

North Tyneside Council Report to Cabinet Date: 2 March 2016

ITEM 3

**Title: North East
Combined Authority –
Proposed Devolution
Agreement and Elected
Regional Mayor**

Portfolio(s): Combined Authority

**Cabinet Member(s): Mrs N Redfearn,
Elected Mayor**

Report from Directorate:

**Report Author: Patrick Melia,
Chief Executive**

(Tel:6432001)

Wards affected: All

PART 1

1.1 Executive Summary:

On 23 October 2015 the North East Combined Authority (NECA) Leadership Board signed a proposed Devolution Agreement (the proposed Agreement) with the Chancellor of the Exchequer and Commercial Secretary setting out the proposed transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central Government to NECA. The proposed Agreement also paves the way for further devolution in the future and for the reform of public services including health and social care.

Included in the proposed Agreement is a proposal that NECA becomes a Mayoral Combined Authority. This proposal is subject to the formal consent of NECA, the Constituent Authorities and the agreement of Ministers.

North Tyneside Council is one of the seven constituent authorities of the NECA. To assist in the consideration of the proposed agreement an extensive consultation exercise has been undertaken across the whole of the NECA area on the devolution proposals contained in the proposed Agreement.

This report provides Cabinet with information on the consultation exercise undertaken to date and recommends that as part of that exercise the views of full Council are sought at the next ordinary meeting of Council on 17 March 2016. This will enable the views of Council together with other consultation responses to be available when the decision of whether or not to consent to the creation of a Mayoral Combined Authority is considered by Cabinet at an extraordinary meeting in March 2016.

1.2 Recommendation(s):

It is recommended that Cabinet:-

- (a) Note the current consultation undertaken in relation to the North East Combined Authority proposed Devolution Agreement including the proposal for an Elected Mayor for the NECA area;
- (b) Agree that a report be submitted to Council on 17 March 2016 outlining the proposals contained in the proposed Agreement at **Appendix 1** and detailing the consultation exercise undertaken on the proposed Agreement to date;
- (c) Delegate authority to the Chief Executive, in consultation with the Elected Mayor, Head of Finance and Monitoring Officer to provide a report to Council on 17 March 2016 setting out the matters referred to in (b) above and inviting the views of Council; and
- (d) Agree to receive a further report at an extraordinary meeting of Cabinet following the Council meeting to consider whether to consent to the creation of a Mayoral Combined Authority for the NECA.

1.3 Forward plan:

This item appears on the current Forward Plan dated 18 January 2016

1.4 Council plan and policy framework

The report contributes towards the following priorities of the 2014-18 Our North Tyneside Plan:

Our People will be listened to by services that respond better and faster to their needs and our people will be supported to achieve their full potential, especially our children and young people.

Our places will be places that people like living in and will attract others to either visit or live, our places will have more quality affordable homes and our places will work with residents, communities and businesses to regenerate the borough.

Our economy will grow by building on our strengths, including existing world class companies in marine technology and engineering, our economy will have the right conditions to support investment and create new jobs, especially apprenticeships and our economy will have local people that have the skills that businesses need.

1.5 Information:

On 23 October 2015 NECA and the Chancellor of the Exchequer agreed a proposed Devolution Agreement. The proposed Agreement was expressed as being “conditional on the legislative process, the Spending Review, further public consultation, agreement by the constituent authorities, and the formal endorsement by the Leadership Board and Ministers early in the New Year.”

Consultation

In terms of consultation, extensive consultation has taken place at various stages. Prior to entering into the proposed Agreement in October 2015 with the Chancellor and

Commercial Secretary, NECA undertook a number of consultation “road shows” in each of the constituent authority areas setting out clearly the proposed powers and responsibilities that the NECA intended to seek from Government.

Since the conclusion of the proposed Agreement further public consultation has taken place including

- 6 public events across the NECA area in November 2015 where participants received a presentation on the proposals, then participated in round table discussions followed by a question and answer session. The consultation exercise and local events were publicised through press releases, individual local authority websites and on social media gaining interest from local and national media and helping to raise awareness of both the North East Combined Authority and the devolution proposals. Over 370 people signed in at the local events and others submitted written responses through the NECA website or completed an online feedback form.
- Views of the NECA Overview and Scrutiny Committee were sought at their meeting in December
- Dedicated sessions were also arranged in January and February 2016 with representatives of the voluntary, community and social enterprise sector, the regional business sector and also with trade union representatives.
- At a local authority level, constituent authorities have gathered views from a range of local stakeholders to complement the activity being coordinated centrally by NECA. Durham County Council has also undertaken a local postal consultation exercise on the question of the proposals contained in the proposed Agreement.

In North Tyneside, the proposed Agreement has been discussed at Head Teacher forums, business forums, with trade union representatives and representatives of the voluntary sector.

As part of the ongoing consultation exercise, Cabinet is invited to consult with full Council on the proposal that NECA become a Mayoral Combined Authority prior to any formal decision by Cabinet on the creation of the Mayoral Combined Authority.

Legislative Process

In terms of the legislative process, the Cities and Local Government Devolution Act received Royal Assent on 28 January 2016. This legislation provides for the creation of Mayoral Combined Authorities, and the move to such an authority by the NECA is an integral element of the proposed Agreement.

The legislation provides for the creation of a Mayoral Combined Authority if at least two Constituent Authorities as well as the Combined Authority affected, consent. Should any Constituent Authorities not consent to the creation of the Mayoral Combined Authority and provided the Combined Authority still wishes to proceed, the non-consenting Constituent Authorities will be removed from the Combined Authority through the Parliamentary process that provides for a new Mayor. Subject to the necessary consents being provided during February and March it is expected that the requisite legislation will commence Parliamentary processes in May/June 2016 and provide for mayoral elections in May 2017.

In due course further legislation will be required to devolve from Government specific powers to the NECA and also to allocate specific powers to the Mayor, to provide for the election process for a Mayor, to make any necessary amendments to the existing NECA Order including funding of the NECA and to make further provision for the operation of Overview and Scrutiny, Audit and Budget setting processes. The legislation will comprise

general provisions affecting all Combined Authorities moving to a Mayoral model- there are currently 6 Combined Authorities considering this change including the NECA - as well as bespoke legislation - which would bring into effect the specific requirements of the NECA should the creation of a Mayor proceed.

1.6 Decision options

Cabinet may:-

- (a) Agree to the recommendations set out in section 1.2 of the report; or
- (b) Not agree to the recommendations set out in section 1.2 of the report and request that Officers review the information provided and provide additional detail on areas as requested by Cabinet.

1.7 Reasons for recommended option:

The proposed Agreement entered into between NECA and the Chancellor was conditional upon a number of actions being taken by each party. NECA is required to undertake “further public consultation” on the proposed Agreement and this consultation is ongoing.

Whereas the formal consent to the proposal is an executive function, to ensure that the Authority as a whole is fully appraised of the proposals including the proposal that the NECA become a Mayoral Combined Authority it is recommended that Cabinet seek the views of Council at the next ordinary meeting on 17 March 2016 prior to consideration whether to consent by Cabinet at an extraordinary meeting later in March.

1.8 Appendices:

Appendix 1 – NECA Devolution Agreement

1.9 Contact officers:

Patrick Melia – Chief Executive (Tel: 6432001)

Viv Geary – Head of Law and Governance and Monitoring Officer (Tel: 6435339)

John Barton – Lawyer (Tel: 6435354)

Vicki Dixon, Senior Manager Investment and Commercial Finance (Tel: 643 5723)

1.10 Background information:

Autumn Spending Review

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479745/HM_Blue_Book_Complete.pdf

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The recommendations set out in this report can be delivered from existing budgets. If approved, the Devolution agreement will bring considerable additional resources from 2016/17 onwards to the NECA area. These additional resources will be administered by the NECA rather than the individual local authorities. The use of these resources will be determined by the Leadership Board following consultation.

2.2 Legal

The Cities and Local Government Devolution Act 2016 amends the Local Democracy, Economic Development and Construction Act 2009 by introducing new sections 107A and 107B to the 2009 Act.

Section 107A gives the Secretary of State the power to provide for the election of a Mayor for a Combined Authority area by making an appropriate Order. The Mayor will be elected by the local government electors across the whole of the NECA area.

Section 107B sets out the requirements that have to be met before an Order providing for the election of a Mayor for a combined authority area can be made. In the case of existing combined authority areas, such as NECA, it is proposed that the consent of NECA and at least two constituent authorities is required.

If there are non-consenting authorities, those authorities would be removed from NECA by an Order.

It is clear from the legislation that permits the establishment of Combined Authorities when read in conjunction with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 that all decisions relating to the NECA are executive functions.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Internal consultation with Cabinet Members has taken place and all Members have had an opportunity of attending consultation events in the Borough. It is proposed that all Members have an opportunity of considering the devolution proposals in detail if Cabinet agrees to a report to Council in relation to the proposed Agreement and the consultation outcome.

2.3.2 External Consultation

See 1.5 above.

2.4 Human rights

There are no specific human rights implications arising from this report.

2.5 Equalities and diversity

There are no specific equalities and diversity implications arising from this report.

2.6 Risk management

There are no specific risks identified with this report.

2.7 Crime and disorder

There are no specific crime and disorder implications arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Deputy Chief Executive
- Mayor/Cabinet Member(s)
- Monitoring Officer
- Chief Finance Officer
- Head of Corporate Strategy