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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