



*making our region more prosperous, sustainable and fairer, helping our people and businesses to create and seize opportunities*

## **EAST MIDLANDS COMBINED COUNTY AUTHORITY BOARD**

<b>Date</b>	<b>20th March 2024</b>				
<b>Report Title</b>	<b>Strategic Framework and early investment plan</b>				
<b>Accountable EMCCA Board Member</b>	No Member identified due to nature of this being first EMCCA Board meeting				
<b>Accountable Chief Officer</b>	Mark Rogers Interim Chief Officer				
<b>Accountable Employee</b>	Richard Grice Interim Strategy and Delivery Lead				
<b>Report has been considered by</b>	Informal Leaders Meeting				
<b>Key decision</b>	Yes	<b>Public Report</b>	Yes	<b>Voting Arrangements</b>	By simple majority of Constituent Members

**Recommendation(s) for action or decision:**

**The East Midlands Combined County Authority Board is recommended to:**

- 1 Approve the Strategic Framework as a sufficient basis for EMCCA interventions and investments in 2024/25 and the development of a longer-term regional inclusive growth strategy, allowing for accommodation of Mayoral priorities from May 2024.**
- 2 Approve the 2024/25 delivery plans as set out in the Strategic Framework, allowing for accommodation of Mayoral priorities from May 2024.**
- 3 Approve the further development of the Strategic Framework into a long-term inclusive growth strategy and delivery plan during 2024/25, for approval in March 2025**
- 4 Approve an initial investment plan and associated delegations for March-June 2024 to enable the development of an early pipeline of interventions and further investment in line with the Strategic Framework and delivery plans.**

## 5 **Approve delegation to the Interim Chief Executive of EMCCA of the submission of the Adult Education Budget (AEB) Readiness Conditions, for final ratification at EMCCA Board in June**

### 1. **Purpose**

1.1 The purpose of this report is to set out:

- a Strategic Framework to guide EMCCA interventions and investments and to act as the key strategic document for EMCCA prior to the development of a long-term regional inclusive growth strategy
- an initial delivery plan for 2024/25
- an associated initial revenue investment plan, derived from the delivery plans, to enable EMCCA to initiate the development of a pipeline of early interventions and investments of benefit across the region.

### 2. **Background**

2.1 The East Midlands devolution deal signed in August 2022 enabled the creation of England's first Combined County Authority. In doing so it secured significant funds and powers for the region and empowered local people to make the decisions that influence jobs and skills, the quality of the region's transport infrastructure, housing investment, and the region's diverse natural environment. The four constituent councils' subsequent approval of the creation of EMCCA in December 2023 will see the region benefit in the first instance from a £1.14 billion investment fund over 30 years, alongside £1.5 billion in transport funding, £53m for adult education, and £18m for housing, brownfield land and other investments. Alongside this, as a result of the creation of EMCCA, the region is working with national government to establish an 'Investment Zone', which will attract £160 million of support over ten years, with tax incentives for businesses, which will help boost economic growth across the region.

2.2 These initial powers and funds are the starting point for an ambitious programme that integrates social, environmental and economic initiatives in innovative ways to improve opportunity and wellbeing in the East Midlands. The period since August 2022 has been one of designing how EMCCA will operate. In March 2024, the need is to confirm the governance, oversight, plan and staffing of the organisation in order for it to start to deliver.

2.3 Iterations of EMCCA's aims, outcomes, objectives and priorities have been stated in a number of documents that, over time, have formed the framework for devolution in the East Midlands. These documents include:

- the devolution deal (August 2022)
- the consulted EMCCA proposal (closed 9<sup>th</sup> January 2023)

2.4 While clear principles, narrative and strategic intent are necessary, they are insufficient to deliver transformational improvement for the region. For that, EMCCA requires a strategic framework that:

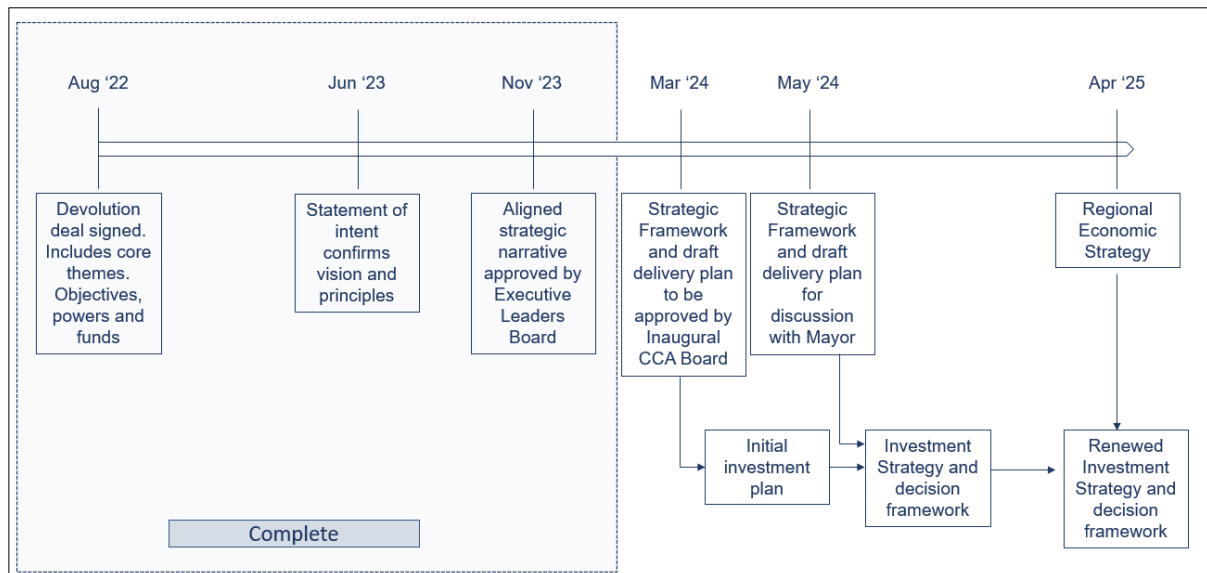
- brings workstreams together to focus on delivering against system-wide, cross-cutting objectives
- creates a clear structure for investment decisions and the CCA's delivery plan

2.5 As such, a coherent strategic framework is a critical link between EMCCA's ambition and maximising impact in its areas of greatest priority. But development of a thoroughly evidenced, multi-year operational and investment strategy by May 2024 would be challenging. It would also be inappropriate to finalise such a far-reaching strategic plan prior to the election of the

Mayor. Therefore, the Strategic Framework, associated 2024/25 delivery plans, and initial investment plan have been developed to maximise early opportunities to make progress, while laying the foundations for further, transformational change that goes beyond the deal in future years.

2.6 The timeline shown in figure 1 below demonstrates the ‘golden thread’ running through the various phases of EMCCA strategy development, from initial signing of the devolution deal, through alignment of a single narrative, towards development of a long-term strategy during 2024/25.

Figure 1: Strategy development timeline



### 3. A Strategic Framework for EMCCA

3.1 The Strategic Framework (see appendix) sets out the basis on which EMCCA will build its longer-term regional strategy and first year delivery plan. In essence, the Strategic Framework:

- Sets out a broad vision for EMCCA rooted in inclusive growth
- Identifies, at a high level, the key strengths, weaknesses and opportunities that the Framework needs to address
- Sets out how EMCCA can deliver on its inclusive growth agenda by:
  - Operating as a system leader
  - Delivering on the ambition by simultaneously: executing on the specific requirements of ‘the deal’; building a platform for future ambition; and prioritising three major themes for intervention (energy, sustainable places, and regional innovation)
  - Integrating the aims of the devolution deal’s five delivery themes for maximum impact
  - Setting out a high-level ambition for further devolution
  - Developing an organisation capable of effective delivery

3.2 The Framework is intended to guide delivery plans across five themes in EMCCA’s first full year of operation and provide the key pillars for development of EMCCA’s initial investment strategy and decision framework. A number of the delivery themes identify development of specific strategies that derive from the principles set out in the Strategic Framework – for example, a regional skills strategy and regional housing strategy.

3.3 While wide-ranging and intended to provide an enduring structure for future planning and delivery, the Framework also allows sufficient flexibility for adaptation once a mayor is in place

in May 2024. It is also intended to provide the platform for a long-term regional inclusive growth strategy. Therefore, the recommendation is that EMCCA adopts the appended Strategic Framework and delivery plans and then develops a long-term strategy and delivery plan during 2024/25, for approval in March 2025.

### Initial investment plan - Mar-Jun 2024

- 3.4 The strategic framework provides the pillars upon which a long-term investment strategy can be built, both revenue and capital. Approval of the Framework and associated delivery plans will enable EMCCA to develop a pipeline of investible propositions for decisions in financial year 2024/5. In order to maximise that opportunity, give momentum to the CCA, and enable an early demonstration of the value it adds, it is necessary to begin work on some elements of the delivery plans as early as possible. To delay would likely risk pushing the development of a pipeline for some region-wide interventions back to the third quarter of 2024/25.
- 3.5 On that basis, a small number of activities require early investment to begin to develop a pipeline prior to election of the Mayor. These activities and rationale are set out in figure 2 below. They are all initiatives that:
- directly link to the Strategic Framework and specific aspects of the delivery plans
  - will have region-wide impact, not benefitting any one part of the region over another
  - are explicitly linked to developing a specific intervention or investment strategy or a pipeline of investible propositions
  - do not have access to alternative sources of funds (such as Department for Education Funding to prepare for devolution of the Adult Education Budget)
- 3.6 This report asks Members to approve use of up to £2m of the 2024/25 revenue portion of the Mayoral Investment Fund on these activities. Approval and distribution of this funding to be delegated to the Interim Chief Executive.

Figure 2 Pipeline development propositions

<b>Link to Strategic Framework/delivery plan</b>	<b>Early-stage proposition</b>	<b>Rationale</b>
Bold system interventions	Strategic analysis and advice on investment design and funding options to build a pipeline for significant regional system interventions, including low carbon energy (nuclear, hydrogen, etc) – i.e. initial options for maximising EMCCA impact prior to business case development	To enable early intelligent prioritisation of interventions in major opportunity areas for the region. This work will enable EMCCA to build a realistic pipeline of significant intervention opportunities – i.e. have a bigger impact more quickly than would otherwise be the case.
Decarbonisation and sustainability delivery plan	Feasibility assessment for local area energy planning (LAEP) and waste disposal approach for the region	LAEP will provide the data on which to base all street-level decarbonisation interventions - a necessary precursor to future implementations of (e.g.) heat pumps, heat networks, etc. There are potential waste disposal opportunities at regional level. The work would benefit every District and Borough.
Establish a fit for purpose business support and inward investment system for the region	Commission options appraisals to design a regional system for business support and align	Inconsistent business support and inward investment management is a common challenge for the region's businesses. A new system will take time to design and deliver. Options appraisal will

	inward investment activities (e.g. for UKREiif)	allow early momentum on redesign business cases, to maximise future business investment and growth
Develop a strategy to maximise the value of the region's visitor economy	Initiate the process for development of a regional visitor economy strategy	Will convene organisations and activities across the region to develop outline strategy and pipeline for future business case development at early stage of EMCCA. Common interest for all councils and links cities, towns and rural areas.
Develop digital connectivity strategy	Commission options appraisal to design a regional approach	Digital connectivity is a key underpinning for access to work, skills and services. Early development of a strategic approach will enable the issue to be addressed alongside the development of a transport plan and, therefore, contribute to a holistic approach to connecting people and places.
Develop a strategy to address impact of poor health on the labour market	Commission options appraisal to design a regional approach	Labour market inactivity due to poor health is an acute issue for the region. Labour market support and reduction in inactivity are policy areas with potential for further devolution from central government if the region has a good understanding of key issues and implementation options.
Enhance the regional approach to innovation	Strategic analysis of innovation system priorities for the region and investment options appraisal	There are comparatively low levels of R&D investment in the region, which is a key inhibitor of growth in high productivity industries. The existing ecosystem could benefit quickly from a strategic region-wide approach, providing early improvement in R&D investment as a basis for future growth.

### Adult Education Budget (AEB) – submission of readiness conditions

- 3.7 AEB is the most significant skills budget devolved to EMCCA through 'the deal', worth £53m pa from summer 2025. Delivery is a foundational element of the employment and skills delivery plan. In order to comply with the requirements of the deal, EMCCA must submit a completed set of AEB readiness conditions by the end of May 2024. There is no opportunity for EMCCA Board approval prior to the submission date.
- 3.8 The Department for Education (DfE) recognises that EMCCA will not have formally approved and have in place all the relevant policies, procedures, communications, and documentation by the May 2024 submission date. It does though require evidence that demonstrates how EMCCA will arrive at final approval.
- 3.9 The readiness submission in May must be accompanied by an AEB Strategic Skills Plan and a letter from the Chief Executive (or equivalent) that confirms:
- a. how EMCCA will improve the delivery of adult education functions in the area and associated improvement of outcomes for residents
  - b. how EMCCA will effectively deliver the operational processes and functions to support this
  - c. and that the Chief Executive is content that EMCCA will be ready to deliver the function to residents from academic year 2025/26
- 3.10 Members will be aware of the work required to meet the readiness conditions to secure the devolved funding. Although DfE accepts the necessary policy documents will not be complete and formally signed off by EMCCA prior to the submission date at the end of May 2024, there is an expectation that drafts will be in place. To ensure EMCCA fulfils its obligations, this paper requests delegated authority for the EMCCA Interim Chief Executive to submit the draft AEB Strategic Skills Plan (SSP), the covering letter and any appropriate readiness evidence, including draft policy documents, at the end of May 2024.

3.11 Members are advised that all AEB policies, procedures and other relevant documentation will then be brought to EMCCA Board for review and final approval as soon as possible following end of May 2024, with those approved documents then submitted to DfE as the final version.

#### **4. Appendices**

4.1 Appendix A: 'Towards a Strategic Framework'

#### **5. Implications**

##### Financial Implications

5.1 The financial implications are set out in the body of the report.

##### Legal Implications

5.2 Evidencing readiness to deliver adult education functions is required by Government for them to make the order to devolve statutory functions to the Combined County Authority.

##### Other Significant Implications

5.3 No other implications have been identified in this report.

##### Background Papers

5.4 [Devolution deal document](#)