

<p>CABINET MEETING – 16 MAY 2016</p> <p>EXECUTIVE SUMMARY SHEET – PART 1</p>	
Title of Report:	<p>NORTH EAST COMBINED AUTHORITY – PROPOSED DEVOLUTION AGREEMENT AND ELECTED REGIONAL MAYOR</p>
Author(s):	<p>CHIEF EXECUTIVE</p>
Purpose of Report:	<p>The purpose of this report is to update Cabinet and seek its views on the current position in relation to the Devolution Agreement and the question of the creation of a Mayoral Combined Authority.</p>
Description of Decision:	<p>Cabinet is requested to:-</p> <ol style="list-style-type: none"> 1. Further consider and express its views on the Devolution Agreement and the proposal for a Mayoral Combined Authority. 2. Agree that any resolution under Recommendation 1 above is urgent for the purpose of Paragraph 18(j) of the Overview and Scrutiny Procedure Rules regarding “call-in”.
Is the decision consistent with the Budget/Policy Framework?	*Yes
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reasons) for Decision:-	<p>The NECA Devolution Agreement is expressed as being “conditional on the legislative process, the Spending Review, further public consultation, agreement by the Constituent Authorities, and the formal endorsement by the Leadership Board and Ministers.”</p> <p>In relation to Recommendation 1, within the Constituent Authorities, the decision as to whether or not the NECA should become a Mayoral Combined Authority is an executive function.</p>

In relation to Recommendation 2, the Leadership Board of the North East Combined Authority (NECA) will consider a report on the Devolution Agreement and proposal for an elected regional mayor at its meeting on 17th May 2016, and it is in the Council's interests that Cabinet's views be taken into account. In addition, full Council has been consulted upon the devolution proposals and the views expressed by Council Members are included in Appendix 3 to this report.

Alternative options to be considered and recommended to be rejected:-

The alternative option is not to consider the proposals. However, the Leadership Board will be considering a report on 17th May 2016 and it will be contrary to the Council's interests for the Board not to be apprised of Cabinet's views.

Impacts analysed:

Equality Privacy Sustainability Crime and Disorder

Is the Decision consistent with the Council's co-operative values? Yes

Is this a "Key Decision" as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

NORTH EAST COMBINED AUTHORITY – PROPOSED DEVOLUTION AGREEMENT AND ELECTED REGIONAL MAYOR

Report of the Chief Executive

1. Purpose of the Report

- 1.1 The purpose of this report is to update Cabinet and seek its views on the current position in relation to the Devolution Agreement and the question of the creation of a Mayoral Combined Authority.

2. Description of Decision (Recommendations)

Cabinet is requested to:-

- 2.1 Further consider and express its views on the Devolution Agreement and the proposal for a Mayoral Combined Authority.
- 2.2 Agree that any resolution under Recommendation 1 above is urgent for the purpose of Paragraph 18(j) of the Overview and Scrutiny Procedure Rules regarding “call-in”.

3. Introduction/Background

- 3.1 At its meeting on 10th February 2016, Cabinet considered an initial report which apprised Members of the devolution proposals for NECA, including the proposal for an elected Mayor for the NECA area, and of the consultation undertaken at that stage. Cabinet agreed to submit the report to Council in order to seek Council’s views upon the Devolution Agreement and the proposal for an elected regional Mayor.
- 3.2 Further consultation was undertaken by Sunderland City Council during February 2016. A Supplemental Report describing the proposed devolution proposals, including detail upon the financial and governance position, together with the outcome of the consultation referred to above was provided to Council on 21st March 2016.
- 3.3 At its meeting on 23rd March 2016, Cabinet considered a further report on the devolution proposals, which included an addendum report outlining the views expressed at Council.
- 3.4 Cabinet confirmed its support for the proposals set out in the Devolution Agreement, but considered that several outstanding issues required clarification and commitment by Government. Cabinet authorised the Chief Executive, working with NECA’s Head of Paid Service, to seek the required assurances from Government.

3.5 For ease of reference the following previous reports are appended, together with the NECA Devolution Agreement:-

- (i) Supplemental Report of the Interim Head of Paid Service submitted to Council on 21st March 2016.
- (ii) Addendum Report of the Interim Head of Paid Service submitted to Cabinet on 23rd March 2016.

4. Position of the Other Constituent Authorities and the NECA

- 4.1 All of the Constituent Authorities of the NECA considered the proposals at meetings held in March 2016. Currently, two of the Authorities have determined their position in relation to the Devolution Agreement and the creation of a Mayoral Combined Authority.
- 4.2 Newcastle City Council's Cabinet resolved to agree to the establishment of NECA as a Mayoral Combined Authority, and authorised the Leader and Chief Executive of the Council to take all steps required to facilitate the creation of a Mayoral Combined Authority for the North East.
- 4.3 Gateshead Council's Cabinet resolved "that Gateshead Council supports genuine devolution for the North East of England. Gateshead Council believes that the current offer to the North East Combined Authority ("the Proposed Agreement") does not represent genuine devolution, poses a threat to local democracy and proposes governance that lacks accountability. Gateshead Council does not consent to being part of a Mayoral Combined Authority. Gateshead Council will continue to work with neighbouring local authorities to our mutual benefit and seek to deliver the best possible public services to the people of Gateshead and the North East of England."
- 4.4 The four other Constituent Authorities and the NECA Leadership Board, at their meetings in March 2016, all resolved to seek further clarification and commitments from Government.
- 4.5 North Tyneside Council also delegated authority to the Elected Mayor, in consultation with senior officers, to consent to the making of statutory Orders necessary to implement the Devolution Agreement, subject to the necessary clarification and commitments being received from Government.
- 4.6 The legislation allows for the creation of a Mayoral Combined Authority if the Combined Authority and at least two Constituent Authorities consent. The Department of Communities and Local Government have advised that if a Mayoral Combined Authority proceeds for the NECA area, any Constituent Authority who does not consent will need to be removed from the Combined Authority, thereby changing the Combined Authority's boundaries, six months before the Mayoral election. Such a removal would therefore occur during November 2016, prior to a May 2017 election.

5. Current Position

- 5.1 Discussions with Government are on-going, and an addendum report will be provided to Cabinet.

6. Reason for Decision

- 6.1 The NECA Devolution Agreement is expressed as being “conditional on the legislative process, the Spending Review, further public consultation, agreement by the Constituent Authorities, and the formal endorsement by the Leadership Board and Ministers.”
- 6.2 In relation to Recommendation 1, within the Constituent Authorities, the decision as to whether or not the NECA should become a Mayoral Combined Authority is an executive function.
- 6.3 In relation to Recommendation 2, the Leadership Board of the NECA will consider a report on the Devolution Agreement and proposal for an elected regional mayor at its meeting on 17th May 2016, and it is in the Council's interests that Cabinet's views be taken into account. In addition, full Council has been consulted upon the devolution proposals and the views expressed by Council Members are included in Appendix 3 to this report.

7. Alternative Options

- 7.1 The alternative option is not to consider the proposals. However, the Leadership Board will be considering a report on 17th May 2016 and it will be contrary to the Council's interests for the Board not to be apprised of Cabinet's views.

8. List of Appendices

- (i) Appendix 1 - Devolution Agreement
- (ii) Appendix 2 - Supplemental Report of Interim Head of Paid Service submitted to Council on 21.3.16
- (iii) Appendix 3 - Addendum Report of Interim Head of Paid Service submitted to Cabinet on 23.3.16.

