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**Report to:** Cabinet

**Date of Meeting:** 18<sup>th</sup> July 2013

**Subject:** Proposal to review the option of a Combined Authority for the Liverpool City Region

**Report of:** Chief Executive

**Wards Affected:** All

**Is this a Key Decision?** No      **Is it included in the Forward Plan?** No

**Exempt/Confidential**      No

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### **Purpose/Summary**

To outline the proposal to review the option of a Combined Authority for the Liverpool City Region in order to access national funding opportunities that will be devolved from central government.

### **Recommendation(s)**

Cabinet is requested to

- (i) Support in principle the agreement by Liverpool City Region Council Leaders and the Mayor of Liverpool to conduct a review into the Combined Authority model across the sub-region.
- (ii) Note that the outcome of the review will be considered by full Council prior to any final decision to proceed.

### **How does the decision contribute to the Council's Corporate Objectives?**

This will be assessed as part of the Review.

	<b><u>Corporate Objective</u></b>	<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community			
2	Jobs and Prosperity			
3	Environmental Sustainability			
4	Health and Well-Being			
5	Children and Young People			
6	Creating Safe Communities			
7	Creating Inclusive Communities			
8	Improving the Quality of Council Services and Strengthening Local Democracy			

**Reasons for the Recommendation:**

Consultation has taken place with the Liverpool City Region Leaders and the Mayor of Liverpool who have requested agreement in principle from individual local authorities to conduct a review into a Combined Authority at sub-region level.

Further consultation and engagement will take place with Elected Members regarding the final proposed model to establish a combined authority.

**What will it cost and how will it be financed?**

There are no direct financial implications of this decision.

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<p><b>Legal</b></p> <p>Legislation setting out the legal remit of a Combined Authority can be found in Section 103 of the Local Democracy Economic Development and Construction Act 2009. As this report is merely an in principle consideration of a Combined Authority there are no legal implications arising directly from this report.</p>
<p><b>Human Resources</b></p> <p>There are none arising directly from this report.</p>
<p><b>Equalities</b></p> <p>No Equality Implication – <span style="float: right; border: 1px solid black; padding: 2px 10px;">X</span></p> <p>There are none arising directly from this report.</p>

**Impact on Service Delivery:**

There are no impacts arising directly from this report.

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance and ICT (FD2407) and Head of Corporate Legal Services (LD.1722.) have been consulted and any comments have been incorporated into the report.

### **Are there any other options available for consideration?**

Other options considered include the creation of a 'Supervisory Board'- a formal joint committee of Council leaders intended to provide democratic oversight to funding allocated to a LEP area, and the creation of a Liverpool City Region or Conurbation Mayor.

The LCR Leaders and the Mayor of Liverpool have identified the Combined Authority as the preferred option

### **Implementation Date for the Decision**

Following the expiry of the "call-in" period for the Minutes of the Cabinet

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### **Background Papers:**

There are no background papers available for inspection.

## **1. BACKGROUND**

- 1.1 The recent spending review announced the creation of a £2 billion Single Local Growth Fund to be operation in April 2015 in response to the recommendations outlined within the Heseltine Review. Central government has outlined that access to this funding will be devolved to Local Enterprise Partnerships through a 'single pot' and will require strong governance arrangements to be in place at a sub-region level to manage the 'single pot' and access national funding.
- 1.2 The Liverpool City Region (LCR) is in a position to take advantage of the Government's policy reform agenda, enabling it to perform to its full potential. However, this will require a new model of governance that demonstrates strong financial and democratic accountability and, creating a robust legal entity for the LCR, allowing long-term strategic decisions to be taken at the city region level.
- 1.3 It should also be noted that other City Regions are in advanced discussions in developing their governance arrangements facilitated by existing legislation and there is a risk that the Liverpool City Region will miss out on development opportunities and access to national funding opportunities if action is not taken at this time.
- 1.4 The preferred option proposed for review by LCR Council Leaders and the Mayor of Liverpool is the Combined Authority; a statutory sub-regional governance structure that enables relevant local authorities to work jointly to deliver improvements in economic development, regeneration and transport across a sub-region.
- 1.5 A Combined Authority will deliver greater transparency in the decision making process in the Liverpool City Region. Meetings of the Combined Authority will be held in public and minutes will be published. It will strengthen collaboration and joint working between local authorities in order to promote economic growth. A Combined Authority will also give the City Region a more effective voice in influencing Government policy and investment decisions, as well allowing for greater freedom and flexibilities from Government.
- 1.6 Cabinet are requested to support in principle a review into a Combined Authority model across the sub-region. Cabinet will be kept regularly updated on relevant discussions and negotiations that take place across the city region, and a report will be presented to a future Cabinet meeting which will outline the details of any final proposed model prior to consideration by Full Council.

## **2. Relevant Risks**

- 2.1 There is a risk that the Liverpool City Region will miss out access to major funding opportunities and other development opportunities should the appropriate action not be taken to strengthen its existing governance arrangements.
- 2.2 This report requests Cabinet to agree in principle the proposal to create a Combined Authority. A report will be prepared for a future Cabinet/Council meeting that will outline in detail the proposals and a full assessment of relevant risks.

