

**REPORT TO:** Executive Board

**DATE:** 11<sup>th</sup> September 2008

**REPORTING OFFICER:** Strategic Director Corporate and Policy

**SUBJECT:** Liverpool City Region Governance Model and Multi-Area Agreement

**WARDS:** Boroughwide

## **1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to:

- a) Advise Members on the proposed governance arrangements and next steps in the development of the Liverpool City Region Governance Model; and
- b) provide an update on the development of a Liverpool City Region Multi Area Agreement.

## **2.0 RECOMMENDATION: That**

- (1) Members note the development of the Liverpool City Region governance model; and
- (2) Members note the draft Multi Area Agreement (MAA) for the Liverpool City Region.

## **3.0 SUPPORTING INFORMATION**

3.1 Following the publication of the Local Government White Paper, Government commissioned a Sub-National Economic Development and Regeneration Review, (SNR). The SNR set out proposals for how existing sub-national structures in England could be improved, in order to strengthen economic performance in regions, cities and local areas throughout the country. It made recommendations on the most appropriate geographical levels of governance and decision-making for activities directly linked to successful economic development and regeneration of deprived areas.

The SNR stated that there would be certain issues that can best be tackled at a regional, sub-regional and local level.

In regard to sub-regional working, the ensuing SNR consultation document (reported to Executive Board on 19<sup>th</sup> June 2008) outlined options to establish permanent sub-regional structures, through, for

example, the introduction of a City Region Cabinet. It also encouraged the adoption of more formal arrangements for collaborative working between neighbouring Local Authorities and partners, in the form of multi-area agreements (MAAs).

This report provides further information on progress on these initiatives in the Liverpool City Region. The term Liverpool City region is used to describe the six Greater Merseyside districts, but also recognises the economic ties with the adjoining areas of West Lancashire, Chester, Cheshire West and Warrington

### **Liverpool City Region Governance Model**

Leaders and Chief Executives of the six Greater Merseyside Authorities have been working together to agree a new governance model for the Liverpool City Region.

From the outset it has been made clear that it is not the intention to create a separate Local Authority and that each of the six individual Authorities would remain as a 'sovereign bodies'. Existing structures and geographical administrative boundaries would remain.

Further work is also being undertaken to prepare a constitution for the Liverpool City Region and this constitution would need to be ratified by each Local Authority.

It is proposed that these new governance arrangements will enable Local Authorities in Greater Merseyside to operate together more formally, and will enhance the way in which they collaborate with partners, both within the Liverpool City Region and how they contribute to the regional agenda.

This is particularly important in light of the launch of the successor body to the NWRA, 4NW in July 2008 and the need to ensure that Greater Merseyside's priorities are reflected in regional policies and strategies. Three Merseyside Leaders represent the Liverpool City Region on the 4NW Regional Leaders' Forum, which is a multi-sectoral group of leaders established to gain agreement and consensus on regional issues. This consensus approach will be used to influence Government policy and spend in the North West.)

Leaders in Greater Merseyside are progressing the development of a Liverpool City Region Cabinet. The cabinet will comprise the Leaders of the six Local Authorities and the Chairman of The Mersey Partnership, as the representative from the Private Sector.

It is intended that a series of Strategic Boards would report to the Cabinet. Boards would include Economy, Employment and Skills, Transport, Planning and Housing, Environment/Waste and Safer, Healthier Communities.

The role of the Cabinet is likely to include:

- Overall responsibility for developing and agreeing an Integrated Strategy for the Liverpool City Region;
- Creating the above Boards with delegated responsibility from the Cabinet for overseeing delivery and the development of more specific work against the aims and objectives set out in the Integrated Strategy, where this has been identified as an appropriate function at a sub-regional level;
- Monitoring the performance of these Boards and other partners in delivery of the strategy; using, where appropriate, any Multi-Area Agreement (MAA) negotiated between partners;
- undertaking the accountable body role within the city region for the MAA;
- Overall budgetary and policy responsibility where devolution/delegation of functions within the SNR take place at a sub-regional level.

It is envisaged that the City Region Cabinet will operate in Shadow form from May 2009 and as a fully incorporated structure by May 2010.

The City Region Cabinet is developing a work programme and further work over the coming months will focus on:

- Defining city region based programmes and projects;
- Developing a gateway system for assessing what is kite marked as a City Region programme or project;
- Constitutional issues, for example, dispute resolution, the role of "Associate" Local Authorities; Terms of Reference for the Boards
- Establishment of a Scrutiny Board;
- Liaison with Greater Manchester and Lancashire County Council

### **The Liverpool City Region (LCR) Multi Area Agreement**

There is a strong interrelationship between the introduction of City Region Governance Model and the development of the MAA. A significant proportion of the MAA document highlights current and future governance structures proposing that through the introduction of effective governance and strong leadership in the Liverpool City Region, this will have a positive impact on the successful operation of an MAA.

The LCR MAA aims to enhance the contribution of the City Region to meeting regional and national economic growth targets and involves the

six Greater Merseyside Authorities coming together on a voluntary basis to agree collective targets and performance indicators. Overall the MAA is focusing on key priorities for the City Region in terms of economic development, employment and skills and housing and transport. Following advice from Government, specific information is provided in respect of skills and employment and enterprise and growth, with opportunities to pick up housing and transport in future submissions to Government.

The MAA in its draft format sets out the current position relating to City Region priorities and communicates our collective ambitions for the area. Importantly, the document explains the barriers to achieving economic growth and prosperity in the Liverpool City Region but outlines the positive steps we are taking to address these problems and barriers. A draft document is appended to this report.

Where such barriers and problems persist, the document sets out key asks of Government whether this is in the form of financial, fiscal or legislative support to enable partners in the City Region to deliver on its economic development and regeneration targets.

A submission to Government is expected to be submitted in late September/October 2008.

#### **4.0 POLICY IMPLICATIONS**

The White Paper states that a new organisational framework is needed to support regional and sub-regional improvements and places emphasis on the development of strong cities. However, it needs to be acknowledged that many economic development and regeneration issues are best tackled at a local level and the assessment and kite marking work proposed in the LCR Cabinet's work programme should address this issue as quickly as possible.

Multi Area Agreements have the potential to bring together key players in the Liverpool City Region to tackle issues that are best addressed in partnership. They could give support to the City Region agenda by providing a framework for developing stronger and more effective leadership both across sectors and geographic boundaries.

#### **5.0 OTHER IMPLICATIONS**

None.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

The Liverpool City Region Governance Model and Multi Area Agreement have implications for all the Council's priorities; not least in the need to clarify accountability and responsibilities at a sub-regional level. Better performance at a sub-regional level could potentially lead to better local outcomes through

synergy and economies of scale gains, stronger partnerships and greater flexibilities.

Children and Young People in Halton

Employment, Learning and Skills in Halton

A Healthy Halton

A Safer Halton

Halton's Urban Renewal

## **7.0 RISK ANALYSIS**

No immediate risks to the Council envisaged.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

None.

## **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
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None.		
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