

EXTRAORDINARY COUNCIL	AGENDA ITEM. 4
27 JUNE 2016	PUBLIC REPORT

THE CAMBRIDGESHIRE AND PETERBOROUGH DEVOLUTION PROPOSAL, GOVERNANCE REVIEW AND SCHEME

R E C O M M E N D A T I O N S
FROM : Chief Executive
<p>The Council is asked:</p> <ol style="list-style-type: none"> 1. To consider the outcome of the Governance Review (attached at Appendix A) and the draft Scheme (at Appendix B); <input type="checkbox"/> 2. To endorse the conclusion of the Review that the making of an Order to create the CPCA would be likely to improve the exercise of statutory functions in Cambridgeshire and Peterborough; <input type="checkbox"/> 3. To approve the devolution proposal that will offer significant financial and other benefits to the Cambridgeshire and Peterborough area; 4. To endorse the draft Scheme for publication under section 109 of the Local Democracy, Economic Development and Construction Act 2009, and to recommend that Cabinet authorises the scheme for publication; 5. To authorise the Chief Executive to make any appropriate revisions to the draft Scheme before publication as she may consider appropriate in consultation with the Leader and in liaison with the other Chief Executives of constituent authorities and to take all necessary actions to progress any non-executive functions arising from the recommendations 6. To endorse the arrangements for public consultation on the proposals in the Scheme and to note that the Chief Executive will provide the Secretary of State with a summary of the consultation responses; and 7. That the Council meets in October to consider the results of the consultation and consider giving consent to an Order establishing a Mayoral combined authority for Cambridgeshire and Peterborough.

1. PURPOSE AND REASON FOR REPORT

- 1.1 This report summarises the review of the functions and governance arrangements for the proposed Cambridgeshire and Peterborough Combined Authority (CPCA), including how the arrangements would be likely to improve the exercise of statutory functions in Cambridgeshire and Peterborough. The full review is attached at Appendix A.
- 1.2 A draft scheme containing the functions proposed to be conferred on the CPCA is attached at Appendix B for consideration and endorsement. The proposed Devolution Deal is set out at Appendix C.
- 1.3 It is a legal requirement that a public consultation be undertaken on the scheme for the proposed combined authority. This report therefore summarises proposed consultation arrangements for approval.
- 1.4 Section 103 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”), as amended by the Cities and Local Government Devolution Act 2016 (“the 2016 Act”) enables the Secretary of State by order to create a combined authority (CA). This can happen where the authority has carried out a governance review and prepared and published a scheme and concluded that creating the combined authority would be likely to improve the

exercise of statutory functions in the CA's area. □

- 1.5 This report and enclosures set out summarises the powers proposed to be conferred on the CPCA and sets out how those powers will improve the ability of the CPCA to exercise its statutory functions. □
- 1.6 It is also a legal requirement that the executive meet to approve the consultation process and such meeting is to take place immediately following the Council meeting to consider the will of Council and whether to approve the documentation.

2. BACKGROUND

- 2.1 A combined authority is a legal structure that may be established, via an Order issued by the Secretary of State, at the request of two or more local authorities. The combined authority consists of representatives of each member authority plus a directly-elected mayor.
- 2.2 Cambridgeshire and Peterborough were invited to submit proposals jointly with Norfolk and Suffolk for an East Anglian devolution agreement. In March 2016 the Council's Leader signed a devolution deal, which proposed to explore proposals to devolve powers from Government to a single combined authority for the region. Extensive negotiations both between and within the Councils across the East Anglian region have concluded that the improvement of statutory functions and the development of the functional economic area is best met through two combined authorities, namely Cambridgeshire & Peterborough and Norfolk & Suffolk.
- 2.3 Cambridgeshire and Peterborough have therefore negotiated a new devolution deal for the revised geography.
- 2.4 This report therefore proposes Council to consider a scheme for a combined authority for the Cambridgeshire and Peterborough area, with a directly elected Mayor, and to propose that scheme for wider consultation before submission of the proposals to the Secretary of State.

3. IMPLEMENTING DEVOLUTION

- 3.1 The Cities and Local Government Devolution Act came into force on 28 March 2016, making Cambridgeshire and Peterborough authorities amongst the first to establish a combined authority for its area under these new provisions. □
- 3.2 Orders and regulatory amendments relating to constitutional or electoral issues will have to be in place by November 2016 to ensure that the combined authority can come into effect early in 2017 and the Mayoral elections can take place in May 2017.
- 3.3 This requires each constituent Council to endorse the conclusion of the governance review and to approve the scheme for consultation by the 4 July for consultation to take place for a period of seven weeks over the summer.
- 3.4 The Secretary of State must make an Order for the creation of the combined authority by the 4 November 2016 and therefore, following the consultation, the Councils will be required to meet again in October to approve the draft Order.

4. FUNCTIONS TO BE CONFERRED ON CPCA

- 4.1 The review has operated on the principle that devolution is not about taking away powers from constituent councils, but about drawing down powers from central government or government agencies.
- 4.2 The powers to be conferred on the CPCA/Mayor are summarised in the Scheme attached at Appendix B for consideration and approval by CPCA members. □

5. PUBLIC CONSULTATION

Consultation Requirements

- 5.1 It is a legal requirement that a public consultation be undertaken where a CPCA is to be established. The consultation will relate to the proposals contained in the Scheme. It is proposed that, subject to agreement of the Scheme by the Council, the public consultation is launched on 4 July 2016, and that it runs for a seven week period to August 2016. The proposed consultation timetable has been developed to ensure that it is aligned to the order-making process.
- 5.2 Once the consultation period has expired, the CPCA is 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 the 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 and they will need to consider the outcome of the consultation process at that time. □

Consultation Approach

- 5.3 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. □
- 5.4 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.
- 5.5 The consultation will be led jointly by the constituent councils authorities aiming to raise awareness of the CPCA and the benefits of devolution to the area and residents.
- 5.6 The draft Scheme will be accompanied by a plain English summary of what the proposed legal changes mean in practice. Key messages to be reflected include:
- that the proposed changes are not about taking powers from individual councils but gaining additional powers for the CPCA from central government; □
 - that the process of transferring / providing additional powers is being carried out in partnership with central government departments and agencies; and □
- 5.7 The consultation will be conducted primarily through digital channels with consultation feedback gathered via the CPCA 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.
- 5.8 Proposed channels include:
- pro-active media releases and pro-active engagement of regional and local media throughout the consultation; □
 - web content for the CPCA website, including a feedback form; □
 - similar, but locally adapted content for local authority and partner □websites; □
 - social media using CPCA channels; □
 - staff messaging. □

5.9 A toolkit will be developed to ensure that all Communications teams have draft content for websites, social media, printed publicity and staff messaging. □

6. IMPLICATIONS

6.1 **Legal Implications:** The legislation on combined authorities is found in Part 6 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.

6.2 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.

6.3 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. 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.

6.4 Before this, however, all participating authorities are being asked to take a decision on devolution arrangements in June (i.e. in this report). The principal purpose of this decision is to approve the Scheme of Governance for publication and public consultation.

6.5 In this report the Council is also being asked to endorse the terms of the CPCA proposal and the Governance Review as well as agree the Scheme of Governance.

6.6 Although the June decision is not the final decision and does not legally commit an authority to participating in a CPCA, any significant change in the proposals after the public consultation has been triggered on 4 July is likely to require a new Scheme to be prepared for consultation and thus the timetable for creation of the CPCA would not be met.

6.7 **Finance Implications:** There are no direct financial implications arising from these recommendations as this is to consult upon a scheme proposing a combined authority.

6.8 The financial benefits of the combined authority are fully set out in the appendices, particularly the Cambridgeshire and Peterborough East Anglian Devolution Proposal.

6.9 **Equalities Implications:** An outline equalities impact assessment has been undertaken.

7. Appendices

Appendix A – Governance Review

Appendix B – Draft Scheme

Appendix C – The Devolution Deal Proposal