

Mayoral Combined Authority Board

14 November 2023

Future Devolution Deal for South Yorkshire

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Governance
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

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Executive Summary

This paper seeks MCA Board support to explore further devolution to strengthen and extend the powers and resources available to South Yorkshire.

What does this mean for businesses, people and places in South Yorkshire?

The devolution of further powers and resources to the MCA provides the Mayor and Leaders with more flexibility to deliver locally developed programmes and to better influence national programmes that deliver in South Yorkshire. This includes investing in infrastructure and housing, supporting transport improvements, business investment and support programmes and better aligning skills supply with demand.

Recommendations

Board members are asked to:

1. Note the potential for further devolution and Government's intention to extend trailblazer powers to other MCAs.
2. Support proactive engagement with Government in the coming months.
3. Note that any decision to complete a formal devolution process will require the consent of each Constituent Council.

Consideration by any other Board, Committee, Assurance or Advisory Panel

n/a

1. Background

1.1

The Government's Levelling Up White Paper 2022 set a clear direction of travel on delivering further devolution. The clearest articulation of that position is encapsulated in the Greater Manchester and West Midlands Trailblazer Devolution Deals agreed in March 2023.

These Deals made some significant shifts in Government policy on financial autonomy, in particular the commitment to agreeing a single settlement at the next Spending Review, alongside a set of additional areas where the two MCAs will work more formally with the Government.

The Government's position is that the trailblazer deals serve as a blueprint for future devolution deals with other MCAs. Whilst these deals contain some significant opportunities for South Yorkshire they remain fairly limited in scope and scale.

2. Key Issues

2.1

It is proposed that

- i) MCA Board, subject to a formal indication from Government that further devolution of trailblazer powers and resources are available, takes a proactive approach to securing additional powers and resources for South Yorkshire where these powers advance the interests of the region. (as set out in Appendix A).
- ii) A set of guiding principles be adopted to guide the MCAs engagement on further devolution development.
- iii) MCA Board support the development of ambitious proposals beyond the opportunities presented within the trailblazer deal that support the region to achieve our ambitions, advance our relationships with Government and align national spending and priorities with regional priorities.

2.2

Trailblazer Powers potentially available

Set out in Appendix A is a summary of the trailblazer deal powers secured by Greater Manchester and the West Midlands and a short assessment of strategic fit with South Yorkshire's ambitions.

2.3

Guiding principles

The proposed principles below have been developed to guide the MCAs engagement in further devolution discussions:

- i) That the scope of focus for any future devolution is explicitly on the strategic priorities set out by the Mayor and Leaders – and that there is a defined logic chain for proposals that demonstrates how they will enable the MCA to deliver on those priorities.
- ii) That we seek to strengthen and build upon existing strengths and practices; for example, building on the innovative South Yorkshire Flood Catchment Plan and work with the Environment Agency, Skills Bank and the Health Led Employment programme Working Win.
- iii) That we use this process to exemplify a new co-creative way of working across SYMCA and our Local Authorities and that the process explicitly seeks input from the Mayor and Leaders through the new portfolio and Cabinet model.
- iv) That any proposals, particularly fiscal measures, do not disadvantage South Yorkshire or any individual Council.

3. Consultation on Proposal

3.1

This paper seeks support to engage on the potential for further devolution. No proposals have been established on which consultation could take place.

Initial discussions have taken place with colleagues in Local Authorities to share understanding and knowledge of the opportunities presented by further devolution.

However, the public have demonstrated considerable support for the principles of devolution in the statutory consultations undertaken by the MCA on the implementation of the 2015 and Devolution Deals.

4. Timetable and Accountability for Implementing this Decision

4.1

The Government have not yet set out a timeline for the process or implementation. If the Government chooses to make available the trailblazer powers (or a version thereof) then the process may be relatively short given that the negotiation of these deals has already taken place with Greater Manchester and the West Midlands.

5. Financial and Procurement Implications and Advice

5.1

There are no direct financial implications arising directly from the recommendations set out in the report.

However, there are several proposals in the trailblazer devolution deals which could re-shape our funding environment if included in a similar further devolution deal for

South Yorkshire. Those proposals include the Single Settlement and Business Rates Retention.

Work has been commissioned through the Directors of Finance Group to further our understanding on the potential opportunities around Business Rate Retention.

Details around Single Settlement remain unclear, but a rationalisation of existing funding regimes could allow for a more efficient approach to financial management.

6. Legal Implications and Advice

- 6.1 The legal implications of any specific devolution proposals will be assessed when the proposals are at more formative stage to ascertain if there is any statutory process under the Local Democracy, Economic Development and Construction Act 2009 that needs to be followed.

7. Human Resources Implications and Advice

- 7.1 Any arising human resource requirements will be considered as necessary as work progresses through the usual business planning process.

8. Equality and Diversity Implications and Advice

- 8.1 As work progresses equality and diversity implications will be actively considered.

9. Climate Change Implications and Advice

- 9.1 An Impact Assessment is not required for this activity. Further devolution of powers and/or resources may support the region to achieve our net zero ambitions.

10. Information and Communication Technology Implications and Advice

- 10.1 There are no information and communication technology implications relating to this activity.

11. Communications and Marketing Implications and Advice

- 11.1 Any arising communications and marketing requirements will be considered as necessary as work progresses through the usual business planning process.

List of Appendices Included

Appendix A: Summary of the Trailblazer Powers and a short assessment of fit with MCA priorities.