

SHEFFIELD CITY REGION COMBINED AUTHORITY

ROTHERHAM TOWN HALL

MINUTES OF THE MEETING HELD ON 6 OCTOBER 2014

PRESENT:

Councillor Sir Steve Houghton CBE, Barnsley MBC (Chair)
Councillor Eion Watts, Bolsover DC (Vice Chair)

Councillor Graham Baxter MBE, North East Derbyshire DC
Councillor John Burrows, Chesterfield BC
Councillor Julie Dore, Sheffield CC
Councillor Simon Greaves, Bassetlaw DC
Councillor Emma Hoddinott, Rotherham MBC
Mayor Ros Jones, Doncaster MBC
Councillor Lewis Rose OBE, Derbyshire Dales DC

Karl Battersby, Rotherham MBC
Huw Bowen, Chesterfield BC
Andrew Frosdick, Monitoring Officer
Jo Miller, Doncaster MBC
John Mothersole, Sheffield CC
James Newman, SCR Local Enterprise Partnership
Ben Still, SYPTE / SCR Executive Team
Neil Taylor, Bassetlaw DC
Diana Terris, Barnsley MBC (Clerk)
Eugene Walker, S151 Officer
Craig Tyler, SYJS

Apologies for absence were received from Councillors P Lakin and A Rhodes

1 PROCEDURAL ITEMS

1.1. Apologies

Members' apologies were noted as above.

1.2. Announcements

J Miller reported Doncaster's successful bid to host the new National College for High Speed Rail and thanked everyone who had assisted with the development of the bid.

1.3. Urgent Items

No urgent items were requested.

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

No items were noted.

1.5. Voting Rights for Non-Constituent Members

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

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

In relation to item 3.1 (Infrastructure Investment Body), Cllr Dore and J Mothersole declared a non-pecuniary interest in the Sheffield City Centre 'Grey to Green' scheme due to Sheffield CC being the sponsoring Authority.

1.7. Reports from and Questions by Members

No matters were raised.

1.8. Receipt of Petitions

No petitions were received.

The Chair informed Members that a question had been received from a member of the public regarding taxi licensing and whether appropriate measures are in place in all Local Authorities to ensure stringent checks are made when issuing licenses in light of the Rotherham child sexual exploitation enquiry. The Chair noted that whilst taxi licensing is not within the remit of the Combined Authority, he had instructed the Monitoring Officer to seek an appropriate response from each constituent and non-constituent council.

2 ITEMS FOR DECISION / NOTING

2.1. Minutes of the Meeting held on 14th July 2014

RESOLVED - that the Minutes of the meeting of the Authority held on 14th July 2014 be agreed to be an accurate record.

2.2. Minutes of the Meeting held on 26th August 2014

RESOLVED - that the Minutes of the meeting of the Authority held on 26th August 2014 be agreed to be an accurate record.

2.3. Rail North Governance Arrangements

A report was received setting out the proposed governance arrangements for Rail North Ltd and the Association of Rail North Partner Authorities, and asking for the CA to formally agree to these proposals.

It was confirmed that the proposals were considered and approved by the Transport Committee on 22 September.

B Still outlined to Members that Rail North is the name of the interim organisation of Local Transport Authorities that has been working to seek devolution of the Northern and Transpennine Express rail franchises to the North of England following the Secretary of State for Transport's indication that he is not able to support full devolution at this stage but has agreed principles of a partnership approach with Rail North for the design and management of the new franchises due to commence in February 2016.

It was noted that the as part of this process, Rail North has committed to formalise its governance arrangements and the proposed governance arrangements involve an Association of Rail North Partner Authorities, of which all 30 Local Transport Authorities would be a member of; and Rail North Limited, a company limited by guarantee, whose membership is open to all members of the Association. Each of the 30 Local Transport Authorities within the Rail North area is now being asked to agree to these governance arrangements and appoint a lead Member and deputy.

RESOLVED, that the Combined Authority:

- i) Approves the proposed Rail North governance arrangements meaning that the Combined Authority would be a member of both Rail North Ltd and the Association of Rail North Partner Authorities
- ii) Agrees that Cllr Julie Dore will act as the Combined Authority's representative on the Leaders Committee of the Association of Rail North Partner Authorities and as a director of Rail North Limited
- iii) Agrees that Cllr Bill Mordue (DMBC) will act as nominated deputy for Cllr Dore on the Leaders Committee of the Association of Rail North Partner Authorities and as a director of Rail North Limited
- iv) Notes that further reports will be produced, once the Heads of Terms for the DfT/RNL Partnership are finalised, in order that the longer term benefits and risks are understood

- v) Notes that a process will be put into place to allow Cllr Dore to seek views from SCR partners on Rail North issues as the work progresses

2.4. Northern Futures and PAN Northern Issues

A report was presented requesting consideration of the key elements to any response to the Northern Futures initiative – launched by the Deputy Prime Minister in July 2014. The report was accompanied with some informative slides highlighting the salient matters.

Members were asked to consider the following question *“How do we build on the strengths in the North to create an economic core in the heart of the region that can compete with the biggest cities and regions in the world”*.

Cllr Dore noted the need to use careful language in any response and suggested that this should highlight that public services will have a positive impact on the economy and that ‘support for the reform of public services’ should be referenced as ‘support for the redesign of public services’. Cllr Dore also suggested that the response needs to make a strong case for control over spending, better distribution of investment and emphasise the problems that the failure to delivery appropriate devolution would bring.

The Chair noted his support for devolution in principle but highlighted the dangers that this may bring if not accompanied by the radical ideas that would genuinely give the North the opportunity to compete with the South.

Cllr Burrows noted examples of non-cooperation between neighbouring districts and districts / counties and highlighted the challenges involved with getting pan-northern agreement on any subject, as would be required by devolution. The consequences of disagreement were acknowledged.

J Newman said a northern partnership of Authorities would only work if trust is built up over time and the promoted projects are ones that all 30 Authorities are interested in. Support was noted for processes that get a fairer share of the money.

J Mothersole urged caution in working to ‘someone else’s deadline’ when determining the needs of the North and the danger that rushing this work may come to the wrong conclusions, noting that this work will go on beyond the issuing of any government announcement.

RESOLVED, that the Combined Authority:

- i) Notes the launch of the Northern Futures initiative
- ii) Ask officers to feed in suitable content by 10th October 2014 deadline, taking cognisance of the comments made by Members (see above).
- iii) Delegates the sign-off of any SCR submission to the Chairman of the LEP and the CA.

At this point, Cllr Houghton left the meeting and Cllr Watts took the chair

2.5. Q1 Revenue Budget Monitoring

A report of the s151 officer was presented to set out the revenue position after 2014/15 Quarter 1 for the Combined Authority.

The report also offered a Treasury Management Update for the Quarter and provided an update on the revenue position of the Passenger Transport Executive (PTE), SYITA Properties Ltd, and the regional funding streams for which Sheffield City Council is the accountable body

Members were informed that the revenue position of the transport component of the CA budget is under pressure due to lower than budgeted investment returns generated from cash deposits and that the economic development side of the CA/LEP budget remains under budget for the year with scope to absorb some of the in-year resource pressures associated with the development of the SEP.

It was reported that work is ongoing to agree proposals for the treatment of business rates growth in Enterprise Zones (EZ). Resolving this issue is essential to repaying the Inward Investment Loan and managing the associated operating deficit of the underpinned loan.

Considering agenda items 2.5 and 2.6 in tandem, Mayor Jones requested that appropriate checks be made to ensure there are no unnecessary recharges being made between the individual components now 'owned' by the CA.

Regarding requests for the presentation of further financial overviews moving forward, E Walker confirmed that these would be forthcoming and that regular meetings are being convened for all CA Finance officers to permit the required information for the reports to be collated.

J Newman noted surprise that the EZ business rate issue is still not resolved.

Cllr Dore questioned whether the deposit average return rate of 0.7% on all investments may be referred to as 'challenging'. E Walker informed Members of increased investment stringency 'post-Iceland' and noted that all councils are currently struggling to achieve return rates of higher than 0.5% on short term investments.

RESOLVED, that the Combined Authority:

- i) Notes the pressure on the transport budget due to the lower than forecast returns being generated from cash investments
- ii) Notes that finance officers are liaising with the SCR Executive team to identify options for managing resource pressures associated with the development of the SEP.
- iii) Notes the ongoing work to prescribe a methodology for business rates growth in Enterprise Zones, and the precondition of this to repaying the Inward Investment

Loan, the management of the associated operating deficit inherited, and use of future EZ income

2.6. SYITA Properties Ltd

Members were presented with a report on SY ITA Properties Ltd, the subsidiary company inherited by the CA from the former South Yorkshire Integrated Transport Authority (ITA).

It was noted that the company is limited by shares, of which the CA is the principal holder. The company was incorporated to deal with bus deregulation but became a vehicle for the management of the former ITA's property holdings.

Members were informed that as part of the financial governance due-diligence process, officers have sought to examine the relationship between the CA and the company, and its efficiency as a means of supporting the CA's operations.

Members were therefore asked to consider the officers' proposal that governance and oversight would be strengthened through the appointment of additional directors to support the CA's shareholding position.

General support for this proposal was expressed and it was requested that more information be circulated to explain the intentions of how the prospective appointees are to be identified.

RESOLVED, that the Combined Authority:

- i) Exercises its shareholder right to approve the appointment of three new non-executive directors
- ii) That the exercise of the making of the appointments be delegated to the Head of Paid Service in consultation with the s151 officer and the Monitoring Officer.
- iii) Members will be provided with more information to explain the appointments process.

2.7. Minutes of the Transport Committee held on 22 September 2013

RESOLVED - that the minutes of the SCR Combined Authority Transport Committee held on 22nd September be agreed to be an accurate record of the meeting.

3 SCR INFRASTRUCTURE INVESTMENT BODY

3.1. Recommendation from the Infrastructure Advisory Board for Sheffield City Centre: Grey to Green Phase 1

A report was received to set out the current status of all schemes that are within the agreed programme and to present a recommendation for the Sheffield City Centre: 'Grey to Green' Phase 1 Stage 1B business case.

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

RESOLVED - that the Infrastructure Advisory Body:

- i) Note the status of each scheme in the SCRIF programme.
- ii) Approves the recommendation of the Infrastructure Advisory Board on the Sheffield City Centre 'Grey to Green Phase 1' Stage 1B business case.

CHAIR