

Informal Joint Overview and Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	What will Devolution Mean for West Suffolk?	
Report No:	OAS/SE/16/026	
Report to and date:	Overview and Scrutiny Committee	4 October 2016
Chairman of the Committee:	Councillor Diane Hind Chairman of the Overview and Scrutiny Committee Tel: 01284 706542 Email: diane.hind@stedsbc.gov.uk	
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Purpose of report:	This report provides the Committee with a summary of the key issues identified following a workshop session held on 8 September 2016. The key issues identified during the workshop are set out in Section 3 of the report.	

Recommendation:	Overview and Scrutiny Committee: Members of the Committee having considered the information set out in Section 3 of the report, may wish to: Report any findings to Cabinet for their consideration.		
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
Consultation:	<ul style="list-style-type: none"> All members from Forest Heath District Council and St Edmundsbury Borough Council were invited by the Chairmen of the of the two Overview and Scrutiny Committee's to a Workshop on 8 September 2016, to help inform and drive the agenda for the Joint OAS meeting on 4 October 2016. 		
Alternative option(s):	<ul style="list-style-type: none"> No other options were considered. 		
Implications:			
Are there any financial implications? If yes, please give details	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none">
Are there any staffing implications? If yes, please give details	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none">
Are there any ICT implications? If yes, please give details	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none">
Are there any legal and/or policy implications? If yes, please give details	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none">
Are there any equality implications? If yes, please give details	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none">
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Ward(s) affected:		All	
Background papers:		East Anglian Devolution Web Site at www.eastangliadevo.co.uk	
Documents attached:		Appendix A – Summary of the Norfolk and Suffolk Deal	

1. Background

- 1.1 The Government following extensive discussions with Leaders and Chief Executives of local councils in Norfolk and Suffolk put together a document with a view to it being agreed for a Devolution deal. At their Council meetings in June 2016 most of the constituent councils agreed in principle to the deal as set out, subject to public consultation which took place between (4 July – 23 August 2016). Attached as **Appendix A** is a summary of what the deal includes.
- 1.2 Following the consultation, and relevant consideration by the Secretary of State, the next process requires all the councils who gave agreement to the draft deal in June 2016 to give their consent to a draft Order to be laid in Parliament, that would result in a Combined Authority (CA) for Norfolk and Suffolk being formed in early 2017, with a resultant Mayoral election in May 2017.
- 1.3 This agreement must be given no later than 4 November 2016.

2. Workshop and Outcomes

- 2.1 In examining the issue of Devolution, and where Overview and Scrutiny can influence or have an input, a workshop was initiated by Councillor Diane Hind, Chairman of St Edmundsbury's Overview and Scrutiny Committee and Councillor Simon Cole, Chairman of Forest Heath's Overview and Scrutiny Committee, to help inform, focus and drive the agenda for the Joint Overview and Scrutiny Committee on 4 October 2016.
- 2.2 The workshop which was held on 8 September 2016 and was open to all members to attend was titled "What will devolution mean for West Suffolk?"
- 2.3 The aim of the workshop was to identify any points of concern members had on Devolution. This session was facilitated by the Chief Executive and covered the following areas:
 - Overall principle of Devolution and its ever changing environment;
 - Content of the Norfolk / Suffolk devolution deals;
 - Summary of consultation results;
 - Double Devolution and subsidiarity; and
 - The role of scrutiny in a devolved structure.
- 2.4 Five areas were identified during the workshop, which it was felt that scrutiny would benefit from more information on, these were:
 - Running costs of the Combined Authority;
 - Statutory bodies and their duties/powers in relation to the role of the Combined Authority and the arrangements proposed for voting;
 - The Combined Authority Board and Co-opted persons;
 - Governance and exit arrangements;
 - Double Devolution and subsidiarity.

3. Scrutiny Focus

3.1 The scope of this scrutiny has been developed following the workshop to provide the Committee with information to come to a view on the following key questions:

3.2 Running costs of a Combined Authority

The draft Governance Scheme states: *"In relation to the costs of the Combined Authority the Constituent Authorities have agreed the principle that the Combined Authority's costs will be met as far as possible from existing resources. The statutory officers and support to the Combined Authority will be provided by the Constituent Authorities.*

In relation to Mayoral costs the agreed intention of the Constituent Authorities is that the £25 million per annum funding allocation will be invested so as to leverage additional financial benefit for the Combined Authority which will, after an initial investment period, exceed the Mayoral costs arising from the creation of a Combined Authority".

The Combined Authority has three statutory posts:

- Head of Paid Service;
- Monitoring Officer; and
- Chief Finance Officer (Section 151 Officer responsible for the proper administration of the Combined Authority's financial affairs).

In addition, there will need to be adequate support to enable the Combined Authority to function effectively as well as efficiently. There are a number of ways that existing Combined Authorities have been resourced:

- Recruitment to posts employed directly by the Combined Authority.
- Transfer of posts employed directly by the Combined Authority.
- Secondment (e.g. directly-employed posts or to a team hosted by a lead authority).
- Job share (e.g. to directly-employed posts or to a team hosted by a lead authority).
- Service Level Agreement
- Commissioning support from member authorities.

Existing Combined Authorities have tended to evolve in line with their responsibilities (for example, where a devolution deal has been negotiated).

Detailed governance arrangements will need to be established in the Combined Authority's constitution. The Scheme also enshrines the principles about the costs of the Mayor and Combined Authority, which are:

- a) The Combined Authority costs will be met, as far as possible, from existing resources, with statutory officers and support provided by the Constituent Authorities; and
- b) Any levy on the Constituent Authorities for Mayoral costs will be treated as a loan and repaid to the Constituent Authorities by the 3rd anniversary of the Mayoral election.

3.2 Statutory bodies and their duties/powers in relation to the role of the Combined Authority and the arrangements proposed for voting

Government and the Combined Authority will work with relevant central and local statutory and non-statutory sector partners to explore innovative and integrated approaches to redesigning sustainable public services across Norfolk and Suffolk, with a focus on prevention and early help.

3.3 The Combined Authority Board and Co-opted persons

The Combined Authority will be the Norfolk and Suffolk Combined Authority and shall consist of the Members as set out below:

- The Mayor elected for the Combined Authority;
- An elected member appointed by each of the Constitute Authorities;
- A nominee of the New Anglia Local Enterprise Partnership; and
- Such other non-voting, non-constituent members as may be admitted to the Combined Authority from time to time by the full Constituent Authority Membership.

The Combined Authority may co-opt additional non-voting representatives to the Combined Authority from time to time and shall determine their rights to participate.

All Constituent Members of the Combined Authority will have one vote. The Chair and Vice Chair will not have a second or casting vote.

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 Mayor, unless otherwise set out in legislation, or specifically delegated through the Combined Authority's Constitution.

3.4 Governance and Exit Arrangements from Devolution

The Scheme of Governance sets out the plans for the scope of the Combined Authority, and at a high level, how the Mayor and Combined Authority would operate.

Detailed governance arrangements will need to be established in the Combined Authority's constitution.

Exit arrangements from Devolution

To establish a Combined Authority, a Statutory Order needs to be agreed for Regulations to become law. It would be possible for a local authority not to agree to the Order that would trigger the creation of a Combined Authority. This would mean the local authority would not be party to the Deal, and would not become members of the Combined Authority.

If a local authority were to decide not to consent to the Order, it would cease the process as it would not be possible to create a Combined Authority with the remaining council members. This is because the Order is linked to consultation on a draft Governance Scheme that included all the original authorities. Local Authorities may choose to pursue creating a Combined Authority on a different geography; however this would require a new statutory process (including Governance Review and Draft Governance Scheme) including consultation. In such events, it is likely that the current devolution deal would be withdrawn.

Once a Combined Authority has been formed, Government agreement is also required to amend or dissolve a Combined Authority. Any changes to a combined authority's boundaries, for example, removing a local government area, would need to be done via a Statutory Instrument under s106 of the Local Democracy, Economic Development and Construction Act 2009. An Order to do this would require the agreement of the district council concerned; the relevant county council; the Combined Authority; and the Mayor, if appropriate (as per s14 of the Cities and Devolution Act 2015). The remaining Combined Authority would need to consist of two or more constituent councils.

3.5 Double Devolution and subsidiarity

At the heart of Norfolk and Suffolk devolution deal is the principle of subsidiarity – the devolution of powers and decision making to the most appropriate level of government and geographic area.

The importance of meaningful double devolution based on District Council, district clusters and pairings or City Deal areas will be addressed in the development of the arrangements for the Combined Authority.

The content of the double devolution will be appropriate to local county circumstances and each area will look at specific powers, decision making and funding streams which could be addressed. This work will commence now and proceed in parallel with the work on growth and wider public sector reform.

4. Conclusion

- 4.1 The Committee is asked to discuss the key issues set out in **Section 3** of the report, and formulate findings, as appropriate.