

**COUNCIL SEMINAR  
11th January, 2016**

Present:- Councillor Read (in the Chair); Councillors Atkin, Burton, Currie, Elliot, Evans, Godfrey, Hamilton, Jepson, Lelliott, Mallinder, Parker, Roche, Sansome, Sims, Smith, John Turner, C. Vines, Wallis, Watson, Whelbourn and Wyatt.

Apologies for absence were received from The Mayor (Councillor M. Clark), Councillors Beaumont, Buckley, Ellis, Fleming, Hughes, McNeely, Price, Rushforth, Taylor and Julie Turner.

**8 SHEFFIELD CITY REGION - DEVOLUTION CONSULTATION.**

Councillor C. Read, Leader of the Council, welcomed the Elected Members in attendance at the Seminar. He also welcomed Councillor Sir Stephen Houghton to the Seminar. Councillor Sir Steve had prepared a presentation about the Sheffield City Region's devolution journey and the proposed devolution deal.

The presentation included a round-up of the existing Sheffield City Region: -

- The journey to the Sheffield City Region started in 1986;
- The Sheffield city Region had developed a ten-year plan for growth, based on more private sector jobs: -
  - Skills, employment and education;
  - Infrastructure;
  - Business growth.
- 70,000 more jobs to narrow the gap with other parts of the country;
- 6,000 more businesses to reduce the enterprise deficit;
- Approximately 30,000 more highly skilled occupations to create a more prosperous economy;
- Increased GVA in excess of £3bn to narrow the productivity gap.

The Sheffield City Region proposed devolution deal: -

- Intended economic deal – powers over the Police and Health Services do not form part of the remit;
- Part of the larger process and should not be considered to be the end-point of devolution;
- Intended that the directly-elected Mayor and Combined Authority will receive powers from Whitehall rather than aggregate powers from local areas;
- A stable, long-term financial settlement that puts the SCR in control of its own destiny: -
  - 30 year funding allocation;
  - 60/40 capital/revenue split;
  - National funding streams also to be devolved to the SCR as part of the single pot;

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- Pilot the retention of 100% Business Rate Growth;
  - On-going discussions about full localisation by 2017.
- An integrated 21<sup>st</sup> century transport network with greater intra- and inter-city region connectivity: -
  - Consolidated, devolved transport budget with a multi-year settlement;
  - Control of the powers and resources for the bus network in South Yorkshire;
  - Oyster style ticketing;
  - Transport for the North and HS2 and HS3;
  - Commitment to explore options for more planning powers over transport schemes delivery;
  - Identification of a Key Route Network of local authority roads that will be collaboratively managed and maintained.
- A world-leading area for innovation, advanced manufacturing and business growth;
- More people learning, earning, in apprenticeships and higher-skilled employment in the Sheffield City Region: -
  - Full devolution of the Adult Skills Budget for college and training providers;
  - SCR local skills strategy;
  - Co-design and commissioning of new employment programmes;
  - Development of a business case for an innovative pilot to support the hardest to help.
- Better use of publically owned assets and increased planning powers to double our housing delivery and increase commercial development: -
  - Best use of all public land and assets through an expanded Joint Assets Board;
  - Planning powers, including creation of a spatial framework. Potential to have call-in powers for applications of strategic importance;
  - A commitment to continue to discuss creating a flexible Housing Investment Fund.
- The totality of the deal spans the Sheffield City Region, including new powers to a South Yorkshire Mayor, as well as new powers and control over funding to the wider Sheffield City Region through the SCR Combined Authority;
- The Mayor would only be elected by the four South Yorkshire members of the CA and would only be able to exercise devolved powers over that footprint;
- The CA, chaired by the Mayor (which had secured new powers directly) will continue to operate and exercise its functions across all of the nine;
- Current legislation does not allow any of the five districts to become

- a member, but the emerging Bill could change this;
- The Mayor and the CA would be scrutinised and held to account by the SCR Overview and Scrutiny Committee;
- The Mayor will chair the SCR Combined Authority and will lead an SCR Cabinet;
- Members of the SCR CA will serve as the Mayor's Cabinet and will act as a supporting and advisory function to the Mayor and the Combined Authority;
- Even powers residing with the Mayor would be subject to a SCR Cabinet veto if two-thirds of the members agreed to do so;
- The Mayor will also be a member of the LEP;
- The proposed division of powers between the Mayor and the CA was shared.

Discussion followed and the following questions were raised: -

Councillor Parker asked whether it was true that all nine of the authorities had to sign-up to the deal in order for it to be valid? - Councillor Sir Steve explained that a deal could progress without all of the Sheffield City Region Local Authorities being signed up. There was one Local Authority that had concerns about the devolution deal, but these were being addressed and were unlikely to prove a barrier to the LA eventually signing up.

Councillor Wyatt asked about comparisons with Devolution Manchester and NHS Manchester. Transport for the North – HS2 and HS3 – what about connectivity between cities and towns, which was currently poor quality, diesel and foreign-owned fleet? Councillor Sir Steve confirmed that the SCR had not looked at the Health deal, as it would have taken it away from being a pure devolution deal and impacted on local councils. The Private Sector had asked for the focus to be on growing the economy. They had thought that other streams would be a distraction to this.

Beyond rail network, Transport for the North was in very early development stages and was currently considering governance issues.

Councillor Currie asked about the spending of the annual £30m allocation. Who will be paid out of this sum and who would ensure quality assurance? - Councillor Sir Steve referred to the two thirds veto – the Mayor would not be able to make decisions if there was a 2/3 vote against. The £30m would pay for the Mayor and their office and the SCR team. The infrastructure would need to be bigger than the current establishment as it would be doing significantly more. Discussions had started with the Local Authorities' Chief Executives to determine what could be done within individual councils on behalf of the SCR.

Councillor Wallis described how she had been reassured by the information shared, particularly the use of the money. Was this vindication over the closure of the regional organisations?

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Councillor Parker asked about the business rates pilot. Was this only new business or all business rates that could be retained? - Councillor Sir Steve explained that the deal was 100% retention of the new business rates. It would also be discussed about the retention of all the business rates. Pooling rates could protect against fluctuations in business rates and would avoid 'dog fights' on where factories/major employment centres were sited within the SCR.

Councillor Burton asked what needed to be kept an eye on? - Councillor Sir Steve felt that the individual Mayor could be good, or not; the Constitution; Transport and Skills' budgets were reducing centrally and the SCR would pick them up as they declined.

Councillor Jepson asked whether the central government could withhold funds if they were not happy with how the SCR was spending it? - Councillor Sir Steve explained that there was nothing to prevent this. There would be five- year gateways on the thirty years, so performance management will be required: - 'Best defence is excellence'.

Councillor Sims asked about the key route network and whether the motorway network would remain with the Highways Agency? Would the SCR have to contribute to cost of HS2 and HS3? - Councillor Sir Steve confirmed that motorways would remain with the Highway Agency. HS3 – do not know, HS2 would not need to be covered.

Councillor John Turner asked about the airport and its potential. Currently underused and under-capacity but it had good facilities and linkages to major roads and motorways. It really could help out the region. – Councillor Sir Steve agreed the airport was crucial. There was a business plan to expand operations and businesses would be important. Stakeholders saw it as something that could transform the region.

Councillor Parker asked about the potential political loggerheads between the Mayor and SCR cabinet. Could these lead to stalemate? – Councillor Sir Steve explained that it was not usually the politics that divided SCR members, but the geography. Mayor can unite, inspire and so on.

Councillor Currie asked about potential for duplication. How will the SCR strategy protect against this? - Councillor Sir Steve explained the duty to co-operate and the SCR's strategic involvement.

Councillor Read thanked Councillor Sir Steve for his informative presentation and contribution to the discussion and questions. A full report to Council would follow in the not too distant future.

Resolved: - That the information shared be noted.