



## **Combined Authorities: Frequently Asked Questions**

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Link to the WLGA discussion paper “An Alternative Approach to the Williams Report. The Creation of Four Combined Authorities for Wales”?

<http://www.wlga.gov.uk/wlga-corporate-publications/discussion-paper-the-creation-of-four-combined-authorities-for-wales>

## **1. What is a Combined Authority?**

In England a Combined Authority is a statutory body created to lead collaboration between authorities on transport, regeneration and economic development. A Combined Authority can be set up when two or more neighbouring Local Authorities covering an area's economic footprint want to collaborate more closely together on a voluntary basis to improve economic outcomes. By agreement between the constituent district authorities, any Integrated Transport Authority (ITA) and central government, a Combined Authority takes on the combined role of Local Transport Authority and Economic Prosperity Board. A local authority can only be part of one Combined Authority.

## **2. How is one created?**

To establish a Combined Authority in England, the authorities wishing to participate (including where they exist any Integrated Transport Authority), have to complete a statutory review of current governance arrangements and options, and then prepare a scheme outlining their proposals. Publication of the scheme requires the consent of the local authority areas covered by it. In Wales a model to establish a combined authority is explored in the WLGA discussion paper<sup>1</sup>.

The Secretary of State must then consult, including with the relevant authorities that would be covered by the Combined Authority, and must be satisfied that the establishment of a Combined Authority would bring about the following benefits:

- Improve the effectiveness and efficiency of transport in the area
- Improve the exercise of statutory functions relating to economic development, regeneration and transport in the area
- Improve the economic conditions in the area.

## **3. Why have English Authorities formed combined authorities?**

The main reason for authorities coming together is to join governance and strategic decision-making on economic development, regeneration, planning, land use, infrastructure and transport across the area.

It has proved to be the most efficient way of taking strategic decisions on transport, planning and economic development and managing regional investment while enabling more decisions to be taken locally instead of centrally within Whitehall. It is noteworthy that in the North of England there is now a proposal for "A Council for Northern City Regions" to be formed as a way to rebalance the UK economy's

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<sup>1</sup> <http://www.wlga.gov.uk/wlga-corporate-publications/discussion-paper-the-creation-of-four-combined-authorities-for-wales>

dependence on the South East. This would be an overarching formation of five combined authorities seeking to bring together representatives from business, universities, the voluntary sector and local government.

#### **4. What would it do?**

##### **Five key roles**

- It would support sustainable job creation and economic growth: a Combined Authority would help secure funding and investment, including devolved funding from government, to accelerate economic growth and create jobs;
- It would enable more decisions to be taken locally. In England the combined authority is the vehicle for organising the powers and resources that have been devolved under the City Deal. It provides the potential for central Government to devolve further powers and resources to City Regions or Economic Partnerships, for example through the Local Growth Deal;
- It would help secure major improvements in transport. A Combined Authority has been suggested by Cardiff University as the governance model for the proposed South East Wales Metro project. In North Wales it could play a similar role in terms of the project on Electrification of the line from Holyhead to Crewe together with other initiatives
- It would enable strong cross boundary working, such as entering into a partnership with other combined authorities on rail franchising.
- It would provide resilience and sustainability to a range of functions which are currently been hardest hit in terms of predicted budget cuts and ensure that local government continues to undertake its community leadership role of promoting the social, economic and environmental wellbeing in their areas.

#### **5. What is the status of the WLGA proposals?**

The WLGA is consulting on a model of 4 combined authorities for Wales. The consultation has been agreed by the leadership of the Association. The proposals are purely for discussion and debate at the current time. To take the proposal forward will require much more detailed work and need agreement from councils to explore “deeper” options.

WLGA envisages a Combined Authority going beyond a strict economic remit. For example such a body could provide a governance focus for existing regional initiatives such as the regional School Improvement Consortia and the National Adoption Service.

#### **6. When could combined authorities be formally established?**

This question would be subject to agreement of councils. However it is envisaged that the proposal could be implemented with the necessary urgency bearing in mind the timescales set out in both the Williams report and the White Paper do not assist local authorities with immediate challenge of dealing with tough budget choices.

## **7. What would be the interim arrangements?**

In England the position has been that a regular meetings of a Shadow Combined Authority are in place around 6-9 months before the actual commencement of the authority. This has enabled progress on the practical arrangements necessary for the effective and efficient operation of the Combined Authority from its inception. This includes the design of streamlined supporting governance and officer arrangements. The Shadow Authority also considers the strategic transport and economic investment related issues that will form the core business of the new Combined Authority.

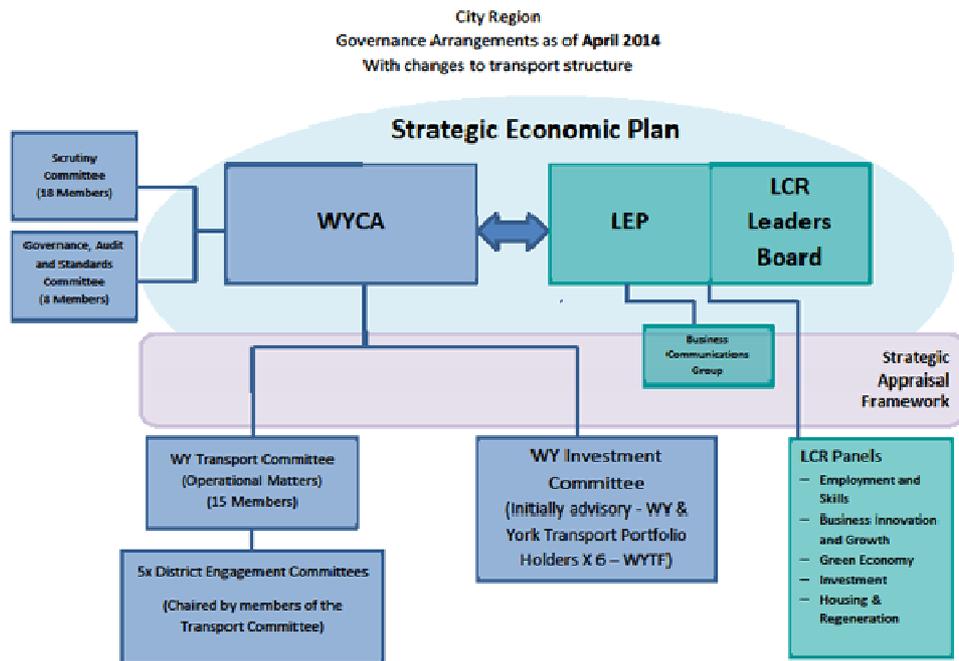
## **8. What would any new body be called?**

It would be for the consenting bodies in the Combined Authority area to set in place a name for the new body.

## **9. Who would be its members?**

The Combined Authority would be made up of members drawn from the constituent authorities in a given area. The role of leaders of local authorities is paramount but there would also be a role for relevant cabinet members and also for dedicated scrutiny. The Governance structure from the West Yorkshire Combined authority shown below are illustrative of the approach utilised there. The core membership is that the five constituent councils each appoint one of their elected members to the Combined Authority, with the remaining three members appointed by the constituent councils to reflect the political balance among the authorities. Additional members are however drawn from Local Enterprise Partnership (LEPS) and a link to York City Council because of the economic interdependency with the City.

## Example - West Yorkshire Combined Authority – Governance Structure



### 10. Would this mean merging local authorities?

No. A Combined Authority is not about re-organising local government boundaries. It is about the layering of functions across councils. There is no intention to merge or take-over local authorities to create a ‘super council’. Local authorities remain the best organisations to deliver the vast majority of services for their communities.

The focus will also be on devolving powers down from Welsh Government, not just about pooling them up from local authorities.

### 11. Wouldn't this recreate the old two tier system in Wales?

No, and that criticism would be rejected. The old pre 1996 District and County system in Wales entailed 37 districts providing services like housing, leisure, environmental health and others. Alternatively the 8 county councils ran social services, education, trading standards, registration and others. There were 45 separate organisations with their own councillors, chief executives, senior officers and constituent organisations. These councils were all directly elected and had their own large asset base in terms of civic buildings and properties. The links between the counties and districts were often fragmented because of this and the “two tier structure” was seen to be a key weakness of the old system leading to the 1996 reorganisation.

Combined authorities are different. They are organisations formed from the legal agreement of existing councils without the requirement for direct elections or new bureaucracies.

Taking an example, a combined authority might play a role in the strategic promotion of economic development. This could be done through the formation of a Strategic Economic Development Unit not requiring the current levels of senior officer leadership located in different authorities across a region. This in turn would assist in dealing with resilience issues and budget cuts. But at the same time there would be economic development functions that constituent authorities may wish to continue to deliver locally (industrial units, local business forums etc.). These are called “**Concurrent Functions**” and it would be for the constituent councils to determine the appropriate level of functions to take “up a level” or remain where currently located.

## **12. Would it result in more bureaucracy?**

No. Our contention is that a Combined Authority would result in decision-making on transport and economic investment simpler and more transparent with the added benefit of clearer lines of accountability. Governance arrangements across Wales have historically been complex and layered with fragmented roles and responsibilities that have reduced the capacity to be effective, and have delayed timely decision-making. This has been the major reason for the advancement of a City Region approach in Wales based on successful approaches in places such as Stuttgart, Vancouver and Cork-Limerick-Galway corridor.

By contrast, members of a Combined Authority could take decisions jointly in relation to the whole of their regional area without having to return to the individual councils to have these decisions ratified, based on a robust scheme of delegation where appropriate.

## **13. How would the Combined Authorities relate to the existing landscape of regional bodies?**

The answer is that it could provide a much clearer governance structure than is presently the case. Many regional arrangements have sprung up incrementally and their governance arrangements have been constructed in a piecemeal fashion. The Williams Report for example spoke of confused accountabilities and regional complexity. The combined authority model could bring greater order to this and clearer accountability to elected members

## **14. How would its work be scrutinised?**

Councils will want the activities of a Combined Authority to be transparent and open to scrutiny. In England there is general agreement that it would be most efficient to build such scrutiny into the governance arrangements for the Combined Authority (to avoid all constituent authorities having to take on this responsibility and duplicating their efforts).

## **15. Wouldn't it mean a loss of local autonomy and identity?**

Establishing a Combined Authority does not mean individual local authorities would have to give up powers. All functions related to economic growth and regeneration would be exercised by the Combined Authority on a concurrent basis with local

authorities. The core principle is that decisions would be taken at the most appropriate geographical level; only issues of genuine regional significance would involve the Combined Authority, for examples cross boundary transport and economic investment.

Equally, the Williams report envisages some regional arrangements continuing if there is a restructuring of local government to between 10 and 12 authorities. In short a local, regional and national approach to delivering services within local government is a fact of current delivery.

## **16. How would it be funded?**

In England, a Combined Authority's transport expenditure is funded through a levy from its constituent local authorities. Transport funding is paid for through council tax and the government grant that goes directly to councils. This is only one potential model as grant could be paid directly to the new Combined Authority by transferring funding out the general settlement and paying it directly.

Combined Authorities could potentially become the Welsh Government's preferred governance model for elements of future funding. As business rates and other taxes are currently being devolved there is no reason why additional tax base growth that is attributable to the achievements of the Combined Authority should not be retained. This creates a virtuous circle of economic growth and income and generation.

## **17. Won't this cost more?**

The constituent councils would need to be assured that the running costs of any Combined Authority should not cost more than the arrangements that it would replace. Although there could be some transitional costs, such as the cost of transferring staff and assets to the Combined Authority, integrating key functions into the Combined Authority would be expected to save money through better co-ordination and lower overheads.

In England, Constituent members do not receive remuneration from the Combined Authority other than the standard allowances for travel and subsistence. The independent remuneration panel might be commissioned to ensure that any allowances payable to supporting arrangements, including and oversight and scrutiny arrangements are proportionate.

## **18. Isn't this just Welsh Councils trying to avoid local government reorganisation?**

The WLGA as the representative body for Welsh Local Government has never received any proposals from its members suggesting that mergers of councils represents the way forward. Not one council gave evidence to the Williams Commission supporting the idea of restructuring as their first option. It is noticeable that those councils who are proposed to stand alone under the Williams proposals are not making a case to merge.

This is not about resistance to change it is about what is doing best for the interests of our communities and ensuring that a vibrant local democracy in Wales persists over forthcoming years. It is centres on councils recognising that “form follows function” and that Wales as a whole would benefit from a radical approach to the delivering of existing services as opposed to changing lines on the map.

In the next three years some £800 million will be cut from local government funding. A structural reorganisation in 2020 costing between £200 to £400 million with a contested payback period and massive disruption is a “sideshow” in comparison to the scale of this task.

On the national level there is no political agreement amongst the parties on a way forward although the First Minister has stated that the “status quo is not an option” and that a form of reorganisation is inevitable. As a result the WLGA has been tasked by leaders to present an alternative approach. The Combined authority approach is one with considerable pedigree in the English context and which has clear precedent in Wales. It is put forward for debate by the WLGA as a workable alternative to the Williams proposals. It is for authorities to determine whether it is a proposal worth pursuing.

WLGA - CLILC

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