

# North Tyneside Council

## Report to Council

Date: 27 June 2013

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| <p style="text-align: center;"><b>ITEM 5</b></p> <p style="text-align: center;">Title: The Combined Authority</p> |
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Portfolio(s): Elected Mayor

Cabinet Member(s): Mrs N Redfearn

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Report from Directorate: Chief Executives Office

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Wards affected: All

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### 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.

On 24 June 2013 Cabinet endorsed the findings of the Governance Review and specifically to the establishing of a Combined Authority that will improve the exercise of statutory functions in relation to economic growth, skills and transport across the region. Cabinet also agreed to the submission of the Scheme that will create the Combined Authority to Government, and noted the proposed functions that would be shared between the Authority and the Combined Authority and those undertaken solely by the Combined Authority.

Council is now asked to endorse the decisions taken by Cabinet on 24 June 2013.

#### 1.2 Recommendation(s):

It is recommended that Council

- (a) Endorse the findings of the Governance Review document at Appendix A, and specifically that establishing a Combined Authority will improve the exercise of statutory functions in relation to economic growth, skills and transport in the Combined Authority's

area, leading to an enhancement of the economic conditions and performance in the area.

- (b) Endorse Cabinet's decision to submit to the Secretary of State the Scheme for the establishment of a Combined Authority on the basis of the Scheme at Appendix 1 of the Governance Review report, and note the proposed transfer and sharing of the functions contained within the Scheme as detailed in paragraphs 1.8.3 to 1.8.9 of the Cabinet report at Appendix C
- (c) Note that Durham and Northumberland will be asked to agree to transfer their Local Transport Powers and Duties to the Combined Authority as set out in Appendix D
- (d) Note that the Chief Executive in consultation with the Elected Mayor will be permitted to agree the terms of any documentation required to enable the Authority to become a constituent authority of the Combined Authority including the constitutional arrangements and operating agreement in so far that this does not place additional financial commitments on the Authority, and that the Head of Law and Governance and the Strategic Director of Finance and Resources are authorised to complete the relevant documentation and take all steps necessary to give effect to the above recommendations.
- (e) Note that further reports may be received, as and when necessary, once the full financial and governance arrangements have been finalised.

### **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:**

On 24 June 2013 a report was considered by Cabinet in relation to the creation of a Combined Authority together with the Governance Review document. The Cabinet report set out the key findings of the Governance Review which are that creating a Combined Authority will benefit the North East region in terms of promoting economic growth, skills and transport.

On 24 June 2013 Cabinet considered the Scheme that was drawn up following the conclusion of the Governance Review exercise. That Scheme sets out the functions that will be undertaken by the Combined Authority in relation to economic growth, skills and transport. Such functions will be shared between the constituent authorities and the Combined Authority. Certain transport functions will be undertaken solely by the Combined Authority although the operational functions for the Tyne and Wear authorities will continue to be undertaken by the Passenger Transport Executive and the operational functions for Durham and Northumberland will be devolved to those authorities by the Combined Authority. When the Combined Authority is created the Tyne & Wear

Integrated Transport Authority (TWITA) will be abolished and the functions that were undertaken by TWITA will be undertaken by the Combined Authority.

The Scheme deals with other important issues such as membership of the Combined Authority, voting rights, funding and transfer of property rights and liabilities, delegation and substructures as well as the functions powers and duties of the Combined Authority.

The Cabinet report which is appended to this Report at Appendix C sets out in detail the rationale behind the decision to undertake a governance review, the remit of that review and the key findings at the conclusion of the review and the way that the Combined Authority and the constituent authorities will operate.

## **1.6 Decision Options**

The following decision options are available for consideration by Council:-

- a) Endorse the findings of the Governance Review, and the establishment of a Combined Authority and Cabinet's decision to submit the Scheme to the Secretary of State
- b) Determine not to endorse the findings of the Governance Review, the establishment of a Combined Authority and Cabinet's decision to submit the Scheme to the Secretary of State.

## **1.7 Reasons for recommended option:**

- 1.7.1 It is recommended that Council endorse the findings of the Governance Review including specifically the establishment of a Combined Authority and Cabinet's decision to submit the Scheme to the Secretary of State for the establishment of a Combined Authority.
- 1.7.2 The detailed Governance Review concluded that a Combined Authority would improve the exercise of statutory functions in relation to economic growth, skills and transport across the North East. The proposal by the LA7 Leadership Board to establish a Combined Authority was also endorsed in the findings of the North East Independent Economic Review led by Lord Adonis. If a Combined Authority is not established and joint working between the seven authorities continues on an informal and non-statutory basis, this will potentially have a detrimental impact on the future economic performance of the North East.
- 1.7.3 A Combined Authority as a corporate body will ensure more efficient strategic decision-making, enabling a decision to be taken at the LA7 Area level that will bind the 7 local authorities without the need for the 7 authorities to have to each make a decision in their own right.

## **1.8 Alternative Options Considered**

- 1.8.1 The alternative options to a Combined Authority were considered in some detail as set out in section 1.9 of the Cabinet Report.

## **1.9 Appendices:**

Appendix A – Governance Review and Scheme (at Appendix 1 of review document)  
Appendix B – Consultation Report  
Appendix C – Cabinet Report of 24 June 2013

## Appendix D - Schedule of Durham and Northumberland Local Transport and Local Passenger Transport Services functions and responsibilities

### **1.10 Contact officers:**

Viv Geary – Head of Law and Governance – Tel 643 5339

Louise Watson – Senior Manager Legal Services - Tel 643 5325

Vicki Dixon - Senior Manager, Commercial Finance and Major Contracts – Tel 6435723

John Barton – Lawyer – Tel 643 5354

### **1.11 Background information:**

- The Local Democracy, Economic Development and Construction Act 2009
- Transport Act 1968
- Local Transport Act 2008
- The Greater Manchester Combined Authority Order 2011
- Economic Prosperity Boards and Combined Authorities – Consultation on Draft Statutory Guidance (Never finalised) – Issued by Department for Communities and Local Government
- Creating the right governance for growth in the North East – LA7 Leadership Board
- North East Independent Economic Review Report

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

The finance and other resource implications in establishing a Combined Authority are set out in 2.1 of the Cabinet Report.

### **2.2 Legal**

The legal issues surrounding the establishment of a Combined Authority are dealt with at 2.2. of the Cabinet Report.

### **2.3 Consultation/community engagement**

A formal consultation exercise was carried out over a 3-week period between 22 May and 11 June 2013. A copy of the draft governance review report and draft scheme was sent to key stakeholders and published on all 7 local authorities' websites. Views of key stakeholders were obtained through a series of meetings and 121 discussions as well as two stakeholder events hosted by the Leaders and Elected Mayor. In addition, each constituent authority engaged with the stakeholders in their local area.

The results of the consultation were considered in agreeing the final governance review and scheme and are detailed in the consultation report attached at Appendix B.

There will be ongoing engagement with stakeholders as set out in 2.36 and 2.37 of the Cabinet report.

## 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. The equality and diversity implications will be kept under review as further work is undertaken to develop more detail in relation to the outline proposals.

## 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 a 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 approach 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 area and to promote sustainable economic growth.

## PART 3 - SIGN OFF

- Chief Executive

- Mayor/Cabinet Member(s)

- Chief Finance Officer

- Monitoring Officer

- Strategic Manager of Policy and Partnerships