

**Committee Name and Date of Committee Meeting**

Cabinet – 23 March 2020

**Report Title**

Implementing the South Yorkshire Devolution Deal

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

No

**Strategic Director Approving Submission of the Report**

Sharon Kemp, Chief Executive

**Report Author(s)**

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**Ward(s) Affected**

Borough-wide

**Report Summary**

The devolution deal was agreed with Government in 2015 and endorsed by RMBC at a Council meeting in March 2016.

This economic deal involved the establishment of a directly elected mayor to chair the Mayoral Combined Authority (MCA), working alongside local authority leaders. The MCA would exercise powers and functions devolved from government and receive an additional £30m “gainshare” annual funding allocation.

After a period of uncertainty, consensus has now been reached on how the deal will be progressed. The powers needed to implement the deal are set out in a governance review and “scheme”, which have been subject to a public consultation exercise ending on 15<sup>th</sup> March. Once the results of the consultation have been analysed and, subject to the consultation and decision of the MCA, submitted to the secretary of state, it is anticipated that a powers order will be produced by the end of May.

**Recommendations**

1. To delegate to the Chief Executive, in consultation with the Leader of the Council and the Monitoring Officer, authority to take forward and conclude the legal steps necessary to implement the devolution agreement. This will include consenting on behalf of the Council to the enabling powers order, provided that such order corresponds to the proposals contained in the governance review and scheme.

**List of Appendices Included**

Appendix 1 - Governance review and scheme

**Background Papers**

Sheffield City Region Devolution Agreement 2015

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

No

**Exempt from the Press and Public**

No

## Implementing the South Yorkshire devolution deal

### 1. Background

- 1.1 In 2015, the Sheffield City Region Combined Authority agreed a devolution deal with government. The deal led to the establishment of the authority as a mayoral combined authority, with the election of the mayor taking place in May 2018.
- 1.2 This deal is one of the largest individual settlements for any combined authority area, relative to its population size, and covers a range of themes, including skills and employment; housing, planning and public assets; innovation, advanced manufacturing and business growth; and transport.
- 1.3 Taking on the powers to implement the deal will enable the Council, working with other local leaders through the MCA, to better exercise their democratic responsibilities by increasing their influence over public spending in the area. The deal does not take any existing powers from local authorities.

### 2. Key Issues

- 2.1 The specific powers that the MCA requires are set out in detail in the governance review and scheme (see appendix). In summary, these include:
  - **Housing and regeneration** – functions to be exercised concurrently with Homes England to improve the supply and quality of housing
  - **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 parliamentary 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.
  - **Spatial planning** – the power to establish mayoral development corporations and create a non-statutory spatial framework for South Yorkshire
- 2.2 Whilst the public consultation on the proposals in the scheme represents an important step in the process to devolve powers to the 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 (powers order), setting out the additional functions that will be devolved to the MCA into law. The public consultation on the powers needed to implement the South Yorkshire Devolution Deal was launched on 27<sup>th</sup> January and closed on 15<sup>th</sup> March. Following the completion of the consultation, the next steps are as follows:

- A summary of the consultation responses received is 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 13<sup>th</sup> 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 requisite statutory tests being met - **mid-April to mid/end May**
- The constituent councils, the Mayor and the MCA consent to the draft powers order - **by 8<sup>th</sup> June**
- The powers order is laid in parliament, following the provision of the necessary consents, and passes into law - **before summer recess.**

2.3 In order to maximise the region's ability to complete this process by the summer, it is proposed to delegate to the Chief Executive, in consultation with the Leader of the Council and the Monitoring Officer, authority to progress and conclude the legal steps required of the authority necessary to implement the devolution deal. This includes consenting on behalf of the Council to the enabling powers order, provided this corresponds with the proposals set out in the MCA's governance review and scheme.

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

3.1 **Approve the delegation as recommended** – this would avoid further delays in concluding the devolution deal and securing the powers and benefits associated with it.

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

### **4. Consultation on proposal**

4.1 As mentioned above, a public consultation has been carried out on the governance review and scheme. This was conducted primarily through digital channels, with consultation feedback gathered via the Sheffield City Region (SCR) website. However, people were also able to submit responses by letter or email. Consultation documents and publicity materials were also made available in key local authority buildings and in transport interchanges. In addition, the consultation was publicised through a variety of mechanisms including:

- Proactive media releases and proactive engagement of regional and local media throughout the consultation, including advertisements
- Web content for the SCR website, including a feedback form
- Locally adapted content for local authority and partner websites
- Social media using local authority and MCA channels

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

5.1 See paragraph 2.2.

## **6. Financial and Procurement Advice and Implications**

- 6.1 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 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 around £35m per annum.
- 6.2 Having in place these wider powers will be likely to secure further devolved funds and flexibilities for South Yorkshire from the government. The 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.
- 6.3 There are no direct procurement implications arising from the recommendations in this report.

## **7. Legal Advice and Implications**

- 7.1 Now that the consultation process has been completed, a summary of the responses received will be prepared and presented for the MCA's approval for submission to the SoS. If the SoS is satisfied that this meets the requisite statutory tests (see 7.2 below) they can prepare a draft powers order for the consent of each constituent council, the MCA and the mayor. When these consents have been provided, the legislation can progress through parliament.
- 7.2 The statutory tests relate to section 113 of the Local Democracy, Economic Development and Construction Act 2009. The SoS must be of the view that the proposal is likely to improve the exercise of statutory functions in the area, that no further consultation is required, and that the proposal will secure effective and convenient local government.

## **8. Human Resources Advice and Implications**

- 8.1 There are no specific implications.

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

- 9.1 There are no specific implications.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 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.

## 11. Implications for Partners

- 11.1 The Council will continue to work with a range of partners across the public, private and voluntary and community sectors to ensure the benefits of devolution are maximised. The multi-agency Rotherham Business Growth Board will be overseeing an update of Rotherham's economic plan later this year, aiming to align it with the wider South Yorkshire/SCR plan in order to maximise the opportunities provided by the devolution deal.

## 12. Risks and Mitigation

- 12.1 By continuing to progress the devolution deal, the MCA has the opportunity to unlock additional powers and resources in the region to deliver local economic priorities. As such, this seeks to mitigate the risk of Rotherham and the sub-region's economic performance falling relatively further behind those areas that do have access to these additional resources.

## 13. Accountable Officer(s)

Sharon Kemp, Chief Executive

Approvals obtained on behalf of:

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	16/03/20
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	13/03/20
Head of Legal Services (Monitoring Officer)	Bal Nahal	10/03/20
Assistant Director of Human Resources (if appropriate)	Lee Mann	Click here to enter a date.
Head of Procurement (if appropriate)	Karen Middlebrook	13/03/20

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