



## SHEFFIELD CITY COUNCIL Full Council

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**Report of:** Chief Executive

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**Date:** 20<sup>th</sup> March 2013 (Cabinet)  
3<sup>rd</sup> April 2013 (Full Council)

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**Subject:** Sheffield City Region Authority

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**Author of Report:** Laurie Brennan  
Policy Officer  
Policy, Partnerships and Research  
0114 2734755  
[laurie.brennan@sheffield.gov.uk](mailto:laurie.brennan@sheffield.gov.uk)

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### Summary:

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

The tangible benefits of this collaboration can now be seen in, for example, the SCR securing an advanced manufacturing and technology focussed Enterprise Zone (only one of seven with business rate relief and enhanced capital allowances); successfully negotiating a groundbreaking City Region Deal; making prudent investment decisions in relation to the Growing Places Fund; and securing £25 million from Round Three of the Regional Growth Fund (RGF).

Following a comprehensive “Governance Review”, SCR Leaders have concluded that this is the appropriate moment to deliver a step change in the governance of the city region.

In practical terms, this means establishing a SCR Combined Authority (referred to as the SCR Authority) which will ‘combine’ or bring together the Integrated Transport Authority (ITA) powers and strategic economic development powers in order to align political decision making around strategic Economic Development and Transport. This is not a merger or takeover of Local Authorities but the creation of a statutory city region body specifically for making better, joint decisions about the economy and transport in the area.

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### Reasons for Recommendations:

Following the robust Governance Review commissioned by the Leaders of Sheffield City Region, it is recommended that Sheffield should agree to formally become a constituent member of a combined authority for Sheffield City Region ('SCR Authority') because of the significant opportunities presents to the city and the city region. These include:

- Establishing an economic area that is ready for growth, with Sheffield and the wider city region in the strongest possible position to compete economically both nationally and internationally;
- Emphasising Sheffield role as the engine of growth in a economically powerful city region;
- Creating a shared decision-making structure for the functioning economic geography of the city region where binding decisions can be made once by elected Leaders for the whole of the area;
- Uniting strategic economic and strategic transport decision-making, ensuring that such decisions provide maximum economic benefit for communities across Sheffield City Region (business growth and jobs);
- Delivering a dynamic SCR Authority which will lead the way
- Gaining and using influence by establishing a robust and accountable leadership structure, recognised by Government, which puts SCR at the front of the queue for access to future devolved powers and resources from Whitehall;
- Providing a statutory structure to deliver the existing City Deal and access future economic funding allocations, building on the recent allocation of the £25m RGF to SCR so that we don't miss out
- Maximise opportunities for groundbreaking inter-city region collaboration across the north of England with Manchester and Leeds City Regions (eg. over the devolution of the Northern Rail franchise);

### Recommendations:

That Sheffield City Council:

- Endorses the findings of the Governance Review document (**Appendix 1**) (specifically that establishing a SCR Authority would improve the exercise of statutory functions in relation to economic development, regeneration and transport in the SCR leading to an enhancement of the economic conditions and performance of the SCR).
- Endorses the submission to Government of a Scheme for the establishment of a Sheffield City Region Combined Authority on the basis of the draft annexed at (**Appendix 2**) (the Scheme)
- Agrees that Sheffield City Council will formerly become a constituent member of the SCR Authority, sharing appropriate economic development and transport powers with the SCR Authority, in accordance with the provisions of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and the Local Transport Act 2008.(LTA)

- Authorises the Director of Legal and Governance to agree the terms of and enter into any documentation required to enable Sheffield City Council to become a constituent member of the SCR Authority.
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### **Background Papers:**

DCLG (2010) *Economic prosperity boards and combined authorities: draft statutory guidance*  
<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/documents/regeneration/pdf/1457197.pdf>

HMG (2011) *Unlocking growth in cities*,  
[http://www.dpm.cabinetoffice.gov.uk/sites/default/files\\_dpm/resources/CO\\_Unlocking%20GrowthCities\\_acc.pdf](http://www.dpm.cabinetoffice.gov.uk/sites/default/files_dpm/resources/CO_Unlocking%20GrowthCities_acc.pdf)

Local Democracy, Economic Development and Construction Act 2009 (especially Part 6)  
<http://www.legislation.gov.uk/ukpga/2009/20/contents>

Local Transport Act 2008 <http://www.legislation.gov.uk/ukpga/2008/26/contents>

Sheffield City Region (2012) *MADE in Sheffield: a deal for growth (SCR's city deal)*,  
[http://www.dpm.cabinetoffice.gov.uk/sites/default/files\\_dpm/resources/Sheffield-City-Deal-Final.pdf](http://www.dpm.cabinetoffice.gov.uk/sites/default/files_dpm/resources/Sheffield-City-Deal-Final.pdf)

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**Category of Report:** OPEN

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
YES Cleared by: Eugene Walker, Director of Finance
<b>Legal Implications</b>
YES Cleared by: Gill Duckworth, Assistant Director of Legal Services (Place)
<b>Equality of Opportunity Implications</b>
NO Cleared by: Michael Bowles, Head of Governance and Involvement
<b>Tackling Health Inequalities Implications</b>
NO
<b>Human rights Implications</b>
NO:
<b>Environmental and Sustainability implications</b>
NO
<b>Economic impact</b>
YES
<b>Community safety implications</b>
NO
<b>Human resources implications</b>
NO
<b>Property implications</b>
NO
<b>Area(s) affected</b>
City of Sheffield
<b>Relevant Cabinet Portfolio Leader</b>
Cllr. Julie Dore
<b>Relevant Scrutiny and Policy Development Committee if decision called in</b>
Economic and Environmental Wellbeing
<b>Is the item a matter which is reserved for approval by the City Council?</b>
YES
<b>Press release</b>
YES

## Sheffield City Region Authority

### 1. SUMMARY

- 1.1 The nine local authorities that make up the SCR have a long history of collaboration at a scale that reflects the natural economic geography of the region.
- 1.2 Following a comprehensive “Governance Review”, SCR Leaders have concluded that this is the appropriate moment to deliver a step change in the governance of the city region.
- 1.3 This report proposes that Sheffield City Council agrees to become a formal, constituent member of the SCR Authority under the provisions of the LDEDCA
- 1.4 A combined authority bring together (‘combines’) the Integrated Transport Authority (ITA) powers and strategic economic development powers in order to align political decision making around strategic Economic Development and Transport. South Yorkshire Integrated Transport Authority (SYITA) would be dissolved and its powers will pass to the SCR Authority.
- 1.5 The proposed SCR Authority will have nine members:
  - Sheffield City Council, Barnsley Metropolitan Borough Council, Doncaster Metropolitan Borough Council, Rotherham Metropolitan Borough Council (South Yorkshire unitary councils)
  - Bassetlaw District Council, Bolsover District Council, Chesterfield Borough Council and North East Derbyshire District Council.
  - Derbyshire Dales District Council will be a non-voting member of the SCR Authority
- 1.6 The SCR Authority will only be engaged in *strategic* economic development and transport decision making. This means functions at SCR-level relating to economic policy and strategy, skills, inward investment, investment decisions (Investment Fund) and decisions for other shared economic assets (Enterprise Zone).
- 1.7 The SCR Authority will only comprise elected members although private sector members may act in an advisory capacity to the board, and support with specific workstreams. To maintain the status of the SCR Authority being a “Leaders’ Board” – there will be a protocol that each member council appoint its Leader or elected Mayor to the SCR Authority.
- 1.8 No powers will be ceded to the SCR Authority; powers shall be *shared* (concurrently) with the SCR Authority but the development of the SCR Authority gives SCR an opportunity to access more devolved powers and resources from Whitehall.

### 2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE?

- 2.1 For Sheffielders, the proposal for Sheffield City Council to be a formal constituent member of the SCR Authority will not have an immediate noticeable impact on how the City is governed or how services are delivered. Sheffield City Council will not lose any power to SCR Authority and therefore the services which the Council

commissions and delivers in Sheffield will be unchanged and Sheffield City Council will be the democratically elected, accountable institution for the city.

- 2.2 It means that Sheffield's democratically elected leadership will be responsible for making joint decisions alongside the leaders of the other eight local authorities in SCR for the best interests of the city region's economy.
- 2.3 Being part of the SCR Authority will ensure that Sheffield and the city region can compete nationally and globally. SCR Authority will bring a host of new opportunities for Sheffield and the city region, putting the area in control of powers, resources and decisions which are currently made in London by Central Government.
- 2.4 Through the city deal, we have already seen Government give additional power and funding over skills, transport and financial investment to SCR. Government has awarded SCR £25m from the RGF, recognising the strength and potential of the city region's economy.
- 2.5 The SCR Authority will take charge of decision making for transport in the area, enabling the combined authority to make better decisions about transport and the economy together.
- 2.6 Most importantly, the SCR Authority will put Sheffield in the best position to be successful, with democratically elected leaders working together to create jobs and create opportunities for businesses to grow across the SCR.

### **3. OUTCOME AND SUSTAINABILITY**

- 3.1 The proposed governance model for the city region will provide a robust decision making model to improve the economic wellbeing of Sheffield as part of a stronger city region economy.
- 3.2 The proposed model is based on the city region's functioning economic area, enabling decisions to be taken jointly by democratically elected leaders in each of the nine local authorities to make SCR a leading, competitive part of the UK and international economy.
- 3.3 The proposed combined authority structure for decision making on city region issues provides a stable model for the long-term, putting SCR at the forefront of national and local government thinking and ensuring Sheffield, as a key part of SCR, is in the best position to access new powers and resources devolved from central Government.

### **4. BACKGROUND**

- 4.1 The councils of the SCR have a long history of collaboration on a geographical scale which makes sense for the functioning economy of the area. SCR was recognised as part of the Northern Way<sup>1</sup> in 2004 and was formalised through the 'Sheffield City Region Development Forum' in 2006 which demonstrated the

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<sup>1</sup> *Moving Forward: The Northern Way Growth Strategy*

commitment of the political leadership in the area to work closer together.

- 4.2 In 2011, the Government approved the creation of (SCR LEP) through which local authorities and private sector leaders from the city region provide the vision, knowledge and strategic leadership across functional economic area to drive sustainable private sector growth and job creation.
- 4.3 Since the establishment of the SCR LEP, the city region has already delivered a number of key achievements which are crucial for the success of SCR's economy:
- Enterprise Zone for advanced manufacturing and technology for new inward investment to grow the City Region economy business attracted by a range of incentives including business rate relief and enhanced capital allowances.
  - RGF Round 3 investing £25m investment will unlock over £100 million of direct business investment, leading to sustainable, private sector growth in the City Region.
  - Growing Places Fund (GPF) £18.5m has been allocated to SCR authorities for immediate short-term investment aimed at supporting transport and housing projects that deliver economic growth and create employment in the City Region, locally Markham Vale has been supported (£1.5m SCR, £2.5m D2N2).
  - Start up Loans for Young People pilot to provide small loans to 18 - 24 years old in the process of establishing a business, or have a business in its initial phase. The City Region has secured £500k for up to 200 loans an average of £2,500; however the final amount will be determined by the business plan.
- 4.4 In September 2012, SCR agreed a 'city deal' with Government which secured devolved powers and resources for the city region.<sup>2</sup> Along with the seven other Core Cities, Government agreed deals which decentralised greater control to the biggest cities in England (outside London), recognising the unique role those cities play in national economy and the greater impact those cities could make with more localised control over resources and decisions.
- SCR will also receive new financial powers as part of the Deal to strengthen the City Region's economic self-reliance, through a SCR Investment Fund (SCRIF). These packages will provide flexible financial tools to invest in growth, develop infrastructure, create jobs and stimulate inward investment. The Sheffield City Region Deal is predicated on the SCR formalising its governance.
- 4.5 Core Cities have long argued for cities to have greater decentralised power and resource in order to drive their local economies, arguments which are recognised by the city deals but more recently by Lord Heseltine<sup>3</sup> in his review of economic growth in the UK and work by Professor Michael Parkinson into the economic success of 'second tier' cities in Europe<sup>4</sup>.

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<sup>2</sup> Sheffield City Region (2012) *MADE in Sheffield: a deal for growth* (SCR's city deal), [http://www.dpm.cabinetoffice.gov.uk/sites/default/files\\_dpm/resources/Sheffield-City-Deal-Final.pdf](http://www.dpm.cabinetoffice.gov.uk/sites/default/files_dpm/resources/Sheffield-City-Deal-Final.pdf)

<sup>3</sup> BIS (2012) *No Stone Unturned in Pursuit of Growth* ('The Heseltine Review') [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/34648/12-1213-no-stone-untuned-in-pursuit-of-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34648/12-1213-no-stone-untuned-in-pursuit-of-growth.pdf)

<sup>4</sup> Parkinson, M. et al (2012) *European Second Tier Cities in Austerity: Why Invest Beyond the Capital?*, [http://www.ljmu.ac.uk/EIUA/EIUA\\_Docs/Second\\_Tier\\_Cities.pdf](http://www.ljmu.ac.uk/EIUA/EIUA_Docs/Second_Tier_Cities.pdf)

- 4.6 Sheffield City Region's deal includes:
- Devolution of £27.8m of national skills funding to deliver a demand-led skills system creating 4,000 new apprentices and 2,000 upskilled staff by 2016
  - Creation of a Sheffield City Region Investment Fund (SCRIF) which gives SCR the ability to invest in the key infrastructure projects which produce economic growth and create jobs
  - Devolved transport funding with long-term funding certainty for 10 years enabling the City Region to invest in the major transport schemes needed to connect people to jobs. This also included the development of UK's first 'Better Bus Area' for Sheffield and devolved bus funding (Bus Service Operator Grant) to support the new Bus Partnership Agreement.
- 4.7 Alongside the benefits delivered by the City Deal and collaboration at SCR level, the SCR governance structure is subject to increased local and national scrutiny. Recent developments have ensured that SCR is beginning to outgrow its existing governance structures and arrangements, which have been based on informal, voluntary partnerships without independent legal status.
- 4.8 To put SCR in the strongest possible position to deliver the existing city deal and obtain further devolved powers and resources from Whitehall, the SCR Leaders' Group agreed to undertake a statutory 'Governance Review' in accordance with the provisions of s.108 of the LDEDCA and the LTA<sup>5</sup>.

## **5. SHEFFIELD CITY REGION: GOVERNANCE REVIEW**

- 5.1 The remit of the Governance Review, as commissioned by the SCR Leaders, was to:
- evaluate the effectiveness and efficiency of existing governance arrangements for economic development, regeneration and transport across the SCR;
  - consider the options available for making changes to these governance structures and arrangements – such as leaving existing governance unchanged; strengthening or restructuring existing governance arrangements; establishing an 'Economic Prosperity Board' (EPB) (for strategic economic decisions alone); and establishing a Combined Authority;
  - recommend which option is likely to be most beneficial to the SCR
- 5.2 More specifically, the Governance Review considers whether the present governance arrangements in the city region are sufficient to meet the medium to long term ambitions (and the expected associated opportunities) of SCR
- 5.3 The Governance Review was been undertaken with SCR local authorities' legal expertise, support from Central Government (specifically the Department for Communities and Local Government) and reported directly to the SCR Leaders' Group. Leaders have had complete oversight of the process, with regular workshops and unanimous agreement of next steps at each stage of the process

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<sup>5</sup> Approved by Sheffield City Region Leaders' Group on 9<sup>th</sup> May 2012.



between July and December 2012.

- 5.4 The full Governance Review document is included in **Appendix 1** but to summarise, the Review concluded that establishing a SCR Authority would improve the exercise of statutory functions in relation to economic development, regeneration and transport in the SCR, leading to an enhancement of the economic conditions and performance of the SCR. This conclusion is based on the key findings that:
- SCR is an ambitious City Region with **untapped economic potential** and robust plans for growth;
  - there is **the potential to strengthen SCR governance** both in term of the efficacy of decision making and in terms of transparency and accountability;
  - having considered the various options available (including the “do nothing” option) - establishing the SCR Authority is the option **most likely to deliver sustained economic and social benefits** to the SCR.
- 5.5 The SCR Leaders’ Group approved the findings of the Governance Review on 23<sup>rd</sup> January 2013 and the Review has undergone a period of local public consultation (closed 15<sup>th</sup> February 2013).
- 5.6 To deliver the proposed outcome of a combined authority for SCR, it is required that a ‘Scheme’ is developed as part of the Review which details the proposed area, membership, voting rights, executive arrangements, functions and funding of a combined authority. The ‘Scheme’ is the element which is used by the Secretary of State to create a Parliamentary Order and establish the legal basis for a combined authority. The ‘Scheme’ is included in **Appendix 2**.

## **6. A COMBINED AUTHORITY FOR SHEFFIELD CITY REGION**

### **What is a combined authority?**

- 6.1 A combined authority brings together (‘combines’) the powers of two statutory bodies – the Integrated Transport Authority (ITA) and the Economic Prosperity Board (EPB) – thus uniting decision making for a single geography over *strategic* economic development and *strategic* transport.
- 6.2 Combined authorities were created by legislation passed by the previous Government in Part 6 of the Local Democracy, Economic Development and Construction Act (LDEDCA) 2009.<sup>6</sup> Until now, only one such body has been in existence – the Greater Manchester Combined Authority (GMCA).

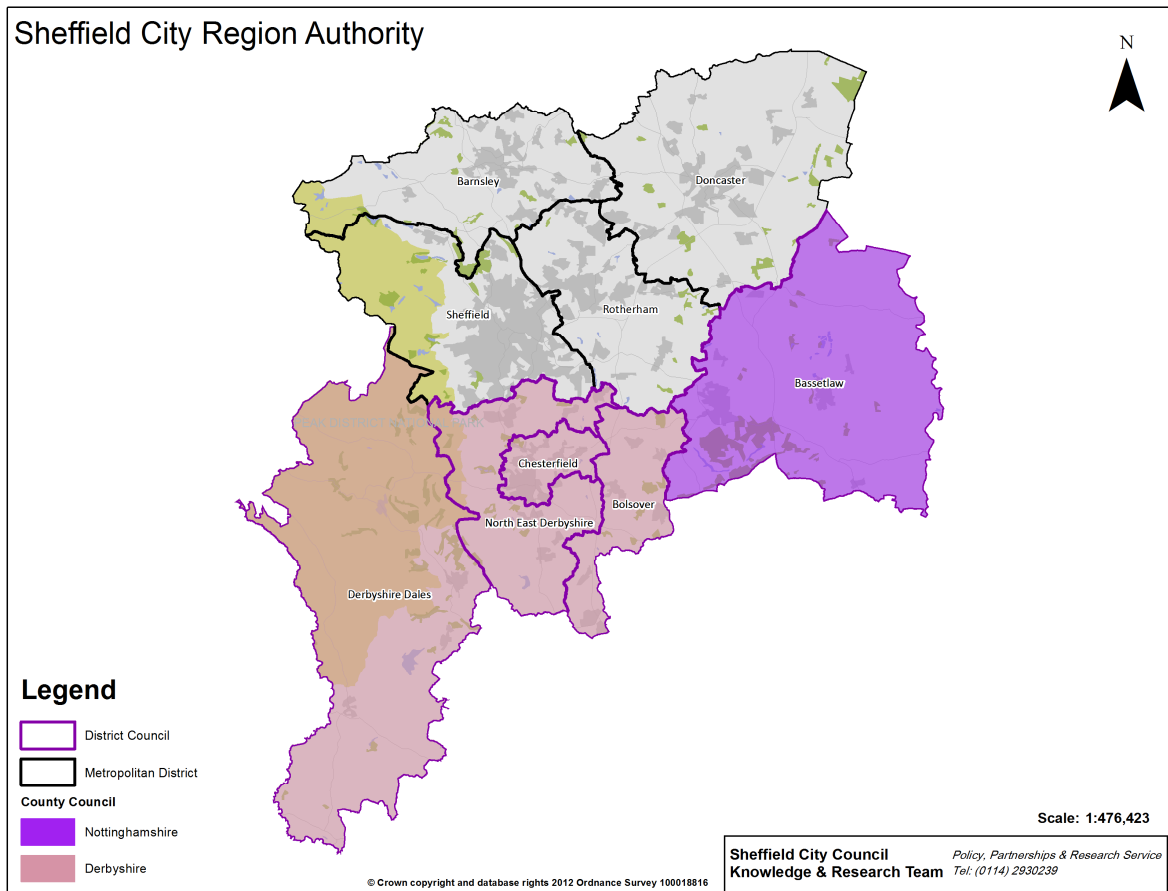
### **The proposed Sheffield City Region Authority**

- 6.3 The proposed SCR Authority will have nine members – the four South Yorkshire local authorities plus Bassetlaw District Council, Bolsover District Council, Chesterfield Borough Council and North East Derbyshire District Council. The voting rights of all members will be defined in the “Scheme” which accompanies this Governance Review document. Derbyshire Dales District Council will be a non-

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<sup>6</sup> HMG (2009) *Local Democracy, Economic Development and Construction Act 2009*  
<http://www.legislation.gov.uk/ukpga/2009/20/contents>

voting member of the SCR Authority.



6.4 In accordance with the findings of the Governance Review, the Leaders agreed that the proposed SCR Authority should be established on the following principles:

- **The SCR Authority will remain a lean, streamlined, and focussed decision making body** established to secure greater powers and funding from Government.
- **No powers will be ceded to the SCR Authority;** powers shall be *shared* with the SCR Authority.
- **The SCR Authority should be sustainable and flexible** to reflect new ways of working in the future for example adapt to accommodate the County Councils).
- **The SCR Authority will only comprise elected members** although private sector members may act in an advisory capacity to the board, and support with specific workstreams. A protocol will be established that each member council will appoint its Leader or elected Mayor to the SCR Authority.
- **The SCR Authority will only be engaged in strategic Economic Development and Transport.** This means functions at SCR-level relating to economic policy and strategy, skills, inward investment, investment decisions (Investment Fund) and decisions for other shared economic assets (Enterprise Zone).
- The SCR Authority will **reflect the full geography of the SCR** within the constraints of current legislation.

## 7 SHEFFIELD CITY REGION AUTHORITY

### Powers

- 7.1 The remit of the SCR Authority will be **strategic economic development and transport**.

SCR Leaders have made clear that the SCR Authority should remain a lean, focused decision making body – with responsibility over a small number of strategic issues - where it is mutually beneficial for local authorities to work together (and engage the private sector). The economic responsibilities of the SCR Authority are:

- Setting City Region Economic Strategies
- Setting the investment strategy for the Sheffield City Region Investment Fund
- Making decisions with regard to the Sheffield City Region Investment Fund
- Making decision in relation to the uplift from Enterprise Zone business rates
- Setting the SCR for Growth Strategy
- Co-ordinated inward investment activity

- 7.2 The SCR Authority will have the benefit of **wellbeing powers** which are specifically reserved to Combined Authorities by the LDEDCA together with a range of incidental powers.

- 7.4 These are equivalent to the former powers of wellbeing provided to local authorities which have now been replaced with the General Power of Competence by the Localism Act 2011. These will provide broad powers to address economic development issues.

- 7.5 In the creating of a combined authority for the city region, all powers and functions of South Yorkshire Integrated Transport Authority will pass to the SCR Authority. The SCR Authority will then be responsible for carrying out those functions.

- 7.6 The SCR Authority will not have any specific powers over planning. However, using general economic development powers, the SCR Authority may decide to agree a SCR spatial strategy which may be relevant to local planning frameworks.

- 7.7 The SCR Authority will not be able to make decisions on issues which are solely matters for individual local authorities (eg. local planning decisions, local education issues, waste collection etc). The focus of the SCR Authority is on economic and transport matters which are of importance to the City Region as a whole.

- 7.8 The Scheme provides for the SCRA and the constituent councils to enter into joint arrangements for the discharge of specified transport functions which will include the establishment of a Joint Committee to be called '*Transport for Sheffield City Region Board*'.

This will be the **only body with decision making powers formally delegated from the SCR Authority**.

All other sub-boards will act in an advisory capacity only (including the SCR LEP).

- 7.9 The SCR Authority will assume the same powers that the ITA has at present,

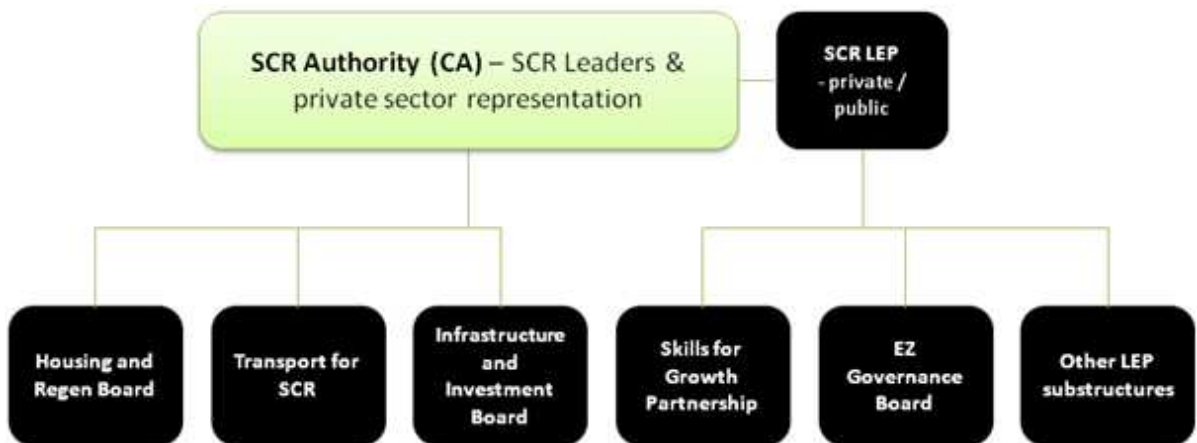
including being the levying authority. It is envisaged that the new Transport for Sheffield City Region Board will carry out many of the ITA's functions with the SCR Authority being responsible for overall transport strategy and setting the transport budget.

- 7.9 The SCR Authority shall have an executive transport body, *Transport for Sheffield City Region Executive* (TfSCRE) to exercise its transport functions and support Transport for Sheffield City Region Board.

**Working arrangements**

- 7.10 SCR Leaders have also made clear that **no local authority powers will be given away or “ceded” to the SCR authority** and that the CA will consist of only Elected Members working together for the benefit of local residents. .
- 7.10 The Scheme, makes reference to the importance of the SCR LEP and states that the intention is for the SCR LEP to be a lead advisory body to the SCR Authority
- 7.11 So far as is possible, the SCR Authority will **reflect the full geography of SCR**. However, due to legislative restrictions, there are some functions which for legal and practical reasons, must continue to operate on a South Yorkshire basis.
- 7.12 Matters of the SCR Authority will be decided by a **simple majority vote**. Some matters (e.g. the ITA levy) will be determined only by South Yorkshire members of the Combined Authority due to legislative restrictions and the location of transport responsibilities in two-tier areas.
- 7.15 The proposed structure of SCR-level decision making with the SCR Authority in place is summarised in figure 2 below:

**Fig 2 – Proposed governance structures with the SCR Authority in place**



**8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 The SCR Leaders considered the range of different options available as part of the Governance Review (see p13 of **Appendix 1**) and concluded that the Combined Authority model was the only solution which addressed the challenges and put SCR in a position to access new opportunities. Other options are considered below:

## 8.2 **Do nothing**

Failure to strengthen SCR governance will compromise the medium to long-term ambitions of the area and therefore be detrimental to the future economic performance of the city region. Specifically, failure to formalise SCR's governance will mean that the city region will not be able access ~£10 million of devolved transport funding per annum or manage ~£29 million of devolved skills funding agreed as part of our City Region Deal. The "do nothing" option would also be a missed opportunity to better align decision making around strategic economic development, transport and regeneration.

## 8.3 **Informal restructure**

Like Manchester City Region prior to the development of the Greater Manchester Combined Authority, it was felt that SCR is already stretching the boundaries of which can be achieved through an informal non-statutory partnership. Under this model, Leaders would still have to re-agree decisions at a local level – a process which is cumbersome and sometimes unclear. A legal, corporate body will allow the SCR to make a shared binding decision once, rather than one decision nine times.

## 8.4 **Economic Prosperity Board (EPB) only**

Whilst this option would give SCR a statutory city region level board for economic decision-making, the model does not involve the incorporation of transport, thus preventing Sheffield City Region from achieving accessing the overwhelming benefits of aligning decision making in relation to strategic economic development and transport under one strategic body.

## 9. **REASONS FOR RECOMMENDATIONS**

9.1 Following the robust Governance Review commissioned by the Leaders of Sheffield City Region, it is recommended that Sheffield should agree to formally become a constituent member of a combined authority for Sheffield City Region ('SCR Authority') because of the significant opportunities presents to the city and the City Region. These include:

- Establishing an economic area that is ready for growth, with Sheffield and the wider city region in the strongest possible position to compete economically both nationally and internationally;
- Emphasising Sheffield role as the engine of growth in a economically powerful city region;
- Creating a shared decision-making structure for the functioning economic geography of the city region where binding decisions can be made once by elected Leaders for the whole of the area;
- Uniting strategic economic and strategic transport decision-making, ensuring that such decisions provide maximum economic benefit for communities across Sheffield City Region (business growth and jobs);
- Delivering a dynamic Sheffield City Region Authority which will lead the way
- Gaining and using influence by establishing a robust and accountable leadership structure, recognised by Government, which puts Sheffield City

Region at the front of the queue for access to future devolved powers and resources from Whitehall;

- Providing a statutory structure to deliver the existing City Deal and access future economic funding allocations, building on the recent allocation of the £25m Regional Growth Fund to SCR so that we don't miss out
- Maximise opportunities for groundbreaking inter-city region collaboration across the north of England with Manchester and Leeds City Regions (eg. over the devolution of the Northern Rail franchise);

## **10. RECOMMENDATIONS**

### **10.1 That Sheffield City Council:**

- Endorses the findings of the Governance Review document (**Appendix 1**) (specifically that establishing a SCR Authority would improve the exercise of statutory functions in relation to economic development, regeneration and transport in the SCR leading to an enhancement of the economic conditions and performance of the SCR).
- Endorses the submission to Government of the Scheme for the SCR Authority
- Agrees that Sheffield City Council will formerly become a constituent member of the SCR Authority, sharing appropriate economic development and transport powers with the SCR Authority, in accordance with the provisions of the LDEDCA and the LTA
- Authorises the Director of Legal and Governance to agree the final form of the Scheme, the terms of any additional legal documentation required and to enter into any such documentation to enable Sheffield City Council to become a constituent member of the SCR Authority

## **11. FINANCIAL IMPLICATIONS**

- 11.1 There are no financial implications arising directly from this report. However, the costs of the CA that are reasonably attributable to the exercise of its functions relating to economic development and regeneration (and any start-up costs) shall be met by the constituent and non-constituent councils. Such costs shall be apportioned between the nine councils on a per capita basis.
- 11.2 Therefore, any future apportioned costs will be the subject of a separate decision.

## **12. LEGAL IMPLICATIONS**

- 12.1 Section 103, LDEDCA authorises the Secretary of State by order, to establish as a body corporate a combined authority for an area that meets the specified conditions. The SCR Authorities considered there to be a need to strengthen governance arrangements at a regional level and therefore agreed to support a governance review under s.108 of the LDEDCA. The SCR Leaders considered the outcome of the review and agreed to establish a Combined Authority. A Combined Authority, introduced by the LDEDCA is a distinct legal entity which

assumes the functions of the ITA within its area and shares key local authority functions relating to Economic Development.

The Local Authorities will share powers with the SCR Authority rather than delegate, therefore Sheffield City Council will retain all of its existing functions and powers.

- 12.2 The SCR Authority will have the benefit of well being powers which are specifically reserved to Combined Authorities by the LDEDCA together with a range of incidental powers. These are equivalent to the former powers of well being provided to local authorities which have now been replaced with the General Power of Competence by the Localism Act 2011. These will provide broad powers to address economic development issues.

The wellbeing power granted to the SCR Authority may be limited in its application to the area of the constituent Authorities, therefore the Scheme document (**Appendix 2**) asks the Secretary of State to approve the delegation of the General Power of Competence to the SCR Authority to ensure its powers are wide enough to accommodate the whole of the City region area.

- 12.3 The SCR Authority shall exercise any function of the Secretary of State delegated to the SCR Authority by the Order of the Secretary of State pursuant to Section 86 Local Transport Act 2008 and Section 104(1)(b), LDEDCA. Such functions shall be exercised subject to any condition imposed by the Order.

- 12.4 In addition to the above, the SCR Authority will have the following specific powers exercisable concurrently with the constituent and non-constituent councils.

- The power under section 144 of the Local Government Act 1972 (the power to encourage visitors and provide conference and other facilities)
- The duties under sections 15ZA, 15ZB, 15ZC, 17A, 18A(1)(b), 514A and 560A of the Education Act 1996 and the power under sections 514A and 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age)
- The duty under section 4(1) Local Government Act 2000 (duty to prepare a strategy for promoting or improving the economic, social and environmental well-being of their area and contributing the achievement of sustainable development in the UK) and the power under section 4(2) of the Local Government Act 2000 (power to modify their sustainable communities strategy)
- The General Power of Competence under section 1 of the Localism Act 2011

- 12.5 The powers will be supplemented by operating protocols agreed locally by the SCR Authority and the Councils. These will include:

- That members of the SCR Authority will not act in a way that directly contradicts a decision made by the SCR Authority
- That the Member appointed by each Local Authority will be the Leader or Mayor of that Council

The Scheme also provides for the Council's to choose to delegate additional functions at a later date. These will be Executive functions and therefore will be a decision of the Executive of each Council to delegate any further powers to the SCR Authority.

### **13. ECONOMIC IMPACT**

- 13.1 The chief rationale for establishing the Sheffield City Region Authority is to advance the economic opportunities and ambitions of Sheffield and wider city region. Not only will the Sheffield City Region Authority unite strategic decision making on the economy and transport, it will create a robust governance structure which is primed to receive new powers and resources from central Government, giving elected politicians from SCR greater control over the levers which drive growth.
- 13.2 Through the SCR Authority, elected Leaders will make streamlined investment decisions which are focused on producing the greatest impact on economic growth (GVA) and job creation in the city region. The SCR Authority will provide clear, accountable leadership for the City Region's economy, championing SCR as a place to invest and do business.