

North Tyneside Council

Report to Council

Date: 27 June 2013

ITEM 5

Title: Creation of a
Combined Authority

Portfolio(s): LA7/Combined Authority

Cabinet Member(s): Elected Mayor

Report from Directorate: Chief Executives Office

Report Author: Viv Geary
Head of Law and Governance (Tel 643 5339)

Paul Buie,
Head of Business and Economic Development (Tel 643 6091)

Wards affected: All

PART 1

1.1 Purpose:

The purpose of this report is to inform Council of the current position in relation to the extensive area wide Governance Review undertaken in relation to the creation of a Combined Authority for the areas comprising of Durham, Gateshead, Newcastle, Northumberland, North Tyneside, South Tyneside and Sunderland.

The Governance Review consultation concluded on 11 June 2013. The responses have been collated and the seven local authorities will each present a report to Cabinet on 24 June 2013. Each of the seven local authorities will in addition present a report to Council and each Council will in turn be asked to endorse the respective Cabinet decisions.

A substantive report and documentation will therefore be presented to Council on 27 June 2013 when it will be asked to endorse Cabinet's decision of 24 June 2013.

1.2 Recommendation(s):

It is recommended that Council:

1. Considers the proposals and recommendations in relation to the creation of a Combined Authority in the detailed report to be presented on 27 June 2013.
2. Endorse the decisions of Cabinet taken on 24 June 2013.

1.3 Forward plan:

This matter appears on the Forward Plan published on 15 May 2013.

1.4 Council plan and policy framework:

This report relates to priorities identified in the Council Plan 2012-15 including Priority 2 - Maintaining excellent education, training and employment opportunities, including apprenticeships and working in collaboration with partners and Priority 5 – The regeneration of the north bank of the Tyne. The report also relates to core issues identified in the Sustainable Community Strategy 2010-2013.

1.5 Information:

1.5.1 The Leaders and Elected Mayor of the seven North East local authorities (Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland) meet as the LA7 Leadership Board (LA7LB) to discuss key issues affecting the area. The LA7LB share an ambition to create the best possible conditions for growth in jobs, investment and living standards and to make the North East an excellent location for business, to prioritise and deliver high quality infrastructure, and to enable all the people of the area to raise their skill levels and to benefit from economic growth long into the future.

With this ambition in mind, the LA7LB tasked the Chief Executives of the 7 local authorities to lead a Governance Review to assess the existing governance arrangements across the LA7 local authorities' areas in relation to functions concerning economic growth, regeneration and transport. The review was undertaken to ascertain if the governance arrangements could be improved.

Governance Review

A Governance Review commenced in March 2013 and concluded in May 2013.

The remit of the Governance Review was to:-

- Evaluate the effectiveness and efficiency of existing governance arrangements for economic development, regeneration and transport
- Consider the options available for making changes to the governance structures and arrangements, including leaving the existing governance arrangements in place or strengthening or restructuring such arrangements
- Consider the establishment of either an Economic Prosperity Board (EPB) that would make strategic decisions in relation to economic development and regeneration alone in the constituent authority areas or a Combined Authority that would make strategic decisions not only in relation to economic development and regeneration but also transport in the area; and
- Recommend which option is likely to be most beneficial to the constituent authority areas.

The Governance Review drew on expertise from across the constituent authorities and a Governance Review project team made up of officers of different disciplines were responsible for co-ordinating the Governance Review. The project team reported directly to the LA7LB consisting of the seven Leaders and Elected Mayor of the constituent authorities and the Chief Executives group. Ongoing support and guidance was provided by representatives from the Department for Communities and Local Government throughout the review process.

If after receiving the Governance Review and Scheme the Secretary of State considers that a Combined Authority is likely to improve the exercise of statutory functions relating to transport, economic development and regeneration in the area he will invite Parliament to make an Order creating the Combined Authority.

The Governance Review document and the Scheme will be presented to Cabinet on 24 June 2013 and Cabinet will be invited to consider and agree the Governance Review findings and consider approving the submission of the Scheme to the Secretary of State.

A report will also be taken to Council on 27 June 2013 when Council will be invited to consider and endorse the Governance Review findings, the Scheme and the submission of the Scheme to Government. If such approval is forthcoming then the Scheme will be submitted to the Secretary of State subject to the other North East local authorities involved in the Governance Review making the same decision.

1.6 Framework for Combined Authorities

The Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) creates the legal framework for the formation of a Combined Authority. A Combined Authority has powers and functions conferred or imposed on it by the Secretary of State by way of Order which establishes the Combined Authority. In addition, it can have delegated to it by its constituent local authorities other functions that relate to economic development, regeneration and transport if considered appropriate. Similarly, the Combined Authority can delegate to the constituent authorities functions relating to economic growth and transport. Functions can be operated concurrently between the Combined Authority and the constituent authorities or operated solely by the Combined Authority.

Cabinet will have presented to it the Scheme that will set out the proposed economic growth functions that will be operated concurrently between the Combined Authority and the constituent authorities and the strategic transport functions that will be operated by the Combined Authority.

Council will then be asked to consider the issue of a Combined Authority having regard to the Governance Review document and Scheme and will be asked to endorse Cabinet's decision.

1.7 Decision Options

The decision options will be set out in the substantive report.

1.8 Reasons for recommended option:

The reasons for the recommended options will be set out in the substantive report.

1.9 Contact officers:

Viv Geary – Head of Law and Governance – Tel 643 5339
Louise Watson – Manager Legal Services - Tel 643 5325
Vicki Dixon – Senior Manager Commercial Finance and Major Contracts
John Barton – Lawyer – Tel 643 5354

1.10 Background information:

- The Local Democracy, Economic Development and Construction Act 2009.
- The Greater Manchester Combined Authority Order 2011
- Transport Act 1968
- Economic Prosperity Boards and Combined Authorities – Consultation on Draft Statutory Guidance (never finalised) – Issued by Department for Communities and Local Government
- North East Independent Economic Review Report
- The Governance Review/Scheme (this will be an appendix to the substantive report)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The financial implications will be provided in the substantive report to Cabinet

2.2 Legal

A Combined Authority for the North East of England can only be established following a thorough review of the governance arrangements in relation to the economic development, regeneration and transport functions across the area of the proposed Combined Authority. This is required by virtue of section 108 of the Local Democracy, Economic Development and Construction Act 2009 and section 82 of the Local Transport Act 2008. That review has now been undertaken.

The Governance Review document and the Scheme flowing from that review will be presented to Cabinet on 24 June 2013 and is available as a background document to this report.

The Governance Review document and Scheme will be presented to Council with the substantive report and Council will be asked to endorse Cabinet's decision of 24 June 2013.

2.3 Consultation/community engagement

The Governance Review and Scheme underwent a period of public consultation between 21 May and 11 June 2013. The responses to that consultation will be included in the substantive report to Council.

There is also a period of consultation that the Secretary of State will undertake before deciding whether or not it is appropriate to recommend the making of an Order creating a Combined Authority.

2.4 Human rights

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

2.5 Equalities and diversity

There are no equality and diversity issues arising directly from this report.

2.6 Risk management

There has been engagement with representatives from the Department for Communities and Local Government at an early stage and the timescales for the creation of a North East Combined Authority discussed in detail. The timescales are challenging if any Combined Authority is to be in place by 1 April 2014. The Leadership board of the 7 local authorities are aware of the timescales and the project board met on a weekly basis to ensure so far as possible that the review process is driven forward

2.7 Crime and disorder

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

2.8 Environment and sustainability

There are environmental and sustainability implications arising from this report. The issue of transport is closely linked to the environment and if there is to be a North East wide position taken in relation to transport then environmental issues could be dealt with at this level. In terms of sustainability the main reason for considering the establishment of a combined authority is to improve the economic climate of the region and to promote sustainable economic growth and regeneration for the region.