

For publication

Membership of the Sheffield City Region Combined Authority

Meeting:	Council
Date:	19 th July 2017
Cabinet portfolio:	Leader
Report by:	Huw Bowen, Chief Executive

For publication

1.0 Purpose of report

- 1.1 This report seeks to update Council regarding recent changes relevant to pursuing Chesterfield Borough Council's full membership of the Sheffield City Region Combined Authority in line with the resolved position of March and September 2016. It makes recommendations to Council to alter its resolved position in light of those recent changes.

2.0 Recommendations

- 2.1 That Council support continuing active non-constituent membership of the Sheffield City Region Combined Authority, and not, at this time, full constituent membership, for Chesterfield Borough Council.
- 2.2 That Council note the potential impacts on the communities of Chesterfield and Derbyshire and support work underway to mitigate those impacts.

3.0 **Report details**

Background

- 3.1 On 6th April 2016 the Council resolved it 'agrees to apply to be a full constituent member of the Sheffield City Region Combined Authority in line with the statutory process'. As part of that process, a public consultation was carried out by the Sheffield City Region (SCR) Combined Authority from 1st July 2016 to 12th August 2016, following which Council met again on 7th September and endorsed the submission of documents to government to enable the formation of a Mayoral Combined Authority for SCR that would include Chesterfield as a full member.
- 3.2 Since September, officers have continued to work to implement this resolved position, including supporting SCR Combined Authority in defending the consultation process in the courts as a result of a Judicial Review brought by Derbyshire County Council. Following the outcome of that review, Chesterfield has worked with the Combined Authority to support its plans for a further public consultation due to have commenced in early July 2017. That consultation would have once again proposed a Mayoral Combined Authority including Chesterfield as a full member, given the resolutions made by the Council in 2016 in light of the benefits that would flow into Chesterfield and Derbyshire from that full membership status.

Recent changes

- 3.3 Three recent changes have occurred that have led to a review of the council's position and the recommendations made in this report. Firstly, the General Election on the 8th June saw no party establish an overall majority. This combined with the amount of legislation required for Brexit, has led to a significant risk that priority will not be given for the parliamentary time and government support necessary to establish a Mayoral Combined Authority with Chesterfield as a full member.
- 3.4 Secondly, following the change of administration at Derbyshire County Council, an early priority was set to prevent Chesterfield Borough Council becoming a full member of the SCR Combined Authority. Delivery of that priority included a 'referendum' asking

Chesterfield residents a yes or no question. This would have led to significant public money being spent duplicating a question that would have been asked by the SCR Combined Authority in its statutory consultation just two weeks later. Whilst the question in the SCR consultation would have been placed within a context of explanatory information, it is clear from the recent material issued by the county council that a referendum question would have been asked against the backdrop of a campaign similar to that run during the summer of 2016. These referendum and consultation exercises would also have followed closely on from both local and national elections in May and June 2017.

- 3.5 Finally, Bassetlaw District Council, which had also been seeking full membership of the SCR Combined Authority, has decided not to pursue this given the lack of priority that it considers central government would give to devolution.

Consideration

- 3.6 Given the factors above, it is clear that there would need to be a significant effort made by council members and officers in order to continue pursuing full membership of SCR. Even with that effort, there is a substantial risk that the outcome would not be as intended for the reasons outlined above.
- 3.7 Whilst the strong economic and strategic cases for full membership are largely unchanged from those informing the council decision in 2016, it is clear that the political landscape has changed in recent weeks and that the prospect of achieving full membership has significantly reduced. This has resulted in the Leader making a public statement setting out the intention to cease from pursuing full membership of the SCR Combined Authority, subject to a decision by Council.

Impacts and next steps

- 3.8 If Chesterfield Borough Council does not become a full member of the SCR Combined Authority, it will not have access to the full benefits of the devolution deal agreed with government in October 2015. A recent analysis by officers estimated this could be in the region of £35m over the next five years. This is based on funding that would only be available through the deal, as

opposed to funding that might continue to flow through the SCR Local Enterprise Partnership (of which Chesterfield along with North East Derbyshire, Bolsover and Derbyshire Dales remain full members).

- 3.9 This funding is primarily made up of the 'gainshare' funding, worth £30m p.a. for the city region, plus a share of further devolution funding for employment and skills and housing. It also recognises that government has explicitly protected some elements of transport funding from cuts for areas with devolution deals, a protection that will not extend to Derbyshire in the absence of full membership and could cost the area up to £1.7m.
- 3.10 As well as a loss of direct funding opportunities, membership of a Mayoral Combined Authority would also bring national influence, as is clearly evident from the recently elected Mayors for other city regions, and powers that could be used to realise the plans for growth across the borough. Based on the experience in other areas, it is likely that SCR Combined Authority would use its influence to bring further powers and funding to its full members in the future, opportunities that may no longer be open to Chesterfield.
- 3.11 As there are no other devolution deals available to Chesterfield, nor any part of Derbyshire, there is no direct mitigation for the lost opportunities outlined above.
- 3.12 However, if Chesterfield does not become a full member, it is recommended that it continues to be an active non-constituent member of the SCR Combined Authority. This will allow the council to maximise any funding opportunities that are available to non-constituent members, building on the strong track record to date of bringing investment into this part of Derbyshire.
- 3.13 As is the case now, consideration will also be given to maximising opportunities that arise through the D2N2 Local Enterprise Partnership, though it is noted that Chesterfield is not part of the decision making process of allocation of funding through that partnership.

- 3.14 Discussions will also continue with Derbyshire County Council to establish whether it is able to support any further mitigation measures.
- 3.15 As well as mitigating the loss of opportunities, the council will continue to work with local stakeholders to explain the change of position and respond to any emerging concerns or issues. Early indications are that the business community, which voiced strong support for the decisions made by the council in 2016, is keen to see how the lost opportunities can be mitigated in order that momentum can be maintained in delivery of current growth plans.
- 3.16 The 4 current full members of the SCR Combined Authority will decide whether they wish to continue with the proposal to create a Mayoral Combined Authority (with full membership limited to the four south Yorkshire authorities), which could come into place from May 2018.

4.0 **Human resources/people management implications**

- 4.1 There were no proposals to change staffing arrangements linked to becoming a full member of the SCR Combined Authority. Continuing as a non-constituent member will be delivered within existing capacity.

5.0 **Financial implications**

- 5.1 An estimate of the potential loss of funding to the borough is set out in section 3.
- 5.2 As a non-constituent member of the SCR Combined Authority, Chesterfield would continue to pay £4.5k p.a. towards the running costs of the Combined Authority (in common with the other non-constituent members). This is within approved budgets.

6.0 **Legal and data protection implications**

- 6.1 To date, decisions made by Chesterfield Borough Council have been subject to threat of legal challenge and the SCR Combined Authority was subject to legal challenge following the consultation

process it ran during 2016. It is not considered likely that the decision recommended to Council in this report will be challenged, but this cannot be discounted.

- 6.2 Remaining as a non-constituent member of the SCR Combined Authority is a continuation of the existing position and does not require any further legal or constitutional processes.

7.0 **Consultation**

- 7.1 As outlined above, consultation took place in summer 2016 with regard to the creation of a Mayoral Combined Authority for SCR. The consultation indicated significant support for the proposals but the courts subsequently found that process to be lacking with regard to just one of the 11 objections raised by the county council. This – a question relating to Chesterfield’s membership – would have been asked as part of the planned 2017 SCR consultation process.

- 7.2 No further consultation is deemed necessary to support the recommendations set out in the report, since Chesterfield is already a non-constituent member of the SCR Combined Authority. This has been the case since its creation in 2014, a process that followed public consultation during 2013.

8.0 **Communication**

- 8.1 The intention of the council to cease pursuing full membership of the SCR Combined Authority has been communicated by the Leader, noting this is subject to consideration at full council.
- 8.2 The council will continue to engage with stakeholders to update them regarding mitigating the loss to the area. It will also continue to communicate regarding funding secured from SCR through its non-constituent membership status.

9.0 **Risk management**

- 9.1 The scale of financial risk, in terms of lost opportunities, are set out in section 3 above. It should be noted that SCR funding already allocated to Chesterfield (e.g. for Northern Gateway,

Waterside, Peak Resort etc.) is not at risk as a result of the recommendations set out in the report.

9.2 As well as financial risk, there is a reputational risk in terms of the Borough's track record of securing investment and supporting growth. However, this is considered to be outweighed by the risks (outlined in section 3) of continuing to pursue full membership.

9.3 There is also a risk of loss of influence both regionally and nationally as a result of the recommendations in the report. If a Mayor for SCR is elected next year, she or he will not have a mandate to speak for Chesterfield and will exercise influence in government on behalf of the full members of the Combined Authority. Representation on key pan-regional bodies, such as Transport for the North, could also be affected (Chesterfield has no seat at the Midlands Engine table). On the other hand, if a Mayor is not in place for SCR, then the whole city-region will lose influence in comparison to others with elected Mayors, such as West Midland and Greater Manchester.

10.0 **Equalities Impact Assessment (EIA)**

10.1 A full provisional equality impact assessment was developed for the decision regarding membership of the SCR Combined Authority taken by Council in April 2016. The EIA can be accessed [here](#). Further equality analysis and consideration has taken place regarding the impact of no longer pursuing constituent membership of the combined authority.

10.2 No further disproportionate negative impacts have been identified for people with protected characteristics. However, there are concerns that a decision to no longer seek constituent member status within the combined authority presents potential opportunity costs for protected groups.

10.3 Potential positive impacts (as cited in the assessment relating to full membership) now at risk include:

- Potential for an improved/simplified concessionary travel scheme, enhanced associated discounts and wider benefits,

improved bus information and the reprioritisation of supported bus network routes into Chesterfield Borough.

- Access to European structural investment fund money which concentrates on work readiness and skills.
- The devolution deal included a commitment to an area based review of post 16 education to ensure that post 16 providers are delivering the skills that local employers require and increase employability of young people.
- The devolution deal also included the ability for the combined authority to work with the Department for Work and Pensions to co-design future employment support for harder to help claimants which can impact on several protected groups including young people, older people, people with ill health and disabilities, people from Black and ethnic minority backgrounds and those returning to work following childcare or other caring commitments.

10.4 As part of the work outlined in section 3, the council will work with partners including the SCR Combined Authority and LEP, the D2N2 LEP and Derbyshire County Council to seek to minimise this loss of opportunity for protected groups.

11.0 **Alternative options and reasons for rejection**

11.1 There are two alternatives at this time. The council could continue to pursue full membership of SCR in line with the resolution of 2016. This is not recommended for the reasons discussed in section 3.

11.2 The second alternative is to withdraw from non-constituent membership of the SCR Combined Authority. This is not recommended as Chesterfield currently has a seat round the table at SCR and voting rights on almost all matters are extended to all non-constituent members. This means that Chesterfield can retain, as now, influence on decisions made and seize opportunities to bring investment into Derbyshire.

12.0 **Recommendations**

12.1 That Council support continuing active non-constituent membership of the Sheffield City Region Combined Authority, and

not, at this time, full constituent membership, for Chesterfield Borough Council.

12.2 That Council note the potential impacts on the communities of Chesterfield and Derbyshire and support work underway to mitigate those impacts.

13.0 **Reasons for recommendations**

13.1 The recommendations are made in recognition of changes that have occurred, locally and nationally, that now make pursuing full membership of the SCR Combined Authority significantly more challenging for the council.

Decision information

Key decision number	737
Wards affected	All
Links to Council Plan priorities	Thriving Borough Quality of Life Value for Money

Document information

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Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	

