

BOROUGH OF CHESTERFIELD

You are summoned to attend a Meeting of the **Council** of the **Borough of Chesterfield** to be held in the **Council Chamber, Town Hall, Rose Hill, Chesterfield S40 1LP** on **Thursday, 3 March 2016** at **5.00 pm** for the purpose of transacting the following business:-

1. Apologies for Absence
2. Declarations of Members' and Officers' Interests relating to items on the agenda
3. Public Questions to the Council

To receive questions from members of the public in accordance with Standing Order No. 12.

4. Petitions to Council

To receive petitions submitted under Standing Order No. 13

5. Questions to the Leader

To receive questions submitted to the Leader under Standing Order No.14

6. Membership of Combined Authorities and ratification of the Sheffield City Region Devolution Deal (Pages 3 - 110)

7. Questions under Standing Order No. 19

To receive questions from Councillors in accordance with Standing Order No.19.

By order of the Council,



Chief Executive

Chief Executive's Unit,
Town Hall,
Chesterfield

25 February 2016

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FOR PUBLICATION

MEMBERSHIP OF COMBINED AUTHORITIES AND RATIFICATION OF THE SHEFFIELD CITY REGION DEVOLUTION DEAL (593 and 594)

MEETING:	COUNCIL
DATE:	3 MARCH 2016
REPORT BY:	CHIEF EXECUTIVE
WARD:	ALL
COMMUNITY ASSEMBLY:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	593, 594

1.0 **PURPOSE OF REPORT**

- 1.1 To consider options for the council's membership of existing and proposed combined authorities and the subsequent benefits for the communities of Chesterfield.

2.0 **RECOMMENDATIONS**

- 2.1 The recommendations are set out in section 14 below.

3.0 **BACKGROUND**

Sheffield City Region

- 3.1 The council has been working in partnership with other local authorities from across the Sheffield City Region (SCR) for 12 years¹. The informal partnership arrangements have become more formal, firstly as the SCR Local Enterprise Partnership was formed following the disbanding of the Regional Development Agencies as the Coalition government took office in 2010. This was followed by the formal establishment of the SCR Combined

¹ The nine local authority members of SCR are Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield.

Authority in April 2014 following a decision by full council in February 2013 and the subsequent statutory process.

- 3.2 The Leader of Chesterfield Borough Council has been a Board member of the SCR LEP from its formation, as is the case with all 9 SCR local authorities. Similarly, all 9 local authorities are members of the Combined Authority, with Chesterfield and the 4 other district councils joining as non-constituent members alongside the 4 South Yorkshire authorities which are full members. The original intent, as set out in the 2012 City Deal secured by SCR, was for all authorities to become full members: *“our preference is to develop a full Combined Authority on a SCR LEP geography with all eight LA Leaders meeting regularly to take strategic decisions based on a common framework with agreed strategic priorities across the City Region”* (SCR 2012 City Deal 2.2. This pre-dated Derbyshire Dales joining SCR). Whilst it was not possible to fulfil the intent of that City Deal due to the position adopted by Derbyshire and Nottinghamshire County Councils at that time, a scheme was prepared that would allow the districts to join as members and ‘play full, active roles in strategic decision making’.
- 3.3 This was subsequently set out in the SCR CA constitution, where article 5.4 allows for constituent member authorities to extend voting rights to non-constituent members, a practice which takes place at every ordinary meeting of the CA and has covered all CA business save that relating to transport matters within South Yorkshire. Further details of the scheme prepared to establish the SCR CA together with the governance review carried out in 2013 are in appendix 1 and the full constitution is available on-line.
- 3.4 Following the 2012 City Deal and a £320m Growth Deal in July 2014, in December 2014 the government agreed a devolution deal with the Sheffield City Region, the first such deal outside Greater Manchester. This was followed by a second and more substantive devolution deal agreed in October 2015. Chesterfield members and officers were involved in negotiations for both deals. Both deals are published on the [SCR website](#) and the 2015 deal is also included here at appendix 2.
- 3.5 The SCR CA and LEP are supported by a single executive, headed by an Executive Director who meets regularly with the Chief Executives of all 9 local authorities. The SCR executive team consists of around 50 people and is funded by a combination of central government funding, contributions from local authorities (£4k in 2015-16 from Chesterfield Borough Council) and Enterprise Zone business rate income. The SCR executive team has led the devolution discussions and deal negotiations with government, supported by lead Chief Executive roles and regular input through the LEP Board, CA and thematic working groups.

Derby, Derbyshire, Nottingham, Nottinghamshire (D2N2)

- 3.6 The council has worked with partners from across the county for many years under a range of different formal and informal arrangements. Recently these arrangements have included establishing, from September 2013, a Joint Economic Prosperity Committee (Joint Committee) made up of the Leaders of Derbyshire County Council, Derby City Council and the eight district and borough councils in Derbyshire, formed to support more effective, collaborative working across a range of functions and issues.
- 3.7 Across a wider geography, the Derby, Derbyshire, Nottingham, Nottinghamshire (D2N2) Local Enterprise Partnership was formed in 2010. Initially the Board of the LEP included the Leaders of the two county and two city councils but no district council Leaders. This changed in 2013 when a representative for Derbyshire district and borough councils and one for Nottinghamshire districts and boroughs were added to the Board. The elected Derbyshire representative has been the Leader of Chesterfield since the change was made.
- 3.8 In order to strengthen governance and enable greater devolution to the D2N2 area, proposals were put together for a D2 Combined Authority following a review that took place during 2014. Those proposals led in February 2015 to Chesterfield Borough Council agreeing a recommendation 'that Chesterfield Borough Council becomes a full constituent member of the proposed Derby and Derbyshire Combined Authority, subject to the outcomes of the statutory consultation process and contingent on our continuing to be able to participate fully in both the Derby and Derbyshire and Sheffield City Region Combined Authorities'.
- 3.9 Similar agreements were reached in each of the 'D2' local authorities and, based on similar proposals, in each of the 'N2' authorities. Local partners were ready to commence the next stage of the statutory process to establish the 2 new combined authorities. However, through ongoing discussion with central government about a potential devolution deal for the D2N2 area, it became clear that a single combined authority for the whole D2N2 area was required, rather than two separate authorities. Efforts to establish a combined authority have therefore shifted to preparing a scheme for a D2N2 CA. Early work on governance for the proposed combined authority is outlined at appendix 4. A draft review and scheme for the new CA are expected to be circulated soon.
- 3.10 Whilst a devolution deal has not yet been reached for the D2N2 area, a [proposed deal document](#) was published in January 2016. This has subsequently been updated and the latest available draft, as circulated to Leaders on 17th February, is included here at appendix 5. Following discussions with central government, the (potential) deal is now called the North Midlands deal.

3.11 The D2N2 LEP is supported by an executive team headed by a Chief Executive. This team of 10 is funded through a combination of central government funding and contributions from the four city and county councils. The work to develop a devolution deal and establish a combined authority has been undertaken by a mix of seconded local authority officers, consultancy support and the LEP team, working to a core Chief Executive group chaired by Nottingham City Council. Chesterfield’s Chief Executive currently represents the Derbyshire district council chief executives on that core group. Work is ongoing to establish a shadow executive function that can support the emerging combined authority and devolution deal implementation. Chesterfield has been asked to make a contribution (£15k for 2016-17) towards the costs of the new executive team.

Devolution

3.12 Devolving more powers to local places was a policy commitment of the coalition government and has continued under the 2015 Conservative administration. The 2015 Queen’s Speech set out plans for a ‘Cities Devolution Bill’ which has since made its way through parliament becoming the Cities and Local Government Devolution Act 2016.

3.13 A series of devolution deals have been announced since 2014, including multiple deals for some areas (e.g. Greater Manchester and Sheffield City Region). The dates of these are as follows:

Greater Manchester	3 Nov 2014
	27 Feb 2015
	8 July 2015
	25 Nov 2015
Sheffield City Region	5 Oct 2015
	12 Dec 2014
West Yorkshire	18 Mar 2015
Cornwall	27 July 2015
North-East	23 Oct 2015
Tees Valley	23 Oct 2015
West Midlands	17 Nov 2015
Liverpool City Region	17 Nov 2015

At the same time, discussion has continued with the Greater London Authority and London Boroughs regarding further devolution to London.

3.14 Following the 2015 general election, it became clear that for government to agree a substantive devolution deal, an elected mayor for the combined authority area would be a requirement. The 2016 Act provides for this and recent deals have included an elected mayor within their proposed governance arrangements.

- 3.15 As well as a continuing focus on devolution driving economic growth, officials in central government have stated that they expect the deal process to shift over time into consideration of public service reform. It is clear that, through devolving powers and funding, central government expects local partners to play a greater role in addressing austerity.
- 3.16 Looking ahead, whilst there was some uncertainty about the role of LEPs following their establishment after the 2010 election, their role and importance has grown and it is now reasonable to assume that they will remain key partnerships for the foreseeable future. Similarly, combined authorities will become increasingly important as more are established and legislation is in place to allow them to take on more powers. In the short-medium term, it will continue be critical for individual local authorities to fully engage with LEPs and CAs in order to access powers, funding and programmes to drive economic growth in their area. A summary of published political views regarding devolution is provided at appendix 12.

4.0 **CURRENT POSITION**

Approach to partnership

- 4.1 The approach taken to date has been for Chesterfield to actively engage in and contribute to partnerships in both SCR and D2N2. This has been driven by the rationale that Chesterfield stands to benefit from the devolved powers and funding on offer in both partnership areas. It also reflects the fact that the notional funding that would have been allocated by government to support economic growth in the Chesterfield area has been split 50:50 across the 2 LEP areas.
- 4.2 To date this has been a successful strategy. As shown in Appendix 8, a significant amount of investment and support has been provided to Chesterfield, its businesses and residents through the council's membership in both SCR and D2N2. Some of this support and investment has already delivered economic outcomes. Significantly more is still due to be delivered and, in the case of allocated investment, now underpins the plans of the council for several of the key developments in Chesterfield.
- 4.3 This full and engaged contribution has included members and officers sitting on a wide range of sub-groups within both partnership structures, including the Leader becoming Vice-Chair of the SCR CA and representing all Derbyshire districts on the D2N2 LEP Board, and the Chief Executive holding observer status on the SCR LEP Board on behalf of the North Midlands district chief executives, participating in the SCR Chief Executives group and forming part of the D2N2 core Chief Executive group. The Chief Executive also plays a lead role on housing and planning matters in both partnerships. These and other contributions have also required officer time

by way of briefing and support. The frequency of meetings, particularly for the Leader and Chief Executive, has increased over the last year as both partnerships have developed and negotiated deals. The current level of time spent by members and officers playing this full role in both partnerships is not sustainable and has already led to slippage in delivering other council priorities.

Recent legislation

- 4.4 The Cities and Local Government Devolution Act received Royal Assent on 28th January 2016. In the final stages of considering the Bill, amendments were made that change the rules for forming and amending the membership of combined authorities. Specifically, there is no longer any requirement for the consent of a county council in order for a district within that county to become a full member of an existing combined authority. For Chesterfield, that means that the council could potentially join the SCR CA as a full member even if Derbyshire County Council did not consent to that membership. However, the legislation still includes a number of tests that need to be satisfied before the Secretary of State makes an order to change the boundaries of an existing combined authority. Appendix 9 sets out the legislative changes and the implications of these in more detail.

SCR

- 4.5 Following agreement by the Chancellor and all 9 Leaders to a draft devolution deal in October 2015, a consultation process on the second SCR deal ran during December 2015 and January 2016. This process included within Chesterfield engagement with Destination Chesterfield at a well-attended breakfast meeting and with the Community Assemblies at their round of winter meetings.
- 4.6 At these events and in our communication with partners, we have supported the deal and promoted the potential benefits for Chesterfield, which were summarised in the consultation material as:

The major benefit to Chesterfield of the Devolution Deal is a share of £900 million over the next 30 years to support the delivery of key regeneration projects, improve the skills of local people and help local businesses become more competitive.

Current and future schemes supported via Sheffield City Region include:

- Work starting in the near future on the construction of Basin Square, the commercial heart of the Chesterfield Waterside scheme.

- Funding allocated for the development of a scheme at the town centre's Northern Gateway, increasing the attractiveness of the town for shoppers and visitors.
- Funding ring-fenced to enable the Peak Resort development to start on site, supporting the creation of a large number of new jobs.
- The development of a new Housing Investment Fund that could unlock opportunities for housing growth in places such as the Staveley and Rother Corridor.
- The establishment of the Sheffield City Region Growth Hub, providing a one-stop-shop of support for local businesses and start-ups. Local business access to a Sheffield City Region funding pot of £52 million, to support capital investment that creates new employment.
- The establishment of a Skills Bank providing a flexible pot of funding for businesses to provide 42,000 qualifications over the next six years. Many Chesterfield based companies have already engaged with the current 'Skills Made Easy' programme to take on apprentices and train their workforce.

4.7 Full feedback from the consultation across SCR is included at appendix 3. This shows that there was broad support for the deal and the principle of greater devolvement, but a range of concerns regarding an elected mayor. Key themes within the feedback received locally in Chesterfield included:

- Positivity about the economic benefits achieved so far via Sheffield City Region and excitement about the potential future benefits within the devolution deal
- Concerns about the role of an elected Mayor and how this will work in non-constituent member areas, the veto position and the potential for additional bureaucracy
- Confusion about the SCR and D2N2 position. How long can Chesterfield continue to pursue two devolution deals and the complicating factors around the overlapping geographies

4.8 Following this consultation, each council (constituent and non-constituent) is now being asked to ratify the deal prior to the Combined Authority ratifying it, which is due to take place on 14th March 2016. This timetable will allow the deal to be in place prior to 1st April 2016 and government has indicated that would allow SCR CA to begin drawing down funding agreed in the deal, including the £30m p.a. additional funding.

4.9 Ratification of the SCR deal would also see a process begin to change the current CA scheme in order to allow for an elected Mayor as chair of the CA from May 2017. Work has already begun on a draft scheme for a mayoral CA which would leave in place the current arrangements for extending voting rights to non-constituent members. Leaders have also agreed some core principles that would apply to a mayoral combined authority:

- To secure a deal some form of mayoral governance is needed, but the detail needs to be right; a clear and transparent distinction is needed between the role of the mayor and that of the CA
- Governance for a mayoral combined authority needs to focus on implementing what is primarily an economic deal
- Powers need to be drawn down from Whitehall rather than ceded up
- A coherent relationship between geography and electoral mandate is needed
- Checks and balances on the mayor's powers are required and there is no intention (as confirmed by the Minister) for there to be any mayoral veto on functions of the CA
- Existing Board arrangements should largely continue, making the most of delegated decision making

4.10 The process for making changes to an existing CA in order to create a mayoral CA is relatively straightforward in the event that the full membership of the CA remains the same (apart from the addition of the Mayor). In the case that one or more non-constituent member seeks to become a full member, then the process described in section 7 below would apply.

4.11 At the time of the public consultation on the second SCR deal, it appeared that the non-constituent members of SCR, including Chesterfield, would be able to benefit from the majority of the elements in the deal whilst not coming under the remit of a mayor. However, since then, the changes set out in the 2016 Act offer the non-constituent district council members the potential option of becoming a full constituent member. Given this, a clear view has been expressed by several leaders of the constituent SCR local authorities that only constituent members of the CA should be able to access the full benefits of the devolution deal but that the door is firmly open to all 5 districts to upgrade to full membership. This would provide a more coherent geographical alignment of the mayoral mandate, CA membership and the scope of the deal.

4.12 As is the case in Greater Manchester, since SCR has already secured two devolution deals, there is a continuing relationship with central government that is already exploring devolving further powers and funding to the city region, which could include further announcements at Budget 2016.

D2N2/North Midlands

- 4.13 As noted above, a draft deal has now been published and [a website](#) has been established to promote the deal alongside regular press releases being issued. The promotional activity is aimed at supporting the ongoing negotiations with central government to conclude this deal as soon as possible. Following discussions with government officials, it is clear that the timetable running through to elections for a North Midlands mayor in May 2017 is very tight and therefore a deal will need to be concluded by mid-March. More detail on the timetable is shown in the next steps section below.
- 4.14 As is the case with SCR, some work has been undertaken by D2N2 to consider potential benefits for Chesterfield if a North Midlands deal is secured. A note is included at appendix 6. Many of the key themes are similar to those in the SCR deal and, as with the SCR deal, the actual level of benefit would depend upon the extent to which local and incoming businesses access the available programmes and support, and the extent to which Chesterfield is successful in bidding into future North Midlands funds.
- 4.15 Based on discussions at a series of meetings of North Midlands Leaders in recent months, it is not clear that all 19 of the local authorities involved are likely to agree to become part of a single North Midlands Mayoral Combined Authority (a decision that is almost certain to require full council approval within each authority). Given that a North Midlands deal would be conditional on establishing the combined authority, councils are being asked to indicate their willingness to sign up to a deal and be part of the North Midlands CA on or before 4th March of this year.
- 4.16 To support the establishment of a combined authority, work has been ongoing to revise the previously separate D2 and N2 economic reviews and schemes which are due to be published immediately after agreeing a devolution deal, i.e. potentially in mid-late March. At the time of writing these had not been circulated for comment. There has also been work undertaken to revise the governance arrangements that will be required for a North Midlands CA and Leaders agreed to further work being progressed on one of two draft structural options considered at their most recent meeting on 11th February, a copy of which is included at appendix 4. As indicated above, work continues to consider the executive support required for new governance structures and how that will relate to the existing D2N2 LEP team. These are clearly important areas to consider and get right in order to ensure the success of a future combined authority and implement any deal agreed.

5.0 **ANALYSIS**

- 5.1 As is evident from the background above, the choices to be made by Chesterfield are not straightforward and none of the options explored below are free from risk.
- 5.2 A simplified decision tree is set out below to capture the headline consequences of decisions now facing the council. Whilst the decisions outlined in the diagrams below begin with choices about draft or proposed devolution deals, the more fundamental decision concerns which of the two combined authorities the council wishes to become a full member. It is becoming increasingly clear that benefitting from current deals, as well as influencing and benefitting from future deals, will depend on the level of membership within a partnership particularly, where established, a combined authority. In time, this may well extend to the way in which central government allocates its notional funding for growth to each LEP area (currently split 50:50 for Chesterfield between SCR and D2N2). It will also depend on the number of other full members with which an individual council will be sharing the benefits available within any given deal or funding stream.
- 5.3 It is also worth noting that the changes to local government finance mean there are much wider potential benefits of access to a deal driving economic growth than just direct investment available through combined authority funding streams. As direct grant from central government reduces to zero over the next few years, additional growth in jobs and housing will increasingly be required to underpin council finances and fund core service provision.
- 5.4 Given that a district council cannot be a full member of more than one combined authority, the choices for Chesterfield therefore essentially come down to two options:

Option 1 – become a full member of SCR CA and join the North Midlands CA (if established) as a non-constituent member

Option 2 – join a North Midlands CA (if established) as a full member and continue with non-constituent membership of the SCR CA

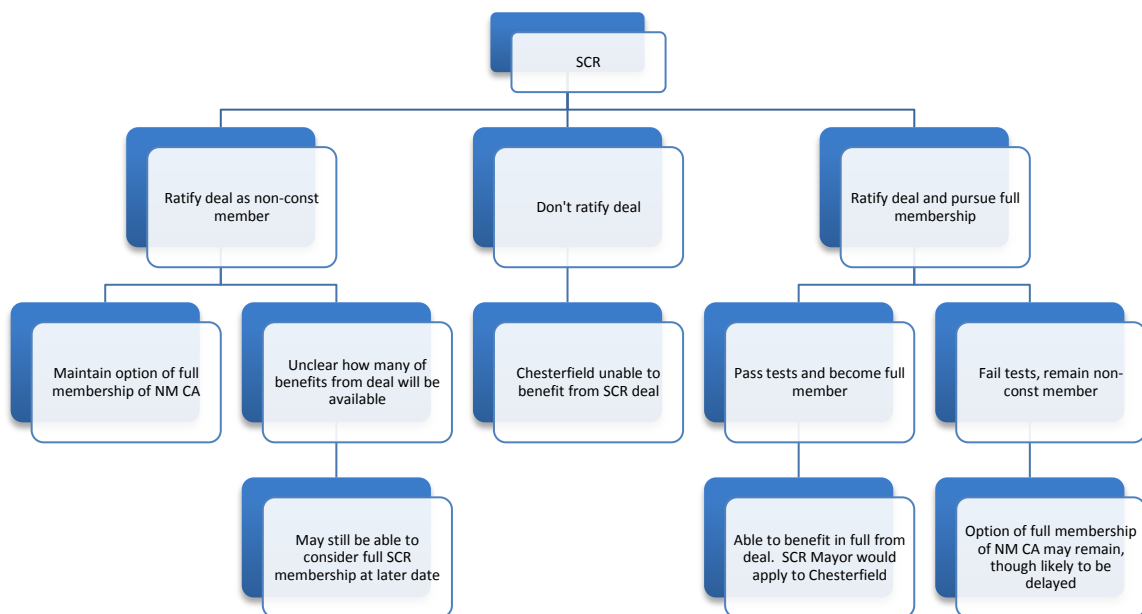
The following section explores the potential benefits and risks of these two options, together with variations on both of them.

5.5 Other possible options that have been considered are (a) maintain the status quo; (b) consider pulling back from both partnerships; (c) continue to pursue a D2 CA as per the mandate from full council in 2015; and (d) explore options for changing local government structures. None of these are considered to be feasible at present.

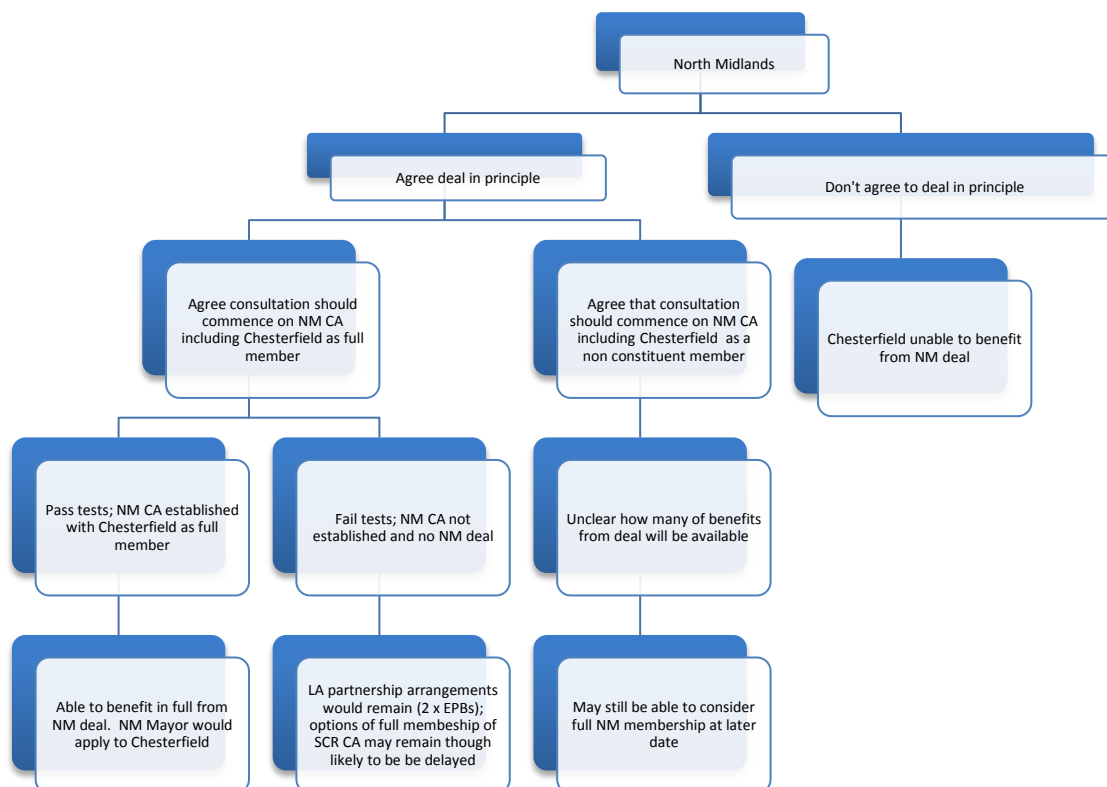
- (a) **maintaining the status quo** is not considered realistic at present; a change to our status within one or both partnerships will be required sooner rather than later and the current arrangements are not sustainable in terms of member and officer resources. They are also leading to operational uncertainty and are confusing for businesses and other potential beneficiaries of devolved functions, unsure of which way to 'face'. Despite assurances that arrangements could be brought forward 'to make the overlap work', there have been no detailed proposals set out by either SCR nor D2N2. A 'formal standing committee' has been suggested by the county council, but to date no details on how this might work have been provided and in practice it is hard to see how that would maintain the current arrangements since it would serve to pull Chesterfield away from playing a full role round both the SCR and D2N2 tables. Likewise, SCR has suggested that both county councils become constituent or non-constituent members of SCR, an arrangement that both counties have so far rejected. **Waiting longer** to make a decision about becoming a full member of either partnership is also not considered to be an option. As outlined in section 7 below, the timetable is being driven by government's wish to hold mayoral elections in May 2017. These are unlikely to be held again until 2020. Delaying a decision at this stage is therefore likely to mean that it will be several years until the council could benefit from deals currently on the table, since Chesterfield would not be covered by an elected Mayor and therefore not able to benefit from a deal secured on the basis of having such a mayor in place.
- (b) **pulling back from both partnerships** would see Chesterfield unable to access funding and powers to drive growth in the borough, which in time would have a highly detrimental impact on our communities. This is likely to be the case even if Chesterfield was a non-constituent member of both combined authorities, as there will be far fewer benefits available to non-constituent members.

- (c) Whilst there may be advantages in strengthening and formalising **county-wide partnership working**, it is extremely unlikely that central government would consider devolving powers to this geography in the short-medium term given the ‘red lines’ they have set out during devolution negotiations. Given this, local partners are now, to varying degrees, more committed to a D2-N2 arrangement.
- (d) The 2016 Act opens up the option of making **changes to local government structures**, even if not all affected local authorities support any proposed changes (see appendix 9 for more details). It may be that this option is pressed more by central government in time, potentially for areas seeking devolution but rejecting an elected mayor. There is also some logic in seeking to simplify structures at a time that combined authorities are introducing another tier of local government (leading to a total of 4 tiers in parished areas). However, the costs and disruption of changing structures would be very high and likely to damage relationships with partners far more than any of the other options.

Decision one: the October 2015 SCR Devolution Deal requires ratification from each local authority



Decision two: councils are being asked to agree in principle to the draft North Midlands deal and to consult on a single North Midlands Mayoral Combined Authority



Considerations

5.6 In considering the options for Chesterfield, the over-riding consideration is **the impact on the communities of Chesterfield**. The council's active participation in partnership activity to date has been driven by the need to secure benefits for the communities of Chesterfield. The list of benefits that have come from both partnerships, set out in appendix 8, show the value that member and officer efforts have delivered. Sustaining and driving economic growth across the borough will be critical for achieving the Council's vision of 'putting our communities first' and our 3 priorities: developing a thriving borough, improving the quality of life for local people and delivering value for money services.

5.7 This principal consideration of benefitting Chesterfield's communities has itself been informed by looking at the following range of factors that are relevant and appropriate to take into account:

- What **benefits has Chesterfield seen to date** from its engagement with the partnership? A list of these that have derived from both SCR and D2N2 is at appendix 8. Benefits received and those likely to arise

from activities being implemented have been a factor of the overall volume and quality of benefits that each partnership has been able to secure, e.g. through deals with central government. But it also reflects the influence that the council is able to exert at partnership tables, compared with other partners. This record to date is a guide to likely future benefits, though of course in either partnership the factors noted above can change over time.

- How **closely connected is Chesterfield to the economies** of the rest of the partnership area? Will existing and new businesses benefit from the links made to customers, suppliers and business support through membership of the partnership? Local Enterprise Partnerships were set up to drive local economic growth and therefore established on a footprint of 'functional economic areas'. This emphasis has continued as combined authorities have been created. To help inform consideration of the economic links for Chesterfield, an analysis of key economic drivers is included at appendix 7.
- How **well established and resourced** is the partnership itself? If the council is going to become a full member of a combined authority, it will be better served from a mature partnership than a developing one where relationships are still forming. Similarly, capacity and capability within the executive of a combined authority and/or LEP is critical to ensure that members of that authority are well supported and that high quality strategies and plans are developed and implemented.
- How has the partnership engaged with CBC; **is the council seen as an equal partner and its presence and contributions welcomed?** Whilst Chesterfield is a two-tier local government area, it is a significant economic centre and important that it is able to continue to 'punch its weight' within whichever partnership it joins as a full member. The status that it (and other districts) has been accorded to date is therefore an important consideration.
- How well does the partnership align to other geography, in particular that of **public service administration** across the area? As devolution deals and discussions shift more towards wider public service reform, economic geography will not be the only consideration. Rather, it will be important to be able to work with a wider range of organisations to improve public services and an alignment of geography with those partners will make this more straightforward (although it will still require strong and collaborative partnership working).
- What would the impact of full membership in either partnership be on **relationships** outside that partnership? No council is able to work in isolation from its neighbours and partners and this is particularly true in

two-tier areas. The way in which partners are likely to react to the choice made by the council is therefore an important consideration, particularly where this could have an impact on communities in Chesterfield.

- What will be the impact of an **elected mayor**? Putting a mayor in place is a clear and non-negotiable condition of government for signing up to a significant devolution deal. This is already the case in SCR and will be the case in North Midlands too if a deal is secured. An elected mayor elected by voters in Chesterfield would therefore cover either the Sheffield City Region or the North Midlands. In either case, whilst the combined authority will keep the powers of the mayor in check, a directly elected mayor could over time become a significant influence, as is most evidently the case in London.
- What will be the impact on the **historic identity and connections** of our communities? Whilst economic links and connections are clearly important, there are also affinities and identities held deeply by communities within Chesterfield. Putting in place an elected mayor for either the Sheffield City Region or North Midlands may be perceived as a threat, undermining of some of those historic connections.

5.8 Taking account of these factors, the benefits and risks of the two options have been considered in more detail.

Option 1 – become a full member of SCR CA and join the North Midlands CA (if established) as a non-constituent member

5.9 The **benefits** of this option include:

- Full membership would **align with Chesterfield’s economic geography** and provide opportunities for new and existing businesses on a footprint that makes sense to them.
- Chesterfield would be able to **benefit fully from the two existing SCR devolution deals**, including the £30m p.a. additional funding over 30 years, and continuing negotiations with government for further devolution. Indeed, if Chesterfield was the only district to become a constituent member, then it would become one of only 5 local authorities with full access to the benefits of the existing and future SCR devolution deals (though that would be partially offset by not having access to North Midlands funding).
- Joining as a full member a partnership that, after Greater Manchester, has enjoyed the most **success to date in securing deals** from government for the benefit of its area.

- With a mayor in place, Chesterfield's leader would hold one seat among 6-10 (depending on how many current non-constituent members become full members) and would continue to have **a significant voice at the table**.
- The SCR CA is already in place, with **established and effective governance** including delegations to a series of Boards already taking decisions on the key programmes and funding available to SCR. These arrangements have been developed over some time and provide a solid foundation for greater devolution in the future.
- **Relationships with the business sector are generally good**, with the relationships between the business chaired LEP and local authority led CA established, understood and accepted.
- The SCR CA and LEP have a well-resourced, capable and integrated **executive support in place**. This has been an important factor in making the case for the two devolution deals already agreed and in getting programmes running and funding allocated effectively across the SCR. Officers in the central team work constructively and effectively complementing the efforts of local authority partners.
- The latest SCR devolution deal is clearly positioned as **an economic deal**. Whilst there is an acknowledgement of the need to consider wider public service reform, the deal has a strong and clear focus on driving economic growth across the city region and the implementation plans already developed reflect that focus.
- Access to **funding through European programmes** would be more favourable since the allocation to the 'overlap area', currently split 50/50 between the two partnerships is ringfenced to be spent in that geography within the SCR programme but unringfenced (and open to bids from across the whole area) within the D2N2 programme.
- The SCR deal includes an agreement for the **retention of additional business rate growth** and the potential to accelerate wider **business rate localisation**. If the retention of growth and acceleration of wider localisation were in place and available to Chesterfield as a full member from 2017/18, then the net benefit in each financial year could be in the region of £740k p.a. This would be on the basis of a 1% growth p.a. and the use of an adjusted 2015/16 position as a baseline and takes account of the removal of benefits from the existing Derbyshire wide pooling arrangements. However, as is always the case with the business rates regime, this is an estimate and would require further work to firm up. It also represents net additional benefit only for those years during which

SCR members benefit prior to wider changes across local government, which are likely to take place from 2020.

5.10 The **risks and issues** that follow from this option include:

- A **significant impact on relationships** with other North Midlands local authorities, in particular **Derbyshire County Council**. There are a wide range of services provided for communities in Chesterfield by the county council and many more where support and partnerships between CBC and the county are in place. A summary of these is included at appendix 11, although it should be noted that many of the current arrangements are subject to review given the wider constraints on local government finance. Given that the SCR devolution deal is an economic deal, there is no reason why the relationship with the county council in respect of the services listed should be significantly affected if Chesterfield became a full member of SCR. There should therefore be little impact on communities in Chesterfield who rely on those services.
- **Delays to the process** caused by the impact on relationships noted above, which could result in a failure to establish an expanded SCR CA geography in time for the introduction of an elected mayor from May 2017. As set out below, the timetable for making changes to the SCR CA membership is tight in order to meet the government's expectation of mayoral elections in May next year. If there are challenges raised by other local authorities, the timetable could be put under pressure. Whilst it would be hoped that a strong case for the benefits to the economy of Chesterfield would be seen as a positive for the wider economy of the county, this has not been widely acknowledged within the North Midlands to date.
- The **inability to fully benefit from a North Midlands deal**, if one is agreed, since it is unlikely that those benefits would be extended in full to non-constituent members.
- **Existing D2N2 commitments** or planned bids for funding in Chesterfield **may also be at risk**. This includes an allocation of £12.8m for the A61 corridor (although this has been made for the whole length of the corridor, not just for the Chesterfield area), a D2N2 Local Growth Fund contribution of £3.24m towards Whittington Moor roundabout and planned bids to ESIF for support for inward investment and innovation of around £160k.
- **A lack of alignment** between the economic partnership geography and the **administrative geography** in place for most of the public sector operating in Chesterfield. This factor goes well beyond the county council geography, since many other key services including health and

'blue light' services also operate on a county or sub-county footprint. However, over time administrative boundaries do change, as has been the case with the Homes and Communities Agency that now deals with Chesterfield within an SCR geography.

- A risk of being **dominated by the four south Yorkshire councils** that are currently full members of the SCR CA. Whilst this has not been the experience to date, it may be that Chesterfield is seen as a lesser player or contributor given it does not bring the same range of council services to the table.
- Whilst all 5 districts are currently non-constituent members, accorded a full voting place at the CA as described above, there is a **unity and coherence** to the SCR that would be **at risk** if all 5 districts did not become full members. Even if other districts did opt for full membership at a later stage, this risk is likely to be at least present in the short term and potentially for the foreseeable future.
- A significant amount of time and effort would need to be spent to scope out and **implement the transfer of powers from the county council**, via Chesterfield, to the SCR CA. The advice from DCLG (included in more detail at appendix 9) is that if Chesterfield became a full member of SCR CA and the county council did not, then an order would be made to transfer powers from the county council in order that the SCR CA had comparable powers and functions across the whole of its full membership geography. Since the legislation is new and a transfer of this sort has not taken place before, there is not yet clarity as to the process for such a transfer nor the precise scope involved and further detailed work would be needed with the county council, the SCR CA and central government. It may also need to be a staged process given that some elements of the SCR devolution deal will be implemented sooner than others. The transfer of powers may also result in **additional financial risks** and responsibilities sat with the council if, for example, a similar approach is taken in time to that in south Yorkshire regarding funding public transport through a levy arrangement. This will require further exploration prior to implementing those elements of the SCR devolution deal for the Chesterfield area. These issues do not arise if the county council also chooses to be a full member of the SCR CA (see section 13 for more details on this).
- Despite the benefits it would bring, consolidating Chesterfield's role at SCR through full membership will be seen by some as a **threat to its Derbyshire identity and heritage**.

Option 2 – join a North Midlands CA (if established) as a full member and continue with non-constituent membership of the SCR CA

5.11 The **benefits** of this option include:

- Full membership would **align with the administrative geography**, which would enable progress on public service reform and mirror a number of other established county-wide partnership arrangements (e.g. public health, community safety...).
- **Relationships** with other Derbyshire councils, in particular the county council, **would be sustained and strengthened.**
- If a North Midlands deal is secured, **Chesterfield could benefit fully from the deal.** The proposed deal includes a statement that the Mayor and CA will drive growth across ‘four targeted geographies of city/metro areas, rural communities, former coalfield and industrial areas and market towns’. The explicit recognition of market towns and former industrial areas could make it more straightforward for Chesterfield to benefit from the deal (if agreed), although it should be noted that these ‘targeted’ geographies in fact cover the entirety of the North Midlands area and have yet to be formally endorsed by the proposed members of the combined authority.

5.12 The **risks and issues** that follow from this option include:

- There **may not be a devolution deal available** in the near future for North Midlands of sufficient benefit to justify signing up to a mayoral combined authority. Proposals from (as then) D2N2 were first submitted to government in March 2015 and discussions have continued since then, but there is still no clear sign that a deal will be agreed with government in the near future. If the option to become a full member of a North Midlands CA is taken, then it may be prudent to make this conditional on a deal being secured before a specified deadline in order to mitigate this risk.
- High likelihood that many **benefits of the SCR devolution deal(s) would be unavailable.** This position has now been stated by leaders of several of the constituent SCR member authorities. It is hard to see how Chesterfield could continue to play the role it does within SCR, nor benefit from the partnership in the same way, if this option is chosen.
- Current **investment** secured through SCR (around £17m) would be **at risk**, which would threaten progress on schemes including Waterside, Northern Gateway and Peak Resort, unless there is a similar level of funding available through North Midlands (and even then there would be

a delay). Further details of the allocated investment at risk is set out in appendix 8.

- North Midlands is **not an established partnership**. A combined authority is not in place and relationships are still forming. There are significant risks in attempting to resolve long-running **governance weaknesses** whilst also negotiating and then implementing a devolution deal. If established, an authority of 20 members (including the mayor) will make effective and inclusive governance challenging.
- The **relationships with business** through the D2N2 LEP will also need to be re-worked, which will take time, as the North Midlands explores how best to effectively meld a business-led LEP and an emerging CA giving more powers to local authority leaders.
- Because there is no combined authority, **neither is any executive support in place**. The work on the deal has been done by councils lending officers to work to a core Chief Executive group (at which only 6/19 councils are represented), supported by some temporary consultancy and the LEP (which itself has limited capacity). There are not yet any officer groups established across D2N2 to support the key themes within the devolution deal and in some cases no officer groups in the two separate counties either.
- With the mayor in place, Chesterfield's leader will hold one seat among 20 within the combined authority (if all 19 councils join). The **influence held will therefore be less** than round a table with fewer partners.
- There is not considered to be a strong case for the North Midlands as a **functional economic area**. From the outset, the geography of the D2N2 LEP was driven as much by administrative and political considerations as it was by economic factors. In particular, there are very weak economic connections between places at opposite ends of the economic area, many of which 'face' more to neighbouring economies including Greater Manchester, Leicester, Stoke, Staffordshire and Sheffield.
- There is likely to be some **damage to relationships** with other local authorities in SCR, though there is not the same dependency on those authorities for service provision than is the case with the county council.
- The proposed North Midlands deal is **not focused solely on driving the economy**, as it includes public service reform commitments and asks. The wider scope of the deal proposals presents a risk that focus on the economic drivers is diluted, particularly given the combined authority will itself be newly formed. Driving public service reform

through the deal will also be more effective if all 19 local authorities are fully committed to the deal and join the CA, which may not prove to be the case.

5.13 In addition to the two sets of benefits and risks, both options share the benefit that (at least for Chesterfield), they **clarify the geography** of the existing and proposed combined authorities. Government has indicated to both partnerships that it would like to see local partners resolve the 'overlapping geography' and a clear commitment by each district to full membership in one partnership or the other would provide this clarity.

5.14 The two options also share some **common issues**, most notably:

- Introducing **an elected mayor** (whether based in Sheffield or Nottingham) and how this is perceived by communities in Chesterfield. Whilst this is seen as a significant issue, with local authorities at best reluctantly accepting the need for one in order to secure a deal, it should be noted that the area of England that has received the greatest devolution to date has been Greater London, where an elected mayor has been in place since 2000.
- The amount of **member and officer time** that will be taken up by either becoming a part of a new CA (NM) or changing an existing one (SCR), together with playing a full role in deal implementation.
- The potential that the **statutory tests** as set out (and summarised in appendix 9) are deemed **not to be met**, resulting in a significant amount of work without securing the desired benefit. Broadly similar tests would need to be met in the case of either of the above options and since the change in the legislation, this would take partners into uncharted territory. If option one was chosen by Chesterfield but not by neighbouring districts, then, as set out in appendix 9, there would be an additional test applied (regarding the impact of the change on functions in the neighbouring areas). The case set out for the SCR CA boundary changes in the review and scheme would therefore need to be stronger than if neighbours were also becoming full members. In the case of North Midlands, it is not clear what the impact would be on passing the statutory tests if one or more districts decide not to become full members.

6.0 **SUMMARY AND RISK MITIGATION**

6.1 Based on the analysis of the two options above and taking account of the considerations outlined at 5.6-5.7, it is clear that option one (to become a full member of SCR) offers significantly greater benefits for the communities of Chesterfield. These benefits flow from the fact that SCR

has already secured two devolution deals, has established and well-functioning governance in place and is supported by a quality executive resource. Chesterfield is already accepted and treated as a full and equal partner round the SCR table and in becoming a full constituent member would protect existing allocated investment and be able to benefit, potentially as one of only 5 authorities, from the deals already in place, including the £30m p.a. of additional funding secured over 30 years.

- 6.2 Although the decision before council is about more than the respective devolution deals, a comparison of the two deals put forward also points to option 1 bringing greater benefits. As stated above, the main difference between the SCR and NM deals remains their respective status. The SCR deal is on the table and, subject to ratification, benefits will flow into the SCR area from 2016/17. The North Midlands deal is not yet agreed.
- 6.3 Assuming that a NM deal can be agreed, many elements of the two deals are very similar, in which case Chesterfield's greater influence as one of a smaller number of other members around the SCR table would be expected to bring a greater share of those benefits than through a North Midlands deal. The SCR deal also includes agreements regarding business rate growth retention and wider localisation, which (as noted above) offer the potential of a direct financial benefit to the council over the next few years. The North Midlands deal includes a proposal to explore a Free Trade Zone linked to East Midlands Airport. It is not yet clear whether this would lead to net benefits for Chesterfield or, if businesses locate to the airport in preference to Chesterfield, a cost to the economy over time. The SCR deal is also focused on driving economic growth, whereas the NM deal features more on public service reform and in particular proposals for merging Police and Crime Commissioner roles with those of the new Mayor, which are likely to prove a distraction from the economic growth elements of the deal (if agreed).
- 6.4 Looking beyond the deals themselves, SCR is an established partnership environment with a proven track record and is likely to remain one of those pushing furthest ahead in bringing further powers and funding from central government and shaping policy for the benefit of the local economy. Despite the benefits it has been able to deliver across its geography, D2N2 has not cohered and stabilised to the same degree, hence initial attempts to establish two separate CAs for each county. It is likely that discussions regarding governance will continue to dominate and consume disproportionate member and officer time, as they have done during the last year.
- 6.5 However, in considering option 1, it is also clear that it brings a range of potential risks and therefore significant work would be needed to mitigate those risks. Those mitigating actions could include:

- Ensuring that SCR LEP and CA partners fully support Chesterfield's constituent membership and the process that would need to be undertaken in order to change the geography of the CA.
- Making a request that SCR partners reach a resolution as soon as practicable regarding the route of HS2.
- Clear communication that the deal is about driving the economy of Chesterfield and not changing the status of Chesterfield as part of Derbyshire. Similarly, that it does not pave the way for a wider set of local government changes nor undermine the significant relationships and links that would still be in place with the county council
- Providing clarity on the benefits for the wider Derbyshire economy that would flow from being part of the SCR deal. This could include a re-negotiation of arrangements at the Markham Vale Enterprise Zone in order that the county council's significant contribution is reflected in the flow of benefits from business growth there.
- A commitment of resources to ensure that through the process of a review and a scheme, a very clear and strong case is made for the changes to the constituent SCR CA area. This will need to ensure it will pass the various tests to be applied by the Secretary of State, including that relating to functions in neighbouring areas in the case that other districts do not opt to become full members of SCR.

7.0 NEXT STEPS AND PROCESS

- 7.1 The process for changing the boundary of an existing combined authority or establishing a new combined authority is very similar. Therefore the next steps involved would be similar whether option 1 or 2 are chosen. The timetable for the two options is also similar and in either case it will be a challenging one given that government wishes to have elected mayors in place in May 2017 for all of the combined authorities for which it has agreed devolution deals (and it is assumed for a North Midlands CA if a deal is agreed in time).
- 7.2 The process for establishing a new CA for North Midlands has been set out in detail and is included at appendix 10. In the case of either option, the process will include preparation of a review and a scheme that would then be published for consultation. Those documents, together with the outcome of the consultation, would provide the basis on which the Secretary of State will consider whether the tests (set out in appendix 9) are met. They would therefore need to be well constructed during the early part of the process as they cannot be changed later on. That will all need

to take place, including the public consultation, by the end of August at the latest in order (if the tests are deemed to be met) for an order to go before Parliament and be debated and approved before the Christmas recess. That is the latest point at which the order can be made in order for Mayoral elections to take place in May 2017.

- 7.3 More immediately, each of the current SCR member authorities is in the process of ratifying the devolution deal. Provided this takes place and that the SCR CA itself ratifies the deal, then benefits set out in that deal, including the £30m p.a. of new funding, will come to the SCR CA from April 2016.

8.0 **EQUALITIES IMPACT ASSESSMENT**

- 8.1 This decision does not have a direct impact on Chesterfield Borough Council policies, services, functions and strategies, therefore a full equality impact assessment is not required. However both the SCR and North Midlands devolution deals have significant potential for positive impacts for people with protected characteristics. For example, younger people will benefit significantly from the increased skills and apprenticeships provision within the respective deals. Both the agreed SCR deal and draft North Midlands deal make clear commitments to the respective combined authorities continuing to adhere to their public sector equality duties.

9.0 **HR IMPLICATIONS**

- 9.1 There are not considered to be any immediate HR implications for the council. There are no proposals within either deal to transfer current CBC functions to either combined authority. If Chesterfield became a full member of the SCR CA, then this is likely to lead to some functions being transferred from the county council. The impact on staff at the county is not yet known as government has not provided any detailed guidance on how such a transfer would take place.

10.0 **RISK MANAGEMENT**

- 10.1 Section 5 described risks for both options and section 6 outlines some of the potential risk mitigations if the recommended option, to become a full member of SCR, is chosen. In managing those risks, a project approach will be taken to ensure that effective planning, resources and communications (internally and externally) are in place.

11.0 **FINANCE**

- 11.1 Participation in the partnerships described above has been subject to some relatively small direct costs to Chesterfield, which have brought significant

benefits to date. However, there have also been more significant indirect costs in terms of member and officer time spent in both partnership environments. A commitment to full membership in one of the two should see some reduction in the indirect costs to the council. Direct contributions should also increasingly be met through the benefits of deals struck with central government, although partners are likely to be requested for continuing contributions in order to demonstrate their commitment.

- 11.2 The potential financial benefits to the council in future years from changes to the business rates arrangements are set out above. It should be noted that this is subject to a number of assumptions and would still depend on government policy decisions. Despite these uncertainties, the council will be increasingly reliant in future years on business rate income and therefore a partnership arrangement that maximises the financial return from that income for Chesterfield will clearly help with mitigating the overall financial pressures on the council.

12.0 LEGAL

- 12.1 The relevant legislation regarding combined authorities is summarised in appendix 9. However, it should be noted that with new and amended legislation in place, there are measures that have not yet been tested and Chesterfield may be the first authority to make use of some of the new powers.
- 12.2 This may mean that the council needs to take some specialist independent legal advice during the process outlined above in order to successfully make the case for the preferred option.

13.0 OTHER OPTIONS CONSIDERED

- 13.1 Section 5 includes consideration of some of the other options for Chesterfield in addition to the two described in more detail, together with reasons why these have not been explored further.
- 13.2 Whilst it is not in the gift of Chesterfield to decide, a further option has been considered and promoted in discussions with the county council. This is for the county to become a full member of the SCR CA for those parts of its geography already covered by the four non-constituent SCR members in Derbyshire. It could also then become a full member of a North Midlands CA (if established) for the remainder of its geography (at least for those areas where districts wish to become full members). The legislation now allows county areas to become full members of more than one CA for different parts of the geography of the county, recognising that administrative and economic geography do not always neatly align.

13.3 There would be a number of advantages of this option, including:

- A better fit with the economic drivers that impact on Derbyshire – Sheffield driving the economy to the north, Derby to the south
- Allowing all 4 Derbyshire districts in the overlap area to benefit from the deals already on the table at SCR (which some of them may otherwise lose out on if they decide against full membership of SCR)
- Bringing the county council round the SCR table as an equal in making decisions about how those benefits flow into Derbyshire
- Greatly strengthening SCR with the county (and all 4 districts) fully engaged and involved and helping drive the north Derbyshire economy through the current deal (and further devolution to come)
- Through clarifying the ‘overlapping geography’, helping to unlock a North Midlands deal, which in turn would bring benefits into the south of the county
- Ensuring the overlapping geography issue is resolved by local government rather than it being taken out of its hands if not resolved
- Avoiding the need for an order transferring any of the county functions to Chesterfield

13.4 However, at the time of writing the clear preference of the county council is to establish a North Midlands CA covering the whole of its area.

14.0 **RECOMMENDATIONS**

The recommendations are that Council:

14.1 Agrees to ratify the October 2015 Sheffield City Region Devolution deal.

14.2 Agrees to apply to be a full constituent member of the Sheffield City Region Combined Authority in line with the statutory process.

14.3 Agrees to apply to be a non-constituent member of a North Midlands Combined Authority, if formed.

14.4 Agrees to put in place actions to mitigate the risks of becoming a full member of the Sheffield City Region Combined Authority, as set out in section 6 of the report.

14.5 Agrees to delegate to the Leader authority to take further steps that are necessary as part of the process to put in place the above recommendations, subject to a regular report on progress being made to Cabinet and, where required, to Council.

15.0 **REASONS FOR RECOMMENDATIONS**

15.1 To secure the best prospects for the economy of Chesterfield and the benefits that growth will bring to its communities.

**HUW BOWEN
CHIEF EXECUTIVE**

You can get more information about this report from Michael Rich, Tel: 01246
345461

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

April 2013 SCR Governance Review

1. About this document

1.1. This document has been prepared by the Sheffield City Region Executive Team, on behalf of the nine local authorities that form the Sheffield City Region (SCR). This document details the findings of the Governance Review that has been undertaken under Section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and Section 82 of the Local Transport Act 2008.

1.2. Section 108 of LDEDCA provides that relevant authorities may undertake a review of the effectiveness and efficiency of transport within the area covered by the review ('the review area') and a review of the effectiveness and efficiency of arrangements to promote economic development and regeneration within the review area.

1.3. This review may conclude that a new legal body should be established if the creation of one of these bodies would be likely to improve:

- the exercise of statutory functions relating to transport in the area,
- the effectiveness and efficiency of transport in the area,
- the exercise of statutory functions relating to economic development and
- regeneration in the area, and
- economic conditions in the area.

1.4. This document is issued as part of an iterative period of consultation with all stakeholders including proposed members of the Combined Authority (henceforth called the 'SCR Authority'); the South Yorkshire Integrated Transport Authority (SYITA); neighbouring authorities; the Local Enterprise Partnership and neighbouring LEPs; Sheffield City Region MPs; other City Region public bodies; the Chambers of Commerce; the Company of Cutlers and other private sector bodies; regulatory bodies; third sector bodies as well as all relevant government departments.

1.5. This document should be read alongside the 'Scheme' for the SCR Authority – which is included at Part 2 of this document.

1.6. For further information and please contact:

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2. Executive Summary

2.1. 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 (see figure 1)². The original impetus for this collaboration was the Northern Way agenda, which was designed to unlock the potential for faster economic growth and to bridge the £30 billion output gap between the North and the rest of the United Kingdom.

2.2. This collaboration was formalised through the SCR Forum and, most recently, has taken the form of the Sheffield City Region Local Enterprise Partnership (SCR LEP) and SCR Leaders Group. 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 City Region Deal and making prudent investment decisions in relation to the Growing Places Fund and securing £25 from Round Three of the Regional Growth Fund.

2.3. Whilst increased coordination and collaboration is undoubtedly a ‘good thing’, leading to tangible benefits for all partners, it has led to the governance structures of the SCR being subject to increased local and national scrutiny. There is a general consensus that the SCR is beginning to outgrow its existing governance structures and arrangements – which have always been based on informal, voluntary partnerships without any independent legal status. Accordingly, SCR Leaders have recognised that the time is right to take SCR governance to the “next level” (i.e. from informal collaboration to joint decision making) and “put into legislation that which we [the SCR] have been doing by consent for some time”³

2.4. Governance was also a key element of the SCR City Deal in which it was stated that “subject to the formal governance review, our preference is to develop a full Combined Authority on a SCR LEP geography with all [nine] LA Leaders meeting regularly to take strategic decisions based on a common framework with agreed strategic priorities across the City Region”. The SCR City Deal was a deal with asks and offers on both sides. We have been empowered with new powers to grow economy and as part of this, we committed to exploring an alternative, stronger form of governance at city region level to enable to deliver on our commitments.

2.5. To this end, it was agreed at the SCR Leaders’ Group on 9th May and the SCR LEP Board on the 10th May 2012 that the SCR should undertake a Governance Review under s.108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and under the 2008 Transport Act. The purpose of this Governance Review 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 – including leaving existing governance unchanged, strengthening or restructuring existing governance arrangements, establishing an Economic Prosperity Board (EPB), and establishing a Combined Authority;
- recommend which option is likely to be most beneficial to the SCR.

² Barnsley Metropolitan Borough Council; Doncaster Metropolitan Borough Council; Rotherham Metropolitan Borough Council; Sheffield City Council; Bassetlaw District Council; Bolsover District Council; Chesterfield Borough Council; North East Derbyshire District Council and Derbyshire Dales Districts Council.

³ SCR Governance Review Workshop 1 - 20th July 2012

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

2.6. The SCR Governance Review has been undertaken in the context of an evolving (and overwhelmingly productive) relationship between the SCR and Government. Accordingly, the question for the SCR governance review has not just been ‘are SCR governance arrangements sufficient today?’ – rather – ‘will SCR governance structures and arrangements be sufficient to deliver the SCR’s medium to long-term ambitions?’

2.7. This document sets out the conclusions of the SCR Governance Review – most notably the headline conclusion that establishing a SCR Combined Authority (the ‘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 City Region’s economic conditions and performance.

3. This conclusion is based on three key findings explored in the remainder of this document

3.1. The rationale for the SCR Authority is based on three key findings of the SCR Governance Review:

- the 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

3.2. These economic and social benefits will arise as a direct result of improved decision making in relation to strategic economic development and transport. This will include the alignment of strategies and key decisions, alignment of funding (for example, through the Sheffield City Region Investment Fund) and the better coordination of knowledge and expertise.

3.3. The SCR Authority will also provide an Accountable Body that mirrors the geography of the SCR LEP. This will strengthen the public, private partnership which underpins the SCR – leading to better, more robust and visible decision making at this level. The SCRA authority will also underpin a number of key SCR initiatives.

3.4. Specific detail relating to the SCR Authority including: the area it will cover; its membership; voting and any executive arrangements; its functions and the way in which it will be funded are set out in the ‘Scheme’ included in Part 2 of this document. As set out in the Scheme document, it is recommended that the SCR Authority is established in accordance with the following principles:

- The SCR Authority should be lean, streamlined and focussed. The purpose of the CA will be to provide strong, stable governance and support the SCR to fulfil its huge potential. The delivery of this vision will be facilitated by attracting new powers, duties and funding to the SCR – coordination of these powers will improve the exercise of statutory functions in relation to economic development, regeneration and transport.
- In addition to this, the CA will be a mechanism by which the SCR is able to formalise areas where there is already effective collaboration (e.g. skills and inward investment). Decisions on these matters will be made in one place, by elected Leaders who are responsible for strategic direction and underwriting any risks. Specifically, taking decisions at a more appropriate spatial level will improve decision making in relation to

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

economic development and transport – leading to improved economic conditions across the SCR.

- The SCR Authority will, so far as is practicable, reflect the functional economic area or ‘real economy’ of the Sheffield City Region although, technically, the area of the SCR Authority will be South Yorkshire⁴. This is the optimal deliverable solution for the SCR.
- The SCR Authority will have nine members – the four South Yorkshire local authorities plus Bassetlaw District Council, Bolsover District Council, Chesterfield Borough Council, Derbyshire Dales District 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.
- Although only elected Leaders will have voting rights on the SCR Authority – an active role for the private sector will be maintained (including strategic leadership through the private sector-led SCR LEP). The details of these arrangements will be set out in the Constitution of the SCR Authority.

3.5. As detailed in the ‘Scheme’ document, the SCR Authority shall have the power to issue a levy to its constituent councils (i.e. the four South Yorkshire Authorities) in respect of the expenses and liabilities of the CA which are reasonably attributable to the exercise of its functions relating to transport. The amount to be raised by the levy shall be apportioned between the constituent councils on a per capita basis. Non-transport functions will be funded from a budget agreed annually by all members of the SCR Authority and apportioned as above.

3.6. The SCR Authority will require support from a small executive function. At present within the city region there are several reviews underway looking at policy and delivery functions, particularly in South Yorkshire. These studies should be mindful of this requirement from this Governance Review, ensuring that linkages are made where appropriate, but also of the principle around driving out efficiencies in the delivery of officer functions.

3.7. As detailed in the scheme which accompanies this document, the SCR Authority will have powers in relation to strategic Economic Development and Transport. As noted above, it is the intention of all partners that the SCR Authority remains a streamlined and focussed strategic commissioning body. Accordingly, only powers and duties that are immediately necessary have been outlined in the Scheme document.

3.8. Strategic Economic Development will include collaboration around functions such as SCR-level economic policy and strategy, skills, inward investment, SCR-level investment decisions (e.g. decisions relating to the Sheffield City Region Investment Fund) and decisions relating to other shared economic assets e.g. Enterprise Zone policy.

3.9. In time, and by local resolution, partners may chose to transfer additional powers to the SCR Authority. This could either be through a further Governance Review and the publication of a scheme and statutory order or by virtue of Section 107 of the Local Government Act 1972. In all cases, the transfer of such powers would require a full Council Decision from each constituent and non-constituent local authority.

4. The SCR is an ambitious City Region with untapped economic potential and robust plans for growth

4.1. As set out in the City Region Deal (MADE in Sheffield – a deal for growth)⁵ SCR has a proud history being at the very forefront of the UK’s industrial and entrepreneurial development,

⁴ Barnsley Metropolitan Borough Council, Doncaster Metropolitan Borough Council, Rotherham Metropolitan Borough Council and Sheffield City Council

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

starting with the industrial revolution and continuing to the present time. The SCR grew on the back of the steel and coal industries and, whilst manufacturing still accounts for £3.5m GVA, the SCR now has a vibrant and diverse economy with major employers including HSBC, Boeing, Rolls Royce, Forgemasters, TATA Steel, Sky, Siemens, Outokumpo, BT and many more.

4.2. The SCR also has a number of unique economic assets. The world leading Advanced Manufacturing Research Centre (AMRC) and Nuclear Research Centre (NAMRC) is the future of advanced manufacturing and nuclear manufacturing industry in the UK. Driven by Boeing, Rolls-Royce and the University of Sheffield, the AMRC/NAMRC is already having a major impact on UK manufacturing, including producing parts for the new Boeing 787 Dreamliner aircraft and for Formula One racing.

4.3. SCR is home to two world class universities bringing over 58,000 students into the City Region each year. The University of Sheffield is a world leading research university, one of the UK's Russell Group and the best performing university in Yorkshire⁶. Sheffield Hallam University is the fourth largest university in the UK and its business-focused approach means it works with major industry leaders such as Sony, Microsoft, Cisco and BP.

4.4. With a population of over 1.7 million people (with 7.6 million people living within a 35 mile radius of the City of Sheffield) and a GVA contribution of over £25.7 billion – the SCR is evidently already an area of national economic significance. However, independent economic forecasts suggest that there is untapped potential in the SCR which could deliver an extra 68,000 jobs and GVA of over £29.7bn by 2022. This would mean an additional net contribution to the Exchequer of £1,464m by 2022 and £2,924m by 2030⁷.

4.5. The public and private sectors in the SCR have forged a strong, progressive partnership focused on a shared vision of how to achieve the economic transformation SCR needs. Greater decentralisation and autonomy or 'earned devolution' is central to this vision. Public and private sector leaders have a detailed understanding of the SCR economy, where it is strong and sustainable and where there are challenges that hold the SCR back.

4.6. SCR leaders recognise that in order to deliver the SCR economic strategy and to secure greater devolution and autonomy - strong stable, visible and accountable governance will be essential. The question for the SCR governance review has therefore not just been 'are SCR governance arrangements sufficient today?' – rather – 'will SCR governance structures and arrangements be sufficient to deliver the SCR's medium to long-term ambitions?'

5. There is the potential to strengthen SCR governance

5.1. The Northern Way agenda was the original impetus for SCR-level collaboration. Based on informal, voluntary partnerships, this collaboration developed incrementally into the SCR Forum, which became the SCR Leaders' Group and SCR LEP. Today, the SCR Leaders' Group is the joint committee responsible for coordinating and progressing issues where City Region-level collaboration adds value. Sub-regional Economic Development matters are, principally, managed by the SCR LEP.

5.2. All SCR local authority Leaders are members of the SCR LEP Board. A partnership between the public and private sector in the City Region, the LEP's vision is for the SCR to

⁵ <http://www.dpm.cabinetoffice.gov.uk/resource-library/wave-1-city-deals>

⁶ Sunday Times University Guide 2013

⁷ Oxford Economics (2011) Economic Projections for Core Cities (October 2011)

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

make a greater contribution to the UK economy by having a local economy less dependent on the public sector and providing the right conditions for businesses to grow.

5.3. Beneath the LEP, a number of substructures have been established to progress specific LEP priorities and initiatives. For example, several Sector Groups⁸ represent the voice of different industry sectors and an Enterprise Zone Governance Board oversees the management of the SCR's modern manufacturing and technology focused Enterprise Zone. Sub-groups have also been set up to provide advice to the SCR LEP and Leaders' Group in relation to Regional Growth Fund applications and the allocation of the Growing Places Fund.

5.4. South Yorkshire Integrated Transport Authority is the locally accountable body responsible for the strategic direction of transport planning and delivery in South Yorkshire and the body responsible for the Sheffield City Region Transport Strategy and South Yorkshire Local Transport Plan. This work is carried out by the South Yorkshire Passenger Transport Executive, Barnsley Metropolitan Borough Council, Doncaster Metropolitan Borough Council, Rotherham Metropolitan Borough Council and Sheffield City Council and the South Yorkshire Local Transport Plan Partnership. For the non-South Yorkshire Districts – two County Councils (Derbyshire County Council and Nottinghamshire County Council) act as the Transport Authorities.

5.5. Although the South Yorkshire ITA has no formal relationship with the SCR Leaders' Group and SCR LEP, it regularly consults with them on matters of strategic significance. For example – the SCR's consultation response for the proposed devolution of funding for major transport schemes was a joint SCR LEP and ITA response. This relationship would be stronger – and more formalised with the CA in place, leading to better decision making in relation to transport issues.

5.6. This coordination and collaboration has conferred significant benefits to all SCR partners. For example, the SCR has been able to:

- Secure an advanced manufacturing and technology focussed Enterprise Zone – one of only nine sites nationally to benefit from business rate relief and enhanced capital allowances (recognised as the number-one Enterprise Zone in the UK)⁹.
- Make prudent investment decisions regarding the SCR's Growing Places Fund allocations.
- Develop a coordinated sub-regional approach to attracting inward investment.
- Work collaboratively to develop strong sub-regional proposals and propositions e.g. our ambitious Regional Growth Fund programme bid 'Unlocking Business Investment' secured £25 million from RGF Round 3 and is one of the best performing Round 3 programmes.
- Secure a City Region Deal which will result in the devolution of greater powers (and with it control over funding) in relation to skills, transport and financial tools for growth. The City Region Deal, predicated on formalising SCR governance, represents the beginning of a sustained dialogue with Government.

5.7. Whilst increased coordination and collaboration is undoubtedly a 'good thing', leading to tangible benefits for all partners, it has led to the governance structures and arrangements of the SCR being placed under increased local and national scrutiny (internal and external drivers of the SCR Governance Review). In terms of internal drivers for change, it is recognised that

⁸ <http://www.sheffieldcityregion.org.uk/about/sector-groups/>

⁹ <http://www.sheffieldcityregion.org.uk/2012/07/1-ranking-for-enterprise-zone/>

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

the SCR is close to the limit of what can be achieved through a voluntary, non-statutory partnership for the following reasons:

- As a non statutory body – the SCR Leaders’ Group or the SCR LEP are dependent on agreements by or delegations from its constituent authorities. This slows down the implementation of board decisions and could create ambiguity as to when a decision is a decision (or merely an agreement in principle, which is subject to further ratification).
- There is currently no formal link between decision making in relation to economic development (including inward investment, skills and spatial planning), regeneration and transport. Hence, it is more challenging for decisions to be aligned in a way that secures maximum economic and social benefit.
- There is some ambiguity and overlap between the roles and functions of various sub-regional bodies e.g. the distinction between the SCR Leaders’ Group and the LEP or between the LEP and its substructures. Strengthening and clarifying these relationships would also have the desirable effect of increasing the transparency and accountability of local decision making.
- The voluntary partnership between local authorities is not sufficient to underpin the SCR’s medium to long-term ambitions. The SCR requires a single, stable, democratically accountable body able to take a strategic, City Region view of an issue.

5.8. In terms of external drivers of the SCR governance review - the devolution of funding for major transport schemes, the SCR City Region Deal and Northern Rail Devolution are all predicated on the strengthening of SCR governance. It is recognised that more formal and robust arrangements will lead to a process of ‘earned devolution’ – where greater local autonomy will follow strengthened governance and a track record of local competence.

5.9. The absence of more formal arrangements therefore compromise the SCR’s medium to long-term ambition of greater autonomy and ‘earned devolution’ – which is unacceptable given our local ambitions and capacity to deliver. These arrangements are detrimental to the economic performance of the SCR.

6. Establishing the SCR Authority is the legal option most likely to deliver lasting economic and social benefits

6.1. As noted in the IPPR North Report: Governance and Leadership¹⁰ - good governance matters for two key reasons. The first relates to the need to manage and support economic development in an effective way. Collaboration across boundaries helps to ensure that maximum return on investment is being achieved, and that public policy has a keen impact (OECD 2009). The second reason relates to questions of transparency and accountability for decisions taken. This includes having the mechanisms in place to make tough, binding decisions at a level that reflects the functional economic geography of an area.





6.2. Having established that there is a compelling case to strengthen SCR governance – the SCR Governance Review has considered the pros and cons of the various models of governance that could be implemented in the SCR. The four options considered in detail have been (1) ‘do nothing’ (2) undertake an informal restructure (3) create an Economic Prosperity Board (4) establish a SCR Combined Authority (in some form).

6.3. The headline recommendation of the SCR Governance Review is that establishing the SCR Authority is the optimal solution to the issues and opportunities set out in this document. A

¹⁰ http://www.ippr.org/images/media/files/publication/2012/06/governance-leaderships_June2012_9338.pdf

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

summary of the rationale for this strong recommendation is summarised figure 2 below and in the remainder of this document.

Option	Evaluation	Discussion
“Do nothing”		<ul style="list-style-type: none"> • Fails to address issues raised during the Governance Review. (Section 5). • Limits longer-term ambitions of SCR.
Informal restructure		<ul style="list-style-type: none"> • SCR already stretching boundaries of an informal, non-statutory partnership. • Still dependent on agreement / delegations from constituent authorities i.e. eight decisions rather than one. Creates unnecessary ambiguity and delay. • Not sufficient to meet SCR’s longer-term ambitions e.g. in relation to the SCR Investment Fund.
EPB		<ul style="list-style-type: none"> • Economic Prosperity Board – more limited version of the Combined Authority. • Fails to align decision making around <i>strategic</i> economic development and transport.
Combined Authority		<ul style="list-style-type: none"> • Optimal legal model for the SCR. • Flexible – can be tailored to meet local requirements. • Option best suited to underpin the medium to long-term ambitions of the SCR.

6.4. The ‘do nothing’ option was discounted on the basis of the reasons set out in section five above. Failure to strengthen SCR governance will compromise the medium to long-term ambitions of the SCR and therefore be detrimental to the future economic performance of the region. Specifically, failure to formalise SCR governance will mean that the 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.

6.5. The ‘do nothing’ option would also be a missed opportunity to better align decision making around strategic economic development, transport and regeneration.

6.6. The second option (informal restructure) has also been discounted. This is on the grounds that, like the Manchester City Region prior to the development of the Greater Manchester Combined Authority¹¹, the 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.

6.7. SCR Leaders’ recognise that only a statutory body with a legal personality in its own right will be strong enough to lead the collaboration between SCR local authorities and form the necessary legal relationships required going forward.

6.8. Similar to the ‘do nothing’ option, an informal restructure is also unlikely meet the expectations of Government – both now and as the SCR seeks further devolution and autonomy. The recent Government response to the review by Lord Heseltine emphasises this point stating that “where places have not yet made the transition to effective governance and joint working across the LEP area, there will be central controls on how the Single Local Growth

¹¹ <http://www.agma.gov.uk/gmca/index.html>

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

Fund can be spent, based on the strategic plan and discussion process described above, and a greater emphasis on central monitoring and evaluation”¹².

6.9. Only a statutory partnership will also provide the necessary certainty, stability and democratic accountability to allow for long-term strategic decisions to be made at an SCR-level. This includes supporting the SCR to make decisions that whilst ‘tough’ - are in the long-term interests of the region. A statutory partnership also has the added advantage of being able to enshrine certain principles into the governance structures of the SCR e.g. an active role for the private sector.

6.10. Having considered the tests set out in LEDEDCA, a Combined Authority is deemed to be the optimal legal model for the SCR. The Combined Authority model has been preferred to an Economic Prosperity Board because of the overwhelming benefits of aligning decision making in relation to strategic economic development and transport under one strategic body. The Combined Authority model is also the preferred option of Government – hence, the likely shared benefits of ‘earned devolution’ going forward.

6.11. As set out above, this legally independent body should act as the accountable decision making body for matters of SCR significance (and where SCR-level collaboration is desirable and adds value) delegating powers and duties subcommittees as is appropriate. The SCR Authority should also act as the Accountable Body for SCR funds and investments – a far more efficient process than one local authority acting as Accountable Body for the whole City Region and relying on secondary agreements and guarantees. The SCR Authority will strengthen the effective partnership that exists between the public and private sector – leading to aligned decision making and improved economic outcomes.

**Sheffield City Region Executive Team
April 2013**

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

Part two – April 2013 Scheme for the establishment of a Sheffield City Region Combined Authority

Section 1 – Intention to establish Sheffield City Region Combined Authority

1. Establishment of Authority

1.1. A Combined Authority (“SCR Authority”) shall be established pursuant to Section 103 of the Local Democracy, Economic Development and Construction Act 2009 (“LDEDCA”).

2. Dissolution of South Yorkshire Integrated Transport Authority (SYITA)

2.1. The South Yorkshire Integrated Transport Authority (‘SYITA’) shall be dissolved, pursuant to Section 91 of the Local Transport Act 2008 (‘LTA2008’).

3. Name of Authority

3.1. The name of the SCR Authority shall be the Sheffield City Region Authority.

4. Membership of Authority

4.1. Membership of the SCR Authority will be drawn from the constituent and non-constituent councils listed below:

Barnsley Metropolitan Borough Council

Doncaster Metropolitan Borough Council

Rotherham Metropolitan Borough Council

Sheffield City Council

(“constituent councils”)

Bassetlaw District Council

Bolsover District Council

Chesterfield Borough Council

North East Derbyshire District Council

Derbyshire Dales Districts Council

(‘non-constituent councils’)

5. Area of Authority

5.1. The SCR Authority area shall be the whole of the following four local government areas:

Barnsley Metropolitan Borough Council

Doncaster Metropolitan Borough Council

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

Rotherham Metropolitan Borough Council

Sheffield City Council.

5.2. The constituent councils will appoint six elected members¹³ to the SCR Authority. Each constituent council will appoint one member. In addition, each year, by equal rotation, two of the constituent councils will each appoint a second member, such second member appointment to be for a one year term¹⁴.

5.3. The Executive of each non-constituent council will appoint one elected member each to the SCR Authority.

5.4. Membership of the SCR Authority will be a decision of the Executive of each council¹⁵.

5.5. To maintain the status of the SCR Authority being a “Leaders’ Board” there will be a protocol that each constituent and non-constituent council appoint its Leader or elected Mayor to the SCR Authority. In addition to this, there will be a protocol that the two additional second member constituent council appointments will be nonvoting members and will not regularly attend meetings of the SCR Authority (see section 10.7 below and footnote 1).

5.6. The Executive of each constituent and non-constituent council shall each appoint another of its elected members to act as a member of the SCR Authority in the absence of the elected member appointed under paragraph 5.2 and 5.3 above (“substitute member”). This elected member must be drawn from the cabinet of that council¹⁶.

5.7. The Executive of a constituent or non-constituent council may at any time terminate the appointment of a member or substitute member appointed by it to the SCR Authority. Appointment and reappointment of a new member will be an executive decision of each constituent and non-constituent Council¹⁷.

5.8. Where a member or substitute member of the SCR Authority ceases (for whatever reason) to be an elected member of the council that appointed them, the elected member shall cease to be a member of the SCR Authority, and the Executive of the relevant council shall appoint a replacement member as soon as practicable.

5.9. The SCR Authority shall, in each year, appoint a Chair (and Vice-Chair(s)) from among its members. The appointments shall be the first business transacted at the first meeting of the SCR Authority.

5.10. No remuneration shall be payable by the SCR Authority to its members (other than allowances for travel and subsistence).

5.11. The SCR Authority may co-opt additional, non-voting representatives from, for example, from the SCR Local Enterprise Partnership Board¹⁸.

6. Voting

6.1. The constituent council members of the SCR Authority shall have one vote each.

¹³ Note: it is a requirement of LDEDCA that the majority of members are drawn from the constituent authorities of the CA

¹⁴ Note: to be determined how the rotation of appointing 2 members will operate. Examples, the CA could determine at its first meeting, or the face of the Order could specify

¹⁵ This assumes the council is operating executive arrangements

¹⁶ This assumes the council is operating executive arrangements.

¹⁷ This assumes the council is operating executive arrangements

¹⁸ Note: such representation will always be non-voting as such representatives are not members. This is also the mechanism by which County Councils may be represented in the future

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

6.2. The Chair of the SCR Authority shall not have a second or casting vote. Subject to the provisions of any enactment, all questions coming or arising before the SCR Authority shall be decided by a simple majority of the members of the SCR Authority present and voting.

6.3. In the case of a tied vote or any motion or amendment, the reasons for the failure to agree will be passed to SCR Chief Executives Group who can then work with their officers to identify if the issues can be resolved before being reconsidered, and voted upon, at the SCR Authority. Should a second vote remain tied, then the motion shall be deemed to be lost.

6.4. Members from the non-constituent councils will, in accordance with section 85(4) LTA2008, be non-voting members of the SCR Authority. The constituent council members may, in accordance with section 85(5) LTA2008, resolve to extend the voting rights on defined matters to all or any of the non-constituent council members¹⁹.

7. Executive Arrangements

7.1. Executive arrangements (within the meaning of the Local Government Act 2000) shall not apply to the SCR Authority. However, the discharge of the functions of the SCR Authority will be subject to the scrutiny arrangements set out in section 9 below.

8. Transport for Sheffield City Region

8.1. The SCR Authority shall have an operational transport body, 'Transport for Sheffield City Region Executive' (TfSCRE), to exercise its operational transport functions. TfSCRE shall have all the functions necessary for it to discharge such functions on behalf of the SCR Authority.

9. Scrutiny Arrangements

9.1. The nine local authorities of the Sheffield City Region will establish a joint overview and scrutiny committee to exercise scrutiny functions over the SCR Authority (including, where appropriate, the SCR Authority's sub-boards). Each constituent and non-constituent local authority will appoint one elected member to the joint overview and scrutiny committee²⁰.

Section 2 – Functions, powers and duties of the CA

10. The function of the SCR Authority

10.1. The purpose of the SCR Authority is to 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.

10.2. The SCR Authority will have powers in relation to Strategic Economic Development. Unless otherwise stated, these powers will be exercised by the SCR Authority on a concurrent basis i.e. no powers have been "ceded" to the SCR Authority from its members. Strategic Economic Development means functions such as:

- 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

¹⁹ Note: it is considered that one manner of doing this would be to resolve at the beginning of any meeting of the CA those matters that the non-constituent council members may vote upon. It is the intention of the constituent members to extend voting rights to the all nonconstituent members

²⁰ Note: the scope and remit of any such joint committee to be determined by the nine SCR councils

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

- Making decision in relation to the uplift from Enterprise Zone business rates
- Setting the SCR for Growth Strategy
- Coordinated inward investment activity.

10.3. The SCR Authority will have the benefit of well being powers which are specifically reserved to Combined Authorities by the LDEDCA 2009 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.

10.4. There may be further advantages in also securing the use of the General Power of Competence for the SCR Authority to provide for maximum flexibility in being able to deal with economic development and regeneration issues. Accordingly, the SCR Authority requests that the Secretary of State exercises his powers under section 87 of the Local Transport Act 2008 so as to provide that the Authority has been delegated the General Power of Competence under section 1 of the Localism Act 2011.

10.5. The transport functions of SYITA will be transferred to the SCR Authority. All functions conferred or imposed on the SYITA by any enactment relating to the functions of SYPTTE shall be exercisable by the SCR Authority in relation to its executive body (TfSCR).

10.6. 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 LTA2008 and Section 104(1)(b) LDEDCA. Such functions shall be exercised subject to any condition imposed by the order.

10.7. In addition to the above, the SCR Authority will have the following specific powers exercisable concurrently with the constituent and non-constituent councils. These are viewed as complementary to the broader powers to address economic development identified above:

- 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), 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) of the 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 to the achievement of sustainable development in the United Kingdom) 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.

10.8. These powers will be supplemented by operating “protocols” agreed locally by the SCR Authority and councils. These protocols will include:

- That members of the SCR Authority (i.e. constituent and non-constituent councils) will not act in a way that directly contradicts a decision made by the SCR Authority.
- That the two additional members drawn from South Yorkshire members on a rotating basis (described at 5.2) will be non-voting members and will not routinely attend meetings of the SCR Authority.
- That the member appointed by each local authority to the SCR Authority will be the Leader or Mayor of that council.

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

10.9. As detailed in the Governance Review document – the constituent and constituent councils of the SCR Authority may, in time, choose to delegate additional powers by virtue of Section 101 of the Local Government Act 1972. These will be executive functions given the remit of the SCR Authority and it will therefore be a decision for the Executive to delegate any further powers to the SCR Authority.

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

Section 3 – Funding and transfer of property, rights and liabilities

11. Funding

11.1. The SCR Authority, as a levying body under Section 74 of the Local Government Finance Act 1988, shall have the power to issue a levy to its constituent councils in respect of the expenses and liabilities of the SCR Authority which are reasonably attributable to the exercise of its functions relating to transport. The amount to be raised by the levy shall be apportioned between the representative authorities on a per capita basis.

11.2. 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. The CA will agree an annual budget for the purpose of this expenditure²¹.

12. Transfer of Property, Rights and Liabilities

12.1. All property, rights and liabilities of SYITA existing at the transfer date shall transfer to the CA, including rights and liabilities (if any) in relation to contracts of employment.

Section 4 – Substructures and internal scheme of delegation

13. Joint Committee – Transport for SCR Board

13.1. The CA and the constituent councils will enter into joint arrangements under Section 101(5) of the Local Government Act 1972, Section 20 of the Local Government Act 2000 and Regulations 4, 11 and 12 of the Local Authorities (Arrangements for Discharge of Functions) (England) Regulations 2000 for the discharge of specified transport functions which will include the establishment of a joint committee to be called the Transport for SCR Board ('TfSCRB').

14. SCR Local Enterprise Partnership

14.1. The Sheffield City Region has a strong LEP Board that brings together elected leaders with representatives from the private sector. Such a board is seen as critical for the promotion and facilitation of economic growth in the City Region.

14.2. This board (or its successors as required by Government) will work alongside the SCR Authority, as well as discharging the practical decision making role in respect of certain functions as required by Government and/or the SCR Authority. The SCR Authority would act as the LEP's 'accountable body' for the holding of LEP funding streams.

²¹ Note: funding to be considered

Appendix 1 – Sheffield City Region 2013 – Governance Review and Scheme

14.3. It is intended that the SCR Local Enterprise Partnership would be a lead advisory body to the SCR Authority – including providing leadership of particular SCR projects and workstreams. This will “hardwire” a role for the private sector into the leadership of the Sheffield City Region – something that makes the SCR distinctive and unique.

15. Other Arrangements

15.1. The SCR Authority may establish sub-structures and sub-committees and delegate powers and functions as is appropriate.

Appendix 2 – Sheffield City Region Devolution Deal

The following is the text of the deal document published in October 2015 and signed by the Chancellor of the Exchequer, Commercial Secretary, Chair of SCR LEP, Chair of SCR CA and Leader of Barnsley MBC, Leader of Sheffield City Council, Leader of Rotherham MBC and Deputy Mayor (on behalf of Mayor) of Doncaster MBC.

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.

Appendix 2 – Sheffield City Region Devolution Deal

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.

Appendix 2 – Sheffield City Region Devolution Deal

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 2017²². 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.
 - 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

²² 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.

Appendix 2 – Sheffield City Region Devolution Deal

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.

Appendix 2 – Sheffield City Region Devolution Deal

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.

Appendix 2 – Sheffield City Region Devolution Deal

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.

Appendix 2 – Sheffield City Region Devolution Deal

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.

Appendix 2 – Sheffield City Region Devolution Deal

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.

Appendix 2 – Sheffield City Region Devolution Deal

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

Appendix 2 – Sheffield City Region Devolution Deal

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.

Appendix 2 – Sheffield City Region Devolution Deal

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.

SCR Devolution Consultation:

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.

Appendix 3 –summary of responses to consultation on SCR deal

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”²³.

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’ project²⁴
- **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.

²³ 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

²⁴ University of Sheffield’s Crick Centre (2016) *Citizens’ Assembly North*, <http://citizensassembly.co.uk/home-page/sheffield/>

Appendix 3 –summary of responses to consultation on SCR deal

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.

Appendix 3 –summary of responses to consultation on SCR deal

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

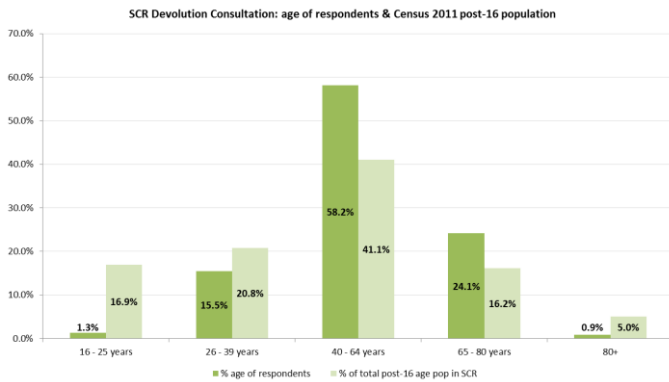


Fig 4: Consultation respondents by type

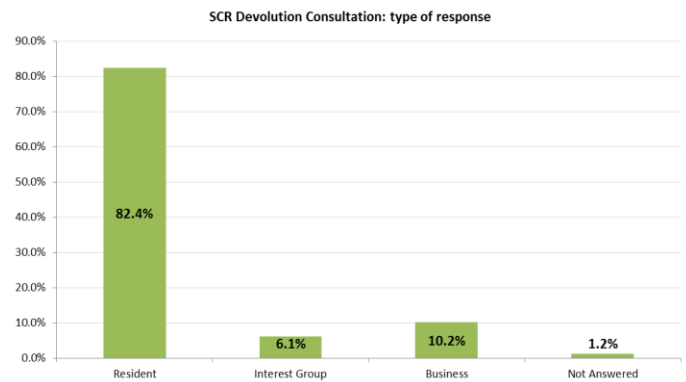
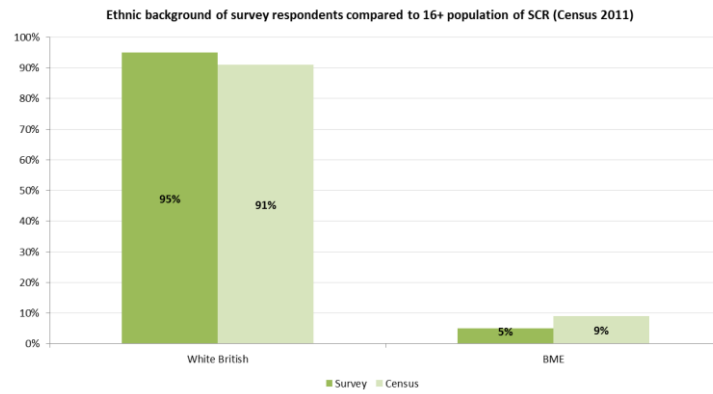


Fig 5: Consultation respondents by ethnic heritage



25

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.

Appendix 3 –summary of responses to consultation on SCR deal

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:

- **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.

“I’d like to know more about how exactly the mayor, will be voted for. Specifically in terms of the voting system used and (if applicable) any boundaries / zones used as part of this”.

“How do communities become directly involved in these opportunities? Economic development will need to be accompanied by meaningful community development to support our poorest communities”.

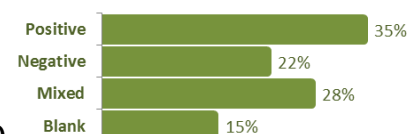
“How much of the money will actually trickle down to benefit directly Chesterfield residents lives”?

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



Appendix 3 –summary of responses to consultation on SCR deal

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:

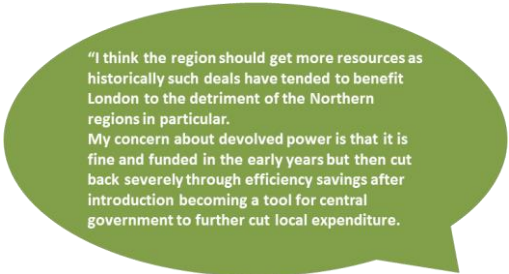
- **Governance and geography** – concerns about the potential for new layers of 'bureaucracy'; preference for a wider Yorkshire geography; whether the public and the private sector will be fully involved in decision making; and questions about how much real autonomy SCR will have
- **Local decision making 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.



"The Chamber is strongly in favour of devolving power from the centre to regions and localities".



"Transport should be left to local government and look to bring in manufacturing businesses, take over adult education for skills in the work place, create more work especially for young adults as well as those who are older and have been made redundant"



"I think the region should get more resources as historically such deals have tended to benefit London to the detriment of the Northern regions in particular. My concern about devolved power is that it is fine and funded in the early years but then cut back severely through efficiency savings after introduction becoming a tool for central government to further cut local expenditure.

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:

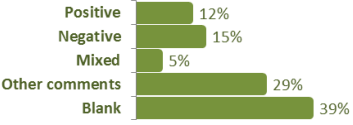
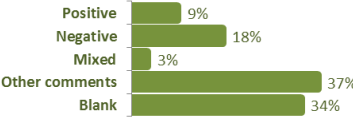
Appendix 3 –summary of responses to consultation on SCR deal

- **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
Positive	11%										
Negative	24%										
Mixed	6%										
Other comments	21%										
Blank	38%										

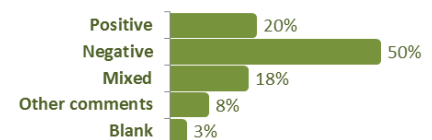
Appendix 3 –summary of responses to consultation on SCR deal

	<ul style="list-style-type: none"> Concerns about how the money will be managed and whether all areas will benefit (eg. SY or all SCR districts; urban v rural) 												
<p>Business growth</p>  <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <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> </tbody> </table>	Response	Percentage	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.
Response	Percentage												
Positive	12%												
Negative	15%												
Mixed	5%												
Other comments	29%												
Blank	39%												
<p>Housing and planning</p>  <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <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> </tbody> </table>	Response	Percentage	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 from respondents 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.
Response	Percentage												
Positive	9%												
Negative	18%												
Mixed	3%												
Other comments	37%												
Blank	34%												

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

Appendix 3 –summary of responses to consultation on SCR deal

- 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.

Appendix 3 –summary of responses to consultation on SCR deal



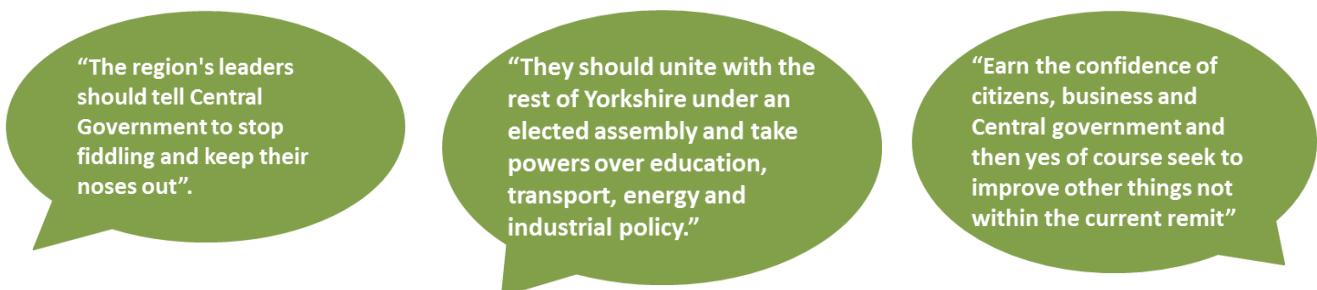
Further devolution to SCR

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.

“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:

Appendix 3 –summary of responses to consultation on SCR deal

- **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 4 – draft governance arrangements for a North Midlands Combined Authority

This was a preferred option following discussion at a D2N2 Leaders meeting on 11th February, acknowledging it is an early working draft and will require further work before being taken forward for a formal decision.

All District Leaders are allocated a Portfolio to reflect the significance of each subject matter in the Draft Devolution Agreement. Their role would be to support, advise and be part of decision making where appropriate (see below):

- Employment
 - Skills
 - Apprentices
 - Housing Growth
 - Joint Assets Board
 - Planning
 - SMART Commission
 - Fast Broadband
 - Transport
 - Key Route Network (Roads)
 - HS2
 - Traditional Rail
 - Business Growth/Innovation
 - Trade and Investment
 - Free Trade and Enterprise Zones
- There are 4 Boards that would be making decisions within the constitutional framework approved by the Combined Authority:
 - Employment and Skills
 - Housing, Planning and SMART Infrastructure (some of the decisions would be exercisable only by the Mayor or under their delegation)
 - Transport (majority of decisions here would be exercisable only by the Mayor (or under his/her delegation) so it would be predominantly one of a support and advice role)
 - Enterprise
 - Each Board would have a Terms of Reference which would identify other potential Board members such as private sector, universities, voluntary and community sector etc.
 - Below the Board level use could be made of existing arrangements where considered appropriate so it is not reinventing the wheel.
 - Each Board to be chaired by City or County Leader except Transport which is chaired by the Mayor given their significant Transport responsibilities in the Draft Devolution Agreement.

Appendix 4 – draft governance arrangements for a North Midlands Combined Authority

- The District Leaders are members of the Board relevant to their portfolio. So for example the District Leaders with portfolios for employment, skills and apprentices sit on the Employment and Skills Board.
- Any decisions to be taken by each Board can only be those that are within the framework of the decisions taken by the Mayoral Combined Authority in relation to none Mayoral functions. So for example if Combined Authority Strategies and Spending Plans are approved at the Combined Authority, Boards can only take decisions within that approved framework. A specific example would be for instance a decision on whether to approve a Skills Strategy and associated spending plans would be taken at the Combined Authority. The Employment and Skills Board would then be able to take decisions within that approved Skills Strategy and associated spending plans. Voting methods at Board level will have to be determined i.e. majority or unanimous with any decision not agreed going back to the Combined Authority for consideration.
- The first task of each Board could be to produce a Delivery Plan that aligns to the Strategy and Spending Plan approved by the Combined Authority for that particular Board. These Delivery Plans could then be approved by the Combined Authority prior to each Board being able to make decisions (on none Mayoral functions) within that approved framework.
- The Public Service Review Board would be chaired by a City or County Leader but would not be a decision making body. It would largely be a research, ideas, concepts, investigatory body that would report into the Mayoral Combined Authority for decision making. This reflects the requirement of the Devolution Bill which requires the consent of the Combined Authority and a Statutory Instrument to Parliament.
- Membership would be drawn from relevant areas depending on the policy area being considered and could be open to any Leader on the Combined Authority.
- If the Mayor is to undertake the PCC role then there will have to be recognition of the fact that there will be a Deputy PCC Mayor and a Police and Crime Panel (possibly two if left separate for Nottinghamshire and Derbyshire).
- The Mayoral Combined Authority would be the Key Decision Making Body such that any decisions taken at the Boards (i.e. none Mayoral matters) are only within the framework approved by the Combined Authority.
- Any decisions on Public Service Review would be at the Combined Authority level.
- The Mayor will have devolved powers identified in the Draft Devolution Agreement (notably transport and Investment funds), to be included in the Statutory Order and will also be able to delegate to other members of the Combined Authority.

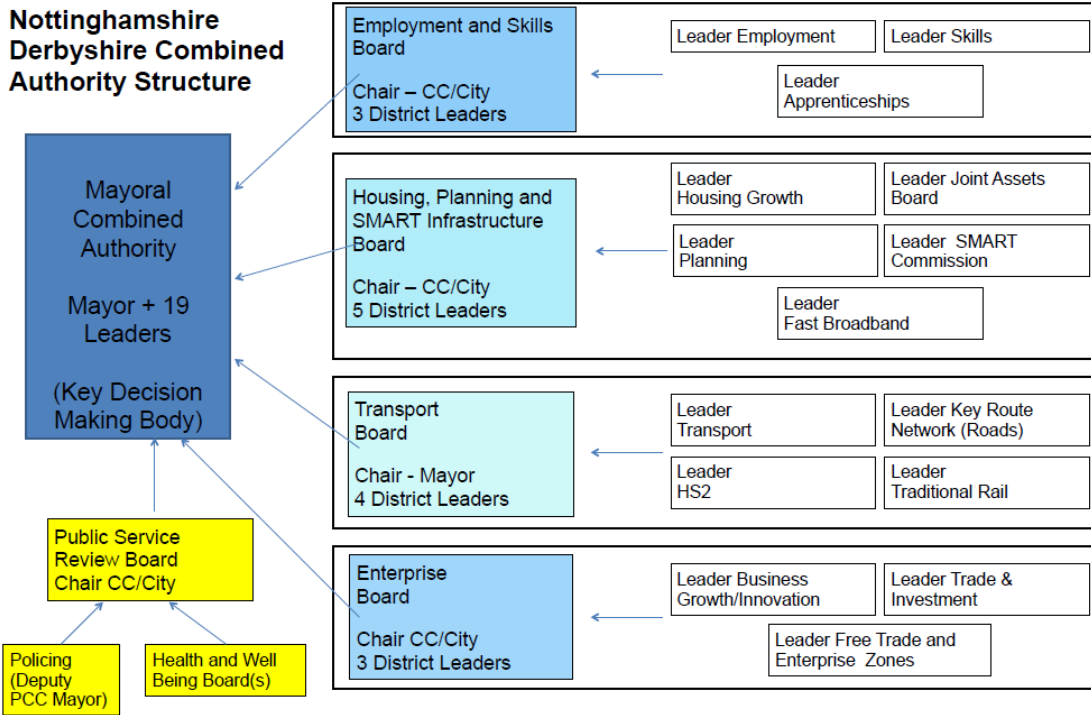
Appendix 4 – draft governance arrangements for a North Midlands Combined Authority

Option 2

Decision Making within CA approved framework

District Leader Portfolios

Nottinghamshire Derbyshire Combined Authority Structure



Appendix 5 – North Midlands Devolution Deal proposal

This proposal is the latest version available. It is a deal proposal put forward by North Midlands, not an agreed deal. Those sections in red represent areas that NM consider require further discussion with government, a process actively underway.

Overview: North Midlands' Devolution Deal

This document sets out the terms of an agreement between the government and the leaders of the city, county, district and borough councils of Nottinghamshire and Derbyshire and the Local Enterprise Partnership (LEP) - D2N2. The deal sees the devolution of a range of powers and responsibilities to a new North Midlands Combined Authority (the Combined Authority) which would be led by a new, directly elected Mayor (the Mayor).

Building on the Nottingham City Deal agreed in 2012 and the Growth Deals (agreed in July 2014 and January 2015) this devolution agreement marks the next step in the transfer of resources and powers from the government to the North Midlands paving the way for further devolution over time.

The 19 councils of Nottinghamshire and Derbyshire have made significant progress in a short space of time, collaborating around an ambitious devolution deal and driving forward proposals for a single North Midlands' Combined Authority over a large and complex geography.

The Mayor will be established as part of the overall governance arrangements, working as chair of the new Combined Authority (subject to parliamentary approval) and as Vice Chair of D2N2LEP. The Mayor and the Combined Authority will be subject to local democratic scrutiny and mayoral elections will take place in 2017. **The roles of the Nottinghamshire and Derbyshire Police and Crime Commissioner will be merged with that of the new Mayor, subject to the enactment of the necessary legislation. All local stakeholders will develop a shared business plan to implement these changes.**

The deal that has been negotiated provides for the transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from government to the Mayor and the Combined Authority. It will enable the Mayor, working with the Combined Authority, to create an investment fund of up to £x million to support economic development.

Where other or subsequent devolution deals agree powers, functions or funding that were originally proposed for inclusion but that are not included in this deal, then government commits to providing such powers, functions and funding to this area. Further powers may be agreed over time and included in future legislation.

Devolution will deliver new opportunities for the people of the Nottinghamshire and Derbyshire. It will help the Combined Authority to meet the LEP's Strategic Economic Plan to create 55,000 new jobs and 77,000 new homes. The Combined Authority will create a radical new approach to enhancing employment and skills, with devolved responsibility for adult skills funding and design of the National Work and Health Programme for harder-to-help claimants. The Mayor and North Midlands' Combined Authority will drive economic growth across the whole region, framed around the four targeted geographies of city/metro areas, rural communities, former coalfield and industrial areas and market towns.

Appendix 5 – North Midlands Devolution Deal proposal

Table 1: Powers held by the Mayor and The Combined Authority

<p>The Mayor will be the Chair of the Combined Authority. Alongside the Combined Authority, the Mayor will provide overall leadership and will be directly accountable to the Nottinghamshire and Derbyshire electorate. They exercise new powers as set out in this deal:</p>	<ul style="list-style-type: none"> • control over a new housing investment fund; • a devolved transport budget • franchising of bus services • responsibility for a new key route network of strategic roads • the powers and responsibilities of the existing Police and Crime Commissioners • Chair of the new Joint Assets Board; • control over the £xm a year investment fund.
<p>The Combined Authority will be responsible for any existing functions of local government which are exercised concurrently with constituent councils. The Combined Authority will receive additional powers over:</p>	<ul style="list-style-type: none"> • control of grants to deliver more apprenticeships • an area based review of 16+ skills provision • 19+ adult skills funding from 2018/19 • responsibility for a devolved approach to business support, including further responsibility for UKTI UK exports advice service • design of the National Work and Health Programme • additional powers for certain parts of public service reform.

Governance

1. The proposal for a Mayoral Combined Authority (as defined in The Cities and Local Government Devolution Act 2016) is subject to necessary consultation, the final formal consent of the constituent councils and the agreement of ministers. It is also subject to the enactment of the necessary primary legislation and parliamentary approval of the secondary legislation implementing the provisions of this agreement.
2. As part of this agreement, the local authorities of Nottinghamshire and Derbyshire will establish a single Combined Authority across the two county geographies with a Mayor. The area of the Mayoral Combined Authority will be that of the constituent councils of Nottingham and Derby City Councils, Nottinghamshire and Derbyshire County Councils, the seven district and borough councils in Nottinghamshire (Ashfield, Bassetlaw, Broxtowe, Gedling, Mansfield, Newark and Sherwood and Rushcliffe) and the eight district and borough councils in Derbyshire (Amber Valley, Bolsover, Chesterfield, Derbyshire Dales, Erewash, ,High Peak, North East Derbyshire and South Derbyshire.
3. A Mayor will be elected by the local government electors for the areas of the constituent councils of the (to be established) Combined Authority. Subject to the passage of the necessary legislation through parliament, the first election will be held in May 2017.
4. **The Combined Authority will comprise one member from each of the constituent authorities and the Mayor. All of the constituent authority leaders will fulfil a leadership role for the Combined Authority.**

Appendix 5 – North Midlands Devolution Deal proposal

5. In addition, a representative of the D2N2LEP will be a non-constituent member on the Combined Authority recognising the importance of the private sector in delivering North Midlands' growth strategies. Similarly, the Peak District National Park will also be a non-constituent member of the Combined Authority.
6. The Mayor will be the Chair of the Combined Authority and will exercise the devolved powers as set out in Table 1. However, the Mayor and the Combined Authority will be required to be scrutinised and held to account by the Overview and Scrutiny Committee. The Mayor will also be required to consult the Combined Authority on his/her strategies. The Combined Authority may reject proposed strategies if two-thirds of the members agree to do so. The Combined Authority will also examine the Mayor's spending plans and will be able to amend his/her plans if two-thirds of the members agree to do so. The Combined Authority will act as a supporting and advisory function to the Mayor in delivering these responsibilities and the Mayor will, at his/her discretion, be able to delegate these functions to members of the Combined Authority.
7. Proposals for decision by the Combined Authority may be put forward by the Mayor or any Combined Authority Member. The mayor will have one vote as will other voting members. Any matters that are to be decided by the Combined Authority are to be decided, by straight forward majority of all members present and voting; unless otherwise specifically delegated through the Combined Authority's Constitution or where it is agreed that specific matters will be reserved for unanimous or constituent member majority voting only. For Example, regarding Spatial Vision, this will require unanimous agreement.
8. The Combined Authority will act as a supporting and advisory function to the Mayor and the Mayor will, at his/her discretion, be able to delegate these functions to members of the Combined Authority.
9. To aid more efficient decision making, executive boards will be established with delegate decision making powers from the Combined Authority in respect of non-mayoral functions. Powers may be invested in nominated members sitting on these boards at the Mayors discretion.
10. Other key stakeholders will be invited to attend relevant meetings of the Combined Authority and its executive boards to enable the provision of expert advice.
11. Any transfer to the Combined Authority or Mayor of existing powers or resources currently held by the constituent authorities must be by agreement of all constituent members.
12. The Mayor will also be a member and vice Chair of the D2N2LEP, alongside the other representative members of the Combined Authority.
13. In the transition period, the Government and the constituent councils will work together to transfer appropriate functions and powers necessary to enable delivery in advance of the North Midlands' Combined Authority being established.

Appendix 5 – North Midlands Devolution Deal proposal

Skills

14. The government will allow local commissioning of the 19+ Adult Skills budget, starting in academic year 2016/17 and will fully devolve budgets to the Combined Authority from academic year 2018/19 (subject to readiness conditions). These arrangements do not cover apprenticeships.
15. Devolution will proceed in three stages, across the next three academic years:
 - a. Starting now, the Combined Authority will begin to prepare for local commissioning. It will support development of a series of Delivery 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 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 Based Review, the government will work with the Combined Authority to vary the 19+ block grant allocations made to providers, within an agreed framework.
 - c. From 2018/19, there will be full devolution of 19+ funding. The 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.
16. The readiness conditions for full devolution are:
 - 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 Based Review process leading to a sustainable provider base.
 - c. After Area Based 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.
17. Government encourages strong dialogue between the Combined Authority and local employers to ensure that local employment priorities are integral to the provision of careers advice and enable local needs to be met, building on the D2N2 Employability Framework. The Combined Authority will lead a review of careers advice provision available across the area to identify local priorities and gaps in provision. In particular, government will encourage the involvement and collaboration of the Combined Authority

Appendix 5 – North Midlands Devolution Deal proposal

in the design of local careers and enterprise provision for all ages, including collaboration on the work of the Careers and Enterprise Company and the National Careers Service.

18. The government commits to an Area Based Review of 16+ education and training across the Combined Authority area. 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 16+ education and training provision in the initial analysis phase.
19. Recommendations will be focused on general Further Education and sixth form colleges. However, the Regional Schools Commissioner and the relevant local authorities will consider any specific issues arising from the analysis for school sixth form provision.
20. The Combined Authority will work in partnership with employers, colleges and providers to review and update the existing local skills strategy so that it underpins the outcome of the area based review. This will help ensure that 16+ providers are delivering the skills that local employers require. The Combined Authority will then collaborate with colleges and providers, with appropriate support from the Education Funding Agency, to deliver that strategy.
21. Government will facilitate joint Delivery Agreements with providers in areas covered by more than one Area Based Review.

Apprenticeships

22. The Combined Authority will assume responsibility for the Apprenticeship Grant for Employers (AGE). Funding is confirmed until the end of the 2016/17 academic year. The AGE funding must be used alongside mainstream apprenticeship participation funding to incentivise employers to offer apprenticeships, but the Combined Authority is free to vary the criteria associated with the grant (e.g. the size and sector of business) to meet local needs. The Skills Funding Agency will work with the local area to identify an appropriate share.
23. The Combined Authority will collaborate with employers and the government to maximise the opportunity presented by wider apprenticeship reforms.
24. The Combined Authority will work with employers to identify the new apprenticeship standards needed to meet local economic need and to secure skills growth in key sectors.

Employment

25. Government will consult the Combined Authority in the development and design of the new National Work and Health Programme designed to focus on the harder-to-help claimants.
26. The DWP will provide the Combined Authority with an opportunity to share experience from previous schemes supporting harder-to-help claimants and offer their views on the design of the National Work and Health Programme. There will be a particular focus on ensuring the integration of the new programme with local services, in order to ensure that national and local provision works well together, and opportunities for greater integration are identified and levered.

Appendix 5 – North Midlands Devolution Deal proposal

27. The respective roles of DWP and the Combined Authority in co-delivery and management will include:

Joint DWP and Combined Authority

- a. DWP to facilitate protocols for data sharing and transparency by tackling some of the obstacles and developing solutions to enable the Combined Authority to develop a strategic needs assessment for the area.
- b. Before delivery of the National Work and Health Programme commences, DWP and the Combined Authority will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support. This agreement will include a mechanism by which the Combined Authority can raise and resolve any concerns that arise.

Combined Authority

- c. The Combined Authority will set out how it will join up local public services in order to improve outcomes for this group, particularly how it will work with the clinical commissioning groups and the third sector to enable timely health-based support.

DWP

- d. DWP will 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.
28. In relation to the National Work and Health Programme, the respective roles for DWP and the Combined Authority will include:

For DWP

- a. Setting the contracting arrangements, including contract package areas, but will consider any proposals from the Combined Authority on contract package area geography.
- b. Providers will be solely accountable to DWP.

For the Combined Authority

- c. Suggesting proposals on contract package area geography.
 - d. Mechanisms by which the Combined Authority can escalate to DWP any concerns about provider performance/ breaching local agreements
29. Government will commit to working with the Combined Authority to achieve further co-location and local integration of employment services, where appropriate, and within an agreed timescale. DWP will delegate powers, decision making responsibilities and funding to the relevant district managers within the Combined Authority boundary.

Housing and planning

30. Government will work with the Combined Authority to establish and support the operation of a Joint Assets Board. The Board will review all land and property held across the public sector. This will include, but will not be limited to, all relevant government departments and constituent councils and agencies. This will enable identification of

Appendix 5 – North Midlands Devolution Deal proposal

surplus land and all suitable brownfield land in suitable locations for housing, regeneration or economic development use.

31. The Mayor will chair the Board and government will work to support the operation of the Board to achieve better co-ordination on asset sales. The Joint Assets Board will include senior government officials and will be used to develop, as far as possible and consistent with government's overall public sector land target, a joint programme of asset retention, development and disposal. The government will also explore with the Combined Authority 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.
32. Through the Homes and Communities Agency and the One Public Estate Programme, government will work with the Combined Authority to ensure a focus on the delivery of housing and growth sites within the area, including, where appropriate, direct delivery through the Combined Authority's own Development Company.
33. Government will give the Combined Authority the power to create democratically controlled Mayoral Development Corporations as envisaged by the Cities and Local Government Devolution Bill. Any new corporation will seek to prioritise economic development and housing on under-developed land within the Combined Authority area.
34. Government will work with the Combined Authority to agree what powers the Mayor may need to co-ordinate the creation of a Spatial Vision which will represent constituent authorities' Local Plan ambitions. This will set out the overarching vision for strategic growth in the North Midlands, provide the context for infrastructure investment decisions and the use of devolved powers. It will facilitate delivery of local plans, the National Planning Policy Framework according to the specific needs of communities and strategic elements of the duty to co-operate. This provision is not intended to alter the primacy of Local Plan or Housing Market Area agreements where they are in place. Government will also work with the Combined Authority to agree what powers the Mayor will need to publish supplementary documents. The Spatial Vision and any supplementary planning documents will need to be approved by a unanimous vote of the members appointed by the constituent councils to the Combined Authority.
35. Government will work with the Combined Authority and the constituent councils to consider what additional planning powers and responsibilities would support their development ambitions. This will include:
 - a. Exploring opportunities to pilot measures to streamline plan-making, following the work of the Local Plans expert panel.
 - b. Examining ideas around how best to tackle the non-take-up of planning permissions.
 - c. Examining ideas around strengthening and streamlining Compulsory Purchase Order provisions to make it easier for local authorities and partnerships to acquire land for housing growth and economic development.
 - d. The potential to be involved in the Permission in Principle pilot if government resolves to implement.

Appendix 5 – North Midlands Devolution Deal proposal

- 36 The Combined Authority and government will agree to explore what role the Mayor has as a statutory consultee in plan-making and decision making for strategically significant planning applications.
- 37 In order to deliver increased productivity in housing and thus help Government to achieve its housing targets, the North Midlands will receive a Housing Investment Fund, to be controlled by the Mayor. The Fund will be set up as a financial transaction and funded from within the budgets of existing financial transaction programmes. The total value would be £200 million over 10 years, to be provided by a public sector body to the private sector in the form of recoverable loans and longer-term equity. The funding may be recycled within the private sector before returning it to Her Majesty's Treasury (HMT), with the Mayor guaranteeing an 80% recovery rate on principal, plus interest earned. The profile of these repayments will be agreed between the Combined Authority and HMT. The Combined Authority will agree an Assurance Statement with the Department for Communities and Local Government (DCLG) and HMT that sets out how they will manage the investments and repayments, including ensuring that investments made will meet the agreed recovery rate. To support this approach and further accelerate housing delivery, the Combined Authority will investigate asset options to provide match funding of up to £200m to invest in the fund alongside central government funding.
- 38 Building on the Government's 10-point plan for rural productivity, government will support the approved LEADER programmes and will work with the Combined Authority to test whether it will be possible to devolve rural growth programmes. The Combined Authority will work towards driving rural growth in the North Midlands, with a particular focus on growing micro businesses. It will share its proposals with Government. The Government will explore with the Combined Authority and Peak District National Park, the options to give the Peak District National Park greater commercial freedom.

Transport

- 39 The Mayor of the Combined Authority will have responsibility for a devolved and consolidated local transport budget and single local transport plan for the Combined Authority area. The Mayor's single local transport budget will be a multi-year settlement which includes all relevant local highways funding. Appropriate transport functions will be devolved to the Combined Authority, to be exercised by the Mayor.
- 40 In establishing the Combined Authority, a new, single policy and delivery body will be created covering the same area in order to determine, manage and deliver the Mayor's transport plans and the delivery of integrated public transport networks for the region.
- 41 Bus regulation and enabling powers will form an important part of the Mayor's portfolio in order to deliver bus services that reflect economic demands and also that address the key issue of access to employment sites and opportunities across the area. The region will work to progress much stronger, effective local partnerships with bus operators where this is more appropriate than franchising. Government is currently developing a number of wider policies that will form part of the Buses Bill to be laid before parliament shortly and this will set out a range of new mechanisms and opportunities for local areas to influence bus services, including enhancing the partnership options available. Government will discuss these mechanisms with the Combined Authority as they are finalised. [To ensure that enhanced partnerships work effectively, the administration of bus services operators' grant for commercial local services will be devolved to the Mayor.]

Appendix 5 – North Midlands Devolution Deal proposal

- 42 The Mayor will also receive franchising powers for the Combined Authority area, subject to necessary legislation and local consultation. This will be enabled through the Buses Bill which will provide for the necessary functions to be devolved.
- 43 These powers will support the implementation of proposals for integrated smart ticketing across bus and light rail transport across the whole Combined Authority area. These proposals build on the strong track record in designing and delivering integrated mass public transit networks within the area. These proposals will align with, and support, those being developed at a regional level through Midlands Connect, including proposals for integrating smart ticketing on local transport with local and regional rail services.
- 44 Government is committed to building the Midlands' Engine for Growth and, as part of this, is working with Midlands Connect to develop a long term transport strategy for the region. In developing this strategy Midlands Connect will ensure that its proposals take account of those being developed by Transport for the North. The balance of interests across the Midlands area is critical to success and government supports the full engagement of North Midland partners in the creation of a Midlands Connect Strategic Board and supporting officer structures to provide leadership and accountability. Government commits to ensuring the direct involvement of the Department for Transport, HS2 Ltd, Highways England and Network Rail in the arrangements and considers them critical to the successful delivery of a long-term transport strategy for the Midlands.
- 45 Government will work with Midlands Connect to explore opportunities for greater influence over the region's rail franchises with the aim of delivering high quality services for the Midlands. The Government and the North Midlands Combined Authority share an ambition to reduce journey times from Nottingham and Derby to London (subject to a short consultation with relevant stakeholders) as part of the existing plans for rail improvements which include:
- a. a simplification of the track and signalling at Derby station to improve speeds;
 - b. additional track between Bedford and Kettering; and
 - c. electrification of the route north of Bedford, including:
 - i. Bedford to Corby for December 2019
 - ii. Kettering to Derby/Nottingham for December 20
- 46 Alongside these planned improvements Government, Midlands Connect and the Combined Authority will explore opportunities for further investment in:
- a. New electric rolling stock for the Midland Mainline for 2023
 - b. A new timetable for the next East Midlands Franchise that captures the journey time savings that will occur as a result of line speed improvements and new rolling stock as well as streamlined stopping patterns for fast services to Nottingham and Derby throughout the day.
- 47 Government remains committed to the development of the HS2 Phase 2 network. Government is investing £1.25 million in a HS2 Growth Strategy for an East Midlands Hub; The D2N2 LEP is contributing further funds to this and a parallel strategy for the proposed maintenance depot at Staveley. Government will work with the D2N2 LEP, Combined Authority and the region's HS2 Strategic Board as the region develops its comprehensive development plans for the station site and its surrounding area. The

Appendix 5 – North Midlands Devolution Deal proposal

Government will make a decision on the remainder of Phase Two route, including the section between Birmingham and Leeds, in autumn 2016. In the meantime the Government continues to support Toton as the best location for the East Midlands Hub.

- 48 Connectivity of both cities and communities in the north, north west and east of the Combined Authority area to the HS2 Hub will be a key early priority, as will connectivity to key stations on the Western route. Alongside this, the Combined Authority will work through Midlands Connect to develop proposals to maximise the benefits of HS2 to the Midlands as a whole and will work with the Sheffield City Region and Greater Manchester CA on accessibility options for their proposed stations.
- 49 In consultation with the Combined Authority, government will continue to explore options to give it more control over the planning and delivery of local transport schemes, particularly in relation to HS2. This could include changes to the way that Transport and Works Act Orders are granted if practical proposals for speeding up the process are identified.
- 50 The North Midlands' Combined Authority will bring forward proposals for potential inclusion in the North Midlands Parliamentary Order that would enable the Mayor and the Combined Authority to implement Clean Air Zones in the Combined Authority area. This will help achieve Air Quality Plan objectives at both the national and local level.
- 51 Alongside this, the Mayor will take responsibility for a new Key Route Network of local authority roads which will be managed and maintained by the Combined Authority on behalf of the Mayor. To support this all relevant local roads maintenance funding will be placed under the control of the Combined Authority, subject to its establishment, until the Mayor takes office, as part of the Mayor's single local transport settlement. This will support the delivery of a single asset management plan, working towards shared procurement frameworks for road maintenance across the Key Route Network and local authority network in the Combined Authority area.
- 52 The Combined Authority will bring forward proposals for potential inclusion in the Mayoral Parliamentary Order that would enable the Mayor and Combined authority to effectively manage the Key Route Network, maximise the benefits arising from the existing infrastructure and to promote and support sustainable travel choices.

Business Support, Innovation, Trade and Investment

- 53 Government will work with the North Midlands' Combined Authority to support development of its growth hub so that it joins-up and co-ordinates public, private, national and local support to ensure businesses get the help they need to boost their productivity and grow. This will build on D2N2 LEP's success as a trailblazer for the integration of local and national business support. In practice, this will include agreeing how Government and the Combined Authority works in partnership to help the growth hub to:
 - become more sustainable,
 - connect small businesses with national services that support exports, innovation, access to finance and skills;
 - collaborate on innovative business support evaluation projects which develop robust evidence about what works;

Appendix 5 – North Midlands Devolution Deal proposal

- share best practice widely to deliver better outcomes for the country as a whole.
- 54 Government will work with the Combined Authority to help businesses in the area have access to the finance they need to grow.
- 55 The Combined Authority and the British Business Bank will agree a Memorandum of Understanding setting out how they will work together to support small and medium-sized enterprises in the area. This will help SMEs, particularly start-up and early stage, in the Combined Authority area to access the support and finance they need to grow their businesses. This Memorandum of Understanding will focus in particular on increasing SMEs' awareness of the finance options that the British Business Bank can offer and encouraging take-up of BBB schemes by intermediaries.
- 56 UKTI to continue to work with D2N2 LEP and the Combined Authority delivering Foreign Direct Investment (FDI) into the region. UKTI will work in partnership to achieve a set of joint objectives and will use a quarterly board to track progress. Government will review the location of UKTI's regional FDI resourcing specifically considering co-location of Partnership Managers, Business Development Managers and Key Account Managers with the Combined Authority or LEP. UKTI will also review the interface between national and international teams and the programmes they deliver, linking this, where possible, with the Midlands Engine initiative.
- 57 Government will work to promote, overseas, the Combined Authority area and its businesses through: ensuring North Midlands strengths are promoted in the GREAT Britain campaign; ensuring that the North Midlands' tourism and educational strengths are also integrated into any overseas campaign; developing a portfolio of investable urban regeneration projects which government will help promote to appropriate international investors through the Regeneration Investment Organisation. Where possible activity will lever the wider Midlands Engine initiative.
- 58 Government will ring-fence trade services resource within the Combined Authority area. This will support an export plan jointly agreed between UKTI and the Combined Authority. Ring-fenced resource remains subject to departmental budget changes.
- 59 Government will work with the Combined Authority to develop a business case for the creation of a 'Free Trade Zone' or 'Accelerated Trade Zone' linked to East Midlands Airport. The Combined Authority will present this business case to government in early 2016 for consideration by Ministers. HMRC, as the UK customs authority, is committed to supporting economic growth through the provision of efficient, simple and transparent customs facilitations and procedures to existing and new customers. HMRC commits to extending its existing policy of custom warehousing and other relief's to any goods that are imported and then manufactured and/or assembled in the Free Trade Zone or the Accelerated Trade Zone before export, subject to the applicants meeting the necessary conditions outlined in the various customs notices.
- 60 Government will offer to the Combined Authority expert advice and support through prioritising it for Smart Specialisation Advisory Hub workshops, to ensure it is able to effectively engage in the Science and Innovation audit process with local partners. If selected the audit would enable an evidence based approach to deepen the understanding of the North Midlands Combined Authority Science and Innovation strengths, how they relate to the wider ecosystem and provide a new and powerful way to understand and maximise the economic impact from the UK's research and

Appendix 5 – North Midlands Devolution Deal proposal

innovation nationally. Audits will, for example, provide government with part of the evidence investment base on which to make decisions on any further catapults.

- 61 The government provided the D2N2 LEP with additional flexibilities on the use of Enhanced Capital Allowances for the Infinity Park Enterprise Zone at the Spending Review. The Government is open to discussions on flexibilities for further EZs providing the proposals are compliant with State Aid rules and are fiscally neutral.

Smart Infrastructure

- 62 The Combined Authority will build on its digital and energy infrastructure and its UK-leading low-carbon sector to put SMART infrastructure at the heart of its devolution deal. The Combined Authority will establish a SMART Commission for the Combined Authority area chaired by the Mayor. Government will engage with the SMART Commission to explore innovative solutions to the challenges of connectivity throughout the Combined Authority area, and ways to improve the energy and digital infrastructure of the North Midlands.
- 63 The Combined Authority will prioritise further investment in digital infrastructure to ensure delivery of the government’s ambition of every premise having access to broadband speeds in excess of 10Mbps by 2020. In addition, following the conclusion of existing Broadband Delivery UK (BDUK) investment programmes, the Government will continue to work with local partners to extend superfast broadband, to as much of the North Midlands area as possible.

Fiscal

- 64 The government is committed to working together with the Combined Authority to achieve Intermediate Body status for ERDF and ESF funding which will complement other aspects of the devolution deal. The government will work with the Combined Authority to test whether it will be possible to implement and if so, the government and Combined Authority will work together to agree a timetable to put this in place.
- 65 The Combined Authority will create a fully devolved funding programme covering all budgets for devolved functions through the North Midlands’ Investment Fund accountable to the Combined Authority.
- 66 As an initial allocation to the Investment Fund, government will make an allocation of at least **£XX million a year for nn years** (2016-46) in revenue funding to be controlled by the Mayor. This will, allow the Combined Authority to create an investment fund of at least **£xm**, subject to 5-yearly gateway assessments to confirm the investment has contributed to national growth.
- 67 In addition, the Mayor will be given the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the D2N2 LEP, up to a cap.
- 68 The Cities and Local Government Devolution Act establishes the principles which governs further prudential borrowing for combined authorities. Further to Royal Assent, government will consider how these powers could apply whilst ensuring no fiscal impact.

Appendix 5 – North Midlands Devolution Deal proposal

Public Service Reform

- 69 Local agencies and authorities will collaborate on new, innovative and integrated ways of delivering government and council services across the Combined Authority. Reform of public services will be necessary to meet increasing challenges, particularly where demand is increasing and in services which support people with complex needs towards employment and independence. The approach will seek to be at least fiscally neutral, if not positive.
- 70 In order to achieve these priorities the Combined Authority will develop a plan for public service reform, under the auspices of a Public Service Reform Board. This will build on work already underway and operate on the principle of co-production between the Combined Authority, local partner agencies, D2N2LEP, relevant regional/national bodies and government. Where the Board's recommendations, as agreed by the Combined Authority, would involve any further devolution from national bodies or exercise of national flexibilities, submissions will be made by the Board to government and these will receive a Ministerial response.
- 71 The Public Service Reform Board will have a defined scope set out in a Terms of Reference document, which could include, subject to local agreement, (but is not restricted to): health and social care integration, opportunities around collaboration of emergency services, offender management, Child and Adolescent Mental Health Services and Troubled Families, Policing, Street Scene and Community Safety Services (including Licensing and Regulation).
- 72 Building on the government's commitment in the Local Growth Deal to the "Rebalancing the Outer Estates" project, and beginning in Nottingham North, the Combined Authority will develop a wide range of new solutions to tackle problems of worklessness, isolation and family breakdown in estates on the edge of cities. The North Midlands Combined Authority commits to further develop the pilot, with a view to exploring whether a similar approach should be taken in other cities, market towns and rural and former coalfield communities within the Combined Authority area. This will mean that successful approaches, and the lessons learned by the Combined Authority, can be translated to other places in the UK.

Policing

- 73** The roles of the Nottinghamshire and Derbyshire Police and Crime Commissioners will be merged with that of the new Mayor subject to the enactment of the necessary legislation. All local stakeholders will develop a shared business plan to implement these changes.

Under this geography:

- 74 The Mayor will be elected by the local government electors for the areas of the constituent councils of the Combined Authority. The Mayor and the Combined Authority will exercise the powers and responsibilities described in this document in relation to its area.
- 75 Funding that is allocated to the D2N2LEP, now and in the future, will continue to be allocated on the basis of the existing overlap formula.

Appendix 5 – North Midlands Devolution Deal proposal

- 76 Additional funding or budgets that are devolved as a result of this agreement will go to the Combined Authority.
- 77 The Combined Authority must exercise functions in relation to its geographical area. Accordingly, if any of the Combined Authority spend is on activities or 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. The Cities and Local Government Devolution Act 2016, enables combined authorities such as the North Midlands Combined Authority to take on a broader set of functions than economic development, regeneration and transport, dependent on secondary legislation.
- 78 Under the Mayoral Combined Authority model, the role of the private sector will be embedded into the governance and delivery arrangements.
- 79 The Combined Authority will establish arrangements with neighbouring combined authorities and the overlap authorities to handle overlap issues, particularly in relation to the governance of functions and spending plans.

North Midlands Combined Authority commitments

- 80 **Constituent parties to the North Midlands Combined Authority will undertake robust due diligence on all aspects of the deal. Constituent parties will undertake this work in a timely and efficient manner before formal ratification. The government commits to providing full, 'open book' access to all of the information required for due diligence purposes.**
- 81 The government expects the Combined Authority to monitor and evaluate their deal in order to demonstrate and report on progress. The government will work with the Combined Authority to agree a monitoring and evaluation framework that meets local needs and helps to support future learning.
- 82 The Combined Authority will be required to evaluate the additional £[x]m per annum of funding for [Y] years, which will form part of, and capitalise, the Combined Authority single pot.
- 83 The government will support the Combined Authority by leveraging existing monitoring and evaluation frameworks and, where applicable, by providing assistance to ensure consistency and co-ordination of metrics and methodologies with other areas receiving a devolution deal. As part of this commitment, government will work with the Combined Authority to explore options for the co-ordinated application of high quality impact evaluation methods in relation to;
- i) local commissioning of 19+ skills; and
 - ii) employment support.
- 84 The Combined Authority will work with 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 Department for Communities and Local Government Accounting Officer.

Appendix 5 – North Midlands Devolution Deal proposal

- 85 The Combined Authority will continue to set out its proposals to the government for how local resources and funding will be pooled across the Combined Authority area.
- 86 The Combined Authority will agree overall borrowing limits with the government and have formal agreement to engage on forecasting. The 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.
- 87 The Combined Authority will agree a process to manage local financial risk relevant to these proposals and will jointly develop written agreements with the 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.
- 88 The 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.
- 89 The Combined Authority will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.

Appendix 6 – potential benefits to Chesterfield from a North Midlands deal

From note sent to Cllr Burrows by Derbyshire County Council, 19th October 2015. Whilst the proposed deal has changed since then, this still provides an overview of potential benefits.

WHAT WOULD A DEVOLUTION DEAL MEAN FOR CHESTERFIELD?

Enterprise

- Optimising available land, including brownfield sites, for employment uses.
- Recruitment, training and support of employees, particularly within priority sectors
- Maximising super-fast broadband
- Expansion of the visitor economy

Skills and employment

- Address the proportion of residents with no qualifications and the deficiency in the percentage of residents with L4, degree and higher qualifications
- More input from businesses on careers advice, giving school leavers more information about specific local opportunities in growing local firms

Built environment

- Optimising available land, including brownfield sites, for housing, including affordable housing. Utilising the advantages of the Development Company to develop own assets and maximise return.
- Sharing of costs and expertise to develop a robust evidence base to support the Local Plan work and planning decisions.
- More control over targeted EU and RGF funding priorities and cash. This would, potentially properly unlock schemes like Spire Walk and the infrastructure to enable the realisation of a mixed use development site at the Spire Walk gateway to Chesterfield.

Smart infrastructure

- Creation of a “smart commission” to develop a long term, integrated D2N2 Digital and Energy deal.

Planning

- Range of provisions (discretionary/ you want to use them) over stalled development sites, capacity, revenue raising, CPO powers and strategic support. In total should help them defend against the Planning Inspectorate dictating decisions from afar and deliver development they want quicker.

Appendix 6 – potential benefits to Chesterfield from a North Midlands deal

- Strategic support to deliver the housing sites we want to deliver, and a greater ability to resist speculative applications outside the areas you have agreed for growth
- The able to better tie in infrastructure with growth. The provision of schools in parts of Chesterfield will be a pressing issue because of housing growth and zero-CIL areas along with central government restrictions (on issues like the use of s106 funds).

Housing investment

- Proposals to consolidate existing and future housing related fund allocations into a single pot to overcome barriers to housing development. This is a positive step forward for delivering Local Plan targets in locations Chesterfield wants, and making sure it gets a better share of funding from HCA and other relevant programmes.

Business investment and support

- Proposal of a growth hub network providing local support for business growth, start-up, access to finance, innovation, inward investment, visitor economy, skill and employment. We will make sure Chesterfield SMEs get the right level of business support to deliver the Council's ambitions. This will involve close working with the Sheffield City Region to align support in a way that maximises benefits to Chesterfield businesses.

Joint land and property assets

- A Joint Assets Board to develop surplus public sector land would help address the issue that there is an emerging shortage of immediately *deliverable* employment and housing sites and the ability bring forward land for development will be useful.

Closer Working with Sheffield City Region

We will work collaboratively with colleagues in the South Yorkshire Combined Authority to ensure the proposals and approaches of both devolution deals are well aligned, particularly in relation to business support, integrated transport and skills development. This will ensure the overlap authorities continue to benefit from the current arrangements and can maximise the opportunities offered from both.

Supporting Delivery of Major Transport and Landuse Strategic Projects

While progress is being made, truly transformational schemes like the *A61 Transport & Landuse Strategy* could become true D2N2 top priorities.

- This would unlock funding opportunities to enable the development and marketing of sites like Pottery Land East, the former Greyhound Stadium, Meltham Lane, Sheffield Road Rugby Club and Waterside to be supported with highway schemes to address pinch points on the A61 and capacity issues.

The devolution deal would also give the flexibilities to capitalise on opportunities such as:

- the Peak Resort – and related infrastructure development
- Staveley Area Action Plan

Appendix 6 – potential benefits to Chesterfield from a North Midlands deal

- HS2 maintenance depot
- Wheeldon Mill, Chatsworth Rd – key mixed use regeneration site. Currently stalled due to high remediation costs
- “post mature” industrial estates like Sheepbridge

Tourism, health and multi-user trail networks

- Following significant recent investment in walking and cycling routes across Chesterfield, links to the countryside and the completion of the railway station access route in 2016, we will be able to better promote a fully connected network that provides a real opportunity to transform the use of sustainable travel modes.
- A comprehensive “Chesterfield Wayfinding Project” would enable us to develop a consistent approach to modern signage and mapping, as well as small scale engineering projects to provide coherent routes through junctions and crossing points to enhance the visibility of routes. This work will be able to also provide signage to points of visitor interest and local businesses.

Transport

The emerging devolution proposal includes a number of transport and infrastructure investment proposals which, whilst not specifying locations, would be expected to lead to investment in a growth area like Chesterfield. Some examples:

The availability of a sustainable transport fund; the proposal is for Derbyshire to have access to both revenue and capital resources (provisionally £10m per annum) which could support:

- Infrastructure for walking and cycling
- Access to public transport
- Travel planning, at business, school and household level
- Investigations on the need for road infrastructure to unlock development sites

A related ‘cycling ambition’ fund set to a Government aspiration of £10 per head per annum and which would complement the above.

An area-wide ‘smart’ ticket allowing easier interchange between transport modes which can be integrated work taking place in SY, Nottinghamshire and beyond.

Appendix 7 – Chesterfield’s economic drivers

Chesterfield occupies a strategic location within an hour’s drive of half of England’s residential population, occupying homes within the UK’s major cities outside London – Birmingham, Manchester, Nottingham, Derby, Sheffield, Leeds, Bradford and Hull.

The councils of the Sheffield City Region (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 in 2004 and was formalised through the ‘Sheffield City Region Development Forum’ in 2006 which demonstrated the commitment of the political leadership in the area to work closer together.

Core cities are becoming increasingly important drivers of economic growth and job creation, particularly as the national economy continues a shift towards the higher value service based sectors such as ICT-related activities and professional services. This will place an even greater emphasis on Chesterfield’s relationship with the core cities, specifically the benefits to be gained from strengthened economic linkages to Sheffield, given Chesterfield’s outlying location in relation to the Derby-Nottingham axis, situated in the south of the D2N2 area.

Chesterfield is a key employment centre with a high quality urban core and opportunities for further growth along the A61 and at Staveley and Markham. Chesterfield provides employment to surrounding districts, to which it is a strong net provider of jobs.

As a sub-regional centre, Chesterfield acts as a focus for a local functional area (Travel To Work Area) that covers the whole of the Borough and large parts of the neighbouring districts of Bolsover and North East Derbyshire. With over 50,000 jobs, Chesterfield is a significant centre of employment, attracting 21,500 commuters from surrounding areas, predominantly North East Derbyshire (8,400), Bolsover (3,300), Sheffield (3,250) and Derbyshire Dales (1,150). These four authorities account for approximately 75% of all in-bound commuters, with Rotherham (680) and Amber Valley (520) the only other areas showing in-flows of greater than 500 people to Chesterfield (based on 2011 Census data).

Chesterfield is the most important source of employment for Chesterfield residents with almost 31,000 (or 64%) working within the Borough’s boundary. Outside of the Borough, residents mainly travel to North East Derbyshire (4,400), Sheffield (3,150), Derbyshire Dales (2,000) and Bolsover (1,700) for work. The only other authority area providing more than 500 jobs for Chesterfield residents is Amber Valley (820), with secondary flows to Rotherham and districts in North Nottinghamshire and Derby.

Whilst Chesterfield functions as an important employment centre in its own right, particularly as a source of jobs for residents in North East Derbyshire and Bolsover, it is also clear that it has a strong functional relationship with the core city of Sheffield, both as a provider of labour and a source of employment for Sheffield residents. As noted above, 3,150 Chesterfield residents travel to work in Sheffield each day, compared to only 400 travelling to the neighbouring city of Derby and 320 travelling to Nottingham.

Similarly, whilst 3,200 people travel from Sheffield to Chesterfield on a daily basis for work, only 250 travel from Derby and 200 from Nottingham. In terms of the cities, it is clear therefore that Chesterfield’s primary economic relationship is with Sheffield rather than Derby or Nottingham. As might be expected, geographical proximity and quality/frequency of transport links plays a key part in explaining the relative strength of links to Sheffield over Derby and Nottingham.

Appendix 7 – Chesterfield’s economic drivers

Looking at the wider sub-regional geographies (and including the overlap geography in both areas), 12,300 Chesterfield residents work in other authority areas in Sheffield City Region and 11,450 in other districts in D2N2. Whilst these figures are more evenly matched, they represent the sum total of a large number of secondary flows, particularly in relation to the D2N2 area, which covers 17 authorities compared to only nine in SCR. However, in terms of Chesterfield’s primary functional relationships, these are defined by a geography which covers the five areas of Bolsover, Chesterfield, Derbyshire Dales, North East Derbyshire and Sheffield.

Whilst four of these authorities are also within D2N2, all five are included within SCR, making this the key economic partnership from a Chesterfield perspective and reflecting economic linkages to the core city of Sheffield. Further, Chesterfield’s functional relationship with Sheffield is not ‘secondary’ to its relationship with the neighbouring Derbyshire Districts. For example, outside of the Borough, Sheffield is the second most important source of jobs for Chesterfield residents, ahead of both Bolsover and Derbyshire Dales.

It is also worth noting North East Derbyshire’s particular dependency on Sheffield (8,750 jobs) and Chesterfield (8,375 jobs) for employment, demonstrating strong functional linkages with the SCR.

Local research studies undertaken by CBC provides supporting evidence of business connections between Sheffield and Chesterfield:

- Enquiries for business premises received by the ED Team (2010) broadly reflect the labour market pattern described above. Firstly Chesterfield is relatively self-contained with the majority of enquiries (67%) originating from within the Borough. A further 20% of enquiries were received from businesses in the surrounding districts of Bolsover, Derbyshire Dales and North East Derbyshire, and 7% from businesses in Sheffield/Rotherham. Very few enquiries were received from Derby, Nottingham or other districts in Derbyshire and Nottinghamshire.
- A study of IT-related businesses revealed a number of linkages between Sheffield and Chesterfield / North East Derbyshire particularly in relation to the professional labour market and the commercial property market. IT companies in Chesterfield recruited a number of graduates from the two Sheffield Universities and businesses were happy to move between Sheffield and Chesterfield, viewing it as a single property market. Key local employer Proact started in Sheffield before relocating to Dunston Technology Park, similarly with Image Sound who are also based at Dunston.
- There are examples of businesses having a longstanding and successful association with Chesterfield and SCR. One example being Franke Sissons, initially established in Sheffield as long ago as 1784 and having had a manufacturing facility in Chesterfield since 1978. Many Chesterfield businesses had significant supplier relationships with businesses in South Yorkshire. ‘Cathelco was founded in Chesterfield because of the area’s strong connections with metals industries and the proximity to Sheffield as a centre for metallurgical research.’ T Salisbury, Principal (2013). A study (1997) of engineering and metal goods businesses in Chesterfield identified that of 12 businesses that had relocated to the area, 8 had originated from Sheffield.
- Businesses in Chesterfield have priority access to the UK’s recognised centre of excellence for advanced manufacturing. The Sheffield City Region Advanced Manufacturing Park, located just 20 minutes’ drive from Chesterfield, is home to both world-class research and manufacturing organisations (including Rolls Royce and Boeing), and smaller, emerging

Appendix 7 – Chesterfield’s economic drivers

companies developing next generation **technology, providing research partnerships and supply chain opportunities.**

Retail Catchments

Retail catchments (ie where people choose to go shopping) provide a further illustration of functional links between centres and local populations. A retail assessment of Chesterfield town centre was undertaken by consultants CACI in 2014. Within Chesterfield’s wider retail catchment (comprising a total population of 1.1 million people), Meadowhall is the most visited centre securing 16% of shopping trips, followed by Sheffield (15%) and Chesterfield with 9% market share. Nottingham achieves 5% and Derby 2% market share in the retail catchment, emphasising the strength of the functional links to key retail destinations in the SCR as opposed to the large retail centres to the south of the Borough.

Housing Markets

The Census 2011 includes migration data that can be used as a proxy to describe the functioning of local housing markets. As might be expected the majority of household moves taking place in the year prior to the Census occurred within the boundary of the Borough (5,730 moves – 64% of total). In terms of households moving into the Borough, the largest number originated from North East Derbyshire (890), followed by Sheffield (331), Bolsover (317) and Derbyshire Dales (201). There were no other moves greater than 100 households, with Derby at 51 and Nottingham at 37. In terms of Chesterfield residents moving out of the Borough, the largest number of households moved to North East Derbyshire (944), followed by Bolsover (336), Sheffield (301) and Derbyshire Dales (149). There were no other moves greater than a 100 households, with Nottingham at 83 and Derby at 62.

The patterns of household migration reflect the patterns of commuting for work, with Chesterfield’s primary housing market defined by the same five areas in Sheffield City Region (Bolsover, Chesterfield, Derbyshire Dales, North East Derbyshire and Sheffield) as for its functional economic geography.

Chesterfield College – Travel to Learn Summary

In 2014/15, Chesterfield College engaged with a total of 17,641 learners in learning across a range of provision. Provision included, class based, apprenticeships, Skills Support for the Workforce (ESF). HE, pre-16 and full cost.

Excluding the SCR ESF Skills Support for the Workforce Contract, the College engaged with a total of 11,350 learners, with the majority (52.6%) living in the overlap authority areas of Chesterfield, Bolsover and North East Derbyshire. Almost a fifth (19.6%) of core learners resided in D2N2 and 7.2% travelled to learn from the combined authority of Sheffield, Doncaster, Barnsley and Rotherham.

All Areas exc ESF	Total Learners	Total Learner %
Area		
SCR	818	7.2%
Overlap Area	5,790	52.6%
D2N2	2,230	19.6%
Other	2,322	20.5%
Grand Total	11,350	100%

Appendix 7 – Chesterfield’s economic drivers

The SCR ESF Skills Support for the Workforce was a contract that specifically targeted the SCR LEP region and therefore the percentage of learners engaged from SCR combined authority increases to 29.8% when the ESF learners are included. At 40.3% the majority of learners travel to learn from the overlap and 13.9% from D2N2 LEP area.

All Areas inc ESF	Total Learners	Total Learner %
Area		
SCR	5,258	29.8%
Overlap Area	7,107	40.3%
D2N2	2,446	13.9%
Other	2,830	16.0%
Grand Total	17,641	100%

Apprenticeship Provision

As one of the country’s largest Apprenticeship providers, apprenticeships accounted for 44% of core provision (excluding ESF). Of the 5,025 apprenticeships delivered in 2014/15, 7.4% live in the combined authority of Sheffield, Rotherham, Doncaster and Barnsley and 29.8% are from the D2N2 LEP area. 25.9% of apprentices live in the overlap area, and reflecting the Colleges national delivery, 36.9% live outside of both LEP areas.

All Apprenticeships	Total Learners	Total Learner %
Area		
SCR	371	7.4%
Overlap Area	1,300	25.9%
D2N2	1,498	29.8%
Other	1,856	36.9%
Grand Total	17,641	100%

Chesterfield College is very supportive of the commitment for Chesterfield to be an Apprentice Town and has re-organised and refocused its plans to lead the city region’s drive for apprenticeship growth. The college engaged over 8.5% of all apprenticeships in the Sheffield City Region last year. The College is highly regarded across the city region for its employer engagement and apprenticeship delivery. In addition, the College was selected as the sole lead provider for delivery of the ESF Skills Support for the Workforce contract in the SCR LEP area for 2013/15. This contract successfully delivered provision to 6,291 learners.

Appendix 8 – summary of benefits to date received in Chesterfield from both partnerships (SCR and D2N2 LEPs)

The various rounds of growth and city deals have brought, to date, a total of £350m to SCR and £196m to D2N2. In deriving those allocations, the funding that notionally would have come to Chesterfield (and the other 4 overlap districts) has been split by government 50-50 between the two LEPs (although the first rounds of growth deals were funded largely through Department for Transport allocations and therefore the total funding covering the Chesterfield area would have been greater going into D2N2 given Derbyshire County Council is the transport authority). The table below outlines the benefits that Chesterfield has to date received from its participation in the respective LEPs.

Programme	SCR LEP/CA	D2N2 LEP
Infrastructure		
Markham Vale Enterprise Zone	<p>The benefits flowing from the successful Enterprise Zone at Markham Vale have come from combination of contributions from both partnerships, Derbyshire County Council and (historically) other agencies such as Emda. Having invested a significant land value (c £66m) into the zone, which is now returning through land sales, the county council has also provided the delivery team responsible for bringing forward the plots, platforms and infrastructure at Markham working alongside Henry Boots and Chesterfield Borough Council as the Planning Authority.</p> <p>The status of Markham Vale as an Enterprise Zone came about as part of a case put forward to extend the SCR Enterprise Zone and has seen the site benefitting from £100m enhanced capital allowances to attract new investment to the area. An SCR sponsored bid to the Government’s Enterprise Zone Capital Grant Fund secured £14m of funding to support the construction of the Seymour Link Road and site works at Markham Vale North.</p> <p>Seymour Link Road, which will serve part of the Markham Vale EZ, has had funding of £3.78m from each partnership</p> <p>EZ status has so far helped secure the development of 100,000 sqft unit for Inspirepac and a 480,000 sqft warehouse for Great Bear Distribution, which will create 400 jobs when completed in the Spring of 2016.</p>	
Other Infrastructure	<p>Loan funding of £2.4m from the Growing Places Fund for canal related infrastructure and site works at Chesterfield Waterside.</p> <p>Three schemes in the main SCRIF programme, with ring-fenced funding to support the delivery of pump-priming infrastructure:</p> <ul style="list-style-type: none"> • Seymour Link Road (Markham Vale) £3.1m, • Chesterfield Waterside, £2.7m 	<p>Funding of £3.5m secured via the D2N2 Local Growth Fund for the Chesterfield Centre for Higher Level Skills. Based at the former St Helena School, this will be a new university campus for the University of Derby, with first intake of students in Sept 2016.</p> <p>A provisional allocation of £12.8m has been made for investment in the wider A61 Corridor, not just in Chesterfield Borough, in 2016/17</p>

Appendix 8 – summary of benefits to date received in Chesterfield from both partnerships (SCR and D2N2 LEPs)

	<p>to support the infrastructure delivery of the first phase of a £300 million development of national significance, being one of the largest regeneration projects in the UK. The mixed use scheme will see the creation of a new community with 1,500 modern houses and apartments, new employment opportunities housed in 30,000 square metres of Grade A office accommodation situated directly adjacent to the mainline railway station, shops, cafes and bars around a new canal basin and public square, and a network of parks and open spaces along a rejuvenated canal and river corridor.</p> <ul style="list-style-type: none"> • Chesterfield Northern Gateway, a grant of £8.6m to facilitate a £60 million development of the Northern Gateway site to create a major mixed use retail and leisure led scheme. Alongside this sits the development of the former Cooperative department store (planning application submitted October 2015) that will see the creation of new restaurants, a hotel and gym within the old building at a prominent landmark site in the Town Centre. • A further scheme ‘Peak Resort’ has also secured ring-fenced funding of £2.85m via the SCRIF mini-commission process to support a £400 million pound integrated leisure, health, sport and education resort on the 300 acre Birchall Estate. Construction of this major visitor attraction is scheduled to commence in 2016. The scheme will deliver 2 hotels 	<p>and beyond, although project details have not been specified at this stage (£3.2m funding allocated for spend in 16/17).</p> <p>Funding for A61 Whittington Moor Roundabout (£4.9m)</p>
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Appendix 8 – summary of benefits to date received in Chesterfield from both partnerships (SCR and D2N2 LEPs)

	<p>totalling 550 beds, a University campus for 400 students, and indoor and outdoor recreational and entertainment facilities; and also act as the Gateway into the Peak District</p>	
<p>Business Support</p>	<p>Eight companies receiving total grants of £1.37m from the Unlocking Business Investment Programme supporting the creation of 135 jobs and safeguarding 53 jobs. An extension to this successful RGF programme will see a further £52m made available to companies over a five year period, with the funding split between a fund for indigenous businesses and a fund to attract significant new inward investors.</p> <p>The establishment of the SCR Growth Hub to provide a one stop shop for business support. The Growth Hub is funded for a five year period via a £4m 'flexibility' secured as part of the previous Devolution Deal. The Growth Hub web-site is due to go live shortly and a number of centres of excellence relating to start-ups, innovation, exports and access to finance have either been established or are in the process of being established. For example Access to Finance advisors are already in post and supporting businesses across the city region seeking finance to grow their businesses.</p>	<p>Two companies received total grant of £140k (10 jobs created) via the D2N2 Unlocking Investment for Growth RGF programme. The D2 Global Derbyshire Business Support Programme provided grant funding of £712k to 26 businesses in Chesterfield, supporting the creation of 105 jobs and safeguarding 54 jobs.</p> <p>Funding of £525k for the establishment and operation of the D2N2 Growth Hub in 2015/16. An allocation of £50k has been made specifically for the provision of business advisor support in the overlap geography and this has enabled the Council to create a full time business advisor post for Chesterfield (continuation funding after 2015/16 subject to a successful ESIF application).</p> <p>A D2N2 Growth Hub web-site has been established and a number of sector specialists have been employed to offer support to businesses in areas such as food & drink and logistics.</p>
<p>Skills and Employment</p>	<p>A 'Skills Made Easy' Programme providing SMEs across the city region with access to bespoke high quality training for apprentices (4,000 places) and the up-skilling of the existing workforce (2,000 places). Approximately 184 Chesterfield based employers have so far been engaged in the process with 335 training plans agreed (237 relating to the existing workforce and 98 apprenticeship starts).</p>	<p>D2N2 have established an 'Employability Framework' to address the mismatch between the skills taught to young people in secondary schools / colleges and those required by employers. Seven enterprise co-ordinators are in post across the D2N2 area, with one advisor allocated to cover Chesterfield, Bolsover and North East Derbyshire.</p>

Appendix 8 – summary of benefits to date received in Chesterfield from both partnerships (SCR and D2N2 LEPs)

	<p>This work will be further developed with the establishment of a £100m Skills Bank that will provide a flexible pot of funding for businesses to provide 42,000 qualifications over a 6 year period. The Skills Bank is expected to be fully operational from March 2016.</p> <p>Two programmes (Ambition SCR and Talent Match) to support young people not in training , education or employment to enter the labour market. Both schemes operate via a local delivery model, with each providing a key worker in Chesterfield to offer intensive support to individuals. Since January 2015, Talent Match has engaged with 45 individuals in Chesterfield, 17 of whom have gone into employment. With Ambition SCR there have been 68 starts on the programme, with 28 people so far moving into employment.</p> <p>SCR aims to become the first CA/LEP to secure the full local commissioning of the 19+ Adult Skills Budget by 2018/19. This work is currently being taken forward via a number of task groups, with CBC engaging with the ‘Apprenticeship’ and ‘Employment’ Task Groups.</p> <p>A number of employment and skills programmes will be commissioned via ESIF in 2016. These include: ‘Skills for Jobs Growth’ (£2m ESF) providing pre-employment support for unemployed and economically inactive; and a social entrepreneurship programme with funding via ESIF and the Big Lottery Fund.</p>	<p>A number of employment and skills programmes will be commissioned via the D2N2 ESIF programme in 2016. These include: ‘Careers Local’ (ESIF £2m), aimed at raising the aspirations of the future workforce; and ‘Employ Local’, (£6m) matching people to jobs, apprenticeships and graduate placements.</p>
<p>European Funding</p>	<p>Access to ESIF funding with overlap geography allocation split 50/50 between SCR and D2N2. The overlap geography allocation is ring-fenced to</p>	<p>Access to ESIF funding with overlap geography allocation split 50/50 between SCR and D2N2. The overlap geography allocation forms</p>

Appendix 8 – summary of benefits to date received in Chesterfield from both partnerships (SCR and D2N2 LEPs)

	<p>be spent within the overlap area within the SCR ESIF programme. The total ESIF funding pot is £180m and various calls for applications have already been completed.</p>	<p>part of the wider D2N2 ESIF programme and is not ringfenced to be spent in that overlap area, therefore potential to secure either lesser or greater share depending on local take-up. The total ESIF funding pot is £214m, with calls for projects in relation to areas such as SME Competitiveness and Innovation already completed.</p>
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Appendix 9 – Cities and Local Government Devolution Act 2016

The 2016 Act makes a range of amendments to the Local Democracy, Economic Development and Construction Act 2009 ('the 2009 Act'), including making provision for elected mayors and increasing the powers available to combined authorities.

Consequences for Chesterfield Borough Council regarding membership of the SCR Combined Authority

Among the changes made by the 2016 Act are amendments to the 2009 Act that alter the 'rules' for changing the boundaries of a combined authority area (s. 106 of the 2009 Act). Previously, a district in a two-tier area that wished to become a member of an existing combined authority could only do so if, among other criteria, there was consent from both the district council and the county council for that area (s. 106 (2) and (3)). Similar rules applied to establishing a new combined authority (s. 110).

The 2016 Act amended these rules so that changes to the boundaries of a combined authority can now be made if either the district or the county consents (s. 14 (5) of the 2016 Act). These changes would be subject to an order made by the Secretary of State and such an order is still subject to various 'tests'. Following amendment by the 2016 Act, these tests now include that:

- the Secretary of State considers that to [make an order] is likely to improve the exercise of statutory functions in the area or areas to which the order relates;
- the Secretary of State must have regard to the need (a) to reflect the identities and interests of local communities, and (b) to secure effective and convenient local government

(from s. 113 of 2009 Act as amended by s. 14 (8) of 2016 Act)

There is also a requirement either for the Secretary of State to carry out a public consultation regarding the changes, or for a review and scheme setting out the changes to have been published by one or more of the relevant authorities and subject to a public consultation (s. 113 (2) of 2009 Act as amended by s. 14 (8) of 2016 Act).

The 2016 Act also made changes to previous geographical restrictions on membership of Combined Authorities. Under the 2009 Act (s. 103), a local authority could not be part of Combined Authority if it was separated from the other members by a local government area that was not a member. This restriction was removed by the 2016 Act (s. 12). For Chesterfield, this means that if it wanted to become a full member of the SCR CA but neighbouring local authorities did not, membership could not be prevented solely on the basis of geographical isolation. However, the amendments to the 2009 Act do include a 'test' in cases where an area is separated from the rest of the CA, namely that:

in deciding whether to make the order under section 106 [to change the boundaries of a Combined Authority area], the Secretary of State must have regard to the likely effect of the change to the combined authority's area on the exercise of functions equivalent to those of the combined authority's functions in each local government area that is next to any part of the area to be created by the order (2016 Act, s. 12 (6)).

Our reading of this is that if neighbouring local authorities did not become full members and Chesterfield did, consideration would need to be given as to the impact of this on economic development, transport etc. in neighbouring authorities.

Appendix 9 – Cities and Local Government Devolution Act 2016

In summary, if Chesterfield opted to become a full member of the SCR CA, then there would (a) need to be a process of public consultation and (b) need to be consideration by the Secretary of State of a series of tests to show that the changes:

- are likely to improve the exercise of statutory functions in the area;
- reflect the identities and interests of local communities;
- secure effective and convenient local government

If neighbouring authorities are not going to become full members, then a further test would apply to consider the impact of the changes to relevant functions in those neighbouring areas.

Further changes regarding the exercising of powers

In the case where a district area is being added to an existing CA, the 2016 Act (s. 14 (6)) adds to the order making powers of the Secretary of State the ability to include exercising 'relevant powers' in that area regardless of whether or not the county council consents (in cases where consent would otherwise be required from the county).

In discussion with DCLG, it is evident that in the case that Chesterfield became a full member of SCR, these powers would be used and an order made by the Secretary of State to transfer powers from the county council to Chesterfield, which in turn would allow Chesterfield to transfer those powers to the combined authority. The powers in question would be those comparable to powers already held by the combined authority for areas covered by the existing full members, so that there was a consistency of powers across the revised CA geography. This is likely to include, for example, public transport powers. There would not be any further tests applied to determine whether or not powers were transferred. Rather, the order would be made as a direct consequence of a case being successfully made for full membership of the SCR CA.

Implications of changes for county council membership of North Midlands Combined Authority

The changes to the rules for establishing or changing combined authorities also apply to county councils seeking to become part of an existing CA for some or all of their area. Whilst consent from both the district area and the county area would be required in the case of establishing a new combined authority (e.g. North Midland) (s. 14 (3) 2016 Act), the same changes outlined above apply for the case where changes are made to an existing combined authority. This means that if a North Midlands CA was established for an area that did not include Chesterfield, the legislation would then allow for a subsequent change to be made to that area to include Chesterfield, based on the consent of the county council alone.

However, the 2009 Act includes a condition that a CA cannot be established if any part of the area already forms part of another CA (s. 103 (5)). Therefore, a county council would not be able to make the change to an existing combined authority outlined above for any part of its area if that area was already a full member of another combined authority.

Section 15 powers

Section 15 of the 2016 Act covers 'governance arrangements etc. of local authorities in England'. It includes powers for the Secretary of State to make various regulations, including those relating to the structural and boundary arrangements of local authorities. Until 31st March

Appendix 9 – Cities and Local Government Devolution Act 2016

2019, consent to those regulations need only include (in two tier areas), either the relevant county or district council (s. 15 (5) – (8)).

Time-limited powers therefore exist for the Secretary of State to make changes to local government structures in areas even if there is not support from all local authorities for such changes.

Appendix 10 – Indicative timetable for full membership of a combined authority

The following timetable sets out the planned process for establishing a North Midlands Combined Authority, informed by discussions with officials in central government. Since the process for changing the area of an existing CA is almost identical, the timetable will be very similar in the event that Chesterfield opts to become a full member of the SCR CA.

The rest of February	<ul style="list-style-type: none"> • Resolve the Devo Deal geography. • Complete negotiations on the content. • Shape the Combined Authority Scheme.
Early March	Leaders may prefer an assurance from their council before they sign the Devolution Deal based on a Mayoral Combined Authority. Formal ratification is not a statutory requirement at this stage as councils are required to ratify the deal after it has been signed (see 'After Signing' below).
Before mid-March	Confirm content of Devo deal with Government; <ul style="list-style-type: none"> • geography described and confirmed • content agreed • ask for ongoing consideration for PCC merge by 2020 (optional).
Mid-March	Sign the Devo Deal. This stage is not binding on local authorities.
	Stocktake implications of the Deal.
After signing	<ul style="list-style-type: none"> • Publish the Combined Authority Governance Review and Scheme immediately after the Deal has been signed and before consultation starts. The Scheme may not be altered after it has been published. • All councils must ratify the Devo Deal and consent to the NM Combined Authority at any time before mid-October. At the same time, each council should delegate authority to their CEO to consent to the final version of the Order prior to it being laid before Parliament, this creates agility for late and minor amends.
Before the May elections	Prepare to consult on the NM Combined Authority proposals and Scheme. Each council needs to be actively involved in consulting with its public communities and stakeholders.
8 weeks of consult'n	Between early May, after the elections, and August.
April – September	Government drafting the Order.
April to September	Officers working on transition/devolution arrangements in all of the delivery areas covered by the Deal.
August	Summary of consultation findings written and submitted to the Secretary of State.

Appendix 10 – Indicative timetable for full membership of a combined authority

	Having regard of the Scheme and the consultation summary, the Secretary of State drafts the Order for a mayoral combined authority.
Early October	Councils consent to the final version of the Order through delegated authority and the Order is laid before Parliament.
3rd week of December	Parliament makes the Order and the CA comes into being as arranged through transitional arrangements
2017	Preparation to elect a mayor (the period is shorted than ideal but this will be accommodated)
May 2017	Mayoral Election and start of the North Midlands Combined Authority

Appendix 11 – overview of relationships with and dependencies on Derbyshire County Council

Chesterfield Borough Council has an excellent record of working in partnership at a regional and sub-regional level. There is a particularly strong relationship with Derbyshire County Council that enables both authorities to deliver quality services and outcomes for our communities. The following are examples of where we work closely with Derbyshire County Council which could be impacted upon by any deterioration in this relationship.

Access to data, expert advice and joint consultation responses

Partnership approaches have been developed in Derbyshire (often led by Derbyshire County Council) for a variety of services including data analysis, data access and modelling, archaeological advice, pensions service, joint responses to Government consultation activity, major events planning, emergency planning and safeguarding. Many of these areas relate to mandatory provision e.g. emergency planning and safeguarding however others have been developed to provide efficiency and effectiveness gains for partners. These arrangements could be impacted on by this decision.

Planning – duty to co-operate

Both Chesterfield Borough Council and Derbyshire County Council are planning authorities. Both have a duty to co-operate with each other on both strategic planning activity and day to day planning application processes. This duty relies on effective and timely engagement between both parties and a commitment to achieving the best possible outcomes for our communities.

Service provision to Derbyshire County Council

Chesterfield Borough Council provides a variety of services to Derbyshire County Council and their clients. For example, Derbyshire County Council is a large client of BCN building control consortium, Careline and Floating support to vulnerable people and some Environmental Services functions. Several of these services are approaching the end of their current contract and will require re-negotiation.

Growth projects

Aside from the funding dependencies on partnerships cited elsewhere in the report, a number of key schemes in Chesterfield rely on close working with the county council, particularly in its role as the transport authority for the area and also as a land and asset owner. Progress on Waterside, Northern Gateway/Co-op, Peak Resorts and Staveley Corridor for example, are all dependent on this relationship. The schemes stand to deliver significant economic growth for Derbyshire.

Key partnerships

Both Chesterfield Borough Council and Derbyshire County Council are key members of several countywide partnerships including the Derbyshire Parking Board, the Peak District and Derbyshire Destination Management Organisation and the Community Safety Partnerships. These partnerships have been extremely successful and we have been working with colleagues at Derbyshire County Council to enhance partnership working including opportunities for co-location and asset maximisation.

Appendix 12 – summary of devolution policies of the main political parties

Conservative Party

Key devolution announcements and commitments include:

Date	Activity	Details
February 2015	Conservative Party 2015 Manifesto	<p>We will strengthen and improve devolution for each part of our United Kingdom in a way that accepts that there is no one-size-fits-all solution.</p> <p>All this reflects a core Conservative belief: power to the people. Around Britain you can see that principle in practice. In town halls, councillors now have more of a say over public spending. In communities, local people have the right to vote in referendums on council tax rises. Neighbourhoods are deciding what is built in their area and what happens to assets such as parks and public buildings.</p>
May 2015	George Osborne MP – The Chancellor gave the “Building a Northern Powerhouse” speech	<p>We will hand power from the centre to cities to give you greater control over your local transport, housing, skills and healthcare. And we'll give the levers you need to grow your local economy and make sure local people keep the rewards.</p> <p>We are piloting the devolution of some aspects of employment support, and I want to see if we can go further there too.</p> <p>Now it's time to think whether we could go further down the road of fiscal devolution. So that you take control of raising more of the money you spend – and, from my way of looking at things, see the rewards from the taxes you cut.</p> <p>So with these new powers for cities must come new city-wide elected mayors who work with local councils. I will not impose this model on anyone. But nor will I settle for less.</p>

Appendix 12 – summary of devolution policies of the main political parties

<p>May 2015</p>	<p>Queen’s Speech</p>	<p>Legislation will be introduced to provide for the devolution of powers to cities with elected metro mayors, helping to build a northern powerhouse.</p> <p>The Bill will allow combined authorities with directly-elected mayors to take on responsibility for local bus services, promoting an integrated transport system. The legislation will provide the option to franchise bus services.</p>
<p>July 2015</p>	<p>Summer budget speech – George Osborne MP – The Chancellor</p>	<p>Key messages:</p> <p>The government is committed to significant transport devolution in all of the country's city regions that elect a Mayor, as well as the country's counties. This includes the roll-out of Oyster-style smart and integrated ticketing systems that will provide people with quicker and easier door-to-door journeys, greater choice, as well as simpler and more flexible fares.</p> <p>The government will consult on devolving powers on Sunday trading to city mayors and local authorities. This will look at allowing mayors or councils to extend Sunday trading for additional hours within parameters that they would determine.</p> <p>The devolution of Air Passenger Duty (APD) to the Welsh Assembly will continue to be considered alongside the review of options to mitigate the impacts of APD devolution on regional airports. The government is publishing a discussion paper on regional airports alongside the Budget, setting out how some of the options could work.</p> <p>The Budget announces that the government will invite universities, LEAs, businesses and cities to work with central government to map strengths and identify potential areas of strategic focus for different regions through a series of science and</p>

Appendix 12 – summary of devolution policies of the main political parties

		innovation audits.
July 2015	Summer budget – HM Treasury publication “A country that lives within its means” Spending Review 2015	<p>We also need to take radical steps towards the devolution of power in the UK, moving away from the imbalanced and overly-centralised system of government we inherited. Devolution to Scotland, Wales and Northern Ireland is well underway. Devolution within England has only just begun. This Spending Review is an opportunity to take a further big step forward.</p> <p>One of the five priority outcomes in the spending review was “promoting growth and productivity, including through radical devolution of powers to local areas in England”.</p> <p>The government is committed to building strong city regions led by elected mayors, building on the ground-breaking devolution deal with Greater Manchester in November 2014. The Chancellor has asked all relevant Secretaries of State to proactively consider what they can devolve to local areas and where they can facilitate integration between public services. City regions that want to agree a devolution deal in return for a mayor by the Spending Review will need to submit formal, fiscally-neutral proposals and an agreed geography to the Treasury by 4 September 2015. The Treasury and DCLG will work with city regions to help develop their proposals.</p>
July 2015	Summer budget announcement by George Osborne MP – The Chancellor and Sajid Javid MP – Secretary of State for Business Innovation and Skills may a key speech.	<p>Post- 16 skills provision: Government will invite local areas to participate in the reshaping and recommissioning of local provision to set it on an efficient and financially resilient footing. A differentiated approach to local involvement will be adopted which will enable areas with the strongest governance and levers to shape provision, building on the skills flexibilities agreed with Greater Manchester, London and Sheffield.</p>

Appendix 12 – summary of devolution policies of the main political parties

		<p>These devolution packages could be extended to other regions. The government anticipates that many colleges will be invited to specialise according to local economic priorities, to provide better targeted basic skills alongside professional and technical education, and that some will be invited to become Institutes of Technology. Following on from this restructuring process, the government will enable local involvement in the ongoing commissioning of provision.</p> <p>The government funds advice and support to develop management capability in SMEs and will explore options for devolving responsibility for designing and delivering this to local areas as part of city devolution.</p>
October 2015	Key speech by George Osborne MP – The Chancellor on the “devolution revolution”	<p>The Chancellor today (5 October 2015) set out major plans to devolve new powers from Whitehall to local areas to promote growth and prosperity.</p> <p>By the end of the Parliament, local government will be able to retain 100 per cent of local taxes – including all £26 billion of revenue from business rates – to spend on local government services. Fixing the current broken system of financing local government will be a huge boost to local growth, help attract business and create jobs. Those areas which choose to have city-wide elected mayors will get even greater flexibilities, also being given the power to increase rates for spending on local infrastructure projects, as long as they win the support of local business.</p>
October – January 2016	Various devolution deals announced.	See table in the report at section 3.13
January 2016	Cities and Local Government Devolution Act reaches Royal Assent	

Appendix 12 – summary of devolution policies of the main political parties

<p>January 2016</p>	<p>Nottinghamshire Conservatives bring a motion calling on officers to begin work on preparing a case for a Nottinghamshire unitary council. A total of 41 councillors voted against the motion, while 21 were in favour. Two abstained.</p>	<p>This Council:-</p> <ul style="list-style-type: none"> a) Notes the recent amendments made to the Cities & Local Government Devolution Bill b) Recognises the potential implications for Nottinghamshire County Council and the “East Midlands Deal” bid for devolved powers c) Agrees that bidding for a unitary solution for the County of Nottinghamshire would now serve the best interests of our council tax payers; d) Agrees that forming a unitary County would release millions of pounds to meet pressures on critical services, achieving savings and economies of scale through such measures as:- <ul style="list-style-type: none"> i) a single headquarters for the new council, in place of district councils and the County Council each having a separate administrative centre; ii) concentrating services into fewer buildings and delivering capital receipts by disposing of surplus properties; iii) bringing together the collection and disposal of domestic waste; iv) rationalising the collection of council tax; v) simplifying the planning system, especially in securing the Section 106/Community Infrastructure Levy funds required to pay for local services and facilities; vi) removing duplication across all service areas and reducing the total wage bill. e) Instructs officers to begin work on preparing the case for a Nottinghamshire County unitary authority, in order to present this to Government at the earliest opportunity.”
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Appendix 12 – summary of devolution policies of the main political parties

Labour Party

Key devolution announcements and commitments include:

Date	Activity	Details
February 2015	Labour Party 2015 Manifesto	We will embark on the biggest devolution of power to our English city and county regions in a hundred years with an English Devolution Act. Transferring £30 billion of funding, along with new powers over economic development, skills, employment, housing and business support.
October 2015	Jon Cruddas MP – formerly Ed Miliband’s Policy Chief launched a new grouping of MP’s called Labour Together. A key element of this activity is around the devolution agenda.	Mr Cruddas stated that the Labour party needs to wake up to the existential challenge that Osborne and his vision of devolution presented. He was calling for Labour to reclaim the devolution agenda.
October 2015	Chuka Umunna MP – former shadow Business Secretary wrote an article for the guardian.	In the article Mr. Umunna called the Chancellor’s plans “style over substance”. He stated that the Labour party ought to be making a bolder bid to be the party of decentralisation, handing over more power from Whitehall to local authorities. “Britain needs much more than the drip-drip devolution of conditional powers. The country needs nothing less than wholesale federalisation”.
January 2016	Steve Reed MP – a shadow Minister for Communities and Local Government made a speech to the LGA.	Mr Reed stated that there is a clear financial case for faster devolution of powers including greater control over local taxation. He confirmed that Labour would look at devolution of education, welfare, housing, health and infrastructure. There was also a commitment that the party would examine the options for devolving further fiscal powers including a “need to look at localising elements of VAT and income tax”.

Appendix 12 – summary of devolution policies of the main political parties

January 2016	Jeremy Corbyn MP – Leader of the Labour Party completed a shadow cabinet reshuffle.	A new shadow minister post was created for devolution. Emma Lewell-Buck MP was appointed.
February 2016	In a visit to Nottingham, the Labour leader questioned the proposals for a North Midlands deal, specifically the imposition of a mayor and the funding on offer	<p>“I am also concerned about the imposition of an elected mayor across a very large area indeed, and the accountability of that mayor on a day to day basis is coming from... where? I want to see effective local government that is accountable through an elected members and through the public. An elected mayor for such a vast area isn't so obviously accountable to anybody”</p> <p>“I am concerned there is not sufficient funding , with the transfer of some government responsibilities that will go to these places” [Nottingham Post]</p>

Liberal Democrat Party

Key devolution announcements and commitments include:

Date	Activity	Details
February 2015	Liberal Democrat 2015 Manifesto	<p>Devolution, democracy and citizenship were a key policy within the manifesto.</p> <p>For freedom to be meaningful, people need the power not just to make decisions about their own lives, but about the way their country, their community, their workplace and more are run.</p> <p>We will meet the needs of England with Devolution on Demand, letting local areas take control of the services that matter most to them.</p> <p>Establish a Government process to deliver greater devolution of financial responsibility to English Local Authorities, and any new devolved bodies in England, building on the work of the Independent Commission on Local Government Finance. Any changes must balance the objectives</p>

Appendix 12 – summary of devolution policies of the main political parties

		of more local autonomy and fair equalisation between communities.
October 2015 – January 2016	Concerns expressed by various local Liberal Democrat groups about the way in which devolution is being handled.	<p>Local Liberal Democrats are expressing serious concerns about the plans for devolution in Yorkshire and the way that decisions are being taken about them.</p> <p>“Although there have been discussions and proposals around for some months now, the final shape of the arrangements for regional government in Yorkshire seem to have been pulled together to satisfy the Chancellor of Exchequer’s demand for an elected Mayor. The real danger is that this will be a Labour Mayor of Leeds able to dictate what happens across large parts of Yorkshire, including Calderdale. This simply won’t be right for us here and we believe that local people have more right to shape their own future” said Cllr Baker.</p> <p>Similar issues have been raised around the Manchester, Liverpool and West Midlands deal.</p>