

Combined authorities and elected mayors in England

Purpose

For discussion and direction.

Summary

To consider an update on the LGA's offer to combined authorities and elected mayors.

Recommendations

That the LGA Leadership Board:

- i. note the update on the latest position of mayoral combined authorities;
- ii. note progress on recommendations from the Combined Authorities Working Group;
and
- iii. provide a steer on further support for Combined Authorities (Paragraph 17).

Action

Officers to take any actions as directed by the Board.

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Combined authorities and elected mayors in England

Background

1. The emergence of combined authorities and directly elected (sub-regional) mayors signals a change to the structure of local democracy in England and the way that services are provided at local level. Local governance and local leadership are becoming more complex.
2. The LGA has been considering for some time how we refine our services to support councils with devolution deals, particularly those who are working as combined authorities and those whose governance includes new Mayors. This work started with the Combined Authority Working Group convened in response to the LGA Executive's request for some "early thinking about the place of Combined Authorities in the LGA ... given the number of CAs was expected to increase over the next twelve months."
3. The working group met on 21 January 2016 and 15 March 2016. Its members were: Cllr Sir Richard Leese CBE (Labour), Cllr Mark Hawthorne MBE (Conservative), Cllr John Pollard (Independent) and Cllr Iain Roberts (Liberal Democrat).
4. The working group's recommendations, which were endorsed by the Leadership Board, resulted in the development of a comprehensive support offer for combined authorities (CAs) as well as support for Mayoral candidates in the run up to elections in May 2017. The LGA now needs to look at how this offer is developed further. This paper provides an overview of the extensive work already undertaken and seeks views from members on next steps to build on our current offer.

Devolved powers to mayoral combined authorities¹

5. To date, there are seven confirmed Mayoral Combined Authority (MCA) deals. The table below details those areas scheduled to hold mayoral elections in May 2017.

Area (Combined Authority)	Status ²
Cambridgeshire and Peterborough	Shadow CA to be formally constituted March 2017.
Greater Manchester	Established CA. Interim mayor in place ahead of 2017 election.
Liverpool City Region	Established CA.
Sheffield City Region	Established CA. ³
Tees Valley	Established CA.
West Midlands	Established CA.
West of England	Draft CA Order to be laid before Parliament.

¹ For more detail on current devolved powers to date visit the [Devolution Deals](#) and [Devolution Register](#) pages of our DevoNext Hub.

² Accurate as of 5 January 2017. For an up to date list of all mayoral candidates, visit the [Directly elected mayors](#) page of our DevoNext Hub

³ Subject to confirmation following the recent High Court ruling.

6. Although each deal has bespoke elements, a consistent pattern or 'core offer' has emerged in the mayoral combined authority deals. Broadly, the common elements are set out below:
 - 6.1. A single investment fund enabling pooling of central and local funding streams for economic growth, "seeded" with an annual allocation of central government funding for 30 years.
 - 6.2. Full devolution of the adult skills budget by 2018/19.
 - 6.3. Control over the post-16 further education system and the Apprenticeship Grant for Employers.
 - 6.4. Co-design with Department for Work and Pensions of future employment support for harder-to-help claimants.
 - 6.5. Greater tailoring and engagement of city regions on UK Trade and Investment services.
 - 6.6. Intermediate Body status for the European Regional Development Fund and European Social Fund.⁴
 - 6.7. Power to pursue bus franchising.
 - 6.8. Pooled and devolved local transport funding allocated as a multi-year settlement.
 - 6.9. Introduction of smart ticketing across local modes of transport.
 - 6.10. Devolved approaches to business support.
 - 6.11. Powers over strategic planning and to establish public land commissions to influence decisions about the disposal of public assets.

7. The role of the directly elected mayor has some core characteristics shared across the MCAs and the Mayor chairs the combined authority cabinet. However, mayors will have differing degrees of power over different matters and in most areas, they will have an effective veto over some decisions. Under most current deals, mayoral spending plans are to be subject to rejection by cabinet members on a two-thirds majority. Where powers to create a spatial strategy are available, this will require unanimous approval from the mayor and combined authority members.⁵ With the consent of all appropriate authorities, the role of Police and Crime Commissioner can also be merged with the mayor, (although only one area has done this to date⁶) and in most areas the mayor will also be a member of the Local Enterprise Partnership.⁷

Update on recommendations from the CA working group

8. Following Leadership Board's endorsement of the working group's recommendations, progress has been made to ensure that structures and services are in place to accommodate the needs of councils in combined authorities, or who have an alternative devolution deal. These are outlined in paragraphs 9 to 16.

⁴ The devolved powers in relation to both ERDF and UKTI will of course be affected by Brexit. The LGA has already started to work to develop a proposal for a UK local regeneration fund after we leave the EU and this work is being led by the Resources Board. We have also informed DExEU that future trade policy must be undertaken in conjunction with councils. Whilst central Government has not needed skills for trade deals since 1973, local government has undertaken much work on bilateral agreements with cities and regions across the world. Government will need to tap into its own skill base.

⁵ House of Commons Library, Devolution to local government in England. November 2016

⁶ Greater Manchester Combined Authority

⁷ West Midlands, Sheffield City Region, West of England, Liverpool City Region

Formal representation on LGA governance arrangements

9. The Leadership Board agreed that the purpose and terms of reference of the City Regions and People & Places Boards should be reviewed and updated. This was done in time for the 2016/17 Board cycle.
10. The Leadership Board also agreed that CAs would be best represented by a broad representation across the LGA's governance structures. Group Leaders used the nomination process to ensure that LGA governance arrangements include reasonable representation from combined authorities.

Collective capacity for combined authorities

11. As recommended, the LGA has led the development of collective capacity of CAs. This has been primarily through the Combined Authority Chief Executive Network which meets bi monthly to provide an opportunity for chief executives and chief officers to share learning and experiences, have space to discuss practical challenges and focus collectively on some of the key areas of policy development emerging within combined authorities and devolution deal areas. The LGA also convenes a devolution network for officers which has a wider membership and brings officers together to share experiences and knowledge.

Targeted improvement offer

12. The Leadership Board agreed that the LGA's improvement offer should be re-engineered to meet the needs of groupings of councils, not just of individual councils. The CA improvement offer builds on the comprehensive support offer already in place for all councils (including peer support, peer challenge and access to leadership courses) and is open to areas considering or negotiating devolution deals. It includes an LGA hub to share learning and leadership lessons and is supported via the City Regions and People & Places Boards. **Appendix A** sets out the LGA's bespoke improvement offer to support for CAs in more detail. Further development of this offer is discussed in 'next steps' below.

Directly elected mayors/mayoral candidates

13. Building on the recommendations from the CA working group, the Leadership Board was keen to ensure that the LGA establishes itself as the obvious 'home' for the new directly elected mayors and that a package of support be put in place for mayoral candidates and new mayors both as individuals and as a collective. They also agreed that a Mayors' forum, or other collective 'club' type arrangement be put in place. In response the following activity has taken place:
 - 13.1. A customised mayoral candidate support offer is being rolled out by the political group offices, which builds on the principles of the existing 'Opposition to Power' programme.
 - 13.2. A formal mayoral support offer is being finalised.
 - 13.3. LGA officers are working with colleagues from the Commonwealth Local Government Forum to develop a Commonwealth Mayoral network.

Membership and subscriptions

14. Each authority in a combined authority will continue to deliver their own services, which means that the LGA will still engage with them individually, as well as with the collective. As all the councils who make up a combined authority are in individual membership of the LGA, the Leadership Board agreed at their meeting on 6 April 2016 that that the LGA should absorb the new arrangements within existing individual subscriptions. If one or more councils within a combined authority are not in membership the LGA should charge a separate subscription to reflect that.

Proportionality

15. The LGA's political proportionality is calculated on the basis of the percentage of the electorate represented by each party, weighted in two tier areas. It relates to English councils in full membership, and to Wales where a 50 per cent weighting is applied. The Leadership Board agreed that there should be no change to proportionality arrangements in 2017/18.
16. As part of its review, the **LGA Constitution Task Group** will consider potential impacts (if any) on LGA structures, proportionality, voting rights and subscriptions. The Task Group is due to report to the Leadership Board in April and recommendations will go to General Assembly in July. Changes would therefore not come fully into effect until 2018.

Next steps

17. Building on work to date, and in addition to the support offer for new Mayors (above), the Leadership Board may wish to consider adapting our current offer in the following areas:
- 17.1. **Development of a CA peer challenge process:** It has been recognised that CAs may want to develop an approach to benchmarking and evaluation of impact with other CAs to support self-improvement. There is also the risk that Whitehall may start to develop its own performance management regime as devolved powers increase, undermining the significant gains in sector-led improvement made to date. In response to requests from areas, we are developing a self-assessment diagnostic to help combined authorities assess their capacity. Later, this could lead to a **peer challenge methodology for CAs** that builds on the successful model of peer challenges for councils which has become a key component of sector-led improvement over the past five years.
- 17.2. **Addressing capacity challenges for CAs:** The shift in power from central government to local government is bringing about new challenges for political leaders and senior officers in relation to local policy formulation; with many taking greater responsibility for policy development across a much wider geography and across different agencies and partnerships. The opportunities that devolution presents is significant. **Members may want to comment on the LGA's role in supporting CAs, and on whether CA funding is an issue on which we would wish to be more vocal as part of our wider response to funding challenges for the sector.**

- 17.3. **Brexit:** The decision to leave the EU raises questions about the role and status of English local government. Specifically, MCAs have been given new powers to manage EU funds in their areas. Thus the domestic successor to the ERDF will be of particular importance. The Resources Board is leading the work to design a proposal for a local regeneration fund after we leave the EU.

Non-mayoral CAs

18. Much of the support outlined also applies to non-mayoral CAs (peer challenge, negotiations with Whitehall, membership of the CA Chief Executives Network etc.) and will continue to be offered at the same level. In addition, the LGA's policy line remains that devolution should be available across all areas of the country and that Government needs to be more flexible in its negotiations; recognising that not all deals need to follow the same governance framework.

Financial implications

19. Proposals are deliverable within existing resources.

Implications for Wales

20. Welsh local government has its own devolution journey. Following the decision of the Welsh Government to end its policy of reducing the number of councils through local government restructuring, councils in Wales have been asked develop proposals for shared services. We are working with the WLGA to support its work with councils through sharing the learning from English councils and new Combined Authorities.
21. More generally, we have developed joint work with the WLGA and the associations in Scotland and Northern Ireland to ensure that powers repatriated after Brexit are not centralised in Whitehall, Holyrood, Stormont or Cardiff Bay. We have jointly called for EU powers to be passed to local communities through local government.

Conclusion

22. If the LGA is to continue to provide a strong united voice for local government at a time of unprecedented change, it must stay relevant to its membership whilst keeping within the current resources of the LGA. This paper, building on the recommendations of the CA working group and the work of the City Regions and People and Places Boards, has provided an update on recent activity and has proposed additional support which will ensure that combined authorities and newly elected CA mayors are supported to fulfill their roles.

Appendix A: LGA devolution support offer

Background

1. The LGA has provided ongoing support for councils and combined authorities as they have developed devolution deals. The work to date (all of which has been funded from within the membership and improvement budgets of the LGA) has balanced the need for both policy and practical support as well as the need for general and bespoke support. Work has included: assisting areas in their negotiations with Whitehall, brokering better relationships between neighbouring councils, developing a shared learning network of officers, establishing a combined authority CEX network and helping press teams prepare for new ways of working. There has been support from across the LGA including Principal Advisors, Andrew Campbell (DCLG Director General on secondment to the LGA), our member peers and the press and devolution teams.

Overview of direct support to combined authorities

- 2 All councils (including those in established or developing CAs) have access to a comprehensive sector led improvement offer and a range of tools including; peer challenge, peer mentoring, access to leadership courses, the knowledge hub and LG inform (an online service that allows councils to access and compare data). The additional offer to CAs complements and adds value to this current support.
- 3 Officers have worked closely with colleagues from Local Partnerships to align devolution support and have developed bespoke support packages for a number of areas across the country in direct response to local needs. This has included working directly with Tees Valley CA, West Midlands CA, Greater Lincolnshire, Norfolk and Suffolk and Cambridgeshire and Peterborough and Cornwall. Further work is planned in Liverpool City Region and Lancashire. Discussions are also underway to firm up the LGA's support offer to other cities and established combined authorities.
- 4 A number of additional key areas for support have emerged, including:
 - a. **Political leadership:** LGA is keen to work with councils, through our leadership team, to ensure that examples of political change in a CA setting are supported. As a result we plan to trial a CA leadership programme (early 2017) in one of the newly established CAs.
 - b. **Civic and democratic engagement** - It is important to ensure local residents, communities, special interest groups, partners and businesses are engaged fully in the devolution agenda and that there are mechanisms in place locally to facilitate such engagement. We have worked with New Economics Foundation to develop an online tool to support areas with more effective engagement.
 - c. **Policy support:** A re-occurring theme from our conversations with members and senior officers is that there is often limited capacity to support policy and strategy development locally for Mayors and CAs. The scale of the task facing areas who want to capitalise on the opportunities that devolution presents is

significant. The shift in decision making from central government to local government is bringing about new challenges for political leaders and senior officers in relation to local policy formulation; with many taking greater responsibility for policy development across a much wider geography and across different agencies and partnerships.

As such, feedback suggests that areas would benefit from dedicated capacity to work across policy work streams locally, ensuring long term visioning and practical implementation are entwined as well as helping to drive the local public service reform agenda. We have support that we can offer in this area locally and also to 'join up' with Whitehall departments.

- d. **Technical support:** including the development of assurance frameworks.
- e. **Press and communications:** Local press and communications teams have asked for support in developing strategies for new devolved arrangements and building public confidence.
- f. **Governance:** The LGA has worked with the Centre for Public Scrutiny (CFPS) to support places with devolution deals to develop robust governance arrangements. Some areas have also expressed an interest in practical support to help develop robust overview and scrutiny arrangements within their CA.
- g. **Support with Whitehall relationships:** We have supported councils in preparing and presenting devo bids and in helping develop a more productive relationship with individual departments. Officers recognise the need to refresh this approach in light of the new political context and ministerial appointments over the summer departments to ensure LGA role in national messaging on devolution.
- h. **Workforce development:** As with leadership support, a number of areas have identified challenges in relation to their workforce as the devolution agenda gathers momentum and working across combined authorities brings about new challenges and uncertainty for employees. Building on existing support from the LGA workforce team, we are developing our offer to lead transformational change across CA/devo areas which will include employee resilience.
- i. **Mayoral support** - To ensure that areas are in the best position to address the challenges they face at both the scale and pace required, LGA is developing a programme to support combined authorities and mayors.
- j. **Health and social care support** - from the dedicated LGA/DH team who have been supporting a number of local programmes. For example, two events have taken place, the first for health and care leads to learn from Greater Manchester's early work in this area, and the second to brief health providers

and voluntary and community groups on devolution and the changing local government landscape.

- k. **Knowledge sharing** - The Devo Next Hub provides a 'one stop shop' for local government colleagues and stakeholders for information they need about devolution including tools and resources. In the past 12 months, there have been 48,562 unique page views (with 69,457 overall page views). In the past six months, there have been 33,820 unique page views (47,116 overall page views) and demand appears to be increasing. Our '60-second explainer' videos on devolution and combined authorities have also been popular, with 692 and 1,984 views respectively. The Hub was also praised by the Communities and Local Government Select Committee.
- l. **Officer devolution network** - involving a cohort of officers from councils who are negotiating or implementing deals. The network receive regular devolution updates and meets, when appropriate, to share experiences and learning on devolution.
- m. **Combined authority CEX network** - The LGA has established and provides the secretariat for the combined authority CEX network, chaired by Martin Reeves of WMCA. The network provides an opportunity for chief executives and chief officers to share learning and experiences, have space to discuss practical challenges and focus collectively on some of the key areas of policy development emerging within combined authorities and devolution deal areas.
- n. **Performance management and sector led improvement** - In the future, it is likely that CAs may want to develop an approach to benchmarking and evaluation of impact with other CAs to support self-improvement. In response to requests from areas, we are developing a self-assessment diagnostic to help combined authorities assess their capacity. Later, this could lead to a **peer challenge methodology for CAs** that builds on the successful model of peer challenges for councils which has become a key component of sector-led improvement over the past five years.