

SHEFFIELD CITY COUNCIL

COUNCIL (EXTRAORDINARY MEETING) – 18TH MARCH, 2016

List of Amendments received by the Chief Executive

ITEM OF BUSINESS NO.3 – SHEFFIELD CITY REGION (SCR) DEVOLUTION AGREEMENT: RATIFICATION OF THE PROPOSAL

1. Amendment to be moved by Councillor Julie Dore, seconded by Councillor Leigh Bramall

That the recommendations set out in the report of the Chief Executive now submitted, as relates to the Sheffield City Region (SCR) Devolution Agreement, be replaced by the following resolution:-

RESOLVED: That this Council:

- (a) Welcomes the ambitious economic strategies of the present Administration including the Innovation District, Olympic Legacy Park, Outdoor Economy Strategy, city centre masterplan, delivering the best apprenticeship record of the Core Cities, developing innovative programmes to support business such as the Keep Sheffield Working Fund, RISE Graduate Programme and SME projects;
- (b) Strongly supports the principle of devolution to cities and city regions as crucial to tackling the unequal economy that exists in the United Kingdom;
- (c) Believes that fundamental to achieving this is the rebalancing of investment which is currently heavily skewed towards London and the South East at the expense of northern towns and cities particularly in areas such as transport infrastructure investment, with well documented statistics such as a spend per head of £3,095 in London compared to £395 per head in Yorkshire and the Humber;
- (d) Welcomes the role that Sheffield City Council has played under the present Administration of working with Core City partners over a number of years to raise the profile of cities as central in driving growth and moving devolution to English cities up the political agenda and recalls the work of Core Cities prospectus for Growth published in 2013, the RSA Growth Commission chaired by the now Lord O'Neill as important developments of setting the agenda;
- (e) Further acknowledges that under this Government and the previous Coalition Government, the funding that was made available by the

last Labour Government for economic development has been cut dramatically, citing for example Yorkshire Forward which had a budget of £277 million per year but was abolished by the Coalition Government;

- (f) Believes that in light of this it is important that local partners do everything possible to bring all investment that is available into this region, noting that whilst the additional funding available through this settlement is £30 million per year or £900 million over 30 years is considerably less than was made available for Regional Economic Development by the last Labour Government, this is the funding that is being put on the table and the alternative is nothing;
- (g) Believes that there are a number of important policy areas which could be immediately devolved including the devolution of 16-19 skills policy, housing and extra investment into the single pot which would provide extra funding for economic development;
- (h) Welcomes that the devolution deal does not include proposals to devolve more of the Government's austerity agenda, where they are increasingly attempting to pass on responsibility for the funding deficiencies they have created across a number of key public services and have tried to pass responsibility on to local councils, requiring councils to implement Government policies that target the most vulnerable in society;
- (i) Is deeply suspicious of the Chancellor's "Northern Powerhouse" which despite heavy rhetoric lacks substance and consistently fails to deliver the investment needed to grow the economy in the north of England and points to the following:
 - (i) Abolishing the Regional Development Agencies which provided funding needed for regional economic development
 - (ii) The abolition of the loan to Sheffield Forgemasters
 - (iii) The Northern Powerhouse Minister being unable to define which areas of the country are in the Northern Powerhouse
 - (iv) Freezing the electrification of the Midland Mainline upgrade only to reinstate it with delayed timescales
 - (v) Continued heavy cuts to councils in the north, a policy that originated under the Coalition Government, at the same time as producing an emergency "bailout" fund at the eleventh hour which predominantly benefited Conservative controlled councils and Sheffield did not receive a penny
 - (vi) Proposing a parkway HS2 station for Sheffield located at Meadowhall, costing the region 6,500 jobs compared to a Sheffield city centre station
 - (vii) The decision to move BIS jobs from Sheffield to London, effectively relocating the Northern Powerhouse Department away from Sheffield to London

- (viii) The decision to commit £27 billion to developing Crossrail 2 for London at the same time as only commissioning feasibility studies for crucial Transport for the North Projects;
- (j) However, commits to continue to work with other cities to influence Government to prioritise policies that help to develop key economic sectors, devolve more control over key economic drivers and secure as much investment as possible to Sheffield;
- (k) Notes concerns that have been raised about the devolution process which has ultimately been determined by the Government and fully agrees that the piecemeal and ad-hoc approach by the Government has generated patchwork results and believes a constitutional convention that could have considered issues more comprehensively would have been preferable to the process followed by the Government, however again acknowledges that the options available to Sheffield were to co-operate with the Government process or refuse and accept that we would be walking away from the funding and investment on offer;
- (l) Further believes that whilst the City Region consultation was also imperfect, any imperfections were largely a consequence of the laborious timescales set by government and despite this people have had the opportunity to put forward their views and notes efforts made by the council to consult through hosting a public scrutiny meeting which allowed members of the public to ask questions and included witnesses including the Leader of the Council, the Council's Chief Executive, the Chair of Sheffield City Region Combined Authority, a member of the Local Enterprise Partnership and representative of a much respected national think tank all of whom were questioned by elected members, in addition to the other public meetings that have taken place in the city over recent months which have received considerable input and support from the Council;
- (m) Confirms as a matter of fact that without accepting the Chancellor's demand for a directly elected mayor Sheffield would not have been able to secure the devolution deal;
- (n) Whilst reiterating that a regional mayor would not be the preferred option of any of the City Region partners, it is only being accepted because if it was not, Sheffield City Region would lose the funding on the table and the Government have also made it clear areas not accepting a mayor would not be included in future devolution deals going forward, accepts the following:
 - (i) The Mayor proposed in 2012 would have taken responsibility for currently held council functions therefore moving powers away from local people and in effect pushing power and influence upwards and further away from local people

- (ii) The Mayor proposed in this devolution proposal is only responsible for functions that are being devolved down from central government, therefore taking responsibilities and funding that is currently decided on in Westminster and Whitehall and moving it to Sheffield City Region and will not take any decision that is currently within the remit of Sheffield City Council meaning no powers are being moved up
 - (iii) The Mayor can be outvoted by the Combined Authority in the areas they have been given responsibility for, providing checks and balances in the system;
- (o) Welcomes the intervention of the Leader of the Council in calling for changes relating to the governance to be met before Sheffield would commit to the deal and believes that these were important conditions to provide a more coherent, workable and democratic system;
- (p) Recognises that the conditions set out by the Leader have been met as the prospect of a South Yorkshire only mayoral model where the people of South Yorkshire would have a mayor but other parts of the region wouldn't has also been resolved with Chesterfield and Bassetlaw proposing to become full members of Sheffield City Region, whilst Bolsover, North East Derbyshire and Derbyshire Dales joining the proposed North Midlands deal meaning their role as non-constituent members of the Combined Authority will fall outside those policies the mayor has responsibility for;
- (q) The issue of mayoral veto has now been resolved, this is important as the system that the Government wanted us to have would have given the mayor the opportunity to veto every decision of the Combined Authority;
- (r) Welcomes the work that was undertaken by Sheffield working with partners to make these changes happen, principally through the amendment to the Cities and Local Government Devolution Act 2016 which allowed district councils to determine their Combined Authority membership;
- (s) Thanks local MP Clive Betts for his constructive role in helping to promote the amendment working to get a better deal for Sheffield and also acknowledges the support given by the Government to the amendment;
- (t) Welcomes the proactive approach of the present Administration in standing up for Sheffield and working to secure the changes needed, in stark contrast to the opposition groups who instead choose to simply pontificate on the sidelines and attempt to score political points;
- (u) Further welcomes the decision taken by Chesterfield Borough Council

to become full constituent members of the Sheffield City Region and praises the leadership demonstrated by Councillor John Burrows in achieving this;

- (v) Further welcomes that Bassetlaw District Council are also expected to become full constituent members of the Sheffield City Region and praises the leadership demonstrated by Councillor Simon Greaves in achieving this;
- (w) Believes that these districts joining the Sheffield City Region as full constituent members is fantastic news for the whole city region and reiterates that this is about co-operation based around economic functioning areas and is not motivated by changing local government or geographical county boundaries;
- (x) Further believes that to realise the economic potential of Sheffield pan northern and national transport infrastructure projects are crucial to providing the connectivity Sheffield needs to secure jobs and investment including the necessary HS2 and HS3 links alongside other key projects identified in Transport for the North;
- (y) Reiterates the need for Sheffield to be given a city centre HS2 station which will deliver 6,500 additional jobs for the city region, creating more jobs in every part of the city region than the current Meadowhall proposal supported by HS2 Ltd, this Government and the previous Coalition Government;
- (z) Supports the recent calls made for HS2 Ltd to review station location options in a similar exercise to the recent Leeds review and puts on record its praise for the campaign which has been strongly led by the Sheffield Star newspaper and numerous members of the local business community including Richard Wright, Executive Director, Sheffield Chamber of Commerce;
- (aa) Welcomes the commitment secured in the Sheffield City Region Devolution proposal that if the Government agree to devolve to another area something that has not been included in Sheffield City Region's current proposed deal, discussions should also be reopened with the Sheffield City Region;
- (bb) Supports the fact that the Sheffield City Region Devolution Deal has been deliberately developed as an economic deal giving more local control over some of the policy areas that are most important in securing economic growth, infrastructure, transport, business support, skills, employment and investment;
- (cc) Reiterates its belief that accepting this devolution agreement does not compensate for the Government's abject failure to take action to support the steel industry in Sheffield and across the country and

their failure to develop a comprehensive industrial strategy to support the development of manufacturing;

- (dd) However, believes that if the Council were to walk away from this proposed deal now, all that will be achieved is the rejection of the funding that is available for economic development and it would leave local people worse off;
- (ee) Notes the significant changes made to the terms of the proposed Devolution Agreement that Sheffield has pursued since its announcement in October 2015;
- (ff) Notes the views and comments made by local residents, businesses, and community organisations through the SCR devolution consultation (Appendix 4) and the views of Sheffield's Overview and Scrutiny Management Committee (Appendix 5);
- (gg) Endorses the proposed Devolution Agreement in line with the principles and amendments secured since October 2015;
- (hh) Delegates to the Chief Executive, in consultation with the Leader of Council and the Director of Legal and Governance, the authority to take forward and conclude the Devolution Agreement, consent to the enabling Orders and agree the terms of the SCR Constitution in line with the principles outlined in the report of the Chief Executive now submitted.

2. Amendment to be moved by Councillor Colin Ross, seconded by Councillor Ian Auckland

That the recommendations set out in the report of the Chief Executive now submitted, as relates to the Sheffield City Region (SCR) Devolution Agreement, be replaced by the following resolution:-

RESOLVED: That this Council:

- (a) Welcomes any and all devolution of powers and funding from Government to a more local level and believes that further devolution to city regions is important for our economic future;
- (b) Is disappointed by our Council Leader's failure to fully engage the public on such a historic and important decision for our city's future;
- (c) However, notes the views and comments made by local residents, businesses, and community organisations through the SCR devolution consultation, who managed to get their views heard in the limited time frame (Appendix 4) and the views of Sheffield's Overview

and Scrutiny Management Committee (Appendix 5);

- (d) Thanks former Deputy Prime Minister Nick Clegg MP for laying the foundations for further devolution to Sheffield during his time in Government through the landmark City Deal and Growth Deals;
- (e) Notes with concern the Administration's lukewarm reception to the devolution deal, in particular the late setting of the date for this meeting;
- (f) Regrets that the deal was rushed and believes that our Region's leaders bowed to pressure from the Rt. Hon. George Osborne to sign the deal when they still had reservations to fit in with the Conservative Party conference timetable, and therefore weakening our position to bargain for a better deal;
- (g) Is disappointed with the lack of ambition from both the Administration and the Government which is shown in the content of this deal and would have liked to have seen additional powers devolved to City Region level, such as 14-19 skills;
- (h) Notes with concern that the details of the agreement and enabling Orders surrounding devolution are unclear and we are being asked to approve something when we don't know the full details;
- (i) Believes that negotiations on the agreement and enabling Orders should be open to include all parties and business leaders in the Sheffield City Region and not be conducted behind closed doors by our Chief Executive and Leader of the Council;
- (j) Believes that our Council Leader's cries of victory last week were slightly premature given that the proposed deal remains largely the same and that the order has yet to be put to Parliament or agreed by the other authorities;
- (k) However, supports the Devolution deal as it stands as the only deal available to Sheffield at this time under the circumstances;
- (l) Delegates to the Chief Executive, in consultation with all Members of the Council and the Director of Legal and Governance, the authority to take forward and conclude the Devolution Agreement, consent to the enabling Orders and agree the terms of the SCR Constitution in line with the principles outlined in the report of the Chief Executive now submitted.

3. Amendment to be moved by Councillor Brian Webster, seconded by Councillor Aodan Marken.

That the recommendations set out in the report of the Chief Executive now submitted, as relates to the Sheffield City Region (SCR) Devolution Agreement, be replaced by the following resolution:-

RESOLVED: That this Council:

- (a) notes that minor changes have been made to the terms of the proposed Devolution Agreement since its announcement in October 2015 and believes that there remain too many unanswered questions on important issues arising from this agreement;
- (b) strongly supports in principle the devolution of power to local and regional areas such as Sheffield and the Sheffield City Region as a means to enhance local democracy and provide greater control for local people over the affairs that affect their areas, but does not believe this Agreement delivers on these goals – and believes that in fact some aspects of the proposed deal, like planning functions, represent greater centralisation of existing powers away from local authorities;
- (c) notes that the extra funding promised by central government as part of this devolution deal does not even come close to offsetting crippling cuts that continue to be made to the funding of local authorities like Sheffield, and fears that the current Government is seeking to pass on additional responsibilities to local government without providing adequate funding to fulfil them;
- (d) notes the views and comments made by local residents, business owners, and community organisations through the SCR devolution consultation (Appendix 4), and in particular that “respondents [were] predominantly more negative of the proposal for an elected mayor in SCR than they are elsewhere about devolution”;
 - (i) believes that this feedback is in line with the result of the 2012 referendum in which Sheffield people overwhelmingly voted against the creation of the post of an executive mayor for Sheffield City Council, and that when taken together the SCR devolution consultation and 2012 referendum result show that strong feeling exists within Sheffield against the centralisation of powers in the hands of a single individual;
 - (ii) therefore believes that any devolution deal with central government that includes provision for an elected mayor should not be adopted without a further referendum on the proposal being carried out;
- (e) therefore rejects the proposed Devolution Agreement, and urges other local authorities in the Sheffield City Region to do the same;

- (f) urges the Administration to return to negotiations with central government with a view to securing a better deal for the people of Sheffield, with the starting position that no deal will be signed that includes an elected mayor unless a further referendum first determines that this is desired by Sheffield people, and;
- (g) instructs officers to send copies of these recommendations to the Leaders of all local authorities in the Sheffield City Region and to the Chancellor of the Exchequer.

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