



BRIEFING PAPER

Number 06649, 12 February 2016

Combined authorities

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Inside:

1. Combined authorities
2. Combined authority powers and structures
3. Combined authorities: boundary issues
4. Existing combined authorities



Contents

| | |
|---|-----------|
| Summary | 3 |
| 1. Combined authorities | 4 |
| 1.1 Background and purpose | 4 |
| 1.2 Procedure for establishment | 4 |
| 2. Combined authority powers and structures | 5 |
| 2.1 Functions under the 2009 Act | 5 |
| 2.2 Mayoral combined authorities | 5 |
| 2.3 Alternative governance arrangements | 6 |
| 2.4 Financial powers | 7 |
| 2.5 General Power of Competence | 7 |
| 3. Combined authorities: boundary issues | 9 |
| 4. Existing combined authorities | 11 |
| 4.1 Established combined authorities | 11 |
| 4.2 Proposed combined authorities | 12 |
| 4.3 Overview and scrutiny | 12 |
| Appendix: maps of combined authority areas | 13 |
| 4.4 Greater Manchester Combined Authority | 13 |
| 4.5 North-East Combined Authority | 14 |
| 4.6 West Yorkshire and Sheffield combined authorities | 15 |
| 4.7 Liverpool City combined authority | 16 |

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Summary

Combined authorities are a legal structure that may be set up by local authorities in England. They can be set up with or without a directly-elected mayor. The relevant legislation is the *Local Democracy, Economic Development and Construction Act 2009* and the [*Cities and Local Government Devolution Act 2016*](#).

Combined authorities may be set up by two or more local authorities. They may take on statutory functions transferred to them by an Order made by the Secretary of State, plus any functions that the constituent authorities agree to share.

The first combined authority to be established was the Greater Manchester Combined Authority, in 2011. Further combined authorities were established in the North-East, West Yorkshire, Sheffield and Liverpool in April 2014.

In 2014-16, the Government has negotiated 'devolution deals' with several areas. Each of the existing combined authorities has negotiated a deal. New mayoral combined authorities have been proposed in the Tees Valley, West Midlands, and (in draft form) the 'North Midlands' (Nottinghamshire and Derbyshire). Liverpool, Greater Manchester, Sheffield and the North-East will introduce a directly-elected mayor as part of their devolution deal.

Orders implementing the devolution deals are anticipated during 2016. Further details of this process can be found in the Library briefing paper [*Devolution to local government in England*](#).

1. Combined authorities

1.1 Background and purpose

A combined authority is a legal structure that may be established, via an Order issued by the Secretary of State, at the request of two or more local authorities. The combined authority's executive consists either of one representative of each member authority; or one representative of each member authority plus a directly-elected mayor (a 'mayoral combined authority').

The legislation on combined authorities can be found in sections 103-113 of the [Local Democracy, Economic Development and Construction Act 2009](#), which has been substantially amended by the [Cities and Local Government Devolution Act 2016](#). The power to set up a combined authority extends to England only (but not to London).

1.2 Procedure for establishment

There are multiple routes to establishing a combined authority.

Under the original procedure from the 2009 Act, a local authority or authorities may carry out a 'governance review', which must publish a 'scheme' recommending the creation of a combined authority. Publication of the scheme requires the consent of the local authority areas included in the scheme. The Secretary of State may then agree to create a combined authority, by Order under the 2009 Act.

Alternatively, via the 2016 Act, the Secretary of State may decide to establish a combined authority, if the councils in the relevant area consent. The Secretary of State must hold a public consultation, unless one has already been carried out locally and a 'scheme' has been published. The Secretary of State must be satisfied that the establishment of a combined authority is likely to "improve the exercise of statutory functions" in the area in question.¹

An existing combined authority may be changed into a mayoral combined authority via a further Order from the Secretary of State. All the member authorities must consent to this. However, the 2016 Act provides that any authorities that do not consent *must* be removed from the combined authority when the elected mayor is established.

¹ [Local Democracy, Economic Development and Construction Act 2009](#), s.110.

2. Combined authority powers and structures

2.1 Functions under the 2009 Act

The 2009 Act originally provided that a combined authority could only undertake functions related to economic development, regeneration, or transport, or other functions that its member authorities agreed to transfer upwards to it. The 2016 Act removes these limitations, and will permit the Secretary of State to transfer statutory functions or the functions of public bodies to combined authorities. This is to be done via an Order for each individual combined authority. The powers of the Secretary of State in this regard are wide, though the 2016 Act includes a number of qualifications with regard to the transfer of health service functions.

As well as statutory functions, the devolution deals agreed so far provide for the transfer of a number of Government-funded programmes to combined authorities. Where such programmes are not statutory, they will not be covered by the combined authority's Order, and can be transferred as soon as the Government and the relevant combined authority can agree on terms. In Greater Manchester, which was the first area to agree a devolution deal, many programmes have already been transferred. For further details of which powers have been transferred to which areas, see the Library briefing paper [Devolution to local government in England](#).

Combined authorities may also take on the functions of Economic Prosperity Boards. These are an alternative structure in the 2009 Act. One has been set up at the time of writing, in [Cheshire and Warrington](#); and one shadow board operates in Warwickshire.

2.2 Mayoral combined authorities

The 2016 Act permits a combined authority to establish a directly-elected mayor. This can be done by either a new or an already existing combined authority.

Of the five existing combined authorities, four (Greater Manchester, Sheffield, North-East and Liverpool) have agreed to establish a directly-elected mayor as part of their deal. The new combined authorities proposed for Tees Valley and West Midlands will also do so, making a total of six mayoral combined authorities. The draft 'North Midlands' deal also includes provision for an elected mayor. The mayors will be elected using the Supplementary Vote system, used for local authority mayors and the Mayor of London. The Government anticipates all seven mayoralities holding their first elections in 2017.

The mayor will chair, and be a member of, the combined authority. The mayor will be able to allocate 'Cabinet' portfolios to each of the combined authority members. The 'Cabinet' will be the existing executive board of the combined authority, made up of representatives

from the member local authorities.² They may receive expenses but may not be paid. The mayor will have no control over who these representatives are; thus an incoming mayor would only be able to reshuffle a 'cabinet', not change its personnel without their consent.

The mayor must appoint a deputy mayor, who must act if the mayor becomes incapacitated. A mayor who is also a Police and Crime Commissioner may also appoint a 'deputy PCC mayor', separate from the deputy mayor. This person will be able to take on most of the mayor's PCC functions.³ So far, only Greater Manchester (plus the draft 'North Midlands' agreement) has agreed to the elected mayor becoming the PCC.

The Order setting up the combined authority may confer functions solely on the mayor or on the combined authority. Subject to any limitations in the Order, the mayor may delegate functions to Cabinet members, committees, or officers of the combined authorities. Regulations may also be made permitting agreements with other authorities to exercise functions jointly, under section 101 of the *Local Government Act 1972*.⁴

Each devolution deal provides some outline details of scenarios when the combined authority membership may overrule the mayor. For instance, in each deal, the combined authority membership may reject the mayor's budget on a two-thirds majority. In some deals, the mayor's 'strategies' may also be amended on a two-thirds majority. These provisions can be anticipated in the Orders setting up the mayoral combined authorities.

2.3 Alternative governance arrangements

Local areas that do not wish to create a mayoralty have been invited to propose 'alternative governance arrangements'. This could involve a reduction in councillor numbers; a move to all-out elections (where councils currently elect in thirds); district council mergers; or the creation of unitary authorities.

Developments so far suggest that the elected mayoral model remains the Government's strong preference. The North Midlands deal, the first to be agreed with a two-tier local government area and covering two county council areas, includes an elected mayor. The Cornwall devolution deal said the following about Cornwall's governance arrangements:

Cornwall Council will take forward a council boundary review.
This boundary review is expected to reduce the number of local

² Though the leaders of the local authorities normally represent their councils on the combined authority, this is not mandatory: any councillor can do so. The members of combined authorities are the local authorities, not individuals.

³ The 2016 Act requires these matters to be included in the Order establishing a combined authority mayor who is also a PCC.

⁴ The 1972 Act contains a general power for local authorities to exercise functions on one another's behalf, commonly used in agreements between county and district authorities.

councillors and will be taken forward by the Boundary Commission. This review will commence in 2017.

...The Government recognises that Cornwall has further ambitions around devolution and decentralisation, for example on housing including low cost starter homes and planning. Government will have further discussions with Cornwall on these ambitions, which are set out in "The Case for Cornwall". However any future Devolution Deal will be predicated on strengthening of local governance, which would meet the Government's ambition for visible and accountable leadership that enables residents to understand who is taking local decisions.

2.4 Financial powers

Mayoral combined authorities will have a number of powers to raise small quantities of additional funding:

- Elected mayors will be able to raise a precept on constituent authorities' council tax bills, *providing that* the Order establishing them allows them to do so. Where the mayor is also the Police and Crime Commissioner and hence raises a precept in that capacity, the funds must be kept separate;
- Combined authorities (with or without mayors) may raise a levy on their members, for any of their functions. This constitutes a shift of funding between tiers rather than a means to introduce 'new money' into the system;
- A number of devolution deals include permitting local retention of 100% of business rate growth above an 'agreed baseline';⁵
- Elected mayors will have the power to raise an additional 2p in the pound on business rates, subject to the agreement of the Local Enterprise Partnership.
- Combined authorities will have the power to borrow money under the local government prudential borrowing regime, though the authority's Order must specify for what purposes the money may be borrowed.
- Many of the devolution deals provide combined authorities with an investment fund (£30 million per annum in most cases).

The powers and functions that are to be transferred to combined authorities are likely to come with existing funding streams, but this is not a statutory requirement. Future levels of funding for these activities will be dependent on Government decision-making.

There is no indication at the time of writing of the likely costs of the office of the directly-elected mayor, or the expanded staff capacity that combined authorities will require when their powers are transferred.

2.5 General Power of Competence

Section 10 of the 2016 Act permits the general power of competence for local authorities, introduced by the *Localism Act 2011*, to be applied to combined authorities via regulations. A limited version of the general power is available to combined authorities under the 2009 Act, but it can only be exercised in relation to economic development,

⁵ The Government has committed to pass 100% of business rates revenue to the local government sector by the end of the 2015-20 Parliament.

regeneration and transport (the functions available to combined authorities under the 2009 Act).⁶

⁶ [Local Democracy, Economic Development and Construction Act 2009](#), s113A, inserted by the Localism Act 2011.

3. Combined authorities: boundary issues

Combined authority boundaries may not cross those of district or unitary authorities. However, they can cross county council boundaries. This allows combined authority boundaries to reflect ‘functional economic areas’, meaning that they are not bound by traditional local government areas.

Combined authorities have close working relationships with Local Enterprise Partnerships (LEPs) in their areas. For instance, in West Yorkshire and the North-East, the Local Enterprise Partnership has two non-voting members of the combined authority. LEPs, being non-statutory, can cross county boundaries and are free to overlap. In some areas, LEP overlaps have developed into local disagreements over where combined authority boundaries should run.

Some district councils have sought to join combined authorities outside their county areas on this basis. The 2009 Act gave county councils a veto over district councils doing this. The 2016 Act removes this veto, providing that a county *or* a district may join a combined authority. It will also permit county council powers to be transferred to a combined authority in respect of a district area which is a combined authority member. A county cannot be prevented from joining by its district councils, and a district cannot be prevented by its county councils.⁷

Similarly, the 2009 Act prevented combined authorities including ‘exclaves’ i.e. areas detached from the main body of the authority. This prohibition has also been removed by the 2016 Act.

To avoid the prohibitions in the 2009 Act, some existing combined authorities have ‘associate members’ alongside their ‘full members’. Five district councils from Derbyshire and Nottinghamshire are currently ‘associate members’ of the Sheffield City Region, and York City Council (an enclave) is an associate member of the West Yorkshire combined authority. Although the associate members are acknowledged in the Orders setting these combined authorities up, the term ‘associate member’ has no legal status: it is not used in either the 2009 Act or the 2016 Act.⁸

Local authorities may not be members of more than one combined authority; but there would appear to be nothing preventing a local authority being a member of one and an ‘associate member’ of

⁷ However, where a district council wishes to leave a combined authority of which its county council is not a member, both the district and the county council must consent.

⁸ The provisions in the Act superseded a Legislative Reform Order developed in 2014-15: see DCLG, [Proposal to amend legislation relating to combined authorities and economic prosperity boards](#), 30 April 2014; DCLG, [Proposal to use a Legislative Reform Order in forming a combined authority or economic prosperity board](#), March 2015; and the draft [Legislative Reform \(Combined Authorities and Economic Prosperity Boards\) \(England\) Order 2015](#)

another. The Sheffield and West Yorkshire Orders specify that the associate members have no voting rights.

4. Existing combined authorities

At the time of writing, five combined authorities have been established, and a further three have been proposed. The Greater Manchester Combined Authority came into existence on 1 April 2011. Those in South Yorkshire, West Yorkshire and Merseyside came into existence on 1 April 2014, and that for the North-East on 8 April 2014.⁹

Three authorities have adopted shortened ‘brand names’, instead of their lengthy formal ones, for everyday communication.¹⁰

4.1 Established combined authorities

- The **Greater Manchester Combined Authority** (Manchester, Salford, Stockport, Tameside, Trafford, Wigan, Bolton, Bury, Rochdale, and Oldham).
- The **Sheffield City Region Combined Authority** (Sheffield, Doncaster, Rotherham and Barnsley, plus associate members: Bassetlaw, Chesterfield, Derbyshire Dales, North-East Derbyshire, Bolsover).
- The **West Yorkshire Combined Authority**, covering Leeds, Bradford, Calderdale, Kirklees and Wakefield. York City Council is an associate member;
- The **Liverpool City Region Combined Authority** (Liverpool, St Helens, Sefton, Knowsley, Wirral and Halton);
- The **North-East Combined Authority** (Northumberland, County Durham, Newcastle-upon-Tyne, Gateshead, Sunderland, North Tyneside and South Tyneside).

Each of these authorities, with the exception of West Yorkshire, has agreed to establish a directly-elected mayor under its devolution deal.

The Government passed an amending Order to create an eleventh member of the Greater Manchester Combined Authority (alongside the ten borough leaders) to be the ‘interim mayor’ in advance of the first mayoral election. Tony Lloyd, currently Greater Manchester Police and Crime Commissioner, was appointed to the post (by the existing members of the GMCA) on 29 May 2015. The interim mayor must be a councillor, MP, MEP or Police and Crime Commissioner in the Greater Manchester area.¹¹

⁹ See DCLG, [Summary of responses on consultations to proposals to establish the combined authorities](#), March 2014. The Order for the Greater Manchester combined authority was debated in the House of Lords: see [HLDeb 16 Mar 2011](#) cGC91. A single debate took place in the House of Commons on the other four Orders: see [HCDeb 18 Mar 2014](#) c702.

¹⁰ For background to this distinction, see [HCDeb 18 Mar 2014](#), c721-2. The Sheffield City Region Combined Authority is the ‘Barnsley, Doncaster, Rotherham and Sheffield Combined Authority’; the Liverpool City Region Combined Authority is the ‘Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral Combined Authority’; and the North-East Combined Authority is the formally the ‘Durham, Gateshead, Newcastle-upon-Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority’.

¹¹ See the [Greater Manchester Combined Authority \(Amendment\) Order 2015](#) (SI 2015/960).

4.2 Proposed combined authorities

- **West Midlands** (Birmingham, Dudley, Sandwell, Walsall, Wolverhampton, Coventry, Solihull; with Cannock Chase, Telford, Redditch, Tamworth, and Nuneaton and Bedworth as associate members);
- **Tees Valley** (Darlington, Middlesbrough, Hartlepool, Stockton-on-Tees, Redcar & Cleveland);
- **North Midlands** (Derbyshire, Nottinghamshire, Derby City, Nottingham City, High Peak, Derbyshire Dales, Amber Valley, Chesterfield, Bolsover, South Derbyshire, Erewash, North-East Derbyshire, Bassetlaw, Mansfield, Newark & Sherwood, Gedling, Ashfield, Broxtowe, and Rushcliffe).

The devolution deal in Cornwall does not require the creation of a combined authority. Cornwall Council, which is a unitary authority, will exercise the devolved powers.

The various plans for devolved plans, and health and social care pilots, in Greater London will not include the creation of combined authorities.

4.3 Overview and scrutiny

The 2016 Act requires each combined authority to set up at least one overview and scrutiny committee. The committee must publish a plan indicating how it will exercise its powers, and it will have the power to suspend decisions of the combined authority whilst it reviews them. It will be able to require members and officers of the authority to attend and answer questions. A majority of members of an overview and scrutiny committee must come from member authorities. Its members cannot hold executive positions in those authorities. The chair of the committee must come from a different political party from the combined authority mayor (or the combined authority's majority party, if there is no mayor).

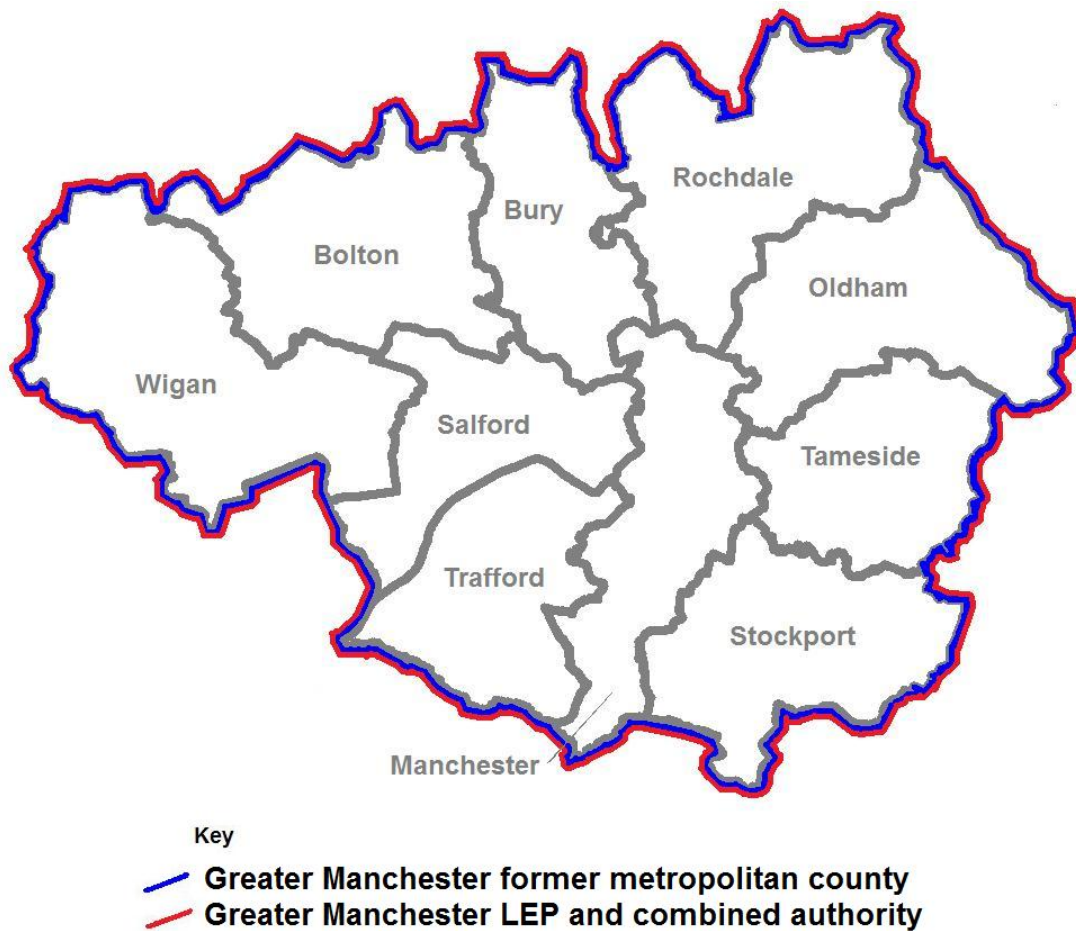
The 2009 Act did not require combined authorities to establish overview and scrutiny committees. Of the existing combined authorities Sheffield, West Yorkshire, Liverpool and the North-East are required to do so by their Order, but there is no such requirement in Greater Manchester's Order. The GMCA has established a '[scrutiny pool](#)', made up of three backbench members from each of the constituent local authorities.

There is no requirement in either Act for the overview and scrutiny committee to reflect political proportionality across the combined authority area – though combined authorities have done this so far. Brandon Lewis, then Minister for Local Government, stated during the debate on the 2014 Orders that "Good governance practice will mean that such committees will be politically balanced, enabling appropriate representation of councils' minority parties".¹²

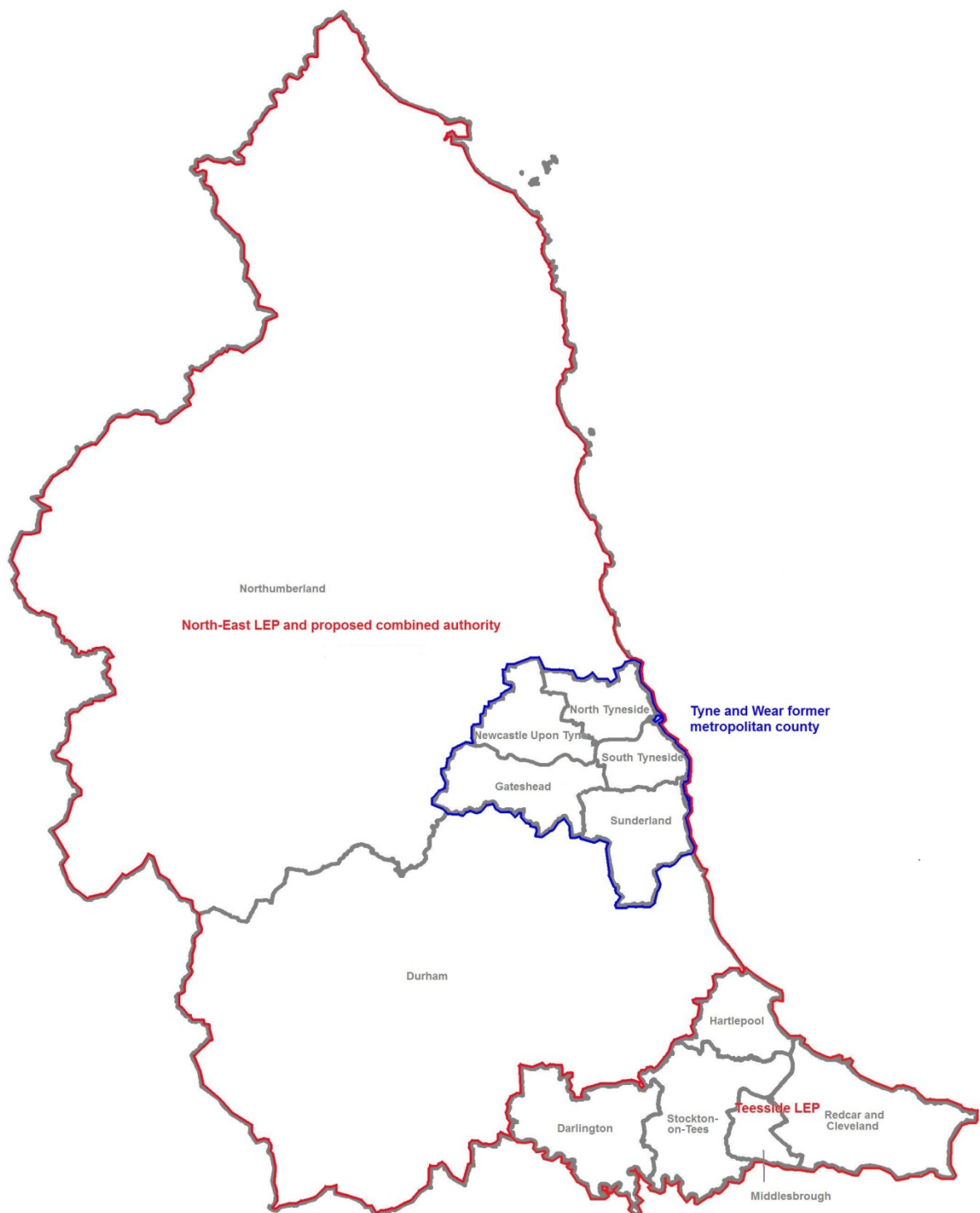
¹² [HCDeb 18 Mar 2014 c706](#). See also Brandon Lewis, [Combined authorities' governance and transparency](#), 4 April 2014.

Appendix: maps of combined authority areas

4.4 Greater Manchester Combined Authority



4.5 North-East Combined Authority



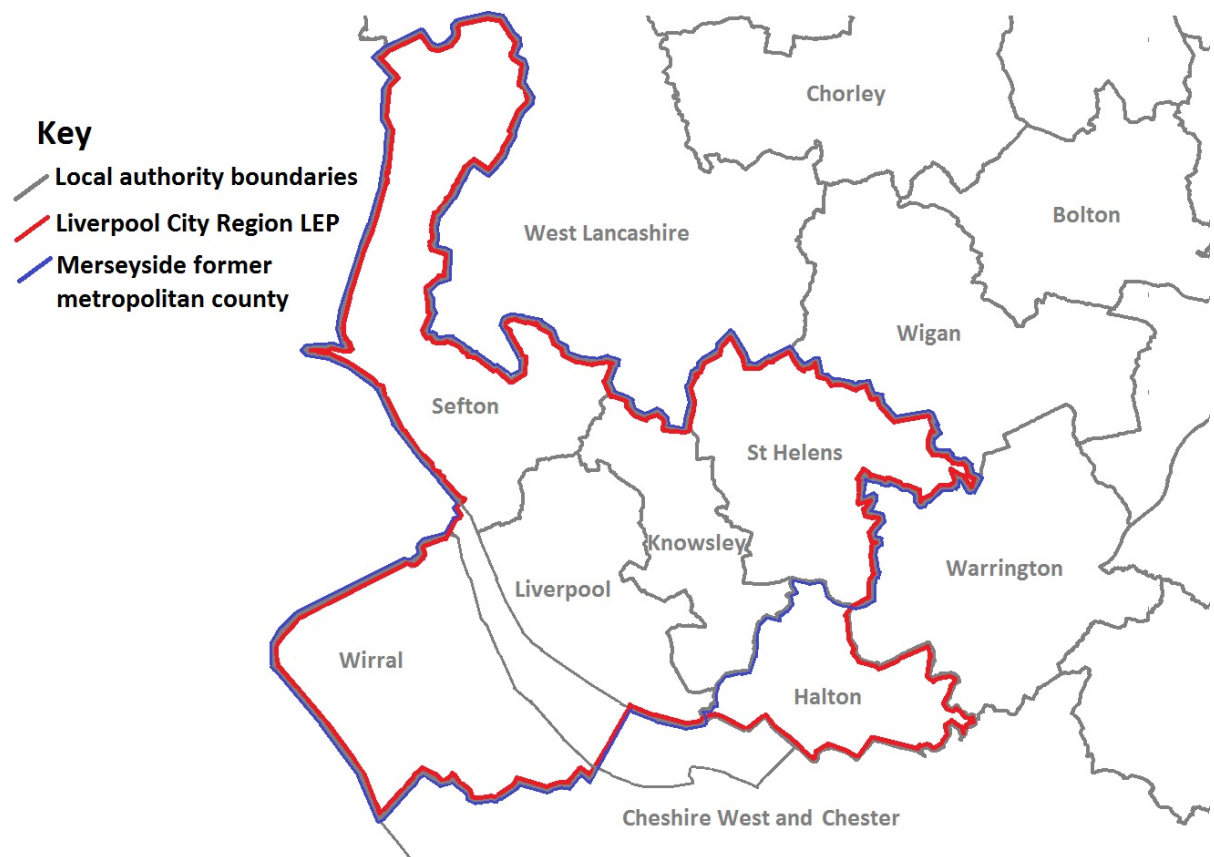
4.6 West Yorkshire and Sheffield combined authorities



Key

- | | |
|---------------------------------|-----------------|
| — County boundaries | 1 Rotherham |
| — Combined Authority boundaries | 2 Bolsover |
| — Local authority boundaries | 3 Chesterfield |
| — Leeds LEP | 4 NE Derbyshire |
| — Sheffield LEP | |

4.7 Liverpool City combined authority



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