

Council Report

Cabinet and Commissioners' Decision Making Meeting - 13 February 2017

Title

Devolution Update

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

No

Director Approving Submission of the Report

Judith Badger, Strategic Director (Finance and Customer Services)

Report Author

Dermot Pearson, Assistant Director (Legal Services)

Ward(s) Affected

All

Executive Summary

At its meeting on 2 March 2016 Council received a report on the Sheffield City Region Devolution Deal and endorsed the in principle Sheffield City Region Devolution Agreement and delegated authority to the Chief Executive (in consultation with the Leader and Commissioners as appropriate to consent to an order providing for the creation of the mayoral combined authority but not an order conferring any functions on the mayoral combined authority.

At its meeting on 11 July 2016 the Cabinet received a report on Implementation of the Sheffield City Region Devolution Deal and Scheme Consultation and noted that a statutory consultation exercise was to take place, led by the Sheffield City Region Combined Authority, on the Scheme setting out the way in which the new mayoral combined authority would operate in terms of its additional powers and functions and related changes in governance.

The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) Order 2016 was made on 21 July 2016 after the Combined Authority and the four South Yorkshire metropolitan councils had given their consent. The Chief Executive gave consent on behalf of the Council in accordance with the delegation previously granted to her. The Order provided for there to be an election on 4 May 2017 for a mayor, with a further election in 2020 and elections every four years thereafter.

In July and August of 2016 the Combined Authority undertook a consultation designed to implement its Devolution Deal. Proposals in the document included the intention for Chesterfield and Bassetlaw to be constituent members of the Combined Authority as well as providing the powers required to deliver the Devolution Deal.

In September 2016, Derbyshire County Council made a legal claim that the Combined Authority's consultation was misleading. On 9-10 November 2016, the case was considered at the High Court in London. The Court's judgement, given on 21 December 2016, confirmed that Sheffield City Region's extensive and wide-ranging consultation, undertaken in July and August 2016, would not be quashed. The judgement did, however, raise the need to carry out further consultation to address the proposed governance changes in Chesterfield.

Following the Judgement at the end of December, and the need to undertake additional consultation, it is now not considered possible to hold a Combined Authority election in May 2017. On 30 January 2017 the Department for Communities and Local Government wrote to the Combined Authority and the four South Yorkshire metropolitan councils seeking their individual consents to the making of the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) (Amendment) Order 2017. This amendment Order would postpone the mayoral election until 3 May 2018 with subsequent elections every four years thereafter. The Department for Communities and Local Government requested a response by close of play on 1 February 2017. The time limit gave no opportunity to seek a decision on consent from Cabinet and the Chief Executive gave consent on behalf of the Council in accordance with the delegation previously granted to her.

Recommendations:

That Cabinet note the current position on implementation of the Sheffield City Region Devolution Deal.

List of Appendices Included

None

Background Papers

- Report to the meeting of Council on 2 March 2016 "The Sheffield City Region Devolution Deal"
- Report to the Cabinet and Commissioners' Decision Making Meeting on 11 July 2016 "Implementation of the Sheffield City Region Devolution Deal and Scheme Consultation".
- Letter from the Department of Communities and Local Government dated 30 January 2017 regarding the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) (Amendment) Order 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Title (Main Report)

Devolution Update

1. Recommendation

That Cabinet note the current position on implementation of the Sheffield City Region Devolution Deal.

2. Background

- 2.1 At its meeting on 2 March 2016 Council received a report on the Sheffield City Region Devolution Deal and endorsed the in principle Sheffield City Region Devolution Agreement and delegated authority to the Chief Executive (in consultation with the Leader and Commissioners as appropriate to consent to an order providing for the creation of the mayoral combined authority but not an order conferring any functions on the mayoral combined authority.
- 2.2 At its meeting on 11 July 2016 the Cabinet received a report on Implementation of the Sheffield City Region Devolution Deal and Scheme Consultation and noted that a statutory consultation exercise was to take place, led by the Sheffield City Region Combined Authority, on the Scheme setting out the way in which the new mayoral combined authority would operate in terms of its additional powers and functions and related changes in governance.
- 2.3 The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) Order 2016 was made on 21 July 2016 after the Combined Authority and the four South Yorkshire metropolitan councils had given their consent. The Chief Executive gave consent on behalf of the Council in accordance with the delegation previously granted to her. The Order provided for there to be an election on 4 May 2017 for a mayor, with a further election in 2020 and elections every four years thereafter.
- 2.4 In July and August of 2016 the Combined Authority undertook a consultation designed to implement its Devolution Deal. Proposals in the document included the intention for Chesterfield and Bassetlaw to be constituent members of the Combined Authority as well as providing the powers required to deliver the Devolution Deal.
- 2.5 In September 2016, Derbyshire County Council made a legal claim that the Combined Authority's consultation was misleading. On 9-10 November 2016, the case was considered at the High Court in London. The Court's judgement, given on 21 December 2016, confirmed that Sheffield City Region's extensive and wide-ranging consultation, undertaken in July and August 2016, would not be quashed. The judgement did, however, raise the need to carry out further consultation to address the proposed governance changes in Chesterfield.

- 2.6 Following the Judgement at the end of December, and the need to undertake additional consultation, it is now not considered possible to hold a Combined Authority election in May 2017. On 30 January 2017 the Department for Communities and Local Government wrote to the Combined Authority and the four South Yorkshire metropolitan councils seeking their individual consents to the making of the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) (Amendment) Order 2017. This amendment Order would postpone the mayoral election until 3 May 2018 with subsequent elections every four years thereafter. The Department for Communities and Local Government requested a response by close of play on 1 February 2017. The time limit gave no opportunity to seek a decision on consent from Cabinet and the Chief Executive gave consent on behalf of the Council in accordance with the delegation previously granted to her.

3. Key Issues

- 3.1 The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) (Amendment) Order 2017 will now be laid before Parliament and will postpone the mayoral election previously set for May 2017 to May 2018

4. Options considered and recommended proposal

- 4.1 This report provides an update on the Devolution Deal and recommends that Cabinet note the current position on implementation of the Sheffield City Region Devolution Deal

5. Consultation

- 5.1 The consultation previously undertaken by the Sheffield City Region Combined Authority is referred to above.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Further update reports will be provided as there is further progress on the implementation of the Sheffield City Region Devolution Deal.

7. Financial and Procurement Implications

- 7.1 Taking forward and realising the City Region's Devolution Deal poses a significant financial opportunity for the Sheffield City Region. For example, this would provide the area with an additional £900m of funding for economic development. Furthermore, the area would be able to retain 100% of all business rate growth experienced, above the forecast baseline. As announced in the Autumn Statement, as a Mayoral Combined Authority the City Region would be able to benefit from wider borrowing powers, representing a significant opportunity to successfully manage the area's investment profile. Consequently, taking forward the Devolution Deal is an important financial opportunity for the Combined Authority.

8. Legal Implications

8.1 The legal implications are set in the body of this report.

9. Human Resources Implications

9.1 Not applicable.

10. Implications for Children and Young People

10.1 There are no direct implications for Children and Young People.

11 Equalities and Human Rights Implications

11.1 None directly from this report

12. Implications for Partners and Other Directorates

12.1 As set out in the report.

13. Risks and Mitigation

13.1 If the proposed 2017 Order is not made this would mean that an election would take place in May 2017. This would be on the basis of a South Yorkshire only electoral geography, with the Mayor's only power being the ability to chair meetings of the Combined Authority. As such this is considered to be a suboptimal model for the Sheffield City Region.

14. Accountable Officer(s)

Assistant Director Legal Services and Assistant Chief Executive

This report is published on the Council's website or can be found at:-