

Cabinet

23 March 2016



**North East Combined Authority:
Devolution Agreement.**

Key Decision: CORP/R/16/01

**Report of the Corporate Management Team
Report of Terry Collins, Chief Executive
Councillor Simon Henig, the Leader of the Council**

Purpose of the Report

1. To invite cabinet to consider whether to consent to the proposed Devolution Agreement including the provision of an Elected Mayor for the North East Combined Authority.

Background

2. Durham County Council is a constituent Council of the North East Combined Authority (NECA) that was established in 2014.
3. It has responsibility for strategic transport for all seven local authorities. Members of this council have been appointed to various key roles within the combined authority with Councillor Simon Henig (Leader of this Council) chairing the NECA and together with the five other Leaders and Mayor for North Tyneside form its central leadership board.
4. Following the 2015 General Election, the Chancellor of the Exchequer announced the availability of devolved powers to combined authorities. The Leadership Board of NECA negotiated and signed a proposed agreement on 23 October 2015, subject to a number of conditions:
 - The outcome of the Spending Review on 25 November; including fair funding
 - The legislative process
 - Further public consultation;
 - Formal endorsement by the Leadership Board and Ministers early in 2016/17

A condition for devolved powers is that NECA will become a Mayoral Authority.

5. More detail on how these conditions have been met will be dealt with further in a report which will be circulated to cabinet by its meeting on the 23^r March 2016.
6. On the 24th February, Council considered a report of the Leader which contained more details on the proposed mayoral authority and advised on the analysis of the responses to the Poll of the electorate of County Durham. It also provided an update on the legislative position, financial issues and highlighted the continuing key issues for County Durham and recommended that Council:
 - a) note the information on the proposed deal provided in the report
 - b) note the conditions on which the proposed deal is to be decided namely:
 - The outcome of the spending review on 25 November 2015;
 - The legislative process
 - Further public consultations (which for Durham includes the results of the poll of all electors)
 - Agreement by constituent councils
 - Formal endorsement by the Leadership Board and Ministers.
 - c) note the update on the degree to which these have been met, namely
 - That negotiations on funding to the North East are continuing following the outcome of the settlement of 16/17
 - Consultation outcomes, including those of the poll support the devolution of funding and resources to the North East but are cautious as to the degree to which devolution should go beyond the current proposed deal and would wish to see a mayor with more limited powers;
 - That the legislation to enable devolution through mayoral combined authorities has received Royal Assent and that further detail is under development;
 - That each constituent council will consider the proposed deal, making decisions through cabinets;
 - The Leadership Board will make a final decision when the position of all constituent councils is known.

d) Note and confirms that the following Durham specific conditions have been accommodated within the combined authority development and proposed devolution deal to date and must continue to be so in the final decision making

- There will be no change to the transport levy in a way as to disadvantage Durham;
- Integrated transport arrangements will not mean more cost or disadvantage to Durham;
- That absorption of the role of the Durham PCC is currently not part of the devolution deal and that any future devolution will not be to the detriment of Durham's police and fire services;
- That any future interpretation of health and social care takes account of the significantly different patient flows in County Durham and is not to the detriment of health services.

7. When the report was presented to Council it was against a backdrop of continuing negotiations with the Government and a need, acknowledged by the members to have more information before Cabinet could consider whether to agree to the proposed Devolution Agreement including the provision of an Elected Mayor for the North East Combined Authority. At the point where the agenda for this meeting is circulated, the negotiations are continuing.
8. A Report will therefore be circulated to Cabinet members by the meeting.

Background Papers

Report to the Council "North East Combined Authority: Devolution Deal" Dated 9 December 2015

Report to the Cabinet "North East Combined Authority Devolution Deal" Dated 10 February 2016

Report to the Council "North East combined Authority: Devolution Deal and Poll Result. Dated 24 February 2016

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Appendix 1: Implications

Finance – None Specific in this report.

Staffing –. None specific in this report.

Risk – None specific in this report.

Equality and Diversity / Public Sector Equality Duty- None specific in this report.

Accommodation – None specific with this report.

Crime and Disorder - None specific with this report.

Human Rights – None specific with this report.

Consultation –. None specific with this report.

Procurement – None specific in this report.

Legal Implications - None specific with this report