

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 14 JUNE 2016

Title of report	LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Richard Blunt 01530 454510 richard.blunt@nwleicestershire.gov.uk Chief Executive 01530 454500 christine.fisher@nwleicestershire.gov.uk
Purpose of report	To update Cabinet on the progress of the Leicester and Leicestershire Combined Authority and the Leicestershire Devolution Deal.
Reason for Decision	To inform Cabinet of the development which has been made in respect of the creation of the Leicester and Leicestershire Combined Authority and the progress of the Leicestershire Devolution Deal to date.
Council Priorities	Business and Jobs Homes and Communities
Implications:	
Financial/Staff	The costs of the Combined Authority shall be met by the Constituent Councils. Further work on the budget for the Combined Authority is being undertaken in consultation with the Section 151 Officers of the Constituent Councils.
Link to relevant CAT	None
Risk Management	Legal have been instructed to consider the documents of the Combined Authority and regularly update the Chief Executive and take instructions accordingly.
Equalities Impact Screening	Not completed
Human Rights	No discernible impact

Transformational Government	By working together with the other Leicestershire authorities, we will secure more robust strategic decision making for the Leicestershire area on important cross border issues and will be better positioned to take advantage of future devolution opportunities.
Comments of Head of Paid Service	As author, this report is satisfactory.
Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	Report to Council "Proposed Leicester and Leicestershire Combined Authority" of 17th November 2015 Minutes of the Council Meeting of 17th November 2015
Recommendations	THAT CABINET ENDORSE THE PROGRESS OF THE FORMATION OF THE LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY AND DEVELOPING DEVOLUTION DEAL PROPOSALS.

1. BACKGROUND

- 1.1 The Chief Executive was given delegated authority by Council on 17 Novemebr 2015 to agree, following consultation with the Leader, the Constitution of the Leicester and Leicestershire Combined Authority (the"LLCA"), the Order creating the LLCA and any ancillary documents supporting the operation of the LLCA. This report is to update Cabinet as to how the Chief Executive has been exercising her delegated powers to date. In doing so she has engaged regularly with the Leader, the Council's legal team, senior officers from Leicestershire County Council and Leicester City Council (as the district lead) and also with civil servants at the Department of Communities and Local Government.
- 1.2 Council resolved at their meeting on 17 November 2015 to approve the proposed Scheme and Governance Review for the Leicester and Leicestershire Combined Authority (the "LLCA"). Both documents have since been sent to the Secretary of State for Communities and Local Government (the "Secretary of State") for approval.
- 1.3 We are now awaiting the draft Order from the Secretary of State which will provide confirmation as to what powers and functions are intended to be delegated from central government to the LLCA. It will then be for the local authorities which are to be part of the LLCA (the "Constituent Councils") to individually agree the draft Order through their own

internal procedures. Once the draft Order is agreed then the final Order will be taken through Parliament and the Secretary of State will then make the Order which creates the LLCA.

2 LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY (LLCA)

- 2.1 The LLCA will only become an entity once the following stages have taken place:
- a) the Governance Review and Scheme has been approved by the Secretary of State
 - b) the draft Order has been approved by the Constituent Councils
 - c) the final Order has been made by the Secretary of State.
- 2.2 In order to enable the effective functioning of the LLCA once it has been created, a Constitution and ancillary operational documents are being developed between the Constituent Councils.
- 2.3 The Constitution has been drafted and has been through three versions as a result of the Constituent Councils providing their comments on the document. Ongoing communications have also taken place between the County Council and the Department of Communities and Local Government (“DCLG”) seeking clarity on a variety of legal matters which have been raised whilst the Constitution has been negotiated. The discussions between the Constituent Councils on the document have focussed on those elements which can be subject to local choice, as there are some elements of the document which are required by law and which cannot be changed.
- 2.4 The key areas which have been discussed and shaped by the Constituent Councils are:
- the committees: the number of committees, size and representation, voting and quorum
 - involvement of the LLEP and whether to give them voting rights (full or restricted)
 - scheme of delegation to officers
 - meetings of the LLCA: frequency, voting, reserved matters, meeting procedure rules
 - having a members’ allowance scheme
 - finance: apportionment of costs between the Constituent Councils and the contents of the Financial Procedure Rules.
- 2.5 It is the intention of the Constituent Councils that the LLCA has an operating agreement which sits behind the Constitution and will provide further detail in relation to the day to day workings of the LLCA, these matters include:
- statutory officers - these will be the Head of Paid Service, Monitoring Officer and Chief Financial Officer from the County Council at the inception of the LLCA but these are not permanent and can be changed if other Constituent Councils wish to put their statutory officers forward in the future
 - operating protocols for how the delegated functions from central government are to be exercised, namely strategic transport, strategic planning and economic development.
 - other officer support for the LLCA and how that is to be provided to the LLCA
 - costs apportionment and budgeting
 - allocation of risk
 - where meetings of the LLCA will be held
 - a change mechanism containing a process for suggesting and agreeing any changes to the operation of the LLCA.

The operating agreement has been drafted but is in its infancy and, at the time of writing this report, comments from the other Constituent Councils have not yet been shared therefore any other matters this agreement may eventually cover is still uncertain.

- 2.6 The Economic Growth Board (“EGB”) will continue to refine and reach agreement on the outstanding issues on the Constitution in order to provide instructions to the legal personnel working on the document. The next meeting is on 4th July.
- 2.7 The Constitution is to be taken to a meeting of the EGB in September 2016 (a date is yet to be confirmed) where Members will be asked to approve the document. Before that meeting the Constituent Councils will have individually undertaken their own internal processes for approval. The document may be subject to some final tweaks to ensure it coincides with the wording of the final Order and it will then be adopted by the LLCA at its inaugural meeting.

3 DEVOLUTION DEAL

- 3.1 The Devolution Deal is being negotiated and taken forwards by the Chief Executive and the Leader and is progressed through meetings of the Economic Growth Board (“EGB”), the most recent meeting of which was on 10th May.
- 3.2 At the latest EGB meeting it was agreed that business cases in respect of the different areas of the prospective Leicestershire Devolution Deal would be developed, as well as with a high level overarching strategic business case, and these will be presented at EGB at their next meeting on 4th July.
- 3.3 Meetings have also taken place between DCLG and senior officers at Leicestershire County Council, Leicester City Council and North West Leicestershire District Council (as the lead authority for the district councils) to discuss and negotiate the Devolution Deal.
- 3.4 The current position in respect of the Devolution Deal is captured in Appendix 1 of this report in the form of summary tables. Table 1 captures the first part of the devolution deal (described as Wave 1) which is to be agreed and Table 2 is a second subsequent activity of proposed devolution (Wave 2). For information, Appendix 1 the ‘asks’ are what the Constituent Councils would like to be devolved to the LLCA and the ‘offers’ are the outputs produced should those powers and functions be devolved.

4 NEXT STEPS SUMMARY

Meeting	Date	Action
EGB	4 th July 2016	<ul style="list-style-type: none"> • Present and discuss devolution deal business cases • Resolve outstanding matters in relation to the Constitution
NWLDC Cabinet	26 th July 2016	To update Cabinet on further progress of the LLCA and Devolution Deal if required
Internal governance processes at other Constituent Councils	July- September 2016	To approve: <ul style="list-style-type: none"> • the draft Constitution • the draft Order • any ancillary documents (including operating agreement)
NWLDC Council	13 th September 2016	Leader to make LLCA update announcement if required
NWLDC Cabinet	20 th September 2016	To update Cabinet on further progress of the LLCA and Devolution Deal
EGB	September 2016 (Date TBC)	To agree Constitution
NWLDC Council	8 th November 2016	Leader to make LLCA update and Council to nominate a member to be appointed to the LLCA
Order	Winter 2016 (Date TBC)	LLCA becomes a legal entity
Inaugural meeting of the LLCA	Winter 2016 (Date TBC)	Meeting agenda to be finalised nearer the time but items to be discussed may include: <ul style="list-style-type: none"> • formal adoption of the Constitution • appointment members to the LLCA from the Constituent Councils • Code of Conduct adopted • agreeing schedule of meetings for the year