



Author/Lead Officer of Report:
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Report of: Interim Chief Executive
Report to: Cabinet
Date of Decision: 18th March 2020
Subject: **Implementing the South Yorkshire Devolution Deal**

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Leader of the Council</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Overview and Scrutiny Management Committee</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

Purpose of Report:

This paper updates Cabinet on progress towards implementation of the 2015 South Yorkshire Devolution Deal (Devolution Deal).

Recommendations:

1. Note the progress on the 2015 South Yorkshire Devolution Agreement;
2. Notes the timetable for consultation on the Deal;
3. Notes that the Chief Executive, in consultation with the Leader of Council and the Director of Legal and Governance, has delegated authority to take forward and conclude the Devolution Agreement, consent to the enabling Orders and agree the terms of the SCR Constitution in line with the principles outlined in this report.

Background Papers:

- Sheffield City Region Combined Authority meeting paper, 'Progressing Devolution' (27th Jan 2020),
<https://moderngov.sheffieldcityregion.org.uk/documents/s2290/Devolution.pdf>
- Sheffield City Region Governance Review and Scheme 2020,
<https://moderngov.sheffieldcityregion.org.uk/documents/s2291/Annex%20A%20Governance%20Review%20and%20Scheme.pdf>
- 2015 Sheffield City Region Devolution Agreement,
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/466616/Sheffield_devolution_deal_October_2015_with_signatures.pdf
- Sheffield City Region Devolution Agreement: ratification of the proposal (Sheffield City Council, 18th March 2016),
<http://democracy.sheffield.gov.uk/documents/s21828/SCR%20Devolution%20Agreement%20-%20Sheffield%20City%20Council.pdf>
- Sheffield City Region Mayoral Order – consent of Sheffield City Council (14th June 2016) <http://democracy.sheffield.gov.uk/ieDecisionDetails.aspx?ID=1580>

Lead Officer to complete:-	
1	<p>I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</p> <p>Finance: <i>Anna Sanderson (Finance Manager Business Partner Place & Resources)</i></p> <p>Legal: <i>Andrea Simpson (Corporate Governance Lawyer)</i></p> <p>Equalities: <i>Adele Robinson (Equalities and Engagement Manager)</i></p> <p><i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i></p>

2	EMT member who approved submission:	<i>Charlie Adan (Interim Chief Executive)</i>
3	Cabinet Member consulted:	<i>Cllr. Julie Dore (Leader of the Council)</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
Lead Officer Name: <i>Charlie Adan</i>		Job Title: <i>Interim Chief Executive</i>
Date: 10th March 2020		

1. SUMMARY: INVESTING IN OUR COMMUNITIES AND OUR ECONOMY

1.1 The South Yorkshire Devolution Agreement that was originally agreed in October 2015 is fundamentally about *people and communities* in the region. Whether it is buses and transport, skills and training, jobs or investment in our local economy, the Devolution Agreement will give Sheffield and South Yorkshire greater local control over things that impact on the lives of communities across the region.

1.2 Sheffield has long made the case for the devolution of power from Whitehall to bring decision making and funding to the local level where we are better placed to take action on the things that matter to our local communities and businesses. It means that we are better placed to tackle some of the underlying challenges in SCR's economy, working with communities and businesses to invest in the skills and expertise of our people, create better jobs, invest in our city and town centres, increase incomes and improve our transport network.

1.3 The Deal is focused on economic development and transport powers, unlocking new local control of key powers and funding, which includes:

- **Skills and training** - local control of the 19+ adult education funding so that local people will be better able to get the skills and training courses they need to find work, access better jobs and support local businesses to grow
- **Long term funding** - access to secure, long-term funding of £900m over the next 30yrs to invest in the things that our communities and businesses need
- **Transport and buses** - devolved transport powers and funding, including the powers to take greater control over local bus services (Bus Services Act 2017).

1.4 Most critically, the Deal represents a platform from which Sheffield City Region can access further investment and improve quality of life for people across Sheffield and South Yorkshire. Government have made clear that they intend to move to further devolve powers and resources to places and finalising our own Devolution Agreement not only means that we can get on with delivering real change for our communities but also that we are well-placed for new investment from business and Government.

2. PROGRESS ON THE SHEFFIELD CITY REGION DEVOLUTION DEAL

Background

2.1 In October 2015, the Sheffield City Region Combined Authority agreed a Devolution Deal with Government which enabled the devolution of powers, significant funding and the election of a Mayor for South Yorkshire. The 2015 Deal was and is a significant step forward for

Sheffield and the City Region, building upon the SCR City Deal (2012), the SCR Growth Deal (2014) and the Devolution Deal (2014).

- 2.2 To enable the devolution of necessary powers in the 2015 Devolution Agreement, each constituent member of the Sheffield City Region Combined Authority¹ was asked to consent to an Order of Parliament which provided the legal basis for the devolution.
- 2.3 Sheffield City Council endorsed the Devolution Agreement at the meeting of Full Council on 18th March 2016 and resolved that there should be a delegation:
'to the Chief Executive, in consultation with the Leader of Council and the Director of Legal and Governance, the authority to take forward and conclude the Devolution Agreement, consent to the enabling Orders and agree the terms of the SCR Constitution in line with the principles outlined in this report'.²
- 2.4 In June 2016 the Leader of the Council, in accordance with the endorsement of the proposed Devolution Deal by Full Council, delegated to the Chief Executive, in consultation with the Leader of the Council and the Director of Legal and Governance, authority to progress and conclude the legal steps required of the Authority necessary to take forward and conclude the Devolution Agreement, consent to the enabling Orders and agree the terms of the SCR Constitution.
- 2.5 In line with the above delegation, Sheffield City Council gave consent to the SCR Mayoral Order on 14th June 2016³. Dan Jarvis MP was elected as the first South Yorkshire Mayor in May 2018.
- 2.6 The SCR Mayoral Combined Authority now has the opportunity to take forward the powers and funding secured in the 2015 Deal.
- 2.7 On the 27th January the Sheffield City Region Mayoral Combined Authority (MCA) agreed to launch a public consultation on the powers needed to implement the South Yorkshire Devolution Deal. The specific powers that the Authority requires are set out in detail in the Governance Review and Scheme which are included at **Annex A**. In summary, these include:
- **Housing and regeneration** – functions to be exercised concurrently with Homes England to improve the supply and quality of housing;
 - **Spatial planning** – the power to establish mayoral development corporations and create a non-statutory spatial framework for South Yorkshire;

¹ Sheffield City Council, Rotherham MBC, Barnsley MBC and Doncaster MBC

² Sheffield City Council (2016) *Sheffield City Region Devolution Agreement: ratification of the proposal*, 18th March 2016, <http://democracy.sheffield.gov.uk/documents/s21828/SCR%20Devolution%20Agreement%20-%20Sheffield%20City%20Council.pdf>

³ Sheffield City Council (2016) *Sheffield City Region Mayoral Order – consent of Sheffield City Council*, 14th June 2016, <http://democracy.sheffield.gov.uk/ieDecisionDetails.aspx?ID=1580>

- **Skills** – conferring local authority and central government training and skills functions to the MCA, to be exercised concurrently with constituent local authorities and the Secretary of State;
- **Transport** – the central government power to provide grants to highways authorities, power to reach agreements with other bodies about the management of the strategic highway network, and bus operating powers;
- **Decision making** - the Order will determine a number of constitutional and governance issues e.g. relating to mayoral and non-mayoral functions and voting rights and majorities.
- **Finance** – the ability, subject to approval of the MCA, to precept for mayoral functions and wider borrowing powers that go beyond the Authority’s current ability to only borrow for transport purposes.

2.8 The six-week public consultation on these proposals is now underway, launching on the 3rd February 2020 and concluding on the 15th March 2020. The consultation is being conducted primarily through digital channels with consultation feedback gathered via the SCR website. However, people are also able to submit responses by letter or email should they wish to do so. Consultation documents and publicity materials have also been made available in key local authority buildings and in transport interchanges. In addition, the consultation is being publicised through a variety of mechanisms including:

- pro-active media releases and pro-active engagement of regional and local media throughout the consultation, including advertisements;
- web content for the SCR website, including a feedback form;
- similar, but locally adapted content for local authority and partner websites;
- social media using local authority and SCR MCA and LEP family channels; and
- staff messaging.

What happens next?

2.9 Whilst the progression of the public consultation on the proposals in the Scheme represents an important step in the process to devolve powers to the City Region, it is not the final step. The legislative process to secure the Devolution Deal comprises a number of stages that culminate in Parliament passing a statutory order (setting out the additional functions that will be devolved to the MCA) (Powers Order) into law. The next steps, following the completion of the consultation, including indicative milestones, are as follows:

- A summary of the consultation responses received, which is then considered by the MCA, who then take a decision to submit this to the Secretary of State (SoS), with any accompanying representations. No later than week commencing the 13th April.
- The Secretary of State considers the material submitted and produces a draft Powers Order setting out the powers needed to implement the

Deal, subject to the statutory tests being met. Mid-April to mid / end May.

- The constituent councils (including Sheffield), the Mayor and the Mayoral Combined Authority consent to the draft Powers Order. By 8th June.
- The Powers Order is laid in parliament – following the provision of the necessary consents and passes into law. Before summer recess.

2.10 By meeting the above timetable, South Yorkshire has the potential to gain access to the benefits of the Devolution Deal (including release of the gainshare funding) by the summer. Should there be any delays in this process, the legislative process is unlikely to conclude until October, given parliamentary recess periods.

2.11 The delegation by the Leader in June 2016 remains in force and will be exercised by the Chief Executive in order to maximise the city region's ability to complete this process by the summer. The steps required to implement the Devolution Deal include consenting on behalf of the Authority to the enabling Powers Order, provided this corresponds with the proposals set out in the SCR MCA's Governance Review and Scheme. In determining whether to consent to the draft Powers Order the results of the consultation exercise will be taken into consideration.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 As set out in Section 2 (above), there is a current public consultation on the powers needed to implement the South Yorkshire Devolution Deal, which is open until the 15th March 2020. There is more information on the SCR website here: <https://sheffieldcityregion.org.uk/devolution/>

3.2 The results of the consultation will be considered by the SCR Mayoral Combined Authority who will then take a decision whether to submit the proposals to the Secretary of State.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 An equalities impact assessment will be produced to sit alongside the summary of the consultation responses. In addition, individual impact assessments will be produced in the progression of individual elements of the Deal, for example, the devolution of the adult education budget.

4.2 Financial and Commercial Implications

4.2.1 Initially by implementing the Devolution Deal South Yorkshire will secure an additional £30m per annum of funding for economic development for

30 years. It will also mean that the MCA could benefit from wider borrowing powers for more than just for transport schemes as currently; representing a significant opportunity to successfully manage the area's investment profile. In addition, subject to meeting certain criteria the area will gain control over the 19+ adult education budget, equating to c. £35m per annum.

Having in place these wider powers will be likely to secure further devolved funds and flexibilities for South Yorkshire from Government. Government has agreed additional funds and powers for other MCAs on a range of issues including housing, homelessness, responding to economic shocks, and employment support.

If the deal is not implemented, Sheffield City Council will not have access to the additional funding.

4.3 Legal Implications

- 4.3.1 The legal framework for devolution and the processes to be followed are set out in the Local Democracy, Economic Development and Construction Act 2009 as amended by the Cities and Local Government Devolution Act 2016. The process described in this report is in accordance with the requirements of the Act.

Following the completion of the consultation process a summary of the responses received will be prepared and presented for the Authority's approval for submission to the Secretary of State (SofS). If the SofS is satisfied that this meets the requisite statutory tests they can prepare a draft Powers Order for the consent of each constituent council, the Mayor and the MCA. When these consents have been provided the legislation can then progress through parliament.

The Devolution Deal is implemented by the Powers Order. Any powers conferred under the Order are in addition to existing powers: if the Order confers on the MCA functions of any constituent authority they will be exercised concurrently with that authority. The Council will not lose any powers as a result of the Order being made.

4.4 Other Implications

- 4.4.1 By continuing to progress the Devolution Deal the MCA has the opportunity to unlock additional powers and resources in the region to deliver local priorities and the outcomes identified in the Strategic Economic Plan (SEP). As such, this seeks to mitigate the risk of Sheffield's and SCR's economic performance falling relatively further behind those areas that do have access to these additional resources.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 **Do nothing** – if these delegations are not put in place it is extremely likely that the parliamentary process will not be completed prior by the summer. This would mean a delay in the benefits of the Deal being secured for the people and communities of South Yorkshire.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Sheffield has been fully committed to the SY Devolution Agreement since it was agreed in 2015. The steps outlined in this report will enable the progression of the Deal (pending the outcome of the consultation and decision of the Secretary of State) and thus ensure that communities in Sheffield and South Yorkshire have access to vital, long-term funding and powers to improve local skills, training and transport services.

Further, with the Government making clear their intentions to further devolution in England to Mayoral Combined Authorities, this Deal ensures that Sheffield City Region is best placed to access further investment.

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