

Local Government Association (LGA) Cities and Local Government Devolution Bill, Report Stage, House of Commons Monday 7 December 2015



Key messages

- The Cities and Local Government Devolution Bill is a positive step as it stands to give areas the range of powers they need to create jobs, build homes, strengthen healthy communities and protect the vulnerable. The LGA supports the broadly enabling approach the Government has taken with the Bill, whose passage is critical to enabling local leaders to start delivering on the devolution deals that can unlock growth and improve public services in their areas.
- Amendments 7, 8, and 27, amongst others (please see background), give the Secretary of State discretion to determine the composition of local governance arrangements and remove functions from local authorities without local consent. **We urge the Government to clarify the exceptional circumstances under which these powers could be used and provide assurances that there would be adequate safeguards to protect the viability of all affected authorities.**
- Integrating social care and health and taking decisions closer to where people live is crucial to improving services, keeping older living in their homes for longer and closing health inequalities gaps. **It is concerning that amendment 34 enables the Government to take back devolved health service functions without local authority consent. We support amendment 60 which would ensure that there is independent oversight** providing due consideration of the impacts on residents if the Government seeks to use this power.
- **The LGA is calling for a convention to debate and agree a constitutional settlement for England, Scotland, Wales and Northern Ireland. As such, we support new clauses 1 to 4.** The convention's remit should include devolution of responsibility for public services and fiscal powers to local government.

Background

The Cities and Local Government Devolution Bill is a positive step in delivering devolution. The legislation is broadly of an enabling and permissive nature, an approach the LGA has called for so that legislation does not have to repeatedly catch up to developments on the ground. It also responds positively to proposals we set out to give combined authorities greater ability to drive economic growth and public service reform in their areas, including lifting restrictions on who can form a combined authority and expanding their functional scope.

The legislation will not by itself deliver devolution. It is critical that the Government continue to work with the places that have submitted bids to deliver ambitious devolution deals across the country, with accelerated progress in non-metropolitan areas. In September 34 devolution bids were submitted. So far five

Briefing

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deals have been agreed (Sheffield City Region, North East Combined Authority, Tees Valley, West Midlands Combined Authority and Liverpool City Region) in addition to the deals agreed with Greater Manchester and Cornwall earlier.ⁱ

No 'one-size-fits-all' model of governance

The LGA welcomes the enabling approach the Government has taken with the Bill, which allows each area to determine a devolution deal to meet the need of their local area. However, the same flexibility is needed for areas to be able to change their governance structures as those needs change. This should include changes the composition of a combined authority and changes the governance model.

Historically a top-down approach has not worked. People should be free to choose the appropriate model of governance for their community. We recognise that the Bill itself does not make mayors mandatory. The LGA urges the Government to continue to work with areas through their negotiations to develop other strong models of governance that are appropriate to local circumstances. The LGA's report, *English Devolution: local solutions for a successful nation*,ⁱⁱ sets out principles for strong governance and a number of models that could achieve this.

Removal of non-consenting councils (Amendments 7, 8, 13, 15, 18, 19, 20, 26 and 54)

These amendments are extensions to provisions in the Bill as it was introduced, which enabled the Secretary of State to provide for an elected mayor for the area of a combined authority even if one of the constituent councils did not consent and to remove that non-consenting council from the combined authority. These amendments now enable the Secretary of State to have these powers over more than one non-consenting council.

We recognise that there may be a limited set of circumstances in which the benefits for residents of using of such powers could outweigh the risks. However, we strongly urge for there to be a presumption in favour of voluntary, consensual governance arrangements, with such powers used on an exceptional basis only. We would also encourage the Government to be clear and transparent about the criteria it would apply when seeking to draw on these powers. If these powers are used, the Government must make adequate provision for the future viability of all affected authorities.

Submission of combined authority proposals without consent of all councils (Amendments 9, 27, 28, 29, 52 and 53)

Amendment 27 would provide powers for the Secretary of State to be able to allow districts and counties to join or form a combined authority without the consent of the other; to impose a combined authority in an area even if not all of the partners consent; and Secretary of State to transfer powers from county or districts councils without the consent of those councils.

As above, we recognise that there may be a limited set of circumstances in which the benefits for residents of using of such powers could outweigh the risks.

We would ask the Secretary of State to set out appropriate safeguards and transparency around the conditions under which these provisions could be used.

Given that the formation of governance arrangements can impact authorities and areas that fall outside of those arrangements, that impact need to be given full consideration as specific schemes go through the statutory process. We would strongly expect such powers to be used without the consent of all affected parties on an exceptional basis only. Where such powers are used, adequate safeguards must be built into schemes to protect the viability of authorities outside the proposed arrangements, particularly those from whom powers are transferred.

Removal of the requirement for local authority consent to revocation of devolved health service functions (Amendment 34)

Integrating social care and health and taking decisions closer to where people live are crucial to improving services, keeping older living in their homes for longer and closing health inequalities gaps. It is encouraging that health and social care have increasingly come into the scope of devolution discussions between local partners and central government.

Amendment 34 is a backward step, enabling the Government to take back devolved health service functions without local authority consent. As currently drafted, the provision is far too sweeping with no clarity or specificity on the conditions that would have to be met for this power to be used. We support amendment 60 which would ensure that there is independent oversight providing due consideration of impacts on residents if the Government seeks to use this power.

Constitutional Convention (New Clauses 1 to 4)

The LGA is calling for a convention to debate and agree a constitutional settlement for England, Scotland, Wales and Northern Ireland. The convention's remit should include devolution of responsibility for public services and fiscal powers to local government. We see no reason why this should delay the Cities and Local Government Devolution Bill, the Scotland Bill or the Wales Bill.

ⁱ For further information please see the LGA's devolution hub at: www.local.gov.uk

ⁱⁱ To access the report please visit: <http://www.local.gov.uk/documents/10180/6917361/L15-178+DevoNext+devolution+publication/7e036308-6ebc-4f20-8d26-d6e2cd7f6eb2>