

EXECUTIVE MEMBER KEY DECISION: REPORT TO LEADER

DECISION TO BE TAKEN BY: Councillor Bob Adams
Leader and Executive Member for
Growth

REPORT AUTHOR: Beverly Agass – Chief Executive

REPORT NO. LDS177

DATE: 2nd June 2016

SUBJECT OF KEY DECISION:	Devolution - Governance Review and draft Scheme for the establishment of the Greater Lincolnshire Mayoral Combined Authority
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PRIORITY THEME:	Growth	
CRIME AND DISORDER IMPLICATIONS:	Not applicable	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Council's website www.southkesteven.gov.uk via the Your Council and Democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Equality Impact Analysis attached as Appendix 3 to this report	Full impact assessment required? To be determined
BACKGROUND PAPERS:	Report to Council –12th November 2015 http://moderngov.southkesteven.gov.uk/documents/b4806/Devolution%2012th-Nov-2015%2014.00%20Council.pdf?T=9 Report to Council - 26 th May 2016 http://moderngov.southkesteven.gov.uk/documents/s15914/Report%20to%20Council%20-%20Devolution.pdf	

1. PURPOSE OF REPORT

The purpose of the report is to set out the recommendations for decision by the Leader of the Council to approve the publication of a draft Scheme for the establishment of the Greater Lincolnshire Mayoral Combined Authority for consultation.

2. RECOMMENDATION(S)

It is recommended that the Leader of the Council:

- 2.1 Noting the support from full Council at its meetings on the 12th November 2015 and on the 26th May 2016, and;
- 2.2 Noting the contents of the Governance Review for Greater Lincolnshire attached to this report as Appendix 1 (The Governance Review) and on the basis of the Governance Review, concludes that the establishment of a Mayoral Combined Authority for the Greater Lincolnshire area is the option which most fully permits the effective discharge of the functions that Government is prepared to devolve to this area.
- 2.3 Supports the preparation and publication of the draft Scheme for the establishment of a Mayoral Combined Authority for the Greater Lincolnshire area under section 109 of the Local Democracy, Economic Development and Construction Act 2009 as attached to this report as Appendix 2 (the Draft Scheme) for consultation purposes.
- 2.4 Delegates to the Chief Executive, in consultation with the Leader, and prior to the commencement of the formal consultation exercise, authority to approve the making of changes to the Draft Scheme and to submit the outcome of the consultation exercise to the Secretary of State.

3. REASONS FOR RECOMMENDATIONS **(including any alternative options considered and rejected)**

- 3.1 The recommendations are made following the Governance Review carried out which determines that the creation of a Mayoral Combined Authority would enable the implementation of a devolution deal for the area of Greater Lincolnshire.
- 3.2 On the 12th November 2015, Council agreed:
 - That the Greater Lincolnshire devolution expression of interest, submitted to Government on the 4th September 2015, is developed into a fit for purpose devolution deal document via continued formal engagement with Government;
 - That authority is delegated to the Leader and Chief Executive respectively to continue devolution discussions and negotiations with Government;

- To the commencement of a formal governance review, no sooner than January 2016 and subject to prior confirmation from Government that the Greater Lincolnshire submission is to be negotiated to detailed Deal stage;
- That subject to the outcome of any statutory governance review, to submit to the principle of establishing a combined authority for the Greater Lincolnshire geography as the most effective and efficient means of securing strategic economic (and related) growth;
- The principles which would underpin and inform the establishment of any formal governance arrangements between the ten Councils.
- To the formation, in any event, of a joint committee under the relevant provisions of the Local Government Acts 1972 and 2000, to exercise the functions and responsibilities referred to in the report and operating as the Greater Lincolnshire Leadership Board.
- That authority was delegated to the Chief Executive to develop and finalise the governance and constitutional arrangements to support the discharge of the Leadership Board's responsibilities, in consultation with the Leader.
- To make available such reasonable resources as may be necessary to support the establishment of the joint committee, the conduct of the governance review and the implementation of the outcomes.

3.3 A Devolution Agreement was signed by the Leaders of the ten Greater Lincolnshire Councils, the Greater Lincolnshire Local Enterprise Partnership and Government ministers and the agreement was announced by the Chancellor in the Budget set on the 16th March 2016.

3.4 In accordance with the statutory process set out in the Local Democracy Economic Development and Construction Act 2009 as amended by the Cities and Local Government Devolution Act 2016, a Governance Review was carried out which determined that the creation of a Mayoral Combined Authority would enable the implementation of a devolution deal for the area of Greater Lincolnshire.

3.5 At its meeting on the 26th May 2016, Council agreed to:

- Endorse the signing of the Greater Lincolnshire Devolution Agreement and delegate authority to the Leader and Chief Executive to engage in negotiations with government regarding the potential devolution of further powers, responsibilities and resources;
- Note the contents of the Greater Lincolnshire Governance Review;
- Conclude that the establishment of a Mayoral Combined Authority for the Greater Lincolnshire area is the option which most fully permits the effective discharge of the functions that Government is prepared to devolve to this area;
- Support the preparation and publication of a Scheme for the establishment of a Mayoral Combined Authority for the Greater Lincolnshire area under section 109 of the Local Democracy, Economic Development and Construction Act 2009;
- Support the publication of the draft Scheme for a Greater Lincolnshire Mayoral Combined Authority as attached to this report (Appendix 2) for

consultation purposes, subject to such final revisions as may be approved by the Chief Executive, in consultation with the Leader, and prior to the commencement of the formal consultation exercise. Such formal consultation is to commence once all Greater Lincolnshire Councils have considered the matters in this report and, in any event, no later than the 4th July 2016;

- That the outcome of the consultation exercise is submitted to the Secretary of the State by the Chief Executive in consultation with the Leader;
- That Council meets by 20 October 2016 to consider giving consent to an Order establishing a Mayoral Combined Authority for Greater Lincolnshire;
- In respect of the discharge of non-executive functions, delegate to the Chief Executive, in consultation with the Leader, authority to take all necessary steps and actions to progress the recommendations made to the Council
- That further reports are presented to Council and the Executive as appropriate as the devolution process develops.

3.6 As at the 26th May 2016, all ten participating councils had confirmed support as detailed at 5 above.

3.7 An alternative option would be to not approve the draft Scheme for publication and consultation. Following the support of the Council at its meetings on the 12th November 2015 and on the 26th May 2016, no further information is available to determine that an alternative option should be considered. Any further options which may become available can be considered during the period of the consultation and determined at the Council meeting to be held before the 20th October 2016.

3.7 Insofar as the decisions required to progress the Devolution Agreement are Executive functions of the Council, it is recommended that the Leader makes the decisions as set out in the recommendations at 2 above.

4. COMMENTS OF FINANCIAL SERVICES

There are financial implications for the Council in respect of the establishment of and the ongoing operational costs of the mayoral combined authority. The initial period will be focussed on the establishment and set up of the Mayoral office and the combined authority and the holding of the mayoral election. It is proposed that each constituent council will contribute an equal share towards the set up costs. For the financial period following the establishment of the Mayoral office (May – March 2018), each Council will contribute towards the operational costs, again on an equal share basis. Thereafter the expenses of the Combined Authority will be levied on the constituent councils and the costs of the Mayor will be subject to an annual precept. It is proposed that monies will be set aside as part of the closure of the accounts for 2015/16 to fund the initial set up and preparatory work for the combined authority. The future financial implications of supporting the expenses of the Combined Authority will be considered as part of the annual budget process.

5. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

A mayoral combined authority must be established in accordance with the Local Democracy, Economic Development and Construction Act 2009 as amended by the Cities and Local Government Devolution Act 2016. Consultation on the scheme relating to the proposal to establish a mayoral combined authority is required. Each authority involved must approve the scheme for consultation. The decisions required are executive functions in accordance with the Local Government Act 2000 and the functions regulations made under that Act.

6. OFFICER CONTACT

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7 DATE DECISION EFFECTIVE:

If the decision is taken on 8th June the date the decision becomes effective will be 16th June 2016