



Society of Local Authority Chief Executives and Senior Managers (Solace) submission

Department for Communities and Local Government consultation: Proposal to amend legislation relating to combined authorities and economic prosperity boards June 2014

Introduction

Solace is the representative body for over 1200 Chief Executives and senior strategic managers working in the public sector in the UK. We are committed to promoting public sector excellence. We provide our members with opportunities for personal and professional development, and seek to influence debate around the future of public services to ensure that policy and legislation are informed by the experience and expertise of our members. Whilst the vast majority of Solace members work in local government we also have members in senior positions in health authorities, police and fire authorities and central government.

As the membership body of Chief Executives and senior managers in local government, we have a keen interest in the future sustainability of the health and care system. The Society has a particularly keen interest in health and social care integration and believes that only through radical reform will we secure a service for our communities that we can be proud of. We are also very interested in how we can promote more sustainable and resilient communities which are better able to assure the wellbeing of our residents without the need for statutory services.

Overview

Solace welcomes the opportunity to comment on the proposals to amend combine authority and economic prosperity board legislation.

Solace welcomes the Government's general intentions, and agrees with the vast majority of the questions posed on specifics of the legislative change. Many of the changes being proposed fit with our ethos of allowing greater freedom to local areas to manage, develop and grow their place by the means they best see fit, as the institution most familiar and knowledgeable of the area. We welcome the proposed measures to give greater flexibility to local authorities who look to go down this road as they will enable a greater diversity of combined authority (CA) and Economic Prosperity Board (EPB) arrangements to reflect local demands and circumstances.

Solace's response does however highlight a number of areas in need to clarification, as well as outlining opportunities to extend the usefulness of the proposed changes.



Responses to specific questions

Question 1: Do you agree with the proposal to enable councils with non-contiguous boundaries to form or join a combined authority or economic prosperity board?

a) What benefits, if any, do you see from making the change?

b) What risks, if any, do you see from the change and how can these be mitigated?

Solace agrees with this proposal. We can see the sense in allowing maximum flexibility to councils in enabling economic issues and opportunities to be addressed and creating additional options for designing combined authority arrangements locally. The benefits of making this change (Q a) should result in more effective and efficient governance and a greater ability to improve economic and social outcomes. We don't perceive any real risks of making this legislative change (Q b) with any situation of risk being judged by the Secretary of State in any event, in line with new Government proposals.

Clearly, stakeholders in this change and the Government would need to ensure that the proposed changes to any EPB or CA would represent a coherent and effective area which is deemed sensible to seek to govern in this way.

Question 2: Do you agree with the proposal to enable a county council to become a member of a combined authority or economic prosperity board with respect to a defined part of its area?

a) What benefits, if any, do you see from making the change?

b) What risks, if any, do you see from the change and how can these be mitigated?

Solace agrees with this proposal. Again it clearly makes sense to allow maximum flexibility to enable economic issues and opportunities to be addressed. Furthermore it will enable authorities to more easily develop a shared agenda across the CA or EPB, something particularly relevant for commuting areas and business connections across urban conurbations. The benefits of making this change (Q a) should result in more effective and efficient governance and a greater ability to improve economic and social outcomes. We don't perceive any real risks of making this legislative change (Q b) with any situation of risk being judged by the Secretary of State in any event, in line with new Government proposals.

However, it seems important to qualify this response somewhat. Relating to the role lower tier councils have, it is vital that in all cases they are required in the legislation to hold the constituent members of an EPB or CA, and therefore have the right to have membership of the governing board and of the overview and scrutiny arrangements.

Question 3: Do you agree with the proposal to enable a combined authority or economic prosperity board to deliver services on a patchwork basis?

a) What benefits, if any, do you see from making the change?

b) What risks, if any, do you see from the change and how can these be mitigated?

Solace agrees with this approach, again on similar grounds to the previous questions. We foresee this to be of particular use where boundaries do not precisely replicate those for transport planning,



but consistent plans across the functional economic area are desired. Whilst a patchwork approach may not always be ideal, (Q a) it allows for greater freedom and flexibility of service delivery, and may often be the most practical and cost-effective method of delivering services. Solace does not perceive any material risks (Q b) in making this legislative change, but as outlined in the further suggestions section, further clarity is needed on how this affects two-tier areas.

Question 4: Do you agree with the proposal to simplify the administrative processes involved in making changes to an existing combined authority or economic prosperity board?

a) What benefits, if any, do you see from making the change?

b) What risks, if any, do you see from the change and how can these be mitigated?

Solace agrees with this proposal. Removing unnecessary process in adjusting existing set-ups is key to maximising the efficiency saving that can be gained from any legislative change. Solace would particularly like to see consolidation of the proceeds to reduce the number of times consultation needs to be carried out. We see the benefits of this proposal to be (Q a) a swifter and less costly and ultimately more streamlined process to achieve the desired boundary changes. (Q b) Given that consultation would still be extensive in making this change, Solace does not see any material risks arising.

Further changes are outlined in question 6.

Question 5: Do you agree with this proposal to change legislation?

(NB. This relates to placing the requirement for a politically-balanced overview and scrutiny committee or committees for each EPB or CA on a statutory basis.)

Solace agrees with this proposed change and would hold no objection to legal requirements being put in place. Scrutiny and debate is an important part of effective governance, and the requirement for political balance as taken across the member local authorities is a useful democratic safeguard.

Question 6: Do you have any further changes that you would like to see made to combined authority and economic prosperity board legislation, in particular to ensure that current policy as described in this document can be given full effect? If yes, please explain what these are and why you think they are necessary.

As Solace have outlined throughout this response, we very much welcome the proposals and the Government's general direction of travel through these questions. We would suggest however that in a number of areas further and more extensive changes would better or more fully capture the expressed policy goals, as well as in pursuing the wider localism agenda. With increasing importance is ensuring best value for money in the delivery of public services, Solace have outlined a number of further changes/recommendations below:

General comment on risks

6.1 Solace recommends that in all reasonable cases local authorities should be free to establish EPB and CAs (and indeed ITAs) through their own action, without requiring the Secretary of State to make an order. It should be made possible for this to be done locally where there are no serious objections to a proposal to establish an EPB, CA or ITA. As a safeguard, if an objection was maintained by a local authority which would either be surrounded by or would separate two parts of the proposed area (i.e. the two abolished prohibitions), or a LEP whose area (in whole or part) was affected, then the matter could be referred to the Secretary of State for a decision. This would therefore be similar to the arrangement for compulsory purchase orders with or without statutory objections as we currently see.

6.2 Solace recommends that greater clarity is achieved over the ability of District Councils to be able to be part of two separate EPBs. Where LEP and City Deal boundaries overlap and exclude certain areas, it would be sensible for District Councils to be able to be set up in whichever combination of EPBs fit in with current governance. An example can be seen in the Warwick and Coventry sub-region, where a District Council has a LEP in Coventry and Warwickshire and a City Deal that includes Hinckley and Bosworth in Leicestershire. The City Deal has seen a Joint Committee set-up with a view to migrating to an EPB, but the current rules prevent Hinckley being part of it where it clearly makes sense for them to be part of the set up. In this case the proposed consultation clearly would allow Leicestershire as a County to join but is perhaps ambiguous about Hinckley as a District to participate.

6.3 Solace recommends that combining authorities should not stop at policy and services for transport and economic development, but to be expanded to allow combining wherever this makes sense locally. This could then support integrated approaches and generate efficiencies of scope and scale, thereby increasing value for money. Examples of areas for additional functions to be included within the legislatively permitted scope are (i) fire and rescue; (ii) any of the possible functions of a joint waste authority; (iii) any of the functions of a police and crime commissioner (in which case the affected PCC would be an ex officio member of the combined authority) and/or of the police and crime panel (a function perhaps undertaken by the CA's overview and scrutiny committee in some cases).

6.4 Solace recommends that it should continue to be possible to delegate any functions of a Minister to an EPB or CA. It should also become possible for an EPB, ITA or CA to be designated as the operator of the Strategic Road Network (SRN) in its area – thus ensuring integration of strategic road considerations with promotion of economic growth. The forthcoming legislation on the SRN should allow for this option, even if at this time the Government intends to press ahead with one central company to run the entire SRN.

6.5 Allied to the points above, as far as possible the internal arrangement of a CA should not be required to duplicate the separate arrangements for the bodies which would otherwise have carried out the functions. This is a legal requirement, in part, currently and is likely to inhibit, to a degree, efficiency and effectiveness of CAs.

6.6 There is a potentially valuable role for EPBs, and thus for CAs, in the area of planning. This is not to suggest re-creation of either regional planning or structure plans, or indeed any form of



statutory land-use plan at EPB/CA level. However, an EPB/CA could perform a valuable role in certifying that the duty to co-operate had been met in plan-making at each key stage. This would help ensure the duty to co-operate was working effectively long before a proposed local plan reached examination, and remove a significant element of risk for local authorities when late in the day issues can be raised around the duty. For this to be effective, the certificate from an EPB/CA that the duty had been met would need to be legally conclusive (on the matters it covered).

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