

## **REPORT OF THE LEADER OF THE COUNCIL**

### **COMBINED AUTHORITIES – CONSULTATION ON A PROPOSAL TO ESTABLISH A COMBINED AUTHORITY FOR THE AREAS OF BARNESLEY, DONCASTER, ROTHERHAM AND SHEFFIELD**

#### **Purpose of the Report**

1. The purpose of this report is to confirm receipt of a consultation from the Department of Communities and Local Government regarding a proposal by nine Councils within the Sheffield City Region Local Enterprise Partnership to establish a scheme for a combined authority.

#### **Combined Authorities**

2. The report offers further details on the status of combined authorities, reflects on the outline implications for the County Council of this particular consultation and seeks this Committee's approval to delegate this Council's response to the Corporate Director for Policy, Planning & Corporate Services in consultation with the Leader.
3. Combined Authorities (CA) are separate legal structures designed to lead collaboration between two or more local authorities and enable strategic decision making on economic development, regeneration and transport issues. They can be set up with approval from the Secretary of State, who must make an Order for the CA to come into existence; prior to this, full consultation must take place with the interested parties.
4. Prior to submitting a proposal to become a CA, the authorities involved must carry out a Review to underpin the proposal to recommend the establishment of a CA, this is then followed by the publication of a Scheme detailing the mechanisms of the CA. The proposal to establish a Combined Authority for the areas of Barnsley, Doncaster, Rotherham and Sheffield (hereafter referenced in this report as the South Yorkshire CA and abbreviated to SYCA) is now at the stage of formal consultation by the Secretary of State, with views sought by the 7<sup>th</sup> October 2013. If approved, it is anticipated that the SYCA will be established on the 1<sup>st</sup> April 2014.
5. Members should note that :
  - As it stands, it is not possible for only part of a principal Council (such as the County Council) to form part of a CA;

- The functions of an integrated transport authority can be transferred into a CA as long as the integrated transport authority is covered wholly by the CA;
- CAs have a version of the general power of competence;
- Further powers could be devolved to CAs;
- While the drive towards CAs has come from or involved the Local Enterprise Partnerships (LEPs) the proposed CA is not always coterminous with the local LEP.

### The SY Combined Authority Proposal

6. The legal structure for the SYCA will be based on the four metropolitan borough councils, namely Barnsley, Doncaster, Rotherham and Sheffield, known as “constituent councils”. The Sheffield City Region (SCR) LEP covers these four boroughs plus a set of district councils from a wider area being Bolsover, Chesterfield, Derbyshire Dales and North-East Derbyshire (within the Derbyshire County Council area) and Bassetlaw from within Nottinghamshire. Members will also be aware that the above referenced district councils all lie within an area of overlapping LEPs, being within both the SCR LEP and the D2N2 LEP.
7. As referenced above, it is not possible for only part of a county council area to become part of a CA. The district councils in Nottinghamshire and Derbyshire cannot therefore be full members of the combined authority structure but under the consultation, are defined as “non-constituent councils” and as such are not technically within the area of proposed SYCA. Thus, for clarity, no part of Nottinghamshire is to be within the SYCA as the legislation currently applies.
8. The core elements of the proposed SYCA may be summarised as follows :
  - **Constitution.** The SYCA will be made up of 6 elected members from the four constituent councils. One elected member from each of the five non-constituent councils will also be members. However, non-constituent councils will be non-voting members unless the constituent councils resolve to grant them “...on certain issues.”
  - **Funding.** The costs of the CA in exercising its economic development powers would be met by the constituent councils; the non-constituent councils *may* make contributions. A CA may be given the power to issue a levy in respect of its transport (but not its economic development) functions. The CA would not be in receipt of levy powers beyond those of the existing integrated transport authority.
  - **Functions.** The SYCA will have powers to drive strategic economic growth which may include specific responsibilities such as setting the area’s growth and economic development strategies; managing investment funding decisions and co-ordinating inward investment approaches.
  - **Relationships.** The proposal states that the SYCA would act as the SCR LEP’s accountable body to hold the various funding streams and the SCR LEP would “work alongside” the CA to “...provide leadership of particular projects and work streams” and “...carry out the practical decision-making role in respect of certain functions as required by government.”

## Considerations

9. Members may wish to consider the following matters in considering any response to the consultation.
10. As noted in paragraph 4, the development of these proposals has been the subject of a Review and the publication of a Scheme. The proposals were also the subject of a reference within the Sheffield City Deal, approved by Government in September 2012. Original proposals appeared to promote a CA for the wider SCR LEP area and the suggestion that certain strategic powers of Derbyshire and Nottinghamshire County Councils would be transferred to a SYCA. That does not appear to be referenced explicitly in the actual consultation documentation but clarity could usefully be sought on this issue.
11. Given the proposed SYCA will not cover any part of the County Council's area, it would appear that the SYCA proposal does not prejudice any proposals that may be developed by the Councils in Nottinghamshire (and separately in Derbyshire) to explore the equivalent or similar arrangements. These arrangements would potentially see the delegation of resources by the D2N2 LEP to sub-LEP governance arrangements. Given the Bassetlaw District area is covered by two LEPs, it is suggested that a collaborative approach be maintained on economic development, highways and transport and related matters. As proposals for new governance arrangements are proposed and effected at local government and LEP-levels both within the South Yorkshire and Nottinghamshire / Derbyshire areas, the relationships can be reviewed at that time. In this light, the Council may be supportive of the CA principle at least.
12. However, a number of points merit particular reference as follows :
  - Paragraph 7 confirms the current legislative position. It is understood that changes to the Local Democracy, Economic Development and Construction Act 2009 are being considered within government which may allow for districts in two-tier areas to become full constituent members of a CA where that CA covers only part of the county authority. Should this be the case, and CA arrangements were being considered within two over-lapping areas, a district would likely have to choose to which CA it would be a full constituent member as a local authority cannot be a full constituent member of both. This Council may therefore wish to reserve its position, subject to consideration of the impact of any future changes to legislation that could effect the Council's position going forward. The same issues will apply within Derbyshire.
  - There is a lack of clarity on the nature of constituent and non-constituent membership of the CA and how this inferred two-tier approach will work in practice in its coverage of this part of the County. This is compounded by the lack of clarity about the position with over-lapping LEPs, with both the D2N2 and SCR LEPs having responsibilities for economic development in this part of the County. As it stands, the consultation makes no reference to Nottinghamshire County Council's potential involvement in the CA in any

form. Significant clarification in terms of specific responsibilities, inter-agency relationships and accountabilities would be required.

- Finally, related to the above, the interchangeable use of different names for the CA may be of concern.

13. With these particular points of principle offered for consideration by the Committee, it is proposed that a final response to the SYCA be delegated to the Corporate Director for Policy, Planning & Corporate Services in consultation with the Leader.

### **Other Options Considered**

14. The Council may choose not to respond to the consultation.

### **Reason/s for Recommendation/s**

15. The deadline for responses to the consultation is the 7<sup>th</sup> October and there will be no opportunity prior to this date for members to consider this matter in full. The proposal is therefore to delegate this matter to the Corporate Director for Policy, Planning & Corporate Services in consultation with the Leader.

### **Statutory and Policy Implications**

16. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

17. There are no immediate financial implications associated with the contents of this report.

## **RECOMMENDATIONS**

18. It is recommended that approval is given to :
  - (a) a response to the consultation being sent to the Government in accordance with the analysis set out in this report;
  - (b) the development of the response being delegated to the Corporate Director for Policy, Planning & Corporate Services in consultation with the Leader;
  - (c) a copy of the final response being circulated to all Committee members.

**Councillor Alan Rhodes**  
**Leader of the Council**

**For any enquiries about this report please contact:**

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**Constitutional Comments (SLB 10/09/2013)**

19. Policy Committee is the appropriate body to consider the content of this report.

**Financial Comments (SEM 10/09/13)**

20. There are no specific financial implications arising directly from this report.

**Background Papers**

“Proposal to establish a combined authority for the areas of Barnsley, Doncaster, Rotherham and Sheffield” Consultation. Department for Communities and Local Government (August 2013)

**Electoral Division(s) and Member(s) Affected**

All and particularly those Divisions located in the Bassetlaw District area of the County.