

Agenda Item No:	4	
Committee:	Council	
Date:	1 JULY 2016	
Report Title:	The Peterborough and Cambridgeshire Devolution Proposal	

1 Purpose / Summary

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 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 approval 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.

2 Recommendations

It is recommended that Full Council:

- a) 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.
- 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 further 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 the area of Cambridgeshire and Peterborough.

Wards Affected	ALL
Forward Plan Reference	N/A
Portfolio Holder	Cllr John Clark, Leader of the Council
Report Originator	Paul Medd, Chief Executive
Contact Officers	Paul Medd, Chief Executive Tom Lewis, Chief Solicitor and Acting Monitoring Officer
Background Papers	Initial Equalities Impact Assessment - held by Democratic Services Team CCC

3 Background

- 3.1 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 body¹.
- 3.2 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.
- 3.3 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.

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 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).

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

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 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 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.
- 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. The proposed consultation timetable has been developed to ensure that it is aligned to the order-making process.
- 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 Appendix C.
- 5.3 The consultation will be led jointly by the constituent councils/authorities and Local Enterprise Partnership aiming to raise awareness of the C&PCA and the effects of devolution to the area and to its residents..
- 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 the 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.
- 5.8 Once the consultation period has expired, the authorities are required to provide the Secretary of State with a summary of the consultation responses. The law requires that the Secretary of State must then be satisfied that no further consultation is required. There is no requirement for such responses to come back to Council before being submitted to the Secretary of State, however, it should be noted that the constituent councils will need to consent to any draft order before it is laid before Parliament.

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 (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 approach being considered in principle by Council prior to a recommendation to Cabinet today is not the final stage 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 part of a new Combined Authority. 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 would impact on the timetable for the creation of the Combined Authority..
- 7.6 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 Combined Authority.

8 Appendices

Appendix A: Governance Review Undertaken In Relation To Cambridgeshire And Peterborough Area

Appendix B: Devolution Deal Proposal

Appendix C: Draft Governance Scheme