

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet
2.	Date:	6th February, 2013
3.	Title:	Sheffield City Region Combined Authority
4.	Programme Area:	Resources

### 5. Summary

The report provides a brief overview of the rationale behind and process for establishing a Sheffield city region combined authority (“Sheffield City Region Authority” or “SCR Authority”) and summarises the body’s proposed remit, which is detailed further in the appended *scheme* document.

### 6. Recommendations

- Note the progress to date and next steps in establishing a combined authority for Sheffield city region
- Agree that RMBC should become a member of the combined authority, subject to agreement by full council.

## 7. Proposals and Details

### *Background*

The nine local authorities that comprise the Sheffield city region (SCR) have a long history of collaboration at a scale that reflects the natural economic geography of the region. Most recently, this collaboration has taken the form of the SCR Local Enterprise Partnership (SCR LEP) and SCR Leaders' Group.

The benefits of this collaboration can now be seen in, for example, the SCR securing an advanced manufacturing and technology focused enterprise zone (only one of seven with business rate relief and enhanced capital allowances), successfully negotiating a *city region deal* and securing £25 million from round three of the Regional Growth Fund (RGF).

Following a comprehensive governance review, SCR leaders concluded that it was time to take SCR governance from informal collaboration to joint decision making on some issues: "to put into legislation that which we [the SCR] have been doing by consent for some time".

In practical terms, this means establishing a SCR combined authority (referred to as *SCR Authority*). The term "combined authority" refers to the bringing together of two statutory bodies – an integrated transport authority (ITA) and an economic prosperity board (EPB) in order to align political decision making around strategic economic development and transport. A combined authority does not relate to a merger or takeover of local authorities or local authority departments.

The governance review identified three key reasons for establishing the SCR Authority:

- **To give the city region access to devolved powers and funding now and in the future** – forming the SCR Authority enables the city region to access around £10 million per annum of devolved transport funding as part of the city region deal. A combined authority will have the potential to draw down further funding and powers as part of devolution deals with government.
- **To align decision making in relation to strategic economic development and transport** – in practical terms, this means ensuring that transport schemes enable local residents to access employment opportunities.
- **To put in place strong, stable and accountable leadership recognised by government** – nine elected leaders will come together to make decisions of city region significance.

What this boils down to is formal collaboration that enables elected members (working in partnership with the LEP) to have greater control over functions and funding that would otherwise be managed from Whitehall e.g. devolved major scheme transport funding.

## Remit

It is proposed that the SCR Authority will be a lean, focused decision making body, with jurisdiction over a small number of strategic issues in relation to strategic economic development and transport. This is likely to include:

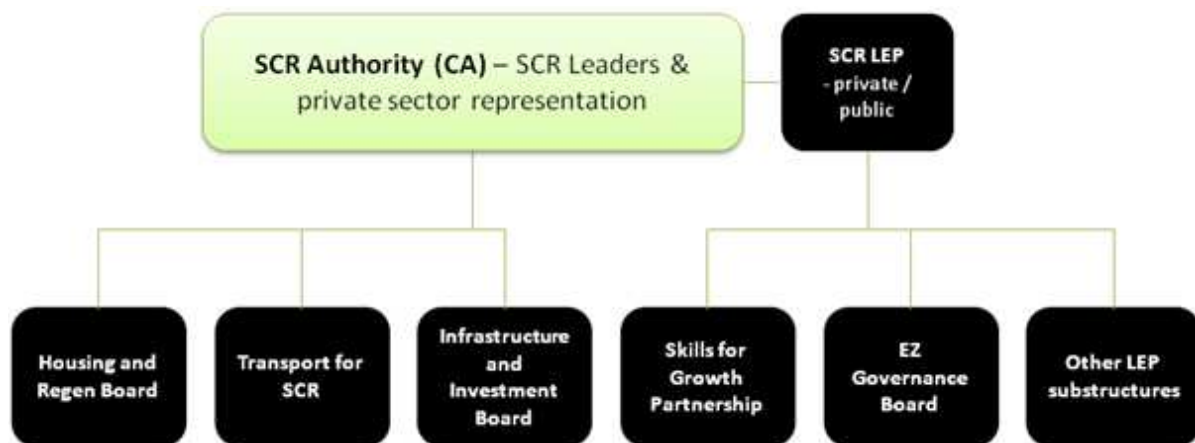
- Setting city region economic strategies
- Setting the investment strategy and making decisions for the Sheffield city region investment fund
- Making decisions in relation to the uplift from enterprise zone business rates
- Setting the Sheffield city region growth strategy
- Coordinating inward investment activity.

It is important to emphasise that no local authority powers will be handed over to the SCR Authority.

The details of how the SCR Authority will operate are set out in the *scheme* (see appendix for latest draft). There are a few important details to draw out from this document:

- The SCR Authority will consist only of elected members drawn from the nine local authorities of Sheffield city region (i.e. excluding the county councils).
- The South Yorkshire local authorities will be the “constituent” councils and will have one vote each, as well as providing a total of two additional (rotating) non voting members. Voting rights are likely to be extended to the non-constituent members (i.e. the non-SY SCR councils) once the authority is formally established.
- As far as possible, the SCR Authority will reflect the full geography of the SCR. However, due to legislative restrictions, there are some functions which (for legal / practical reasons) must continue to operate on a South Yorkshire basis (e.g. the two county councils will continue to be the transport authorities for the non-SY districts).
- Matters of the SCR Authority will be decided by a simple majority vote. Some matters (e.g. the ITA levy) will be determined only by South Yorkshire members of the authority.
- No powers will be transferred to the combined authority – powers will only be shared.
- Only the transport sub-committee will have powers formally delegated from the SCR Authority. All other sub-boards will act in an advisory capacity (including the LEP).

The proposed structure of SCR-level decision making with the SCR Authority in place is summarised in the diagram below:



### *Timetable / Next Steps*

- Formal decision making via elected members – February/March 2013
- Submit scheme to government and move to shadow arrangements – April 2013
- DCLG consultation period on scheme – April-June 2013
- Scheme amended, as required, following consultation – July 2013
- Order laid in parliament – November 2013
- SCR Authority comes into effect – April 2014

## **8. Finance**

The issue of support arrangements and associated costs for the combined authority, including the contribution required from local authorities, is still to be resolved.

With regard to support for the transport functions and the role of SYPTE, relevant recommendations from the South Yorkshire resource review will need to be considered.

## **9. Risks and Uncertainties**

The governance review has identified the need to establish a combined authority to take city region collaboration to the “next stage” and maximise opportunities to take on devolved powers and funding from central government.

There are uncertainties in relation to exactly how the new authority will operate, including its relationship with other bodies, such as the LEP, and the extent to which it will seek to exercise powers relating to strategic economic development.

The scheme is designed in such a way as to provide a basic operating framework, as required by legislation, but to retain sufficient flexibility for the authority to respond to the requirements of members and stakeholders as it moves from shadow arrangements to a fully fledged body.

No powers will be transferred to the SCR Authority from individual councils.

## **10. Policy and Performance Agenda Implications**

The purpose of the combined authority will be to improve the exercise of statutory functions in relation to economic development, regeneration and transport in the Sheffield city region, leading to an enhancement of the region's economic conditions and performance.

This should complement local activity that aims to promote economic growth and ensure people have opportunities to improve their skills and find employment.

## **11. Background Papers and Consultation**

Consultation has taken place with members and officers over the last six months, coordinated by the city region team.

The latest draft of the scheme document is appended to this report and the governance review document is available on request.

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