

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Chair and Members of the Liverpool City Region
Combined Authority Scrutiny Panel

Meeting: 19 October 2016

Authority/Authorities Affected: Combined Authority/all districts

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE LEAD OFFICER - SCRUTINY

UPDATE ON DEVOLUTION AND GOVERNANCE ARRANGEMENTS

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members of the Scrutiny Panel on developments around the delivery of the Liverpool City Region Devolution Deal. As this is currently the subject of on-going discussions with Government, particularly in relation to the Parliamentary Orders being prepared by DCLG, a presentation to the Panel will be made which will represent the most up to date position.

2. RECOMMENDATIONS

It is recommended that:

1. the current position with Government is noted;
2. the Panel comment on the "Principles of Scrutiny" document attached at Appendix 2; and
3. a further update report be brought to the January meeting of the Panel.

3. BACKGROUND

- 3.1 Following the agreement to the LCR Devolution Deal by all Councils and the Combined Authority (CA) in November 2015, an initial Order was approved by Parliament in July 2016 to establish the office of Elected Mayor, making arrangements for the election of an LCR Mayor in May 2017.
- 3.2 The Cities and Local Government Act 2016 (the 2016 Act) is the enabling legislation that provides the framework for the devolution of powers and functions to take place. This legislation requires the conferring of specific CA and Mayoral Powers through a Parliamentary Order(s) that requires the consent of all LCR local authorities and the CA itself.

- 3.3 Further steps are now required to progress the Parliamentary processes and put in place the Parliamentary Orders to ensure that the LCR Devolution Agreement can be implemented in full.
- 3.4 The LCR Order will need to be laid before Parliament in November in order for there to be sufficient time to be in place for May 2017 and the election of the LCR Mayor. All constituent authorities and the CA need to consent to the order before it is laid in November 2016. Each local authority is making its own arrangements for that to happen.
- 3.5 Discussions are ongoing with the Government over the content of those Parliamentary orders, including the timetable for them being laid. For that reason a presentation will be made to the Panel, at the meeting, in order to provide the up to date position on those discussions.
- 3.6 When approving the Devolution Deal in November 2015 the Local Authorities and LCRCA agreed a number of Governance Principles (see Appendix1) and they remain unaltered.
- 3.7 The post May 2017 constitution will be drafted to fully reflect the powers and functions contained within the agreed LCR Devolution Agreement and as reflected in the Orders currently being developed by the DCLG.
- 3.8 The Cities and Local Government Devolution Act 2016 contains provisions specific to scrutiny. The general provisions in the Act are standard ones in relation to scrutiny activities and which are familiar to all Councils.
- 3.9 The two major differences are:
- the arrangements have to include provisions to hold the Elected Mayor to account for executive decisions they take; and
 - the Act contains provision for further direction by the Secretary of State to be made by Order which, amongst other things, could provide directions about:
 1. the membership of an overview and scrutiny committee;
 2. the person who is to be the Chair of such a committee;
 3. how and by whom matters may be referred to an overview and scrutiny committee.
- 3.10 At the time of the writing of this report, drafts of the Orders are still awaited from DCLG.
- 3.11 A paper has been produced proposing the principles by which the LCRCA will operate scrutiny in the future. That paper is attached as Appendix 2, and includes a suggestion to increase the numbers on the Panel given the increasing responsibilities of the CA. These principles will be incorporated into the revised constitution of the LCRCA, once the provisions of the Orders are known. The views of the Scrutiny Panel on those principles would be welcomed, as these will be reported to the CA as part of the development of the revised constitution.

3.12 The scrutiny principles reflect what is currently included within the CA's constitution but will need to reflect both this Panel's views and the content of the Parliamentary Orders before becoming formally part of the CA's revised constitution.

4. RESOURCE IMPLICATIONS

There are no direct issues arising from this report.

4.1 Financial

There are no direct issues arising from this report.

4.2 Human Resources

There are no direct issues arising from this report.

4.3 Physical Assets

There are no direct issues arising from this report.

4.4 Information Technology

There are no direct issues arising from this report.

5. RISKS AND MITIGATION

There are no direct issues arising from this report.

6. EQUALITY AND DIVERSITY IMPLICATIONS

There are no direct issues arising from this report.

7. COMMUNICATION ISSUES

There are no direct issues arising from this report.

8. CONCLUSION

8.1 Scrutiny Panel members are asked to note progress on the discussions with Government and comment on the Principles of Scrutiny document appended to this report and to request a further update at the January meeting of the Panel.

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Appendices:

Governance Principles
Scrutiny Principles

Background Documents:

None