

Response to the consultation on Sheffield City Region Devolution from Chesterfield Borough Council

The following provides a response to the consultation on behalf of Chesterfield Borough Council (CBC). It covers the specific consultation questions, views on the consultation document and wider points that CBC wishes to make following its involvement in the process to date including the consultation itself. This response has been approved by the Chief Executive under delegated authority provided by full council in April 2016 and is being published as part of the Chief Executive decision process.

Introduction

The response by Chesterfield Borough Council is set within the context of the council's vision – putting our communities first – and its priorities for the borough:

- To make Chesterfield a thriving borough
- To improve the quality of life for local people
- To provide value for money services

To deliver on these priorities, it is critical that the borough is able to access additional investment, support and interventions that are not available through its own resources or those of individual partners. This is needed in order to bring forward our £1 billion programme of regeneration of former industrial sites, address our significant entrepreneurial deficit, ensure that people in Chesterfield have the right skills and training to access the many new jobs that stand to be created, double the current rate of new housing delivery to match our economic growth aspirations, and to meet head-on the significant deprivation challenges facing our communities, particularly health where the borough ranks as the 25th most deprived of 327 local authority areas in England.

Government policy is to devolve powers and make additional funding available to areas with devolution deals. Consideration of how Chesterfield can benefit from this policy in order to achieve the ambitions outlined above has been at the heart of CBC's public decision making throughout the past year. This has seen the elected members of the council decide to apply for full membership of the Sheffield City Region Combined Authority, where it will have a full seat at the table and full access to the benefits of two devolution deals. This contrasts with the current alternative of continuing to compete with 18 other local authorities for more limited funding through the D2N2 Local Enterprise Partnership which does not have a deal and where Chesterfield does not have a seat but relies for representation on a single representative acting on behalf of all 8 Derbyshire districts.

Questions from the consultation survey

Q1 and Q2, 2a – Decision making powers being transferred from central government to groups of local councils

CBC strongly supports bringing the powers listed closer to the local area rather than being subject to decision making in Westminster and Whitehall. For the types of issues listed, making those decisions across an area such as a city-region makes sense, since they are not matters that are restricted to a single district area. CBC has long supported this transfer of powers, both to the Sheffield City Region (SCR) and to the North Midlands area. CBC does not propose further transfer of powers to SCR at this point in time, but it does believe it is important for there to be as full a transfer as possible for the areas listed. This is so that local leaders are able to shape and implement interventions that make sense for their local area and are not constrained by national criteria or centrally designed programmes.

Q3 and Q5 – directly elected mayor working with council leaders; voting for a mayor.

CBC strongly agrees that a mayor should work closely with leaders and believes the model set out for a mayoral combined authority will achieve this. Whilst CBC does not believe that central government should have insisted on a directly elected mayor as a condition of devolution, it does recognise that this provides accountability to residents for the use of powers that would otherwise have remained far less accountable within central government departments and agencies. It therefore strongly agrees that the residents in those areas that become full members should elect the city region mayor.

Q4 and Q7 – local authorities working together where strong economic links exist; alternatives to the combined authority proposal

CBC strongly agrees that there should be formal partnership working with neighbouring areas with strong economic links. It has been doing this through its membership of SCR combined authority and Local Enterprise Partnership (LEP) for a number of years and with neighbours in the D2N2 LEP. It believes that interventions to drive growth and to address economic challenges in the borough will be more effective when working collaboratively at the city region scale, with access to more powers and increased funding.

CBC considers that the combined authority proposals will achieve these aims. However, in its report in March 2016, CBC did promote the alternative that Derbyshire County Council also became a member of the SCR combined authority for part of its geography in order to fully draw down the benefits on offer into an area containing around 45% of the residents it serves. This would also recognise the distinct economic area of 'North Nottinghamshire and north and east Derbyshire' as it is described in the Derby and Derbyshire governance review of 2014 and the important role it plays in the wider Sheffield Region economy. CBC still believes this

alternative to be a desirable way to support the achievement of the objective of creating economic growth across the Sheffield City Region.

Other alternatives were also considered by CBC as it took decisions in March and April 2016, particularly that of becoming a full member of a proposed North Midlands Mayoral Combined Authority. This was not the preferred option of CBC at that time, though it did wish to continue to support the North Midlands proposals through becoming a non-constituent member. Since then, a number of other Derbyshire districts decided against supporting the North Midlands proposals and at the current time there are no alternative proposals for arrangements that could bring about a devolution deal to benefit the Chesterfield area other than through membership of SCR. No alternatives have been put to CBC during the consultation period.

Q6 – holding the mayor to account

CBC believes that the most effective way in which the mayor will be held to account will be at the ballot box. Whilst it has reservations about the need for a directly elected mayor, the accountability provided by direct elections will allow residents in Chesterfield to hold her or him to account in a way that does not currently exist where those powers are held within central government departments and agencies.

The scheme and governance review

The consultation invites views on the 'Fit for devolution' document published by SCR, containing the governance review and scheme. CBC considered these documents as part of its public decision making process, a report on which can be seen [here](#). CBC endorsed the publication of the review and scheme, considering that they provided "sufficient argument and evidence to set out a strong case for the establishment of the proposed Mayoral Combined Authority meeting the statutory tests". It also carried out a provisional Equalities Impact Assessment which can be found [here](#).

In reaching the decision to endorse the documents as making a case that met the statutory tests there are a number of points that CBC wishes to reiterate as part of this consultation process:

- CBC considers that a mayoral combined authority will make more effective use of powers and funding currently held in central government since it will be made up of **local leaders with a better understanding of local needs and opportunities**. It will also be more accountable to residents for the use of the powers and funding, since the authority will be made up of locally elected leaders and a directly-elected mayor with an electoral mandate covering all of the full member authority areas. There is already an effective executive in place supporting the existing combined authority and LEP and capable of delivering the agreed devolution deal.

- The majority of the powers held by the mayoral combined authority would be those currently held in central government. Therefore **the appropriate comparison** to make in applying the statutory tests **is between the proposed arrangements and a continuation of national programmes and central government determined policies and use of powers**, not a comparison with the current arrangements for local authority services which will continue unchanged and not passed to the combined authority. On this basis, CBC considers that the proposals pass the statutory test relating to the improvement of exercising statutory functions.
- It also considers the proposals will improve the position relating to effective and convenient local government, since **local services remain unchanged** whilst providing local leaders with far more say over previously nationally run programmes. With greater access to powers and funding currently sat within central government, full members would be able to improve the alignment between their own services and those functions previously delivered nationally and over which there has been limited influence. The identities and interests of local communities would also be served better through the **accountability provided by a combined authority made up of their local leader and a directly elected mayor**. Communities in Chesterfield will retain their Chesterfield and Derbyshire identity whilst gaining far more direct influence over powers – through the mayoral election – than is currently the case where those powers are held in central government. Whilst a Sheffield City Region mayor will not immediately have strong resonance with communities in terms of their local identity, it is considered this will have greater resonance than a North Midlands mayor would have done.
- It is recognised that **the proposals for public transport differ** since this would be the one area where powers would move from existing local authorities (i.e. Derbyshire and Nottinghamshire County Councils, for the areas of Chesterfield and Bassetlaw respectively) to the mayoral combined authority. In this case, CBC considers that provided transitional arrangements are properly managed, the statutory tests can be met. In the case of Chesterfield, there are already a number of operators working across the administrative county boundary, in particular into South Yorkshire and into Nottinghamshire. Whilst no single geography will fit neatly with passenger demand, the proposals will see net benefits over time by working on a geography that more closely aligns with the economy of the area. A mayoral combined authority will be able to **align public transport provision with the wider plans for growth more effectively than a continuation of the existing arrangements**. The SCR already has in place an Integrated Infrastructure Plan that provides the framework for this alignment. CBC considers that the potential benefits for communities, including through additional available investment, are sufficient to outweigh the short term organisational and administrative inconvenience.

- Through carrying out a series of published equalities impact assessments, CBC has also noted the potential for negative impacts on some groups with protected characteristics arising from proposed reductions to services under the current arrangements. There is **the potential for those negative impacts to be mitigated by the proposed full membership of SCR**. Similarly, the SCR assessment notes the potential for positive impacts on some groups with protected characteristics.
- CBC has also reflected on the further statutory consideration that arises due to the **geographical separation** between its boundary and that of other proposed full members of the mayoral combined authority. This relates to the impact on functions in neighbouring areas that are 'equivalent to those of the combined authority's functions'. Given that the combined authority functions would largely be those devolved from central government, CBC considers these 'equivalent functions' should continue unaffected, delivered by those central government departments and agencies in the neighbouring areas. **Other services and functions currently delivered by local authorities and other partners** in those neighbouring areas are not 'equivalent to those of the combined authority's functions' and **will also continue unaffected**. Furthermore, CBC notes that the neighbouring areas in question are already members of the Sheffield City Region Combined Authority to which voting rights are extended as a matter of course in line with the current constitution at each meeting. If and when proposals are developed that could have an impact in the neighbouring areas, then the continuing membership of those areas will ensure that decisions are not taken in isolation of representation from those areas.
- The case of **public transport**, as noted above, is different since Derbyshire County Council would be the authority continuing to provide those functions in neighbouring areas. As noted above, liaison already takes place with neighbouring areas to coordinate public transport provision that goes beyond administrative boundaries and **the transition planning already underway should ensure that service effectiveness is not compromised for these 'equivalent functions' in areas that adjoin Chesterfield**. Since powers will be held concurrently, there is significant scope to ensure that the enhancements that will come from an improved alignment across SCR are not at the expense of services in neighbouring areas. As also noted above, it is the view of CBC (which it has set out for consideration of the county council) that access to a devolution deal has the potential to mitigate cuts and reductions to services that might otherwise need to be made, including in neighbouring areas.
- Bringing together 6 rather than 4 authorities as full members in SCR would mean that the **full membership geography mirrors more closely the economic geography of the city region**. This is a further factor that CBC considers will improve the exercise of statutory functions, since interventions

will be developed and delivered at a greater scale and across a greater proportion of the economic area that is included in the Strategic Economic Plan.

- As well as being key agents in the economic growth of the SCR, **the 6 full member areas also have a similar profile of challenges**. In particular, the multiple deprivation characteristics of these areas show skills, health, housing and employment challenges that need to be addressed in order to see economic growth that works for the benefit of these communities. CBC considers that bringing together as full members all 6 areas with these common characteristics, with access to the powers and funding to tackle these issues, will further improve the exercise of statutory functions.

Broader points

As part of its consultation response, CBC also wishes to make a number of wider points of relevance to the proposals.

- The consultation exercise has taken place against a backdrop of a full scale **campaign run by Derbyshire County Council to 'Keep Derbyshire Together'**. The details of this have been provided separately and space prevents inclusion of a full list here. The campaign has led directly to engagement with CBC (at its events, through correspondence and direct contact with elected members and officers) based on the material produced by the county council. For example, concerns have been raised regarding Chesterfield leaving Derbyshire, police services being taken over by South Yorkshire police, pot-holes being repaired by Sheffield City Council and Chesterfield having less of a vote than other areas. In these and many other cases, residents have been responding to DCC-issued material that contains misleading, inaccurate and speculative claims. As a result, Chesterfield members and officers have spent a significant amount of time explaining the proposals to concerned residents and correcting misinformation. In the majority of cases, these discussions have ended with residents adopting a neutral or supportive position towards the proposals. However, it has been of concern to CBC that so many residents and businesses have not been well served through the consultation process by the nature of the material issued by DCC. The extensive local engagement by CBC members and officers has provided opportunities to restore clarity, but inevitably there will be a significant number of responses to the consultation that are still driven by and based on misleading, inaccurate and speculative material.
- The campaign has included loaded and misleading **opinion polls** but CBC has not been able to comment on these since it has not been provided with the results of these, nor with those run earlier this year.
- One of the consequences of the campaign has been a misunderstanding of the intention of **the proposals for voting rights**. Although votes are a rarity due to the consensus working within the current SCR CA, CBC has

considered the proposals and is supportive of those outlined. The proposals would give the Chesterfield area a parity of voting rights (two votes for the area – one for CBC and one for DCC) with other authorities despite the fact that it has a smaller population than any of the other proposed full members. Given Chesterfield is a 'two-tier' area with two sets of elected representatives, it seems entirely appropriate that voting rights should therefore be shared by those two sets of members authorities and in total should match the rights of unitary authorities.

- There have been second-hand **reports** by the county council **of concerns about the proposals being expressed by key partners** such as police and fire services, health providers and Jobcentre Plus. At the time of writing, CBC is not aware of any concerns being put on the record by such partners. In discussions it has had with these valued partners, CBC has been able to clarify the scope of the SCR proposals and allay potential concerns.
- Representations have also been made regarding the 'self-containment' of the **economic area** of Chesterfield and its neighbouring districts. CBC does not consider that the economy of the area is 'self-contained', not least given the numerous discussions with businesses prior to and during the consultation period about the important links they have beyond administrative boundaries. However, regardless of the degree of self-containment, the wider point is that a devolution deal to bring the critical additional funding and powers to support economic growth in the area is not available for a geography as small as Chesterfield or North-North-East Derbyshire or even Derbyshire as a whole, however 'self-contained' or otherwise they might be. Therefore, the relevant consideration is to which wider economic areas there are the strongest links with that 'self-contained' area. CBC considers that the evidence, including its extensive discussions with businesses, shows those links are strongest with the rest of the Sheffield City Region area. Links with the economies of the Derby city and Nottingham city areas are considerably weaker.
- CBC support for the proposals is in part due to the fact that they build on and strengthen existing arrangements that have been in place and delivering benefits for the area for some time. Chesterfield's situation in an **overlap of economic and administrative areas** has caused additional burdens for it as it has worked and fully contributed within two different LEP areas. Despite the commitment made following consultation on establishing the SCR CA (in 2013) to 'put in place a clear structure for future joint working in order to overcome the complexities of any overlap', no such arrangements have been developed. The current proposals deliver an arrangement whereby the two local authorities representing the Chesterfield area are both able to speak on behalf of Chesterfield and get the best for the area through membership in SCR, making the most of direct influence over powers and funding otherwise inaccessible in central government.

- The proposals for Chesterfield’s full membership arise following **changes to the law** made earlier this year. CBC considers that the policy intent behind government amendments that made those changes must have been to allow membership in cases where there is a case for the test being met despite a geographical separation of administrative areas. It is hard to think of another English area where there are closer but non-contiguous economic centres than is the case under these current proposals.
- CBC remains **committed to working directly and in partnership with the county council** as it does now on a wide range of services and priorities. It stands ready to collaborate and contribute across a North Midlands area (following its commitment in April to non-constituent membership) and/or Derbyshire wide arrangements for similar collaboration as and when these are refreshed.
- CBC has considered the **interests of communities it serves** as the key consideration throughout the development of these proposals. It acknowledges that the proposals will require additional work in order to make a set of well-planned transitions from current to new arrangements. Whilst this will give rise to some short term complexity, CBC considers that organisational interest or convenience should not be as important as the need to deliver long-term benefits for its communities.
- It is also concerned with the impression being created that the proposals in question would somehow open up numerous ‘conflicting priorities’ between different bodies and partnerships serving the communities in Chesterfield. There is no evidence to suggest that would or should be the case, nor any grounds to consider that it would somehow be inevitable. In fact, the experience of operating within an ‘overlap area’ has been of that of **shared priorities** and an ability to bring more resources and alignment to bear on the challenges facing Chesterfield. For example through complementary business support initiatives and the partnership working evident in supporting the successful Enterprise Zone at Markham Vale.
- The impact on communities has been considered as part of a thorough **Equalities Impact Assessment process**, both in making decisions in April of this year and again when considering in June whether to endorse the publication of the proposals for consultation. This has been a further tool through which consideration has been given to whether the proposals are likely to see improvements for communities in Chesterfield. The assessment has been available for comment by partners since late March and to date has received endorsements from several partners but no input from the county council. The provisional SCR assessment has also been considered, although there is no assessment available from the county council.

Conclusion

CBC fully supports the devolution proposals that are outlined in the 'Fit for devolution' documents. Bringing further powers and funding from central government to the Sheffield City Region will allow local leaders to deliver far more effectively for the benefit of their communities. The appropriate comparison is with Chesterfield having to continue accessing national programmes and bid for national funding, with no direct accountability for these to residents in the borough. Through the proposals put forward by SCR, those residents would see their interests served better as the ability of the council to realise its priorities for the borough would be significantly enhanced through access to the powers and funding on offer in the SCR devolution deal. Despite a campaign to assert otherwise, those residents would also retain their proud local identity and remain part of Chesterfield and Derbyshire. As described above in more detail, CBC considers the statutory tests to be met and welcomes the proposals and the opportunity to become a full member of the SCR Combined Authority so that it can be even more effective in serving its communities.

Huw Bowen

Chief Executive

Chesterfield Borough Council

12th August 2016