Summary: The Government has prepared a draft mayoral order to provide for an elected Mayor for the Sheffield City Region, and to make provision for the first election to take place in May 2017. This represents the next step towards securing the additional powers and responsibilities agreed through the 2015 Devolution Agreement.

However, in order for the Government to lay the mayoral order before Parliament, it requires the express consent of each of the current constituent authorities of the Combined Authority, as well as the Combined Authority itself. Sheffield is one of these constituent authorities.

Therefore, this report seeks the consent of the Council to the Secretary of State laying the mayoral order before Parliament.

The laying of the mayoral order represents the first step in a two stage process to create the Mayoral Combined Authority. The second step will be the preparation of a revised scheme, which will set out the powers and responsibilities of the
Mayor, as well as expanding the geography over which the mayor will operate. This will be confirmed through a second parliamentary order, which will be laid later in the year. This report also formally delegates authority as endorsed by Full Council on 18 March 2016

Reasons for Recommendations:

- Giving the Council’s consent to the mayoral order is a required step in the process to establishing an Elected Mayor for the Sheffield City Region, and to access the benefits secured through the Devolution Agreement.

- By providing the Council’s consent to the mayoral order, it is not considered likely that this will put at risk the important concessions achieved since the Devolution Agreement was signed. In particular, the expanded geography is expected to be secured through the second order, but the Government has agreed to include a form of wording in the explanatory notes to provide significant comfort that it would only intend to proceed with a scheme that included Bassetlaw and Chesterfield districts as full constituent members.

Recommendations:

- That the Leader provides formal consent to the Secretary of State to make a mayoral order for the Sheffield City Region Combined Authority, in line with the provisions set out in Section 107B(3)(a) of the Local Democracy, Economic Development and Construction Act 2009.

- In accordance with the endorsement of Full Council to delegate to the Chief Executive, in consultation with the Leader of Council and the Director of Legal and Governance, authority to take forward and conclude the Devolution Agreement, consent to the enabling Orders and agree the terms of the SCR Constitution

Background Papers:

Draft Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) Order 2016

Sheffield City Region Devolution Agreement

Ratification of the Sheffield City Region Devolution Agreement – report of the Chief Executive, considered by Full Council on 18 March 2016
Category of Report: OPEN
## Statutory and Council Policy Checklist

<table>
<thead>
<tr>
<th>Financial Implications</th>
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<tr>
<td>Legal Implications</td>
<td>YES Cleared by: Gill Duckworth</td>
</tr>
<tr>
<td>Equality of Opportunity Implications</td>
<td>YES Cleared by: James Henderson</td>
</tr>
<tr>
<td>Tackling Health Inequalities Implications</td>
<td>NO</td>
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<td>Human Rights Implications</td>
<td>NO</td>
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<tr>
<td>Environmental and Sustainability implications</td>
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<td>Economic Impact</td>
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<td>Community Safety Implications</td>
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<td>Human Resources Implications</td>
<td>NO</td>
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<tr>
<td>Property Implications</td>
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<tr>
<td>Area(s) Affected</td>
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<tr>
<td>Relevant Cabinet Portfolio Lead</td>
<td>Cllr Julie Dore, Leader of the Council</td>
</tr>
<tr>
<td>Relevant Scrutiny Committee</td>
<td>Overview and Scrutiny Management Committee</td>
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<tr>
<td>Is the item a matter which is reserved for approval by the City Council?</td>
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<tr>
<td>Press Release</td>
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SUMMARY

1.1 The Sheffield City Region Devolution Agreement was signed in October 2015. It provided for the Government to devolve a significant range of powers, responsibilities and funding to Sheffield City Region. These include new powers over skills, transport, business support, employment, and housing and planning, as well as a £30m/year single pot for the next 30 years.

1.2 As part of the Devolution Agreement, the Government required that Sheffield City Region introduce an elected metro mayor, who will be responsible for chairing the Combined Authority. He or she will exercise a number of the newly devolved powers in his or her own right, whilst some powers will be held by the Mayoral Combined Authority.

1.3 Following the signing of the Devolution Agreement, the Leader of the Council successfully sought two additional safeguards from Government. Firstly, that the City Region Mayor should operate across the functional economic geography of the city region, and, secondly, that the Mayor would not have a ‘veto’ over decisions made by a majority of the Combined Authority. Having received these assurances (including resolutions from Bassetlaw and Chesterfield District Councils to become constituent members of the Combined Authority), the Devolution Agreement was debated and endorsed at Full Council on 18 March 2016.

1.4 In order for the Government to progress the Mayoral Combined Authority arrangements, it needs to make two orders before Parliament. The first of these will establish a mayor for the current geography of the Combined Authority. Each constituent council of the current Combined Authority is required to give its consent to this order before it is laid before Parliament.

1.5 Subsequently, the Government will lay an order before Parliament after the summer to revise the governance arrangements for the Mayoral Combined Authority. Following the preparation of and consultation on a scheme by the Sheffield City Region, this is expected to expand the constituent member geography of the MCA to include Bassetlaw and Chesterfield, as well as setting out the powers of the mayor, voting arrangements etc.

WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

2.1 This report seeks the Leader’s consent for the Government to lay the Mayoral Order before Parliament. This is a necessary step towards gaining access to the enhanced powers and funding agreed as part of the Devolution Agreement. This will mean that Sheffield City Region will
be able to have a much stronger influence over a range of matters of significant importance to local people that were previously reserved to Government. These include:

- Responsibility for a consolidated, devolved transport budget, with a multi-year transport budget
- Responsibility for franchised bus services
- Responsibility over strategic planning, including the ability to create a spatial framework for the city region
- Control of a new additional £30million/year funding allocation over 30 years, to be invested to boost growth
- Joint responsibility with Government to co-design employment support for the harder to help claimants, many of whom are currently referred to the Work Programme or Work Choice
- More effective joint working with UKTI to boost trade and investment and developing and implementing a devolved approach to the delivery of national business support programmes

3.0 OUTCOME AND SUSTAINABILITY

3.1 By Sheffield consenting to the laying of the Mayoral Order before Parliament, this will pave the way for the creation of the Mayoral Combined Authority and provide access to the significant additional powers and funding set out above.

3.2 These additional powers and funds will support the delivery of the Strategic Economic Plan for the City Region, helping to ensure that the economy of the city region grows, benefiting residents, communities and businesses across Sheffield.

4.0 DRAFT SHEFFIELD CITY REGION MAYORAL ORDER

4.1 As explained above, in order to access the additional powers and funding on offer through the Devolution Agreement, the Government has required the Sheffield City Region authorities to accept an elected metro mayor for the city region area. The Council has received notice that the Secretary of State intends to lay an order before Parliament to establish a mayor for the existing city region geography before 16 June 2016. To do this, the Secretary of State requires the consent of each of the constituent authorities (namely Sheffield, Barnsley, Rotherham and Doncaster).

4.2 Under Section 107B of the Local Democracy, Economic Development and Construction Act 2009, as amended by the Cities and Local Government Devolution Act 2016, the Secretary of State has the power to lay an order before Parliament to create an Elected Mayor for any city region. This order will do only two things: establish an Elected Mayor for the current city region area, and provide for elections to be held (firstly in May 2017, and then in May 2020 and every four years after that).
4.3 This mayoral order would not, however, provide the Mayor with any powers – which will instead be done as part of a second order, to be laid before Parliament after the summer recess. That second order will revise the governance arrangements for the Mayoral Combined Authority. The Combined Authority will be required to develop and consult upon a revised governance scheme for the city region, which it will do during July 2016. This revised scheme is expected to recommend the expansion of the constituent member geography of the Combined Authority to include Bassetlaw and Chesterfield, as well as setting out the powers of the mayor, voting arrangements etc. The Secretary of State will then make a second order, which he will lay before Parliament, if the scheme prepared by the city region meets a number of statutory tests. It is this order which will give the mayor the required powers and responsibilities.

4.4 At the meeting held on Friday 18 March, Full Council resolved that it endorsed the proposed Devolution Agreement in line with the principles and amendments secured since October 2015.

4.5 Following the Full Council meeting, and in line with the concessions sought, the Government has amended the standard explanatory notes for mayoral orders to explain and give significant weight to the intention that the geography of the Combined Authority is to be expanded to cover the districts of Bassetlaw and Chesterfield. These explanatory notes state that:

4.6 “On 3 March 2016 the council of Bassetlaw, and on 6 April 2016 the council of Chesterfield, resolved that they wished their areas to become part of the area of the Combined Authority. If through application of the 2009 Act procedures, including obtaining the necessary Parliamentary approvals, the area of the Combined Authority is extended to include these two districts, the elected mayor being established by the Order [i.e. the mayoral Order] would, as mayor for the area of the Combined Authority, be mayor for the expanded Combined Authority area including the districts of Bassetlaw and Chesterfield, and elected by the local government electors for this expanded area. It is on this basis that the Combined Authority and its constituent councils have given the consent to the making of this Order.”

4.7 Because the explanatory notes will be considered by the Standing Committee on Statutory Instruments when determining whether the draft order should proceed, it is understood that this provides significant comfort that the Government will not establish a mayor that covers solely the South Yorkshire geography.

4.8 Given this, and the endorsement of the devolution agreement by Full Council, this report therefore seeks the Leader’s approval to consent to the making of the mayoral order, as the next step in securing the Devolution Agreement.
5.0 CONSULTATION

5.1 Consultation on the Devolution Agreement, including on the principle of an Elected Mayor for the City Region, was conducted during late 2015 and the findings from this were presented to Full Council on Friday 18 March.

5.2 The findings of the consultation were summarised in that report as follows:

- Positive support throughout for principle of stronger local control of decision-making
- Recognition of the impact that specific policy areas could have on SCR and the local economy
- Negative perceptions of the need for an elected mayor – mainly due to creation of additional bureaucracy; complexity with existing arrangements; outcome of 2012 city mayor referenda
- Real need for clarity about the geographical scope of the mayoral arrangement and powers, particularly for the districts in North Derbyshire and North Nottinghamshire
- Positive about potential for more devolution, particularly once the current set of proposals have been implemented.
- Suggestions offered by respondents are ambitious and radical, including tax raising powers, all skills provision, public transport, education and health.

5.3 A more detailed report was made available as Appendix 4 to the main Council report. This report, along with that appendix is available here.

6.0 LEGAL IMPLICATIONS

6.1 Section 107A of the Local Democracy, Economic Development and Construction Act 2009 (the Act) provides that the Secretary of State may by order provide for there to be a mayor for the area of a combined authority. This can be done in one of two ways, The Secretary of State may make an order under section 107A in relation to a combined authority's area if a proposal for there to be a mayor for the authority’s area has been made to the Secretary of State by the appropriate authorities (section 107B(1) of the Act). Alternatively, an order under section 107A may also be made without any such proposal having been made if the appropriate authorities consent (section 107B (3)(a) of the Act).

6.2 For the purposes of the SCR Combined Authority the appropriate authorities are Sheffield, Barnsley, Rotherham, Doncaster and the Combined Authority itself. The method proposed in this report is under section 107B(3)(a)

6.3 Providing consent to an order is an executive decision of the Council, and is therefore one that can properly be exercised by the Leader under
the Council’s current scheme of Governance.

7.0  EQUALITY IMPLICATIONS

7.1  There are no direct equality implications arising from the Council providing its consent to the Secretary of State making a mayoral order.

7.2  There are considerable equality implications from the wider Devolution Agreement, as set out in the report to Full Council on 18 March 2016. These will be considered further as part of the development of and consultation on the revised governance scheme over the summer.

8.0  ALTERNATIVE OPTIONS CONSIDERED

8.1  The only alternative option open to the Council at this time is to withhold its consent from the order. Government have been clear that delaying the laying of the order before Parliament is not an option that they will consider.

8.2  By withholding its consent from the order it would mean that Sheffield would not benefit from the powers and funding secured through the Devolution Agreement, set out in paragraph 2.1 above. It is also likely to mean that Sheffield would not be in a position to put forward further proposals for devolution, and would put at risk the significant progress around collaboration on economic growth and development that has been made through the city region arrangements to date.

9.0  REASONS FOR RECOMMENDATIONS

9.1  As set out above, giving the Council’s consent to the mayoral order is a required step in the process to establishing an Elected Mayor for the Sheffield City Region, and to access the benefits secured through the Devolution Agreement.

9.2  By providing the Council’s consent to the mayoral order, it is not considered likely that this will put at risk the important concessions achieved since the Devolution Agreement was signed. In particular, the expanded geography is expected to be secured through the second order, but the Government has agreed to include a form of wording in the explanatory notes to provide comfort that it would only intend to proceed with a scheme that included Bassetlaw and Chesterfield districts as full constituent members.

10.0  RECOMMENDATIONS

10.1  That the Leader provides formal consent to the Secretary of State to make a mayoral order for the Sheffield City Region Combined Authority, in line with the provisions set out in Sections 107B(3)(a) of the Local Democracy, Economic Development and Construction Act 2009.
10.2 In accordance with the endorsement of Full Council to delegate to the Chief Executive, in consultation with the Leader of Council and the Director of Legal and Governance, authority to take forward and conclude the Devolution Agreement, consent to the enabling Orders and agree the terms of the SCR Constitution

James Henderson
Director of Policy, Performance and Communications
14 June 2016