



Doncaster Council

Report

Date: 5th March 2020

To the Members of Full Council

IMPLEMENTING THE SOUTH YORKSHIRE DEVOLUTION DEAL

Relevant Cabinet Member(s)	Wards Affected	Key Decision
	All	No

EXECUTIVE SUMMARY

1. After a period of uncertainty regarding the future of devolution in the region, consensus has now been reached on how it should be progressed, based on the proposal made to Government in March 2019 which would see the 2015 Deal in place from 2020.
2. At the end of this current Mayoral term, those councils that do not see their future in a South Yorkshire arrangement are free to join an alternative wider Yorkshire Devolution Group.
3. The Secretary of State (SofS) for Housing, Communities and Local Government (MHCLG) and the Northern Powerhouse Minister recently confirmed their support for the implementation of the South Yorkshire Devolution Deal, unlocking the benefits it offers.
4. Following the Government's response to the MCA's proposal, the next step (to put in place the powers of the 2015 Deal) requires a public consultation covering a Governance Review and Scheme. The consultation is now open on the SCR website until 15th March 2020. www.sheffieldcityregion.org.uk/devolution
5. This is a standard report with consistent recommendations being used by all South Yorkshire Authorities.

EXEMPT REPORT:

6. This report is not exempt.

RECOMMENDATIONS

7. It is recommended that Council:

R1 Note progress on the 2015 South Yorkshire Devolution Deal;

R2 Acknowledge the timetable for consultation on the Deal;

R3 Delegate to the Chief Executive, in consultation with the Mayor and the Assistant Director of Legal and Democratic Services, authority to take forward and conclude the legal steps necessary to implement the Devolution Agreement including consenting on behalf of the Authority to the enabling Powers Order, provided that such Order corresponds to the proposals contained in the [Governance Review and Scheme](#)¹.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER

8. Whilst the funding programmes that the SCR MCA and Local Enterprise Partnership (LEP) have in place, have and are delivering significant benefits, they are now nearing full commitment. In the absence of any certainty on the UK Shared Prosperity Fund, the successor to the Local Growth and European Structural Investment Funds, there is a need to secure additional resources to continue to unlock growth and opportunities in the region.

9. The 2015 South Yorkshire Deal will secure:

- greater collaborations between authorities, **will improve the exercise of statutory functions** in the area or areas to which the order relates over and above existing operations;
- **a neutral or no impact on the identities of local communities** – these proposals are about the economy and not about the identity of an area which has been working closely together for a number of years;
- **secure more effective and convenient local government**, reduce complexity and streamline the delivery of public services within the combined authority area.

BACKGROUND

10. In 2015, the Sheffield City Region Combined Authority (SCR CA) agreed a devolution agreement with Government (the 2015 South Yorkshire Deal). The deal led to the establishment of the Authority as a Mayoral Combined Authority, with the election of the first South Yorkshire Mayor taking place in May 2018.

11. This deal is one of the largest individual settlements for any combined authority area, relative to its population size and covers a range of themes including skills and employment; housing, planning and public assets; innovation, advanced manufacturing and business growth and transport.

¹ <https://sheffieldcityregion.org.uk/devolution/>

12. The 2015 Deal also includes elements of fiscal devolution (retained business rates) and changes to City Region-level democratic structures, including the provision of additional powers to the SCR Mayor.
13. The 2015 Deal will strengthen the MCA with additional powers. There is no intention to take existing powers from Local Authorities. Indeed, through devolution local councils and local leaders will be better able to exercise their democratic responsibilities through more influence over greater levels of public spending in their localities.
14. The SCR MCA now has the opportunity to have a major transfer of resources, powers and responsibilities from Government conferred upon it and the South Yorkshire Mayor. These powers and functions were set out in the devolution agreement reached between Government and the City Region in October 2015.
15. The Deal agreed was focused on economic growth. The headlines include:
 - devolved transport powers and funding;
 - full devolution of the 19+ Adult Education Budget for college and training providers;
 - control of a new, flexible single pot of funding for economic growth, which incorporates an additional £30m annual allocation over the next 30 years;
 - a greater share of the benefits of economic growth through a pilot of retention of business rate growth;
 - the co-design and co-commissioning of new employment programmes;
 - an improved approach and greater accountability to SCR of national inward investment and trade support;
 - better use of publicly owned assets and increased planning capacity and powers to increase housing delivery and commercial development;

CONSULTATION

16. On the 27th January 2020, the MCA agreed to launch a public consultation on the powers needed to implement the South Yorkshire Devolution Deal. The specific powers that the Authority requires are set out in detail in the Governance Review and Scheme, which are included in Annex A. In summary these are:

Housing and Regeneration – functions to be exercised concurrently with Homes England to improve the supply and quality of housing;

Spatial Planning - the power to establish mayoral development corporations and create a non-statutory spatial framework for South Yorkshire;

Skills – conferring local authority and central government training and skills functions to the MCA, to be exercised concurrently with constituent local authorities and the Secretary of State;

Transport – the central government power to provide grants to highway authorities, power to reach agreements with other bodies about the management of the strategic highway network, and bus operating powers;

Decision Making – the Order will determine a number of constitutional and governance issues e.g. relating to mayoral and non-mayoral functions and voting rights and majorities

Finance – the ability, subject to approval of the MCA, to precept for mayoral functions and wider borrowing powers that go beyond the Authority's current ability to only borrow for transport purposes.

17. The six-week public consultation on these proposals is now underway, launching on the 3rd February 2020 and concluding on the 15th March 2020. The consultation is being conducted primarily through digital channels with consultation feedback gathered via the SCR website. However, people are also able to submit response by letter or email should they wish to do so. Consultation documents and publicity materials have also been made available in key local authority buildings and in transport interchanges. In addition, the consultation is being publicised through a variety of mechanisms, including:
- pro-active media releases and pro-active engagement of regional and local media throughout the consultation, including advertisements;
 - web content for the SCR website, including a feedback form;
 - similar, but locally adapted content for local authority and partner websites;
 - social media using local authority and SCR MCA and LEP family channels;
 - staff messaging

NEXT STEPS

18. Whilst the progression of the public consultation on the proposals in the Scheme represents an important step in the process to devolve powers to the region, it is not the final step. The legislative process to secure the Devolution Deal comprises a number of stages that culminate in Parliament passing a statutory order (setting out the additional functions that will be devolved to the MCA) (Powers Order) into law. The next steps following completion of the consultation, including indicative milestones, are as follows:
- A summary of the consultation responses received, which is then considered by the MCA, who then take a decision to submit this to the Secretary of State (SofS), with any accompanying recommendations. No later than week commencing 13th April 2020;
 - The SofS considers the material submitted and produces a draft Power Order setting out the powers needed to implement the Devolution Deal, subject to the statutory tests being met. Mid April / end June;
 - The constituent councils, the MCA Mayor and the MCA consent to the draft Powers Order. By the 8th June 2020
 - The Power Order is laid in parliament - following the provision of the necessary consents and passes into law. Before the summer recess.
19. By meeting the above timetable, South Yorkshire has the potential to gain access to the benefits of the Devolution Deal (including release of the gainshare funding) by the summer. Should there be any delays in this process, the legislative process is unlikely to conclude until October, given parliamentary recess periods.
20. In December 2017, the people of Doncaster voted substantially in favour of pursuing a wider Yorkshire devolution proposal. As set out in the body of this report, agreeing this proposal is seen as a step on the road to wider Yorkshire devolution and the Council has achieved assurances that in 2022 Councils who wish to join an alternative wider Yorkshire devolution may do so.

OPTIONS CONSIDERED

21. Council has two options to consider:

- (i) **Take forward and conclude the South Yorkshire Devolution Deal** - In order to maximise the region's ability to complete this process by the summer, it is proposed delegate to the Chief Executive, in consultation with the Mayor and the Assistant Director of Legal and Democratic Services, authority to take forward and conclude the legal steps necessary to implement the Devolution Agreement including consenting on behalf of the Authority to the enabling Powers Order, provided that such Order corresponds to the proposals contained in the Governance Review and Scheme.
- (ii) **Do Nothing** – If these delegations are not put in place it is extremely likely that the parliamentary process will not be completed by the summer. This would mean a delay in the benefits of the Deal being secured for the people and communities of South Yorkshire.

REASONS FOR RECOMMENDED OPTION

- 22. The Secretary of Housing, Communities and Local Government and the Northern Powerhouse Minister recently confirmed their support for a South Yorkshire Devolution Deal, confirming that any authority that wished to do so would be free to join an alternative wider Yorkshire Devolution Group.
- 23. In terms of progressing devolution in the region further clarity has now been arrived on the Government's position. The Secretary of State for Housing, Communities and Local Government and the Northern Powerhouse Minister recently confirmed that subject to the positive conclusion of this deal, the Government agrees to progress discussions on the role and functions of a Committee of Leaders from across Yorkshire, based in the existing Yorkshire Leaders Board.
- 24. On the basis of this consultation and for the matters set out below, it is recommended that Council endorse the option set out in (i). The legislation does specifically require each Constituent Council to consent to the making of the Order and this must be done by June 2020.
- 25. The reason for this recommendation is that the SCR will receive a £30m gain-share payment each year starting from April 2020. The SCR are in the process of looking at options as to how this will spent. These options include major infrastructure projects. This funding is understood to be new money to the region that would not be received without the devolution deal. The costs of an elected city region Mayor will be met from the gain-share money.
- 26. National rebalancing in favour of Northern Towns will provide a catalyst for the future but it will be our responsibility to contribute positively towards the rebalancing needed. The Council is investing in the foundations for future growth, including the Local Plan, Environmental Strategy and Inclusive Growth Strategy.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

Outcomes	Implications
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<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>Work is underway to develop a new Strategic Economic Plan (SEP) for the SCR. This will set out an ambitious vision for the future growth of the area that builds upon its strengths and weaknesses, to grow the economy at a faster rate.</p> <p>Additional powers and resources in the Deal could be used to deliver the priorities of the new SEP, when agreed and in place including the better use of publicly owned assets and increased planning capacity.</p>
<p>Doncaster Living: Our vision is for Doncaster’s people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>Devolution under the 2015 Deal will enable the Authority to have greater flexibility to direct external resources to support the economic wellbeing of Doncaster and all its citizens.</p> <p>The Deal incorporates devolved transport powers and funding – including the powers to franchise the bus network.</p>
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>Conferral of local authority and central government training and skills functions to the Combined Authority, to be exercised concurrently with constituent local authorities and the Secretary of State.</p> <p>Further education provision generally services local labour markets. By devolving the Adult Education Budget and conferring the appropriate powers on the SCR MCA it is expected that provision of adult skills in the SCR will be better aligned with locally determined priorities to ensure that SCR residents have the skills required to help businesses to grow, innovate and diversify. A trained and skilled workforce will create good growth.</p>

<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	<p>Not specifically applicable.</p>
<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>The premise of the SCR MCA is that decisions that are about creating economic growth are best made close to the people they effect.</p> <p>Nationally the government has recognised that there are powers and functions that can be more effectively delivered locally.</p> <p>The proposed strengthened MCA model will give direct accountability and streamlined decision making. A governance structure will protect the integrity and existing role and functions of local authorities.</p>

RISKS AND ASSUMPTIONS

27. Government is working with City Regions, not individual local authorities, to devolve powers and freedoms. The biggest risk would be not to endorse the Devolution Deal as Doncaster would have no access to additional resources currently proposed in the deal.
28. By continuing to progress the Devolution Deal the MCA has the opportunity to unlock additional powers and resources in the region to deliver local priorities and the outcomes identified in the Strategic Economic Plan (SEP). As such, this seeks to mitigate the risk of SCR's economic performance falling relatively further behind those areas that do have access to these additional resources.
29. The benefits that can be generated through the MCA models that have powers in place are shown by the successes being generated across the country where these arrangements have been established. The initiatives that they are bringing forward, additional powers and investment that has been unlocked from government (for example, more than a billion pounds of direct investment from the Transforming Cities Fund), and their engagement with local people is a testament to the benefits that can be achieved.

LEGAL IMPLICATIONS [Officer Initials NC Date 18/2/20]

30. The legal powers surrounding devolution are set out in the Cities and Local Government Devolution Act 2016. The Act sets out a framework for devolution with further detail to be enacted by Secretary of State Regulation.
31. The details of the Sheffield City Region Combined Authority's deal are set out in the "Sheffield City Region Devolution Agreement".
32. In accordance with the requirements of the Local Democracy, Economic Development and Construction Act 2009, a governance review and scheme have now been prepared and published. The review concluded that the exercise of the power to make an order that devolves further functions to the SCR would be likely to improve the exercise of statutory functions in relation to the area of the MCA.
33. A public consultation exercise is currently underway to seek views on the proposals as set out in the review. Following that exercise the MCA will analyse and produce a summary of the findings. A submission may then be made to the Secretary of State who may in turn produce a draft Order and seek consent to the Order from each constituent Council. Should all of these consents be provided the order can then be laid before Parliament for approval.

FINANCIAL IMPLICATIONS [RS 18th February 2020]

34. The deal is focussed on economic growth and aims to build further upon what has been achieved by Sheffield City Region so far. The deal secures the Mayoral Combined Authority £30m additional funding per annum for the next 30 years which the Council will be able to apply for a share of for both revenue and capital purposes.
35. If the deal was not accepted the Council would not have access to the additional funding available.

HUMAN RESOURCES IMPLICATIONS [AC 18th February 2020]

36. There are no HR implications specific to the recommendations in the report, however, any future developments as a result of the deal that impact on the workforce will require HR engagement and separate approval at the appropriate time.

TECHNOLOGY IMPLICATIONS [PW 25th February 2020]

37. There are no technology implications specific to the recommendations in the report. However, any future developments that impact on technology will require ICT engagement at the appropriate time.

HEALTH IMPLICATIONS [RS 18th February 2020]

38. Devolution is one way of empowering local people as it brings decision making nearer to them and increases accountability. As such devolution is likely to improve health and wellbeing. However, decision makers will want ensure any new powers

are resourced sufficiently to discharge them effectively and not increase health inequalities.

EQUALITY IMPLICATIONS [CAF 24th February 2020]

39. Decision makers must consider the Council's duties under the Public Sector Equality Duty at s149 of the Equality Act 2010. The duty requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.
40. This report is the ratification of the proposal and due regard will be considered as part of the implementation of the proposal. In developing the approach to be adopted for the consultation on the scheme it will be important to ensure that this targets different communities and groups, including protected characteristics.
41. An equalities impact assessment will be produced to sit alongside the summary of the consultation responses. In addition, individual impact assessments will be produced in the progression of individual elements of the Deal, for example, the devolution of the adult education budget.

CONSULTATION

42. In December 2017, the people of Doncaster voted substantially in favour of pursuing a wider Yorkshire devolution proposal. As set out in the body of this report agreeing this proposal is seen as a step on the road to wider Yorkshire devolution and the Council has achieved assurances that in 2022 Councils who wish to join an alternative Wider Yorkshire Devolution may do so.
43. The SCR has been consulting on the Proposal since it was made. This has included:
 - a formal online consultation exercise and survey see: <https://sheffieldcityregion.org.uk/devolution/>
 - consultation through social media (including Twitter) through the Sheffield City Region Executive and all four South Yorkshire Local Authorities.

BACKGROUND PAPERS

Cabinet Report: Sheffield City Region Devolution Agreement : Ratification of the Proposal (1st March 2016).

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

SCR : Sheffield City Region

SCR MCA : Sheffield City Region Mayoral Combined Authority

SofS : Secretary of State

LEP : Local Enterprise Partnership

MHCLG : Ministry of Housing, Communities and Local Government

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