

## **APPENDIX 2**

### **Draft of a Scheme for the Establishment of a Combined Authority for Liverpool City Region**

#### **Section One – Intention to Establish a Combined Authority**

##### **1. Establishment of Authority**

A Combined Authority (CA) will be established pursuant to Section 103 of the Local Democracy, Economic Development and Construction Act 2009 (“LDEDCA”). It shall come into existence on 1 April 2014.

##### **2. Area**

The area of the CA shall be the whole of the following Local Government areas:

- Halton
- Knowsley
- Liverpool
- Sefton
- St Helens
- Wirral

Each of the above Authorities will be the CA’s “Constituent Authorities”. The CA will act in the best interests of the Liverpool City Region as a whole, taking into account all relevant matters.

##### **3. Name of Authority**

The name of the CA will be Liverpool City Region Combined Authority.

##### **4. Dissolution of the Merseyside Integrated Transport Authority**

The Merseyside Integrated Transport Authority (MITA) shall be dissolved pursuant to Section 91 of the Local Transport Act 2008 (LTA).

## **APPENDIX 2**

### **5. Membership of the Authority**

- 5.1** Each Constituent Authority will be represented by one member of its Cabinet who will be the Leader or Elected Mayor. These six members will form the core membership of the CA (“the core members”).
- 5.2** The Cabinet of each Constituent Authority will appoint another of its members (“substitute member”) to act as a member of the CA in the absence of the member referred to in paragraph 5.1. The substitute member will be drawn from the Cabinet of the Constituent Authority.
- 5.3** A Constituent Authority may at any time terminate the appointment of a member appointed by it to the CA, save it may not terminate the appointment of an Elected Mayor.
- 5.4** If a member or substitute member of the CA ceases to be a member of the Constituent Authority which appointed them, the member will cease to be a member of the CA and the Constituent Authority will appoint a replacement as soon as possible.
- 5.5** The CA will appoint a Chair and Vice Chair from amongst its Members. The appointments will be the first business transacted at the Annual Meeting of the CA and the appointments will be for the forthcoming municipal year.
- 5.6** Subject to 5.7, no remuneration shall be payable by the CA to its members other than reimbursement for travel and subsistence.
- 5.7** The CA recognises the benefits which additional members may bring to the CA in carrying out its functions. If there is a unanimous decision to do so, the CA may co-opt additional members onto the CA on such terms as determined by the CA.

### **6. Voting**

- 6.1** All voting members of the CA will have one vote. The Chair of the CA will not have a second or casting vote.
- 6.2** Subject to the provisions of any enactment, the CA will aim to reach decisions by consensus, but subject to 6.3, all matters which come before the CA will be decided by a simple majority of the members of the CA present and voting. In the case of a tied vote on any matter (whether a motion or an amendment), it shall be deemed not to have been carried.
- 6.3** The following matters will require the unanimous support of all core members of the CA for approval:
- The co-option of additional voting or non-voting members onto the CA
  - Amendments to this Scheme and its successor Constitution

## **APPENDIX 2**

- The determination and review of any transitional arrangements on transportation

### **7. Executive Arrangements**

Executive arrangements (within the meaning of the Local Government Act 2000) shall not apply to the CA. However, the discharge of the functions of the CA will be subject to scrutiny arrangements set out in paragraph 9.

### **8. Passenger Transport Executive**

The Merseyside Passenger Transport Executive (MPTE) shall not be abolished, shall be the executive body of the CA in relation to its transport functions and shall be known as Merseytravel. Merseytravel shall have all the functions of the existing MPTE and such additional functions necessary for it to act as the CA's executive body in relation to transport functions delegated to the CA by the Secretary of State or its Constituent Authorities.

### **9. Scrutiny Arrangements**

- 9.1** The Constituent Authorities of the CA will establish a joint Overview and Scrutiny Committee to exercise scrutiny functions over the CA (including, where appropriate, over its boards, sub-boards and Merseytravel).
- 9.2** Each Constituent Authority will appoint 2 of its elected members to the joint Overview and Scrutiny Committee.
- 9.3** Subject to the approval of the CA, the joint Overview and Scrutiny Committee may appoint sub-committees to deal with matters within its remit and will have the power to co-opt additional representatives for specific scrutiny tasks.

## **Section Two – Functions, Powers and Duties of the CA**

### **10. Functions – General**

- 10.1** By virtue of Sections 99 and 102A of the LTA, the CA will have broad wellbeing powers, which can be exercised in conjunction with the general powers granted to it by Section 113A of the LDEDCA.

## APPENDIX 2

**10.2** The CA requests the Secretary of State to explore the possibility of delegating to the CA the General Power of Competence under Section 1 of the Localism Act 2011.

**10.3** The CA requests the Secretary of State to designate the CA as a 'Specified Body' pursuant to Section 33(3)(k) of the Value Added Tax 1994.

### **11. Functions – Economic Development and Regeneration**

**11.1** The primary purpose of the CA and the Local Enterprise Partnership (LEP) is to boost economic growth and performance within the Liverpool City Region. The CA will have responsibility for a significant programme of investment in transport and economic infrastructure and will influence and align with government investment in order to boost economic growth. The related interventions will have differential spatial impacts across the CA area, but should aid delivery of key growth projects in the emerging and future local plans of Constituent Authorities. Having regard to the duty to co-operate, effective alignment between decision-making on transport and decisions on other areas of policy, such as land use, economic development and wider regeneration, will be a key aim.

**11.2** Unless otherwise stated, powers will be exercised by the CA on a concurrent basis. It is proposed that the CA will be focused on strategic economic growth issues that could include, but are not restricted to, functions such as:

- Setting the strategic economic vision, outcomes and aligning strategic priorities for the Liverpool City Region
- Ensuring there is a single evidence base in place to support and inform strategic decision-making
- Agreeing an integrated growth plan and investment strategy to deliver the strategic economic vision and outcomes
- Setting the economic strategy for the Liverpool City Region
- Co-ordinating the international economic strategy for the Liverpool City Region to cover inward investment trade and export to capture particularly the benefits of the International Festival for Business
- Co-ordinating inward investment strategy and activity across the Liverpool City Region as a whole
- Co-ordinating the strategy and activity for place based marketing across the Liverpool City Region as a whole
- Developing a strategic pipeline of priorities to attract financial and wider support
- Securing funding from a range of sources to support growth within the City Region
- Acting as the accountable body, for example, for devolved major transport scheme funding and the single pot for economic investment, including EU funds and assets as appropriate
- Making decisions with regard to the Liverpool City Region Investment Framework to include the Single Local Growth Fund European funding and Growing Places Fund
- Setting the long-term Employment and Skills Strategy and priorities for the labour market, embedding the Skills for Growth agreements within economic strategies

## APPENDIX 2

- Discharging the Local Authority statutory duty to record and report the education, training and employment status of their 16-18 year old residents
- Setting the long-term strategic vision for housing and regeneration investment to support economic growth
- Agreeing a housing spatial plan and long-term investment strategy as part of the Single Local Growth Plan

**11.3** The powers and duties set out in Schedule 1 shall be held by the CA in support of any functions.

### **12. Functions – Transport**

**12.1** All the functions of MITA shall be transferred to the CA. All the Local Transport Authority functions of Halton BC shall be transferred to the CA. The CA will fulfil directly or commission the role of Local Transport Authority for each of the six authorities, replacing the MITA and Halton BC roles as Local Transport Authorities.

**12.2** The CA will exercise any function of the Secretary of State delegated to the CA by the order of the Secretary of State pursuant to Section 86 LTA and Section 104(1)(b) LDEDCA. Such functions will be exercised subject to any condition imposed by the order.

**12.3** The CA's role in this will encompass:

- Setting the long-term strategic transport vision and outcomes for the Liverpool City Region
- Agreeing the development and approval of a single, city region Local Transport Plan (or its equivalent), which will include high level policy responsibility for major investments (e.g. freight, cycle, rail, highway maintenance, new transport infrastructure, traffic management)
- Agreeing a long-term transport investment strategy as part of the Single Local Growth Plan to deliver the strategic economic vision and outcomes (which includes housing, employment and skills)
- Aligning transport investment with inward investment activity across the Liverpool City Region
- Strategic decisions relating to the Integrated Transport Block and Highway Maintenance funds across all networks
- Ensuring strategic traffic and highway management co-ordination across the City Region
- Assuming the role of the Local Transport Body in respect of major transport schemes
- Acting as accountable body for Transport Schemes, e.g. devolved major transport scheme funding
- Setting the transport levy for the City Region
- Setting a differential transport levy (“the Differential Levy”) in respect of a Constituent Authority

**12.4** The powers and duties set out in Schedule 2 shall be held by the CA in support of any functions.

## APPENDIX 2

- 12.5** The following operational transport functions will be delegated to Halton BC to enable local delivery arrangements to continue during a transition period:
- Information provision
  - Infrastructure delivery
  - Commissioning/procurement of subsidised bus services
  - Concessionary travel

### **Section Three – Funding, Transfer of Property, Rights and Liabilities**

#### **13.Funding**

- 13.1** The CA as a levying body under Section 74 of the Local Government Finance Act 1988, shall have the power to issue a levy to its Constituent Authorities in respect of the expenses and liabilities of the CA which are reasonably attributable to the exercise of its functions relating to transport.
- 13.2** The CA shall have the power to issue a differential levy (“the Differential Levy”) to any of its Constituent Authorities, who are not contributing to the Levy, in respect of the expenses and liabilities of the CA which are reasonably attributable to the exercise, on behalf of such Constituent Authorities, of its functions relating to transport.
- 13.3** The core principle in determining the Levy or the Differential Levy shall be that the total contribution from each Constituent Authority for funding transport services for the year does not exceed the equivalent cost for the year as it would have been calculated under previous arrangements.
- 13.4** Subject to 13.3, the Levy and any Differential levy will be apportioned between the Constituent Authorities in accordance with population.
- 13.5** The costs of administering the CA that are reasonably attributable to the exercise of its functions relating to economic development, housing and regeneration, shall be met by the Constituent Authorities on a population basis.
- 13.6** Any cost incurred by the CA that is not in relation to the administration of the CA or subject to the Levy and Differential Levy shall be met by the Constituent Authorities on a suitable apportionment basis.
- 13.7** The CA will approve the annual budget for the purpose of expenditure.

#### **13. Transfer of Property, Rights and Liabilities**

- 14.1** All property, rights and liabilities of MITA existing at the transfer date shall transfer to the CA, save that rights and liabilities in relation to contracts of employment of MITA employees shall transfer directly to Merseytravel. All property, rights and liabilities of MITA will be ring-fenced under the terms of a CA agreement to the five Constituent Authorities of Merseyside and will not be the responsibility of Halton.

## **APPENDIX 2**

- 14.2** Property, rights and liabilities of Halton BC as they relate directly and solely to the local transport authority function, shall be transferred to the CA on such terms to be agreed and made the subject of an operating agreement. For the avoidance of doubt, this shall not include the Mersey Gateway Bridge, the Silver Jubilee Bridge or any of the roads set out in the respective orders and applications relating thereto.

### **Section Four – Internal Scheme of Delegation**

#### **14. Delegations**

The CA may establish such committees or sub-committees as it considers appropriate and may delegate powers and functions accordingly.

## APPENDIX 2

### Schedule 1

1. The power under Section 144 of the Local Government Act 1972 (the power to encourage visitors and provide conference and other facilities)
2. The duty under Section 69 of LDEDCA (duty to prepare an assessment of economic conditions)
3. The duty under Section 4(1) of the Local Government Act 2000 (strategy for improving the economic, social and environmental well-being of the area)
4. The duties under Sections 152A, 152B, 152C, 17A, 18A(1)(b) of the Education Act 1996 and the power under Sections 514A and 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age)
5. The power to borrow pursuant to Section 1 of the Local Government Act 2003
6. The duty under Section 12 of the Education and Skills Act 2008 (arrangements to identify persons not fulfilling duty under Section 2 of the Act)
7. The duty under Section 8(1) of the Housing Act 1985 (duty of a local housing authority to consider housing conditions in the area and the needs of the area with respect to the provision of further housing accommodation)



## APPENDIX 2

### Schedule 2

1. The duty under Section 2 of the Road Traffic Reduction Act 1997, for traffic conditions in the area of the CA
2. The power to issue fixed penalty notices in respect of offences in breach of the Mersey Tunnels Byelaws 2003 or any revision thereof pursuant to Section 237A of the Local Government Act 1972
3. The powers and duties of a Local Transport Authority pursuant to the Local Transport Act 2008
4. The power to enter into agreements with local highway authorities pursuant to Section 8 of the Highways Act 1980 and for such purposes to be designated
  - (i) as a local highway authority pursuant of the said Section 8
  - (ii) as a traffic authority pursuant to Section 121A of the Road Traffic Regulation Act 1984
  - (iii) as a street authority pursuant to Section 49 of the New Roads and Street Works Act 1991
5. The power to act as a traffic authority as defined by Section 121A of the Road Traffic Regulation Act 1984 for the carrying out of such functions pursuant to the Traffic Management Act 2004 as may be agreed by the constituent authorities