

## Mayoral Combined Authority Board

13 February 2024

### Level 4 Devolution Framework

---

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

---

#### **Director Approving Submission of the Report:**

Clare Monaghan, Executive Director – Policy and Strategic Development

#### **Report Author(s):**

Andy Gates, Assistant Director External Affairs  
 Andrew.Gates@southyorkshire-ca.gov.uk

Molly Axelby, Corporate Policy and Strategy Officer  
 Molly.Axelby@southyorkshire-ca.gov.uk

---

#### **Executive Summary**

This paper updates Board Members on the process the MCA is progressing to secure deeper and broader devolution, the unlocking of greater freedoms and flexibilities and stronger South Yorkshire and national government partnerships. The paper includes a summary of the Government's Level 4 Framework for devolution and notes that the Mayor and the Leaders of Barnsley, Doncaster, Rotherham and Sheffield have now engaged with the Secretary of State for the Department of Levelling Up, Housing and Communities to signal our intention secure new Level 4 Framework opportunities.

#### **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 publication of the Level 4 Framework and the opportunities this presents to the South Yorkshire MCA.
2. Note that the MCA has engaged with the formal process of securing Level 4 Framework powers in line with the guidance set out by the Government on the 23<sup>rd</sup> November 2023.

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

n/a

### 1. Background

1.1

On 23<sup>rd</sup> November 2023, the Government published a technical paper detailing the Level 4 Devolution Framework and the requirements any MCA seeking to secure new powers would need to meet, including scrutiny and accountability arrangements.

The Framework includes much of what was included in the Greater Manchester and West Midlands Trailblazer deals and aligns with the strategic priorities of the MCA.

It marks a change in approach from agreeing bespoke Devolution deals with individual places to more standardised 'levels' of devolution that individual areas are able to access if they meet eligibility requirements.

On the basis of the November MCA Board decision to proactively engage with Government should they make any formal indication that further devolution be available for the region, the Mayor and Leaders have confirmed to the Secretary of State for Levelling Up, Housing and Communities their intention to secure additional powers and resources from the Level 4 Framework.

The Level 4 Framework is a welcome stepping stone to further devolution; the adoption of the Level 4 arrangements will provide benefits to the MCA and enable the region to unlock greater rewards in the future, including the single funding settlement, which will support the strategic priorities of South Yorkshire.

### 2. Key Issues

2.1

#### Overview

The Level 4 Devolution Framework, attached as Appendix A to this report, sets out the powers, partnerships and functions available to eligible institutions across a range of policy areas. There is no opportunity in this process to take on additional or further powers not included in the Framework or to change wording in the Framework.

On both skills and transport, all or no elements of the thematic offer must be taken as part of the adoption of the Framework.

Most of the Level 4 Framework is not about new powers or funding; the framework centres on greater decentralisation of national funds (e.g. creation of mini-single-funding-pots for DLUHC and DfT funding) and formalised partnership working at a regional level e.g. with DWP and DCMS Arms-Length Bodies.

To access the Level 4 Framework and to secure Government commitment to enact the opportunities as quickly as possible the Mayor and Leaders were asked by the Government to confirm their intent by the end of January 2024.

The Mayor and Leaders have now done so with a response expected before the pre-election period for local elections in May. Following a response of confirmation, the MCA will seek to enter into formal engagement with Government on the implementation of the Framework in South Yorkshire.

It should be noted that any changes or adoption of new statutory functions e.g. health improvement duty, will require both formal consultation and Consent at a later stage – unless the Government uses primary legislation to bring forward the policy intent.

## 2.2

### **Analysis**

There is much to welcome in the Level 4 Framework across skills, funding simplification and formalised partnerships that align with MCA agreed priorities.

However, elements of the Trailblazers that are not included as hoped are:

- Financial freedoms and flexibilities that would be made available in a single settlement for South Yorkshire. Eligibility to access the single settlement will be considered at the Spending Review after next, and is contingent on successful delivery of the consolidated pots, and learning from the trailblazers.
- Business Rate Retention Pilot - which would provide a valuable source of revenue income for the MCA, but is not being made available to any new areas that do not currently have one.

The MCA is well placed to access the Level 4 Framework, given our track record on delivery and our strong accountability arrangements, which have been highlighted in the letter to the Secretary of State.

## 2.3

### **Implementation**

There are elements of the Level 4 Framework where the Mayor and Leaders have asked the Secretary of State for clarity and assurances, or which will require further consideration of appropriate implementation within the South Yorkshire local context.

Subject to these assurances and any relevant statutory processes required, the Mayor and Leaders have indicated their intent to access all of the opportunities available through the Framework.

In particular, assurances have been sought that funding simplification will not disadvantage South Yorkshire or any individual Local Authority.

As part of the eligibility criteria to access Level 4, the organisation has committed to implementing the Scrutiny Protocol as set out in the English Devolution Accountability Framework within one year from confirmation that Government is content for the MCA to proceed with Level 4. At present, the MCA meets much of these requirements e.g. hosting regular public Mayoral Question Time sessions, however we will develop an action plan to ensure the Protocol is robustly met.

### **3. Consultation on Proposal**

3.1 This paper seeks support to formally engage with Government to implement the Level 4 Framework in South Yorkshire.

Any changes or adoption of new statutory functions will require formal consultation and consents at a later stage.

Ongoing discussions have taken place with colleagues in our Local Authorities to shape the response to the Level 4 Framework to ensure we are able to maximise the opportunities available for the region.

### **4. Timetable and Accountability for Implementing this Decision**

4.1 A response from the Secretary of State is expected before the pre-election period for local elections in May.

Following a response of confirmation, the MCA will work with the Government on a phased implementation of the Framework in South Yorkshire.

The pace of implementation will vary considerably between different elements of the Level 4 Framework depending on resource availability and complexity. This will be driven primarily by strategic priority and level of impact.

### **5. Financial and Procurement Implications and Advice**

5.1 There are a number of elements of the Level 4 Framework that have financial implications.

Most notably, these are the creation of mini-single-funding-pots for DLUHC (Local Growth & Place and Housing & Regeneration) and DfT, alongside commitment to access the single funding settlement at the Spending Review after next (contingent on successful delivery of the consolidated pots and learning from the trailblazers).

The rationalisation of existing funding regimes could allow for a more efficient approach to financial management and move away from competitive funding bids through automatic inclusion of relevant funding streams in the consolidated pots.

There still remains significant discrepancies between MCAs due to the Government declining to offer Business rate Retention pilots in the Level 4 Framework.

---

## **6. Legal Implications and Advice**

6.1 The process undertaken at this stage does not constitute a binding agreement nor form part of the statutory process.

The legal implications of specific elements of the Level 4 Framework will be fully assessed to ensure any statutory process under the Local Democracy, Economic Development and Construction Act 2009 are 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: Level 4 Devolution Framework**