

# WIRRAL COUNCIL

## EXTRAORDINARY CABINET

10 MARCH 2014

<b>SUBJECT:</b>	<b>COMBINED AUTHORITY</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>CHIEF EXECUTIVE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>LEADER OF THE COUNCIL</b>
<b>KEY DECISION?</b>	YES

### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide an update on the Order and consequential Order to establish a Combined Authority on 1 April 2014, and the other related documents and matters for approval and adoption.

### 2.0 BACKGROUND AND KEY ISSUES

2.1 Liverpool City Region conducted a Review of Strategic Governance in 2013 to assess whether the arrangements for economic development, regeneration and transport as they stood should continue. This review highlighted the positive joint working to date that has been in place through informal arrangements, and then considered the options for the future. It considered no change, the establishment of a Supervisory Board, the establishment of an Economic Prosperity Board and the creation of a Combined Authority and assessed these against the key statutory tests:

- The exercise of statutory functions relating to economic development, regeneration and transport;
- The effectiveness and efficiency of transport; and,
- The economic conditions in the area.

2.2 This concluded that the establishment of a Combined Authority for the Liverpool City Region was best placed to support business to grow and create jobs, to secure an improvement in the City Region's economic conditions. The Combined Authority would draw together strategic work across economic development, transport, housing and employment and skills and provide the basis to potentially access additional funding from Government for the benefit of the City Region.

2.3 The initial review was subject to consultation and received 179 responses from a range of stakeholders, businesses and members of the public; the overwhelming majority being positive. These responses were then used to shape the final Governance Review proposals submitted to Government on 30 September 2013.

2.4 At its meeting on 19 September 2013, members of the Council endorsed these proposals and agreed that Wirral Council should formally become a constituent member of the "Liverpool City Region Combined Authority", thereby sharing appropriate economic development and transport powers with other Councils within the Liverpool City Region Combined Authority in accordance with the provisions of the Local Democracy, Economic Development and Construction Act 2009 and the Local Transport Act 2008.

- 2.5 Government considered the submission and published a statutory consultation document on the establishment of the 'Greater Merseyside Combined Authority' on 29 November 2013. This was broadly consistent with the submitted Review of Governance, except for the name of the organisation. The statutory consultation closed on 22 January 2014; in total over 100 responses were received by Government.
- 2.6 The Secretary of State for Communities and Local Government has now confirmed his intention to establish the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority and has invited Parliament to approve a draft of the Order and a consequential Order (see Appendix One) for the establishment of the Combined Authority on 1 April 2014 and for the abolition of the Merseyside Integrated Transport Authority. For public purposes, the Combined Authority will be known as the "Liverpool City Region Combined Authority".
- 2.7 Subject to the passage of the Order through Parliament and subsequent establishment of the Combined Authority, its inaugural meeting will be held on 1 April 2014 at which point it will agree its Constitution and ways of working. This will enable the Combined Authority to assume democratic responsibility for the functions of the Merseyside Integrated Transport Authority, as well as accepting transfer of its assets and liabilities.
- 2.8 The Combined Authority's Annual General Meeting will take place in mid June 2014.
- 2.9 Liverpool City Region Cabinet agreed at their meeting of 24 January 2014 that the arrangements proposed for the Boards and Committees of the Combined Authority will be transitional for the first year of the Combined Authority's operation. Once further details on the implementation of the Growth Plan and the Local Growth Fund are known later this year, a review of the Combined Authority's arrangements will be undertaken and reported to the Combined Authority in 2015.

### 3. THE REMIT OF THE COMBINED AUTHORITY

- 3.1 The remit of the Combined Authority for the Liverpool City Region is those strategic economic development, regeneration, transport, strategic housing and employment and skills functions that can be better delivered collaboratively across the Liverpool City Region. The Combined Authority will remain a lean, focused strategic decision making body, with responsibility over those strategic issues where it is mutually beneficial for local authorities, Merseytravel and the Local Enterprise Partnership to work together.
- 3.2 The City Region governance review concluded that the Combined Authority will discharge thematic functions through the following arrangements:

<b>Function</b>	<b>Arrangements</b>
Strategic Economic Development	Liverpool City Region Local Enterprise Partnership Board
Strategic Transport	Merseytravel Committee
Strategic Housing and Land Based Assets	Liverpool City Region Strategic Housing and Planning Board
Strategic Employment and Skills	Liverpool City Region Employment and Skills Board

- 3.3 On the Combined Authority each Constituent Council will be represented by one member. It is proposed that that Member be the Leader of the Council. These six members will form the core membership of the Combined Authority, with the Chair of the Local Enterprise Partnership being a co-opted member.

#### **4. UNDERPINNING DOCUMENTS**

- 4.1 As a statutory organisation, the Combined Authority requires a Constitution to be in place to describe how it will operate its functions. This has been developed by Legal and Democratic Services officers from all City Region Councils and Merseytravel. The draft Constitution is attached as Appendix Two and Cabinet is asked to endorse the draft Constitution for the Combined Authority for adoption.
- 4.2 Appendix Three contains the Operating Agreement between the Combined Authority and constituent Councils: this document sets out how the Combined Authority will work alongside the 6 Constituent Councils, Merseytravel and the Local Enterprise Partnership to deliver its functions. This too has been developed by Legal and Democratic Services officers from all City Region Councils and Merseytravel. Cabinet is asked to approve the Operating Agreement for the Combined Authority for adoption/execution.
- 4.3 Each of the Constituent Councils will also need to endorse and adopt the Constitution of the Combined Authority and the Operating Agreement between Councils and the Combined Authority. This will need to be done before 1 April 2014.
- 4.4 A failure to complete this before 1 April 2014 will leave Merseytravel without democratic oversight with the abolition of the Merseyside Integrated Transport Authority occurring on 31 March 2014 as part of the new governance arrangements. Agreement of the Constitution would provide for that oversight to be provided.
- 4.5 There are no changes proposed for the operation of the existing Housing and Planning, Employment and Skills and Local Enterprise Partnership Boards, and these will be commissioned by the Combined Authority to perform certain functions on its behalf. As part of this process, a series of detailed Operational Protocols are being developed for these key themes that the Combined Authority will be providing strategic leadership on.

#### **5. APPOINTMENTS TO COMBINED AUTHORITY AND STRUCTURE**

- 5.1 The Constitution of the Combined Authority provides for Constituent Councils to appoint a Member to the Combined Authority, along with a substitute Member. The nominations will be requested in advance of the inaugural meeting on 1 April 2014.
- 5.2 The Combined Authority will establish a Transport Committee (to be known as the Merseytravel Committee) to provide operational input and democratic leadership around transport issues. This Committee will be comprised of 20 Members of the Constituent Councils who will be co-opted onto the Merseytravel Committee. It is recommended that the Council's nomination to this Committee is on the basis of a continuation of the existing arrangements until the Annual General Meeting in June 2014. Thereafter Council's nominations to this Committee may be revised for the 2014/15 Municipal Year.

- 5.3 There will also be a Scrutiny Panel established drawn from Constituent Councils, which will be politically balanced and reflect the combined political make-up of the 6 local authorities. The Panel will have a role to carry out pre decision scrutiny, conduct themed reviews and the potential to request a reconsideration of the Combined Authority's decisions. Halton is leading on the Scrutiny model for the Combined Authority. Appointments to the Scrutiny Panel will be made following the Annual Meeting of constituent Councils in June 2014.
- 5.4 A Standards Committee will meet only when required. In addition, the Combined Authority will establish an Audit Committee as part of its functions. Advice from CIPFA (in their Position Statement of Audit Committees in Local Government) suggests that the Audit Committee should not be entirely composed of members of the Authority or Scrutiny, and that it should not be chaired by a member of the Authority. As such, membership of the Audit Committee will be drawn from the Combined Authority, Merseytravel Committee and Scrutiny Panel.

## **6.0 RELEVANT RISKS**

- 6.1 There is a risk that the Combined Authority will not be able to function effectively on 1 April 2014. This will be mitigated by submitting the Constitution and Operating Agreement to all Constituent Councils.
- 6.2 There is a risk that the Combined Authority may not have local stakeholder support. This has been mitigated by consulting on the initial review of strategic governance and potential operation of the Combined Authority during the summer of 2013 and the more recent statutory consultation undertaken by Government to collect stakeholder views. These were considered in the preparation by Government of the Orders laid before Parliament on 12 February 2014.
- 6.3 There is a risk that the Combined Authority is seen as a 'Super-Council'. This will be mitigated by establishing a clear approach to the communication strategy between the Constituent Councils, Merseytravel and the Local Enterprise Partnership to explain precisely what the Combined Authority will and will not do.

## **7.0 OTHER OPTIONS CONSIDERED**

- 7.1 Other options relevant to the establishment of the Combined Authority have been considered as part of its development.

## **8.0 CONSULTATION**

- 8.1 The consultation that has been undertaken has been set out in this report.

## **9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 9.1 There are no such implications arising.

## **10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 10.1 Financial  
A full due diligence process was undertaken as part of the review of strategic governance and previously reported to Cabinet and Council ahead of the submission to Government on 30 September 2013.

The Combined Authority will not have any additional resource implications for constituent Councils. In this regard, any additional costs arising from the new arrangements would be offset by efficiencies and savings and the establishment of the Combined Authority would therefore be expected to be at least cost neutral in overall terms.

No allowances (other than travel and subsistence) will be paid to Members of the Combined Authority, the Scrutiny Panel and other Committees and Boards, with the exception of the Merseytravel Committee. The existing Merseyside Integrated Transport Authority allowance scheme will be used for the Merseytravel Committee as a transitional arrangement. Cabinet is recommended to ask Council to agree that the payment of allowances for co-opted members of the Transport Committee (to be funded by Merseytravel) is dealt with by the Council's own scheme.

#### 10.2 Human Resources

The Chief Executives of the constituent Councils and Merseytravel will be appointed as Officers of the Combined Authority, along with the following roles: Head of Paid Service (Chief Executive of Merseytravel), Head of Secretariat (Chief Executive of Knowsley Council), Monitoring Officer (from St Helens Council) and Section 151 Officer (from Merseytravel). These additional roles will be undertaken at no additional cost. This approach will increase the effectiveness and efficiency of the related functions by embedding integrated working, policy alignment and increasing opportunities for co-design and collaboration.

#### 10.3 Information Technology

There are no significant information technology implications associated with the recommendations in this report.

#### 10.4 Physical Assets

There are no physical assets implications associated with the recommendations in this report.

### **11.0 LEGAL IMPLICATIONS**

11.1 The establishment of the Combined Authority is being progressed in accordance with the provisions in the Local Democracy, Economic Development and Construction Act 2009.

### **11.2 EQUALITIES IMPLICATIONS**

11.3 Has the potential impact of your proposal(s) been reviewed with regard to equality?

A full equality impact assessment has been undertaken as part of the preparation for the implementation of the Combined Authority and mitigation actions implemented.

### **12.0 CARBON REDUCTION IMPLICATIONS**

12.1 There are no such implications arising.

### **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 There are no such implications arising.

## **14.0 RECOMMENDATION/S**

14.1 Cabinet is recommended to:

- (a) Confirm its previous decision that the Council should formally become a constituent member of the Combined Authority for the Liverpool City Region (as referred to in this report);
- (b) Note the position on the making of the Orders, as attached in Appendix One, and the Parliamentary process in train;
- (c) Endorse the Constitution for the Combined Authority for adoption as attached in Appendix Two;
- (d) Approve the Operating Agreement for the Combined Authority for adoption as attached in Appendix Three;
- (e) Ask Council to make nominations to the Combined Authority as set out in section 5.1 of this report;
- (f) Ask Council to agree to nominate members to the Merseytravel Committee on the basis of continuing with the existing arrangements until the Annual General Meeting in June 2014, as set out in section 5.2 of this report;
- (g) Note that no allowances (other than travel and subsistence) will be paid to Members of the Combined Authority, the Scrutiny Panel and other Committees and Boards, with the exception of the Merseytravel Committee (as part of the transitional arrangements);
- (h) Ask Council to agree that the payment of allowances for co-opted members of the Merseytravel Committee (using the current Merseyside Integrated Transport Authority scheme) will be dealt with by the Council's own scheme as part of the transitional arrangements, and funded by Merseytravel, as set out in section 10.1 of this report;
- (i) Note that a review of the Combined Authority's arrangements will be undertaken during the first year and reported to the Combined Authority in 2015; and
- (j) Ask Council to agree that approval to make any technical amendments to the Constitution and Operating Agreement for the Combined Authority on behalf of the Council is delegated to the Chief Executive in consultation with the Leader of the Council.
- (k) Recommend to Council for confirmation, approval, endorsement and consideration (as applicable) paragraphs (a) to (j) above.

## **15.0 REASON/S FOR RECOMMENDATION/S**

15.1 To establish the Combined Authority within the prevailing timescales.

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## **APPENDICES**

- Appendix One: Order laid before Parliament on 12 February 2014 to establish the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority.
- Appendix Two: Draft Constitution for the Combined Authority.
- Appendix Three: Draft Operating Agreement for the Combined Authority.

## **REFERENCE MATERIAL**

Liverpool City Region Review of Strategic Governance 2013

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Cabinet	11 July 2013
Cabinet	8 August 2013
Policy and Performance Coordinating Committee	3 September 2013
Cabinet	19 September 2013
Council	19 September 2013