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**27 August 2013**

**Proposal to establish a combined authority for the Sheffield City Region**

Dear Secretary of State,

We write to you on behalf of the nine local authorities that form the Sheffield City Region and on behalf of the private sector members of the Sheffield City Region Local Enterprise Partnership (LEP).

Last week, we reviewed the Governments' consultation on our proposals to create a combined authority and were surprised and disappointed by your decision to change the name of our combined authority from 'Sheffield City Region' to 'South Yorkshire', without any prior consultation with ourselves.

As your Department is aware, the LEP in the Sheffield City Region is currently a voluntary partnership between the four South Yorkshire Authorities, five East Midlands district authorities together with the private sector covering this whole geography. It captures your own personal and the original vision for LEPs as 'functional economic areas' making sense for economic growth over administrative convenience. Ours was a particularly challenging geography for Whitehall because it crossed old regional boundaries and this was welcomed and strongly supported by your Department at the time.

So our choice of name for the combined authority was deliberate and mirrors the LEP name, which is well recognised and clearly accepted by all Ministers and their departments in Whitehall. It reflects the functional economic geography and the desire of the nine authorities and private sector to work together on strategic economic issues. Whilst we understand that there are currently some legislative constraints, this should not, we feel, extend to the choice of name for either the combined authority and by implication the LEP.

We also feel that the way your name change has been implemented in the consultation document creates unnecessary ambiguity. The consultation document states that the Governance Review considered the effectiveness and efficiency of arrangements in *South Yorkshire* and then makes a *city region-case* for why a combined authority is the optimal legal model going forward (paragraphs 15 onwards). Having spent much time and not inconsiderable effort over the last three years to create a well respected and recognised 'brand' in the City Region, it is important that this is preserved and protected so as not to confuse everyone, especially the private sector.

In the formal consultation response that will follow, we will request that, in accordance with the localist policies set out in this document (paragraph 2 and paragraph 24), our combined authority is referred to as the Sheffield City Region Authority or SCR Authority in the final order proposed to Parliament and in all future documentation.

We would also like to make clear that the proposal we put forward is the optimal, deliverable solution possible within the constraints of the existing legislation. But it has been our experience and that of your officials, who all agree that the legislation is not sufficiently flexible to address the range of local arrangements that exist around England. We pointed this out to your officials at the time of submitting our proposals and were assured that the legislation would be amended appropriately to fit in with our proposed structures.

On this basis, we are supportive of proposed changes to the Local Democracy, Economic Development and Construction Act 2009. From our perspective this must include:

- Helping combined authorities to work better in two-tier areas such as ours – which would include allowing our second tier district councils to be constituent members of our combined authority for the purposes of economic development and regeneration.
- Giving the combined authority the power to borrow (and potentially levy) for non-transport purposes as well as transport – a measure that would support the development of our City Region Investment Fund (SCRIF), within the constraints of the proposed Localism Act.
- Allowing combined authorities to recover VAT in the same way as local authorities, or indeed Joint Committees – our understanding is that steps are being taken to address this issue already although it is vital that progress is made by 1<sup>st</sup> April 2014.
- Simplifying the process of making minor amendments to the membership or powers of a combined authority i.e. so that minor amendments can be made without the requirement for a full Governance Review, Scheme and Order.

We have a real concern that, what could be interpreted as a 'cosmetic' name change is indicative of something more significant. Accordingly, we would like to request a meeting to discuss these concerns further and / or a written response to explain this amendment.

Yours sincerely on behalf of the public and private sector in the Sheffield City Region

<Cllr Houghton Signature>

Cllr Sir Steve Houghton (Leader of Barnsley Metropolitan Borough Council and Chairman of the SCR Leaders Group / Combined Authority)



James Newman (Chairman of the SCR Local Enterprise Partnership)

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Cllr Eion Watts (Leader Bolsover District Council and Deputy Chair of the SCR Leaders Group / Combined Authority)