

North East Derbyshire

Council

25 April 2022

Vision Derbyshire, County Deal and Devolution Update

Report of the Leader of the Council

Classification: This report is public

Report By: Councillor Alex Dale, Leader of the Council

Contact Officer: Lee Hickin – Managing Director

PURPOSE / SUMMARY

To provide an update on Vision Derbyshire and work that has been taking place on the development of the collaborative model to deliver non-structural reform across Derbyshire.

To provide an update on the County and City submission for a County Deal including the potential for a larger geographic footprint and wider regional deal.

RECOMMENDATIONS

1. That Council note:

- 1.1 The progress and work that has taken place with Derbyshire Councils on the development of Vision Derbyshire and the Vision Derbyshire Joint Committee.
- 1.2 The Government's intentions around Levelling Up and Devolution, as set out in the recent White Paper.
- 1.3 The progress and submission of Derbyshire County and Derby City Councils' submission for a County Deal across a wider geographical area than the county of Derbyshire which provides the opportunity to pursue a wider Combined Authority (CA) deal at a regional level.

And that Council:

- 1.4 Authorises leadership and senior officers to continue to engage with other Councils across Derbyshire on both the developing Vision Derbyshire programme and the issue of devolution and County Deals and to report back to Council through update reports on progress of the above.

Approved by the Portfolio Holder – Leader of the Council

IMPLICATIONS

Finance and Risk: Yes No

Details:

No direct financial implications to consider at this time, however the financial impact on the Council as the programme develops will be closely monitored

On Behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

There are no legal consequences or considerations in relation to the decisions in this report.

On Behalf of the Solicitor to the Council

Staffing: Yes No

Details:

There are no staffing matters to consider directly relating to this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p>NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
District Wards Significantly Affected	None
<p>Consultation: Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet <input checked="" type="checkbox"/> SMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	<p>Yes</p> <p>Details: Click here to enter text.</p>

Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.
All indirectly

REPORT DETAILS

1 Vision Derbyshire

- 1.1 Over the last two years, Councils across Derbyshire have been working towards a new collective and ambitious vision and model of local government collaboration, which has looked beyond traditional partnerships and focused on achieving the greatest public value for local people and communities.
- 1.2 This work began in July 2019 and included the various councils across Derbyshire, including ours, working together to develop a shared set of priorities and to agree to strategically collaborate on the improvement of outcomes for people and places.
- 1.3 Phase 1 - All ten Councils in Derbyshire – the County Council, City Council and eight District and Borough Councils – worked together during the first phase to identify shared priorities and agree to strategically collaborate on the improvement of outcomes for people and places. This phase aimed to identify and explore the existing level of ambition and appetite of stakeholders to

progress non-structural reform in Derbyshire and resulted in the development and agreement of:

- **Principles for collaboration** to guide future working such as improve outcomes, speak with one voice, better coordination, provide a visible alternative to unitarisation and delivery to be sustainable.
 - **Areas for future collaboration** to provide a potential focus for future working such as climate change, tourism, skills and employment, social mobility and economic prosperity.
 - **Critical success factors** to drive a step change in approach/ways of working to accelerate a truly different model of local government in Derbyshire, including working at pace and building on momentum, working as a collective in a different physical and mental space from business as usual and strengthening and role modelling collaborative and collective leadership behaviours.
- 1.4 The work undertaken as part of the first phase marked a statement to deliver differently for the people of Derbyshire and following Phase 1, Councils agreed that further work was now required to turn the vision and ambition into a viable alternative to structural reform through a second phase. Derby City Council, who participated in Phase 1 of the approach, declined to participate in Phase 2, although the opportunity to work collaboratively on the further development of the approach remained open.
- 1.5 Following what appeared to be a pause in the initiative, in March 2020, during the transition from the 'response' phase into the 'recovery' phase of the COVID 19 pandemic, the programme was reinitiated as a second phase. A series of workshops which included all CEO's (or senior officers) and Leaders from across the county were established. These were communicated as opportunities to test the 'emerging collaboration model' and build out a roadmap for the future of what was now – 'Vision Derbyshire' and to share ambitions with wider public sector partners.
- 1.6 Phase 2 of the programme subsequently resulted in the development of four key ambitions as follows:
- **Seize innovation** - pioneering skills and technologies for a sustainable future economy
 - **Establish relentless ambition** - creating opportunities for everyone in Derbyshire and making these visible
 - **Build proactive communities** - harnessing the energy in Derbyshire's communities and empowering people to make change
 - **Live and work sustainably** - committing to a zero-carbon footprint in our tourism, wider economy and ways of working
- 1.7 At the heart of this collaborative approach is the belief that such a commitment to strategic collaboration can improve outcomes and realise financial efficiencies, delivering some of the benefits of reorganisation without the administrative burden, financial cost, time delays and political upheaval. Recognising that whilst there is further work to be done, NEDDC

previously approved Vision Derbyshire as the Council's preferred option for local government reform at the current time (November 2020).

- 1.8 Since that report to Council, NEDDC Officers and elected Members have been actively participating in the Vision Derbyshire meetings along with other councils, helping to shape the proposed approach and also leading on some of the countywide work-streams including climate change for example.
- 1.9 During Phase 3 of the programme, the development of a new formal governance model for Vision Derbyshire has taken place which sees the creation of a new Joint Vision Derbyshire Committee at its centre. This was seen as a necessary requirement by some of the Councils involved in the programme in order for Government to take Vision Derbyshire seriously as an alternative to local government reform.
- 1.10 NEDDC has not formally signed up to the Vision Derbyshire Joint Committee, therefore remains as a 'non-constituent' member of the Joint Committee at this stage. The decision as to whether to sign up in the future will be a decision for Council to make, set against the context of what we are now beginning to understand having received more detail in relation to the recently published Levelling-up White Paper, County Deals and the potential impact of these upon our Council and indeed Vision Derbyshire.
- 1.11 In order to 'sign up', each Council would have to agree/approve to the recently established governance model and arrangements to become part of a formal Vision Derbyshire Joint Committee. Those who have signed up to the formal Vision Derbyshire arrangements and governance model – the 'constituent' members include; Derbyshire County Council, Chesterfield Borough Council, Derbyshire Dales District Council and High Peak Borough Council. The inaugural meeting of the 'Vision Derbyshire Joint Committee' has taken place recently on the 4th April 2022.
- 1.12 In signing up, each Council is also required to make a financial contribution – something that is seen as necessary by the 'constituent' members of the Committee in order to adequately resource the ambitions and plans currently being developed through the Vision Derbyshire model and which would be required to enter the next Phase – 4 – delivery of the ambitions.
- 1.13 At the inaugural meeting the Joint Board approved the establishment of a 'Programme Team' along with associated budgets including; programme, communications, equipment, travel and subsistence. The Programme Team will comprise of; 1 x Programme Manager, 4 x Senior Projects Officers, 1 x Communications Officer, and 1 x Admin Support, all based upon a 1 year fixed term contract at this stage. The cost of this 'Programme Team' will be shared across the full member or 'constituent' Councils, this currently stands at £383,804.

2. Levelling Up and Devolution

- 2.1 A key ambition of Government is to devolve powers closer to the areas they affect. In order to allow for such powers and finance to be devolved from central Government to a local level, it is recognised that local authorities must exist that are large enough to receive, administer and deliver them, this would need district and borough councils to work closely with the County Council. Proposals seek to shift Government focus and resources to Britain's 'left behind communities'.
- 2.2 Many councils across the country are currently exploring the potential offered by the Levelling-Up White Paper to secure a deal for their areas. A devolution deal for the East Midlands could result in significant additional investment in infrastructure, skills and transport in Derbyshire, among other things, which would have potential resultant benefits to North East Derbyshire District Council. In light of the continued pressure on public finances and the continuing impact of Covid19, rising cost of living and other factors, such investment could be of vital importance in supporting the local economy for the benefit of local people.

3. County Deal

- 3.1 A County Deal for Derbyshire could incorporate directly devolved investment in infrastructure, skills and transport for example. Such investment would be of vital importance in enabling the local and regional economy to recover from the pandemic for the benefit of local people. County Deals are only available to upper tier authorities with no power of veto by District and Borough Councils.
- 3.2 The Levelling Up White Paper recently announced seeks to set out a complete system change of how government works – meaning 12 bold national missions to be achieved by 2030, which can be [viewed on the Government website](#).
- 3.3 Late last year, Derbyshire County Council along with Derby City submitted a formal expression of interest requesting that Derbyshire be considered as a potential County Deal pilot area through the **Vision Derbyshire** model which could present a credible model to Government. The response back from the Secretary of State and DHLUC suggested the proposal met the conditions of being 'readily deliverable' and the letter noted 'innovative proposals' including recognition of the 'Vision Derbyshire' model.
- 3.4 Since then, the Government has now formally announced that Derbyshire and Derby City are one of 9 areas invited to agree new county deals, extending devolution across England. The core principles of a Devolution deal are;
- Effective Leadership – strong local leadership
 - Sensible Geography – the footprint has to be appropriate
 - Flexibility – not all will receive the same powers
 - Appropriate accountability

3.5 The Devolution Framework identifies three levels/tiers that a 'deal' could be sought and agreed, each has a different requirement along with a different range of powers;

- Level 1 – Local Authorities working together across a functional economic area (FEA) or whole county area e.g. through a joint committee
- Level 2 – A single institution or County Council without a directly elected mayor (DEM) across a whole county area or FEA
- Level 3 – A single institution or County Council with a DEM across a FEA or whole county area

There are far greater powers and flexibilities on offer for level 3.

3.6 The main objective of the deal, widely communicated with District and Borough Councils throughout, is to achieve a Level 2 deal – without a DEM. Invitations to apply for a County Deal have also been extended to Nottinghamshire and Leicestershire however, which provide the opportunity to pursue a wider Combined Authority (CA) deal at a regional level. At this stage it is suggested that to achieve the maximum powers provided through a Level 3 deal would require the need to progress governance through a DEM and a CA model.

3.7 Although new legislation is anticipated for CA's, there are already a number in operation which provide some context – the legal basis for which is included in a number of Acts including; the Local Government Act 2000 (amended 2007), the Local Democracy, Economic Development and Construction Act 2009 and the Cities and Local Government Devolution Act 2016.

3.8 In such CA's, the Mayor would effectively appoint a Cabinet from amongst the members of the CA – typically the Leaders of the constituent Councils. Membership may extend beyond the list of Cabinet members, including voting and non-voting members representing a full range of stakeholders and member bodies. Powers in a CA are split between those vested directly in the Mayor and those vested in the corporate body of the CA.

3.9 Subject to the necessary legislation, it is Government's intention to introduce a new type of CA, which can comprise only upper tier Councils. Any such deal would only be made with upper tier Councils – the purpose of which would be to ensure no single Council could veto a deal.

3.10 It is expressly said however that this is not to exclude Districts and Boroughs, which are seen as vital partners. The Government are clear that it expects involvement of as many District and Borough Councils as possible. Government also suggest that it is for local Leaders to determine the level and extent of such involvement, including decision making. Indeed, Government's intention is also to amend legislation to allow two tier areas to be part of a Combined Authority, without the need for structural local government reform towards unitary status.

- 3.11 Within the last month, NEDDC members, along with other Districts and Boroughs, have been invited to a series of meetings convened by DCC and Derby City at which they have provided an update on the latest position. At those meetings it was very clearly set out that any application or submission for a deal needed to be executed imminently. The date of the submission using a Government provided template was by the 25th March 2022.
- 3.12 At these same meetings, DCC and Derby City Leaders explained that this submission was a starting point for negotiations rather than an end point. It was also confirmed that the template had been submitted on the basis of a D2N2 level deal which would seek the greatest devolution of powers (see Appendix 1) to the region (East Midlands) which by comparison had fallen far short of other regions over the years in terms of investment.
- 3.13 There remains the need to understand how District and Boroughs can be involved and engaged in both the further formation of a deal (notwithstanding the fact that the deal will be done with the upper tier authorities) and how Districts and Boroughs might feature in the governance of such a CA if the submission is successful.
- 3.14 The tight turn-around requirement for the template submission at this stage is indicative of the intention to agree any deals as part of this phase by late autumn 2022. If the submission fails at this stage it is unlikely there will be a further opportunity for another deal until at least 2024.

4 Reasons for Recommendations

- 4.1 There is clearly a valid case for working collaboratively with others. The case for a collective commitment to strategic collaboration between Councils is already evident with many examples including; the Strategic Alliance between this Council and Bolsover District Council; the Joint Building Control service between this Council, Bolsover District Council and Chesterfield Borough Council and the Joint ICT service between this Council, Bolsover District Council and Derbyshire Dales District Council.
- 4.2 The fundamental drivers behind the concept of Vision Derbyshire are intact; the ability to speak with one voice; delivering better outcomes for communities; and delivering sustainably. The new governance arrangements and Vision Derbyshire Joint Committee may require a further level of commitment in due course now though. That prospect however requires further work and assessment before such a proposal can be brought before this Council for consideration, especially in light of the recent submission to Government in relation to a devolution deal and the impact upon the Vision Derbyshire construct.
- 4.3 There clearly remains the need to understand also how District and Boroughs can be involved and engaged in both the further formation of a deal (notwithstanding the fact that the deal will be done with the upper tier

authorities) and how Districts and Boroughs might feature in the governance of such a CA if the submission is successful.

5 Alternative Options and Reasons for Rejection

- 5.1 To NOT authorise leadership and senior officers to continue to engage with other Councils across Derbyshire on both the developing Vision Derbyshire programme and the issue of devolution and County Deals. This alternative option is rejected as this approach would not allow NEDDC to have an input into shaping future arrangements in this regard and in the interests of NEDDC and its residents, businesses and communities.

DOCUMENT INFORMATION

Appendix No	Title
1	Chart of powers available at different levels of a deal.
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers)	
Click here to enter text. None	

Function	Detail	L1	L2	L3
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
Supporting local businesses	LEP functions including hosting strategic business voice		✓	✓
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
Investment spending	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓
Giving adults the skills for the labour market	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
Local control of infrastructure decisions	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
Keeping the public safe and healthy	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align^			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
Financing local initiatives for residents and business	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

* refers to functions which are only applicable to combined authorities

^ refers to functions which are currently only applicable to mayoral combined authorities