



John Hewitt, Chief Executive

Councillor Amanda Hopgood, Leader of the Council

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To recommend that the Chief Executive confirms to the Secretary of State for Levelling Up, Housing and Communities (“the Secretary of State”) the Council’s consent to the making of the statutory order to (a) abolish the existing combined authorities in the region (namely NECA and NTCA) and (b) establish a new mayoral combined authority for the region, to be known as the North East Mayoral Combined Authority (NEMCA).

Executive summary

- 2 On 28 December 2022 HM Government announced a “minded to” devolution deal with the seven councils across the North East (ie Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland).
- 3 To implement the deal, it will be necessary to establish a new mayoral combined authority which covers the area of the seven councils and replaces the two existing combined authorities in the region, ie NECA (which includes the areas of Durham, Gateshead, South Tyneside and Sunderland) and NTCA (which includes the areas of Newcastle, North Tyneside and Northumberland). This will require a statutory order to be made by the Secretary of State under the Local Democracy Economic Development and Construction Act 2009 (“the 2009 Act”). The Secretary of State must be satisfied that the relevant statutory criteria in the 2009 Act are met before making the statutory order. Furthermore, the Secretary of State can only make the order if the seven councils (as well as NECA and NTCA, including its Mayor) consent to the order.
- 4 At its meeting on 1 November 2023, Cabinet considered a report on the statutory process to implement these changes and the public consultation which had been carried out in respect of these changes. As set out in that report, the Secretary of State had confirmed that he

was satisfied that the relevant statutory criteria under the 2009 Act had been met. He had also prepared a draft of the necessary statutory order to (a) abolish NECA and NTCA, and (b) establish NEMCA.

- 5 The report to Cabinet on 1 November 2023 included a summary of the draft order and noted that, whilst the order was still in draft and subject to finalisation by DLUHC officials, the content of the order reflected what was agreed in the “minded to” devolution deal and the scheme which was published by the seven councils as part of the public consultation documents. Therefore, Cabinet agreed to confirm that the Council consented in principle to the making of the order and authorised the Chief Executive, in consultation with the Leader of Council, to issue the Council’s formal consent to the final order when requested to do by the Secretary of State.

Recommendation(s)

- 6 The Chief Executive is recommended to confirm to the Secretary of State the Council’s consent to the making of the statutory order to (a) abolish NECT and NTCA and (b) establish NEMCA.

Background

- 7 In January 2023, the Cabinet considered the outcome of a governance review regarding proposals to:
 - a) Abolish the two existing Combined Authorities (NECA and NTCA)
 - b) Create a new mayoral combined authority which covers all 7 North East Councils which will be called the North East Combined Authority (NEMCA).
 - c) Abolish the Joint Transport Committee as NEMCA would be responsible for the exercise of transport functions across the region in future.

- 8 Cabinet concluded on the basis of the governance review that the proposals were likely to improve the exercise of statutory functions in accordance with section 108 and 111 of the Local Democracy Economic Development and Construction Act 2009. It therefore agreed to progress with the next stage of the statutory process to publish a scheme relating to the proposals and conduct a public consultation exercise.

- 8 The public consultation began on 26 January 2023 and closed on 23 March 2023. A report on the consultation process was considered by Cabinet at its meeting on 31 May 2023. As set out in that report, the public consultation was considered to be extensive, and overall the responses to the consultation were supportive. On this basis, Cabinet was satisfied that the consultation had been sufficient for the purposes of the legislation and that the statutory criteria above had been met. Cabinet therefore agreed to submit to the Secretary of State a summary of consultation responses together with a formal request that the Secretary of State make the necessary statutory order to abolish NECA and NTCA and establish the new mayoral combined authority, NEMCA. 10 Similar decisions were made by the other councils in the area and so on 23 June 2023 all 7 councils jointly submitted the consultation summary and formal request to the Secretary of State to make the order.

- 9 On 1 November 2023, Cabinet met to consider an overview of the draft Order required to establish the new mayoral combined authority. Cabinet considered that the content reflected what was agreed in the “minded to” devolution deal and the scheme which was published by the seven councils as part of the public consultation documents. Therefore, Cabinet agreed to confirm that the Council consented in principle to the making of the order and authorised the Chief Executive, in consultation with the Leader of Council, to issue the Council’s formal consent to the final order when requested to do by the Secretary of State.

- 10 Since the report to Cabinet on 2 November, further discussions have taken place with DLUHC officials and the terms of the proposed order have been finalised. Officers are satisfied that the final order reflects what was agreed in the “minded to” devolution deal and the scheme which was published by the seven councils as part of the public consultation. The Secretary of State has written to the councils and the existing combined authorities requesting their formal consent to the making of the order. The draft order remains confidential until it is laid in Parliament but its content is consistent with the previously agreed scheme.
- 11 Consent to the making of the order is required so that it can be laid before Parliament in January and made (i.e. take effect) in March 2024. This will allow for the mayoral election to be held in May 2024 and NEMCA to come into existence on 7 May 2024. It is therefore recommended that the Chief Executive writes to the Secretary of State to confirm the Council’s consent.

Background papers

None

Other useful documents

None

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Appendix 1: Implications

Legal Implications

The establishment of a combined authority is governed by the Local Democracy Economic Development and Construction Act 2009. The minded to deal, consultation and process followed to date is consistent with the provisions of the Act.

Finance

Implementing the devolution deal would enable the region to access over £4bn of funding over a 30 year deal cycle, together with new powers to better shape local skills provisions to ensure these meet the needs of the local economy. This would include devolution of adult education functions and the core adult education budget, as well as input into the new local skills improvement plans. Over time the region would also expect to benefit from access to additional funding streams reserved for mayoral combined authorities. Detailed discussions will be progressed with the existing combined authorities and the other councils regarding the financial arrangements associated with the transition to the new arrangements.

Consultation

In accordance with the delegated authority provided by Cabinet on 1 November 2023, the Leader of the Council has been consulted in relation to the recommendations in the report. She is supportive of the Chief Executive providing consent to the Secretary of State to the making of the order.

Equality and Diversity / Public Sector Equality Duty

In developing these proposals, the councils have taken account of their obligations under section 149 of the Equality Act 2010 (i.e. the public sector equality duty). It is not expected that the proposals described in this report will have any adverse impacts on people with protected characteristics. Indeed, the aim of promoting inclusive growth within the region is expected to boost the efforts of the councils to advance equality of opportunity and foster good relations between different groups.

Climate Change

The green agenda is a critical element of the minded to devolution deal and therefore the governance changes proposed in this report, if implemented, would help to deliver those initiatives identified in the minded to deal

Human Rights

None

Crime and Disorder

None

Staffing

There are no staffing implications impacting on Durham County Council arising out of this report. However, a new Mayoral Combined Authority would require some staffing resource to deliver on the functions devolved to it, but all such costs would be borne by the MCA.

Accommodation

There are no implications impacting on Durham County Council arising from this report.

Risk

As reported to Cabinet in January, it is considered that failure to establish the mayoral combined authority would risk the region falling behind other major city regions such as Greater Manchester, Liverpool City Region and Tees Valley, which have received new powers and funding. It is a matter for the Secretary of State to decide whether to make the necessary statutory order but, for the reasons set out above, it is considered that the evidence demonstrates that the relevant statutory criteria have been met.

Procurement

None