

WIRRAL COUNCIL

CABINET – 16<sup>th</sup> OCTOBER 2008

REPORT OF THE CHIEF EXECUTIVE

## **Liverpool City Region Governance Model and Multi Area Agreement**

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### **1. Executive Summary**

- 1.1 The purpose of this report is to advise members on the proposed City Region Governance arrangements and outline the next steps in the development of the structure. Cabinet is also asked to note the current position on the Multi Area Agreement for Employment and Skills and authorise Officers to progress negotiations with Central Government in November.

### **2. Background**

- 2.1 Officers reported to Cabinet in June 2008 to advise of the proposals contained within the Sub National Review of Economic Development and Regeneration (SNR) which was commissioned following the Local Government White Paper. The SNR set out proposals for strengthening economic performance in regions, cities and local areas by improving sub regional structures throughout England. The SNR made recommendations on geographical levels of governance and decision making for economic development related activities and the regeneration of deprived areas. It included proposals for a new duty on localities to undertake an economic impact assessment to further understand economic performance and the issues that cause market failure at a local level.
- 2.2 Alongside this, there are proposals within the SNR for the delegation of funding, which could potentially be made available to sub regional partners from government departments and Regional Development Agencies to deliver tailored interventions to meet local needs. Freedoms and flexibilities to enable delivery could also potentially be negotiated as part of the process. The vehicle for doing this is a Multi Area Agreement (MAA). MAA's include agreed priorities between sub regional partners and central government. The principles behind the MAA process are to give a flexibility of approach and to pool resources where appropriate. The Department for Communities and Local Government (CLG) define MAA's as:

*“Voluntary agreements between two or more top tier or unitary local authorities, their partners and Government to work collectively to improve local economic prosperity”*

### **3. City Region Governance Arrangements**

The SNR outlined options to establish permanent sub regional structures through the establishment of City Region Cabinets. In working towards this, Greater Merseyside has been developing a robust City Region governance structure. It is important to state here that this will not replace any existing governance structures across the six Local Authority areas which would remain as sovereign bodies. All existing structures and geographical

administrative boundaries would remain. There is also further work which is required to be undertaken to prepare a proposed constitution for the Liverpool City Region.

The proposed structure has been developed to provide consistency with the Regional operating environment. It will consist of a City Region Cabinet with six supporting policy boards chaired by individual local authorities, including:

- Economy – Liverpool
- Employment and Skills – Knowsley
- Transport – Halton
- Planning and Housing – St Helens
- Environment and Waste – Wirral
- Safer, Healthier Communities – Sefton

The proposals include two cross cutting boards to focus on Improvement and Efficiency and Research and Development. A scrutiny panel will also be established.

The City Region cabinet will consist of the six Greater Merseyside Local Authority Leaders and will have a private sector representative. The private sector representative is proposed to be the chairman of The Mersey Partnership (TMP). The chair of the Cabinet will be elected for a period of four years.

As part of the structure, a City Region Housing and Spatial Planning Board will be established (in shadow form initially) to make recommendations to the Cabinet on Housing and Spatial Planning matters, but will take decisions on such matters as delegated by the Cabinet. This will require two elected representatives from each Local Authority to support and inform the development and implementation of sub regional housing and planning policies. Members for this board are required to be nominated from individual Local Authorities.

There will be associate membership within the structure and leaders of neighbouring local authorities will be invited to join, where appropriate, joint boards to recognise the economic links with other areas and the wider regional agenda.

A scrutiny panel will scrutinise the work of the Cabinet and the Boards and also the effectiveness of the partnership with the joint boards. There will also be a published annual plan of work for the City Region Cabinet and the scrutiny panel.

The next step proposed is to establish a Cabinet in shadow form until a Constitution is developed and the Cabinet becomes a legally incorporated body.

#### **4. Liverpool City Region Multi Area-Agreement**

4.1 MAA's will focus on those activities where sub regional working adds most value and provides an evidence based rationale for the development of priorities. The aim of an MAA is for Local Authorities and other public sector bodies to share collective responsibility for sub regional performance and outcomes.

- 4.2 In order to deliver MAA's, there needs to be transparent arrangements for financial and democratic accountability. MAA's are required to be consistent with regional strategies and Local Area Agreements (LAA's). The first phase of the Liverpool City Region is proposed to be submitted in November 2008, subject to the agreement of the partner Local Authorities and other sub regional agencies. This first phase is to focus on the collaboration on employment and skills to improve the sub-region's economic prosperity. This will follow with themes for economic development, housing and transport to be submitted in April 2009.
- 4.3 A Merseyside MAA working group has developed and defined policy "asks" of government for inclusion in the MAA, alongside the development of a story of place which provides a comprehensive evidence base to accompany the actions and the tasks of the MAA.
- 4.4 The story of place and the business case for the Employment and Skills MAA is attached within Appendix A of this report and is explained in more detail in Section 5.
- 4.5 In line with the development of the City Region Governance arrangements it is proposed that the boards that are required to deliver the first MAA's will be established first.

## **5. The Employment and Skills MAA**

The Employment and Skills MAA has been developed following extensive consultation between Sub Regional Partners and focussed on the responsibility and accountability for all investments in learning, skills development and employment. The MAA proposals seek to reform the employment and skills delivery system placing employers and individuals at the heart of it, in line with National Policy and also supporting the priorities of Wirral's own Employment and Skills Strategy.

It proposes to bring co-commissioning around all government mainstream/ discretionary funded activities on employment and skills into a city region led approach. The aim of this is to improve performance monitoring through a better understanding of what is being delivered in order to gain greater value and performance. Data sharing to enable better targeting of provision is also a key aspect of the MAA ask.

Essentially, this will create a Liverpool City Region strategy and planning framework to integrate employment, skills and learning creating a new relationship across the key funding agencies (e.g. DWP, LSC, LWDA and Local Authorities).

## **6. Other key Policy Drivers**

There have been several key significant policy developments from central government over the last twelve to eighteen months. In relations to skills, these include the development from 2010 of a Regional Funding Agency to replace the current Learning and Skills Council function which is currently in operation. The responsibility for 16-19 provision is being transferred to Local Authorities. The Government White Paper "Raising Expectations" outlined these changes.

## **7. Financial Implications**

7.1 There are no direct financial implications arising from the developments outlined within this report.

## **8. Staffing Implications**

8.1 There are no implications arising directly from this report.

## **9. Equal Opportunities Implications**

9.1 There are no implications arising directly from this report.

## **10. Community Safety Implications**

10.1 There are no implications arising directly from this report.

## **11. Local Agenda 21 Implications**

11.1 There are no implications arising directly from this report.

## **12. Planning Implications**

12.1 There are no implications arising directly from this report.

## **13. Anti Poverty Implications**

13.1 There are no implications arising directly from this report.

## **14. Social Inclusion Implications**

14.1 There are no implications arising directly from this report.

## **15. Local Member Support Implications**

15.1 There are no implications arising directly from this report.

## **16. Background Papers**

16.1 Background documents can be obtained by contacting Alan Evans in the Economic Policy Team on 691 8426

## **17. Recommendations**

- (i) Officers continue to work with adjoining Local Authorities on the development of an MAA and to finalise the negotiations with Central Government on the Employment and Skills aspect of the MAA.
- (ii) That Cabinet nominates two members for the City Region Housing and Spatial Planning Board.
- (iii) Cabinet supports the development of a shadow City Region Cabinet.

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