

13. PROPOSED D2 COMBINED AUTHORITY (JRS/RG)

1. Purpose of the report

To advise Members on a consultation in respect of a proposed D2 Combined Authority (CA) for Derby and Derbyshire, and to confirm support for the Authority's response.

Derbyshire County Council invited responses to the consultation on the proposal between 2 January – 23 January 2015. A response was provided by the required deadline and the main elements of this response are set out below for the Authority to endorse and make any further comment.

Key issues

- Our pivotal location in the North and centre of England means that the National Park has both a responsibility and an opportunity to work with the surrounding urban areas; whose populations are significant beneficiaries of the National Park, whether it be the provision of clean water, carbon storage, food, flood risk management or the enjoyment, understanding and improved wellbeing that millions of people value as a result of experiencing nature and the outdoors
- Given these benefits the National Park has a significant amount to offer in the relationship with its surrounding urban partners and it is important that the National Park Authority engages with, influences and plays an appropriate role in the arrangements such as Local Enterprise Partnerships (LEPs) and Combined Authorities (CAs).
- The Authority welcomes the Combined Authority as a vehicle for facilitation of the delivery of strategic economic development and transport improvements in Derbyshire
- The Authority supports the proposed offer of 'observer' status to the National Park Authority
- The Authority asks the proposers of the D2 Combined Authority to acknowledge that Section 62 of the Environment Act 1995 places a statutory duty on 'relevant bodies' to have due regard to the purposes of designation when exercising or performing its functions in relation to, or so as to affect, land in the National park.

Recommendations

2. **1. That Members endorse the response on the proposed Derbyshire Combined Authority, set out in paragraphs 22 and 23.**

How does this contribute to our policies and legal obligations?

3. A Combined Authority is a statutory organisation which enables authorities in a recognisable economic area to work together with a view to developing new and more efficient approaches to regeneration and economic development, transport, and housing. Whilst regeneration, transport and housing are not direct responsibilities of the National Park Authority they are likely to be relevant factors in achieving our purposes and duty. It follows that when potential land use aspects of any proposals are considered they may also have spatial planning implications.

The National Park Management Plan and Corporate Performance and Business Plan set out, respectively, outcomes and objectives that the Authority is pursuing, often with its partners. A number of these relate explicitly to economic aspirations, as follows:

National Park Management Plan 2012-17 – most relevant outcomes

DL1 The diverse national park landscapes will adapt to challenges whilst retaining their special qualities and natural beauty

ES 1 Profitable farming, through food production, land management and farm based business, will promote and contribute to the special qualities of the national park, and is recognised as essential to its character and health

ES2 There will be a diversity of thriving businesses supporting and contributing to the economy and local communities which are critical to the long term future of the national park

ES3 The Peak District landscape will be managed by farmers and other land managers to increase potential economic return from public goods, such as clean water, carbon storage and renewables

ES4 Traditional and modern economic development that is innovative, well managed and appropriate to the landscape will be supported

WI 1 The national park will strengthen its role as a welcoming place and premier destination, synonymous with escape, adventure, enjoyment and sustainability

TV1 Thriving villages, hamlets and the market town of Bakewell will adapt to new challenges whilst retaining their valued historic and cultural integrity

TV4 More opportunities will be found to provide locally needed affordable housing

Corporate Objectives 2012 – 15 – most relevant objectives

CO6 – Support a sustainable economy by working with businesses and other agencies, particularly focusing our efforts on environmental management.

Background

4.

Combined authorities were introduced in the Local Democracy, Economic Development and Construction Act, 2009 as a means of encouraging two or more principal local authorities (defined as County and District Councils, but not a National Park Authority) to formally work together and use their collective power to boost the local economy, create more and better jobs and deliver transport improvements.

5.

All 10 Derby and Derbyshire councils are working together towards combined authority status. These 10 councils are:

- 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.

6.

The consultation documents explain that the 10 councils have developed five main areas to focus their work if the combined authority goes ahead. It goes on to say that these are:

- **Skills:** creating opportunities for improving the skills and training of the local workforce and working more closely with local employers
- **Transport:** improving the efficiency and effectiveness of public transport so people can reach jobs and move around the county more easily

- **Homes:** increasing the supply of affordable housing linked to economic development and to local needs
- **Jobs:** increasing the number of jobs and better paid jobs across the city and county and improved links with businesses
- **Investment:** working together to attract investment and new development and grow the local economy.

7 At present there is a LEP (Local Employment Partnership) in the Derbyshire and Nottinghamshire area – this is the Derby and Derbyshire, Nottingham and Nottinghamshire (D2N2). Working with the D2N2 LEP, the ten local authorities of Derby and Derbyshire have set up a Derby and Derbyshire (D2) Joint Committee to promote economic development in the area. The Combined Authority is seen as the next step in providing a more coordinated strategic approach in the County.

8 There are currently Combined Authorities in the Sheffield City Region and Greater Manchester. Nottingham and Nottinghamshire are also consulting on a combined authority for that county.

9 **The Proposed 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.
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10 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”.

11 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.

12 In accordance with the Local Democracy, Economic Development and Construction Act 2009 the Derby and Derbyshire Authorities undertook a governance review. 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. A link to the document is provided below:

http://www.derbyshire.gov.uk/images/Review%20Report%20V21.1_tcm44-256555.pdf

13 **D2 Functioning Economic Geography**

The area of the proposed D2 CA is shown in the map in annex 1. The D2 area has 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. The Peak District National Park is included in the North West Economic Zone.

14 **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 and the Peak District National Park. The main centres of population are Glossop, New Mills, Whaley Bridge, Chapel-en-le-Frith, Buxton, Matlock, Bakewell, Wirksworth and Ashbourne which provide opportunity for housing and economic growth.

15. 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

16 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.

17 The visitor economy is identified as 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.

18. **Economic Potential and the Case for Change**

The three functioning geographies, including the North West described 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.

19. **Legal Status**

Combined authorities are legal entities and may be given functions of the constituent local authorities. 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. 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. 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 cannot fund any activity whose overarching purpose is not to deliver transport objectives or functions by means of the levy or through borrowing.

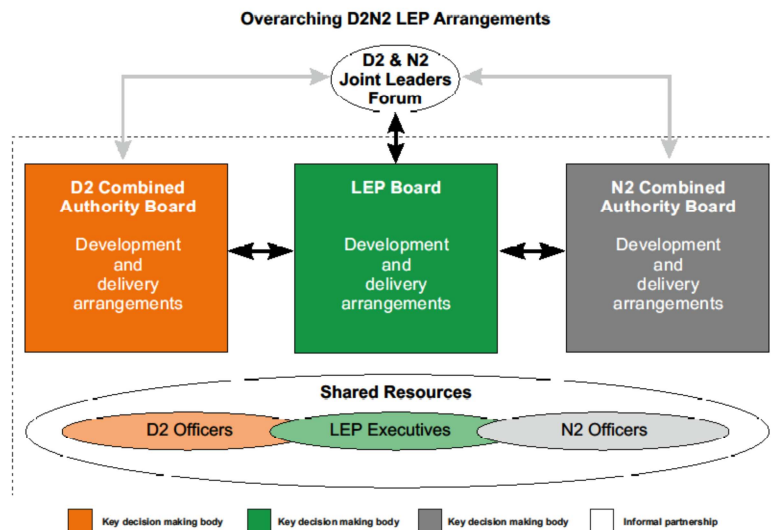
20. **Governance:**

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. District Councils All local authorities within the D2 area were represented. The options considered 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**

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. A single combined authority for Derbyshire and Nottinghamshire was ruled out on the basis that this would be unlikely to be responsive enough to the distinctive local needs of the two counties.

21. **Overarching Governance Arrangements for the D2N2 LEP and the Combined Authorities**



22. The detailed arrangements for the D2 Combined Authority are set out in the 'Scheme', but in summary, it 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. With regard to the National Park Authority, it is proposed that "Observer status" on the Board is offered to the Authority and to private and voluntary sector representatives. The consultation paper says that these bodies "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

23. 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. 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 CA. The work of the CA will be reviewed and scrutinised through a Joint Scrutiny Committee which will be made up of elected member representatives of all D2 authorities and will be politically balanced.
24. The Draft 'Scheme' sets out the proposed working arrangements:

http://derbyshire.gov.uk/images/Scheme%20-%202023%20DEc_tcm44-256679.pdf

Proposals

25. **Considerations for the National Park Authority**

The Authority response already provided to Derbyshire County Council made the following comments, which members are asked to endorse, and make any further comment upon:

- The Authority welcomes the Combined Authority as a vehicle for facilitating the delivery of strategy economic developments and transport improvements.
- The Authority welcomes the proposal to offer the Peak District National Park Authority "observer status" of the D2 Combined Authority. However, the documentation provided in the consultation does not set out in detail what this would involve. It is anticipated that it would allow attendance at meetings and the right to be consulted and make representations at a level which is greater than would be afforded to any bodies or persons which do not have observer status. It is not anticipated that the Authority would have any voting rights on the D2 CA, nor would it be expected to make any financial contribution to it. The detailed way in which Observer Status would work is not set out in the consultation papers so it is not known at this stage whether it would be at Member level, reflecting the governance of the CA board, or at officer level. In practice, officers of the Authority would monitor the work of the CA and decide whether the interests of the National Park require involvement by the Authority's representative at meetings or in other work of the CA. Much of the work of the CA is unlikely to have either a direct or indirect impact on the National Park, but it is essential that officers maintain a "watching brief" on the CA's work to ensure that the interests of the National Park are being taken into account when strategic decisions are being made.
- The Authority reminds the proposed Combined Authority of the strong legislation and policies that apply to the protection of national parks and that these are reflected in the constitution and operation of the proposed Combined Authority. The consultation documents (notably the Governance Review) make a number of references to the fact that a significant part of D2 lies in the National Park and that this area is of high landscape value. However, they do not make clear that there are very strong policies and guidance which support the protection of the landscape, and which place a duty on all statutory bodies to have regard to national park purposes. In this context it is important that the proposed Combined Authority acknowledges that it will have a statutory duty under Section 62 of the Environment Act 1995. Section 62 of the Act inserted a new Section 11a into the National Parks and Access to the Countryside Act 1949. It placed a statutory Duty

on national park authorities and other ‘relevant authorities’ to have regard to the purposes of designation when exercising or performing any functions in relation to, or so as to affect, land in the national park. The Authority considers that this duty would apply to the proposed Combined Authority, so it is important that this is acknowledged by the D2 CA

26. The following points represent further relevant and more detailed observations that the Authority should make as part of its response to the consultation:
- The specific nature of “observer status” will require further investigation to be clear on the circumstances by which consultation with the National Park Authority may be triggered and by what standard (e.g. the consultation period). This is important as it allows the Authority to utilise its role to seek input from other statutory and partner bodies.
 - The proposed Combined Authority would have strategic economic development and transport powers, which will be exercised on a concurrent basis with the constituent member Authorities. No planning powers would be ceded to the CA. Within the National Park, the National Park Authority would retain its planning powers and functions
 - The Authority is in discussion with Derbyshire County Council regarding the preparation of a Duty to Cooperate Spatial Statement covering the whole of Derbyshire (including the National Park). It will be necessary to maintain these discussions in order to be clear on the spatial relationships between the functional economic geographies arising from LEP’s and Combined Authorities and the various Housing Market Areas defined for district wide Local Plans. This will allow the National Park Authority to develop the most appropriate spatial strategy in pursuing the statutory purposes of the National Park.
 - The economic potential of Peak District National Park and the wider Peak District stands apart from other rural areas in terms of its economic growth potential. It offers distinct opportunities for economic development arising from its unique characteristics – an exceptional landscape surrounded by conurbations – and can make a significant contribution to the objectives of the Local Enterprise Partnerships which overlay the area. A summary from the Growing the Rural Economy - Evidencing the Case for the Peak District report January 2014 is included at annex 2.
 - The Peak District response to working with the complexity of six Local Enterprise Partners was the creation of Business Peak District (BPD). BPD is a private sector led partnership involving business leaders, the Peak District National Park and the constituent Local Authorities. It acts as a single voice for businesses across the wider Peak District and has an agreed vision – *for ‘a Peak District with a distinctive, high quality rural environment and an enterprising, growing and sustainable rural economy’*. So far BPD has produced a concordat agreement, a prospectus setting out the economic offer and has fed into the development of the Economic Growth Package for the Peak District as part of Enterprise Peak District. There is further scope to harness this business knowledge and expertise to help grow the local economy and it will be important to forge links between BPD and any new CA.
 - Nature Peak District is the Local Nature Partnership (LNP) covering the whole Peak District. It is working in a joined up way with the Lowland Derbyshire and Nottinghamshire LNP to liaise with D2N2 via joint meetings, and have previously provided development proposals to D2N2 as part of the Enterprise Peak District

package. Whilst there is no specific requirement from Government for LEPs to work with LNPs we would like to remind sponsors of the Combined Authority that the 2011 Natural Environment White Paper states:

“We expect them [LEPs and LNPs] to work in a co-operative and constructive fashion to drive forward green growth locally. Together they can help create the conditions needed for thriving local enterprise, innovation and inward investment – all of which can benefit from and contribute to, a better natural environment. We would encourage LEPs and Local Nature Partnerships to work together to forge strong links that capture the value of nature. LEPs and Local Nature Partnerships may arrange reciprocal representation, but local discretion would apply here.”

- It would be helpful if any maps showing the area covered by the proposed D2 Combined Authority also show the area covered by the Peak District National Park.

Are there any corporate implications members should be concerned about?

27. Financial:

There are not considered to be any direct financial consequences for the Authority. Although it is acknowledged that the proposed CA will have important roles in building a case for securing, raising and being accountable for large amounts of public money invested in Derbyshire in the future.

28. Risk Management:

The main risk identified is insufficient reference to the strong protection afforded to national parks. The request to reflect Section 62 of the Environment Act and the Duty on all ‘relevant authorities’ to have regard to the purposes of designation mitigates this risk.

29. Sustainability:

It is pleasing to see that the proposal for the Combined Authority is to pursue an economic regeneration strategy with economic, social and environmental sustainability at its core, given our special purposes and the environmental emphasis that our corporate objective (CO6) places on environment management.

Background papers

Appendices -

Annex 1 - Map of Combined Authority area

Annex 2 - Growing the Local Economy: Evidencing the case for the Peak District

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