

## Summary Sheet

Cabinet and Commissioners' Decision Making Meeting - 11 July 2016

### Title

Implementation of the Sheffield City Region Devolution Deal and Scheme consultation

### Is this a Key Decision and has it been included on the Forward Plan?

Non-key decision, included on Forward Plan for decision on 11<sup>th</sup> July or later

### Strategic Director Approving Submission of the Report

Assistant Chief Executive, Shokat Lal

### Report Author

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### Ward(s) Affected

All

## Summary

1. Rotherham Council agreed to endorse the Sheffield City Region (SCR) Devolution Deal agreement at its meeting on 2 March 2016.
2. Following this ratification by Rotherham Council, other SCR member authorities and the Combined Authority itself in March 2016 work has taken place, led by the SCR Combined Authority and secretariat, on a draft Scheme to progress the Deal, in accordance with the requirements of the Cities and Local Government Devolution Act 2016.
3. At a meeting of the Combined Authority on 27 June 2016 approval will be sought to launch a statutory consultation process relating to the Scheme that has been prepared and an associated Governance Review that has been undertaken by the SCR.
4. The Scheme essentially sets out the way in which a new Mayoral Combined Authority (MCA) would operate in terms of its additional powers and functions and related changes in governance. These are intended to form the basis for the Secretary of State for Local Government to make in due course the necessary legislative Orders, following the conclusion of a statutory consultation process. The Scheme identifies those functions which will be the responsibility of the City Region Mayor alone and those functions which would

be discharged by the Combined Authority (of which the Mayor would be a member and be appointed as its Chair).

5. The need to undertake a consultation is a statutory requirement in connection to the proposals contained within the Scheme and is being designed to secure extensive opportunities for interested persons across the City Region to consider and respond to the proposals within the Scheme. This will include targeted activity within the Rotherham Borough; and is expected to begin soon after the Combined Authority considers its approval of the enclosed report (*Appendix A*) at its meeting on 27 June 2016.

## **Recommendations**

Cabinet is asked to

- note that the Sheffield City Region (SCR) Combined Authority is being asked to approve a Scheme to progress the implementation of the SCR Devolution Deal at a meeting on 27 June 2016; and that, following this, a statutory consultation exercise will take place, led by the SCR, in relation to the Scheme, including events and activity within the Rotherham Borough.

## **List of Appendices Included**

*Appendix A* – Copy Sheffield City Region Combined Authority report: “Local Democracy Economic Development and Construction Act 2009 – Implementation of the Sheffield City Region Devolution Deal” (27 June 2016)

## **Background Papers**

- Sheffield City Region Devolution Deal – report to Council, 2 March 2016
- Sheffield City Region Devolution Agreement – 2 October 2015
- Cities and Local Government Devolution Act 2016 (c.1)
- Local Democracy, Economic Development and Construction Act 2009 (c.20)
- Rotherham Growth Plan

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Possibility of pre-scrutiny consideration prior to Cabinet (1<sup>st</sup> July 2016)

Council endorsed the SCR Devolution Agreement at a meeting on 2 March 2016

## **Council Approval Required**

No

## **Exempt from the Press and Public**

No

## **Title (Main Report)**

### **Implementation of the Sheffield City Region Devolution Deal and Scheme Consultation**

#### **1. Recommendations**

- 1.1 Cabinet is asked to note that the Sheffield City Region (SCR) Combined Authority is being asked to approve a Scheme to progress the implementation of the SCR Devolution Deal at a meeting on 27 June 2016; and that, following this, a statutory consultation exercise will take place, led by the SCR, in relation to the Scheme, including events and activity within the Rotherham Borough.

#### **2. Background**

- 2.1 On 2 October 2015 SCR political and business leaders secured an in-principle, economic devolution agreement with the Chancellor of the Exchequer. This followed a set of devolution “asks” which were presented to the RMBC Council meeting on 16 September 2015.
- 2.2 The proposals included the commitment for Government to provide the SCR with a stable, £900m investment fund over the next 30 years (referred to Government as “gainshare” funding), from April 2016. Further resources were also committed to as part of a new “single pot”, with the proposals for a strengthened Combined Authority covering a range of economic themes including skills and employment; housing, planning and public assets; innovation, advanced manufacturing and business growth; and transport investment. The proposal made clear that a final Devolution Deal was contingent on the SCR Combined Authority adopting a model of a directly elected city region Mayor, with the first elections in 2017 (and subsequently in 2020 and every four years beyond this).
- 2.3 Following an initial SCR public consultation on the devolution proposals, which ran from 2 December 2015 to 15 January 2016, all constituent member authorities considered formal ratification of the Devolution Deal, which included Rotherham MBC at the Council meeting on 2 March 2016. The report provided for the 2 March Council meeting set out a range of specific implications and outcomes expected from the Deal for Rotherham.
- 2.4 The Combined Authority itself then ratified the Deal on 31 March 2016. As part of this process local authority Chief Executives were provided with delegated approval to give formal consent to an Order of the Secretary of State to establish a Mayor for the SCR Combined Authority.

#### **3. Key Issues**

- 3.1 Since the ratifications in March 2016 the SCR has proceeded with work to progress the Deal in accordance with the statutory procedures required by the Cities and Local Government Devolution Act 2016. This has included

undertaking a Governance Review and draft Scheme has been prepared relating to the exercising of devolved powers.

- 3.2 The SCR Combined Authority will now formally consider a report concerning the prepared Scheme and Governance Review at a meeting on 27 June 2016. A copy of this report is enclosed at **Appendix A**.
- 3.3 This work has taken into account specifically an extension of the formal geography of the Combined Authority beyond the four South Yorkshire Authorities to also include the District Council areas of Chesterfield and Bassetlaw. The three further District Council authorities within the SCR (Bolsover, North East Derbyshire, and Derbyshire Dales) have indicated their intention to remain as “non-constituent” members. The Governance Review document presented to the Combined Authority on 27 June sets out the case to support this extension of the geography.
- 3.4 The Scheme document essentially sets out the way in which the Mayoral Combined Authority (MCA) would operate in terms of its additional powers and functions and related changes in governance; which would form the basis for the Secretary of State to make the necessary legislative Orders. It identifies in particular those functions which would be the responsibility of the Mayor alone and those functions which would rest with the Combined Authority, of which the Mayor would be a member and appointed as its Chair.
- 3.5 In order for the Secretary of State to make the required Orders there is a statutory requirement for a consultation to be undertaken in connection with the proposals contained within the Scheme. The Combined Authority is therefore also being asked on 27 June to approve the commencement of this consultation, which is expected to begin in the weeks soon after and continue through to August 2016.
- 3.6 The consultation is being designed to secure extensive opportunities across the City Region for interested persons to consider and respond to the proposals contained in the Scheme. This will include targeted events and activity within the Rotherham borough, supported by the Council where appropriate. The consultation exercise will not be asking the specific question whether or not the Combined Authority should have an elected Mayor, as this principle was established through the ratification process in March 2016.

#### **4. Options considered and recommended proposal**

- 4.1 Cabinet is asked to note the enclosed report (Appendix A) which will be considered by the SCR Combined Authority on 27 June and, in particular, the proposed arrangements for a statutory consultation process (which will include events and activity in the Rotherham Borough as well as other SCR member authority areas).

#### **5. Consultation**

- 5.1 The SCR Combined Authority undertook a public consultation on the original Devolution Deal proposal from 2 December 2015 to 15 January 2016. Overall,

this consultation revealed general support for the proposal, subject to careful management of the risks associated with devolved functions. The results of this consultation were reported to the Council meeting on 2 March 2016 when the Council agreed to endorse the Deal. The Combined Authority meeting on 27 June will consider approval of a further, statutory consultation on the prepared Scheme and Governance Review. It is expected that this consultation would begin in the weeks soon after the 27 June Combined Authority meeting and run through to August 2016.

- 5.2 Within the Council a report on the initial SCR devolution asks was also provided to elected members as part of the Council meeting on 16 September 2015; and a seminar for RMBC elected members with the Combined Authority Chair, Cllr Sir Stephen Houghton, took place on 11 January 2016.

## **6. Timetable and Accountability for Implementing this Decision**

- 6.1 The SCR Combined Authority is meeting on 27 June to consider the approval of the commencement of the statutory consultation in relation to the prepared Devolution Deal Scheme. Precise dates for this consultation exercise are not set out in the SCR report, but it is expected to commence in the weeks soon afterwards and run through to August 2016.
- 6.2 Following the consultation the Secretary of State for Communities and Local Government is expected to be in a position to make the required legislative Orders to give the Mayoral Combined Authority the necessary powers and functions to deliver the Devolution Deal. In order to implement the Orders the consent of the Combined Authority and constituent councils will be required.
- 6.3 Chief Executives and the Clerk to the Combined Authority already have delegated approval, following the ratifications by authorities in March 2016, to give consent to a Secretary of State Order to establish a Mayor for the City Region Combined Authority, which will specify the first Mayoral election on 4 May 2017. Subsequent Mayoral elections will take place in 2020 and in every fourth year thereafter.

## **7. Financial and Procurement Implications**

- 7.1 There are no direct financial implications arising for the Council from this report, in that there is no net cost associated with Cabinet noting the SCR Combined Authority Devolution Deal Scheme, Governance Review and forthcoming consultation. The costs of any future City Region Mayoral election would be met from future devolved funds. The copy of the Combined Authority report at Appendix A sets out the financial implications of the consultation exercise for the SCR.
- 7.2 The constitutional arrangements of any Mayoral Combined Authority (MCA) – such as control over devolved budgets and revenue raising powers – will, nevertheless, have an impact in due course on the finances of both the Combined Authority itself and its members. This will need to continue to be monitored closely through the Council's role in the Combined Authority at all

levels, supported by an existing SCR Finance Directors' Network, on which RMBC is represented.

## **8. Legal Implications**

- 8.1 There are no direct legal implications for the Council arising from this report. Nevertheless, the Mayoral Combined Authority can be expected to have significant constitutional change for the Combined Authority itself and the role of its member authorities within it.
- 8.2 The Combined Authority report at Appendix A sets out the relevant legal provisions for taking this work forward at SCR level.

## **9. Human Resources Implications**

- 9.1 There are no direct human resources implications for the Council arising from this report. Nevertheless, the Mayoral Combined Authority may make future service delivery and working arrangements which may impact on RMBC employees.

## **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 There are no proposals to include any social care based functions within the SCR Devolution Deal, either with regard to Children's or Adult services. The deal is explicitly an "economic" one.
- 10.2 There would be, however, an expectation that there will be a range of beneficial outcomes for young people arising from the employment and skills packages reflected within the Devolution Deal, as well as wider investment in infrastructure and transport improvements.

## **11. Equalities and Human Rights Implications**

- 11.1 There are no direct equalities or diversity implications for the Council arising from this report. The Combined Authority itself must have regard to the equalities implications of its decisions under the Public Sector Equalities Duty; as will the Secretary of State when any legislative Orders are made. SCR-led consultation exercise will therefore need to be designed to ensure the Combined Authority's associated duty are reflected in providing positive opportunities for interested persons to engage and provide views.

## **12. Implications for Partners and Other Directorates**

- 12.1 There is an important relationship between the Council as a member of the SCR Combined Authority (and Local Enterprise Partnership), the Devolution Deal and the priorities for the borough itself locally being progressed through local actions and partnership working. The Deal, for example, has key linkages to the proposals and ambitions of the Rotherham Growth Plan, the work of the Business Growth Board, as well as the work of the over-arching Rotherham Together Partnership.

### **13. Risks and Mitigation**

- 13.1 Ensuring that the Council plays a positive role in the SCR agenda is reflected in the Council's current risk registers, in terms of working to ensure that opportunities to improve the economy and wellbeing of the borough are not missed by a lack of influence at City Region level. To mitigate this the Council has representation on a range of key SCR decision making and policy development structures, at all levels, from the Leader's position of the Combined Authority and LEP, the Chief Executive, other senior managers and professional networks and via Combined Authority scrutiny structures.
- 13.2 In general the Council will also need to retain an ongoing focus on working alongside other SCR authorities to assess any disproportionate risks that might arise as a result of functions and responsibility being devolved to the Mayoral Combined Authority which could put RMBC at a comparative disadvantage.

### **14. Accountable Officer(s)**

**Shokat Lal – Assistant Chief Executive**

Approvals Obtained from:-

Strategic Director of Finance and Corporate Services:- **Stuart Booth – Assistant Director of Financial Services**

Director of Legal Services:- **Dermot Pearson – Assistant Director of Legal Services**

Head of Procurement (if appropriate):- **N/A**

Head of HR : - **Alan Greaves – Interim Head of Human Resources**

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