

THE CAMBRIDGESHIRE & PETERBOROUGH DEVOLUTION PROPOSAL

To: Full Council

Date: 28th June 2016

From: The Chief Executive

Purpose: To present to Full Council relevant documents relating to the establishment of a Combined Authority across Cambridgeshire and Peterborough including the results of a Governance Review, a Devolution Deal proposal and draft Governance Scheme.

To seek the endorsement and approval of Full Council to the content of the above documents and authority to take the necessary next steps to progress towards implementation including undertaking an appropriate consultation process.

Recommendation: It is recommended that Full Council:

- (i) Considers and endorses the conclusions of the Governance Review, (attached at Appendix A), that the establishment of a Combined Authority with a Mayor for the Cambridgeshire and Peterborough area would be likely to improve the exercise of statutory functions in that area.
- (ii) Considers and determines whether to approve the content of the Devolution Deal proposal, (attached at Appendix B), and confirms that this replaces in its entirety the East Anglia Devolution Agreement signed in March 2016.
- (iii) Considers and determines whether to approve the Governance Scheme, (attached at Appendix C), and authorise the Chief Executive in consultation with the Leader of Council to and in liaison with the other Chief Executives of constituent authorities take all necessary actions to progress any matters arising from consideration of the Deal.
- (iv) Considers and determines whether to approve the arrangements for public consultation on the Governance Scheme and authorise the Chief Executive in consultation with the Leader of Council to provide the Secretary of State with a summary of the consultation responses in due course.

- (v) If the above are approved, resolve to convene a meeting of Full Council to take place in October 2016 to consider the results of the consultation exercise and whether to give consent for the Secretary of State to bring forward an Order establishing a Combined Authority with a Mayor covering that area of Cambridgeshire and Peterborough.

Officer contact:

Name:	Quentin Baker
Post:	Director of Law, Procurement & Governance and Monitoring Officer
Email:	quentin.baker@cambridgeshire.gov.uk
Tel:	01223 727961

1 PURPOSE

1.1 The purpose of this report is as follows:-

- i) To bring to the attention of Full Council for its consideration, the results of the governance review undertaken in relation to Cambridgeshire and Peterborough area, a copy of which is attached at **Appendix A**.
- ii) To consider the devolution deal now being offered to Cambridgeshire and Peterborough Councils, a copy of which is attached at **Appendix B**, in place of the previous devolution proposal signed in March 2016.
- iii) To summarise and explain the key governance structures of the proposed Combined Authority as set out in the draft Governance Scheme, attached as **Appendix C**, and to seek approval from Full Council for the detailed governance scheme.
- iv) To seek the authority of Full Council for the Chief Executive to progress the required consultation process on the proposals and to submit the results of that consultation to the Secretary of State in due course and circulate a summary to elected members.
- v) To explain the key procedural requirements and the expected timescales.

2 BACKGROUND

- 2.1 A combined authority, (CA), is a legal structure that may be established, at the request, or with the consent, of two or more local authorities, via an Order issued by the Secretary of State under S.103 of the Local Democracy Economic Development and Construction Act 2009. Before making such an order the Secretary of State must be satisfied that certain criteria are met the most important of which is that the establishment of the combined authority is likely to improve the exercise of the statutory functions to be undertaken by the new body¹.
- 2.2 The legislation enables a variety of central and local government functions to be transferred to the newly formed combined authority and for it to carry out these functions within the geographical area covered by the combined authority.
- 2.3 The legislation currently provides for two models of governance, the first having an executive that consists of one representative of each member authority and the second where the executive includes one representative of each member authority plus a directly-elected mayor (a 'mayoral combined authority'). The proposed model for Cambridge and Peterborough Combined Authority, (C&PCA), is that of a mayoral combined authority.
- 2.4 Cambridgeshire County Council has been engaged, since 2015, in developing a devolution proposal with government covering all the councils in Cambridgeshire and Peterborough. The main themes of this have been ensuring the continued economic success of the region; addressing deficits in transport; jobs and skills and housing. In mid-February the Government announced an intention to seek a wider devolution agreement which could join Cambridgeshire and Peterborough with

¹ S.110 Local Authority, Economic Development and Construction Act 2009

Norfolk and Suffolk. This proposed deal was considered by full Council in March 2016 and rejected.

- 2.5 At the same meeting the Council confirmed it was committed to continuing discussions on devolution with the other councils in Cambridgeshire and Peterborough and with Central Government to seek a devolution deal that more closely met the needs of Cambridgeshire and Peterborough. Those conversations and negotiations with government have continued since March and the government has now accepted a proposal for two deals one for Cambridgeshire and Peterborough and one for Norfolk and Suffolk with joint working between the two on areas of mutual interest.

3 THE PROPOSED DEAL

- 3.1 A copy of the proposed Cambridgeshire and Peterborough deal is attached at Appendix B. In summary the deal delivers:

- A new £20 million annual fund for Cambridgeshire and Peterborough for the next 30 years (£600 million) to support economic growth, development of local infrastructure and jobs.
- An additional £70 million fund specifically for affordable housing in Cambridge which may be used in its entirety to build new council homes.
- £100 million for non-Housing Revenue Account (HRA) affordable, rent and shared ownership across Cambridgeshire and Peterborough.
- Transport infrastructure improvements such as the A14/A142 junction and upgrades to the A10 and the A47 as well as Ely North Junction. Also it would support development at Wyton and St Neots and Wisbech Garden Town and the Wisbech Cambridge rail connection.
- Rail improvements (new rolling stock, improved King's Lynn, Cambridge, London rail).
- Investment in developing a Peterborough University with degree-awarding powers.
- A local integrated job service working alongside the Department of Work and Pensions.
- Co-design with government a National Work and Health Programme focussed on those with a health condition or disability, as well as the long-term employed.
- Further integration of local health and social care resources to provide better outcomes for residents.
- Devolved skills and apprenticeship budget – to give more opportunities to our young people.
- Working with government to secure a Peterborough Enterprise Zone.

- 3.2 This proposal is to be the first in a series of proposals which devolve more funding and powers from Government to the Cambridgeshire and Peterborough area.

- 3.3 A Cambridgeshire and Peterborough Combined Authority chaired by a directly elected Mayor would be created to oversee and deliver the deal. This is a requirement from government before such extensive powers and funding can be devolved.

4 PROCESS

- 4.1 The process by which a combined authority is established varies slightly depending upon whether the process is initiated by the Secretary of State or by the local authorities themselves. In the case of Cambridgeshire and Peterborough, discussions between a number of local authorities other public bodies and central government have resulted in a proposal for a mayoral combined authority covering the local authority areas of Cambridgeshire and Peterborough, being brought forward by the local authorities within that geography. In summary, the authorities must:-
- i) Undertake a governance review within the functional economic area. (This has been completed).
 - ii) Prepare a proposal for devolution and governance scheme based on the recommendations of the governance review. (This has been completed)
 - iii) Undertake a consultation exercise on the proposed combined authority. (It is recommended that this take place during July and August 2016).
 - iv) Submit the results of this consultation to the Secretary of State in order that they can decide whether to exercise their powers to establish a combined authority. (This would take place in September 2016).
 - v) Consent to the draft Order produced by the Secretary of State being laid before parliament to establish the authority. (It is envisaged that this would happen at the end of October 2016).
- 4.2 In order to meet the legislative timetable to enable a Combined Authority to be established in March 2017 so that elections for a Mayor may be held in May 2017, the Secretary of State must submit the Order to establish the Combined Authority by no later than the 4th November 2016. This requires each constituent authority to endorse the conclusion of the governance review and to approve the scheme for consultation by no later than the 4 July 2016 in order that consultation may be undertaken for a period of seven weeks over the summer period. Following the consultation, the Councils will be required to meet again in late October 2016 to consider the outcome of the consultation process and approve the draft Order.
- 4.3 The local authorities are required to have considered the options for establishing a combined authority by carrying out a governance review and publishing the results of that review. The findings of the governance review for the proposed Cambridgeshire and Peterborough Combined Authority (C&PCA) is attached as Appendix A. Its key recommendation is that the functional economic area of Cambridgeshire and Peterborough will be best served by a Mayoral Combined Authority model of governance, bringing together local authorities, the Local Enterprise Partnership (LEP) and other public service partners to drive growth and reform.
- 4.4 In the light of the results of the governance review a detailed devolution proposal and associated governance scheme has been produced to encapsulate the form and operation of the proposed combined authority. The devolution proposal is attached as Appendix B and the governance scheme is attached as Appendix C.

5 Consultation

- 5.1 As part of the required procedural steps towards establishing a combined authority the local authorities involved must undertake a public consultation exercise and it is proposed that this shall commence on the 4th July 2016 and continue for 7 weeks until the 22nd August 2016.
- 5.2 The consultation is intended to seek views from the public and stakeholders on the additional functions proposed to be conferred on C&PCA as set out in the Scheme. Every resident, business and stakeholder in Cambridgeshire and Peterborough will have the opportunity to respond if they wish to do so. A number of organisations will also be contacted directly to invite them to make a response to the consultation. The proposed list of consultees to be contacted directly is attached at Annex C.
- 5.3 The consultation will be led jointly by the constituent councils aiming to raise awareness of the C&PCA and the effects of devolution to the area and to its residents. The draft Scheme will be accompanied by a plain English summary of what the proposed legal changes mean in practice.
- 5.4 Key messages to be reflected include: that the proposed changes are not about taking powers from individual councils but gaining additional powers from central government for the C&PCA; that the process of transferring / providing additional powers is being carried out in partnership with central government departments and agencies.
- 5.5 The consultation will be conducted primarily through digital channels with consultation feedback gathered via the C&PCA website, although respondents will be able to submit responses by letter or email should they wish to do so. Consultation documents and publicity materials will be made available in key local authority buildings. Proposed channels include: pro-active media releases and pro-active engagement of regional and local media throughout the consultation; web content for the C&PCA website, including a feedback form; similar, but locally adapted content for local authority and partner websites; social media using C&PCA channels; staff messaging.
- 5.6 A toolkit will be developed to ensure that all Communications teams have draft content for websites, social media, printed publicity and staff messaging.
- 5.7 In addition to and alongside the consultation process the authorities will also be undertaking an assessment of proposed C&PCA with regards to potential impacts in relation to protected characteristics under the equalities legislation. This will be an iterative process with an initial assessment prior to receipt of consultation responses and a subsequent iteration in the light of those responses.

6 LEGISLATIVE BACKGROUND

- 6.1 The legislation on combined authorities is found in sections 103-113 of the Local Democracy, Economic Development and Construction Act 2009, (the 2009 Act), which has been substantially amended by the Cities and Local Government Devolution Act 2016. The recent legislation has greatly extended the range of powers and functions which may be delegated to a Combined Authority.

7 LEGAL STATUS OF THE DECISIONS CONTAINED IN THIS REPORT

- 7.1 Council Leaders have been briefed previously in relation to the decision-making process and the status of decisions in the process for devolution. It is important that all elected members are aware of the status and implications of the recommendations contained in this report if formalised in to decisions.
- 7.2 Under the current timetable for the devolution deal, consent to a draft Order from the Secretary of State will be sought from each authority in October 2016. This is because the latest date for laying the Order which will create a Mayoral Combined Authority (in order to comply with Electoral Commission deadlines for notification of a mayoral election) is 4th November 2016. At that point in October 2016 each authority will have to meet to decide whether to consent to the Order. The draft Order will be considered by both Houses of Parliament before being made.
- 7.3 Before this, however, all participating authorities are being asked to take a decision on devolution arrangements in June (i.e. in this report). The principle purpose of this decision is to approve the Scheme of Governance for publication and public consultation.
- 7.4 In this report the Council is also being asked to endorse the terms of the C&PCA proposal and the Governance Review as well as agree the Scheme of Governance.
- 7.5 The June decision is not the final decision in the process of establishing the Combined Authority and does not legally commit an authority to consenting to a subsequent order to establish and be a part of a new CA. However, any significant change in the economic area as set out in the proposal after the public consultation has been undertaken during the summer may give rise to the requirement that a new Scheme be prepared for consultation and this would impact upon the timetable for the creation of the CA.

8 CONCLUSION

- 8.1 After extensive negotiations between Government and the Cambridgeshire and Peterborough Leaders a proposed Devolution Agreement has been developed. The council will need to assess whether to approve the Devolution Agreement and authorise the leader of Council to sign it.
- 8.2 The council is asked to support the Governance Review and agree the publication of the Scheme of Governance. This will allow the council to report to the Secretary of State such views to inform his decision on the Devolution Deal and the Scheme for the Mayoral Combined Authority.
- 8.3 The Devolution Agreement attached is just the start of the Devolution process. Greater Manchester, the model for a number of the Devolution Deals, has now agreed the content of its 4th Deal, and in April 2016 took on responsibility for the Health budget in the area. There is a great deal of potential to extend the range of responsibilities, powers and funding in the coming months and years and this report seeks to put into place the mechanisms to deliver increased local leadership for public services and greater autonomy over the levers for growth in our area.

Source Documents	Location
<p>Local Democracy, Economic Development and Construction Act 2009</p> <p>Initial equalities impact assessment</p>	<p>http://www.legislation.gov.uk/ukpga/2009/20/contents</p> <p>Democratic & Members' Services Team democraticservices@cambridgeshire.gov.uk</p>