

CABINET MEETING – 19 DECEMBER 2013

EXECUTIVE SUMMARY SHEET - PART I

Title of Report:

Creation of a Combined Authority

Author(s):

Chief Executive

Purpose of Report:

The purpose of this report is to update the Cabinet on developments in relation to the proposed creation of a Combined Authority.

Cabinet is also asked to come to a view on the city council's response to the Secretary of State's consultation on the proposed creation of a Combined Authority.

Description of Decision:

It is recommended that Cabinet:

- (a) Receives an update on the current position in relation to the proposed development of a Combined Authority for the Durham, Northumberland and Tyne and Wear area.
- (b) Considers the results of a public consultation exercise undertaken in the past two weeks, in order to pay due regard to the views of local people on key factors and implications for Sunderland.
- (c) Taking the above into account, comes to a view on the city council's response to the Secretary of State's consultation on the proposed creation of a Combined Authority and authorises the Chief Executive, in consultation with the Leader, to finalise the response as appropriate and submit it by the deadline.

Is the decision consistent with the Budget/Policy Framework?

***Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

Cabinet needs to determine its response to the Government's consultation on the proposal to create a Combined Authority. The deadline for responses is 2 January 2014.

Alternative options to be considered and recommended to be rejected:

The Cabinet does not consider the current position in relation to the proposed creation of a Combined Authority and does not form a view on the city council's response to the Secretary of State's consultation.

Impacts analysed:**Equality**

n/a

Privacy

n/a

Sustainability

n/a

Crime and Disorder

n/a

Is this a "Key Decision" as defined in the Constitution?**Yes****Is it included in the 28 day Notice of Decisions?****Yes****Scrutiny Committee**

CREATION OF A COMBINED AUTHORITY

REPORT OF THE CHIEF EXECUTIVE

1.0 Purpose of the Report

- 1.1 The purpose of this report is to update the Cabinet on developments in relation to the proposed creation of a Combined Authority.
- 1.2 Cabinet is also asked to come to a view on the city council's response to the Secretary of State's consultation on the proposed creation of a Combined Authority.

2.0 Description of Decision

- 2.1 It is recommended that Cabinet:
 - (a) Receives an update on the current position in relation to the proposed development of a combined authority for the Durham, Northumberland and Tyne and Wear area.
 - (b) Considers the results of a public consultation exercise undertaken in the past two weeks, in order to pay due regard to the views of local people on key factors and implications for Sunderland.
 - (c) Taking the above into account, comes to a view on the city council's response to the Secretary of State's consultation on the proposed creation of a Combined Authority and authorises the Chief Executive, in consultation with the Leader, to finalise the response as appropriate and submit it by the deadline.

3.0 Background

- 3.1 On 24 June 2013, Cabinet endorsed the findings of the Governance Review undertaken in April/May 2013 including the finding that the creation of a Combined Authority covering the Authority areas of Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland (the LA7) would improve the discharge of functions relating to transport, skills and economic development across the area.
- 3.2 The proposal for a Combined Authority and governance review documents were submitted to the Secretary of State in August 2013, after a period of consultation had been undertaken with regional and local stakeholders; inviting him to consider making an Order that would establish a combined authority across the LA7 area. At that stage, there was support for the creation of a Combined Authority from the stakeholders consulted.

- 3.3 The Secretary of State, before deciding whether or not to place an Order before Parliament is legally obliged to consult on the establishment of a combined authority. Such consultation commenced on 7 November 2013 and ends on 2 January 2014. He must consult with all of the LA7 Authorities as well as the Tyne and Wear Integrated Transport Authority. The Secretary of State also has discretion to consult with anyone else that he considers appropriate.
- 3.4 In addition to the consultation referred to above, the Secretary of State has decided it is appropriate to consult with the North East Local Enterprise Partnership as well as the local authorities that neighbour the proposed combined authority area. Those authorities include Eden District Council, Carlisle City Council, Cumbria County Council, Darlington Borough Council, Hartlepool Borough Council, North Yorkshire County Council, Richmondshire District Council and Stockton on Tees Borough Council. He has also chosen to consult the Northumberland National Park Authority.
- 3.5 The consultation document specifically requests the LA7 Authorities “to actively seek through such means as they consider appropriate the views of their residents, local businesses, and the voluntary sector with a view to providing the necessary evidence for Government to be satisfied about the degree of local support there is for a Combined Authority.”
- 3.6 The consultation document makes specific reference to the referendum that took place in November 2004 in relation to the creation of a North East Regional Assembly. Whereas the Secretary of State in the consultation document accepts that there are substantial differences between a regional assembly and a Combined Authority, the document states “the Government believes that it is right that before any decision on a combined authority for this “North East Local Enterprise Partnership” area is taken, there is clear and compelling evidence that the past opposition of electors within the local area to governance changes in that area does not continue to any new proposal for a combined authority. Accordingly, it will be important that this consultation yields the evidence necessary for Government to reach a conclusion on this issue”.

4.0 Public Consultation

- 4.1 With the need to obtain the views of local residents as well as local businesses and the voluntary sector before 2 January 2014, as set down by the Secretary of State, each of the LA7 Authorities have undertaken consultation in their areas as considered appropriate by them.
- 4.2 Each authority conducted an on-line consultation exercise via their website (closing at 5pm on 11 December 2013) and undertook a range of focus groups in their area between 4 and 12 December 2013.

- 4.3 In Sunderland, the same on-line consultation questions were circulated to attendees at the State of the City event on 3 December 2013. The Chamber of Commerce Sunderland Committee also considered the matter at their meeting on 9 December 2013.
- 4.4 Independent market research company Populus were also commissioned by the city council to conduct discussions with a range of groups and individuals on the proposal to create a Combined Authority. These discussions took place on 10 and 11 December 2013 and considered the key factors and implications for the city. The following groups and individuals were consulted:
- Sunderland Partnership Board Members
 - 'Citizens' Panel' Representatives
 - Representatives from the city's Health and Wellbeing Board, Education Leadership Board and Economic Leadership Board (including any sub groups of these bodies)
 - Sunderland Innovation and Improvement Group (Sunderland Partnership)
- 4.5 At the time of writing, this exercise has not been concluded. The results which will be collated and analysed following the final session, will therefore be contained in a supplementary paper to be presented to Cabinet.

5.0 Response to the Secretary of State

- 5.1 As outlined in section 3.3 above, the city council is required to respond to the Secretary of State on the consultation regarding the proposed creation of the Combined Authority by 2 January 2014.
- 5.2 The option exists for all of the LA7 local authorities to submit a single, joint response, subject to the approval of their cabinets or executives.
- 5.3 In Sunderland's case, this requires the cabinet to be content that the proposals for a Combined Authority; its governance and leadership including arrangements for transport and skills, will bring additional economic benefit to the city, and that the formation of a Combined Authority is supported by local residents, organisations and businesses.

6.0 Alternative Options

- 6.1 The Cabinet does not consider the current position in relation to the proposed creation of a Combined Authority and does not form a view on the city council's response to the Secretary of State's consultation. This is not recommended.

7.0 Relevant Considerations and Consultations

7.1 Financial Implications

- 7.1.1 There are no financial implications associated with the formation of a view and response on the proposal to create a Combined Authority.
- 7.1.2 If established, participating in the Combined Authority will have financial implications for each council and these would be the subject of any further reports.

7.2 Legal Implications

- 7.2.1 The Governance Review and the preparation of a Scheme for submission to the Secretary of State as required by the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) has triggered the consultation exercise now being undertaken by the Secretary of State as referred to in this report. The Secretary of State is consulting with those that he is obliged to consult with by virtue of the 2009 Act as well as using his discretion to consult with others such as the NELEP and neighbouring local authorities.

7.3 Human rights

- 7.3.1 There are no human rights implications directly arising from this report.

7.4 Equalities and diversity

- 7.4.1 There are no equality and diversity issues arising directly from this report. Any equality and diversity implications will be kept under review as and when further work is undertaken to develop more detail in relation to the outline proposals.

7.5 Crime and disorder and privacy

- 7.5.1 There are no crime and disorder or privacy implications directly arising from this report.

7.6 Environment and sustainability

- 7.6.1 There are no environmental and sustainability implications arising directly from this report.

8.0 Background Papers

- Scheme for the creation of a combined authority
- DCLG draft Order and consultation document
- The Local Democracy, Economic Development and Construction Act 2009
- Transport Act 1968
- Local Transport Act 2008
- Economic Prosperity Boards and Combined Authorities - Consultation on Draft Statutory Guidance (Never finalised) - Issued by Department for Communities and Local Government
- Creating the right governance for growth in the North East – LA7 Leadership Board
- North East Independent Economic Review Report

