



SHEFFIELD CITY COUNCIL

Full Council

Report of: Chief Executive

Report to: Full Council

Date: 18th March 2016

Subject: Sheffield City Region (SCR) Devolution Agreement:
Ratification of the Proposal

Author of Report: Laurie Brennan
Policy and Improvement Officer
laurie.brennan@sheffield.gov.uk
0114 2734755

Key Decision: YES

Reason Key Decision: Affects 2 or more wards

Summary:

This paper sets out the proposed SCR Devolution Agreement which represents the next step towards Sheffield and Sheffield City Region (SCR) securing greater local control of the powers needed to unlock our economic potential.

The proposed Agreement includes a range of vital powers and long-term funding for SCR, including major £900m (£30m a year for 30 years) investment fund; the full devolution of adult skills; the powers to franchise the bus network in SCR (subject to the *Buses Bill*); and the co-commissioning of services to help people get back into work. Government made clear that access to substantial devolved powers on this scale would require a directly elected mayor for the City Region. Should the proposed Agreement be approved by all councils in SCR, Government will lay an enabling Order to allow for the election of an SCR Mayor in May 2017.

During the negotiations and since the announcement of the proposed Agreement (Oct 2015), Sheffield has made clear that it would only ratify the Agreement if changes were made so that: the devolved arrangements reflected SCR's functioning economic geography; and decision making arrangements were clear so that voters know who they can hold to account for decisions in SCR. These changes have been successfully achieved in two important ways:

1. **Economic geography** – working with MPs and Government, Sheffield has supported the inclusion of an amendment to the *Cities and Local Government Devolution Act 2016* (S.14 of the Act). This amendment enables district councils to join combined authorities as constituent members without needing approval from their county council. This ensures that districts in SCR have the choice to become constituent members of SCR, benefit fully from devolved powers and their electorates are able to vote in the proposed SCR mayoral elections.

On 2nd March, Chesterfield Borough Council voted unanimously to apply to join SCR as a full constituent member. Bassetlaw District Council has also recommended to its Members that they apply to become constituent members of SCR. This decision will be taken on 17th March 2016.

2. **Mayoral veto and constitution** – SCR has been assured that the decision making process between the Mayor and the Combined Authority should be resolved through the SCR Mayoral Combined Authority's own constitution – ie it is an issue for local determination. A draft 'Scheme' document detailing these constitutional changes will be prepared over the coming months. This will inform a future substantive Order to be prepared by autumn 2016. This Order will detail the SCR Mayoral CA's powers and governance arrangements. Accordingly, the SCR must consent, consult upon and formally ratify any future constitutional changes.

The global economy is increasingly driven by cities and their conurbations, with 62% of global GDP growth over the next decade expected to come from cities. Cities in the UK lack the local control over the powers and resources to drive their local economies but as one of the Core Cities, Sheffield has been at the forefront of making the case for and the delivery of devolution in England.

The proposed Agreement represents an important step to transforming our economy and a platform from which SCR can access more devolved control and drive better economic outcomes for people and businesses across the City Region.

Reasons for Recommendations:

- **Sheffield's challenges have been addressed** – the progress since October has ensured that the challenges Sheffield has raised about the '*in principle*' Agreement have been addressed. The legislative changes secured will enable SCR to exercise new and increasing devolved powers across an area that best reflects our functioning economic geography. Our ambition is to establish an economic area of scale that has a leading role in an integrated agglomeration economy in the North of England.
- **The powers and resources available are a significant next step towards greater local control over the levers of local growth** – Sheffield and Sheffield City Region have stated their ambitions to deliver economic growth and support the creation of more and better jobs in the City Region. The devolution of the powers and resources proposed in the Agreement will enable Sheffield and SCR to take locally accountable decisions which will support better socioeconomic outcomes for people and businesses across a geographical area that makes sense for people that live and work in the SCR metropolitan area. For Sheffield and SCR, the proposed Agreement will:
 - *Unlock investment in growth, jobs and infrastructure* – ensuring that the proposed £900m investment fund is firmly focused on projects such as the Advanced

Manufacturing Innovation District (AMID) which best deliver economic growth and new jobs for the whole of the City Region;

- *Support world-leading advanced manufacturing* – using the new investment to build upon our nationally important Advanced Manufacturing Park (AMP) with the development of the AMID, working with the city’s universities and major companies like Boeing and Rolls Royce to create and shape the future of industries;
 - *Connect people to jobs and to their neighbourhoods* – with the power to franchise the local bus networks (*subject to planned legislation*) which means having the power to set out the bus services that best meet the needs of local people and the economy;
 - *Link skills and training to jobs in the local economy* – getting the right apprenticeships and training courses in the City Region to support businesses to grow and enable people to find good, higher skilled jobs;
 - *Support more young people to be job-ready* – so Sheffield continues to be the top major English city for apprenticeship recruitment;
 - *Establish the Olympic Legacy Park and Advanced Wellbeing Research Centre (AWRC) as part of the Innovation District* – building on the city’s sporting heritage with world-class sports, education, research, health and leisure facilities on a 26 acre site in Attercliffe;
 - *Drive Sheffield City Centre as the hub for business growth, jobs and tourism* – a vital big city retail and business offer for the City Region that is a well-connected centre for jobs, innovation, retail and culture;
 - *Support people back into work* – designing local employment support services for those that need the most support, to make sure that individuals get the right health, education and training support to get back into work
 - *Support existing businesses to grow* – with dedicated local business support, helping companies to grow, export, expand into overseas markets and create jobs.
- **The implications for our ambitions for further devolved power and resource are significant** – Sheffield and SCR have clear aspirations for greater control of decision making and investment to shape our own destiny rather than waiting on Government. Choosing to ratify the current proposals is likely to enable Sheffield City Region to negotiate further devolved powers and resources.

Recommendations:

That Sheffield City Council:

- Notes the significant changes made to the terms of the proposed Devolution Agreement that Sheffield has pursued since its announcement in October 2015
- 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](#))

- Endorses the proposed Devolution Agreement in line with the principles and amendments secured since October 2015
- 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 this report.

Background Papers:

Strategic documents

Sheffield City Council (2015) *Corporate Plan 2015-18*, <https://www.sheffield.gov.uk/your-city-council/policy--performance/what-we-want-to-achieve/corporate-plan.html>

Sheffield City Council (2015) *Bigger, Better, Faster Growth: Sheffield Economic Strategy*, http://www.welcometosheffield.co.uk/content/images/fromassets/100_2002_280313101103.pdf

Sheffield City Region (2014) *Strategic Economic Plan: A focused 10 Year Plan for Private Sector Growth 2015 – 2025*, <http://sheffieldcityregion.org.uk/wp-content/uploads/2014/03/SCR-Growth-Plan-March-2014.pdf>

HMG (2014) *The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority Order 2014*, http://www.legislation.gov.uk/ukdsi/2014/9780111111314/pdfs/ukdsi_9780111111314_en.pdf

Sheffield City Region devolution agreements

HMG (2013) *MADE in Sheffield: a deal for growth*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221017/Sheffield-City-Deal-Final.pdf

HMG (2014) *Sheffield City Region Growth Deal*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398872/28_Sheffield_City_Region_Growth_Deal.pdf

HMG (2014) *Sheffield City Region Agreement on Devolution*, <http://sheffieldcityregion.org.uk/wp-content/uploads/2014/12/SCR-Devolution-Deal.pdf>

HMG (2015) *Sheffield City Region proposed Devolution Agreement*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/466616/Sheffield_devolution_deal_October_2015_with_signatures.pdf

Wider context

City Growth Commission (2015) *Unleashing Metro Growth: final recommendations of the City Growth Commission*, <http://www.citygrowthcommission.com/wp-content/uploads/2014/10/City-Growth-Commission-Final-Report.pdf>

Core Cities (2015) *Unlocking the Power of Place*, http://www.corecities.com/sites/default/files/images/publications/84819%20Core%20Cities%20CSR%20Prospectus_aw_v4%20final%20to%20print.pdf

Core Cities (2014) *Competitive Cities, Prosperous People: A Core Cities Prospectus for Growth*, http://www.corecities.com/sites/default/files/images/publications/Competitive%20Cities%2C%20Prosperous%20People_%20Final%20Draft.pdf

IPPR (2014) *Decentralisation Decade: a plan for economic prosperity, public service transformation and democratic renewal in England*, http://www.ippr.org/files/publications/pdf/decentralisation-decade_Sep2014.pdf?noredirect=1

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES/NO Cleared by: Eugene Walker (Interim Executive Director of Resources)
Legal Implications
YES/NO Cleared by: Gillian Duckworth (Director of Legal and Governance and Monitoring Officer)
Equality of Opportunity Implications
YES/NO Cleared by: Michael Bowles (Head of Elections, Equalities and Involvement)
Tackling Health Inequalities Implications
YES/NO
Human Rights Implications
YES/NO
Environmental and Sustainability implications
YES/NO
Economic Impact
YES/NO
Community Safety Implications
YES/NO
Human Resources Implications
YES/NO
Property Implications
YES/NO
Area(s) Affected
The proposals are relevant to the whole of the City of Sheffield
Relevant Cabinet Portfolio Lead
Leader of the Council
Relevant Scrutiny Committee
Overview and Scrutiny Management Committee A meeting to discuss the proposals was held on the 10 th December 2015 and a formal note from that Committee addressed to Full Council is available in Appendix 5 .
Is the item a matter which is reserved for approval by the City Council?
YES/NO
Press Release
YES/NO

Sheffield City Region Devolution Agreement

report to Full Council

Purpose

1. This paper provides the background to the proposed Devolution Agreement for Sheffield City Region (SCR) and the steps taken since the proposals were announced in October 2015.
2. The paper suggests that Sheffield and SCR have pursued and secured vital changes to the original ‘in principle’ proposals, particularly with regards to voting arrangements and enabling the electoral geography of the proposed Mayoral Combined Authority (SCRMCA) to better reflect the functioning economy of Sheffield and its wider metropolitan conurbation.
3. Recognising the steps taken and the opportunities presented by the proposed Devolution Agreement, the paper intends to inform a Full Council debate on the devolution proposals and recommends that Sheffield City Council ratify those proposals.

What does this mean for Sheffield people?

4. The proposed Devolution Agreement will see the shift of vital economic growth powers and resources from central government to Sheffield City Region, bringing decision making and investment closer to the people and businesses who live and work in Sheffield and the wider economic conurbation.
5. Whilst the political and business leaders of Sheffield and SCR have clear plans to boost economic growth and create more and better jobs in SCR, many of the key powers and resources are controlled by central Government who cannot respond to the changing local needs and opportunities of a dynamic economy such as SCR. This proposal marks a significant next step to getting local control of the tools to capitalise and fulfil SCR’s economic potential.
6. For people and businesses in living and working in Sheffield this means:
 - **Long-term economic investment** – £900m guaranteed investment for the next 30 years and up to £19m of Business Rate growth retention 2016-20 which will enable SCR to invest in the major projects such as AMID which will transform SCR’s economic productivity
 - **More and better jobs** – creating the right economic environment and providing the right support drive private sector growth, attract new investment and create more jobs and opportunities
 - **Skills for work** – a locally designed skills system that provides the opportunities and training people want and matches this with the skill needs of businesses in SCR
 - **Better transport within SCR and to other cities** – with a franchise bus network, integrated multi-modal ticketing and work with neighbouring city regions to create an connected economy of scale in the North
 - **The right support to get into work** - local employment support services designed locally to make sure that individuals get the right health, education and training support to get back into work

Outcome and sustainability

7. The powers and resources in the proposed Devolution Agreement and the associated geographical and governance changes are critical next steps towards empowering Sheffield and SCR with the tools to achieve our economic potential.
8. In line with our economic strategies, Sheffield has a key role to play not only as the major driving force of the Sheffield City Region economy, but as part of a wider vision to create an agglomeration economy of scale in the North which capitalises on the relative proximity of its cities, a shared labour market and high speed city centre-to-city centre connectivity.
9. The proposed Devolution Agreement is the next step on this journey, giving Sheffield and SCR the decision making tools to capitalise on its world leading economic assets such as advanced manufacturing; tackle its underlying economic challenges; and ensure that SCR's growth model is inclusive so that people across the conurbation are able to share in and benefit from the proceeds of better economic wellbeing.

Sheffield City Region Proposed Devolution Agreement 2015

10. On 2nd October 2015, Sheffield City Region (SCR) agreed a proposed Devolution Agreement which represents the next major transfer of power and long-term funding to the SCR Combined Authority. At the time, SCR was only the second economic area in the UK to secure a deal on this scale, unlocking a range of powers and resource to invest in the economic transformation the SCR needs.
11. SCR negotiated for greater local control over key economic enablers such as skills, transport, business growth, finance and housing. These enablers are vital parts to the City Region's economic future and this is reflected in the SCR Strategic Economic Plan (SEP)¹. But, in the UK, these powers are currently controlled by central government, ensuring that they are not used in a way which reflects local opportunities and circumstances. Locally elected leaders currently do not have the power to make the decisions that the people and businesses in Sheffield City Region want them to make.
12. Since 2012, SCR has secured some incremental steps towards greater local control over these policy areas (eg. City Deal; Growth Deal) and the proposed Agreement is the latest and most significant devolution of power to SCR to date.

What is in the proposed devolution agreement and what does it mean for Sheffield?

13. The published proposal has been subject to consultation with local residents and businesses in SCR. The proposed Agreement must be ratified by the Full Councils of the nine SCR local authorities and it is subject to Orders being laid in Parliament by the Secretary of State under the provisions of the *Cities and Local Government Devolution Act*² and the as-yet unpublished *Buses Bill*.³
14. The proposed Agreement secures for SCR a suite of new powers and significant long-term investment for the City Region. These are powers and resources which SCR have not previously had access to and *would not have access to* without the strong governance and leadership in SCR through the Combined Authority; the trust and demonstration of ability to deliver with the devolved powers accessed since 2012; and the shared economic ambitions of the public and private sector in SCR.
15. The new powers in the proposed Agreement include:

¹ Sheffield City Region (2014) *Strategic Economic Plan: A focused 10 Year Plan for Private Sector Growth 2015 – 2025*, <http://sheffieldcityregion.org.uk/wp-content/uploads/2014/03/SCR-Growth-Plan-March-2014.pdf>

² HMG (2016) *Cities and Local Government Devolution Act 2016*, <http://www.legislation.gov.uk/ukpga/2016/1/contents/enacted>

³ a short summary of the likely focus of the Buses Bill is available on p100 of the 2015 Queen's Speech, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/430149/QS_lobby_pack_FINAL_NEW_2.pdf

- **Skills** – full local control of the post-19 adult skills system to enable local people to access the right training to get good jobs and deliver a better match between local skills provision and the needs of local businesses
 - **Investment** – a £30m a year fund for 30 years (ie. £900m) empowering SCR with the financial capacity to invest in the critical schemes and projects, such as the Advanced Manufacturing Innovation District (AMID), which will shape the future of Sheffield’s economy and create opportunities for people and businesses. We will no longer have to wait for our key scheme to receive the approval of Government departments or agencies.
 - **Buses** – new powers for the City Region to franchise the bus network (*part of the forthcoming Buses Bill*) and introduce multi-modal integrated ticketing to deliver a bus network which works better for communities and businesses.
 - **Employment support** – co-commissioning of the new Health and Work programme and an early intervention pilot to offer locally tailored support to people who need the most help to get back towards the job market
 - **Transport** – a dedicated, multi-year transport budget to invest in the major schemes which will improve SCR’s transport network and unlock new areas of business development.
 - **Business Rate growth retention** – Sheffield City Region will be one of a small number of places in England that can locally retain 100% of the growth in Business Rates from 2016 to 2020 This could be worth up to £19m for SCR over the period. At present, councils are only able to keep 50% of their local Business Rate growth with the rest going back to Government.
16. A more detailed summary of the key parts of the proposed Agreement are shown in [Appendix 1](#) and the full proposed Devolution Agreement is available in [Appendix 2](#) or can be downloaded from the Government’s website.⁴
17. As part of the proposed Agreement, Government made clear that access to substantial devolved powers on the scale SCR were seeking would require a directly elected mayor for the City Region. This is a political position of the Government and the *Cities Act 2016* makes the necessary legal provisions for the election of mayors for economic geographies in England. This requirement for governance change has also been applied to Greater Manchester and subsequent deals that Government have agreed with the Tees Valley, Merseyside, the North East and the West Midlands. Should the proposed Agreement be approved by all councils in SCR, Government will lay an enabling Order to allow an election for a SCR Mayor to take place in May 2017 and a more substantive Order containing the detailed powers and functions set out in SCR’s Agreement. The drafts of these Orders will have to be approved by the members of SCR Combined Authority.
18. The proposed new powers, responsibilities and funds **are not available to all areas of England** and the scale of the current devolution on offer to SCR is recognition of the importance of the city and wider economic area to the northern and national economy. The proposed Agreement should not be judged as an end in itself but rather an **evolutionary advance which unlocks some of the new funding and decision making powers which Sheffield have pursued** and we have the opportunity to use these powers to deliver better outcomes for the city and the City Region. The proposed Agreement also places Sheffield and SCR in a strong position to access more powers, resources and responsibilities, building on the momentum we have established since the City Deal.
19. Most immediately, the proposed Agreement contains a number of ‘hooks’ which are opportunities for further discussions with Government in the short term:

⁴ HMG (2015) *Sheffield City Region Devolution Agreement*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/466616/Sheffield_devolution_deal_October_2015_with_signatures.pdf

- **Housing and planning** – discussions with Government on the establishment of a Housing Investment Fund for SCR.
 - **Transport** – continued push on the HS2 station location and the ambition to deliver high speed city centre-to-city centre connectivity in the North through Transport for the North ('HS3') to maximise the positive economic impact on Sheffield and City Region
 - **Innovation** – maximising the opportunity of support from HMT on Science and Innovation Audits and Smart Specialisation
 - **Business Rates** – building on the 100% localisation of growth and working with Government to shape how the full localisation of Business Rates could work for SCR from 2020⁵.
20. A summary of developments relating to the specific policy areas in the proposed Agreement since the announcement in October 2015 can be found in [Appendix 3](#).
21. In policy terms, the proposed Agreement represents an opportunity for Sheffield and SCR. Whilst the powers in the proposed Agreement may not reflect everything that Sheffield would aspire to control locally, they do represent important progression towards locally elected leaders having greater ability to influence local socioeconomic outcomes, respond to changing economic circumstances and capitalise on Sheffield's local economic opportunities.
22. Local control over such powers would be taken for granted by most of our competitor cities across the OECD and alongside the other Core Cities, we have argued for the devolution of most of these powers for the last decade. This Government has set out that it wishes to pursue devolution through the agreement of bespoke, negotiated deals with places. It should be recognised that the package available to SCR is at the zenith of what Government is willing to let go of at present.

Developments since the announcement of the proposed Agreement

Public consultation

23. The proposed Devolution Agreement for SCR stated that the policy and funding proposals in the Agreement were subject to the 2015 Spending Review, and to Sheffield City Region "*consulting on the proposals and ratification from the local authorities*".
24. Following the announcement, SCR developed a programme of consultation to enable local residents, businesses and community organisations across the SCR area to have their say on the principle of devolution to SCR and specific proposals.
25. The consultation period ran from 2nd December 2015 to the 15th January 2016 and involved a number of activities and contributions in Sheffield including:
- **Local residents** – large scale online survey for the public, businesses and representative organisations, supported by a dedicated SCR devolution [website](#)
 - **Business** – engagement with businesses including through the SCR Local Enterprise Partnership (SCRLEP); a Business Insider event with the Chambers of Commerce; and a dedicated session with the Sheffield Business Advisor Panel
 - **Local democratic bodies** – including a special meeting of Sheffield's Overview and Scrutiny Management Committee ([10th December 2015](#)) a note from which is included in [Appendix 5](#) for the attention of Full Council; regular questions on devolution at Sheffield's Cabinet meetings; a dedicated meeting of the [SCR Scrutiny Board](#); and regular items at the SCR Combined Authority

⁵ Osborne, G. (2015) *Chancellor unveils 'devolution revolution'*, <https://www.gov.uk/government/news/chancellor-unveils-devolution-revolution>

- **Partners and community organisations** – including detailed submissions from community organisations and the University of Sheffield’s Crick Centre ‘*Citizens’ Assembly*’ project⁶ and written contributions from community organisations, including Sheffield Citizens Advice, Sheffield Mencap, and Voluntary Action Sheffield
 - **Stakeholder events** – including the launch of IPPR’s State of the North report⁷ which was attended by a range of partners and included a keynote speech on devolution by the Leader of Sheffield City Council
26. The online survey was the main, large-scale form of consultation on the proposed Devolution Agreement. The survey was designed to enable to express their views on devolution and the parts of the proposed Agreement that mattered most to them. Therefore, it was not a ‘tick box’ questionnaire but instead asked people write their views and ask questions.
27. The findings have been analysed and a detailed report is available in [Appendix 4](#).
28. However, by way of a summary, the key findings and perspectives from the responses were:
- Positive support throughout for principle of stronger local control of decision-making
 - Recognition of the impact that specific policy areas could have on SCR and the local economy
 - Negative perceptions of the need for an elected mayor – mainly due to creation of additional bureaucracy; complexity with existing arrangements; outcome of 2012 city mayor referenda
 - Real need for clarity about the geographical scope of the mayoral arrangement and powers, particularly for the districts in North Derbyshire and North Nottinghamshire
 - Positive about potential for more devolution, particularly once the current set of proposals have been implemented. Suggestions offered by respondents are ambitious and radical, including tax raising powers, all skills provision, public transport, education and health.
29. The views and perspectives offered by residents and business in the consultation have been critical in supporting the pursuit of a stronger devolution proposal for SCR. This is particularly true in relation to strengthening accountability arrangements and securing the legislative changes necessary to enable voters in district council areas of SCR to benefit from the new powers and resources and participate in the proposed mayoral elections. Further, the consultation demonstrates the appetite of local residents for the devolution of further powers to SCR.

Amendments to the proposed Agreement: pursuing a stronger economic geography

30. During the negotiations and following the announcement, Sheffield City Council repeatedly stated that some of the governance proposals in the Devolution Agreement were unacceptable and would need to be revised before Sheffield would approve the proposals.
31. The challenges that Sheffield have publicly cited can be summarised into two specific areas:

⁶ University of Sheffield’s Crick Centre (2016) *Citizens’ Assembly North*, <http://citizensassembly.co.uk/home-page/sheffield/>

⁷ IPPR (2015) *The state of the North 2015: Four tests for the northern powerhouse*, <http://www.ippr.org/publications/the-state-of-the-north-2015>

1. A functioning economic geography

Challenge

- As proposed in the Agreement, only electorates in constituent member councils of SCR would be able to vote for the elected mayor.
- Without the approval of their respective county council, districts could previously only be non-constituent CA members⁸ regardless of the realities of the economic geography
- This would limit voting for the 'SCR Mayor' to a South Yorkshire electorate and key powers (eg. bus franchising) would only operate over this geography.

Solution delivered

- SCR has worked with Government and local MPs to successfully secure an amendment to the Cities and Local Government Act 2016 which gives the power to district councils to decide to join Combined Authorities, removing the need for approval from their respective counties.
- S. 14 of the Cities and Local Government Devolution Act 2016⁹ enables districts to choose to be added to an existing Combined Authority.
- S. 14 of the Act also enables the Secretary of State to transfer *relevant powers* as part the addition of a district council to an existing CA where the Secretary of State considers that it will improve the exercise of statutory functions (eg. transport). This transfer does not need the consent of the relevant county council.
- Under the provisions of S.14 of the Act, on 3rd March 2016, Chesterfield Borough Council voted unanimously to apply to join SCR as a full constituent member.
- Bassetlaw District Council has also recommended to its Members that they apply to become constituent members of SCR. This decision will be taken on 17th March.
- This ensures that SCR's mayoral geography increasingly reflects the day-to-day functioning of people's working lives, transport and commuter flows and the interaction of businesses.

2. Mayoral 'veto'

Challenge

- Concerns were raised by Sheffield and elsewhere in SCR that the wording in the proposed agreement ambiguous with regards to mayoral voting.
- The proposed agreement suggests that the elected mayor of SCR would have to be in the majority of any vote on propositions taken to the Combined Authority: essentially a veto.

Solution delivered

- Clarification was sought from Ministers
- SCR has been given assurance that the decision-making process between the Mayor and the Combined Authority could, and should be resolved through the SCR Mayoral Combined Authority's own constitution – ie. it is for local determination.
- A draft 'Scheme' document detailing these constitutional changes will be prepared over the coming months. This will inform a future substantive Order to be prepared by autumn 2016. This Order will detail the SCR Mayoral CA's powers and governance arrangements.
- Accordingly, the SCR must consent, consult upon and formally ratify any future constitutional changes over the coming months.
- Therefore, Sheffield will, with SCR councils, develop the content of the SCR Mayoral CA constitution and the Order.

32. Therefore, the issues that Sheffield and SCR raised have been addressed. It should be recognised that the legislative changes that Sheffield has supported enable district councils in SCR to determine their own combined authority membership status. This is a significant change which ensures that historic local government administrative boundaries are recognised but that those administrative arrangements

⁸ Under the terms of the *Local Democracy, Economic Development and Construction Act 2009*, <http://www.legislation.gov.uk/ukpga/2009/20/contents>

⁹ Section 14 of the *Cities and Local Government Devolution Act 2016*, <http://www.legislation.gov.uk/ukpga/2016/1/section/14/enacted>

no longer restrict the strategic development and investment in functioning local economies. In essence, the amendment to the *Cities Act 2016* enables SCR to establish a strong, democratically accountable governance model that reflects the daily lives of people that work, do business and travel interchangeably between SCR's city, towns and neighbourhoods. The proposed Mayoral Combined Authority will be able to take locally accountable decisions on those issues which need locally-nuanced solutions and investments and are vital to local growth and jobs. With the legal basis to transfer relevant powers and functions for district areas as part of the Mayoral CA arrangements, in particular public transport, SCR has the potential to create an interconnected economic conurbation that maximises its economic potential and plays a significant role in an integrated agglomeration economy in the North.

33. Further, clarity of accountability is improved by confirmation of that SCR has the ability to shape its own decision making arrangements through the new SCR Constitution, Scheme and ultimately, the substantive SCR Order. Alongside the geographical changes, SCR will be able to develop a governance model that makes it clear to voters in SCR who can vote for a mayor; what that mayor is accountable for; what powers the SCR Combined Authority has; and how people can hold SCR decision makers to account.
34. As stated in the table above, the next steps in the development of the SCR Constitution and Mayoral CA arrangements provide Sheffield with further opportunities to ensure that the changes sought are carried forward into the new Constitution and the Order (see [Appendix 6](#)). Indeed, as a constituent member of SCR, Sheffield will have to approve those documents.
35. This paper recommends that, pending ratification, the Chief Executive of Sheffield City Council, in consultation with the Leader and the Director of Legal and Governance, is delegated the authority to take forward the Devolution Agreement, the Constitution and the terms of the Order in line with the principles of this report.

Why this matters: Sheffield driving economic growth in the North

Cities and metros are the leaders of the 21st Century global economy

36. The world is experiencing a significant period of urbanisation with more and more people living and working in cities and their surrounding metropolitan (metro) areas. Today, around 54% of the world's population live in cities and this is expected to reach nearly 70% by 2050¹⁰. The global economy is increasingly driven by cities, with 62% of global GDP growth over the next decade expected to come from cities¹¹, with high concentrations of people and businesses creating new ideas, products, businesses and services, benefitting from the physical closeness of dense urban areas but also the transport and technological connectivity that cities offer.
37. In the UK, cities only account for around 9% of the landmass but are responsible for¹²:
 - **54%** of businesses
 - **54%** of the population
 - **59%** of jobs
 - **63%** of economic output (Gross Value Added or GVA)
 - **72%** of high skilled jobs

¹⁰ UN (2014) *World Urbanization Prospects 2014 Revision*, <http://esa.un.org/unpd/wup/highlights/wup2014-highlights.pdf>

¹¹ RSA City Growth Commission (2014) *Metro Growth: the UK's Economic Opportunity*, <http://www.citygrowthcommission.com/wp-content/uploads/2014/02/Metro-Growth-February-2014.pdf>

¹² Centre for Cities (2015) *Cities Outlook 2015*, http://www.centreforcities.org/wp-content/uploads/2015/01/Cities_Outlook_2015.pdf

Sheffield and Sheffield City Region have pioneered devolution in England

38. Over the last decade, there has been a growing call for a significant devolution of power to cities in the UK to enable those places to make decisions on economic policy and strategic investment in order to deliver more local growth and facilitate the creation of local jobs. It is regularly cited that the UK is the *'most centralised country in the OECD'* due to the economic dominance of the capital city and the centralisation of decision-making in Whitehall. Leading academic studies have demonstrated that the scale of centralisation in the UK is holding back our local economies and therefore, our national economy.
39. UK cities have comparatively less freedom and capacity to make the most of their specific economic strengths, invest in locally important infrastructure and deliver the locally-tailored training and public services which enable people benefit from stronger local economies. The majority of the key decision making powers which support local growth in the UK – over major infrastructure investment, skills, training, employment support, housing, or transport services – are held by central rather than local government. This means decisions made nationally have often failed to recognise or indeed, capitalise on distinct local assets, opportunities and challenges.
40. As one of the Core Cities and as the city in Sheffield City Region (SCR), Sheffield has been at the forefront of the case for and delivery of devolution in England. Sheffield City Council has made a clear commitment to pursuing further devolution to improve its ability to deliver better outcomes for the city. The Corporate Plan 2015-18 makes clear that the Council will pursue further devolution to the city and the City Region where those devolved powers support the delivery of the city's ambitions:
- We know what to do to fulfil our potential, but we need more tools to achieve our ambitions. Therefore we will continue to work with Government to devolve powers to Sheffield so we can shape our own future and fulfil the city's huge potential.¹³
41. Further, the 2014 SCR [Strategic Economic Plan](#) (SEP) demonstrates the City Region's shared ambition to support the creation of 70,000 new jobs in the economy, improving economic and social outcomes for people and businesses. The devolution of vital decision making and investment levers plays an important role in achieving the SEP's ambitions.
42. The proposed Devolution Agreement has been recognised as a significant step towards securing the powers that the city and the City Region needs. It builds upon a number of devolution agreements that SCR have made with governments since 2012 which have brought some important but relatively small scale devolution of power and resource to the City Region. An overview of these agreements can be found in the table below:

Agreement	Brief description	Policy areas
City Deal (2012) (Wave 1)	Deals agreed (initially) with the eight English Core Cities and (in most cases) with their surrounding city region areas. The content of the Deals was led by cities/city regions and negotiated with the relevant departments with the support of the Cabinet Office. Sheffield's City Deal was recognised for first real devolution of a small proportion of the Adult Skills Budget and through the Deal, SCR established a joint funding approach to focus investment at the City Region level on the projects which best deliver growth and jobs. Whilst considered piecemeal, the City Deals are considered to have let the 'genie out of the bottle', initiating small steps towards devolution to major English cities.	Skills Transport Finance Business Support
Growth Deal (2014)	Growth Deals were agreed with all 39 Local Enterprise Partnership (LEP) areas in England, devolving some power and sharing a £2bn funding pot amongst	Skills Financial

¹³ Sheffield City Council (2015) *Corporate Plan 2015-18*, <https://www.sheffield.gov.uk/your-city-council/policy--performance/what-we-want-to-achieve/corporate-plan.html>

	those LEP areas. Sheffield City Region, along with Greater Manchester and Leeds City Region were recognised for agreeing the most far-reaching deals, particularly for the amount of financial flexibility that those three city regions were given over their ability to invest in local infrastructure projects.	investment Transport Business Support
Devolution Deal (2014)	Only three with Greater Manchester, Sheffield City Region and Leeds City Region. Made a significant commitment to fully devolve adult skills to Sheffield City Region in the longer term with additional commitments around transport (eg. smart ticketing) and business support devolution to SCR's Growth Hub.	Skills Business Support Transport Public Assets/Housing

43. To provide joint leadership for Sheffield City Region, a Combined Authority was established in April 2014. The SCR Combined Authority (SCRCA) is made up of the nine leaders of the councils in SCR economic area. CAs are statutory (ie. legal) bodies¹⁴ which enable partnerships of councils in an economic area (ie. a functioning economic area) to work together on a legal basis, meaning they can exercise certain powers and hold budgets. By being statutory bodies, combined authorities can have new powers and functions transferred to them by Central Government or councils (*if those councils involved wish to do so*) and be held to account for using those powers.
44. Sheffield City Region has been a leading City Region and has been successful in negotiating the devolution of some key powers and resources to support the achievement of ambitions set out in the Strategic Economic Plan.
45. SCR have made it clear that the devolution to date (including the proposed Devolution Agreement) are steps in the right direction but further devolution and targeted investment will be needed to enable the SCR to achieve its economic potential.

Recommendations

46. That Sheffield City Council:
- Notes the significant changes made to the terms of the proposed Devolution Agreement that Sheffield has pursued since its announcement in October 2015
 - 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](#))
 - Endorses the proposed Devolution Agreement in line with the principles and amendments secured since October 2015
 - 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 this report.

Reasons for recommendations

47. The reasons for the recommendation are:
- **Sheffield's challenges have been addressed** – the progress since October has ensured that the challenges Sheffield has raised about the 'in principle' Agreement have been addressed. The

¹⁴ Created in the [Local Democracy Economic Development and Construction Act 2009](#)

legislative changes secured will enable SCR to exercise new and increasing devolved powers across an area that best reflects our functioning economic geography. Our ambition is to establish an economic area of scale that has a leading role in an integrated agglomeration economy in the North of England.

- **The powers and resources available are a significant next step towards greater local control over the levers of local growth** – Sheffield and Sheffield City Region have stated their ambitions to deliver economic growth and support the creation of more and better jobs in the City Region. The devolution of the powers and resources proposed in the Agreement will enable Sheffield and SCR to take locally accountable decisions which will support better socioeconomic outcomes for people and businesses across a geographical area that makes sense for people that live and work in the SCR metropolitan area. For Sheffield and SCR, the proposed Agreement will:
 - *Unlock investment in growth, jobs and infrastructure* – ensuring that the proposed £900m investment fund is firmly focused on projects such as the Advanced Manufacturing Innovation District (AMID) which best deliver economic growth and new jobs for the whole of the City Region;
 - *Support world-leading advanced manufacturing* – using the new investment to build upon our nationally important Advanced Manufacturing Park (AMP) with the development of the AMID, working with the city’s universities and major companies like Boeing and Rolls Royce to create and shape the future of industries;
 - *Connect people to jobs and to their neighbourhoods* – with the power to franchise the local bus networks which means having the power to set out the bus services that best meet the needs of local people and the economy;
 - *Link skills and training to jobs in the local economy* – getting the right apprenticeships and training courses in the City Region to support businesses to grow and enable people to find good, high skilled jobs;
 - *Support more young people to be job-ready* – so Sheffield continues to be the top major English city for apprenticeship recruitment;
 - *Establish the Olympic Legacy Park and Advanced Wellbeing Research Centre (AWRC) as part of the Innovation District* – building on the city’s sporting heritage with world-class sports, education, research, health and leisure facilities on a 26 acre site in Attercliffe;
 - *Drive Sheffield City Centre as the hub for business growth, jobs and tourism* – a vital big city retail and business offer for the City Region that is a well-connected centre for jobs, innovation, retail and culture;
 - *Support people back into work* – designing local employment support services for those that need the most support, to make sure individuals get the right health, education and training support to get back into work
 - *Support existing businesses to grow* – with dedicated local business support, helping companies to grow, export, expand into overseas markets and create jobs.
- **The implications for our ambitions for further devolved power and resource are significant** – Sheffield and SCR have clear aspirations for greater control of decision making and investment to shape our own destiny rather than waiting on Government. Choosing to ratify the current proposals is likely to enable Sheffield City Region to negotiate further devolved powers and resources.

Alternative options considered

48. Based on the current position, there are only two options: ratify the proposed agreement or do not. Ratifying the proposal will enable SCR to look for further devolved powers.
49. The alternative option to the recommendation above is:

No change

- This would essentially mean rejecting the devolution proposals that are considered here. SCR would continue to have the powers secured from previous devolution agreements (eg. City Deal and Growth Deal) but would not have access to the new powers proposed in this Agreement. It is anticipated that this would mean that SCR would:
 - be turning down the opportunity to access the investment and powers that we have long argued for, including the £900m investment fund, skills powers, bus franchising and the retention of up to £19m of Business Rate growth (2016-20);
 - likely forego any opportunities to access further devolved powers in the short/medium term; and
 - be left at a disadvantage compared to several of the major Core Cities in England.

Implications

Equality of opportunity implications

50. There are no direct equality of opportunities implications arising from this report.
51. However, the impact of the various proposals contained within the Devolution Agreement should have a positive benefit for people and communities across Sheffield and the wider City Region. For example, it is expected that a number of the devolved responsibilities in the Agreement will have positive implications on job creation. The devolution of all adult skills will enable SCR to shape training provision in SCR to better match the opportunities in our economy, ensuring that people can maximise their potential and share in the proceeds of growth.
52. The proposed Agreement also contains powers to create an integrated transport network, including a franchised bus network (subject to legislation). This will connect people and communities from across the City Region to each other and to employment opportunities.
53. As stipulated in the Sheffield City Region Devolution Agreement, SCRCA is a statutory body and therefore will continue to adhere to its public sector equality duties for both existing and newly devolved responsibilities.
54. Therefore, any specific proposals resulting from the powers within the Agreement will need to consider equalities implications as part of the proposal development and approval.

Legal implications

55. The legal powers surrounding devolution are set out in the Cities and Local Government Devolution Act 2016. The Act sets out a framework for devolution with further detail to be enacted by Secretary of State by Regulation. The details of the Sheffield City Region Combined Authority's deal are set out in the "Sheffield City Region Devolution Agreement" as amended by this report.
56. The Devolution proposal has been subject to a public consultation exercise as detailed in this report.

57. Further legal advice will be required as the Council progresses along this process towards devolution, particularly in relation to the Constitutional arrangements of the Sheffield City Region Combined Authority and its interactions with the Council.

Financial implications

58. There are no direct financial implications arising from the report in terms of direct net impact on Sheffield City Council's budget.
59. However, the proposed Agreement contains significant new financial investment for Sheffield City Region through the £30m/30 years single pot; a devolved, multi-year transport budget; retention of Business Rate growth 2016-20 which will be worth up to £19m for SCR; the devolved Adult Skills Budget; and the potential to negotiate further devolved funding (eg. Housing Investment Fund).
60. Further, from 2020, Government has announced that Business Rates will be fully localised. This ensures that the more that Sheffield and Sheffield City Region can growth our local economy, the more resources we are likely to have locally to reinvest in our economy and support core services.

Tackling health inequalities implications

61. This report does not have direct implications for health inequalities in Sheffield.
62. However, the powers within the proposed Devolution Agreement will have positive implications for tackling the wider determinants of health, particularly by:
- Supporting business growth and attracting investment to increasing access to better jobs in Sheffield;
 - increasing skills and training opportunities to support access to work and career progression, increasing access to higher incomes;
 - helping people that are furthest from the labour market to access tailored support based on their needs to move towards employment opportunities
 - better connecting communities and people to employment, wellbeing, culture and leisure opportunities with integrated SCR transport system; and
 - the potential to invest in the City Region's housing offer.

Economic implications

63. The proposed Devolution Agreement contains a package of powers and resources which are fundamentally about creating a bigger, more productive Sheffield City Region economy.
64. In line with our Corporate Plan priorities and the SCR Strategic Economic Plan,¹⁵ the devolved responsibilities provide SCR with vital tools which will support business growth, attract new investment and facilitate the creation of new jobs.
65. This includes:
- £900m single pot to invest the projects such as the Advanced Manufacturing Innovation District (AMID) which will have the greatest impact on growth and jobs, transforming the SCR's economy for the long term
 - A localised skills system that better matches business need with the training provided, enabling people to access jobs and share in the proceeds of local economic growth

¹⁵ Sheffield City Region (2014) *Strategic Economic Plan: A focused 10 Year Plan for Private Sector Growth 2015 – 2025*, <http://sheffieldcityregion.org.uk/wp-content/uploads/2014/03/SCR-Growth-Plan-March-2014.pdf>

- Tailored business support to enable SCR businesses to grow, export and create jobs
- An integrated transport network to connect people to jobs and businesses to key national and international markets

Appendix 1: summary of proposed SCR devolution agreement

Policy theme	What is in the proposed Devolution Agreement?	What does this mean?
Finance / fiscal	<ul style="list-style-type: none"> • An investment fund worth £30m a year guaranteed for 30 years to SCR (ie. worth £900m over the 30 years) • New funding flexibilities to create a 'single pot' to invest in growth (ie. one budget) • Ability to retain 100% of the growth in Business Rates across council areas in the SCR from April 2016 	<p>The elected leaders of Sheffield City Region will control over the money available to invest in the local economy. Most of the things our economy needs – better transport, business growth, better housing and training – need funding committed to them for long periods to deliver results. Most of this money is currently controlled by central government and often hasn't been guaranteed for the long-term and is not always spent on the things that matter most to places in Sheffield City Region.</p> <p>As part of the Devolution Deal, the elected leaders of Sheffield City Region's Combined Authority will have control of a £30 million per year fund from Government committed for the next 30 years totalling £900 million of guaranteed funding. We can use it to invest in the big projects and developments that take time to build or need money committing for a long period of time.</p> <p>We will also keep the money raised from any growth in Business Rates over the coming years. This means that when businesses grow or new businesses come into Sheffield City Region, the money they pay in Business Rates will be spent on local services, more growth and more jobs in Sheffield City Region rather than going straight back to central government.</p> <p>Other Government money given to Sheffield City Region (eg. for transport or housing) will be given to us in one budget so that we're not told how to spend it by the different Government departments. We will also have greater control over the money Sheffield City Region gets from the European Union. This means we can invest the money we get from Government and the EU in the things that matter most to our local economy.</p>
Skills 19+	Full devolution of the Adult Skills Budget to Sheffield City Region	<p>Sheffield City Region will fully control the money for all adult skills and training. This money is currently controlled by Government through the Department for Business, Innovation and Skills and the Skills Funding Agency based on national skills policies.</p> <p>This means that training for people aged over 19 in Sheffield City Region will be co-ordinated in Sheffield City Region based on the particular needs of our people that live and work here and the needs of local businesses. People in Sheffield City Region will be able to access the type of training they need to get jobs, further their careers and increase their incomes. Businesses will have access to the training programmes and people with the skills they need to grow their business and create more jobs.</p>
Skills 16-18	SCR will chair the 'Area-based Review' of post-16 education in line with the ambitions of the	As part of the proposed agreement, Sheffield City Region will also work with Government and local colleges to improve local education, skills and training for 16-18 year olds so that the skills

	City Region.	and training available in SCR meets the needs of the local economy and local businesses. SCR will also improve local careers advice so that it better reflects the education, training and job opportunities available here.
Transport	<ul style="list-style-type: none"> • One multi-year strategic transport budget for SCR • Power to re-regulate local bus service • Smart ticketing between different modes of transport across the north 	<p>Transport is vital for local economies – it connects people to their jobs and to public services; it enables businesses to move and export their goods and services; and it connects economies to other economies (for example, Sheffield City Region to Leeds City Region or to London).</p> <p>Sheffield City Region will have more power and control of money to create a better transport system for the area, connecting up the places in the City Region. This includes a transport budget which is ‘multi-year’; this means the funding will cover several years and allow us to spend it on big projects (such as roads or tram extensions) which take time to build.</p> <p>We will also be able to ‘franchise’ local bus services. At the moment, the bus services in places outside of London are ‘deregulated’ which means private companies run local bus services and locally elected politicians have very little power to influence where buses run to and from. ‘Franchising’ means that the proposed elected mayor would be responsible for setting out the bus services that best meet the needs of local people and the economy. Bus companies would then provide services to meet the plan set out by the elected mayor. This will also include a London ‘oyster card’ style smart ticket which will mean that people will be able to use the same ticket between different buses, trams and trains</p>
Employment	<ul style="list-style-type: none"> • Decide how employment support for those people in SCR who need the most support to get back into work with the Department for Work and Pensions (DWP) • This will involve finding the right solutions for individuals from public services in SCR • This will also involve ‘co-commissioning’ of the next version of the Work Programme with DWP • A dedicated pilot approach to support people who are ‘hardest to help’ get back into work. 	<p>When people are out of work, it is vital that they get the right support to get them back into employment. Many people who find themselves out of work get back into jobs quickly with support from Jobcentre Plus. Other people need more support which might mean re-training but it also might mean support with health problems which may be preventing them from working.</p> <p>At the moment, employment support services are designed nationally by Government. The proposal means that Sheffield City Region will design local employment support with Government so that it meets the needs of people in Sheffield City Region.</p> <p>This will make sure that individuals get the right health, education and training support to get back into work.</p>
Housing and planning	<ul style="list-style-type: none"> • Creating a spatial framework for the City Region 	<p>The councils and businesses in Sheffield City Region will work together to create a single spatial plan for the City Region’s area. This means we will have a single approach across the city region to planning where we need things like new transport links, new</p>

	<ul style="list-style-type: none"> • Strategic planning powers for the Mayor including the ability to set up Mayoral Development Corporations • Further discussions with Government on a Housing Investment Fund for SCR • A Joint Assets Board for the City Region to better co-ordinate the sale of public buildings and land to create opportunities for housing and business growth 	<p>housing and how we create places for businesses to grow and invest. Some of this will include co-ordinating the Local Plans of councils in Sheffield City Region.</p> <p>This approach will give us a clear plan for the spatial growth of the City Region but also act as a prospectus of businesses upon which they can make decisions to grow, invest and create new jobs. It will not reduce or remove the planning powers of individual local councils.</p> <p>We will also work with Government on creating a 'Housing Investment Fund' for Sheffield City Region. This will be a single fund so that we can work with house builders to build thousands more homes across the Sheffield City Region. By supporting big and small developers, this means we will be able to tackle some of the problems in Sheffield City Region which limit the amount of new housing that is built, including affordable housing.</p>
<p>Business growth; trade and investment; innovation</p>	<ul style="list-style-type: none"> • Devolved business support services (building on previous deals) • Dedicated support from UKTI on trade and investment to support SCR businesses to export • Working with Government on the rollout of ultrafast broadband in SCR • Expert advice to support the development of the Advanced Manufacturing Innovation District • Work with Government to establish the National Institute for Infrastructure in Doncaster. 	<p>Local economies all have different strengths and unique areas of expertise. We know that Sheffield City Region has real strengths in advanced manufacturing, engineering and logistics. These are not just important to the local economy, they are important to the national economy too.</p> <p>New and existing businesses need support and advice that is tailored to their needs, helping them to grow, export the goods they produce, and create new higher skilled jobs. We are setting up business support tailored to our local economy's needs and this section of the proposed Agreement means that we will have dedicated support for Sheffield City Region's economy from Government's trade and investment services, to put Sheffield City Region's businesses on the map around the world.</p> <p>The proposal supports the real areas of economic strength in Sheffield City Region, giving national recognition to the developing Advanced Manufacturing Innovation District in Sheffield/Rotherham and a National Institute for Infrastructure in Doncaster, both of which will bring economic growth and more jobs.</p> <p>We will also work with Government to make ultrafast broadband more available in Sheffield City Region as part of the proposed agreement</p>
<p>Governance</p>	<ul style="list-style-type: none"> • An elected city region mayor for the economic geography. The proposed elected mayor will predominantly be responsible for transport and strategic planning. • A stronger Combined Authority model with the majority of the new devolved powers being the responsibility of the Combined Authority 	<p>The nine councils in Sheffield City Region have been working together for a long time and, in 2014, set up a Combined Authority for the City Region. The Combined Authority is made up of the nine elected leaders of the councils in Sheffield City Region. The Combined Authority is a legal body which means Government can devolve powers and money to it.</p> <p>Government have said that if Sheffield City Region is to have more power for the economic area, voters in Sheffield City Region need to be able to hold someone to account for those new powers. Government's preferred way of getting this direct accountability to voters in England's big economic areas is through the election of City Region Mayors.</p> <p>This is different to the local council Mayors in places like Bristol,</p>

	together	<p>Liverpool and Doncaster. In those places, the elected mayor has similar powers and responsibilities to a council leader, overseeing council services for one place. City Region Mayors will be responsible for things that are important to local economies but cut across council boundaries – things like bus services or the training and jobs market.</p> <p>Sheffield City Region’s proposed Devolution Agreement includes a proposal for a directly elected City Region Mayor for the economic area. The proposed Mayor will be responsible for the City Region’s transport budget, for the bus network and spatial planning for the City Region.</p> <p>The Combined Authority will be responsible for all the other powers in the proposed Devolution Agreement and the Mayor will be one member of the Combined Authority. The Combined Authority will be able to amend or where necessary, veto the City Region Mayor’s plans, strategies and budgets.</p> <p>If the proposed Devolution Agreement is agreed, it is likely that the first election for a Sheffield City Region Mayor will take place in 2017.</p> <p>It will be the residents of South Yorkshire (Doncaster, Sheffield, Rotherham and Barnsley) who get to vote for the Mayor. This is quite simply because the other the five district councils that are within the counties of Derbyshire and Nottinghamshire are not currently able to be full constituent members of the Combined Authority and so their residents will not take part in the Mayoral elections.</p>
--	----------	--



SHEFFIELD CITY
REGION DEVOLUTION
AGREEMENT



HM Treasury



The Rt Hon George Osborne
Chancellor of the Exchequer

Cllr Sir Stephen Houghton CBE
Chair of Sheffield City Region
Combined Authority and Leader of
Barnsley Metropolitan Borough
Council

Cllr Julie Dore
Leader of Sheffield City Council

James Newman
Chair of Sheffield City Region
Combined Authority Local Enterprise
Partnership



HM Treasury

Sheffield
City Region

.....
Lord Jim O'Neill
Commercial Secretary

.....
Cllr Chris Read
Leader of Rotherham Metropolitan
Borough Council

.....
Deputy Mayor Glyn Jones
On behalf of Mayor of Doncaster
Metropolitan
Borough Council

Contents

Overview	page 5
Summary table	page 6
Governance	page 7
Skills (19+)	page 8
Skills (16-18)	page 9
Employment	page 10
Housing and planning	page 11
Transport	page 12
Trade and investment	page 13
Innovation	page 14
Business growth and support	page 14
Fiscal	page 15
Geography	page 16
Sheffield City Region Combined Authority commitments	page 16

Sheffield City Region Combined Authority Devolution Deal

This document sets out the terms of a proposed agreement between Government and the leaders of the Sheffield City Region to devolve a range of powers and responsibilities to the Sheffield City Region Combined Authority and a new directly elected mayor. Building on the City Deal, agreed in 2012, the Growth Deals, agreed in July 2014 and January 2015 and initial Devolution Agreement, agreed in December 2014, this Devolution Deal marks the next step in the transfer of resources and powers from central Government to the Sheffield City Region.

The devolution proposal and all levels of funding are subject to the Spending Review and Sheffield City Region consulting on the proposals and ratification from the local authorities. This agreement is subject to the enactment of the necessary legislation (The Cities and Local Government Devolution Bill and the Buses Bill), and to parliamentary approval of the secondary legislation implementing the provisions of this agreement.

This agreement will enable Sheffield City Region to accelerate the delivery of its Strategic Economic Plan, strengthening its position as a world class centre for advanced manufacturing and engineering.

Summary of the proposed Devolution Deal agreed by the Government and the Sheffield City Region Combined Authority with the support of the Local Enterprise Partnership

A new, directly elected Sheffield City Region Mayor will act as Chair to the Sheffield City Region Combined Authority and will exercise the following powers and functions devolved from central Government:

- Responsibility for a consolidated, devolved transport budget, with a multi-year settlement to be agreed at the Spending Review.
- Responsibility for franchised bus services, which will support the Combined Authority's delivery of smart and integrated ticketing across the Combined Authority's constituent councils.
- Responsibility for an identified Key Route Network of local authority roads that will be collaboratively managed and maintained at the city region level by the Combined Authority on behalf of the Mayor.
- Powers over strategic planning, including the responsibility to create a spatial framework for the city region and to chair the Sheffield City Region Joint Assets Board.

The Sheffield City Region Combined Authority (SCR CA), working with the Mayor, will receive the following powers:

- Control of a new additional £30 million a year funding allocation over 30 years, to be invested to boost growth.
- Responsibility for chairing an area-based review of 16+ skills provision, the outcomes of which will be taken forward in line with the principles of the devolved arrangements, and devolved 19+ adult skills funding from 2018/19.
- Joint responsibility with Government to co-design employment support for the harder-to-help claimants, many of whom are currently referred to the Work Programme and Work Choice. SCR will also bring forward a proposal to pilot more intensive support for those furthest from the labour market.
- More effective joint working with UKTI to boost trade and investment, and responsibility to work with Government to develop and implement a devolved approach to the delivery of national business support programmes from 2017.

In addition:

- To support the development of the SCR Advanced Manufacturing Innovation District, the Government will offer the Sheffield City Region expert advice and support to ensure they are able to put forward a City Region led proposal to undertake a Science and Innovation audit.
- The Sheffield City Region will work with HM Government to achieve their ambitions for a national Institute for Infrastructure within Doncaster.
- HM Government will work with the Sheffield City Region Combined Authority to agree specific funding flexibilities to a Spending Review timetable. The joint ambition will be to give Sheffield City Region Combined Authority a single pot to invest in its economic growth.

Further powers may be agreed over time and included in future legislation.

Governance

1. Sheffield City Region (SCR) has taken bold steps in securing effective and accountable governance arrangements. The SCR Local Enterprise Partnership (LEP) was part of the first wave of LEPs established in 2010 and has been one of the strongest performers since then. The SCR was the first to submit plans for its Combined Authority under the Coalition Government, which was established in April 2014. The Combined Authority enables decisions on economic growth and development to be taken in an open and transparent way in one place for the whole of the SCR.
2. As part of this proposed agreement, the Sheffield City Region Combined Authority will adopt a model of a directly elected city region Mayor over the Combined Authority's area with the first elections in May 2017¹. The existing Sheffield City Region Combined Authority will also be strengthened with additional powers. This takes the next step in transferring resources and powers from central Government to the Sheffield City Region. There is no intention to take existing powers from local authorities without agreement. The agreement will protect the integrity of local authorities in the Sheffield City Region.
3. The directly elected Mayor for Sheffield City Region Combined Authority will autonomously exercise new powers. The Mayor will chair the Sheffield City Region Combined Authority, the members of which will serve as the Mayor's Cabinet. The Mayor and the Sheffield City Region Combined Authority will be scrutinised and held to account by the SCR Overview and Scrutiny committee(s). The SCR Mayor will also be required to consult the SCR CA Cabinet on his/her strategies, which it may reject if two-thirds of the members agree to do so. The SCR Cabinet will also examine the Mayor's spending plans and will be able to amend his/her plans, if two-thirds of the members who have been appointed by constituent councils agree to do so.
4. Proposals for decision by the Combined Authority may be put forward by the Mayor or any Cabinet Member. The Mayor will have one vote as will other voting members. Any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting, subject to that majority including the vote of the Mayor, unless otherwise set out in legislation, or specifically delegated through the Authority's Constitution.
5. The Sheffield City Region Mayor and the other members of the Sheffield City Region Combined Authority will be required to work closely together. Specifically:
 - a. the Mayor will provide overall leadership and chair Combined Authority meetings; and
 - b. the SCR Cabinet Model, where the leaders have a clear portfolio of responsibilities, will act as a supporting and advisory function to the Mayor and Combined Authority in respective policy areas.

¹ This will be based on the constituent members of the Combined Authority but can be extended to include any other members of the Combined Authority that change their member status from non-constituent to constituent.

- c. The Mayor will also be a member of the LEP, alongside the other members of the Combined Authority, recognising the importance of the private sector in any growth strategies or delivery.
- 6. The recent changes to strengthen the governance arrangements in the Sheffield City Region by formally establishing five Executive Boards that have delegated decision making powers from the Combined Authority, are expected to continue as part of this agreement.
- 7. Economic growth is a shared endeavour and is vital in delivering the Northern Powerhouse ambitions. The Mayoral Combined Authority will continue to work very closely with HM Government for the benefit of the public.
- 8. Sheffield City Region Combined Authority and Local Enterprise Partnership commits to work with partners across the North of England to promote opportunities for pan-Northern collaboration, including Transport for the North, to drive northern productivity and build the Northern Powerhouse.

Skills (19+)

- 9. The Government will enable local commissioning of outcomes to be achieved from the 19+ adult skills budget starting in academic year 2016/17; and will fully devolve budgets to the Sheffield City Region Combined Authority from academic year 2018/19 (subject to readiness conditions). These arrangements do not cover apprenticeships.
- 10. Devolution will proceed in three stages, across the next three academic years:
 - a. Starting now, the SCR Combined Authority will begin to prepare for local commissioning. It will develop a series of outcome agreements with providers about what should be delivered in return for allocations in the 2016/17 academic year. This will replace the current system of funding by qualifications as providers will receive their total 19+ skills funding as a single block allocation. This new arrangement will allow the SCR Combined Authority to agree with providers the mix and balance of provision that will be delivered in return for the block funding, and to define how success will be assessed.
 - b. For the 2017/18 academic year, and following the area review, Government will work with the SCR Combined Authority to vary the block grant allocations made to providers, within an agreed framework
 - c. From 2018/19, there will be full devolution of funding. The SCR Combined Authority will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the

grant to local / combined authorities will need to take into account a range of demographic, educational and labour market factors.

11. The readiness conditions for full devolution are that:

- a. Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances
- b. Completion of the Area Review process leading to a sustainable provider base
- c. After the area-reviews are complete, agreed arrangements are in place between central government and the Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base
- d. Clear principles and arrangements have been agreed between central government and the Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and national interest and protecting the taxpayer from unnecessary expenditure and liabilities
- e. Learner protection and minimum standards arrangements are agreed
- f. Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.

Skills (16-18)

12. HM Government commits to an Area Based Review of post-16 education and training leading to agreed recommendations by February 2016. The outcomes of the Area Based Review will be taken forward in line with the principles of the devolved arrangements. The review will be chaired by the Combined Authority and will include all post-16 education and training provision in the initial analysis phase. Recommendations will be focused on General FE and Sixth Form Colleges, however the Regional Schools Commissioner and the relevant local authorities will consider any specific issues arising from the reviews for school sixth form provision.

13. To ensure continued local collaboration following the Area Based Review, the Sheffield City Region Combined Authority will work in partnership with local colleges and providers to publish a local skills strategy. This will aim to help ensure that post-16 providers are delivering the skills that local employers require. It is expected that the Combined Authority will then collaborate with colleges and providers, with appropriate support from EFA, to work towards that plan.

14. Following the Area Based Review, HM Government would expect the Regional Schools Commissioner to continue to engage with the Sheffield City Region Combined Authority to ensure local links and working are maintained.

15. HM Government will work with Sheffield City Region Combined Authority to ensure that local priorities are fed into the provision of careers advice, such that it is employer-led, integrated and meets local needs. In particular, the Sheffield City Region Combined Authority will ensure that local priorities are fed into provision through direct involvement and collaboration with HMG in the design of careers and enterprise provision for all ages, including collaboration on the work of the Careers and Enterprise Company and the National Careers Service.

Employment

16. Sheffield City Region Combined Authority will work with DWP to co-design the future employment support, from April 2017, for harder-to-help claimants, many of whom are currently referred to the Work Programme and Work Choice.
17. The respective roles of DWP and Sheffield City Region Combined Authority in the co-design will include:
 - a. DWP sets the funding envelope, Sheffield City Region Combined Authority can top up if they wish to, but are not required to.
 - b. Sheffield City Region Combined Authority will set out how they will join up local public services in order to improve outcomes for this group, particularly how they will work with the Clinical Commissioning Groups/third sector to enable timely health-based support.
 - c. DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. Sheffield City Region Combined Authority will have some flexibility to determine specific local outcomes that reflect local labour market priorities, these outcomes should be complementary to the ultimate employment outcome (for example in-work wage progression). In determining the local outcome(s) Sheffield City Region Combined Authority should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.
 - d. Before delivery commences, DWP and Sheffield City Region Combined Authority will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support, including a mechanism by which each party can raise and resolve any concern that arise.
18. In addition, in the event employment support for this group is delivered through a contracted-out programme, Sheffield City Region Combined Authority will co-commission the programme with DWP. the respective roles of DWP and Sheffield City Region Combined Authority will include:

- a. DWP sets the contracting arrangements, including contract package areas, but should consider any proposals from Sheffield City Region Combined Authority on contract package area geography.
 - b. Sheffield City Region Combined Authority will be involved in tender evaluation.
 - c. Providers will be solely accountable to DWP, but DWP and Sheffield City Region Combined Authority's above-mentioned agreement will include a mechanism by which Sheffield City Region Combined Authority can escalate to DWP any concerns about provider performance/breaching local agreements and require DWP to take formal contract action where appropriate.
19. In the event that alternative delivery mechanisms are put in place, comparable arrangements will be put in place.
20. Sheffield City Region will develop a business case for an innovative pilot to support those who are hardest to help. The business case should set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans, to enable the proposal to be taken forward as part of the delivery of this agreement, subject to Ministerial approval.

Housing and planning

21. The Sheffield City Region Combined Authority Mayor will also exercise strategic planning powers to support and accelerate these ambitions. This will include the power to:
- a. Create a spatial framework, which will act as the framework for managing planning across the Sheffield City Region, and with which all Local Development Plans will be in strategic alignment. The spatial framework will need to be approved by unanimous vote of the members appointed by constituent councils of the Mayoral Combined Authority. This approach must not delay any Local Development Plans, and will build upon the local plans being developed.
 - b. Create supplementary planning documents, subject to approval processes in paragraph 21a.
 - c. Create Mayoral Development Corporations, which will support delivery on strategic sites in the Sheffield City Region. This power will be exercised with the consent of the Cabinet member in which the Development Corporation is to be used.
 - d. Be consulted on and/or call-in planning applications of strategic importance to the City Region.
22. Sheffield City Region and HMG will continue to discuss the devolution of housing loan funds to a Spending Review timetable. Sheffield City Region intends to develop

further a proposition on a Housing Investment Fund, for discussion and development with HM Government.

23. HMG will work with Sheffield City Region to support the operation of the Joint Assets Board, and support better coordination on asset sales. This will include ensuring the representation of senior HMG officials on the Joint Assets Board, using that Board to develop as far as possible and consistent with the government's overall public sector land target, a joint programme of asset disposal using a portfolio approach, and to explore whether a right of first refusal for 28 days on all central government land and assets due for disposal can be developed that accelerates the pace of disposal. Through the Joint Assets Board, SCR and HMG will explore increased opportunities for using the public estate to generate low carbon energy.

Transport

24. The directly elected Mayor of the Sheffield City Region Combined Authority will be responsible for a devolved and consolidated local transport budget for the area of the Combined Authority (i.e. the areas of the constituent councils), including all relevant devolved highways funding, with a multi-year settlement to be agreed at the Spending Review. Functions will be devolved to the Sheffield City Region Combined Authority accordingly, to be exercised by the Mayor.
25. The directly elected Mayor of the Sheffield City Region Combined Authority will by 2017 exercise functions, devolved to the Combined Authority, for the franchising of bus services in the area of the Combined Authority, subject to local consultation. This will be enabled through a specific Buses Bill, to be introduced during the first Parliamentary session, which will provide for the necessary functions to be devolved.
26. This will help to facilitate the delivery of integrated smart ticketing across all local modes of transport in the city region, working as part of Transport for the North on their plans for smart ticketing across the North. This includes the production of a regional implementation plan for smart ticketing which Transport for the North will put forward to government by Budget 2016.
27. Government remains committed to the development of Phase Two of the HS2 network and will announce the way forward on Phase Two later this year.
28. Government is committed to building a Northern Powerhouse and remains strongly committed to the work by Transport for the North to identify and present to government a prioritised list of scheme options for the TransNorth rail enhancement programme and options for strategic road investment, including options for a new TransPennine Road Tunnel, by Budget 2016.
29. Government, in consultation with Sheffield City Region, will continue to explore options to give Sheffield City Region Combined Authority more control over the planning and delivery of local transport schemes, particularly in preparation for HS2. This could include changes to the way that Transport and Works Act Orders are

granted, if practical proposals for improving and speeding up the process are identified.

30. The directly elected Mayor of the Sheffield City Region Combined Authority will take responsibility for an identified Key Route Network of local authority roads that will be collaboratively managed and maintained at a city region level by the Sheffield City Region Combined Authority across the areas of the constituent councils.

Trade and investment

31. HM Government commits to strengthening support available for both trade and investment in the Sheffield City Region.
32. On co-location, HM Government will review the Inward Investment resource location of regional (IST) staff across the three levels of: Partnership Managers; Business development and Key Account Management teams, currently in 8 locations nationally. HM Government will also look at options for co-location, under UKTI/IST management, without harming the overall efficiency of the working of the investment model.
33. On governance, HM Government will set up a joint governance structure (or join an existing one), with quarterly meetings attended by a Director level representative from both UKTI investment and Sheffield City Region Combined Authority. These will provide a forum to discuss progress on co-location, and on account management activity by both parties in the region. HM Government will wherever possible also use this structure to review key decisions and initiatives planned and/or implemented by both parties, including building a better shared understanding of the inward investment opportunities available in the region.
34. On international links, HM Government will provide a strengthened partnership between locally delivered services and embassy/consulate contacts through project Matchmaker.
35. On the Great campaign, HM Government will explore what options exist for using a portion of GREAT campaign budget for overseas based activity aligned to Sheffield City Region sector strengths with delivery managed by UKTI Marketing teams with input and influence from Sheffield City Region Combined Authority. This activity should be supported by sector based resource in overseas posts who have been specially briefed to have a strong understanding of Northern Powerhouse and Posts who are Matchmaker partners for Sheffield City Region sector strengths.
36. HM Government will also work with Sheffield City Region to build attractive regeneration/ investment propositions.
37. On trade: HM Government will ring-fence trade services resource within Sheffield City Region, develop an agreed export plan with a dual key approach to activities and reporting on outputs and outcomes to Sheffield City Region. Ring fenced resource remains subject to departmental budget changes.

38. An export plan will be agreed between SCR and UKTI HQ which will allow SCR flexibility, such as a specific local sectoral focus for Passport to Export and mid-sized business schemes or a different mix of products.
39. HMRC will work with the Sheffield City Region Combined Authority to provide relevant trade statistics data, within existing data protection assurance frameworks and policies, to assist with understanding the City Region's export market.

Innovation

40. The Advanced Manufacturing Innovation District, centred around the Advanced Manufacturing Park is a nationally important asset and already delivers growth through innovation, productivity and high value employment. The City Region has an ambition to make the District world-leading – attracting investment and major industry to the area.
41. To support this HM Government will offer the Sheffield City Region expert advice and support to ensure they are able to put forward a City Region led proposal to undertake a Science and Innovation audit. This work will enable an evidence based approach to deepen the understanding of the City Region's Science and Innovation strengths and provide a new and powerful way to understand how to maximise the economic impact from the UK's research and innovation investment nationally. They will, for example, provide government with part of the evidence base on which to make decisions on catapults and could be used to explore how to further the Sheffield City Region's advantage in advanced manufacturing.
42. HM Government will also offer Sheffield City Region Combined Authority dedicated workshops with the Smart Specialisation Advisory Hub to help areas identify their innovation strengths.
43. Through utilisation of the additional resources in the single pot it is expected that Sheffield City Region Combined Authority will bring forward a set of ambitious proposals to enhance the Advanced Manufacturing Innovation District.
44. The Sheffield City Region will work with HM Government to achieve their ambitions for a National Institute for Infrastructure within Doncaster. The Sheffield City Region will take forward discussions with HM Government to explore the potential for alignment of the new National College for High Speed Rail (NCHSR) based in Doncaster with the new Institutes of Technology to help meet a wider set of national infrastructure challenges.

Business growth and support

45. HM Government agrees to continue to work with the Sheffield City Region to develop and implement proposals for a devolved approach to the delivery of national business support programmes from April 2017 onwards, subject to the

outcomes of the Spending Review, and in line with the Devolution Deal agreed in December 2014.

46. Government and the Sheffield City Region Combined Authority will agree a joint programme to create the right environment to drive the commercial rollout of ultrafast broadband. Government will also support the SCR Combined Authority to reinvest funds into creative solutions to supplying superfast broadband to the last 5%.
47. Building on the currently agreed Enterprise Zone geography, Sheffield City Region will receive additional Enterprise Zones and/or extension of existing zones, subject to the current bidding round for further Enterprise Zones.
48. The Sheffield City Region LEP has requested additional flexibility on the use of Enhanced Capital Allowances within its Enterprise Zones. The government is open to further discussion on this providing proposals are compliant with State Aid rules and are fiscally neutral.

Fiscal

49. HM Government is committed to working with the Sheffield City Region Combined Authority to achieve Intermediate Body status for ERDF and ESF for the Combined Authority. HM Government will work with Sheffield City Region Combined Authority to test whether it will be possible to implement and if so, HMG and SCR will work together to agree a timetable to put this in place.
50. HM Government agrees to allocate an additional £30m per annum of capital and revenue funding for 30 years, which will form part of and capitalise the Sheffield City Region Combined Authority single pot. This will fund key City Region priorities and will be composed of 60% capital and 40% revenue. The fund will be subject to 5-yearly gateway assessments to confirm the spend has contributed to national growth.
51. HM Government will work with the Sheffield City Region Combined Authority to agree specific funding flexibilities to a Spending Review timetable. The joint ambition will be to give Sheffield City Region Combined Authority a single pot to invest in its economic growth. This pot will comprise a flexible, multi-year settlement providing the freedom to deliver its growth priorities, including the ability to re-direct funding to reflect changing priorities, whilst upholding their statutory duties. This local freedom will be over a range of budgets to be determined by SCR and HMG in the run-up to and beyond the Spending Review, including as requested the Regional Growth Fund or its equivalent successor. HM Government expects to disburse this agreed settlement to the Sheffield City Region annually in advance.
52. The Cities and Local Government Devolution bill currently in parliament will establish the principles which will govern further prudential borrowing for combined authorities. Following Royal Assent, central government will consider how these powers could apply whilst ensuring no fiscal impact.

53. HM Government will pilot a scheme in Sheffield City Region Combined Authority which will enable the area to retain 100% of any additional business rate growth beyond expected forecasts. These pilots will begin in April 2016, subject to further detailed discussions between the Combined Authority and HM Government. HM Government will also discuss wider localisation of business rates with the Sheffield City Region Combined Authority.

Under this geography:

54. The Mayor for the Sheffield City Region will be elected by the local government electors for the areas of the constituent councils of the Sheffield City Region Combined Authority. The Mayor and Sheffield City Region Combined Authority will exercise the powers and responsibilities described in this document in relation to its area, i.e. the area of the constituent councils of the Sheffield City Region Combined Authority.

55. Funding that is allocated to the SCR LEP, now and in the future, will continue to be allocated on the basis of the existing overlap formula.

56. Additional funding or budgets that are devolved as a result of this agreement will go to the SCR Combined Authority.

57. The Sheffield City Region Combined Authority must exercise functions in relation to its geographical area. Accordingly, if any of the Combined Authority spend is on activities of projects outside of its area, those activities or projects must in some way relate to the area – for example, be for the benefit of the area; they may also relate to some other area. The Cities and Local Government Devolution Bill, subject to parliamentary approval, can enable combined authorities such as the Sheffield City Region Combined Authority to take on a broader set of functions than economic development, regeneration and transport, dependent on secondary legislation.

58. Under the Mayor model, it is not expected that the role of the LEP or private sector be lessened.

Sheffield City Region Combined Authority commitments

59. The Sheffield City Region Combined Authority is accountable to local people for the successful implementation of the Devolution Deal; consequently, HM Government expects Sheffield City Region to monitor and evaluate their Deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the Sheffield City Region to agree a monitoring and evaluation framework that meets local needs and helps to support future learning.

60. Sheffield City Region Combined Authority will work with HM Government to develop a full implementation plan, covering each policy agreed in this Deal, to be completed ahead of implementation. This plan will include the timing and proposed

approach for monitoring and evaluation of each policy and should be approved by the DCLG Accounting Officer.

61. The Sheffield City Region Combined Authority will continue to set out their proposals to HM Government for how local resources and funding will be pooled across the city region.
62. The Sheffield City Region Combined Authority will agree overall borrowing limits with HM Government and have formal agreement to engage on forecasting. Sheffield City Region Combined Authority will also provide information, explanation and assistance to the Office for Budget Responsibility where such information would assist in meeting their duty to produce economic and fiscal forecasts for the UK economy.
63. The Sheffield City Region Combined Authority will agree a process to manage local financial risk relevant to these proposals and will jointly develop written agreements with HM Government on every devolved power or fund to agree accountability between local and national bodies on the basis of the principles set out in this document.
64. The Sheffield City Region Combined Authority will continue to progress programmes of transformation amongst authorities to streamline back office functions and share more services and data, including on assets and property.
65. The Sheffield City Region Combined Authority will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.

Appendix 3: development of SCR devolution proposals since Oct 2015

- **Overview - Funding confirmation:** subject to the ratification of the Proposal, the SCR will receive its first £30m 'gain-share' payment in April 2016. Furthermore, through the Spending Review the SCR has received indicative confirmation of its £310m Growth Deal award between 2016 and 2021.
- **Governance - legislation:** the Cities and Local Government Devolution Act 2016 ("the 2016 Act") received Royal Assent on 28 February 2016. The 2016 act provides significant additional flexibility, particularly for the five district councils of the SCR.
- **Skills - Area Based Review:** work on the Review has progressed and this is expected to be complete in April.
- **Employment - DWP:** this area of the proposed Deal is where the City Region currently has the greatest concerns in terms of implementation. This issue is being escalated with HM Government.
- **Housing Investment Fund:** the SCR is entering into further discussions on the development of a fund. However, it should be noted that the SCR will not receive additional devolved powers and funding until it has ratified the current proposed Devolution Deal.
- **Devolved and consolidated transport budget:** given the confirmation of funding available nationally for transport through the Spending Review it is expected that the SCR will negotiate and agree its budget in February 2016.
- **Buses Bill:** it is expected that the Draft Bill will be published by Government in later in the year and receive Royal Assent in early 2017. This Bill will establish the primary legislation required to re-franchise bus services and make provisions to strengthen partnership working.
- **Business rates:** SCR and Government currently agreeing a baseline against which additional growth will be calculated. It is expected that up to £19m of additional income (in 2016/17) will be secured by SCR councils as a result of the retention of business rate growth. It is expected that these arrangements will be in place from April 2016, enabling the City Region to share the benefits of the additional growth it creates.
- **Intermediate Body status for ESIF:** discussions have progressed and it is expected that the SCR will be able to make a decision in March 2016 on if it wishes to become an Intermediate Body for the selection of ESIF Projects and create an ESIF Executive Board.

Appendix 4: SCR Consultation report – results summary

Summary

This paper provides a summary of the results from the online consultation which enabled people, businesses and community organisations in Sheffield City Region (SCR) to have their say on the proposed SCR Devolution Agreement.

The survey included a number of open questions about the proposed Agreement, enabling respondents to offer written (ie. free text) comments, questions and thoughts without the limitations of tick box responses. The survey was also designed to be non-linear, ensuring that people could answer the questions that most interested them and ignore the ones that did not.

The online consultation ran from 2nd December 2015 to 15th January 2016 and attracted 245 responses from across SCR.

This report summarises the perspectives of respondents to each question in the survey. Whilst it is not possible to provide a statistically robust quantitative assessment of the results because of the qualitative design, the report offers a sense of how respondents from SCR feel about key elements of the proposed Agreement.

Further, it is important to recognise that while the survey provides an important and useful perspective of people in SCR on the devolution proposals, it is a relatively small sample and is relatively unrepresentative of some key population groups (eg. under 25s).

Key trends and perspectives from the responses:

- Positive support throughout for principle of stronger local control of decision-making
- Recognition of the impact that specific policy areas could have on SCR and the local economy
- Negative perceptions of the need for an elected mayor – mainly due to creation of additional bureaucracy; complexity with existing arrangements; outcome of 2012 city mayor referenda
- Real need for clarity about the geographical scope of the mayoral arrangement and powers, particularly for East Midlands districts
- Positive about potential for more devolution, particularly once the current set of proposals have been implemented. Suggestions are ambitious and radical including tax raising powers, all skills, public transport, education and health.

Purpose

1. This report provides a summary of the results from the local consultation activity which sought the views of people, groups and businesses in Sheffield City Region (SCR) on the proposed SCR Devolution Agreement.
2. The report is predominantly based on the online survey as the main route for comments and contributions to the discussion but also builds in views from the wider consultation activity under the themes.

Having your say on devolution: background and methodology

Background

3. The proposed Devolution Agreement for Sheffield City Region stated that the policy and funding proposals in the Agreement were subject to the 2015 Spending Review, and to Sheffield City Region “consulting on the proposals and ratification from the local authorities”¹⁶.
4. Following the announcement, SCR developed a programme of consultation to enable local residents, businesses and community organisations across the SCR area to have their say on the proposals.
5. This programme of consultation has generated a range of activities and contributions including from:
 - **Local residents** - large scale online survey for the public, businesses and representative organisations
 - **Business** - engagement with businesses including through the SCR Local Enterprise Partnership (SCRLEP); a Business Insider event with the Chambers of Commerce; and local business advisory panels
 - **Local democratic bodies** – including Overview and Scrutiny Committees; locality assemblies; a dedicated meeting of the SCR Scrutiny Board; and the SCR Combined Authority
 - **Partners and community organisations** – including detailed submissions from community organisations and the University of Sheffield’s Crick Centre ‘Citizens’ Assembly’ project¹⁷
 - **Direct correspondence** – in some instances, we have also received direct letters and emails from some residents and community organisations, including Sheffield Citizens Advice, Age UK, Cavendish Cancer Care, Sheffield Mencap, and Voluntary Action Sheffield.

Online survey

6. The online survey was the main, large-scale form of consultation on the proposed Devolution Agreement. The survey was launched on the 2nd December 2015 and ran until the 15th January 2016.
7. The survey was supported by a dedicated [SCR microsite](#) which provided respondents with a range of information, explanations, FAQs and videos explaining both the concept of devolution and what the proposed Agreement could mean for SCR. The site also included a link to the full devolution document and testimonials from leading SCR politicians, business leaders and academics.

¹⁶ HMG (2015) *Sheffield City Region Devolution Agreement*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/466616/Sheffield_devolution_deal_October_2015_with_signatures.pdf

¹⁷ University of Sheffield’s Crick Centre (2016) *Citizens’ Assembly North*, <http://citizensassembly.co.uk/home-page/sheffield/>

Fig 1: SCR Devolution Survey



Fig 2: SCR Devolution microsite



8. The survey was widely publicised across the City Region, including activities by all nine local authorities and coverage in the local (eg. local papers), regional (eg. Yorkshire Post; BBC Look North) and national media (eg. BBC News website). The survey link and microsite was also regularly promoted through social media channels by councils, SCR Combined Authority and partner organisations.
9. The main purpose for the survey was to enable people and organisations across SCR to give their unrestricted views on the SCR devolution proposals and not limit people's responses with structured quantitative questions (ie. tick box). Therefore, the survey was purposefully designed to be:
 - **Open-ended** – the survey questions enabled people to give qualitative (ie. written word/free text) answers rather than ticking boxes
 - **Non-linear** – which means that people could answer the questions that interested them and ignore the questions that didn't interest them
10. The survey asked people about their views on devolution proposals for SCR as a whole and therefore it was decided not ask respondents which part of the City Region they lived in. The survey did, however, ask respondents what they thought the impact of the devolution proposals would be on their life and where they lived.

Who responded?

11. In total, there were **245 responses** from across Sheffield City Region. As **Fig 3** shows, respondents are broadly representative of the working age population of the City Region with some over-representation of people aged 40+. However, very few people aged under 25 responded to the survey.
12. **Fig 4** demonstrates that the majority of responses were from local residents (82%) with a further 10% from businesses and 6% on behalf of community and interest groups in the City Region.
13. Respondents were overwhelmingly male with 170 (73%) men responding to the survey compared to 62 (27%) women.
14. Respondents were predominantly (95%) from a White British ethnic heritage and that group were slightly over-represented compared to the 16+ population of SCR. Similarly, respondents from a Black and Minority Ethnic (BME) background were under-represented compared to the local population and indeed, very few people from BME backgrounds actually responded to the survey.
15. It is important to recognise that while the survey provides an important and useful perspective of people in SCR on the devolution proposals, it is a relatively small sample and is relatively unrepresentative of some key population groups (eg. under 25s).

Fig 3: Consultation respondents by age



Fig 4: Consultation respondents by type

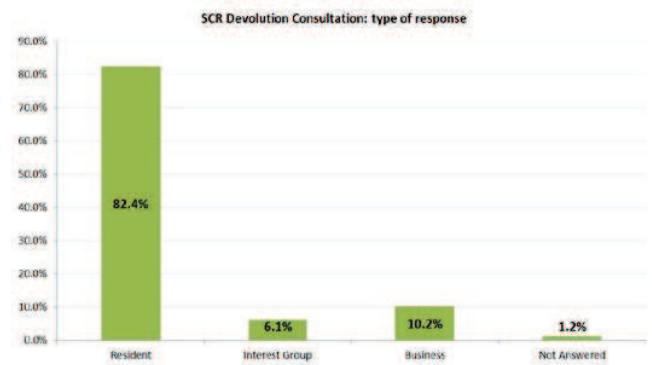
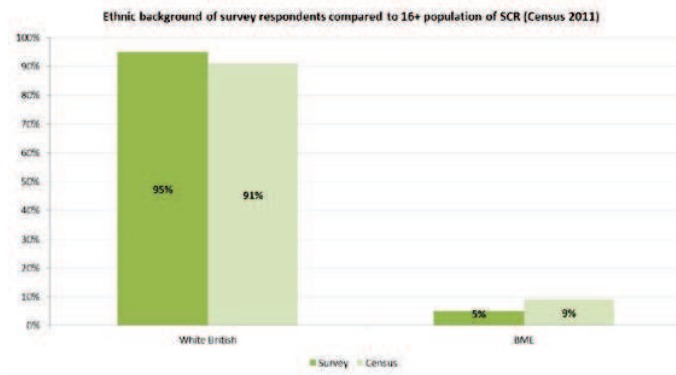


Fig 5: Consultation respondents by ethnic heritage



18

Survey results

16. This section provides an overview of the views offered by respondents in SCR about the proposed Devolution Agreement. As suggested elsewhere, the survey was not designed to produce numerical or quantifiable results but rather to give people, businesses and community organisations the opportunity to comment and have their say on the devolution proposals.
17. Therefore, responses were written in free text and this report aims to provide a summary of the key themes and issues raised by respondents by question based on the key words and comments made. Where possible or appropriate, the report also attempts to offer a perspective as to whether the tone of the responses received to a particular question were positive, negative or mixed. This is not intended to be statistically robust but is a relatively simple way of summarising a large number of written responses.

1.1

Do respondents want more information about the Devolution Agreement?

“The Sheffield City Region Devolution website provides lots of information about the powers, resources and implications for local areas of the in-principle devolution deal. Is there anything else you would like to know?”

18. This question enabled people to comment on the information that was provided to respondents on the SCR devolution microsite and areas about which they would like to receive more information.
19. The areas which respondents would like more information on from the 79 responses to the question predominantly relate to four main themes:

¹⁸ Population comparison data from Census 2011, ONS.

- **Accountability and decision making** – respondents clearly would like to understand more about the proposed new democratic arrangements in SCR. In particular, respondents want more information about the democratic process for the proposed directly elected mayor (eg. who can vote?); how decisions will be made under the new structures; the transparency of those decisions; and how the public can get involved and engaged in future decision making.
- **Powers and money available** – respondents clearly know more about what the devolved powers will mean for the City Region and for the specific areas within SCR. This includes more information about the amount of new money SCR will receive; whether there are guarantees to and specific requests for more information about the impact of the Devolution Agreement on specific policy areas (predominantly transport/infrastructure; planning).
- **Geography** – there were specific references to places within SCR with requests for more information about what the proposed Devolution Agreement means for that area; whether there are different arrangements for the non-SCR districts; and implications for the wider local geography (eg. the county councils and Yorkshire).
- **Transition** – there were also comments about process of moving to the proposed mayoral combined authority arrangements, particularly the potential costs of such a move and whether such a move could be reversed.

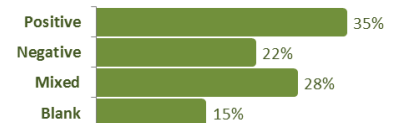


Perspectives on the concept of devolution to city regions

"Do you have any views on whether local areas like the Sheffield City Region should be given more powers and resources from national government to run local transport systems, create more businesses and generate more jobs?"

20. This question asked respondents about their views on devolution and whether powers should be devolved down to local areas from central government to deliver locally-focused outcomes.

21. Analysis of the responses received show that respondents' perspectives on devolution are reasonably split with around a third of comments being positive and a fifth being more negative. The main reasons given for these firm perspectives were:

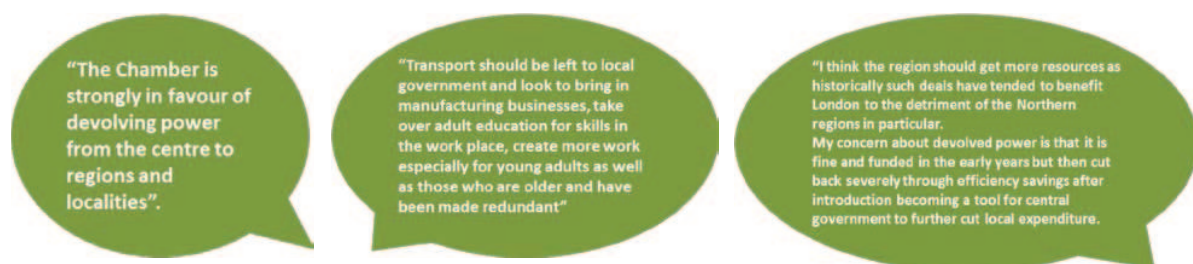


- **Positive** – strong support for the principle of greater local control over decision making, particularly in order to improve transport, public services and bring decision making closer to local voters
- **Negative** – a lower number of responses were strongly negative but the main concerns were about the proposed elected mayor; the geographical scale of the proposed model (preference for Yorkshire) and public engagement and transparency in relation to the proposed Devolution Agreement.

22. In some ways, the summary statistics to this question are unhelpful because they mask the large number of comments made which are generally supportive of the principle of devolution but that

support is caveated by a number of concerns about devolution to SCR (hence 'mixed' views). These reservations predominantly fall under a small number of common themes:

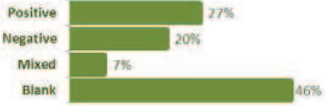
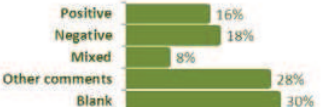
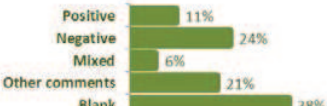
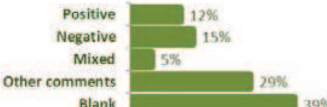
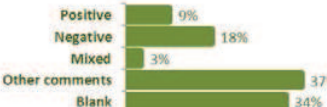
- **Governance and geography** – concerns about the potential for new layers of 'bureaucracy'; preference for a wider Yorkshire geography; whether the public and the private sector will be fully involved in decision making; and questions about how much real autonomy SCR will have
- **Local decision making capacity** – concerns about the track record and ability of places in SCR to work together and make the decisions to maximise the benefits for the whole of SCR
- **Government's motivations** – some respondents questioned whether Government would really devolve power and whether devolution would just lead to more cuts
- **More powers** – suggestions that the proposed agreement could go further, particularly involving more funding.



Reflections on the specific policy themes within the proposed Devolution Agreement

23. The online survey included a section of questions which enabled respondents to offer their views on the specific policy themes contained within the proposed Devolution Agreement for SCR. As the survey was non-linear, people could choose to respond to all these areas or just the ones that interested them.
24. Respondents were encouraged and directed to read the content of the proposed Devolution Agreement and the SCR microsite before answering these questions.
25. The table below (**Fig 6**) provides a summary of the main comments by policy theme. While responses to each questions largely related to the respective policy theme, several common areas were present across all themes which are worth reflecting on and may need to be addressed if the proposed Agreement is finalised. These themes were:
 - **Recognition of the opportunity** – across all the policy themes involved, a number of respondents made comments and statements which recognised what the a particular power might bring to the SCR economy
 - **Awareness and understanding** – building on the question earlier in the survey, the policy theme questions demonstrate that SCR need to improve awareness and understanding of how any new powers will work; what the ultimate aim/outcome is intended to be; and how decisions will be made to deploy the new power.
 - **Local capacity to deliver** – possibly related to the challenges around awareness and understanding, there is a consistent challenge from respondents about whether SCR can manage the proposed new powers in a way that supports the SCR economic strategy and all the districts within SCR.
 - **Geography** – as elsewhere, a number of people raise questions relating to geography both in terms of whether all places in SCR will receive the benefits of any devolution arrangement and whether a larger geography (ie. Yorkshire) might be more appropriate.

Fig 6: policy theme questions – summary of responses

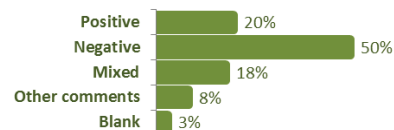
Theme	Summary of responses										
<p>Employment, skills and education</p>  <table border="1"> <tr><td>Positive</td><td>27%</td></tr> <tr><td>Negative</td><td>20%</td></tr> <tr><td>Mixed</td><td>7%</td></tr> <tr><td>Blank</td><td>46%</td></tr> </table>	Positive	27%	Negative	20%	Mixed	7%	Blank	46%	<ul style="list-style-type: none"> • Respondents were largely positive about focusing on skills for employment • The main concern was around the lack of control over apprenticeships and 16-18 education • Some concern over whether skills and jobs will be available across the SCR areas or whether the big urban areas will dominate, particularly at the expense of rural areas. • There is also a feeling that a focus on manufacturing jobs would be beneficial • Importance of progression through training system (ie. to ensure people continue to develop) • Some concerns about quality of existing provision in SCR and whether devolved control will improve this 		
Positive	27%										
Negative	20%										
Mixed	7%										
Blank	46%										
<p>Transport</p>  <table border="1"> <tr><td>Positive</td><td>16%</td></tr> <tr><td>Negative</td><td>18%</td></tr> <tr><td>Mixed</td><td>8%</td></tr> <tr><td>Other comments</td><td>28%</td></tr> <tr><td>Blank</td><td>30%</td></tr> </table>	Positive	16%	Negative	18%	Mixed	8%	Other comments	28%	Blank	30%	<ul style="list-style-type: none"> • A similar proportion of respondents made positive and negative comments in this area, but the majority either made no comments or didn't indicate a whether they agreed with the current plans or not. • Improved links with the wider area, including Yorkshire and Trans-Pennine • Some support for bus franchising and 'TfL powers' • A lot of concern for rural public transport and need for public transport to be affordable • Comments expressing that the HS2 issue in SCR needs to be resolved • A number of positive comments about the prospect of smart-ticketing • A feeling that public transport needs to be much more integrated (ie. with other modes of transport in SCR) and with wider planning (housing, infrastructure)
Positive	16%										
Negative	18%										
Mixed	8%										
Other comments	28%										
Blank	30%										
<p>Financial</p>  <table border="1"> <tr><td>Positive</td><td>11%</td></tr> <tr><td>Negative</td><td>24%</td></tr> <tr><td>Mixed</td><td>6%</td></tr> <tr><td>Other comments</td><td>21%</td></tr> <tr><td>Blank</td><td>38%</td></tr> </table>	Positive	11%	Negative	24%	Mixed	6%	Other comments	21%	Blank	38%	<ul style="list-style-type: none"> • As with transport, more than half of respondents were not clear whether they feel positively or negatively about the proposals in this area. Almost a quarter of respondents made negative comments, with only one in ten making comments that were supportive of the proposals. • Some recognition of the need to be able to invest for the long term • A consistently emerging theme is scepticism about ability to manage these decisions locally. • Concern that £30m over 30 years is not enough annually and will not replace the money that has been lost through budget cuts • Concerns about how the money will be managed and whether all areas will benefit (eg. SY or all SCR districts; urban v rural)
Positive	11%										
Negative	24%										
Mixed	6%										
Other comments	21%										
Blank	38%										
<p>Business growth</p>  <table border="1"> <tr><td>Positive</td><td>12%</td></tr> <tr><td>Negative</td><td>15%</td></tr> <tr><td>Mixed</td><td>5%</td></tr> <tr><td>Other comments</td><td>29%</td></tr> <tr><td>Blank</td><td>39%</td></tr> </table>	Positive	12%	Negative	15%	Mixed	5%	Other comments	29%	Blank	39%	<ul style="list-style-type: none"> • Fewer numbers of respondents provided answers to this question, possibly reflecting that the great majority of respondents were individual residents of SCR who may not use business support services. • Supportive comments focused predominantly on the opportunity to support smaller businesses in SCR, the attraction more businesses/investment, and closer alignment with national programmes (eg. UKTI). • There were some contrasting views about the focus for business report, including whether there should or should not be a focus on key locations (eg. M1 corridor; AMRC etc) • Commonality with other questions about the ability of SCR councils to manage business support effectively.
Positive	12%										
Negative	15%										
Mixed	5%										
Other comments	29%										
Blank	39%										
<p>Housing and planning</p>  <table border="1"> <tr><td>Positive</td><td>9%</td></tr> <tr><td>Negative</td><td>18%</td></tr> <tr><td>Mixed</td><td>3%</td></tr> <tr><td>Other comments</td><td>37%</td></tr> <tr><td>Blank</td><td>34%</td></tr> </table>	Positive	9%	Negative	18%	Mixed	3%	Other comments	37%	Blank	34%	<ul style="list-style-type: none"> • Of those who made comments, more respondents gave negative views than positive. • The main area of positivity was around the prospect of better regional planning, particularly linked to plans for wider infrastructure. • The lack of new social/affordable housing was a common area of challenge
Positive	9%										
Negative	18%										
Mixed	3%										
Other comments	37%										
Blank	34%										

	<p>from respondents</p> <ul style="list-style-type: none"> • Clear concerns about where development occurs. A number of respondents argue for protection of the Green Belt in SCR and the focus should be on brownfield land.
--	--

Views on the proposed directly elected mayor

“The Government has made it clear that in return for more powers and resources to be devolved to the Sheffield City Region the Sheffield City Region Combined Authority will have to agree to the creation of directly-elected Mayor who will work in partnership with local politicians and the private sector. What are your views on this?”

26. The development of the directly elected city region mayor model by Government through the most recent Devolution Agreements has generated headlines and therefore increased public awareness. While respondents could choose which questions to answer, only around 10% failed to actually address this question, possibly reflecting the importance of the issue to local people.



27. Respondents are predominantly more negative of the proposal for an elected mayor in SCR than they are elsewhere about devolution or the specific policy themes. Reasons given for concerns about the mayoral model are wide-ranging but areas which attract greatest concern are:

- Concern about the perceived financial cost and an increase in bureaucracy with an additional tier of governance
- Sense that Sheffield voted not to have an elected (city) mayor in the referendum of 2012 and potential confusion with the existing Mayor of Doncaster
- Concern about the executive power that any elected mayor may have over the City Region, with particular reference to the mayoral ‘veto’ over policy decisions
- The threat to the City Region of having a poor quality candidate (*and conversely, the importance of getting high calibre candidates*). Many people suggested that the mayoral role should not be a party political one
- Concerns about the electoral geography, with some respondents suggesting that the mayor should cover the whole SCR; some fearing the implications for areas in SCR that do not vote for the mayor; and others not wanting to be part of the mayoral geography
- A number of references to the imposition of the mayoral model by Government

28. As suggested by the statistics above, there were positive views expressed about the potential for mayoral leadership in the SCR, with respondents particularly focusing on the potential for a single figurehead for decision-making in SCR as long as the right powers are available.

“This will confuse the political landscape - why still have a PCC? Why not pool more Council functions, such as Health and Social Care, School Improvement etc?”

“Mayor through the back door. I voted on this and said no in 2012! Why is this being forced through?”

“If we have a Mayor it is important that we all get a vote across the region”.

"Why should we be forced into having a mayor? Would the mayor be the mouthpiece for the Govt? If a mayor would be of benefit then there needs to be more transparency and accountability and no over-all power."

"I agree with the idea of a directly elected mayor as it would provide a recognisable figurehead, greater direct accountability and potentially more effective decision making"

"There are examples elsewhere in the UK of good and bad mayors. As long as the Region can galvanise enough interest in the election of the Mayor to ensure that whoever is elected understands the needs of the Region, it should be a good thing, hopefully having one point of contact will also enable projects to get started more quickly, rather than being stuck in red tape."

Benefits of the proposed Devolution Agreement

"What do you think the main benefits of the devolution deal are for you/your area?"

29. Over half of respondents made positive statements about the potential benefits of the proposed Devolution Agreement for them or their local area. Around a third of respondents felt there were unlikely to be any benefits.
30. The main areas that respondents cited as being benefits were:
 - The ability to make faster, locally-focused decisions is seen as positive, with the ability to be more flexible and deliver change more quickly.
 - Stronger local accountability and local influence over decisions to focus resources to the places that need it in SCR
 - Business growth and jobs are seen as potential benefits
 - Improvement to public transport, bus regulation and the introduction of smart-ticketing.
31. The negative comments were either due to scepticism about the whole devolution process or a lack of clarity about what the benefits are, something which needs to be considered if the Devolution Agreement moves forward. Further, this area raised questions about what the benefits will be for places within SCR, particularly the districts in the North Midlands and whether the Devolution Agreement will create confusion over who provides services in the area.

"More control over local transport, communications and business development"

"Clearly there a number of benefits around skills, infrastructure, business support etc. that will support economic growth and that are very welcome... It is what the LEP / region does with the deal that will excite business rather than the paperwork. Additionally, the LEP / region must remain challenging to government as - in the grand scheme things - SCR and the North is still short changed by Government and the Northern Powerhouse remains a nice brand with little substantive policy behind it."

"None at present as local identity will be confused. There could be benefits from Yorkshire wide strategic services like police, education and health etc".

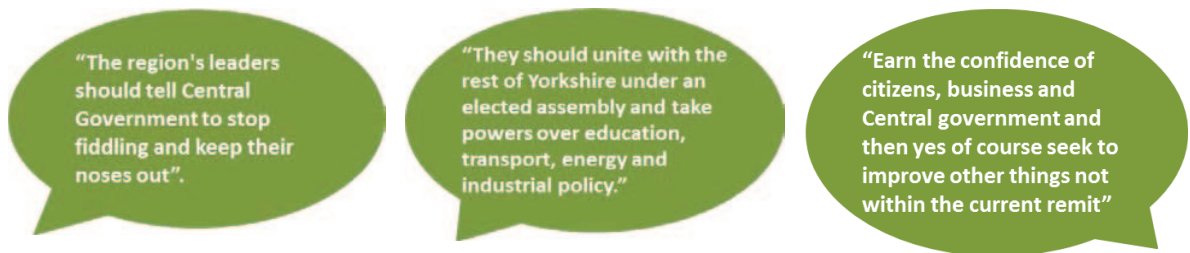
Further devolution to SCR

32. The final questions looked at firstly whether SCR's Leaders should look to receive more devolved powers from Government and if so, what powers they should seek.

2.1

"Do you have any views on whether Sheffield City Region Leaders should try to secure more powers and devolution in the future?"

33. Approximately 40% of respondents felt that SCR should try to secure more powers and devolution in the future; 20% felt they should not. Respondents were notably keen for the current and proposed devolution proposal to bed-in before further powers are devolved to SCR.
34. The majority of the comments against further devolution were either fairly blunt (ie. "no") this this question in particular led a number of respondents to suggest devolution as part of a wider geography (eg. Greater Yorkshire; English Parliament).



"What further powers and resources to achieve our vision for growth, if any, should be devolved to the City Region?"

35. Where respondents chose to respond to this question, there were a broad range of suggestions for what additional powers SCR may seek from Government. Suggestions included:

- **Education**
- **Under-19s skills ("all skills")**
- **Housing**
- **Police and emergency services**
- **Dedicated investment**
- **Arts and culture**
- **Public transport based on the TfL model**
- **Railways**
- **Tax setting and tax raising powers**
- **Air quality / clean air zones**
- **'Manchester model'**
- **'Scottish model'**

36. There were a number of additional comments from respondents who commented that additional powers should be devolved but to a Yorkshire or Greater Yorkshire geography.

Appendix 5: note from the Overview and Scrutiny Management Committee

Overview and Scrutiny Management Committee: Sheffield City Region Proposed Devolution Agreement

The Overview and Scrutiny Management Committee met on 10th December 2015 to scrutinise the proposed Devolution Agreement between Sheffield City Region (SCR) and Government. It approached this through two broad questions:-

- 1) What are the potential benefits of the proposed devolution agreement for Sheffield and Sheffield City Region?
- 2) What additional powers are required from Government to generate the economic impact we are seeking?

The committee took evidence from the following five witnesses:

- The Sheffield Perspective:
 - 1) Cllr Julie Dore, Sheffield City Council Leader
 - 2) John Mothersole, Sheffield City Council Chief Executive
- The Sheffield City Region Perspective:
 - 3) Cllr Sir Steve Houghton CBE, Chair, Sheffield City Region Combined Authority
 - 4) Martin McKervey, Local Enterprise Partnership Board Member
- The National Perspective
 - 5) Ben Harrison, Director of Partnerships, Centre for Cities

Following questions and discussions with the witnesses the Committee drew out the key themes of what it had heard and made conclusions.

Key Messages

Below are the key messages that the Committee heard from each witness.

Cllr Julie Dore stated that negotiations are still taking place with government and she believed the 'offer' put by government was the best that could have been achieved at that point in time. Devolution is not 'new' and the Core Cities have been asking for devolution of powers for a number of years. Councillor Dore also stated her concerns about the proposed governance arrangements. Progress had been made in removing the veto of County Councils, thus enabling district councils to become full constituent members of city regions. However, it was not yet clear how many of the current district council members of Sheffield City Region would commit themselves to this option. She also expressed concerns about the proposed powers of an elected SCR Mayor. In her view, the current proposal to give the Mayor a veto was unacceptable and little progress had been made in resolving this issue with Government.

John Mothersole suggested the Committee could think of the proposed deal as concept and a step towards broader devolution. The proposed deal will help give the Sheffield City Region the 'tools to do the job.' It is primarily an economic deal based on the Sheffield City Region's Strategic Economic Plan, which was widely consulted 18 months ago as it was developed. Housing and skills for 16-18 year olds were identified as two 'missing areas' on which the Sheffield City Region needs to go back to government with requests on. The timetable for the proposed deal was driven by central government and it should not be viewed as a 'pick and mix' package.

Cllr Sir Steve Houghton reiterated the point that the proposed deal was an amazing opportunity for Sheffield City Region, assuming that the remaining issues can be sorted out, and that the proposed deal should be viewed as part of a devolution journey. The Sheffield City Region has expressed a desire for devolution in principle, and the proposed deal keeps the Sheffield City Region at the forefront of change. The proposed deal would involve Sheffield City Region controlling long term investment for the first time ever, and enable Sheffield City Region to borrow for infrastructure investment against the funding it would receive as part of a deal. It would also enable Sheffield City Region to grow business in the area to generate income for services.

Martin McKervey outlined that the deal creates an environment for success to happen. He went on to say he believed that the deal is important for the business community and comes at a crucial time. Mr McKervey expressed optimism about the collective ability of Sheffield City Region to shape and control its future.

Ben Harrison explained that Centre for Cities are keen supporters of devolution and of the benefits an elected mayor can bring. He felt the response in a limited time to get to a Heads of Terms document is impressive, but also noted that it needs to be recognised that not all central government departments are on board with devolution. The point that the deal should be viewed as a step on a devolution journey was reiterated. Mr Harrison also suggested identifying bigger conversation that would need to take place, including pooling business rates across Sheffield City Region and which other economic taxes could be devolved to Sheffield City Region.

Key Themes

- There is little political or public support for an elected mayor for SCR per se, but it needs to be seen as part of a deal with Government ;
- There is strong support for devolution and greater autonomy for city regions
- The proposed deal is part of a devolution journey and is not an end point in itself.
- There remain significant unresolved issues:
 - Governance, particularly the powers that an Elected Mayor would have
 - Geography, particularly on whether all authorities in Sheffield City Region would opt to become full constituent members of Sheffield City Region

Conclusions

1. In order for Full Council to have an informed debate on the proposed devolution deal at its 3rd February meeting the Committee:
 - a. Seeks a satisfactory response from Government about the powers of an SCR Elected Mayor. In particular, the removal of the veto contained in the current proposal. This could be done by adopting the Manchester model, or by giving Sheffield City Region the power to write its own constitution.
 - b. Requests clarification on the geographical membership issue and specifically that:
 - (i) Uniform arrangements for constituent membership of the Sheffield City Region
 - (ii) Membership of the Sheffield City Region is clarified, i.e. 'which councils are in?'
 - c. Requests further pressure on government to make progress on the other areas identified in the proposed deal document as requiring further clarification.
 - d. Requests that arrangements are put in place to communicate to councillors and the public on the progress of discussions with government.

2. The Committee is supportive of devolution and greater autonomy for city regions in principle. However as a consequence of the areas requiring clarification the Committee agreed that it was not, at the time of the meeting, in a position to recommend to Full Council whether to approve the proposed devolution deal or not.

3. The Committee requests that there be further discussions within Sheffield City Region on additional powers that should be sought in the future.

Appendix 6: timetable of next steps

When	What
March 2016	Proposed Agreement voted on by each LA plus the CA (Each area must 'consent' to the enabling order (see below))
March 2016	Begin drafting MCA 'Scheme' document
Early April 2016	Enabling order (to provide for election May 17) agreed between SCR and CLG
Early May 2016	Individual LAs consent to the MCA Scheme / specific changes to the SCR constitution contained within – subject to consultation.
31 May 2016	END – Scheme drafting and negotiations
20 June 2016	CA - approval of draft Scheme – for consultation.
25 June 2016	START – statutory consultation period.
29 July 2016	END – statutory consultation period.
August 2016	Formal approval (local areas / CA) Scheme – post consultation.
01 September 2016	SCR submits: Final Scheme and summary of consultation to CLG.
Mid October 2016	Formal consent to order(s) detailing constitutional changes
31 December 2016	Completion of parliamentary process
May 2017	Election of mayor