

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Improving Places Select Commission
2.	Date:	26th November 2014
3.	Title:	Sheffield City Region
4.	Directorate:	Resources

5. Summary

At its October meeting, the Improving Places Select Commission received a presentation on the Sheffield City Region, with an explanation of the complex structures relating to the Combined Authority and the Local Economic Partnership (LEP). Although the information was received as contextual for the Commission's consideration of forthcoming agenda items, further understanding and clarification was sought. This paper seeks to capture those discussions into a succinct briefing paper to enable members to determine future areas for consideration within its work programme.

6. Recommendation

That Members:

- **Note the contents of the briefing note.**
- **Consider future items and areas for discussion and incorporations into the work programme for 2014/15**

7. Proposals and Details

Some of the issues that arose from the discussions are summarised as follows:

- Net spend on economic development activity in £700-800k
- There is no longer the same access to gap funding schemes that were used in the past to facilitate private sector investment
- Benefits of being in the Sheffield City Region and associated structures include access to regional growth fund, the Enterprise Zen and skills monies.
- The 9 sectors groups act in an advisory function to the LEP
- Member seminar on 25th November

Follow up information was requested by members as follows:

- Transport schemes and funding
- Staffing and resourcing information for the Sheffield City Region (see appendix 1)
- Lack of clarity around lead responsibility for skills and employability and the need for a sub regional approach
- The boundaries of the employment zone – a map is required
- Which Local Authorities within the City Region have adopted the Living Wage
- Further consultation and involvement in the Strategic Economic Plan and Rotherham's Growth Plan
- A invite to the SCR team to attend a future meeting

It was agreed that the following the Member Seminar on the 25th November, the Scrutiny Manager would produce this briefing note for members to determine their future course of action and how this needs to be incorporated into the work plan.

8. Finance

No direct financial implications.

9. Risks and Uncertainties

The development of a clear work programme maximises the potential for Scrutiny to have an impact and mitigates against the risk of using resources with little impact or outcome. It does, however, need to maintain flexibility to allow for uncertainties to be accommodated within the planning process.

10. Policy and Performance Agenda Implications

The work programme aims to add value to corporate priorities by addressing key policy and performance priorities. These are taken into consideration when defining the work programme on an annual basis.

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Appendix

Sheffield City Region Combined Authority briefing note – October 2014

Background

Sheffield city region (SCR) comprises the nine local authority areas of Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield.

Having collaborated informally - through SCR leaders' group - for some time, a governance review was carried out in 2012, which concluded that:

“Establishing a SCR combined authority would improve the exercise of statutory functions in relation to economic development, regeneration and transport in the SCR, leading to an enhancement of the economic conditions and performance of the SCR.”

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.

Combined authority (CA)

The governance review identified three key benefits in formalising existing collaboration arrangements via a combined authority:

- *To give the city region access to devolved powers and funding now and in the future* – forming the CA 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 growth deals with government.
- *To align decision making in relation to strategic economic development and transport* – i.e. ensuring 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.

Following consultation with government and key stakeholders in 2013, the combined authority was formally established on 1st April 2014 and had its first meeting on 22nd April.

To comply with legislation, there is a distinction between the SY and non-SY authorities. Technically, the new body is the “Barnsley, Doncaster, Rotherham and Sheffield Combined Authority”, with the SY authorities as “constituent” members and the others non-constituent, with no automatic voting rights.

Each of the nine councils elect one member to the CA (leader or elected mayor), but the constituent councils also have two additional rotating members between them, giving them a theoretical majority.

In practice though, these rotating members do not attend meetings and it has been agreed that they will not be voting members. The CA therefore operates on a one member one vote basis, with non-constituent members able to vote on all issues that are not SY specific (voting rights for individual items are agreed at the start of each meeting).

Transport

- The CA has taken on the local transport powers of South Yorkshire Integrated Transport Authority (SYITA), which has consequently been dissolved. South Yorkshire Passenger Transport Executive remains as the organisation that discharges responsibilities for public transport operations (bus, tram, train), although its influence - as previously - is determined by the commercial nature of the majority of operations.
- The CA did not take on any additional transport or highways responsibilities to those held by the ITA and the four South Yorkshire districts continue to undertake their functions as local highway authorities.
- The CA's remit for public transport does not extend beyond the SY boundary, although at a strategic level there is an influencing role on the non-SY authorities (i.e. Nottinghamshire and Derbyshire County Councils) who are both local transport authority and highway authority for their respective areas.
- The CA has established a transport committee (SCR TC) to help discharge its transport responsibilities. In effect, SCR TC is the SYITA with additional elected members from the non-SY councils.
- To manage the region's 10-year allocation of major scheme transport funding, a local transport body was established, now known as the infrastructure investment board. The membership is as per the CA, plus representatives from Nottinghamshire and Derbyshire county councils.
- Schemes are prioritised via a robust assurance process, which assesses their relative value for money, deliverability and economic impact.

Economic development

- The CA is responsible for strategic economic development decision making at a city region level, working closely with the local enterprise partnership.
- In broad terms, the CA provides accountability and holds public money, including funds devolved from central government as part of growth deals, and ensures alignment with transport strategy, whilst the LEP leads on strategy and delivery.

Local enterprise partnership

- Local enterprise partnerships, or LEPs, are strategic bodies established by the coalition government to drive economic growth across functional economic areas.
- Membership is comprised of council leaders (or elected mayors) and local business representatives. The Sheffield City Region LEP is chaired by James Newman, one of ten private sector representatives, who are joined by the nine local authority leaders (including the mayor of Doncaster).
- As well as developing the economic plan, the LEP directly oversees the inward investment team and related initiatives such as enterprise zones and the "unlocking business investment" programme.

Strategic economic plan

- The LEP's strategic economic plan (SEP) sets out a vision to transform the local economy over the next decade by developing a stronger and bigger private sector that can compete in national and global markets. It is used to bid for government money through the growth deal.
- At the heart of the plan is the creation of 70,000 new private sector jobs and 6,000 new businesses by 2025.
- The plan focuses on six thematic areas:
 - Ensure new businesses receive the support they need to flourish
 - Facilitate and proactively support growth amongst existing firms
 - Attract investment from other parts of the UK and overseas, and improve our brand
 - Increases sales of the city region's goods and services to other parts of the UK and abroad
 - Develop the city region's skills base, labour mobility and education performance
 - Secure investment in infrastructure where it will do most to support growth
- Though identified as a cross-cutting theme in the SEP, social inclusion does not figure strongly and the plan pays little regard to poverty, inequalities or improving health and wellbeing.

Growth deal

- In July 2014, the LEP secured £320m devolved funding from government to create over 28,000 jobs and provide training for 40,000 people. The money will:
 - Support £600 million worth of infrastructure projects, including improvements to Sheffield city centre, transport links to new housing and employment in the Dearne and an extended link road to Robin Hood Airport.
 - Enable the LEP to create a £130 million skills bank, to provide training for 40,000 people, including 5,000 to 7,500 apprentices. The funding will also be used to upgrade further education facilities and build a new British Glass Academy.
 - £50 million of the funding will allow the LEP to extend its business investment and support programme, creating 4,000 new jobs for local people.

European structural and investment funds (ESIF)

- As a "transition" region, South Yorkshire has been allocated around £150m from the 2014-20 ESIF programme, with the "more developed" non-SY areas within the city region receiving an additional £26m.
- Activity is likely to start in mid-2015 and will be expected to contribute to SEP priorities.
- Though central government departments are the managing authorities for the funding, local partners will play a leading role in decision-making through a local ESIF committee, which will include combined authority and LEP representatives.