

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Second Delegated Legislation Committee

DRAFT BARNSLEY, DONCASTER, ROTHERHAM
AND SHEFFIELD COMBINED AUTHORITY
(ELECTION OF MAYOR) (AMENDMENT) ORDER
2017

Tuesday 7 March 2017

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The Committee consisted of the following Members:

Chair: IAN PAISLEY

† Allen, Heidi (*South Cambridgeshire*) (Con)
 † Crabb, Stephen (*Preseli Pembrokeshire*) (Con)
 † Davies, Chris (*Brecon and Radnorshire*) (Con)
 † Doyle-Price, Jackie (*Thurrock*) (Con)
 † Drax, Richard (*South Dorset*) (Con)
 † Foxcroft, Vicky (*Lewisham, Deptford*) (Lab)
 † Harris, Rebecca (*Castle Point*) (Con)
 † Howell, John (*Henley*) (Con)
 † Jarvis, Dan (*Barnsley Central*) (Lab)
 † Jayawardena, Mr Ranil (*North East Hampshire*) (Con)

Johnson, Alan (*Kingston upon Hull West and Hessle*) (Lab)
 † McMahon, Jim (*Oldham West and Royton*) (Lab)
 Mahmood, Shabana (*Birmingham, Ladywood*) (Lab)
 † Malthouse, Kit (*North West Hampshire*) (Con)
 † Mann, John (*Bassetlaw*) (Lab)
 † Percy, Andrew (*Parliamentary Under-Secretary of State for Communities and Local Government*)

Juliet Levy, Kenneth Fox, *Committee Clerks*

† **attended the Committee**

Second Delegated Legislation Committee

Tuesday 7 March 2017

[IAN PAISLEY *in the Chair*]

Draft Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) (Amendment) Order 2017

8.55 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Percy): I beg to move,

That the Committee has considered the draft Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Election of Mayor) (Amendment) Order 2017.

It is a pleasure to serve under your chairmanship, Mr Paisley. The order was laid before the House on 6 February 2017. If approved and made, it will postpone the mayoral election in the Sheffield city region, meaning that the Mayor will first take office in May 2018, rather than May 2017. It also sets the duration of the first mayoral term as four years, with the next election being held in May 2022.

Before I say anything further on the order, I reiterate the Government's commitment to the devolution deal that we negotiated with the Sheffield city region, which we signed on 15 October 2015. That deal not only transfers significant powers on a range of policy areas from this place to the Sheffield city region, but injects more than £1 billion into the city region to boost growth. That is the only deal on the table for the area, and I trust local leaders are as committed to it as the Government. That is certainly what we wish to hear.

In recent days and weeks, there have been alternative devolution proposals for Yorkshire as a whole, but I make it absolutely clear that the Government are committed to the Sheffield city region and have no interest in negotiating outside that. We hope that local leaders of the four local authorities in South Yorkshire will also confirm their commitment to the deal which, as I said, transfers significant powers and funding from this place to the region.

Dan Jarvis (Barnsley Central) (Lab) *rose*—

Andrew Percy: I am more than happy to give way to one of the local MPs.

Dan Jarvis: The Minister knows that there was a discussion just the other day about whether some of the funding might be released to the Sheffield city region ahead of the mayoral election. Will he saying something about that, and what the specific criteria for releasing some of that funding might be?

Andrew Percy: I am more than happy to respond to that specific point. In previous devolution deals, we have made advance payments on the gain share funding

ahead of the mayoral elections. There is no specific requirement around that. In this case, we wish the consultation to take place, on which I will say more in a moment, and for some of the powers and other orders to pass through the House. We also require an absolute, cast-iron guarantee that the leaders of the four South Yorkshire local authorities in the Sheffield city region are fully committed to the deal. It is possible to make gain share payments before the mayoral elections take place, and we would be prepared to look at that—although while having regard to what I have just said.

In bringing the order before Parliament, we are responding to a request from the Sheffield city region's local leaders. On 11 January this year, those leaders met as a combined authority and concluded that it was no longer possible to achieve a mayoral election in the Sheffield city region in May this year, and they agreed and announced that they will work towards a mayoral election in May 2018. They explained in their announcement that they had reached those decisions because of the need for the combined authority to undertake a further consultation before it was possible for an order to be made that conferred powers on the Mayor and the city region, as envisaged in the devolution deal negotiated with the Government.

The need for an additional consultation arose following a judicial review brought by Derbyshire County Council against the city region's consultation earlier this year, which it argued was misleading. The case was considered by the court on 9 and 10 November last year, and in December the judgment was given that the consultation did not achieve its lawful purpose. While the court did not quash the consultation as Derbyshire County Council had requested, it said a further consultation was needed before the statutory requirement was satisfied.

The city region's local leaders have agreed to prepare and carry out that necessary consultation, with a view to its starting after the local elections in May. Hence our meeting today, at which we need to defer the mayoral election until May 2018, by which time we can expect all necessary consultation to be complete, and the devolved powers envisaged in the devolution deal to have been conferred on the combined authority and the Mayor. I could regale the Committee with the details of the devolution deal, but I shall not do so, and thus I shall reduce my speaking notes by exactly two and a half pages.

With regard to the judicial review that took place in December, the court ruled that the consultation did not achieve its lawful purpose, as it did not include a question specifically seeking consultees' views on Chesterfield's becoming part of the combined authority. Accordingly, before devolution can be fully implemented, the city region is required to undertake a further consultation and submit a summary of the consultation responses to the Secretary of State.

It will then be for the Secretary of State, having regard to those responses, to decide what provision to include in any further order, which, subject to the approval of Parliament, would confer functions on the combined authority and on the Mayor. The order might also, if the Secretary of State considered it appropriate, provide for an expansion of the city region area, which the city region's leaders are seeking. Once such an order

was made, it would be appropriate for the first mayoral election to be held. That is now envisaged, as I have said, for May 2018.

In conclusion, the draft order changes the date of the mayoral election from 4 May 2017 to 3 May 2018 and also sets the first mayoral term for a duration of four years, with the next election in May 2022. The election is being postponed in the expectation that by May 2018, powers and budgets envisaged in the agreed devolution deal can be devolved to the city region, which will have a Mayor who can deliver for local people and help the area to fulfil its long-term ambitions, in line with the negotiated deal.

9.2 am

Jim McMahon (Oldham West and Royton) (Lab): It is a pleasure to serve under your chairmanship, Mr Paisley.

I do not propose to speak at length. A series of statutory instruments on combined authorities is now coming through to Committee, and I have put it on record that I welcome the move towards further devolution. I feel obliged to repeat that I am concerned about the lack of a framework for devolution in England. While some areas, as the devolution deal has progressed, have managed to negotiate to some degree impressive devolution and investment deals with the Government, other areas have asked what is in it for them. County areas, in particular, where a directly elected Mayor perhaps does not quite fit with local identity, are right to question how they fit into the vision for the future of devolution in England. I welcome any effort to bring forward a framework for devolution for the whole of England.

There has been a bit of talk about the four leaders. We should bear in mind, of course, that Chesterfield and Bassetlaw are both constituent members of the combined authority and, in the spirit of first among equals, we should welcome the work that they have done in the city region area on the combined authority.

We are beginning to see, I suppose, the contradiction that arises with the drawing of quite artificial boundaries in the spirit of trying to put in place combined authority arrangements, when those do not necessarily mirror local community identity. There has of course been a legal challenge from Derbyshire. Let us be honest: the leader of Derbyshire County Council is pro-devolution and believes strongly in the devolution of powers from Westminster to communities, so the challenge was not a weak political point-scoring exercise but a point of principle about the need for future boundaries to mirror local identity and circumstance. I urge the Minister, rather than holding the axe above devolution if the other local areas do not agree, to make far more effort to engage at a local level, to try to work with councils that have legitimate concerns.

If there were a national framework whereby we could see how different areas come together where boundaries are coterminous, maybe Derbyshire could see how it fitted into the wider proposal for that part of England. However, because devolution is incremental by nature at the moment, it is very hard for areas around combined authority arrangements to see how they fit into them.

In the spirit of brevity, I will leave it there and let Members get on with the rest of the day. However, there are some things that the Minister will probably not

want to put on record in *Hansard*, but that would be helpful context for me to understand, shadow effectively and provide scrutiny, challenge and, where required, support for devolution coming to fruition for the whole of England. I place on record my offer to meet outside Committee to have that conversation in more detail.

9.6 am

John Mann (Bassetlaw) (Lab): It is a delight to see you in the chair, Mr Paisley.

Far be it from me to curtail the desperate attempt at brevity, but there are some serious issues here, and it is right that Parliament scrutinises them. I appreciate that the Minister has been offered a packet of Liquorice Allsorts when it comes to the devolution progress under his predecessors. When I was in Cleethorpes on Saturday watching Grimsby Town, I passed through two constituencies in a district, which is apparently in Yorkshire and the Humber, but in fact is proudly and defiantly in Lincolnshire.

In defining these borders and the reason for bringing forward this draft order, does the Minister agree that he has inherited rather a mess and that there needs to be more certainty in local government structures? Too many people are hung up on boundaries created decades, centuries, almost millenniums ago, that do not necessarily fit the modern era. Mr Paisley, I am sure you will remember when the towns of Bawtry and Finningley were usurped and taken out of Nottinghamshire and put into Yorkshire, from Bassetlaw into Doncaster. Bomber command headquarters shifted its loyalties. That was done in 1973 and never properly explained.

The Chair: Order. This is fascinating, but before we get to the dropping of the bombs, the scope of today's legislation is the change of date from one year to another and the intervals for subsequent elections. Let us keep to the scope, or we could be here for months.

John Mann: Mr Paisley, I am doing nothing more than simply outlining logically why the order has had to be brought before us, so that Members can democratically consider whether it is appropriate to pass it or not.

We have had a mishmash of borders. The counties of Derbyshire and Nottinghamshire have two cricket teams and two identities, but are not necessarily economic units. They clash, with the D2N2 local enterprise partnership based primarily in Derby and Nottingham, and they compete—that is the term—with the authorities of South Yorkshire on what the structures should be.

Here is the nub of the issue. We have councillors being asked to give up their powers but we do not have clarity from the Government on what powers ultimately—and “ultimately” may mean before 2020—are going to be handed over. Will the Minister confirm whether health powers, for example, are intended under this Parliament to be given to the combined authority, should it become a city region? If so, does he agree with my proposal that should Bassetlaw and Chesterfield join next year, social care and public health should transfer from local government to the national health service, to be the first place in the country to allow the integration of health services in the way in which, on a cross-party basis, Parliament appears to demand?

[John Mann]

Will minerals planning be transferred? In the next three years that will undoubtedly mean decisions on fracking and, indeed, on where the wealth that the Government are adamant comes from fracking will go. Those are not minor issues; they are fundamental to today's decision, because all the proposals for fracked gas in Nottinghamshire are in Bassetlaw. Should there be a Sheffield city region incorporating Bassetlaw and minerals planning was to transfer to one planning authority, that would be coherent. Has the Minister had an opportunity to read what the city region is saying? Does he agree that its case would be strengthened if it was to incorporate properly the A1 into its transport infrastructure? Currently, it is mysteriously missing.

Finally, Will the Minister confirm that in other parts of the country there are legal disputes over the levels of consultation? Will he outline, with a bit of detail, how we got into this mess whereby Chesterfield appeared to think that it was following instructions from the Government but ended up being judicially reviewed, challenged and defeated in the courts, so progress has been unfortunately and unnecessarily delayed? Will there be other such problems elsewhere in the country? How will he ensure that others do not face that kind of dilemma in the next year?

The Chair: I am sure that the hon. Gentleman will want to relate all those matters to 2018.

9.12 am

Andrew Percy: I will start with the comments of the shadow Minister before addressing the many questions from my friend and constituency neighbour, the hon. Member for Bassetlaw, who raised quite a few issues. In answer to the shadow Minister, the reason I did not mention Chesterfield and Bassetlaw when I talked about the four authorities is that they are presently non-constituent members of the city region, so they are not among the four that will make the decisions. That is the same for North East Derbyshire, Derbyshire Dales and, I think, the county, which are also non-constituent members. The purpose of the consultation was to bring Bassetlaw and Chesterfield in as fully constituent members of the Sheffield city region.

The shadow Minister talked a lot about local government boundaries. I think that misses the purpose of devolution. Of course we need the buy-in of the local authorities, but it is not about creating structures based around local government boundaries; the statutory test is whether the geography formed by a devolution deal is a functional economic area, which I think is the point the hon. Member for Bassetlaw made. We need to think not so much in terms of local government boundaries.

The shadow Minister asked for a meeting. I am more than happy to meet to discuss this general area of policy if he so wishes. It is important to have both Front Bench teams in discussions and engaged outside of the back-and-forth of debate in this place. He also mentioned bringing down the axe on the deal. It is not a case of bringing down an axe on any deal. If an area negotiates in good faith with the Government and then walks away from the deal, which is what happened in the case of the north-east, we would have to take that deal off

the table and carry on our negotiations and discussions with areas that are engaging with us positively. This is a deal that the Sheffield city region asked for, the four leaders of the constituent councils agreed to it and we plan to take it forward. If leaders in the region walk away from it or look elsewhere, the deal will have to be taken off the table and that would be the end of the matter, which would be very sad for the people of the region, given the nature and scale of the devolution deal agreed.

Turning to the hon. Member for Bassetlaw, I will not talk about an inheritance. Government policy is obviously all conducted through a fair and full process in which there is consistency and absolute clarity at all times. I think that I have dealt with the matter of boundaries. I am always happy to hear about Yorkshire expanding its boundaries, as he made reference to, but the important thing, as he rightly points out in connection with his recent visit passing through the Humber, or northern Lincolnshire, is that the devolution deals are about creating structures around functional economic areas rather than on the old boundaries.

It is also important to place on the record—without prejudging because there is a whole process to go through, regardless of whether Bassetlaw and Chesterfield ultimately join the city region as full constituent members and take part in the elections for the Mayor—that the counties of Derbyshire and Nottinghamshire remain intact. The counties do not disappear and no one is pulling out of a county. The devolution area simply sits above that.

The hon. Gentleman also asked some questions about what is in the devolution deals. That is a matter for the city region. The deal those in the region negotiated with us had provisions to do with transport and planning, but not with health, social care or any other requests. It would be for them to come forward for future iterations of devolution deals to ask for and seek other provisions. We have always made it clear that we have an open mind, but the tests are clear: any devolution must improve the administration of the powers across that geography. We could not agree to anything outside those statutory tests.

The hon. Gentleman asked whether there were other legal disputes about boundaries, and I am not aware of any judicial review proceedings on the boundaries involved in other deals. We are progressing all the other deals through this House at the moment—the shadow Minister and I have sat on many such Committees in recent weeks, with another tomorrow on the Liverpool city region—but with none is there any judicial review of the boundaries. We have made it clear, too, that we remain committed to trying to do a deal for the rest of Yorkshire and for the authorities north of the Tyne, which were pulled out of their deal through no fault of their own but through the behaviour of councils south of the Tyne that resulted in us having to take the deal off the table.

I think that I have responded to the points made. I hope that we can move forward and agree this important order to delay the election.

Question put and agreed to.

9.18 am

Committee rose.

