
Report to:	Overview and Scrutiny Committee (Performance and Corporate Services) Cabinet	Date of Meeting:	14 th January 2014 16 th January 2014
Subject:	Government Consultation on a Combined Authority for Greater Merseyside	Wards Affected:	Wards
Report of:	Chief Executive		
Is this a Key Decision? Exempt/Confidential	No No	Is it included in the Forward Plan?	No

Purpose/Summary

The purpose of this report is to seek approval on the Liverpool City Region's draft response to the Government's consultation on the creation of a Combined Authority for Greater Merseyside.

Recommendation(s)

Overview and Scrutiny Committee (Performance & Corporate Services) is asked to consider the consultation response attached at Appendix 1 and submit any comments to the Cabinet at its meeting on 16th January 2014.

Cabinet is recommended to:

- (a) Welcome the opportunity to respond to the national statutory consultation on the creation of a Combined Authority for Greater Merseyside; and
- (b) Subject to the views of the Overview and Scrutiny Committee (Performance and Corporate Services), approve the consultation response attached as Appendix One;
- (c) the Chief Executive, in consultation with the Leader of the Council be given delegated powers to make any minor amendments to the consultation response prior to submission; and
- (d) it be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) had given their consent under Rule 46 of the Overview and Scrutiny Procedure Rules for this decision(s) to be treated as urgent and not subject to "call in" on the basis that it cannot be reasonably deferred because the Government's deadline for submission of responses is 12 noon on Wednesday 22nd January 2014.

How does the decision contribute to the Council’s Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
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:

To submit the consultation response to the Government.

Alternative Options Considered and Rejected:

The consultation response could be amended or rejected.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no revenue costs as this is a response to a consultation.

(B) Capital Costs

There are no capital costs as this is a response to a consultation.

Implications:

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

Financial
Legal The review of strategic governance in the Liverpool City Region has been conducted in accordance with the requirements of the Local Democracy, Economic Development and Construction Act of 2009.
Human Resources There are no specific Human Resources implications associated with the recommendations in this report.

Equality

- | | | |
|----|--------------------------------------------------|-------------------------------------|
| 1. | No Equality Implication | <input checked="" type="checkbox"/> |
| 2. | Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/> |

Impact of the Proposals on Service Delivery:

There are no impacts on service delivery arising from the recommendations within this report.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT notes that whilst there are no financial implications to this report, it's approval by members of the proposed governance arrangements will open the possibility of additional government funding being secured (FD 2741). The Head of Corporate Legal Services (LD2048) have been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision

With immediate effect. The Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) has given approval under Rule 46 of the Overview and Scrutiny Procedure Rules for the 'call-in' period to be waived in respect of an executive decision because it will enable the response to be submitted by the deadline of 12 noon on Wednesday 22nd January 2014.

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Background Papers:

There are no background papers available for inspection

1. Introduction/Background

- 1.1 Liverpool City Region conducted a Review of Strategic Governance in Summer 2013. This was commissioned by the Liverpool City Region Cabinet and considered the way in which the City Region's governance around strategic economic development, transport, housing and employment and skills operated. The Review noted that the existing informal arrangements had been effective to date, and reviewed the current options available to the City Region. This found that the creation of a Combined Authority was the best option to enable the Liverpool City Region to optimise its economic growth potential and to create a thriving, international City Region.
- 1.2 This review was subject to local consultation with partners, businesses and members of the public in Summer 2013: 179 responses were received to this consultation, with over 80% of respondents being in favour of the proposal to create a Combined Authority.
- 1.3 This consultation informed the final submission of the Review of Strategic Governance and Scheme for a Combined Authority to Government on 30 September 2013 following endorsement by all Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral Councils and Merseyside Integrated Transport Authority. In addition, a letter of support from the Local Enterprise Partnership was submitted alongside this documentation.
- 1.4 The documentation was reviewed by Department for Communities and Local Government who subsequently published a statutory consultation document and proposed Order to establish the Combined Authority on 28 November 2013. This is the statutory consultation that Government must undertake to establish whether there is support for the proposal locally. The consultation period closes on 22 January 2014.
- 1.5 The consultation document and proposals in the draft Order published by Government largely reflect the proposals contained within the Review of Strategic Governance, except for the proposed name of the organisation. The proposal had suggested 'Liverpool City Region Combined Authority' as the name for the organisation, given that the City Region has been using this brand since 2008. The Government's consultation document proposes that 'Greater Merseyside Combined Authority' instead.
- 1.6 The six Councils (Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral) and Merseyside Integrated Transport Authority have been asked to respond to the consultation as the identified statutory consultees. In addition, the Local Enterprise Partnership and neighbouring Councils have been invited to respond. Comments on the statutory consultation from the public, local businesses and their representative bodies and representatives of the voluntary sector are also being encouraged.
- 1.7 A drafted consultation response is attached at Appendix One: this has been agreed with all Councils in the City Region.
- 1.8 Overview and Scrutiny Committee (Performance and Corporate Services) are asked to consider the draft consultation response as attached at Appendix 1 as an

item of pre-decision scrutiny. Any comments made by the Committee will be forwarded to the Cabinet for their consideration on the matter on Thursday 16th January 2014. Due to the timescales for consultation, the Leader of the Council and the Chair of the Overview and Scrutiny Committee have agreed to waive call-in as the call-in period would not end until after the consultation deadline.

- 1.9 Cabinet is recommended to agree this consultation response for submission to Government.

APPENDIX ONE

Response to Government consultation on the proposal to establish a Combined Authority for Greater Merseyside

Introduction

The six Local Authorities (Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral) and Merseyside Integrated Transport Authority welcome the publication of the draft Order to create a Combined Authority for our area and the opportunity to respond to the Government consultation on these proposals.

Specific comments have been invited from Government on the proposals outlined to establish a Combined Authority, and in particular the following questions which are set out below:

1. **Whether you consider that establishing the proposed combined authority would be likely to improve the provision of transport in the area and its effectiveness and efficiency, the provision of economic development and regeneration in the area, and the economic conditions in the area.**
 - 1.1 The six Local Authorities, Merseyside Integrated Transport Authority and the Local Enterprise Partnership share an ambition to create a thriving, international City Region. It is our belief that the long term sustainability of the economic area will be created and maintained by building on the commitments of the Liverpool City Deal and Liverpool City Region Deal.
 - 1.2 The Liverpool City Region conducted a Review of Strategic Governance in Summer 2013. This recommended the creation of a Combined Authority for the City Region as the best opportunity to secure growth and jobs. The review set out the benefits of operating as a Combined Authority which are considered to include:
 - Bringing together the strategic decision making powers and processes for statutory functions and investment priorities relating to economic development, regeneration, transport and related initiatives across the natural economic area; strengthening accountability for the delivery of targets and meeting established strategic priorities;
 - Removing the need for issues to be considered or ratified by numerous bodies and authorities, which is time consuming and inefficient, requiring multiple reports;
 - Increasing the effectiveness and efficiency of the related functions by providing integrated decision-making, the integration of the different policy strands of activity and increased opportunities for co-design and collaboration. For example, vesting multi-modal transport policy functions with the Combined Authority would ensure that policies are integrated with economic development, employment, skills and housing, funding is aligned to agreed priorities, and delivery is efficient;

- Enabling all constituent partners to accomplish and achieve a bigger impact for the City Region's residents, businesses and the economy as a whole through a more effective and efficient deployment of tightening public sector resources, connecting the City Region's assets to our people and communities;
- Securing long-term effective engagement with business and other sectors, including transport, employment and skills providers and registered housing providers by formalising the existing relationship with the Local Enterprise Partnership and providing a place for the private sector at the 'top table' of decision making; and
- Providing opportunities to align strategic capacity and support services to deliver economies of scale, efficiencies and greater effectiveness. For example, combining Accountable Body arrangements and expertise which is currently dispersed across all six Local Authorities, Merseyside Integrated Transport Authority and the Local Enterprise Partnership. In the future, this could include the arrangements for devolved major transport funding and the Local Growth Fund for economic investment, including EU funds and assets as appropriate.

1.3 The transport functions of the Merseyside integrated Transport Authority would be transferred to the Combined Authority as well as all the local transport authority functions of Halton Borough Council. The Combined Authority's role would therefore include strategic transport issues across the area, developing a single Local Transport Plan and agreeing the transport levy and transport investment strategies. Transport planning is currently vested in two separate Local Transport Plans for the City Region. These would be amalgamated to a single streamlined plan under the new arrangements with a consequent improvement in efficiency, providing greater synergy, greater clarity and more effective prioritisation of strategic transport priorities across the area.

1.4 The establishment of a Combined Authority provides the opportunity to integrate strategic activities across economic development, transport, housing and employment and skills on a statutory basis. This would foster a greater sense of purpose and policy alignment on key issues, underpinned by more formal governance arrangements. Currently there is no single strategic transport and economic development formal decision making body for the Liverpool City Region that can hold funding in its own right. Such fragmented governance arrangements would be addressed by the introduction of a Combined Authority and lead to the delivery of improved economic outcomes and in a more efficient manner.

1.5 A Combined Authority would also ensure more effective targeting of strategic interventions to support the City Region's priorities. For example, by taking responsibility for decision making with regard to the Liverpool City Region Investment Framework, to include the Single Local Growth Fund, EU Investment Framework and Growing Places Fund to boost local economic growth. Linked to this the Combined Authority would develop a pipeline of priorities to attract financial and wider support.

- 1.6 The Combined Authority model would help maximise growth in output and jobs, increase the City Region's productivity and competitiveness, raise skill levels, support a rebalancing of the economy away from relative public sector dependency and stimulate greater employment and growth in the private sector, making our economy more sustainable in the long-term. In other words, it would allow the City Region to achieve its latent potential for economic growth, narrowing the £8.2bn economic output gap with the UK, creating an additional 18,500 businesses, a further 90,000 jobs and closing the annual £1,700 per-head wealth gap between the average household in the City Region and the average household in the UK.
- 1.7 The introduction of a Combined Authority would provide the framework and opportunity to bring together services in new ways that would better benefit businesses and residents in support of economic growth and jobs. The integration of transport as a key driver of economic growth, along with more streamlined approaches to supporting businesses, greater clarity and consistency on investment priorities and improvements to the integration of activities across the proposed thematic areas would contribute to achieving the Liverpool City Region's economic ambition and specifically the improved outcomes for economic growth and jobs. This approach would also realise significant efficiencies and be more effective in the way strategic decisions are made and implemented.

2. How establishing such an authority may impact on the identities and interests of local communities and on securing effective and convenient local government

- 2.1 The six Local Authorities that make up the Liverpool City Region have been working together for a considerable time on areas where there is a justification to do so.
- 2.2 The Review of Strategic Governance in Summer 2013 set out that the City Region operates as a functional economic area, as evidenced by travel to work and travel to learn data. It therefore makes sense to consider those matters relating to transport, economic development and 'enabling' policy on this wider economic footprint as this is the scale that most day to day economic interactions take place. This collaboration can be evidenced by the joint work on economic development through the Local Enterprise Partnership, the work on transport through the Local Transport Body, the work on housing through the Housing and Planning Board and the work on employment and skills through the Employment and Skills Board.
- 2.3 The proposals to strengthen governance arrangements and move from informal collaboration around issues to joint strategic decision making in no way looks to replace individual organisations. Rather the approach being proposed will add to them where it makes sense to work together. The joint working as outlined by the Combined Authority would deliver more effective and efficient services, leading to improved outcomes for residents and businesses. This would be considered to be supporting Councils in their duty to secure efficient and convenient local government. It would also improve the economic wellbeing of the constituent authorities as part of a stronger Liverpool City Region economy.

2.4 There is local support for establishing a Combined Authority for the area from businesses and communities. Before publishing our Scheme, a consultation was undertaken during August and September 2013 on the draft proposals. We received an overwhelmingly positive response from the 179 stakeholders who provided written comments. This included feedback from the Local Enterprise Partnership, businesses, neighbouring Local Authorities, members of the public and strategic partners. A copy of the Report of Consultation was submitted with our draft Scheme and gave a strong insight into the views of key stakeholders.

3. Proposed constitutional arrangements, including whether the proposed name of the combined authority is the most appropriate one, and functions for a combined authority as set out in the Annex to the consultation paper

3.1 The City Region is comfortable with the outlined order to establish the Combined Authority with the exception of the name: the City Region is known extensively as Liverpool City Region, not Greater Merseyside, and would prefer the Combined Authority to be named Liverpool City Region Combined Authority. This proposal from Government is counter to the expressed view of localism which the City Region understood Government was in favour of.

3.2 We have long recognised the national and international currency of the Liverpool City Region 'attack brand' for us as we work with businesses and Governments in promoting economic growth and jobs. The world has heard of Liverpool and we see the Liverpool City Region Combined Authority and Liverpool City Region Local Enterprise Partnership working together to fundamentally reinvigorate the economic conditions of this area and capitalise on the significant opportunities for growth in our area which are of national economic importance: for these reasons, we would prefer that that the organisation formed is called the Liverpool City Region Combined Authority.

3.3 The constitutional arrangements will allow Leader, Elected Mayor and Chair of the Local Enterprise Partnership level representation on the Combined Authority providing the democratic accountability necessary for delivering the long term strategic priorities of our City Region Deal and emerging Growth Plan. In addition our proposals include a model of joint scrutiny to scrutinise decisions made at the City Region level in respect of those functions under the remit of the Combined Authority. This would be carried out by a panel (or pool) of Councillors nominated by the six Local Authorities in the Liverpool City Region.

3.4 The proposed arrangements to be articulated through the Combined Authority Constitution will also provide assurance that all functions not mentioned will remain the direct responsibility of the individual Local Authorities. This provides that only issues of genuine City Region significance would be dealt with by the Combined Authority and that it does not take on responsibilities that do not contribute to the strategic economic priorities identified for economic development, transport, housing, employment and skills.

3.5 The City Region is comfortable with the functions for the Combined Authority as set out in the Annex to the consultation paper.

- 4. How such an authority and the local enterprise partnership can work in a seamless manner to ensure the private sector is 'hardwired' into the leadership and decision making for the functional economic area**
- 4.1 The proposal for the Combined Authority for the Liverpool City Region sees the Chair of the Local Enterprise Partnership Board being co-opted onto the Combined Authority, a proposal which ensures that the views of businesses are included within discussions.
- 4.2 There is a clear, consistent and established view in the City Region that growth will only come if it is secured through working in partnership with businesses, who then need to be supported in their growth. This can be seen by the extensive private sector leadership and input to the current governance processes, with the Local Enterprise Partnership Board and Employment and Skills Board both having significant numbers of businesses serving on them. The Local Enterprise Partnership is additionally a private sector membership body, which brings further credibility of their views and opportunity for businesses to be involved in the decision making process.
- 4.3 The Local Authorities in the City Region play a full and active role in the work of the Local Enterprise Partnership as a whole, and it is expected that this will continue following the establishment of the Combined Authority. The detailed operational protocols which are being developed will set out responsibilities and accountability for various elements of service delivery, and capture the contribution of different organisations towards the City Region's commitment to secure economic growth.