

PUBLIC

MINUTES of a meeting of **CABINET** held on **3 February 2015** at County Hall Matlock.

PRESENT

Councillor A Western (in the Chair)

Councillors D Allen, A Botham, D Collins, K Gillott and P Smith.

Councillors B Lewis and K P Morgan also attended the meeting.

41/15 PUBLIC QUESTIONS

There were no public questions.

42/15 MINORITY GROUP LEADERS' QUESTIONS

Councillor B Lewis had submitted the following question:

Agenda Item 5 – Proposal for a Derby and Derbyshire Combined Authority

We welcome the Combined Authority approach, of which the first steps were taken during our administration with the creation of the D2N2 LEP, does the Leader not agree that it was something of a shame that the model does not replicate the D2N2 area in its entirety, which would lead to greater efficiency savings, reduce even more duplication and create even greater access to funding and consequently the delivery of the LEP priorities? Could the Leader explain what factors led to this failure to deliver the greater vision of a more effective, larger Combined Authority arrangement?

Could the Cabinet Member elaborate on the evolving business plan for delivering the Combined Authority, crucially in relation to reducing costs and duplication across all the constituent local authorities and the delivery of the D2 LEP area priorities in a cost effective manner?

Does the Leader of the Council see, or hope, these new Combined Authority Arrangements would be the first steps towards a whole County and City Unitary Authority?

Councillor A Western, Leader of the Council and Cabinet Member for Strategic Policy, Economic Development and Budget responded as follows:-

The two Combined Authority model for the D2N2 area had been promoted and supported by Ministers and Civil Servants and this reflected the fact that the D2 area differed from N2.

The business plan for the Combined Authority would incorporate the funding already available to the LEP and other contributions in terms of staff time etc and the operation of the Combined Authority would be rationalised to ensure it operated more effectively, with the overall contribution not being greater.

The proposal was not seen as a move to a whole County and City Unitary Authority. Two tier local government working well could be very effective.

43/15 PROPOSED DERBY AND DERBYSHIRE COMBINED AUTHORITY

(Strategic Policy, Economic Development and Budget) The report set out the outcome of the recent governance review and details of the resulting proposal to create a Derby and Derbyshire (D2) Combined Authority (CA). The strategic policy context was reported along with the current arrangements that existed in the D2 area.

The last five years had set economic development in a context of political change and global recession. There was a strong desire nationally to re-balance the economy, and develop new, forward-looking economies that support growth and prosperity. It was within this context the UK's thirty-nine Local Economic Partnerships (LEPs) were created to bring together private and public sector skills to help address the economic challenges and drive regional growth.

Recent Government policies and funding announcements, had 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 had led the way in securing devolution and stronger local governance to drive economic growth; and other metropolitan areas had followed, building on existing platforms of 'city deals' to target their efforts.

There was 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 built on the existing economic strengths and assets, maximising the latent potential for growth and ensuring Derbyshire residents benefit from increased prosperity.

A key area of work for the D2 Joint Committee over the last ten months had been to undertake a governance review to determine whether the existing arrangements for economic development, regeneration and transport in Derbyshire were delivering the best results. The review had 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 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 and how are we going to get there?

The purpose of the review had 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 were the statutory tests required to be applied. Work involved evaluating current economic performance and considering options for strengthening local governance.

The review sought to recommend which future option was likely to be most beneficial to strengthening the overarching governance arrangements across the wider D2N2 LEP. The Governance Review Report set out a detailed account of the current economic conditions across the D2 area, evaluated the existing Joint Committee and wider LEP governance arrangements and considered the potential options for improvement. It concluded that a Combined Authority for D2 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”. This conclusion complemented the findings of the current N2 review which, together, ensured the wider D2N2 LEP would benefit from strengthened governance, attracting greater freedoms, flexibility and funding from Government.

Arrangements for the future operation of the CA were set out. The D2 CA would 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 would link to the LEP-wide Single Assurance Framework and role of the LEP’s Accountable Body.

As part of the governance review, the current D2 Joint Committee had undertaken a strong process of engagement with key stakeholders from across and outside the area. A major consultation exercise had been undertaken between 2 and 23 January 2015 to test local support of the proposal to create a D2 CA and the proposed ambitions. The outcome of this was reported which confirmed overall support for the proposal.

There was a need for this matter to be endorsed by Full Council and for the Scheme to be submitted to Government between 13 and 18 February 2015. In order to achieve this, it had been necessary to request Councillor C R Moesby, Chair of the Improvement and Scrutiny Committee - Resources, to consider the proposed waiving of call-in in respect of the report. Councillor Moesby had agreed both that the decision proposed was reasonable and to it

being treated as a matter of urgency in order to ensure the timescales could be met in connection with the submission of the Scheme to Government.

RESOLVED (1) to endorse the findings of the D2 Governance Review which concluded that establishing a D2 Combined Authority would improve the exercise of statutory functions in relation to economic development, regeneration and transport in the Derby and Derbyshire area leading to an enhancement of the economic conditions and performance of the region;

(2) to agree to the submission to Government of a scheme for the establishment of a Derby and Derbyshire Combined Authority, following endorsement by Council, and to authorise the Leader of the Council to finalise the proposal and any related documents prior to submission to the Department of Communities and Local Government; and

(3) to agree that call-in be waived in view of the urgency of the matter.