

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**COUNCIL – TUESDAY, 8 NOVEMBER 2016**

Title of report	<b>LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY</b>
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Purpose of report	To seek Council's approval of documents which support the functioning of the Combined Authority for Leicester and Leicestershire.
Council Priorities	Business and Jobs Homes and Communities
Implications:	
Financial/Staff	The costs of operating the Combined Authority shall be met initially 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	The in-house Legal team were 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, the Council will secure more robust strategic decision making on important issues within the area and will develop cross border strategic alliances. This will improve our ability to take advantage of any opportunities for investment and improved functions within the area, such as devolution.
Comments of Head of Paid Service	Report is satisfactory

Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	Cabinet - 14 June 2016 and 26 July 2016.
Background papers	<p><a href="#">Report to Council "Proposed Leicester and Leicestershire Combined Authority" of 17 November 2015.</a></p> <p><a href="#">Minutes of the Council meeting of 17 November 2015.</a></p> <p><a href="#">Report to Cabinet "Leicester and Leicestershire Combined Authority" of 14 June 2016.</a></p> <p><a href="#">Report to Cabinet "Leicester and Leicestershire Combined Authority" of 26 July 2016.</a></p>
Recommendations	<p><b>THAT COUNCIL:</b></p> <ol style="list-style-type: none"> <li><b>1. ENDORSES THE DRAFT CONSTITUTION OF THE LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY;</b></li> <li><b>2. ENDORSES THE DRAFT OPERATING AGREEMENT OF THE LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY;</b></li> <li><b>3. AUTHORISES THE CHIEF EXECUTIVE, FOLLOWING CONSULTATION WITH THE LEADER, TO MAKE ANY FINAL MINOR AMENDMENTS TO THE CONSTITUTION AND OPERATING AGREEMENT PRIOR TO THEIR APPROVAL AND ADOPTION BY THE LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY;</b></li> <li><b>4. AUTHORISES THE CHIEF EXECUTIVE, FOLLOWING CONSULTATION WITH THE LEADER, TO AGREE ANY MINOR CHANGES TO THE OPERATING AGREEMENT IN FUTURE FOLLOWING ADOPTION OF THE DOCUMENT BY THE LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY; AND</b></li> <li><b>5. (I) AGREES THE APPOINTMENT OF THE COUNCIL'S REPRESENTATIVE AND SUBSTITUTE TO SERVE ON THE LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY, AS SET OUT IN PARAGRAPH 4.5 OF THE REPORT AND</b></li> </ol>

	<b>(II) NOMINATE REPRESENTATIVES TO SERVE ON THE LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY'S COMMITTEES, AS SET OUT IN PARAGRAPH 4.4 OF THE REPORT.</b>
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## **1. BACKGROUND**

- 1.1 On 17 November 2015, this Authority resolved to approve the proposed Scheme and Governance Review for the Leicester and Leicestershire Combined Authority (the "LLCA"). Both documents were sent to the Secretary of State for Communities and Local Government (the "Secretary of State") for approval on 22 December 2015.
- 1.2 Council at its meeting on 17 November 2015 delegated power to the Chief Executive, following consultation with the Leader, to agree the Constitution, the Order and any ancillary documents supporting the operation of the LLCA. Delegated powers were initially requested as it was envisaged that some decisions may need to be taken with some urgency. The Chief Executive has now taken the decision that as there has been some delay in the timetable initially provided by the Department of Communities and Local Government, as a result of political changes which took place over the summer, she wishes to continue engagement with members and requests this Council's endorsement of the Constitution and Operational Agreement.

## **2. LEICESTER AND LEICESTERSHIRE COMBINED AUTHORITY CORE DOCUMENTS**

- 2.1 There are a number of documents which have been prepared in order to facilitate the functioning of the LLCA. These include the Constitution, an Operating Agreement and an Officer Sharing Agreement.

### **CONSTITUTION**

- 2.2 The Constitution is now in final draft form which has been agreed by Chief Executives and Monitoring Officers of the Constituent Councils and Council endorsement of this document is now sought. Instructions have been provided to the Monitoring Officers, who have been tasked with drafting the documents by the Chief Executives of the Constituent Councils and members of the Economic Growth Board. The draft Constitution can be viewed [here](#) (Hardcopies of the document are available upon request).
- 2.3 As with the constitutional document of any local authority, the document details the proposed governance arrangements for the LLCA. It contains information on such matters as:
  - membership
  - committees
  - voting
  - meeting procedure rules and rules of debate
  - contract procedure rules
  - financial procedure rules

- 2.4 Members will recall that previous reports to Cabinet have referred to the Leicester and Leicestershire Enterprise Partnership (LLEP) membership on the LLCA and in the Scheme they are described as a non-voting member of the LLCA. There are provisions in the Constitution which allow the LLCA to resolve, by unanimous decision, to award such voting rights, as they at their absolute discretion shall determine, to the LLEP. It is proposed that at the first meeting of the LLCA, the members will be asked to consider whether to award voting rights to the LLEP. The proposal intended to be put to the LLCA is that the LLEP shall be awarded voting rights at the full LLCA but not on committees and that it will not have the power to veto any decision. The draft Constitution also states that the LLEP will be an advisory, non-voting member of the LLCA transport committee.
- 2.5 The Constitution is to be taken to a meeting of the Economic Growth Board in November where members will be asked to endorse the draft document. The document may be subject to some final subsequent tweaks after it has been considered by the EGB to ensure it is consistent with the wording of the final Order (see paragraph 3 below). It will then be approved and adopted by the LLCA at its inaugural meeting. The Chief Executive, therefore, requests that Council endorse the draft Constitution with delegation to her, in consultation with the Leader, to make any final amendments which may be required between now and the first meeting of the LLCA.
- 2.6 Council is requested to endorse the draft Constitution. Should any of the Constituent Councils or the EGB not endorse the Constitution in the form presented to Council today then a revised version will be brought back to Council in due course.

### **OPERATING AGREEMENT**

- 2.7 This Agreement should be read alongside the draft Constitution. It provides further detail as to how the LLCA will be run on a day to day basis. This document has been agreed by the Chief Executives and Monitoring Officers of the Constituent Councils and approval of this document from Council is now sought. The Operating Agreement can be viewed [here](#) (Hardcopies of the document are available upon request).
- 2.8 The Operating Agreement has been drafted by the Monitoring Officers of the Constituent Councils, with input being provided by the Section 151 Officers of the Constituent Councils on the financial aspects of the document. Instructions have also been sought from the Chief Executive and the Leader on matters contained within this agreement.
- 2.9 The document deals with the following matters:
- statutory officers;
  - business cases to be put to the LLCA for approval;
  - provision of support staff to the LLCA to enable it to function;
  - apportionment of costs between the Constituent Councils;
  - sharing of Information between the LLCA and Constituent Councils;
  - procedure for resolving disputes between the Constituent Councils;
  - Exit Strategy in the event that any Constituent Council wants to leave the LLCA.
- 2.10 The Operating Agreement contains a robust change mechanism that Constituent Councils will follow, through their Chief Executives, if any changes to the Operating Agreement are proposed. In the interests of efficiency, it would be beneficial for the Chief Executive to

resolve minor changes with the other Chief Executives without having to bring the matter back to this Council for approval. Therefore Council is requested to consider recommendation 3 of this report.

- 2.11 As it is not intended that the LLCA will be employing its own staff, the mechanism through which staff and core services will be provided to the LLCA will be under a secondment arrangement to the LLCA. A draft Officer Sharing Agreement is currently being negotiated by the officers of the Constituent Councils and instructions are being sought from the Chief Executive as Head of Paid Service and the Leader on the provisions contained in that agreement. Once in agreed form, it will be appended to the Operating Agreement and approval sought from the LLCA.

### **3. THE ORDER**

- 3.1 In advance of the draft Order being received from the Department of Communities and Local Government, the LLCA legal working group met on 16 August 2016 following receipt of a schedule from DCLG indicating what is likely to be included in the order and asked for information from the Constituent Councils so as to inform the drafting of the Order. At this meeting the schedule was discussed and compared with the Scheme, Constitution and the Operating Agreement to ensure that they mirrored one another. There were some changes which had come about as a result of negotiations between the Constituent Councils and some which were as a result of the drafting process. These differences were highlighted and sent back to DCLG to inform their drafting.
- 3.2 The Order has not yet been issued by the Department of Communities and Local Government (DCLG) and the Leader was informed by the Leader of Leicestershire County Council on 12 October 2016 that the Order will not be laid before Parliament until early 2017. It is therefore unlikely that a draft order will be issued by DCLG until the New Year. When the draft Order is received from the DCLG, the LLCA working group shall meet to discuss and compare the draft Order with the Scheme, Constitution and Operating Agreement to ensure that they are the same in terms of content and the Order reflects the changes made through the negotiation and drafting process.
- 3.3 At its meeting on 17 November 2015, Council gave delegated authority to the Chief Executive, in consultation with the Leader, to agree the terms and the final Order, subject to their being no significant departure from or variation to the Scheme. On the basis that Council approve the Constitution and the Operating Agreement, the Chief Executive will use her delegated authority to give consideration to approving the Order. If the Order is not the same in terms of content as the Scheme, Constitution and Operating Agreement or does not reflect the changes made through the negotiation and drafting process, then revised versions of the same will be brought back to Council or agreed by the Chief Executive, in consultation with the Leader, pursuant to the delegated authority set out in paragraph 1.2 above.

### **4. APPOINTMENTS TO THE LLCA**

- 4.1 Members have seen previous reports to Cabinet and Council (included as background papers to this report) detailing the committees of the LLCA and their composition and the draft Constitution is attached (which includes terms of reference). Members will therefore be aware that the following appointments, including named substitutes, need to be made:

- (a) LLCA - 1 member
- (b) Transport Committee - 1 member
- (c) Planning Committee - 1 member
- (d) Overview and Scrutiny Committee - 1 member

4.2 It should be noted that the draft Constitution states that the member who will sit on the LLCA shall be the Leader or the Mayor of the relevant Constituent Council and their substitute can be any Member of a Constituent Council as the Council resolves to appoint. Appointments to the committees of the LLCA are a matter for the full LLCA, but constituent Councils are requested to make nominations. In relation to the Overview and Scrutiny committee, the Constitution of the LLCA requires it to be politically balanced and therefore this Council is required to nominate a Conservative member to sit on this Committee to achieve balance across the combined authority area.

4.3 Council are not requested today to appointment any member to the Governance Committee as the composition of this Committee is proposed in the draft Constitution to be three members of the LLCA, two members of the Overview and Scrutiny Committee and two independent members. Therefore it will be the LLCA who makes this appointment once it has been created.

4.4 Nominations have been sought from the group whips for the respective roles, in accordance with the proposed composition of the committees and the political balance rules, as set out in the LLCA Constitution (described above). Members are asked to vote on the following candidates for each primary and substitute candidate for the Planning Committee and Transport Committee roles:

- (a) Transport Committee

Primary: Councillor T J Pendleton or Councillor R Adams or Councillor T Saffell  
Substitute: Councillor J Clarke or Councillor N Clarke or Councillor R Canny

- (b) Planning Committee

Primary: Councillor T J Pendleton or Councillor J Legrys or Councillor T Saffell  
Substitute: Councillor J Clarke or Councillor J Geary or Councillor R Canny

Council are asked to make nominations to the committees of the LLCA who will make the formal appointments to its own committees at its first meeting. As there are more nominations from this Council than seats, the matter will be determined by Council by way of a vote (show of hands) in the usual way.

4.5 In accordance with the proposed composition of the committees and political balance rules as set out in the LLCA (described above), it is suggested that the following members are appointed to be the LLCA member and the Council's nomination for the Overview and Scrutiny Committee:

- (a) LLCA

Primary: Councillor R Blunt (as Leader of the Council)  
Substitute: Councillor A V Smith

(b) Overview and Scrutiny Committee

Primary: Councillor M Specht  
Substitute: Councillor N Smith

## 5. STATUTORY OFFICERS

- 5.1 The LLCA will be required to have a Head of Paid Service, Section 151 Officer and Monitoring Officer. The Constituent Councils have agreed that there should be deputy statutory officers who are able to act in the absence of the statutory officers or in cases of conflict of interest. It has been agreed that the deputy statutory officers should not be from the same authority as the statutory officer. This has been included as a provision in the Operating Agreement.
- 5.2 The statutory officers will be appointed by the LLCA at its first meeting in accordance with the legal requirements, the deputy roles will be personal appointments of the respective statutory officers. The proposal is as follows:

<b>Statutory Officer</b>	<b>Constituent Council of Employment</b>
Chief Operating Officer (acting as Head of Paid Service)	John Sinnot, Chief Executive, Leicestershire County Council Deputy:- Andy Keeling, Chief Operating Officer, Leicester City Council
Section 151 Officer	Chris Tambini, Leicestershire County Council Deputy:- Dawn Garton, Melton Borough Council
Monitoring Officer	Kamal Adatia, City Barrister, Leicester City Council Deputy:- Elizabeth Warhurst, North West Leicestershire District Council

- 5.3 It is also proposed that the roles of these officers will be covered by an officer sharing agreement between their employing authority and the LLCA.

## 6. FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 6.1 Broadly, it is expected that costs will be incurred by the LLCA in 3 areas:

- central support costs for core services to the LLCA, for example, finance, democratic services and administration;
- specialist advisor support costs, for example, in relation to specialist strategic planning support;
- project costs for evidence based studies, for example, those required to draw down funding from other agencies to the LLCA for the benefit of the locality and countywide area.

- 6.2 The costs of operating the Combined Authority will be met initially by the Constituent Councils. The apportionment of costs is one third to Leicester City Council, one third to Leicestershire County Council and one third to be apportioned between the district councils on the basis of population. However, there is also provision that if the LLCA incurs any liability as a result of a Constituent Council exercising its vote on a reserved status or unanimous decision such that the decision is blocked, then each Constituent Council agrees that they will share the liability equally.
- 6.3 It is not envisaged that the LLCA will directly employ staff and officer support will be provided by the Constituent Councils on a “secondment” basis. The costs of providing core support to the LLCA will be recovered by the authority providing the support on a costs recovery basis. (This includes a percentage for overheads.)
- 6.4 An initial budget of £200,000 was estimated prior to the consideration of the previous report on 17 November 2015. Based upon the agreed apportionment an indicative sum of £9,554 will be the Council’s contribution which shall be made from earmarked reserves. However, further work on the budget is being undertaken in consultation with the Section 151 Officers of the Constituent Councils and it is anticipated that this figure will need to be increased, although at this stage the actual costs are unknown. It is expected that the LLCA will consider its budget at one of its early meetings.

## **7. NEXT STEPS**

- 7.1 The Economic Growth Board will be asked to endorse the draft Constitution and Operating Agreement when it meets late November/early December.
- 7.2 Following the notification by DCLG of a delay to the Order making process (as mentioned above), the likely inception date for the LLCA is now March 2017, and not January 2017.