



**Report To:** Council  
**Lead Officer:** Chief Executive

28 June 2016

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## **The East Anglia Devolution proposal**

### **Purpose**

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 the Cambridgeshire and Peterborough area, a copy of which is attached at Appendix A.
  - ii) 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.
  - iii) To seek the authority, in principle, of Full Council for the Chief Executive to progress the process by undertaking consultation on the proposals and to submit the results of that consultation to the Secretary of State in due course.
  - iv) To explain the key procedural requirements and the expected timescales.

### **Recommendations**

2. It is recommended that Council:
  - (a) Considers and endorses the conclusions and outcome 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.
  - (b) Approves, in principle, the content of the Devolution Deal proposal, (attached at Appendix B), and to formally confirm that this replaces in its entirety the East Anglia Devolution Agreement signed in March 2016.
  - (c) Approves, in principle, the Governance Scheme, (attached at Appendix C), and request the Chief Executive undertakes appropriate consultation on its content.
  - (d) Resolves to convene a meeting of Full Council to take place in October 2016 to consider whether to support, in principle, the granting of consent for the Secretary of State to bring forward such an Order to establish a Mayoral/Combined Authority covering that area of Cambridgeshire and Peterborough.

## **Background**

3. A combined authority 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 body<sup>1</sup>.
4. 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.
5. 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, (CPCA), is that of a mayoral combined authority.

## **Considerations**

### ***Process***

6. 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 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).
7. 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 4 November 2016. This requires each constituent authority to endorse the

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<sup>1</sup> S.110 Local Authority, Economic Development and Construction Act 2009

conclusion of the governance review and to approve the scheme for consultation by no later than 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 approve the draft Order.

8. 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 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 LEP and other public service partners to drive growth and reform.
9. 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. A plain English summary of the detail contained in these two documents which sets out the key functions to be undertaken by the combined authority and how the decision making process will operate, is attached as Appendix D.

#### ***Legislative background***

10. 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.

#### ***Legal status of the decisions contained in this report***

11. 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.
12. 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 4 November. At that point in October 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.
13. 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.
14. In this report the Council is also being asked to approve, in principle, the terms of the C&PCA proposal and the Governance Review as well as agree the Scheme of Governance.

15. Although 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.
16. There may of course be legitimate reasons for an authority not to subsequently consent to the Order. Those legitimate reasons to withdraw after the consultation could include the Secretary of State's draft Order not reflecting the C&PCA proposal or the weight of local consultation responses opposing the CA. However, in the absence of a legitimate reason, if an authority agrees the Scheme and proposal in June it should be prepared to consent to a draft Order from the Secretary of State in October.

### **Implications**

17. In the writing of this report, any significant financial, legal, staffing, risk management, equality and diversity, climate change and community safety implications have been highlighted in the body of the report.

### **Consultation**

18. 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 4 July 2016 and continue for 7 weeks until the 22 August 2016.
19. The consultation is intended to seek views from the public and stakeholders on the additional functions proposed to be conferred on CPCA 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.
20. The consultation will be led jointly by the constituent councils aiming to raise awareness of the CPCA 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.
21. 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 CPCA; that the process of transferring / providing additional powers is being carried out in partnership with central government departments and agencies.
22. 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.

23. A toolkit will be developed to ensure that all Communications teams have draft content for websites, social media, printed publicity and staff messaging.
24. 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.
25. A consultation to gather views on the East Anglia devolution deal within South Cambridgeshire was launched on 20 May 2016. The consultation closed at noon on Friday 17 June 2016. The responses from this consultation are attached to this report at Appendix D.
26. To gather as many local views as possible, a new survey was opened on Friday 17 June 2016 when the Cambridgeshire and Peterborough devolution proposal was published. This survey will close at noon on Tuesday 28 June 2016 so any further local views can be taken into consideration by members when debating the report.

## **Background Papers**

The following background papers were relied upon in the writing of this report:

Initial Equalities Impact Assessment:	Democratic Services Team Cambridgeshire County Council
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