

**To the Chair and Members of Full Council**

**Sheffield City Region Devolution Deal Update**

**EXECUTIVE SUMMARY**

1. Devolution provides a significant opportunity for the city region to have far greater control over how it will deliver economic growth than under current arrangements. The devolution submission attached, sets out 30 asks over 7 themes and responds to the Government's budget announcement to work towards a devolution deal with Sheffield City Region in order to strengthen the northern powerhouse.

Government wish to make an announcement as part of the Autumn Statement expected in November. As such, the timescales involved in finalising the devolution deal are extremely tight. On Wednesday 16 September the City Region representatives spent the day with Government negotiating the thematic asks.

While the Mayor and city region leaders believe the current city region governance structures are appropriate for delivering the devolution deal, the Government is clear that without a city region Mayor, devolved powers will not be possible.

**EXEMPT REPORT**

2. Not applicable.

**RECOMMENDATIONS**

3. It is recommended that Council:-
  - (i) Notes the Sheffield City Region devolution submission; and
  - (ii) Notes the involvement of the Chief Executive, Mayor and senior officers in the negotiation of devolution "asks" with Government.

**WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

4. Devolution provides a significant opportunity for the city region to have far greater control over how it will deliver economic growth than under current arrangements. The seven themes of the devolution ask, set out in the attached devolution submission, will provide the tools that the city region need to improve the mobility of labour, support indigenous business growth, equip residents with the skills required to access the labour market and provide long term financial stability.

## **BACKGROUND**

5. At the budget in March 2015, to fulfil its commitment to rebalance the economy and further strengthen the northern powerhouse, the Government announced that it was working towards further devolution deals with the Sheffield, Leeds and Liverpool city regions.

The Sheffield City Region has been working in partnership with the private sector to take more decisions locally over the last four years, with the creation of a Combined Authority, providing local democratic accountability, cementing the region's desire to take more responsibility for the success of the economy.

The devolution submission, attached as Appendix A, sets out 30 asks by the Sheffield City Region to the government over 7 different themes:

- An integrated 21<sup>st</sup> century transport network
- A world leading area for innovation, advanced manufacturing and business growth
- More young people in Apprenticeships, earning or learning and higher employment
- Better use of publicly owned assets
- A stable, long term financial settlement
- Greater accountability of national programmes
- Public service reform

Government plans to make an announcement as part of the Autumn Statement expected in November. As such, the timescales involved in finalising the devolution deal are extremely tight. Chief Executives, Leaders and the City Region executive met in London to discuss the detail of the "asks" with Government officials on Wednesday 16 September. At the time of writing this report further timescales and milestones were not available. It is important that Doncaster Council remains engaged and responds swiftly and flexibly when required to lead / support the discussions.

While the Mayor and city region leaders believe the current city region governance structures are appropriate for delivering the devolution deal, the Government is clear that without a city region Mayor, additional devolved powers and funding will not be possible.

## **OPTIONS CONSIDERED**

6. Government is actively seeking to implement a devolution deal with the Sheffield City Region. This represents a significant opportunity to take local control for decisions that directly affect the city region's economy. The Mayor and Chief Executive are actively involved in the process of negotiating the deal with Government.

## REASONS FOR RECOMMENDED OPTION

7. Government will not consider the devolution of resources, freedoms and flexibilities below the city region level. It is therefore imperative, that Doncaster proactively engages, and for key themes leads, the development of the devolution asks to maximise the impact for Doncaster businesses and residents.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

8. The devolution deal will provide the foundation from which all of the Council's key outcomes can be supported:

	<b>Outcomes</b>	<b>Implications</b>
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>A strong economy is the primary driver for the devolution deal. The thematic asks provide the tools to ensure that:</p> <ul style="list-style-type: none"> <li>- Businesses are supported to locate, grow and invest</li> <li>- Residents can be equipped with the skills to enter the labour market and lead safe healthy and active lives</li> <li>- Infrastructure can be delivered to facilitate the mobility of labour and the growth of businesses</li> <li>- Strong support services are available</li> <li>- Decisions are made by the local democratically accountable Combined Authority</li> </ul>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
	<p>All families thrive.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	
	<p>Council services are modern and value for money.</p>	
	<p>Working with our partners we will provide strong leadership and governance.</p>	

## **RISKS AND ASSUMPTIONS**

9. The deal potentially represents a significant opportunity for the city region to become economically self-sufficient. However, there will be a number of risks and assumptions that will be identified / clarified as the negotiations around the “asks” progresses. At the time of writing the report, this process has not fully started. However, the Chief Executive, Mayor and relevant senior officers are supporting the negotiations – leading in some instances – and are therefore equipped to respond to risks as they are identified.

## **LEGAL IMPLICATIONS**

10. The legislation enabling the Devolution proposal is contained within the *Cities and Local Government Devolution Bill* which the Government anticipates becoming law during this current Parliament

The changes proposed by the Sheffield City Region offer will involve making changes to the Council’s Constitution which can only be done by a decision of Full Council.

Further specific, bespoke and substantial advice will be required as this proposal moves forward including advice upon changes to the Council’s Constitution and governance arrangements.

## **FINANCIAL IMPLICATIONS**

11. There are many asks on the submission that could have financial implications for the council, these will need further consideration once the implications have been made clearer. One of the proposals is in respect of the potential to retain Business Rates locally. The council currently retains 49% of Business Rates which equates to £44.847m for 2015/16. Further information will be need to be considered once proposals are known in more detail.

## **HUMAN RESOURCES IMPLICATIONS**

12. There are no direct HR implications arising from the recommendations in the report. Devolution will however require HR engagement in the process at the appropriate time, so that there is sufficient focus on HR issues particularly in terms of resource deployment, workforce and organisational development and building the principles of devolution into current roles and ways of working.

## **EQUALITY IMPLICATIONS**

13. The devolution deal is constructed to support the growth of the city region economy. As such, it has residents and businesses at its heart. The asks provide the mechanisms to respond to the weaknesses intrinsic to the local economy and as such will provide greater equality through, for example, equipping local residents with the skills to access the labour market, facilitating the mobility of labour and supporting new and existing businesses to develop and grow.

## CONSULTATION

14. The development of the devolution asks and the process for negotiating the deal with Government is being driven by the Mayor, Chief Executive and senior officers of the Council.

This report has no significant implications in terms of the following:-

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

## BACKGROUND PAPERS

15. Additional papers accompanying this report include;
- Attached is the devolution submission to Government from the Sheffield City Region.

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