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LIVERPOOL CITY REGION COMBINED AUTHORITY

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Date: 17 January 2017

To: All Members of the Liverpool City
Region Combined Authority Scrutiny
Panel

Dear Councillor

You are requested to attend a meeting of the **Liverpool City Region Combined Authority Scrutiny Panel** to be held on **Wednesday, 25 January 2017 at 10.15 a.m.** in the Authority Chamber - Mann Island

The agenda for the meeting is attached.

Should Members need to declare an interest in any items included on the agenda, forms are obtainable from the Democratic Services Team or in the meeting.

If you have any queries regarding this meeting, please contact Angela Scott on telephone number 0151 511 8670 or angela.scott@halton.gov.uk

Yours faithfully

A handwritten signature in black ink that reads "David Parr".

David Parr
Lead Officer - Scrutiny

Liverpool City Region Combined Authority Scrutiny Panel

25 January 2017

Agenda

1. **Apologies**
2. **Declaration of Interests**
3. **Minutes of last meeting** 1 - 4
4. **Review Into Apprenticeships In the Liverpool City Region** 5 - 16
5. **The Liverpool City Region Combined Authority Order** 17 - 103
6. **Work Programme** 104 - 106
7. **Decisions of the Combine Authority** 107 - 109

This information can be provided in alternative formats on request

LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

At a meeting of the Liverpool City Region Combined Authority Scrutiny Panel on Wednesday, 19 October 2016 at Authority Chamber - Mann Island

Present: Councillors Wainwright (Chair), Sullivan (Vice-Chair), Baines, Crone, Jackson, Jones, Leech, Lewis, McGuire, Murphy and Woolfall

Councillor Marie Stuart was present, subject to confirmation of her appointment by the Combined Authority

Apologies for Absence: None

Absence declared on Council business: None

Also in attendance: Ian Leivesley, Angela Scott and Matt Goggins (Merseytravel) and three members of the public

**ITEM DEALT WITH
UNDER DUTIES
EXERCISABLE BY THE BOARD**

Action

COUNCILLOR MARIE STUART

The Chair welcomed Councillor Marie Stuart (Knowsley Borough Council appointee), to the meeting.

8 MINUTES OF LAST MEETING

The minutes of the meeting held on 6 July 2016, having been circulated, were taken as read and agreed as a correct record.

9 SHORT-HOP BUS FARES SCRUTINY REVIEW

The Panel considered a report of the Lead Officer – Scrutiny, on the response of Merseytravel to the review the Panel undertook into Short-Hop Bus Fares.

As part of its Work Programme, the Panel undertook a detailed piece of scrutiny work which looked at the cost of short-hop bus fares across the City Region and made a number of recommendations to the Combined Authority (CA). It was reported that Merseytravel had now considered those recommendations and details of those responses were attached at Appendix 1.

Matt Goggins from Merseytravel attended the meeting to present the responses in greater detail, providing up to date information. He then dealt with Members' questions seeking clarification, before being thanked for his attendance.

RESOLVED: That

- 1) the response be noted and Merseytravel be thanked for their response; and
- 2) a further report be brought to the Panel in six months' time on progress on the actions.

Lead Officer -
Scrutiny

10 ETHICAL STANDARDS FOR PROVIDERS OF PUBLIC SERVICES

The Panel considered a report of the Lead Officer – Scrutiny, which provided a summary of the initial findings of enquiries in respect of the recently published Ethical Standards for Providers in Public Services Guidance.

It was noted that the issue was referred to the Panel by the Combined Authority (CA) following consideration by its Audit Committee. The CA was required to operate within an ethical framework in the same way as any other local authority. Although there was no standard statutory framework to adhere to, public bodies were expected to operate within the "Nolan Principles". The document, attached at Appendix 1, set out six suggested measures which could be expected of, implemented and embedded by providers of public services.

It was noted that an initial fact-finding exercise had been conducted on behalf of the Scrutiny Panel, by Heads of Audit and Monitoring Officers of the six City Region Authorities, Merseytravel and the Combined Authority. A summary of responses was set out in Table 1 which enabled Members to consider the breadth of scope and consideration of ethical matters across each organisation.

RESOLVED: That

- 1) the results of the initial enquiries report be noted;
- 2) the Combined Authority be requested to use that research in developing its own ethical framework, recognising where it is in its own development as an organisation; and

Lead Officer -
Scrutiny

- 3) a further report be made to the Panel in six months' time on progress in developing that framework.

11 SCRUTINY WORK PROGRAMME AND RECENT COMBINED AUTHORITY DECISIONS

The Panel considered a report of the Lead Officer – Scrutiny, on the Panel's Work Programme and recent decisions taken by the Combined Authority (CA).

Members were advised that, with the commencement of the Employment and Skills Review, the Panel will have completed its original Work Programme. In addition, it was reported that the Panel had also kept an overview on some key activities of the CA, via its formal meetings. This included the development of the Devolution Deal, progress on the City Region Growth Plan and progress on the Transport for Growth Plan.

Members suggested the following potential items for inclusion in the Panel's Work Programme;

- Promotion of a low carbon economy;
- Waste reduction;
- Ways to increase public participation in the democratic processes of the Liverpool City Region;
- Potential scrutiny of the Area Based Review of Education;
- Housing and Spatial Planning Statement of Co-operation; and
- Local Growth Fund Performance.

It was agreed that these suggestions would be further considered, along with any other suggestions Members may have, and a final Work Programme be presented to the January 2017 meeting of the Panel for confirmation.

Councillor Leech had requested an update report on housing and planning, specifically on the issue of empty homes across the region.

Included within the report were details of the key issues which had been considered by the CA since the Panel last met.

RESOLVED: That

- 1) progress being made on the original work programme be endorsed;
- 2) suggestions on potential future review activity be noted; and
- 3) following further consideration, a revised Work Programme be presented to the January 2017 meeting of the Panel.

Lead Officer -
Scrutiny

12 GOVERNANCE AND REVISED CONSTITUTION

The Panel considered a report and presentation of the Lead Officer – Scrutiny, which provided an update on developments in the delivery of the Liverpool City Region (LCR) Devolution Deal.

It was noted that the Parliamentary Orders were awaiting publication, likely to be early November 2016. However, that which established the office of Elected Mayor had already been approved in July 2016.

The Panel commented on the suggestion that the number of Members on the Panel be increased to twenty. It was agreed that the Panel would consider the Parliamentary Orders relating to Scrutiny once they were published, at a separately convened seminar meeting. The Panel was advised that the number of Members required to participate in the call-in procedure would be clarified once the Orders were confirmed.

RESOLVED: That

- 1) the current position with Government be noted;
- 2) the Panel's comments on the Principles of Scrutiny document be noted;
- 3) a further update report be brought to the January 2017 meeting of the Panel; and
- 4) a seminar be held for Panel Members once the draft Parliamentary Orders have been received.

Lead Officer -
Scrutiny

Meeting ended at 11.40 a.m.

LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

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

Meeting: 25th January 2017

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE LEAD OFFICER – SCRUTINY

REVIEW INTO APPRENTICESHIPS IN THE LIVERPOOL CITY REGION

1.0 PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek the Panel's endorsement of the conclusions and recommendations of the "Review into Apprenticeships in the City Region" and for those recommendations to be forwarded to the Combined Authority for consideration.

2.0 RECOMMENDATION

- 2.1 It is recommended that:

- 1) The report be endorsed; and
- 2) The Combined Authority be asked to consider the report's recommendations and report back to a future meeting of the Panel.

3.0 BACKGROUND

- 3.1 As part of its work programme the Panel identified "Employment, Skills and Learning" as one of its topics for review. It further refined that topic to examine in some detail the issue of apprenticeships across the City Region.
- 3.2 The choice of the topic was partly influenced by the changing national policy and introduction of the apprenticeship levy by Government and also recognised the need to deliver high quality apprentice opportunities across the City Region.
- 3.3 The attached report represents the conclusions of that work and contains recommendations for future action. The Panel is asked to endorse those recommendations and to forward them to the Combined Authority for consideration.

4.0 RESOURCE IMPLICATIONS

4.1 Financial

There are no direct resource issues as a result of the recommendations contained within this report. Although as part of the Combined Authority's consideration of the Scrutiny Panel's recommendations, it will need to consider the resource implications of those recommendations.

4.2 Human Resources

There are no direct human resource issues as a result of the recommendations contained within this report.

4.3 Physical Assets

There are no direct issues as a result of the recommendations contained within this report.

4.4 Information Technology

There are no direct issues as a result of the recommendations contained within this report.

5.0 RISKS AND MITIGATION

5.1 There are no risks associated with this report or its recommendations.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS

6.1 There are no specific implications related to this report.

7.0 COMMUNICATION ISSUES

7.1 There are no communication issues associated with this report.

8.0 CONCLUSION

8.1 The Panel are asked to endorse the recommendations in the attached report and forward them to the Combined Authority.

DAVID PARR
Lead Officer – Scrutiny

Contact Officer(s):

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LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

REVIEW INTO APPRENTICESHIPS IN LIVERPOOL CITY REGION

1 Chair's Introduction

This has been the third piece of in depth scrutiny work undertaken by the Liverpool City Region Combined Authority Scrutiny Panel and I would like to thank Panel members for their commitment and input in this review. All members of the Panel have learned a lot whilst considering apprenticeships, which has proven to be a more complex system than we anticipated. This is a timely review with the reforms being introduced from April 2017 and the opportunities afforded by devolution discussions. There is some excellent practice in place across employers and providers in the City Region, and we were encouraged to see a small part of this.

There is more that we can all be doing to champion and promote apprenticeships, and there is a role for Elected Members here too. The perceptions of apprenticeships are changing too, with the introduction of degree apprenticeships, and this will help to combat the stigma that many apprenticeships currently face.

There are a number of practical suggestions that we have made in Section 7 of this report which the Panel feel would improve apprenticeship provision and publicity in the City Region. On behalf of the Panel, I commend this report to you.

Cllr Kevan Wainwright

Chair, Liverpool City Region Combined Authority Scrutiny Panel

2 Background to the Review

Following the successful completion of the reviews into European Funding and Short Hop Bus Fares, the Panel identified that it wished to undertake a review in the Employment and Skills Portfolio area. Following an initial session on Employment and Skills in the City Region, the Panel agreed to focus this review on apprenticeship provision.

3 Developing the Scoping Document

An initial scoping meeting took place when the Panel were briefed on the role of the Combined Authority in relation to employment and skills, as well as the current work and developments underway. From this, the Panel considered two areas of focus for a review, from which it was agreed to focus on Apprenticeships.

Following these discussions, a scoping document was produced, which is attached at Appendix A to this report.

4 What we did and who we spoke to

As noted in the scoping document, the review consisted of four evidence sessions as follows:

- a) The first session covered an overview of the evidence relating to apprenticeships in Liverpool City Region, together with an outline of the work of the City Region's Apprenticeship Hub. This helped to identify further areas for focus in subsequent sessions. In addition, Merseytravel outlined their approach to preparation for the implementation of the Apprenticeship Levy.
- b) The second session focused on hearing from employers, with presentations from Getrag Ford and Peel Ports outlining how they strategically used apprenticeships as part of their workforce strategy.
- c) The views of providers of apprenticeship training were heard at the third session with input from Greater Merseyside Learning Providers Federation and Riverside College.
- d) The final evidence session looked at what learners thought of their apprenticeships with evidence heard from an apprentice ambassador and from 400 current and former apprentices who completed an online survey.

5 Context

The Liverpool City Region has a population of approximately 1.5 million residents, with approximately 969,000 (around 64%) of whom are of working age. The economy is £29bn and has a mixture of small, medium and large employers in a range of sectors, which build on the City Region's historic strengths and potential opportunities.

Liverpool City Region is ranked as the most deprived of 39 LEP areas on the Income, Employment, and Health & Disability domains of the IMD 2015. On the individual Indices of Deprivation domains, Liverpool City Region is ranked:

- 1st (i.e. most deprived) on the Income Deprivation domain;
- 1st on the Employment Deprivation domain;
- 1st on the Health Deprivation and Disability domain;
- 6th on the Education, Skills and Training domain;
- 7th on the Crime domain;
- 8th on the Living Environment Deprivation domain; and
- 38th on the Barriers to Housing and Services domain.

The City Region has 310 Lower Super Output Areas in the most deprived 10% nationally: this is 9.4% of the overall total. It also sees 58 Lower Super Output Areas in the 1% most deprived nationally, representing 18% of the overall total.

A skilled workforce and resident population are essential in raising employment and productivity levels across the Liverpool City Region. In particular, the City Region needs to ensure it responds to skills needs of businesses within its knowledge economy and other key growth sectors.

Current skills levels in the City Region are amongst the highest they have ever been. The proportion of working age residents with recognised qualifications has consistently increased over the last 10 years, with the rate of residents with higher level qualifications (i.e. NVQ 3, 4 and above) both rising significantly in that period.

Apprenticeship provision is key to tackling skills gaps and ensuring employers are able to develop the skills they need to increase their competitiveness. Government's ongoing reforms to Apprenticeship provision will place Apprenticeship provision at the heart of driving economic growth. Across the City Region there are a number of high quality providers who consistently deliver above national levels of completion and satisfaction.

The City Region has long been a hotbed for apprenticeship activity, punching above its weight on the numbers and quality of apprenticeships created. The impending apprenticeship reforms provide the opportunity for the City Region to take this to the next level, supporting employers to create focused apprenticeships which meet the needs of their sectors. In 2015/16, around 18,000 Liverpool City Region residents began an Apprenticeship: this is in keeping with the previous year but shows a 12% increase from 2013/14, driven by growth in Advanced and Higher level provision. This has contributed to the Liverpool City Region's high level target for 2020 of increasing the take-up of Higher / Advanced Apprenticeships by 40% in the next four years.

6 What did we hear and from whom?

a) Evidence session one

The first evidence session started with an outline of the current state of apprenticeships within Liverpool City Region. This outlined that the City Region has a higher rate of apprenticeship starts than nationally. The majority of apprenticeship starts are for Level 2 qualifications (i.e. GCSE equivalent) and are started by over 25s: this reflects the shift away from apprenticeships being for new starters to them being used for workforce development. However, the latest figures for apprenticeship starts show an increase in the number of under 19s starting apprenticeships. From the data available to the Combined Authority, it is difficult to track through the completion rates of specific courses and cohorts, and the Panel were concerned with this.

The level of apprenticeships is expected to increase over the next few years with the introduction of the apprenticeship levy. This 0.5% charge will be applied to all businesses who have an annual payroll of more than £3m. This funding will be held in a specific digital employer account and can only be used to fund the training and end point assessment of an apprenticeship. The detailed information available to support employers is still being developed by Government.

The majority of apprenticeship starts in the City Region cover a small number of curriculum areas (business administration, health and care) and these had not changed significantly over recent years. There are an increasing number of starts for advanced and higher level apprenticeships, and there are now degree level apprenticeships being offered. These options need to be communicated more

widely. The training for apprenticeships is delivered in the main by independent training providers or FE colleges: the Panel were surprised to note that only 26% of apprenticeship starts in the City Region were delivered by FE colleges.

Siobhan Saunders (Divisional Manager: Employment and Skills at Halton Council) outlined the work of the City Region's Apprenticeship Hub, which she chairs. The Hub coordinates the promotion of apprenticeships in the City Region, organising a number of public events. This work was welcomed, noting that it focused on potential learners.

The Hub worked with a number of employers to encourage them to either consider using apprenticeships or increase the number of apprenticeships starts. There was strong support from a core group of employers in the use of apprenticeships but there was a significant number of employers who did not use apprenticeships. It was noted that the Hub's network of Apprentice Ambassadors was a useful tool in engaging with both employers and young people on the apprenticeship agenda.

Alastair Ramsay (Head of People and Customer Development, Merseytravel) outlined their approach to preparing for the introduction of the apprenticeship levy. This follows a detailed post by post review of their establishment, noting areas of potential skills deficiencies which provided an opportunity to consider the deployment of an apprenticeship. This required a clear structural and cultural approach to be put in place, supported by Human Resources capacity. This has led to the development of a clear workforce development plan, linked to financial and business planning processes, which features apprenticeships within it.

b) Evidence session two

The second evidence session heard from Alan Seeley of Getrag Ford and Howard Sloane of Peel Ports on their approaches to apprenticeships. The Panel were hearted to learn of these more 'traditional style' apprenticeship programmes, which met the needs of the businesses in terms of developing skills which ensuring a supply of young people into their workforce: this was shown in the number of applications that both received for apprenticeships (Getrag had 96 applications for 4 positions, Peel Ports and 1,000 applications for 6 positions). The skills and experience developed by the apprentices were seen as essential for the future of both businesses.

The approach that both businesses take is rigorous and intensive, and both felt that it was worth their while to do so: the Panel considered that this was a blue chip approach which might not be replicated in all organisations. Both Getrag and Peel Ports worked closely with their training providers to develop approaches which were specific and meet their particular needs.

Getrag and Peel had developed plans to use their apprenticeship levy, and both would welcome the opportunity to invest more of it in their supply chain. This is currently limited to 10% and both indicated that removal of this threshold would give them more flexibility in ensuring that their suppliers had the requisite skills in place.

There were concerns expressed about the work readiness of the young people who were applying for apprenticeships, and whether young people had the required work ethic or not. There were also issues about how schools were engaged in

promoting apprenticeships as opportunities, rather than focusing on other routes of progression such as University. Engaging with schools and teachers in particular was seen to be essential in developing a more robust and responsive approach.

c) Evidence session three

The focus of the third session was to hear from colleges and independent providers of training. The Panel first heard from James Glendenning and Gareth Jones from the Greater Merseyside Learning Providers Federation who explained how independent training providers worked with businesses. Providers needed to continue to meet the needs of businesses in order to attract business and income themselves. There were a number of providers who focused on the repeat business of existing employers rather than looking to increase the number of employers using apprenticeships: this will change with the introduction of the apprenticeship levy.

The Panel were concerned about the quality levels within independent providers but it was noted that providers were subject to regular Ofsted inspection: any inspections resulting in a Grade 4 inadequate finding led to the cessation of publicly funded contracts. Providers were preparing for the introduction of the levy and other reforms that are being introduced at the same time. Work was taking place with employers to design provision for the emerging needs of business, particularly in growth sectors which contained new opportunities.

The requirement for learners to undertake GCSE in English and Maths if they did not already have it was leading to a number of issues in providers. An alternative approach would be for such learners to undertake a functional qualification which is equivalent to GCSE but not have the full range of the GCSE curriculum.

The Panel also heard from Mary Murphy and Jayne Smith from Riverside College (Principal and Head of Skills and Enterprise respectively). The College works with 727 employees locally and designs curriculum and courses to meet their needs: this results in a strong STEM focus within the college. There is a specific employer services team who work with employers to ensure that this is the case. This includes providing tailored support to employers who are taking on an apprentice to ensure that they have the processes and system in place as well as helping with recruitment. Employers tended to go with the highest quality provider when offered a choice, and additional impartial support would be encouraged from an independent body to work with employers who are new to apprenticeships.

Future course design is informed by the high quality Labour Market Information provided by the City Region, and which has informed developments, such as the recently opened IDEA Centre at the Cronton Campus which focus on the STEM provision.

The College has links in with 50 schools locally which enables the promotion of courses and the communication of opportunities. The view that the views of schools, parents and learners were changing, to be more likely to consider apprenticeships as an options for 16 and 18 year olds.

d) Evidence session four

The final evidence session heard from Jordan Coulton, a paralegal at Weightmans Solicitors, who was also an apprentice ambassador. He made an active choice not to go to University and successfully gained and completed a Higher Level Apprenticeship in Legal Services. This now enables Jordan to work as a Legal Associate and hold cases as solicitors do. The support he received from his employer was exemplary and enabled him to fully complete his training and experience.

The communication of apprenticeship opportunities could be improved as he happened upon his vacancy by chance. The Panel reviewed the apprenticeship finder website and noted that it would benefit from a redesign to be more in line with sites utilised by young people.

The views on apprenticeships are changing, especially higher level and degree apprenticeships. This is particularly the case with the recent increase in tuition fees for students going to University: the contrast was that young people who were completing apprenticeships did not have those levels of debt and this was likely to change their views on the balance between University study and apprenticeships.

The Panel then reviewed the key findings of a survey of 400 current and former apprentices. This found a satisfaction rating of 88% with their apprenticeship, and 92% likely to recommend apprenticeships to others. 91% of respondents completed their apprenticeship, with personal circumstances and changes being the main reason for non completion.

6 What conclusions did we reach?

From the evidence sessions the following conclusions were reached:

a) Overall

1. There are many different types of apprenticeship available, from the 'traditional' 4 year engineering apprentice to the flexible degree apprenticeships being designed. This is heartening and a hidden gem of the labour market and the City Region.
2. The support for apprenticeships from civic, employer and provider leaders remains strong and this is welcome.
3. The focus on apprenticeship starts is helpful but there must be a focus on the completion of quality apprenticeships
4. The progression of individuals from apprenticeships to good quality sustainable jobs is difficult to track with the current data availability.
5. More performance information on apprenticeships numbers and quality should be published by the Combined Authority to celebrate progress and good practice

b) Support for apprentices

1. Many young people require additional support to enable them to undertake an apprenticeship and this mentoring role within employers and training providers should not be underestimated. The best training providers are providing this additional mentoring role.
2. Too many young people are not prepared for the world of work, and schools in particular should be doing more to ensure that they are: the position of employability programmes needs to be considered

c) Support for employers

1. Whilst a number of employers are clear about what they will do with their apprenticeship levy, many still need quality advice and support.
2. There is an opportunity for employers to use more avenues and routes to encourage the creation of apprenticeships.
3. Employers who are at the top of a supply chain may not be able to use all of their apprenticeship levy for their own staff, and they would find it beneficial to use this funding to support their supply chain.
4. There is a risk that employers focus on converting existing staff to apprentices at the expense of new recruits

d) Providers of training

1. Many young people require additional support to enable them to undertake an apprenticeship and this mentoring role within employers and training providers should not be underestimated
2. The level of uncompleted apprenticeships was concerning, and whilst these may be for a variety of reasons, learners should be provided with as much support as possible to complete their studies
3. The apprenticeships being studied by learners are largely the subject areas that have been studied over recent years and have not changed significantly.
4. There is some excellent practice in the City Region with private training providers and colleges but it is unclear how this is shared with other training providers and colleges
5. The quality of training provision is inconsistent across the City Region with different training providers having differing quality levels
6. Training providers have strong support and relationships with existing businesses which is leading to high levels of repeat business but there needs to be a focus on increasing the number of employers coming through and creating apprenticeships
7. Concerns were raised that training might not be taking place on the most relevant and up to date equipment that is currently being used by employers

e) Promotion and advocacy

1. The promotion of apprenticeships as a viable career option must be improved, and the stigma surrounding them must be removed
2. All organisations involved in apprenticeships should be taking every opportunity to promote their worth
3. The large scale City Region promotional and celebration apprenticeship events are welcome but these must be accessible to all across the City Region
4. Apprentice ambassadors are a valuable resource and should be used more strategically to promote the benefits of apprenticeships

7 What recommendations are we making?

a) Overall

1. The Combined Authority, through the Apprenticeship Hub, should consider different ways to publicise the different apprenticeships available locally
2. The Combined Authority should work with Government and local training providers to improve the reporting of completion data.

3. The Combined Authority should consider setting a target on the proportion of completed apprenticeships.
4. The Combined Authority should publish annual performance information on the apprenticeships numbers and uptake in an accessible manner and format

b) Support for apprentices

1. All employers and training providers should review their approach to supporting young people as they start an apprenticeship.
2. Through the planned Careers Hub, the Combined Authority should encourage schools to consider further employability support and preparation as part of their curriculum

c) Support for employers

1. The Combined Authority should ensure that quality advice and support is available to employers locally through the Growth Hub and the Apprenticeship Hub. It is noted that this will be constrained by the limited funding available for this and it is disappointing to see the reduction of support from the National Apprenticeship Service.
2. The Combined Authority should ask employers to consider asking their supply chain to deliver a certain number of apprentices through their procurement activity.
3. The Combined Authority should work with Government to ensure that employers can be able to allocate more of their unspent levy to their supply chain than the 10% currently allowed by Government.
4. Employers should balance the use of apprenticeships for workforce development with that for new recruits, as there is a risk that the focus shifts to workforce development to ensure that employers can spend their levy funding

d) Providers of training

1. Employers and training providers should set out a clear support offer for new apprenticeships within their apprenticeship training agreement
2. Training providers should strain every sinew to ensure that they support learners to complete apprenticeships
3. Training providers should focus their curriculum and training offer on apprenticeships that will add value and make the economic difference for learners and employers
4. Training providers need to work with employers more to develop new standards and approaches to training which meet their needs
5. Training providers should be more open to share their good practice and learn from other providers
6. Training providers must deliver the highest possible quality of training provision
7. Training providers should work hard to increase the number of employers involved in delivering apprenticeships, rather than just focusing on repeat business of existing employers
8. Training providers should ensure that up to date equipment is available for learning to take place on

e) Promotion and advocacy

1. There needs to be improved promotion of apprenticeships as a career option for young people, and the Combined Authority must ensure that the Apprenticeship Hub is delivering this
2. The Combined Authority should request the Apprenticeship Hub to develop and implement a targeted campaign to promote apprenticeships to young people which takes full account of the social media channels which they consume information through
3. The Combined Authority should request the Apprenticeship Hub to develop and implement a targeted campaign to promote apprenticeships to parents and families
4. As part of a wider apprenticeship campaign, the Combined Authority should ask the Apprenticeship Hub to encourage employers to promote their approach to apprenticeships
5. Focused apprenticeship events should be held around the City Region and not just in the City Centre
6. The Combined Authority should request the Apprenticeship Hub develop a clear plan for the deployment of Apprentice Ambassadors and to increase the number of Ambassadors in the City Region

Liverpool City Region Combined Authority Scrutiny Panel

Review of Apprenticeships in the Liverpool City Region

Aims and Objectives

Aim and Objectives

The aim of the review is to ensure there are arrangements in place across the Liverpool City Region that make best use of available resources to deliver first class apprenticeships that are most likely to lead to permanent full-time employment.

Context/Background

Since its establishment, the Scrutiny Panel has identified “Employment and Skills” as an area of interest that it might wish to examine in more detail in its role of supporting/ challenging the Combined Authority and its constituent parts. At an introductory session in September 2016, the Panel considered a report and presentation which provided an overview of this broad topic. In considering this information, the Panel agreed “Apprenticeships” as a specific aspect that it felt would benefit from closer examination as part of a relatively brief review that could feed its findings into the Panel’s formal meeting scheduled for 25 January 2017.

Methodology

Timescale

It is proposed that this review will be conducted during the period October to December 2016 with a view to submitting a report/ recommendations to the formal meeting of the Panel on 25 January 2017.

It is proposed that the review will comprise 4 evidence sessions.

Following endorsement by the formal Panel meeting, it is anticipated that the report and recommendations will be submitted to a meeting of the Combined Authority in March 2017.

LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

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

Meeting: 25th January 2017

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE LEAD OFFICER – SCRUTINY

THE LIVERPOOL CITY REGION COMBINED AUTHORITY ORDER

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to update Panel Members on the actions taken to implement the Liverpool City Region Devolution Agreement including the consent given by the Combined Authority and Constituent Authorities to the Liverpool City Region Order which sets out the proposed powers and functions being devolved to the Combined Authority and Mayor. The Order gives legal status to the devolution agreement made in November 2015.

2.0 RECOMMENDATION

2.1 It is recommended that the Panel:

- a) Note the progress being made on the implementation of the Devolution Deal;
- b) Seeks clarification on any of the issues and implications;
- c) Receives further updates in relation to the development of the revised Combined Authority constitution currently being produced.

3.0 BACKGROUND

3.1 Following the agreement to the Liverpool City Region Devolution Deal by all constituent Councils in November 2015, an initial Order was passed through Parliament in July 2016 to establish the office of Mayor and make arrangements for the election of a Liverpool City Region Mayor in May 2017.

3.2 The Cities and Local Government Devolution Act 2016 (the 2016 Act) is the enabling legislation providing the framework for devolution of powers and functions to take place. This legislation required the conferring of specific Combined Authority and Mayoral Powers through a Parliamentary Order which required the consent of all Liverpool City Region Local Authorities and the Combined Authority itself.

3.3 Parliamentary Orders were required to ensure that the Liverpool City Region Devolution Agreement could be implemented in full, allowing the directly elected Mayor and the CA to have the powers agreed in the Devolution Agreement.

3.4 The Liverpool City Region Order is now making its way through the Parliamentary processes. All constituent Local Authorities and the Combined Authority have now consented to the order.

4.0 POWERS TO BE CONFERRED ON THE COMBINED AUTHORITY

4.1 The Legislation on Combined Authorities is detailed in sections 103-113 of the Local Democracy, Economic Development and Construction Act 2009. This was amended by the Cities and Local Government Devolution Act 2016 (2016 Act) so that an existing Combined Authority may be changed into a Mayoral Combined Authority through a further Order from the Secretary of State.

4.2 The 2009 Act originally provided that a Combined Authority could only undertake functions related to economic development, regeneration, or transport, or other functions that its member Local Authorities agreed to transfer upwards to it. The 2016 Act removes these limitations and permit the Secretary of State to transfer statutory functions or the functions of public bodies to combined authorities. This is done via an Order specific to each individual Combined Authority.

4.3 Before the enactment of the Cities and Local Government Devolution Act, the functions which could be conferred on the Liverpool City Region Combined Authority by order were limited to transport functions mainly inherited from the former Integrated Transport Authority and functions of the constituent Local Authorities relating to economic development and regeneration. These could be exercised instead of, by or concurrently with the constituent Local Authorities.

4.4 The amendments by the 2016 Act enabled an Order to confer on Liverpool City Region Combined Authority:-

- i) Any function of a constituent council (not limited to transport, economic development or regeneration);
- ii) Any function of a public authority (including that of a Minister of the crown or Government department) which is exercisable in relation to Liverpool City Region; and
- iii) Any functions corresponding to a function that a public authority has in relation to another area (e.g. functions of the Mayor of London or GLA).

4.5 In order for the Combined Authority to acquire additional functions to implement the devolution agreement, it was necessary to follow the statutory process as set out in legislation. These are a review of governance, publication of a draft Scheme setting out the powers requested and a public consultation exercise. All of these steps have been completed and were considered by the Combined Authority in June 2016 and August 2016.

4.6 The final draft of the Liverpool City Region Order is now attached in Appendix 3. For clarity, the powers set out in the Order have been detailed in Appendix 4 alongside the Devolution Deal agreements which are relevant and also how those powers will be exercised.

4.7 The draft Order aligns with the Devolution Deal agreed by all Councils in November 2015 and contains all powers necessary to implement the deal with the exception of Employment and Skills. The report considered by the CA in November 2015, together with a copy of the Devolution Deal itself are appended at Appendix 1 and 1A attached.

4.8 In respect of those powers necessary to give effect to the Employment and Skills elements of the Devolution Deal, Government have indicated that these powers will be conferred in forthcoming legislation. Assurances have been given by Government to devolve these powers by Spring 2017, however, the Combined Authority made representations for a stronger, more robust commitment to be made, which was forthcoming.

4.9 When approving the Devolution Deal in November 2015, constituent Local Authorities and the Combined Authority agreed a number of Governance Principles. These Principles were contained within the report to the Combined Authority on 20 November 2015 (Appendix 1b) and remain unaltered. These Principles will form the basis of the Combined Authority Constitution that will apply post May 2017 and the Liverpool City Region Order is entirely consistent with those principles.

5.0 OVERVIEW AND SCRUTINY OF THE COMBINED AUTHORITY

5.1 Alongside the Liverpool City Region Order, Government produced a generic Overview and Scrutiny Order which will apply to all Mayoral Combined Authorities. The draft of that is attached at Appendix 5.

5.2 As anticipated the Order requires the Overview & Scrutiny Panel to be politically balanced. The majority of Members of the Combined Authority Overview & Scrutiny Panel must be Members of the Combined Authority's constituent Councils.

5.3 The Combined Authority must ensure that:-

- a) any Member of an overview and scrutiny committee;
- b) any Member of a sub-committee of an overview and scrutiny committee;
- c) any Member of the Combined Authority; and
- d) any Member of a constituent council or non-constituent council(s) of the Liverpool City Region Combined Authority

can refer matters to Overview & Scrutiny and their representations must be considered.

(note the non-constituent council referred to in d) above does not relate to the Liverpool City Region arrangements)

5.4. The Order allows for a referral process for such matters as above to be considered by Overview and Scrutiny and the detailed process for this will be outlined within the revised Combined Authority Constitution.

5.5 As anticipated the Chair of the Overview and Scrutiny Committee must be an "opposition Member" or an "independent person". A definition of an "independent person" is also provided. The Combined Authority Audit Committee must also be politically balanced and must have at least one independent person on it.

5.6 The principles by which the Combined Authority will operate scrutiny are set out in Appendix 2 and these are entirely consistent with the draft order. These will now be incorporated into the Constitution of the Combined Authority, alongside the requirements in the generic Overview and Scrutiny Order.

6.0 NEXT STEPS

6.1 A review of the Liverpool City Region Combined Authority constitution will be undertaken and a revised Constitution drafted in order to fully reflect the powers and functions contained within the Liverpool City Region Order and other generic Orders applicable to the Combined Authority, together with how they will be implemented.

7.0 LEGAL IMPLICATIONS

7.1 The implementation of the Devolution Agreement is subject to the enactment of the necessary legislation, the Cities and Local Government Devolution Act 2016 and to the parliamentary approval of subsequent secondary legislation. Government are working to a legislative timetable for elections for a directly elected City Region Mayor to take place in May 2017.

7.2 The Constitution of the Combined Authority will require amendment to reflect the new governance arrangements and the powers and functions set out in the Liverpool City Region Order. Amendments to the Combined Authority Constitution need the unanimous agreement of the Combined Authority Constituent Members.

8.0 RESOURCE IMPLICATIONS

8.1 The Devolution arrangements allow for the devolution of resources from central Government to the Liverpool City Region.

8.2 The Devolution Agreement includes the following headline financial implications. All additional and directly devolved funding streams will be managed by the Combined Authority and the newly elected Mayor for the City Region:

- i) an additional £30m of investment for economic growth for 30 years, equating to £900m total additional investment. This is subject to five yearly gateway assessments;
- ii) a devolved and consolidated transport budget;
- iii) a single pot of Government funding to invest in economic growth;
- iv) greater influence and decision making over a range of national programmes including the Work and Health Programme, 16+ skills funding, Adult Education budgets and potentially housing funds. Although such budgets will still sit formally with Government departments in the immediate future, the City Region can direct and influence how these will be spent; and
- v) ongoing consultation on the Government's proposed business rates reforms of which the LCR is a pilot area.

8.3 All additional and directly devolved funding streams will be managed by the Combined Authority and the newly elected Mayor for the Liverpool City Region. It will be for the City Region itself to agree the arrangements for how these resources will be managed and allocated as part of the implementation plans.

8.4 The Agreement also commits the Combined Authority to:–

- continue to set out proposals for how local resources and funding will be pooled;
- agree overall borrowing limits with HM Government;
- agree a process to manage local financial risk relevant to the proposals in the draft Agreement; and
- continue to progress service transformation amongst Local Authorities including streamlining back office functions and sharing data and services.

8.5 Officers will continue to engage with Government officials to set out how these commitments will be implemented on an individual basis. At that point the detailed financial implication on any individual proposal will be set out for the Combined Authority to consider and agree.

9.0 RISKS AND MITIGATION

9.1 The governance and legal processes required to establish the Combined Authority with the required powers and functions are being monitored and managed through a detailed implementation plan. This plan has been developed with Government and is managed by the Combined Authority Monitoring Officer and Lead Officer: Governance. This mechanism provides the risk management to ensure the required process is followed and the timetable met.

10.0 EQUALITY AND DIVERSITY IMPLICATIONS

10.1 There are no direct equality implications associated with this report as it deals with the issue of devolution at a strategic level. Equality analysis will be undertaken in future as appropriate and in relation to specific elements or activities.

10.2 Paragraph 67 of the proposed Devolution Agreement sets out that the Liverpool City Region Combined Authority will continue to adhere to its Public Sector Equality Duties, for both existing and newly devolved responsibilities.

11.0 COMMUNICATION ISSUES

11.1 There are no communication issues associated with this report.

12.0 CONCLUSION

12.1 Members of the Panel are asked to note the progress being made in relation to the implementation of the Liverpool City Region Devolution Deal and seek clarification on any matters they wish.

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LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Chair and Members of the Combined Authority

Meeting: 20 November 2015

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE LEAD OFFICER: ECONOMIC DEVELOPMENT

PROPOSED DEVOLUTION AGREEMENT FOR LIVERPOOL CITY REGION

1. PURPOSE OF THE REPORT

- 1.1. This report seeks endorsement for the proposed Liverpool City Region Devolution Agreement (Appendix One) and to adopt a directly elected Mayor for the City Region as required in the Government's Cities and Devolution Bill.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Combined Authority:
- a) Approve the Liverpool City Region Devolution Agreement as outlined in Appendix One and agree to adopt a Directly Elected Mayor with effect from May 2017 based on the Governance Principles outlined in Appendix Two;
 - b) Note that the Governance Principles will be incorporated into a formal constitution and will be the subject of a further report in due course;
 - c) Agree to explore with Government further opportunities for devolution, noting that any proposals will be presented to future meetings of the Council for consideration and approval before being agreed and implemented; and
 - d) Reserve the right to withdraw from the Devolution Agreement if Government fail to deliver on the proposals as outlined in the Devolution Agreement attached in Appendix One.

3. EXECUTIVE SUMMARY

- 3.1 On 17 November 2015, the Chancellor announced that a proposed Devolution Agreement had been reached (subject to Council ratification) with Liverpool City Region (LCR), which was signed by the five local authority Leaders, Mayor of Liverpool, and the Chair of the Local Enterprise Partnership. The Agreement delivers a major transfer of resources, powers and responsibilities from Government to the City Region, alongside governance changes to adopt a directly elected City Region Mayor.

- 3.2 City Region Leaders and the Mayor of Liverpool have negotiated hard to secure the best possible package of devolved powers and resources for the City Region.
- 3.3 The proposed deal gives the City Region greater control and influence over approximately £3bn of national funding over 5 years alongside increased powers and responsibilities in the key areas of; economic development, transport, employment and skills and housing and planning. This will enable elected members, together with their communities and local businesses, to make more decisions locally which would otherwise have been made in Whitehall.
- 3.4 The chance to bring powers and resources down from Government directly to the City Region is important to all local authorities in the context of on-going austerity. Having local decision-making powers over significant areas of national government expenditure is a much better position to be in than having priorities for local services and funding determined by Whitehall officials and Government Ministers in London.
- 3.5 The key elements secured in the proposed Agreement include:-
- Establishment of a Single Investment Fund that draws together City Region and national funding streams as a single pot to invest in economic growth. This will be made up of a range of budgets to be determined after the Comprehensive Spending Review, including any successors to Local Growth Fund, Regional Growth Fund and Growing Places Fund. Instead of bidding for such funding streams, the commitment is for such funding to be given to the City Region as a flexible multi-year settlement;
 - The Single Investment Fund will also benefit from an additional £30m annual allocation over the next 30 years, equating to £900m of total investment which the City Region can use to invest in projects to create jobs and drive forward economic growth;
 - Longer term certainty over the Special Rail Grant to the City Region which will allow the procurement of new trains for the Merseyrail network, replacing existing rolling stock with newer, faster trains with greater capacity;
 - A devolved and consolidated multi-year transport settlement;
 - The ability to franchise bus services in the City Region to achieve an improvement in the local bus offer to residents and businesses;
 - Devolution of the Government's business support services which will enable the City Region to provide a fully integrated and locally delivered business support service;
 - Greater control over the skills system, including full devolution of the Adult Skills Budget which will enable the City Region to address the mismatch between the supply of skills and the needs of employers;
 - The ability to co-design future employment support programmes with Government to ensure that they address local needs and to develop a new household approach to supporting residents into work;

- Strategic planning powers to accelerate economic growth and housing development and give clarity and certainty to potential developers. This includes the establishment of a Mayoral Development Corporation with the power to establish Mayoral Development Zones to aid the development and delivery of the City Region's key strategic sites;
- Recognition of the unique asset and potential of the River Mersey including a commitment to consider a business case for a tidal power scheme for the River Mersey/Liverpool Bay area which could ultimately generate low carbon energy for business and consumers; and
- Support for a place based strategy for culture and creativity, a statement of support for the City Region's ambition for a National Migration Museum and the exploration of options for a sustainable and viable business model for National Museums Liverpool.

3.6 The deal is the first step in a long term devolution journey towards a genuine place based relationship with national government which will, over time, provide for significant influence or control over all public expenditure in our local areas. It also reinforces the role of the City Region at the heart of the "Northern Powerhouse" and recognises the unique and significant contribution the City Region can play in driving forward the economy of the North.

3.7 The proposed deal is subject to the agreement of individual local authorities, where it is due to be discussed on 19 November 2015. Endorsement is also being sought from the Local Enterprise Partnership (LEP).

4. THE PROPOSED DEVOLUTION AGREEMENT

4.1 The six Liverpool City Region Local Authorities have a long and successful history of collaboration. This economic area is the scale at which most day to day economic interactions take place and where the benefits of joint working in areas such as transport, housing, key economic sectors and the provision of labour market support are realised.

4.2 Collaborative working has evolved over the years and culminated in the establishment of the Liverpool City Region Combined Authority in April 2014, which provided strong and effective governance for the City Region and has responsibilities covering; strategic transport, employment and skills, housing and economic development.

4.3 A highly effective partnership with business leaders has also been established through the LEP, ensuring our business community is able to play a full part in helping to shape the strategic direction of Liverpool City Region.

4.4 The City Region's achievements have been significant and include a highly successful Growth Deal agreement in July 2014 with on-going delivery of strategically important transport schemes and a programme of skills capital funding to improve skills infrastructure in the City Region. Through the Combined Authority, the City Region is making an effective input into the Northern Transport Strategy,

which has the aim of radically improving connectivity across the five northern City Regions, to support agglomeration and to accelerate growth, as part of the Northern Powerhouse agenda.

- 4.5 Liverpool City Region has a critical contribution to make to the Northern Powerhouse. With the River Mersey and Superport we have unique economic assets that can help transform the northern economy. The Superport has the potential to provide lower cost and competitive trade links for businesses and consumers across the North, backed by multi-modal logistics that combine sea, rail, freight and air. The River Mersey has the potential to be a major producer of renewable energy for the north and unlock the green infrastructure needed to put the City Region at the leading edge of the green economy. The City Region is also well positioned to be at the heart of an advanced manufacturing network across the North with our science and innovation strengths at Daresbury and Liverpool Knowledge Quarter and world class firms like Jaguar Land Rover, Getrag, Unilever, Pilkingtons, Ineos Chlor and Cammell Laird.
- 4.6 Despite these strengths, the City Region's £23.1bn economy continues to struggle to reach its economic potential. GVA per head in the City Region is only 75% of the national average and this gap has remained largely unchanged over the last decade. As a result, the City Region suffers from an £8.2bn output gap compared to nationally.
- 4.7 With present Liverpool City Region governance arrangements, it would not be possible to achieve the significant increase in powers, functions and resources from Government which are fundamental to addressing these challenges and to exploit the significant economic opportunities which exist.
- 4.8 The proposed Devolution Agreement is the first step to achieving much greater resources and responsibilities from Government and this is set out in summary form below.

4.9 **Economic Development**

The draft Agreement sets out a range of additional resources and powers which the City Region can use to drive forward economic growth and make local decisions on those investments and issues which will best drive forward the local economy. These include:-

- i. The Liverpool City Region Single Investment Fund which will draw together City Region and national funding streams to deliver an ambitious programme of investment across the City Region which will accelerate economic growth. It will be a flexible multi-year settlement including any successors to funding streams such as Local Growth Fund and Regional Growth Fund which the City Region would normally have to bid for. This will give the City Region the ability to allocate funding more effectively to locally determined priorities and in support of a planned and longer term investment programme;
- ii. In addition, the Single Investment Fund will benefit from an additional £30m a year funding allocation over 30 years, in order to unlock the economic potential of the River Mersey and Superport as well as maximise the opportunities from High Speed 2 (HS2);

- iii. The creation of a Mayoral Development Corporation with powers to designate our key sites as Mayoral Development Zones and accelerate economic growth and housing development;
- iv. Government will work to devolve control and responsibility for business support services to allow the City Region to provide a fully integrated, locally delivered and demand led service to businesses. In addition, the Agreement provides for greater control and influence over UKTI trade resources and also inward investment activities;
- v. Agreement to build on the success of the International Festival for Business (IFB) 2014 and 2016 and establish IFB as a vital feature of the international business calendar in 2018 and 2020;
- vi. Support for Liverpool's cultural and creative strengths including greater alignment of cultural and creative funding, support for the ambition to realise a National Migration Museum as well as plans to work to establish a sustainable business model for National Museums Liverpool;
- vii. Recognition of the unique asset and potential of the River Mersey including a commitment by the City Region to the cleanest River standard by 2030 and a discharge free Mersey by 2040. The deal also commits Government to consider a business case for a tidal power scheme for the River Mersey/Liverpool Bay area which could ultimately generate low carbon energy for businesses and consumers; and
- viii. The City Region will exercise greater control over €220m of European Funding for 2014-2020 through Intermediate Body Status.

4.10 **Transport**

The Agreement offers the City Region the opportunity for greater control over local transport decisions and over key elements of the transport network including:-

- i. Responsibility for a devolved multi-year transport budget, details of which will be agreed as part of the Spending Review;
- ii. The ability to franchise bus services in the City Region, subject to the emerging Buses Bill;
- iii. Powers for the Combined Authority to manage a Key Route Network of local roads on behalf of the City Region's Mayor from May 2017;
- iv. A long term Special Rail Grant (SRG) settlement for the Merseyrail network, to support Merseytravel's on-going procurement of new trains on behalf of the Combined Authority;
- v. The ability to manage the local rail network in alternative ways (e.g. the transfer of Merseyrail station assets to the Combined Authority), subject to a satisfactory business case;

- vi. In addition, Government will continue to work with the Combined Authority in its review of the Mersey Tunnels tolls, which will consider options to reduce the cost of tolls and the role of the tunnels in supporting growth and investment; and
- vii. The Government also recognises and supports the City Region's crucial role in supporting the Northern Powerhouse, and notes that the Liverpool City Region will work with 'Transport for North' to bring forward proposals that could enhance the capacity of Liverpool Lime Street, together with options for strategic road and rail investment and the roll-out of smart ticketing across the North of England.

4.11 **Skills and Employment**

The Devolution Agreement gives the City Region more local decision making powers and responsibility over skills provision and employment support. This will ensure that the training and skills being developed are relevant to the needs of local employers and will enable our businesses and residents to have the skills to be able to compete for jobs and improve growth and productivity. The Agreement includes:-

- i. Responsibility for chairing an area based review of 16+ provision to start in 2016;
- ii. Full devolution of the Adult Skills Budget from 2018/19;
- iii. The City Region will work collaboratively with Government to help local businesses to create more and better quality apprenticeships;
- iv. The creation of a Careers Hub for the City Region, which Government have committed to work with, to draw together the disparate initiatives on promoting careers and to act as a repository for high quality careers materials;
- v. Co-design and co-commissioning of employment support programmes by the City Region and Government to make sure that they meet our local needs; and
- vi. Commitment to work together on a business case for an innovative household based approach to support residents into work.

4.12 **Housing and Spatial Planning**

As part of the Devolution Agreement, the City Region will be able to utilise strategic planning powers to help speed up economic growth and housing development. Specifically the agreement includes:-

- i. Development of a Single Statutory City Region Framework supporting the delivery of strategic housing and employment sites. This requires the unanimous agreement of constituent councils of the Combined Authority;
- ii. Creation of a Mayoral Development Corporation and ability to designate key strategic sites as Mayoral Development Zones;

- iii. Power to be consulted on and/or call in planning applications of strategic importance to the City Region, subject to the consent of the relevant Local Authority; and
- iv. Establishment of a Land Commission to support the better co-ordination and release of public assets with the aim of increasing sites for economic growth, housing and improved communities.

5. GOVERNANCE

- 5.1 The proposed Devolution Agreement sets out the additional powers, control and resource which the City Region will assume from central government. It does not assume powers from constituent local authorities.
- 5.2 While establishing a clear commitment to greater City Region working, the Agreement builds upon the economic opportunities and strengths across the whole City Region. It also recognises the importance of the unique identity and history of individual communities which make up the City Region.
- 5.3 The package of devolution agreed so far gives the City Region greater control and influence over approximately £3bn of national funding over 5 years. In order to secure the greatest levels of control and influence over such resources, Government has consistently demanded a mayoral model of governance. This requirement will not change and without it, Liverpool City Region will not pass the test of direct accountability to enable it to take on central government functions.
- 5.4 The proposed Agreement will therefore be implemented through a governance structure of a directly elected Mayor that provides strong leadership, whilst protecting the integrity and the existing role and functions of local authorities. The mayoral model is part of the LCR Combined Authority, thus maintaining the integrated approach to governance which the City Region has worked consistently to develop.
- 5.5 The Governance principles which the City Region will adopt are outlined in Appendix Two of this report and demonstrate the safeguards that have been built into the arrangements. The Mayor will act as the Chair of the Combined Authority and Members of the LCR Combined Authority will provide a supporting and advisory function to the Mayor and the Combined Authority.
- 5.6 The Liverpool City Region Mayor will be required to consult the Combined Authority on his/her strategies, which it may reject or amend if two thirds of the constituent council members agree to do so. The Combined Authority will also examine the Mayor's spending plans and will be able to reject or amend his/her plans, if two thirds of the members agree to do so.
- 5.7 The Mayor and the LCR Combined Authority will be scrutinised and held to account by the Combined Authority Scrutiny Panel.
- 5.8 Subject to the necessary legislation being in place, it is anticipated that Mayoral elections will take place in May 2017.

6. NEXT STEPS AND IMPLEMENTATION

- 6.1 All Liverpool City Region Councils are considering these proposals on 19 November 2015 at their respective Council Meetings. The Combined Authority is meeting subsequently, on 20 November 2015 and the LEP Strategic Board on 3 December 2015.
- 6.2 There will then be a period where the necessary legislative arrangements are made by Government, to allow for a directly elected Mayor for the City Region. The Cities and Devolution Bill will require Royal Assent and subsequently an LCR Order will be laid by the Secretary of State to give effect to the necessary legislation to enable Mayoral elections to take place in May 2017. A separate “Buses Bill” is planned for introduction later in the current parliamentary session.
- 6.3 The City Region will be required to co-operate with Government to ensure the necessary statutory requirements are met and to secure timely and accurate input for drafting the Statutory Instruments.
- 6.4 As outlined in paragraph 62 of the proposed Agreement, implementation plans will be required for individual elements of the Agreement and over the coming weeks and months and officers from the City Region will work with Government to prepare such plans. This will be managed by LCR Chief Executives.
- 6.5 The powers and resources to be devolved to Liverpool City Region are not exhaustive. Liverpool City Region will be able to add to them as discussions with Government are progressed. The focus of the proposed Agreement has been on what can be achieved quickly and those areas which have financial implications that need to be considered in advance of the Government’s Spending Review 2015. The proposed Agreement includes reference to continuing discussions to consider further areas for devolution to the City Region and is the subject of recommendation 2.1 (c) in this report.

7. ALTERNATIVE OPTIONS CONSIDERED

7.1 Option 1: Not agree the devolution deal on offer from Government.

This would place the City Region at a real disadvantage compared to those areas that have secured a devolution agreement which includes greater funding and powers from Government. The City Region would be left to compete for funding from a much smaller pot which has had resources top sliced for those areas which have successfully negotiated devolution deals. The City Region would have no ability to agree its own spending priorities. It would be faced with the reality of continuing to do “more with less”; and having to weather further future spending cuts which face the public sector without any flexibility or additional resources which the devolution deal offers to the City Region.

Government have also indicated that there is a small window of opportunity for devolution agreements in line with their Spending Review timetable. Therefore there would be no possibility for the City Region to negotiate a similar deal at a later date should it not reach agreement with Government at this time.

7.2 Option 2: To negotiate a significantly reduced devolution deal without a Directly Elected Mayor arrangement

Government require strong governance proposals in place for those areas which are seeking the maximum level of devolution. Without a directly elected Mayor, Government has been clear that the level of resources and powers on offer would be substantially less and as with (7.1) above would place the City Region at a distinct disadvantage with other comparable areas. The Cornwall devolution deal is an example of how the Government has devolved comparatively fewer powers to areas that do not pursue a directly elected Mayor.

8. TIMESCALE FOR ACTION

8.1 As indicated previously, the powers and resources set to be devolved to Liverpool City Region are not exhaustive or final. Liverpool City Region will be able to add to them as discussions with Government are progressed. The focus of the Agreement has been on what can be achieved quickly and has financial implications which need to be considered in advance of the Government's Spending Review.

8.2 Some elements of the Deal, as set out in Appendix One, will be implemented from April 2016, where legislation is not required and devolution is to the LCR Combined Authority. These elements will require work to be started immediately and progress on this will be reported regularly to the Combined Authority.

8.3 Those elements of the deal which are conditional upon a directly elected Mayor will only be implemented from May 2017.

8.4 All elements of the deal will require an individual implementation plan to be developed with Government which will set out the timetable, responsibilities and accountabilities together with any required financial arrangements.

9. CONSULTATION

9.1 The Liverpool City Region Combined Authority's consultation on the four prioritised areas for negotiation with Government (economic development, transport, employment and skills and housing and planning) took place between 21 September 2015 and 2 November 2015.

9.2 The consultation framework adopted incorporated three levels of engagement – corporate, area and political.

9.3 For each priority, a lead Chief Executive was identified to manage the consultation process with key stakeholders.

9.4 Targeted public engagement has taken place with thematic stakeholder groups including business representatives and key strategic Boards to inform the scope of the City Region's proposals. Feedback was extremely helpful and those who engaged in the process were supportive of the approach being taken.

- 9.5 A website - www.liverpoolcityregion-ca.gov.uk - was set up to support consultation which was promoted by each local authority. This included website updates social media, newsletters and internal communication channels. The website provided an outline narrative of the proposals and approach. It also incorporated a feedback facility. In addition, internal communication channels were utilised.
- 9.6 Of the responses received to the feedback facility referred to above, over 70% were supportive of devolution with recurring themes of:-
- Improving transport infrastructure and public transport accessibility;
 - Accelerating house building and physical regeneration;
 - Ensuring residents can develop skills needed by employers;
 - Reducing inequality across the City Region;
 - Capitalising on the value of the City Region's cultural sector; and
 - Increasing local sovereignty and autonomy over funding.
- 9.7 A small proportion of responses raised concerns about devolution with specific reference to the risk of:-
- Increased shared services and reduction in public sector jobs;
 - Loss of local accountability;
 - Loss of identity of areas within the City Region.

10. RESOURCE IMPLICATIONS

10.1 Financial

10.1.1 All financial implications of the proposed Agreement relate to the devolution of resources from central government to the City Region. There are no resources being taken from individual local authorities as part of the proposed Agreement.

10.1.2 The Agreement includes the following headline financial implications:-

- i. An additional £30m of investment for economic growth for 30 years, equating to £900m total additional investment. This is subject to 5 yearly gateway assessments as set out in paragraph 61 of the proposed Agreement;
- ii. A devolved and consolidated transport budget (subject to the Government's Spending Review);
- iii. A commitment for Government to establish a single pot of government funding to invest in economic growth. The details of which will be determined following the SR. This is in addition to those funds already committed to the City Region e.g. £207m of Local Growth Funds;
- iv. Greater influence and decision making over a range of national programmes including the Work Programme, 16+ skills funding, Adult Skills budgets and potentially housing funds . Although such budgets will still sit formally with Government Departments in the immediate future, the City Region can direct and influence how these will be spent; and

v. On-going consultation on the Government's proposed business rates reforms.

10.1.3 All additional and directly devolved funding streams will be managed by the Combined Authority and the newly elected Mayor for the City Region. The Combined Authority Treasurer and City Region Finance Directors will explore the detailed implications and conditions of all of these funding commitments with Government, in particular HM Treasury Officials over the coming weeks and months as further detail is provided by Government, post the Spending Review 2015.

10.1.4 It will be for the City Region itself to agree the arrangements for how these resources will be managed and allocated as part of the implementation plans referred to in Section 6 of this report and paragraph 62 of the draft Agreement.

10.1.5 The Agreement also commits the Combined Authority to:-

- i. Continue to set out proposals for how local resources and funding will be pooled;
- ii. Agree overall borrowing limits with HM Government;
- iii. Agree a process to manage local financial risk relevant to the proposals in the draft Agreement; and
- iv. Continue to progress service transformation amongst local authorities including streamlining back office functions and sharing data and services.

10.1.6 Officers will engage with Government officials to set out how these commitments will be implemented on an individual basis. At that point the detailed financial implications on any individual proposal will be set out for the Combined Authority to consider and agree.

10.2 Human Resources

There are no human resources implications arising from the recommendations in this report.

10.3 Information Technology

There are no information technology implications arising from the recommendations in this report.

10.4 Physical Assets

There are no immediate implications for the Combined Authority's physical assets arising from the recommendations in this report.

11. LEGAL IMPLICATIONS

11.1 The implementation of the proposed Agreement is subject to the enactment of the necessary legislation; the Cities and Devolution Bill and to the parliamentary approval of subsequent secondary legislation. Government are working to a legislative timetable for elections for a directly elected City Region Mayor to take place in May 2017.

- 11.2 It is currently stated within the draft Cities and Devolution Bill that each constituent council of an existing Combined Authority is required to consent to any order establishing a directly elected Mayor and that if one constituent council does not consent then that council must be removed from the Combined Authority.
- 11.3 All LCR Councils are considering the proposed Agreement at their Council meetings on 19 November 2015 and feedback from these will be reported to the meeting. The proposed agreement also requires the consent of the Liverpool City Region Local Enterprise Partnership, which will be sought at the Strategic Board meeting on 3 December 2015.
- 11.4 The Constitution of the Combined Authority will require amendment to reflect the new governance arrangements which will be accepted as part of the Devolution Agreement. Amendments to the Combined Authority constitution need the unanimous agreement of the Combined Authority Constituent Members and as such all amendments will be put to the Combined Authority for agreement.

12. RISKS AND MITIGATION

- 12.1 The agreement and implementation of a devolution deal for the Liverpool City Region will enable improved local decisions to be taken, which will improve the economic growth and productivity of organisations within the City Region.
- 12.2 There is a risk that the City Region will fall behind other areas who have negotiated a devolution agreement. This will be mitigated by negotiating a satisfactory agreement for the City Region.

13. EQUALITY AND DIVERSITY IMPLICATIONS

- 13.1 There are no direct equality implications associated with this report as it deals with the issue of devolution at a strategic level. Equality analysis will be undertaken in future as appropriate and in relation to specific elements or activities.
- 13.2 Paragraph 67 of the proposed Devolution Agreement sets out that the Combined Authority will continue to adhere to its public sector equality duties, for both existing and newly devolved responsibilities.

14. COMMUNICATION ISSUES

- 14.1 Consultation has focussed on the phase one priority areas. This is the start of a long-term process where the other proposals outlined in the submission to Government on 4 September 2015 will need to be consulted on over the next 18 months.

15. CONCLUSION

- 15.1 This report has provided an update and seeks Combined Authority endorsement for the proposed Liverpool City Region Devolution Agreement and to adopt a directly elected Mayor for the City Region as required in the Government's Cities and Devolution Bill.

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Appendices:

Appendix One - Liverpool City Region Devolution Agreement with Government

Appendix Two - Liverpool City Region Devolution Governance

Background Documents:

None



HM Treasury



LIVERPOOL
CITY REGION

LIVERPOOL CITY
REGION DEVOLUTION
AGREEMENT



.....
The Rt Hon George Osborne
Chancellor of the Exchequer

.....
Councillor Phil Davies
Chair of the Liverpool City Region Combined
Authority and Leader of Wirral Metropolitan
Borough Council

.....
Lord Jim O'Neill
Commercial Secretary to the Treasury

.....
The Rt Hon Greg Clark
Secretary of State for Communities and Local
Government

.....
Councillor Rob Polhill
Leader of Halton Borough Council

.....
Councillor Andy Moorhead
Leader of Knowsley Metropolitan
Borough Council

.....
Joe Anderson
Mayor of Liverpool

.....
Councillor Ian Maher
Leader of Sefton Metropolitan Borough
Council

.....
Councillor Barrie Grunewald
Leader of St Helens Metropolitan
Borough Council

.....
Robert Hough
Chair of Liverpool City Region LEP

Contents

| | |
|--|---------|
| Overview | page 4 |
| Summary table | page 5 |
| Governance | page 6 |
| Skills (19+) | page 7 |
| Skills (16-18) | page 8 |
| Employment | page 9 |
| Housing and planning | page 10 |
| Transport | page 11 |
| Innovation | page 12 |
| Business growth and support | page 12 |
| Energy and environment | page 13 |
| Culture | page 14 |
| Fiscal | page 14 |
| European Funding | page 15 |
| Under this geography | page 16 |
| Liverpool City Region Combined Authority commitments | page 16 |

Liverpool City Region Combined Authority Devolution Agreement

This document sets out the terms of a proposed agreement between the government and the leaders of the Liverpool City Region to devolve a range of powers and responsibilities to the Liverpool City Region Combined Authority and a new directly elected mayor for the city region. This Devolution Agreement marks the next step in a progressive process of devolution of funding, responsibilities and powers from central government to the Liverpool City Region. The Liverpool City Region will continue to have further devolution dialogue with the government in the future, including on health and social care integration.

The devolution proposal and all levels of funding are subject to the Spending Review and ratification from the Liverpool City Region individual local authorities. This agreement is subject to the enactment of the necessary legislation (The Cities and Local Government Devolution Bill and the Buses Bill), and to parliamentary approval of the secondary legislation implementing the provisions of this agreement.

Liverpool City Region has the opportunity, through devolution, to ensure it is at the heart of the Northern Powerhouse. With the River Mersey and the integrated cluster of logistics and expertise through Superport, The Liverpool City Region has unique economic assets that can help transform the Northern economy. In its growth plan, the City Region has a network key strategic sites to drive forward business growth and commercial investments including 3MG in Halton, Knowsley Industrial Park, Atlantic Park in Sefton, Parkside in St Helens, Wirral Waters and Stonebridge Cross in Liverpool. The City Region is also well positioned to be at the heart of an advanced manufacturing network across the North with the science and innovation strengths at Daresbury and Liverpool Knowledge Quarter and world class firms like Jaguar Land Rover, Getrag, Unilever, Pilkington's Ineos Chlor and Cammell Laird.

This document we have negotiated together provides for the transfer of significant powers for economic development, transport, housing and planning and employment and skills which will positively impact on the lives of all of our residents and businesses. Devolution must deliver opportunities for all of those residents and businesses, through creating more jobs, improving the skills and employment prospects of our residents and allow them a greater say over the future of their communities.

Summary of the proposed devolution deal agreed by the government and the Liverpool City Region Combined Authority.

A new, directly elected Liverpool City Region Mayor will act as Chair to the Liverpool City Region Combined Authority and will exercise the following powers and functions devolved from central government:

- Responsibility for a devolved and consolidated local transport budget, with a multi-year settlement to be agreed at the Spending Review.
- Responsibility for franchised bus services, which will support the Combined Authority's delivery of smart and integrated ticketing across the Combined Authority.
- Powers over strategic planning, including the responsibility to create a Single Statutory City Region Framework, a Mayoral Development Corporation and to develop with government a Land Commission and a Joint Assets Board for economic assets.

The Liverpool City Region Mayor will be required to consult Combined Authority Members on his/her strategies and spending plans, which the Combined Authority may reject if two-thirds of the constituent council members agree to do so.

The Liverpool City Region Combined Authority, working with the Liverpool City Region Mayor, will receive the following powers:

- Control of a £30 million a year funding allocation over 30 years, to be invested in the Liverpool City Region Single Investment Fund, to unlock the economic potential of the River Mersey and Superport as well as maximise the opportunities from HS2.
- Responsibility for chairing an area-based review of 16+ skills provision, the outcomes of which will be taken forward in line with the principles of the devolved arrangements, and devolved 19+ adult skills funding from 2018/19.
- Joint responsibility with the government to co-design employment support for the harder-to-help claimants.
- More effective joint working with UKTI to boost trade and investment, and responsibility to work with the government to develop and implement a devolved approach to the delivery of national business support programmes from 2017.
- Building on the success of International Festival for Business (IFB) 2014 and the proposals for IFB 2016, Liverpool City Region and the government, and in particular UKTI and the GREAT Britain campaign, will continue engagement to establish IFB Liverpool as a vital feature of the international business calendar in 2018 and 2020.

In addition:

- To support the development of the Liverpool City Region, the government will offer Liverpool City Region expert advice and support to ensure they are able to put forward a City Region led proposal to undertake a Science and Innovation audit.
- The Liverpool City Region will engage with the government to explore options around a sustainable and viable business model for National Museums Liverpool.
- The government will work with the Liverpool City Region Combined Authority to agree specific funding flexibilities after the Spending Review.

Further powers may be agreed over time and included in future legislation.

GOVERNANCE

1. Liverpool City Region has made significant steps to enhance its governance with the creation of the Combined Authority, backed by a vibrant Local Enterprise Partnership. The Combined Authority enables decisions on economic growth and development to be taken in an open and transparent way on behalf of the entire city region. In recognition of the success of the Combined Authority, this deal will strengthen it with further powers. There is no intention to take existing powers from local authorities without agreement. The agreement will protect the integrity of local authorities in the Liverpool City Region.
2. As part of this agreement, Liverpool City Region Combined Authority will build on this governance model by adopting a model of a directly elected city region Mayor over the Combined Authority's area with the first elections in May 2017.
3. The directly elected Mayor for Liverpool City Region Combined Authority (LCR) will autonomously exercise new powers. The LCR Mayor will chair the Liverpool City Region Combined Authority. All Leaders within the Combined Authority will have a clear portfolio of responsibilities and will act as a supporting and advisory function on their respective policy areas on behalf of the LCR Mayor and the Combined Authority. The LCR Mayor and the Liverpool City Region Combined Authority will be scrutinised and held to account by the Liverpool City Region Combined Authority Overview and Scrutiny committee(s). The LCR Mayor will also be required to consult the Combined Authority members on his/her strategies, which it may reject if two-thirds of the constituent council members agree to do so. The Combined Authority will also examine the LCR Mayor's spending plans and will be able to amend his/her plans, if two-thirds of the constituent council members agree to do so.
4. Proposals for decision by the Combined Authority may be put forward by the LCR Mayor or any Combined Authority Member. The LCR Mayor will have one vote as will other voting members. Any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting, subject to that majority including the vote of the LCR Mayor, unless otherwise set out in legislation, or specifically delegated through the Authority's Constitution.
5. The Liverpool City Region Mayor will also be a member of the Local Enterprise Partnership, alongside the other members of the Combined Authority, recognising the importance of the private sector in delivering Liverpool City Region's growth strategies.
6. Economic growth is a shared endeavour and is vital in delivering the Northern Powerhouse ambitions. The Mayoral Combined Authority will continue to work very closely with the government for the benefit of the public.
7. The Liverpool City Region Combined Authority and Local Enterprise Partnership will commit to work with partners across the North of England to promote opportunities for pan-Northern collaboration, including Transport for the North, to drive northern productivity and build the Northern Powerhouse, which will support growth across the city region.

SKILLS AND EMPLOYMENT

Skills (19+)

8. The government will enable local commissioning of outcomes to be achieved from the 19+ adult skills budget starting in academic year 2016/17; and will fully devolve budgets to the Liverpool City Region (LCR) Combined Authority from academic year 2018/19 (subject to readiness conditions). These arrangements do not cover apprenticeships.
9. Devolution will proceed in three stages, across the next three academic years:
 - a. Starting now, the LCR Combined Authority will begin to prepare for local commissioning. It will develop a series of outcome agreements with providers about what should be delivered in return for allocations in the 2016/17 academic year. This will replace the current system of funding by qualifications as providers will receive their total 19+ skills funding as a single block allocation. This new arrangement will allow the LCR Combined Authority to agree with providers the mix and balance of provision that will be delivered in return for the block funding, and to define how success will be assessed.
 - b. For the 2017/18 academic year, and following the area review, government will work with the LCR Combined Authority to vary the block grant allocations made to providers, within an agreed framework
 - c. From 2018/19, there will be full devolution of funding. The LCR Combined Authority will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. The government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the grant to local / combined authorities will need to take into account a range of demographic, educational and labour market factors.
10. The readiness conditions for full devolution are that:
 - a. Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances
 - b. Completion of the Area Review process leading to a sustainable provider base
 - c. After the Area Reviews are complete, agreed arrangements are in place between central government and the LCR Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base
 - d. Clear principles and arrangements have been agreed between central government and the LCR Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and

national interest and protecting the taxpayer from unnecessary expenditure and liabilities

- e. Learner protection and minimum standards arrangements are agreed
- f. Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.

Skills (16-18)

11. The government commits to an Area Based Review of post-16 education and training, currently expected to start in April 2016. The outcomes of the Area Based Review will be taken forward in line with the principles of the devolved arrangements. The review will be chaired by the Combined Authority and will include all post-16 education and training provision in the initial analysis phase. Recommendations will be focused on General FE and Sixth Form Colleges, however the Regional Schools Commissioner and the relevant local authorities will consider any specific issues arising from the reviews for school sixth form provision.
12. To ensure continued local collaboration following the Area Based Review, the Liverpool City Region Combined Authority will work in partnership with local colleges and providers to publish a local skills strategy. This will aim to help ensure that post-16 providers are delivering the skills that local employers require. It is expected that the Combined Authority will then collaborate with colleges and providers, with appropriate support from EFA, to work towards that plan.
13. Following the Area Based Review, the government would expect the Regional Schools Commissioner to continue to engage with the Liverpool City Region Combined Authority to ensure local links and working are maintained.
14. The government will work with Liverpool City Region Combined Authority to ensure that local priorities are fed into the provision of careers advice, through direct involvement and collaboration with the government in the design of local careers and enterprise provision for all ages, including collaboration on the work of the Careers and Enterprise Company and the National Careers Service.
15. Liverpool City Region and the government will collaborate to maximise the opportunities presented by the introduction of the apprenticeship reforms (including the levy) and to work together on promoting the benefits of apprenticeships to employers.
16. Liverpool City Region will work with the government to explore ways of continuing to improve standards of education and skills and vocational training across the City Region. The Liverpool City Region Combined Authority will continue to create their own strategies on vocational education and training, to be shared in due course to the government for further discussion.

Employment

17. Liverpool City Region Combined Authority will work with DWP to co-design the future employment support, from April 2017, for harder-to-help claimants, many of whom are currently referred to the Work Programme and Work Choice.
18. The respective roles of DWP and Liverpool City Region Combined Authority in the co-design will include:
 - a. DWP sets the funding envelope, Liverpool City Region Combined Authority can top up if they wish to, but are not required to.
 - b. Liverpool City Region Combined Authority will set out how they will join up local public services in order to improve outcomes for this group, particularly how they will work with the Clinical Commissioning Groups/third sector and NHS England / the Work and Health Unit nationally to enable timely health-based support.
 - c. DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. Liverpool City Region Combined Authority will have some flexibility to determine specific local outcomes that reflect local labour market priorities, these outcomes should be complementary to the ultimate employment outcome (for example in-work wage progression). In determining the local outcome(s) Liverpool City Region Combined Authority should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.
 - d. Before delivery commences, DWP and Liverpool City Region Combined Authority will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support, including a mechanism by which each party can raise and resolve any concern that arise.
19. In addition, in the event employment support for this group is delivered through a contracted-out programme, Liverpool City Region Combined Authority will co-commission the programme with DWP. The respective roles of DWP and Liverpool City Region Combined Authority will include:
 - a. DWP sets the contracting arrangements, including contract package areas, but should consider any proposals from Liverpool City Region Combined Authority on contract package area geography.
 - b. Liverpool City Region Combined Authority will be involved in tender evaluation.
 - c. Providers will be solely accountable to DWP, but DWP and Liverpool City Region Combined Authority's above-mentioned agreement will include a mechanism by which Liverpool City Region Combined Authority can escalate to DWP any concerns about provider performance/breaching local agreements and require DWP to take formal contract action where appropriate.

20. In the event that alternative delivery mechanisms are put in place, comparable arrangements will be put in place.
21. Liverpool City Region will work with DWP to develop a business case for an innovative pilot to support those who are hardest to help, taking a household approach. The business case should set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans, to enable the proposal to be considered for funding at a later date, subject to Ministerial approval.

HOUSING AND PLANNING

22. The Liverpool City Region Mayor will exercise strategic planning powers to help accelerate economic growth and new housing development throughout the City Region. This will include:
 - a. Development of a Single Statutory City Region Framework supporting the delivery of strategic employment and housing sites throughout the City Region. Such a Framework would require approval by a unanimous vote of members appointed to the Combined Authority by the constituent councils. This approach must not delay the development of local plans - Local Authorities within the City Region commit to delivering local plans by early 2017, pooling resources across the city region as necessary to do so. These will support development of the single City Region Framework.
 - b. The power to be consulted on and/or call-in planning applications of strategic importance to the City Region, subject to the consent of the relevant Combined Authority Member for the individual authority area.
 - c. As a step towards a Statutory Framework, the City Region will commit to the identification of key economic sites for Housing and for Employment, at the City Region level, by 2017 to support a Mayoral Development Corporation approach. The City Region will also create a brownfield register to support this work. This will support the delivery of new housing and employment growth ahead of any Statutory Plan being produced.
 - d. The creation of a Mayoral Development Corporation, which will support the delivery of key sites through Mayoral Development Zones in the Liverpool City Region. This will include the ability to undertake Compulsory Purchase Orders to aid scheme delivery. These powers will be exercised with the consent of the Authority in which the powers are being used.
 - e. The government and the City Region will develop a Land Commission (including a Joint Assets Board for economic assets formerly held by the Regional Development Agency, with the Joint Asset Board's terms of reference being jointly agreed, as far as consistent with government priorities on public sector land and receipts targets) to support the better coordination and release of public asset disposals. This will include representation from senior government officials from relevant Departments and Non-Departmental Public Bodies. The joint approach will aim to increase the availability of sites for economic growth, housing, and improved communities.

- f. Liverpool City Region and the government will continue to discuss the devolution of housing loan funds and the city regions future housing ambitions.

TRANSPORT

23. A new, directly elected Liverpool City Region Mayor will exercise the following powers and functions devolved from central government:

- a. Responsibility for a devolved and consolidated local transport budget, including all relevant devolved highways funding, with a multi-year settlement to be agreed at the Spending Review;
- b. The ability to franchise bus services in the city region, subject to necessary legislation and local consultation. This will be enabled through a specific Buses Bill, to be introduced during the first Parliamentary session, which will provide for the necessary functions to be devolved. This will support the Combined Authority's ambitions in delivering its Bus Strategy and in enhancing the local bus offer. This includes the delivery of smart and integrated ticketing, working as part of Transport for the North on their plans for smart ticketing across the North.
- c. A Key Route Network of local roads which will be managed and maintained by the Combined Authority on behalf of the LCR Mayor, from May 2017. This will be achieved through a single asset management plan, working towards streamlined contractual and delivery arrangements across the city region.

24. In addition and as part of the deal:

- a. Through the Spending Review, the government will establish a long term Special Rail Grant Settlement for the Merseyrail network. This increased funding certainty will allow Merseytravel to separately progress the locally-funded procurement of new trains for the Merseyrail network. This will replace the Merseyrail Electrics rolling stock with newer, faster trains and more capacity.
- b. The Liverpool City Region will bring forward alternative proposals for, in the first instance, the management of rail stations on the Merseyrail Electrics network and, subsequently, all stations in the Liverpool City Region. Potentially this may extend, in the longer-term, to wider rail infrastructure assets in the city region. If any of these proposals would lead to the transfer of any rail station or infrastructure assets to the Combined Authority, the Combined Authority with Rail North, will be obliged to bring forward a business case for consideration by the government.
- c. The Department for Transport will continue to work with the Liverpool City Region in the review of the tolls on the Mersey Tunnels being undertaken by the Combined Authority, which considers the options open to the Authority to reduce the cost of tunnel tolls and its impact on infrastructure and the ability to accelerate economic growth.

- d. The government recognises and supports the Liverpool City Region's crucial role in delivering the Northern Powerhouse and associated Transport for the North work-streams. Through this formal partnership, the city region will present to government details of transformational schemes, including significantly improving the capacity of Liverpool Lime Street and associated redevelopment of the station and its surroundings to serve as a major transport hub to support the TransNorth rail enhancement programme, as well as options for strategic road investment and plans for smart ticketing across the North of England.

INNOVATION

25. The government supports the vision for innovation set out in the Liverpool City Region Local Enterprise Partnerships' Innovation Plan and recognises the importance of the delivery of this vision for the City region's future economic growth.
26. To support this, the government will offer Liverpool City Region a dedicated Smart Specialisation Advisory Hub workshop in Liverpool, offering expert advice and support to ensure that they are actively engaged in the forthcoming Science and Innovation audit process.
27. The Liverpool City Region's ambition is to work with others in the North West, to be at the heart of a collaboration of sufficient scale and ambition to develop internationally significant excellence and capacity, able to compete globally.
28. Through this process, the Liverpool City Region will aim to establish a robust case that ensures its innovation assets are recognised in UK context and beyond.

BUSINESS GROWTH AND SUPPORT

29. The government will take steps to devolve control and responsibility for business support to Liverpool City Region to enable it to provide a fully integrated service to its local businesses.
30. Working within the scope of existing contracts, the government will work with Liverpool City Region to align the Business Growth Service with local business support through Liverpool City Region's Growth Hub. This will include co-location of services, joint referrals, marketing and evaluation.
31. The government will work with the Liverpool City Region to develop and implement a devolved approach to the delivery of business support from April 2017 onwards, subject to the outcomes of the Spending Review.
32. The Liverpool City Region may receive additional Enterprise Zones, subject to the current bidding round for further Enterprise Zones.
33. The government will ring-fence trade services resource within Liverpool City Region and explore options for potentially integrating it with the Liverpool City Region Growth Hub to form a single trade service for businesses. Liverpool City Region and UKTI will agree an export plan for the City Region with a dual key approach to activities and reporting on outputs and outcomes. Ring fenced resource remains subject to departmental budget changes.

34. Building on the success of International Festival for Business (IFB) 2014 and the proposals for IFB 2016, Liverpool City Region and the government, and in particular UKTI and the GREAT Britain campaign, will continue engagement to establish IFB Liverpool as a vital feature of the international business calendar in 2018 and 2020.
35. The government and the Combined Authority will work together on the delivery of inward investment into the region. UKTI will agree joint objectives for a strengthened locally-delivered service to attract inward investment and will participate in a quarterly board to track progress. The government will consider the case for creating a Northern Powerhouse hub for foreign investment in discussion with key partners in the region. This approach will be focused on maximising high-level jobs and long-term economic impact.
36. HMRC, as the UK customs authority, is committed to supporting economic growth through the provision of efficient, simple and transparent customs facilitations and procedures to existing and new customers. HMRC commits to extending its existing policy of custom warehousing and other reliefs to any goods that are imported and then manufactured and/or assembled in Liverpool City Region before export subject to the applicants meeting the necessary conditions outlined in the various customs notices. To deliver this, HMRC will agree to consider approving reliefs such as custom warehouses on this basis as and when businesses operating in the city region apply for this facility.

ENERGY AND ENVIRONMENT

37. The River Mersey has undergone the greatest clean-up of any river in Europe over the last thirty years. Through the commitment of local stakeholders, the transformation in environmental performance has been internationally recognised and this means the river is once again a great asset for tourism and trade. To further develop this key asset, Liverpool City Region will commit to the cleanest river standard by 2030 and commit to a discharge free Mersey by 2040.
38. A next step in the river's recent evolution could be to harness its huge tidal range to produce power for the City Region's businesses and citizens. Technology is in development that could deploy a large tidal energy system into the river that could have the potential to produce significant volumes of clean and predictable energy well into the next century.
39. The Liverpool City Region estuary has one of the largest tidal ranges in the UK and the Liverpool City Region considers it to be one of the best locations in the UK for a tidal power scheme. The government recognises that the River Mersey and Liverpool Bay area is a key asset that has the potential to drive growth within the Northern Powerhouse and the government commits to supporting Liverpool City Region by providing guidance to support Liverpool City Region's development of a cost-effective tidal power scheme proposal for the River Mersey or Liverpool Bay that could generate low carbon energy for businesses and consumers.
40. Once an economic and environmental case is made, the government will consider the Liverpool City Region scheme on its merits. Liverpool City Region will continue to explore options to make the development more cost effective and deliverable,

principally through expedited planning processes and direct local use of the power generated.

41. DECC and Ofgem commit to explore further Liverpool City Region's proposals on how innovation and collaboration can enable a more coordinated approach to network investment in order to meet growing network demands. To deliver this, Ofgem commit to considering proposals put forward by the Liverpool City Region and the DNO as part of the 'Quicker and More Efficient Connections' project.
42. DECC commits to work with Liverpool City Region on the design of future home energy efficiency programmes, including ways to make delivery mechanisms more efficient and effective.

CULTURE

43. Recognising Liverpool City Region's plans to place Culture and Creativity at the heart of its strategy to accelerate economic growth, improve skills and further develop its distinctive visitor offer, the government will work with Liverpool City Region to support a place-based strategy and the city region's plans for a Local Cultural Partnership (LCP).
44. The Liverpool City Region will engage with the government to explore options around a sustainable and viable business model for National Museums Liverpool by the end of this financial year. This will ensure that National Museums Liverpool continues to make a strong and sustainable contribution to the city region's cultural infrastructure and visitor economy offer. Any future National Museums Liverpool change of business model will remain subject to Ministerial approval.
45. The government notes that Liverpool city region will work to realise Liverpool's ambition to develop a *National Migration Museum* to reflect its international heritage and contemporary future.
46. Being a European Capital of Culture or a UK City of Culture is transformational. Recognising Liverpool's status as the UK's European Capital of Culture 2008 and the work undertaken to harness that legacy, the government welcomes Liverpool's move to develop this legacy further and share its learning.

FISCAL

47. Liverpool City Region will create a Single Investment Fund (SIF) that draws together city region and agreed national funding streams to deliver an ambitious investment programme across the city region to unlock the economic potential of the River Mersey and Superport as well as maximise the opportunities from HS2. Liverpool City Region commits to capitalising the SIF and prioritising investment based on economic impact. To support this investment approach, the government agrees to allocate an additional £30m per annum of funding for 30 years (75% capital and 25% revenue), which will form part of and capitalise the Liverpool City Region Combined Authority single pot. The fund will be subject to 5-yearly gateway assessments.

48. The government will work with the Liverpool City Region Combined Authority to agree specific funding flexibilities. The joint ambition will be to give Liverpool City Region Combined Authority a single pot to invest in its economic growth. This pot will comprise a flexible, multi-year settlement providing the freedom to deliver its growth priorities, including the ability to re-direct funding to reflect changing priorities, whilst upholding their statutory duties. This local freedom will be over a range of budgets to be determined by Liverpool City Region Combined Authority and the government after the Spending Review, including as requested the Regional Growth Fund or its equivalent successor. The Combined Authority will have the flexibility to secure substantial private and public sector leverage. The Combined Authority will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives. The government expects to disburse this agreed settlement to the Liverpool City Region annually in advance.
49. The Cities and Local Government Devolution Bill currently in Parliament makes provision which will govern prudential borrowing for Combined Authorities. Following Royal Assent, the government will work with the Combined Authority to determine how these powers could apply within a framework of fiscal responsibility and accountability to the Combined Authority and local authorities.
50. Given the recently announced business rate reforms announced by the Chancellor, the government commits to discuss the business rates appeals system and general appeals process with the Liverpool City Region to help ensure the Liverpool City Region is prepared for ongoing developments within the Business Rates system. Liverpool City Region will continue to discuss with the government the proposed business rate reforms and how it will affect the city region.
51. The government will give the Liverpool City Region Mayor the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the local enterprise partnership, up to a cap.

EUROPEAN FUNDING

52. European Funds have played a significant role in the economic development and growth of Liverpool City Region over the last twenty years. Through devolution, the City Region is seeking greater influence and decision making in respect of the €220.9m 2014-2020 European Regional Development Funds (ERDF) and European Social Funds (ESF) in Liverpool City Region. This will allow the City Region to integrate and align investments with other aspects of the devolution deal and local economic priorities, to improve performance and maximise economic impact.
53. In order to deliver these objectives, Liverpool City Region is seeking Intermediate Body status for ERDF and ESF funding by April 2016 or as soon as possible thereafter. This would give the City Region powers to select ERDF and ESF projects on the basis of strategic fit with Operational Programmes and local conditions.
54. The Department for Communities and Local Government and the Department for Work and Pensions, the Managing Authorities for ERDF and ESF respectively, will retain the responsibility to make sure that proposals comply with European Union Regulations. Both Managing Authorities will therefore retain responsibility for

project selection in relation to eligibility checks as well as all other Managing Authority functions.

55. It is envisaged that the Liverpool City Region Combined Authority will act as the Intermediate Body. The agreement between each Managing Authority and the Intermediate Body will be set out in writing. Each written agreement will contain details of delegated responsibilities and accountabilities, performance arrangements, resources, their funding and payment arrangements and other relevant details.

UNDER THIS GEOGRAPHY:

56. The Mayor for the Liverpool City Region will be elected by the local government electors for the areas of the constituent councils of the Liverpool City Region Combined Authority. The LCR Mayor and Liverpool City Region Combined Authority will exercise the powers and responsibilities described in this document in relation to its area, i.e. the area of the constituent councils of the Liverpool City Region Combined Authority.
57. Additional funding or budgets that are devolved as a result of this agreement will go to the Liverpool City Region Combined Authority, to be exercised by the LCR Mayor or Combined Authority as set out in this document.
58. The Liverpool City Region Combined Authority must exercise functions in relation to its geographical area.
59. Under the LCR Mayor model, it is not expected that the role of the LEP or private sector be lessened.

LIVERPOOL CITY REGION COMBINED AUTHORITY COMMITMENTS

60. The Liverpool City Region Combined Authority is accountable to local people for the successful implementation of the devolution deal; consequently, the government expects Liverpool City Region to monitor and evaluate their deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the Liverpool City Region to agree a monitoring and evaluation framework that meets local needs and helps to support future learning.
61. The Liverpool City Region will be required to evaluate the additional £30m per annum of funding for 30 years, which will form part of and capitalise the Liverpool City Region Combined Authority single pot. The £30m per annum fund will be subject to:
- a. Gateway assessments for the £30m per annum scheme. Liverpool City Region and HM Treasury will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by Liverpool City Region, but agreed at the outset with HM Treasury, and will take place every five years. The next five year tranche of funding will be unlocked if HM Treasury is satisfied that the independent assessment shows the investment to have met the objectives and contributed to national growth;

- b. The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes, and where relevant with the more detailed transport cost-benefit analysis guidance issued by the Department for Transport (DfT). The assessment should also take into account the latest developments in economic evaluation methodology; and
 - c. The government would expect the assessment to show the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio.
62. Liverpool City Region Combined Authority will work with the government to develop a full implementation plan, covering each policy agreed in this deal, to be completed ahead of implementation. This plan will include the timing and proposed approach for monitoring and evaluation of each policy and should be approved by the DCLG Accounting Officer.
63. The Liverpool City Region Combined Authority will continue to set out their proposals to the government for how local resources and funding will be pooled across the city region.
64. The Liverpool City Region Combined Authority will agree overall borrowing limits and capitalisation limits with the government and have formal agreement to engage on forecasting. Liverpool City Region Combined Authority will also provide information, explanation and assistance to the Office for Budget Responsibility where such information would assist in meeting their duty to produce economic and fiscal forecasts for the UK economy.
65. The Liverpool City Region Combined Authority will agree a process to manage local financial risk relevant to these proposals and will jointly develop written agreements with the government on every devolved power or fund to agree accountability between local and national bodies on the basis of the principles set out in this document.
66. The Liverpool City Region Combined Authority will continue to progress programmes of transformation amongst authorities to streamline back office functions and share more services and data, including on assets and property.
67. The Liverpool City Region Combined Authority will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.

LIVERPOOL CITY REGION DEVOLUTION GOVERNANCE

Preamble

These Governance principles, to be developed and agreed, will be incorporated into a formal and legally binding Constitution.

This Constitution will incorporate the terms of the current Constitution of the LCR Combined Authority, which will be amended to reflect the revised Combined Authority with an elected mayor governance model.

The revised Constitution will replace the current LCR Combined Authority Constitution and will be the primary document in respect of the governance of the LCR Combined Authority with an elected mayor.

PRINCIPLES

The Liverpool City Region Combined Authority (LCRCA) will adopt a model of a directly elected City Region Mayor over the Combined Authority's area with the first elections in May 2017.

No existing powers will be taken from local authorities without their agreement. The Combined Authority will protect the sovereignty of local authorities in the Liverpool City Region.

The Liverpool City Region directly elected Mayor ("the directly elected Mayor") will be a member of the LCRCA.

The directly elected Mayor will chair the Liverpool City Region Combined Authority.

The remaining members who have been appointed by constituent councils will continue as members on the LCRCA. ("the constituent council members").

The LEP member ("the LEP member") of the LCRCA will continue to sit on the LCRCA.

The directly elected Mayor will appoint one of the members of the LCRCA to be the Deputy Mayor.

The directly elected Mayor will have power to act on behalf of the LCRCA on the following terms:

The directly elected Mayor will be required to seek the unanimous approval of the constituent council members to exercise those powers set out at Appendix 2 (a) attached;

The directly elected Mayor will be required to consult the Combined Authority on those

matters set out in Appendix 2 (b) which can be rejected/amended provided two-thirds of the constituent council members agree to do so; and

The directly elected Mayor will have full delegated authority pursuant to the provisions of any statutory order to exercise those powers set out in Appendix 2 (c) attached.

The directly elected Mayor and the LCRCA will be scrutinised and held to account by the LCRCA Overview and Scrutiny Committee(s).

Matters for decision by the LCRCA may be put forward by the directly elected Mayor, any of the members who have been appointed by constituent councils, or the LEP member.

The directly elected Mayor shall appoint individual LCR members to Portfolio roles to support the directly elected Mayor and assist in the delivery of the LCRCA's functions.

The directly elected Mayor will have one vote as will other voting members.

Any matters that are to be decided by the LCRCA are to be decided by a majority present and voting subject to that majority including the vote of the LCR Mayor, unless otherwise set out in legislation, or specifically delegated through the LCRCA's Constitution.

The directly elected Mayor and the members who have been appointed by constituent councils will work closely together. Specifically the:

- directly elected Mayor will provide overall leadership and chair Combined Authority meetings;
- the members who have been appointed by constituent councils shall have a clear portfolio of responsibilities, and will act as a supporting and advisory function to the directly elected Mayor and the LCRCA in respective policy areas.

The following appendices are subject to the development of the formal and legally binding constitution and to any requirements already prescribed within the agreement dated 17 November 2015.

Appendix 2a

The directly elected Mayor will be required to seek the unanimous approval of the constituent council members to exercise the following powers, as set out below:

- All matters relating (including any changes, amendments or alterations) to the LCRCA Constitution;
- The development of a single Statutory City Region Framework supporting the delivery of strategic employment and housing sites throughout the City Region;
- All matters relating to the management, maintenance and funding of the key route network;
- Any other matters which the LCRCA shall determine from time to time shall require the unanimous approval of the constituent council members for the directly elected Mayor to exercise save for those matters in relation to which the voting requirements are already prescribed within the Agreement.

Appendix 2b

The directly elected Mayor will be required to consult the LCR Combined Authority on the following:

- All matters relating to the setting of the LCRCA's annual budget, and all financial or budgetary matters, including any changes, amendments or alterations to agreed budgets or spending plans;
- All matters relating to the setting of any LCRCA strategy, strategic framework, strategic policy or plan, including any changes;
- All those powers of the LCRCA not specified in Appendix 1 and 3.

The strategies and/or spending plans may be rejected /amended if two thirds of the constituent Council Members agree to do so.

Appendix 2c

The directly elected Mayor shall have full delegated authority to take all steps to deliver on a day to day basis the strategies and/or spending plans agreed by the LCRCA in accordance with Appendix 2 and all other matters that may be specified from time to time by the LCRCA.

Scrutiny Principles

Liverpool City Region Mayoral Combined Authority

Introduction

1.1 The scrutiny arrangements will ensure decisions made by the City Region Mayor and Combined Authority are effectively scrutinised.

Function of Scrutiny at a City Region Level

2.1 Scrutiny exists to achieve greater public accountability over decisions made and services delivered to the whole Liverpool City Region in respect of those functions under the remit of the Elected Mayor and Combined Authority.

2.2 The principal ways in which the Elected Mayor Combined Authority will be 'held to account' via Scrutiny are:-

- (i) In the role of 'Critical Friend' ; and
- (ii) Via pre-decision scrutiny (call-in) ; and
- (iii) Through monitoring the delivery of the CA and Mayor's Strategic Plan and Policies.

2.3 Scrutiny will support the Elected Mayor and Combined Authority to:-

- Develop policies to deal with new issues
- Review existing policies which are felt to be in need of review
- Contribute to the formulation and review of the annual budget
- Review policies or actions of agencies external to the local authorities which may be impacting adversely on the quality of life of local people
- To undertake scrutiny reviews into areas of strategic importance for the City Region

2.4 The Authority's Scrutiny Panel will consider matters of strategic significance for the Liverpool City Region area with a view to focusing on sub-regional issues that are directly linked to the work of the Elected Mayor and Combined Authority.

2.5 The Panel will take a similar approach to a Parliamentary Select Committee. Panel members will collect evidence through a variety of sources, including –

- Questioning expert 'witnesses'
- Receiving reports and other literature
- Undertaking consultation; and
- Communication with stakeholders

The Panel will work with this information to make suggestions for improvement, acknowledge good practice and make recommendations.

The Panel will not deal with individual issues or queries that are more suitably dealt with by a constituent local authority or specific organisation.

2.6 The findings of each review will be submitted to the Elected Mayor and/or Combined Authority for consideration.

2.7 There are a number of potential sources for identifying in-depth studies to be carried out by the Panel;

- the Scrutiny Panel itself,
- the Elected Mayor,
- the Combined Authority and its members.

2.8 The Elected Mayor and/or the Combined Authority may request scrutiny of a particular policy or matter before agreeing a policy or taking a decision.

2.9 The Scrutiny Panel may review the outcomes of the Combined Authority or Elected Mayor's Strategic Plans. Any involvement of scrutiny in this activity needs to demonstrate that it adds value to what the Elected Mayor and the Combined Authority, its Boards or Committees are trying to achieve.

2.10 Scrutiny will also act when it is concerned about evidence of poor performance and it is not satisfied by the Elected Mayor's or Combined Authority's response to it.

2.11 Scrutiny shall have the power of "call-in"

Call-in shall apply when **10 members** of the Scrutiny Panel agree, in writing, on the requisite form, which shall be submitted to the Head of Paid Service, to call-in a specific decision made by the Elected Mayor or the Combined Authority

Any matter decided by the Elected Mayor or Combined Authority may be called-in not later than 5 working days after the publication of the decision/minutes of the Elected Mayor or Combined Authority.

Any matter called-in must be considered at the next meeting of the Combined Authority, which will have power to affirm or reject the decision.

If rejected, the Combined Authority may refer the decision back for further consideration.

The call-in procedure can only be used once in relation to any particular decision. Once the procedure has been used and a decision confirmed or rejected by the Combined Authority the decision cannot be reconsidered.

Decisions requiring immediate action and so specified in the decision/minutes are excluded from call-in.

3. Scrutiny Panel Membership

3.1 Membership of the Scrutiny Panel will be agreed at the Annual General Meeting of the Mayoral Combined Authority.

Nominations to the Scrutiny Panel must not be members of the Combined Authority (including substitute members) or the Merseytravel Committee.

3.2 The Panel is to be made up of:

| | | |
|---|------|-------|
| 3 nominees from each constituent council | = 18 | |
| 1 nominee from the largest opposition party as calculated across the LCR geography - as directed collectively by the largest opposition party | = 1 | |
| 1 nominee from the second largest opposition party as calculated across the LCR geography - as directed collectively by the second largest opposition party | = 1 | |
| | | _____ |
| Total: | = | 20 |

The Leaders of the respective Opposition Groups will collectively agree their party nominations to the LCRCA Scrutiny Panel.

The CA will draw up a protocol to ensure political balance on the Panel taking into account appropriate parliamentary orders.

The protocol will require annual review based on the election results in any given year.

3.3 Any elected member appointed to the Scrutiny Panel by the Authority under these scrutiny arrangements who is also appointed to any Committee of the Combined Authority, cannot participate in the operation of the scrutiny arrangements on any issues which were taken at any meeting of the Combined Authority or any Committee of the Combined Authority at which they were present.

3.4 The term of office for members of the Scrutiny Panel will be one year from the date of the annual council meeting of the Constituent Council that nominates them to the Scrutiny Panel, unless:-

- a) they cease to be an elected member of the Constituent Council that appointed them;
- b) they wish to no longer participate in these arrangements; or
- c) the Head of the Secretariat is advised by any of the Constituent Councils that it wishes to change one or more of its nominees to the Scrutiny Panel.

3.5 Non-voting members may be co-opted to participate in these arrangements from other organisations as the Scrutiny Panel members may decide.

4. Meetings of Scrutiny Panel

4.1 The members appointed by the Authority to the Scrutiny Panel will hold at least one annual meeting and may convene additional meetings in accordance with these arrangements.

4.2 The Scrutiny Panel members will:

- a) elect a Chair and Vice Chair and in so doing shall comply with any legislative

requirement in respect of any such appointments;

b) determine the areas of review and scrutiny that they wish to pursue during the ensuing 12 months, having consulted the Mayor and Authority in developing that plan; and

c) agree to establish Scrutiny Working Groups from amongst their number in order to carry out agreed areas of review and scrutiny.

4.3 The quorum for the annual meeting and any other meetings is 6, and must include representatives of at least 4 of the Constituent Councils.

4.4 The principle of decision-making at any such meeting shall be that, wherever possible, decisions will be made by agreement, without the need for a vote. If a vote is necessary it will be a simple majority of those present and the Chair will not have a casting vote.

4.5 The venue for each annual meeting and the usual venue for any other meetings will be the offices of Merseytravel, save that the Scrutiny Panel may choose to hold meetings other than the annual meeting in other venues if this is deemed to assist the scrutiny process.

4.6 Notice of the annual meeting and any other meetings will be sent to each Scrutiny Panel member in accordance with the requirements of the Local Government Act 1972.

4.7 The Chair will approve the agenda for each annual meeting and any other meetings; however, any member of the Scrutiny Panel will be entitled to require an item to be placed on the agenda for the meeting.

4.8 Subject to paragraphs 4.1 to 4.7, meetings will proceed in accordance with the Rules of Procedure of the Mayoral Combined Authority.

5. Key Principles for the Operation of the Scrutiny Arrangements

5.1 The Constituent Councils will work together to maximise the exchange of information and views, to minimise bureaucracy and make best use of the time of members and officers of other bodies or agencies

5.2 Members of the Scrutiny Panel will, when considering reviews, determine whether the issue is more appropriately dealt with by one of the Constituent Councils or elsewhere and will not duplicate the work of existing bodies or agencies.

5.3 Subject to prior notice being given to them, the Constituent Councils will respond positively to requests for information, or for the attendance of a member or officer at any meetings set up under these arrangements.

5.4 While it is ultimately for each Constituent Council to decide who it considers the most appropriate person(s) to speak on its behalf at any meetings set up under these arrangements, consideration will be given to meeting specific requests.

5.5 Dates and times for officer and member attendance at any meetings set up under these arrangements should be by agreement.

5.6 Members appointed under these arrangements may request the attendance of officers employed by the Constituent Councils to answer questions and give evidence at any meetings set up under these arrangements. All such requests must be made via the Chief Executive of the

relevant Constituent Council. If any request is declined by the Chief Executive, he/she must state the reasons for so doing.

5.7 The Scrutiny Panel may -

- a) invite the Elected Mayor and any member of the Combined Authority to attend before it to answer questions;
- b) invite other persons to attend meetings of the Panel;
- c) review or scrutinise decisions made or other action taken in connection with the discharge of any functions of the Elected Mayor and/or Combined Authority;
- d) make reports or recommendations to the Elected Mayor and/or Combined Authority with respect to the discharge of any functions which are the responsibility of the Elected Mayor and /or Combined Authority.

5.8 The power to review or scrutinise a decision made, but not implemented under sub-paragraph 5.7(c), includes the power to recommend that the decision be re-considered, but is subject to the following provisions:

(a) this shall not apply where, in the view of the decision-making body stated when the decision is made, any delay in implementing the decision would prejudice the interests of the Authority or the interests of the public;

(b) (i) in relation to decisions which may be subject to reconsideration, each decision shall be available where possible by electronic means within two working days of being made. Members of the Scrutiny Panel will be provided with a copy of the decision which will bear the date published and indicate it will come into effect on the expiry of three working days after publication;

(ii) if two-thirds of the membership of the Scrutiny Panel notify the Head of the Secretariat that they wish the Scrutiny Panel to consider the decision, then the Head of the Secretariat will arrange for a meeting of the Scrutiny Panel to be convened at the first available opportunity and in any event within seven working days of the request being notified to him. No action will be taken in the meantime to implement the decision which is subject to the request;

(iii) the Scrutiny Panel will consider the matter and if it chooses to, may resolve to request that the decision-maker reconsiders the decision. The Scrutiny Panel must set out the basis upon which reconsideration is requested;

(iv) the decision-making body will reconsider the decision and that reconsideration shall take place within seven working days of the Scrutiny Panel's request;

(v) no further requests for reconsideration may be made in cases where decisions have been reconsidered and the decision has been affirmed;

(c) decisions which have been subject to pre-decision scrutiny cannot be recommended for reconsideration unless the decision taken is, in the view of the Head of the Secretariat, significantly different from the proposal under contemplation at the pre- decision scrutiny stage;

5.9 Where the Scrutiny Panel makes a report or recommendation under 5.7(d), it may:

(a) publish the report or recommendations;

(b) by notice in writing, require the Authority to

- (i) consider the report or recommendation;
- (ii) provide a response to the Scrutiny Panel indicating what action (if any) it proposes to take;
- (iii) where the Scrutiny Panel has published the report or recommendations, publish the response;

5.10 A notice under 5.9(b) will require the Mayor and/or Authority to comply with it within two months, beginning with the date on which the Mayor and/or Authority receives the report or recommendations or (if later) the notice.

5.11 The Mayor and/or Authority will comply with a notice given under 5.9(b).

5.12 The requirements or power to publish contained in 5.9(a) and 5.11, shall not apply where the reports contain exempt or confidential information.

6. Scrutiny Working Groups

6.1 The annual meeting of members of the Scrutiny Panel may establish Scrutiny Working Groups to undertake agreed scrutiny reviews.

6.2 Scrutiny Working Groups shall include representatives from at least 4 of the Constituent Councils.

6.3 Scrutiny Working Groups established under this Protocol must be appointed to carry out specific scrutiny tasks and be time limited. Their continuation will be subject to confirmation at each annual meeting of the Scrutiny Panel members.

6.4 The Mayor and/or the Authority may also, if they choose, request that a Scrutiny Working Group be appointed to examine a specific issue in more detail and report back its findings to the Authority as appropriate.

6.5 Scrutiny Working Groups will have no delegated powers and will refer the outcome of their investigations to the Scrutiny Panel for consideration and decision to then, if deemed appropriate, be recommended to the Mayor and/or Authority.

7. Transparency

7.1 The process of scrutiny will be an open and transparent process designed to engage the Constituent Councils, their residents and other stakeholders.

7.2 Meetings will be held in public unless the meeting decides to convene in private in order to discuss confidential or exempt information, in accordance with the relevant provisions of the LGA 1972 or LGA 2000.

7.3 The terms of reference, timescale and outline of any review will be agreed by Scrutiny Panel members appointed at their annual meeting.

7.4 Different approaches to scrutiny reviews may be taken in each case, but members will seek to act in an inclusive manner and will take evidence from a wide range of opinion.

8. Scrutiny Support

8.1 The scrutiny leads from each Constituent Council will provide guidance to the Scrutiny Panel on its work programme, advice on the scoping of reviews (at different levels) and ensuring the appropriate information and advice is made available during the reviews, where appropriate, through the use of expert witnesses.

8.2 The decisions and recommendations of the Scrutiny Panel will be communicated to the Authority and/or Merseytravel as appropriate, as soon as practicable.

9. Advice to Scrutiny

9.1 The Scrutiny Panel may ask individuals or groups to assist it on a review by review basis and may ask independent professionals for advice during the course of reviews. Such individuals or groups will not be able to vote.

9.2 The Scrutiny Officer of each Constituent Council will ensure that the work programmes and minutes relating to the work carried out by the Scrutiny Panel in scrutinising the Authority and the Merseytravel Committee, are circulated appropriately within their own Constituent Council's scrutiny arrangements.

9.3 Each Constituent Council will nominate one of the 2 members of that Constituent Council who have been appointed to the Scrutiny Panel to act as that Constituent Council's "Authority Scrutiny Link". The Authority Scrutiny Link will be responsible for reporting back to their own Constituent Council on the scrutiny work carried out by the Scrutiny Panel and will also be responsible for reporting to the Scrutiny Panel any issues identified locally by their own Constituent Council which may warrant scrutiny at a sub-regional level. The nomination of an Authority Scrutiny Link and the way in which this role will be performed will be determined by each Constituent Council.

Draft Order laid before Parliament under section 117(2) of the Local Democracy, Economic Development and Construction Act 2009, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2017 No.

LOCAL GOVERNMENT, ENGLAND

The Liverpool City Region Combined Authority (Functions and Amendment) Order 2017

Made - - - -

Coming into force in accordance with article 1

The Secretary of State makes the following Order in exercise of the powers conferred by sections 104(1)(a), 105(1) and (3), 105A(1)(a) and (b), (2), (3)(b), (6), (7), 107D(1) and (7)(a) to (e), 107E(1), 113D(1), 114 and 117(5) of the Local Democracy, Economic Development and Construction Act 2009(a) (“the 2009 Act”).

The Secretary of State, having regard to a scheme prepared and published under section 112 of the 2009 Act(b), considers that—

- (a) the making of this Order is likely to improve the exercise of statutory functions in the area to which this Order relates, and
- (b) any consultation required by section 113(2) of the 2009 Act(c) has been carried out.

In making this Order, the Secretary of State has had regard to the need to reflect the identities and interests of local communities, and the need to secure effective and convenient local government(d).

In accordance with sections 104(10), 105(3A) and 105B(2)(e) of the 2009 Act the Liverpool City Region Combined Authority and the district councils whose areas are comprised in the area of the Combined Authority have consented to the making of this Order.

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 117(2) of the 2009 Act.

- (a) 2009 c. 20. Section 104 was amended by sections 8 and 14 of, and Schedule 5 to, the Cities and Local Government Devolution Act 2016 (c. 1) (“the 2016 Act”). Section 105 was amended by sections 6, 9 and 14 of the 2016 Act. Section 105A was inserted by section 7 of the 2016 Act. Sections 107D and 107E were inserted by section 4 of the 2016 Act. Section 113D was inserted by section 10 of the 2016 Act. Section 114 was amended by section 23 of, and paragraphs 17 and 26 of Schedule 5 to, the 2016 Act. Section 117(2), (2A) and (3) was substituted by section 13 of the 2011 Act. Section 117 was amended by sections 13 and 23 of, and paragraphs 17 and 29 of Schedule 5 to the 2016 Act.
- (b) Section 109 was amended by sections 6 and 12 of the 2016 Act.
- (c) Section 113 was amended by sections 12, 14 and 23 of, and paragraph 24 of Schedule 5 to, the 2016 Act.
- (d) Section 113(3) of the 2009 Act requires the Secretary of State when making an order under sections 104, 105, 106 or 107 in relation to an existing combined authority to have regard to the need to reflect the identities and interests of local communities and to secure effective and convenient local government.
- (e) Section 105B was inserted by section 7 of the 2016 Act.

In accordance with section 105B(9) of the 2009 Act the Secretary of State has laid before Parliament a report explaining the effect of this Order and why the Secretary of State considers it appropriate to make this Order.

PART 1

General

Citation and commencement

1.—(1) This Order may be cited as the Liverpool City Region Combined Authority (Functions and Amendment) Order 2016.

(2) Save as provided in paragraph (3) this Order comes into force on the day after the day on which it is made.

(3) Articles 5, 10 to 18, 21, 22 and 23(1) and (2) come into force on 8th May 2017.

Interpretation

2. In this Order—

“the 1980 Act” means the Highways Act 1980(a);

“the 1984 Act” means the Road Traffic Regulation Act 1984(b);

“the 1988 Act” means the Road Traffic Act 1988(c);

“the 1989 Act” means the Local Government and Housing Act 1989(d);

“the 1990 Act” means the Town and Country Planning Act 1990(e);

“the 1999 Act” means the Greater London Authority Act 1999(f);

“the 2003 Act” means the Local Government Act 2003(g);

“the 2004 Act” means the Planning and Compulsory Purchase Act 2004(h);

“the 2008 Act” means the Housing and Regeneration Act 2008(i);

“the 2009 Act” means the Local Democracy, Economic Development and Construction Act 2009;

“the 2008 Order” means the Town and Country Planning (Mayor of London) Order 2008(j)

“the 2011 Act” means the Localism Act 2011(k)

“the 1996 Regulations” means the Local Authorities’ Traffic Orders (Procedure) (England and Wales) Regulations 1996(l);

“the 2014 Order” means the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014 (m);

“the Area” means the area of the Combined Authority;

(a) 1980 c.66.

(b) 1984 c.27.

(c) 1988 c.52.

(d) 1989 c. 42.

(e) 1990 c. 8.

(f) 1999 c. 29.

(g) 2003 c.26.

(h) 2004 c 5.

(i) 2008 c. 17.

(j) S.I. 2008/580.

(k) 2011 c. 20.

(l) S.I. 1996/2489 amended in relation to England by S.I. 2009/1116.

(m) S.I. 2014/4865.

“constituent councils” means the councils for the local government areas of Halton, Knowsley, Liverpool, St Helens, Sefton, and Wirral;

“the Combined Authority” means the Liverpool City Region Combined Authority, a body corporate established by the 2011 Order(a);

“Corporation” means a corporation established by the Secretary of State in accordance with the provisions in section 198 of the 2011 Act, with the modifications made by Schedule 3, following the designation of an area of land by the Combined Authority.

“the HCA” means the Homes and Communities Agency(b);

“highway functions” means the functions which are exercisable by a constituent council (in whatever capacity) in relation to the highways for which they are the highway authority. and

“the Mayor” means the mayor for the Area(c) except where the reference is to the Mayor of London.

PART 2

Planning

Spatial development strategy

3.—(1) The Combined Authority shall have, in relation to the Area, functions corresponding to functions in the 1999 Act that the Mayor of London has in relation to Greater London, which are specified in the following provisions in the 1999 Act—

- (a) section 334 (the spatial development strategy);
- (b) section 335 (public participation)(d);
- (c) section 336 (withdrawal);
- (d) section 337 (publication)(e);
- (e) section 338 (examination in public)(f);
- (f) section 339 (review of matters affecting the strategy);
- (g) section 340 (reviews of the strategy);
- (h) section 341 (alteration or replacement)(g);
- (i) section 342 (matters to which the Mayor is to have regard);
- (j) section 346 (monitoring and data collection)(h); and
- (k) section 348 (mayor’s functions as to planning around Greater London).

(a) The Liverpool City Region Combined Authority was established by the 2014 Order. Article 3(2) provides that “the combined authority is to be a body corporate and to be known as the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority. However, section 104(4) of the 2009 Act applies section 97 of that Local Transport Act 2008 (change of name of ITA) to a combined authority as it applies to an Integrated Transport Authority and on 1 April 2014 the Combined Authority passed a resolution, in relation to which the requirements mentioned in section 97 (2) were met, to change the name by which the Combined Authority is known from the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority to the Liverpool City Region Combined Authority.

(b) The HCA is a body corporate established under section 1 of the 2008 Act.

(c) Article 3 to S.I.2016/448 provides for there to be a mayor for the area of the Combined Authority.

(d) Section 335 was amended by section 29(1) and (2) of the Greater London Authority Act 2007 (c. 24) and section 228(2)(a), (b) and (c) and 237 of, and Part 33 of Schedule 25 to the Localism Act 2011 (c. 20).

(e) Section 337 was amended by section 118(2) of, and paragraph 22(1), and (2)(b) and (c) of Schedule 7 to, the 2004 Act and sections 109(7) and 237 of, and paragraphs 3 and 4 of Schedule 8 and Part 16 of Schedule 25 to, the 2011 Act.

(f) Section 338 was amended by section 48(1) of, and paragraph 52 of Schedule 8 to, the Tribunals, Courts and Enforcement Act 2007 (c. 15) and article 2(2) of, and paragraph 19 of the Schedule to, S.I. 2013/2042.

(g) Section 341 was amended by section 118(2) of and, paragraph 22(1) and (3) of Schedule 7 to, the 2004 Act, Section 85(1) of, and paragraphs 9 and 10 of Schedule 5 to, the 2009 Act (c. 20) and sections 109(7) and 237 of, and paragraphs 3 and 5(a) and (b) of Schedule 8 and Part 16 of Schedule 25 to, the 2011 Act.

(h) Section 446 was amended by section 118(2) of, and paragraph 23(1) and (4) of Schedule 27 to, the 2004 Act.

(2) The exercise by the Combined Authority of the functions corresponding to the functions in sections 335 (public participation), 336 (withdrawal), 337 (publication) and 341 (alteration or replacement) of the 1999 Act requires a unanimous vote in favour by all members of the Combined Authority appointed by the constituent councils, or substitute members acting in place of those members, to be carried at a meeting of the Combined Authority.

Adaptation of enactments in consequence of article 3

4.—(1) This article has effect in consequence of article 3(1).

(2) Part 8 of the 1999 Act applies in relation to the preparation and publication of a spatial development strategy by the Combined Authority as it applies in relation to the preparation and publication of a spatial development strategy by the Mayor of London, with the modifications made by Part 1 of Schedule 1.

(3) Sections 343 (regulations) and 420 of the 1999 Act (orders and regulations) apply in relation to the functions of the Secretary of State to make regulations by statutory instrument under section 343(1) with respect to all or any of the following —

- (a) the form and content of the spatial development strategy published by the Combined Authority;
- (b) the documents (if any) the Secretary of State requires to accompany the spatial development strategy published by the Combined Authority;
- (c) the procedure to be followed by the Combined Authority in connection with the preparation, withdrawal, publication, making, review, alteration or replacement of the spatial development strategy, or in connection with any review under section 339 as modified by Part 1 of Schedule 1; and
- (d) the procedure to be followed at an examination in public examining matters affecting the consideration of the spatial development strategy,

as they apply in relation to the functions of the Secretary of State to make such regulations in relation to the spatial development strategy published by the Mayor of London.

(4) Subject to paragraph (6) and to Schedule 1, in any enactment passed or made on or before 8th May 2017—

- (a) any reference to a spatial development strategy, or
- (b) any reference which falls to be read as a reference to a spatial development strategy,

is to be treated as including a reference to a strategy prepared and published in accordance with the function conferred by article 3(1).

(5) Sections 19 (preparation of local development documents), 24 (conformity with regional strategy), 37 (interpretation), 38 (development plan) and 113 (validity of strategies, plans and documents) of the 2004 Act^(a) apply in relation to the preparation and publication of a spatial development strategy by the Combined Authority as they apply in relation to the preparation and publication of a spatial development strategy by the Mayor of London, with the modifications made by Part 2 of Schedule 1.

(6) Paragraph (4) does not apply to—

- (a) section 41 of the 1999 Act (general duties of the Mayor in relation to his strategies)^(b);

(a) Section 19 was amended by sections 180 and 182 of the Planning Act 2008 (c. 29); section 85 of, and paragraph 14 of Schedule 5 to, the 2009 Act; and section 100 of the Deregulation Act 2015 (c. 20). Section 24 was amended by sections 85 and 146 of, and paragraph 15 of Schedule 5 and paragraph 1 of Schedule 7 to, the 2009 Act; section 222 of, and paragraph 55 of Schedule 22 to, the 2011 Act. Section 37 was amended by section 180 of the Planning Act 2008; section 56 of, and paragraph 81 of Schedule 8 to, the 2008 Act; section 85 of, and paragraph 174 of Schedule 5 to, the 2009 Act; section 222 of, and paragraph 56 of Schedule 22 to, the 2011 Act. Section 38 was amended by section 180 of the Planning Act 2008; section 82 of the 2009 Act; sections 109 and 116 of, and paragraph 13 of Schedule 8 and paragraph 6 of Schedule 9 to, the 2011 Act. Section 113 was amended by section 185 of the Planning Act 2008; section 85 of, and paragraph 19 of Schedule 5 to, the 2009 Act; and by section 91 of, and paragraph 8 of Schedule 16 to, the Criminal Justice and Courts Act 2015 (c. 2).

(b) Section 41 was amended by sections 24, 28 and 41 of the Greater London Authority Act 2007; and sections 192, 225, 227 and 237 of and paragraph 2 of Schedule 23 and paragraph 1 of Schedule 25 to the 2011 Act.

- (b) section 356A of the 1999 Act (London Waste and Recycling Board)(a);
- (c) section 10 of the London Olympic Games and Paralympic Games Act 2006(b); and
- (d) the Town and Country Planning (London Spatial Development Strategy) Regulations 2000(c).

Planning applications of potential strategic importance

5.—(1) The Combined Authority shall have, in relation to the Area, functions corresponding to the functions that the Mayor of London has in relation to Greater London, which are specified in the following provisions—

- (a) section 2A of the 1990 Act (the Mayor of London: applications of potential strategic importance);
- (b) section 2B of the 1990 Act (section 2A: supplementary provisions);
- (c) section 2C of the 1990 Act (matters reserved for subsequent approval);
- (d) section 2E of the 1990 Act (section 2A and planning obligations under section 106);
- (e) section 2F of the 1990 Act (representation hearings);
- (f) section 74 of the 1990 Act (directions etc. as to method of dealing with applications);
- (g) article 4 of the 2008 Order (notification to the Mayor of applications of potential strategic importance);
- (h) article 6 of the 2008 Order (mayor’s power to direct refusal of a PSI application); and
- (i) article 7 of the 2008 Order (direction that the Mayor is to be the local planning authority).

(2) Sections 2A, 2B, 2C, 2D, 2E and 2F of the 1990 Act and the 2008 Order apply in relation to the consideration of applications of potential strategic importance by the Combined Authority as they apply in relation to the consideration of applications of potential strategic importance by the Mayor of London.

(3) In section 2A(3)(a) of the 1990 Act as applied by paragraph (2) the references to “Greater London” are to be read as references to “the Area”.

(4) The provisions in section 333 of the 1990 Act (orders and regulations) apply in relation to the power of the Secretary of State to make orders under sections 2A and 2F of that Act, by statutory instrument, prescribing the circumstances in which, and the conditions subject to which, the Combined Authority may give a direction under section 2A and provision in relation to public admission to representation hearings and public access to documents, etc at such hearings under section 2F of that Act, as it applies in relation to the power of the Secretary of State to make orders under sections 2A and 2F of that Act, by statutory instrument, prescribing the circumstances in which, and the conditions subject to which, the Mayor of London may give a direction under section 2F of that Act and provision in relation to public admission to representation hearings and public access to documents, etc at such hearings under section 2F of that Act.

(5) The provisions in the 2008 Order apply in relation to the circumstances in which the Combined Authority’s powers to give directions may be exercised and procedural matters connected with the exercise of those powers by the Combined Authority as they apply in relation to the circumstances in which the Mayor of London’s powers to give directions may be exercised and procedural matters connected with the exercise of those powers by the Mayor.

(6) The 2008 Order shall have effect as if—

- (a) for every reference to “the Mayor” there were substituted “the Combined Authority”;
- (b) regulation 3 were omitted;
- (c) in regulation 6—

(a) Section 356A was inserted by section 38 of the Greater London Authority Act 2007 and amended by sections 225 of, and paragraph 6 of Schedule 23 to, the 2011 Act.
 (b) 2006 c. 12. Section 10 was amended by section 195 of, and paragraph 9 of Schedule 20 to, the 2011 Act.
 (c) S.I. 2000/1491

- (i) every reference to “Greater London” is to be read as a reference to “the Area”,
 - (ii) in sub-paragraph (2)(a) for “the Greater London Authority” there were substituted “the Combined Authority”, and
 - (iii) sub-paragraphs (2)(c) and (f) were omitted; and
- (d) for parts 1, 2 and 3 of the Schedule to the 2008 Order there were substituted parts 1, 2 and 3 in Schedule 2.

PART 3

Housing and regeneration

Conferral of functions corresponding to functions that the HCA has in relation to the Area

6.—(1) The functions of the HCA which are specified in the following provisions of the 2008 Act are to be functions of the Combined Authority that are exercisable in relation to the Area—

- (a) section 5 (powers to provide housing or other land);
- (b) section 6 (powers for regeneration, development or effective use of land);
- (c) section 7 (powers in relation to infrastructure);
- (d) section 8 (powers to deal with land etc);
- (e) section 9 (acquisition of land);
- (f) section 10 (restrictions on disposal of land);
- (g) section 11 (main powers in relation to acquired land)(a);
- (h) section 12 (powers in relation to, and for, statutory undertakers);
- (i) paragraphs 19 and 20 of Schedule 3 (powers in relation to burial grounds and consecrated land etc.); and
- (j) paragraphs 1, 2, 3, 4, 6, 10 and 20 of Schedule 4 (extinguishment or removal powers for the HCA).

(2) The Combined Authority is to exercise the functions contained in the provisions specified in paragraph (1) for the purposes of or for purposes incidental to the following objects—

- (a) to improve the supply and quality of housing in the Area,
- (b) to secure the regeneration or development of land or infrastructure in the Area,
- (c) to support in other ways the creation, regeneration or development of communities in the Area or their continued well-being, and
- (d) to contribute to the achievement of sustainable development and good design in the Area,

with a view to meeting the needs of people living in the Area.

(3) The functions contained in the provisions specified in paragraph (1) are—

- (a) exercisable concurrently with the HCA, and
- (b) subject to Schedules 2 and 3 to the 2008 Act.

(4) In paragraph (2) “good design” and “needs” have the meanings given by section 2(2) of the 2008 Act and the reference to improving the supply of housing includes a reference to improving the supply of particular kinds of housing.

(5) Section 23(3) of the Land Compensation Act 1961(a) (compensation where planning decision made after acquisition) applies in relation to an acquisition by the Combined Authority as it applies to the HCA.

(a) Section 11 was amended by section 32(1) and (2) of the Infrastructure Act 2015 (c. 7).

Acquisition and appropriation of land for planning and public purposes

7.—(1) The functions of the constituent councils specified in the following provisions as applied by article 9(2) to (4) are exercisable by the Combined Authority in relation to the Area—

- (a) section 226 of the 1990 Act (compulsory acquisition of land for development and other planning purposes)(b);
- (b) section 227 of the 1990 Act (acquisition of land by agreement);
- (c) section 229 of the 1990 Act (appropriation of land forming part of common, etc);
- (d) section 230(1)(a) of the 1990 Act (acquisition of land for purposes of exchange);
- (e) section 232 of the 1990 Act (appropriation of land held for planning purposes);
- (f) section 233 of the 1990 Act (disposal by local authorities of land held for planning purposes)(c);
- (g) section 235 of the 1990 Act (development of land held for planning purposes);
- (h) section 236 of the 1990 Act (extinguishment of rights over land compulsorily acquired)(d);
- (i) section 237 of the 1990 Act (power to override easements and other rights)(e);
- (j) section 238 of the 1990 Act (use and development of consecrated land);
- (k) section 239 of the 1990 Act (use and development of burial grounds); and
- (l) section 241 of the 1990 act (use and development of open spaces).

(2) The functions are exercisable concurrently with the constituent councils.

Condition on the exercise of the functions conferred by articles 6(1) and 7(1)

8.—(1) The exercise of the functions in section 9 of the 2008 Act and section 226 of the 1990 Act by the Combined Authority requires the consent of all members of the Combined Authority appointed by the constituent councils whose council area contains any part of the land subject to the proposed compulsory acquisition or substitute members acting in place of those members, to be provided at a meeting of the Combined Authority.

Application of provisions of the 1990 Act and the 2008 Act

9.—(1) This article has effect in consequence of articles 6 and 7.

(2) Part 9 of the 1990 Act (acquisition and appropriation of land for planning purposes, etc) applies in relation to the Combined Authority and land which has been vested in or acquired by the Combined Authority for planning and public purposes as it applies to a constituent council and land vested in or acquired by a constituent council for planning and public purposes.

(3) Chapters 1 and 2 of Part 1 of, and Schedules 2 to 4 to, the 2008 Act apply in relation to the powers of the Combined Authority to acquire land for housing and infrastructure under the functions specified in article 6(1) and land acquired by the Combined Authority under those functions as they apply to the HCA and land acquired by the HCA with the modifications made by Parts 1 and 2 of Schedule 3.

(4) Schedule 3 set out how the provisions in the 2008 Act as modified by paragraph (3) apply.

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- (a) 1961 c. 33. Section 23 was amended by section 66 of, and paragraph 1 of Schedule 14 to, the Planning and Compensation Act 1991 (c. 34), sections 181 and 187 of, and paragraph 1 of Schedule 22 to, the Leasehold Reform, Housing and Urban Development Act 1993 (c. 28) and by section 56 of, and paragraph 2 of Schedule 8 to, the 2008 Act (c. 17).
 - (b) Section 226 was amended by sections 79, 99 and 120 of, and paragraph 3 of Schedule 3 and paragraph 1 of Schedule 9 to, the 2004 Act.
 - (c) Section 233 was amended by section 8 of the Growth and Infrastructure Act 2013 (c. 27).
 - (d) Section 236 was amended by section 406 of, and paragraph 103 of Schedule 17 to, the Communications Act 2003 (c. 21).
 - (e) Section 237 was amended by section 406 of, and paragraph 103 of Schedule 17 to, the Communications Act 2003 and by section 194 of, and paragraph 4 of Schedule 9 to, the Planning Act 2008.

PART 4

Mayoral development areas

Designation of Mayoral development areas

10.—(1) The Combined Authority has in relation to the Area functions corresponding to the following functions contained in the 2011 Act, that the Mayor of London has in relation to Greater London—

- (a) section 197 (designation of mayoral development areas);
- (b) section 199 (exclusion of land from mayoral development areas);
- (c) section 200 (transfers of property etc to a mayoral development corporation);
- (d) section 202 (functions in relation to Town and Country Planning);
- (e) section 204 (removal or restriction of planning functions);
- (f) section 214 (powers in relation to discretionary relief from non-domestic rates);
- (g) section 215 (reviews);
- (h) section 216 (transfers of property, rights and liabilities);
- (i) section 217 (dissolution: final steps);
- (j) section 219 (guidance by the Combined Authority);
- (k) section 221 (directions by the Combined Authority);
- (l) paragraph 1 of Schedule 21 (membership);
- (m) paragraph 2 of Schedule 21 (terms of appointment of members);
- (n) paragraph 3 of Schedule 21 (staff);
- (o) paragraph 4 of Schedule 21 (remuneration etc: members and staff);
- (p) paragraph 6 of Schedule 21 (committees); and
- (q) paragraph 8 of Schedule 21 (proceedings and meetings).

Application of provisions in the 2011 Act

11.—(1) Chapter 2 of Part 8 (mayoral development corporations) of the 2011 Act applies to the Combined Authority as it applies in relation to the Mayor of London, with the modifications made by Part 1 of Schedule 4.

(2) Chapter 2 of Part 8 of the 2011 Act applies to any Corporation as it applies in relation to the a Mayoral development corporation, with the modifications made by Part 2 of Schedule 4.

(3) Subject to paragraph (7), in any enactment passed or made on or before 8th May 2017—

- (a) any reference to a Mayoral development corporation, or
- (b) any reference which falls to be read as a reference to a Mayoral development corporation,

is to be treated as including a reference to a Corporation.

(4) For the purposes of any transfer scheme under any provisions of the 2011 Act applied with modifications by this Order, paragraph 9 of Schedule 24 to the 2011 Act (transfers under scheme under section 200(1) or (4) or 216(1)) applies in relation to—

- (a) any property, rights or liabilities transferred to or from a Corporation in accordance with a transfer scheme, or
- (b) anything done for the purposes of, or in relation to, or in consequence of, the transfer of any property, rights or liabilities to or from a Corporation in accordance with such a transfer scheme,

as it applies in relation to a Mayoral development corporation.

(5) For the purposes of establishing a Corporation, giving the Corporation a name, giving effect to any decisions notified to the Secretary of State (under section 202(8) (decisions about planning functions), 199(4) (exclusion of land from mayoral development areas), 214(6) (powers in relation to discretionary relief from non-domestic rates) of the 2011 Act) or in relation to the transfer of land to or from a Corporation under any provision of the 2011 Act, applied with modifications by this Order, the provisions in section 235 of the 2011 Act (orders and regulations) apply in relation to—

- (a) the power of a Minister of the Crown to make an order under section 198(2) (mayoral development corporations: establishment) and 200(6) (transfers of property etc to a mayoral development corporation) of that Act; and
- (b) the power of the Treasury to make regulations under paragraph 9(2) of Schedule 24 to that Act,

as they apply in relation to the establishment of a Mayoral development corporation, giving the corporation a name, giving effect to any decisions notified to the Secretary of State (under section 202(8), 199(4) and 216(6) of the 2011 Act) and a transfer of land to or from a Mayoral development corporation.

(6) In this article “transfer scheme” means a transfer scheme under section 200(1) or (4) or 216(1) of the 2011 Act.

(7) Paragraph (3) does not apply to—

- (a) paragraph 9(8)(a) of Schedule 2 to the Channel Tunnel Rail Link Act 1996 (works: further and supplementary provisions)(a);
- (b) section 31(1A) of the 1999 Act (limits of the general power)(b);
- (c) section 38 of the 1999 Act (delegation)(c);
- (d) section 60A(3) of the 1999 Act (confirmation hearings etc for certain appointments by the Mayor)(d);
- (e) section 68(6) of the 1999 Act (disqualification and political restriction)(e);
- (f) Section 73 of the 1999 Act (monitoring officer)(f);
- (g) 424 of the 1999 Act (interpretation)(g);
- (h) section 24(4) of the Planning and Compulsory Purchase Act 2004 (conformity with spatial development strategy)(h); and
- (i) paragraph 8(8)(a) of Schedule 2 to the Crossrail Act 2008 (works: further and supplementary provisions)(i).

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- (a) 1996 c 61. Paragraph 9(8) of Schedule 2 was amended by paragraph 43 of Schedule 22 to the 2011 Act.
 - (b) Section 31 was amended by section 186 of, and paragraphs 44 and 45 of Schedule 22 and Parts 31 and 32 of Schedule 25 to, the 2011 Act, section 33 of the Infrastructure Act 2015 (c. 7) and article 2 of S.I. 2012/1530.
 - (c) Section 38 was amended by paragraphs 36 and 37 of Schedule 19, paragraphs 4 and 5 of Schedule 20, paragraphs 44 and 46 of Schedule 22 and Part 32 of Schedule 25 to, the 2011 Act, section 28 of the Growth and Infrastructure Act 2013 (c. 27) and article 2 of S.I. 2012/1530.
 - (d) Section 60A was inserted by section 4 of the Greater London Authority Act 2007 (c. 24) and amended by section 224 of the Planning Act 2008 (c. 29), section 20 of the Police Reform and Social Responsibility Act 2011 (c. 13), paragraphs 44 and 47 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act and articles 1, 2 and 36 of S.I. 2008/2038.
 - (e) Section 68 was amended by paragraphs 44 and 48 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act.
 - (f) Section 73 was amended by sections 7 and 9 of, and Schedule 2 to, the Greater London Authority Act 2007, paragraph 16 of Part 2 of Schedule 12 to the Local Government and Public Involvement in Health Act 2007 (c. 28), paragraphs 36 and 38 of Schedule 19, Paragraphs 44 and 49 of Schedule 22, Part 32 of Schedule 25 to the 2009 Act and paragraphs 1 and 5 of Part 1 to the Schedule in S.I. 2000/1435.
 - (g) Section 424 was amended by section 1159 of the Companies Act 2006 (c. 46), sections 11, 12, 21, 22 of the Greater London Authority Act 2007, section 3 of the Police Reform and Social Responsibility Act 2011 and paragraphs 44 and 52 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act.
 - (h) 2004 c 5. Section 24 was amended by paragraphs 54 and 55 of Schedule 22 to the 2011 Act.
 - (i) 2008 c 18. Paragraph 8 of Schedule 2 to the Crossrail Act 2008 was amended by paragraph 58 of Schedule 22 to the 2011 Act.

Incidental provisions

12.The following provisions of the 1989 Act^(a) shall apply as if a Corporation were a local authority.—

- (a) section 1^(b)(disqualification and political restriction of certain officers and staff), and
- (b) sections 2 and 3A^(c)(politically restricted posts and exemptions from restriction) so far as they have effect for the purposes of section 1 of the 1989 Act.

13.Section 5^(d) of the 1989 Act (designation and reports of monitoring officer) shall apply in relation to the Combined Authority as if a Corporation were a committee of the Authority.

14.—(1) Section 32 of the 2003 Act applies in relation to expenditure of a Corporation as it applies to expenditure of a functional body.

(2) In Section 32 of the 2003 Act, as applied by paragraph (1)—

- (a) references to a functional body are to be read as references to a Corporation;
- (b) references to the Greater London Authority are to be read as references to the Combined Authority;
- (c) each reference to the Mayor of London were a reference to the Mayor of the Combined Authority as provided for by article 5 of this Order; and
- (d) the definition of “the Mayor” were omitted.

PART 5

Transport

Power to pay grant

15.—(1) The functions of a Minister of the Crown contained in section 31 of the 2003 Act (power to pay grant) are functions of the Combined Authority that are exercisable in relation to the Area.

(2) The functions are exercisable by the Combined Authority concurrently with a Minister of the Crown.

(3) Paragraph (4) applies where, in exercising functions under paragraph (1), the Combined Authority determines an amount of grant to be paid towards expenditure incurred or to be incurred by a constituent council in relation to the exercise of its highway functions.

(4) In determining that amount, the Combined Authority must have regard to the desirability of ensuring that the council has sufficient funds to facilitate the effective discharge of those functions.

(5) In complying with paragraph (4), the Combined Authority must take into account any other sources of funding available to the council for expenditure incurred or to be incurred in relation to the exercise of its highway functions.

(a) 1989 c 42.

(b) Section 1 was amended by section 80 of the Local Government Act 1972 (1972 c. 70), Part 3 of Schedule 1 to the House of Commons Disqualification Act 1975 (1975 c. 24) and paragraphs 199 and 200 of Part 2 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 (2011 c. 13).

(c) Section 3A was inserted by section 202(2) of the Local Government and Public Involvement in Health Act 2007 (2007 c. 28) and amended by Part 1 of Schedule 7 to the Local Democracy, Economic Development and Construction Act 2009 and paragraph 4 of Part 1 of Schedule 25 to the 2011 Act.

(d) Section 5 was amended by Part 1 of Schedule 4 to the Police and Magistrates Courts Act 1994 (1994 c. 29), paragraph 1 of Schedule 7 to the Police Act 1996 (1996 c. 16), section 132 of the Greater London Authority Act 1999, paragraph 24 of Schedule 5 to the Local Government Act 2000 (2000 c. 22), paragraph 14 of Part 2 to Schedule 12 and Part 14 of Schedule 18 to the Local Government and Public Involvement in Health Act 2007, paragraphs 12 and 13 of Schedule 14 and Part 4 of Schedule 22 to the Marine and Coastal Access Act 2009 (2009 c. 23), paragraphs 199 and 202 of Part 3 of Schedule 16 to the Police Reform and Social Responsibility Act 2011(2011 c. 13) and SI 2001/2237 articles 1(2), 2(1) and 23(1)(a) to (f).

(6) For the purposes of the exercise by the Combined Authority of the functions specified in paragraph (1), section 31 of the 2003 Act has effect as if—

- (a) in subsection (1)—
 - (i) for “A Minister of the Crown” there were substituted “The Combined Authority”,
 - (ii) for “local authority in England and Wales” there were substituted “constituent council”,
- (b) subsection (2) were omitted;
- (c) in subsections (3) and (4), for the “the person paying it” there were substituted “the Combined Authority”;
- (d) subsection (6) were omitted.

Agreements between authorities and improvement of highways

16.—(1) The functions of the constituent councils contained in section 6(a) of the 1980 Act (powers to enter into agreements with the Minister or strategic highways companies relating to the exercise of functions with respect to trunk roads etc) are exercisable by the Combined Authority in relation to the Area.

(2) The functions of the constituent councils as local highway authorities contained in the following provisions of the 1980 Act are exercisable by the Combined Authority in relation to the Area—

- (a) section 8(b) of the 1980 Act (power to enter into agreements with local highway authorities and strategic highways companies for the doing of certain works);
- (b) section 62(c) (general power of improvement).

(3) The functions mentioned in paragraphs (1) and (2) are exercisable by the Combined Authority concurrently with the constituent councils.

(4) In this article “local highway authority” has the meaning given by section 329(1) of the 1980 Act.

Road Safety

17.—(1) The functions of the constituent councils contained in section 39(2) and (3) of the Road Traffic Act 1988(d) (duties of local authorities to prepare and carry out a programme of measures designed to promote road safety, and carry out studies into accidents arising out of the use of vehicles on certain roads within their areas) are exercisable by the Combined Authority in relation to the Area.

(2) The functions are exercisable concurrently with the constituent councils.

Traffic regulation

18.—(1) The functions of the constituent councils as local traffic authorities contained in the following provisions of the 1984 Act are exercisable by the Combined Authority in relation to the Area—

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- (a) Section 6 was amended by section 8 of, and paragraph 4 of Schedule 4 to, the Local Government Act 1985 (c.51), section 22 of, and paragraph 2 of Schedule 7 to, the Local Government (Wales) Act 1994 (c. 19), section 1 of, and paragraph 7 of Schedule 1 to, the Infrastructure Act 2015, and S.I. 1995/1986.
 - (b) Section 8 was amended by section 22 of, and paragraph 3 of Schedule 7 to, the Local Government (Wales) Act 1994, section 8 of, and paragraph 5 of Schedule 4 to, the Local Government Act 1985, and section 1 of, and paragraph 8 of Schedule 1 to, the Infrastructure Act 2015.
 - (c) Section 62 was amended by Schedule 10 to the Transport Act 1981 (c. 56), Schedule 17 to the Local Government Act 1985 (c. 51), and section 1(1) of the Traffic Calming Act 1992 (c. 30).
 - (d) 1988 c.52. Section 39 was amended by section 168 of, and paragraph 121(3) of Schedule 8 to, the New Roads and Street Works Act 1991 (c. 22), and by section 279 of the 1999 Act.

- (a) section 1(a) (traffic regulation orders outside Greater London);
- (b) section 2(4)(b) (what a traffic regulation order may provide); and
- (c) section 9(c) (experimental traffic schemes);

(2) The functions are exercisable by the Combined Authority concurrently with the constituent councils.

(3) Part 1 of, and Schedule 9 to, the 1984 Act apply in relation to the exercise by the Combined Authority of the functions specified in paragraph (1) as they apply in relation to the exercise by the constituent councils of those functions.

(4) The 1996 Regulations apply in relation to orders made or proposed to be made by the Combined Authority in exercise of the functions specified in paragraph (1) as they apply in relation to orders made or proposed to be made by the constituent councils in exercise of those functions.

(5) For the purposes of paragraph (4), references in the 1996 Regulations to an order making authority are to be read as including references to the Combined Authority.

(6) In this article “local traffic authority” has the meaning given by section 121A(d) of the 1984 Act.

PART 6

General power of competence

General power of competence

19. The function in section 1 of the 2011 Act (local authority’s general power of competence) is to have effect in relation to the Combined Authority as it has effect in relation to a local authority.

PART 7

Funding

Funding

20.—(1) Subject to the provisions in article 5 of the 2014 Order(e) and paragraph (2), the constituent councils must ensure that any reasonably incurred costs of the Combined Authority are met to the extent that the Combined Authority has not decided to meet these costs from other resources available to the Combined Authority.

(2) Subject to paragraph (4), the constituent councils must meet the costs of the expenditure reasonably incurred by the Mayor in, or in connection with, the exercise of the functions specified in articles 3, 5, 6, 7, 10 and 21(10) to the extent that the Mayor has not decided to meet these costs from other resources available to the Combined Authority.

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- (a) Section 1 was amended by paragraph 17 of Schedule 8 to the New Roads and Street Works Act 1991, paragraph 36 of Schedule 22 to the Environment Act 1995 (c.X), paragraph 7 of Schedule 11 to the Transport Act 2000, section 45 of the Local Transport Act 2008, and paragraph 71 of Schedule 1 to the Infrastructure Act 2015.
 - (b) Subsection (4) was amended by paragraph 18 of Schedule 8 to the New Roads and Street Works Act 1991.
 - (c) Section 9 was amended by paragraph 23 of Schedule 8 to the New Roads and Street Works Act 1991, paragraph 24 of Schedule 4 to the Road Traffic Act 1991 (c.X), paragraph 4 of the Local Government Act 1985 (c.X), and paragraph 74 of Schedule 1 to the Infrastructure Act 2015.
 - (d) Section 121A was inserted by paragraph 70 of Schedule 8 to the New Roads and Street Works Act 1991 (c.22). It was subsequently amended by section 271 of the Greater London Authority Act 1999 (c.29), paragraph 95 of Schedule 1 to the Infrastructure Act 2015 (c.7), S.I. 1999/1820 and S.I. 2001/1400.
 - (e) Article 5 makes provision for the funding, by the constituent councils, of those costs of the Combined Authority that relate to the exercise of its economic development and regeneration functions and for the costs of the Combined Authority reasonably attributable to the exercise of its functions relating to transport shall to be met by means of two separate levies issued by the Authority.

(3) Any amount payable by each of the constituent councils to ensure that the costs of the Combined Authority referred to in paragraphs (1) and (2) are met is to be determined by apportioning such costs between the constituent councils in such proportions as they may agree or, in default of such agreement, in proportion to the total resident population of the Combined Authority which resides in that council at the relevant date as estimated by the Statistics Board(a).

(4) In relation to the expenditure mentioned in paragraph (2)—

(a) to the extent to which such expenditure is met by amounts payable under arrangements made under paragraph (3)—

(i) the Mayor must agree with the Combined Authority the total expenditure mentioned in paragraph (2) in advance of incurring this expenditure; and

(ii) in the absence of the agreement specified in paragraph (i), no such expenditure may be incurred;

(b) any precept issued in relation to such expenditure under regulations made under section 40 of the Local Government Finance Act 1992(b) is to be disregarded from any calculation of the costs of the expenditure.

(5) The functions mentioned in articles 16 to 18 are to be funded out of the levy issued by the Combined Authority to the constituent councils under section 74 of the Local Government Finance Act 1988(c) and in accordance with the Transport Levying Bodies Regulations 1992(d).

(6) For the purposes of this article the relevant date in relation to a payment for a financial year is 30th June in the financial year which commenced two years prior to the financial year in which such payment is made.

PART 8

Functions of the Combined Authority exercisable only by the Mayor; political advisers

General functions of the Combined Authority exercisable only by the Mayor

21.—(1) The following functions(e) are general functions exercisable only by the Mayor(f)—

(a) the functions of the Combined Authority in the following enactments—

(i) sections 5 to 12 of, and paragraphs 19 and 20 of Schedule 3 and paragraphs 1 to 4, 6, 10 and 20 of Schedule 4 to, the 2008 Act,

(ii) section 31 of the 2003 Act,

(iii) sections 108 (local transport plans), 109 (further provision about plans: England) and 112 (plans and strategies: supplementary) of the Transport Act 2000 Act(a); and

(a) Section 25 of the Statistics and Registration Service Act 2007 (c. 18) provides that the Statistics Board is responsible for the functions in section 19 of the Registration Service Act 1953 (c. 37).

(b) c. 14. Section 40 was amended by section 83 of the 1999 Act, section 79 of, and paragraph 7 of Schedule 17 to, the 2011 Act and section 5 of the 2016 Act.

(c) c. 41. Section 74 was amended by paragraph 72 of Schedule 13 to the Local Government Finance Act 1992 (c. 14); paragraph 21 of Schedule 60 to the Local Government (Wales) Act 1994 (c. 19); Schedule 24 to the Environment Act 1995 (c. 25); section 105 of the Greater London Authority Act 1999 (c. 29); paragraph 305(a) of Schedule 8 to the Courts Act 2003 (c. 39); paragraph 68 of Schedule 1 to the Fire and Rescue Services Act 2004 (c. 21); paragraph 16 of Schedule 1 to the Local Government and Involvement in Public Health Act 2007 (c. 28); paragraphs 74 and 75 of Schedule 6 and Part 4 of Schedule 7 to the Local Democracy, Economic Development and Construction Act 2009 (c. 20); paragraphs 1 and 2 of Schedule 7 to the Police Reform and Social Responsibility Act 2011 (c. 13); paragraph 182(a) of Schedule 16 to the 2011 Act; section 9(1)(a), (b) and (2) of, and paragraphs 9 and 10 of Schedule 5 to the 2016 Act (c. 1); and by S.I. 1994/2825.

(d) S.I. 1992/2789, amended by S.I. 2012/213 and S.I. 2015/27.

(e) Section 107D(2) of the 2009 Act provides that in Part 6 of that Act references to “general functions”, in relation to a mayor for the area of a combined authority, are to any functions exercisable by the mayor other than PCC functions.

(f) The Mayor for the area of the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority was established by the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority (Election of Mayor) Order 2016 (S.I. 2016/782).

- (b) the functions of the Combined Authority corresponding to the functions specified in—
 - (i) sections 2A, 2B, 2C, 2E, 2F, 74, 226, 227, 229, 230(1)(a), 232, 233, 235, 236 to 239 and 241 of the 1990 Act;
 - (ii) sections 334 to 342 and 346 of the 1999 Act;
 - (iii) sections 197, 199, 200, 202, 204, 214 to 217, 219 and 219 of, and paragraphs 1 to 4, 6, 10 and 20 of Schedule 21 to the 2011 Act; and
 - (iv) articles 4, 6 and 7 of the 2008 Order.

(2) The exercise of the functions mentioned in paragraph (1)(b)(i) and (iv) by the Mayor requires the consent of the member of the Combined Authority appointed by the constituent council to whom the application for planning permission was made, or the substitute member acting in place of that member, to be provided at a meeting of the Combined Authority**(b)**.

(3) The exercise of the functions in section 334 (the spatial development strategy), 335 (public participation), 336 (withdrawal), 337 (publication) and 341 (alteration or replacement) of the 1999 Act by the Mayor requires a unanimous vote in favour by all members of the Combined Authority appointed by the constituent councils, or substitute members acting in place of those members, to be carried at a meeting of the Combined Authority.

(4) The Mayor may only exercise functions mentioned in paragraph (1)(a)(iii) if—

- (a) the Mayor has laid before the Combined Authority, in accordance with standing orders of the Combined Authority—
 - (i) a draft of the local transport plan,
 - (ii) a draft of the local transport plan with any alterations, or
 - (iii) a replacement of the local transport plan,

stating that the Mayor is proposing to exercise the Mayor’s functions under sections 108 or 109 of the 2008 Act, and

- (b) the consideration period for the document has expired without the Combined Authority having rejected the proposal.

(5) The Mayor may only exercise functions mentioned in paragraph (1)(a)(ii) if—

- (a) the Mayor has laid before the Combined Authority, in accordance with standing orders of the Combined Authority, a document stating that the Mayor is proposing to pay a grant to one or more of the constituent councils a towards expenditure incurred or to be incurred by it in relation to the exercise of its highway functions, and
- (b) the consideration period for the document has expired without the Combined Authority having rejected the proposal.

(6) The exercise of the functions in section 9 of the 2008 Act and section 226 of the 1990 Act by the Mayor requires the consent of all members of the Combined Authority appointed by the constituent councils whose council area contains any part of the land subject to the proposed compulsory acquisition or substitute members acting in place of those members, to be provided at a meeting of the Combined Authority.

(7) The exercise by the Mayor of the functions corresponding to the functions contained in section 197 (designation of Mayoral development areas) of the 2011 Act requires the consent of

(a) c .38. Section 108 was amended by paragraph 2 of the Schedule to the Transport (Wales) Act 2006 (c.5), the Local Transport Act 2008 (c.26), sections 7 to 9, paragraphs 41 and 42 of Schedule 4 and Part 1 of Schedule 7, and paragraph 96 of Schedule 6 to the 2009 Act. Section 109 was amended by paragraph 3 of the Schedule to the Transport (Wales) Act 2006, the Local Transport Act 2000, section 9, and the Local Democracy, Economic Development and Constructions Act 2009 (c.20), paragraph 97 of Schedule 6. Section 112 was amended by the Local Transport Act 2008, sections 10 and 11 and Part 1 of Schedule 7, and the Equality Act 2010, paragraph 48 of Schedule 26. Article 6 of the 2014 Order dissolved the Merseyside Passenger Transport Authority, abolished its area and transferred its functions to the Combined Authority.

(b) The constituent councils are local planning authorities for their areas. Section 1 of the 1990 Act provides that the council of a metropolitan district is the local planning authority for the district and the council of a London borough is the local planning authority for the borough. Section 2A(1) of the 1990 Act provides that Where an application to which that section applies is made to a local planning authority the Mayor of London may direct that he is to be the local planning authority for the purposes of determining the application.

all members of the Combined Authority appointed by the constituent councils, or substitute members acting in place of those members, whose local government area contains any part of the area to be designated as a Mayoral development area, to be provided at a meeting of the Combined Authority.

(8) The exercise by the Mayor of the functions corresponding to the functions contained in section and 199 (exclusion of land from Mayoral development areas) of the 2011 Act in respect of any Mayoral development area requires the consent of all members of the Combined Authority appointed by the constituent councils, or substitute members acting in place of those members, whose local government area contains any part of the area to be excluded from a Mayoral development area to be provided at a meeting of the Combined Authority, to be provided at a meeting of the Combined Authority.

(9) The exercise by the Combined Authority of the functions corresponding to the functions contained in section 202(2) to (4) of the 2011 Act (functions in relation to Town and Country Planning) in respect of any Mayoral development area requires the consent of all members of the Combined Authority appointed by a constituent council, or a substitute member acting in place of that member, whose local government area contains the whole or any part of the area in respect of which the Combined Authority proposes to exercise the functions, to be provided at a meeting of the Combined Authority..

(10) Members and officers of the Combined Authority may assist the Mayor in the exercise of the functions mentioned in paragraph (1).

(11) For the purposes of subsections (4) and (5)—

- (a) the “consideration period” for a document is the 21 days beginning with the day the document is laid before the Combined Authority in accordance with standing orders of the Combined Authority, and
- (b) the Combined Authority rejects a proposal if it resolves to do so on a motion—
 - (i) considered at a meeting of the Combined Authority, and
 - (ii) agreed to by at least two thirds of the members of the Combined Authority appointed by the constituent councils or the substitute members acting in place of that member, present and voting.

(12) For the purposes of the exercise of the general functions mentioned in paragraph (1) the Mayor may do anything that the Combined Authority may do under section 113A of the 2009 Act (general power of EPB or combined authority)(a).

(13) Anything which, immediately before 8th May 2017, is in the process of being done by or in relation to the Combined Authority or by or in relation to a constituent council for the purposes of or in connection with the functions mentioned in paragraph (1), is to be treated as having been done by or in relation to the Mayor.

Political advisers

22.—(1) The Mayor may appoint one person as the Mayor’s political adviser.

(2) Any appointment under paragraph (1) is an appointment as an employee of the Combined Authority.

(3) No appointment under paragraph (1) shall extend beyond—

- (a) the term of office for which the Mayor who made the appointment was elected; or
- (b) where the Mayor who appointed the political adviser ceases to be the Mayor before the end of the term of office for which the Mayor was elected, the date on which the Mayor ceases to hold that office.

(a) Section 113A was inserted by section 13 of the 2011 Act and amended by section 23 of, and paragraph 25 of Schedule 5 to, the 2016 Act.

(4) A person appointed under paragraph (1) is to be regarded for the purposes of Part 1 of the 1989 Act (political restriction of officers and staff) as holding a politically restricted post under a local authority.

(5) Subject to paragraph (6), section 9(1), (8), (9) and (11) of the 1989 Act (assistants for political groups), shall apply in relation to an appointment under paragraph (1) as if—

- (i) any appointment to that post were the appointment of a person in pursuance of that section; and
- (ii) the Combined Authority were a relevant authority for the purposes of that section.

(6) Subsection (3) of section 9 of the 1989 Act shall apply in relation to an appointment under paragraph (1) as if the words “and that the appointment terminates” to the end of that subsection were omitted.

PART 9

Amendment of the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014

Amendment of the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014

23.—(1) The 2014 Order is amended as follows—

(2) Schedule 1 (constitution) is amended as follows—

(a) paragraph 2 is omitted;

(b) in paragraph 3—

(i) for paragraph (1) substitute—

“(1) Subject to the following sub-paragraphs, any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting on that question at a meeting of the Combined Authority, such majority to include the Mayor, if the Mayor is in post, or the deputy Mayor acting in place of the Mayor, if the deputy Mayor is in post, and substitute members, acting in place of members.”,

(ii) for subparagraph (3) substitute—

“(3) Each member appointed according to the provisions in paragraph 1, or a substitute member acting in that member’s place, and the Mayor, if the Mayor is in post, or the deputy Mayor acting in place of the Mayor, if the deputy Mayor, is in post is to have one vote and no member or substitute member is to have a casting vote.

(iii) for sub-paragraph (5) substitute—

“(5) A decision on a question relating to any of the matters specified in sub-paragraph (5A), where such a question does not relate to the exercise of a general function exercisable only by the Mayor in accordance with the provisions in article 21(1) of the Liverpool City Region Combined Authority (Functions and Amendment) Order 2017, requires a unanimous vote in favour by all members of the Combined Authority appointed by the constituent councils, or substitute members, acting in place of those members, present and voting on that question to be carried at a meeting of the Combined Authority.”, and

(iv) after sub-paragraph (5) insert—

“(5A) The matters referred to in paragraph (5) are—

- (a) the determination and review of any transitional arrangements on transport;

(a) Section 9 was amended by sections 61 and 204 of, and paragraph 2 of Schedule 2 to, the Local Government and Public Involvement in Health Act 2007 (c. 28) and by S.I. 2001/2237.

- (b) all matters relating to the constitution of the Combined Authority;
- (c) amendments to the standing orders of the Combined Authority;
- (d) all matters relating to the management, maintenance and funding of the Key Route Network of local roads which are to be maintained by the Combined Authority; and
- (f) such matters as may be determined by the Combined Authority and set out in its standing orders.”.

(3) After paragraph 7 insert—

“8.—(1) Subject to sub-paragraph (3), no remuneration is to be payable by the Combined Authority to its members, other than allowances for travel and subsistence paid in accordance with a scheme drawn up by the Combined Authority.

(2) A constituent council may, in accordance with its own scheme of allowances, pay a special responsibility allowance to any member appointed by it to the Combined Authority in respect of duties and responsibilities undertaken as a member of the Combined Authority.

(3) The Combined Authority may only pay an allowance to the Mayor if—

- (a) the Combined Authority has considered a report published by an independent remuneration panel established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members’ Allowances) (England) Regulations 2003 which contains recommendations for such an allowance; and
- (b) the allowance paid by the Combined Authority does not exceed the amount specified in the recommendation made by the independent remuneration panel.”.

Signed by authority of the Secretary of State for Communities and Local Government

| | |
|------|---|
| | <i>Name</i> |
| | Parliamentary Under Secretary of State |
| Date | Department for Communities and Local Government |

SCHEDULE 1

Article 3

Spatial development strategy

PART 1

Modification of Part 8 of the 1999 Act

1.—(1) Part 8 of the 1999 Act is modified in accordance with the following provisions.

(2) Part 8 of the 1999 Act shall have effect as if—

- (a) sections 344, 345 and 349 were omitted;
- (b) for every reference to—
 - (i) “Greater London” there were a reference to “the Liverpool City Region”;
 - (ii) “the Mayor” there were a reference to “the Combined Authority”, save for section 338(7);
 - (iii) “he” there were a reference to “the Combined Authority”, save for section 337(6) (publication);
 - (iv) “under section 343” there were substituted “relating to the Combined Authority under section 343”.

(3) Section 334 of the 1999 Act (the spatial development strategy) shall have effect as if—

- (a) in subsection (3) for “his” there were substituted “its”;
- (b) for subsection (4) there were substituted—

“(4) The spatial development strategy must include statements dealing with the general spatial development aspects of such of the Combined Authority’s other policies or proposals as involve considerations of spatial development.”.

(4) Section 335 of the 1999 Act (public participation) shall have effect as if—

- (a) in subsection (2)(a) for “his” there were substituted “its”;
- (b) subsection (3)(aa) were omitted;
- (c) in subsection (3)(b), for “London borough council” there were substituted “constituent council”;
- (d) in subsection (4), for the words after “include” to the end of the subsection there were substituted—

“—

- (a) voluntary bodies some or all of whose activities benefit the whole or part of the Liverpool City Region;
- (b) bodies which represent the interests of different racial, ethnic or national groups in the Liverpool City Region;
- (c) bodies which represent the interests of different religious groups in the Liverpool City Region; and
- (d) bodies which represent the interests of different persons carrying on business in the Liverpool City Region.”.

(5) Section 336 of the 1999 Act (withdrawal) shall have effect as if —

- (a) in subsection (3)—
 - (i) paragraph (a) were omitted; and
 - (ii) paragraph (b) were omitted.

(6) Section 338 of the 1999 Act (examination in public) shall have effect as if for “Authority” there were substituted “the Mayor of the Liverpool City Region”.

(7) Section 339 (review of matters affecting the strategy) shall have effect as if in subsection (2) for “his” there were substituted “its”.

(8) Section 342 of the 1999 Act (matters to which the Mayor is to have regard) shall have effect as if—

- (a) for subsection (1) there were substituted—

“(1) In exercising its functions under the preceding provisions of this Part, the Combined Authority shall have regard to—

- (a) the National Planning Policy Framework;
- (b) the effect that the proposed spatial development strategy or revision would have on—
 - (i) the health of persons in the Liverpool City Region;
 - (ii) health inequalities between persons living in the Liverpool City Region;
 - (iii) the achievement of sustainable development in the United Kingdom;
 - (iv) climate change and the consequences of climate change;
 - (v) the need to ensure that the strategy is consistent with national policies and the EU obligations of the United Kingdom; and
- (c) such other matters as the Secretary of State may prescribe.”.

- (b) subsection (2) were omitted.

(9) Section 344 of the 1999 Act (amendments of the Town and Country Planning Act 1990) shall have effect as if it were omitted.

(10) Section 345 of the 1999 Act (Town and Country Planning Act 1990: costs of appeals) shall have effect as if it were omitted.

(11) Section 347 of the 1999 Act (functional bodies to have regard to the strategy), shall have effect as if there were substituted—

“Constituent councils to have regard to the strategy

347.

In exercising any function, each of the constituent councils and the Combined Authority shall have regard to the spatial development strategy, but this is without prejudice to section 24 of the Planning and Compulsory Purchase Act 2004 as modified by Part 2 of Schedule 1 to the Liverpool City Region Combined Authority (Functions and Amendment) Order 2016 (which requires certain documents of a constituent council to be in general conformity with the strategy).”.

(12) Section 348 of the 1999 Act (Mayor’s functions as to planning around Greater London) shall have effect as if—

- (a) in subsections (1), (2) and (3) for “his” there were substituted “its”;
- (b) in subsection (3), for “London borough councils” there were substituted “constituent councils”; and
- (c) in subsection (4), for “Authority” there were substituted “Combined Authority”.

(13) Section 349 of the 1999 Act (abolition of joint planning committee for Greater London) shall have effect as if it were omitted.

(14) Section 350 of the 1999 Act (interpretation of Part VIII) shall have effect as if —

- (a) the following definitions were inserted, in the appropriate places—

“constituent councils” means the councils for the local government areas of Halton, Knowsley, Liverpool, St Helens, Sefton, and Wirral;

“the Combined Authority” means the Liverpool City Region Combined Authority;

“the Liverpool City Region” means the area of the Combined Authority;

“Mayor of the Liverpool City Region” is the person elected to the position established by article 3 of the Halton, Knowsley, Liverpool, St Helens, Sefton, and Wirral Combined Authority (Election of Mayor) Order 2016;” and

- (b) subsection (2) were omitted.

PART 2

Modification of the 2004 Act

2.—(1) Sections 19, 24, 37, 38 and 113 of the 2004 Act are modified in accordance with the following provisions.

(2) Section 19 of the 2004 Act (preparation of local development documents), shall have effect as if for subsection (2)(c) there were substituted—

“(c) the spatial development strategy if the authority is a constituent council of the Combined Authority or if any of the authority’s area adjoins the Liverpool City Region;”.

(3) In section 24 of the 2004 Act (conformity with regional strategy) shall have effect as if—

- (a) for subsection (1)(b) there were substituted—

“(b) the spatial development strategy if the authority is a constituent council of the Combined Authority.”;

(b) after subsection (4) there were inserted—

“(4A) A local planning authority which is a constituent council of the Combined Authority—

- (a) must request the opinion in writing of the Combined Authority as to the general conformity of a development plan document with the spatial development strategy;
- (b) may request the opinion in writing of the Combined Authority as to the general conformity of any other local development document with the spatial development strategy.”;

(c) after subsection (5) there were inserted—

“(5A) The Combined Authority may give an opinion as to the general conformity of a local development document with the spatial development strategy irrespective of whether a request is made under subsection (4A).”; and

(d) in subsection (7) for “Mayor” there were substituted “Mayor of the Liverpool City Region”.

(4) Section 37 of the 2004 Act (interpretation) shall have effect as if after subsection (6A)(a), there were inserted—

“(6B) In relation to the Combined Authority, in this section—

“constituent council” means one of the councils for the local government areas of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral;

“Combined Authority” is the Liverpool City Region Combined Authority established by the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014;

“the Liverpool City Region” is the area of Combined Authority as specified in article 3 of the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014 ;

“Mayor of the Liverpool City Region ” is the person elected to the position established by article 3 of the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority (Election of Mayor) Order 2016; and

“spatial development strategy”, in relation to the Combined Authority, means a strategy established by the Combined Authority in exercise of powers under article 3 of the Liverpool City Region Combined Authority (Functions and Amendment) Order 2016.”.

(5) Section 38 of the 2004 Act (development plan) shall have effect as if—

(a) after subsection (2) there were inserted—

“(2A) For the purposes of any area in the Liverpool City Region the development plan is—

- (a) the spatial development strategy;
- (b) the development plan documents (taken as a whole) which have been adopted or approved in relation to that area; and
- (c) the neighbourhood development plans which have been made in relation to that area.”;

(b) after subsection (10) there were inserted—

“(11) In this section—

“Combined Authority” is the Liverpool City Region Combined Authority established by the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014; and

“the Liverpool City Region” is the area of the Combined Authority as specified in article 3 of the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014;

(a) Section 37(6A) was inserted by section 85 of, and paragraph 17 of Schedule 5 to, the 2009 Act.

“spatial development strategy”, in relation to the Combined Authority, means a strategy established by the Combined Authority in exercise of powers under article 3 of the Liverpool City Region Combined Authority (Functions and Amendment) Order 2016.”.

(6) Section 113 of the 2004 Act (validity of strategies, plans and documents) shall have effect as if—

- (a) in subsection (1), after “the Mayor of London’s”, there were inserted “or the Combined Authority’s”;
- (b) in subsection (11)(e), after “the Mayor of London”, there were inserted “or the Combined Authority”;
- (c) after subsection (12), there were inserted—

“(13) In this section “Combined Authority” is the Liverpool City Region Combined Authority established by the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014” .

SCHEDULE 2

Article 5

Planning applications of potential strategic importance

“PART 1

Large scale developments

Category 1A

Development which—

- (a) comprises or includes the provision of more than 500 houses, flats, or houses and flats; or
- (b) comprises or includes the provision of flats or houses and the development occupies more than 10 hectares.

Category 1B

Development (other than development which only comprises the provision of houses, flats, or houses and flats) which comprises or includes the erection of a building or buildings with a total floorspace of more than 30,000 square metres.

Category 1C

Development which comprises or includes the erection of a building more than 30 meters high

PART 2

Major infrastructure

Category 2A

1. Development which comprises or includes mining operations where the development occupies more than 10 hectares.

2. In paragraph 1 “mining operations” means the winning and working of minerals in, on or under land, whether by surface or underground working.

Category 2B

1. Waste development to provide an installation with capacity for a throughput of more than 50,000 tonnes per annum of waste produced outside the land in respect of which planning permission is sought.

2. In paragraph 1 “waste development” means any operational development designed to be used wholly or mainly for the purpose of, or a material change of use to, treating, keeping, processing or disposing of refuse or waste materials.

Category 2C

Development to provide—

- (a) an aircraft runway;
- (b) a heliport (including a floating heliport or a helipad on a building);
- (c) an air passenger terminal at an airport;
- (d) a railway station;
- (e) a tramway, an underground, surface or elevated railway, or a cable car;
- (f) a bus or coach station;
- (g) a crossing over or under the River Mersey; or
- (h) a passenger pier on the River Mersey.

PART 3

Development which may affect strategic policies

Interpretation

1. In this Part land shall be treated as used for a particular use if—

- (a) it was last used for that use, or
- (b) it is allocated for that use in—
 - (i) the development plan in force in the area in which the application site is situated,
 - (ii) proposals for such a plan, or
 - (iii) proposals for the alteration or replacement of such a plan.

Category 3A

1. Development which is likely to—

- (a) result in the loss of more than 200 houses, flats, or houses and flats (irrespective of whether the development would entail also the provision of new houses or flats); or
- (b) prejudice the residential use of land which exceeds 4 hectares and is used for residential use.

Category 3B

1. Development—

- (a) which occupies more than 4 hectares of land which is used for a use within Class B1 (business), B2 (general industrial) or B8 (storage or distribution) of the Use Classes Order; and
- (b) which is likely to prejudice the use of that land for any such use.

Category 3C

1. Development which is likely to prejudice the use as a playing field of more than 2 hectares of land which—

- (a) is used as a playing field at the time the relevant application for planning permission is made, or
- (b) has at any time in the five years before the making of the application been used as a playing field.

2. In paragraph 1 “playing field” has the same meaning as in article 10(2)(l) of the GDPO.

Category 3D

1. Development—

- (a) on land allocated as Green Belt or Metropolitan Open Land in the development plan, in proposals for such a plan, or in proposals for the alteration or replacement of such a plan; and
- (b) which would involve the construction of a building with a floorspace of more than 1,000 square metres or a material change in the use of such a building.

Category 3E

1. Development which does not accord with one or more provisions of the development plan in force in the area in which the application site is situated and—

- (a) comprises or includes the provision of more than 2,500 square metres of floorspace for a use falling within any of the following Classes in the Use Classes Order—
 - (i) class A1 (retail);
 - (ii) class A2 (financial and professional);
 - (iii) class A3 (food and drink);
 - (iv) class B1 (business);
 - (v) class B2 (general industrial);
 - (vi) class B8 (storage and distribution);
 - (vii) class C1 (hotels);
 - (viii) class C2 (residential institutions);
 - (ix) class D1 (non-residential institutions);
 - (x) class D2 (assembly and leisure).

Or

- (b) comprises or includes the provision of more than 150 houses or flats or houses and flats.

Category 3F

- 1. Development for a use, other than residential use, which includes the provision of more than 200 car parking spaces in connection with that use.”.

SCHEDULE 3

Article 9(4)

Housing and Regeneration

PART 1

Modification of the application of Chapters 1 and 2 of Part 1 of the 2008 Act

1.—(1) Chapters 1 and 2 of Part 1 of the 2008 Act are modified in accordance with the following provisions.

(2) Sections 5 (powers to provide housing or other land), 6 (powers for regeneration, development or effective use of land), 7 (powers in relation to infrastructure), 8 (powers to deal with land etc.), 9 (acquisition of land), 10 (restrictions on disposal of land), 11 (main powers in relation to acquired land) of, and Schedules 2 to 4 to, the 2008 Act, as applied by article 8, shall have effect as if for every reference to—

- (a) “the HCA” there were substituted a reference to “the Liverpool City Region Combined Authority”;
- (b) “Part 1” of that Act there were substituted a reference to “Part 3 of the Liverpool City Region Combined Authority (Functions and Amendment) Order 2016”;
- (c) “the HCA’s land” or land acquired or held by the HCA there were substituted a reference to “the Liverpool City Region Combined Authority’s land” or land acquired or held by the Liverpool City Region Combined Authority.

(3) Sections 5, 6, 8, 9 and 10 of the 2008 Act shall have effect as if for every reference to “land” there were substituted a reference to “land in the area of the Liverpool City Region Combined Authority”.

(4) Section 57(1) of the 2008 Act shall have effect as if the following definition were inserted at the appropriate place—

““the Liverpool City Region Combined Authority” means the body corporate established by the Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority Order 2014;.”

PART 2

Modification of the application of Schedules 2 to 4 to the 2008 Act

2.—(1) Schedules 2 to 4 to the 2008 Act are modified in accordance with the following provisions.

(2) Part 1 of Schedule 2 to the 2008 Act (compulsory acquisition of land) shall have effect as if for every reference to “section 9” of that Act there were substituted a reference to “article 5” of this Order;

(3) Schedule 3 to the 2008 Act (main powers in relation to land acquired by the HCA) shall have effect as if for references to land which has been vested in or acquired by the HCA there were substituted references to land which has been vested in or acquired by the Liverpool City Region Combined Authority.

(4) Schedule 4 to the 2008 Act (powers in relation to, and for, statutory undertakers) shall have effect as if for every reference to the HCA under Part 1 of that Act there were substituted a reference to the functions conferred on the Liverpool City Region Combined Authority under article 5.

SCHEDULE 4

Article 11

PART 1

Modification of the 2011 Act

1.—(1) Part 8 of the 2011 Act is modified in accordance with the following provisions.

(2) Section 196 of the 2011 Act shall have effect as if “the Mayor” means the Mayor of London” is omitted.

(3) Sections 196 to 222 of the 2011 Act shall have effect as if for every reference to—

- (a) “the Assembly” there were substituted references to “the Combined Authority”;
- (b) “the Greater London Authority” there were substituted “the Combined Authority”;
- (c) “the London Assembly” there were substituted “the Combined Authority”; and
- (d) “the Mayor” there were substituted “the Combined Authority”, except for the two occurrences in section 197(3)(e).

(4) Section 197 of the 2011 Act (designation of mayoral development areas) shall have effect as if —

- (a) in subsection (1) for “Greater London” there were substituted “the area of the Combined Authority”;
- (b) in subsection (3)—
 - (i) in paragraph (a) for “any one or more of the Greater London Authority’s principal purposes” there were substituted “economic development and regeneration in the area of the Combined Authority(a)”,
 - (ii) in paragraph (d) the references to “the London Assembly or” were omitted and for “subsection (4)(d), (e), (f) or (g)” there were substituted “subsection 4(d) and (e)”, and
 - (iii) in subsection (f) for “the London Assembly” there were substituted “the Combined Authority”;
- (c) in subsection (4)—

(a) Article 13 of, and Schedule 2 to, the 2014 Order confer on the Combined Authority functions exercisable for the purpose of economic development and regeneration.

- (i) paragraph (a) were omitted,
 - (ii) paragraph (b) were omitted,
 - (iii) in paragraph (d) for “each London borough council whose borough” there were substituted a reference to “each district council or county council wholly or partly in the combined authority’s area”, and
 - (iv) paragraphs (e), (f) and (g) were omitted; and
- (d) subsection (7) were omitted.

(5) Section 199 of the 2011 Act (exclusion of land from mayoral development corporation) shall have effect as if in subsection (2)—

- (a) paragraph (a) is omitted, and
- (b) in paragraph (b) “other” is omitted.

(6) Section 200 of the 2011 Act (transfers of property etc to a Mayoral development corporation) shall have effect as if—

- (a) in subsection (3)—
 - (i) in paragraph (a), for “a London borough council” there were substituted a reference to “a district council wholly or partly in the combined authority’s area”,
 - (ii) paragraph (b) were omitted,
 - (iii) in paragraphs (d) and (e), for “in Greater London” there were substituted a reference to “in the area of the Combined Authority”,
 - (iv) paragraph (f) were omitted,
 - (v) paragraph (g) were omitted,
 - (vi) paragraph (h) were omitted, and
 - (vii) paragraph (k) were omitted;
- (b) in subsection (4) paragraph (b) were omitted;
- (c) subsection (7) were omitted;
- (d) subsection (8) were omitted; and
- (e) in subsection (10) the definitions of a “functional body” and “public authority” were omitted.

(7) Section 201 of the 2011 Act (object and powers) shall have effect as if subsection (8)(b) were omitted.

(8) Section 202 of the 2011 Act (functions in relation to Town and Country planning) shall have effect as if in subsection (7)—

- (a) “the London Assembly or” were omitted, and
- (b) in the definition of “affected authority” “,(f) or (g)” were omitted.

(9) Section 203 of the 2011 Act (arrangements for discharge of, or assistance with, planning functions) shall have effect as if for each reference to “a London borough council or the Common Council of the City of London” there is substituted a reference to “a district council, county council”.

(10) Section 207 of the 2011 Act (acquisition of land) shall have effect as if—

- (a) in subsection (2) for “in Greater London” there were substituted a reference to “in the Combined Authority’s area”; and

- (b) in subsection (3) for the words “ Mayor of London” there were substituted “the Combined Authority”.

(11) Section 214 of the 2011 Act (powers in relation to discretionary relief from non-domestic rates) shall have effect as if—

- (a) in subsection (4)(c) for “or an affected local authority” were omitted; and
- (b) in subsection (4) the definition of “an affected local authority” were omitted.

(12) Section 216 of the 2011 Act (transfers of property, rights and liabilities) shall have effect as if—

- (a) in subsection (2) “, (e)” were omitted; and
- (b) in subsection (4)—
 - (i) the definition of “functional body” were omitted; and
 - (ii) in the definition of “permitted recipient”—
 - (aa) paragraph (b) were omitted,
 - (bb) for “(d) a London borough council” there were substituted “a district council or county council wholly or partly within the combined authority’s area”, and
 - (cc) paragraph (e) were omitted.

PART 2

Modification of Schedule 21 to the 2011 Act

1.—(1) Schedule 21 to the 2011 Act is modified in accordance with the following provisions.

(2) Schedule 21 of the 2011 Act shall have effect as if—

- (a) in paragraph 1(1) for the reference to the Mayor of London (“the Mayor”) there were substituted the Combined Authority;
- (b) for each subsequent reference to the Mayor in Schedule 21 there were substituted a reference to the Combined Authority;
- (c) in paragraph 1(1) for the reference to “each relevant London council” there were substituted a reference to “each district council or county council wholly or partly in the Combined Authority’s area”;
- (d) paragraph 1(3) were omitted;
- (e) in paragraph 4(4) for the reference to “the London Assembly” there were substituted a reference to “the Combined Authority”; and
- (f) in paragraph 10(1)(c) “and the London Assembly” were omitted.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the conferral of functions of local authorities and other public authorities on the Liverpool City Region Combined Authority (“the Combined Authority”).

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions of a local authority under sections 104, 105 and 105A of the 2009

Act, and power to exercise specified functions of any other public authority under section 16 of the Cities and Local Government Devolution Act 2016 (“the 2016 Act”).

The Secretary of State may provide for there to be a mayor for the area of a combined authority where the constituent councils of the combined authority (each district council or county council whose area is within the area of the combined authority) and any existing combined authority consent under section 107B(3) of the 2009 Act.

Part 2 of and Schedule 1 to the Order confers on the Combined Authority functions corresponding to the spatial development strategy function that the Mayor of London has in relation to Greater London under section 334(1) of the Greater London Authority Act 1999.

Part 3 of and Schedule 2 to the Order confer on the Combined Authority functions in relation to housing and regeneration which are exercised concurrently with the Homes and Communities Agency.

Part 5 of and Schedule 3 to the Order confer on the Combined Authority functions corresponding to those of the Mayor of London in relation to the designation of Mayoral development area. Schedule 3 to the Order modifies Part 8 of and Schedule 21 to the Localism Act (“the 2011 Act”) which makes provision about the establishment of a Mayor development corporation, its objects and powers as well as its constitution and governance.

Part 6 of the Order gives the ability to exercise the function in section 1 of the 2011 Act (local authority’s general power of competence)

Part 7 makes provision for the funding of the functions conferred by this Order.

Part 8 of the Order makes additional provision for the Mayor for the area of the Combined Authority. *Article 21* sets out the functions of the Combined Authority which are to be only exercisable by the Mayor, and *article 22* provides for the appointment of a political adviser to the Mayor.

Part 9 of the Order provides for amendments to the order establishing the Combined Authority. *Article 23* makes some general, incidental provisions relating to the Combined Authority to enable it to carry out its functions effectively and enables the Authority to pay allowances to its members.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business and the voluntary sector.

APPENDIX 4

IMPLEMENTATION OF THE LCR DEVOLUTION DEAL – POWERS AND THE EXERCISE OF THOSE POWERS AS CONTAINED WITHIN THE LCR CA ORDER 2017

| Devolution Deal | LCR Order | Exercise of powers |
|--|--|--|
| Housing and Planning | | |
| Development of a Single Statutory City Region Framework - (para 22a of the Deal) | Article 3 Termed Spatial Development Strategy | CA from the day following the effect of the order to 8 May 2017 subject to article 3 (2) . City Region Mayor from 8 May onwards subject to the unanimous vote in favour by all members of the CA appointed by the constituent councils. Article 21 (3) |
| Power to be consulted on and/or call in Planning applications of Strategic Importance - (para 22b of the Deal) | Article 5 | City Region Mayor from 8 May 2017 subject to the consent of the member of the CA appointed by the constituent council to whom the planning application was made. Article 21 (2) |
| Mayoral Development Corporation and designation of Mayoral development Zones - (para 22c&d of the Deal) | Articles 10-14 Termed Mayoral Development Areas | City Region Mayor from 8 May 2017 subject to consent of all members of the CA appointed by the constituent council containing any part of the area to be designated as a mayoral development area and if any part of an area, previously designated as mayoral development area, is to be excluded. Article 21 (7) |

| | | |
|---|--|--|
| CPO powers to aid scheme delivery (para 22d of the deal) | Article 6 1(e) Article 7 1 (a) | CA from the day following the effect of the order to 8 May 2017 subject to Article 8 (1) City Region Mayor from 8 May 2017 subject to the consent of all members of the CA appointed by the constituent council whose council area contains any part of the land subject to the proposed CPO. Article 21 (6) |
| Transport | | |
| Devolved and consolidated Transport Budget (para 23a of the Deal) | Article 15 | City Region Mayor from 8 May 2017 subject to the ability of the CA to reject proposals should two thirds of the members of the CA appointed by the constituent council agree to do so. Article 21 (1) a (ii) Article 21 (5) Article 21 (9) b |
| Bus Franchising (para 23b of the deal) | Subject to separate legislation through the Buses Bill | |
| Key Route Network (para 23c of the deal) | Articles 16-18 Article 21 1 (iii) sections 108,109, 112 of the Transport Act | City Region Mayor from 8 May 2017 subject to the unanimous vote in favour by all members of the CA appointed by the constituent councils. Article 23 (2) (b) (iv) Article 21 1 (iii) – sections 108,109, 112 of the Transport Act (LTP) 2000 transferred to |

| | | |
|--|---|--|
| | (LTP) 2000 | the CA as a result of the CA order 2014. These are now Mayoral powers from 8 May 2017 subject to the ability of the CA to reject proposals should two thirds of the members of the CA appointed by the constituent council agree to do so. Article 21 (4) Article 21 9 (b) |
| Fiscal | | |
| Single Investment Fund (paras 47&48 of the deal) | No powers required in this order. | Already contained within Schedule 2 (1) of the 2014 order. |
| Administrative Functions | | |
| Not contained in the deal | Article 22 - Appointment of political advisor | City Region Mayor from 8 May 2017 |
| Not contained in the deal | Article 23 (8) – Allowances Payment of an allowance to the City Region Mayor No allowances payable by the CA to its members Constituent councils may pay an allowance to any member appointed by it to the CA in accordance with its own scheme of allowances. | Combined Authority (remuneration panel) Constituent Councils |

Draft Order laid before Parliament under section 117(2) of the Local Democracy, Economic Development and Construction Act 2009, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2016 No.

LOCAL GOVERNMENT, ENGLAND

**The Combined Authorities (Overview and Scrutiny Committees,
Access to Information and Audit Committees) Order 2016**

Made - - - -

Coming into force in accordance with article 1

The Secretary of State makes the following Order in exercise of the powers conferred by section 114 of, and paragraphs 3 and 4(3) of Schedule 5A to, the Local Democracy, Economic Development and Construction Act 2009(a).

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 117(2) of the Local Democracy, Economic Development and Construction Act 2009.

PART 1

General

Citation and commencement

1. This Order may be cited as the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2016 and shall come into force on 8th May 2017.

Interpretation

2.—(1) In this Order—

“the 2009 Act” means the Local Democracy, Economic Development and Construction Act 2009;

“excluded matter” means any matter which is a local crime and disorder matter within the meaning of section 19 of the Police and Justice Act 2006(b) or a matter of any description

(a) 2009 c. 20. Section 114 was amended by section 23 of and paragraphs 17 and 26 of Schedule 5 to the Cities and Local Government Devolution Act 2016 (c. 1). Schedule 5A was inserted by section 8 of, and Schedule 3 to, the Cities and Local Government Devolution Act 2016. Section 117(2), (2A) and (3) was substituted by section 13 of the Localism Act 2011 (c. 20). Section 117 was amended by paragraph 24 of Schedule 5 to the Cities and Local Government Devolution Act 2016.

(b) 2006 c. 48. Section 19 was amended by section 126 of the Local Government and Public Involvement in Health Act 2007 (c. 28) and by paragraph 80 of Schedule 3 to and paragraph 1 of Part 4 of Schedule 25 to the Localism Act 2011 (c. 20).

specified in an order made by the Secretary of State for the purposes of section 9FC of the Local Government Act 2000(a);

“mayor” means the mayor for the area of a combined authority established in an order made under section 107A of the 2009 Act;

“member” in relation to membership of an overview and scrutiny committee includes the chair of that overview and scrutiny committee;

“non constituent council” means a council designated as a non constituent council in an order made under section 103(1) of the 2009 Act;

“principal authority” means in the case of a parish council for an area in a district that has a district council, that district council, and in the case of a parish council for any other area, the county council for the county that includes that area; and

“proper officer” has the same meaning as in section 270(3) of the Local Government Act 1972(b).

(2) For the purposes of this Order a person (“R”) is a relative of another person if R is—

- (a) the other person’s spouse or civil partner,
- (b) living with the other person as husband and wife or as if they were civil partners,
- (c) a grandparent of the other person,
- (d) a lineal descendant of a grandparent of the other person,
- (e) a parent, sibling or child of a person within paragraph (a) or (b),
- (f) the spouse or civil partner of a person within paragraph (c), (d) or (e), or
- (g) living with a person within paragraph (c), (d) or (e) as husband and wife or as if they were civil partners.

PART 2

Overview and scrutiny: general provisions

Overview and scrutiny committees

3.—(1) The majority of members of a combined authority’s overview and scrutiny committee must be members of that combined authority’s constituent councils.

(2) At least two-thirds of the total number of members of the overview and scrutiny committee must be present at a meeting of the overview and scrutiny committee before business may be transacted.

(3) Each member of the overview and scrutiny committee appointed from the constituent councils is to have one vote and no member is to have a casting vote.

(4) Members of the overview and scrutiny committee who are appointed other than from the constituent councils shall be non-voting members of the committee but may be given voting rights by resolution of the combined authority(c).

(5) Any questions that are to be decided by the overview and scrutiny committee are to be decided by a simple majority of the members present and voting on that question at a meeting of the overview and scrutiny committee.

(6) If a vote is tied on any matter it is deemed not to have been carried.

(a) 2000 c. 22. Section 9FC was inserted by section 21 of and Schedule 2 to the Localism Act 2011.
(c) Paragraph 2(5) of Schedule 5A to the 2009 Act applies section 102 (2) to (5) of the Local Government Act 1972 to combined authorities.
(e) Paragraph 2(5) of Schedule 5A to the 2009 Act applies section 102 (2) to (5) of the Local Government Act 1972 to combined authorities.

(7) In this article, references to an overview and scrutiny committee include references to a sub-committee of such a committee.

Appointment of members

- 4.—(1) The combined authority must—
- (a) appoint such a number of members of each of the constituent councils to an overview and scrutiny committee, so that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together; and
 - (b) within the period of 28 days beginning with the day on which an appointment is made to the overview and scrutiny committee, publish a notice that—
 - (i) states that it has made an appointment;
 - (ii) identifies each member of the committee who has been appointed; and
 - (iii) specifies the period for which the members of the committee have been appointed.
- (2) The notice mentioned at paragraph (1)(b) must be published—
- (a) if the combined authority has a website, on its website; or
 - (b) otherwise, in such manner as it thinks is likely to bring the notice to the attention of persons who live in its area.

Appointment of chair

5.—(1) — Paragraphs (2) to (4) apply where the chair of an overview and scrutiny committee is to be an independent person in accordance with provision made under paragraph 3 of Schedule 5A to the 2009 Act(a).

- (2) A person is independent if the person—
- (a) is not a member, co-opted member or officer of the combined authority;
 - (b) is not a member, co-opted member or officer of a constituent council or a parish council for which a constituent council is the principal authority; and
 - (c) is not a relative, or close friend, of a person within sub-paragraph (a) or (b);
 - (d) was not at any time during the 5 years ending with an appointment as chair of the overview and scrutiny committee under arrangements made by the combined authority in accordance with paragraph 3(4)(a) of Schedule 5A to the 2009 Act—
 - (i) a member, co-opted member or officer of the combined authority; or
 - (ii) a member, co-opted member or officer of a constituent council or a parish council for which a constituent council is the principal authority.
- (3) A person may not be appointed as independent chair of the overview and scrutiny committee unless—
- (a) the vacancy for a chair of the overview and scrutiny committee has been advertised in such manner as the combined authority considers is likely to bring it to the attention of the public;
 - (b) the person has submitted an application to fill the vacancy to the combined authority, and
 - (c) the person's appointment has been approved by a majority of the members of the combined authority.

(a) Paragraph 3(4) of Schedule 5A to the 2009 Act requires the Secretary of State to make provision that the chair of an overview and scrutiny committee is an independent person, as defined by the order (paragraph 3(4)(a) of Schedule 5A) or an appropriate person who is a member of one of the combined authority's constituent councils (paragraph 3(4)(b) of Schedule 5A).

(4) A person appointed as independent chair of the overview and scrutiny committee does not cease to be independent as a result of being paid any amounts by way of allowances or expenses in connection with performing the duties of the appointment.

(5) Paragraph (6) applies where the chair of an overview and scrutiny committee is to be an appropriate person in accordance with provision made under paragraph 3(4)(b) of Schedule 5A to the 2009 Act.

(6) Where the mayor is not a member of a registered political party, a person may not be appointed as chair of the overview and scrutiny committee if that person is –

- (a) a member of the registered political party which has the most representatives among the members of the constituent councils on the combined authority, or
- (b) where two or more parties have the same number of representatives, a member of any of those parties.

Reference of matters to overview and scrutiny committees

6.—(1) The combined authority must ensure that it enables—

- (a) any member of an overview and scrutiny committee to refer to the committee any matter which is relevant to the functions of the committee;
- (b) any member of a sub-committee of an overview and scrutiny committee to refer to the sub-committee any matter which is relevant to the functions of the sub-committee;
- (c) any member of the combined authority to refer to an overview and scrutiny committee any matter which is relevant to the functions of the committee and is not an excluded matter; and
- (d) any member of a constituent council or a non-constituent council^(a) of a combined authority to refer to an overview and scrutiny committee any matter which is relevant to the functions of the committee and is not an excluded matter.

(2) For the purposes of paragraph (1), a combined authority enables a member mentioned in paragraph (1)(a) to (d) to refer a matter to a committee or sub-committee if it enables that member to ensure that the matter is included in the agenda for, and discussed at, a meeting of the committee or sub-committee.

(3) Paragraphs (4) to (7) apply where a matter is referred to an overview and scrutiny committee by a member of a combined authority or a member of a constituent council or a non-constituent council in accordance with arrangements made by the combined authority pursuant to paragraph (1)(c) or (d).

(4) In considering whether or not to exercise any of the powers under arrangements made in accordance with paragraph 1(2)(a) or (3)(a) of Schedule 5A to the 2009 Act in relation to a matter referred to the committee, the committee must have regard to any representations made by the member as to why it would be appropriate for the committee to exercise any of these powers in relation to the matter.

(5) If the committee decides not to exercise any of its powers under arrangements made in accordance with paragraph 1(2)(a) or (3)(a) of Schedule 5A to the 2009 Act in relation to the matter, it must notify the member of—

- (a) its decision; and
- (b) the reasons for it.

(6) The committee must provide the member with a copy of any report or recommendations which it makes under paragraph 1(2)(b) or (3)(b) of Schedule 5A to the 2009 Act in connection with the matter referred to it by the member.

(7) Paragraph (6) is subject to article 8 (confidential and exempt information).

(a) Orders establishing a combined authority may provide for there to be non constituent councils of a combined authority (see article 2 of S.I. 2014/864).

Duty of combined authority and mayor to respond to overview and scrutiny committee

7.—(1) Where an overview and scrutiny committee or a sub-committee of such a committee makes a report or recommendations the committee may—

- (a) publish the report or recommendations;
- (b) by notice in writing require the combined authority or the mayor to—
 - (i) consider the report or recommendations;
 - (ii) respond to the overview and scrutiny committee indicating what (if any) action the combined authority proposes to take;
 - (iii) if the overview and scrutiny committee has published the report or recommendations under paragraph (a), publish the response.

(2) A notice given under paragraph (1)(b) must require the combined authority or the mayor to comply with it within two months beginning with the date on which the combined authority or the mayor received the reports or recommendations or (if later) the notice.

(3) The combined authority or the mayor must respond to a report or recommendations made by an overview and scrutiny committee, or a sub-committee of such a committee, as result of a referral made in accordance with article 6 within two months beginning with the date on which the combined authority or the mayor received the notice.

(4) Where an overview and scrutiny committee exercises any of its powers under arrangements made in accordance with paragraph 1(2) or 1(3) of Schedule 5A to the 2009 Act in relation to a decision made but not implemented—

- (a) where recommendations have been made under paragraph 1(4)(b) of Schedule 5A to the 2009 Act, the combined authority or the mayor must hold a meeting to reconsider the decision no later than 10 days after the date on which the recommendations of the overview and scrutiny committee were received by the combined authority; and
- (b) any direction under arrangements made in accordance with paragraph 1(4)(a) of Schedule 5A to the 2009 Act may have effect for a period not exceeding 14 days from the date on which the direction is issued.

Confidential and exempt information

8.—(1) This article applies in relation to—

- (a) the publication of any document as a result of a reference made in accordance with article 7 (duty of combined authority and the mayor to respond to overview and scrutiny committee) comprising—
 - (i) a report or recommendations of an overview and scrutiny committee; or
 - (ii) a response of a combined authority or the mayor to any such report or recommendations; and
- (b) the provision of a copy of such a document to a member of a combined authority or to a member of a constituent council or a non-constituent council, by an overview and scrutiny committee or a combined authority or the mayor.

(2) The overview and scrutiny committee or the combined authority, or the mayor in publishing the document—

- (a) must exclude any confidential information; and
- (b) may exclude any relevant exempt information.

(3) The overview and scrutiny committee, or the combined authority, or the mayor, in providing a copy of a document to a member of the combined authority or to a member of a constituent council or a non-constituent council, may exclude any confidential information or relevant exempt information.

(4) Where information is excluded under paragraph (2) or (3), the overview and scrutiny committee or the combined authority, or the mayor, in publishing, or providing a copy of, the document—

- (a) may replace so much of the document as discloses the information with a summary which does not disclose that information; and
- (b) must do so if, in consequence of excluding the information, the document published, or copy provided, would be misleading or not reasonably comprehensible.

(5) If by virtue of paragraph (2), (3) or (4) an overview and scrutiny committee or the combined authority, or the mayor, in publishing or providing a copy of a report or recommendations—

- (a) excludes information; or
- (b) replaces part of the report or the recommendations with a summary,

it is nevertheless to be taken to have published the report or recommendations.

(6) In this article—

“confidential information” has the meaning given by section 100A(3) of the Local Government Act 1972(a) (admission to meetings of principal councils);

“exempt information” has the meaning given by section 100I of that Act(b); and

“relevant exempt information” means—

- (a) in relation to a report or recommendations of an overview and scrutiny committee, exempt information of a description specified in a resolution of the overview and scrutiny committee under section 100A(4) of the Local Government Act 1972 which applied to the proceedings, or part of the proceedings, at any meeting of the overview and scrutiny committee at which the report was, or recommendations were, considered; and
- (b) in relation to a response of the authority or of the mayor, exempt information of a description specified in such a resolution of the authority which applied to the proceedings, or part of the proceedings, at any meeting of the authority at which the report or response was, or recommendations were, considered.

(7) In this article, references to an overview and scrutiny committee include references to a sub-committee of such a committee.

Scrutiny officer

9.—(1) A combined authority must designate one of its officers as the scrutiny officer of the overview and scrutiny committee to discharge the functions in paragraph (2).

(2) Those functions are—

- (a) to promote the role of the overview and scrutiny committee;
- (b) to provide support and guidance to the overview and scrutiny committee and its members;
- (c) to provide support and guidance to members of the combined authority and to the mayor in relation to the functions of the overview and scrutiny committee.

(3) A combined authority may not designate as the scrutiny officer any officer of a constituent council of the combined authority.

(4) In this article, references to an overview and scrutiny committee include references to a sub-committee of such a committee.

(a) Section 100A was inserted by section 1 of the Local Government (Access to Information) Act 1985 (c. 43) and amended by S.I. 2002/715 and by S.I. 2014/2095.

(b) Section 100I was inserted by section 1 of the Local Government (Access to Information) Act 1985 and amended by S.I. 2006/88.

Additional rights of access to documents for members of overview and scrutiny committees

10.—(1) Subject to paragraph (3), a member of an overview and scrutiny committee or a sub-committee of such a committee is entitled to a copy of any document which—

- (a) is in the possession or under the control of the combined authority or the mayor ; and
- (b) contains material relating to—
 - (i) any business that has been transacted at a meeting of a decision-making body of that authority; or
 - (ii) any decision that has been made by an individual member of that combined authority.

(2) Subject to paragraph (3), where a member of an overview and scrutiny committee or a sub-committee of such a committee requests a document which falls within paragraph (1), the combined authority or the mayor must provide that document as soon as reasonably practicable and in any case no later than 10 clear days after the combined authority receives the request.

(3) No member of an overview and scrutiny committee is entitled to a copy—

- (a) of any such document or part of a document as contains exempt or confidential information unless that information is relevant to—
 - (i) an action or decision that that member is reviewing or scrutinising; or
 - (ii) any review contained in any programme of work of such a committee or sub-committee of such a committee; or
- (b) of a document or part of a document containing advice provided by a political adviser (a).

(4) Where the combined authority or the mayor determines that a member of an overview and scrutiny committee is not entitled to a copy of a document or part of any such document for a reason set out in paragraph (3), it must provide the overview and scrutiny committee with a written statement setting out its reasons for that decision.

(5) In this article, references to an overview and scrutiny committee include references to a sub-committee of such a committee.

PART 3

Key decisions

Key decisions

11.—(1) In this Order—

- (a) a “key decision” means a decision of a decision maker, which in the view of the overview and scrutiny committee for a combined authority is likely—
 - (i) to result in the combined authority or the mayor incurring significant expenditure, or the making of significant savings, having regard to the combined authority’s budget for the service or function to which the decision relates; or
 - (ii) to be significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the area of the combined authority;
- (b) “decision maker” includes a mayor or a person exercising functions pursuant to arrangements under section 107D(3)(a) or (b) of the 2009 Act.

(a) Section 107D(7)(d) of the 2009 Act allows for provision to be made by order for the mayor for the area of a combined authority to appoint a political adviser.

(2) Where a decision maker intends to make a key decision, that decision must not be made until a notice has been published which states—

- (a) that a key decision is to be made in relation to the discharge of functions which are the responsibility of the combined authority;
- (b) the matter in respect of which the decision is to be made;
- (c) the decision maker's name, and title if any;
- (d) the date on which, or the period within which, the decision is to be made;
- (e) a list of the documents submitted to the decision maker for consideration in relation to the matter in respect of which the key decision is to be made;
- (f) the address from which, subject to any prohibition or restriction on their disclosure under article 8(2), copies of, or extracts from, any document listed is available;
- (g) that other documents relevant to those matters may be submitted to the decision maker; and
- (h) the procedure for requesting details of those documents (if any) as they become available.

(3) At least 28 clear days before a key decision is made, the notice referred to in paragraph (2) must be—

- (a) published—
 - (i) if the combined authority has a website, on its website; or
 - (ii) otherwise, in such manner as it thinks is likely to bring the notice to the attention of persons who live in its area; and
- (b) made available for inspection by the public at the offices of the combined authority.

(4) Where, in relation to any matter—

- (a) the public may be excluded under section 100A of the Local Government Act 1972 from the meeting at which the matter is to be discussed; or
- (b) documents relating to the decision need not, because of article 8 (confidential information), be disclosed to the public,

the notice referred to in paragraph (2) must contain particulars of the matter but may not contain any confidential information or exempt information or particulars of the advice of a political adviser.

(5) In paragraph (4), “confidential information” and “exempt information” have the meanings given by article 8(6).

General exception

12.—(1) Subject to article 13, where the publication of the intention to make a key decision under article 11 is impracticable, that decision may only be made—

- (a) where the proper officer has informed the chair of the relevant overview and scrutiny committee or, if there is no such person, each member of the relevant overview and scrutiny committee by notice in writing, of the matter about which the decision is to be made;
- (b) where the proper officer has made available to the public at the offices of the combined authority for inspection by the public and published on the combined authority's website, if it has one, a copy of the notice given pursuant to sub-paragraph (a); and
- (c) after 5 clear days have elapsed following the day on which the proper officer made available the copy of the notice referred to in sub-paragraph (b).

(2) Where paragraph (1)(a) or (b) applies to any matter, article 11 need not be complied with in relation to that matter.

(3) As soon as reasonably practicable after the proper officer has complied with paragraph (1), he or she must—

- (a) make available to the public at the offices of the combined authority a notice setting out the reasons why compliance with article 11 is impracticable; and
- (b) publish that notice on the combined authority's website, if it has one.

Cases of special urgency

13.—(1) Where the date by which a key decision must be made makes compliance with article 12 impracticable, the decision may only be made where the decision maker has obtained agreement from—

- (a) the chair of the relevant overview and scrutiny committee; or
- (b) if there is no such person, or if the chair of the relevant overview and scrutiny committee is unable to act, the chair of the combined authority; or
- (c) where there is no chair of either the relevant overview and scrutiny committee or of the combined authority, the vice-chair of the combined authority,

that the making of the decision is urgent and cannot reasonably be deferred.

(2) As soon as reasonably practicable after the decision maker has obtained agreement under paragraph (1) that the making of the decision is urgent and cannot reasonably be deferred, the decision maker must—

- (a) make available to the public at the offices of the combined authority a notice setting out the reasons why the meeting is urgent and cannot reasonably be deferred; and
- (b) publish that notice on the combined authority's website, if it has one.

PART 4

Audit committees

Audit committees

14.—(1) In appointing members to an audit committee a combined authority must ensure that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together.

(2) An audit committee appointed by the combined authority may not include any officer of the combined authority or of a constituent council.

(3) A combined authority must appoint to an audit committee at least one independent person.

(4) For the purposes of appointments under paragraph (3), a person is independent if the person—

- (a) is not a member, co-opted member or officer of the authority;
- (b) is not a member, co-opted member or officer of a parish council for which the authority is the principal authority;
- (c) is not a relative, or close friend, of a person within sub-paragraph (a) or (b); and
- (d) was not at any time during the 5 years ending with an appointment under paragraph (3) —
 - (i) a member, co-opted member or officer of the authority; or
 - (ii) a member, co-opted member or officer of a parish council for which the authority is the principal authority.

(5) A person may not be appointed under paragraph (3) unless—

- (a) the vacancy for the audit committee has been advertised in such manner as the combined authority considers is likely to bring it to the attention of the public;
- (b) the person has submitted to the combined authority an application to fill the vacancy, and

(c) the person's appointment has been approved by a majority of the members of the combined authority.

(6) A person appointed under paragraph (3) does not cease to be independent as a result of being paid any amounts by way of allowances or expenses in connection with performing the duties of the appointment.

(7) The combined authority must determine a minimum number of members required to be present at a meeting of the audit committee before business may be transacted, to be no fewer than two-thirds of the total number of members of the audit committee.

Signed by authority of the Secretary of State for Communities and Local Government

Name
Parliamentary Under Secretary of State

Date Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Order)

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 ("the 2009 Act") provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions.

Paragraph 3(1) of Schedule 5A to the 2009 Act provides that the Secretary of State may make provision for overview and scrutiny committees of a combined authority. Paragraph 4(3) of Schedule 5A to the 2009 Act provides that the Secretary of State may make provision for the membership of a combined authority's audit committee and the appointment of the members.

Part 1 makes general provision for overview and scrutiny provisions of a combined authority. *Article 3* makes provision for the membership of the overview and scrutiny committee. *Article 4* makes provision for the appointment of members to an overview and scrutiny committee and to a sub-committee of such a committee. *Article 5* makes provision for the persons who may be chair of an overview and scrutiny committee.

Article 6 makes provision for dealing with references of matters to overview and scrutiny committees by members of the combined authority, including those who are not members of that overview and scrutiny committee and members of constituent and non-constituent councils, including those who are not members of the combined authority.

Article 7 imposes a duty on a combined authority to respond to reports and recommendations of overview and scrutiny committees and *article 8* prevents the publication or supply of any information which contains confidential or exempt information by overview and scrutiny committees or the combined authority.

Article 9 imposes a duty on combined authorities to designate a scrutiny officer, where that authority has appointed one or more overview and scrutiny committees.

Article 10 sets out additional rights of members of overview and scrutiny committees in relation to decisions that the committee is scrutinising and provides that in certain circumstances the committee can access exempt or confidential information.

Part 3 provides for specific requirements relating to decisions which are key decisions. *Article 11* sets out the meaning of key decisions to be subject to specific overview and scrutiny requirements and the publicity requirements in relation to key decisions. *Articles 12* and *13* allow exceptions to these requirements.

Part 4 concerns the audit committees to be appointed by combined authorities. *Article 14* provides for the membership requirements of an audit committee.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business and the voluntary sector.

DRAFT

LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

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

Meeting: 25th January 2017

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE LEAD OFFICER – SCRUTINY

SCRUTINY PANEL WORK PROGRAMME

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to update Members in relation to the delivery of the Panel's Work Programme and to suggest one further piece of work to be undertaken during the current Municipal Year, following earlier discussions with Panel members.

2.0 RECOMMENDATION

2.1 It is recommended that:

- 1) Progress on the Plan be noted; and
- 2) A piece of review work commence on how the Combined Authority (and soon to be Mayoral Combined Authority) informs and promotes its role and activities and engages the public across the City Region.

3.0 BACKGROUND

3.1 The Panel set itself a work programme when it was originally formed in 2014. It identified four substantial pieces of work that it wished to undertake.

3.2 Three of those pieces of work (including one on this agenda) have now been completed. They were:

- European Funding
- Short-hop Bus Fares in the City Region
- Apprenticeships in the City Region

3.3 The Combined Authority have already responded to the recommendations in the first two reports and arrangements are in place to monitor the implementation of those recommendations. The other topic selected was "housing and planning"

which it was decided to put on hold given the relative early stages on work on that issue by the Combined Authority.

- 3.4** In terms of future work, Panel Members have informally indicated their wish to carry one further piece of review work during the current municipal year and prior to the new governance arrangements coming into force in May. That work would focus on them looking at how the Mayoral Combined Authority can promote its role and responsibilities to the public and stakeholders with the City Region and encourage engagement with those groups. It was felt timely to undertake such a piece of work, which would result in making recommendations to the Mayoral Combined Authority for their consideration.

4.0 RESOURCE IMPLICATIONS

4.1 Financial

There are no direct resource issues as a result of the recommendations contained within this report, however, the review suggested might generate proposed activities/actions that may need resources.

4.2 Human Resources

There are no direct human resource issues as a result of the recommendations contained within this report.

4.3 Physical Assets

There are no direct issues as a result of the recommendations contained within this report.

4.4 Information Technology

There are no direct issues as a result of the recommendations contained within this report.

5.0 RISKS AND MITIGATION

- 5.1** There are no risks associated with this report or its recommendations.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1** There are no specific implications related to this report.

7.0 COMMUNICATION ISSUES

- 7.1** There are no communication issues associated with this report.

8.0 CONCLUSION

- 8.1** Members are asked to endorse the undertaking of the review as outlined in this report.

DAVID PARR
Lead Officer – Scrutiny

Contact Officer(s):

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Tel: 0151 511 6000

Ian Leivesley, Strategic Director, Policy and Resources, Halton –

Tel: 0151 511 6002

LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

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

Meeting: 25th January 2017

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE LEAD OFFICER – SCRUTINY

DECISIONS OF THE COMBINED AUTHORITY (CA)

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to draw Panel Members attention to the significant decisions the CA has made since the Panel last met.

2.0 RECOMMENDATION

2.1 It is recommended that the Panel:

- 1) Notes the report; and
- 2) If necessary, request further information on the decisions previously made by the CA.

3.0 BACKGROUND

3.1 The purpose of this report is to draw Panel Members' attention to the significant decisions made by the CA since the Panel last met. The Panel agreed at a previous meeting that a report such as this will be brought to each meeting. This will allow Panel Members:

- To scrutinise those decisions and hold the CA to account;
- To use that information to develop further work programme topics;
- To follow progress on the major issues dealt with across the City Region;
- Provide feedback to the CA as the Panel sees fit.

3.2 Full details of each issue can be followed at the link to the website below.

<http://councillors.knowsley.gov.uk/ieListMeetings.aspx?CIId=890&Year=0&StyleType=standard&StyleSize=none>

- i) CA meeting 21st October 2016
Single Investment Fund – Determining Commissioned Projects

Area Based Review – draft options
Establishment of Skills Commission
Local Growth Fund: Approval of Business Case for Maghull North Railway Station

- ii) CA meeting 18th November 2016
Single Investment Fund
Growth Deal Scheme – Alstom Transport Technology Centre
Single Investment Fund – Skills Capital
Consent to the LCR Combined Authority Order
Acceptance of the EU Grant
City Region – Recruitment of Executive Capacity

- iii) CA meeting 9th December 2016
Consent to the LCR Combined Authority Order
LCR Skills Commission

- iv) CA meeting 16th December 2016
Sustainable Transport Enhancements Package
A570 Linkway Corridor Improvements – Major Scheme
Rolling Stock of Merseyrail Network

4.0 RESOURCE IMPLICATIONS

4.1 Financial

There are no direct resource issues as a result of the recommendations contained within this report.

4.2 Human Resources

There are no direct human resource issues as a result of the recommendations contained within this report.

4.3 Physical Assets

There are no direct issues as a result of the recommendations contained within this report.

4.4 Information Technology

There are no direct issues as a result of the recommendations contained within this report.

5.0 RISKS AND MITIGATION

5.1 There are no risks associated with this report or its recommendations.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS

6.1 There are no specific implications related to this report.

7.0 COMMUNICATION ISSUES

7.1 There are no communication issues associated with this report.

8.0 CONCLUSION

8.1 The report has been prepared for Panel Members in order to keep them apprised of decisions of the CA.

DAVID PARR
Lead Officer – Scrutiny

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