

SHEFFIELD CITY REGION COMBINED AUTHORITY

**OFFICES OF THE SOUTH YORKSHIRE JOINT SECRETARIAT, 18 REGENT STREET,
BARNSELY**

MINUTES OF THE MEETING HELD ON 17 NOVEMBER 2014

PRESENT:

Councillor Sir Steve Houghton CBE, Barnsley MBC (Chair)
 Councillor Graham Baxter MBE, North East Derbyshire DC
 Councillor John Burrows, Chesterfield BC
 Councillor Simon Greaves, Bassetlaw DC
 Mayor Ros Jones, Doncaster MBC
 Councillor Paul Lakin, Rotherham MBC
 Councillor Lewis Rose OBE, Derbyshire Dales DC

James Newman, SCR Local Enterprise Partnership
 Karl Battersby, Rotherham MBC
 Fiona Boden, Sheffield City Region Executive Team
 Huw Bowen, Chesterfield BC
 Neal Byers, SYPTE / SCR LEP Team
 Peter Dale, Doncaster MBC
 Andrew Frosdick, Monitoring Officer
 Amy Harhoff, Sheffield City Region Executive Team
 James Henderson, Sheffield CC
 Ben Still, Interim Chief Executive
 Neil Taylor, Bassetlaw DC
 Craig Tyler, SYJS - Minutes
 Diana Terris, Clerk / Barnsley MBC
 Eugene Walker, S151 Officer

Apologies for absence were received from Councillors J Dore, A Rhodes, E Watts and A Western

1 PROCEDURAL ITEMS

1.1. Apologies

Members' apologies were noted as above.

1.2. Announcements

None.

1.3. Urgent Items

None.

1.4. Items to be Considered in the Absence of the Public and Press

None.

1.5. Voting Rights for Non-Constituent Members

It was confirmed that no items require voting right to be conferred on non-constituent Members.

The Monitoring Officer confirmed that voting rights could not be conferred in respect of item 2.5 as the requirement to set the South Yorkshire Transport Levy was a matter for South Yorkshire Local Authorities only.

1.6. Declarations of Interest by individual Members in relation to any item of business on the agenda

None.

1.7. Reports from and Questions by Members

None.

1.8. Receipt of Petitions

None.

2 ITEMS FOR DECISION

2.1. Minutes of the meeting of the Authority held on 6 October 2014

Members were informed that Cllr Julie Dore has been confirmed as a director of Rail North Ltd.

RESOLVED, that:

1. The minutes of the meeting of the Combined Authority held on 6th October are considered an accurate record.

2.2. SCR Governance Update

South Yorkshire Joint Secretariat Integration with Barnsley MBC

A paper was received informing Members of the progress made to date in integrating the support arrangements to the South Yorkshire Joint Authorities with Barnsley MBC acting as lead authority on behalf of South Yorkshire partners.

Members were advised that it has been considered that the South Yorkshire Joint Secretariat model, in existence since 1986, is no longer sustainable following the transfer of staff and functions to the new office of the South Yorkshire Police and Crime Commissioner. Rather than continuing as a standalone organisation, the functions of the Joint Secretariat (excluding the CA finance function) are being aligned with respective teams in Barnsley MBC

Clarification was sought on the financial implications of the recharge from BMBC as a result of the integration of the Joint Secretariat.

- i) The recharge in the Combined Authority budget for 2014/15 was based on the historic cost of delivery of support services through the SYJS.
- ii) There would be no additional cost directly associated with the equivalent support services being delivered through BMBC.
- iii) Officers from BMBC and SCC were working to review the revised charges for 2015/16 Combined Authority budget based on revised Combined Authority activity rather than historic recharges which reflected support to the former ITA.
- iv) The presumption was that costs would not increase unless clear and additional activity is identified and this issue would be addressed as part of approving the Combined Authority budgets for 2015/16.

RESOLVED, that the Combined Authority Members:

1. Agree the proposed arrangements to establish Barnsley as Lead Authority to provide relevant support services to the Joint Authorities and Combined Authority (acknowledging Sheffield City Council's S.151 Finance role) with effect from April 2015 and that the relevant formal agreement between the Council and the Authority be amended.

Wider Governance Matters

The Chair commented on matters which have arisen following the government's recent indication that further growth deals might be available for City Regions, aligned to potential changes to existing governance models; and the pace at which a potential deal for Greater Manchester has developed, with suggestions that Greater Manchester might be prepared to adopt a 'metropolitan mayor' model in return for additional financial freedoms.

It was noted that the government has asked other City Regions (including Sheffield City Region) to have a conversation between respective Local Authorities to identify which parts of the current growth deals the government might be asked to enhance

to help accelerate the delivery of the Strategic Economic Plan, with the prospect that the government might then ask City regions to consider alternate governance models on return for conferring devolved powers.

It was confirmed that any proposed new or enhanced deals would only be expressible at this stage as general 'heads of terms', with the detail and potential significance of accepting government offers to be worked through in due course.

The Chair noted that whilst the government have not indicated that there would need to be any local public vote on whether to adopt new governance structures, it would be appropriate to ensure that any changes have been consulted on widely.

2.3. Finance Update: Enterprise Zone Growth Payment Mechanisms

A paper was presented reiterating previous commitments made by Leaders in respect of Enterprise Zones (EZ) and asking Leaders, in conjunction with their Directors of Finance, to consider adopting a proposed mechanism for calculating growth and a means for billing authorities to move cash to the CA/LEP. It was further noted that CA finance officers, in collaboration with district officers, have developed a payment mechanism that will codify how growth is calculated and allow for cash to be passed to the CA/LEP on a consistent basis within district governance frameworks

Members were reminded that the region's EZ generates business rates from businesses that operate within their agreed boundaries. It has been agreed that should the region grow the business rates base above a baseline agreed with government, the region can retain 100% of that growth with the business rates billed for and collected at the district level and the growth passported upstream from districts to support regional spending

It was noted that the presented paper does not intend to discuss how EZ growth money should be used but its proposal is an important precursor to facilitate those discussions

Cllr Rose sought assurances that the EZ programme won't be to the detriment of non-EZ areas. B Still confirmed that a further paper would be presented to the Authority in due course to explain how EZ income would be equitably and for the benefit of across the districts.

J Newman reiterated the important role of the LEP in influencing how EZ income is spent.

RESOLVED, that the Combined Authority:

1. Recognises that whilst no legal framework exists to insist upon growth being passed from billing authorities to the CA/LEP level, it was a fundamental principle in the award from government of the EZ that CA leaders have previously agreed to honour.

2. Recognises the importance of the CA/LEP acquiring year-to-year certainty for budget purposes on the amount of cash it can expect to receive from billing authorities for EZ growth.
3. Leaders, in conjunction with their Directors of Finance, obtain the necessary approvals to adopt the proposals within their individual district governance frameworks.
4. Notes that the adoption of the proposals will be conducted in a timely manner to allow for effective budgeting for financial year 2015/16.

2.4. Finance Update: Mid-Year Treasury Management Review

A paper was presented to provide Members with the mid-year Treasury Management performance information (as advised by the CIPFA Code of Practice)

It was noted that the paper summarises performance in the year-to-date (April-September) and provides an update on the economic background that is influencing that performance.

The paper showed that returns from investments have been disappointing, giving revenue pressure on the transport budget as we are forecast to miss our income target. The paper also highlighted that much of the underperformance can be put down to the benign interest-rate environment, and the continuing 'flight-to-safety' that is driving down the yield on the financial instruments the CA uses.

RESOLVED, that the Combined Authority:

1. Notes the continuing pressures in our operating environment that are driving performance.
2. Notes the poor performance on our investment returns over the year-to-date and the associated revenue pressure.
3. Notes the proactive work underway to move reliance away from traditional investment instruments to using cash to support refinancing and reshaping of operations and relationships to deliver revenue savings.

2.5. Finance Update: Combined Authority and SYPTE Budget Setting for 2015/16 (South Yorkshire Transport Levy)

A paper was presented to remind Members that in assuming the responsibilities of the Integrated Transport Authority, the CA must negotiate a levy on the South Yorkshire districts to fund its transport (SYPTE) activity.

It was noted that to meet statutory requirements, the levy will need to be approved by CA leaders at the 5th January meeting as by law the Levy must be set on or before the 15th February.

It was noted that for the forthcoming 2015/16 financial year, the districts have asked for options to be modelled for a reduction on the levy of 10%. The paper therefore outlined the work underway at the CA and SYPTTE to develop revenue budgets to meet that requirement via a 'blend' of policy choices and operating efficiency changes, and through additional capital finance measures.

RESOLVED, that the Combined Authority members:

1. Note the limited time for formal engagement on the levy issues before the 5th January.
2. Note the ongoing budget work underway to reach a 10% levy reduction.
3. Note that the levy and associated CA transport revenue budget will be set distinctly from the CA/LEP economic development budget, but that there are policy issues on the relative size and risks in the two parts.

3 ITEMS FOR NOTING

3.1. SCR Infrastructure Mini Commission Principles

Members were presented with a paper proposing a means by which assurances can be put in place to ensure that the SCR IIP process is capable of assessing newly identified schemes (beyond the existing SCRIF package) which can be delivered rapidly and maximise opportunities to attract any additional future funding.

Members were advised that there will be an expectation from government that the 'deliverability' of any new Local Growth (or other) Funding will form the critical component of any evaluation of new projects. The mini-commission principles seek to address that expectation.

It was noted that an agreement of the principles will permit a more detailed proposal and list of schemes to be worked up for presentation to the Authority.

Cllr Rose noted support for the principle but questioned how this activity would benefit rural areas.

J Newman commented on the importance of having a dynamic system, capable of receiving and enabling new schemes and reacting to new opportunities.

The Chair noted his support for the principles but reiterated the importance of all schemes going through the agreed assessment processes. It was further noted that the attractiveness of rural places, and their indirect positive influence on drawing in investment elsewhere.

Cllr Greaves asked whether this will be a means of fast tracking schemes which didn't make the initial prioritised list. B Still reiterated that the government's assumption is that the integrity of the SCRIF list is maintained. This is simply a mechanism to assess new schemes potential capable of accelerated delivery. Cllr

Burrows requested that Members' recognition of this situation be recorded in the minutes.

RESOLVED, that the Combined Authority:

1. Agrees to a 'Mini-Commission' proposal, that uses a consistent process/assessment to SCRIF and will provide a short-term solution to meet funding opportunities outside of the more long-term strategic SCR Integrated Infrastructure Plan.
2. Agrees the principles for the mini-commission investments (covered in para 4.4 in the report) and with the proposed recommended criteria (as set out in Figure 1 of the report).
3. Notes the overall delivery, timescale, governance and milestones for this process (as set out in section 5 of the report).
4. Notes that the Mini-Commission is a means via which new schemes capable of accelerated delivery can be assessed and does not affect the integrity of the SCRIF list of schemes.

3.2. Minutes of the meeting of the Transport Committee held on 3 November 2014

RESOLVED,

1. That the minutes of the SCR Combined Authority Transport Committee held on 3rd November be noted.

4 SHEFFIELD CITY REGION INFRASTRUCTURE INVESTMENT BODY (SCR IIB)

4.1. CIAT Recommendations

The Infrastructure Investment Body was presented with a paper setting out the recommendations of the SCR Chief Executives' for Seymour Link and Chesterfield Waterside Stage 1B business cases.

It was confirmed that the paper has been considered by the SCR Chief Executives and a recommendation to approve the business case to the Infrastructure Investment Body has been agreed.

It was noted that the recommendations also sets out the conditions that will need to be met prior to a funding agreement being reached.

RESOLVED, that the SCR Infrastructure Investment Body:

1. Approves the recommendation of SCR Chief Executives' on the Seymour Link Stage 1B business.

2. Approves the recommendation of SCR Chief Executives' on the Chesterfield Waterside Stage 1B business case.

CHAIR