

WIRRAL COUNCIL

CABINET

11th JULY 2013

SUBJECT	LIVERPOOL CITY REGION - COMBINED AUTHORITY
WARD/S AFFECTED	ALL
REPORT OF	CHIEF EXECUTIVE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 PURPOSE OF REPORT

- 1.1 To outline the proposal to create a Combined Authority for the Liverpool City Region in order to improve governance in the sub-region and access national funding opportunities that will be devolved from central government.

2.0 RECOMMENDATIONS

- 2.1 Cabinet is requested to support in principle the agreement by Liverpool City Region Council leaders and the Mayor of Liverpool to conduct a review and progress proposals to establish a Combined Authority across the sub-region, subject to further detailed discussions on the power and functions of a Combined Authority between constituent local authorities.

3.0 BACKGROUND AND KEY ISSUES

- 3.1 The recent spending review announced the creation of a £2 billion Single Local Growth Fund to be operation in April 2015 in response to the recommendations outlined within the Heseltine Review. Central government has outlined that access to this funding will be devolved to Local Enterprise Partnerships through a 'single pot' and will require strong governance arrangements to be in place at a sub-region level to manage the 'single pot' and access national funding.
- 3.2 The Liverpool City Region is in a position to take advantage of the Government's policy reform agenda, enabling it to perform to its full potential. However, this will require a new model of governance that demonstrates strong financial and democratic accountability and, creating a robust legal entity for the LCR and allowing long-term strategic decisions to be taken at the city region level.
- 3.3 Given these circumstances, maintaining present governance arrangements in the Liverpool City Region is not an option: the rebalancing of the City Region economy is not happening quickly enough; historic structural challenges, a better collective view on resource allocation is required; and there is a lack of coordination of delivery structures and bespoke solutions at the right regional level.
- 3.4 It should also be noted that other City Regions are in advanced discussions in developing their governance arrangements facilitated by existing legislation and

there is a risk that the Liverpool City Region will miss out on development opportunities and access to national funding opportunities if action is not taken.

- 3.5 The model proposed for review by Council leaders and the Mayor of Liverpool for future City Region governance is the Combined Authority; a sub-regional governance structure that enables relevant local authorities to work jointly to deliver improvements in economic development, regeneration and transport across a sub-region.
- 3.6 A Combined Authority, where established, will take on the functions and responsibilities for economic development and regeneration from the relevant Councils and, where one exists, the functions of the Integrated Transport Authority. It provides a mechanism for governing and managing these functions across the sub-region.
- 3.7 A Combined Authority will deliver greater transparency in the decision making process in the Liverpool City Region. Meetings of the Combined Authority will be held in public and minutes will be published. It will strengthen collaboration and joint working between local authorities in order to promote economic growth and also allow Wirral to better establish its position and interests within the LCR. A Combined Authority will also give the City Region a more effective voice in influencing Government policy and investment decisions, as well allowing for greater freedom and flexibilities from Government.
- 3.8 Cabinet are requested at this stage to agree in principle to conduct a review and progress proposals to establish a Combined Authority across the sub-region. Cabinet will be kept regularly updated on relevant discussions and negotiations that take place across the city region, and a report will be presented to a future Cabinet meeting which will outline the details of the final proposed model for approval as part of the Council's decision making process/

4.0 RELEVANT RISKS

- 4.1 There is a risk that the Liverpool City Region will miss out access to major funding opportunities and other development opportunities should the appropriate action not be taken to strengthen its existing governance arrangements.
- 4.2 This report requests Cabinet to agree in principle the proposal to create a Combined Authority. A report will be prepared for a future Cabinet meeting that will outline in detail the proposals and a full assessment of relevant risks.

5.0 OTHER OPTIONS CONSIDERED

- 5.1 Governance within the Liverpool City Region (LCR) is in need of change and improvement in order to fully access future devolved funding from central government. Retaining City Region governance in its present form has been considered by the sub-region leaders and the Liverpool Mayor and not considered appropriate for the following reasons; current governance is not helping rebalance the LCR economy quickly enough; the structural issues highlighted remain issues; a more collaborative approach is required for change; and there is a lack of coordinated delivery structures at present.

5.2 Other options considered include the creation of a 'Supervisory Board'- a formal joint committee of Council leaders intended to provide democratic oversight to funding allocated to a LEP area, and the creation of a Liverpool City Region or Conurbation Mayor.

6.0 CONSULTATION

6.1 Consultation has taken place with the Liverpool City Region Leaders and the Mayor of Liverpool who have requested agreement in principle from individual local authorities to the creation of a Combined Authority at sub-region level.

6.2 Further consultation and engagement will take place with Elected Members regarding the final proposed model to establish a combined authority.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are none arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 There are none arising directly from this report.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 REASONS FOR RECOMMENDATIONS

13.1 Governance within the Liverpool City Region (LCR) is in need of change and improvement in order to access future devolved funding opportunities. It is therefore recommended that Cabinet agree in principle to the creation of a Combined Authority across the Liverpool City Region, as an appropriate model for future governance.

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