Overview & Scrutiny Committee to have one vote and there is to be no casting vote.

If a vote is tied it is deemed not to have been carried.

Overview & Scrutiny Committee to have power to:

- Invite Combined Authority members to attend and answer questions
- Invite others to attend the meetings
- Review or scrutinise decisions or other actions taken
- Make reports or recommendations to the Combined Authority
- Require that a decision that has not been implemented be reconsidered

Where the Overview & Scrutiny Committee makes a report they may also publish it and require a response from the Combined Authority.

The notice published must give the Combined Authority 2 months to consider the report.

The Combined Authority is to be treated as a Local Authority for the purposes of the scrutiny function and the relevant provisions of the LGA 2000 apply.

### **Records, Standing Orders and Remuneration**

Proceedings and the names of members present at meetings must be recorded.

Minutes must be kept.

Minutes to be signed at the next suitable meeting.

Any such signed minute shall be received in evidence without further proof.

Until the contrary is proved, a meeting of the Combined Authority evidenced by the signed minutes of proceedings are deemed to have been duly convened and held.

The Combined Authority may make Standing Orders.

No remuneration is payable to members of the Combined Authority.

Any allowances or expenses which may be made to Councillor members arising out of Combined Authority membership shall be determined and borne by the appointing Council for each Combined Authority member individually.

### **The Function of the Derby & Derbyshire Combined Authority**

The purpose of the Derby & Derbyshire Combined Authority is to improve the exercise of statutory functions in relation to economic development, regeneration and transport across the whole geographical county of Derbyshire leading to an enhancement of the economic conditions and performance of Derbyshire.

The Derby & Derbyshire Combined Authority intends to pursue an Economic Regeneration Strategy through a balanced approach, with economic, social and environmental sustainability at its core. This will reflect the location of the area at the heart of the UK, its diverse rural/urban mix and the impact of neighbouring Combined Authorities on the functioning geography.

The Derby & Derbyshire Combined Authority accepts and embraces managed and sustainable economic growth as a policy instrument to help deliver jobs and growth to communities and households to provide a foundation for the long term security of the quality of life of all the people of the area.

The Derby & Derbyshire Combined Authority intends to pursue a Transport Strategy of providing leadership and a single area-wide voice on key strategic issues, whilst ensuring closer coordination in relation to strategic transport planning and an integrated approach to transport's economic priorities.

### **The Functions, Powers and Duties of the Derby & Derbyshire Combined Authority**

The Derby & Derbyshire Combined Authority will have powers in relation to Strategic Economic Development and Transport. These powers will be exercised by the Derbyshire Combined Authority on a concurrent basis with the constituent member Authorities. In other words, no powers have been "ceded" to the Derby & Derbyshire Combined Authority by its constituent members.

The constituent authorities agree that where any external funding is awarded to or received by the Combined Authority, the constituent authorities will develop a project appraisal framework to govern the allocation of such funding between the constituent authorities.

Strategic Economic Development and Transport means functions such as:

- The public sector decision making body for strategic economic development and transport for the Derby & Derbyshire Combined Authority area
- To develop, and subsequently monitor, investment plans utilising Government and EU funds for the Derby & Derbyshire Combined Authority Area
- To develop a growth deal for the Combined Authority area
- To ensure delivery of agreed projects and programmes
- To be the accountable body for decision making on single Local Growth Fund and EU Funds allocated to the Derby & Derbyshire Combined Authority area
- To own, monitor and review the emerging Economic Strategies, Transport Plans and associated Investment Plans including agreed Investment Plans and decisions

The Derby & Derbyshire Combined Authority seeks the following powers:

- The General Power of Competence under Section 1 of the Localism Act 2011
- Section 144 LGA 1972 – Power to encourage visitors and provide conference and other facilities
- Sections 15ZA, 15ZB, 15ZC, 17A, 17C, 18A, 514A and 560A of the Education Act 1996 and the power under sections 514A and 560A of the Act – Duties and powers related to the provision of education and training for persons under and over compulsory school age

- Section 69 Local Democracy and Economic Development Act 2009 – Duty to prepare an assessment of economic conditions in the area
- Sections 108,109 and 112 of the Transport Act 2000 relating to the development, implementation and review of the Local Transport Plan
- Sections 114, 118, 120,121and 123-132 of the Transport Act 2000 relating to Quality Partnerships and Contracts
- Sections 135-138 of the Transport Act 2000 relating to ticketing schemes
- Sections 139-141 and section 143 of the Transport Act 2000 relating to the provision of information
- Sections 63 and 64, 88 - 101, 103 and 105 of the Transport Act 1985 dealing with the provision of bus services and administration of concessionary fare schemes.
- Section 142(2) Local Government Act 1972 – Power to arrange for the publication within their areas of information relating to the functions of the authority etc
- Section 222 Local Government Act 1972 – Power to prosecute and defend legal proceedings
- Section 88(1) (a) and (b) Local Government Act 1985 – Research and collection of information
- Powers under the Apprenticeship, Skills, Children and Learning Act 2009
- Any other duties which are subsequently agreed by the Combined Authority and constituent councils

The Derby & Derbyshire Authority shall exercise any function of the Secretary of State delegated to the Combined Authority by the order of the Secretary of State, pursuant to Section 86 LTA 2008 and Section 104(1)(b) LDEDLA. Such functions shall be exercised subject to any condition imposed by the order.

### **Funding**

The constituent councils to meet all costs reasonably attributable to the exercise of its functions of economic development and regeneration.

The Combined Authority will agree an annual budget for the purpose of this expenditure which will be apportioned equally across the ten constituent councils.

### **D2N2 Local Enterprise Partnership**

Derbyshire and Nottinghamshire has a LEP Board that brings together elected Leaders with representatives from the private sector. Such a Board is seen as important for the promotion and facilitation of economic growth in the Derbyshire Combined Authority Area.

The LEP Board will work in conjunction with the Derby & Derbyshire Combined Authority, as well as discharging the practical decision making role in respect of certain functions as required by Government and/or the Derby & Derbyshire Combined Authority.

The Local Enterprise Partnership fully supports the establishment of a Derby & Derbyshire Combined Authority together with a Nottingham & Nottinghamshire Combined Authority. The whole geographical county of Nottinghamshire incorporating the City Council, County Council and all District and Borough Councils of Nottinghamshire are in the process of establishing a Combined Authority.

The two Combined Authorities and the Local Enterprise Partnership will provide seamless working and decision making across the D2N2 Local Enterprise Partnership area. Both Combined Authorities will give the necessary strength of governance to provide transparency and democratic accountability, with the private sector members on the Local Enterprise Partnership bringing their private sector expertise; enabling more effective collaboration for economic growth.

### **Other Arrangements**

The Derby & Derbyshire Combined Authority may establish sub-structures and sub-committees, and delegate powers and functions as appropriate.

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<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM: 13</b>
<b>DATE OF MEETING:</b>	<b>5 NOVEMBER 2015</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>FRANK McARDLE 01283 595702 frank.mcardle@south-derbys.gov.uk</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>DEVOLUTION DEAL</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

- 1.1 That Members are asked to authorise the Chief Executive in consultation with the Leader to continue to engage in discussions with the Government and to bring back to the Council any proposals put forward by the Government for a Combined Authority and Devolution Deal.

## **2.0 Purpose of Report**

- 2.1 Members have previously given in principle support to the establishment of a Derby & Derbyshire (D2) Combined Authority. However, there have been some significant changes to the Government's approach to this and the potential offer of a Devolution Deal. Discussions are ongoing but in the light of these changes to the proposals, this report will update Members on the current position and seek authority to continue discussions given the revised expectations with respect to the likely outcome.

## **3.0 Detail**

- 3.1 At the Environmental & Development Services Committee on 30 January 2014, Members supported the establishment of a Derby & Derbyshire (D2) Joint Committee for Economic Prosperity. The purpose of the Joint Committee is to bring together the City Council, County Council and all District and Borough Councils in Derbyshire into a robust, formally constituted arrangement to deliver regeneration and economic prosperity across the whole geographical county of Derbyshire.
- 3.2 The Joint Committee has undertaken a review to evaluate the effectiveness and efficiency of existing governance arrangements for economic development, regeneration and transport across the D2 area and test the scope for improving the economic conditions of the area. The Governance Review concluded that a Combined Authority presented the best option for "positively impacting on the economic conditions of the D2 area, and also in providing the best opportunities

for improved efficiency and effectiveness of delivery in transport and economic development”.

- 3.3 At Council on 9 February 2015, Members agreed in principle to support the establishment of a Derby & Derbyshire (D2) Combined Authority. This did not commit the Council until proposals are formally submitted for approval in detail. The proposed D2 Combined Authority was to be constituted of a Board, made up of the ten Leaders from the D2 local authorities. The Combined Authority was to be a decision making and accountable body responsible for developing, agreeing, implementing and monitoring: D2-wide strategies; clear programmes of activity and funding; and, specific delivery projects. The Combined Authority could attract further devolved funding from Government with more local determination of priorities and alignment of resources.
- 3.4 A devolution prospectus was submitted to Government in March 2015 on behalf of all nineteen local authorities and the Local Enterprise Partnership in the D2N2 area (Derby, Derbyshire, Nottingham and Nottinghamshire). This outlined the type of powers and funding streams that D2N2 partners would wish to be devolved in a ‘Deal’ in order to significantly improve economic growth. Negotiations with Government on a Devolution Deal for D2N2 have now reached an advanced state with more specific discussions on the detail of the powers that would be devolved.
- 3.5 Discussions are ongoing but a number of significant changes to the previously envisaged proposals have emerged including:
- The Combined Authority is likely to extend beyond Derby & Derbyshire, with the name changed to reflect this.
  - Significant powers will only be devolved by Government if a directly elected mayor is created.
  - The scope of the Devolution Deal discussions with Government have become broader and now include, for example, public sector reform.
- 3.6 A full implementation plan covering each proposal agreed in a Devolution Deal would need to be developed which would include the timing and proposed approach for monitoring and evaluation of each policy.
- 3.7 There is no intention to transfer existing powers from local authorities to the new Combined Authority. Combined Authority legislation allows for powers to be held concurrently by local councils and the Combined Authority and this is likely to be the preferred model.
- 3.8 All Devolution Deals and the powers and funding attached to them will be subject to the Comprehensive Spending Review, consultation with residents in the area on the Deal proposal, and approval by each local authority’s Full Council. Deals will also be subject to enactment of the necessary legislation, including the Cities & Local Government Devolution Bill.

#### **4.0 Financial Implications**

- 4.1 There are no financial implications for the District Council beyond the transfer of the Council’s current contribution to the Derbyshire Economic Partnership to

the proposed Combined Authority. It is anticipated that in 2015/16 this contribution will be £15,000.

## **5.0 Corporate Implications**

5.1 The activities of the proposed Combined Authority would contribute to the Corporate Plan's vision to 'make South Derbyshire a better place to work, live and visit'.

## **6.0 Community Implications**

6.1 The activities of the proposed Combined Authority would contribute to the South Derbyshire Partnership's Sustainable Community Strategy vision of 'a dynamic South Derbyshire, able to seize opportunities to develop successful communities, whilst respecting and enhancing the varied character of our fast growing district'.

## **7.0 Conclusions**

7.1 Progress continues to be made towards the devolution of Government powers to a Combined Authority encompassing South Derbyshire, in line with the principle of devolution of appropriate Government powers to the lowest level at which they can effectively and cost-effectively be exercised.

7.2 Negotiations are ongoing but in the light of the changing scope and nature of the likely outcome, a resolution is sought from Members for the Chief Executive in consultation with the Leader to continue to engage in discussions. The District Council will be asked to formally decide on its position on the Combined Authority and Devolution Deal when final details are available.

## **8.0 Background Papers**

8.1 South Derbyshire District Council report:  
Environmental & Development Services (30 January 2014)  
Derby & Derbyshire Joint Committee for Economic Prosperity

**ANNEX A:** South Derbyshire District Council report:  
Council (9 February 2015)  
Derby & Derbyshire (D2) Combined Authority

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<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>9 FEBRUARY 2015</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Frank McArdle, 01283 595702 frank.mcardle@south-derbys.gov.uk</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>DERBY &amp; DERBYSHIRE (D2) COMBINED AUTHORITY</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

1.1 Members are asked to agree in principle to support the establishment of a Derby & Derbyshire (D2) Combined Authority.

## **2.0 Purpose of Report**

2.1 Attached at Annex A is a report prepared by Derbyshire County Council which is being considered by local authorities in Derbyshire. Members are asked to consider this and to decide if they wish to resolve in principle to support the establishment of a Derby and Derbyshire (D2) Combined Authority.

## **4.0 Financial Implications**

4.1 There are no financial implications for the District Council beyond the transfer of the Council's current contribution to the Derbyshire Economic Partnership to the proposed Derby & Derbyshire (D2) Combined Authority. In 2014/15 this contribution is £15,000.

## **5.0 Corporate Implications**

5.1 The activities of the proposed Derby & Derbyshire (D2) Combined Authority will contribute to the Corporate Plan's vision to 'make South Derbyshire a better place to work, live and visit'.

## **6.0 Community Implications**

6.1 The activities of the proposed Derby & Derbyshire (D2) Combined Authority will contribute to the South Derbyshire Partnership's Sustainable Community Strategy vision of 'a dynamic South Derbyshire, able to seize opportunities to

develop successful communities, whilst respecting and enhancing the varied character of our fast growing district’.

## **7.0 Conclusions**

7.1 If Members are minded to proceed, then a decision may be made to support the proposal in principle only. This will not commit the Council until proposals are formally submitted for approval in detail.

## **8.0 Background Papers**

Annex A: Derbyshire County Council - Council Meeting 4 February 2015 –  
Proposal for Derbyshire County Council to be a Constituent Member of  
the Proposed Derby and Derbyshire (D2) Combined Authority

Appendix 1: Report of the Derby and Derbyshire Authorities’  
Statutory Governance Review Report:

Appendix 1: Outline of Option Appraisal Exercise

Appendix 2: Analysis of Public Consultation

Appendix 2: Draft Scheme for the Establishment of a Combined  
Authority for Derby and Derbyshire

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<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM: 11</b>
<b>DATE OF MEETING:</b>	<b>29<sup>th</sup> FEBRUARY 2016</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN PARAGRAPH NO: N/A</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>ARDIP KAUR (595715)</b> Ardip.Kaur@south-derbys.gov.uk	<b>DOC:</b>
<b>SUBJECT:</b>	<b>INDEPENDENT REMUNERATION PANEL</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	

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### **1.0 Recommendations**

- 1.1 That Richard Penn be appointed Chairman of the Independent Remuneration Panel to make recommendations to the Council on Members' Allowances.
- 1.2 That the Chief Executive be authorised to appoint two further members from the local community to serve on the Panel.
- 1.3 That the Members of the Panel be paid any agreed fees and expenses incurred by them in carrying out their duties.
- 1.4 That the Terms of Reference for the Panel, as detailed in the report, be approved.

### **2.0 Purpose of Report**

- 2.1 To consider arrangements for an Independent Remuneration Panel to make recommendations to the Council on Members' Allowances.

### **3.0 Detail**

- 3.1 The Council is required to undertake a review of its Members' Allowances scheme by an Independent Remuneration Panel under the four year rule, as required by The Local Authorities (Members' Allowances) (England) Regulations 2003.
- 3.2 An Independent Remuneration Panel has previously met in 2001, 2003, 2007, 2011 and 2015 to make recommendations to the Council on Members' Allowances.
- 3.3 Following resolutions made by Full Council at its meeting on 5<sup>th</sup> November 2015 a further Panel will be convened during the Autumn of 2016.
- 3.4 It is proposed the Chairman of the Panel is Richard Penn. Mr Penn has forty years' experience within the public sector. In January 2008 Mr Penn was appointed by the Minister of Local Government as the Chair of the Independent Remuneration Panel for Wales. This Panel sets the remuneration for all elected and co-opted Members of local authorities in Wales.

3.5 It is recommended Mr Penn is assisted by two members of the local community to achieve a degree of local accountability, with the two appointments delegated to the Chief Executive.

3.6 It is recommended that the following Terms of Reference be given to the Panel:-

- To make recommendations on the amount of Basic Allowance that should be payable to Members and the expenses it includes;
- To make recommendations on the categories of Members who should receive a Special Responsibility Allowance and the amount of such an allowance;
- To make recommendations on the amount of Co-optees allowances, where applicable;
- To make recommendations on travel and subsistence allowances;
- To make recommendations on the amount of Childcare and Dependent Carers' Allowances;
- To make recommendations on whether the allowances should continue to be adjusted in line with the average pay increases negotiated through the National Joint Committee for Local Government Employees or with reference to any other index or none;
- To make recommendations on the implementation date for the new Scheme of Allowances;
- To make recommendations on the Civic Allowances;
- To make recommendations on additional expenses received by Members;
- To make recommendations on any other matters which the Panel considers necessary.

#### **4.0 Financial Implications**

4.1 The expenses of the Independent Remuneration Panel will need to be met by the Council.

#### **5.0 Corporate Implications**

5.1 The Council will be complying with the provisions of The Local Authorities (Members' Allowances) (England) Regulations 2003.

#### **6.0 Community Implications**

6.1 None.

#### **7.0 Background Papers**

The Local Authorities (Members' Allowances) (England) Regulations 2003

ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE

11<sup>th</sup> January 2016

**PRESENT:-**

**Representatives of South Derbyshire District Council**

Conservative Group

Councillor Mrs Plenderleith (Chair) and Councillor Billings.

Labour Group

Councillor D Shepherd

Officers

S Batchelor (Director of Community & Planning Services), K. Stackhouse (Director of Finance & Corporate Services), M. Roseburgh (Cultural Services Manager) and T. C Lindgren (Democratic Services Officer)

**Representatives of Etwall John Port School**

Governors

B Whyman MBE (Vice - Chair), C Harrison and P Downs

Officers

G Golding

**Representatives of Active Nation**

J. Dobson and S Ricketts

EL/37 **APOLOGIES**

Apologies were received on behalf of Councillor Mrs. Lauro.

EL/38 **MINUTES**

The Open Minutes of the Meeting held on 28<sup>th</sup> September 2015 were noted, approved as a true record and signed by the Chairman.

EL/39 **DECLARATIONS OF INTEREST**

The Committee was informed that no declarations of interest from had been received.

EL/40 **INCOME & EXPENDITURE 2015/16 and PROPOSED BASE BUDGET 2016/17**

The Director of Finance and Corporate Services presented a report to the Committee detailing the Leisure Centre's position for the current financial year 2015/16 against the approved budget, together with the proposed estimates of income and expenditure for 2016/17.

Projected spending was expected to increase in 2015/16 compared to the Original Budget, This was mainly due to the increased utility costs. The projected figure for 2015/16 and the Base Budget for 2016/17 reflected actual costs being incurred and was compared to the charge in 2014/15. The charges to Etwall JMC (Joint Management Committee) are based on an increase in the base tariff for both electricity and gas of over 30% since the commencement of the Contract. The cost of gas and electricity were initially accepted by the Contractor. However, the Contract allowed for the Contractor to reclaim additional costs where consumption rose above a certain level or if the tariff increased beyond a base level as set out in the Contract.

The Director of Finance and Corporate Services expressed his concerns regarding the additional maintenance costs, which had been incurred, compared to the set budget. If the Committee agreed to the proposed budget for 15/16, it would do so with the knowledge that there would be no future provision for additional maintenance costs. The current budget of approximately £11,000 had come under pressure in 2015/16 and additional liabilities are currently being assessed which may affect both SDDC and John Port School.

Approximately £30,000 of works had been identified, and in particular the cost of the replacement of the Air Handling System, an order for parts of £10,000 had been placed, but not budgeted for.

The Director of Communities and Planning Services told the Committee that SDDC are currently in contractual negotiations to extend the Contract as previously approved and if an agreement was reached, a significant reduction to the current annual contributions would follow.

The overall settlement figures for the Artificial Grass Pitch (AGP) are still to be agreed, including the requirement to set-up a Sinking Fund for replacements. The cost of the AGP will in time be reclaimed through the payment of pitch fees by supporters.

After allowing for the County Council contribution and other income, the contributions required from the funding partners will be as follows:

South Derbyshire District Council (62%)

Budgeted 2015/16 - 60,975  
Projected 2015/16 - £64,071  
Estimated 2016/17 - £64,925

John Port School (38%)

Budgeted 2015/16 - £37,371  
Projected 2015/16 - £39,270  
Estimated 2016/17 - £39,792

An in-depth discussion took place around prospective financial consequences facing John Port in particular, if further contributions towards maintenance cost and Sinking Fund would be required. Mr. Dobson informed the Committee of the situation with the Swimming Pool and said that he is expecting a report which would be shared at a future Committee meeting.

The Committee requested that the following be actioned:

- That the Director of Community and Planning present a report to the Committee on the condition of the four remaining Air Handling System units, prior to any work being undertaken.
- That the Cultural Services Manager present a 'lifecycle Plan' which details the lifespan, and cost of plant and equipment at the Leisure Centre.
- That Active Nation provide a Maintenance and Repairs report at the annual Budget meeting.

**RESOLVED:-**

***1.1 That the Committee approved the projected out-turn for 2015/16 and the proposed estimates of income and expenditure for 2016/17.***

***1.2 That the Committee agreed that additional maintenance costs for 2015/16 be covered by the Sinking Fund.***

EL/41 **ACTIVE NATION PERFORMANCE REPORT – VERBAL REPORT**

Mr Dobson presented the quarterly review (September 2015 to date) of Etwall Leisure Centre, making particular reference to the following items;

- **Good News Stories**
  - Discovery weekend took place between 9<sup>th</sup> & 10<sup>th</sup> January 2016.
  - Additional car parking spaces at the school bus park has been created.
  - New LED car parking lighting have been installed and a bike shelter added to the car park.
  - Hilton Harriers Tournament over the Christmas period raised £900 towards supporting their disability team for the ensuing year..
  - Eggington primary School raised £1,057 through an onsite raffle to pay for various activities and resources.
  - An online subscription tool for Active Nutrition packages have been launched, where all Active Nation supports can order food and receive a bespoke nutrition & training plan.
  - Work to improve the Sports Hall and AHUS is due to commence in 2016.
  - Several improvements has been made to the Swimming Pool, including servicing of the pool cover.
  - A new cleaner has been employed for 30 hours per week.
  - Increased local use on Twitter, Facebook and website.
  - The Christmas holiday scheme successfully engaged 30 children per day.
  - Soccer Stars was a great achievement with 40 children per day taking part.
  - The re-launch of the Saturday Night Project saw between 50 and 60 children participating each weekend.
  - The NPS (Net Promoter Score) Survey package had been launched, so far 41 positive feedback forms had been received.
- **Gym & Exercise Memberships**
  - 1,607 in total Membership up until December 2015.
  - Average length of membership stays at 9.5 months.
  - 1,277 children presently subscribe to the swimming scheme.

- **Supporter Comments**
  - 14 comments received between September and December 2015, 8 'Brilliant Points' and 6 'Areas of Improvement Points'.
- **Centre Usage Figures**
  - Usage increased with over 42,500 visits since the 2011/12.
  - The centre saw a total of 46,968 'All Weather Pitch Users' in the last financial year.

Mr. Dobson informed the Committee that Mr Ricketts had left his position with Active Nation, due to an opportunity in neighbouring Leicestershire. Further information will follow once the position had been filled.

**RESOLVED:-**

***That the Committee considered and noted the points made in the presentation.***

The meeting terminated at 6:20 p.m

COUNCILLOR. MRS. A. PLENDERLEITH

CHAIRMAN

HOUSING AND COMMUNITY SERVICES COMMITTEE: SPECIAL - BUDGET

12<sup>th</sup> January 2016

**PRESENT:-**

**Conservative Group**

Councillor Hewlett (Chairman), Councillor Smith (Vice-Chairman) and Councillors Billings, Mrs Coyle, Mrs Hall (substituting for Councillor Mrs Coe), Harrison and Mrs Wyatt.

**Labour Group**

Councillors Dunn, Rhind, Richards and Taylor.

HCS/58 **APOLOGIES**

Apologies for absence were received from Councillors Mrs Coe and Coe (Conservative Group).

HCS/59 **DECLARATION OF INTEREST**

Councillor Dunn declared a personal interest in Item 10 Housing New Build: Update and Proposals by virtue of being a governor at the Pingle School.

Councillor Hewlett declared a personal interest in the grants to voluntary bodies element of Item 6 Service Base Budgets 2016/2017 by virtue of being on the board of trustees for the CAB.

Councillor Mrs Coyle declared a personal interest in the grants to voluntary bodies element of Item 6 Service Base Budgets 2016/2017 by virtue of being on the board of trustees for Sharpes Pottery.

Councillor Smith declared a personal interest in the grants to voluntary bodies element of Item 6 Service Base Budgets 2016/2017 by virtue of being on the board of trustees for Homestart.

Councillor Mrs Hall declared a personal interest in the grants to voluntary bodies element of Item 6 Service Base Budgets 2016/2017 by virtue of being on the board of trustees for People Express.

HCS/60 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from members of the public had been received.

HCS/61 **QUESTIONS FROM MEMBERS OF COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

HCS/62 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were no Overview and Scrutiny Reports to be submitted.

**MATTERS DELEGATED TO COMMITTEE**

HCS/63 **SERVICE BASE BUDGETS 2016/2017**

The Director of Finance and Corporate Services presented the Report to Committee, highlighting issues relating to funding, expenditure, costs, service provision and risks, along with the proposed fees and charges.

Comments and queries raised by Members in relation to pre-tenancy service costs, the reduction in grounds maintenance expenditure and the increase in laser games fees were noted and responded to.

A proposal to limit the increase in grants to voluntary bodies to 1% was not supported by the Committee.

**RESOLVED:-**

- 1) That the proposed revenue income and expenditure for 2016/17 for the Committee's Services, as detailed in Appendix 1 to the report, be considered and referred to the Finance and Management Committee for approval.***
- 2) That the proposed fees and charges for 2016/17, as detailed in Appendix 3 to the report, be considered and approved.***
- 3) That grants to voluntary and community bodies be increased by 2% in 2016/17 subject to approval by the Finance and Management Committee.***

HCS/64 **HOUSING STRATEGY 2016-2021**

The Strategic Housing Project Officer delivered the report to the Committee.

Councillor Richards commented on a property in Newhall that had been refurbished with assistance from the Council but not re-let, suggesting that a condition be applied to ensure properties are let in such circumstances. The Director of Housing and Environmental Services undertook to investigate the matter and respond to the Member.

**RESOLVED:-**

- 1) That Members approve the Housing Strategy 2016-2021.***
- 2) That authority be given to the Director of Housing and Environmental Services, in consultation with the Chair of the***

**Committee, to agree any minor amendments to the Housing Strategy.**

HCS/65 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

***That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.***

**TO RECEIVE QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

***The Committee was informed that no questions had been received.***

**HOUSING NEW BUILD: UPDATE AND PROPOSALS (Paragraph 2)**

***The Committee approved the recommendations contained in the Report.***

The Meeting terminated at 6.35pm.

COUNCILLOR J HEWLETT

CHAIRMAN

FINANCE AND MANAGEMENT COMMITTEE: SPECIAL - BUDGET

14<sup>th</sup> January 2016

**PRESENT:-**

**Conservative Group**

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Mrs Coyle, Mrs Hall (substituting for Councillor Billings), Hewlett, MacPherson, Smith, Watson and Wheeler.

**Labour Group**

Councillors Rhind, Richards, Southerd and Wilkins.

**In attendance**

Councillor Taylor (Labour Group)

FM/88 **APOLOGIES**

Apologies for absence from the Meeting were received on behalf of Councillor Billings (Conservative Group).

FM/89 **DECLARATIONS OF INTEREST**

The Committee was informed that no declarations of interest had been received.

FM/90 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from members of the public had been received.

FM/91 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

FM/92 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were no reports of the Overview & Scrutiny Committee to consider.

**MATTERS DELEGATED TO COMMITTEE**

FM/93 **AUDIT SUB-COMMITTEE**

The Minutes of the Audit Sub-Committee Meeting held on 16<sup>th</sup> December 2015 were submitted. [Page 170 of 199](#)

The Chairman referred to Resolution 1.2 under Minute No.AS/27, requesting that progress against outstanding audit recommendations also be notified to the Committee. The Chief Executive confirmed that the Audit Sub-Committee reported to the Committee, it would receive the same information.

**RESOLVED:-**

***That the Minutes of the above Audit Sub-Committee Meeting be received and any recommendations contained therein approved.***

FM/94 **SERVICE BASE BUDGETS 2016/17**

The Director of Finance and Corporate Services presented the report to Committee, highlighting the Council's financial position, expenditure, additional costs, reductions, service provision, inflation, payments for concurrent functions to parish councils, risks, the rollout of Universal Credit, proposed fees and charges.

**RESOLVED:**

***1.1 That the proposed revenue income and expenditure for 2016/17 for the Committee's Services, as detailed in Appendix 1 to the Report, be considered and included in the consolidated proposals for the General Fund.***

***1.2 That the proposed fees and charges for 2016/17, as detailed in Appendix 3 to the Report, be considered and approved.***

***1.3 That a 2% increase in contributions to Parish Councils in 2016/17 for Concurrent Functions be approved.***

FM/95 **CONSOLIDATED BUDGET REPORT 2016/17 AND MEDIUM TERM FINANCIAL PLAN TO 2021**

The Director of Finance and Corporate Services delivered the report to the Committee, clarifying the position entering the 2016/17 budget round, the updated General Fund position with the medium-term projection, identifying the need to achieve savings of up to £1.5m over the spending period. It was noted that the Council's Financial Settlement for 2016/17, along with those projected through to 2020, were less than initially anticipated, a reflection of the change in funding emphasis towards adult social care and children's services influencing greater allocation at a County level. As a result the Council ranks 45<sup>th</sup> out of 383 local authorities in terms of loss of resources.

The Chairman sought an explanation as to this Financial Settlement outcome. The Director of Finance and Corporate Services stated that as a result of the growth within the district, resulting in greater income from New Homes Bonus, retained Business Rates and Council Tax, it was assumed that the Council would become self-financing more quickly than many others. It was also noted that the Council would fall out of Revenue Support Grant sooner than anticipated.

The Director of Finance and Corporate Services added that the Business Rates retention levels were set to rise, but that details would not be available for another six to nine months. The New Homes Bonus was being 'top-sliced' to fund social care, it being proposed that its payment be reduced from six to four years and that the first 25% of growth be discounted, considered 'deadweight'. It was also being proposed that penalties be introduced for there being no Local Plan in place and no payment made in relation to new homes which were rejected but then overturned on appeal.

Reference was made to accommodating a new Apprenticeship Levy, applicable from 2017/18 and the risks relating to the concerns being expressed by the recycling contractor regarding increased costs. In relation to Council Tax, the Director stated that the Government was no longer providing support to maintain a freeze in its levels, unlike in the last five years, so a 1.95% increase was being budgeted for from 2016/17, in line with Government assumptions.

The Director of Finance and Corporate Services emphasised that the report provided a financial projection, a direction of travel, a realistic assessment, but as the current line took the Council below the £1m threshold in 2020, action was needed to save £1.5m before 2018/19.

The Chairman thanked officers for the comprehensive report and invited questions. Councillor Hewlett queried the current pensions position. The Director of Finance and Corporate Services confirmed that pension still represent a risk, the last interim report showing an overall deficit, with the next pensions review not due until 2017. There are currently no plans for an increase in employer contributions, although the last review savings had been retained, held against potential future liabilities.

The Leader commended the report and its prudent predictions, expanding that Members also need to recognise the need for prudence, recommending that the freeze on Council Tax increases be ceased and the 1.95% increase be supported. However, in relation to the voluntary bodies, the Leader felt that due to the increased pressure and reduced funding that sector is experiencing the 2% increase should be supported.

**RESOLVED:**

- 1.1 That the estimates of revenue income and expenditure for 2016/17 for the General Fund be considered and a level of income and expenditure approved.***
- 1.2 That a 2% increase in grants to voluntary bodies and payments to Parish Councils under concurrent functions be approved.***
- 1.3 That the Council Tax Base for 2016/17 of 30,990 (equivalent Band D) properties, as detailed in Appendix 6 to the Report, be approved.***
- 1.4 That a Council Tax Surplus of £175,000 and a Business Rates surplus of £1m be declared on the Collection Fund for 2015/16 and***

*the Council's proportions of £20,000 and £400,000 respectively be transferred to the General Fund in 2016/17.*

*1.5 That an increase of 1.95% in the rate of Council Tax for 2016/17 be recommended to Full Council in line with the Government's Financial Settlement.*

*1.6 That the updated 5-year financial projection on the General Fund to 2021, including associated assumptions and risks, as detailed in Appendix 1 to the Report, be noted.*

*1.7 That a strategy and action plan be drawn up to generate budget savings of £1.5m on the General Fund over the spending review period to enable a minimum level of General Reserves of £1m by 2020.*

*1.8 That the decisions made in recommendations 1.1 to 1.7 above are used as the basis for consultation with local residents, businesses, voluntary and community groups, etc. and are subject to review by the Overview and Scrutiny Committee.*

*Abstentions: Councillors Rhind, Richards, Southerd and Wilkins.*

FM/96

**LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

*That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.*

**TO RECEIVE QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

*The Committee was informed that no questions had been received.*

**CORPORATE SERVICES STRATEGIC PARTNERSHIP (Paragraph 3)**

*The Committee approved the recommendations made in the Report.*

The meeting terminated at 7.05pm.

COUNCILLOR J HARRISON

PLANNING COMMITTEE

19<sup>th</sup> January 2016

**PRESENT:-**

**Conservative Group**

Councillor Roberts (Chairman), Councillor Mrs Brown (Vice-Chairman) and Councillors Atkin, Mrs Coe (substituting for Councillor Mrs Farrington), Ford, Mrs Hall, MacPherson (substituting for Councillor Grant), Stanton and Watson.

**Labour Group**

Councillors Dunn, Dr Pearson, Shepherd and Southerd.

**In attendance**

Councillor Murray (Conservative Group).

PL/144 **APOLOGIES**

Apologies for absence from the Meeting were received on behalf of Councillors Mrs Farrington and Grant (Conservative Group).

PL/145 **DECLARATIONS OF INTEREST**

Councillor Mrs Brown declared a personal interest in application number **9/2015/0979** by reason of being acquainted with the agent.

PL/146 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

The Committee was informed that no questions from Members of the Council had been received.

**MATTERS DELEGATED TO COMMITTEE**

PL/147 **REPORT OF THE DIRECTOR OF COMMUNITY AND PLANNING SERVICES**

The Director of Community and Planning Services submitted reports for consideration and determination by the Committee and presented oral reports to the Meeting to update them as necessary. Consideration was then given thereto and decisions were reached as indicated.

PL/148 **OUTLINE APPLICATION (ALL MATTERS TO BE RESERVED) FOR THE ERECTION OF UP TO 70 DWELLINGS WITH ASSOCIATED PUBLIC OPEN SPACE, SUSTAINABLE DRAINAGE AND LANDSCAPING AT LAND AT SK2914 8297 ACRESFORD ROAD OVERSEAL SWADLINCOTE**

It was reported that members of the Committee had visited the site earlier in the day.

Mr Leon Carter (objector) and Dr Robert Wickham (applicant's agent) attended the Meeting and addressed Members on this application.

Councillors Mrs Hall and Murray addressed the Committee as local Ward Members for Seales, expressing the concerns of local residents.

Queries and comments made by Councillors relating to housing needs, the size of the development, the needs of the local community, road safety, educational provision, ground stability, listed buildings, encroachment into open countryside, pathway provision, health care provision, building height, landscaping and transport were noted and responded to.

The Planning Services Manager agreed to write to Derbyshire County Council regarding primary education provision in Overseal.

**RESOLVED:-**

***That planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services. An extra condition to secure a method of ground stability solution was also added.***

Councillor Murray left the Meeting at 6.45pm.

PL/149 **ERECTION OF BALL STOP FENCING TO PERIMETER OF FOOTBALL PITCHES ON RECREATION GROUND AT CHESTNUT AVENUE MIDWAY SWADLINCOTE**

Councillors Dr Pearson and Dunn addressed the Committee as local Ward Members for Midway, expressing the concerns of local residents. Councillor Dunn suggested an additional option, a hybrid alternative of 2m fencing, topped with 2m netting.

Comments made by Councillors relating to the effect on, and proximity to, local householders, planting, maintenance issues, drainage and materials longevity were noted and responded to.

**RESOLVED:-**

***That planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services, along with an additional condition to require planting adjacent to the fence.***

PL/150 **CHANGE OF USE OF GROUND FLOOR FROM RETAIL (USE CLASS A1) TO RESTAURANT (USE CLASS A3) AND FIRST FLOOR TO RESIDENTIAL (USE CLASS C3) TO FORM 4 NO. APARTMENTS AT 2 THE CASTLE WAY WILLINGTON DERBY**

It was reported that members of the Committee had visited the site earlier in the day.

Councillor Ford addressed the Committee as local Ward Member for Willington and Findern, expressing the views of local residents.

Queries and comments made by Councillors relating to traffic, parking, treatment of the building frontage, private accommodation, signage and building features preservation were noted and responded to.

**RESOLVED:-**

*That planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services, along with an additional condition for design details of left hand shop window amendments to be supplied.*

PL/151 **DEMOLITION OF EXISTING DWELLING; ERECTION OF A REPLACEMENT DWELLING WITH DETACHED SUNKEN GARAGE; CHANGE OF USE OF AGRICULTURAL LAND TO GARDEN TO CONTAIN TENNIS COURT, SUMMER HOUSES, GREENHOUSE, WALLED GARDEN AND HA-HA; AND PARTIAL WIDENING OF DRIVEWAY AND CONSTRUCTION OF REPLACEMENT GATES/WALLS AT ENTRANCE TO THE PROPERTY KNOWN AS NEWTON PARK NEWTON ROAD NEWTON SOLNEY BURTON ON TRENT**

**RESOLVED:-**

*That planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services.*

PL/152 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985)**

**RESOLVED:-**

*That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.*

**EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO  
COUNCIL PROCEDURE RULE No 11.**

***The Committee was informed that no questions had been received.***

The meeting terminated at 7.20pm.

COUNCILLOR A ROBERTS

CHAIRMAN

OVERVIEW AND SCRUTINY COMMITTEE

20<sup>th</sup> January 2016

**PRESENT:-**

**Conservative Group**

Councillor Swann (Vice-Chairman), Councillor Atkin, Mrs Coe and Mrs Patten.

**Labour Group**

Councillor Bambrick, Pearson and Mrs. Stuart.

OS/36 **APOLOGIES**

Apologies were received from Councillor Mrs Farrington (Conservative Group)

OS/37 **DECLARATIONS OF INTEREST ARISING FROM ITEMS ON AGENDA**

The Committee were informed that no declarations of interest from Members of the Council had been received.

OS/38 **QUESTIONS RECEIVED BY MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO. 10**

The Committee were informed that no questions from members of the Public had been received.

OS/39 **QUESTIONS RECEIVED BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

The Committee were informed that no questions from Members of the Council had been received.

OS/40 **SECTION 106 HEALTH BASED PLANNING CONTRIBUTIONS**

The Locality Manager, Mr. Robert Hill from the Southern Derbyshire Clinical Commissioning Group (SDCCG), gave a verbal update on the current situation regarding Section 106 Health based contributions received since 1st April 2009. Under the National Scheme 2015, the Primary Fund brought in new premises and extensions to existing premises.

The Wellbrook Medical Centre in Hilton took advantage of this and works to build a new Primary Fund treatment room, will commence in February 2016, and to ensure that if a future need arises to extend upwards, lift access will be added to the room. This extension will accommodate 280+ additional

treatments per month, and will cover the expected population growth in Hilton of 30%.

The Planning Services Manager clarified that the Section 106 contributions for the Woodville Surgery had not been allocated as the surgery had not made a final decision on the new GP Surgery across the road, which would accommodate double the current capacity of appointments, planning permission had been granted 12 months ago. Melbourne GP Surgery would use the allocated £55k to reconsolidate its internal space to allow for an additional treatment room and GP, which would create an additional week's worth of appointments per month.

Swadlincote will use the allocated £33k to add in clinical space internally, including a new ECG machine, by adding more outdoor storage space; this would create an additional 150 appointments per week.

Mr Robert Hill will get a signed agreement from the Swadlincote Surgery, that the funding received to create the additional space for an extra GP will be for a period of 10 years, and that Derbyshire County Council will not increase the rent during this period. If the GP decides to move the surgery elsewhere, the funding would have to be returned.

A query were raised regarding if the parking at the new GP Surgery on Darklands Road will be impacted if new outdoor storage space were created? Mr Hill would look into this and feedback the information to Members.

Councillor Mrs Patten thank Mr Hill on behalf of the Committee for the work he is undertaking and making such progress with the Section 106 funding.

**RESOLVED:-**

***1.1 That the Committee noted the content of the update.***

***1.2 That the Committee invited Mr. Hill to the next Committee meeting on the 10<sup>th</sup> February 2016 in Melbourne.***

OS/41 **FESTIVAL OF LEISURE**

The Events and Marketing Officer and Events Assistant gave a presentation to give members the background, breakdown and development of the Festival of Leisure, which was attended by approximately 8,000 people over the two days in 2015.

In 2013 the Council reviewed its Public Events programme, the review confirmed the importance of this event and other key events, and a dedicated Events and Marketing Team was formed within the Community and Planning Directorate, which has since then been responsible for all flag ship events in the Corporate Plan at South Derbyshire District Council. Each year in preparation for the festival sealed bids are received by the Council for

services such as catering, ice-cream and inflatables, each bid is scrutinized to ensure best value is achieved as income helps subsidise the cost to the Council. In 2015, after income and expenditure had been calculated, the total cost to the Council was £2.7k, this equates to a cost of 33 pence per person attending the festival.

Queries and comments made by Councillors relating to the possibilities of creating smaller versions of the festival in the outer areas, how to encourage more charities to take part, working with other organisations such as Morris Dancing groups to create other free events, and the Council supporting newly created local events were noted and responded to.

**RESOLVED:-**

***That the Committee noted the report on the Festival of Leisure.***

OS/42 **BUDGET REPORT 2016/17 INCORPORATING THE CONSOLIDATED BUDGET PROPOSALS AND MEDIUM TERM FINANCIAL PLAN TO 2021**

The Director of Finance and Corporate Services delivered the report to the Committee, clarifying the position entering the 2016/17 budget round, the updated General Fund position with the medium-term projection, identifying the need to achieve savings of up to £1.5m over the spending period. It was noted that the Council's Financial Settlement for 2016/17, along with those projected through to 2020, were less than initially anticipated, a reflection of the change in funding emphasis towards adult social care and children's services influencing greater allocation at a County level. As a result the Council ranks 45th out of 383 local authorities in terms of loss of resources.

The Director of Finance and Corporate Services stated that as a result of the growth within the district, resulting in greater income from New Homes Bonus, retained Business Rates and Council Tax, it was assumed that the Council would become self-financing more quickly than many others. It was also noted that the Council would fall out of Revenue Support Grant sooner than anticipated. He added that the BR (Business Rates) retention levels were set to rise, but that details would not be available for another six to nine months. The New Homes Bonus was being 'top-sliced' to fund social care, it being proposed that its payment be reduced from six to four years and that the first 25% of growth be discounted, considered 'deadweight'. It was also being proposed that penalties be introduced for there being no Local Plan in place and no payment made in relation to new homes which were rejected but then overturned on appeal.

Reference was made to accommodating a new Apprenticeship Levy, applicable from 2017/18 and the risks relating to the concerns being expressed by the recycling contractor regarding increased costs. In relation to Council Tax, the Director stated that the Government was no longer providing support to maintain a freeze in its levels, unlike in the last five years, so a 1.95% increase was being budgeted for from 2016/17, in line with Government assumptions.

Queries and comments by Members concerning possible revenue generated if the Council collected recycling from smaller business in the district and the projected deficit were noted and responded to.

**RESOLVED:-**

***1.1 That the budget proposals approved by the Finance and Management Committee are noted.***

OS/43 **COMMITTEE WORK PROGRAMME 2015/16**

The Vice-Chairman suggested that Recycling and Street Cleansing be added to the work programme with the approval of the Chair on her return.

**RESOLVED:-**

***That the Overview and Scrutiny Committee considers its work programme.***

OS/44 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RESOLVED:-**

***That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it would be likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.***

**EXEMPT QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

***The Committee were informed that no exempt questions from Members of the Council had been received.***

The Meeting terminated at 8:10pm.

COUNCILLOR S. SWANN

VICE-CHAIRMAN

HOUSING AND COMMUNITY SERVICES COMMITTEE

4<sup>th</sup> February 2016

**PRESENT:-**

**Conservative Group**

Councillor Hewlett (Chairman), Councillor Smith (Vice-Chairman) and Councillors Billings, Mrs Coe, Coe, Mrs Coyle, Harrison, Muller and Mrs Wyatt.

**Labour Group**

Councillors Dunn, Rhind and Wilkins (substituting for Councillor Richards).

**In attendance**

Councillors Atkin and Mrs Farrington (Conservative Group).

HCS/68 **APOLOGIES**

Apologies for absence were received from Councillors Richards and Taylor (Labour Group).

HCS/69 **MINUTES**

The Open Minutes of the Meeting held on 26<sup>th</sup> November 2015 were noted and approved as a true record and signed by the Chairman.

HCS/70 **DECLARATION OF INTEREST**

Councillor Mrs Coe declared an interest in Item 12 Housing Revenue Account Budget, Financial Plan and Proposed Rent 2016/17 by virtue of being a Member of the Overview and Scrutiny Committee.

HCS/71 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from members of the public had been received.

HCS/72 **QUESTIONS FROM MEMBERS OF COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

HCS/73 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were no Overview and Scrutiny Reports to be submitted.

**MATTERS DELEGATED TO COMMITTEE****HCS/74 PRESENTATION OF ICON ATHLETES – SOUTH DERBYSHIRE TALENTED ATHLETES**

Hannah Peate, Sport & Health Partnership Manager, Emma Pass, Community Sport Activation Officer and Chloe Maudsley of Derbyshire Sport introduced the South Derbyshire ICON Athletes:

<i>Sam Boyle</i>	19	<i>Fencing</i>
<i>Rebecca Brayer</i>	15	<i>Triathlon</i>
<i>Eleanor Craig</i>	15	<i>Sailing &amp; Yachting</i>
<i>Gareth Griffiths</i>	16	<i>Hockey</i>
<i>Jessica Lear</i>	14	<i>Taekwondo</i>
<i>Matthew Lear</i>	15	<i>Taekwondo</i>
<i>David Marklow</i>	18	<i>Shooting</i>
<i>Ross Orme</i>	17	<i>Canoeing</i>
<i>Lewis Richardson</i>	14	<i>Taekwondo</i>
<i>Liam Richardson</i>	16	<i>Taekwondo</i>
<i>Christopher Steeples</i>	23	<i>Swimming</i>
<i>Lewis White</i>	15	<i>Swimming</i>
<i>Caitlin Williams</i>	12	<i>Gymnastics</i>

The Members commended the athletes on their achievements to date and the Chairman thanked them for attending the Meeting.

**HCS/75 STAR SURVEY 2015**

The Performance and Policy Manager delivered the report to the Committee.

The Chairman praised the work of the officers involved and the results achieved.

**RESOLVED:-**

- 1) Members noted the findings of the recent all tenant satisfaction STAR survey.**
- 2) Members approved the follow-up actions arising out of the survey, as detailed at 3.20 in the report.**

**HCS/76 NEW TENANCY AGREEMENT**

The Performance and Policy Manager presented the report to the Committee.

Queries and comments raised by Members relating to tenants' access to the documentation and guidance, rent payment frequency, tenancy terminations, joint tenancies and the easy-read guides on the website were noted and responded to.

Councillor Rhind proposed that Recommendation 1.3 to the Report be amended, to the effect that the matter be returned to the next Committee to review the feedback from the consultation process and to then approve the issue of a Notice of Variation to Council tenants, therefore deferring Recommendation 1.4. The proposal was agreed by the Committee.

**RESOLVED:-**

- 1) ***Members noted the Council's proposed new Housing Tenancy Agreement and legal contract.***
- 2) ***Members noted that the key changes to the draft agreement have been sent out for consultation to all tenants via the serving of a Preliminary Notice of Intention to serve a Notice of Variation, pursuant to Section 103(2) of the Housing Act 1985, as contained in Appendix 1 to the report, on 25<sup>th</sup> January 2016.***
- 3) ***That Officers return to this Committee on the 10<sup>th</sup> March 2016 with feedback from the consultation process and in advance of a Notice of Variation being served on Council tenants.***

HCS/77 **CHESTNUT AVENUE COMMUNITY FACILITY**

The Director of Community and Planning Services presented the report to the Committee.

Councillor Dunn, as local ward Member, expressed his appreciation of the scheme and the phased transfer to community management, but stated that appropriate training was required to support the individuals involved. The Director confirmed that this support and engagement would be provided.

Councillor Harrison queried the lack of a community group constitution and a co-opted Member to represent the Council. The Director acknowledged these issues and confirmed that they would be resolved as the matter progressed.

Councillor Mrs Coyle queried the absence of this item in the medium term financial plan and the availability of any grants. The Director explained that the Council had received assistance with the build costs, but as a Council asset it was not eligible for many grants, although all were considered. Although the start-up costs fell to the Council, these will reduce year on year as the management transfers to the community.

**RESOLVED:-**

***Members agreed to recommend to the Finance and Management Committee a start-up revenue budget of £32,889 in 2016/17, £16,875 in 2017/18 and £13,572 in 2018/19 to manage the Council's new community facility at Chestnut Avenue.***

HCS/78 **INCOME MANAGEMENT POLICY**

The Housing Operations Manager presented the report to the Committee.

**RESOLVED:-**

***Members approved the introduction of the South Derbyshire District Council Income Management Policy.***

HCS/79 **HOUSING REVENUE ACCOUNT BUDGET, FINANCIAL PLAN AND PROPOSED RENT 2016/17**

The Director of Finance and Corporate Services presented the report to the Committee.

Comments and queries raised by Members relating to the right to buy eligibility with regard to the new housing stock, the current position in relation to attempts to acquire properties at Rowley Court, Swadlincote and the position relating to supported housing were noted and responded to.

The Chairman proposed an amendment to Recommendation 1.1 to the Report, to the effect that the rent level, in relation to tenants in sheltered accommodation only, be deferred to the 18<sup>th</sup> February 2016 Finance and Management Committee. The proposal was agreed by the Committee.

**RESOLVED:-**

- 1) That Council House Rents be reduced by 1% for Tenants with effect from 1<sup>st</sup> April 2016 in accordance with provisions contained in the Welfare Reform and Work Bill 2015/16.***
- 2) That rents for tenants in Sheltered Accommodation be referred to the Finance and Management Committee on 18th February 2016, pending confirmation of regulations in the final Welfare Reform and Work Bill.***
- 3) That the proposed estimates of income and expenditure for 2016/17, together with the 10-year Financial Plan for the Housing Revenue Account, as detailed in Appendix 1 to the report, be considered and referred to the Finance and Management Committee for approval.***

HCS/80 **COMMITTEE WORK PROGRAMME 2015/16**

It was noted that the Item New Tenancy Agreement be re-entered against the 10<sup>th</sup> March 2016 Committee date.

**RESOLVED:-**

***Members considered and approved the updated work programme.***

Councillor Atkin left the Meeting at 7.15pm.

HCS/81 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

*That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.*

**MINUTES**

*The Exempt Minutes of the Meeting held on 26<sup>th</sup> November 2015 were received.*

**TO RECEIVE QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

*The Committee was informed that no questions had been received.*

**LEASE OF WINDING HOUSE AT WOODHOUSE RECREATION GROUND TO SWADLINCOTE BOXING ACADEMY (Paragraph 3)**

*The Committee approved the recommendations contained in the Report.*

**HOUSING REVENUE ACCOUNT – REVIEW OF UNIT MANAGER STRUCTURE (Paragraph 1)**

*The Committee approved the recommendations contained in the Report.*

The Meeting terminated at 7.20pm.

COUNCILLOR J HEWLETT

CHAIRMAN

LICENSING AND APPEALS SUB-COMMITTEE

9<sup>th</sup> February 2016 at 10.00am

**PRESENT:-**

**Members of the Licensing and Appeals Sub-Committee**

Councillor Stanton (Chairman), Councillor Muller (Conservative Group) and Councillor Southerd (Labour Group)

**District Council Representatives**

A. Edwards (Senior Legal Officer), E McHugh (Senior Licensing Officer) and T C Lindgren (Democratic Services Officer)

LAS/40 **APOLOGIES**

The Sub-Committee was informed that no apologies had been received

LAS/41 **DECLARATIONS OF INTEREST**

The Sub-Committee was informed that no declarations of interest had been received.

**MATTERS DELEGATED TO SUB-COMMITTEE**

LAS/42 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RESOLVED:-**

*That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.*

**DETERMINATION OF AN APPLICATION FOR THE RENEWAL OF A PRIVATE HIRE DRIVER'S LICENCE (Paragraph 1)**

The Sub-Committee considered the renewal of an application for a Private Hire Driver's Licence.

**RESOLVED:-**

*That the renewal of the Private Hire Driver's Licence be refused as detailed in the Decision Notice, a copy of which is incorporated into the signed minute book at "SMB1".*

The Meeting terminated at 10.20am

COUNCILLOR STANTON

CHAIRMAN

PLANNING COMMITTEE

9<sup>th</sup> February 2016

**PRESENT:-**

**Conservative Group**

Councillor Roberts (Chairman), Councillor Mrs Brown (Vice-Chairman) and Councillors Atkin, Ford, Grant, Mrs Hall, Hewlett (substituting for Councillor Stanton), Watson and Wheeler (substituting for Councillor Mrs Farrington).

**Labour Group**

Councillors Dunn, Dr Pearson, Shepherd and Southerd.

**In attendance**

Councillor Harrison (Conservative Group).

PL/153 **APOLOGIES**

Apologies for absence from the Meeting were received on behalf of Councillors Mrs Farrington and Stanton (Conservative Group).

PL/154 **DECLARATIONS OF INTEREST**

Councillor Wheeler declared an interest in application number **9/2015/0723** by reason of forming an opinion as Ward Member prior to being appointed a substitute. Councillor Wheeler undertook to leave the Chamber for the duration of the debate on this application once he had spoken as Ward Member.

PL/155 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

The Committee was informed that no questions from Members of the Council had been received.

**MATTERS DELEGATED TO COMMITTEE**

PL/156 **REPORT OF THE DIRECTOR OF COMMUNITY AND PLANNING SERVICES**

The Director of Community and Planning Services submitted reports for consideration and determination by the Committee and presented oral reports to the Meeting to update them as necessary. Consideration was then given thereto and decisions were reached as indicated.

PL/157 **OUTLINE APPLICATION (ALL MATTERS EXCEPT FOR ACCESS TO BE RESERVED) FOR THE RESIDENTIAL DEVELOPMENT OF UP TO 8 DWELLINGS WITH PUBLIC OPEN SPACE, LANDSCAPING, DRAINAGE AND HIGHWAYS INFRASTRUCTURE ON LAND AT SK3826 8204 MAIN STREET KINGS NEWTON DERBY**

It was reported that members of the Committee had visited the site earlier in the day, during which the Principal Area Planning Officer had confirmed that the plan had reduced from 28 properties to eight.

The Principal Area Planning Officer reported that the site plan had reduced in size since the agenda had been published and gave an update on the Section 106 contributions relevant to the application.

Mr Ian Turner (objector) and Mr Steve Lewis-Roberts (applicant's agent) attended the Meeting and addressed Members on this application.

Councillors Hewlett and Harrison addressed the Committee as local Ward Members for Melbourne, expressing the concerns of local residents.

Queries and comments made by Councillors relating to the sustainable status of the application, the five year housing supply, the Local Plan, the impact on the Kings Newton conservation area, its position outside the settlement boundary, the proximity of some properties on, and close to, the indicative plan, the public footpath, viewpoints, the impact on the nearby listed building, the protection of heritage interests, the degree of importance that should be attached to the indicative plan, the surface treatment of the footpath and the maintenance of the existing hedgerows were all matters noted and responded to.

Councillor Hewlett additionally sought clarification on the point that the public open space designation, as shown on the plan, would allow for its potential future use as an extension to the adjacent cemetery if required. The Principal Area Planning Officer confirmed that there may be the opportunity for this to be the case in the future.

Councillors Harrison and Pearson both recommended that if the application was granted, the reserved matters be determined by the Planning Committee, a proposal agreed by the Committee.

**RESOLVED:-**

- A. That the Planning Services Manager be authorised to secure the appropriate level of contributions for mitigation of the impact of the development under Section 106 of the Town and Country Planning Act 1990.***
- B. That, subject to A. above, planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services.***

PL/158 **OUTLINE APPLICATION (ALL MATTERS EXCEPT FOR ACCESS TO BE RESERVED) FOR RESIDENTIAL DEVELOPMENT OF UP TO 24 DWELLINGS ON LAND AT SK2416 7131 COTON LANE ROSLISTON SWADLINCOTE**

It was reported that members of the Committee had visited the site earlier in the day.

The Planning Services Manager reported that, following advice from the Strategic Housing Officer, that more flexibility be applied to the proportions of affordable housing tenure. The relevant recommendation to this application had duly been amended.

Mrs Janet Hodson (applicant's agent) attended the Meeting and addressed Members on this application.

Councillor Wheeler addressed the Committee as local Ward Member for Linton, expressing the concerns of local residents before leaving the Meeting at 6.55pm.

Councillor Grant, as the other Ward Member for Linton, also addressed the Committee, outlining local residents' apprehensions regarding the application.

Comments made by Councillors relating to balancing pond maintenance issues, road safety, drainage, construction and noise conditions, access to the site and the impact on verges and hedgerows were noted and responded to.

**RESOLVED:-**

- A. That the Planning Services Manager be given delegated authority to complete a legal agree under Section 106 of the 1990 Planning Act to secure affordable housing and the financial contributions as set out in the report towards education and healthcare provision, as well as off-site recreational and community facilities, revised to leave the proportions of affordable housing tenure flexible.***
- B. That planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services.***

Councillor Wheeler returned to the Meeting at 7.15pm.

Councillor Grant left the Meeting at 7.15pm.

PL/159 **THE VARIATION OF CONDITION 47 OF PLANNING PERMISSION REF: 9/2009/0341 (RELATING TO A HYBRID PLANNING APPLICATION WITH ALL MATTERS RESERVED FOR UP TO 2,239 DWELLINGS INCLUDING A RETIREMENT VILLAGE; AN EMPLOYMENT PARK; TWO LOCAL CENTRES COMPRISING RETAIL, SERVICES, LEISURE, EMPLOYMENT AND COMMUNITY USES; PUBLIC OPEN SPACES; A NEW PRIMARY SCHOOL; ASSOCIATED LANDSCAPE AND INFRASTRUCTURE, INCLUDING CAR PARKING, ROAD AND DRAINAGE MEASURES; AND**

**THE REFURBISHMENT OF THE LISTED STABLES AND COTTAGES (WITH FULL DETAILS- COMPRISING CHANGE OF USE AND REPAIR OF THE BUILDING) ON LAND AT SK2420 2230 DRAKELOW PARK WALTON ROAD DRAKELOW SWADLINCOTE**

The Planning Services Manager summarised the application to vary Condition 47, to allow for the occupation of 400 homes, up from the previous 100, and reported that in reconsidering the condition would require a review of all the other conditions, originally determined four years ago. The recommendation would be altered, if agreed, along with an update of the conditions, to reflect this situation.

Councillor Mrs Hall addressed the Committee as local Ward Member for Seales, expressing the views of local residents.

Queries and comments made by Councillors relating to traffic congestion, the timing of the bypass / bridge construction, the potential rate of house build, the capacity of the current Bailey bridge at Walton on Trent, affordable housing on the site and primary school provision were all noted and responded to.

Councillor Wheeler identified that some public funding from Derbyshire County Council may be available in the form of a loan, with interest to be paid by the Local Enterprise Partnership.

**RESOLVED:-**

- A. That the Planning Services Manager be authorised to complete a replacement agreement under Section 106 of the 1990 Act, as described in the report and to also grant delegated authority to the Planning Services Manager to amend the conditions on the original permission as necessary.***
- B. That planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services.***

PL/160 **PROPOSED 3.8 MWp INSTALLATION OF PHOTO-VOLTAIC PANELS, INVERTERS AND TRANSFORMERS TO PRODUCE RENEWABLE ELECTRICITY LAND AT SK2828 6687 BURTON ROAD EGGINTON DERBY**

**RESOLVED:-**

***That planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services.***

PL/161 **THE ERECTION OF A BUNGALOW WITH TRIPLE GARAGE AT LAND ADJACENT TO ROBINSONS HOUSE COLLIERY LANE LINTON SWADLINCOTE**

The Planning Services Manager acknowledged that the application relates to a double garage, not a triple garage.

Councillor Wheeler addressed the Committee as local Ward Member for Linton, stating that no objections had been made to this application.

Councillor Atkin queried whether the location fell outside the village envelope. Whilst it does, the Planning Services Manager stated that such considerations were in flux due to the current status of the Local Plan.

**RESOLVED:-**

***That planning permission be granted subject to the conditions set out in the report of the Director of Community & Planning Services.***

PL/162 **PLANNING AND OTHER APPEALS**

The Committee noted the planning appeal decisions in relation to the following applications;

- 9/2014/0090 Land to the rear of Overseal Manor stables, Hallcroft Avenue, Overseal.
- 9/2015/0050 Former Telephone Exchange, Burton Road, Overseal.
- 9/2015/0110 Agricultural building adjacent 3 Field Gate Farm, Sutton on the Hill.
- 9/2015/0215 Land at Main Street, Etwall.
- 9/2015/0651 139 Woodland Road, Stanton.

PL/163 **PROPOSED TREE PRESERVATION ORDER 407 AT LAND TO THE SOUTH OF 43 REPTON ROAD, HARTSHORNE**

**RESOLVED:-**

***That this Tree Preservation Order (TPO) be confirmed without modification.***

PL/164 **PROPOSED TREE PRESERVATION ORDER 410 AT LAND AT KINGS NEWTON BOWLS CLUB, PACKHORSE ROAD, MELBOURNE**

Councillor Harrison relayed concerns expressed by members of the Kings Newton Bowls Club, relating to the potential harm the trees could cause to the playing surface. The Principal Area Planning Officer reported that the two trees in question were slow growing oaks, unlikely to cause any immediate harm. The proposed Tree Preservation Order was a means of affording the trees protection, he explained, but applications could still be made in relation to pruning or felling at the appropriate time. The Planning Services Manager gave an undertaking to write to the bowls club with further information.

**RESOLVED:-**

***That this Tree Preservation Order (TPO) be confirmed without modification.***

PL/165 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985)**

**RESOLVED:-**

*That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.*

**EXEMPT MINUTES**

*The Exempt Minutes of the meeting held on the 17<sup>th</sup> November 2015 (PL/125-PL/126) were taken as read, approved as a true record and signed by the Chairman.*

**EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE No 11.**

*The Committee was informed that no questions had been received.*

The meeting terminated at 7.55pm.

COUNCILLOR A ROBERTS

CHAIRMAN

FINANCE AND MANAGEMENT COMMITTEE

18<sup>th</sup> February 2016

**PRESENT:-**

**Conservative Group**

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Billings, Mrs Coyle, Hewlett, MacPherson, Smith, Watson and Wheeler.

**Labour Group**

Councillors Rhind, Richards, Southerd and Taylor (substituting for Councillor Wilkins).

**In attendance**

Councillors Atkin and Swann (Conservative Group)

FM/99 **APOLOGIES**

Apologies for absence from the Meeting were received on behalf of Councillor Wilkins (Labour Group).

FM/100 **MINUTES**

The Open Minutes of the Meeting held on 3<sup>rd</sup> December 2015 were taken as read, approved as a true record and signed by the Chairman.

FM/101 **DECLARATIONS OF INTEREST**

Councillor Richards declared a personal interest in relation to Item 14 on the Agenda by way of being acquainted with the boxing academy organiser.

FM/102 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from members of the public had been received.

FM/103 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

FM/104 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

Councillor Swann, as Vice-Chairman of the Overview & Scrutiny Committee delivered a verbal update to the Committee, noting its review of the budgetary matters presented by the Director of Finance and Corporate Services on a number of occasions and [Page 197 of 199](#) the financial challenges the Council

faces, but concluding that no matters of significance from an overview and scrutiny perspective were recorded. A review of the Council Tax arrears situation had also been conducted, leading to some initiatives aimed at greater direct debit take-up being instigated.

### **MATTERS DELEGATED TO COMMITTEE**

#### **FM/105 CHESTNUT AVENUE COMMUNITY FACILITY**

The Cultural Services Manager presented the report to Committee, outlining the application on which approval was sought. The Chairman welcomed this development and the aims of the project.

#### **RESOLVED:-**

*That approval was given to a start-up revenue budget of £28,889 in 2016/17, £16,875 in 2017/18 and £13,572 in 2018/19 to manage the Council's new community facility at Chestnut Avenue.*

#### **FM/106 CORPORATE SERVICES PERFORMANCE MONITORING 2015/16: QUARTER 3 TO DECEMBER 2015**

The Director of Finance and Corporate Services delivered the report to Committee. The Chairman expressed his pleasure at the improved figures, in particular the benefit new claims and change of circumstances processing times.

Councillor Richards, making reference to the earlier than anticipated introduction of Universal Credit to the area, queried the Council's preparations. The Director of Finance and Corporate Services confirmed that the Citizens Advice Bureau (CAB) and Community Volunteer Service (CVS) had both made contact and the Council was looking to address these matters collectively. The implementation of Community Points around the district, to assist with the on-line applications, is also being investigated. It was acknowledged that staff involved in this area would see a change in their role and would receive budget skills training as required. The Chairman also acknowledged the need for effective communication for those who will be affected by the changes. The use of customer PC's in libraries and health centres were also suggested, in addition to those the Council can provide.

Councillor Richards also referred to the health and safety issues in the report, highlighting apparent breaches within the Civic Offices, a matter that was noted for further investigation.

Councillor Wheeler voiced his thanks to the work previously undertaken by the Overview and Scrutiny Committee that had contributed to the introduction of the cash receipting machines near reception, greatly reducing the queuing times now faced by customers.

**RESOLVED:**

***That progress against performance targets was considered and noted.***

**FM/107 TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2016/17**

The Director of Finance and Corporate Services presented the report to the Committee.

It was also suggested that Treasury training be undertaken at the Meeting scheduled for 28<sup>th</sup> April 2016, a proposal that was agreed by the Committee.

**RESOLVED:**

***1.1 That the Treasury Management Strategy for 2016/17 was approved.***

***1.2 That the Prudential Indicators and Limits for 2016/17 to 2020/21, as set out in Appendix 1 to the report, were approved.***

***1.3 That the Investment Policy for 2016/17, including the associated counterparty (lending) list, was approved.***

**FM/108 FINAL BUDGET PROPOSALS 2016/17 AND FINANCIAL PLAN TO 2021**

The Director of Finance and Corporate Services delivered the report to the Committee, highlighting that due to increased flexibility around Council Tax setting introduced by the Government, councils could now increase levels by up to £5.00 (Band D equivalent). It was also pointed out that in relation to supported housing, which covers the Council's sheltered accommodation stock, an exemption from the rent decrease rule now applied, allowing the Committee to determine a rate in the range -1% to +1%.

With regard to the latter, Councillor Hewlett, as Chairman of the Housing and Community Services Committee, recommended a rent freeze for the sheltered accommodation tenants for 2016/17.

**RESOLVED:**

***1.1 That a Council Tax increase of 1.95% for 2016/17 be recommended to Full Council on 29th February 2016.***

***1.2 That estimated net General Fund Revenue Expenditure totalling £10,985,851 for 2015/16 (revised) and £11,137,566 for 2016/17 be recommended to Full Council on 29th February 2016.***

***1.3 That the Medium-term Financial Plan to 2021 on the Council's General Fund Revenue Account, as detailed in Appendix 1 to the report, was approved.***

- 1.4 That a strategy and action plan is drawn up to generate budget savings of £1.5m on the General Fund over the spending review period to enable a minimum level of General Reserves of £1m by 2020**
- 1.5 That the Financial Plan for the Housing Revenue Account (HRA) to 2027, as detailed in Appendix 2 to the report, was approved.**
- 1.6 That the rents of Council House Tenants, excluding Tenants in Sheltered Accommodation, are set in accordance with provisions contained in the Welfare Reform and Work Bill 2015/16 and are reduced by 1% in 2016/17.**
- 1.7 That the current rents be frozen for 2016/17 for tenants in Sheltered Accommodation was approved.**
- 1.8 That the 5-year capital investment and financing plan to 2021, as detailed in Appendix 3 to the report, was approved.**
- 1.9 That the Council's National Non-Domestic Rate Return (NNDR 1) for 2016/17, showing retained business rates (before the Tariff) of £8,791,969 for 2015/16 and £9,413,679 for 2016/17, was noted.**
- 1.10 That the report of the Council's Section 151 (Chief Finance) Officer under Section 25 of the Local Government Act 2003 was noted.**

FM/109 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

***That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.***

**MINUTES**

***The Exempt Minutes of the Meeting held on 3<sup>rd</sup> December 2015 were received.***

**TO RECEIVE QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

***The Committee was informed that no questions had been received.***

**LEASE OF WINDING HOUSE AT WOODHOUSE RECREATION GROUND TO SWADLINCOTE BOXING ACADEMY (Paragraph 3)**

***The Committee approved the recommendations made in the Report.***

**HOUSING REVENUE ACCOUNT – REVIEW OF UNIT MANAGER  
STRUCTURE (Paragraph 1)**

*The Committee approved the recommendations made in the Report.*

**RESTRUCTURING THE DIRECT SERVICES OPERATION (Paragraph 1)**

*The Committee approved the recommendations made in the Report.*

The meeting terminated at 6.35pm.

COUNCILLOR J HARRISON

CHAIRMAN